

# Ajinomoto Co., Inc.

## Consolidated Results

IFRS

First Half Ended September 30, 2021

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 in light of 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)

First half results for the fiscal year ending March 31, 2022

### Ajinomoto Co., Inc.

**November 4, 2021**

Stock Code: 2802	Stock exchange listing: Tokyo Stock Exchange
URL: <a href="https://www.ajinomoto.co.jp/company/">https://www.ajinomoto.co.jp/company/</a>	
Representative: Takaaki Nishii	
	Representative Executive Officer & President
For inquiries: Eiichi Mizutani	Telephone: +81-3-5250-8111
	Corporate Executive & General Manager
	Global Finance Department
Scheduled date of submission of statutory quarterly financial report: November 9, 2021	
Scheduled date of starting payment of dividend: December 3, 2021	
Preparation of supplementary materials: Yes	
Results briefing: Yes (for analysts)	

## 1. Consolidated Financial Results for the First Half Ended September 30, 2021

### (1) Consolidated Operating Results

(Millions of yen)

	First half ended September 30, 2021		First half ended September 30, 2020	
		Change %		Change %
Sales .....	550,230	7.6	511,382	(3.9)
Business profit .....	69,309	11.9	61,940	30.0
Profit before income taxes .....	79,693	32.9	59,954	185.6
Profit .....	57,713	40.4	41,106	234.4
Profit attributable to owners of the parent company .....	54,152	47.7	36,661	420.1
Basic earnings per share (yen) .....	¥98.93	—	¥66.87	—
Diluted earnings per share (yen) .....	¥98.92	—	¥66.84	—

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

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

(Millions of yen)

	As of September 30, 2021	As of March 31, 2021
Total assets .....	1,371,363	1,431,289
Total equity .....	683,037	667,846
Equity attributable to owners of the parent company .....	635,651	620,257
Ownership ratio attributable to owners of the parent company (%) .....	46.4%	43.3%

## 2. Dividends

	Fiscal year ended March 31, 2021	Fiscal year ending March 31, 2022	Fiscal year ending March 31, 2022 (forecast)
Dividend per share			
Interim (yen) .....	¥16.00	¥24.00	
Year-end (yen) .....	¥26.00		¥24.00
Annual (yen) .....	¥42.00		¥48.00

Notes: Revisions from the last forecast released: Yes

Please refer to Notice of Revisions to Full-Year Consolidated Performance and Dividend Forecasts for the Fiscal Year Ending March 31, 2022 and Dividend of Surplus released today (November 4, 2021) for more details about the revision of the dividend forecast.

### 3. Forecast for the Fiscal Year Ending March 31, 2022

(Millions of yen)

	Fiscal year ending March 31, 2022	
		Change %
Sales.....	1,148,000	7.1
Business profit .....	120,000	6.1
Profit attributable to owners of the parent company.....	68,000	14.4
Basic earnings per share (yen).....	¥125.04	—

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

Notes: Revisions from the last forecast released: Yes

Please refer to Notice of Revisions to Full-Year Consolidated Performance and Dividend Forecasts for the Fiscal Year Ending March 31, 2022 and Dividend of Surplus released today (November 4, 2021) for more details about the revision of the consolidated results forecast.

**Notes:**

**(1) Changes in significant subsidiaries during the period** (Changes in specified subsidiaries resulting in a change in consolidation scope): Yes

Added: None

Excluded: one company: Ajinomoto Animal Nutrition Europe S.A.S.

**(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)**

	<i>Shares</i>	
	As of September 30, 2021	As of March 31, 2021
Number of shares outstanding at end of period (including treasury shares):	549,163,354	549,163,354
Number of treasury shares at end of period	5,178,054	663,058
	April 1, 2021 to September 30, 2021	April 1, 2020 to September 30, 2020
Average number of shares during period	547,410,467	548,211,212

(Note) The number of treasury shares at the end of the period includes the Company's shares held by the director's remuneration BIP trust (As of September 30, 2021: 442,900 shares. As of March 31, 2021: 559,200 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 shares which are deducted from the number of shares outstanding at the end of the period when calculating the average number of shares during the period.

