

Ajinomoto Co., Inc.

Consolidated Results

IFRS

Fiscal Year Ended March 31, 2023

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 judgements made by management considering information currently available. Actual financial results may differ depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.

SUMMARY OF FINANCIAL STATEMENTS [IFRS] (Consolidated)

For the fiscal year ended March 31, 2023

Ajinomoto Co., Inc.

May 11, 2023

Stock Code: 2802
 URL: <https://www.ajinomoto.co.jp/company/>
 Representative: Taro Fujie
 Representative Executive Officer & President
 For inquiries: Itoomi Watanabe
 Corporate Executive & General Manager
 Global Finance Department

Stock exchange listing: Tokyo Stock Exchange

Telephone: +81-3-5250-8111

Scheduled date of the general meeting of shareholders: June 27, 2023
 Scheduled date of starting payment of dividend: June 28, 2023
 Scheduled date of submission of securities report: June 27, 2023
 Preparation of supplementary materials: Yes
 Results briefing: Yes (for analysts)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

(1) Consolidated Operating Results

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2022	
		Change %		Change %
Sales	1,359,115	18.2	1,149,370	7.3
Business profit	135,341	11.9	120,915	6.9
Profit before income taxes	140,033	14.3	122,472	24.6
Profit	100,170	24.9	80,228	21.0
Profit attributable to owners of the parent company	94,065	24.2	75,725	27.4
Basic earnings per share (yen)	¥175.97	—	¥139.42	—
Diluted earnings per share (yen)	¥175.96	—	¥139.42	—
ROE attributable to owners of the parent company (%)	12.9%	—	11.6%	—
Ratio of business profit to total assets (%)	9.1%	—	8.4%	—
Ratio of business profit to sales (%)	10.0%	—	10.5%	—

(Millions of yen)

“Change %” indicates the percentage change compared to the previous fiscal year.

Share of profit of associates and joint ventures:
 Fiscal year ended March 31, 2023:
 ¥4,326 million

Fiscal year ended March 31, 2022:
 ¥985 million

Note: Upon the adoption of IFRS, the Ajinomoto Group has introduced “business profit” as a new profit level that will better enable investors, the Board of Directors, and the Management Committee to grasp the core business results and future outlook of each business while also facilitating continual evaluation of the Group’s business portfolio by the Board of Directors and the Management Committee. “Business profit” is defined as sales and share of profit of associates and joint ventures minus cost of sales, selling expenses, research and development expenses, and general and administrative expenses. Business profit does not include other operating income or other operating expenses.

(2) Consolidated Financial Position

	As of March 31, 2023	As of March 31, 2022
Total assets	1,511,734	1,457,060
Total equity	822,968	739,744
Equity attributable to owners of the parent company	768,676	686,909
Ownership ratio attributable to owners of the parent company (%)	50.8%	47.1%
Equity per share (attributable to owners of the parent company) (yen)	¥1,452.24	¥1,280.50

(3) Consolidated Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022
Net cash provided by operating activities	117,640	145,576
Net cash used in investing activities	(30,087)	(61,567)
Net cash used in financing activities	(111,061)	(123,055)
Cash and cash equivalents at end of year	132,777	151,454

2. Dividends

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ending March 31, 2024 (forecast)
Dividend per share			
Interim (yen)	¥24.00	¥31.00	¥37.00
Year-end (yen)	¥28.00	¥37.00	¥37.00
Annual (yen)	¥52.00	¥68.00	¥74.00
Total annual dividend amount (million yen)	28,098	36,241	
Dividend payout ratio (consolidated) (%)	37.3%	38.6%	40.6%
Ratio of dividends to equity attributable to owners of the parent company (consolidated) (%)	4.3%	5.0%	

3. Forecast for the Fiscal Year Ending March 31, 2024

	(Millions of yen)	
	Fiscal year ending March 31, 2024	
		Change %
Sales	1,465,000	7.8
Business profit	150,000	10.8
Profit attributable to owners of the parent company	95,000	1.0
Basic earnings per share (yen)	¥182.10	

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

Notes:

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in a change in consolidation scope): None

(2) Changes in accounting policies and accounting estimates

- 1) Changes in accounting policies as required by IFRS: None
- 2) Other changes in accounting policies: None
- 3) Changes in accounting estimates: None

(3) Number of shares outstanding (ordinary shares)

	Shares	
	As of March 31, 2023	As of March 31, 2022
Number of shares outstanding at end of period (including treasury stock):	529,798,154	536,996,254
Number of shares in treasury stock at end of period	495,714	559,323
	April 1, 2022 to March 31, 2023	April 1, 2021 to March 31, 2022
Average number of shares during period	534,540,847	543,131,847

Note: The number of shares in treasury stock at the end of the period includes the Company's shares held by the director's remuneration BIP trust (As of March 31, 2023: 373,400 shares. As of March 31, 2022: 442,900 shares), which was adopted along with the introduction of stock-based remuneration of executive officers based on the Company's medium-term earnings performance for the directors and others. In addition, these Company's shares are included in the treasury stock which is deducted from the number of shares outstanding at the end of the period when calculating the average number of shares during the period.

This summary of consolidated financial statements is outside the scope of an audit by certified public accountants or an audit firm.

