Ajinomoto Co., Inc.

Consolidated Interim Results

First Half of
Fiscal Year Ending March 31, 2006

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)

For the interim period ended September 30, 2005

Ajinomoto Co., Inc. **November 11, 2005**

Stock Code:	2802	Listed exchanges:	Tokyo, Osaka, Fukuoka, Sapporo
http://www.ajinomoto.com/		Inquiries:	General Manager
President: Norio Yamaguchi			Finance Department
Date of the meeting of the board of directors:	November 11, 2005		Hiromichi Ono
U.S. GAAP Accounting Principles:	Not adopted	Telephone:	813 5250-8161

1. Consolidated Financial Results for the Six Months Ended September 30, 2005

1) Consolidated Operating Results

Millions of yen

	Interim period ended September 30, 2005		Interim period ended September 30, 2004		FY ended March 31, 2005
		Change %		Change %	
Net sales	542,358	(0.6)	545,633	5.7	1,073,010
Operating income	21,760	(39.9)	36,215	31.5	70,916
Ordinary income	22,863	(39.3)	37,647	30.5	72,199
Net income	12,915	(41.5)	22,073	80.4	44,817
Net income per share (¥)	19.95	--	¥34.05	--	¥68.79
Fully diluted earnings per share (¥)	--	--	--	--	--

Notes: (1) Gain from investments in subsidiaries and affiliates accounted for by the equity method:

Interim period ended September 30, 2005: ¥2,504 million; Interim period ended September 30, 2004: ¥1,411 million; FY ended March 31, 2005: ¥3,263 million

(2) Average number of shares outstanding (consolidated) during the period:

Interim period ended September 30, 2005: 648,088,729 shares; Interim period ended September 30, 2004: 648,399,063 shares; FY ended March 31, 2005: 648,319,989 shares

(3) Changes to accounting principles: Yes

(4) Percentages for interim net sales, operating income, ordinary income and net income represent changes from the previous interim period.

2) Financial Position

Millions of yen

	As of September 30, 2005	As of September 30, 2004	As of March 31, 2005
Total assets	909,190	890,235	903,542
Shareholders' equity	492,281	447,663	467,297
Equity ratio (%)	54.1%	50.3%	51.7%
Shareholders' equity per share (¥)	¥759.68	¥690.49	¥720.64

Note: (1) Outstanding shares (consolidated) at:

September 30, 2005: 648,030,012 shares; September 30, 2004: 648,341,484 shares; March 31, 2005: 648,146,670 shares

3) Cash Flows

Millions of yen

	Interim period ended September 30, 2005	Interim period ended September 30, 2004	FY ended March 31, 2004
Net cash provided by operating activities	13,411	39,241	82,895
Net cash used in investing activities	(24,657)	(25,603)	(33,692)
Net cash used in financing activities	(14,747)	(8,682)	(27,486)
Cash and cash equivalents at end of period	68,181	75,739	92,980

4) 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

5) Changes in the scope of consolidation and companies accounted for by the equity method

Consolidated subsidiaries	Newly included:	4	Excluded:	1
Companies accounted for by the equity method	Newly included:	0	Excluded:	1

2. Forecast for the Fiscal Year Ending March 31, 2006

Millions of yen

	FY ending March 31, 2006
Net Sales	1,100,000
Ordinary Income	61,000
Net Income	36,000

(Note) Net income per share expected for the Interim period ending March 31, 2006 (consolidated): ¥55.23

This forecast contains forward-looking statements that are based on managements' estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. For more information, please refer to the financial year results on page 16.

1. Current State of the Ajinomoto Group

The Ajinomoto Group ("Ajinomoto" or the "Group") is made up of Ajinomoto Co., Inc. (the Company), along with 144 subsidiaries and 25 affiliates. The Group is engaged in manufacturing and marketing of seasonings and processed foods, frozen foods, edible oils, beverages, dairy products, feed-use amino acids, amino acids for pharmaceuticals and foods, sweeteners, pharmaceutical fine chemicals, specialty chemicals, pharmaceuticals, medical foods, and other businesses.

A breakdown of businesses of the Ajinomoto Group can be found in the following chart.
(◊ Represents companies accounted for by the equity method)

Business	Product	Main Companies
Domestic Food Products	Seasonings and Processed Foods	Knorr Foods Co., Ltd., Ajinomoto Packaging Co., Inc., AJINOMOTO BAKERY PRODUCT CO., LTD., ◊ GABAN Co. Ltd.,[1] Hokkaido Ajinomoto Co., Inc., Okinawa Ajinomoto Co., Inc.
	Frozen Foods	Ajinomoto Frozen Foods Co., Inc., Komec Co., Ltd., Ajinomoto Frozen Foods (Thailand) Co., Ltd.
	Edible Oils	◊ J-OIL MILLS, INC.
	Beverages, Dairy Products	◊ Calpis Co., Ltd.,[1] ◊ Ajinomoto General Foods, Inc., ◊ Calpis Ajinomoto Danone Co., Ltd.
Overseas Food Products	Seasonings and Processed Foods	Ajinomoto Co., (Thailand) Ltd., PT Ajinomoto Indonesia, ◊ Nissin-Ajinomoto Alimentos Ltda., AJINOMOTO PHILIPPINES CORPORATION, Ajinomoto Calpis Beverage (Thailand) Co., Ltd., Ajinomoto Vietnam Co., Ltd., Ajinomoto Sales (Thailand) Ltd., Ajinomoto Co., (China) Ltd.
Amino Acids	Umami Seasonings for Processed Food Manufacturers	Ajinomoto Interamericana Industria e Comercio Ltda., AJINOMOTO FOODS EUROPE S.A.S., PT Ajinex International, Ajinomoto Trading, Inc., AJINOMOTO FOODS DEUTSCHLAND GMBH
	Feed-Use Amino Acids	AJINOMOTO EUROLYSINE S.A.S., Ajinomoto Biolatina Industria e Comercio Ltda., Ajinomoto Heartland LLC
	Amino Acids for Pharmaceuticals and Foods	AJINOMOTO HEALTHY SUPPLY, INC.,[2] Ajinomoto AminoScience LLC, Shanghai Ajinomoto Amino Acid Co., Ltd.
	Sweeteners	Ajinomoto Euro-Aspartame S.A.S., Ajinomoto Switzerland AG
	Pharmaceutical Fine Chemicals	S.A. Ajinomoto OmniChem N.V.
	Specialty Chemicals	Ajinomoto Fine-Techno Co., Ltd., JINO Co., Ltd., Taiso Commerce Inc.
Pharmaceuticals	Pharmaceuticals, Medical Foods	Ajinomoto Medica Co. Ltd.,[3] Ajinomoto Pharma Co. Ltd.
Other	Packaging Materials	Fuji Ace Co., Ltd.
	Distribution	AJINOMOTO LOGISTICS CORPORATION
	Service, others	Ajinomoto Engineering Corporation, Ajinomoto Communications, Inc., Ajinomoto System Techno Corporation, Ajinomoto-Genetika Research Institute

Notes:

1. Companies within the Group that are listed on securities exchanges within Japan are:
   First section of the Tokyo and Osaka exchanges: J-OIL MILLS, INC., Calpis Co., Ltd.
   JASDAQ: GABAN Co. Ltd.
2. In April 2005, Ajinomoto Takara Corporation Inc., changed its name to AJINOMOTO HEALTHY SUPPLY, INC.
3. In April 2005, Shimizu Pharmaceuticals Co., Ltd. changed its name to Ajinomoto Medica Co. Ltd.

2. Management Policy

1. Basic Management Policy

In 1909 we began selling *AJI-NO-MOTO*, the world's first umami seasoning, and in the more than 90 years since then we have developed our business as we pursue mankind's fundamental need for nourishment and common desire for well-being. While cultivating ideas in the world of food, we have developed a profound understanding of amino acids, and expanded their applications from foods to include aspects of health and medical treatment. We will continue to build on our achievements to date, using our technical and operational expertise to produce valued products that contribute positively to food, health, and the future of people around the world.

(1) Ajinomoto Group Philosophy

With a global perspective we aim to contribute to significant advances in food and health and ultimately to create a better life for all.

(2) Ajinomoto Group Basic Management Policies

Business Objectives

We aim to be a global corporation, which contributes to the general well being of all people in the world, through our business domains of food and food-related products, amino acid-based fine chemicals and pharmaceuticals.

Business Ethos

By always putting customers first, synergizing our vast pool of creative resources and employing only superior technologies, we offer innovative products and services of the highest standards and quality.

Management Principle

We continue to respect all interested parties, including shareholders, customers, local communities, trading partners and employees, and manage operations on the basis of quick and concise decision-making that is fair and open, thus realizing an appropriate return of profits to our shareholders and continually increasing our business value.

Social Responsibility

As an outstanding and socially aware corporate citizen, we endeavor to contribute to the harmony and progress of society.

Corporate Culture

We strive to maintain a creative, open, spirited, and confident atmosphere in which employees can strive for self-fulfillment and career advancement.