The summary of quarterly financial statements is not subject to quarterly review 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 6, "1. Qualitative Information on the First Half Consolidated Results, (1) Overview of Operating Results."

Where to obtain supplementary materials

Supplementary materials will be posted on the Company's website on Thursday, November 4, 2021.

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## **1. Qualitative Information on the First Half Consolidated Results**

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 continuous 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) Overview of Operating Results**

In the first half ended September 30, 2021, the Company's consolidated sales increased 7.6% year-on-year, or ¥38.8 billion, to ¥550.2 billion. This was mainly the result of strong sales in the Seasonings and Foods segment and the Frozen Foods segment overseas, of home-use products, and a partial recovery in sales of restaurant and industrial use products, which were affected by the COVID-19 pandemic in the previous fiscal year. There was also a large increase in revenue in the Healthcare and Others segment, mainly due to strong sales of electronic materials and Bio-pharma services. Business profit increased 11.9% year-on-year, or ¥7.3 billion, to ¥69.3 billion because of the large increase in profit due to significant sales growth in the Healthcare and Others segment, despite the impact from higher raw material and fuel prices and the strategic use of marketing expenses in the Seasonings and Foods segment and the Frozen Foods segment. Profit attributable to owners of the parent company totaled ¥54.1 billion, up 47.7% year-on-year, or ¥17.4 billion, mainly due to recording of gain on sale of fixed assets (idle assets) in other operating income.

Furthermore, the Company has revised the financial results forecast announced on May 10, 2021 based on recent progress in business performance in the first half of this fiscal year.

As a result of reviewing the impact of COVID-19, economic conditions, and other factors under the current business environment, the Company has increased the forecast for sales by ¥35.0 billion from the previous forecast to ¥1,148.0 billion. The rate of progress of sales against the revised forecast is 47.9%. The forecast for business profit has been increased by ¥5.0 billion from the previous forecast to ¥120.0 billion. This is because although business profit in the Seasonings and Foods segment is expected to be lower than the previous forecast due to the impact of higher raw material and fuel prices, business profit in the Healthcare and Others segment is expected to be significantly higher than the previous forecast due to sales growth of electronic materials and amino acids for pharmaceuticals and food. The rate of progress of business profit against the revised forecast is 57.8%. The Company has also increased the forecast for profit attributable to owners of the parent company by ¥8.0 billion from the previous forecast to ¥68.0 billion. This is mainly due to business profit being above the previous forecast and also the recording of gain on sale of fixed assets (idle assets) in other operating income during the second quarter. The rate of progress of profit attributable to owners of the parent company against the revised forecast is 79.6%.

Please refer to Notice of Revisions to Full-Year Consolidated Performance and Dividend Forecasts for the Fiscal Year Ending March 31, 2022 and Dividend of Surplus released today (November 4, 2021) for more details about the revision of the consolidated results forecast.

### Overview by segment

Sales and business profit by segment are summarized below.

Versus previous year results (Billions of yen)

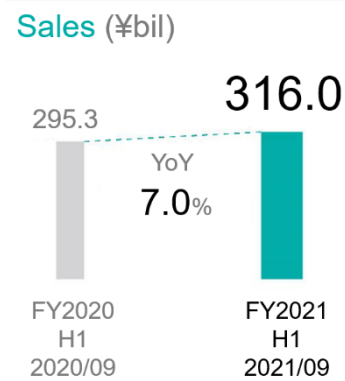
	Sales			Business profit		
	FY2021 First half	YoY change - amount	YoY change	FY2021 First half	YoY change - amount	YoY change
Seasonings and Foods	316.0	20.6	7.0 %	45.0	(2.0)	(4.3)%
Frozen Foods	106.3	7.5	7.6 %	1.0	(1.6)	(60.5)%
Healthcare and Others	121.9	11.3	10.2 %	22.8	10.9	91.2%
Other	5.9	(0.6)	(9.3)%	0.3	0.0	37.6%
Total	550.2	38.8	7.6 %	69.3	7.3	11.9%

