Ajinomoto Co., Inc.

Consolidated Results

Fiscal Year Ended March 31, 2010

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, 2010

Ajinomoto Co., Inc. **May 10, 2010**

Stock Code:	2802	Listed exchanges:	Tokyo, Osaka
URL: http://www.ajinomoto.com		Inquiries:	Hiromichi Oono Corporate Executive Officer and General Manager Finance Department
President:	Masatoshi Ito		
Scheduled date of the general meeting of shareholders:	June 29, 2010		
Scheduled date of starting payment of dividend:	June 30, 2010	Telephone:	813 5250-8161
Scheduled date of submission of Securities Report:	June 29, 2010		

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2010

1) Consolidated Operating Results

Millions of yen, rounded down

	FY ended March 31, 2010		FY ended March 31, 2009	
		Change (%)		Change (%)
Net sales	1,170,876	(1.6)	1,190,371	(2.2)
Operating income	64,034	56.8	40,827	(32.5)
Ordinary income	67,621	160.8	25,926	(53.5)
Net income (loss)	16,646	--	(10,227)	--
Net income (loss) per share (¥)	¥23.85		(¥14.65)	
Fully diluted earnings per share (¥)	--		--	
Return on equity	2.8%		(1.7%)	
Ratio of ordinary income to total assets	6.3%		2.4%	
Ratio of operating income to net sales	5.5%		3.4%	

Note: Gain from investments in subsidiaries and affiliates accounted for by the equity method:
FY ended March 31, 2010: ¥3,461 million FY ended March 31, 2009: ¥2,524 million

2) Financial Position

Millions of yen, rounded down

	As of March 31, 2010	As of March 31, 2009
Total assets	1,082,238	1,057,786
Net assets	643,179	618,654
Shareholders' equity ratio (%)	55.7%	55.3%
Book value per share (¥)	¥863.72	¥838.51

Note: Shareholders' equity as of: March 31, 2010: ¥602,769 million
March 31, 2009: ¥585,234 million

3) Cash Flows

Millions of yen, rounded down

	FY ended March 31, 2010	FY ended March 31, 2009
Net cash provided by operating activities	105,924	51,699
Net cash used in investing activities	(63,327)	(62,487)
Net cash used in financing activities	(18,011)	(2,119)
Cash and cash equivalents at end of year	95,063	67,790

2. Dividends

	FY ended March 31, 2009	FY ended March 31, 2010	FY ending March 31, 2011 (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	¥11,168 million	¥11,166 million	--
Dividend payout ratio	--	67.1%	48.5%
Ratio of dividends to net assets	1.8%	1.9%	--

3. Forecast for the Fiscal Year Ending March 31, 2011

Millions of yen

	FY ending March 31, 2011	Change %
Net sales	1,234,000	5.4
Operating income	57,000	(11.0)
Ordinary income	55,000	(18.7)
Net income	23,000	38.2
Net income per share	¥32.96	--

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: Yes

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, 2010: 700,032,654 shares March 31, 2009: 700,032,654 shares

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

March 31, 2010: 2,160,069 shares March 31, 2009: 2,083,299 shares

Note: See "Per share information" on page 39 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 10, "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

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, 2010	1,170.8	64.0	67.6	16.6
FY ended March 31, 2009	1,190.3	40.8	25.9	(10.2)
Change	(1.6%)	56.8%	160.8%	--

Overview of results for this period

In the period under review, the global economy remained in a serious situation, despite the recovery trend in Asia, with the U.S. economy and European economies continuing to be sluggish.

Impacted by the global economy, the Japanese economy also experienced a downturn in consumer spending, reflecting factors including a deterioration in corporate profits, decreases in wages and increasing concerns about employment, although there were signs of a recovery in the second half of the fiscal year.

In the food industry, the business environment remained severe, amid a cooling in consumer sentiment and partly due to the deflationary trend.

Within this environment, the Ajinomoto Group ("Ajinomoto" or "the Group") focused its efforts on pursuing reforms throughout the entire Group, creating new demand and pioneering new markets, and extensively reducing costs and strengthening the business structure, based on the three key strategies of *increasingly focusing on value-added businesses and products*, *accelerating overseas growth and ensuring more stable profits in Japan*, and *developing and enhancing the Group's management system*, aiming to be successful in the still severe operating environment and to overcome competitive pressures.

As a result of the above, consolidated net sales for the fiscal year ended March 31, 2010 decreased 1.6% (¥19.4 billion) year on year to ¥1,170.8 billion, but operating income increased 56.8% (¥23.2 billion) to ¥64.0 billion, partly due to a slight cooling in prices of raw materials, and ordinary income increased 160.8% (¥41.6 billion) to ¥67.6 billion. Ajinomoto recorded consolidated net income of ¥16.6 billion for the period.

Changes to main accounting items during the period under review

Note: All comparisons are with the previous fiscal year, ended March 31, 2009, unless otherwise stated.

(1) Net sales

Net sales decreased 1.6%, or ¥19.4 billion, year on year to ¥1,170.8 billion. By region, sales in "Japan" decreased 3.7% to ¥812.4 billion, due to factors including ceasing to be involved in the chilled dairy product business at the end of January 2009, whereas sales overseas increased 3.3% to ¥358.4 billion, driven by growth in sales, despite the negative impact of foreign exchange rates due to the appreciation of the yen. Sales in "Asia" increased 5.8% to ¥159.7 billion, sales in "America" decreased 1.0% to ¥105.4 billion, and sales in "Europe" increased 4.2% to ¥93.1 billion.

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

In line with the decline in the cost of raw materials and fuels, the cost of sales decreased 5.7%, or ¥47.5 billion, to ¥785.5 billion. The ratio of the cost of sales to net sales fell 2.9 percentage points to 67.1%.

Selling, general and administrative expenses rose 1.5%, or ¥4.8 billion, from the previous fiscal year to ¥321.2 billion. The main reasons for this increase were higher personnel costs, mainly retirement benefit expenses, and higher advertising and promotion expenses for expanding sales mainly in Asia.

(3) Operating income

Operating income increased 56.8%, or ¥23.2 billion, from the previous fiscal year to ¥64.0 billion. By region, operating income in “Japan” increased 9.1% to ¥29.3 billion, while operating income from operations overseas increased 61.5% to ¥42.6 billion, and operating income from corporate and eliminations was a loss of ¥8.0 billion. The main reason for the domestic increase in operating income was a significant increase in the domestic food products business, due mainly to contributions from seasonings and processed foods and frozen foods, which offset a substantial decline in the amino acids business mainly with respect to sweeteners and a decline in the pharmaceuticals business. Overseas, the increase in operating income was mainly attributable to overseas seasonings. Operating income in “Asia” increased 63.1% to ¥26.1 billion; operating income in “America” decreased 1.9% to ¥8.4 billion; and operating income in “Europe” increased 354.2% to ¥8.0 billion.

(4) Non-operating income (expenses)

The difference between non-operating income and non-operating expenses was a positive figure of ¥3.5 billion, an increase of ¥18.4 billion compared to the negative figure of ¥14.9 billion in the previous year. This was mainly the result of foreign exchange gains in the period under review, compared to foreign exchange losses mainly at consolidated subsidiaries in Brazil in the previous fiscal year, as well as a decline in interest expenses.

(5) Ordinary income

Ordinary income increased 160.8%, or ¥41.6 billion, year on year to ¥67.6 billion.

(6) Extraordinary gains

Extraordinary gains for the period under review were ¥3.3 billion, compared to ¥4.6 billion in the previous fiscal year. The main factors were a gain of ¥1.4 billion on reversal of accrued expenses due to the amendment of a contract for risedronate and gain on prior period adjustments of ¥1.3 billion (compared to ¥1.2 billion in the previous year).

