AJINOMOTO®

Ajinomoto Co., Inc.

Consolidated Results

Fiscal Year Ended March 31, 2015

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, 2015

Ajinomoto Co., Inc. **May 8, 2015**

Stock Code:	2802	Listed exchanges:	Tokyo
URL: http://www.ajinomoto.com		Inquiries:	Koichi Morita
President:	Masatoshi Ito		General Manager
Scheduled date of the general meeting of shareholders:	June 26, 2015		Finance Department
Scheduled date of starting payment of dividend:	June 29, 2015	Telephone:	813 5250-8161
Scheduled date of submission of securities report:	June 26, 2015		
Creation of supplementary results materials:	Yes		
Results briefing:	Yes (for analysts)		

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2015

1) Consolidated Operating Results

Millions of yen, rounded down

	FY ended March 31, 2015		FY ended March 31, 2014	
		Change (%)		Change (%)
Net sales	1,006,630	5.8	951,359	--
Operating income	74,519	20.6	61,807	--
Ordinary income	82,808	20.4	68,800	--
Net income	46,495	10.3	42,159	--
Net income per share (¥)	¥78.54		¥68.67	
Fully diluted earnings per share (¥)	--		--	
Return on equity	7.4%		7.1%	
Ratio of ordinary income to total assets	7.1%		6.3%	
Ratio of operating income to net sales	7.4%		6.5%	

Notes: Comprehensive income:

FY ended March 31, 2015: ¥106,147 million (43.0%) FY ended March 31, 2014: ¥74,245 million (--%)

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

FY ended March 31, 2015: ¥5,177 million FY ended March 31, 2014: ¥3,360 million

Note: Due to amounts being restated in accordance with a change in accounting policy, the percentage change for the fiscal year ended March 31, 2014 has not been recorded.

2) Financial Position

Millions of yen, rounded down

	As of March 31, 2015	As of March 31, 2014
Total assets	1,255,090	1,093,165
Net assets	743,489	655,507
Shareholders' equity ratio (%)	53.3	54.4
Book value per share (¥)	¥1,131.41	¥1,002.29

Note: Shareholders' equity as of: March 31, 2015: ¥669,576 million

March 31, 2014: ¥594,950 million

Note: The impact of the retrospective restatement in accordance with a change in accounting policy has been reflected in the figures for the period ended March 31, 2014.

3) Cash Flows

Millions of yen, rounded down

	FY ended March 31, 2015	FY ended March 31, 2014
Net cash provided by operating activities	109,259	63,017
Net cash used in investing activities	(140,391)	(63,497)
Net cash provided by financing activities	52,822	(55,248)
Cash and cash equivalents at end of year	165,160	130,028

2. Dividends

	FY ended March 31, 2014	FY ended March 31, 2015	FY ending March 31, 2016 (forecast)
Dividend per share			
Interim	¥10.00	¥10.00	¥13.00
Year-end	¥10.00	¥14.00	¥13.00
Annual	¥20.00	¥24.00	¥26.00
Total annual dividend amount	¥12,051 million	¥14,203 million	--
Dividend payout ratio	29.1%	30.6%	30.8%
Ratio of dividends to net assets	2.0%	2.2%	--

Note: Revisions to dividend forecasts in the period under review: None

3. Forecast for the Fiscal Year Ending March 31, 2016

Millions of yen

	FY ending March 31, 2016	
		Change (%)
Net sales	1,263,000	25.5
Operating income	82,000	10.0
Ordinary income	85,000	2.6
Profit (loss) attributable to owners of parent	50,000	7.5
Net income per share	¥84.49	--

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

Notes:

1) Transfer of important subsidiaries during the period (Transfers of certain subsidiaries resulting in changes in the scope of consolidation): Yes

Newly consolidated: 1 company (Windsor Quality Holdings, LP)

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: Yes

(4) Retrospective restatements: No

Note: For more information, see page 30, "*4. CONSOLIDATED FINANCIAL STATEMENTS (5) Notes to the Consolidated Financial Statements, 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, 2015: 594,470,654 shares　　March 31, 2014: 614,115,654 shares

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

March 31, 2015: 2,663,656 shares　　March 31, 2014: 20,523,658 shares

(3) Average number of shares during period

FY ended March 31, 2015: 591,984,957 shares　　FY ended March 31, 2014: 613,962,173 shares

Note: See "*Per share information*" on page 43 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, 2016*"

(Method of obtaining supplementary results materials)
Supplementary results materials will be published on the Company's website on Friday, May 8, 2015.

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1. ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION

I. Analysis of Operating Results

Starting from the fiscal year under review, the Ajinomoto Group ("the Group") has changed its accounting policy regarding standards for recording sales, and consequently, comparisons with the end of the previous fiscal year and the previous fiscal year are based on amounts restated in accordance with this method. For more information, please refer to page 30, "*4. CONSOLIDATED FINANCIAL STATEMENTS, (5) Notes to the Consolidated Financial Statements, Changes in accounting policy, changes in accounting estimates, and retrospective restatements.*"

1. Consolidated results outline

Billions of yen, rounded down

	Net sales	Operating income	Ordinary income	Net income
FY ended March 31, 2015	1,006.6	74.5	82.8	46.4
FY ended March 31, 2014	951.3	61.8	68.8	42.1
Change	5.8%	20.6%	20.4%	10.3%

Note : Amounts for the previous fiscal year have been restated to reflect a change in accounting policy.

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 recovery 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 an improving employment environment, despite there being only small improvements in areas such as corporate capital expenditure and consumer sentiment.

In the Japanese food industry, costs for raw materials for foods remained high, and there was some impact felt as a result of a pullback from a last-minute surge in demand in the lead up to the consumption tax increase.

In this environment, Ajinomoto is engaging in its 2014-2016 Medium-Term Management Plan with the aim of becoming a "Genuine Global Specialty Company", pursuing specialization and "Evolution of the Management Foundation" under the strategic themes of "Growth Driver Advancement" and "Further Reinforcement of Business Structure".

Consolidated net sales for the fiscal year ended March 31, 2015 increased 5.8% (¥55.2 billion) year on year to ¥1,006.6 billion. Although this outcome reflects the negative impact on consolidated sales arising from the spinoff of the infusions and dialysis business units into equity method affiliate AY Pharmaceuticals Co., Ltd. from July 1 2013, this was offset by the impact of foreign exchange rates along with other factors such as higher sales on a local currency basis of consumer foods in foreign markets and the increased sales arising from the consolidation of U.S. frozen foods manufacturer and distributor Windsor Quality Holdings, LP ("Windsor") following the acquisition of full equity interest in Windsor on November 5, 2014.

Operating income increased 20.6% (¥12.7 billion) to ¥74.5 billion, reflecting significant growth in profits from feed-use amino acids and overseas consumer food sales. Ordinary income increased 20.4% (¥14.0 billion) to ¥82.8 billion. Net income increased 10.3% (¥4.3 billion) to ¥46.4 billion.

Changes to main accounting items during the period under review

Note: All comparisons are with the previous fiscal year, ended March 31, 2014, unless otherwise stated.

1) Net sales

Net sales increased 5.8%, or ¥55.2 billion, year on year to ¥1,006.6 billion. By region, sales in “Japan” decreased 3.1%, or ¥14.5 billion to ¥460.4 billion, as growth in sales of frozen foods and amino acids failed to offset a decline in sales of pharmaceuticals. Sales overseas increased significantly, up 14.7%, or ¥69.8 billion, year on year to ¥546.2 billion due to an increase in sales of frozen foods, which included net sales at Windsor, higher sales of consumer foods, feed-use amino acids and amino acids, and also the impact of the exchange rate. Sales increased 13.1% to ¥260.4 billion in “Asia,” 25.9% to ¥175.3 billion in “Americas” and 3.4% to ¥110.4 billion in “Europe”. The foreign sales ratio was 54.3%, compared to 50.1% in the previous year.

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

Cost of sales increased 3.8%, or ¥23.9 billion, to ¥659.5 billion in accordance with the growth in net sales. The ratio of the cost of sales to net sales improved by 1.3 percentage points to 65.5%, mainly due to an increase in the unit sales price of feed-use amino acids. Selling, general and administrative expenses increased 7.3%, or ¥18.6 billion, from the previous fiscal year to ¥272.6 billion, impacted by an increase in consolidated subsidiaries, and despite efforts to reduce sales promotion expenses.

