AJINOMOTO®

Ajinomoto Co., Inc.

Consolidated Results

Fiscal Year Ended March 31, 2009

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

AJINOMOTO®

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)

For the year ended March 31, 2009

Ajinomoto Co., Inc. **May 14, 2009**

Stock Code:	2802	Listed exchanges:	Tokyo, Osaka
URL: http://www.ajinomoto.com		Inquiries:	Hiromichi Oono Corporate Executive Officer and General Manager Finance Department
President:	Norio Yamaguchi		
Scheduled date of the general meeting of shareholders:	June 26, 2009		
Scheduled date of starting payment of dividend:	June 29, 2009	Telephone:	813 5250-8161
Scheduled date of submission of Securities Report:	June 26, 2009		

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2009

1) Consolidated Operating Results

Millions of yen, rounded down

	FY ended March 31, 2009		FY ended March 31, 2008	
		Change (%)		Change (%)
Net sales	1,190,371	(2.2)	1,216,572	5.0
Operating income	40,827	(32.5)	60,523	(5.1)
Ordinary income	25,926	(53.5)	55,736	(9.5)
Net income (loss)	(10,227)	--	28,229	(6.6)
Net income (loss) per share (¥)	(¥14.65)		¥41.94	
Fully diluted earnings per share (¥)	--		--	
Return on equity	(1.7%)		4.7%	
Ratio of ordinary income to total assets	2.4%		5.2%	
Ratio of operating income to net sales	3.4%		5.0%	

Note: Gain from investments in subsidiaries and affiliates accounted for by the equity method:
FY ended March 31, 2009: ¥2,524 million FY ended March 31, 2008: ¥3,541 million

2) Financial Position

Millions of yen, rounded down

	As of March 31, 2009	As of March 31, 2008
Total assets	1,057,786	1,100,709
Net assets	618,654	667,717
Shareholders' equity ratio (%)	55.3%	57.1%
Book value per share (¥)	¥838.51	¥899.41

Note: Shareholders' equity as of: March 31, 2009: ¥585,234 million
March 31, 2008: ¥628,325 million

3) Cash Flows

Millions of yen, rounded down

	FY ended March 31, 2009	FY ended March 31, 2008
Net cash provided by operating activities	51,699	51,436
Net cash used in investing activities	(62,487)	(28,292)
Net cash used in financing activities	(2,119)	(17,592)
Cash and cash equivalents at end of year	67,790	83,164

2. Dividends

	FY ended March 31, 2008	FY ended March 31, 2009	FY ending March 31, 2010 (forecast)
Dividend per share			
Interim	¥8.00	¥8.00	¥8.00
Year-end	¥8.00	¥8.00	¥8.00
Annual	¥16.00	¥16.00	¥16.00
Total annual dividend amount	¥10,768 million	¥11,168 million	--
Dividend payout ratio	38.1%	--	111.7%
Ratio of dividends to net assets	1.8%	1.8%	--

3. Forecast for the Fiscal Year Ending March 31, 2010

Millions of yen

	FY ending March 31, 2010	Change %
Net sales	1,195,000	0.4
Operating income	42,000	2.9
Ordinary income	36,000	38.9
Net income	10,000	--
Net income per share	¥14.33	--

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

Interim consolidated earnings forecasts have been omitted, as Ajinomoto Co., Inc. ("the Company") conducts budgeting on a full-year basis, and management of progress in and evaluation of business results is conducted only for full-year periods.

4. Other

1) Transfer of important subsidiaries during the period (Transfers of certain subsidiaries resulting in changes in the scope of consolidation): No

2) Changes in accounting methods, procedures and presentation in the making of these financial statements (Key items mentioned in "Significant Items for the Preparation of Consolidated Financial Statements")

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

(2) Other changes: No

Note: For details see page 27, "Significant Items for the Preparation of Consolidated Financial Statements."

3) Number of shares outstanding (ordinary shares)

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

March 31, 2009: 700,032,654 shares March 31, 2008: 700,032,654 shares

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

March 31, 2009: 2,083,299 shares March 31, 2008: 1,437,086 shares

Note: See "Per share information" on page 45 for details on the number of outstanding shares used as the basis of calculation of net income per share.

Forward-looking statements, such as business forecasts, made in these financial statements are based on managements' estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. For more information regarding our business forecasts, please refer to pages 4 to 9, "1. Operating Results, I. Analysis of Operating Results." Audits by the corporate auditors and certified public accountants have not been completed as of the publication date of these financial statements.

1. Operating Results

I. Analysis of Operating Results

1. Consolidated results outline

Billions of yen, rounded down

	Net Sales	Operating Income	Ordinary Income	Net Income
FY ended March 31, 2009	1,190.3	40.8	25.9	(10.2)
FY ended March 31, 2008	1,216.5	60.5	55.7	28.2
Change	(2.2%)	(32.5%)	(53.5%)	--

Overview of results for this period

In the period under review, the Japanese economy began to weaken in the first half of the fiscal year, and from autumn 2008 the financial crisis originating in the United States caused economies throughout the world to enter extremely severe downturns. As concerns spread of a global recession, corporate profits decreased rapidly and consumer spending in Japan deteriorated, influenced by factors such as increasing uncertainty about employment.

In the Japanese food industry, the business environment became extremely severe as a result of substantial rises in prices of raw materials and fuels, a cooling of consumer confidence due to the economic recession, and other factors.

Within this environment, the Ajinomoto Group ("Ajinomoto" or "the Group") focused its efforts on pursuing reforms on all levels throughout the entire Group, and extensively reducing costs and strengthening the business structure, aiming to be successful in the increasingly severe operating environment and to overcome competitive pressures. However, consolidated net sales for the fiscal year ended March 31, 2009 decreased 2.2% (¥26.2 billion) year on year to ¥1,190.3 billion; operating income decreased 32.5% (¥19.6 billion) to ¥40.8 billion; and ordinary income decreased 53.5% (¥29.8 billion) to ¥25.9 billion. Ajinomoto recorded a consolidated net loss of ¥10.2 billion for the period, as a result of posting impairment losses and other extraordinary losses of ¥27.3 billion.

Changes to main accounting items during the period under review

Note: All comparisons are with the previous fiscal year, ended March 31, 2008, unless otherwise stated.

(1) Net sales

Net sales decreased 2.2%, or ¥26.2 billion, year on year to ¥1,190.3 billion. By region, sales in Japan rose 1.3% to ¥843.3 billion, while sales overseas fell 9.7% to ¥346.9 billion, caused by the negative impact of foreign exchange rates mainly on overseas seasonings due to the appreciation of the yen. Overseas, sales in "Asia" decreased 5.1% to ¥151.0 billion, sales in "America" decreased 3.1% to ¥106.5 billion, and sales in "Europe" decreased 22.3% to ¥89.4 billion.

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

In line with the decline in sales, the cost of sales decreased 2.8%, or ¥23.8 billion, to ¥833.1 billion. The ratio of the cost of sales to net sales fell 0.4 percentage points to 70.0%, due to Calpis Co., Ltd. contributing for the full year in the fiscal year under review following its shift from being an equity method affiliate to a consolidated subsidiary on October 1, 2007 on one hand, and raw material and fuel prices remaining at high levels in the fiscal year under review on the other.

Selling, general and administrative expenses rose 5.8%, or ¥17.3 billion, from the previous fiscal year to ¥316.4 billion. The main reason for this increase was Calpis Co., Ltd. shifting from being an equity method affiliate to a consolidated subsidiary, which offset initiatives to reduce marketing costs, such as advertising and sales promotions.

(3) Operating income

Operating income decreased 32.5%, or ¥19.6 billion, from the previous fiscal year to ¥40.8 billion. By region, operating income in Japan decreased 13.3% to ¥26.9 billion, while operating income from operations overseas decreased 10.4% to ¥26.4 billion, and operating income from corporate and eliminations was a loss of ¥12.5 billion. The main reasons for the domestic decrease in operating income were a significant decline in the amino acids business, mainly with respect to electronic materials and sweeteners, and a decline in the pharmaceuticals business, which offset a slight increase in the domestic food products business due mainly to contributions from beverages and seasonings for the retail market. Overseas, the decrease in operating income was mainly attributable to feed-use amino acids and overseas seasonings. Operating income in "Asia" increased 19.8% to ¥16.0 billion; operating income in "America" decreased 8.4% to ¥8.6 billion; and operating income in "Europe" decreased 73.5% to ¥1.7 billion. In addition, the method of allocating operating expenses was changed from the fiscal year under review. Expenses associated with the administrative divisions and some research facilities of the Company, which had previously been included in "Japan" are now included in corporate and eliminations. As a result of this change, operating income increased ¥12.7 billion in "Japan" and decreased by the same amount in corporate and eliminations.

(4) Non-operating income (expenses)

The difference between non-operating income and non-operating expenses was a negative figure of ¥14.9 billion, a decrease of ¥10.1 billion compared to the negative figure of ¥4.7 billion in the previous year. This was mainly the result of foreign exchange losses associated with non-deliverable forward (NDF) transactions and with the balance of foreign currency borrowings at consolidated subsidiaries in Brazil and lower equity in earnings of affiliates.

(5) Ordinary income

Ordinary income fell 53.5%, or ¥29.8 billion, year on year to ¥25.9 billion.

(6) Extraordinary income

Extraordinary income for the period under review was ¥4.6 billion, compared to ¥9.8 billion in the previous year. The main factors were a gain of ¥1.2 billion on prior period adjustments, compared to ¥0.7 billion in the previous year, a gain of ¥0.7 billion on sale of fixed assets, compared to ¥4.4 billion in the previous year, and a gain of ¥0.7 billion on reversal of the allowance for doubtful accounts, compared to ¥0.3 in the previous year.

(7) Extraordinary losses

Extraordinary losses were ¥27.3 billion, compared to ¥13.6 billion in the previous year. The main factors were impairment losses of ¥18.8 billion, compared to ¥0.1 billion in the previous year, mainly with respect to goodwill and plant facilities of overseas subsidiaries, loss on disposal of fixed assets of ¥3.4 billion, compared to ¥2.5 billion in the previous year, and loss on valuation of investment securities of ¥0.7 billion, compared to ¥0.0 billion in the previous year, due to a decline in stock prices resulting from the financial uncertainty.