(7) Extraordinary losses

Extraordinary losses were ¥26.1 billion, compared to ¥27.3 billion in the previous year. The main factors were impairment losses of ¥14.3 billion, compared to ¥18.8 billion in the previous year, mainly with respect to plant facilities relating to the amino acids business, loss on disposal of fixed assets of ¥4.5 billion, compared to ¥3.4 billion in the previous year, and a loss of ¥1.0 billion due to the voluntary recall of *amino VITAL*® products.

With respect to impairment losses, the Company recorded an impairment loss of ¥5.1 billion on sweetener production facilities at its Tokai and Kyushu plants, an impairment loss of ¥1.3 billion on production facilities for pharmaceutical fine chemicals at its Tokai plant, and an impairment loss of ¥7.3 billion on production facilities for feed-use amino acids at a consolidated subsidiary in Brazil.

(8) Net income

Net income for the period under review was ¥16.6 billion, compared to a net loss of ¥10.2 billion in the previous fiscal year. Net income per share for the year was ¥23.85, compared to a net loss per share of ¥14.65 the year before. In the period under review, the Company reversed ¥6.4 billion of deferred tax assets, based on careful examination of the realizability of the its deferred tax assets, and recorded the amount of additional tax likely to arise as a result of a tax assessment based on the transfer pricing tax system, ¥1.8 billion, as prior-period income tax.

Consolidated operating results by segment

Note: All comparisons are with the previous fiscal year, ended March 31, 2009, 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	626.8	(27.0)	(4.1)	24.5	7.5	44.6
Overseas food products	214.6	65.8	44.3	28.3	16.8	146.3
Amino acids	190.1	(56.7)	(23.0)	4.2	(5.2)	(55.6)
Pharmaceuticals	82.5	(3.1)	(3.7)	11.5	(2.0)	(15.1)
Other business	56.6	1.5	2.9	3.7	1.3	56.4
Corporate and eliminations	--	--	--	(8.4)	4.7	--
Total	1,170.8	(19.4)	(1.6)	64.0	23.2	56.8

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 34).
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. From the fiscal year under review, domestic and overseas sales of umami seasoning *AJI-NO-MOTO®* and nucleotides for use in the food processing business are included in overseas food products.
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 decreased 4.1%, or ¥27.0 billion, to ¥626.8 billion. Operating income increased 44.6%, or ¥7.5 billion, to ¥24.5 billion. The slight decrease in sales, which came despite an increase in sales of edible oils and coffee products, was due to a decline in sales of frozen foods and beverages and ceasing to handle chilled dairy products. The substantial increase in operating income was partly attributable to the slight cooling in prices 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, driven by active advertising and marketing initiatives aimed at creating new demand, and sales of consommé and Chinese dashi products trended favorably. Sales of umami seasoning *AJI-NO-MOTO®* were maintained at the same level as the previous fiscal year, partly due to in-store promotional activities leveraging the 100th anniversary of launching the product. Sales of mayonnaise and mayonnaise-type dressings grew strongly, partly reflecting contributions from *Pure Select® Mayonnaise* as well as *GABAN® Spice Dressing*, which was newly launched in August 2009, but sales of soups decreased, and sales of the *Cook Do®* line declined slightly. Sales of *Kellogg's®* products were maintained at almost the same level as the previous fiscal year.

Sales of products for the commercial market were maintained at around the same level as the previous fiscal year, despite the decline in consumer spending at restaurants. Sales of *ACTIVA®,* an enzyme (transglutaminase) used to enhance food texture and quality, to food processing companies increased slightly, and sales of savory seasoning products decreased slightly.

Sweeteners and nutritional foods: Sales of low-calorie sweeteners for home and restaurant use increased slightly. For amino acid supplement *amino VITAL®*, sales of granulated products decreased substantially, impacted by a voluntary recall of products, and sales of the jelly drink type also declined.

Delicatessen and bakery products: Sales of lunchboxes and prepared dish delicatessen products were maintained at the same level as the previous fiscal year, but sales of bakery products decreased slightly.

Frozen foods: Sales of products for the retail market declined from the previous year, despite favorable growth in sales of core product *Gyoza* and a steady increase in sales of core product *Yawaraka Wakadori Kara-Age*, due to a decline in sales of core product *Ebi Shumai* and a substantial fall in sales of rice products and some products for lunchboxes. Sales of products for restaurant and institutional use decreased slightly, despite active initiatives targeting major customers, due to the decline in consumer spending at restaurants.

Beverages: Beverage sales decreased compared to the previous fiscal year, impacted by the ending of an alliance in the mineral water business and ceasing to sell certain ingredients for processed products.

Edible oils: Sales increased strongly compared to the previous fiscal year.

Coffee products: Coffee product sales increased slightly, with substantial growth in sales of stick-type mixed coffee and a contribution also from bottled coffee.

(2) Overseas food products

Overseas food product sales increased 44.3%, or ¥65.8 billion, to ¥214.6 billion. Operating income increased 146.3%, or ¥16.8 billion, to ¥28.3 billion. Effective the fiscal year under review, the umami seasonings for processed food manufacturers has been transferred from the amino acids segment to the overseas food products segment. The effect of this change was to increase overseas food product sales by ¥52.3 billion and operating income by ¥11.8 billion.

Seasonings: In Asia, sales increased steadily, despite the negative impact of foreign exchange rates, due to maintaining strong sales of *AJI-NO-MOTO®* and flavor seasonings for home use. In America, sales trended favorably, driven by strong sales of flavor seasonings for home use in South America. In Europe and Africa, sales grew favorably, despite the negative impact of foreign exchange rates, reflecting significant growth in sales of *AJI-NO-MOTO®* for home use within West African countries.

Processed foods: In Asia, despite the negative impact of foreign exchange rates, sales of beverages such as *Birdy®* canned coffee, etc. grew steadily, and sales of instant noodles also increased slightly.

Umami seasonings for processed food manufacturers: Following price increases, sales of *AJI-NO-MOTO®* for the food processing industry increased substantially in Japan and grew steadily overseas despite the negative impact of foreign exchange rates. Sales of nucleotides also grew favorably, supported by growth in sales volumes and price increases.

(3) Amino acids

Amino acids sales decreased 23.0%, or ¥56.7 billion, to ¥190.1 billion. Operating income decreased 55.6%, or ¥5.2 billion, to ¥4.2 billion. The considerable declines in sales and operating income, which came despite a contribution from electronic materials, were attributable to factors including the transfer of the umami seasonings for processed food manufacturers to the overseas food products segment, as well as increasingly intense competition and the negative impact of foreign exchange rates. The effect of the transfer of the umami seasonings for processed food manufacturers was to decrease sales by ¥52.3 billion and operating income by ¥12.0 billion.

Feed-use amino acids: Amid the unfavorable impact of foreign exchange rates, sales of Threonine and Tryptophan increased considerably from the previous fiscal year on substantially higher sales volumes, but sales of Lysine decreased, despite higher sales volumes, due to a decline in unit prices in the first half of the fiscal year.

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

Sweeteners: Sales of aspartame, a sweetener, for the processing industry decreased considerably from the previous fiscal year, due to a decrease in sales volumes, as well as the unfavorable impact of foreign exchange rates. Sales of powdered juice *Refresco MID®*, which contains aspartame, in South America trended steadily.

Pharmaceutical fine chemicals: Sales increased in Europe but were at the same level as the previous year overall, due to ceasing to sell a core product in Japan in the previous fiscal year.

Specialty chemicals: Overall sales of cosmetic ingredients were maintained at the same level as the previous year, with a slight increase in overseas sales offsetting a slight decrease in sales in Japan. Sales of amino acid-based cosmetics *Jino®* and insulation film for build-up printed wiring board increased strongly.

