Ajinomoto Co., Inc.

Consolidated Results

Fiscal Year Ended March 31, 2014

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, 2014

Ajinomoto Co., Inc.

May 8, 2014

Stock Code:	2802	Listed exchanges:	Tokyo
URL: http://www.ajinomoto.com		Inquiries:	Yukihiko Kobayashi
President:	Masatoshi Ito		General Manager
Scheduled date of the general meeting of shareholders:	June 27, 2014		Finance Department
Scheduled date of starting payment of dividend:	June 30, 2014	Telephone:	813 5250-8161
Scheduled date of submission of Securities Report:	June 27, 2014		
Creation of supplementary results materials:	Yes		
Results briefing:	Yes (for analysts)		

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2014

1) Consolidated Operating Results

Millions of yen, rounded down

	FY ended March 31, 2014		FY ended March 31, 2013	
		Change (%)		Change (%)
Net sales	991,332	0.6	984,967	--
Operating income	62,548	(12.2)	71,232	(1.9)
Ordinary income	69,541	(9.9)	77,167	1.6
Net income (loss)	42,795	(11.5)	48,373	15.9
Net income (loss) per share (¥)	¥69.70		¥74.35	
Fully diluted earnings per share (¥)	--		--	
Return on equity	7.1%		7.8%	
Ratio of ordinary income to total assets	6.3%		7.1%	
Ratio of operating income to net sales	6.3%		7.2%	

Notes: Comprehensive income:

FY ended March 31, 2014: ¥74,886 million (decrease of 28.4%) FY ended March 31, 2013: ¥104,581 million (increase of 214.6%)

Gain from investments in subsidiaries and affiliates accounted for by the equity method:

FY ended March 31, 2014: ¥3,360 million FY ended March 31, 2013: ¥3,058 million

Note: Due to amounts being restated in accordance with a change in accounting policy, the percentage change for sales of the fiscal year ended March 31, 2013 has not been recorded.

2) Financial Position

Millions of yen, rounded down

	As of March 31, 2014	As of March 31, 2013
Total assets	1,091,650	1,091,741
Net assets	659,487	691,710
Shareholders' equity ratio (%)	54.9	58.2%
Book value per share (¥)	¥1,008.98	¥1,004.38

Note: Shareholders' equity as of: March 31, 2014: ¥598,925 million

March 31, 2013: ¥635,287 million

3) Cash Flows

Millions of yen, rounded down

	FY ended March 31, 2014	FY ended March 31, 2013
Net cash provided by operating activities	63,017	88,501
Net cash used in investing activities	(63,497)	15,201
Net cash used in financing activities	(55,248)	(74,419)
Cash and cash equivalents at end of year	130,028	184,770

2. Dividends

	FY ended March 31, 2013	FY ended March 31, 2014	FY ending March 31, 2015 (forecast)
Dividend per share			
Interim	¥8.00	¥10.00	¥10.00
Year-end	¥10.00	¥10.00	¥10.00
Annual	¥18.00	¥20.00	¥20.00
Total annual dividend amount	¥11,512 million	¥12,051 million	--
Dividend payout ratio	24.2%	28.7%	26.9%
Ratio of dividends to net assets	1.9%	2.0%	--

3. Forecast for the Fiscal Year Ending March 31, 2015

Millions of yen

	FY ending March 31, 2015		(Ref) FY ended March 31, 2014 Adjusted net amount	(Ref) FY ending March 31, 2015 Year-on-year increase	
		Change %			Change %
Net sales	1,008,000	1.7	952,079	55,920	5.9
Operating income	70,000	11.9	62,548	7,451	11.9
Ordinary income	75,000	7.8	69,541	5,458	7.8
Net income	44,000	2.8	42,795	1,204	2.8
Net income per share	74.32	--	--	--	--

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

Previously, price discounts provided to customers for sales promotion purposes were recorded as Sales commissions in Selling, general and administrative expenses, mainly at the time that the payment amount was determined. However from the fiscal year ending March 31, 2015, the Company will change to a method in which the amount is subtracted from net sales at the time that sales are recorded. For details please see page 9, *1. ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION, I. Analysis of Operating Results, 2. Outlook for the Fiscal Year Ending March 31, 2015*". The restated figures above are unaudited. Please note that these amounts are subject to change, as the new recording method has not yet been applied to a portion of the figures for the fiscal year ended March 31, 2014).

Notes:

1) Transfer of important subsidiaries during the period (Transfers of certain subsidiaries resulting in changes in the scope of consolidation): None

Newly consolidated: 0 companies

Removed from scope of consolidation: 0 companies

2) Changes in accounting policy, changes in accounting estimates, and retrospective restatements

(1) Changes in line with revision to accounting standards: No

(2) Other changes: Yes

(3) Changes in accounting estimates: No

(4) Retrospective restatements: No

Note: For more information, see page 28, "*Changes in accounting policy, changes in accounting estimates, and retrospective restatements*".

3) Number of shares outstanding (ordinary shares)

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

March 31, 2014: 614,115,654 shares March 31, 2013: 635,010,654 shares

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

March 31, 2014: 20,523,658 shares March 31, 2013: 2,496,068 shares

(3) Average number of shares during period

FY ended March 31, 2014: 613,962,173 shares FY ended March 31, 2013: 650,638,116 shares

Note: See "*Per share information*" on page 38 for details on the number of outstanding shares used as the basis of calculation of net income per share.

*Status of implementation of audit procedures
This *kessan tanshin* document is outside the scope of audit procedures based on the Financial Instruments and Exchange Act. As of the time of its disclosure, audit procedures with respect to the financial statements were in the process of being implemented.

*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 and do not represent a commitment from Ajinomoto. Co., Inc. ("the Company") that they will be achieved. A number of factors could cause actual results to differ materially from expectations. For more information regarding our business forecasts, please refer to page 9, "*1. ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION, I. Analysis of Operating Results, 2. Outlook for the Fiscal Year Ending March 31, 2015*"

(Method of obtaining supplementary results materials)
Supplementary results materials will be published on the Company's website on Thursday, May 8, 2014.

Table of contents

1. ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION 5
   - I. Analysis of Operating Results 5
   - II. Analysis of Financial Position 11
   - III. Basic Policy Regarding Allocation of Profits and Dividends for Fiscal Year Ended March 31, 2014 and Fiscal Year Ending March 31, 2015 12

2. MANAGEMENT POLICY 13
   - I. Basic Management Policy 13
   - II. Management Goals 13
   - III. Tasks Ahead 13

3. CONSOLIDATED FINANCIAL STATEMENTS 15
   - (1) Consolidated Balance Sheet 15
   - (2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income 17
     - Consolidated Statement of Income 17
     - Consolidated Statement of Comprehensive Income 18
   - (3) Consolidated Statement of Changes in Net Assets 19
   - (4) Consolidated Statement of Cash Flows 21
   - (5) Notes to the Consolidated Financial Statements 24
     - Notes Regarding Premise of a Going Concern 24
     - Significant Items for the Preparation of Consolidated Financial Statements 24
     - Changes in Accounting Policy, changes in Accounting Estimates, and Retrospective Restatements: 28
     - Unapplied Accounting Standards, etc. 29
     - Changes in Presentation 29
     - Consolidated Statement of Income 30
     - Business Mergers, etc. 31
     - Segment Information 32
     - Per Share Information 39

Reference:

1. ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION

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, 2014	991.3	62.5	69.5	42.7
FY ended March 31, 2013	984.9	71.2	77.1	48.3
Change	0.6%	(12.2%)	(9.9%)	(11.5%)

Note 1: Amounts for the previous fiscal year have been restated to reflect the change in accounting policy for the recording of sales for sole agent sales transactions.

Note 2: Net sales for the fiscal year ended March 31, 2013, excluding the impact of the sale of Calpis Co., Ltd. shares and the spinoff of the infusions and dialysis business units, would have been ¥911.0 billion.

Note 3: The change in the figure in “Note 2” above compared to the previous fiscal year is 8.8%.

Overview of results for this period

In the fiscal year under review, the global economy showed a weak overall recovery. Although there was a moderate upturn in the U.S. economy and signs of economic recovery in Europe, there was also some impact from an easing of growth rates in emerging markets.

In Japan, a mild economic recovery is underway, supported by a correction of the yen’s prolonged strength and signs of improving consumer sentiment and corporate capital expenditure.

In the Japanese food industry, although costs for raw materials for foods remained high, there was some impact felt from consumer demand increasing in advance of the scheduled increase in consumption tax.

Within this environment, the Ajinomoto Group (“the Group”) has positioned the three-year period from 2011 as a period to focus on building a foundation to make the Group a “Genuine Global Company”, and is endeavoring to drive growth under the two key themes of “Global growth” and “R&D leadership”, while pursuing three policies for reinforcing the business structure, namely, “From VOLUME to VALUE”, “From PROFIT to CASH”, and “Enhance capital efficiency to boost stockholder value”.

