

Eat Well, Live Well.



Ajinomoto Co., Inc. IR Day

**Enhancing Corporate Value through the Ajinomoto
Group's Intellectual Property Strategy**

Hiroshi Izui

**General Manager, Intellectual Property Department
September 4, 2023**

Today's Message

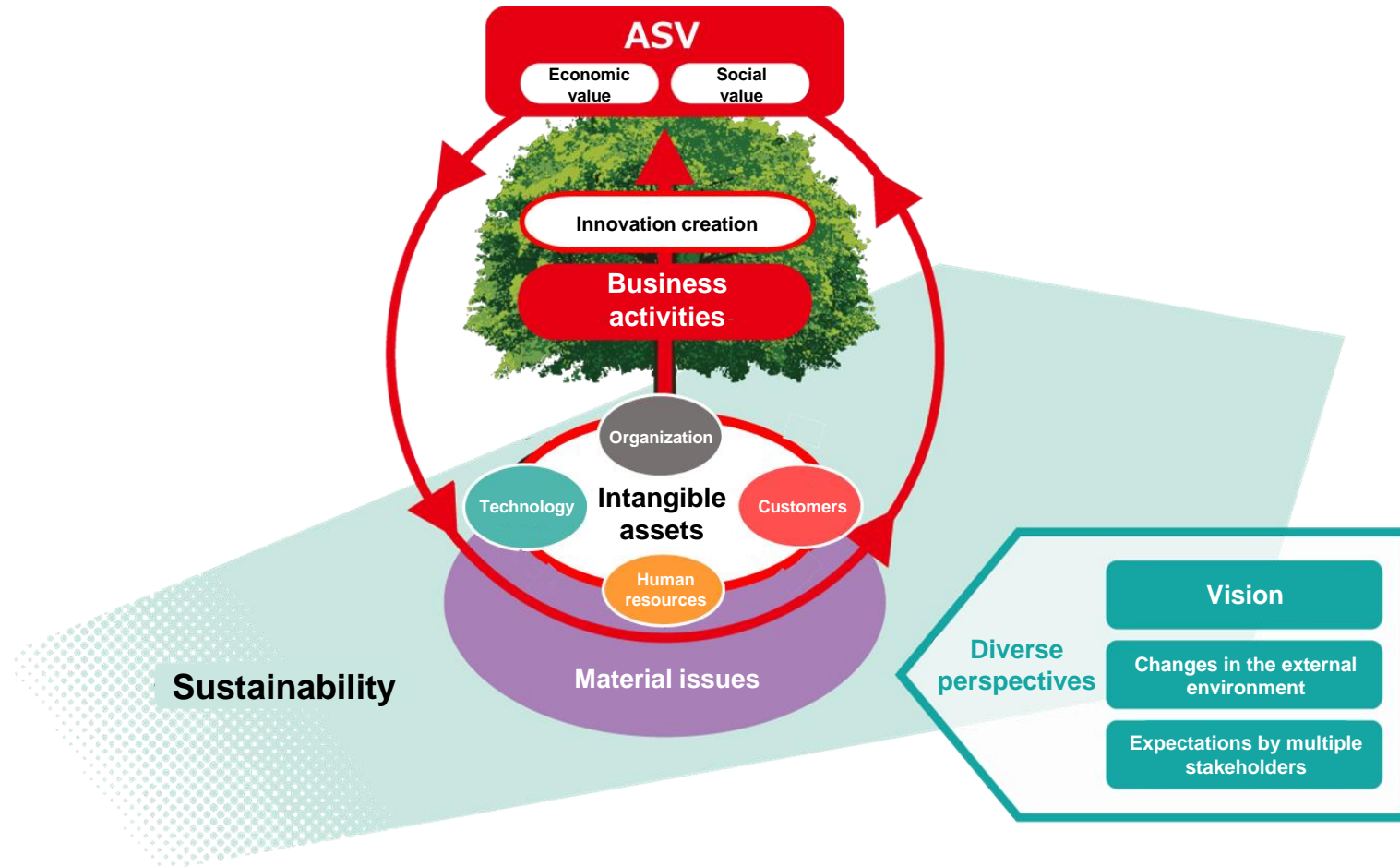
- **Strengthening the intellectual property that arises through organic connections among intangible assets is crucial to realizing ASV.**
- **Since its founding, the Ajinomoto Group has built up the strengths of its intellectual property strategy and has created competitive advantages and barriers to entry. It has done so through the steady acquisition and utilization of intellectual property in line with the development of its technologies and businesses.**
- **Looking ahead to the realization of our 2030 Roadmap, we will evolve our intellectual property strategy and strengthen its foundation in order to make a steady shift to growth through business model transformation (BMX). By doing so, we will dramatically and continuously enhance our corporate value.**

- I. Realization of ASV through the strengthening of intellectual property**
- II. The strengths of the Ajinomoto Group's intellectual property strategy**
- III. Evolution of our intellectual property strategy to achieve our 2030 Roadmap**
- IV. Strengthening the foundation of our intellectual property strategy**

- I. Realization of ASV through the strengthening of intellectual property**
- II. The strengths of the Ajinomoto Group's intellectual property strategies
- III. Evolution of our intellectual property strategies to achieve our 2030 Roadmap
- IV. Strengthening the foundation of our intellectual property strategies

I. Realization of ASV through the strengthening of intellectual property

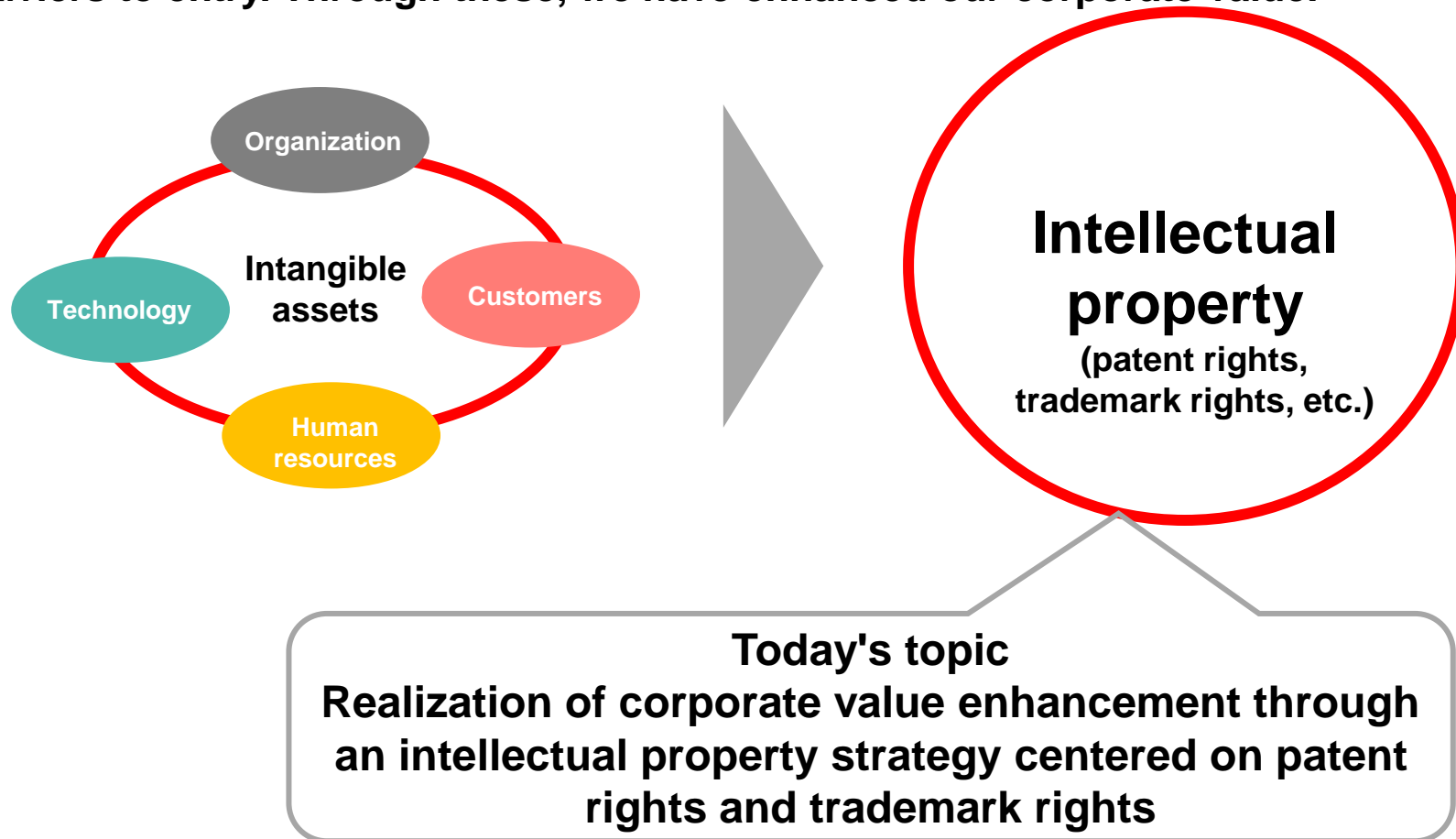
The intangible assets at the source of the ASV value creation process



I. Realization of ASV through the strengthening of intellectual property

The intellectual property born from intangible assets

Intellectual property is created through the organic connection of intangible assets. The Ajinomoto Group's intellectual property strategy has strengths centered on patent rights and trademark rights that lead to maximization of competitive advantage and to barriers to entry. Through these, we have enhanced our corporate value.



- I. Realization of ASV through the strengthening of intellectual property
- II. The strengths of the Ajinomoto Group's intellectual property strategy**
- III. Evolution of our intellectual property strategies to achieve our 2030 Roadmap
- IV. Strengthening the foundation of our intellectual property strategies

II. The strengths of the Ajinomoto Group's intellectual property strategy Intellectual property as the DNA of the Ajinomoto Group (Patent rights and trademark rights)

"Creating a good, inexpensive seasoning enables a highly nutritious, simple diet."
A wish to improve nutrition for people in Japan through umami



Discovery of umami
1908
Dr. Kikunae Ikeda
(Professor, Tokyo Imperial University)



Discovered that the umami component
in *kombu* (kelp) broth is glutamic acid,
a type of amino acid



Launch **AJI-NO-MOTO®**,
the world's first umami seasoning
based on glutamic acid



Founder
1909
Saburosuke Suzuki II

"I want to make this useful to the
world, not simply a scientific
discovery"

"I want to relieve the
malnutrition of Japan's people
and contribute to improvement
of their physique."