Appropriate use of forecasts and other notes

Disclaimer regarding forward-looking statements and other information

Forward-looking statements, such as business forecasts, included in this document are based on management's estimates, assumptions, and projections at the time of release. These statements do not promise nor represent a commitment by the Company to achieve these forecasts. Actual operating results may differ significantly due to various factors. For more information regarding our earnings forecasts, see page 10, "1. Qualitative Information on Fiscal Year-end Consolidated Results, 1. Overview of operating results for the fiscal year ended March 31, 2023, 2. Outlook for the Fiscal Year Ending March 31, 2024."

Where to obtain supplementary materials

Supplementary materials will be posted on the Company's website on Thursday, May 11, 2023.

Table of contents

1	Qualitative Information on Fiscal Year-end Consolidated Results	6
I	Overview of operating results for the fiscal year ended March 31, 2023.....	6
II	Overview of financial condition in the fiscal year ended March 31, 2023	11
III	Basic policy regarding allocation of profits and dividends for the fiscal year ended March 31, 2023 and the fiscal year ending March 31, 2024	12
2	Basic Rationale for the Selection of Accounting Standards	13
3	Consolidated Financial Statements and Notes	14
(1)	Consolidated Statements of Financial Position	14
(2)	Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	16
	Consolidated Statements of Income	16
	Consolidated Statements of Comprehensive Income	17
(3)	Consolidated Statements of Changes in Equity	18
(4)	Consolidated Statements of Cash Flows	22
(5)	Notes to Consolidated Financial Statements	24
	Going Concern Assumption	24
	Changes in Significant Accounting Policies	24
	Segment Information	25
	Information for Earnings per Share.....	28
	Significant Subsequent Events	29

1. Qualitative Information on Fiscal Year-end Consolidated Results

I. Overview of operating results for the fiscal year ended March 31, 2023

Upon the adoption of IFRS, the Ajinomoto Group has introduced "business profit" as a new profit level that will better enable investors, the Board of Directors, and the Management Committee to grasp the core business results and future outlook of each business while also facilitating continual evaluation of the Group's business portfolio by the Board of Directors and the Management Committee. "Business profit" is defined as sales and share of profit of associates and joint ventures minus cost of sales, selling expenses, research and development expenses, and general and administrative expenses. Business profit does not include other operating income or other operating expenses.

1. Review of operating results

During the fiscal year ended March 31, 2023, the Company's consolidated sales increased 18.2% year-on-year, or ¥209.7 billion to ¥1,359.1 billion. This was due to the effect of currency translation and increases in sales in the Seasonings and Foods segment, the Frozen Foods segment, and the Healthcare and Others segment.

Business profit increased 11.9% year-on-year, or ¥14.4 billion, to ¥135.3 billion, primarily due to the effect of currency translation and an increase in sales in the Healthcare and Others segment, despite increases in costs, such as for raw materials.

Operating profit increased 19.6% year-on-year, or ¥24.3 billion, to ¥148.9 billion mainly as a result of gain on sale of non-current assets (idle assets) recorded in other operating income despite the impairment loss on goodwill related to Ajinomoto Foods North America, Inc. recorded in other operating expenses, as well as other factors.

Profit attributable to owners of the parent company totaled ¥94.0 billion, up 24.2%, or ¥18.3 billion.

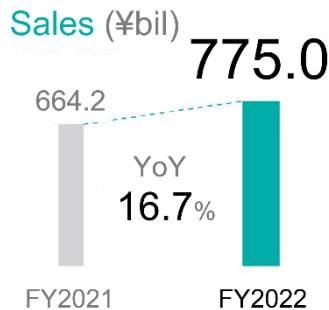
Overview by segment

Results for individual business segments are summarized below.

	(Billions of yen)					
	Sales			Business profit		
	FY2022	YoY change	% change	FY2022	YoY change	% change
Seasonings and Foods	775.0	110.7	16.7%	82.9	1.7	2.1%
Frozen Foods	267.2	45.5	20.5%	0.2	0.9	—
Healthcare and Others	299.6	48.4	19.3%	52.5	9.1	21.1%
Other	17.1	5.0	41.2%	(0.4)	2.5	—
Total	1,359.1	209.7	18.2%	135.3	14.4	11.9%

1) Seasonings and Foods

In the Seasonings and Foods segment, sales increased 16.7% year-on-year, or ¥110.7 billion, to ¥775.0 billion, primarily because of increases in unit prices and sales volume overseas, in addition to the effect of currency translation. Segment business profit increased 2.1% year-on-year, or ¥1.7 billion, to ¥82.9 billion, mainly owing to the effect of currency translation and increased revenue, despite the effect of cost increases for raw materials and other inputs.



Main factors affecting segment sales

Sauce & Seasonings: Overall large increase in revenue.

Japan: Decrease in revenue primarily due to the fall back in at-home demand after the increase in the previous year.

Overseas: Large increase in revenue due to the impact of currency translation, and also increased unit sales prices and increased quantity of product sold.

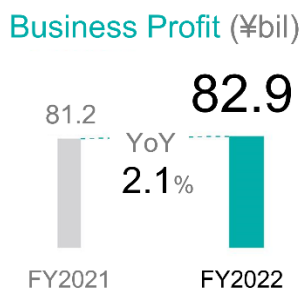
Quick Nourishment: Overall increase in revenue.

Japan: Decrease in revenue, but if the impact of structural reform in coffee products is excluded, increase in revenue.

Overseas: Large increase in revenue due to the impact of currency

translation, and also increased unit sales prices, and increased sales of instant noodles, ready to drink beverages, etc.