As a result of the above, consolidated net sales for the fiscal year ended March 31, 2014 increased 0.6% (¥6.3 billion) year on year to ¥991.3 billion. This outcome reflects the negative impact on consolidated sales arising from exclusion of Calpis Co., Ltd. (“Calpis”) from the scope of consolidation since the third quarter of the previous fiscal year and the spinoff of the infusions and dialysis business units into equity method affiliate AY Pharmaceuticals Co., Ltd. from the second quarter of the year under review, and also the positive effect of a weaker yen. Operating income decreased 12.2% (¥8.6 billion) to ¥62.5 billion, reflecting the exclusion of Calpis Co. products as well as weaker results from feed-use amino acids, and ordinary income decreased 9.9% (¥7.6 billion) to ¥69.5 billion.Net income decreased 11.5% (¥5.5 billion) to ¥42.7 billion.

These outcomes are largely in line with the full-year consolidated forecasts announced in a disclosure on February 14, 2014, entitled “Revisions to Consolidated Performance Forecast for the Fiscal Year ending March 31, 2014”.

Changes to main accounting items during the period under review

Note: All comparisons are with the previous fiscal year, ended March 31, 2013, unless otherwise stated.

1) Net sales

Net sales increased 0.6%, or ¥6.3 billion, year on year to ¥991.3 billion. By region, sales in “Japan” decreased 11.0%, or ¥63.4 billion to ¥514.0 billion, as growth in sales of seasonings and processed foods, frozen foods, specialty chemicals and amino acids failed to offset the absence of Calpis products sales, which were included in the results until the second quarter of the previous fiscal year, and a decline in sales of pharmaceuticals as a result of the spinoff of the infusions and dialysis business units. Sales overseas increased significantly, up 17.1%, or ¥69.7 billion year on year to ¥477.2 billion due to an increase in sales of consumer foods and amino acids and also impacted by the exchange rate. Sales increased 18.6% to ¥231.1 billion in “Asia,” 18.6% to ¥139.2 billion in “Americas” and 12.3% to ¥106.8 billion in “Europe”.

Excluding the impact of sales of Calpis products and the infusions and dialysis business units, net sales increased 8.8% or ¥80.2 billion to ¥991.3 billion.

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

Cost of sales increased 5.8%, or ¥34.9 billion, to ¥635.5 billion. The ratio of the cost of sales to net sales rose 3.1 percentage points to 64.1%, mainly due to the effect of the exchange rate, a drop in the sales price of feed-use amino acids, and an increase in the price of raw materials for frozen foods. Selling, general and administrative expenses decreased 6.4%, or ¥19.9 billion, from the previous fiscal year to ¥293.1 billion, impacted by the removal of Calpis from the scope of consolidation as of the third-quarter of the previous fiscal year.

3) Operating income

Operating income decreased 12.2%, or ¥8.6 billion, from the previous fiscal year to ¥62.5 billion. By region, operating income in “Japan” decreased 3.5% to ¥33.1 billion, while operating income from operations overseas decreased 20.3% to ¥29.3 billion.

In “Japan” there was a decrease in operating income due to an increase in the cost of sales of frozen foods as well as the absence of the operating income of Calpis, which was included in the scope of consolidation until the second quarter of the previous fiscal year, despite contributions from seasonings and processed foods, specialty chemicals, and amino acids. In overseas regions, there was a significant overall decrease in operating income compared to the previous fiscal year, largely impacted by a drop in the sales price of feed-use amino acids, which offset contributions from consumer foods and the impact of the exchange rate. Operating income increased 13.1% to ¥24.9 billion in “Asia”, decreased 53.9% to ¥4.2 billion in “Americas”, and decreased 98.1% to ¥0.1 billion in “Europe”.

4) Non-operating income (expenses)

The difference between non-operating income and non-operating expenses was a positive figure of ¥6.9 billion, an increase of ¥1.0 billion compared to a positive figure of ¥5.9 billion in the previous year. The main factors in this increase were an increase in interest income and equity in earnings of non-consolidated subsidiaries and affiliates.

5) Ordinary income

Ordinary income decreased 9.9%, or ¥7.6 billion, year on year to a record high of ¥69.5 billion.

6) Extraordinary gains

Extraordinary gains for the period under review were ¥8.6 billion, compared to ¥49.1 billion in the previous fiscal year. The main items recorded in the fiscal year under review were a ¥3.0 billion gain on the sale of fixed assets, and a ¥2.3 billion gain on the sale of shares in affiliated companies. The main items recorded in the previous fiscal year were a gain of ¥27.7 billion associated with the transfer of benefit obligation relating to the employees' pension fund, and a gain of ¥17.5 billion for the sale of shares in Calpis.

7) Extraordinary losses

Extraordinary losses were ¥4.8 billion, compared to ¥25.4 billion in the previous year. The main factor was a ¥1.2 billion loss on the loss on retirement of non-current assets. The main factor in the previous year was ¥14.5 billion for impairment losses.

8) Net income

Net income for the period under review decreased 11.5%, or ¥5.5 billion, to ¥42.7 billion. Net income per share for the year was ¥69.70, a record level, compared to ¥74.35 for the previous year.

Consolidated operating results by segment

From the first quarter of the current fiscal year, the Company has changed its reportable segments, and consequently, comparisons between segments with the previous consolidated fiscal year shown below are based on amounts restated in accordance with the classifications following this change. For details, please see page 32, *"Segment Information a. Segment Information 2. Methods of calculating amounts for net sales, income or loss, assets and other items by reporting segment"*

Note: All comparisons are with the previous fiscal year, ended March 31, 2013, 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	337.5	(54.0)	(13.8%)	27.4	(5.2)	(16.0%)
Overseas food products	293.2	47.8	19.5%	25.2	4.5	21.9%
Bioscience products and fine chemicals	228.5	24.3	11.9%	6.5	(7.8)	(54.6%)
Pharmaceuticals	51.2	(20.2)	(28.3%)	3.8	0.6	20.3%
Other business	80.8	8.4	11.7%	(0.4)	(0.8)	--
Total	991.3	6.3	0.6%	62.5	(8.6)	(12.2%)

Note 1: On October 1, 2012, the Company sold its shares in Calpis, and Calpis was removed from the scope of consolidation as of the previous third-quarter period (October 1, 2012 to December 31, 2012). Results for Calpis for the previous period are included in domestic food products.

Note 2: Domestic and overseas sales of *ACTIVA*® products to food processing companies, savory seasonings and frozen foods are included in domestic food products.

Note 3: From the first quarter of the current fiscal year, 'pharmaceutical fine chemicals' in the bioscience products and fine chemicals segment has been renamed 'pharmaceutical custom manufacturing'.

Note 4: For the main products of each business segment, see page 32, *"Segment Information, a. Segment information, 1. Overview of reporting segments"*.

1) Domestic food products

Due to the removal of sales of Calpis products from the third quarter of the previous year, domestic food product sales decreased 13.8%, or ¥54.0 billion, to ¥337.5 billion. Operating income decreased 16.0%, or ¥5.2 billion, to ¥27.4 billion. Excluding the impact of sales of Calpis products, net sales increased 1.6% or ¥5.3 billion to ¥337.5 billion, due to growth in sales of seasonings and processed foods for the retail market and frozen foods,

AJINOMOTO®

and also impacted by a surge in demand prior to the consumption tax increase. Operating income decreased 1.7%, or ¥0.4 billion, to ¥27.4 billion due to an increase in costs resulting from a rise in the price of raw materials.

Seasonings and processed foods: In seasonings and processed foods for the retail market, sales of *HON-DASHI and* Chinese menu seasoning *Cook Do®* grew due to TV advertising and related marketing initiatives. Despite a significant increase in sales of hot pot soup cube *Nabe Cube*®, as well as an increase in tube-type Chinese seasoning paste *Cook Do*® flavor paste, *Cook Do*® *Kyo-no Ohzara*, Japanese and western-style menu seasoning, and mayonnaise products, sales of gift products declined significantly, resulting in a decrease in overall sales.

In seasonings and processed foods for the commercial market, sales of seasoning products for restaurant use decreased due to a decline in sales of chilled salad and other products, despite growth in sales of functional food products used to enhance texture and quality and draw out the flavors of rice and meat. Overseas sales of *ACTIVA*®, a food enzyme (transglutaminase), and savory seasonings products trended strongly, also impacted by the exchange rate, resulting in an increase in sales, and an overall increase in commercial market sales.

Frozen foods: Overall sales of products for the retail market were in line with the previous year, as an increase in sales of *Gyoza* and the *Yoshokutei®* Hamburg Series that were featured in television advertising, was offset by sluggish sales of *Yawaraka Wakadori Kara-Age*. Overall sales of products for restaurant and institutional use increased, due to an increase in sales to large domestic customers. As a result, overall sales increased. Overseas, sales of frozen rice products and yakisoba noodles increased significantly in North America, and as a result, overall sales increased.

2) Overseas food products

Overseas food product sales increased 19.5%, or ¥47.8 billion, to ¥293.2 billion supported by foreign exchange rates along with higher sales of consumer foods on a local currency basis. Operating income increased 21.9%, or ¥4.5 billion, to ¥25.2 billion, with the impact of a decline in unit prices for umami seasonings for processed food manufacturers offset by foreign exchange rates, higher revenues from consumer foods, and other factors.

Consumer foods: In Asia, overall sales increased significantly due to higher sales on a local currency basis of umami seasoning *AJI-NO-MOTO®* in Vietnam, Indonesia and the Philippines, higher sales of flavor seasonings *Ros Dee®* in Thailand, *Masako®* in Indonesia, *Aji-ngon®* in Vietnam and instant noodles.