Eat Well, Live Well.

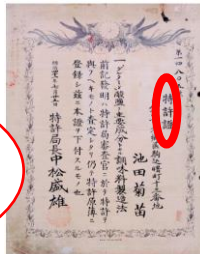
Open innovation

Intellectual property

Technology



Patents



Trademarks

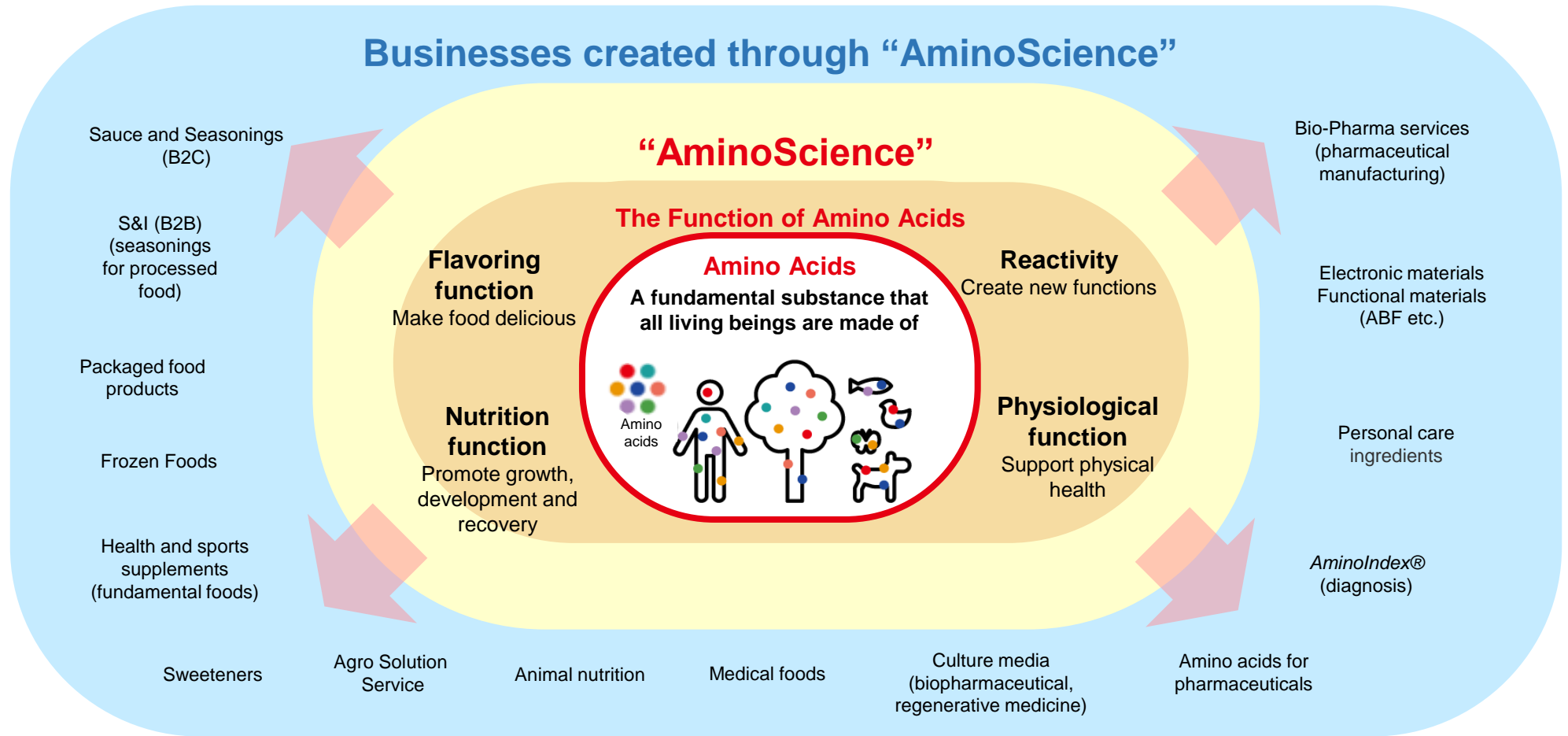


II. The strengths of the Ajinomoto Group's intellectual property strategy

An intellectual property strategy that supports business creation and global expansion

Patent rights, trademark rights, and other forms of intellectual property have supported the Ajinomoto Group's unique scientific approach and the global development of businesses created from “AminoScience,” the source of our competitiveness.

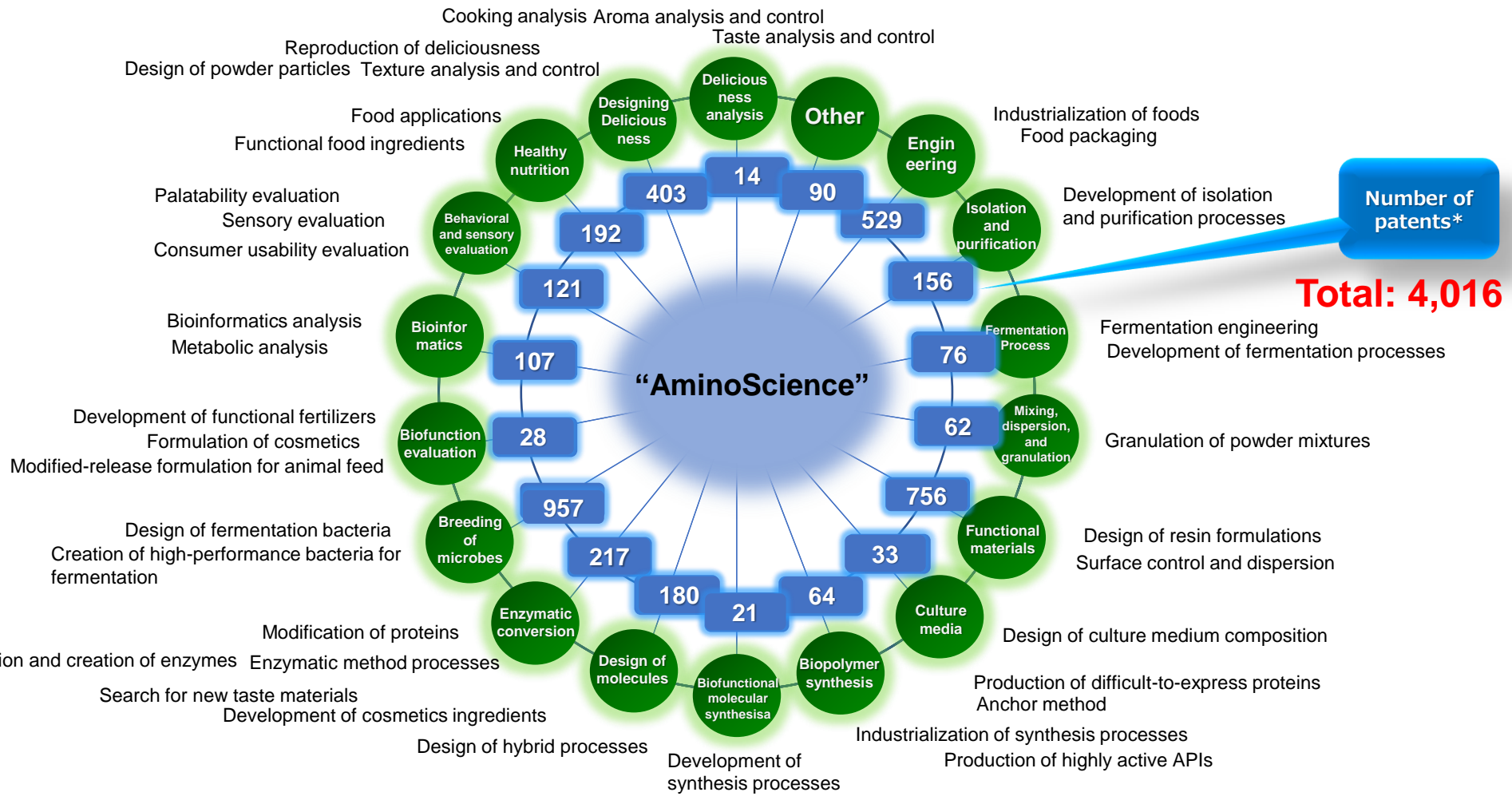
Businesses created through “AminoScience”



II. The strengths of the Ajinomoto Group's intellectual property strategy

Patent rights: Turning wide-ranging inventions and technologies into rights through patenting

By patenting the varied inventions and differentiating technologies born from “AminoScience” in wide-ranging fields, we create rights that contribute to building strong competitive advantages and high barriers to entry.

