

Revision to Consolidated Performance Forecast of Ajinomoto Co., Inc. for Fiscal 2018

TOKYO, January 31, 2019 – Based on recent trends in business performance, Ajinomoto Co., Inc. (“Ajinomoto Co.”) has revised its consolidated performance forecast for fiscal 2018 (April 1, 2018 – March 31, 2019), which was announced on November 7, 2018, as follows;

1. Revision to the Full-Year Consolidated Performance Forecast for Fiscal 2018 (April 1, 2018 – March 31, 2019)

(JPY millions unless otherwise noted)

	Sales	Business Profit	Profit Attributable to Owners of the Parent Company	Basic Earnings per Share (Yen)
Previous Forecast (A)	1,155,200	95,700	55,000	99.26
Revised Forecast (B)	1,146,800	86,200	21,600	39.00
Amount of Change (B-A)	-8,400	-9,500	-33,400	—
Percentage Change (%)	-0.7%	-9.9%	-60.7%	—
[Reference] Results for the Fiscal Year Ended March 31, 2018 (Fiscal 2017)	1,114,784	95,672	60,124	105.76

Notes:

- Upon the adoption of International Financial Reporting Standards (“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” minus “Cost of sales,” “Selling expenses,” “Research and development expenses,” and “General and administrative expenses,” to which is then added “Share of profit of associates and joint ventures.” Business profit does not include “Other operating income” or “Other operating expenses.”
- From fiscal 2018, the logistics business has been reclassified as a discontinued operation. Accordingly, profit from discontinued operations in the consolidated statements of income is presented separately from profit from continuing operations. Sales and business profit are amounts related to continuing operations only. Amounts shown for fiscal 2017 have also been adjusted to reflect this change.

2. Reasons for the Revision

Ajinomoto Co. has revised its figures for sales, business profit and profit attributable to owners of the parent company from the performance forecast announced on November 7, 2018. The revision of business profit is mainly due to recording an impairment loss (Note 4) on trademark rights of Promasidor Holdings Limited, to which the equity method is applied, during the first nine months of 2018 (April 1, 2018 – December 31, 2018) in the International Food Products segment. In addition, sales and business profit for the segment are expected to fall short of the previous forecast due to factors including an increasingly severe competitive environment for seasonings and processed foods (International) in some countries where the Ajinomoto Group conducts business.

In the Japan Food Products segment, sales and business profit are expected to fall short of the previous forecast mainly due to intensifying competition for home-use products in frozen foods (Japan).

Profit attributable to owners of the parent company is expected to fall short of the previous forecast as a result of recording an impairment loss on goodwill of Ajinomoto Foods North America, Inc. and other losses (Note 4) under other operating expenses for the nine months ended December 31, 2018, in addition to lower-than-forecast business profit.

As a result of these factors, Ajinomoto Co. expects both sales and each level of profit to fall short of its previous forecast announced on November 7, 2018.

The assumed average exchange rate for the fiscal year is JPY 111 to USD 1.

Notes:

3. The performance forecast above is based on information available to Ajinomoto Co. as of the date of this news release. Various factors and risks could cause actual results to differ materially from the above forecast.
4. For details of the impairment losses and other matters, see Ajinomoto Co.'s press release "Ajinomoto Co., Inc. Records Impairment Losses at Ajinomoto Foods North America, Inc. and on Its Investment in Promasidor Holdings Limited," dated January 31, 2019.

About Ajinomoto Co.

Ajinomoto Co. is a global manufacturer of high-quality seasonings, processed foods, beverages, amino acids, pharmaceuticals and specialty chemicals. For many decades Ajinomoto Co. has contributed to food culture and human health through wide-ranging application of amino acid technologies. Today, the company is becoming increasingly involved with solutions for improved food resources, human health and global sustainability. Founded in 1909 and now operating in 35 countries and regions, Ajinomoto Co. had net sales of JPY 1,150.2 billion (USD 10.36 billion) in fiscal 2017. For more about Ajinomoto Co. (TYO: 2802), visit www.ajinomoto.com.

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