Solution & Ingredients: Large increase in revenue primarily due to increased unit sales prices of, and the impact of currency translation on, umami seasonings for processed food manufacturers and increased sales of foodservice-use products.



Main factors affecting segment profits

Sauce & Seasonings: Overall decrease in profit.

Japan: Large decrease in profit primarily due to the impacts of cost increases, such as for raw materials, and decreased revenue.

Overseas: Increase in profit primarily due to the impacts of increased revenue and currency translation, despite the impact of cost increases, such as for raw materials.

Quick Nourishment: Overall decrease in profit.

Japan: Large decrease in profit primarily due to the impact of cost increases, such as for raw materials.

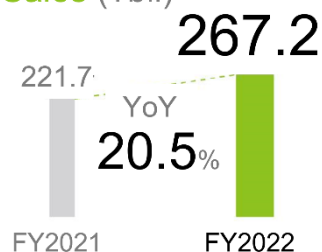
Overseas: Large increase in profit primarily due to the impacts of increased revenue and currency translation, despite the impact of cost increases, such as for raw materials.

Solution & Ingredients: Overall large increase in profit primarily due to the impacts of increased revenue and currency translation, despite the impact of cost increases, such as for raw materials.

2) Frozen Foods

Frozen Foods segment sales increased 20.5% year-on-year, or ¥45.5 billion, to ¥267.2 billion, primarily as a result of the effect of currency translation and increases in unit prices. Segment business profit increased year-on-year by ¥0.9 billion to ¥0.2 billion, mainly owing to increased revenue and the effect of currency translation, despite the effect of cost increases for raw materials and other inputs.

Sales (¥bil)



Main factors affecting segment sales

Overall large increase in revenue.

Japan: Revenue was level with the previous year primarily due to the recovery in restaurant and industrial-use products and increased unit sales prices despite the impact of structural reform.

Overseas: Large increase in revenue primarily due to the impact of currency translation and increased unit sales prices.

Business Profit (¥bil)



Main factors affecting segment profits

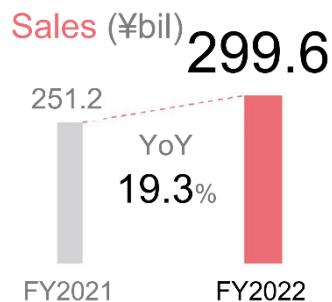
Overall increase in profit.

Japan: Decrease in profit primarily due to strategic expenses and the impact of cost increases, such as for raw materials.

Overseas: Increase in profit primarily due to the impacts of increased revenue and currency translation despite the impact of cost increases, such as for raw materials.

3) Healthcare and Others

Healthcare and Others segment sales increased 19.3% year-on-year, or ¥48.4 billion, to ¥299.6 billion, mainly due to increases in sales of both Bio-Pharma Services & Ingredients and Functional Materials (electronic materials and others), and the effect of currency translation. Segment business profit increased 21.1% year-on-year, or ¥9.1 billion, to ¥52.5 billion, mainly due to the effects of revenue growth and currency translation.

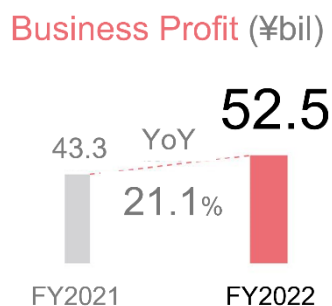


Main factors affecting segment sales

Bio-Pharma Services & Ingredients: Large increase in revenue due to increased sales of Bio-Pharma Services (CDMO services) and amino acids for pharmaceuticals and foods, and also the impact of currency translation.

Functional Materials (electronic materials and others): Large increase in revenue primarily due to increased sales of electronic materials.

Others: Large increase in revenue due to the impact of currency translation, and also increased sales of primarily medical foods.



Main factors affecting segment profits

Bio-Pharma Services & Ingredients: Increase in profit accompanying large increase in revenue.

Functional Materials (electronic materials and others): Large increase in profit accompanying large increase in revenue.

Others: Decrease in profit primarily due to an increase in strategic investments.

4) Other

In the Other segment, sales totaled ¥17.1 billion, up 41.2% year-on-year, or ¥5.0 billion. Segment business profit recorded a loss of ¥0.4 billion.

2. Outlook for the Fiscal Year Ending March 31, 2024

	(Billions of yen)		
	Sales	Business profit	Profit attributable to owners of the parent company
FY ending March 31, 2024	1,465.0	150.0	95.0

For the fiscal year ending March 31, 2024, the Company expects consolidated sales of ¥1,465.0 billion and business profit of ¥150.0 billion. The forecast for profit attributable to owners of the parent company is ¥95.0 billion. The forecast has been prepared using an exchange rate of US\$1: ¥135.

The Company has prepared the business results forecasts based on the following main assumptions.

- The current inflationary conditions and trends in exchange rates and interest rates will continue.
- The cost of raw materials for fermentation ingredients and other food products and the cost of fuel will generally continue to remain high.

In this challenging business environment, the Company will respond promptly to prices, provide products with even higher value added, and steadily reduce costs through resource-saving fermentation and innovation in the raw material mix to achieve the Medium-Term ASV Initiatives 2030 Roadmap.

(Reference) Forecast by Segments

	(Billions of yen)	
	Fiscal year ending March 31, 2024	
	Sales	Business Profit
Seasonings and Foods	823.8	92.9
Frozen Foods	292.3	3.7
Healthcare and Others	330.1	54.1
Other	18.6	(0.8)
Total	1,465.0	150.0

Note: Starting from the fiscal year ending March 31, 2024, the method for allocating shared expenses such as R&D expenses will be changed in order to better evaluate the business performance of each reportable segment and the above figures reflect this change.