3) Operating income

Operating income increased 20.6%, or ¥12.7 billion, from the previous fiscal year to a record-high ¥74.5 billion. By region, operating income in “Japan” decreased 9.5% to ¥29.6 billion, while operating income from operations overseas increased 54.4% to ¥44.8 billion.

In “Japan” there was an overall decrease in operating income due to a substantial decline in income from pharmaceuticals, despite contributions from amino acids and specialty chemicals. In overseas regions, there was a significant overall increase in operating income compared to the previous fiscal year, due to contributions from feed-use amino acids, pharmaceutical custom manufacturing, and consumer foods combined with the effect of the exchange rate. Operating income increased 22.6% to ¥30.4 billion in “Asia”, increased 177.7% to ¥11.6 billion in “Americas”, and increased to ¥2.7 billion in “Europe”. The overseas operating income ratio was 60.2%, compared to 47.1% in the previous fiscal year.

4) Non-operating income (expenses)

The difference between non-operating income and non-operating expenses was a positive figure of ¥8.2 billion, an increase of ¥1.2 billion compared to the positive figure of ¥6.9 billion in the previous year. The main factors in this increase were an increase in equity in earnings of non-consolidated subsidiaries and affiliates and foreign exchange gain.

5) Ordinary income

Ordinary income increased 20.4%, or ¥14.0 billion, year on year to a record high of ¥82.8 billion.

6) Extraordinary gains

Extraordinary gains for the period under review were ¥12.8 billion, compared to ¥8.6 billion in the previous fiscal year. The main item recorded in the fiscal year under review was a ¥9.2 billion gain from the abolishment of a retirement benefit plan at a portion of domestic consolidated subsidiaries and affiliates.

7) Extraordinary losses

Extraordinary losses were ¥16.6 billion, compared to ¥4.8 billion in the previous year. The main factors were a ¥10.4 billion loss from impairment losses (compared to a ¥0.6 billion loss in the previous year), mainly for facilities of overseas subsidiaries and goodwill. The main impairment items in the fiscal year under review year were goodwill of ¥2.8 billion for Amoy Food Group, ¥5.9 billion for umami seasoning manufacturing facilities of a European consolidated subsidiary, and ¥1.2 billion for manufacturing facilities related to custom pharmaceutical manufacturing.

8) Net income

Net income for the period under review increased 10.3%, or ¥4.3 billion, to ¥46.4 billion. Net income per share for the year was ¥78.54, compared to ¥68.67 for the previous year.

Consolidated operating results by segment

Note: All comparisons are with the previous fiscal year, ended March 31, 2014, 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	321.8	21.8	7.3%	23.8	(3.2)	(11.9%)
Overseas food products	326.7	34.4	11.8%	34.1	9.1	36.4%
Bioscience products and fine chemicals	239.5	11.4	5.0%	17.0	10.6	167.1%
Pharmaceuticals	39.7	(11.5)	(22.5%)	2.1	(1.6)	(43.5%)
Other business	78.7	(0.9)	(1.2%)	(2.6)	(2.1)	--%
Total	1,006.6	55.2	5.8%	74.5	12.7	20.6%

Note: Domestic and overseas sales of *ACTIVA®* products to food processing companies, savory seasonings and frozen foods are included in domestic food products. Domestic and overseas sales of umami seasoning *AJI-NO-MOTO®* for the food processing industry and nucleotides are included in overseas food products.

1) Domestic food products

Domestic food product sales increased 7.3%, or ¥21.8 billion, to ¥321.8 billion, as frozen foods grew significantly due to the inclusion of Windsor in the scope of consolidation and others, while seasonings and processed foods remained in line with the previous year mainly due to a pullback from a last-minute surge in demand that preceded the lead up in consumption tax increase. Operating income decreased 11.9%, or ¥3.2 billion, to ¥23.8 billion, mainly due to expenses related to the acquisition of Windsor.

Seasonings and processed foods: In seasonings and processed foods for the retail market, sales of *HON-DASHI* and mayonnaise products decreased as a result of a pullback from a last-minute surge in demand in the lead up to the consumption tax increase. However this was offset by a significant increase in sales of new products such as *Toss Sala®,* in addition to Japanese and western-style menu seasoning *Cook Do® Kyo-no Ohzara* and *Nabe Cube®* which were impacted by TV advertising and related marketing initiatives, and tube-type Chinese seasoning paste *Cook Do® Koumi Paste*. As a result, overall sales were largely in line with the previous year.

In seasonings and processed foods for the commercial market, sales of seasoning products for restaurant use increased due to growth in functional food products used to enhance texture and quality and draw out the flavors of rice and meat. *ACTIVA*®, a food enzyme (transglutaminase), and savory seasonings products also increased compared to the previous period, reflecting strong overseas sales, resulting in an overall increase in commercial market sales.

As a result, overall sales of seasonings and processed foods were in line with the previous year.

Frozen foods: Overall sales of products for the retail market increased, as sales of *Gudakusan Ebi Pilaf* grew significantly in response to product revisions, and sales of products such as *Yawaraka Wakadori Kara-Age* and *Gyoza* also increased compared to the previous year.

Overall sales of products for restaurant and institutional use increased, due to an increase in sales to large domestic customers. Overseas, in addition to the inclusion of Windsor in the scope of consolidation, sales of rice products and noodles products such as yakisoba increased significantly in North America, leading to a significant increase in overall sales.

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

2) Overseas food products

Overseas food product sales increased 11.8%, or ¥34.4 billion, to ¥326.7 billion supported by higher sales of consumer foods on a local currency basis, and the impact of exchange rates. Operating income increased 36.4%, or ¥9.1 billion, to ¥34.1 billion, due to contributions from higher revenues from consumer foods and umami seasonings for processed food manufacturers, and the impact of exchange rates.

Consumer foods: In Asia, overall sales increased, benefitting from higher sales on a local currency basis of umami seasoning *AJI-NO-MOTO*® in Vietnam, Indonesia and Thailand, higher sales of flavor seasonings *Masako*® in Indonesia, and *Ros Dee*® in Thailand, and instant noodles, as well as the effect of exchange rates.

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

In Europe and Africa, overall sales decreased, reflecting a decline in sales of *AJI-NO-MOTO*® in Africa, which was not completely offset by an increase in sales of products such as instant noodles in Poland.

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

Umami seasonings for processed food manufacturers: Sales of *AJI-NO-MOTO*® for the food processing industry increased, reflecting the positive impact of exchange rates and an increase in sales volumes in Japan, which offset a decline in unit prices in both Japan and overseas. Sales of nucleotides increased, reflecting the effect of exchange rates, which offset the impact of a fall in unit prices in both Japan and overseas.

As a result, overall sales of umami seasonings for processed food manufacturers increased.

3) Bioscience products and fine chemicals

Bioscience products and fine chemicals sales increased 5.0%, or ¥11.4 billion, to ¥239.5 billion, reflecting growth in sales of feed-use amino acids, amino acids for pharmaceuticals and foods, sweeteners, and pharmaceutical custom manufacturing, which involves the commissioned manufacture and development of pharmaceutical ingredients and intermediaries in addition to the effect of exchange rates. Operating income increased 167.1%, or ¥10.6 billion, to ¥17.0 billion, due to a significant increase in profits of feed-use amino acids, amino acids for pharmaceuticals and foods, and custom pharmaceutical manufacturing, and higher profits of specialty chemicals and sweeteners, as well as the effect of exchange rates.

Feed-use amino acids: Sales volumes of Lysine were in line with the previous fiscal year, while unit prices were below the previous year, resulting in a decrease in sales. Sales of Threonine increased significantly due to a significant increase in unit prices and despite sales volumes being in line with the previous fiscal year, and sales of Tryptophan increased due to an increase in unit prices despite a decline in sales volumes. Sales from specialty products such as Valine also increased as a result of efforts to expand sales.

As result of the above, overall feed-use amino acid sales increased.

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

Sales of sweeteners increased, supported by the effect of exchange rates, in addition to higher sales on a local currency basis in South America of powdered juice *RefrescoMID*®, which contains aspartames.