2. Allocation of Profits

Ajinomoto Co., Inc. made a stable dividend payment of ¥10per share from 1962 onwards, but since fiscal 2002 has adopted the basic principle of deciding dividend payments based on a policy of making stable and sustainable dividend payments that take into account progress towards achieving medium-term management plan goals and consolidated performance for the period concerned. From the fiscal year ended March 31, 2003 onward the annual dividend has been increased by ¥1 over each previous year, such that the annual dividend for the fiscal year ended March 31, 2005 was ¥13 per share, including an interim dividend of ¥6 per share. For the current fiscal year it is planned to further increase the dividend by ¥1 to ¥14 per share, with an interim dividend payment of ¥7 per share.

In the fiscal 2005-2010 medium- to long-term management plan that started in the current fiscal year, Ajinomoto is pursuing sustainable growth with the aim of attaining an operating profit margin higher than 10% in fiscal 2010. During the first half of the plan, however, Ajinomoto's policy is to invest actively to expand the Group's operations. Under this policy, retained earnings will be managed with respect to Group demand for capital relating to matters such as domestic and foreign capital expenditure, loans and investments, and R&D. Ajinomoto seeks to manage shareholders' equity efficiently, and in a way that meets the expectations of its shareholders.

3. Share Trading Unit

Since 2001 Ajinomoto Co., Inc. has operated a benefit program for shareholders, as part of efforts to increase the attractiveness of the Company as an investment to both existing and future shareholders. The Company is continuing to investigate the possibility of reducing its minimum share trading unit, taking into account issues including trends in share prices and shareholder numbers, and demand for its shares.

4. Management Goals

In the new fiscal 2005-2010 medium- to long-term management plan, Ajinomoto has outlined the Group's numerical targets for the end of the fiscal year ending March 31, 2011 of net sales of ¥1.5 trillion, operating income of ¥150 billion, and an operating profit margin higher than 10%.

5. Tasks Ahead

Our corporate vision is encapsulated in the slogan "Advancing from Japan to the global arena as a leader in foods and amino acids" and bearing a global perspective we aim to contribute to significant advances in food and health and ultimately to create a better life for all.

Our management plan for fiscal 2005-2010 lays out our "A-dvance 10 strategy - Laying the foundations for the next 100 years", with the aim of achieving an operating profit margin of 10% or more in fiscal 2010.

In pursuit of this management plan we have established four basic strategic guidelines: Global Management; Innovative Management; Group Management; and CSR management (management in accord with our social responsibilities as a corporation).

In terms of Global Management we will concentrate business resources in our core businesses and accelerate growth globally. Through unified management of our domestic and overseas foods businesses, and their appraisal by a common standard, we aim to improve their growth characteristics and competitiveness while achieving continued cost reduction through the relentless pursuit of technological innovation and by restructuring production systems. Furthermore, through leveraging information technology (IT) we aim to integrate and raise the efficiency of group management, while in China we will unify our business administration and management to establish our business foundations there.

In terms of Innovative Management we aim to deliver new value in foods and amino acids with innovative technology. We aim to promote the development and commercialization of original health and nutrition materials, while injecting R&D resources to research the pharmacological effects of amino acids and create next-generation pharmaceuticals. We will also use our proprietary information on amino acids to rapidly establish statistical techniques to analyze information on the human body.

In terms of Group Management we aim to develop group employees and foster a shared corporate culture. To nurture and retain global group executives we will improve education and training, and introduce a horizontal personnel system for critical personnel. We will also promote a dynamic allocation of staff, including Group companies, that puts the right people in the right place, introduce a standardized qualification system for professional staff and review the compensation and benefits system as we aim to strengthen group management.

Finally, in terms of CSR management we will create a product quality assurance system at the world's highest level to ensure safety and reliability, continue to operate with consideration for the environment and sustain our social contribution activities as a global food company. Furthermore, to establish 'Ajinomoto' as a trusted brand we will promote communications with a diverse range of stakeholders and aim to become a respected corporate citizen, worldwide.

6. Basic Approach to Corporate Governance and Related Initiatives

(1) Basic Approach to Corporate Governance

It is a top management priority to reinforce corporate governance so the Company can strengthen its competitiveness while meeting its social responsibilities. The Company has referred to examples and materials in Japan and abroad in building a practical system of business execution and supervision that retains the positive aspects of Japanese-style management. It is also working to bolster competitiveness through the internal company system. All these endeavors are in line with a drive to enhance the corporate value of all Group businesses.

(2) Structure

Besides the Board with 14 directors including one outside director, the Company has adopted a system of corporate executive officers. In line with the more in-depth discussion conducted by a smaller number of directors, the Company operates board meetings with a stronger awareness of the external environment as business activities are supervised from the standpoint of the third party viewpoint of the outside director. The Company judged that it is best to exercise oversight functions with the board having firm control of operations, and as a result, internal directors also serve as corporate executive officers. In order to further strengthen corporate governance, however, from June this year, the Company separated the duties of the moderator of the Board, who now serves also as Chairman of the Board, and the chairman of the management committee, who serves as President and CEO. Also, the Chairman of the Board and one other director act as directors concentrating on overseeing the execution of business affairs, while having no responsibility for the execution of those business affairs.

Also from June, in order to increase the transparency of operations related to personnel and compensation issues for officers and other executive staff and to promote the further rejuvenation of the management organization, the Company appointed an outside director as a committee member to the Nominating Advisory Committee and the Compensation Advisory Committee for Directors and other executive staff that currently serve as advisory boards to the company president, and reorganized them as subordinate bodies to the Board of Directors.

The Company is continuing to use the auditor system, with an audit board of five members (3 full-time members), including three outside auditors.

While the Company has allocated no full time staff to work with outside directors and auditors, the Company covers duties for both outside and internal directors with staff from the Secretarial Office, and outside auditors and internal auditors with Secretarial Office staff who are attached to the Corporate Auditors.

(3) Internal Control Systems and Risk Management

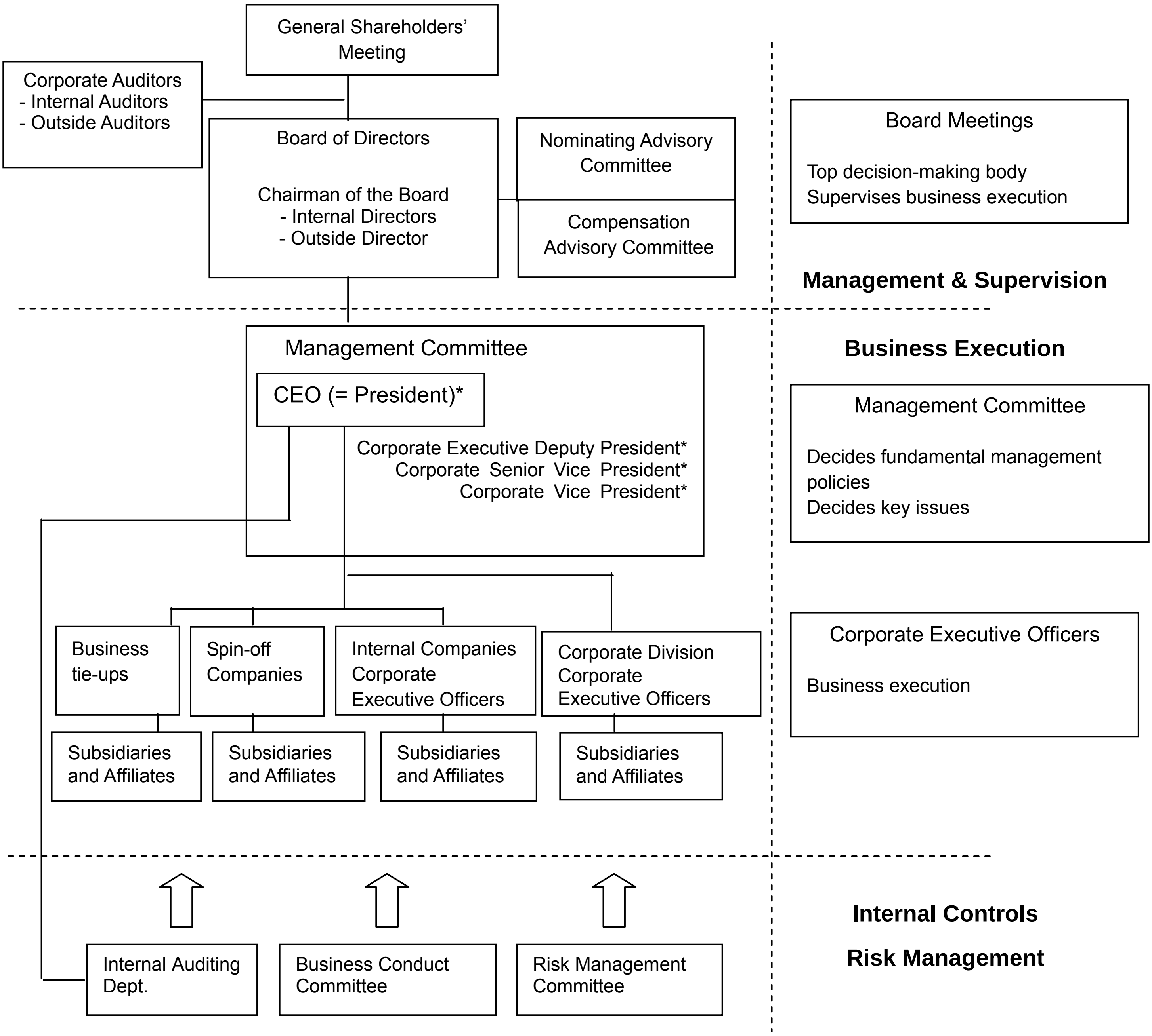
As far as internal control systems and risk management systems are concerned; in order to maintain healthy operations, the Internal Auditing Dept. conducts audits of the Company and affiliated companies, and reports the results of those audits directly to the CEO. Also, in order to maintain compliance of corporate activities both in

Japan and overseas, the Company has established a Business Conduct Committee, and apart from the implied obligation to abide by the law, from the ethical standpoint of being a good corporate citizen, the Company has also thoroughly publicized the Ajinomoto Group Principles throughout the entire Group, and is monitoring whether Ajinomoto and its staff are conducting corporate activities in line with these principles. The Company's Risk Management Committee deals speedily and efficiently with the potential business risks, and systems are in place to ensure information is immediately transmitted to senior management. Senior officers of the Company can assume authority and move to resolve any issues that arise.