(4) Pharmaceuticals

Pharmaceutical sales decreased 3.7%, or ¥3.1 billion, to ¥82.5 billion. Operating income decreased 15.1%, or ¥2.0 billion, to ¥11.5 billion. The overall decrease in revenue was attributable to a slight decline in self-distributed sales and a decrease in sales of products sold though business tie-ups. The decline in operating income also reflected factors such as higher raw material 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 fiscal year, but sales of infusions such as *SOLITA®-T*, an electrolyte solution, decreased significantly. For products sold though business tie-ups, sales of *ATELEC®*, an antihypertensive calcium channel blocker, trended favorably, but sales of risedronate such as *ACTONEL®*, a preparation used in the treatment of osteoporosis, declined from the previous fiscal year, and sales of natiglinide products such as non-insulin-dependent diabetes treatment *FASTIC®* declined substantially.

(5) Other business

Sales from other business increased 2.9%, or ¥1.5 billion, to ¥56.6 billion. Operating income increased 56.4%, or ¥1.3 billion, to ¥3.7 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, 2010 increased ¥4.7 billion to an operating loss of ¥8.4 billion.

Consolidated operating results by geographical area segment* are as follows:

(1) "Japan"

In "Japan", sales decreased 3.7%, or ¥30.9 billion, to ¥812.4 billion, and operating income increased 9.1%, or ¥2.4 billion, to ¥29.3 billion. The primary driver was domestic food products.

(2) "Asia"

In "Asia", sales increased 5.8%, or ¥8.7 billion, to ¥159.7 billion, and operating income increased 63.1%, or ¥10.1 billion, to ¥26.1 billion. The primary driver was overseas food products.

(3) "America"

In "America", sales decreased 1.0%, or ¥1.0 billion, to ¥105.4 billion, and operating income decreased 1.9%, or ¥0.1 billion, to ¥8.4 billion. The primary drivers were amino acids and overseas food products.

(4) "Europe"

In "Europe", sales increased 4.2%, or ¥3.7 billion, to ¥93.1 billion, and operating income increased 354.2%, or ¥6.2 billion, to ¥8.0 billion. The primary driver was amino acids.

*Geographical area segments are categorized on the basis of geographic proximity and indicated in inverted commas. Main countries and regions in segments other than "Japan":
"Asia": Countries of East and Southeast Asia
"America": Countries of North and South America
"Europe": Countries of Europe and Africa

2. Outlook for the Fiscal Year Ending March 31, 2011

Billions of yen, rounded down

	Net Sales	Operating Income	Ordinary Income	Net Income
FY ending March 31, 2011	1,234.0	57.0	55.0	23.0
FY ended March 31, 2010	1,170.8	64.0	67.6	16.6
Increase	5.4%	(11.0%)	(18.7%)	38.2%

The global economy has entered a recovery phase, but the Group's operating environment is expected to remain severe, on factors including a contraction of the Japanese food market, increasingly intense competition in fermentation-related business, curtailment of pharmaceutical costs, and the NHI price revision.

Given such conditions, in the fiscal year ending March 31, 2011 Ajinomoto has abolished the company system and switched to a new business headquarters system, and intends to continue to pursue structural reform, positioning the fiscal year as a preparatory period for achieving growth under its new medium-term business plan, which will start from the fiscal year ending March 31, 2012. In domestic food products Ajinomoto will seek to increase sales and enhance the profit structure through marketing aimed at creating demand. In overseas food products Ajinomoto will endeavor to expand the added value in its seasonings business and develop its business in new markets and new categories. In amino acids, the name of the segment has been changed to bioscience products & fine chemicals, and while continuing to reform its business structure will increasingly focus on added value businesses, by pursuing innovation in fermentation technologies and accelerating the development of growth areas. In pharmaceuticals Ajinomoto intends to increase sales of existing core products and enhance its pipeline by actively investing in research and development.

As a result of these initiatives, Ajinomoto forecasts consolidated sales for the fiscal year ending March 31, 2011 to increase 5.4% to ¥1,234.0 billion, but projects that operating income will decrease 11.0% to ¥57.0 billion and ordinary income will decrease 18.7% to ¥55.0 billion, partly due to external factors such as expected increases in the cost of raw materials and fuels and the NHI price revisions. Net income is forecast to increase 38.2% to ¥23.0 billion, due to an expected decline in extraordinary losses.

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

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

II. Analysis of Financial Position

1. Overview of year under review

Financial position as of March 31, 2010

Total assets as of March 31, 2010 were ¥1,082.2 billion, ¥24.4 billion more than the ¥1,057.7 billion recorded one year earlier. This increase was primarily due to an increase in cash and cash equivalents, an increase in intangible fixed assets on the acquisition of patents and trademarks, and an increase in the yen values of the balance sheets of overseas subsidiaries after translation.

Total interest-bearing debt was ¥147.9 billion, ¥1.5 billion lower than on March 31, 2009, due mainly to a decrease in short-term borrowings.

Net assets increased ¥24.5 billion compared to March 31, 2009, reflecting factors such as an increase in retained earnings and a change in foreign exchange translation adjustments. Shareholders' equity, which is net assets minus minority interests, was ¥602.7 billion, and the shareholders' equity ratio was 55.7%.

Summary of consolidated cash flow

Billions of yen, rounded down

	FY ended March 31, 2010	FY ended March 31, 2009	Change
Net cash provided by operating activities	105.9	51.6	54.2
Net cash used in investing activities	(63.3)	(62.4)	(0.8)
Net cash used in financing activities	(18.0)	(2.1)	(15.8)
Effect of exchange rate changes on cash and cash equivalents	2.7	(2.8)	5.5
Increase (decrease) in cash and cash equivalents	27.3	(15.7)	43.0
Increase in initial balance due to change in scope of consolidation	--	0.3	(0.3)
Decrease in initial balance due to change in scope of consolidation	(0.0)	--	(0.0)
Cash and cash equivalents at end of period	95.0	67.7	27.2

Net cash provided by operating activities increased ¥54.2 billion over the previous year to ¥105.9 billion. This increase was mainly attributable to factors such as an increase in operating income and an inflow from working capital accompanying changes in notes and accounts payable and inventories.

Net cash used in investing activities increased ¥0.8 billion over the previous year to ¥63.3 billion. This reflected factors such as an increase in acquisition of intangible fixed assets, which offset a decrease in acquisition of tangible fixed assets.

Net cash used in financing activities was ¥18.0 billion, a decrease from the previous year. The main factor for this decrease was payment of dividends.

As a result of the foregoing, cash and cash equivalents at March 31, 2010 was ¥95.0 billion, an increase of ¥27.2 billion compared to March 31, 2009.

2. Trends in Cash Flow-related Indices

	FY ended March 31, 2010	FY ended March 31, 2009	FY ended March 31, 2008	FY ended March 31, 2007
Equity ratio (%)	55.7	55.3	57.1	53.1
Equity ratio based on market price (%)	59.7	45.9	64.1	82.7
Ratio of interest-bearing debt to cash flow (%)	151.8	313.7	305.5	216.3
Interest coverage ratio (times)	28.6	10.5	11.2	19.4

- 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, 2010 and Fiscal Year Ending March 31, 2011

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, 2010), 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 (ended March 31, 2009). For the next fiscal year (ending March 31, 2011), 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, 2010.

(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 104 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 ¥346.9 billion and ¥358.4 billion, respectively, comprising 29.1% and 30.6% of consolidated sales. Operating income derived from these regions in the same periods was ¥26.4 billion and ¥42.6 billion, comprising 64.7% and 66.7% 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

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

(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 logistics. The Group makes extensive efforts to maintain the ‘reliability and safety’ on which its business foundations are built. The possibility remains, however, that universal issues affecting product quality may arise, or that problems may arise outside of those areas controlled by the processes outlined above, and in such cases an adverse impact on Group performance may occur.