Versus the forecast (Billions of yen)

	Sales			Business profit		
	FY2021 First half	Forecast for the year	Achieved - percent	FY2021 First half	Forecast for the year	Achieved - percent
Seasonings and Foods	316.0	665.1	47.5%	45.0	80.7	55.8%
Frozen Foods	106.3	217.0	49.0%	1.0	2.3	44.8%
Healthcare and Others	121.9	247.7	49.2%	22.8	39.6	57.7%
Other	5.9	18.1	32.6%	0.3	(2.6)	—
Total	550.2	1,148.0	47.9%	69.3	120.0	57.8%

## 1) Seasonings and Foods

In the Seasonings and Foods segment, sales increased 7.0% year-on-year, or ¥20.6 billion, to ¥316.0 billion, largely because of strong sales of home-use products and the partial recovery in sales of restaurant and commercial use products, which were affected by the COVID-19 pandemic in the previous fiscal year, both overseas. Segment business profit decreased 4.3% year-on-year, or ¥2.0 billion, to ¥45.0 billion, owing to the impact from higher raw material and fuel prices and the strategic use of marketing expenses, despite the effect of increased overseas revenue.



### Main factors affecting segment sales

**Sauce & Seasonings:** Overall, increase in revenue due to strong sales of home-use products and recovery of foodservice-use products in some channels, both overseas, despite the fall back in revenue from the previous year in Japan.

In Japan, decrease in revenue primarily due to the fall back in at-home demand after the rapid rise in the previous year, despite effective sales promotion activities.

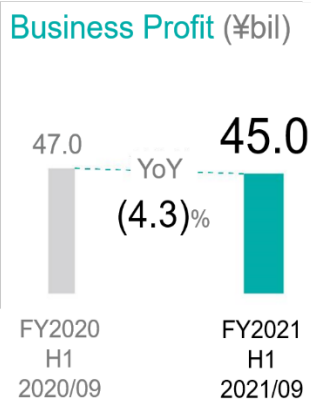
Overseas, increase in revenue due to increased sales of home-use products accompanying growing at-home demand and the recovery of sales of foodservice-use products in some channels.

**Quick Nourishment:** Increase in revenue primarily due to increased sales of soup products in Japan as well as instant noodles overseas.

In Japan, revenue increased primarily due to increased sales of soup products against the backdrop of continued growing demand.

Overseas, revenue increased primarily due to increased sales of instant noodles.

**Solution & Ingredients:** Increase in revenue primarily due to increased sales of umami seasonings for processed food manufacturers.



### Main factors affecting segment profits

**Sauce & Seasonings:** Decrease in profit due to the impacts of rising raw material prices, the strategic use of marketing expenses, etc., despite increased revenue.

In Japan, large decrease in profit primarily due to the impacts of rising raw material prices and the strategic use of marketing expenses.

Overseas, increase in profit due to the effects of increased revenue and of currency translation, despite the impacts of rising raw material prices, the strategic use of marketing expenses, etc.

**Quick Nourishment:** Increase in profit overall primarily due to the effect of increased revenue overseas, despite the launch of a new factory, the effect of rising raw material prices, etc. in Japan.

In Japan, decrease in profit due to the launch of a new factory, the effect of rising raw material prices, etc.

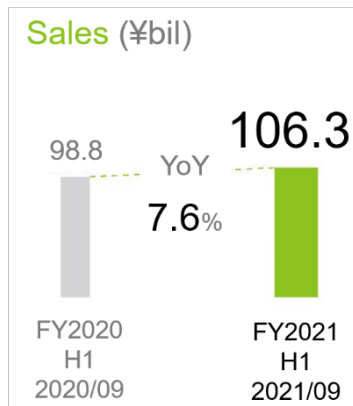
Overseas, large increase in profit primarily due to the impact of increased revenue.