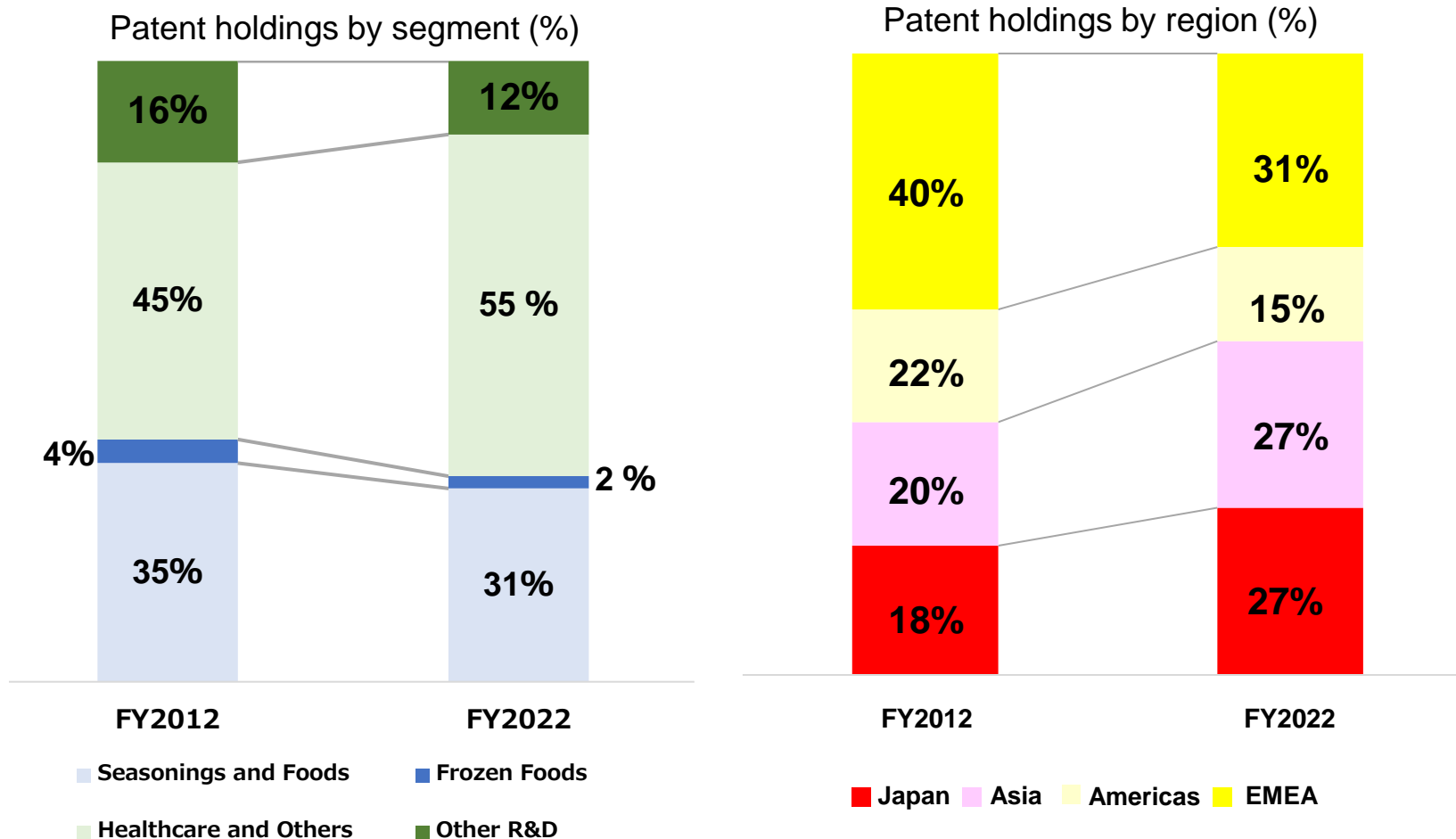


*Number of patents: Number held as of March 2023

II. The strengths of the Ajinomoto Group's intellectual property strategy

Patent rights: Evolution of our portfolio

In line with the evolution of our business strategy and portfolio, we have expanded our patent holdings in the Healthcare and Others segment, achieving high business growth in recent years.



The Ajinomoto Group's number of patents

FY2012: 3,713 → FY2022: 4,016

Copyright © 2023 Ajinomoto Co., Inc. All rights reserved

II. The strengths of the Ajinomoto Group's intellectual property strategy

Patent rights: External evaluation

In evaluations of the restraining power of Japanese patents held by food companies, we constantly rank highly.

"Food Industry: Ranking of Restraining Power on Other Companies 2022"

Higher rank indicates higher restraining power

Rank	Company	No. of patents cited
1	Ajinomoto Co., Inc.	350
2	PHILIP MORRIS PRODUCTS	314
3	Kirin Holdings Company, Limited	299
4	Japan Tobacco Inc.	207
5	Suntory Holdings Limited	206
6	NESTLE	170
7	Asahi Group Holdings, Ltd.	169
8	Nisshin Seifun Group Inc.	151
9	FUJI OIL HOLDINGS INC.	146
10	Meiji Holdings Co., Ltd.	136

Ranked in 1st place*
9 times in the past
10 years

*For patent examinations in Japan in 2022, the number of patents cited as reasons for the rejection of other companies' patents in the food industry is aggregated in "Food Industry: Ranking of Restraining Power on Other Companies 2022"

Citation: <https://www.patentresult.co.jp/news/2023/06/fcitfood.html>

II. The strengths of the Ajinomoto Group's intellectual property strategy

Patent rights: Strategy Case 1: Amino acid production technology

In the amino acid production technologies that support the global expansion of our Sauces and Seasonings and amino acids businesses, we have patented key technologies throughout all the manufacturing processes, creating high barriers to entry.
 We take a strong stance against patent infringements by latecomer entrants.

Raw material sugars



Amino acid-producing bacteria



Bacteria for production

Cumulative number of patents worldwide: approx. 1,000



Fermentation processes

Number of patents: approx. 100



Isolation and purification processes

Number of patents: approx. 150



Sauces and Seasonings, Amino acids

1990s-2000s

Infringement by U.S. company
 → Successful suit and compensation for damages in the U.S.

2000s-2010s

Infringement by Chinese company
 → Successful suit and settlement package in Europe

2010s-2020s

Infringement by South Korean company
 → Successful suit and settlement package in Japan and Europe

*Number of patents: Number held as of March 2023

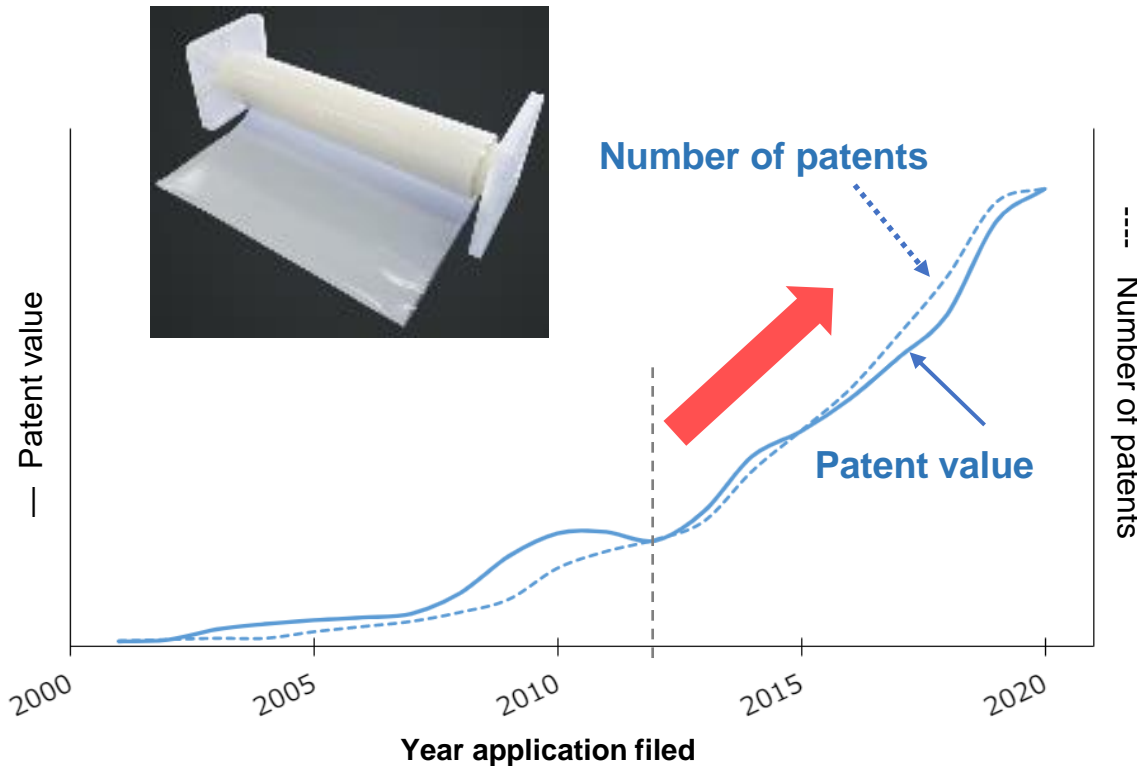
II. The strengths of the Ajinomoto Group's intellectual property strategy

Patent rights: Strategy Case 2: The Functional Materials business: ABF

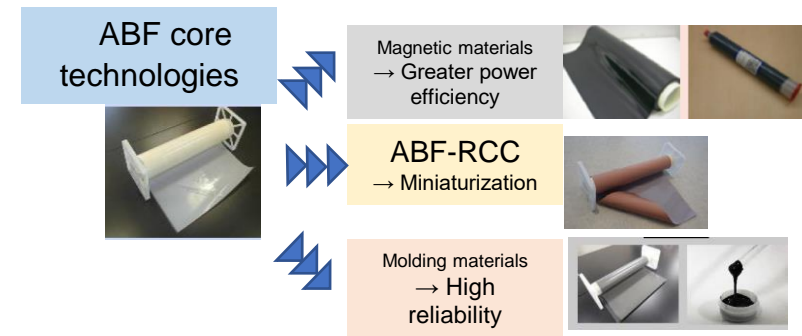
In developing ABF,* the R&D Dept. and the Intellectual Property Dept together achieved a high-speed development system through constant synchronization of technology development strategy and intellectual property strategy, resulting in ABF's ongoing position as a de facto standard.

We are now evolving related technologies, deploying laterally, and developing next-generation technologies.

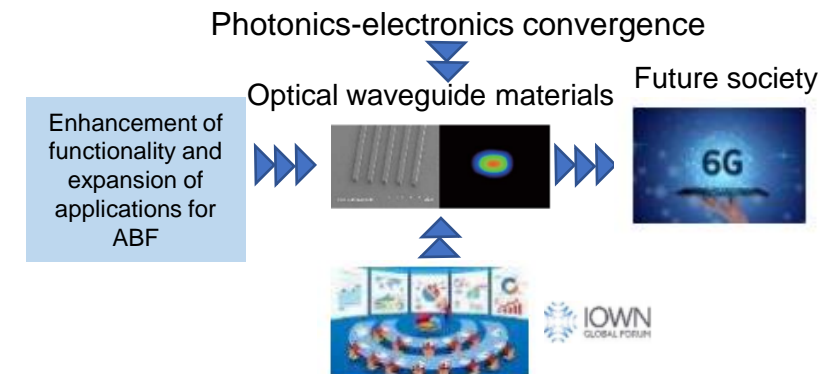
Number of ABF-related patents and patent value**



Deployment of ABF Core Technologies



Development of next-generation fields



*ABF: Ajinomoto Build-up Film®. Insulation film.