(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 close to 2,500,000 euro, and the court of the first instance rejected each of the claims of the plaintiffs. The plaintiffs appealed to a higher court, and the appeals court accepted part of the claims. However, the Group is continuing to seek a rejection of these claims. 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 134 subsidiaries and 20 affiliates. The Group is engaged in manufacturing and marketing of domestic seasonings and processed foods, frozen foods, edible oils, beverages, 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.,[*1] Hokkaido Ajinomoto Co., Inc., Okinawa Ajinomoto Co., Inc.
	Frozen Foods	Ajinomoto Frozen Foods Co., Inc., Komec Co., Ltd., Ajinomoto Frozen Foods (Thailand) Co., Ltd.
	Edible Oils	◊ J-OIL MILLS, INC.[*1]
	Beverages[*4]	Calpis Co., Ltd. ◊ 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.
	Umami Seasonings for Processed Food Manufacturers[*5]	Ajinomoto Interamericana Industria e Comercio Ltda., [*2] AJINOMOTO FOODS EUROPE S.A.S., PT Ajinex International, Ajinomoto Trading, Inc.
Amino Acids	Feed-Use Amino Acids	AJINOMOTO EUROLYSINE S.A.S., Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.,[*2] 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 and Medical Foods	Ajinomoto Medica Co. Ltd.[*3] Ajinomoto Pharma Co. Ltd.[*3]
Other Business	Packaging Materials	Fuji Ace Co., Ltd.
	Logistics	AJINOMOTO LOGISTICS CORPORATION
	Service, others	Ajinomoto Engineering Corporation, Ajinomoto Communications, Inc., Ajinomoto System Techno Corporation, ZAO "AJINOMOTO-GENETIKA Research Institute"

Note: 1. Companies within the Group that are listed on securities exchanges within Japan are:

First section of the Tokyo and Osaka exchanges: J-OIL MILLS, INC.

JASDAQ: GABAN Co., Ltd.

2. Ajinomoto Biolatina Indústria e Comércio Ltda. changed its name to Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda. in October 2009. In June 2010, Ajinomoto Interamericana Indústria e Comércio Ltda. is scheduled to be merged into Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.

3. In December 2009, the Company established AJINOMOTO PHARMACEUTICALS CO., LTD. as a new wholly owned subsidiary. In April 2010, part of the Company's pharmaceuticals business was separated and merged into AJINOMOTO PHARMACEUTICALS CO., LTD., and Ajinomoto Pharma Co., Ltd., a company that handles sales and marketing, and Ajinomoto Medica Co., Ltd., a company that handles production and distribution, were merged into AJINOMOTO PHARMACEUTICALS CO., LTD.

4. The Company ceased to be an exclusive distributor for dairy products as of the end of January 2009. As a result, Beverages and Dairy Products, which is included in the domestic food products segment, has been changed to Beverages.

5. Following an organizational review, from the fiscal year ended March 31, 2010 the Company has transferred umami seasonings for processed food manufacturers from the amino acids segment to the overseas food products segment.

6. In line with the adoption of the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accountings Standards Board of Japan (ASBJ) Statement No. 17 of March 21, 2008; revised March 27, 2009) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20 of March 21, 2008), from the fiscal year ending March 31, 2011 the existing five business segments, domestic food products, overseas food products, amino acids, pharmaceuticals, and other business, will be reclassified as six business segments, domestic food products, overseas food products, bioscience products & fine chemicals (previously amino acids), pharmaceuticals, business tie-ups, and other business. This mainly results from edible oils and coffee products, which are currently included in the domestic food products segment, being classified as a new segment, business tie-ups.

3. Management Policy

1. Basic Management Policy

Ajinomoto intends to contribute in ways unique to the Group to resolving issues that face humankind in the 21st century—*securing food sources*, *satisfying people's desire for better health*, and *conservation of the global environment*, based on the Ajinomoto Group Philosophy: "We create better lives globally by contributing to significant advances in Food and Health by working for Life."

2. Management Goals

Since fiscal 2005 the Group has been implementing its medium- to long-term management plan for fiscal 2005-2010, "A-dvance 10—laying the foundations for the next 100 years." 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 recently, these numerical targets are becoming less achievable, and the Company plans to formulate a new medium-term management plan in fiscal 2011.

3. Tasks Ahead

The situation with respect to the global economy, which entered into a severe recession triggered by the financial crisis in 2008, is somewhat mixed. While some countries, such as China and India, are expected to achieve growth rates of more than 5%, others, particularly advanced economies, are experiencing slower recoveries, with consumer spending remaining depressed against the backdrop of severe employment situations. Prices of raw materials, fuels and major grains have broadly stabilized, but prices of certain raw materials, such as raw sugar, are highly volatile, partly due to inflows of speculative capital, and it is likely that this trend will broaden in the future. In emerging economies, where Ajinomoto has many production bases, local currencies are appreciating in value against the U.S. dollar, and this is deteriorating the profitability of our export business.

Amid the rapidly changing social and economic environment, Ajinomoto is aiming to be "a group of companies that contributes to human health globally" by continually creating unique value to benefit customers, and pursuing initiatives based on three key strategies—*emphasize value-added businesses and products*, *accelerate business growth overseas and stabilize earnings in Japan*, and *strengthen and reorganize the Group management structure*. More specifically, Ajinomoto intends to use its ability to develop highly specialized products that cannot be developed by other companies and the brand power that it has developed over many years to focus on businesses and products with added value. In overseas business, the Group will further expand its business in countries in which it is already operating, and accelerate the expansion of its business into neighboring countries of the ones in which it already has a presence, mainly focusing on Asia, Central and South America, Africa and the Middle East. At the same time, Ajinomoto will seek to further enhance competitiveness and ensure higher and more stable profits in Japan and overseas, through the activities of the Global Project for Value Chain Creation between Production and Procurement, the introduction of new technologies, and the activities of production innovation. The Group will also enhance its management structure and develop its personnel by actively creating opportunities for Group employees to improve their capabilities.

Ajinomoto positions 2010 as a year to lay the groundwork for achieving growth under its next medium-term management plan, and intends to reform its business structure in order to resolve Group-wide priority issues and generate new growth.

Meanwhile, as the Group's operations globalize and the business categories expand, Ajinomoto also has increasing social responsibilities. In order to live up to these responsibilities, Ajinomoto will further improve governance at Group companies and continue to pursue initiatives to develop a robust framework for ensuring the appropriateness of its business operations. In terms of CSR initiatives, Ajinomoto will continue this year to be involved in programs such as the AIN (the Ajinomoto International Cooperation Network for Nutrition and Health) Program, which supports international cooperation projects implemented by NGOs, NPOs, universities and so forth, aiming to improve the nutrition and health of people in developing countries, and "*Smile Earth!* The Ajinomoto Group's Global Citizenship Activities for the Future", a global initiative in which Group employees participate on a voluntary basis.