II. Overview of financial condition in the fiscal year ended March 31, 2023

1. Review of factors affecting the financial condition during the fiscal year ended March 31, 2023

Consolidated financial position as of March 31, 2023

As of March 31, 2023, the Ajinomoto Group's consolidated total assets stood at ¥1,511.7 billion, an increase of ¥54.6 billion from ¥1,457.0 billion at the end of the previous fiscal year on March 31, 2022, largely owing to higher inventories due to the increase in raw material prices and an increase in assets due to the effect of currency translation associated with the depreciation of the yen.

Total liabilities came to ¥688.7 billion, ¥28.5 billion less than the ¥717.3 billion at the end of the previous fiscal year, largely owing to a decrease in interest-bearing debt. Interest-bearing debt totaled ¥336.4 billion, a decrease of ¥27.4 billion from the end of the previous fiscal year, mainly reflecting the redemption of bonds and the repayment of borrowings.

Total equity as of March 31, 2023 increased ¥83.2 billion compared to the end of the previous fiscal year, mainly reflecting an increase in exchange differences on translation of foreign operations due to the depreciation in the value of the yen. Equity attributable to owners of the parent company, which is total equity minus non-controlling interests, totaled ¥768.6 billion, and the equity ratio attributable to owners of the parent company was 50.8%.

Summary of consolidated cash flows

	(Billions of yen)		
	FY ended March 31, 2023	FY ended March 31, 2022	Change
Net cash provided by (used in) operating activities	117.6	145.5	(27.9)
Net cash provided by (used in) investing activities	(30.0)	(61.5)	31.4
Net cash provided by (used in) financing activities	(111.0)	(123.0)	11.9
Effect of currency rate changes on cash and cash equivalents	4.8	8.8	(4.0)
Increase (decrease) in cash and cash equivalents	(18.6)	(30.1)	11.4
Cash and cash equivalents at end of the year	132.7	151.4	(18.6)

Net cash provided by operating activities during the fiscal year totaled ¥117.6 billion, down from ¥145.5 billion in the previous fiscal year. The main factors included ¥140.0 billion in profit before income taxes, ¥71.8 billion in depreciation and amortization, ¥41.6 billion increase in inventories, and ¥39.1 billion in income taxes paid.

Net cash used in investing activities came to ¥30.0 billion, down from ¥61.5 billion used in the previous fiscal year. The main factors during the year included ¥68.3 billion in purchase of property, plant and equipment and ¥40.2 billion in proceeds from sale of property, plant and equipment.

Net cash used in financing activities came to ¥111.0 billion, compared with ¥123.0 billion used in the previous year. Dividends paid of ¥31.6 billion, purchase of treasury stock of ¥30.0 billion and redemption of bonds of ¥20.0 billion were among the main outflows.

As a result of the foregoing, cash and cash equivalents as of March 31, 2023 totaled ¥132.7 billion.

2. Trends in cash flow–related indices

	FY ended March 31, 2023	FY ended March 31, 2022	FY ended March 31, 2021
Equity ratio attributable to owners of the parent company (%)	50.8	47.1	43.3
Equity ratio based on market price (%)	161.3	127.9	86.8
Ratio of interest-bearing debt to cash flow (%)	286.0	250.0	245.6
Interest coverage ratio (times)	31.4	45.0	49.2

Equity ratio attributable to owners of the parent company = (total equity – non-controlling interests) / total assets

Equity ratio based on market price = market capitalization / total assets

Ratio of interest-bearing debt to cash flow = interest-bearing debt / net cash provided by operating activities

Interest coverage ratio = net cash provided by operating activities / interest paid

Notes

- (1) All indices are based on consolidated financial results.
- (2) Market capitalization = market price on last trading day of March each year x total shares outstanding at end of period (excluding treasury stock)
- (3) The scope of interest-bearing debt is all debt recorded on the consolidated statements of financial position on which the Company pays interest.

III. Basic policy regarding allocation of profits and dividends for the fiscal year ended March 31, 2023 and the fiscal year ending March 31, 2024

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

Under the Medium-Term Management Plan for 2020-2025, the Company has been enhancing shareholder returns in a stable and continual manner to make the total return ratio 50% or more with a target dividend payout ratio of 40%. For the fiscal year under review (ended March 31, 2023), the Company plans to pay a dividend of ¥68 per share (including the interim dividend of ¥31 per share), an increase of ¥16 from the previous fiscal year.

Moreover, in the Medium-Term ASV Initiatives 2030 Roadmap which was announced in February 2023, the Company declared a progressive dividend policy indicating dividends will not be reduced but will be increased or maintained. In addition, a concept of dividends based on normalized EPS* has been introduced, which is based on business profit less affected by extraordinary profit fluctuations such as from impairment losses. The Company will work to further improve dividends by steadily increasing business profit.

Based on this new policy and concept, for the next fiscal year (ending March 31, 2024), an annual dividend of ¥74 per share is planned (with an interim dividend payment of ¥37), an increase of ¥6 in the annual dividend from the fiscal year ended March 31, 2023.