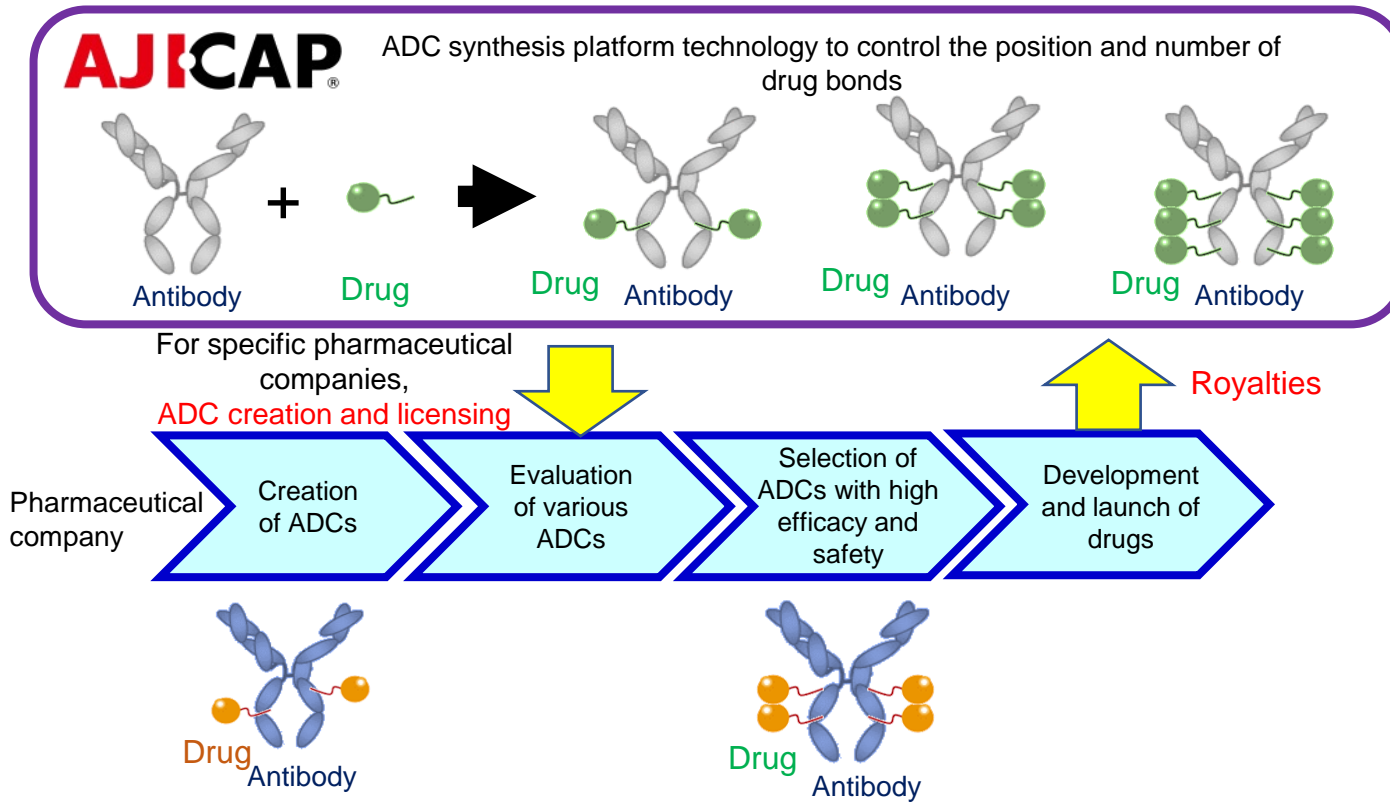
**Patent value: A numerical value by PatentSight® that aggregates the number of citations

II. The strengths of the Ajinomoto Group's intellectual property strategy

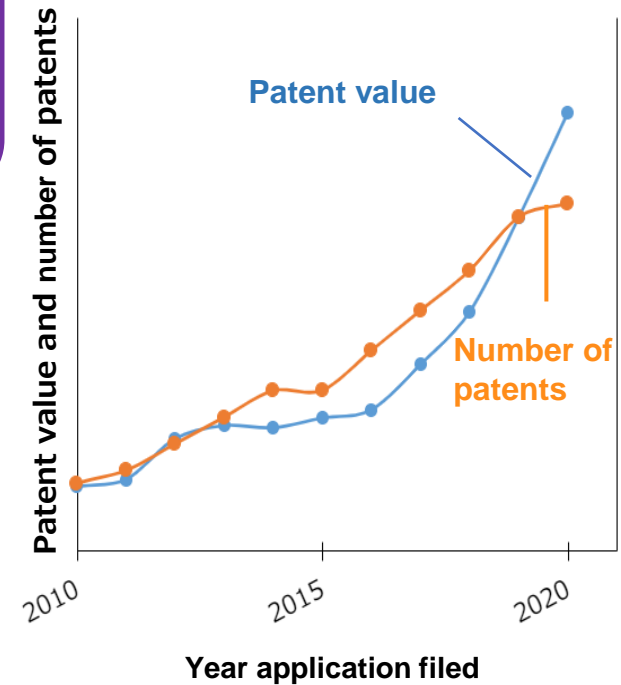
Patent rights: Strategy Case 3: The Bio-Pharma Services business: AJICAP®



We own the patents to our proprietary platform technologies for the creation of antibody-drug conjugates (ADCs) optimized for specific pharmaceutical manufacturers. Customers hold the substance patents. By licensing usage rights to our patents to specific customers, we provide customers with optimal manufacturing processes and, in some cases, manufacture and supply the APIs.



Number of Healthcare patents and patent value*, including AJICAP®



*Patent value: A numerical value by PatentSight® that aggregates the number of citations

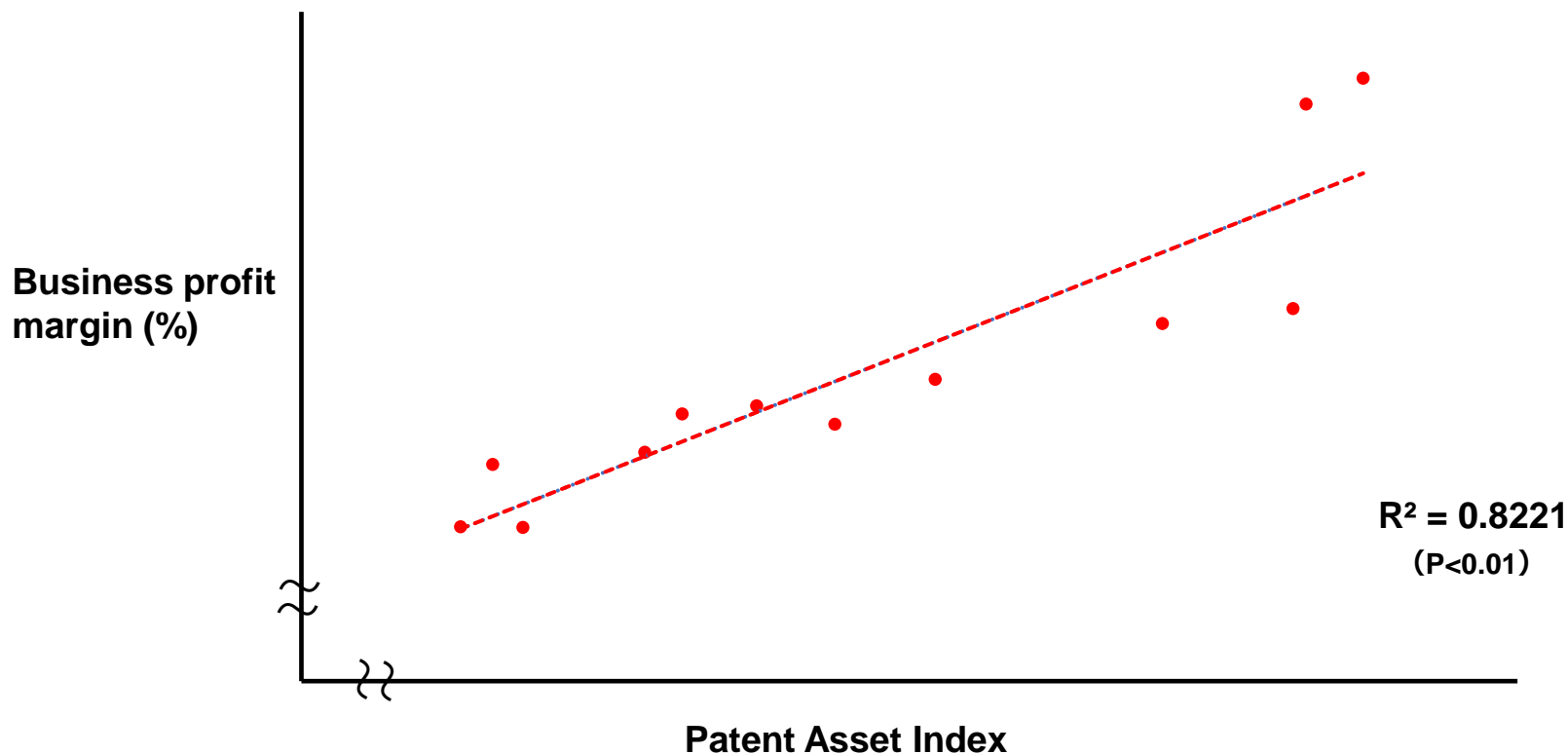
II. The strengths of the Ajinomoto Group's intellectual property strategy

Patent rights: Correlation between patent value and business profit margin

In the business areas where the patent portfolio has been strengthened, there is a correlation between patent value and business profit margin.