With respect to impairment losses on goodwill, the Company recorded an impairment loss of ¥13.4 billion on the goodwill of consolidated subsidiary Amoy Food Group. This was based on the decision to reduce the book value of goodwill to a level corresponding to the recoverable amount, as this group can no longer be expected to post the profits Ajinomoto initially projected at the time of acquisition of the group, due mainly to rising costs resulting from higher prices of raw materials and fuels.

(8) Net loss

Net loss for the period under review was ¥10.2 billion, compared to net income of ¥28.2 billion in the previous fiscal year. Net loss per share for the year was ¥14.65, compared to net income per share of ¥41.94 the year before.

(9) Other

Impact from Calpis Co., Ltd. becoming a wholly owned subsidiary

Making Calpis Co., Ltd. a wholly owned subsidiary on October 1, 2007 had a positive impact of ¥11.3 billion on net sales, a positive impact of ¥2.3 billion on operating income and a positive impact of ¥1.4 billion on ordinary income. These amounts represent the difference from the estimated amounts for net sales, operating income and ordinary income if Calpis Co., Ltd. had remained as an equity method affiliate in the period from April 1 to September 30, 2008.

Consolidated operating results by segment

Note: All comparisons are with the previous fiscal year, ended March 31, 2008, unless otherwise stated.

Billions of yen, rounded down

	Net Sales	YoY Change - amount	YoY Change - percent	Operating Income	YoY Change - amount	YoY Change - percent
Domestic food products	653.9	21.2	3.4	16.9	1.2	7.9
Overseas food products	148.7	(6.7)	(4.3)	11.5	(3.4)	(22.9)
Amino acids	246.9	(39.1)	(13.7)	9.4	(9.6)	(50.5)
Pharmaceuticals	85.7	1.6	2.0	13.6	(1.2)	(8.7)
Other	55.0	(3.1)	(5.5)	2.4	(0.3)	(14.1)

Notes:

1. For the main products of each business segment, please refer to "Segment Information, 1. Segment information by business, Note 2: Main products for each business segment" (page 33).
2. Domestic and overseas sales of *ACTIVA* products to food processing companies and savory seasonings are included in domestic food products.
3. Domestic sales of amino acid supplement *amino VITAL* and domestic sales of low-calorie sweetener for home use and the restaurant market are included in domestic food products.
4. Frozen food products of the Amoy Food Group are classified in domestic food products.
5. Domestic and overseas sales of umami seasoning *AJI-NO-MOTO* and nucleotides for use in the food processing business are included in amino acids.
6. Expenses relating to our administrative divisions and research institutes are partly recorded in corporate and eliminations. For details, please refer to "Segment Information, 1. Segment information by business".

(1) Domestic food products

Domestic food product sales increased 3.4%, or ¥21.2 billion, to ¥653.9 billion. Operating income increased 7.9%, or ¥1.2 billion, to ¥16.9 billion. The slight increase in sales was due to Calpis Co., Ltd. becoming a wholly owned subsidiary on October 1, 2007, as well as contributions by edible oils, coffee, and others. Operating income was maintained at the same level as the previous fiscal year as a result of Calpis Co., Ltd. becoming a wholly owned subsidiary, which offset the impact of the higher cost of raw materials.

Seasonings and processed foods: In seasonings and processed foods for the retail market, sales of *HON-DASHI* grew steadily from the previous year, reflecting a recovery in sales volumes from the decrease due the impact of pricing policy changes accompanying the renewal of the product line carried out in the previous year. Sales of Chinese dashi products trended steadily, while sales of consommé were maintained at the same level as the previous year. Sales of umami seasoning *AJI-NO-MOTO* grew favorably, partly due to the “Ajinomoto Renaissance” campaign to enhance understanding of *AJI-NO-MOTO* and umami substances. Sales of soups decreased slightly from the previous year, but sales of mayonnaise and mayonnaise-type dressings increased favorably, with a contribution from *Pure Select Low-Calorie Kokuuma Calorie 55% Cut*. Sales of the *Cook Do* line were at the same level as the previous year, while sales of *Kellogg’s* products decreased slightly.

Sales of products for the commercial market declined slightly from the previous year, partly influenced by lower consumer spending at restaurants amid the economic recession. Sales of *ACTIVA,* an enzyme (transglutaminase) used to enhance food texture and quality, to food processing companies were maintained at the same level as the previous year, and sales of savory seasoning products decreased slightly.

Sweeteners and nutritional foods: Sales of low-calorie sweeteners for home and restaurant use were maintained at the same level as the previous year. For amino acid supplement *amino VITAL*, sales of granulated products and the jelly drink type were maintained at the same level as the previous year, driven by active initiatives to increase customers and other factors.

Delicatessen and bakery products: Sales of lunchboxes and prepared dish delicatessen products grew steadily, while sales of bakery products were maintained at the same level as the previous year.

Frozen foods: Sales of products for the retail market declined slightly from the previous year, with such core products as *Gyoza*, *Ebi Shumai*, *Ebi Pilaf* and *fried rice with various ingredients* adversely impacted by the continuing series of incidents that have raised public concerns over food safety. Sales of products for restaurant and institutional use increased slightly, reflecting increased sales to major customers, which offset the impact of a decline in consumer spending at restaurants.

Beverages: Revenue from beverage sales increased, due to Calpis Co., Ltd. becoming a wholly owned subsidiary on October 1, 2007.

Edible oils: Sales increased substantially compared to the previous year.

Coffee, dairy products: Revenue from coffee sales increased, with substantial growth in sales of stick-type mixed coffee and chilled liquid coffee. Revenue from sales of chilled dairy products decreased, as a result of ceasing to be the exclusive distributor for products of DANONE JAPAN CO., LTD. at the end of January 2009.

(2) Overseas food products

Overseas food product sales decreased 4.3%, or ¥6.7 billion, to ¥148.7 billion. Operating income decreased 22.9%, or ¥3.4 billion, to ¥11.5 billion.

Seasonings: In Asia, sales declined slightly, due to the unfavorable impact of foreign exchange rates, despite substantial increases in sales of *AJI-NO-MOTO* and flavor seasonings for home use, which were partly due to a contribution from price increases. In America (North and South America), sales decreased, reflecting the negative impact from foreign exchange rates, despite strong growth in sales of flavor seasonings for home use in South America. In Europe and Africa, sales of *AJI-NO-MOTO* for home use decreased significantly within West African countries, partly reflecting shortages in raw materials as a result of problems at harbors.

Processed foods: In Asia, sales decreased from the previous year as a result of the negative impact of foreign exchange rates, despite strong sales of *Birdy* canned coffee.

(3) Amino acids

Amino acids sales decreased 13.7%, or ¥39.1 billion, to ¥246.9 billion. Operating income decreased 50.5%, or ¥9.6 billion, to ¥9.4 billion. The decline in sales was partly attributable to the negative impact of foreign exchange rates, intensified competition and the business reorganization, despite favorable growth in sales of umami seasonings for processed food manufacturers. The substantial decrease in operating income was partly due to higher prices of raw materials and fuels, the unfavorable impact of foreign exchange rates and intensified competition, which offset contributions from amino acids for pharmaceuticals and foods and umami seasonings for processed food manufacturers.

Umami seasonings for processed food manufacturers: Sales of *AJI-NO-MOTO* grew favorably, supported by growth in sales volumes and the implementation of price increases, while sales of nucleotides also increased strongly, driven mainly by sales to major overseas customers.

Feed-use amino acids: Sales of Lysine and Tryptophan decreased substantially, while sales of Threonine also decreased, reflecting a decrease in sales volumes as well as the unfavorable impact of foreign exchange rates.

Amino acids for pharmaceuticals and foods: Sales were maintained at the same level as the previous year in Japan, but fell in Europe and North America, as a result of the negative impact of foreign exchange rates. Overall sales decreased slightly from the previous year.

Sweeteners: Sales volumes of aspartame, a sweetener, to the processing industry trended steadily, but sales decreased slightly from the previous year, due to the unfavorable impact of foreign exchange rates. The sales volume of powdered juice *Refresco MID*, which contains aspartame, in South America increased slightly over the previous year, but sales decreased as a result of the unfavorable impact of foreign exchange rates.

Pharmaceutical fine chemicals: Sales decreased substantially from the previous year, with sales in Europe experiencing difficulties.

Specialty chemicals: Sales of cosmetic ingredients were at the same level as the previous year with a slight increase in Japan offset by a slight decrease overseas. Sales of amino acid-based cosmetics *Jino* declined slightly, while sales of insulation film for build-up printed wiring board decreased substantially.

(4) Pharmaceuticals

Pharmaceutical sales increased 2.0%, or ¥1.6 billion, to ¥85.7 billion. Operating income decreased 8.7%, or ¥1.2 billion, to ¥13.6 billion. The overall increase in revenue was driven by substantial growth in sales of products sold though business tie-ups, which offset a slight decline in self-distributed sales resulting partly from the impact of the NHI price revisions. The decline in operating income was attributable to factors such as higher R&D costs.

For self-distributed products, sales of *LIVACT,* a branched-chain amino acids formula for the treatment of liver cirrhosis, and *ELENTAL,* an elemental diet, were maintained at the same levels as the previous year, but sales of infusions such as *SOLITA-T*, an electrolyte solution, decreased from the previous year. For products sold though business tie-ups, sales of *ATELEC*, an antihypertensive calcium channel blocker, increased substantially, while sales of natiglinide products such as non-insulin-dependent diabetes treatment *FASTIC* trended strongly, and sales of *ACTONEL*, a preparation used in the treatment of osteoporosis, grew favorably.

(5) Other

Sales from other business decreased 5.5%, or ¥3.1 billion, to ¥55.0 billion. Operating income decreased 14.1%, or ¥0.3 billion, to ¥2.4 billion.

(6) Corporate and eliminations

This category mainly comprises expenses associated with the Company's administrative divisions, expenses associated with some research facilities, and changes in amounts allocated to inventory with respect to cost variances under the standard cost accounting system adopted by the Company. Operating income for the year ended March 31, 2009 declined ¥6.1 billion to an operating loss of ¥13.2 billion.

Consolidated operating results by geographical area segment are as follows:

(1) Japan

In "Japan", sales increased 1.3%, or ¥11.0 billion, to ¥843.3 billion, and operating income decreased 13.3%, or ¥4.1 billion, to ¥26.9 billion. The primary driver was domestic food products.

(2) Asia

In "Asia", sales decreased 5.1%, or ¥8.1 billion, to ¥151.0 billion, and operating income increased 19.8%, or ¥2.6 billion, to ¥16.0 billion. The primary driver was overseas food products.