*Dividends based on normalized EPS = (Business profit x (1 – FY2023 Ajinomoto Group standard tax rate at 27%)) / Total number of shares outstanding x Return coefficient at 35%

2. Basic Rationale for the Selection of Accounting Standards

To improve international comparability of financial information in and outside the Group and enhance communication with shareholders, investors, and other stakeholders, the Ajinomoto Group has adopted the International Financial Reporting Standards (IFRS) and, beginning with the financial statements for the annual securities report for the fiscal year ended March 31, 2017, has been preparing consolidated financial statements in accordance with the IFRS, as permitted by Article 93 of Japan's "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ordinance of the Ministry of Finance No. 28 of 1976).

3. Consolidated Financial Statements and Notes

(1) Consolidated Statements of Financial Position

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	132,777	151,454
Trade and other receivables	163,714	162,397
Other financial assets	12,312	17,810
Inventories	269,822	219,356
Income taxes receivable	12,674	6,024
Others	24,235	24,375
Subtotal	615,537	581,419
Assets of disposal groups classified as held for sale	—	—
Total current assets	615,537	581,419
Non-current assets		
Property, plant and equipment	536,565	522,312
Intangible assets	65,916	68,309
Goodwill	92,114	99,839
Investments in associates and joint ventures	119,825	115,248
Long-term financial assets	53,749	51,864
Deferred tax assets	8,969	7,017
Others	19,056	11,049
Total non-current assets	896,197	875,641
Total assets	1,511,734	1,457,060

(Millions of yen)

	As of March 31, 2023	As of March 31, 2022
Liabilities		
Current liabilities		
Trade and other payables	197,981	199,908
Short-term borrowings	12,599	8,219
Current portion of bonds	19,988	19,990
Current portion of long-term borrowings	16,733	14,418
Other financial liabilities	11,084	15,802
Short-term employee benefits	42,141	38,567
Provisions	7,723	4,486
Income taxes payable	15,990	10,085
Others	15,402	13,153
Subtotal	339,644	324,631
Liabilities of disposal groups classified as held for sale	—	—
Total current liabilities	339,644	324,631
Non-current liabilities		
Corporate bonds	119,696	139,631
Long-term borrowings	119,548	131,650
Other financial liabilities	54,984	56,740
Long-term employee benefits	26,568	38,788
Provisions	3,499	3,708
Deferred tax liabilities	22,361	20,945
Others	2,461	1,219
Total non-current liabilities	349,120	392,684
Total liabilities	688,765	717,316
Equity		
Common stock	79,863	79,863
Capital surplus	—	—
Treasury stock	(1,342)	(1,371)
Retained earnings	652,307	616,286
Other components of equity	37,848	(7,869)
Other components of equity related to disposal groups classified as held for sale	—	—
Equity attributable to owners of the parent company	768,676	686,909
Non-controlling interests	54,292	52,834
Total equity	822,968	739,744
Total liabilities and equity	1,511,734	1,457,060

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

Consolidated Statements of Income

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022
Sales	1,359,115	1,149,370
Cost of sales	(888,727)	(723,472)
Gross profit	470,387	425,897
Share of profit of associates and joint ventures	4,326	985
Selling expenses	(186,488)	(168,847)
Research and development expenses	(25,867)	(24,842)
General and administrative expenses	(127,017)	(112,277)
Business profit	135,341	120,915
Other operating income	40,983	26,788
Other operating expenses	(27,396)	(23,132)
Operating profit	148,928	124,572
Financial income	6,099	6,868
Financial expenses	(14,994)	(8,968)
Profit before income taxes	140,033	122,472
Income taxes	(39,863)	(42,244)
Profit	100,170	80,228
Attributable to:		
Owners of the parent company	94,065	75,725
Non-controlling interests	6,104	4,503
Earnings per share (yen):		
Basic	¥175.97	¥139.42
Diluted	¥175.96	¥139.42

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022
Profit	100,170	80,228
Other comprehensive income (Net of related tax effects)		
Items that will not be reclassified to profit or loss:		
Net gain on revaluation of financial assets measured at fair value through other comprehensive income	990	3,828
Remeasurements of defined benefit pension plans	4,939	2,202
Share of other comprehensive income (loss) of associates and joint ventures	214	(30)
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges	528	514
Hedge surplus	(97)	49
Exchange differences on translation of foreign operations	44,384	55,748
Share of other comprehensive income (loss) of associates and joint ventures	(2,092)	856
Other comprehensive income (Net of related tax effects)	48,866	63,169
Comprehensive income	149,036	143,398
Comprehensive income attributable to:		
Owners of the parent company	140,672	134,742
Non-controlling interests	8,364	8,656

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Equity attributable to owners of the parent company				Other components of equity			
	Common stock	Capital surplus	Treasury stock	Retained earnings	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit pension plans	Cash flow hedges	Hedge surplus
Balance as of April 1, 2022	79,863	—	(1,371)	616,286	18,663	(14,008)	(1,883)	(240)
Profit				94,065				
Other comprehensive income					984	5,228	528	(98)
Comprehensive income	—	—	—	94,065	984	5,228	528	(98)
Purchase of treasury stock			(30,022)					
Disposal of treasury stock		0	0					
Retirement of treasury stock		(29,894)	29,894					
Dividends				(31,650)				
Changes in transactions with non-controlling interests		7,881						
Changes in ownership interests in subsidiaries that do not result in loss of control		(5,384)						
Transfer from other components of equity to retained earnings				889	(889)			
Transfer of negative balance of other capital surplus		27,258		(27,258)				
Transfer to non-financial assets							0	
Stock-based remuneration transaction		139	155					
Other				(25)				
Total net changes in transactions with owners of the parent company	—	—	28	(58,044)	(889)	—	0	—
Balance as of March 31, 2023	79,863	—	(1,342)	652,307	18,758	(8,779)	(1,354)	(338)