Functional Materials + Bio-Pharma Services

(Plot of values from FY2011 to FY2022)



Created in-house using LexisNexis PatentSight®

II. The strengths of the Ajinomoto Group's intellectual property strategy

Trademark rights: Protection of brand value by establishing trademark rights

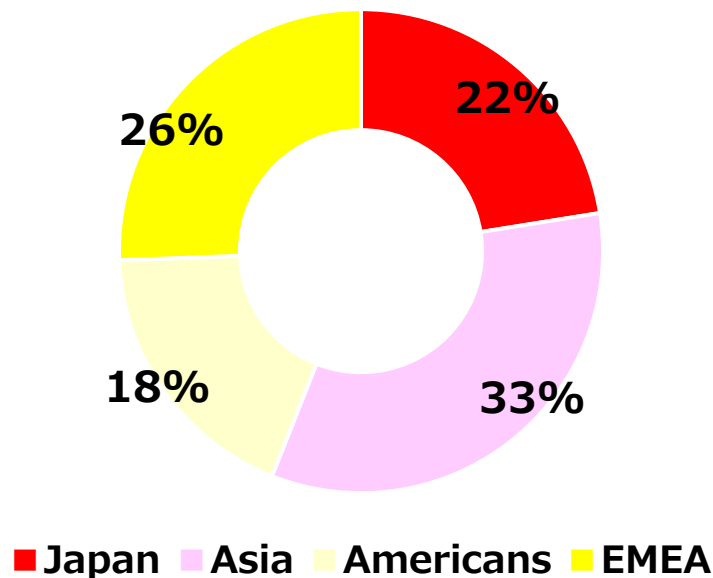
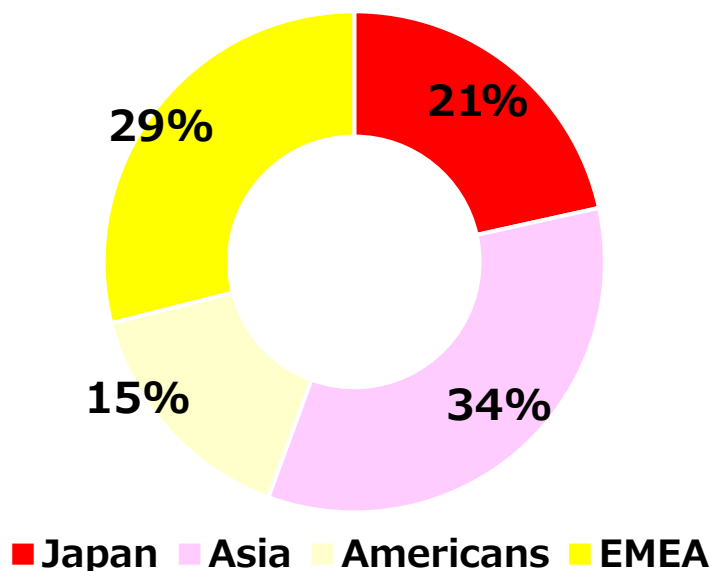
We have also steadily acquired more trademarks around the world, and continued to strengthen the value of our brand.

Trademark rights held, by region (%)

Number of Ajinomoto Group trademark rights

FY2012: 3,069 →

FY2022: 5,434



Application registrations in 143 countries and regions



Application registrations in 172 countries and regions

II. The strengths of the Ajinomoto Group's intellectual property strategy

Trademark rights: Initiatives to eliminate knockoff products and unauthorized use of brands

We protect brand value by taking decisive action against unauthorized use of our brands, primarily knockoff products, in accordance with countries' legal systems.

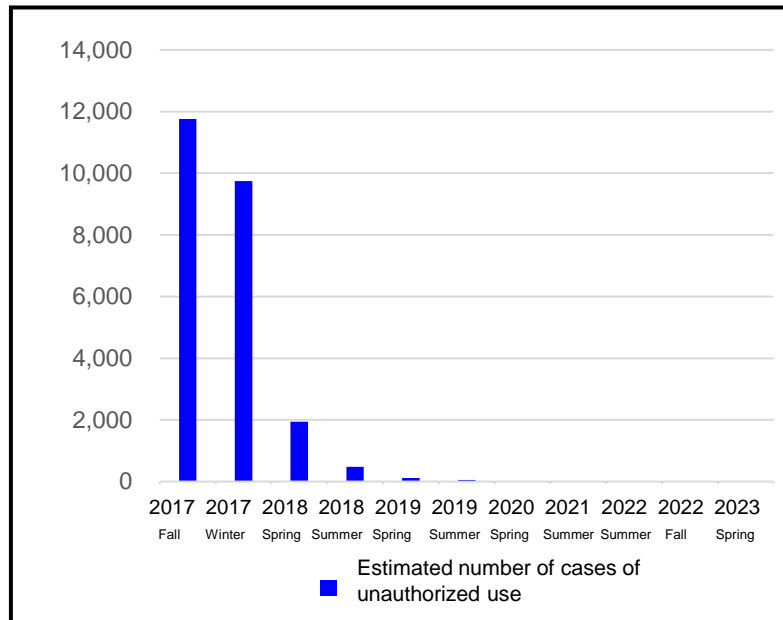
Elimination of unauthorized use of brands

100% rate of resolving unauthorized use of trademarks through warnings, etc. (FY2022)

Four victories in four lawsuits related to trademarks (FY2022)

Unauthorized use of brands on major EC sites has **decreased by about 12,000 cases** in five years

Number of cases of unauthorized use of brands on major EC sites



Thailand
Seizure of 50,000 bags of counterfeit products in criminal raid; major media coverage



China
Deletion of counterfeit shops in cooperation with EC sites



Bolivia
Injunction against sales of knockoff products through civil lawsuit



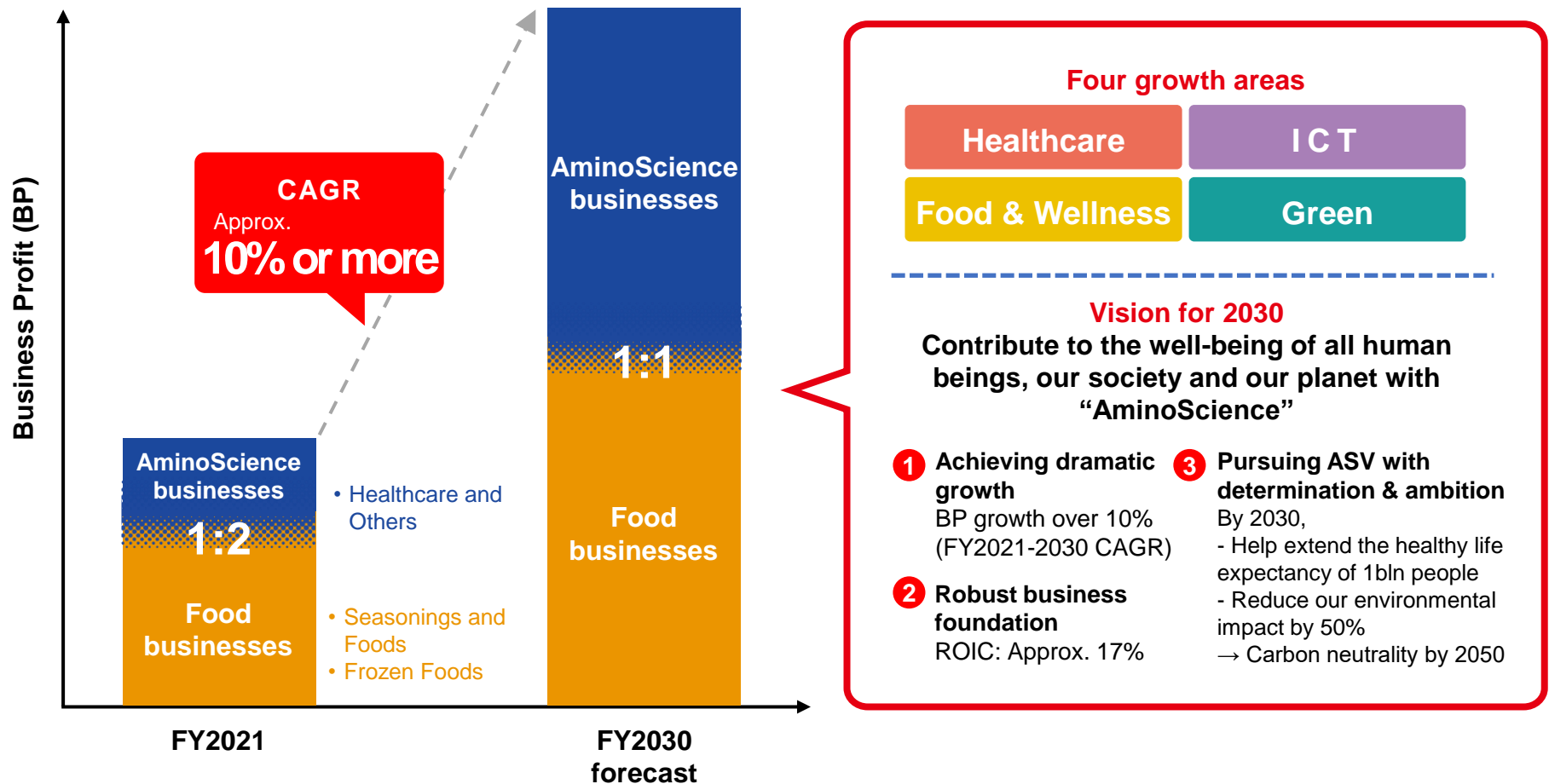
Vietnam
Instruction to relevant authorities on detecting counterfeits; increase in detection

- I. Realization of ASV through the strengthening of intellectual property
- II. The strengths of the Ajinomoto Group's intellectual property strategies
- III. Evolution of our intellectual property strategy to achieve our 2030 Roadmap**
- IV. Strengthening the foundation of our intellectual property strategies

III. Evolution of our intellectual property strategy to achieve our 2030 Roadmap

Shift to growth through BMX

We aim to achieve a highly profitable, unique, and robust structure by shifting to growth in the four outcome-driven growth areas through the evolution of core businesses and growth-driving business model transformation (BMX) .