(3) America

In "America", sales decreased 3.1%, or ¥3.3 billion, to ¥106.5 billion, and operating income decreased 8.4%, or ¥0.7 billion, to ¥8.6 billion. The primary drivers were amino acids and overseas food products.

(4) Europe

In "Europe", sales decreased 22.3%, or ¥25.7 billion ¥89.4 billion, and operating income decreased 73.5%, or ¥4.9 billion, to ¥1.7 billion. The primary driver was amino acids.

2. Outlook for the Fiscal Year Ending March 31, 2010

Billions of yen, rounded down

	Net Sales	Operating Income	Ordinary Income	Net Income
FY ending March 31, 2010	1,195.0	42.0	36.0	10.0
FY ended March 31, 2009	1,190.3	40.8	25.9	(10.2)
Increase	0.4%	2.9%	38.9%	--

With economies across the world experiencing downturns, and increasing uncertainty about the future, the Japanese economy is also expected to remain in a severe recession.

Given such conditions, in domestic food products Ajinomoto aims to boost sales of core products and further improve profitability through reducing production costs. In overseas food products Ajinomoto will focus on expanding sales of seasonings and developing its processed foods operations. In amino acids Ajinomoto intends to pursue structural reform in order to improve profitability, communicate the value of amino acids to society and step up initiatives to ensure that they take root. In pharmaceuticals Ajinomoto will seek to boost sales of core products and reinforce its research and development pipeline in the Group's priority regions, while working to maximize efficiencies in production and distribution and further reduce costs.

As a result of the above, Ajinomoto forecasts consolidated sales for the fiscal year ending March 31, 2010 to increase 0.4% to ¥1,195.0 billion, and operating income to increase 2.9% to ¥42.0 billion. Ordinary income is forecast to increase 38.9% to ¥36.0 billion, and net income is forecast to be ¥10.0 billion.

Interim consolidated earnings forecasts have been omitted, as the Company conducts budgeting on a full-year basis, and management of progress in and evaluation of business results is conducted only for full-year periods.

These forecasts are based on an assumed exchange rate of ¥92.5 to the U.S. dollar.

II. Analysis of Financial Position

1. Overview of year under review

Financial position as of March 31, 2009

Total assets as of March 31, 2009 were ¥1,057.7 billion, ¥42.9 billion less than the ¥1,100.7 billion recorded one year earlier. This decrease was primarily due to a decrease in the value recorded from the assets of overseas subsidiaries due to the strengthening of the yen.

Total interest-bearing debt was ¥149.4 billion, ¥5.0 billion higher than March 31, 2008.

Net assets decreased ¥49.0 billion compared to March 31, 2008, due to a decline in retained earnings resulting from the net loss recorded in the period under review and payment of dividends, and a decline in translation adjustments resulting from the appreciation of the yen. Shareholders' equity, which is net assets minus minority interests, was ¥585.2 billion, and the shareholders' equity ratio was 55.3%.

Summary of consolidated cash flow

Billions of yen, rounded down

	FY ended March 31, 2009	FY ended March 31, 2008	Change
Net cash provided by operating activities	51.6	51.4	0.2
Net cash used in investing activities	(62.4)	(28.2)	(34.1)
Net cash used in financing activities	(2.1)	(17.5)	15.4
Effect of exchange rate changes on cash and cash equivalents	(2.8)	(3.8)	0.9
Increase (decrease) in cash and cash equivalents	(15.7)	1.7	(17.4)
Increase in initial balance due to change in scope of consolidation	0.3	0.0	0.3
Decrease in initial balance due to change in scope of consolidation	--	(0.1)	0.1
Cash and cash equivalents at end of period	67.7	83.1	(15.3)

Net cash provided by operating activities increased ¥0.2 billion over the previous year to ¥51.6 billion. This remained at broadly the same level as the previous year as a result of lower income taxes paid, which offset lower operating income.

Net cash used in investing activities increased ¥34.1 billion over the previous year to ¥62.4 billion. This increase is mainly due to including Calpis Group within the scope of consolidation in line with Calpis Co., Ltd. becoming a wholly owned subsidiary of Ajinomoto Co., Inc.

Net cash used in financing activities decreased ¥15.4 billion from the previous year to ¥2.1 billion. The main factors for this decrease were issuance and redemption of corporate bonds.

As a result of the foregoing, cash and cash equivalents at March 31, 2009 was ¥67.7 billion, a decrease of ¥15.3 billion compared to March 31, 2008.

2. Trends in Cash Flow-related Indices

	FY ended March 31, 2009	FY ended March 31, 2008	FY ended March 31, 2007	FY ended March 31, 2006
Equity ratio (%)	55.3	57.1	53.1	53.0
Equity ratio based on market price (%)	45.9	64.1	82.7	81.7
Ratio of interest-bearing debt to cash flow (%)	313.7	305.5	216.3	287.0
Interest coverage ratio (times)	10.5	11.2	19.4	21.2

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

Notes:

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

III. Basic Policy regarding Allocation of Profits and Dividends for Fiscal Year Ended March 31, 2009 and Fiscal Year Ending March 31, 2010

The Company adopts the basic principle of making stable and sustainable dividend payments from a medium- to long-term perspective, taking into account the consolidated results of each period. For the fiscal year under review (ended March 31, 2009), even though the Group posted a net loss of ¥10.2 billion, the Company plans to pay a dividend of ¥16 per share (with an interim dividend of ¥8 per share), the same level as the previous fiscal year. For the next fiscal year (ending March 31, 2010), it plans to maintain the dividend at the same level as the fiscal year under review at ¥16 per share, with an interim dividend payment of ¥8 per share, taking into account the principle of shareholder returns by stable dividends.

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

The Company seeks to manage shareholders' equity efficiently, and in a way that continues to meet the expectations of its shareholders.

IV. Operational Risk

Operational risks faced by Ajinomoto that could affect its performance and financial position are outlined as follows. Future risks outlined in this document are as judged by the Group as of March 31, 2009.

(1) Exchange rate risk

The Group is further establishing and strengthening its global manufacturing and supply structure. The Group operates in 23 countries and regions including Japan, with manufacturing plants at 102 sites in 14 of these countries and regions. The relative importance of overseas operations is therefore very high. In the previous fiscal year and the fiscal year under review, sales to outside parties in countries other than Japan (i.e. Asia, America and Europe) were ¥384.2 billion and ¥346.9 billion respectively, comprising 31.6% and 29.1% of consolidated sales. Operating income derived from these regions in the same periods was ¥29.4 billion and ¥26.4 billion, comprising 48.7% and 64.7% of consolidated operating income. Ajinomoto hedges these associated exchange risks with forward exchange contracts and other mechanisms, but there remains the potential for exchange rate fluctuations impacting on business results.

(2) Changes in market conditions

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

(3) Natural disasters, social disruption, political changes

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

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

(4) Laws and regulations

Within Japan Ajinomoto endeavors to comply with all laws and regulations relating to food, pharmaceuticals, the environment, recycling and so on. At the same time, in each of the other countries Ajinomoto operates in the Group seeks to meet all legal obligations, such as those relating to permission to operate or invest, tariffs and duties, import and export rules, and foreign exchange and foreign trade control laws. The Group also makes every possible effort through legal means to secure its intellectual, product and other rights. The possibility exists, however, that legal changes may be introduced that cannot currently be foreseen, and complying with any such changes may restrict the Group’s operations and adversely affect financial performance.

(5) Food safety issues

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

(6) Litigation

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

The main incidents in which the Group is currently involved include lawsuits brought in the United States claiming damages on the ground of violation of U.S. anti-trust law by persons who allegedly purchased aspartame, and lawsuits brought in France by persons who allegedly purchased feed-use Lysine claiming damages on the ground of violation of EU competition law. Of these, in the aspartame cases the court of the first instance accepted the Group's arguments and rejected the claims of the plaintiffs. The plaintiffs are appealing to a higher court. The amounts of damages claimed are not specified in these cases. In the feed-use Lysine cases in France, the total amount of the damages claimed is 2,468,000 euro, and the court of the first instance found in favor of the Group. The plaintiffs are appealing to a higher court. In Brazil, an investigation is currently under way on the ground of possible violation of Brazil's antitrust law in relation to the sale of feed-use Lysine in or prior to 1995. These kinds of incidents entail uncertainty and it is therefore difficult to foresee the outcomes of the current and future incidents in which the Group is or might be involved. Depending on their outcomes, the Group may possibly be affected.

(7) Changes in cost of raw materials

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

(8) Information leaks

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

(9) Impact from application of impairment accounting

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

(10) Bankruptcy of customers

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

(11) Deferred tax assets, etc.

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

2. Current State of the Ajinomoto Group

The Group is made up of Ajinomoto Co., Inc., along with 133 subsidiaries and 20 affiliates. The Group is engaged in manufacturing and marketing of domestic seasonings and processed foods, frozen foods, beverages, edible oils, coffee and dairy products, overseas seasonings and processed foods, umami seasonings for processed food manufacturers, feed-use amino acids, amino acids for pharmaceuticals and foods, sweeteners, pharmaceutical fine chemicals, specialty chemicals, pharmaceuticals and medical foods, and other businesses.

A breakdown of businesses of the 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., ◊ YAMAKI Co., Ltd., Ajinomoto Packaging Co., Inc., AJINOMOTO BAKERY CO., LTD., GABAN Co., Ltd., Hokkaido Ajinomoto Co., Inc., Okinawa Ajinomoto Co., Inc.
	Frozen Foods	Ajinomoto Frozen Foods Co., Inc., Komec Co., Ltd., Ajinomoto Frozen Foods (Thailand) Co., Ltd.
	Beverages	Calpis Co., Ltd.
	Edible Oils	◊ J-OIL MILLS, INC.
	Coffee, Dairy Products	◊ Ajinomoto General Foods, Inc.
Overseas Food Products	Seasonings and Processed Foods	Ajinomoto Co., (Thailand) Ltd., Amoy Food 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 (China) Co., 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.
	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., Ajinomoto AminoScience LLC, Shanghai Ajinomoto Amino Acid Co., Ltd.
	Sweeteners	Ajinomoto Sweeteners Europe S.A.S.
	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., 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, ZAO "AJINOMOTO-GENETIKA Research Institute"

Note: 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.

JASDAQ: GABAN Co., Ltd.