In pharmaceutical custom manufacturing, sales increased, supported by exchange rates, and an increase in sales in North America and Europe.

As a result, overall sales of amino acids increased.

Specialty chemicals: Overall sales decreased, as an increase in sales of cosmetics ingredients, and growth in sales of insulation film for build-up printed wiring board used in computers stemming from higher sales of value added products, failed to offset a significant decline in amino acid-based cosmetics *Jino*® which was impacted by a slow recovery from a pullback following the last-minute surge in demand in the lead-up to the consumption tax increase.

4) Pharmaceuticals

Pharmaceutical sales decreased 22.5%, or ¥11.5 billion, to ¥39.7 billion despite an increase in royalty income, reflecting the elimination of sales of infusion and dialysis business products from the consolidated results due to the spin-off of these operations into equity method affiliate AY Pharma Co., Ltd. from July 1, 2013, as well as the impact of NHI drug price revisions and generic drugs. Operating income decreased 43.5%, or ¥1.6 billion, to ¥2.1 billion.

In self-distributed products, although sales of *MOVIPREP*®, an oral bowel cleansing agent, were substantially higher than the previous fiscal year, this was offset by the elimination of sales of infusion and dialysis business products from consolidated results, NHI drug price revisions, and generic drugs, and sales therefore decreased significantly.

In products sold through business tie-ups, despite contributions from new hypertension treatment *ATEDIO*® which was launched in May 2014, overall sales fell significantly, with a large decrease in sales of risedronate products such as *ACTONEL*® for osteoporosis, and *ATELEC*®, an antihypertensive calcium channel blocker, due to the effects of generic drugs and competition products.

5) Other business

Other business sales decreased 1.2%, or ¥0.9 billion, to ¥78.7 billion, with operating income decreasing ¥2.1 billion to an operating loss of ¥2.6 billion.

2. Outlook for the Fiscal Year Ending March 31, 2016

Billions of yen, rounded down

	Net sales	Operating income	Ordinary income	Profit (loss) attributable to owners of parent
FY ending March 31, 2016	1,263.0	82.0	85.0	50.0
FY ended March 31, 2015	1,006.6	74.5	82.8	46.4
Change	25.5%	10.0%	2.6%	7.5%

Note: In accordance with a change to accounting standards relating to business combinations, from the fiscal year ending March 31, 2016, net income has been changed from an amount following adjustment for minority interests, to a combined total of net income attributable to the shareholders of the parent company and net income attributable to non-controlling interests. As a result, "Net income" has changed to "Profit (loss) attributable to owners of parent".

Although the United States economy is showing a moderate recovery and there are early signs of a turnaround in Europe, the outlook for the global economy remains clouded by a number of uncertainties, including the impact of weaker growth in emerging economies. The Group's operating environment is expected to remain difficult, due to unstable foreign exchange markets and intensifying competition in our bulk and other businesses.

Under this environment, for the year ending March 2016 Ajinomoto is engaging in its 2014-2016 Medium-Term Management Plan with the aim of becoming a “Genuine Global Specialty Company”, pursuing specialization and “Evolution of the Management Foundation” under the strategic themes of “Growth Driver Advancement” and “Further Reinforcement of Business Structure”.

As a result of these initiatives, Ajinomoto forecasts consolidated net sales for the fiscal year ending March 31, 2016 to increase 25.5% to ¥1,263 billion, operating income to increase 10.0% to ¥82.0 billion, and ordinary income to increase 2.6% to ¥85.0 billion. Profit (loss) attributable to owners of parent is forecast to increase 7.5% to ¥50.0 billion.

These forecasts are based on an assumed exchange rate of ¥115.0 to the U.S. dollar.

II. Analysis of Financial Position

1. Overview of year under review

Consolidated financial position as of March 31, 2015

Total assets as of March 31, 2015 were ¥1,255.0 billion, ¥161.9 billion more than the ¥1,093.1 billion recorded one year earlier. This was primarily due to the inclusion of Windsor Quality Holdings LP (Windsor) in the scope of consolidation as of the end of the third quarter, resulting from the acquisition of full equity interest of Windsor by the Company's consolidated subsidiary Ajinomoto North America, Inc. on November 5, 2014. There was also an increase in the yen values of the balance sheets of overseas subsidiaries after translation, due to depreciation of the yen.

Total liabilities were ¥511.6 billion, ¥73.9 billion more than the ¥437.6 billion recorded on March 31, 2014. This was largely due to an increase in short-term borrowings resulting from the acquisition of Windsor. Total interest-bearing debt increased ¥68.6 billion from the end of the previous fiscal year, to ¥211.5 billion.

Net assets increased ¥87.9 billion compared to the end of the previous fiscal year, due to an increase in foreign currency translation adjustments resulting from the depreciation of the yen, and retained earnings. Shareholders' equity, which is net assets minus minority interests, was ¥669.5 billion, and the shareholders' equity ratio was 53.3%.

Summary of consolidated cash flow

Billions of yen, rounded down

	FY ended March 31, 2015	FY ended March 31, 2014	Change
Net cash provided by operating activities	109.2	63.0	46.2
Net cash used in investing activities	(140.3)	(63.4)	(76.8)
Net cash provided by (used in) financing activities	52.8	(55.2)	108.0
Effect of exchange rate changes on cash and cash equivalents	12.0	0.9	11.1
Increase (decrease) in cash and cash equivalents	33.7	(54.7)	88.5
Increase in initial balance due to change in scope of consolidation	1.3	0.0	1.3
Cash and cash equivalents at end of period	165.1	130.0	35.1

Net cash provided by operating activities was ¥109.2 billion compared to ¥63.0 billion in the previous year. This was mainly attributable to an increase in operating income, and a significant decrease in income tax paid to ¥11.3 billion.

Net cash used in investing activities was an outflow of ¥140.3 billion compared to an outflow of ¥63.4 billion in the previous year. This was mainly attributable to outflows from the acquisition of fixed tangible assets, and the acquisition of full equity interest in Windsor by the Company's consolidated subsidiary Ajinomoto North America, Inc. during the period, compared to outflows from the acquisition of shares in Ajinomoto Althea, Inc. in the previous year.

Net cash provided by financing activities was an inflow of ¥52.8 billion compared to an outflow of ¥55.2 billion in the previous period. While there were outflows from dividend payments, the net inflow was mainly attributable to income from an increase in short-term borrowings.

As a result of the foregoing, cash and cash equivalents at March 31, 2015 was ¥165.1 billion, an increase of ¥35.1 billion compared to March 31, 2014.

2. Trends in cash flow-related indices

	FY ended March 31, 2015	FY ended March 31, 2014	FY ended March 31, 2013	FY ended March 31, 2012
Equity ratio (%)	53.3	54.4	58.2	55.2
Equity ratio based on market price (%)	124.2	80.1	82.0	64.0
Ratio of interest-bearing debt to cash flow (%)	204.4	246.0	149.1	153.2
Interest coverage ratio (times)	50.4	31.0	45.0	42.7

- 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, 2015 and Fiscal Year Ending March 31, 2016

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, 2015), the Company plans to pay a dividend of ¥24 per share (with an interim dividend of ¥10 per share). For the next fiscal year (ending March 31, 2016), an annual dividend of ¥26 per share is planned (with an interim dividend payment of ¥13).

The Company's basic policy is to assess dividend payments twice a year, in the form of interim and year-end dividends. 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, the Company 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

The Ajinomoto Group aspires 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 aspires 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"

The Ajinomoto Group 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

The Ajinomoto Group 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 and Medium- to Long-Term Management Strategies

Pursuing the 2014-2016 Medium-Term Management Plan

Under the 2014-2016 Medium-Term Management Plan, the Ajinomoto Group is using the pursuit of specialization with the aim of becoming a "Genuine Global Specialty Company", engaging in "Further Reinforcement of Business Structure" and "Growth Driver Enhancement". By combining proprietary technology with the ability to create value from the discovery of customer opportunities, the Group seeks to create value in new, differentiated ways, 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, the Ajinomoto Group will pursue stable growth by continually creating value aligned with the needs of an increasingly individualized and diverse customer base. Overseas, the Group 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.