(4) Relationships with Outside Directors and Auditors

Mr. Shozo Hashimoto, an outside director of the Company, is Senior Advisor of Nomura Research Institute, Ltd. Outside auditor Mr. Kazuhide Kondo is an outside director of Sumida Corporation, while Ms. Rieko Sato is a registered attorney with the Ishii Law Office, an advisory office to the Company. The Company has no transactions with any company or office that has any direct interest with its outside director or outside auditors.

The Company's business execution, management auditing and internal control structure is as follows.



* Also member of the Board

3. Operating Results and Financial Position

I. Operating Results

1. Consolidated interim results outline

Billions of yen

	Net Sales	Operating Income	Ordinary Income	Net Income
Interim period ended September 30, 2005	542.3	21.7	22.8	12.9
Interim period ended September 30, 2004	545.6	36.2	37.6	22.0
Change	(0.6%)	(39.9%)	(39.3%)	(41.5%)

Overview of results for this period

Although oil prices rose significantly during the interim period under review, the Japanese economy continued a mildly improving trend, supported by such factors as improved corporate profitability, an increase in capital investment, and a pickup in consumer spending.

In the Japanese food industry there was increased focus on health foods, and a heightened awareness of food safety issues. The issues of avian influenza and BSE (Bovine Spongiform Encephalopathy) continued to have an impact, and with rising oil prices and other factors causing cost increases in raw materials markets, the operating environment remained severe.

Internationally, the US economy continued to grow, however the impact of interest rate hikes, high oil prices and the August hurricane introduced uncertainties. Asian economies continued to grow, supported by strong investment in China. European economies continued to show a mild recovery.

Within this environment, Ajinomoto continues its efforts to further construct the foundation for “A-dvance 10”, our management plan for fiscal 2005-2010 that sets targets including concentrating management resources in core areas, proposing new value through innovative technology, enhancing the corporate culture across the Group and establishing “AJINOMOTO” as a trusted global brand.

Consolidated net sales for the interim period ended September 30, 2005 decreased 0.6% (¥3.2 billion) year on year to ¥542.3 billion. Operating income decreased 39.9% (¥14.4 billion) to ¥21.7 billion, and ordinary income decreased 39.3% (¥14.7 billion) to ¥22.8 billion. Consolidated net income decreased 41.5% (¥9.1 billion) to ¥12.9 billion.

An interim dividend payment is ¥7 per share, ¥1 higher than for the previous interim period.

Changes to main accounting items during the period under review

Note: All comparisons are with the previous interim period, ended September 30, 2004, unless stated otherwise.

(1) Net sales

Net sales decreased ¥3.2 billion, or 0.6%, to ¥542.3 billion. By region, sales in Japan decreased 0.4% to ¥402.1 billion, while sales overseas decreased 1.3% to 140.1 billion. By overseas region, sales in Asia rose 7.7% to ¥54.1 billion, sales in the Americas fell 4.5% to ¥35.2 billion, and sales in Europe fell 7.3% to ¥50.7 billion.

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

The cost of sales increased by ¥6.9 billion, or 1.8%, to ¥399.9 billion. The ratio of cost of sales to net sales increased 1.7 percentage points to 73.7%, due to factors such as a fall in unit prices for feed-use Lysine, higher raw materials costs, and higher oil prices.

Selling, general and administrative expenses rose ¥4.2 billion to ¥120.6 billion, a 3.7% increase. The main reason for this rise was an increase in marketing and promotion expenses.

(3) Operating income

Operating income decreased ¥14.4 billion, or 39.9%, to ¥21.7 billion. By region, operating income in Japan decreased 4.1% to ¥16.0 billion, while operating income from operations overseas fell 70.7% to ¥5.7 billion. Domestically, the main reasons for this decrease in operating income included lower income from pharmaceutical fine chemicals, which was not fully offset by good performance from frozen foods and electrochemicals. Overseas, operating income was affected by such factors as a drop in the price of feed-use Lysine, and higher prices for raw materials. By overseas region, operating income in Asia fell 60.9% to ¥2.2 billion, operating income in the Americas fell 85.9% to ¥1.2 billion, while operating income in Europe fell 55.3% percent to ¥2.1 billion.

(4) Non-operating income (expenses)

The difference between non-operating income and non-operating expenses was ¥1.1 billion, ¥0.3 billion lower than in the previous comparable period. After deducting interest expense from interest received, the balance of interest was increased from minus ¥0.4 billion to minus ¥1.1 billion in the interim period under review. This was mainly due to an increase in interest expenses and lower interest income as a result of a lower level of cash and cash equivalents at overseas subsidiaries.

Equity in earnings of affiliates increased from ¥1.4 billion to ¥2.5 billion. This increase was principally because of improved performance at equity affiliates such as J-OIL MILLS, INC.

(5) Ordinary income

Ordinary income declined ¥14.7 billion, or 39.3%, to ¥22.8 billion.

(6) Extraordinary income

Extraordinary income for the interim period under review was ¥5.7 billion, compared to extraordinary income of ¥4.4 billion the year before. Further progress was made during the period in asset mobilization, with a gain on sales of fixed assets of ¥4.1 billion compared to a gain of ¥0.6 billion in the previous interim period, as well as profit on sale of investment securities of ¥1.0 billion, compared to ¥3.0 billion in the previous period.

(7) Extraordinary losses

Extraordinary losses were ¥3.8 billion, compared to ¥5.0 billion the year before. Items of note included loss on disposal of fixed assets of ¥1.6 billion, compared to a ¥1.1 billion loss in the previous interim period. In addition, results for this category in the previous period included settlement payments of ¥1.9 billion.

(8) Net income

Net income for the interim period under review decreased to ¥12.9 billion, a 41.5% decrease from net income in the previous interim period of ¥22.0 billion. The effective tax rate increased from 36.7% to 40.8%. As a result, net income per share for the interim period under review was ¥19.95, down from ¥34.05 in the previous comparable period.

(9) Others

1) Impact of foreign exchange fluctuations

Changes in the rates of foreign exchange applied in the previous interim period and the interim period under review increased net sales by ¥0.8 billion. There was only minimal impact on operating income, ordinary income, and net income. These amounts are the translation differences stemming from changes to the rates of exchange at which the financial statements of consolidated subsidiaries and equity method affiliates overseas were translated into Japanese yen.

Previously, revenues and expenses relating to overseas subsidiaries and equity method affiliates overseas were recorded using the exchange rate applicable on the closing day of the consolidated accounts. However, from the interim period under review onwards, such figures have been recorded using the average exchange rate throughout the relevant period. This change has been made to reflect the increasing importance of the production and future sales of overseas subsidiaries. As quarterly financial information disclosure further develops, this change will enable each financial report to show a balanced result for the period despite severe fluctuations of the spot exchange rate that may occur. For further information and calculation of results under both the former and the current method, please see page 25, “Significant Items for the Preparation of Consolidated Interim Financial Statements”.

Consolidated operating results by segment

Note: All comparisons are with the previous interim period, ended September 30, 2004, unless stated otherwise.

Billions of yen

	Net Sales	YoY Change -amount	YoY Change -percent	Operating Income	YoY Change -amount	YoY Change -percent
Domestic food products	306.5	1.1	0.4	12.7	0.5	4.1
Overseas food products	45.0	6.0	15.4	1.0	(1.2)	(56.3)
Amino acids	120.7	(9.0)	(6.9)	6.2	(13.3)	(68.0)
Pharmaceuticals	40.2	0.0	0.0	4.5	(0.1)	(2.7)
Other	29.7	(1.4)	(4.8)	1.8	(0.2)	(13.0)

Notes:

1. Details of main products within each segment are outlined in Note 2 on page 28 of this report.
2. Sales of amino acid supplement *Amino Vital* and domestic sales of amino acid-based sweetener *Pal Sweet* are included in domestic food products.
3. Sales of *AJI-NO-MOTO* and nucleotides for use in the food processing business are included in amino acids.
4. Part of the operating expenses of the administration division and research facilities are included in the Eliminations and All Company segment. (Details are available in part one of Segment Information in this document.)

(1) Domestic food products

Domestic food product sales increased 0.4% (¥1.1 billion) to ¥306.5 billion. Operating income increased 4.1% (¥0.5 billion) to ¥12.7 billion. Sales in edible oils decreased as a result of changes to the product range accompanying the merger of J-OIL MILLS, INC., however positive factors such as favorable sales of coffee contributed to the slight increase in sales overall. Although operating income was impacted by steep price rises in the cost of certain raw materials, this was offset by progress made in reducing costs.