**Solution & Ingredients:** Decrease in profit due to the impact of rising raw material and fuel costs for umami seasonings for processed food manufacturers, despite increased revenue.



## 2) Frozen Foods

Frozen Foods segment sales increased 7.6% year-on-year, or ¥7.5 billion, to ¥106.3 billion, largely owing to the increase in sales of industrial-use products overseas. Segment business profit decreased 60.5% year-on-year, or ¥1.6 billion, to ¥1.0 billion, due to the strategic use of marketing expenses in Japan and higher costs as well as other factors in North America.



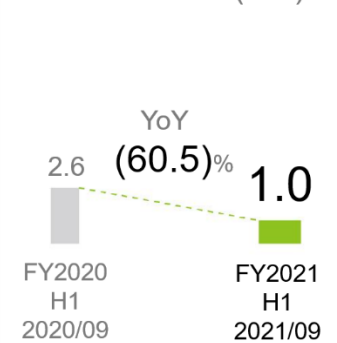
### Main factors affecting segment sales

Increase in revenue overall due to significantly increased revenue in North America and Europe because of increased sales, despite decreased revenue in Japan primarily due to the impact of structural reform.

In Japan, revenue decreased primarily due to the impact of ceasing sales accompanying structural reform, despite increased sales of high-value-added products.

Overseas, revenue increased significantly due to the recovery of restaurant-use products and continued steady demand for home-use products in North America as well as increased sales centered on mainstay products in Europe.

### **Business Profit (¥bil)**



### Main factors affecting segment profits

Large decrease in profit primarily due to strategic use of marketing expenses in Japan and increased costs in North America, despite increased revenue.

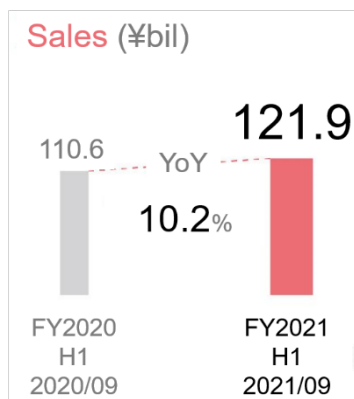
In Japan, large decrease in profit primarily due to strategic use of marketing expenses.

Overseas, large decrease in profit primarily due to rising raw material prices, logistics costs, and labor costs in North America, despite significantly increased revenue.

### 3) Healthcare and Others

Healthcare and Others segment sales increased 10.2% year-on-year, or ¥11.3 billion, to ¥121.9 billion, owing to a significant increase in sales in Bio-Pharma Services & Ingredients and Functional Materials, despite a decline in revenue for animal nutrition products due to the impact of structural reform. Segment business profit increased 91.2% year-on-year, or ¥10.9 billion, to ¥22.8 billion due to the effect of revenue growth.

In the quarter ended June 30, 2021, the Company changed the names and product classifications of some of its product categories. For more details, see “2. Condensed Consolidated Financial Statements and Notes, (3) Notes to Condensed Consolidated Financial Statements, Segment Information.” In addition, in the quarter ended June 30, 2021, the amino acids for pharmaceuticals and foods and Bio-Pharma Services businesses were combined and reclassified as the Bio-Pharma Services & Ingredients business.

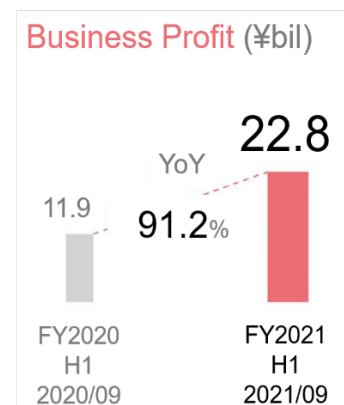


#### Main factors affecting segment sales

**Bio-Pharma Services & Ingredients:** Large increase in revenue due to increased sales of amino acids for pharmaceuticals and foods and Bio-Pharma Services.