In the Americas, sales increased significantly, reflecting higher sales on a local currency basis of products such as flavor seasoning *Sazón*® in Brazil.

In Europe and Africa, overall sales increased substantially, reflecting higher sales on a local currency basis of products such as instant noodles in Poland.

As a result of the above, overall consumer foods sales increased substantially.

Umami seasonings for processed food manufacturers: In Japan, sales of *AJI-NO-MOTO®* for the food processing industry and nucleotides decreased, reflecting a decline in unit prices. In overseas markets, although market prices declined in response to increased production by competitors, total sales increased significantly due to higher sales volumes, with the result that overall sales of umami seasonings for processed food manufacturers increased.

3) Bioscience products and fine chemicals

Bioscience products and fine chemicals sales increased 11.9%, or ¥24.3 billion, to ¥228.5 billion, reflecting the effect of foreign exchange rates and additional sales arising from the consolidation in the first quarter of Ajinomoto Althea, along with growth in sales of amino acids for pharmaceuticals and foods, and specialty chemicals.

Operating income decreased 54.6%, or ¥7.8 billion, to ¥6.5 billion, reflecting a significant impact from a fall in unit prices for feed-use amino acids, which was only partially offset by higher revenues from sales of amino acids for pharmaceuticals and foods and higher sales of specialty chemicals.

Feed-use amino acids: Unit prices for Threonine and Tryptophan decreased but sales volumes increased, leading to significantly higher revenues from both these products. However, unit prices for Lysine were significantly lower and sales volumes also decreased, resulting in lower revenues, with the result that overall feed-use amino acid revenues were in line with the previous fiscal year.

Amino acids: Sales of amino acids for pharmaceuticals and foods increased significantly both in Japan and overseas.

Sales of sweeteners also increased, supported by higher sales on a local currency basis in South America of powdered juice *RefrescoMID®*, which contains aspartames. In pharmaceutical custom manufacturing, sales increased significantly, supported by the inclusion of consolidated subsidiary Ajinomoto Althea in the consolidated results. As a result, overall revenues increased significantly.

Specialty chemicals: Overall sales increased considerably due to a significant increase in sales of higher value products in insulation film for build-up printed wiring board used in computers.

4) Pharmaceuticals

Pharmaceutical sales decreased 28.3%, or ¥20.2 billion, to ¥51.2 billion due to the elimination of sales of infusion and dialysis business products from consolidated results due to the spin-off of these operations into equity method affiliate AY Pharma Co., Ltd. from the second quarter of the current fiscal year. Operating income increased 20.3%, or ¥0.6 billion, to ¥3.8 billion, due to the reinforcement of the business structure resulting from the spin-off of the infusion and dialysis business to AY Pharma Co., Ltd., which offset the decline in sales.

In self-distributed products, although sales were supported by factors such as the July 2012 start of sales of *MARZULENE®*, a newly introduced therapeutic agent for gastric inflammation and ulcers, and by the June 2013 launch of *MOVIPREP®*, an oral bowel cleansing agent, this was offset by the elimination of sales of infusion and dialysis business products from consolidated results, and sales therefore decreased significantly.

In products sold through business tie-ups, sales fell due to a large decrease in sales of nateglinide products such as *FASTIC®* and risedronate products such as *ACTONEL®* for osteoporosis, due to the effects of competition.

5) Other business

Other business sales increased 11.7%, or ¥8.4 billion, to ¥80.8 billion. However, low profitability in the logistics business and other factors results in an operating loss of ¥0.4 billion compared to operating income of ¥0.4 billion in the previous year.

2. Outlook for the Fiscal Year Ending March 31, 2015

Billions of yen, rounded down

	Net sales	Operating income	Ordinary income	Net income
FY ending March 31, 2015	1,008.0	70.0	75.0	44.0
FY ended March 31, 2014	991.3	62.5	69.5	42.7
Change	1.7%	11.9%	7.8%	2.8%

Note 1: Net sales figures for the fiscal year ending March 31, 2015 are shown using a new method in which price discounts provided to customers for sales promotion purposes are subtracted from net sales at the time that sales are recorded. Sales figures for the fiscal year ending March 31, 2014 are shown using the conventional method in which price discounts provided to customers for sales promotion purposes are

recorded as Sales commissions in Selling, general and administrative expenses, mainly at the time that the payment amount is determined.

Note 2: If net sales for the fiscal year ended March 31, 2014 was restated using the new method, net sales would be ¥952.0 billion (this figure is unaudited. Please note that this amount is subject to change, as the new recording method has not yet been applied to a portion of the figures for the fiscal year ended March 31, 2014).

Note 3: The change in the figure in “Note 2” above compared to the previous fiscal year is 5.9%.

Although there are signs of economic recovery in Europe and the US, the outlook for the global economy remains clouded by a number of uncertainties, including the impact of weaker growth in emerging economies, and political unrest in Ukraine. The Group’s operating environment is expected to remain difficult, due to unstable foreign exchange markets, continued high prices of main raw materials and fuels, and intensifying competition in our bulk and other businesses.

Under this environment, Ajinomoto is engaging in the first year of its new 2014-2016 Medium-Term Management Plan with the aim of becoming a “Genuine Global Specialty Company”, pursuing a range of initiatives to achieve steady profit growth under the strategic themes of “GROW and FIT”: “Growth Driver Advancement” (GROW) and “Further Reinforcement of Business Structure” (FIT).

For the advancement of growth drivers under the GROW theme, Ajinomoto will focus on achieving stable growth in the domestic food products segment by continuing to create added value products for an increasingly diverse customer base, while pursuing strong growth in overseas food product markets to establish additional national and regional business pillars. To further reinforce business structure under the FIT theme, Ajinomoto will reform the operating structure by increasing the level of specialization in bioscience and fine chemicals, while pursuing other measures such as building external relationships and undertaking additional reform in the pharmaceutical segment and increasing overall capital efficiency.

As a result of these initiatives, Ajinomoto forecasts operating income for the fiscal year ending March 31, 2015 to increase 11.9% to ¥70.0 billion, and ordinary income to increase 7.8% to ¥75.0 billion. Net income is forecast to increase 2.8% to ¥44.0 billion.

In recording consolidated net sales previously, price discounts provided to customers for sales promotion purposes were recorded as Sales commissions in Selling, general and administrative expenses. However from the fiscal year ending March 31, 2015, the Company will change to a method in which the amount is subtracted from net sales. Taking into account this change, for the fiscal year ending March 31, 2015 consolidated sales are forecast to increase 1.7% to ¥1,008.0 billion. If figures for the year ended March 31, 2014 are restated using the new method, consolidated sales were ¥952.0 billion, and the consolidated sales forecast for the year would represent a year-on-year increase of 5.9%.

These forecasts are based on an assumed exchange rate of ¥100 to the U.S. dollar.

II. Analysis of Financial Position

1. Overview of year under review

Financial position as of March 31, 2014

Total assets as of March 31, 2014 were ¥1,091.6 billion, ¥90 million less than the ¥1,091.7 billion recorded one year earlier. The key factor contributing to this decrease was a reduction in cash and cash equivalents arising from share repurchases and the acquisition of all shares of Althea Technologies (Althea), which offset an increase in the yen values of the balance sheets of overseas subsidiaries after translation.

Total liabilities was ¥432.1 billion, ¥32.1 billion more than the ¥400.0 billion recorded on March 31, 2013. The key factor contributing to this increase was an increase in liability for retirement benefits associated with the early adoption of a new accounting standard for retirement benefits. Total interest-bearing debt increased ¥23.6 billion compared to the end of the previous fiscal year to ¥142.9 billion.

Net assets decreased ¥32.2 billion compared to March 31, 2013, due to the retirement of purchased shares and the early adoption of accounting standards for retirement benefits, which offset an increase in the yen values of the balance sheets of overseas subsidiaries after translation. Shareholders' equity, which is net assets minus minority interests, was ¥598.9 billion, and the shareholders' equity ratio was 54.9%.

Summary of consolidated cash flow

Billions of yen, rounded down

	FY ended March 31, 2014	FY ended March 31, 2013	Change
Net cash provided by operating activities	63.0	88.5	(25.4)
Net cash used in investing activities	(63.4)	15.2	(78.6)
Net cash used in financing activities	(55.2)	(74.4)	19.1
Effect of exchange rate changes on cash and cash equivalents	0.9	8.8	(7.8)
Increase (decrease) in cash and cash equivalents	(54.7)	38.1	(92.8)
Increase in initial balance due to change in scope of consolidation	0	--	0
Cash and cash equivalents at end of period	130.0	184.7	(54.7)

Net cash provided by operating activities was ¥63.0 billion compared to ¥88.5 billion in the previous year. Income before income taxes and minority interests was ¥73.3 billion and depreciation and amortization was ¥45.7 billion. Income tax paid increased significantly to ¥40.2 billion, as a result of the transfer of Calpis shares in October 2012.

Net cash used in investing activities was an outflow of ¥63.4 billion compared to an inflow of ¥15.2 billion in the previous year. This was mainly attributable to outflows from the acquisition of fixed tangible assets, and the acquisition of Althea shares during the period, compared to inflows from the sale of Calpis shares in the previous year.