4. Consolidated Financial Statements

Consolidated Balance Sheet

Millions of yen, rounded down

	As of March 31, 2010	As of March 31, 2009
Assets		
Current assets		
Cash on hand and in banks	97,866	69,569
Notes and accounts receivable	196,189	189,384
Marketable securities	239	647
Goods and products	96,964	102,957
Goods in process	8,791	9,143
Raw materials and supplies	41,053	35,239
Deferred tax assets	12,032	15,904
Other	35,857	30,733
Allowance for doubtful accounts	(1,643)	(940)
Total current assets	487,351	452,639
Fixed assets		
Tangible fixed assets		
Buildings and structures	357,010	336,660
Accumulated depreciation and accumulated impairment losses	(201,973)	(183,227)
Net buildings and structures	155,037	153,433
Machinery and vehicles	528,039	516,237
Accumulated depreciation and accumulated impairment losses	(396,473)	(372,031)
Net machinery and vehicles	131,566	144,206
Tools, furniture and fixtures	65,670	62,781
Accumulated depreciation and accumulated impairment losses	(53,912)	(50,683)
Net tools, furniture and fixtures	11,757	12,098
Land	98,628	100,146
Leased assets	2,653	1,117
Accumulated depreciation and accumulated impairment losses	(570)	(157)
Net leased assets	2,082	959
Construction in progress	12,766	22,122
Total tangible fixed assets	411,839	432,966
Intangible fixed assets		
Goodwill	34,106	39,121
Other	39,528	22,247
Total intangible fixed assets	73,634	61,369
Investments and other assets		
Investment in securities	88,917	82,485
Long-term loans receivable	379	624
Deferred tax assets	7,828	14,277
Other	13,019	14,593
Allowance for doubtful accounts	(732)	(1,169)
Total investments and other assets	109,412	110,811
Total fixed assets	594,886	605,146
Total Assets	**1,082,238**	**1,057,786**

(Continued)

Consolidated Balance Sheet

	As of March 31, 2010	As of March 31, 2009
	Millions of yen, rounded down	
Liabilities		
Current liabilities		
Notes and accounts payable	99,164	95,085
Short-term borrowings	9,963	26,706
Current portion of corporate bonds	15,000	--
Current portion of long-term borrowings	5,923	3,056
Accrued income taxes	13,095	8,328
Bonus reserve	5,290	4,919
Bonus reserve for directors and others	326	131
Other	79,471	83,278
Total current liabilities	228,236	221,506
Long-term liabilities		
Bonds	69,988	84,987
Long-term debt	44,800	33,607
Deferred tax liabilities	19,470	29,419
Accrued employees' retirement benefits	52,623	47,856
Accrued officers' severance benefits	1,113	1,315
Allowance for environmental measures	403	216
Other	22,422	20,223
Total long-term liabilities	210,822	217,625
Total Liabilities	439,058	439,132
Net assets		
Shareholders' equity		
Common stock	79,863	79,863
Capital surplus	182,719	182,723
Retained earnings	394,672	389,100
Treasury stock	(2,437)	(2,378)
Total shareholders' equity	654,818	649,308
Valuation, translation adjustments and others		
Unrealized holding gain on securities	(232)	(1,517)
Unrealized gain from hedging instruments	(16)	220
Translation adjustments	(51,799)	(62,777)
Total valuation, translation adjustments and others	(52,048)	(64,074)
Minority interests	40,409	33,419
Total Net assets	643,179	618,654
Total Liabilities & Net assets	**1,082,238**	**1,057,786**

Consolidated Statement of Income

Millions of yen, rounded down

	FY ended Mar. 31, 2010	FY ended Mar. 31, 2009
Net sales	1,170,876	1,190,371
Cost of sales	785,578	833,123
Gross profit	385,298	357,247
Selling, general and administrative expenses	321,264	316,420
Operating income	64,034	40,827
Non-operating income		
Interest income	1,162	1,046
Dividend income	1,012	953
Exchange gains	2,639	--
Equity in earnings of non-consolidated subsidiaries and affiliates	3,461	2,524
Rental income	--	932
Other	2,656	1,773
Total non-operating income	10,931	7,230
Non-operating expenses		
Interest expense	3,468	4,774
Exchange losses	--	12,429
Litigation expenses	853	--
Other	3,022	4,927
Total non-operating expenses	7,344	22,131
Ordinary income	67,621	25,926
Extraordinary gains		
Gain on prior period adjustments	1,322	1,287
Gain on sale of fixed assets	--	799
Gain on sale of stock of affiliates	--	437
Cancellation money	--	560
Reversal of allowance for doubtful accounts	--	731
Reversal of loss on liquidation of affiliates	--	576
Reversal of accrued expenses on contract alteration	1,437	--
Other	609	297
Total extraordinary gains	3,368	4,688
Extraordinary losses		
Loss on disposal of fixed assets	4,536	3,401
Impairment losses	14,325 *1	18,838 *1
Loss on valuation of investment securities	--	799
Provision for doubtful accounts	711	703
Loss on voluntary recall	1,004	--
Other	5,621 *2	3,615
Total extraordinary losses	26,198	27,359
Net income before income taxes	44,791	3,256
Income taxes – current	19,925	14,402
Prior period income taxes	1,816 *3	--
Income taxes – deferred	681	(2,879)
Income taxes – total	22,423	11,522
Minority interests	5,721	1,961
Net income (loss)	**16,646**	**(10,227)**

AJINOMOTO

Consolidated Statement of Changes in Net Assets

(Fiscal year ended March 31, 2010)

Millions of yen, rounded down

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances as of March 31, 2009	79,863	182,723	389,100	(2,378)	649,308
Increase (decrease) due to changes in accounting of overseas subsidiaries.................			--		--
Changes in fiscal year ended March 31, 2010					
Dividends from retained earnings			(11,166)		(11,166)
Net income			16,646		16,646
Changes in the scope of consolidation			--		--
Adjustment in pension liabilities of overseas subsidiaries			92		92
Purchase of treasury stock				(69)	(69)
Disposal of treasury stock		(3)		10	7
Net changes in items other than those in shareholders' equity					
Total of changes in fiscal year ended March 31, 2010	--	(3)	5,572	(59)	5,509
Balances as of March 31, 2010	79,863	182,719	394,672	(2,437)	654,818

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, 2009	(1,517)	220	(62,777)	(64,074)	33,419	618,654
Increase (decrease) due to changes in accounting of overseas subsidiaries.........					--	--
Changes in fiscal year ended March 31, 2010						
Dividends from retained earnings						(11,166)
Net income						16,646
Changes in the scope of consolidation ...						--
Adjustment in pension liabilities of overseas subsidiaries.............................						92
Purchase of treasury stock						(69)
Disposal of treasury stock						7
Net changes in items other than those in shareholders' equity	1,284	(236)	10,977	12,025	6,990	19,015
Total of changes in fiscal year ended March 31, 2010	1,284	(236)	10,977	12,025	6,990	24,525
Balances as of March 31, 2010	(232)	(16)	(51,799)	(52,048)	40,409	643,179

(Continued)

Consolidated Statement 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 of overseas subsidiaries			26,825		26,825
Changes in fiscal year ended March 31, 2009					
Dividends from retained earnings			(11,173)		(11,173)
Net loss...			(10,227)		(10,227)
Changes in the scope of consolidation			222		222
Adjustment in pension liabilities of overseas subsidiaries			(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 of overseas subsidiaries					(2,971)	23,853
Changes in fiscal year ended March 31, 2009						
Dividends from retained earnings						(11,173)
Net income						(10,227)
Changes in the scope of consolidation ...						222
Adjustment in pension liabilities of overseas subsidiaries.............................						(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