In November 2014 the Ajinomoto Group acquired Windsor Quality Holdings, LP (currently Ajinomoto Windsor, Inc.), and by combining this company's marketing skills, and nationwide manufacturing and distribution network with the Group's technical skills and ability to develop products that are closely aligned to local needs, the Group aims to pursue further growth in the North American market for Japanese and Asian frozen foods.
In April 2015, Ajinomoto Co., Inc. acquired shares and made Ajinomoto General Foods, Inc. a consolidated subsidiary. By working together with powdered and processed products as a common core, the companies will generate synergies in new product development and manufacturing.

2. R&D leadership

As the world leader in seasonings, the Ajinomoto Group 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 new sweeteners, including those using multiple ingredients in the sweeteners business, to increase the retail product ratio. In bulk business, cost competitiveness will be strengthened through the use of low-resource fermentation methods and other initiatives. In pharmaceuticals, the Group will proactively pursue licensing-in to strengthen the pipeline in the field of digestive disorders and other areas while working to enhance cost competitiveness.

2. Enhancement of capital efficiency

In each business value chain, the Ajinomoto 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 Ajinomoto 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.

Based on the themes and intent of principles contained in the Corporate Governance Code that will apply to listed companies from June 2015, Ajinomoto Co., Inc. aims to proactively review its corporate governance, identifying and addressing issues with the goal of realizing an effective corporate governance approach. In this way, the Company aims to accelerate the development of a proactive management decision making structure that will enable the Company to continue competing strongly in international markets, engaging with shareholders to pursue sustainable growth and higher corporate value.

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, the Group pursues ‘Ajinomoto Group Creating Shared Value (“ASV”) by helping address modern global issues relating to global sustainability, food resources and healthy living. The Group 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 Co., Inc. 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. BASIC RATIONALE FOR THE SELECTION OF ACCOUNTING STANDARDS

The Company is currently investigating adopting International Financial Reporting Standards (IFRS) for the fiscal year ending March 2017, with the aim of enabling international comparison of Group and external financial information and improving communication with shareholders.

AJINOMOTO®

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheet

Millions of yen, rounded down

	As of March 31, 2015	As of March 31, 2014
Assets		
Current assets		
Cash on hand and in banks	168,294	132,416
Notes and accounts receivable	202,980	200,115
Marketable securities	608	293
Goods and products	117,297	103,543
Goods in process	8,871	8,076
Raw materials and supplies	57,493	51,908
Deferred tax assets	8,706	8,919
Other	44,959	44,309
Allowance for doubtful accounts	(1,291)	(1,375)
Total current assets	607,919	548,209
Fixed assets		
Tangible fixed assets		
Buildings and structures	377,948	358,043
Accumulated depreciation and accumulated impairment losses	(229,556)	(218,630)
Net buildings and structures	148,391	139,412
Machinery and vehicles	609,015	562,769
Accumulated depreciation and accumulated impairment losses	(456,824)	(420,605)
Net machinery and vehicles	152,191	142,163
Tools, furniture and fixtures	71,812	67,563
Accumulated depreciation and accumulated impairment losses	(58,259)	(56,086)
Net tools, furniture and fixtures	13,553	11,477
Land	47,583	47,068
Leased assets	4,865	4,051
Accumulated depreciation and accumulated impairment losses	(3,135)	(2,491)
Net leased assets	1,729	1,559
Construction in progress	19,819	17,689
Total tangible fixed assets	383,269	359,370
Intangible fixed assets		
Goodwill	71,396	19,327
Other	49,259	32,994
Total intangible fixed assets	120,656	52,322
Investments and other assets		
Investments in securities	125,440	107,621
Long-term loans receivable	2,820	3,559
Deferred tax assets	3,986	11,671
Net defined benefit assets	698	339
Other	10,784	10,526
Allowance for doubtful accounts	(299)	(303)
Allowance for investment losses	(186)	(152)
Total investments and other assets	143,244	133,263
Total fixed assets	647,170	544,956
Total assets	1,255,090	1,093,165

(Continued)
(1) Consolidated Balance Sheet

	Millions of yen, rounded down	
	As of March 31, 2015	As of March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable	114,488	104,711
Short-term borrowings	87,191	14,641
Commercial paper	15,000	--
Current portion of corporate bonds	15,000	14,999
Current portion of long-term borrowings	18,677	7,011
Accrued income taxes	7,725	8,497
Bonus reserve	7,601	5,953
Bonus reserve for directors and others	420	319
Provision for shareholder benefit program	200	--
Other	92,288	79,394
Total current liabilities	358,594	235,529
Long-term liabilities		
Corporate bonds	19,994	34,993
Long-term borrowings	54,152	69,435
Deferred tax liabilities	13,028	13,423
Accrued retirement benefits for directors and others	427	415
Provision for loss on guarantees	564	--
Allowance for environmental measures	648	342
Liability for retirement benefit	43,631	61,845
Asset retirement obligations	509	555
Other	20,048	21,117
Total long-term liabilities	153,006	202,128
Total Liabilities	511,600	437,657
Net assets		
Shareholders' equity		
Common stock	79,863	79,863
Capital surplus	53,725	83,443
Retained earnings	536,170	501,945
Treasury stock	(4,070)	(31,085)
Total shareholders' equity	665,689	634,168
Accumulated other comprehensive income		
Unrealized holding gain on securities	22,783	13,043
Unrealized gain (loss) from hedging instruments	223	(26)
Translation adjustments	(4,655)	(31,668)
Accumulated adjustments for retirement benefits	(14,465)	(20,567)
Total accumulated other comprehensive income	3,886	(39,218)
Minority interests	73,913	60,557
Total net assets	743,489	655,507
Total liabilities & net assets	**1,255,090**	**1,093,165**

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

Consolidated Statement of Income

Millions of yen, rounded down

	FY ended Mar. 31, 2015	FY ended Mar. 31, 2014
Net sales	1,006,630	951,359
Cost of sales	659,509	635,594
Gross profit	347,121	315,765
Selling, general and administrative expenses	272,601	253,957
Operating income	74,519	61,807
Non-operating income		
Interest income	2,873	2,129
Dividend income	1,147	1,067
Equity in earnings of non-consolidated subsidiaries and affiliates	5,177	3,360
Foreign exchange gain	1,675	699
Other	3,512	4,331
Total non-operating income	14,384	11,588
Non-operating expenses		
Interest expense	2,140	2,032
Commission fee	675	328
Other	3,281	2,234
Total non-operating expenses	6,096	4,595
Ordinary income	82,808	68,800
Extraordinary gains		
Gain on abolishment of retirement benefit plan	9,290	--
Gain on transfer of benefit obligation relating to employees' pension fund	--	236
Gain on sale of shares in affiliated companies	--	2,315
Gain on liquidation of affiliated companies	--	1,005
Other	3,568	5,063
Total extraordinary gains	12,858	8,621
Extraordinary losses		
Impairment losses	*10,486	624
Loss on disposal of fixed assets	1,757	1,222
Loss on liquidation of affiliated companies	--	859
Payments for compensation	--	664
Other	4,374	1,489
Total extraordinary losses	16,617	4,860
Net income before taxes	79,049	72,561
Income, inhabitant and business taxes	18,932	16,896
Refund of income taxes for prior periods	--	(1,603)
Income and other tax adjustments	4,741	7,679
Income taxes – total	23,673	22,972
Net income before minority interests	55,375	49,588
Minority interests	8,880	7,429
Net income	46,495	42,159

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Consolidated Statement of Comprehensive Income

Millions of yen, rounded down

	FY ended Mar. 31, 2015	FY ended Mar. 31, 2014
Net income before minority interests	55,375	49,588
Other comprehensive income		
Unrealized holding gain on securities	8,929	3,479
Unrealized gain from hedging instruments	143	10
Translation adjustments	34,129	14,793
Adjustment for retirement benefits	6,110	5,650
Share of other comprehensive income of equity-method affiliates	1,459	722
Total other comprehensive income	50,771	24,657
Comprehensive income	106,147	74,245
(Breakdown)		
Comprehensive income attributable to parent company	89,900	66,846
Comprehensive income attributable to minority interests	16,247	7,399

(3) Consolidated Statement of Changes in Net Assets

(Fiscal year ended March 31, 2015)