3. Management Policy

1. Basic Management Policy

This year, the Company marks its 100th year since establishment. In looking toward the next 100 years, we have revised the **Ajinomoto Group Philosophy**, codified the **Ajinomoto Group Way** as a shared set of values for the Group, and formulated the **Ajinomoto Group Vision** as the shared vision for the Group.

The Ajinomoto Group Philosophy

"We create better lives globally by contributing to significant advances in Food and Health and by working for Life."

In its first 100 years of business, the Group contributed to human society by providing technologies and business models that were not possessed by any other companies. In this century, three key issues face humankind in the realm of Food—*securing food sources*, *satisfying people's desire for better health*, and *conservation of the global environment*. The Group intends to mobilize all of the resources it has accumulated in its first 100 years to contribute to resolving these issues in ways unique to the Group. Based on such strong determination, we have revised our Group Philosophy, adding the phrase "working for Life."

The Ajinomoto Group Way

(1) Create new value

Create value with new ideas and continuous innovation based on unique technologies and science.

(2) Pioneer Spirit

Continue to constantly take on the challenge of creating new businesses and markets.

(3) Social Contribution

Accommodate social requirements with humility and honesty, with the objective of maximizing value for society through business activities.

(4) Value People

Respect the humanity of all people involved in the Ajinomoto Group's businesses, and be an organization in which they can grow and display their abilities to the fullest extent.

We have codified the Ajinomoto Group Way as a shared set of Group values for nurturing new growth in the future, by clarifying the values that have supported our first 100 years of business since the foundation of the Group and carefully considering aspects that should be revised.

The Ajinomoto Group Vision

"We aim to be a group of companies that contributes to human health globally by continually creating unique value to benefit customers."

Specific targeted forms:

(1) To become a global group of food companies centered on the world's No. 1 seasoning business

(2) To become a global group of aminoscience companies that contributes to humankind with the world's No. 1 amino acid technology

(3) To become a group of health-promoting companies with a scientific approach to good taste and health

We have clearly set out the Ajinomoto Group Vision as the specific corporate group vision we should aim to achieve in order to realize the Ajinomoto Group Philosophy. This vision lays out our specific targeted forms and ensures that the entire Group shares a broad roadmap for our business, which will make it easier for us to mobilize the resources of the entire Group. Through this, we intend to pursue a form in which all parts of our organization can proactively display their abilities while sharing the same direction.

2. Management Goals

Since fiscal 2005 the Group has been implementing its management plan for fiscal 2005-2010, "A-dvance 10." However, based on major changes occurring in the operating environment, it decided to revise the numerical targets of "A-dvance 10" as well as key strategies, and formulated its fiscal 2008-2010 medium-term management plan, which contains these revised targets and strategies. In the fiscal 2008-2010 medium-term management plan, the Company has outlined new overall Group numerical targets for the final year of the plan, the fiscal year ending March 31, 2011, of achieving net sales of ¥1.35 trillion and operating income of ¥80.0 billion or more. However, as a result of dramatic changes in the social and economic environment since its formulation, the Company believes it necessary to comprehensively reconsider the plan, including with respect to whether its numerical targets are achievable.

3. Tasks Ahead

The current critical financial situation, of a kind that tends to emerge only once a century, has triggered an extremely severe global recession. Drastic inventory adjustment and subsequent substantial reductions in production are underway in the industrial sector, and uncertainty about employment is emerging in all regions of the world. Moreover, in response to these economic conditions, households have started to rapidly reduce their spending. Prices of raw materials and major grains have broadly stabilized, but against the backdrop of economic recession there is increased pressure to lower the prices of products. Furthermore, sharp fluctuations in foreign exchange rates are making it more difficult to conduct business overseas.

Ajinomoto is aiming to stabilize its profitability amid the rapidly changing social and economic environment by establishing a corporate system that makes it possible to identify, analyze and therefore adapt to such changes. At the same time, Ajinomoto will develop, through the activities of the Ajinomoto Raw Materials and Fuels Strategy Project, a framework that enables better decisions and actions through early detection of signs of changes in prices of raw material and fuels, which exert a significant impact on the Group's profits. Ajinomoto plans to further reinforce its production cost competitiveness through the reduction of fixed costs by the introduction and promotion throughout the Group of innovative production technologies and methods. Ajinomoto will aim to achieve a price structure that is resistant to pressures to lower prices by realization of the added value type business model. With respect to social contribution, Ajinomoto will implement a campaign utilizing amino acids to improve nutrition in Ghana, as part of its projects to commemorate 100 years of business. Meanwhile, Ajinomoto will proceed with selection and concentration of its business, and will allocate its finite resources to business areas that enable it to provide the best product value in the most efficient way. Although the environment surrounding the Group is extremely severe, Ajinomoto sees the current financial crisis as an opportunity to enhance its operating structure by comprehensively reviewing its existing approaches, and will endeavor to implement structural reform with the aim of achieving the Ajinomoto Group Vision.

AJINOMOTO®

4. Consolidated Financial Statements

Consolidated Balance Sheets

Millions of yen, rounded down

	As of March 31, 2009	As of March 31, 2008
Assets		
Current assets		
Cash on hand and in banks	69,569	80,816
Notes & accounts receivable	189,384	193,226
Marketable securities	647	3,559
Inventories	--	135,557
Goods and products	102,957	--
Goods in process	9,143	--
Raw materials and supplies	35,239	--
Deferred tax assets	15,904	13,878
Other	30,733	40,225
Allowance for doubtful accounts	(940)	(1,388)
Total current assets	452,639	465,875
Fixed assets		
Tangible fixed assets		
Buildings and structures	336,660	341,939
Accumulated depreciation and impairment losses	(183,227)	(180,992)
Net buildings and structures	153,433	160,946
Machinery and vehicles	516,237	534,172
Accumulated depreciation and impairment losses	(372,031)	(401,821)
Net machinery and vehicles	144,206	132,351
Tools, furniture and fixtures	62,781	63,044
Accumulated depreciation and impairment losses	(50,683)	(48,966)
Net tools, furniture and fixtures	12,098	14,078
Land	100,146	102,625
Leased assets	1,117	--
Accumulated depreciation and impairment losses	(157)	--
Net leased assets	959	--
Construction in process	22,122	26,684
Total tangible fixed assets	432,966	436,686
Intangible fixed assets		
Goodwill	39,121	57,822
Other	22,247	23,293
Total intangible fixed assets	61,369	81,116
Investment and other assets		
Investment in securities	82,485	95,899
Long-term loans receivable	624	1,348
Deferred tax assets	14,277	9,047
Other	14,593	12,132
Allowance for doubtful accounts	(1,169)	(1,396)
Total investment and other assets	110,811	117,031
Total fixed assets	605,146	634,834
Total Assets	**1,057,786**	**1,100,709**

(Continued)

Consolidated Balance Sheets

Millions of yen, rounded down

	As of March 31, 2009	As of March 31, 2008
Liabilities		
Current liabilities		
Notes & accounts payable	95,085	103,575
Short-term borrowings	26,706	31,036
Commercial paper	--	5,000
Corporate bonds to be redeemed within one year	--	20,000
Long-term loans due to be repaid within one year	3,056	3,296
Accrued income taxes	8,328	6,997
Accrued bonuses	4,919	4,761
Accrued bonuses for directors	131	246
Other	83,278	83,855
Total current liabilities	221,506	258,769
Long-term liabilities		
Bonds	84,987	50,000
Long-term debt	33,607	34,996
Deferred tax liabilities	29,419	20,850
Accrued employees' retirement benefits	47,856	45,784
Accrued officers' severance benefits	1,315	1,956
Allowance for environmental measures	216	214
Other	20,223	20,419
Total long-term liabilities	217,625	174,222
Total Liabilities	439,132	432,992
Net assets		
Shareholders' equity		
Common stock	79,863	79,863
Capital surplus	182,723	182,850
Retained earnings	389,100	383,648
Treasury stock	(2,378)	(1,858)
Total shareholders' equity	649,308	644,504
Valuation, translation adjustments and others		
Unrealized holding gain on securities	(1,517)	5,702
Unrealized gain from hedging instruments	220	(142)
Translation adjustments	(62,777)	(21,739)
Total valuation, translation adjustments and others	(64,074)	(16,179)
Minority interests	33,419	39,392
Total Net assets	618,654	667,717
Total Liabilities & Net assets	**1,057,786**	**1,100,709**

Consolidated Statements of Income

	FY ended Mar. 31, 2009	FY ended Mar. 31, 2008
	Millions of yen, rounded down	
Net sales	1,190,371	1,216,572
Cost of sales	833,123	856,974
Gross profit	357,247	359,597
Selling, general and administrative expenses	316,420	299,074
Operating income	40,827	60,523
Non-operating income		
Interest income	1,046	1,326
Dividends income	953	1,359
Gain on valuation of derivatives	--	1,275
Equity in earnings of affiliates	2,524	3,541
Rental income	932	--
Other	1,773	4,460
Total non-operating income	7,230	11,962
Non-operating expenses		
Interest expense	4,774	4,751
Exchange losses	12,429	--
Loss on valuation of inventory	--	1,709
Loss on disposal of goods and products	--	1,932
Other	4,927	8,356
Total non-operating expenses	22,131	16,750
Ordinary income	25,926	55,736
Extraordinary income		
Gain on prior period adjustments	1,287	701
Gain on sale of fixed assets	799	4,489
Gain on sale of investment securities sold	--	804
Gain on sale of affiliates' stock	437	3,290
Cancellation money	560	--
Reversal of allowance for doubtful accounts	731	359
Reversal of loss on liquidation of affiliates	576	--
Other	297	154
Total extraordinary income	4,688	9,801
Extraordinary losses		
Loss on prior period adjustments	--	683
Loss on sale of fixed assets	--	677
Loss on disposal of fixed assets	3,401	2,544
Impairment losses	18,838 *1	125 *1
Loss on valuation of investment securities	799	84
Loss on valuation of stock in affiliates	--	905
Loss on liquidation of affiliates	--	4,137
Provision to allowance for doubtful accounts	703	194
Retirement benefit expenses	--	1,427
Other	3,615	2,906
Total extraordinary losses	27,359	13,687
Net income before income taxes	3,256	51,849
Income taxes – current	14,402	18,536
Income taxes – deferred	(2,879)	1,903
Income taxes – total	11,522	20,439
Minority interests	1,961	3,180
Net income (loss)	**(10,227)**	**28,229**