Consolidated Statement of Cash Flows

Millions of yen, rounded down

	FY ended Mar. 31, 2010	FY ended Mar. 31, 2009
I. Cash flows from operating activities		
Income before income taxes and minority interests	44,791	3,256
Depreciation and amortization	55,382	55,192
Loss on impairment of fixed assets	14,325	18,838
Amortization of goodwill and negative goodwill	5,000	5,497
Increase (decrease) in allowance for doubtful accounts	228	(507)
Increase (decrease) in bonus reserve	387	181
Increase (decrease) in bonus reserve for directors and others	195	(114)
Increase (decrease) in accrued employees' retirement benefits	4,988	2,134
Increase (decrease) in accrued officers' severance benefits	(204)	(638)
Increase (decrease) in allowance for environmental measures	187	1
Interest and dividend income	(2,174)	(2,000)
Interest expense	3,468	4,774
Equity in earnings of non-consolidated subsidiaries and affiliates	(3,461)	(2,524)
Loss (gain) on sale of investment securities	(66)	174
Loss on revaluation of investment securities	64	799
Loss (gain) on sale and disposal of tangible fixed assets	4,686	2,674
Loss (gain) on sale of shares of affiliates	--	(437)
Loss on valuation of stock in affiliates	322	257
Decrease (increase) in notes and accounts receivable	(5,340)	(3,882)
Increase (decrease) in notes and accounts payable	4,114	(5,256)
Decrease (increase) in inventories	2,381	(20,798)
Increase (decrease) in accrued consumption tax	(374)	1,600
Reversal of accrued expenses on contract alteration	(1,437)	--
Other	(4,079)	7,137
Sub-total	**123,387**	**66,360**
Interest and dividends received	3,040	3,164
Interest paid	(3,704)	(4,938)
Income taxes paid	(16,799)	(12,886)
Net cash provided by operating activities	**105,924**	**51,699**
II. Cash flows from investing activities		
Acquisition of tangible fixed assets	(38,273)	(56,355)
Proceeds from sale of tangible fixed assets	494	1,059
Acquisition of intangible assets	(23,352)	(4,679)
Acquisition of investment securities	(634)	(273)
Proceeds from sale of investment securities	97	135
Acquisition of shares of affiliates	(679)	(499)
Proceeds from sale of shares of affiliates	--	480
Decrease (increase) in term deposits	(620)	(1,376)
Other	(359)	(978)
Net cash used in investing activities	**(63,327)**	**(62,487)**

(Continued)

	Millions of yen, rounded down	
	FY ended Mar. 31, 2010	FY ended Mar. 31, 2009
III. Cash flows from financing activities		
Net change in short-term borrowings	(17,387)	341
Net change in commercial paper	--	(5,000)
Proceeds from long-term debt	17,013	3,034
Repayment of long-term debt	(3,208)	(2,951)
Issuance of bonds	--	34,986
Redemption of bonds	--	(20,000)
Cash dividends paid	(11,154)	(11,172)
Distribution of dividends to minority shareholders	(599)	(737)
Acquisition of own stock	(69)	(1,107)
Sale of treasury stock	7	460
Other	(2,611)	25
Net cash used in financing activities	**(18,011)**	**(2,119)**
IV. Effect of exchange rate changes on cash and cash equivalents	**2,717**	**(2,824)**
V. (Decrease) increase in cash and cash equivalents	**27,303**	**(15,732)**
VI. Cash and cash equivalents at the beginning of the year	**67,790**	**83,164**
Increase due to change in scope of consolidation	--	358
Decrease due to change in scope of consolidation	(30)	--
VII. Cash and cash equivalents at the end of the year	**95,063**	**67,790**

5. Notes regarding premise of a going concern

No applicable items

6. Significant Items for the Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries:

100 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 has total assets, sales, current year net income (corresponding to the percentage of shares held), retained earnings (corresponding to the percentage of shares held), etc. that materially impact the consolidated financial statements.

(3) Calpis Logistics Service Co., Ltd. has been excluded from the scope of consolidated subsidiaries as a result of liquidation. Furthermore, Calpis Business Support Co., Ltd. and CA Real Estate Co., Ltd. have been excluded from the scope of consolidated subsidiaries as decisions have been made to dissolve both of these companies and they do not materially impact the consolidated financial statements.

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

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

The fiscal year end of Ajinomoto del Perú S.A. and 15 other consolidated subsidiaries is December 31, and the fiscal year end of GABAN Co., Ltd. is the end of February. Of these, 15 companies prepare their financial statements as of March 31 for consolidated purposes. With regard to the other companies, the Company used their financial statements as of their own fiscal year end in the preparation of the consolidated financial statements, making adjustments, if necessary, for significant transactions that occurred in the period from their fiscal year end to the consolidated fiscal year end.

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

4. Accounting treatment standards

(1) Valuation standards and methods

1) Marketable securities:

Other securities:

Other securities for which market value is available are stated at market value at the fiscal year end and the changes in market value, net of applicable income taxes, are directly charged or credited to net assets. The cost of such securities sold is mainly determined by the moving-average method. Other securities for which a price is not available are stated at cost, mainly determined by the moving-average method.

2) Derivatives:

Derivatives are carried out at fair value

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

3) Inventories:

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

(2) Depreciation and amortization of significant depreciable assets

1) Tangible fixed assets (excluding leased assets):

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

2) Intangible fixed assets (excluding leased assets):

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

3) Leased assets

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

(3) Accounting for significant reserves

1) Allowance for doubtful accounts:

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

2) Bonus reserve:

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

3) Allowance for retirement benefits for employees:

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

4) Allowance for severance benefits for directors:

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

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

5) Allowance for bonuses for directors:

In preparation for the payment of bonuses to directors and others, a reserve for bonuses for directors and others has been provided for the amount of payment expected for the fiscal year ended March 31, 2009.

6) Allowance for environmental measures:

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

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

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

(5) Hedge accounting

1) Hedge accounting policy

The Company and its consolidated subsidiaries adopt deferred hedge accounting.
Special treatment is, in principle, applied with respect to interest rate swaps, in cases where criteria for special treatment are met.

2) Means of hedging and transactions subject to hedging

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

3) Hedging policy

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

4) Methods for evaluating the effectiveness of hedges

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

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

1) Accounting for consumption taxes

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

2) Adoption of consolidated tax accounting system

The Company and some of its consolidated subsidiaries have received approval from the Commissioner of the National Tax Agency of Japan to adopt the consolidated taxation system effective the fiscal year ending March 31, 2011. From the fiscal year under review, accounting treatment and presentation have been based on the "Practical Solution on Tax Effect Accounting under the Consolidated Taxation System (Part 1)" (ASBJ PITF No. 5), and the "Practical Solution on Tax Effect Accounting under the Consolidated Taxation System (Part 2)" (ASBJ PITF No. 7), under the assumption that the Company would adopt the consolidated taxation system.

3) Recognition of revenue from finance lease transactions

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

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 and negative goodwill

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

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

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

7. Changes in Significant Items for the Preparation of Consolidated Financial Statements

Change to Accounting Standard for Construction Revenue and Construction Costs

Until March 31, 2009, contracted construction for which the contract amount is ¥1 billion or more and the construction period is more than one year was accounted for using the percentage-of-completion method, and other construction was accounted for using the completed-contract method. However, effective the fiscal year ended March 31, 2010, in accordance with the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15 of December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18 of December 27, 2007), among the construction projects that commenced in the fiscal year ended March 31, 2010, those projects for which the certainty of outcome of the portion completed by the end of the fiscal year end March 31, 2010 are accounted for by the percentage-of-completion method (the rate of completion of a construction project is estimated using the cost-comparison method), while other construction is accounted for by the completed-contract method.

The effect of this change was to increase sales by ¥752 million, and increase operating income, ordinary income and net income before taxes by ¥17 million each.

The effects on segment information are outlined in the relevant sections.

Hedge Accounting

Until March 31, 2009, gains and losses with respect to forward-exchange contracts for hedging of forecasted transactions and sales transactions pertaining to the acquisition of stock of or investments in affiliated companies denominated in foreign currencies were recognized by estimating the fair value of the contracts. However, effective the fiscal year ended March 31, 2010, the Company has adopted hedge accounting for such contracts, and intends to apply deferred hedge accounting to transactions that meet the criteria.