Net cash used in financing activities was ¥55.2 billion compared to an outflow of ¥74.4 billion in the previous period, partly due to the share repurchase.

As a result of the foregoing, cash and cash equivalents at March 31, 2014 was ¥130.0 billion, a decrease of ¥54.7 billion compared to March 31, 2013.

2. Trends in cash flow-related indices

	FY ended March 31, 2014	FY ended March 31, 2013	FY ended March 31, 2012	FY ended March 31, 2011
Equity ratio (%)	54.9	58.2	55.2	56.4
Equity ratio based on market price (%)	80.2	82.0	64.0	56.2
Ratio of interest-bearing debt to cash flow (%)	246.0	149.1	153.2	129.7
Interest coverage ratio (times)	31.0	45.0	42.7	44.8

- 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

Note 1: All indices are calculated from consolidated financial results figures.
Note 2: Market capitalization = market price on last trading day of March each year x total shares outstanding at end of period (excluding treasury stock)
Note 3: Cash flow is the net cash provided from operating activities figure in the consolidated statements of cash flows
Note 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, 2014 and Fiscal Year Ending March 31, 2015

The Company adopts the basic principle of ensuring continuous and stable dividends, taking into consideration its consolidated earnings, with a target payout ratio of 30% for the 2014-2016 Medium-Term Management Plan.

For the fiscal year under review (ended March 31, 2014), the Company plans to pay a dividend of ¥20 per share (with an interim dividend of ¥10 per share). For the next fiscal year (ending March 31, 2015), an annual dividend of ¥20 per share is planned (with an interim dividend payment of ¥10).

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.

In addition, as a measure to improve the level of returns to shareholders, in continuation from the previous period, the Company repurchased and retired shares in the period under review, and will continue to explore the possibility of flexibly implementing share repurchases. The Company seeks to manage shareholders' equity efficiently, and in a way that continues to meet the expectations of its shareholders.

2. MANAGEMENT POLICY

I. Basic Management Policy

What we are aiming for

Ajinomoto aims to be “a group of companies that contributes to human health globally”, by contributing to significant advances in Food and Health and working for Life, while always taking a global perspective. The Group intends to contribute to resolving issues that face humankind in the 21st century—*global sustainability, securing food sources,* and *healthy living.*

Becoming a “Genuine Global Specialty Company”

Ajinomoto aims to leverage its foundation of advanced bioscience and fine chemical technology to create specialty materials, using open and linked innovation to become a specialty foods group with technology-driven twin pillars in consumer foods and amino science.

II. Management Goals

Ajinomoto aims to achieve stable profit growth through specialization, and to move to the next level as one of the top ten global food groups.

The fiscal 2016 targets in the 2014-2016 Medium-Term Management Plan are for operating income of ¥91 billion (with an operating income ratio of 8%), ROE of 9%, and EPS at the 10% level.

III. Tasks Ahead

Pursuing the 2014-2016 Medium-Term Management Plan

In the 2014-2016 Medium-Term Management Plan, Ajinomoto will use the pursuit of specialization to engage in “Further Reinforcement of Business Structure” and “Growth Driver Enhancement”. Specialization is the high added value that arises from combining Ajinomoto’s proprietary technology with the ability to create value from the discovery of customer opportunities, and through this specialization Ajinomoto aims to become a “Genuine Global Specialty Company”. Ajinomoto will pursue “Growth Driver Advancement” and “Further Reinforcement of Business Structure”, based on specializing in bulk operations and increasing capital efficiency through global growth and R&D leadership, while working on “Evolution of the Management Foundation”.

Growth driver advancement

1. Global growth

In Japan, Ajinomoto will pursue stable growth by continually creating value aligned with the needs of an increasingly individualized and diverse customer base. Overseas, Ajinomoto will build on its existing strong business foundation in Thailand, Indonesia, Vietnam, the Philippines and Brazil to expand markets in the Middle East, Africa and elsewhere, aiming to achieve transformational growth by capturing opportunities arising from the expansion of the middle class and modernization of lifestyles and distribution.

2. R&D leadership

As the world leader in seasonings, Ajinomoto will grow its customer base by engaging even more deeply in the pursuit of deliciousness, while driving growth by making use of proprietary expertise in cutting-edge biotechnology to develop sophisticated new biomaterials, promote fermentation using fewer resources, and participate in regenerative medicine and diagnostic support using AminoIndex technology.

Further reinforcement of business structure

1. Shift to specialty

For operations with remaining structural issues, the Ajinomoto Group will pursue specialty to increase the value add. Specifically, in bulk business the Group will increase the proportion of high-value-added materials such as AjiPro®-L for ruminant stock in feed-use amino acids, create new specialty materials such as new taste substances in umami seasonings for processed food manufacturers and ultra-sweeteners in sweeteners business, and use these to increase the retail product ratio. In pharmaceuticals, the Group will proactively pursue licensing-in to strengthen the pipeline in the field of digestive disorders and other areas. In addition, the Group will work to enhance cost competitiveness through fermentation using fewer resources and other such initiatives.

2. Enhancement of capital efficiency

In each business value chain, the Group will make flexible use of outsourcing while internalizing critical processes, focusing on high added value to increase asset efficiency. Moreover, by constructing a global optimal supply structure compatible with demand, the Group will work to increase ROE and shareholder value.

Evolution of the Management Foundation

To achieve rapid growth in overseas markets, the Group will expand the delegation of authority to headquarters in overseas regions, while constructing a robust function for optimal monitoring and establishing a flexible and efficient governance structure. The Group will also put in place a system to accelerate the development of the next generation of management personnel, increasing diversity by promoting local hires into executive positions and increasing the ratio of female managers, and creating a stable, sizable pool of global human resources. In addition, the Group will use existing products and resources to develop business opportunities in adjacent domains, working flexibly with external resources as part of measures to drive rapid growth.

Contribution to key issues facing society in the 21st century through business activities

Since its establishment, the Ajinomoto Group has sustained its initial ambition of making food more delicious and improving nutrition for people using Umami. Through its business activities, Ajinomoto pursues 'Ajinomoto Group Creating Shared Value ("ASV") by helping address modern global issues relating to global sustainability, food resources and healthy living. Ajinomoto contributes to health by developing delicious, regionally appropriate foods and engaging in projects to improve the nutrition and health of people in developing countries. The Group is also helping to reduce the total food resources needed to support people's lifestyles, by introducing bio-cycle technology to enable recycling oriented societies and adopting lower resource fermentation technology. Ajinomoto will continue to provide food and nutritional support to people living in areas affected by the Great East Japan Earthquake until recovery is firmly established.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheet

Millions of yen, rounded down

	As of March 31, 2014	As of March 31, 2013
Assets		
Current assets		
Cash on hand and in banks	132,416	186,501
Notes and accounts receivable	200,115	197,568
Marketable securities	293	417
Goods and products	103,543	102,550
Goods in process	8,076	7,701
Raw materials and supplies	51,908	49,566
Deferred tax assets	7,404	9,077
Other	44,309	33,786
Allowance for doubtful accounts	(1,375)	(1,095)
Total current assets	546,693	586,074
Fixed assets		
Tangible fixed assets		
Buildings and structures	358,043	348,963
Accumulated depreciation and accumulated impairment losses	(218,630)	(215,961)
Net buildings and structures	139,412	133,002
Machinery and vehicles	562,769	528,879
Accumulated depreciation and accumulated impairment losses	(420,605)	(402,081)
Net machinery and vehicles	142,163	126,798
Tools, furniture and fixtures	67,563	69,982
Accumulated depreciation and accumulated impairment losses	(56,086)	(57,992)
Net tools, furniture and fixtures	11,477	11,989
Land	47,068	51,065
Leased assets	4,051	4,944
Accumulated depreciation and accumulated impairment losses	(2,491)	(3,138)
Net leased assets	1,559	1,805
Construction in progress	17,689	26,562
Total tangible fixed assets	359,370	351,224
Intangible fixed assets		
Goodwill	19,327	4,779
Other	32,994	33,912
Total intangible fixed assets	52,322	38,691
Investments and other assets		
Investment in securities	107,621	94,357
Long-term loans receivable	3,559	601
Deferred tax assets	11,671	8,549
Other	10,866	13,135
Allowance for doubtful accounts	(303)	(278)
Allowance for investment losses	(152)	(616)
Total investments and other assets	133,263	115,749
Total fixed assets	544,956	505,666
Total assets	1,091,650	1,091,741

(Continued)