**Functional Materials:** Large increase in revenue primarily due to strong sales of electronic materials.

**Others:** Decrease in revenue primarily due to the impact of structural reform in animal nutrition.



#### Main factors affecting segment profits

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

**Functional Materials:** Large increase in profit accompanying large increase in revenue.

**Others:** Large increase in profit primarily due to decreased expenses because of structural reform of animal nutrition.

### 4) Other

In the Other segment, sales totaled ¥5.9 billion, down 9.3% year-on-year, or ¥0.6 billion. Segment business profit totaled ¥0.3 billion, up 37.6% year-on-year.

## (2) Overview of Financial Position

As of September 30, 2021, the Company's consolidated total assets stood at ¥1,371.3 billion, a decrease of ¥59.9 billion from ¥1,431.2 billion at the end of the previous fiscal year on March 31, 2021. The main reasons for this were a decrease in cash and cash equivalents due to the redemption of commercial papers and share repurchases and the sale of the animal nutrition business in Europe accompanying structural reform of the animal nutrition business.

Total liabilities came to ¥688.3 billion, ¥75.1 billion less than the ¥763.4 billion at the end of the previous fiscal year. This decrease was mainly due to payment of trade and other payables, repayment of interest-bearing debt, and the sale of the animal nutrition business in Europe. Interest-bearing debt totaled ¥378.2 billion, a decrease of ¥28.6 billion from the end of the previous fiscal year, mainly reflecting redemption of commercial papers.

Total equity as of September 30, 2021 was ¥15.1 billion more than at the end of the previous fiscal year, mainly reflecting an increase in retained earnings. Equity attributable to owners of the parent company, which is total equity minus non-controlling interests, totaled ¥635.6 billion, and the equity ratio attributable to owners of the parent company was 46.4%.

## **2. Condensed Consolidated Financial Statements and Notes**

### **(1) Condensed Consolidated Statements of Financial Position**

(Millions of yen)

	As of September 30, 2021	As of March 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	140,177	181,609
Trade and other receivables	153,059	162,104
Other financial assets	15,896	12,078
Inventories	207,610	188,664
Income taxes receivable	4,622	7,459
Others	17,658	18,746
Subtotal	539,024	570,662
Assets of disposal groups classified as held for sale	—	14,506
<b>Total current assets</b>	<b>539,024</b>	<b>585,169</b>
<b>Non-current assets</b>		
Property, plant and equipment	481,600	486,443
Intangible assets	70,679	72,201
Goodwill	96,638	96,024
Investments in associates and joint ventures	113,812	112,246
Long-term financial assets	50,293	53,576
Deferred tax assets	6,523	14,537
Others	12,792	11,090
<b>Total non-current assets</b>	<b>832,339</b>	<b>846,119</b>
<b>Total assets</b>	<b>1,371,363</b>	<b>1,431,289</b>

	As of September 30, 2021	As of March 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	157,891	188,452
Short-term borrowings	9,592	10,820
Commercial papers	15,000	30,000
Current portion of long-term borrowings	17,320	18,085
Other financial liabilities	17,919	11,603
Short-term employee benefits	37,356	38,288
Provisions	1,978	4,343
Income taxes payable	11,872	10,770
Others	12,491	11,371
Subtotal	281,423	323,736
Liabilities of disposal groups classified as held for sale	—	12,603
<b>Total current liabilities</b>	<b>281,423</b>	<b>336,339</b>
<b>Non-current liabilities</b>		
Corporate bonds	149,637	149,608
Long-term borrowings	135,669	141,911
Other financial liabilities	64,259	69,381
Long-term employee benefits	43,913	43,487
Provisions	4,394	4,704
Deferred tax liabilities	8,066	16,240
Others	963	1,770
<b>Total non-current liabilities</b>	<b>406,903</b>	<b>427,103</b>
<b>Total liabilities</b>	<b>688,326</b>	<b>763,443</b>
<b>Equity</b>		
Common stock	79,863	79,863
Capital surplus	(1,175)	—
Treasury stock	(15,696)	(1,464)
Retained earnings	648,432	608,031
Other components of equity	(75,772)	(65,454)
Other components of equity related to disposal groups classified as held for sale	—	(718)
Equity attributable to owners of the parent company	635,651	620,257
Non-controlling interests	47,385	47,589
<b>Total equity</b>	<b>683,037</b>	<b>667,846</b>
<b>Total liabilities and equity</b>	<b>1,371,363</b>	<b>1,431,289</b>