This change was made in order to indicate the Company's operating results and financial position more properly, by appropriately reflecting in its financial statements its initiatives to manage the risk of exchange rate fluctuations, in line with a revision to the Company's risk management policies for exchange rate fluctuations.

As there were no applicable transactions in the fiscal year under review, this change had no impact on the Company's ordinary income or net income before taxes for the period.

Accounting Standard for Retirement Benefits

Effective the fiscal year under review, the Company has adopted the "Partial Revisions to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19 of July 31, 2008).

The effect of this change had no impact on operating income, ordinary income, net income before taxes, and the unrecognized difference in retirement benefit obligations for the fiscal year under review.

8. Changes in Presentation

Consolidated Statement of Income

1. "Rental income" (¥944 million in the fiscal year under review), which was presented as a separate item in the previous fiscal year, is included in "Other" in "Non-operating income" in the fiscal year under review, as its amount corresponds to 10/100ths or less of total non-operating income.

2. "Litigation expenses" (¥1,191 million in the previous fiscal year), which was included in "Other" in "Non-operating expenses" in the previous fiscal year, is presented as a separate item from the fiscal year under review.

3. "Gain on sale of fixed assets" (¥83 million in the fiscal year under review), and "Reversal of allowance for doubtful accounts" (¥251 million in the fiscal year under review), which were presented as separate items in the previous fiscal year, are included in "Other" in "Extraordinary gains" in the fiscal year under review, as their amounts each correspond to 10/100ths or less of total extraordinary gains.

4. "Loss on valuation of investment securities" (¥64 million in the fiscal year under review), which was presented as a separate item in the previous fiscal year, is included in "Other" in "Extraordinary losses" in the fiscal year under review, as its amount corresponds to 10/100ths or less of total extraordinary losses.

9. Additional Information

Prior-period Income Tax

The projected amount of additional tax likely to arise as a result of a tax assessment by the Tokyo Regional Taxation Bureau based on the transfer pricing tax system has been recorded as prior-period income tax.

Notes to the Consolidated Financial Statements

Consolidated Statement of Income

*1. 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 ¥509 million were also recorded.

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

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

With respect to the manufacturing facilities used for sweetener business in Yokkaichi, Mie Prefecture and Saga, Saga Prefecture, Japan, the Company reduced the book value to the nominal amount, as these operations have continued to post losses due to factors including a deterioration in export profits attributable to the appreciation of the yen and falling sales prices resulting from intense competition with competitors, 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 ¥5,175 million, the breakdown of which is as follows: “Buildings and structures”—¥1,817 million; “Machinery and vehicles”—¥3,280 million; and “Other”—¥76 million.

With respect to the manufacturing facilities used for pharmaceutical fine chemicals business in Yokkaichi, Mie Prefecture, Japan, these operations have continued to post losses, influenced by a considerable delay in production plans due to the impact of factors such as a decline in the number of new drugs being developed in the pharmaceuticals market. Given this fact, and because at the present time the likelihood of future recoverability of initially projected income is low, the Company reduced the book value to the recoverable amount. As such, the Company recorded an impairment loss of ¥1,318 million, the breakdown of which is as follows: “Buildings and structures”—¥502 million; “Machinery and vehicles”—¥744 million; and “Other”—¥71 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 5.3%.

With respect to the manufacturing facilities used for feed-use amino acids business in Brazil, these operations have continued to post losses, impacted by factors including a deterioration in export profits due to a stronger Brazilian Real and the cost of raw materials and fuels rising significantly above initial projections. Given this fact, and because at the present time the likelihood of future recovery of initially projected income is low, the Company reduced the book value to the recoverable amount. As such, the Company recorded an impairment loss of ¥7,321 million, the breakdown of which is as follows: “Buildings and structures"—¥3,951 million; "Machinery and vehicles"—¥2,608 million; and "Other"—¥761 million. The recoverable amount was determined through measurement of the value in use, which is calculated by discounting expected future cash flows at a rate of 12.5%, taking into consideration the current situation in Brazilian financial markets.

*2. Loss on prior period adjustments (¥1,722 million) and expenses for disposal of inventories on the ceasing of operations at amino acids plants (¥732 million) are included in "Other."

*3. This is the estimated amount of additional tax, such as income tax on transactions between the Company and an overseas affiliate.

Segment Information

1. Segment information by business

Fiscal year ended March 31, 2010

Millions of yen, rounded down

	Domestic Food Products	Overseas Food Products	Amino Acids	Pharma-ceuticals	Other Business	Total	Corporate and Eliminations	Consolidated
I. Sales and operating income and loss								
Sales								
(1) Sales to third parties	626,890	214,613	190,163	82,594	56,614	1,170,876	--	1,170,876
(2) Intra-group sales and transfers	6,467	7,444	15,249	186	57,739	87,086	(87,086)	--
Total sales	633,358	222,057	205,412	82,781	114,353	1,257,963	(87,086)	1,170,876
Operating expenses	608,786	193,681	201,204	71,186	110,585	1,185,445	(78,602)	1,106,842
Operating income	24,571	28,376	4,208	11,594	3,767	72,518	(8,484)	64,034
II. Assets, depreciation and amortization, impairment losses on fixed assets and capital expenses								
Assets	366,920	206,338	250,341	70,772	65,436	959,809	122,428	1,082,238
Depreciation and amortization	14,995	10,366	18,248	3,689	2,092	49,392	5,990	55,382
Impairment losses on fixed assets	448	--	13,819	--	--	14,268	56	14,325
Capital expenses	10,054	13,354	11,517	3,689	2,201	40,816	22,457	63,274

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*®, delicatessen products, bakery products, *amino VITAL*®, frozen foods, beverages, edible oils, coffee products, etc.
Overseas Food Products	*AJI-NO-MOTO*®, flavor seasonings, instant noodles, beverages, *AJI-NO-MOTO*® for processed food manufacturers, nucleotides, etc.
Amino Acids	Feed-use amino acids, amino acids for pharmaceuticals and foods, pharmaceutical fine chemicals, aspartame, specialty chemicals, etc.
Pharmaceuticals	Pharmaceuticals and medical foods
Other Business	Logistics, various services, etc.

3. Major unallocated items in operating expenses included under corporate and eliminations was ¥8,815 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 ¥229,083 million.
5. Changes in product lineup of business segments
   Following an organizational review, from the fiscal year ended March 31, 2010 the Company has transferred umami seasonings for processed food manufacturers from the amino acids segment to the overseas food products segment.
   The effect of this change was to increase sales by ¥57,857 million in overseas food products (of which sales to third parties was ¥52,325 million), by ¥5,529 million (with sales to third parties having no impact) in corporate and eliminations, and to decrease sales by ¥63,386 million in amino acids (of which sales to third parties was ¥52,325 million). Operating expenses increased ¥45,992 million in overseas food products, ¥5,310 million in corporate and eliminations, and decreased ¥51,302 million in amino acids. As a result, operating income increased ¥11,865 million in overseas food products and ¥218 million in corporate and eliminations, and decreased ¥12,084 million in amino acids.
   Similarly, assets as of March 31, 2010 increased ¥119,407 million in overseas food products, and decreased ¥115,163 million in amino acids and ¥4,244 million in corporate and eliminations. Depreciation expenses increased ¥6,834 million, and capital expenditure increased ¥7,039 million in overseas food products, and decreased by the same respective amounts in amino acids.
6. Changes in accounting policy
   (Accounting Standard for Construction Contracts)
   As described in the Changes in Significant Items for the Preparation of Consolidated Financial Statements, effective the fiscal year ended March 31, 2010, the Company has adopted the “Accounting Standard for Construction Contracts” (Accounting Standards Board of Japan (ASBJ) Statement No. 15 of December 27, 2007) and the “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No. 18 of December 27, 2007). The effect of this change compared to the previous method was to increase sales by ¥752 million and operating income by ¥17 million in other business.
7. In line with the adoption of the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17 of March 21, 2008; revised March 27, 2009) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20 of March 21, 2008), from the fiscal year ending March 31, 2011 the existing five business segments, domestic food products, overseas food products, amino acids, pharmaceuticals, and other business, will be reclassified as six business segments, domestic food products, overseas food products, bioscience products & fine chemicals (previously amino acids), pharmaceuticals, business tie-ups, and other business. This mainly results from edible oils and coffee products, which are currently included in the domestic food products segment, being classified as a new segment, business tie-ups.