(1) Consolidated Balance Sheet

Millions of yen, rounded down

	As of March 31, 2014	As of March 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable	104,711	108,903
Short-term borrowings	14,641	12,365
Current portion of bonds	14,999	20,000
Current portion of long-term borrowings	7,011	3,411
Accrued income taxes	8,497	20,590
Bonus reserve	5,953	5,496
Bonus reserve for directors and others	319	325
Other	73,898	84,447
Total current liabilities	230,033	255,541
Long-term liabilities		
Bonds	34,993	49,992
Long-term debt	69,435	31,442
Deferred tax liabilities	13,423	11,244
Accrued officers' severance benefits	415	517
Allowance for environmental measures	342	380
Accrued employees' retirement benefits	--	28,796
Retirement benefit-related loss	61,845	--
Asset retirement obligations	555	586
Other	21,117	21,528
Total long-term liabilities	202,128	144,489
Total Liabilities	432,162	400,030
Net assets		
Shareholders' equity		
Common stock	79,863	79,863
Capital surplus	83,443	112,757
Retained earnings	505,921	482,501
Treasury stock	(31,085)	(2,817)
Total shareholders' equity	638,143	672,304
Accumulated other comprehensive income		
Unrealized holding gain on securities	13,043	9,419
Unrealized gain from hedging instruments	(26)	(141)
Translation adjustments	(31,669)	(46,295)
Adjustment in pension liabilities of overseas subsidiaries	(20,567)	--
Total accumulated other comprehensive income	(39,218)	(37,017)
Minority interests	60,562	56,423
Total net assets	659,487	691,710
Total liabilities & net assets	**1,091,650**	**1,091,741**

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

Millions of yen, rounded down

	FY ended Mar. 31, 2014	FY ended Mar. 31, 2013
Net sales	991,332	984,967
Cost of sales	635,594	600,629
Gross profit	355,738	384,337
Selling, general and administrative expenses	293,190	313,104
Operating income	62,548	71,232
Non-operating income		
Interest income	2,129	1,857
Dividend income	1,067	1,044
Equity in earnings of non-consolidated subsidiaries and affiliates	3,360	3,058
Other	5,030	3,983
Total non-operating income	11,588	9,944
Non-operating expenses		
Interest expense	2,032	1,931
Other	2,562	2,077
Total non-operating expenses	4,595	4,009
Ordinary income	69,541	77,167
Extraordinary gains		
Insurance income*1	1,189	1,800
Gain on sale of fixed assets*2	3,081	908
Gain on transfer of benefit obligation relating to employees' pension fund	236	27,752
Gain on sale of shares in affiliated companies*3	2,315	18,201
Gain on liquidation of affiliated companies	1,005	--
Other	792	479
Total extraordinary gains	8,621	49,141
Extraordinary losses		
Loss on disposal of fixed assets	1,222	2,951
Impairment losses	624	14,562
Loss on liquidation of affiliates	859	--
Compensation expenses	664	--
Other	1,489	7,966
Total extraordinary losses	4,860	25,481
Net income before taxes	73,302	100,828
Income, inhabitant and business taxes	16,896	39,716
Refund of income taxes for prior periods*4	(1,603)	--
Income and other tax adjustments	7,778	6,015
Income taxes – total	23,072	45,732
Net income before minority interests	50,230	55,095
Minority interests	7,434	6,722
Net income	42,795	**48,373**

Consolidated Statement of Comprehensive Income

	Millions of yen, rounded down	
	FY ended Mar. 31, 2014	FY ended Mar. 31, 2013
Net income before minority interests	50,230	55,095
Other comprehensive income		
Unrealized holding gain on securities	3,479	6,363
Unrealized gain from hedging instruments	10	(159)
Translation adjustments	14,792	41,462
Adjustment in pension liabilities of overseas subsidiaries	--	478
Adjustment for retirement benefits	5,650	--
Share of other comprehensive income of equity-method affiliates	722	1,339
Total other comprehensive income	24,656	49,485
Comprehensive income	74,886	104,581
(Breakdown)		
Comprehensive income attributable to parent company	67,482	90,761
Comprehensive income attributable to minority interests	7,404	13,819

(3) Consolidated Statement of Changes in Net Assets

(Fiscal year ended March 31, 2014)

Millions of yen, rounded down

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances as of March 31, 2013	79,863	112,757	482,501	(2,817)	672,304
Cumulative effects of changes in accounting policies			(6,975)		(6,975)
Restated balance	79,863	112,757	475,525	(2,817)	665,329
Changes in fiscal year ended March 31, 2014					
Dividends from retained earnings			(12,440)		(12,440)
Net income			42,795		42,795
Changes in the scope of consolidation			41		41
Purchase of treasury stock				(57,584)	(57,584)
Disposal of treasury stock		(29,313)		29,316	2
Net changes of items other than those in shareholders' equity					
Total of changes in fiscal year ended March 31, 2014	--	(29,313)	30,396	(28,267)	(27,185)
Balances as of March 31, 2014	79,863	83,443	505,921	(31,085)	638,143

Millions of yen, rounded down

	Accumulated Other Comprehensive Income							
	Unrealized holding gain on securities	Unrealized gain from hedging instruments	Translation adjustments	Adjustment in pension liabilities of overseas subsidiaries	Adjustment for retirement benefits	Total accumulated other comprehensive income	Minority interests	Total net assets
Balances as of March 31, 2013	9,419	(141)	(46,295)	--	--	(37,017)	56,423	691,710
Cumulative effects of changes in accounting policies					(26,887)	(26,887)	(180)	(34,044)
Restated balance	9,419	(141)	(46,295)		(26,887)	(63,905)	56,242	657,666
Changes in fiscal year ended March 31, 2014								
Dividends from retained earnings								(12,440)
Net income								42,795
Changes in the scope of consolidation								41
Purchase of treasury stock								(57,584)
Disposal of treasury stock								2
Net changes in items other than those in shareholders' equity	3,624	115	14,625	--	6,320	24,686	4,320	29,006
Total of changes in fiscal year ended March 31, 2014	3,624	115	14,625	--	6,320	24,686	4,320	1,821
Balances as of March 31, 2014	13,043	(26)	(31,669)	--	(20,567)	(39,218)	60,562	659,487

(Continued)

Consolidated Statement of Changes in Net Assets

(Fiscal year ended March 31, 2013)

Millions of yen, rounded down

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances as of March 31, 2012	79,863	162,381	444,728	(2,219)	684,755
Cumulative effects of changes in accounting policies					
Restated balance	79,863	162,381	444,728	(2,219)	684,755
Changes in fiscal year ended March 31, 2013					
Dividends from retained earnings			(10,600)		(10,600)
Net income			48,373		48,373
Changes in the scope of consolidation					
Purchase of treasury stock				(50,225)	(50,225)
Disposal of treasury stock		(49,624)		49,627	2
Total of changes in fiscal year ended March 31, 2013	--	(49,624)	37,772	(598)	(12,450)
Balances as of March 31, 2013	79,863	112,757	482,501	(2,817)	672,304

Millions of yen, rounded down

	Accumulated Other Comprehensive Income							
	Unrealized holding gain on securities	Unrealized gain from hedging instruments	Translation adjustments	Adjustment in pension liabilities of overseas subsidiaries	Adjustment for retirement benefits	Total accumulated other comprehensive income	Minority interests	Total net assets
Balances as of March 31, 2012	2,678	(1)	(81,603)	(478)	--	(79,405)	44,809	650,159
Cumulative effects of changes in accounting policies								
Restated balance	2,678	(1)	(81,603)	(478)	--	(79,405)	44,809	650,159
Changes in fiscal year ended March 31, 2013								
Dividends from retained earnings								(10,600)
Net income								48,373
Changes in the scope of consolidation								
Purchase of treasury stock								(50,225)
Disposal of treasury stock								2
Net changes in items other than those in shareholders' equity	6,741	(140)	35,308	478	--	42,388	11,613	54,001
Total of changes in fiscal year ended March 31, 2013	6,741	(140)	35,308	478	--	42,388	11,613	41,551
Balances as of March 31, 2013	9,419	(141)	(46,295)	--	--	(37,017)	56,423	691,710

(4) Consolidated Statement of Cash Flows

Millions of yen, rounded down

	FY ended Mar. 31, 2014	FY ended Mar. 31, 2013
I. Cash flows from operating activities		
Income before income taxes and minority interests	73,302	100,828
Depreciation and amortization	45,746	42,463
Loss on impairment of fixed assets	624	14,562
Amortization of goodwill and negative goodwill	1,589	2,265
Insurance income	(1,189)	(1,800)
Increase (decrease) in allowance for doubtful accounts	252	(210)
Increase (decrease) in bonus reserve	354	(237)
Increase (decrease) in bonus reserve for directors and others	(5)	(16)
Increase (decrease) in accrued employees' retirement benefits	--	(3,688)
Increase (decrease) in allowance for directors' retirement benefits	(103)	(240)
Increase (decrease) in allowance for environmental measures	(38)	52
Increase (decrease) in allowance for investment losses	152	107
Increase (decrease) in retirement benefit-related loss	(3,005)	--
Interest and dividend income	(3,196)	(2,902)
Interest expense	2,032	1,931
Equity in earnings of non-consolidated subsidiaries and affiliates	(3,360)	(3,058)
Loss (gain) on sale of investment securities	(54)	37
Loss (gain) on revaluation of investment securities	52	2,346
Loss (gain) on sale of shares in affiliated company	(2,315)	(18,201)
Loss (gain) on liquidation of affiliate companies	(1,005)	--
Loss (gain) on sale and disposal of tangible fixed assets	(1,430)	2,174
Loss (gain) on transfer of benefit obligation relating to employees' pension fund	(236)	(27,752)
Decrease (increase) in notes and accounts receivable	2,095	15,158
Increase (decrease) in notes and accounts payable	(6,212)	(18,516)
Decrease (increase) in inventories	(1,377)	(7,048)
Increase (decrease) in accrued consumption tax	2,501	1,863
Decrease (increase) in other current assets	5,073	1,180
Increase (decrease) in other current liabilities	(7,727)	6,699
Other	(1,447)	(1,518)
Sub-total	101,070	106,480
Insurance fees received	1,189	2,764
Allowance for retirement benefits for employment transfer	(3,080)	--
Interest and dividends received	4,559	3,697
Interest paid	(2,034)	(1,965)
Income taxes paid	(40,214)	(22,475)
Refund of income taxes for prior periods	1,526	--
Net cash provided by operating activities	**63,017**	**88,501**
II. Cash flows from investing activities		
Acquisition of tangible fixed assets	(47,864)	(60,691)
Proceeds from sale of tangible fixed assets	6,448	1,134
Acquisition of intangible assets	(5,391)	(5,045)