Millions of yen, rounded down

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances as of March 31, 2014	79,863	83,443	501,945	(31,085)	634,168
Cumulative effects of changes in accounting policies..					
Restated balance...	79,863	83,443	501,945	(31,085)	634,168
Changes in fiscal year ended March 31, 2015					
Dividends from retained earnings..................			(11,854)		(11,854)
Net income			46,495		46,495
Changes in the scope of consolidation			(310)		(310)
Changes in the scope of equity method..........			(57)		(57)
Changes in retained earnings at subsidiaries resulting from change in fiscal year end			(47)		(47)
Purchase of treasury stock............................				(2,706)	(2,706)
Disposal of treasury stock		(29,718)		29,721	2
Net changes of items other than those in shareholders' equity......................................					
Total of changes in fiscal year ended March 31, 2015	--	(29,718)	34,224	27,014	31,521
Balances as of March 31, 2015	79,863	53,725	536,170	(4,070)	665,689

Millions of yen, rounded down

	Accumulated Other Comprehensive Income						
	Unrealized holding gain on securities	Unrealized gain (loss) from hedging instruments	Translation adjustments	Adjustment for retirement benefits	Total accumulated other comprehensive income	Minority interests	Total net assets
Balances as of March 31, 2014	13,043	(26)	(31,668)	(20,567)	(39,218)	60,557	655,507
Cumulative effects of changes in accounting policies..							
Restated balance...	13,043	(26)	(31,668)	(20,567)	(39,218)	60,557	655,507
Changes in fiscal year ended March 31, 2015							
Dividends from retained earnings..................							(11,854)
Net income							46,495
Changes in the scope of consolidation				(300)	(300)		(611)
Changes in the scope of equity method..........							(57)
Changes in retained earnings at subsidiaries resulting from change in fiscal year end							(47)
Purchase of treasury stock............................							(2,706)
Disposal of treasury stock							2
Net changes in items other than those in shareholders' equity......................................	9,739	249	27,013	6,402	43,405	13,355	56,760
Total of changes in fiscal year ended March 31, 2015	9,739	249	27,013	6,102	43,104	13,355	87,981
Balances as of March 31, 2015	22,783	223	(4,655)	(14,465)	3,886	73,913	743,489

(Continued)

(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			(10,315)		(10,315)
Restated balance	79,863	112,757	472,185	(2,817)	661,989
Changes in fiscal year ended March 31, 2014					
Dividends from retained earnings			(12,440)		(12,440)
Net income			42,159		42,159
Changes in the scope of consolidation			41		41
Changes in the scope of equity method					
Changes in retained earnings at subsidiaries resulting from change in fiscal year end					
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)	29,759	(28,267)	(27,821)
Balances as of March 31, 2014	79,863	83,443	501,945	(31,085)	634,168

Millions of yen, rounded down

	Accumulated Other Comprehensive Income						
	Unrealized holding gain on securities	Unrealized gain (loss) from hedging instruments	Translation adjustments	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			0	(26,887)	(26,887)	(185)	(37,388)
Restated balance	9,419	(141)	(46,294)	(26,887)	(63,904)	56,237	654,322
Changes in fiscal year ended March 31, 2014							
Dividends from retained earnings							(12,440)
Net income							42,159
Changes in the scope of consolidation							41
Changes in the scope of equity method							
Changes in retained earnings at subsidiaries resulting from change in fiscal year end							
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	1,185
Balances as of March 31, 2014	13,043	(26)	(31,668)	(20,567)	(39,218)	60,557	655,507

(4) Consolidated Statement of Cash Flows

	FY ended Mar. 31, 2015	FY ended Mar. 31, 2014
	Millions of yen, rounded down	
I. Cash flows from operating activities		
Income before income taxes and minority interests	79,049	72,561
Depreciation and amortization	43,376	45,746
Loss on impairment of fixed assets	10,486	624
Amortization of goodwill and negative goodwill	2,201	1,589
Insurance income	(330)	(1,189)
Increase (decrease) in allowance for doubtful accounts	(56)	252
Increase (decrease) in bonus reserve	1,461	354
Increase (decrease) in bonus reserve for directors and others	97	(5)
Increase (decrease) in accrued employees' retirement benefits	(1,957)	(3,005)
Increase (decrease) in allowance for directors' retirement benefits	12	(103)
Increase (decrease) in allowance for environmental measures	306	(38)
Increase (decrease) in allowance for investment losses	90	152
Increase (decrease) in provision for loss on guarantees	564	--
Interest and dividend income	(4,020)	(3,196)
Interest expense	2,140	2,032
Equity in earnings of non-consolidated subsidiaries and affiliates	(5,177)	(3,360)
Loss (gain) on sale of investment securities	(12)	(54)
Loss (gain) on revaluation of investment securities	3	52
Loss (gain) on sale and disposal of tangible fixed assets	598	(1,430)
Loss (gain) on sale of shares in affiliates	--	(2,315)
Loss (gain) on liquidation of affiliates	--	(1,005)
Loss (gain) on transfer of benefit obligation relating to employees' pension fund	--	(236)
Gain on abolishment of retirement benefit plan	(9,290)	--
Decrease (increase) in notes and accounts receivable	92	2,095
Increase (decrease) in notes and accounts payable	2,605	(6,212)
Decrease (increase) in inventories	(4,768)	(1,377)
Increase (decrease) in accrued consumption tax	3,258	2,501
Decrease (increase) in other current assets	(9,232)	5,073
Increase (decrease) in other current liabilities	1,642	(6,986)
Other	4,129	(1,447)
Sub-total	117,270	101,070
Insurance fees received	100	1,189
Allowance for retirement benefits for employment transfer	--	(3,080)
Interest and dividends received	5,370	4,559
Interest paid	(2,166)	(2,034)
Income taxes paid	(11,344)	(40,214)
Refund of income taxes for prior periods	28	1,526
Net cash provided by operating activities	**109,259**	**63,017**

(Continued)

	Millions of yen, rounded down	
II. Cash flows from investing activities		
Acquisition of tangible fixed assets	(45,056)	(47,864)
Proceeds from sale of tangible fixed assets	1,819	6,448
Acquisition of intangible assets	(3,875)	(5,391)
Acquisition of investment securities	(129)	(62)
Proceeds from sale of investment securities	15	101
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	(91,461)	--
Acquisition of investments in subsidiaries resulting in change in scope of consolidation	--	(15,708)
Acquisition of shares of affiliates	(2,456)	(5,104)
Proceeds from sales of shares in subsidiaries	--	7,572
Decrease (increase) in term deposits	(572)	502
Payments for long-term loans receivable	(150)	(3,942)
Other	1,475	(46)
Net cash used in investing activities	**(140,391)**	**(63,497)**

(Continued)

	Millions of yen, rounded down FY ended Mar. 31, 2015	FY ended Mar. 31, 2014
III. Cash flows from financing activities		
Net change in short-term borrowings	72,939	376
Commercial paper	15,000	--
Proceeds from long-term debt	3,022	45,000
Repayment of long-term debt	(7,025)	(4,137)
Redemption of bonds	(15,000)	(20,000)
Cash dividends paid	(11,855)	(12,437)
Distribution of dividends to minority shareholders	(2,794)	(2,840)
Decrease (increase) in money held in trusts for repurchase of treasury stock	2,520	(2,520)
Acquisition of treasury stock	(2,707)	(57,584)
Sale of treasury stock	2	2
Other	(1,279)	(1,108)
Net cash provided by (used in) financing activities	**52,822**	**(55,248)**
IV. Effect of exchange rate changes on cash and cash equivalents	12,071	**958**
V. Increase (decrease) in cash and cash equivalents	33,762	**(54,770)**
VI. Cash and cash equivalents at the beginning of the year	**130,028**	**184,770**
Increase in cash and cash equivalents from newly consolidated subsidiaries	1,356	28
Increase (decrease) in cash and equivalents resulting from change of fiscal year end of consolidated subsidiaries.	13	--
VII. Cash and cash equivalents at the end of the year	**165,160**	**130,028**

(5) 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:

99 companies

(2) Names of main non-consolidated subsidiaries:

Ajinomoto Genexine Co., Ltd.