	Equity attributable to owners of the parent company						Non-controlling interests	Total
	Other components of equity			Other components of equity related to disposal groups classified as held for sale	Total			
	Exchange differences on translation of foreign operations	Share of other comprehensive income (loss) of associates and joint ventures	Total					
Balance as of April 1, 2022	(10,843)	441	(7,869)	—	686,909	52,834	739,744	
Profit			—		94,065	6,104	100,170	
Other comprehensive income	41,842	(1,878)	46,606		46,606	2,259	48,866	
Comprehensive income	41,842	(1,878)	46,606	—	140,672	8,364	149,036	
Purchase of treasury stock			—		(30,022)		(30,022)	
Disposal of treasury stock			—		0		0	
Retirement of treasury stock			—		—		—	
Dividends			—		(31,650)	(4,267)	(35,918)	
Changes in transactions with non-controlling interests			—		7,881		7,881	
Changes in ownership interests in subsidiaries that do not result in loss of control			—		(5,384)	(2,634)	(8,019)	
Transfer from other components of equity to retained earnings			(889)		—		—	
Transfer of negative balance of other capital surplus			—		—		—	
Transfer to non-financial assets			0		0		0	
Stock-based remuneration transaction			—		294		294	
Other			—		(25)	(3)	(29)	
Total net changes in transactions with owners of the parent company	—	—	(889)	—	(58,905)	(6,906)	(65,811)	
Balance as of March 31, 2023	30,999	(1,436)	37,848	—	768,676	54,292	822,968	

Fiscal year ended March 31, 2022

(Millions of yen)

	Equity attributable to owners of the parent company				Other components of equity			
	Common stock	Capital surplus	Treasury stock	Retained earnings	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit pension plans	Cash flow hedges	Hedge surplus
Balance as of April 1, 2021	79,863	—	(1,464)	608,031	15,465	(16,367)	(2,314)	(286)
Profit				75,725				
Other comprehensive income					3,826	2,359	514	46
Comprehensive income	—	—	—	75,725	3,826	2,359	514	46
Purchase of treasury stock			(40,041)					
Disposal of treasury stock		0	0					
Retirement of treasury stock		(39,874)	39,874					
Dividends				(27,316)				
Changes in transactions with non-controlling interests		(1,026)						
Changes in ownership interests in subsidiaries that do not result in loss of control								
Transfer from other components of equity to retained earnings				629	(629)			
Transfer of negative balance of other capital surplus		40,710		(40,710)				
Transfer to non-financial assets							(83)	
Stock-based remuneration transaction		(76)	259					
Other		267		(71)				
Total net changes in transactions with owners of the parent company	—	—	93	(67,470)	(629)	—	(83)	—
Balance as of March 31, 2022	79,863	—	(1,371)	616,286	18,663	(14,008)	(1,883)	(240)

	Equity attributable to owners of the parent company						Non-controlling interests	Total
	Other components of equity			Other components of equity related to disposal groups classified as held for sale	Total			
	Exchange differences on translation of foreign operations	Share of other comprehensive income (loss) of associates and joint ventures	Total					
Balance as of April 1, 2021	(61,567)	(384)	(65,454)	(718)	620,257	47,589	667,846	
Profit			—		75,725	4,503	80,228	
Other comprehensive income	50,723	826	58,297	718	59,016	4,152	63,169	
Comprehensive income	50,723	826	58,297	718	134,742	8,656	143,398	
Purchase of treasury stock			—		(40,041)		(40,041)	
Disposal of treasury stock			—		0		0	
Retirement of treasury stock			—		—		—	
Dividends			—		(27,316)	(3,367)	(30,684)	
Changes in transactions with non-controlling interests			—		(1,026)		(1,026)	
Changes in ownership interests in subsidiaries that do not result in loss of control			—		—		—	
Transfer from other components of equity to retained earnings			(629)		—		—	
Transfer of negative balance of other capital surplus			—		—		—	
Transfer to non-financial assets			(83)		(83)		(83)	
Stock-based remuneration transaction			—		183		183	
Other			—		195	(43)	152	
Total net changes in transactions with owners of the parent company	—	—	(712)	—	(68,089)	(3,410)	(71,500)	
Balance as of March 31, 2022	(10,843)	441	(7,869)	—	686,909	52,834	739,744	

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	140,033	122,472
Depreciation and amortization	71,820	66,234
Impairment loss and gain on reversal of impairment loss	15,075	9,356
Increase (decrease) in employee benefits	(14,675)	(3,510)
Increase (decrease) in provisions	2,846	(929)
Interest income	(3,373)	(1,334)
Dividend income	(987)	(944)
Interest expense	3,970	3,314
Share of profit of associates and joint ventures	(4,326)	(985)
Loss on disposal of non-current assets	4,388	4,825
Gain on sale of non-current assets	(33,376)	(15,505)
Loss on sale of non-current assets	217	143
Decrease (increase) in trade and other receivables	3,327	6,057
Increase (decrease) in trade and other payables	(4,065)	10,972
Decrease (increase) in inventories	(41,613)	(17,914)
Increase (decrease) in consumption taxes payable	2,252	(2,065)
Increase (decrease) in other assets and liabilities	6,681	(10,132)
Others	5,780	6,949
Subtotal	153,975	177,004
Interest received	3,334	1,425
Dividends received	3,225	2,061
Interest paid	(3,749)	(3,233)
Income taxes paid	(39,145)	(31,681)
Net cash provided by operating activities	117,640	145,576