Acquisition of investment securities	(62)	(324)
Proceeds from sale of investment securities	101	241
Acquisition of investments in subsidiaries resulting in change in scope of consolidation	(15,708)	--
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	--	80,890
Acquisition of shares of affiliates	(5,104)	(3,650)
Proceeds from sales of shares in subsidiaries	7,572	--
Decrease (increase) in term deposits	502	1,862
Payments for long-term loans receivable	(3,942)	(108)
Other	(46)	892
Net cash used in investing activities	**(63,497)**	**15,201**

(Continued)

	Millions of yen, rounded down	
	FY ended Mar. 31, 2014	FY ended Mar. 31, 2013
III. Cash flows from financing activities		
Net change in short-term borrowings	376	(6,026)
Proceeds from long-term debt	45,000	115
Repayment of long-term debt	(4,137)	(4,344)
Redemption of bonds	(20,000)	--
Cash dividends paid	(12,437)	(10,604)
Distribution of dividends to minority shareholders	(2,840)	(2,226)
Decrease (increase) in money held in trusts for repurchase of treasury stock	(2,520)	--
Acquisition of own stock	(57,584)	(50,225)
Sale of treasury stock	2	2
Other	(1,108)	(1,109)
Net cash used in financing activities	**(55,248)**	**(74,419)**
IV. Effect of exchange rate changes on cash and cash equivalents	**958**	**8,838**
V. (Decrease) increase in cash and cash equivalents	**(54,770)**	**38,122**
VI. Cash and cash equivalents at the beginning of the year	**184,770**	**146,647**
Increase in cash and cash equivalents on merger of non-consolidated subsidiaries	28	--
VII. Cash and cash equivalents at the end of the year	**130,028**	**184,770**

Notes to the Consolidated Financial Statements

Notes Regarding Premise of a Going Concern

No applicable items

Significant Items for the Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries:

89 companies

(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) The newly established Ajinomoto Animal Nutrition Singapore PTE Ltd. and the newly acquired Ajinomoto Althea, Inc. have been included in the scope of consolidated subsidiaries. AJINOMOTO NUTRITION FOODS Co., Ltd. and Sazonadores del Pacifico C. Ltda. have been included in the scope of consolidated subsidiaries as they have become more material. Ajinomoto Switzerland AG has been removed from the scope of consolidated subsidiaries as a result of liquidation.

2. Scope of application of the equity method

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

4 overseas companies

Names of main companies:

Si Ayutthaya Realestate Co., Ltd., Erawan Industrial Development Co., Ltd.

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

8 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 Kükre A.Ş.) are immaterial to the consolidated results and therefore these companies have immaterial impact, they are not included in the scope of the equity method.

(4) Taking its materiality into consideration, AY Pharma Co., Ltd. has been 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 14 other consolidated subsidiaries is December 31. Of these, 14 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.

As of the fiscal year under review, the fiscal year end of GABAN Co., Ltd. has been changed from the end of February to March 31. In accordance with this change GABAN has prepared 13-month financial statements for the fiscal year under review, and adjustments have been made across the consolidated financial statements to reflect the change in fiscal year end. The effect on net sales, operating income, ordinary income and net income before taxes for the fiscal year under review is minimal.

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 depreciation expense is calculated by the straight-line method. The range of useful life is from 3 to 50 years for buildings and structures and from 2 to 20 years for machinery and vehicles.

2) Intangible fixed assets (excluding leased assets):

Amortization of intangible fixed assets is mainly calculated by the straight-line method for the Company and its domestic 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 collectability of specific doubtful receivables.

2) Bonus reserve:

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

3) 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.

4) 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, 2014.

5) 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) Accounting for retirement benefits for employees

(1) Periodic allocation method for projected retirement benefits

In calculating retirement benefit obligations, the method of allocating the projected retirement benefits to the end of the fiscal year is based on the benefit formula.

(2) Method for processing actuarial gains and losses and prior service cost

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.

(5) 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 year. The resulting translation differences are included in minority interests and translation adjustments in net assets.

(6) Hedge accounting

1) Hedge accounting method

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.

(7) Amortization of goodwill

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

(8) Scope of 'Cash' in the Consolidated Statement of Cash Flows

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

(9) 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 adopt the consolidated taxation system, with Ajinomoto Co., Inc. as the consolidated taxable parent company.

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.

Changes in accounting policy, changes in accounting estimates, and retrospective restatements:

Adoption of Accounting Standard for Retirement Benefits

Concomitant with the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26 of May 17, 2012), and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25. of May 17, 2012), which became eligible for adoption from April 1, 2013, the Company has applied these standards as of the fiscal year under review. Under the new standard, pension assets are deducted from retirement benefit obligations and the net amount is recognized as Retirement benefit-related loss, and previously unrecognized actuarial gains and losses and unrecognized prior services costs are recorded as Retirement benefit-related loss. The method of calculating retirement benefit obligations and service costs is revised, with the method of determination of the discount rate revised to a single weighted average discount rate reflecting the estimated timing and amount of benefit payment, and the method of attributing benefits to accounting periods changed from the straight-line method to the standard pension benefit formula basis.

In accordance with transitional accounting as stipulated in article 37 of the Accounting Standard for Retirement Benefits, retirement benefit-related loss is recognized as the difference between pension assets and retirement benefit obligations in the fiscal year under review. The effect of the changes in accounting policies arising from initial application is recognized in accumulated adjustments for retirement benefit within the net asset section. For the amendments relating to determination of retirement benefit-related loss and service costs, the effect of changes in accounting policies arising from initial application is recognized as an adjustment to retained earnings at the beginning of the fiscal year.

As a result, “total accumulated other comprehensive income” on the consolidated balance sheet has decreased by ¥26,887 million from the beginning of the fiscal year under review, and retained earnings has decreased by ¥6,975 million.

The effect on operating income, ordinary income and net income before taxes for the fiscal year under review is minimal.

Changes to the recording method of sole agent sales

Formerly, for the coffee and edible oils businesses and some other businesses, the gross figures for sales and cost of sales were recorded in the accounts but from the fiscal year under review this method changed by netting off sales and cost of goods sales and recording the net figure in the accounts.

In accordance with the conclusion of the Company’s function as sole agent of some products, a contract and transaction review was conducted with regard to invoicing and recovery administration and other risk-bearing transactions, which found that the Company’s function hereafter is effectively that of an intermediary. This change in accounting methods was therefore adopted to reflect the Company’s function more appropriately by recording the net figure in the accounts rather than the gross figures for sales, with the aim of aligning operating results more closely with the business structure.

With the adoption of this accounting method, the results of the previous fiscal year have been restated based on this change. As a result, sales and cost of sales in the previous fiscal year have decreased by ¥187,475 million, while there is no impact on gross profit, operating income, ordinary income and income before income taxes. There is no cumulative impact on net assets recorded at the beginning of the previous fiscal year, nor on per share information for the previous fiscal year.

For details regarding the impact of this change on segment information, please refer to page 32, "*Segment Information a. Segment Information 2. Methods of calculating amounts for net sales, income or loss, assets and other items by reporting segment".*

Unapplied Accounting Standards, etc.

Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

・Accounting Standard for Business Combinations (Accounting Standards Board of Japan (ASBJ) Statement No. 21 of September 13, 2013)

・Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No.10 of September 13, 2013)

・ Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 of September 13, 2013)

(1) Outline

The main revisions are as follows.

- In cases where the parent company continues to have control, differences arising from changes in holdings of equity-method subsidiaries are now recorded in capital surplus. The previous accounting standard category of 'minority interests' has changed to 'non-controlling interests' under the new standard.

- Acquisition expenses for business combinations are now treated as expenses in the consolidated financial statements for the year in which they arise.

- In cases where provisional accounting treatments are confirmed in the fiscal year following the year in which the business combination occurs, when consolidated financial statements for both years are presented, any change to the allocation of the acquisition price arising from confirmation of the provisional accounting treatment must be reflected in the consolidated financial statements for the year in which the business combination occurred.

- The previous accounting standard category of 'net income before minority interests' has changed to 'net income' under the new standard. Concomitant with this change, the previous accounting standard category of 'net income' has changed to 'Profit attributable to owners of the parent'.

(2) Scheduled date of adoption

These accounting standards will be adopted from the start of the fiscal year ending March 2016.

(3) Impact of adoption of new accounting standard

The impact in the consolidated financial statements as a result of the adoption of this accounting standard is currently unconfirmed.