(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 acquired Windsor Quality Holdings, LP (hereafter "Windsor") and its 8 subsidiaries have been included in the scope of consolidated subsidiaries. KYODO ACE LOGISTICS CORPORATION and PT Ajinomoto Sales Indonesia have been included in the scope of consolidated subsidiaries as they have become more material. FREC DESSERT CO., LTD. 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:

3 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 Ajinomoto Genexine Co., Ltd.) 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) AET Manufacturing Co., Ltd. has been removed from the scope of the equity method, as it has commenced liquidation proceedings, and has become immaterial to the consolidated results.

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

The fiscal year end of Windsor and 23 other consolidated subsidiaries is December 31. Of these, 15 companies prepare their financial statements as of March 31 for consolidation 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, in order to provide more appropriate disclosure of the consolidated financial statements, Ajinomoto-Genetika Research Institute has changed to a method in which it prepares provisional financial statements as of the consolidated fiscal year end of March 31, for consolidation purposes. In accordance with this change, loss and gain for the period of January 1, 2014 to March 31, 2014 has been incorporated as an adjustment of retained earnings, and cash flow has been recorded as an increase (decrease) in cash and equivalents resulting from change of fiscal year end of consolidated subsidiaries.

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 consolidation 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. Total treatment is applied with respect to interest rate and currency swaps, in cases where criteria for total treatment (special treatment, appropriated treatment) are met.

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 consolidated subsidiaries recognize their depreciation expense mainly by using 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 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) Accrued retirement benefits for directors and others:

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) Provision for loss on guarantees

In preparation for payment relating to loss on guarantees and in consideration of the financial position, etc. of the guaranteed parties, an allowance has been recorded for the estimated amount of loss to be incurred.

5) Bonus reserve for directors and others:

In preparation for the payment of bonuses to directors and others, a bonus reserve for directors and others has been provided for the amount of payment expected for the fiscal year ended March 31, 2015.

6) Allowance for environmental measures:

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

7) Provision for shareholder benefit program

In preparation for payment relating to the shareholder benefit program, a provision for shareholder benefit program has been provided for the amount of payment expected, based on past results, for the fiscal year ending March 31, 2016.

(4) Accounting for retirement benefits for employees

(1) Method of attributing expected benefit to periods

In calculating retirement benefit obligations, the method of attributing expected benefit to 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.

(Additional information)

On January 31, 2015, the Ajinomoto Group employees' pension fund, of which a portion of consolidated subsidiaries and affiliate companies are members, received approval to be dissolved from the Minister of Health, Labour and Welfare under the Employees' Pension Insurance Act. Accordingly, on February 1, 2015, a portion of consolidated subsidiaries and affiliate companies shifted from the pension fund plan to a different plan, principally the defined contribution pension plan.

As a result, extraordinary income of ¥9,290 million was recorded in the fiscal year ended March 31, 2015.

(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. Total treatment is applied with respect to interest rate and currency swaps, in cases where criteria for total treatment (special treatment, appropriated 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
Interest rate and currency swaps	Interest paid on borrowings, foreign currency 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 and interest rate and currency 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:

Changes to standards for recording sales

Some discounts provided to customers for sales promotion purposes (hereafter "sales promotion discounts, etc.") mainly by the home-use business and restaurant-use business in the domestic food products segment, were previously recorded as sales commissions in selling, general and administrative expenses at the time that the payment amount was fixed. However, from the fiscal year under review, the Group has changed to the same method used in the overseas food products segment and bioscience products and fine chemicals segment, in which sales promotion discounts, etc., are subtracted from net sales at the time net sales are recorded.

Under the Group's management policy of further promoting global expansion, and amid an environment in which the ratio of overseas sales is increasing from year to year, this change has been implemented based on the recognition of a greater need to improve its ability to compare actual business conditions across each segment and each region, conduct more detailed business management practices, and present operating results more adequately. Based on this recognition, a factual investigation was conducted across the Group regarding the definition of sales promotion discounts, etc., their scope, the accounting methods used and other matters, with the aim of unifying standards for recording net sales—an important indicator of business performance across all segments. After making progress with regard to the consideration of necessary administrative processes and system development, as of the fiscal year under review, preparation for this change in the standards of recording sales has been completed.

This accounting method has been applied retrospectively and the consolidated financial statements for the previous consolidated fiscal year have been restated.

As a result of this change, for the previous fiscal year, sales and gross profit have decreased ¥39,973 million, selling, general and administrative expenses have decreased ¥39,232 million, and operating income, ordinary income and income before income taxes have each decreased ¥740 million. Additionally, in the consolidated balance sheets for the previous fiscal year, other current liabilities and deferred tax assets (current assets) have increased ¥5,495 million and ¥1,515 million respectively.

The impact on net assets at the beginning of the previous fiscal year has been reflected, resulting in a decrease of ¥3,339 million in the retained earnings balance.

Details regarding the impact of this change on segment information and per share information and are stated in the "*Segment information*" and "*Per share information*" sections.

Changes in accounting policies for items that are difficult to categorize as changes in accounting estimates

Changes in method for calculation of depreciation of tangible fixed assets, and revision of useful life

Formerly, the Company and its domestic consolidated subsidiaries determined depreciation of tangible fixed assets principally using the declining-balance method. However, from the fiscal year under review, the Company and its domestic consolidated subsidiaries have changed to the straight-line method. At the same time, revisions have been made to the useful life of tangible fixed assets of the Company and its domestic and overseas consolidated subsidiaries, in accordance with their actual status of physical and functional use. Under the Group's management policy of further promoting global expansion, and amid an environment in which the ratio of overseas sales is increasing each year, progress is being made to strengthen overseas production functions. In these circumstances, in the formulation of the 2014-2016 Medium-Term Management Plan we decided to revise the depreciation method based on the business conditions across all domestic and overseas businesses, with the objective of improving our ability to compare actual business conditions across each segment and each region.

As a result, with operations at both domestic and overseas production facilities expected to remain stable, we decided that allocating depreciation expenses equally over the course of the useful lifespan of tangible fixed assets using the straight-line method would be a more appropriate representation of the Group's actual situation.
With this change in accounting policy and revision of accounting estimates, operating income for the fiscal year under review has increased ¥3,302 million, and ordinary income and income before income taxes have each increased ¥3,758 million compared to the previously used method.

For details regarding the impact of this change on segment information, please refer to the "*Segment information*" section.

Unapplied Accounting Standards, etc.

Fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

・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)

・Accounting Standard for Business Divestitures (ASBJ Statement No. 7 of September 13, 2013)

・Accounting Standard for Earnings Per Share (ASBJ Statement No. 2 of September 13, 2013)

・Guidance on Accounting Standard for Earnings Per Share (ASBJ Guidance No. 4 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 (loss) attributable to owners of parent".

(2) Scheduled date of adoption

These accounting standards will be adopted from the start of the fiscal year ending March 2016. Provisional accounting treatment will be applied to business mergers that are implemented at or after the start of the fiscal year ending March 31, 2016.

(3) Impact of adoption of this 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, 2015 (April 1, 2014 – March 31, 2015)

Consolidated Balance Sheet

"Net defined benefit assets", which was included in "Other" in "Investments and other assets" in the previous fiscal year, is presented as a separate item in the fiscal year under review, as the 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, ¥10,866 million presented as "Other" in "Investments and other assets" in the consolidated statement of income for the previous fiscal year has been restated as ¥339 million for "Net defined benefit assets" and ¥10,526 million for "Other."

Consolidated Statement of Income

1. "Foreign exchange gain", which was included in "Other" in "Non-operating income" 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 non-operating income. Consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

   As a result, ¥5,030 million presented as "Other" in "Non-operating income" in the consolidated statement of income for the previous fiscal year has been restated as ¥699 million for "Foreign exchange gain" and ¥4,331 million for "Other."

2. "Commission paid", which was included in "Other" in "Non-operating expenses" 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 non-operating expenses. Consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

   As a result, ¥2,562 million presented as "Other" in "Non-operating expenses" in the consolidated statement of income for the previous fiscal year has been restated as ¥328 million for "Commission paid" and ¥2,234 million for "Other."

3. "Insurance income", "Gain on sale of fixed assets", which were included as separate items in "Extraordinary gains" in the previous fiscal year, are included in "Other" in "Extraordinary gains" in the fiscal year under review, as their amounts correspond to 10/100ths or less 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, ¥1,189 million presented as “Insurance income”, ¥3,081 million presented as “Gain on sale of fixed assets” in the consolidated statement of income for the previous fiscal year has been restated as “Other.”