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Purchase of property, plant and equipment	(68,383)	(73,842)
Proceeds from sale of property, plant and equipment	40,255	17,763
Purchase of intangible assets	(4,663)	(6,877)
Purchase of financial assets	(2,155)	(1,342)
Proceeds from sale of financial assets	3,682	3,555
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	1,142
Others	1,176	(1,966)
Net cash used in investing activities	(30,087)	(61,567)
Cash flows from financing activities		
Net change in short-term borrowings	4,066	(3,949)
Net change in commercial papers	—	(30,000)
Proceeds from long-term borrowings	2,362	538
Repayments of long-term borrowings	(14,299)	(18,328)
Proceeds from issuance of bonds	—	9,953
Redemption of bonds	(20,000)	—
Dividends paid	(31,630)	(27,273)
Dividends paid to non-controlling interests	(4,100)	(3,779)
Purchase of treasury stock	(30,022)	(40,041)
Net change in money held in trust to purchase treasury stock	—	(66)
Purchase of shares in subsidiaries not resulting in change of scope of consolidation	(8,170)	(151)
Repayments of lease liabilities	(9,412)	(10,168)
Others	145	211
Net cash used in financing activities	(111,061)	(123,055)
Effect of currency rate changes on cash and cash equivalents	4,831	8,891
Net change in cash and cash equivalents	(18,677)	(30,155)
Cash and cash equivalents at beginning of the year	151,454	181,609
Cash and cash equivalents at end of the year	132,777	151,454

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable

Changes in Significant Accounting Policies

(Impact of Applying New Accounting Policies)

Not applicable

Segment Information

(1) Overview of reportable segments

The Group's reportable segments are categorized primarily by product lines. There are three reportable segments: Seasonings and Foods, Frozen Foods, and Healthcare and Others.

Each reportable segment is a component of the Group for which separate financial information is available and evaluated regularly by the Management Committee in determining the allocation of management resources and in assessing performance.

The product categories belonging to each reportable segment are as follows:

Reportable Segments	Details	Main Products
Seasonings and Foods	Sauce and Seasonings	Umami seasoning <i>AJI-NO-MOTO</i> ®, <i>HON-DASHI</i> ®, <i>Cook Do</i> ®, <i>Ajinomoto KK Consommé</i> , <i>Pure Select</i> ® Mayonnaise, <i>Ros Dee</i> ® (flavor seasoning), <i>Masako</i> ® (flavor seasoning), <i>Aji-ngon</i> ® (flavor seasoning), <i>Sazón</i> ® (flavor seasoning), <i>Sajiku</i> ® (menu-specific seasoning), <i>CRISPY FRY</i> ® (menu-specific seasoning), etc.
	Quick Nourishment	<i>Knorr</i> ® Cup Soup, <i>YumYum</i> ® (instant noodles), <i>Birdy</i> ® (coffee beverage), <i>Birdy</i> ® 3in1 (powdered drink), <i>Blendy</i> ® brand products (<i>CAFÉ LATORY</i> ®, stick coffee, etc.), <i>MAXIM</i> ® brand products, <i>Chotto Zeitakuna Kohiten</i> ® brand products, various gift sets, office supplies (coffee vending machines, tea servers), etc.
	Solution and Ingredients	Umami seasoning <i>AJI-NO-MOTO</i> ® for foodservice and processed food manufacturers in Japan, Seasonings and processed foods for foodservice, Seasonings for processed foods (savory seasonings, enzyme <i>ACTIVA</i> ®), Drinks supplied to restaurants, Ingredients for industrial use, Delicatessen products, Bakery products, Nucleotides, Sweeteners (aspartame for industrial use, <i>PAL SWEET</i> ® for retail use, etc.), and others
Frozen Foods	Frozen Foods	Chinese dumplings (<i>Gyoza</i> , <i>Shoga Gyoza</i> , <i>POT STICKERS</i> , etc.), Cooked rice (<i>THE CHA-HAN</i> , <i>CHICKEN FRIED RICE</i> , <i>YAKITORI CHICKEN FRIED RICE</i> , etc.), Noodles (<i>YAKISOBA</i> , <i>RAMEN</i> , etc.), Desserts (cakes for restaurant and industrial-use, <i>MACARON</i> , etc.), Shumai (<i>THE SHUMAI</i> , etc.), Processed chicken (<i>Yawaraka Wakadori Kara-Age</i> (fried chicken), <i>THE KARAAGE</i> , etc.), and others
Healthcare and Others	Amino Acids for Pharmaceuticals and Foods	Amino acids, culture media
	Bio-Pharma Services (CDMO services)	Contract development and manufacturing services of pharmaceutical intermediates and active ingredients, aseptic fill finish services, etc.
	Functional Materials (electronic materials and others)	Electronic materials (<i>Ajinomoto Build-up Film</i> ® (ABF) interlayer insulating material for semiconductor packages, etc.), Functional materials (adhesive <i>PLENSET</i> ®, magnetic materials <i>AFTINNOVA</i> ® Magnetic Film, etc.), activated carbon, release paper, etc.