Consolidated Statements of Changes in Net Assets
(Fiscal year ended March 31, 2009)

Millions of yen, rounded down

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances as of March 31, 2008	79,863	182,850	383,648	(1,858)	644,504
Increase (decrease) due to changes in accounting procedures for overseas subsidiaries			26,825		26,825
Changes in fiscal year ended March 31, 2009					
Dividends from surplus			(11,173)		(11,173)
Net loss			(10,227)		(10,227)
Increase in retained earnings from increase in consolidated subsidiaries			222		222
Pension liability adjustment for an overseas subsidiary			(195)		(195)
Purchase of treasury stock				(1,107)	(1,107)
Disposal of treasury stock		(127)		587	460
Net changes in items other than those in shareholders' equity					
Total of changes in fiscal year ended March 31, 2009	--	(127)	(21,373)	(520)	(22,020)
Balances as of March 31, 2009	79,863	182,723	389,100	(2,378)	649,308

Millions of yen, rounded down

	Valuation, Translation Adjustments and Others				**Minority Interests**	**Total Net Assets**
	Unrealized holding gain on securities	Unrealized gain from hedging instruments	Translation adjustments	Total valuation, translation adjustments and others		
Balances as of March 31, 2008	5,702	(142)	(21,739)	(16,179)	39,392	667,717
Increase (decrease) due to changes in accounting procedures for overseas subsidiaries					(2,971)	23,853
Changes in fiscal year ended March 31, 2009						
Dividends from surplus						(11,173)
Net income						(10,227)
Increase in retained earnings from increase in consolidated subsidiaries						222
Pension liability adjustment for an overseas subsidiary						(195)
Purchase of treasury stock						(1,107)
Disposal of treasury stock						460
Net changes in items other than those in shareholders' equity	(7,219)	362	(41,038)	(47,895)	(3,000)	(50,895)
Total of changes in fiscal year ended March 31, 2009	(7,219)	362	(41,038)	(47,895)	(3,000)	(72,916)
Balances as of March 31, 2009	(1,517)	220	(62,777)	(64,074)	33,419	618,654

(Continued)

Consolidated Statements of Changes in Net Assets

(Fiscal year ended March 31, 2008)

Millions of yen, rounded down

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances as of March 31, 2007	79,863	111,581	365,791	(2,902)	554,334
Changes in fiscal year ended March 31, 2008					
Exchange of shares		71,269		1,881	73,150
Dividends from surplus....................................			(10,361)		(10,361)
Net income			28,229		28,229
Increase in retained earnings from increase in consolidated subsidiaries			110		110
Pension liability adjustment for an overseas subsidiary			(120)		(120)
Purchase of treasury stock				(905)	(905)
Disposal of treasury stock................................		(1)		68	67
Net changes in items other than those in shareholders' equity					
Total of changes in fiscal year ended March 31, 2008	--	71,268	17,857	1,044	90,169
Balances as of March 31, 2008	79,863	182,850	383,648	(1,858)	644,504

Millions of yen, rounded down

	Valuation, Translation Adjustments and Others					
	Unrealized holding gain on securities	Unrealized gain from hedging instruments	Translation adjustments	Total valuation, translation adjustments and others	**Minority Interests**	**Total Net Assets**
Balances as of March 31, 2007	15,633	27	(6,549)	9,111	44,138	607,584
Changes in fiscal year ended March 31, 2008						
Exchange of shares						73,150
Dividends from surplus...........................						(10,361)
Net income						28,229
Increase in retained earnings from increase in consolidated subsidiaries						110
Pension liability adjustment for an overseas subsidiary						(120)
Purchase of treasury stock						(905)
Disposal of treasury stock.......................						67
Net changes in items other than those in shareholders' equity	(9,931)	(169)	(15,190)	(25,290)	(4,746)	(30,037)
Total of changes in fiscal year ended March 31, 2008	(9,931)	(169)	(15,190)	(25,290)	(4,746)	60,132
Balances as of March 31, 2008	5,702	(142)	(21,739)	(16,179)	39,392	667,717

Consolidated Statements of Cash Flows

Millions of yen, rounded down

	FY ended Mar. 31, 2009	FY ended Mar. 31, 2008
I. Cash flows from operating activities		
Income before income taxes and minority interests	3,256	51,849
Depreciation and amortization	55,192	55,189
Loss on impairment of fixed assets	18,838	125
Amortization of goodwill	5,497	4,902
Increase (decrease) in allowance for doubtful accounts	(507)	765
Increase (decrease) in accrued bonuses	181	(598)
Increase (decrease) in accrued bonuses for directors	(114)	16
Increase (decrease) in accrued employees' retirement benefits	2,134	(6,705)
Increase (decrease) in accrued officers' severance benefits	(638)	(572)
Increase (decrease) in allowance for environmental measures	1	0
Interest and dividend income	(2,000)	(2,685)
Interest expense	4,774	4,751
Equity in earnings of affiliates	(2,524)	(3,541)
Loss (gain) on sale of investment securities	174	(789)
Loss on revaluation of investment securities	799	84
Loss (gain) on sale and disposal of tangible fixed assets	2,674	(1,267)
Loss (gain) on sale of shares of affiliates	(437)	(3,290)
Loss on valuation of stock in affiliates	257	905
Loss on liquidation of affiliates	--	4,137
Decrease (increase) in notes and accounts receivable	(3,882)	9,455
Increase (decrease) in notes and accounts payable	(5,256)	(8,359)
Decrease (increase) in inventories	(20,798)	(13,996)
Increase (decrease) in accrued consumption tax	1,600	(65)
Other	7,137	(13,617)
Sub-total	**66,360**	**76,695**
Interest and dividends received	3,164	4,413
Interest paid	(4,938)	(4,580)
Income taxes paid	(12,886)	(25,092)
Net cash provided by operating activities	**51,699**	**51,436**
II. Cash flows from investing activities		
Acquisition of tangible fixed assets	(56,355)	(62,404)
Proceeds from sale of tangible fixed assets	1,059	7,684
Acquisition of intangible assets	(4,679)	(3,742)
Acquisition of investment securities	(273)	(96)
Proceeds from sale of investment securities	135	1,606
Acquisitions of subsidiaries' stock resulting in change in scope of consolidation	--	5,501
Proceeds from sales of subsidiaries' stock resulting in change in scope of consolidation	--	26,693
Acquisition of shares of affiliates	(499)	(3,194)
Proceeds from sale of shares of affiliates	480	577
Decrease (increase) in term deposits	(1,376)	(1,012)
Other	(978)	95
Net cash used in investing activities	**(62,487)**	**(28,292)**

(Continued)

	Millions of yen, rounded down	
	FY ended Mar. 31, 2009	FY ended Mar. 31, 2008
III. Cash flows from financing activities		
Net change in short-term borrowings	341	3,623
Net change in commercial paper	(5,000)	5,000
Proceeds from long-term debt	3,034	1,114
Repayment of long-term debt	(2,951)	(1,613)
Issuance of bonds	34,986	--
Redemption of bonds	(20,000)	(15,000)
Amount paid for underwriting capital increase by minority shareholders	--	1,376
Cash dividends paid	(11,172)	(10,319)
Distribution of dividends to minority shareholders	(737)	(868)
Acquisition of own stock	(1,107)	(905)
Sale of treasury stock	460	--
Other	25	1
Net cash used in financing activities	**(2,119)**	**(17,592)**
IV. Effect of exchange rate changes on cash and cash equivalents	**(2,824)**	**(3,803)**
V. (Decrease) increase in cash and cash equivalents	**(15,732)**	**1,747**
VI. Cash and cash equivalents at the beginning of the year	**83,164**	**81,486**
Increase due to change in scope of consolidation	358	43
Decrease due to change in scope of consolidation	--	(113)
VII. Cash and cash equivalents at the end of the year	**67,790**	**83,164**

Notes regarding premise of a going concern

No applicable items

Significant Items for the Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries:

103 companies

Names of main consolidated subsidiaries:

The names of the main consolidated subsidiaries are as outlined in "2. Current State of the Ajinomoto Group."

(2) Names of main non-consolidated subsidiaries:

Bonito Technical Laboratory Co., Inc.

(Reasons for exclusion from scope of consolidation)

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

(3) In consideration of their importance, FREC DESSERT CO., LTD., FREC KANTO CO., LTD. and SHANGHAI AJINOMOTO FOOD RESEARCH AND DEVELOPMENT CENTER CO., LTD. are included in the scope of consolidated companies. Furthermore, Calpis Itochu Mineral Water Co., Ltd. and Shanghai Jinshan Amoy Foods Co., Ltd. are no longer included in the scope of consolidated subsidiaries as a result of liquidation.

2. Scope of application of the equity method

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

4 overseas companies

Names of main companies:

Si Ayutthaya Real Estate Co., Ltd., Erawan Industrial Development Co., Ltd.

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

6 companies

Names of main companies:

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

(3) There is one main non-consolidated subsidiary not accounted for the equity method: Bonito Technical Laboratory Co., Inc. Furthermore, there is one main affiliated company not accounted for by the equity method: Asahi Calpis Beverages Co., Ltd. As each of these companies would have negligible impact on consolidated profit and loss and retained earnings if included in the consolidated results on an equity basis, and as they have minimal overall importance, they are not included in the scope of application of the equity method.

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

Of the consolidated subsidiaries, Ajinomoto del Peru S.A. and 15 other companies have fiscal year ends of December 31, and GABAN Co., Ltd. has a fiscal year end on the last day of February. Of these, 15 companies carry out trial settlements for the period to March 31. In preparing the consolidated financial statements for companies that do not carry out trial settlements, the Company has used the financial statements for their fiscal year end dates, carrying out adjustments for significant transactions that have occurred in the period leading up to the consolidated fiscal year end date.

Of the companies accounted for by the equity method, Nissin-Ajinomoto Alimentos Ltda. and 1 other company have fiscal year ends of December 31. Of this total, 1 company carries out trial settlements up to March 31. In preparing the consolidated financial statements for a company that does not carry out trial settlements, the Company has used the financial statements for its fiscal year end date, carrying out adjustments for significant transactions that have occurred in the period leading up to the consolidated fiscal year end 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 net assets. The cost of such securities sold is mainly determined by the moving-average method. Other securities for which a price is not available are stated at cost mainly determined by the moving-average method.

2) Derivatives:

Market value method

However, with respect to interest rate swaps, in cases where conditions for exceptional treatment are met, exceptional treatment is basically adopted.