**(2) Condensed Consolidated Statements of Income**
**For the First Half**

(Millions of yen)

	First half ended September 30, 2021	First half ended September 30, 2020
Sales	550,230	511,382
Cost of sales	(338,481)	(315,213)
<b>Gross profit</b>	<b>211,748</b>	<b>196,168</b>
Share of profit of associates and joint ventures	2,511	1,786
Selling expenses	(78,044)	(71,220)
Research and development expenses	(12,314)	(12,337)
General and administrative expenses	(54,591)	(52,456)
<b>Business profit</b>	<b>69,309</b>	<b>61,940</b>
Other operating income	18,615	6,134
Other operating expenses	(6,203)	(6,772)
<b>Operating profit</b>	<b>81,720</b>	<b>61,302</b>
Financial income	1,880	1,585
Financial expenses	(3,907)	(2,933)
<b>Profit before income taxes</b>	<b>79,693</b>	<b>59,954</b>
Income taxes	(21,980)	(18,848)
<b>Profit</b>	<b>57,713</b>	<b>41,106</b>
Attributable to:		
Owners of the parent company	54,152	36,661
Non-controlling interests	3,560	4,445
Earnings per share (yen):		
Basic	¥98.93	¥66.87
Diluted	¥98.92	¥66.84

### **(3) Notes to Condensed Consolidated Financial Statements**

#### **Going Concern Assumption**

Not applicable

#### **Significant Accounting Policies**

The significant accounting policies used to prepare these condensed consolidated financial statements for the first half are unchanged from the policies applied to the consolidated financial statements in the previous fiscal year. Income taxes for this first half are calculated based on an estimation of the effective tax rate for the fiscal year.

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 seasonings <i>AJI-NO-MOTO</i> <sup>®</sup> , <i>HON-DASHI</i> <sup>®</sup> , <i>Cook Do</i> <sup>®</sup> , <i>Ajinomoto KK Consommé</i> , <i>Pure Select</i> <sup>®</sup> <i>Mayonnaise</i> , <i>Ros Dee</i> <sup>®</sup> (flavor seasoning/Thailand), <i>Masako</i> <sup>®</sup> (flavor seasoning/Indonesia), <i>Aji-ngon</i> <sup>®</sup> (flavor seasoning/Vietnam), <i>Sazón</i> <sup>®</sup> (flavor seasoning/Brazil), <i>Sajiku</i> (menu-specific seasoning/Indonesia), <i>CRISPY FRY</i> (menu-specific seasoning/Philippines), etc.
	Quick Nourishment	<i>Knorr</i> <sup>®</sup> <i>Cup Soup</i> , <i>YumYum</i> <sup>®</sup> (instant noodles/Thailand), <i>Birdy</i> <sup>®</sup> (coffee beverage/Thailand), <i>Birdy</i> <sup>®</sup> <i>3in1</i> (powdered drink/Thailand), <i>Blendy</i> <sup>®</sup> brand products ( <i>CAFÉ LATORY</i> <sup>®</sup> , stick coffee, etc.), <i>MAXIM</i> <sup>®</sup> brand products, <i>Chotto Zeitakuna Kohiten</i> <sup>®</sup> brand products, various gift sets, office supplies (coffee vending machines, tea servers), etc.
	Solution and Ingredients	Umami seasoning <i>AJI-NO-MOTO</i> <sup>®</sup> for foodservice and processed food manufacturers in Japan, Seasonings and processed foods for foodservice, Seasonings for processed foods (savory seasonings, enzyme <i>ACTIVA</i> <sup>®</sup> ), Drinks supplied to restaurants, Ingredients for industrial use, Delicatessen products, Bakery products, Nucleotides, Sweeteners (aspartame for food processing, <i>PAL SWEET</i> <sup>®</sup> for home 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	Contract manufacturing services of pharmaceutical intermediates and active ingredients, sterile products (fill and finish), etc.
	Functional Materials	Electronic materials ( <i>Ajinomoto Build-up Film</i> <sup>®</sup> (ABF) interlayer insulating material for semiconductor packages and others), Functional materials (adhesive <i>PLENSET</i> <sup>®</sup> ), Magnetic materials ( <i>AFTINNOVA</i> <sup>®</sup> <i>Magnetic Film</i> and others), activated carbon, release paper, etc.