	Others	<p>Feed-use amino acids, Direct marketing (Fundamental Foods (<i>Glyna</i>®, <i>Amino Aile</i>®), etc.), Sports nutrition (Supplement (<i>amino VITAL</i>®), etc.), Personal care ingredients (amino acid-based mild surfactants <i>Amisoft</i>®, <i>Amilite</i>®, amino acid-based alternatives to plastic microbeads, the <i>Amihope</i>® SB series, etc.), Medical foods, Crop services, etc.</p>
--	--------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

(2) Sales and profits by segment

The Group's sales and profits by reportable segment are as follows.

Inter-segment sales and transfers are primarily based on transaction prices with third parties.

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment			Other ¹	Total	Adjustments ²	As included in consolidated statements of income
	Seasonings and Foods	Frozen Foods	Healthcare and Others				
Sales							
Sales to third parties	775,021	267,237	299,670	17,185	1,359,115	—	1,359,115
Inter-segment sales and transfers	7,590	131	3,703	27,095	38,520	(38,520)	—
Total sales	782,612	267,369	303,373	44,280	1,397,635	(38,520)	1,359,115
Share of profit of associates and joint ventures	2,382	—	(76)	2,020	4,326	—	4,326
Segment profit or loss (Business profit or loss)	82,999	277	52,504	(440)	135,341	—	135,341
Other operating income							40,983
Other operating expense							(27,396)
Operating profit							148,928
Financial income							6,099
Financial expense							(14,994)
Profit before income taxes							140,033

1. Other includes the tie-up and other service-related businesses.

2. Corporate expenses are not attributable to specific reportable segments and are allocated to each reportable segment based on reasonable criteria. Corporate expenses mainly relate to the parent company's administrative divisions.

Fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segment			Other ¹	Total	Adjustments ²	As included in consolidated statements of income
	Seasonings and Foods	Frozen Foods	Healthcare and Others				
Sales							
Sales to third parties	664,237	221,702	251,259	12,171	1,149,370	—	1,149,370
Inter-segment sales and transfers	6,040	63	5,195	27,842	39,141	(39,141)	—
Total sales	670,277	221,765	256,455	40,013	1,188,511	(39,141)	1,149,370
Share of profit of associates and joint ventures	1,459	—	(48)	(425)	985	—	985
Segment profit or loss (Business profit or loss)	81,269	(678)	43,362	(3,038)	120,915	—	120,915
Other operating income							26,788
Other operating expense							(23,132)
Operating profit							124,572
Financial income							6,868
Financial expense							(8,968)
Profit before income taxes							122,472

1. Other includes the tie-up and other service-related businesses.

2. Corporate expenses are not attributable to specific reportable segments and are allocated to each reportable segment based on reasonable criteria. Corporate expenses mainly relate to the parent company's administrative divisions.

Information for Earnings per Share

Information related to the calculation of earnings per share attributable to owners of the parent company is as follows:

1) Profit attributable to owners of the parent company

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022
Amount used for calculating the basic earnings per share	94,065	75,725
Amount used for calculating the diluted earnings per share	94,065	75,725

2) Weighted average number of ordinary shares

	(Thousands of shares)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022
Weighted average number of ordinary shares	534,540	543,131
Effect of dilutive potential ordinary shares	38	5
Weighted average number of dilutive potential ordinary shares	534,579	543,137

3) Basic earnings per share attributable to owners of the parent company

	Yen	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022
Basic earnings per share	175.97	139.42
Diluted earnings per share	175.96	139.42

Upon calculation of the basic earnings per share, the Company's shares held by Director's remuneration BIP Trust are included in the treasury stock which is deducted from the number of shares outstanding at end of period when the average number of shares during the period are calculated.

Significant Subsequent Events

Share Repurchase

The Company made a resolution at a meeting of its Board of Directors held on May 11, 2023 on matters pertaining to a share repurchase based on the provisions of Article 156 of the Companies Act as applied pursuant to the provisions of Article 165-3 of the same law, as well as on its treasury stock policy as outlined below.

1. Reason for Conducting the Share Repurchase

The purpose is to increase the level of shareholder return and improve capital efficiency.

2. Details of the Repurchase

(1) Class of shares to be repurchased	Common stock
(2) Total number of shares to be repurchased	12.5million (maximum) (2.36% of total shares outstanding, excluding treasury stock)
(3) Total amount to be paid for repurchase	JPY 50 billion (maximum)
(4) Period of share repurchase	May 12, 2023 to July 31, 2023
(5) Method of repurchase	(a) Purchase through Off-Auction Own Share Repurchase Trading (ToSTNeT-3) (b) Purchase in the market through the Tokyo Stock Exchange
(6) Other	The Company plans to cancel all except a small portion of shares repurchased under this program by resolution of the Board of Directors, pursuant to the provisions of Article 178 of the Companies Act.

3. Clarification of the policy of holding treasury stock

The Company intends to accelerate investment in four growth areas and shift to growth. However, in order to diversify investment sources, the Company is considering the use of treasury stock in addition to cash expenditures. In addition, in order to achieve sustainable growth in corporate value, it is important that not only members of the board but also employees actively hold their own shares. The Company will also consider future restricted stock compensation and stock options.

Accordingly, for the reasons stated above, the Company's policy is to hold the repurchased treasury stock up to approximately 1% of the total number of shares outstanding. For the share repurchase this time, the Company resolved not to cancel approximately 0.25% of the total number of shares to be repurchased, but to hold them as treasury stock.

The Company will maximize corporate value by ensuring capital flexibility and selecting the most appropriate options.