3) Inventories:

Inventories of the Company and domestic consolidated subsidiaries are mainly stated using the acquisition cost method, cost being determined by the average method (in cases where the profitability has declined, the book value is reduced accordingly). Meanwhile, inventories of overseas consolidated subsidiaries are mainly 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 (excluding leased 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. The 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 (excluding leased 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) Leased assets

The straight-line method is applied with the useful life of the asset being the lease term and the residual value being zero.

The accounting treatment for finance lease transactions, other than those involving a transfer of title, for which the starting date of the lease was March 31, 2008 or earlier is accounted for in a manner similar to the accounting treatment for operating lease transactions.

(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 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.

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

5) Allowance for bonuses for directors:

In preparation for the payment of bonuses to directors, the Company has recorded an allowance for the amount of payment projected for the fiscal year under review.

6) Allowance for environmental measures:

In preparation for costs relating to disposal of polychlorinated biphenyl (PCB) and other waste, an allowance for the amount of costs projected to be incurred has been recorded.

(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 the foreign exchange translation adjustment account and minority interests in net assets.

(5) Hedge accounting

The Company and its consolidated subsidiaries, in principle, do not adopt deferred hedge accounting. However, with respect to interest rate swaps, in cases where conditions for exceptional treatment are met, exceptional treatment is basically adopted.

(6) Accounting for consumption tax

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

(7) Standard for recording revenue from finance lease transactions

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

5. Valuation of assets and liabilities of consolidated subsidiaries

Total assets and liabilities of consolidated subsidiaries are evaluated by the market value method.

6. Amortization of goodwill

As a general rule, goodwill is amortized on a straight-line basis over the period in which its effects appear. However, consolidated adjustment accounts with extremely small amounts have been treated as profits or losses in the year incurred.

7. Scope of 'Cash' in the Consolidated Statement 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.

Changes in Significant Items for the Preparation of Consolidated Financial Statements

Accounting standard for valuation of inventory

From the fiscal year under review the Company has adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 of July 5, 2006).

As a result, operating income decreased ¥1,644 million, and ordinary income and net income before taxes each decreased ¥59 million.

The impact on segment information is stated in the applicable sections.

Adoption of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

From the fiscal year under review, the Company has adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force (PITF) No. 18 of May 17, 2006), and made the necessary amendment to its financial statements.

As a result, operating income increased ¥84 million, and ordinary income and net income before taxes each increased ¥116 million. Furthermore, beginning-of-year retained earnings increased ¥26,825 million.

The impact on segment information is stated in the applicable sections.

Accounting standard for lease transactions

The accounting treatment for finance lease transactions other than those involving a transfer of title was previously based on the operating lease method. However, from fiscal year under review the Company has adopted the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13 of June 17, 1993 (First Committee of the Business Accounting Council); revised on March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 of January 18, 1994 (Japanese Institute of Certified Public Accountants, Committee on Accounting Systems); revised March 30, 2007), and the accounting treatment for such transactions is based on the capital lease method.

The accounting treatment for finance lease transactions other than those in which a transfer of title of leased assets has been recognized for which the starting date of the lease was before the first year in which the new accounting standards for lease transactions were adopted continues to be based on the operating lease method.

The resulting impact on operating income, ordinary income and net income before taxes for the fiscal year under review is immaterial.

Changes in Methods of Indication

Consolidated Balance Sheets

In line with the enforcement of the "Cabinet Order Partially Revising the Regulations for the Terminology, Format and Presentation Method of Financial Statements and Others" (Cabinet Order No. 50 of August 7, 2008), the item noted as "Inventories" in the previous fiscal year has from the fiscal year under review been divided into three items: "Goods and products"; "Goods in process"; and "Raw materials and supplies." The breakdown of "Inventories" in the previous fiscal year is as follows:

Goods and products: ¥93,759 million
Goods in process: ¥7,978 million
Raw materials and supplies: ¥33,819 million

Consolidated Statements of Income

1. "Rental income" (¥1,126 million in the previous fiscal year), which was included in "Other" in "Non-operating income" in the previous fiscal year, is presented as a separate item from the fiscal year under review.

2. "Gain on valuation of derivatives" (¥278 million in the fiscal year under review), which had been presented as a separate item until the previous fiscal year, is included in "Other" in "Non-operating income" in the fiscal year under review, as its amount corresponds to 10/100ths or less of total non-operating income.

3. "Gain on sale of investment securities" (¥23 million in the fiscal year under review), which had been presented as a separate item until the previous fiscal year, is included in "Other" in "Extraordinary income" in the fiscal year under review, as its amount corresponds to 10/100ths or less of total extraordinary income.

4. "Loss on prior period adjustments" (¥352 million in the fiscal year under review), "Loss on disposal of fixed assets" (¥72 million in the fiscal year under review), "Loss on valuation of stock in affiliates" (¥257 million in the fiscal year under review), and "Retirement benefit expenses" (¥343 million in the fiscal year under review), which had been presented as separate items until the previous fiscal year, are included in "Other" in "Extraordinary losses" in the fiscal year under review, as each amount corresponds to 10/100ths or less of total extraordinary losses.

Consolidated Statements of Cash Flow

"Sale of treasury stock" (¥67 million in the previous fiscal year), which was included in "Other" in "Cash flows from financing activities" in the previous fiscal year, is presented as a separate item from the fiscal year under review.

Additional Information

In line with a revision of the Corporation Tax Law in fiscal 2008, from the fiscal year under review the Company and its main consolidated subsidiaries in Japan have changed their estimates for the useful lives of fixed assets. As a result, operating income increased ¥1,604 million, and ordinary income and net income before taxes each increased ¥1,564 million. The impact on segment information is stated in the applicable sections.

Notes to the Consolidated Financial Statements

Consolidated Statements of Income

1. Impairment losses

The main assets with respect to which impairment losses were recorded in the fiscal year under review are as follows. In addition to these, other impairment losses of ¥167 million were also recorded.

Location	Use	Classification
China (Hong Kong, etc.)	Other	Goodwill
China	Manufacturing facility	Buildings and structures, Machinery and vehicles, Other
Yokkaichi, Mie Prefecture, Japan	Manufacturing facility	Buildings and structures, Machinery and vehicles, Other
Kashima, Ibaraki Prefecture, Japan	Dormant asset	Land

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

The Company reduced the book value of goodwill recorded on the acquisition of Chinese ethnic sauce and frozen food businesses in China (Hong Kong, etc.) to a level corresponding to the recoverable amount, as it estimated that it could no longer expect the income initially projected in its business plan at the time of acquisition of the equity in the businesses. As such, the Company recorded an impairment loss of ¥13,437 million. The recoverable amount was determined through measurement of the value in use, which is calculated by discounting expected future cash flows at a rate of 7.0%.

With respect to certain manufacturing facilities used for amino acids business in China and Yokkaichi, Mie Prefecture, Japan, the Company reduced the book value to the memorandum price, as operations are suspended at these facilities due to the deterioration of the business environment and at the present time the likelihood of future recoverability of initially projected income is low. As such, the Company recorded an impairment loss of ¥4,392 million, the breakdown of which is as follows: “Buildings and structures”—¥1,207 million; “Machinery and vehicles”—¥3,025 million; and “Other”—¥159 million.

With respect to dormant assets in Kashima, Ibaraki Prefecture, Japan, the Company reduced the book value to the recoverable amount, as the market value of the assets had fallen notably in comparison to the book value. As such, the Company recorded an impairment loss of ¥841 million. The recoverable amount was determined by estimating the net sale value based on the assessed value for Fixed Property Tax purposes.

Segment Information

1. Segment information by business

Fiscal year ended March 31, 2009

Millions of yen, rounded down

	Domestic Food Products	Overseas Food Products	Amino Acids	Pharma-ceuticals	Other	Total	Corporate and Eliminations	Consolidated
I. Sales and operating income and loss								
Sales								
(1) Sales to third parties	653,921	148,768	246,901	85,751	55,028	1,190,371	--	1,190,371
(2) Intra-group sales and transfers	8,128	2,085	22,118	147	56,520	89,000	(89,000)	--
Total sales	662,049	150,854	269,020	85,899	111,548	1,279,371	(89,000)	1,190,371
Operating expenses	645,054	139,335	259,538	72,245	109,139	1,225,311	(75,767)	1,149,544
Operating income	16,995	11,519	9,482	13,653	2,409	54,059	(13,232)	40,827
II. Assets, depreciation and amortization, impairment losses on fixed assets and capital expenses								
Assets	381,238	75,715	346,083	72,132	62,956	938,126	119,659	1,057,786
Depreciation and amortization	15,984	3,197	25,388	3,648	2,099	50,318	4,873	55,192
Impairment losses on fixed assets	5,868	7,694	4,392	--	--	17,955	883	18,838
Capital expenses	15,054	6,495	27,777	3,348	1,160	53,835	4,457	58,293

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	*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, beverages, edible oils, coffee, 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 corporate and eliminations was ¥13,087 million, which mainly consisted of expenses at the administrative division and part of research facilities at the Company.
4. Major items in all company assets included under corporate and eliminations are Company surplus operating funds, long-term investment funds, land not used for business purposes, assets of the administration division, and some research facilities at the Company. For the fiscal year under review, these items totaled ¥236,257 million.
5. Changes in valuation standards and methods for important assets
   As described in Significant Items for the Preparation of Consolidated Financial Statements, inventories held for sale in the ordinary course of business were previously stated based on the lower of cost or market method, cost being determined by the average method, but from the fiscal year under review the Company has adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9; part issued on July 5, 2006), and accordingly such inventories are now mainly stated using the acquisition cost method, cost being determined by the average method (in cases where the profitability has declined, the book value is reduced accordingly).
   As a result, operating expenses increased ¥291 million in domestic food products, ¥0 million in overseas food products, ¥25 million in amino acids, ¥71 million in pharmaceuticals, and ¥1,256 million in corporate and eliminations. Operating income decreased ¥291 million in domestic food products, ¥0 million in overseas food products, ¥25 million in amino acids, ¥71 million in pharmaceuticals, and ¥1,256 million in corporate and eliminations.
6. Adoption of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"
   As described in Significant Items for the Preparation of Consolidated Financial Statements, from the fiscal year under review the Company has adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18 of May 17, 2006) and made the necessary revisions to its consolidated financial statements.
   As a result, operating expenses increased ¥1 million in domestic food products and ¥50 million in overseas food products, and decreased ¥136 million in amino acids. Operating income decreased ¥1 million in domestic food products and ¥50 million in overseas food products, and increased ¥136 million in amino acids.
7. Changes in estimates for the useful lives of tangible fixed assets
   As described in Additional information, in line with a revision of the Corporation Tax Law in fiscal 2008, from the fiscal year under review the Company and its main consolidated subsidiaries in Japan have changed their estimates for the useful lives of fixed assets.
   As a result, operating expenses decreased ¥1,109 million in domestic food products, ¥0 million in overseas food products, ¥338 million in amino acids, and ¥157 million in pharmaceuticals, and increased ¥0 million in other and ¥1 million in corporate and eliminations. Operating income increased ¥1,109 million in domestic food products, ¥0 million in overseas food products, ¥338 million in amino acids, and ¥157 million in pharmaceuticals, and decreased ¥0 million in other and ¥1 million in corporate and eliminations.