	Others	Feed-use amino acids (Lysine, Threonine, Tryptophan, Valine, <i>AjiPro</i> <sup>®</sup> -L, etc.), Fundamental Foods ( <i>Glyna</i> <sup>®</sup> , <i>Amino Aile</i> <sup>®</sup> ), Functional foods and drinks ( <i>amino VITAL</i> <sup>®</sup> ), Personal Care ingredients (amino acid-based mild surfactant <i>Amisoft</i> <sup>®</sup> , <i>Amilite</i> <sup>®</sup> , amino acid-based humectant <i>Ajidew</i> <sup>®</sup> , etc.), Medical foods, and others
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From the quarter ended June 30, 2021, medical foods, which was previously included in amino acids for pharmaceuticals and foods in Healthcare and Others, and some of the businesses previously included in Bio-Pharma Services in Healthcare and Others were included in Others in Healthcare and Others.

In addition, the name of the product category previously classified as Specialty Chemicals was changed to Functional Materials.

## (2) Sales and earnings by segment

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

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

First half ended September 30, 2021 (April 1, 2021 to September 30, 2021)

(Millions of yen)

	Reportable segment			Other <sup>1</sup>	Total	Adjustments <sup>2</sup>	As included in consolidated statements of income
	Seasonings and Foods	Frozen Foods	Healthcare and Others				
Sales							
Sales to third parties	316,007	106,338	121,954	5,930	550,230	—	550,230
Inter-segment sales and transfers	2,843	29	2,642	12,258	17,772	(17,772)	—
Total sales	318,850	106,367	124,596	18,188	568,003	(17,772)	550,230
Share of profit of associates and joint ventures	728	—	2	1,780	2,511	—	2,511
Segment profit or loss (Business profit or loss)	45,075	1,050	22,854	329	69,309	—	69,309
	Other operating income						18,615
	Other operating expense						(6,203)
	Operating profit						81,720
	Financial income						1,880
	Financial expense						(3,907)
	Profit before income taxes						79,693

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.

First half ended September 30, 2020 (April 1, 2020 to September 30, 2020)

(Millions of yen)

	Reportable segment			Other <sup>1</sup>	Total	Adjustments <sup>2</sup>	As included in consolidated statements of income
	Seasonings and Foods	Frozen Foods	Healthcare and Others				
Sales							
Sales to third parties	295,386	98,832	110,623	6,539	511,382	—	511,382
Inter-segment sales and transfers	2,971	726	2,711	18,489	24,897	(24,897)	—
Total sales	298,357	99,558	113,335	25,028	536,280	(24,897)	511,382
Share of profit of associates and joint ventures	989	—	67	730	1,786	—	1,786
Segment profit or loss (Business profit or loss)	47,094	2,656	11,950	239	61,940	—	61,940
	Other operating income						6,134
	Other operating expense						(6,772)
	Operating profit						61,302
	Financial income						1,585
	Financial expense						(2,933)
	Profit before income taxes						59,954

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.