Changes in Presentation

Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

Consolidated Statement of Income

1. "Gain on sale of fixed assets", which was included in "Other" in "Extraordinary gains" in the previous fiscal year, is presented as a separate item in the fiscal year under review, as its amount

corresponds to more than 10/100ths of total extraordinary gains. Consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

As a result, ¥1,387 million presented as “Other” in “Extraordinary gains” in the consolidated statement of income for the previous fiscal year has been restated as ¥908 million for “Gain on sale of fixed assets” and ¥479 million for “Other.”

Consolidated Statement of Cash Flows

1. “Payments for long-term loans receivable”, which was included in “Other” in “Cash flows from investing activities” in the previous fiscal year, is presented as a separate item in the fiscal year under review, as its amount has become more material. Consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

   As a result, -¥108 million presented as “Other” in “Cash flows from investing activities” in the consolidated statement of cash flows for the previous fiscal year has been restated as “Payments for long-term loans receivable.”

Consolidated Statement of Income

***1. Insurance income**

Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

“Insurance income” mainly consists of insurance benefits of ¥1,167 million received resulting from the Thailand floods.

***2. Gain on sale fixed assets**

Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

“Gain on sale fixed assets” mainly consists of gains from the sale of land.

***3. Gain on sale of shares in affiliated company**

Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

“Gain on sale of shares in affiliated company” mainly consists of gains from the sale of affiliated companies not accounted for by the equity method.

***4. Refund of income taxes for prior periods**

“Refund of income taxes for prior periods” mainly consists of refunds of ¥1,603 million resulting from a mutual agreement between Japan and the United States relating to transfer pricing taxation.

Business mergers, etc.

1. Merger through acquisition

(1) Name of acquired company and outline of business

Althea Technologies, Inc. (“Althea”)

Outline of business

Contract development and manufacturing organization providing fill & finish, biologics manufacturing, analytical development, and stability testing services for biopharmaceutical companies based on cGMP.

(2) Reason for merger

Althea possesses sophisticated technology, rigorous quality control, expertise for each manufacturing process required for biopharmaceuticals, and established relationships with its biopharmaceutical customer base. Ajinomoto Co., a market leader in amino acids for 100 years, developed unique biotech capabilities, and has recently been promoting its own contract process development business for biopharmaceuticals.

Through the acquisition of Althea, Ajinomoto Co. aim to expand the business for biopharmaceutical development and manufacturing in North America, the world’s largest market, and strengthen the Ajinomoto Group's advanced biomedical business by combining its unique biotechnology with Althea's sophisticated technology, experienced personnel and expertise in manufacturing and development.

(3) Date of merger

April 4, 2013

(4) Legal form of merger

Acquisition of shares with cash compensation

(5) Post-merger company name

Ajinomoto Althea, Inc.

(6) Percentage of voting shares acquired

100%

(7) Main basis for treatment as an acquired company

Ajinomoto Co. acquired shares with cash

2. Period that Ajinomoto Althea, Inc. is included in the consolidated financial results for the fiscal year under review

April 4, 2013 to March 31, 2014

3. Cost of acquisition and cost breakdown

Acquisition price	¥16,735 million
Direct acquisition expenses	¥484 million
Cost of acquisition	¥17,219 million

4. Amount of goodwill, reason for its occurrence, and amortization method and period

(1) Amount of goodwill,

¥14,894 million

(2) Reason for its occurrence

Mainly due to the excess earning power expected from Althea’s high-level technological capabilities, strict quality control, and knowhow.

(3) Amortization method and period

Straight-line amortization over 16 years

5. Amount of assets and liabilities received on day of merger and main components

Current assets:	¥4,987 million
Fixed assets:	¥1,889 million
Total assets:	¥6,877 million
Current liabilities	¥4,160 million
Long-term liabilities	¥392 million
Total liabilities	¥4,552 million

AJINOMOTO®

Segment Information

a. Segment information

Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

1. Overview of reporting segments

The Company's reporting segments mainly consist of product-based segments, with the food products business further subdivided into domestic and overseas segments. The Company has four reporting segments: domestic food products, overseas food products, bioscience products and fine chemicals, and pharmaceuticals.

Among the Group's units, separate financial information is also obtainable for each reporting segment, and the Board of Directors and the Management Committee regularly consider these segments in order to decide on allocation of business resources and evaluate business performance.

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

Reporting Segment	Product Category	Main Products
Domestic Food Products	Seasonings and Processed Foods	*AJI-NO-MOTO*®, *HON-DASHI*®, *Ajinomoto KK Consommé*, *Cook Do*®, *Knorr*® *Cup Soup*, *Pure Select*® *Mayonnaise*, *Kellogg's*® products, savory seasonings, food enzyme *ACTIVA*®, Lunchboxes and delicatessen products, bakery products, etc.
	Frozen Foods	*Gyoza*, *Yawaraka Wakadori Kara-Age, Puripuri-no-Ebi Shumai, Ebi-yose Fry*, *Fried rice with various ingredients,* etc.
	Beverages	*CALPIS*®, *CALPIS Water*®, etc.
Overseas Food Products	Consumer Foods	*AJI-NO-MOTO*®, *Ros Dee*® (flavor seasoning), *Masako*® (flavor seasoning), *Aji-ngon*® (flavor seasoning), *Sazón*® (flavor seasoning), *YumYum*® (instant noodles), *VONO*® (noodle soup), *Birdy*® (canned coffee), *Birdy*®*3in1* (powdered drink), etc.
	Umami Seasonings for Processed Food Manufacturers	*AJI-NO-MOTO*® for the food processing industry, nucleotides
Bioscience Products and Fine Chemicals	Feed-Use Amino Acids	Feed-use Lysine, feed-use Threonine, feed-use Tryptophan
	Amino Acids	Arginine, glutamine, valine, leucine, isoleucine, and other amino acids *PAL SWEET*®, aspartame, *Refresco MID*® (powdered juice), Pharmaceutical fine chemicals, etc.
	Specialty Chemicals	*Amisoft*®, *Jino*® (cosmetics), Insulation film for build-up printed wiring board, etc.
Pharmaceuticals	Pharmaceuticals	*LIVACT*®(branched-chain amino acid formula for liver disease), *ELENTAL*® (elemental diet), *FASTIC*® (antidiabetes agent), *ATELEC*® (calcium channel blocker) *ACTONEL*® (osteoporosis treatment), etc.

Formerly, for the coffee and edible oils businesses and some other businesses, the gross figures for sales and cost of sales were recorded in the accounts but from the fiscal year under review this method has changed by netting off sales and cost of goods sold and recording the net figure in the accounts. Accompanying this change, from the fiscal year under review, Business Tie-Ups has been included in the Other segment and classification into five segments: Domestic Food Products; Overseas Food Products; Bioscience Products and Fine Chemicals; Pharmaceuticals; Business Tie-Ups; and Other, has been replaced by classification into four segments: Domestic Food Products; Overseas Food Products; Bioscience Products and Fine Chemicals; and Pharmaceuticals.

2. Methods of calculating amounts for net sales, income or loss, assets and other items by reporting segment

The accounting treatment methods for each reported business segment are broadly similar to those outlined in "Significant items for the preparation of consolidated financial statements".

Reporting segment income figures are on an operating income basis.

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

(Changes to the recording method of sole agent sales)

Formerly, for the coffee and edible oils businesses and some other businesses, the gross figures for sales and cost of sales were recorded in the accounts but from the fiscal year under review this method changed by netting off sales and cost of goods sales and recording the net figure in the accounts.

As a result of this change, sales in the Business Tie-Ups segment have declined and become insignificant. Accordingly, from the fiscal year under review, Business Tie-Ups has been included in the Other segment and classification into five segments: Domestic Food Products; Overseas Food Products; Bioscience Products and Fine Chemicals; Pharmaceuticals; Business Tie-Ups; and Other, has been replaced by classification into four segments: Domestic Food Products; Overseas Food Products; Bioscience Products and Fine Chemicals; and Pharmaceuticals. Amounts for the previous fiscal year have been restated in accordance with the classifications following this change

For details on both the figures and the adjustment amount in accordance with the classifications following this change, please refer to page 34, “*3. Information on sales, income or loss, assets and other items by reporting segment*”

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

Fiscal year ended March 31, 2014

Millions of yen, rounded down

	Reporting segment				Other Business*1	Adjustment amount*2	Consolidated
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Sales							
(1) Sales to third parties	337,533	293,237	228,528	51,228	80,804	--	991,332
(2) Intra-group sales and transfers	1,888	6,190	5,610	78	44,631	(58,399)	--
Total sales	339,422	299,428	234,138	51,307	125,435	(58,399)	991,332
Segment income	27,429	25,231	6,530	3,842	(485)	--	62,548
Segment assets	195,721	300,352	283,447	53,817	133,399	124,911	1,091,650
Other							
Depreciation	9,575	13,241	13,298	2,133	2,061	5,436	45,746
Increase in tangible and intangible fixed assets	8,517	14,975	16,498	1,299	2,606	6,749	50,647

Note 1. Other business includes business tie-ups, the wellness business, the packaging business, the logistics business and other service businesses.