Fiscal year ended March 31, 2008

Millions of yen, rounded down

	Domestic Food Products	Overseas Food Products	Amino Acids	Pharma-ceuticals	Other	Total	Corporate and Eliminations	Consolidated
I. Sales and operating income and loss								
Sales								
(1) Sales to third parties	632,719	155,509	286,042	84,074	58,226	1,216,572	--	1,216,572
(2) Intra-group sales and transfers	3,080	1,975	19,161	113	65,440	89,772	(89,772)	--
Total sales	635,800	157,485	305,203	84,187	123,667	1,306,344	(89,772)	1,216,572
Operating expenses	620,053	142,537	286,047	69,240	120,861	1,238,739	(82,690)	1,156,048
Operating income	15,746	14,947	19,156	14,947	2,805	67,604	(7,081)	60,523
II. Assets, depreciation and amortization, impairment losses on fixed assets and capital expenses								
Assets	395,265	88,426	353,023	72,700	67,555	976,970	123,739	1,100,709
Depreciation and amortization	11,954	3,350	30,342	3,398	2,145	51,191	3,998	55,189
Impairment losses on fixed assets	125	--	--	--	--	125	--	125
Capital expenses	20,945	7,320	27,022	3,176	1,207	59,672	3,108	62,780

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	*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, beverages, edible oils, coffee, 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 corporate and eliminations was ¥7,112 million, which mainly consisted of expenses at the administrative division and part of at research facilities at the Company.

4. Major items in all company assets included under corporate and eliminations are Company surplus operating funds, long-term investment funds, land not used for business purposes, assets of the administration division, and some research facilities. For the fiscal year under review, these items totaled ¥233,152 million.

5. Change to accounting policy

As described in Significant Items for the Preparation of Consolidated Financial Statements, in line with the revision to the Corporation Tax Law in Japan, from the period under review the Company and domestic consolidated subsidiaries have changed the method of depreciation for tangible fixed assets acquired on or after April 1, 2007, based on the revised Corporation Tax Law.

As a result, operating expenses increased ¥509 million in domestic food products, ¥0 million in overseas food products, ¥257 million in amino acids, ¥85 million in pharmaceuticals, and ¥10 million in other, and ¥86 million in corporate and eliminations. Operating income decreased by the same amounts in each respective segment.

6. Additional information

As described in Significant Items for the Preparation of Consolidated Financial Statements, with respect to tangible fixed assets acquired on or before March 31, 2007, in line with the revision to the Corporation Tax Law, from the consolidated accounting period under review the Company and major domestic consolidated subsidiaries, from the fiscal year following the fiscal year in which the remaining value of the assets reaches 5% of the acquisition price through application of the method of depreciation based on the Corporation Tax Law before the revision, have depreciated the difference between an amount equivalent to 5% of the acquisition price and the memorandum price evenly over a period of five years and include the amounts in depreciation expenses.

As a result, operating expenses increased ¥601 million in domestic food products, ¥0 million in overseas food products, ¥583 million in amino acids, ¥92 million in pharmaceuticals, and ¥29 million in other, and operating expenses included under corporate and eliminations increased ¥49 million. Operating income decreased by the same amounts in each respective segment.

2. Segment information by geographical area

Fiscal year ended March 31, 2009

Millions of yen, rounded down

	Japan	Asia	America	Europe	Total	Corporate and Eliminations	Consolidated
I. Sales and operating income and loss							
Sales							
(1) Sales to third parties	843,395	151,063	106,511	89,400	1,190,371	--	1,190,371
(2) Intra-group sales and transfers	35,573	26,416	21,944	5,022	88,956	(88,956)	--
Total	878,968	177,480	128,456	94,423	1,279,328	(88,956)	1,190,371
Operating expenses	852,055	161,438	119,834	92,645	1,225,973	(76,429)	1,149,544
Operating income	26,913	16,042	8,621	1,777	53,354	(12,527)	40,827
II. Assets	498,901	154,121	115,091	107,230	875,346	182,440	1,057,786

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. The total amount of operating expenses that could not be allocated and were thus included in corporate and eliminations was ¥13,087 million. This mainly consisted of expenses associated with the Company's administrative divisions and some research facilities.
4. Major items in assets included under corporate and eliminations are Company surplus operating funds, long-term investment funds, land not used for business purposes, assets associated with management, and some research facilities.
   For the fiscal year under review, these items totaled ¥236,257 million.
5. Changes in valuation standards and methods for important assets
   As described in Significant Items for the Preparation of Consolidated Financial Statements, inventories held for sale in the ordinary course of business were previously stated based on the lower of cost or market method, cost being determined by the average method, but from the fiscal year under review the Company has adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9; part issued on July 5, 2006), and accordingly such inventories are now mainly stated using the acquisition cost method, cost being determined by the average method (in cases where the profitability has declined, the book value is reduced accordingly).
   As a result, operating expenses increased ¥388 million in "Japan" and ¥1,256 million in corporate and eliminations.
   Operating income decreased ¥388 million in "Japan" and ¥1,256 million in corporate and eliminations.
6. Adoption of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"
   As described in Significant Items for the Preparation of Consolidated Financial Statements, from the fiscal year under review the Company has adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18 of May 17, 2006) and made the necessary revisions to its consolidated financial statements.
   As a result, operating expenses increased ¥61 million in "Asia" and ¥39 million in "America", and decreased ¥186 million in "Europe". Operating income decreased ¥61 million in "Asia" and ¥39 million in "America", and increased ¥186 million in "Europe".
7. Change in method of allocation of operating expenses
   Previously, expenses associated with the Company's administrative divisions and some research facilities were included in "Japan", but in line with a change in management method, from the fiscal year under review they are included in corporate and eliminations.
   As a result, operating expenses decreased ¥12,772 million in "Japan" and increased ¥12,772 million in corporate and eliminations. Operating income increased ¥12,772 million in "Japan" and decreased ¥12,772 million in corporate and eliminations.
8. Changes in estimates of the useful lives of tangible fixed assets
   As described in Additional Information, in line with a revision of the Corporation Tax Law in fiscal 2008, from the fiscal year under review the Company and its consolidated subsidiaries in Japan have changed their estimates for the useful lives of fixed assets.
   As a result, operating expenses decreased ¥1,605 million in "Japan" and increased ¥1 million in corporate and eliminations.
   Operating income increased ¥1,605 million in "Japan" and decreased ¥1 million in corporate and eliminations.

Fiscal year ended March 31, 2008

Millions of yen, rounded down

	Japan	Asia	America	Europe	Total	Corporate and Eliminations	Consolidated
I. Sales and operating income and loss							
Sales							
(1) Sales to third parties	832,330	159,232	109,886	115,123	1,216,572	--	1,216,572
(2) Intra-group sales and transfers	40,066	24,785	21,970	4,046	90,869	(90,869)	--
Total	872,397	184,018	131,857	119,169	1,307,441	(90,869)	1,216,572
Operating expenses	841,369	170,627	122,448	112,472	1,246,918	(90,869)	1,156,048
Operating income	31,027	13,390	9,408	6,696	60,523	--	60,523
II. Assets	526,790	176,401	126,977	97,226	927,396	173,313	1,100,709

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. Major items in assets included under corporate and eliminations are Company surplus operating funds, long-term investment funds, land not used for business purposes, assets associated with management, and some research facilities.
For the fiscal year under review, these items totaled ¥233,152 million.

4. Change to accounting policy
As described in Significant Items for the Preparation of Consolidated Financial Statements, 4. (2) 1), in line with the revision to the Corporation Tax Law in Japan, from the period under review the Company and domestic consolidated subsidiaries have changed the method of depreciation for tangible fixed assets acquired on or after April 1, 2007, based on the revised Corporation Tax Law.
As a result, operating expenses increased ¥949 million in “Japan”, and operating income decreased by the same amount.

5. Additional information
As described in Additional Information, with respect to tangible fixed assets acquired on or before March 31, 2007, in line with the revision to the Corporation Tax Law, from the consolidated accounting period under review the Company and major domestic consolidated subsidiaries will, from the fiscal year following the fiscal year in which the remaining value of the assets reaches 5% of the acquisition price through application of the method of depreciation based on the Corporation Tax Law before the revision, depreciate the difference between an amount equivalent to 5% of the acquisition price and the memorandum price evenly over a period of five years and include the amounts in depreciation expenses.
As a result, operating expenses increased ¥1,357 million in “Japan”, and operating income decreased by the same amount.

3. Overseas sales

Fiscal year ended March 31, 2009

Millions of yen, rounded down

	Asia	America	Europe	Total
Overseas sales	169,019	110,391	96,523	375,933
Consolidated net sales	--	--	--	1,190,371
Overseas sales % of consolidated net sales	14.2	9.3	8.1	31.6

Note 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.

Fiscal year ended March 31, 2008

Millions of yen, rounded down

	Asia	America	Europe	Total
Overseas sales	181,202	114,244	122,037	417,485
Consolidated net sales	--	--	--	1,216,572
Overseas sales % of consolidated net sales	14.9	9.4	10.0	34.3

Note 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.