Seasonings and processed foods: In the retail market, sales of seasoning product *Hon-Dashi* were slightly lower than in the previous interim period. Sales of *AJI-NO-MOTO* were slightly ahead year on year, driven by the 'AjiPanda' campaign, while sales of consomme grew steadily on the back of effective marketing initiatives. Although sales of *Knorr Cup Soup* declined, overall soup sales were slightly increased due to positive factors such as favorable sales of *Knorr Soup Pasta*. Sales of the *Cook Do* line grew steadily with good response to new product varieties. Sales of mayonnaise and mayonnaise-type dressings were slightly higher than in the previous interim period and the market share increased contributed by strong sales of *Pure Select Saralear*. Sales of *Ajinomoto KK Ajiamen* (*Asian noodles*) grew strongly with the launch of cup varieties. Sales of *Kellogg's* products were slightly lower.

In the commercial market, sales of Western sauces fell substantially, while sales of mayonnaise and dressings increased significantly due to good progress made in introducing products to major customers. Revenue from *ACTIVA*, an enzyme (transglutaminase) that improves food texture, increased significantly, and sales of savory seasoning products to food processing companies also grew steadily.

Sweeteners and Nutritional foods: In low-calorie sweeteners for home and restaurant use, sales increased due to positive factors such as good sales of *Pal Sweet Calorie Zero.* Sales of amino acid supplement *Amino Vital* were lower, reflecting a falloff after the boost in the previous interim period from advertising and marketing activities related to the Athens Olympics.

Delicatessen and Bakery products: Revenue from sales of lunchboxes and prepared dish delicatessen products were higher than in the previous interim period. Bakery product sales declined.

Frozen foods: In products for the retail market, sales of *Gyoza* increased substantially, supported by advertising and other promotional activities, while sales of a new product *Fried rice with various ingredients* also were favorable. In addition, sales of *Yawaraka Wakadori Kara-Age* and *Ebi Pilaf* were strong, and overall revenues increased. Sales for restaurant and institutional use decreased due to the impact of adjustments to certain aspects of the product lineup after assessing product profitability.

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, Yoshihara Oil Mill, Ltd., with Ajinomoto Co., Inc. 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. As a result, sales for home use recorded an increase and commercial sales recorded a decrease. Retail sales of *Canola oil* were strong.

Coffee, Beverages, Dairy products: Sales of liquid coffee such as *Blendy* bottled coffee increased substantially, as did sales of instant and regular coffee. Revenue from beverage sales decreased, with steady sales growth in *CALPIS WATER* and e*vian* offset by a large decline in sales of functional health drinks such as *Ameal S.*

Chilled dairy product sales increased, with significantly higher sales of *Baby Danone* and good performance from *Danone Fruits Selection.*

(2) Overseas food products

Overseas food product sales increased 15.4% (¥6.0 billion) to ¥45.0 billion. Operating income decreased 56.3% (¥1.0 billion) to ¥1.0 billion. Revenue from the sale of *AJI-NO-MOTO* and flavor seasonings for retail use increased substantially over the previous interim period, but production cost increases for *AJI-NO-MOTO* and marketing costs for the launch of new products in Asia and South America resulted in a major decline in income.

Seasonings: In Asia, retail sales of *AJI-NO-MOTO* and flavor seasonings grew steadily. In the Americas, sales of flavor seasonings for home use in South America were much higher than in the previous interim period because of the impact of exchange rates. In Europe and Africa, retail sales of *AJI-NO-MOTO* continued to grow strongly in West African nations.

Processed foods: Sales of instant noodles in Asia increased strongly, and sales of *Birdy* canned coffee progressed well.

(3) Amino acids

Sales in the amino acids business decreased 6.9% (¥9.0 billion) to ¥120.7 billion. Operating income decreased 68.0% (¥13.3 billion) to ¥6.2 billion. Although sales of specialty chemicals were favorable, revenue from feed-use amino acids declined with a fall in Lysine prices, which is largely responsible for the total sales and income decline of this segment.

Umami seasonings for food processed food manufacturers: Sales in Japan of *AJI-NO-MOTO* to the food processing industry were higher than in the previous comparable period. Demand continued to grow in overseas markets, with steady sales increases in Asia and the Americas, but sales in Europe declined. Sales of nucleotides declined slightly.

Feed-use amino acids: Sales of Threonine grew substantially, while revenue from Lysine was much lower in all regions, due to a major fall in prices with the rapid increase in supply from Chinese manufacturers. Revenues from Tryptophan decreased.

Amino Acid for pharmaceuticals and foods: In Japan, sales of infusion applications decreased with the overall market shrinking, and a large decline in demand for amino acids for beverage resulted in a large drop in revenue. In the Americas, sales of food-use amino acids decreased, while in Europe sales of pharmaceutical amino acids progressed favorably.

Sweeteners: Sales increased steadily supported by strong sales to major customers in North America.

Pharmaceutical fine chemicals: Although sales of new products increased, price falls of key products in Europe caused a decrease in revenue.

Specialty chemicals: In Japan, sales of cosmetic ingredients exceeded the previous interim period. Sales of insulation film for use in computer MPU boards continued to grow strongly, as did sales of amino acid-based cosmetic *JINO*.

(4) Pharmaceuticals

Pharmaceutical sales were largely unchanged, with a nominal increase of ¥8 million reflected in the figure of ¥40.2 billion. Operating income decreased 2.7% (¥0.1 billion) to ¥4.5 billion. Sales of in-house struggled, but the contribution from sales on consignment relating to the treatment of so-called lifestyle-related diseases enabled overall sales to be maintained, and only a small decline in operating income.

For in-house sales,, sales of a new low-calorie infusion product *TWINPAL* contributed to results, but lower sales of existing products such as *LIVACT*, a branched-chain amino acids formula for the treatment of liver cirrhosis, and infusions led to a reduction in revenues. Sales of *Actonel*, a preparation used in the treatment of osteoporosis, continued to grow strongly, and sales of *ATELEC*, an antihypertensive drug, continued to trend favorably. Sales of non-insulin-dependent diabetes treatment *FASTIC* grew steadily, with strong demand for natiglinide in overseas markets.

(5) Other

Sales in this segment decreased 4.8% (¥1.4 billion) to ¥29.7 billion. Operating income decreased 13.0% (¥0.2 billion) to ¥1.8 billion.

2. Outlook for the Fiscal Year Ending March 31, 2006

Billions of yen

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous forecasts for FY ending March 31, 2006	1,120.0	75.0	75.0	45.0
Revised forecasts for FY ending March 31, 2006	**1,100.0**	**61.0**	**61.0**	**36.0**
Difference in forecasts in ¥	(20.0)	(14.0)	(14.0)	(9.0)
Difference in forecasts in %	(1.8%)	(18.7%)	(18.7%)	(20.0%)
FY ended March 31, 2005	1,073.0	70.9	72.1	44.8

The Japanese economy is continuing to show a mild recovery. The global economy is also recovering in each region, although interest rate hikes and the impact of the hurricane in the United States, along with continued high oil prices are a cause for concern.

The Company has revised its forecast for consolidated net sales for the fiscal year ending March 31, 2006 downwards by ¥20.0 billion, to ¥1,100 billion. The primary reasons for this are the impact of lower Lysine prices in the feed-use amino acids business due to the rapid increase in supply from competitors, and the impact on sales of infusion applications and other products in the pharmaceuticals business brought about by intensified competition. Forecast operating income for the full year has been revised downward by ¥14.0 billion to ¥61.0 billion, due to the impact of Lysine prices noted above, along with higher prices for raw materials in domestic and global markets and higher oil prices. Through cost reduction initiatives and product pricing strategies Ajinomoto is making every effort to cover these declines. However, due to changes in the exchange rate, the profitability of exporting operations has declined for certain overseas consolidated subsidiaries. Forecast consolidated net income for the full year has been revised downward by ¥9.0 billion to ¥36.0 billion.

Given such conditions, in domestic food products Ajinomoto aims to strengthen core products, while improving profitability by reducing production costs. In overseas food products we will continue to seek to expand our seasonings operations, and develop our processed foods operations. In amino acids we intend to meet increasing demand by strengthening our production capabilities, and further boost profitability by leveraging Ajinomoto's technical abilities. In pharmaceuticals we will seek to boost the product strength of our top brands while working to further reduce costs and maximize efficiencies in production and distribution.

These forecasts are based on an assumed average exchange rate of ¥110 to the U.S. dollar.

The dividend payment for the second half of the fiscal year will be ¥7 per ordinary share, an increase of ¥1, which in combination with the interim dividend payment that was increased by ¥1 in the previous year will amount to a total dividend payment of ¥14 per share for the full fiscal year.

II. Financial Position

1. Overview of results for this period

Financial position as of September 30, 2005

Total assets as of September 30, 2005 were ¥909.1 billion compared to ¥903.5 billion recorded on March 31, 2005. This increase of ¥5.6 billion was due mainly to factors such as the effect of the weaker yen on the translated balance sheet value of assets held by overseas subsidiaries, and an increase in capital expenditures to expand the Group's revenue base.