Consolidated Statement of Income

*** Impairment losses**

Fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

The main assets with respect to which impairment losses were recorded in the fiscal year under review are as follows. In addition to these, other impairment losses of ¥440 million was also recorded.

Location	Use	Classification
France	Manufacturing facilities	Buildings and structures, Machinery and vehicles, etc.
China (Hong Kong, other)	Other	Goodwill
Belgium	Manufacturing facilities	Buildings and structures, Machinery and vehicles, etc.

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

With respect to the manufacturing facilities of the umami seasonings business, etc. in France, as demand in European markets has cooled and decreases in sales revenue due to intensified competition with other companies continue to create losses, and as prospects for future recovery are currently poor, the book value has been reduced to a recoverable amount. The amount, recorded as an extraordinary loss under impairment losses, is ¥5,900 million, broken down into buildings and structures, ¥1,438 million, machinery and vehicles, ¥4,284 million, and other, ¥177 million. The recoverable amount was determined based on the utility value, with future cash flow calculated at a 8.7% discount.

With respect to goodwill recorded in the overseas food business and domestic food business at the time of the acquisition of a Chinese liquid seasoning and frozen foods business in China (Hong Kong, other), as their prospects for generating additional earnings power are poor, the book value of the aforementioned businesses has been reduced in full, with an impairment loss of ¥2,887 million recorded.

With respect to the pharmaceutical custom manufacturing business in Belgium, amid considerations to transfer a portion of the business, the difference between the book value and the recoverable amount of relating assets has been recorded as an extraordinary loss under impairment losses. The amount of the impairment loss recorded is ¥1,257 million, broken down into buildings and structures of ¥369 million, machinery and vehicles of ¥731 million, and other of ¥156 million. The recoverable amount was determined based on the true cash value, which was estimated based on the scheduled transfer amount.

Business mergers, etc.

Merger through acquisition

1. Outline of business merger

(1) Name of acquired company and business outline

Name of acquired company: Windsor Quality Holdings, LP (“Windsor”)

Business outline: Manufacture and sales of frozen foods

(2) Reason for merger

Led by management skilled in the frozen food business, Windsor has developed a broad distribution network in the US, with about 80,000 stores selling its products, including major retailers. It also has a strong food service operation with approximately 120,000 restaurants purchasing its products. In addition, Windsor has seven production facilities throughout the US and strong brands/positions in Asian, Mexican, Italian and appetizer segments, holding the top share for Asian products.

With this acquisition, the Company will redevelop its North American frozen food business portfolio with the goal of increasing its share in this growing market. The Company will launch new strategies focused on areas including strengthening existing brands in the Asian food category and creating new brands in the Japanese food category. Additionally, the Company will introduce the advanced production technologies of the Ajinomoto Group to improve productivity and increase the added value of Windsor products, with the aim of further strengthening the earnings base of the business. In sales channels, Ajinomoto Co. will use Windsor’s strong retail and restaurant distribution network, to work towards its fiscal 2020 sales target of ¥100 billion for its frozen food business in North America, and secure its position as the clear No. 1 manufacturer in the Japanese/Asian frozen food market.

(3) Date of merger

November 5, 2014

(4) Legal form of merger

Acquisition of full equity interest with cash compensation

(5) Post-merger company name

Windsor Quality Holdings, LP.

(6) Percentage of voting shares acquired

100%

(7) Primary basis of decision to acquire the company

The Company’s consolidated subsidiary Ajinomoto North America Inc. acquired propriety interest in Windsor with cash compensation

2. Period that Windsor Quality Holdings, LP is included in the consolidated financial results for the fiscal year under review

November 5, 2014 to December 31, 2014

3. Cost of acquisition and price breakdown

Acquisition price	US$804 million (¥92,323 million)
Acquisition cost	US$804 million (¥92,323 million)

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

(1) Amount of goodwill

US$454 million (¥52,082 million)

(2) Reason for its occurrence

Mainly due to the excess earning power expected from Windsor’s solid brand power and customer base.

(3) Amortization method and period

Straight-line amortization over 15 years

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

Current assets:	¥17,316 million
Fixed assets:	¥32,567 million
Total assets:	¥49,884 million
Current liabilities	¥9,644 million
Total liabilities	¥9,644 million

6. Amount allocated as intangible assets other than goodwill, main components by category, and weighted average amortization period

Customer-related assets	US$29 million (¥3,326 million)	Amortization period: 15 years
Trademark-related assets	US$79 million (¥9,152 million)	Amortization period: 15 years
Manufacturing method-related assets	US$43 million (¥4,989 million)	Amortization period: 15 years

7. Estimated impact on the consolidated balance sheet for the fiscal year under review assuming that the business merger was completed during the fiscal year under review, and the calculation method used

As it is difficult to estimate the amount, an estimate has not been prepared.

Segment Information

a. Segment information

Fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

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	Umami seasoning *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.
Overseas Food Products	Consumer Foods	Umami seasoning *AJI-NO-MOTO®*, *Ros Dee®* (flavor seasoning), *Masako®* (flavor seasoning), *Aji-ngon®* (flavor seasoning), *Sazón®* (flavor seasoning), *YumYum®* (instant noodles), *VONO®* (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.

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 standards for recording sales

As outlined in Notes to the Consolidated Financial Statements, "Changes in accounting policy, changes in accounting estimates, and retrospective restatements", Amounts have been restated retrospectively in accordance with a change to accounting standards for the recording of sales. As a result of this change, for the previous fiscal year, domestic food products sales have decreased ¥37,608 million, and operating income has decreased ¥383 million; overseas food products sales have decreased ¥871 million and operating income has decreased ¥185 million; bioscience products and fine chemicals sales have decreased ¥426 million and operating income has decreased ¥136 million; pharmaceuticals operating income has decreased ¥29 million; and other business sales have decreased ¥1,067 million and operating loss has increased ¥6 million.

Changes in method for calculation of depreciation of tangible fixed assets, and revision of useful life
Due to changes in the method for the calculation of depreciation of tangible fixed assets, and the revision of useful life, compared to the previously used method, for the fiscal year under review domestic food products operating income has increased ¥1,207 million, overseas food products operating income has increased ¥1,156 million, bioscience products and fine chemicals operating income has increased ¥467 million, pharmaceuticals operating income has increased ¥314 million, and other business operating income has increased ¥156 million.

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

Fiscal year ended March 31, 2015

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	321,814	326,789	239,544	39,704	78,777	--	1,006,630
(2) Intra-group sales and transfers.........	876	5,572	3,142	92	46,745	(56,429)	--
Total sales.........	322,691	332,361	242,687	39,797	125,523	(56,429)	1,006,630
Segment income.......	23,822	34,154	17,073	2,155	(2,686)	--	74,519
Segment assets........	292,706	239,620	262,610	41,686	150,021	268,445	1,255,090
Other							
Depreciation...........	8,344	12,794	13,836	1,272	2,128	5,001	43,376
Increase in tangible and intangible fixed assets.......................	12,689	15,134	15,205	1,071	1,971	4,858	50,930

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 ¥268,445 million for segment assets mainly includes, 'Corporate' assets of ¥307,234 million and intersegment offsetting of receivables against payables of minus ¥38,451 million. 'Corporate' assets primarily consist of the Group's cash and equivalents, long-term investments, land not used in operations, and certain assets associated with administrative divisions and research facilities.

(2) Adjustments of ¥5,001 million for 'Depreciation' is depreciation related to 'Corporate' assets.

(3) Adjustments of ¥4,858 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

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

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	299,925	292,366	228,102	51,228	79,736	--	951,359
(2) Intra-group sales and transfers.........	1,888	6,190	5,610	78	44,631	(58,399)	--
Total sales.........	301,814	298,557	233,712	51,307	124,367	(58,399)	951,359
Segment income.......	27,045	25, 046	6,393	3,812	(491)	--	61,807
Segment assets........	197,237	300,352	283,447	53,817	133,399	124,911	1,093,165
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 2. Adjustments are as follows:

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

b. Related information

Fiscal year ended March 31, 2015

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	438,263	276,864	182,008	109,494	1,006,630
Percentage of total consolidated sales	43.5%	27.5%	18.1%	10.9%	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	150,221	110,956	72,990	49,101	383,269

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	449,480	246,573	145,932	109,371	951,359
Percentage of total consolidated sales	47.2%	25.9%	15.3%	11.5%	100.0%

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

Note 2. The impact of changes to standards for recording sales has been reflected in the figures for the nine-month period of the previous fiscal year.