AJINOMOTO

Marketable Securities-Related

1. 'Other securities' with fair value

As of March 31, 2009

Millions of yen, rounded down

		Acquisition cost	Carrying value	Unrealized gain (loss)
Securities with carrying value greater than acquisition cost	Stocks	10,914	16,732	5,817
	Other	--	--	--
	Sub-total	10,914	16,732	5,817
Securities with carrying value less than acquisition cost	Stocks	26,939	17,861	(9,078)
	Other	4	4	(0)
	Sub-total	26,944	17,865	(9,078)
	Total	**37,858**	**34,598**	**(3,260)**

As of March 31, 2008

Millions of yen, rounded down

		Acquisition cost	Carrying value	Unrealized gain (loss)
Securities with carrying value greater than acquisition cost	Stocks	26,098	36,806	10,707
	Other	4	7	3
	Sub-total	26,103	36,814	10,711
Securities with carrying value less than acquisition cost	Stocks	10,738	8,539	(2,198)
	Other	--	--	--
	Sub-total	10,738	8,539	(2,198)
	Total	**36,842**	**45,354**	**8,512**

Note: With regard to other securities with fair value, impairment losses of ¥31 million were recorded in the previous fiscal year, and ¥774 million in the year under review.

2. 'Other securities' sold during the fiscal year

Fiscal year ended March 31, 2009

Millions of yen, rounded down

Sale amount	Total gains on sale	Total losses on sale
135	23	198

Fiscal year ended March 31, 2008

Millions of yen, rounded down

Sale amount	Total gains on sale	Total losses on sale
1,606	804	15

3. Main 'Marketable securities' without fair value

Millions of yen, rounded down

	Carrying value	
	As of March 31, 2009	As of March 31, 2008
Other marketable securities		
Unlisted stocks	2,280	4,111
Unlisted domestic bonds	0	0
Unlisted foreign bonds	0	0
Investment trusts	--	--
Money management funds etc.	722	3,658
Total	**3,002**	**7,770**

4. Of 'Other securities', bonds with maturity dates and repayment schedules for bonds to be held to maturity

As of March 31, 2009

Millions of yen, rounded down

Type	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
1. Bonds				
Government and municipal bonds, etc.	0	--	--	--
Total	**0**	**--**	**--**	**--**

As of March 31, 2008

Millions of yen, rounded down

Type	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
1. Bonds				
Government and municipal bonds, etc.	--	0	--	--
Total	**--**	**0**	**--**	**--**

Notes Relating to Accounting for Business Combination

Fiscal Year Ended March 31, 2009

There are no applicable items.

Fiscal Year Ended March 31, 2008

Calpis Co., Ltd. becoming a wholly owned subsidiary

Based on the share exchange agreement entered into with Calpis Co., Ltd. ("Calpis") on June 11, 2007, the Company carried out an exchange of shares on October 1, 2007, the effective date of the share exchange, making Calpis a wholly owned subsidiary of Ajinomoto Co., Inc.

Important matters relating to the share exchange are described below.

1. **Name of acquired company, main businesses, main reasons for business combination, date of business combination, legal form of business combination, name of company after business combination, and percentage of acquired voting rights**

(1) Name of acquired company

Calpis Co., Ltd.

(2) Main business of acquired company

Production and sales of beverages, health and functional beverages and foods, dairy products, alcohol beverages, feed additives and others, as well as other business activities

(3) Main reasons for business combination

Both companies operate in the food products industry, in which the operating environment has changed significantly over the past several years. In Japan, consumers have become increasingly health conscious and their preferences have diversified with the falling birthrate and aging population. The food products market has matured, which has made providing products with high added value increasingly important from the perspective of consumers. Both within and outside of Japan, the food industry has been undergoing reorganization, and companies are required to exercise their capabilities more fully than ever before.

Ajinomoto Co., Inc. and Calpis have maintained an advantageous business alliance since Ajinomoto Co., Inc. became the largest Calpis shareholder in 1990. The companies have integrated their beverage businesses, and Ajinomoto Co., Inc. is the sole agent of Calpis's products in Japan. In addition, the companies have formed joint ventures in the beverage sector in Thailand and Indonesia, and in 2006 started a new project called "Lactobacillus X Amino Acid" centered on the theme of health.

With this background of a long and trusting relationship between the two companies, Ajinomoto Co., Inc. and Calpis concluded the agreement of the share exchange to have a common long-term vision and strategy and accelerate management decisions in responding to the rapid changes in the market environment of recent years, and to effectively deploy management resources in strategic areas.

(4) Date of business combination

October 1, 2007

(5) Legal form

Share exchange

(6) Name of company after business combination

There is no change to the company name after the business combination.

(7) Percentage of voting rights acquired

73.3%

2. Period for business results of acquired company included in consolidated financial statements

The business results of Calpis from October 1, 2007 to March 31, 2008 are included. Business results of Calpis for the period from April 1, 2007 to September 30, 2007 are included in equity in earnings of affiliates in the statements of income.

3. Acquisition price and breakdown

Acquisition price

Shares of Ajinomoto Co., Inc. worth ¥73,150 million

Expenditure directly required for acquisition

Brokerage fees, etc. of ¥650 million

Total cost of acquisition: ¥73,801 million

4. Share exchange ratio by type of shares, calculation method, number of shares delivered and valuation

(1) Share exchange ratio by type of shares

Common stock

1 share of Ajinomoto Co., Inc. common stock: 0.95 shares of Calpis Co., Ltd. common stock

(2) Method of calculating share exchange ratio

Ajinomoto Co., Inc. and Calpis (the "Companies") separately sought the advice of third-party advisors to calculate the share exchange ratios, using average market price analysis and other methods to assess the share value of each of the companies. The results of this analysis were used by the companies in the course of negotiations and discussions to agree the share exchange ratio.

(3) Number of shares delivered and valuation

Number of shares delivered:	51,550,914 shares
Per share valuation:	¥1,419 (calculated based on the share price of Ajinomoto Co., Inc. over a period of five days prior to conclusion of share exchange agreement)

5. Amount of goodwill occurring, reasons for occurrence, method of amortization and amortization period

(1) Amount of goodwill

¥24,053 million

(2) Reasons for occurrence

Occurring due to rational estimation of excess earnings power expected in the future

(3) Method of amortization and amortization period

Amortized in equal amounts over 20 years

6. Amounts and breakdown of assets received and liabilities assumed on date of business combination

(1) Amount of assets

Current assets:	¥59,634 million
Fixed assets:	¥71,096 million
Total:	¥130,730 million

(2) Amount of liabilities

Current liabilities:	¥33,197 million
Long-term liabilities:	¥19,211 million
Total:	¥52,409 million

7. **Estimated impact on consolidated statements of income in fiscal year under review if business combination had been completed at beginning of fiscal year under review**

Net sales:	¥15,318 million
Operating income:	¥3,372 million
Ordinary income:	¥3,453 million
Net income:	¥612 million

The amounts above are the estimated differences in net sales, ordinary income, operating income and net income for the fiscal year under review assuming that the business combination had been completed at the beginning of the fiscal year under review. This calculation also assumes that the same amount of goodwill recognized at the time of the business combination would have occurred at the beginning of the fiscal year under review and amortizes it accordingly.

Per share information

	FY ended March 31, 2009	FY ended March 31, 2008
Net assets per share	¥838.51	¥899.41
Net income (loss) per share	(¥14.65)	¥41.94

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

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

Millions of yen, rounded down

	As of March 31, 2009	As of March 31, 2008
Total net assets on balance sheet	618,654	667,717
Deductions from net assets		
Minority interests	33,419	39,392
Total amount of deduction from net assets	33,419	39,392
Net assets attributable to common stock	585,234	628,325
Number of shares of common stock used for the calculation of net assets per share (thousand shares)	697,949	698,595

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

Millions of yen, rounded down

	FY ended March 31, 2009	FY ended March 31, 2008
Net income (loss)	(10,227)	28,229
Net income (loss) not attributable to common stock	--	--
Net income (loss) attributable to common stock	(10,227)	28,229
Average number of shares of common stock outstanding during the year	698,237	673,088

(Important post-balance sheet events)

No applicable items.

(Omission of disclosure)

Disclosure of notes on the consolidated balance sheets, part of the consolidated statements of income, the consolidated statements of changes in net assets, and the consolidated statements of cash flow, and notes on lease transactions, related party transactions, tax effect accounting, derivative transactions, retirement benefit plans, stock options and others was omitted, as the Company does not see a major necessity for their disclosure.

Reference:

Five year trends in consolidated financial results and key indicators

Millions of yen, rounded down

	FY ending March 31, 2010 (est.)	FY ended March 31, 2009	FY ended March 31, 2008	FY ended March 31, 2007	FY ended March 31, 2006
Net sales	1,195,000	1,190,371	1,216,572	1,158,510	1,106,807
Growth rate	0.4%	(2.2%)	5.0%	4.7%	3.1%
Operating income	42,000	40,827	60,523	63,800	60,322
Growth rate	2.9%	(32.5%)	(5.1%)	5.8%	(14.9%)
Operating margin	3.5%	3.4%	5.0%	5.5%	5.5%
Ordinary income	36,000	25,926	55,736	61,589	61,448
Ordinary margin	3.0%	2.2%	4.6%	5.3%	5.6%
Net income (loss)	10,000	(10,227)	28,229	30,229	34,912
Return on sales	0.8%	(0.9%)	2.3%	2.6%	3.2%
Net income (loss) per share (yen)	¥14.33	(¥14.65)	¥41.94	¥46.70	¥53.64
Return on equity	--	(1.7%)	4.7%	5.5%	7.0%
Ratio of net income to total assets	--	(0.9%)	2.6%	2.9%	3.7%
Total assets	--	1,057,786	1,100,709	1,061,688	997,405
Net assets	--	618,654	667,717	607,584	528,762
Interest-bearing debt	--	149,402	144,330	151,223	145,644
Equity ratio	--	55.3%	57.1%	53.1%	53.0%
Book value per share (yen)	--	¥838.51	¥899.41	¥870.02	¥815.84
Share price at end of period (yen)	--	¥695	¥1,010	¥1,356	¥1,257
P/E ratio (times)	--	--	24.1	29.0	23.4
Dividend per share (yen)	¥16.0	¥16.0	¥16.0	¥15.0	¥14.0
Dividend payout ratio	111.7%	--	38.1%	32.1%	26.1%
Net cash provided by operating activities	--	51,699	51,436	75,764	55,174
Net cash used in investment activities	--	(62,487)	(28,292)	(67,911)	(83,731)
Net cash used in financing activities	--	(2,119)	(17,592)	(5,504)	6,640
Free cash flow	--	(10,788)	23,143	7,852	(28,556)
Number of consolidated subsidiaries	--	103	102	102	102
Number of affiliated companies accounted for by the equity method	--	10	10	13	16

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

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

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