Total interest-bearing debt was ¥117.0 billion, ¥8.5 billion lower than March 31, 2005. Bond redemptions of ¥10.0 billion were paid during this period.

Total shareholders' equity was ¥492.2 billion, compared to ¥467.2 billion recorded on March 31, 2005. This increase of ¥24.9 billion was primarily attributable to increases in unrealized holding gains on securities and translation adjustments.

Summary of consolidated cash flow

Billions of yen

	Interim period ended September 30, 2005	Interim period ended September 30, 2004	FY ended March 31, 2004
Net cash provided by operating activities	13.4	39.2	82.8
Net cash used in investing activities	(24.6)	(25.6)	(33.6)
Net cash provided by financing activities	(14.7)	(8.6)	(27.4)
Effect of exchange rate changes on cash and cash equivalents	1.0	1.2	1.4
Increase (decrease) in cash and cash equivalents	(24.9)	6.2	23.1
Increase in initial balance due to change in scope of consolidation	0.1	0.0	0.2
Cash and cash equivalents at end of period	68.1	75.7	92.9

Net cash provided by operating activities decreased ¥25.8 billion over the previous comparable period to ¥13.4 billion. The main factors behind this decrease were decreased operating income, and higher tax payments.

Net cash used in investing activities increased ¥0.9 billion compared to the previous interim period to ¥24.6 billion. This mainly reflects increased capital expenditure directed primarily at overseas subsidiaries. In the period under review, sale of land and other fixed assets with the aim of improving asset use was executed.

Net cash provided by financing activities decreased ¥6.1 billion compared to the previous interim period to a net cash usage of ¥14.7 billion. This decrease reflects factors such as bond redemptions made during the interim period.

As a result of the above, cash and cash equivalents at September 30, 2005 was ¥68.1 billion, ¥7.5 billion less than at the end of the previous interim period.

2. Trends in Cash Flow-related Indices

	FY ended March 31, 2004		FY ended March 31, 2005		FY ending March 31, 2006
	Interim	Full year	Interim	Full year	Interim
Equity ratio (%)	46.4	49.1	50.3	51.7	54.1
Equity ratio based on market price (%)	85.4	92.2	91.8	93.8	85.1
Debt service coverage (years)	--	2.4	--	1.7	--
Interest coverage ratio (times)	16.3	22.0	26.2	28.7	8.4

Notes:

1. All indices are calculated from consolidated financial results figures.
2. Equity ratio = Total shareholders' equity/total assets
3. Equity ratio based on market price = Market capitalization/total assets
   [Market capitalization = market price on last trading day of period x total shares outstanding at end of period (excluding treasury stock)]
4. Debt service coverage = Interest-bearing debt/operating cash flow
5. Interest coverage ratio = Operating cash flow/interest paid
   [Operating cash flow is the Net Cash Provided From Operating Activities figure in the consolidated statements of cash flows]
   [Interest paid is the Interest Paid figure in the consolidated statements of cash flows

4. Consolidated Financial Statements

Consolidated Balance Sheets

Millions of yen

	As of September 30, 2005		As of March 31, 2005		Increase (Decrease)	As of September 30, 2004	
ASSETS		%		%			%
Current assets							
Cash on hand and in banks	66,893		93,929		(27,036)	69,868	
Notes & accounts receivable	187,735		188,010		(274)	186,919	
Marketable securities	3,201		1,285		1,916	7,840	
Inventories	104,916		97,459		7,457	96,389	
Deferred tax assets	10,560		10,313		247	9,166	
Other	28,006		24,212		3,793	20,888	
Allowance for doubtful accounts	(1,433)		(795)		(638)	(820)	
Total current assets	399,880	44.0	414,415	45.9	(14,534)	390,252	43.8
Fixed assets							
Tangible fixed assets							
Buildings and structures	260,474		252,206		8,268	243,497	
Machinery and vehicles	434,893		425,227		9,666	417,286	
Other	50,152		48,656		1,495	46,699	
Accumulated depreciation	(517,523)		(500,050)		(17,472)	(491,261)	
Land	58,870		57,861		1,008	62,564	
Construction in process	30,963		18,557		12,406	25,667	
Total tangible fixed assets	317,831	34.9	302,458	33.5	15,373	304,454	34.3
Intangible fixed assets							
Adjustment for consolidated account	25,014		27,152		(2,137)	29,417	
Other	18,380		18,268		111	17,946	
Total intangible fixed assets	43,395	4.8	45,421	5.0	(2,025)	47,364	5.3
Investment and other assets							
Investment in securities	133,037		119,661		13,376	119,001	
Long-term loans receivable	227		247		(20)	417	
Deferred tax assets	7,314		13,042		(5,728)	19,078	
Other	10,011		10,721		(709)	12,110	
Allowance for doubtful accounts	(2,509)		(2,426)		(82)	(2,444)	
Total investment and other assets	148,082	16.3	141,246	15.6	6,835	148,164	16.6
Total fixed assets	509,309	56.0	489,126	54.1	20,182	499,983	56.2
Total Assets	**909,190**	**100.0**	**903,542**	**100.0**	**5,648**	**890,235**	**100.0**

Consolidated Balance Sheets

Millions of yen

	As of September 30, 2005		As of March 31, 2005		Increase (Decrease)	As of September 30, 2004	
LIABILITIES		%		%			%
Current liabilities							
Notes & accounts payable	110,646		109,140		1,505	108,124	
Short-term borrowings	26,060		24,305		1,754	28,259	
Commercial paper	--		--		--	10,000	
Long-term loans due to be repaid within one year	849		764		84	1,422	
Corporate bonds to be redeemed within one year	--		10,000		(10,000)	10,000	
Accrued income taxes	8,555		16,584		(8,028)	11,092	
Accrued bonuses	3,863		3,406		457	3,657	
Other	61,820		66,608		(4,787)	64,827	
Total current liabilities	211,796	23.3	230,810	25.6	(19,014)	237,384	26.7
Long-term liabilities							
Bonds	85,000		85,000		--	85,000	
Long-term debt	5,166		5,533		(367)	5,675	
Deferred tax liabilities	2,211		2,252		(41)	1,997	
Accrued employees' retirement benefits	60,596		63,275		(2,678)	66,580	
Accrued officers' severance benefits	1,386		1,860		(473)	1,653	
Other	22,332		22,804		(471)	20,741	
Total long-term liabilities	176,693	19.5	180,726	20.0	(4,032)	181,648	20.4
Total liabilities	388,490	42.8	411,537	45.6	(23,046)	419,032	47.1
MINORITY INTERESTS:							
Minority interests	28,417	3.1	24,707	2.7	3,710	23,540	2.6
SHAREHOLDERS' EQUITY:							
Common stock	79,863	8.8	79,863	8.8	--	79,863	9.0
Capital surplus	111,579	12.3	111,579	12.3	(0)	111,580	12.5
Retained earnings	324,075	35.6	315,981	35.0	8,093	297,456	33.4
Unrealized holding gains on securities	16,419	1.8	9,239	1.0	7,180	8,919	1.0
Translation adjustments	(37,267)	(4.1)	(47,116)	(5.2)	9,849	(48,139)	(5.4)
Treasury stock	(2,388)	(0.3)	(2,250)	(0.2)	(138)	(2,017)	(0.2)
Total shareholders' equity	492,281	54.1	467,297	51.7	24,984	447,663	50.3
Total Liabilities, Minority Interests And Shareholders' Equity	**909,190**	**100.0**	**903,542**	**100.0**	**5,648**	**890,235**	**100.0**

Consolidated Statements of Income

Millions of yen

	Interim period ended September 30, 2005		Interim period ended September 30, 2004		Increase (Decrease)	FY ended March 31, 2005	
Net sales	542,358	100.0	545,633	100.0	(3,274)	1,073,010	100.0
Cost of sales	399,923	73.7	392,999	72.0	6,923	760,554	70.9
Gross profit	142,435	26.3	152,634	28.0	(10,198)	312,455	29.1
Selling, general and administrative expenses	120,675	22.3	116,418	21.4	4,256	241,538	22.5
Operating income	21,760	4.0	36,215	6.6	(14,455)	70,916	6.6
Non-operating income							
Interest received	574		950		(375)	1,873	
Dividends received	561		351		210	664	
Equity in earnings of affiliates	2,504		1,411		1,093	3,263	
Miscellaneous income	2,832		2,764		68	4,174	
Total non-operating income	6,473	1.2	5,477	1.0	996	9,975	0.9
Non-operating expenses							
Interest expense	1,752		1,424		328	3,020	
Miscellaneous losses	3,617		2,621		996	5,672	
Total non-operating expenses	5,370	1.0	4,045	0.7	1,324	8,692	0.8
Ordinary income	22,863	4.2	37,647	6.9	(14,783)	72,199	6.7
Extraordinary income							
Gain on sales of fixed assets	4,192		645		3,546	12,183	
Profit on sale of investment securities	1,096		3,046		(1,949)	6,860	
Other	443		781		(338)	5,650	
Total extraordinary income	5,732	1.1	4,473	0.8	1,258	24,694	2.3
Extraordinary losses							
Loss on disposal of fixed assets	1,621		1,167		453	2,604	
Settlement payments	--		1,930		(1,930)	2,048	
Other	2,245		1,940		304	10,502	
Total extraordinary losses	3,867	0.7	5,038	0.9	(1,171)	15,155	1.4
Net income before income taxes	24,729	4.6	37,081	6.8	(12,352)	81,737	7.6
Income taxes – current	9,250	1.7	12,828	2.4	(3,578)	28,513	2.7
Income taxes – deferred	843	0.2	793	0.1	49	5,826	0.5
Minority interests	1,720	0.3	1,385	0.3	334	2,580	0.2
Net income	12,915	2.4	**22,073**	**4.0**	**(9,158)**	**44,817**	**4.2**