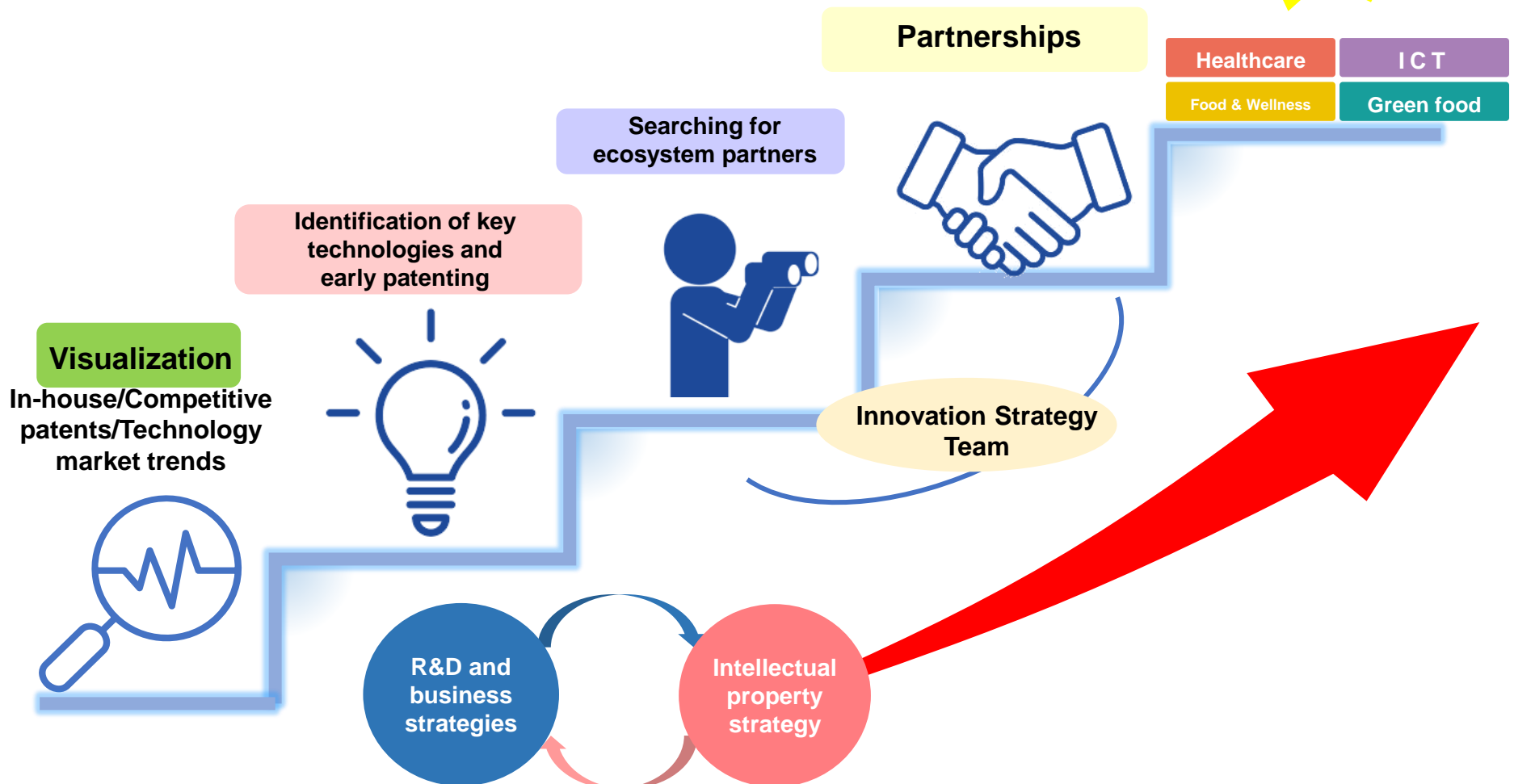


III. Evolution of our intellectual property strategy to achieve our 2030 Roadmap

Key points in strengthening our intellectual property strategy, centered on visualization

Integrating business strategy, R&D strategy, and intellectual property strategy, we will acquire pioneering patent rights in four growth areas with visualization at the center, and will build competitive advantages.

Competitive advantage in growth areas



Case: Cell culture media for regenerative medicine (1)

Leveraging the power of our research network and based on the strengths of our technologies in antibody media and CiRA's leading edge research, we have developed cell culture media that are the de facto standard for regenerative medicine in Japan.

Research network



Strengths of the Ajinomoto Group's cell culture media

1990 2000 2010

Serum-free cell culture media



CELLiST™

- No use of animal-derived raw materials
- Customization for customers
- Quality control

Biopharmaceutical cell culture media



Center for iPS Cell Research and Application, Kyoto University

CiRA

Leading edge research into iPS cells

Development of technologies and research into evaluation technologies and mechanisms related to iPS cells (establishment, growth, maintenance of undifferentiated functions, preservation, cell differentiation, etc.)

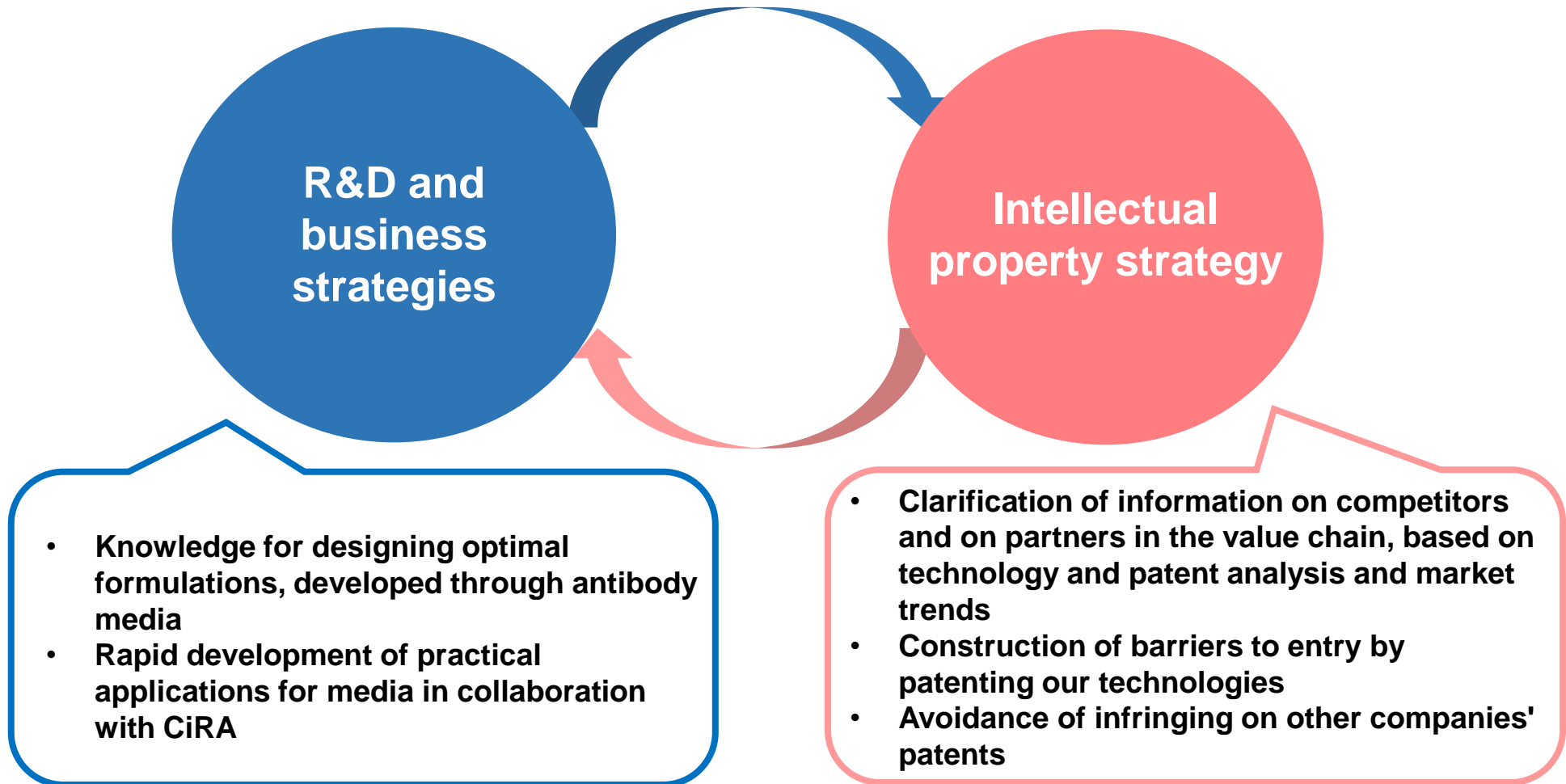


Development of cell culture media for regenerative medicine



Case: Cell culture media for regenerative medicine (2)

By always drafting and executing strategy through collaboration and through constant synchronization of both our R&D and business strategies, and our intellectual property strategy, we establish business in new areas.



III. Evolution of our intellectual property strategy to achieve our 2030 Roadmap

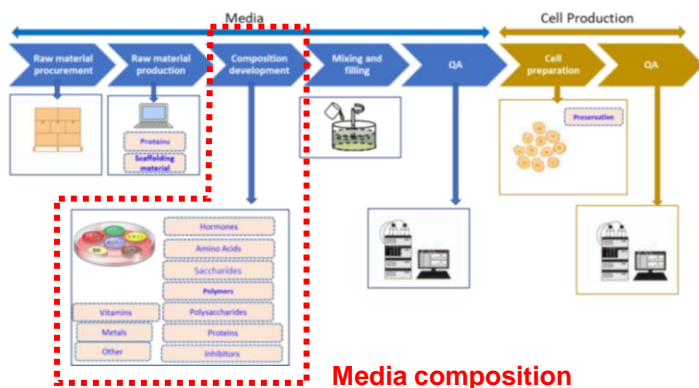
Case: Cell culture media for regenerative medicine (3)

Using a variety of tools, we proceed with analyzing our company's and competitors' patents, visualizing through a bird's-eye view of patents and technologies, and IP landscaping*

In-house patent analysis

Example of analysis based on the value chain

■ : Patents



Analysis of competitors' patents

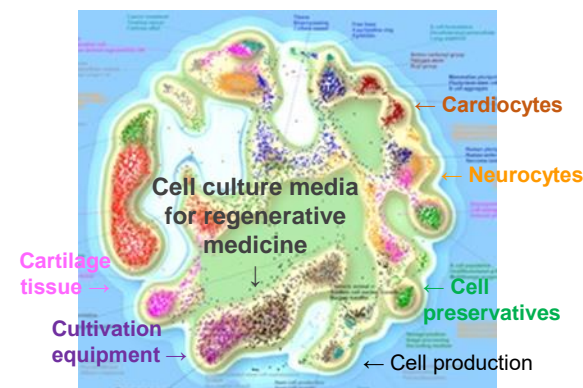
Example of analysis of constituent components of media

Company	Media components							
	Category-1	Category-2	Category-3	Category-4	Category-5	Category-6	Category-7	Category-8
Company X								
Ajinomoto Co., Inc.	●	●	●	●	●	●		
Company Y					●			
Compan...				●				
...								