Fiscal year ended March 31, 2009

Millions of yen, rounded down

	Domestic Food Products	Overseas Food Products	Amino Acids	Pharma-ceuticals	Other Business	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 and medical foods
Other Business	Logistics, 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).

The effect of this change was to increase operating expenses by ¥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 adjustments to its consolidated financial statements.

The effect of this change was to increase operating expenses by ¥1 million in domestic food products and ¥50 million in overseas food products, and decrease it by ¥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.

The effect of this change was to decrease operating expenses by ¥1,109 million in domestic food products, ¥0 million in overseas food products, ¥338 million in amino acids, and ¥157 million in pharmaceuticals, and increase it by ¥0 million in other business 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 business and ¥1 million in corporate and eliminations.

2. Segment information by geographical area

Fiscal year ended March 31, 2010

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	812,456	159,795	105,437	93,187	1,170,876	--	1,170,876
(2) Intra-group sales and transfers	34,188	23,309	22,815	3,215	83,529	(83,529)	--
Total	846,645	183,104	128,252	96,403	1,254,406	(83,529)	1,170,876
Operating expenses	817,291	156,940	119,793	88,332	1,182,357	(75,514)	1,106,842
Operating income	29,353	26,164	8,458	8,071	72,048	(8,014)	64,034
II. Assets	483,107	184,394	124,675	108,742	900,920	181,318	1,082,238

Notes 1. Geographical area segments are categorized on the basis of geographic proximity and indicated in inverted commas.

2. Main countries and regions in segments other than "Japan":
"Asia": Countries of East and Southeast Asia
"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 ¥8,815 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 ¥229,083million.

5. Changes in accounting policy
(Accounting Standard for Construction Contracts)
As described in Changes in Significant Items for the Preparation of Consolidated Financial Statements, effective the fiscal year ended March 31, 2010, the Company has adopted the "Accounting Standard for Construction Contracts" (Accounting Standards Board of Japan (ASBJ) Statement No. 15 of December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18 of December 27, 2007). The effect of this change compared to the previous method was to increase sales by ¥752 million and operating income by ¥17 million in "Japan".

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. Geographical area segments are categorized on the basis of geographic proximity and indicated in inverted commas.
2. Main countries and regions in segments other than "Japan":
   "Asia": Countries of East and Southeast Asia
   "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).
   The effect of this change was to increase operating expenses by ¥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 adjustments to its consolidated financial statements.
   The effect of this change was to increase operating expenses by ¥61 million in "Asia" and ¥39 million in "America", and decrease it by ¥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.
   The effect of this change was to decrease operating expenses by ¥12,772 million in "Japan" and increase it by ¥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.
   The effect of this change was to decrease operating expenses ¥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.

3. Overseas sales

Fiscal year ended March 31, 2010

Millions of yen, rounded down

	"Asia"	"America"	"Europe"	Total
Overseas sales	179,229	111,829	91,276	382,335
Consolidated net sales	--	--	--	1,170,876
Overseas sales % of consolidated net sales	15.3	9.6	7.8	32.7

Note 1. Geographical area segments are categorized on the basis of geographic proximity and indicated in inverted commas.

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

"Asia": Countries of East and Southeast Asia

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

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

"Asia": Countries of East and Southeast Asia

"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".

Per share information

	FY ended March 31, 2010	FY ended March 31, 2009
Net assets per share	¥863.72	¥838.51
Net income (loss) per share	¥23.85	(¥14.65)

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, 2010	As of March 31, 2009
Total net assets on balance sheet	643,179	618,654
Deductions from net assets		
Minority interests	40,409	33,419
Total amount of deduction from net assets	40,409	33,419
Net assets attributable to common stock	602,769	585,234
Number of shares of common stock used for the calculation of net assets per share (thousand shares)	697,872	697,949

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

Millions of yen, rounded down

	FY ended March 31, 2010	FY ended March 31, 2009
Net income (loss)	16,646	(10,227)
Net income (loss) not attributable to common stock	--	--
Net income (loss) attributable to common stock	16,646	(10,227)
Average number of shares of common stock outstanding during the year	697,911	698,237

(Important post-balance sheet events)

No applicable items.

(Omission of disclosure)

Disclosure of notes on the consolidated balance sheet, part of the consolidated statement of income, the consolidated statement of changes in net assets, and the consolidated statements of cash flow, and notes on lease transactions, related party transactions, tax effect accounting, financial instruments, marketable securities, derivative transactions, retirement benefit plans, stock options, business combination, leased real estate, and others was omitted, as the Company does not see a major necessity for their disclosure in this document.

Reference:

Five year trends in consolidated financial results and key indicators

Millions of yen, rounded down

	FY ending March 31, 2011 (est.)	FY ended March 31, 2010	FY ended March 31, 2009	FY ended March 31, 2008	FY ended March 31, 2007
Net sales	1,234,000	1,170,876	1,190,371	1,216,572	1,158,510
Growth rate	5.4%	(1.6%)	(2.2%)	5.0%	4.7%
Operating income	57,000	64,034	40,827	60,523	63,800
Growth rate	(11.0%)	56.8%	(32.5%)	(5.1%)	5.8%
Operating margin	4.6%	5.5%	3.4%	5.0%	5.5%
Ordinary income	55,000	67,621	25,926	55,736	61,589
Ordinary margin	4.5%	5.8%	2.2%	4.6%	5.3%
Net income (loss)	23,000	16,646	(10,227)	28,229	30,229
Return on sales	1.9%	1.4%	(0.9%)	2.3%	2.6%
Net income (loss) per share (yen)	¥32.96	¥23.85	(¥14.65)	¥41.94	¥46.70
Return on equity	--	2.8%	(1.7%)	4.7%	5.5%
Ratio of net income to total assets	--	1.6%	(0.9%)	2.6%	2.9%
Total assets	--	1,082,238	1,057,786	1,100,709	1,061,688
Net assets	--	643,179	618,654	667,717	607,584
Interest-bearing debt	--	147,902	149,402	144,330	151,223
Equity ratio	--	55.7%	55.3%	57.1%	53.1%
Book value per share (yen)	--	¥863.72	¥838.51	¥899.41	¥870.02
Share price at end of period (yen)	--	¥926	¥695	¥1,010	¥1,356
P/E ratio (times)	--	38.8	--	24.1	29.0
Dividend per share (yen)	¥16.0	¥16.0	¥16.0	¥16.0	¥15.0
Dividend payout ratio	48.5%	67.1	--	38.1%	32.1%
Net cash provided by operating activities	--	105,924	51,699	51,436	75,764
Net cash used in investment activities	--	(63,327)	(62,487)	(28,292)	(67,911)
Net cash used in financing activities	--	(18,011)	(2,119)	(17,592)	(5,504)
Free cash flow	--	42,597	(10,788)	23,143	7,852
Number of consolidated subsidiaries	--	100	103	102	102
Number of affiliated companies accounted for by the equity method	--	10	10	10	13

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