Consolidated Statements of Surplus

	Millions of Yen		
	As of September 30, 2005	As of September 30, 2004	As of March 31, 2005
Capital surplus			
Capital surplus at beginning of period	**111,579**	**111,579**	**111,579**
Increase in capital surplus from:	--	1	0
Profit from sale of treasury stock	--	1	0
Decrease in capital surplus from:	0	--	--
Loss from sale of treasury stock	0	--	--
Capital surplus at end of period	**111,579**	**111,580**	**111,579**
Retained earnings			
Retained earnings at the beginning of the period	**315,981**	**279,539**	**279,539**
Increase in retained earnings from:			
Net income	12,915	22,073	44,817
Other	--	38	53
Total increase in retained earnings	12,915	22,112	44,871
Decrease in retained earnings from:			
Dividends	4,537	3,890	7,780
Directors' bonuses	206	243	243
Proceeds from sale of treasury stock	1	--	--
Other	76	60	403
Total decrease in retained earnings	4,821	4,194	8,428
Retained earnings at end of period	**324,075**	**297,456**	**315,981**

Consolidated Statements of Cash Flows

	Interim period ended September 30, 2005	Interim period ended September 30, 2004	FY ended March 31, 2005
	Millions of yen		
I. Cash flows from operating activities			
Income before income taxes and minority interests	24,729	37,081	81,737
Depreciation and amortization	19,822	19,744	39,854
Amortization of consolidated adjustments	2,318	2,109	4,219
Increase (decrease) in allowance for doubtful accounts	663	745	698
Increase (decrease) in accrued bonuses	689	37	(272)
Increase (decrease) in accrued employees' retirement benefits	(2,943)	(2,984)	(6,365)
Increase (decrease) in accrued officers' severance benefits	(474)	68	273
Interest and dividend income	(1,136)	(1,301)	(2,537)
Interest expense	1,752	1,424	3,020
Equity in earnings of affiliates	(2,504)	(1,411)	(3,263)
Loss (gain) on sales of investment securities	(1,096)	(3,046)	(6,860)
Loss on revaluation of investment securities	90	84	104
Loss (gain) on sale or disposal of tangible fixed assets	(2,570)	522	(9,579)
Decrease (increase) in notes and accounts receivable	1,959	(6,436)	(7,435)
Increase (decrease) in notes and accounts payable	1,247	(1,900)	(738)
Decrease (increase) in inventories	(5,504)	2,821	1,954
Increase (decrease) in accrued consumption tax	(1,604)	(1,137)	(245)
Bonus for directors	(206)	(243)	(243)
Settlement package	--	1,930	2,048
Other	(5,116)	(1,634)	4,377
Sub-total	**30,114**	**46,473**	**100,746**
Interest and dividends received	1,777	2,006	4,041
Interest paid	(1,671)	(1,495)	(2,887)
Settlement package	--	--	(150)
Income taxes paid	(16,809)	(7,742)	(18,855)
Net cash provided by operating activities	**13,411**	**39,241**	**82,895**
II. Cash flows from investing activities			
Acquisition or sale of marketable securities	--	168	156
Acquisition of tangible fixed assets	(28,557)	(25,276)	(52,691)
Proceeds from sale of tangible fixed assets	4,777	924	13,883
Acquisition of intangible assets	(1,771)	(2,408)	(4,969)
Acquisition of investment securities	(1,979)	(13)	(6,088)
Proceeds from sale of investment securities	2,685	3,603	12,713
Acquisition of shares of subsidiaries due to change in scope of consolidation	243	--	--
Acquisition of shares of affiliates	(140)	(2,590)	(2,972)
Others	84	(9)	6,275
Net cash used in investing activities	**(24,657)**	**(25,603)**	**(33,692)**

III. Cash flows from financing activities			
Net change in short-term borrowings	736	(2,846)	(6,163)
Net change in commercial paper	--	--	(10,000)
Proceeds from long-term debt	663	1,057	1,073
Repayment of long-term debt	(1,546)	(2,625)	(4,003)
Redemption of bonds	(10,000)	--	--
Amount paid for underwriting capital increase by minority shareholders	653	--	--
Cash dividends paid	(4,533)	(3,886)	(7,776)
Distribution of dividends to minority shareholders	(580)	(247)	(247)
Acquisition of own stock	(162)	(164)	(450)
Other	22	29	81
Net cash used in financing activities	**(14,747)**	**(8,682)**	**(27,486)**
IV. Effect of exchange rate changes on cash and cash equivalents	**1,054**	**1,243**	**1,474**
V. (Decrease) Increase in cash and cash equivalents	**(24,939)**	**6,200**	**23,191**
VI. Cash and cash equivalents at the beginning of the period	**92,980**	**69,526**	**69,526**
Increase due to change in scope of consolidation	140	12	262
Sub-total	**93,121**	**69,539**	**69,788**
VII. Cash and cash equivalents at the end of the period	**68,181**	**75,739**	**92,980**

Significant Items for the Preparation of Consolidated Interim Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries:

100 companies

Names of main consolidated subsidiaries:

Knorr Foods Co., Ltd., Ajinomoto Frozen Foods Co., Inc., Ajinomoto Pharma Co., Ltd., Ajinomoto Co., (Thailand) Ltd., S.A. Ajinomoto OmniChem N.V., AJINOMOTO EUROLYSINE S.A.S.

In consideration of its importance, Ajinomoto Betagro Specialty Foods Co., Ltd., and one additional company, along with the newly established A-Direct Co., Inc., will be included in the scope of consolidated companies. Further, with the additional acquisition of shares, Wan Thai Foods Industry Co., Ltd., which was accounted for by the equity method company has now become a consolidated company. Moreover, with the disposal of Lianhua Ajinomoto Co., Ltd. it is no longer included in the scope of consolidated companies since its disposal.

(2) Names of main non-consolidated subsidiaries:

Main non-consolidated subsidiaries:

Bonito Technical Laboratory Co., Inc.

(Reasons for exclusion from scope of consolidation)

Subsidiaries classified as non-consolidated are all small, and none have total assets, sales, current year net income (corresponding to equity share), or surpluses (corresponding to equity share), etc. that impact the consolidated financial statements significantly.

2. 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 Realestate Co., Ltd., Erawan Industrial Development Co., Ltd.

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

13 companies

Names of main companies:

Ajinomoto General Foods, Inc., Calpis Co., Ltd., J-OIL MILLS, INC., Nissin-Ajinomoto Alimentos Ltda., GABAN Co., Ltd.

Further, with the acquisition of additional shares, Wan Thai Foods Industry Co., Ltd., which was accounted for by the equity method company has now become a consolidated company.

(3) Interim net income and surpluses from non-consolidated subsidiaries not accounted for by the equity method (including Bonito Technical Laboratory Co., Inc.) and affiliated companies not accounted for by the equity method (including Yaguchi & Company Ltd.) would have negligible impact if included in consolidated interim results on an equity basis, and as these companies have minimal overall importance, they are not included in the scope of application of the equity method.

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

Of the consolidated subsidiaries, Ajinomoto del Peru S.A. and 12 other companies have interim period settlement dates of June 30. Of these, 11 companies carry out trial settlements for the period to September 30. In preparing the consolidated interim financial statements for companies that do not carry out trial settlements, the Company has used the interim financial statements for their settlement dates, carrying out adjustments for significant transactions that have occurred in the period leading up to the consolidated settlement date.

Of the companies accounted for by the equity method, Calpis Co., Ltd. and 7 other companies have interim period settlement dates of June 30 and GABAN Co., Ltd. has an interim period settlement date of August 31. Of this total, 6 companies carry out trial settlements for the period to September 30. In preparing the consolidated interim financial statements for companies that do not carry out trial settlements, the Company has used the interim financial statements for their settlement dates, carrying out adjustments for significant transactions that have occurred in the period leading up to the consolidated settlement date.

4. Accounting treatment standards

(1) Valuation standards and methods

1) Marketable securities:

Other securities:

Other securities for which a price is available are stated at market value at the balance sheet date and the changes in appraisal value, are directly charged or credited to shareholders' equity. The cost of such securities sold is determined by the moving-average method. Other securities for which a price is not available are stated at cost mainly determined by the moving-average method.

2) Derivatives:

Market value method

3) Inventories:

Inventories of the Company and main consolidated subsidiaries are stated based on the lower of cost or market method, cost being determined by the average method.

(2) Depreciation method for important fixed assets

1) Tangible fixed assets:

The Company and domestic consolidated subsidiaries have mainly employed the fixed percentage method, while foreign consolidated subsidiaries have mainly employed the straight-line method. However, for buildings acquired after April 1, 1998 by the Company and domestic consolidated subsidiaries (not including facilities attached to buildings), the straight-line method has been employed. Useful life for buildings and structures is from 3 to 50 years and for machinery and vehicles is 2 to 20 years.