As a result, Japan sales have decreased ¥39,100 million, Asia sales have decreased ¥873 million, and the percentage of total consolidated sales has decreased 2.1% for Japan, increased 0.9% for Asia, increased 0.6% for Americas, and increased 0.5% for Europe.

(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

c. Impairment losses on fixed assets by reporting segment

Fiscal year ended March 31, 2015

Millions of yen, rounded down

	Reporting segment				Other Business	Adjustment amount	Total
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Impairment losses	1,458	7,351	1,676	--	--	--	10,486

Fiscal year ended March 31, 2014

Millions of yen, rounded down

	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

d. Depreciation of goodwill and remaining amounts by reporting segment

Fiscal year ended March 31, 2015

Millions of yen, rounded down

	Reporting segment				Other Business	Adjustment amount	Total
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Depreciation	978	148	1,074	--	--	--	2,201
Remaining amounts	54,922	--	16,474	--	--	--	71,396

Fiscal year ended March 31, 2014

Millions of yen, rounded down

	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

e. Gains on negative goodwill by reporting segment

Fiscal year ended March 31, 2015

No applicable items.

Fiscal year ended March 31, 2014

No applicable items.

f. Segment information by location

Fiscal year ended March 31, 2015

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Sales to third parties	460,402	260,440	175,317	110,469	1,006,630
Percentage of total consolidated sales........	45.7%	25.9%	17.4%	11.0%	100.0%
Operating income...	29,625	30,458	11,656	2,778	74,519
Percentage of total consolidated operating income..	39.8%	40.9%	15.6%	3.7%	100.0%

Fiscal year ended March 31, 2014

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Sales to third parties	474,948	230,269	139,287	106,853	951,359
Percentage of total consolidated sales........	49.9%	24.2%	14.6%	11.2%	100.0%
Operating income...	32,723	24,848	4,197	37	61,807
Percentage of total consolidated operating income..	52.9%	40.2%	6.8%	0.1%	100.0%

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

Notes 2. Main countries and regions in segments other than "Japan":
"Asia": Countries of East and Southeast Asia
"Americas": Countries of North, Central and South America
"Europe": Countries of Europe and Africa

Notes 3. Amounts for the previous fiscal year have been restated retrospectively in accordance with a change to accounting standards for the recording of sales.
As a result of this change, Japan sales to third parties has decreased ¥39,100 million and operating income has decreased ¥440 million, Asia sales to third parties has decreased ¥873 million and operating income has decreased ¥150 million, Americas operating income has decreased ¥85 million and Europe operating income has decreased ¥65 million.
Due to changes in the method for the calculation of depreciation of tangible fixed assets, and the revision of useful life, compared to the previously used method, for the fiscal year under review Japan operating income has increased ¥2,738 million, Asia operating income has increased ¥999 million, and Europe operating income has decreased ¥434 million.

Per Share Information

	FY ended March 31, 2015	FY ended March 31, 2014
Net assets per share	¥1,131.41	¥1,002.29
Net income (loss) per share	¥78.54	¥68.67

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, 2015	As of March 31, 2014
Total net assets on balance sheet	743,489	655,507
Deductions from net assets		
Minority interests	73,913	60,557
Total amount of deduction from net assets	73,913	60,557
Net assets attributable to common stock	669,576	594,950
Number of shares of common stock used for the calculation of net assets per share (thousand shares)	591,806	593,591

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

Millions of yen, rounded down

	FY ended March 31, 2015	FY ended March 31, 2014
Net income	46,495	42,159
Net income not attributable to common stock	--	--
Net income attributable to common stock	46,495	42,159
Average number of shares of common stock outstanding during the year (thousand shares)	591,984	613,962

Note: As outlined in Notes to the Consolidated Financial Statements, 4. CONSOLIDATED FINANCIAL STATEMENTS (5) Notes to the Consolidated Financial Statements, Changes in accounting policy, changes in accounting estimates, and retrospective restatements", amounts have been restated retrospectively in accordance with a change to accounting standards for the recording of sales. As a result of this change, for the previous fiscal year, "Total net assets on the balance sheet" has decreased ¥3,979 million, "Net assets per share" has decreased ¥6.69, "Net income" and "Net income attributable to common stock" have each decreased ¥636 million, and "Net income per share" has decreased ¥1.3.

Important Post-Balance Sheet Events

Merger through acquisition

1. Outline of business merger
   (1) Name of acquired company and business outline
   Name of acquired company: Ajinomoto General Foods, Inc. (hereafter "AGF")
   Business outline: Manufacture and sales of food and beverage products

   (2) Reason for merger
   AGF was established in 1973 as a joint venture between Ajinomoto Co. and General Foods Corporation (currently Mondelēz Internationa Inc.; hereafter Mondelēz) of the United States. In the coffee business in Japan, AGF has created new markets for 3 in 1 and other products and has continued to provide new value adapted to consumer needs. With both marketing and technological capabilities, AGF holds the top share in Japan in the home-use coffee products market (excluding canned coffee) and has been expanding sales in the restaurant and institutional-use business. Currently, AGF provides a wide range of high-quality, delicious beverage products in addition to coffee, including tea and cocoa. Ajinomoto Co. and Mondelēz have been holding ongoing discussions on AGF's operating format. Motivated by the current global reorganization of Mondelēz's coffee business, Ajinomoto Co. had considered making AGF a consolidated subsidiary, which led to the agreement.
   As part of its aim to become "a genuine global specialty company," Ajinomoto Co. is reinforcing its business structure and working to expand into adjacent business domains (products adjacent to existing product domains and adjacent markets) for rapid growth. After making AGF a consolidated subsidiary, Ajinomoto Co. intends to expand AGF's business scale together with its current management and employees. Both companies will reinforce their business structures by promoting cooperation in each division and generate synergy in new product development and production by leveraging their common core of powdered and processed products.

   (3) Date of merger
   April 23, 2015

   (4) Legal form of merger
   Acquisition of stock with cash compensation

   (5) Post-merger company name
   Ajinomoto General Foods, Inc.

   (6) Percentage of voting shares acquired
   Percentage of voting shares held immediately before merger: 50%
   Percentage of voting shares additionally acquired: 50%
   Percentage of total voting shares held following acquisition: 100%

   (7) Primary basis of decision to acquire the company
   The Company acquired AGF stock with cash compensation

   (8) Other transaction information
   Although 5% of shares in AGF have been sold to the Company's consolidated subsidiary Ajinomoto Co., (Thailand) Ltd. after additional acquisition by the Company, the Ajinomoto Group's percentage of total voting shares is 100%.

2. Acquisition cost and price breakdown
   The acquisition cost is currently being calculated.
   The price of the additionally acquired stocks as of the date of the merger is ¥27,000 million.

3. Amount of goodwill, reason for its occurrence, and amortization method and period
   (1) Amount of goodwill
   As the allotment of the acquisition price is not yet complete, this amount is currently undetermined.
   (2) Amortization method and period

Undetermined at the present time.

4. Amount of assets and liabilities received on day of merger and main components
   Undetermined at the present time.

Changes in the classification of business segments

The Company's reporting segments in the fiscal year under review consisted of domestic food products, overseas food products, bioscience products and fine chemicals, and pharmaceuticals. However from the fiscal year ending March 31, 2016, reporting segments will change to Japan food, international food, life support, and healthcare. This change has been made due to the establishment of a new structure in line with the 2014-2016 Medium Term Management Plan.

The main changes will be the splitting of the bioscience products and fine chemicals segment into the life support and healthcare segments, and the merger of the pharmaceuticals segment with the healthcare segment. Additionally, frozen foods, which was previously included in the domestic food products segment, will be split between the Japan food and international food segments; sweeteners, which was previously included in the bioscience products and fine chemicals segment will be moved to the international food segment; a portion of business tie-ups, which were previously included in other business, will be included in the Japan food segment; and the wellness business will be included in the healthcare segment.