Annotations: A red dashed box around the first three columns is labeled 'Our strengths'. A green dashed box around the last three columns is labeled 'Areas of competition'. A blue dashed box around the last two columns is labeled 'Competitors in the lead'. A red arrow points to the 'Amino acid composition' cell in the Ajinomoto Co., Inc. row.

Bird's-eye view of patents

Landscape map of the regenerative medicine field



- ◆ In the value chain of cell culture media for regenerative medicine, the strengths of our in-house technologies and patents are focused on the composition of media
- ◆ We promote strategic partnering in areas other than media composition

- ◆ We bring our strength to bear through amino acid composition
- ◆ In areas of competition, we strengthen strategic patent applications
- ◆ In areas where competitors are in the lead, we clarify the importance for our company and partner as necessary

- ◆ Shows areas of high interest, where patents are concentrated, and connections between areas
- ◆ Potential exists for the creation of an ecosystem through collaboration with players in areas of high interest related to regenerative medicine cell culture media

Use in strategy formulation

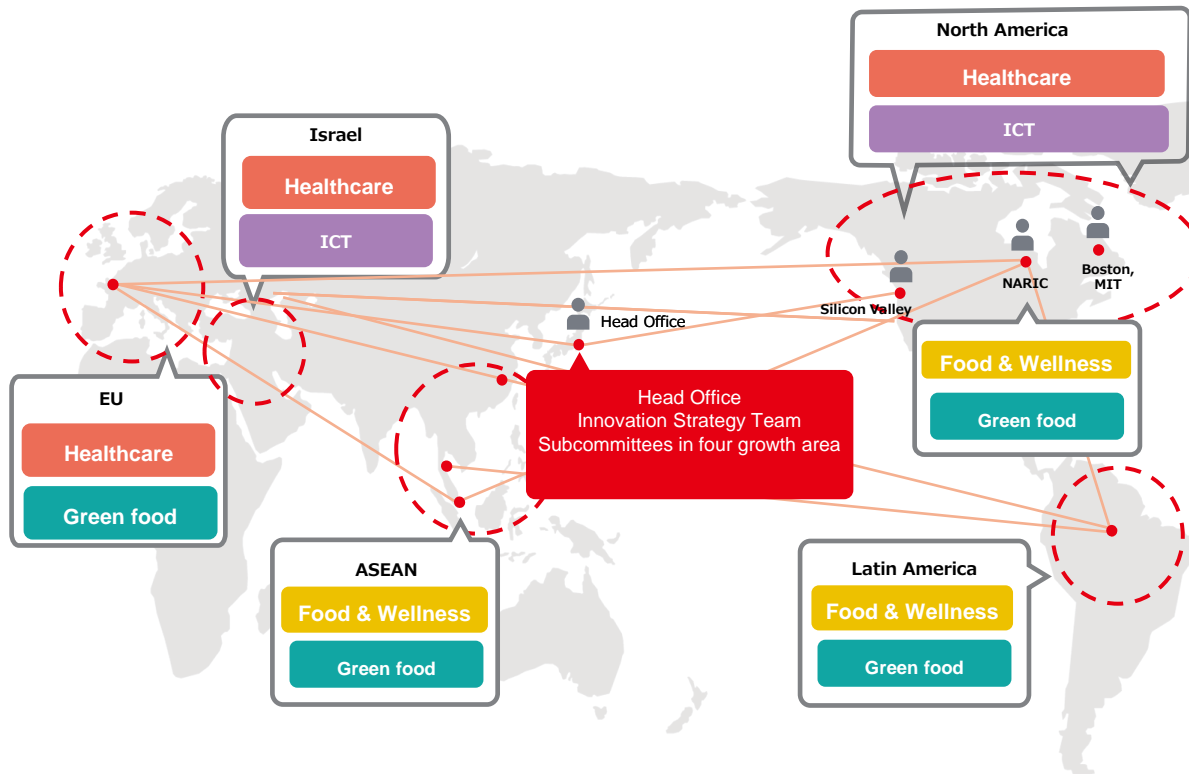
*IP landscape: The analysis of intellectual property data and the utilization of the findings in the formulation of management strategies and in corporate decision-making

III. Evolution of our intellectual property strategy to achieve our 2030 Roadmap

Participation in the Innovation Strategy Team

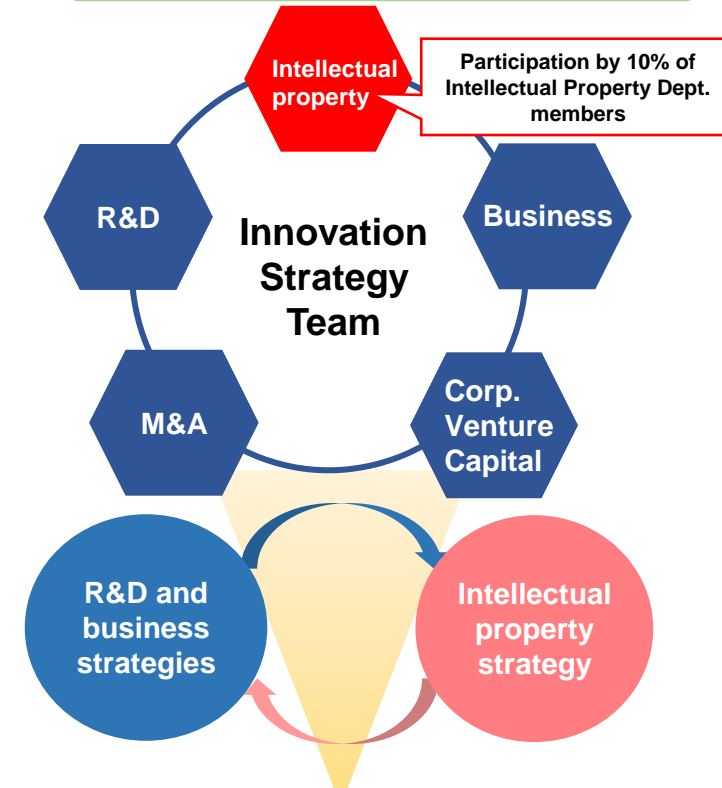
The intellectual Property Dept. will also participate in the Innovation Strategy Team* to promote BMX company-wide.

Global concept of the Innovation Strategy Team



● Innovation Strategy Team office

Member composition and functions



Creation and promotion of business, Corp. Venture Capital, and M&A strategies through data collection, judgment, and technology scouting

*Innovation Strategy Team: A team formed to directly access global markets, customers, and innovation, and to swiftly study and make decisions on inorganic investments, ecosystem construction, and partnering, to achieve our growth strategy.

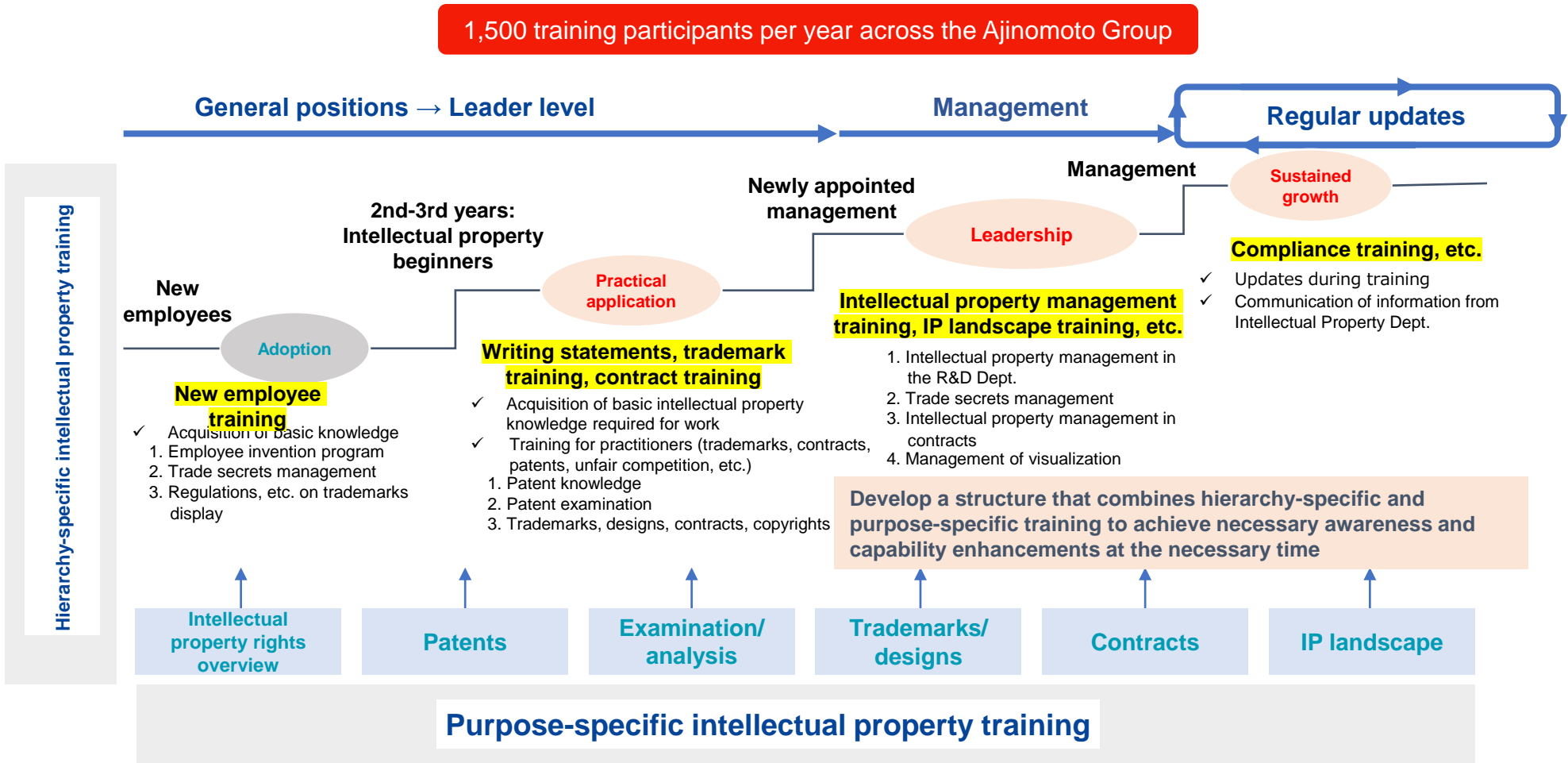
- I. Realization of ASV through the strengthening of intellectual property
- II. The strengths of the Ajinomoto Group's intellectual property strategies
- III. Evolution of our intellectual property strategies to achieve our 2030 Roadmap
- IV. Strengthening the foundation of our intellectual property strategy**