2) Intangible fixed assets:

The Company and domestic subsidiaries primarily compute the amortization of intangible fixed assets by the straight-line method. Computer software held at the Company and domestic consolidated subsidiaries is amortized by the straight-line method based on their estimated useful life (5 years).

(3) Important reserves

1) Allowance for doubtful accounts:

The allowance for doubtful accounts is provided at the amount estimated based on past bad debt experience for general debtors and for specific debtors where collection is doubtful based on estimates of the uncollectible amount in each case.

2) Allowance for accrued bonuses:

At certain consolidated subsidiaries, allowances for employees' bonuses have been made based on the amount of expenditure projected.

3) Allowance for retirement benefits for employees:

The allowance for accrued retirement benefits for employees is provided for at the Company and its main domestic consolidated subsidiaries in the amount required as at the end of the interim period based on projected benefit obligations and the fair value of pension plan assets at the end of the fiscal year. Prior employment liabilities are amortized by the straight-line method over a period within the average remaining service years for employees (mainly 10 years) at the time of occurrence. Actuarial differences are amortized by the straight-line method over a period within the average remaining service years for employees (mainly 10 years) at the time of occurrence, and allocated proportionately from the consolidated fiscal year following the respective fiscal year of occurrence.

4) Allowance for severance benefits for directors:

At the Company and certain domestic consolidated subsidiaries, in order to provide for payment of severance benefits to directors, corporate auditors and others, required amounts as calculated at the period end are accounted for in accordance with internal rules.

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

Foreign currency-denominated assets and liabilities have been translated into yen at the rates of exchange in effect at the balance sheet 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 balance sheet date and income and expenses at the average exchange rate for the period, with translation differences included in minority interests and the foreign exchange translation adjustment account of shareholders' equity.

(5) Accounting for leases

For finance lease transactions of the Company and domestic consolidated subsidiaries other than those in which a transfer of ownership of leased assets to the lessee has been recognized, accounting treatment is based on normal leasing transaction methods. For certain overseas consolidated subsidiaries, the leased assets of finance lease contracts have been included in 'Tangible fixed assets' based on the accounting regulations of the respective countries.

(6) Consumption tax

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

5. Scope of 'Cash' in the Consolidated Statements of Cash Flows

The category 'cash' 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.

Major changes to the Consolidated Interim Results

Previously, calculations for the Income and expenses of overseas subsidiaries have applied the exchange rate on the balance sheet date. However, from the interim period under review onwards, such figures have been recorded using the average exchange rate throughout the relevant period. This change has been made to reflect the increasing importance of the production and sales of overseas subsidiaries to the parent company. As quarterly financial information disclosure further develops, this change will enable each financial report to show a balanced result for the period despite severe fluctuations of the spot exchange rate that may occur.

For comparison, using the previous calculation method, key figures declined as follows: ¥3,669 million in Net sales, ¥1,176 million in Gross profit, ¥62 million Operating income, ¥107 million Ordinary income, ¥107 million Net income before income taxes, ¥42 million Interim net income. Impact on each business segment is stated in 'Segment Information.'

Segment Information

1. Segment information by business

Interim period ended September 30, 2005

Millions of yen

	Domestic Food Products	Overseas Food Products	Amino Acids	Pharma-ceuticals	Other	Total	Elimination or All Company	Consolidated
Sales								
(1) Sales to third parties	306,529	45,073	120,793	40,216	29,746	542,358	--	542,358
(2) Intra-group sales and transfers	1,191	796	12,497	47	28,239	42,772	(42,772)	--
Total sales...........	307,721	45,869	133,291	40,264	57,985	585,131	(42,772)	542,358
Operating expenses....	294,953	44,867	127,000	35,697	56,155	558,674	(38,076)	520,598
Operating income........	12,767	1,001	6,290	4,566	1,829	26,457	(4,696)	21,760

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

3. Major unallocated items in operating expenses included under Elimination or All company include administrative operating expenses at the parent company and part of operating expenses at research facilities. For the period under review these items totaled ¥5,170 million.

4. 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 the 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 foods business has been shifted from 'Overseas Food Products' to 'Domestic Food Products'.
- Umami seasonings for processed food manufacturers and overseas *Amino Vital* and 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 interim period and 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.

5. Changes to accounting methods

Income and expenses of overseas subsidiaries have previously been calculated using the exchange rate on the balance sheet date. However, from the interim period under review onwards, such figures have been recorded using the average exchange rate throughout the relevant period. This change has been made to reflect the increasing importance of the production and sales of overseas subsidiaries to the parent company. As quarterly financial information disclosure further develops, this change will enable each financial report to show a balanced result for the period despite severe fluctuations of the spot exchange rate that may occur.

For comparison, using the previous calculation method results net sales decreased by ¥73 million for Domestic Food Products, ¥1,514 million for Overseas Food Products, ¥2,050 million for Amino Acids, ¥69 million for Other and ¥37 million for Elimination or All Company. Changes to operating income are: Declines of ¥3 million for Domestic Food Products, ¥95 million for Overseas Food Products, ¥8 million for Other. Increases of ¥44 million for Amino Acids, ¥0 million for Pharmaceuticals and ¥0 million for Elimination or All Company.

Interim period ended September 30, 2004

Millions of yen

	Domestic Food Products	Overseas Food Products	Amino Acids	Pharma-ceuticals	Other	Total	Elimination or All Company	Consolidated
Sales								
(1) Sales to third parties	304,821	77,816	91,543	40,208	31,244	545,633	--	545,633
(2) Intra-group sales and transfers	1,094	6,030	10,200	43	28,996	46,366	(46,366)	--
Total sales..........	305,916	83,846	101,744	40,252	60,240	592,000	(46,366)	545,633
Operating expenses...	292,789	80,344	83,734	35,560	58,136	550,566	(41,148)	509,418
Operating income	13,126	3,501	18,009	4,691	2,104	41,433	(5,218)	36,215

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	"AJI-NO-MOTO," "Hon-Dashi," "Cook Do," soups, mayonnaise and mayonnaise-type dressings, "Pal Sweet" (for domestic market), delicatessen products, bakery products, "Amino Vital", frozen foods, edible oils, coffee, domestic beverages, chilled dairy products, etc.
Overseas Food Products	"AJI-NO-MOTO," nucleotides, overseas flavor seasonings, overseas instant noodles, overseas beverages, etc.
Amino Acids	Various kinds of amino acids, feed-use amino acids, aspartame, specialty chemicals, etc.
Pharmaceuticals	Pharmaceuticals, medical foods
Other	Distribution, various services, etc.

3. Major unallocated items in operating expenses included under Elimination or All company include administrative operating expenses at the parent company and part of operating expenses at research facilities.
For the previous interim period these items totaled ¥5,287 million.

Fiscal year ended March 31, 2005

Millions of yen

	Domestic Food Products	Overseas Food Products	Amino Acids	Pharma-ceuticals	Other	Total	Elimination or All Company	Consolidated
Sales								
(1) Sales to third parties	597,758	160,406	173,195	80,736	60,913	1,073,010	--	1,073,010
(2) Intra-group sales and transfers	2,428	12,195	18,397	120	57,159	90,301	(90,301)	--
Total sales..........	600,187	172,601	191,592	80,857	118,073	1,163,311	(90,301)	1,073,010
Operating expenses...	567,983	168,111	164,911	69,457	114,437	1,084,901	(82,807)	1,002,093
Operating income	32,203	4,490	26,681	11,399	3,635	78,410	(7,493)	70,916

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	"AJI-NO-MOTO," "Hon-Dashi," "Cook Do," soups, mayonnaise and mayonnaise-type dressings, "Pal Sweet" (for domestic market), delicatessen products, bakery products, "Amino Vital", frozen foods, edible oils, coffee, domestic beverages, chilled dairy products, etc.
Overseas Food Products	"AJI-NO-MOTO," nucleotides, overseas flavor seasonings, overseas instant noodles, overseas beverages, etc.
Amino Acids	Various kinds of amino acids, feed-use amino acids, aspartame, specialty chemicals, etc.
Pharmaceuticals	Pharmaceuticals, medical foods
Other	Distribution, various services, etc.

3. Major unallocated items in operating expenses included under Elimination or All company include administrative operating expenses at the parent company and part of operating expenses at research facilities.
For the previous fiscal year these items totaled ¥8,596 million.