Note 2. Adjustments are as follows:

(1) Adjustments of ¥124,911 million for segment assets mainly includes, 'Corporate' assets of ¥214,231 and intersegment offsetting of receivables against payables of minus ¥88,919. 'Corporate' assets primarily consist of accumulated working capital, long-term investments, land not used in operations, and certain assets associated with the Company's administrative divisions and research facilities.

(2) Adjustments of ¥5,436 million for 'Depreciation' is depreciation related to 'Corporate' assets.

(3) Adjustments of ¥6,749 million for 'Increase in tangible and intangible fixed assets' is the acquisition cost of tangible and intangible fixed assets related to 'Corporate' assets.

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

Fiscal year ended March 31, 2013

Millions of yen, rounded down

	Reporting segment				Other Business*1	Adjustment amount*2	Consolidated
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Sales (1) Sales to third parties	391,554	245,397	204,206	71,450	72,358	--	984,967
(2) Intra-group sales and transfers	5,556	6,621	6,614	90	52,992	(71,874)	--
Total sales	397,110	252,019	210,820	71,540	125,350	(71,874)	984,967
Segment income	32,641	20,703	14,368	3,194	324	--	71,232
Segment assets	191,008	294,304	245,908	64,808	129,132	166,578	1,091,741
Other							
Depreciation	10,272	9,832	11,344	3,321	1,921	5,771	42,463
Increase in tangible and intangible fixed assets	11,718	23,451	16,306	3,469	1,849	4,809	61,605

Note 1. Other business includes the business tie-ups, the wellness business, the packaging business, the logistics business and other service businesses.

Note 2. Adjustments are as follows:

(1) Adjustments of ¥166,578 million for segment assets mainly includes, 'Corporate' assets of ¥250,136 and intersegment offsetting of receivables against payables of minus ¥84,070. 'Corporate' assets primarily consist of accumulated working capital, long-term investments, land not used in operations, and certain assets associated with the Company's administrative divisions and research facilities.

(2) Adjustments of ¥5,771 million for 'Depreciation' is depreciation related to 'Corporate' assets.

(3) Adjustments of ¥4,809 million for 'Increase in tangible and intangible fixed assets' is the acquisition cost of tangible and intangible fixed assets related to 'Corporate' assets.

Note 3. The impact of the adoption of changes to the method for recording gross figures for sole agent transactions, and the impact of the change in reporting segments, have been reflected in the figures for the previous fiscal year. For details on the figures following the change, see " 2. Methods of calculating amounts for net sales, income or loss, assets and other items by reporting segment"

AJINOMOTO®

b. Related information

Fiscal year ended March 31, 2014

1. Information by product and service

Information by product and service has been omitted as it contains the same information as Segment information.

2. Information by geographical area

(1) Sales

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Sales	488,580	247,447	145,932	109,371	991,332
Percentage of total consolidated sales	49.3%	25.0%	14.7%	11.0%	100.0%

Note: Sales are based on the location of customers, and are classified by country or region.

(2) Tangible fixed assets

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Tangible fixed assets	143,515	96,253	57,414	62,186	359,370

Fiscal year ended March 31, 2013

1. Information by product and service

Information by product and service has been omitted as it contains the same information as Segment information.

2. Information by geographical area

(1) Sales

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Sales	557,111	210,192	123,256	94,407	984,967
Percentage of total consolidated sales	56.6%	21.3%	12.5%	9.6%	100.0%

Note: 1. Sales are based on the location of customers, and are classified by country or region.

Note: 2. The impact of the adoption of changes to the method for recording gross figures for sole agent transactions has been reflected in the figures for the previous fiscal year

(2) Tangible fixed assets

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Tangible fixed assets	151,552	96,098	52,766	50,807	351,224

c. Impairment losses on fixed assets by reporting segment

Fiscal year ended March 31, 2014

	Reporting segment				Other Business	Adjustment amount	Total
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Impairment losses	42	5	409	166	--	--	624

Fiscal year ended March 31, 2013

	Reporting segment				Other Business	Adjustment amount	Total
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Impairment losses	164	1	6,440	7,955	--	--	14,562

d. Depreciation of goodwill and remaining amounts by reporting segment

Fiscal year ended March 31, 2014

	Reporting segment				Other Business	Adjustment amount	Total
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Depreciation	381	148	1,058	--	--	--	1,589
Remaining amounts	2,462	1,748	15,116	--	--	--	19,327

Fiscal year ended March 31, 2013

	Reporting segment				Other Business	Adjustment amount	Total
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Depreciation	983	148	35	1,097	--	--	2,265
Remaining amounts	2,844	1,897	37	--	--	--	4,779

e. Gains on negative goodwill by reporting segment

Fiscal year ended March 31, 2014

No applicable items.

Fiscal year ended March 31, 2013

No applicable items.

f. Reference

Segment information by geographical area

Fiscal year ended March 31, 2014

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Consolidated
Sales to third parties	514,048	231,143	139,287	106,853	991,332
Percentage of consolidated sales..............	51.9%	23.3%	14.1%	10.8%	100.0%
Operating income......................................	33,163	24,999	4,282	102	62,548
Percentage of consolidated operating income	53.0%	40.0%	6.8%	0.2%	100.0%

Fiscal year ended March 31, 2013

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Consolidated
Sales to third parties	577,458	194,846	117,483	95,178	984,967
Percentage of consolidated sales..............	58.6%	19.8%	11.9%	9.7%	100.0%
Operating income......................................	34,350	22,105	9,285	5,491	71,232
Percentage of consolidated operating income	48.2%	31.0%	13.0%	7.7%	100.0%

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

Note2: Main countries and regions in segments other than "Japan":
"Asia": Countries of East and Southeast Asia
"Americas": Countries of North and South America
"Europe": Countries of Europe and Africa

Note 3: Sales for the previous fiscal year have been restated to reflect the change in accounting policy for the recording of sole agent sales transactions.

Per Share Information

	FY ended March 31, 2014	FY ended March 31, 2013
Net assets per share	¥1,008.98	¥1,004.38
Net income (loss) per share	¥69.70	¥74.35

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, 2014	As of March 31, 2013
Total net assets on balance sheet	659,487	691,710
Deductions from net assets		
Minority interests	60,562	56,423
Total amount of deduction from net assets	60,562	56,423
Net assets attributable to common stock	598,925	635,287
Number of shares of common stock used for the calculation of net assets per share (thousand shares)	593,591	632,514

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

Millions of yen, rounded down

	FY ended March 31, 2014	FY ended March 31, 2013
Net income	42,795	48,373
Net income not attributable to common stock	--	--
Net income attributable to common stock	42,795	48,373
Average number of shares of common stock outstanding during the year (thousand shares)	613,962	650,638

Reference:

Five year trends in consolidated financial results and key indicators

Millions of yen, rounded down

	FY ending March 31, 2015 (est.)	FY ended March 31, 2014	FY ended March 31, 2013	FY ended March 31, 2012	FY ended March 31, 2011
Net sales	1,008,000	991,332	984,967	1,197,313	1,207,695
Growth rate	--	0.6	--	(0.9%)	3.1%
Operating income	70,000	62,548	71,232	72,584	69,374
Growth rate	11.9%	(12.2%)	(1.9%)	4.6%	8.3%
Operating margin	6.9%	6.3%	7.2%	6.1%	5.7%
Ordinary income	75,000	69,541	77,167	75,919	70,499
Ordinary margin	7.4%	7.0%	7.8%	6.3%	5.8%
Net income (loss)	44,000	42,795	48,373	41,754	30,400
Return on sales	4.4%	4.3%	4.9%	3.5%	2.5%
Net income (loss) per share (yen)	¥74.32	¥69.70	¥74.35	¥61.28	¥43.56
Return on equity	--	7.1%	7.8%	6.9%	5.0%
Ratio of net income to total assets	--	3.9%	4.4%	3.8%	2.8%
Total assets	--	1,091,650	1,091,741	1,097,057	1,077,418
Net assets	--	659,487	691,710	650,159	650,291
Interest-bearing debt	--	142,954	119,314	130,040	133,391
Equity ratio	--	54.9	58.2%	55.2%	56.4%
Book value per share (yen)	--	1,008.98	¥1,004.38	¥894.58	¥871.61
Share price at end of period (yen)	--	1,475	¥1,415	¥1,038	¥867
P/E ratio (times)	--	21.2	19.0	16.9	19.9
Dividend per share (yen)	¥20.0	¥20.0	¥18.0	¥16.0	¥16.0
Dividend payout ratio	26.9%	28.7%	24.2%	26.1%	36.7%
Net cash provided by operating activities	--	63,017	88,501	93,312	112,716
Net cash used in investment activities	--	(63,497)	15,201	(41,701)	(45,882)
Net cash used in financing activities	--	(55,248)	(74,419)	(37,456)	(25,893)
Free cash flow	--	(479)	103,703	51,611	66,833
Number of consolidated subsidiaries	--	89	86	93	95
Number of affiliated companies accounted for by the equity method	--	12	11	10	10

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

4. From the fiscal year under review, due to a change in accounting policy for the coffee and edible oils businesses and some other businesses, amounts for the fiscal year to March 31, 2013 have restated to reflect this change.

5. The forecast amounts for the fiscal year ending March 31, 2015 are based on the new method in which price discounts for sales promotions are recorded by subtracting the amount from net sales.