IV. Strengthening the foundation of our intellectual property strategy

Enhancement of intellectual property skills for the Ajinomoto Group as a whole

We set plans by hierarchy and by purpose to gradually enhance the intellectual property skills of the Ajinomoto Group as a whole

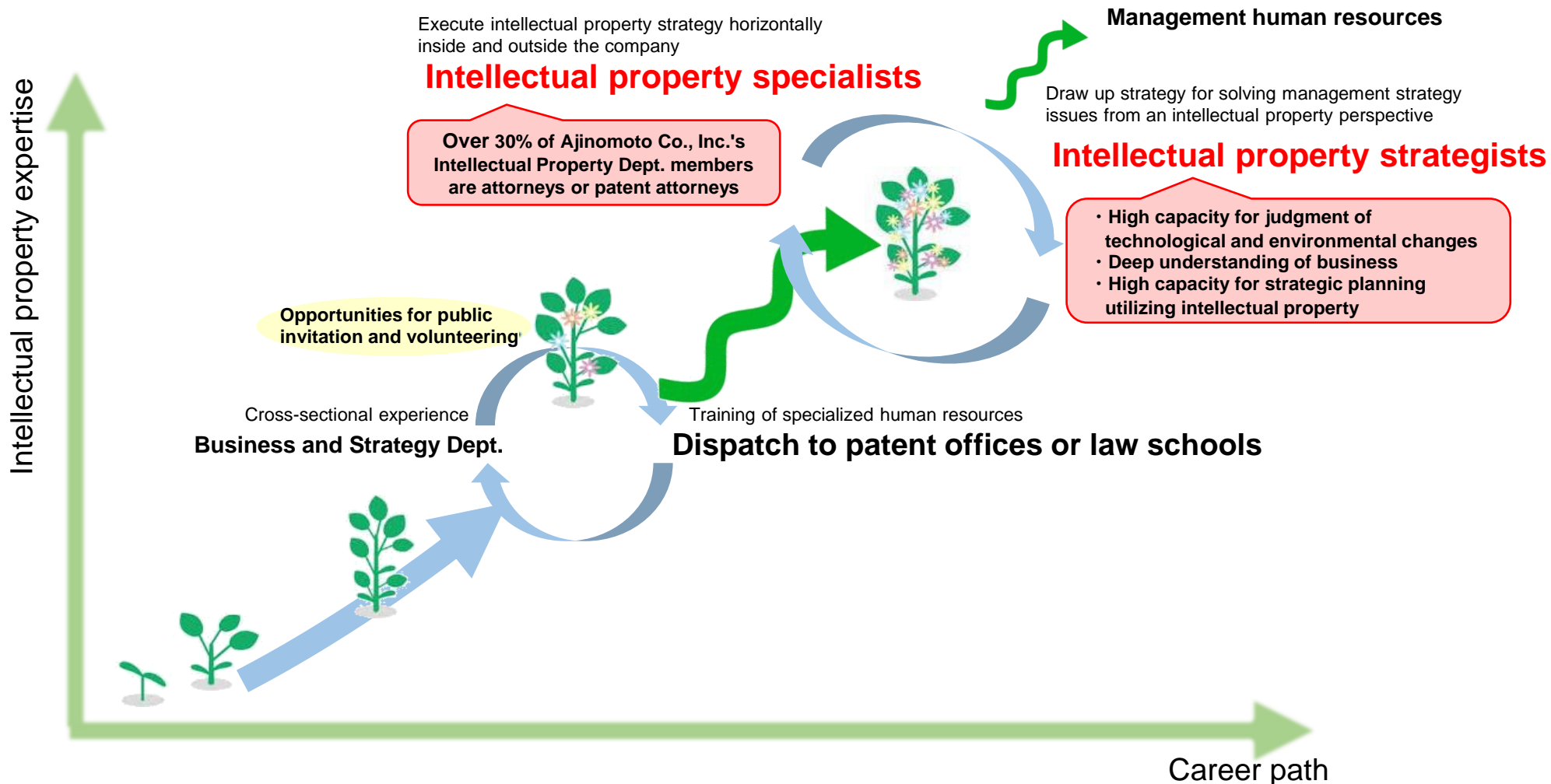
1,500 training participants per year across the Ajinomoto Group



IV. Strengthening the foundation of our intellectual property strategy

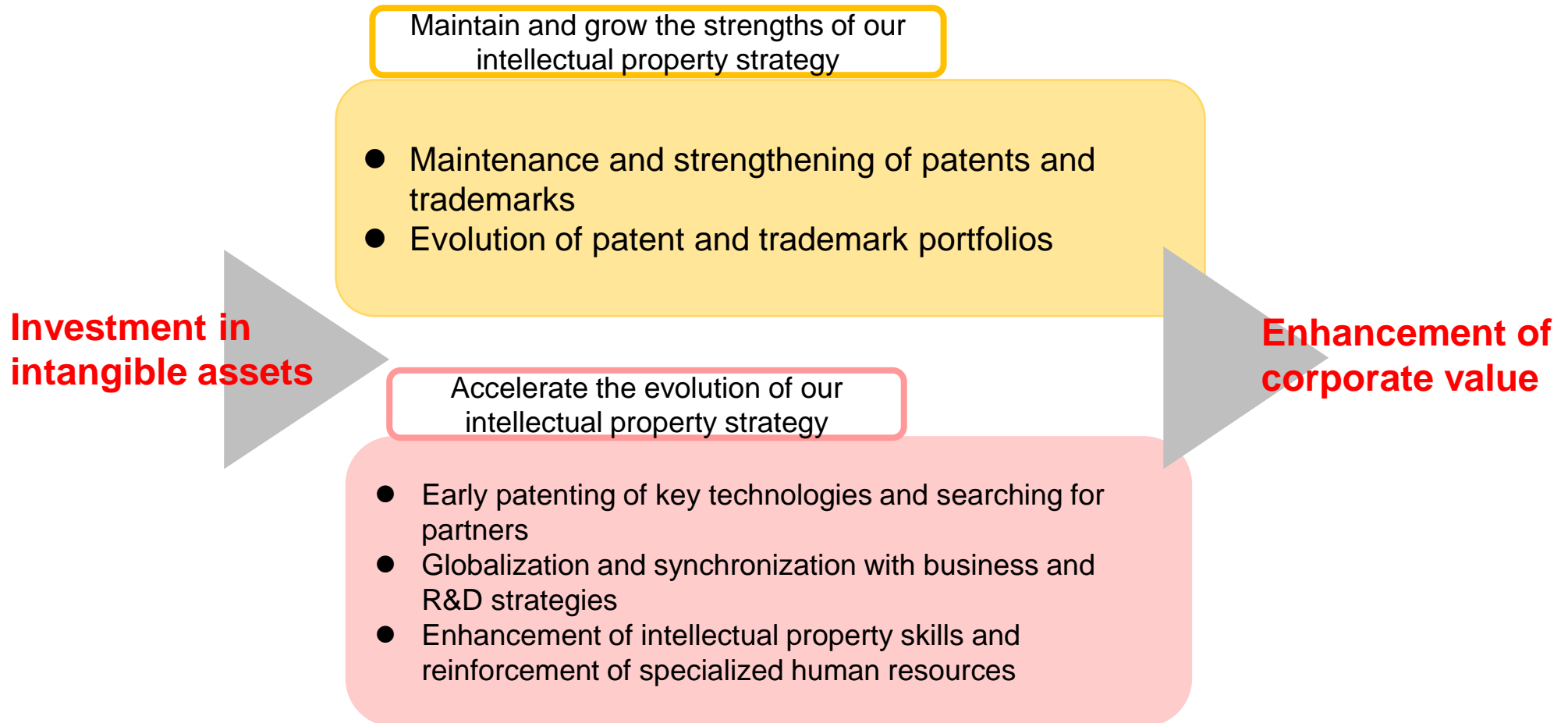
Strengthening of intellectual property specialized human resources

In addition to development of intellectual property specialists, we will emphasize development of intellectual property strategists involved in strategy formulation. We will accelerate innovation with a diverse human resource development strategy.



Investment in intangible assets

Through investment in intangible assets, we will maintain and grow the strengths of our ongoing intellectual property strategy while accelerating the evolution of an intellectual property strategy that contributes to our shift to growth through business model transformation (BMX).



Through the continued evolution of our intellectual property strategy, we will ensure our shift to growth while raising barriers to entry and boosting our competitive advantages, and further, will maximize ASV value (social value and economic value) and contribute to the enhancement of our corporate value.

Eat Well, Live Well.



- Forward-looking statements, such as business performance forecasts, made in these materials are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.
- This material includes summary figures that have not been audited so the numbers may change.
- Amounts presented in these materials are rounded down.
- "AminoScience" is a registered trademark of Ajinomoto Co., Inc.