Restatements under new allocation of products to business segments

Interim period ended September 30, 2004

Millions of yen

	Domestic Food Products	Overseas Food Products	Amino Acids	Pharma-ceuticals	Other	Total	Elimination or All Company	Consolidated
Sales								
(1) Sales to third parties	305,337	39,041	129,802	40,208	31,244	545,633	--	545,633
(2) Intra-group sales and transfers	659	2,189	13,317	43	28,996	45,206	(45,206)	--
Total sales..........	305,997	41,230	143,119	40,252	60,240	590,840	(45,206)	545,633
Operating expenses...	293,729	38,940	123,451	35,560	58,136	549,819	(40,401)	509,418
Operating income	12,267	2,290	19,667	4,691	2,104	41,020	(4,804)	36,215

Fiscal year ended March 31, 2005

Millions of yen

	Domestic Food Products	Overseas Food Products	Amino Acids	Pharma-ceuticals	Other	Total	Elimination or All Company	Consolidated
Sales								
(1) Sales to third parties	598,888	80,825	251,646	80,736	60,913	1,073,010	--	1,073,010
(2) Intra-group sales and transfers	1,357	5,309	24,915	120	57,159	88,863	(88,863)	--
Total sales..........	600,246	86,135	276,561	80,857	118,073	1,161,873	(88,863)	1,073,010
Operating expenses...	569,929	83,148	247,454	69,457	114,437	1,084,428	(82,334)	1,002,093
Operating income	30,317	2,986	29,106	11,399	3,635	77,445	(6,528)	70,916

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

2. Segment information by geographical areas

Interim period ended September 30, 2005

Millions of yen

	Japan	Asia	America	Europe	Total	Elimination or All Company	Consolidated
Sales							
(1) Sales to third parties	402,169	54,174	35,229	50,784	542,358	--	542,358
(2) Intra-group sales and transfers	21,069	7,463	5,974	3,254	37,761	(37,761)	--
Total	423,238	61,637	41,204	54,039	580,120	(37,761)	542,358
Operating expenses..................................	407,179	59,355	39,973	51,851	558,359	(37,761)	520,598
Operating income......................................	16,059	2,281	1,230	2,188	21,760	--	21,760

Notes 1. Country and regional segments are categorized on the basis of geographic proximity.

2. Main countries and regions in segments other than Japan:

Asia: Countries of East and Southeast Asia

America: Countries of North and South America

Europe: Countries of Europe and Africa

3. Changes to accounting methods

Income and expenses of overseas subsidiaries have previously been calculated using the exchange rate on the balance sheet date. However, from the interim period under review onwards, such figures have been recorded using the average exchange rate throughout the relevant period. This change has been made to reflect the increasing importance of the production and sales of overseas subsidiaries to the parent company. As quarterly financial information disclosure further develops, this change will enable each financial report to show a balanced result for the period despite severe fluctuations of the spot exchange rate that may occur.

For comparison, using the previous calculation method net sales decreased by ¥1,329 million for Asia, ¥2,880 million for America, ¥294 million for Europe, and increased by ¥834 million in Elimination or All Company. Operating income increased by ¥15 million for Asia and decreased by ¥61 million for America and by ¥16 million for Europe.

Interim period ended September 30, 2004

Millions of yen

	Japan	Asia	America	Europe	Total	Elimination or All Company	Consolidated
Sales							
(1) Sales to third parties	403,614	50,313	36,897	54,807	545,633	--	545,633
(2) Intra-group sales and transfers	20,373	6,616	5,841	3,260	36,091	(36,091)	--
Total	423,987	56,930	42,739	58,067	581,725	(36,091)	545,633
Operating expenses................................	407,240	51,100	33,996	53,172	545,509	(36,091)	509,418
Operating income....................................	16,746	5,829	8,743	4,895	36,215	--	36,215

Notes 1. Country and regional segments are categorized on the basis of geographic proximity.

2. Main countries and regions in segments other than Japan:

Asia: Countries of East and Southeast Asia

America: Countries of North and South America

Europe: Countries of Europe and Africa

Fiscal Year ended March 31, 2005

	Japan	Asia	America	Europe	Total	Elimination or All Company	Consolidated
	Millions of yen						
Sales							
(1) Sales to third parties	793,652	102,075	69,487	107,794	1,073,010	--	1,073,010
(2) Intra-group sales and transfers	38,635	13,781	11,548	6,596	70,562	(70,562)	--
Total	832,288	115,856	81,036	114,391	1,143,573	(70,562)	1,073,010
Operating expenses	790,163	106,468	69,406	106,617	1,072,656	(70,562)	1,002,093
Operating income	42,125	9,388	11,629	7,773	70,916	--	70,916

Notes 1. Country and regional segments are categorized on the basis of geographic proximity.

2. Main countries and regions in segments other than Japan:

Asia: Countries of East and Southeast Asia

America: Countries of North and South America

Europe: Countries of Europe and Africa

3. Overseas sales

Interim period ended September 30, 2005

Millions of yen

	Asia	America	Europe	Total
Overseas sales	59,922	38,049	52,242	150,214
Consolidated net sales	--	--	--	542,358
Overseas sales % of consolidated net sales	11.0	7.0	9.6	27.7

Notes 1. Country and regional segments are categorized on the basis of geographic proximity.

2. Main countries and regions in segments other than Japan:

Asia: Countries of East and Southeast Asia

America: Countries of North and South America

Europe: Countries of Europe and Africa

3. Changes to accounting methods

Income and expenses of existing subsidiaries have previously been calculated using the exchange rate on the balance sheet date. However, from the interim period under review onwards, such figures have been recorded using the average exchange rate throughout the relevant period. This change has been made to reflect the increasing importance of the production and sales of overseas subsidiaries to the parent company. As quarterly financial information disclosure further develops, this change will enable each financial report to show a balanced result for the period despite severe fluctuations of the spot exchange rate that may occur.

For comparison, using the previous calculation method results. Overseas net sales decreased in each by segment as follows: by ¥1,071 million for Asia, ¥2,256 million for America and ¥322 million for Europe.

Interim period ended September 30, 2004

Millions of yen

	Asia	America	Europe	Total
Overseas sales	56,853	39,640	55,676	152,169
Consolidated net sales	--	--	--	545,633
Overseas sales % of consolidated net sales	10.4	7.3	10.2	27.9

Notes 1. Country and regional segments are categorized on the basis of geographic proximity.

2. Main countries and regions in segments other than Japan:

Asia: Countries of East and Southeast Asia

America: Countries of North and South America

Europe: Countries of Europe and Africa

3. Overseas sales are sales of the Company and its consolidated subsidiaries in countries and regions outside of Japan.

FY ended March 31, 2005

Millions of yen

	Asia	America	Europe	Total
Overseas sales	116,176	77,835	104,296	298,308
Consolidated net sales	--	--	--	1,073,010
Overseas sales % of consolidated net sales	10.8	7.2	9.7	27.8

Notes 1. Country and regional segments are categorized on the basis of geographic proximity.

2. Main countries and regions in segments other than Japan:

Asia: Countries of East and Southeast Asia

America: Countries of North and South America

Europe: Countries of Europe and Africa

3. Overseas sales are sales of the Company and its consolidated subsidiaries in countries and regions outside of Japan.

Marketable Securities-Related

As of September 30, 2005

1. 'Other securities' with fair value

	Millions of yen		
	Acquisition cost	Carrying value as of September 30, 2005	Unrealized gain (loss)
1. Stocks	35,905	61,809	25,903
2. Other	60	58	(1)
Total	**35,965**	**61,867**	**25,902**

2. Main 'Marketable securities' without fair value

	Millions of yen
	Carrying value
Other marketable securities	
Unlisted stocks (not including OTC stocks)	4,541
Unlisted domestic bonds	0
Unlisted foreign bonds	--
Investment trusts	310
Money management funds etc.	3,041

As of September 30, 2004

1. 'Other securities' with fair value

	Millions of yen		
	Acquisition cost	Carrying value as of September 30, 2004	Unrealized gain (loss)
1. Stocks	33,573	47,932	14,358
2. Other	355	350	(4)
Total	**33,928**	**48,283**	**14,354**

2. Main 'Marketable securities' without fair value

	Millions of yen
	Carrying value
Other marketable securities	
Unlisted stocks (not including OTC stocks)	4,479
Unlisted domestic bonds	1
Unlisted foreign bonds	300
Investment trusts	5,946
Money management funds etc.	1,937

As of March 31, 2005

1. 'Other securities' with fair value

	Millions of yen		
	Acquisition cost	Carrying value as of March 31, 2005	Unrealized gain (loss)
1. Stocks	35,265	49,674	14,408
2. Other	55	44	(10)
Total	**35,320**	**49,718**	**14,397**

2. Main 'Marketable securities' without fair value

	Millions of yen
	Carrying value
Other marketable securities	
Unlisted stocks (not including OTC stocks)	4,577
Unlisted domestic bonds	0
Unlisted foreign bonds	407
Investment trusts	1,064
Money management funds etc.	381

Derivative Transactions

Notional amounts, fair values, and unrealized gains (losses) from derivative transactions

As of September 30, 2005 — *Millions of yen*

Instrument type	Transaction type	Notional amount	Fair value	Unrealized gain (loss)
Currencies	Forward foreign exchange transactions	14,233	14,716	(312)
Interest rates	Interest rate swaps	1,858	(41)	(41)
	Total	**--**	**--**	**(354)**

As of September 30, 2004 — *Millions of yen*

Instrument type	Transaction type	Notional amount	Fair value	Unrealized gain (loss)
Currencies	Forward foreign exchange transactions	14,206	14,329	(69)
Interest rates	Interest rate swaps	723	(18)	(18)
	Total	**--**	**--**	**(88)**

As of March 31, 2005 — *Millions of yen*

Instrument type	Transaction type	Notional amount	Fair value	Unrealized gain (loss)
Currencies	Forward foreign exchange transactions	15,655	15,883	(191)
Interest rates	Interest rate swaps	678	7	7
	Total	--	--	**(184)**