

## **Ajinomoto Co., Inc. Plans to Sell Its Entire Equity Stake in a Feed-use Amino Acid Company in Europe**

### **Structural Reform of Animal Nutrition Business to be Completed to Accelerate Asset-Light Management**

**TOKYO, February 26, 2021** – Ajinomoto Co., Inc. (“Ajinomoto Co.”) resolved, at a meeting of its Board of Directors held today, that it envisages the sale of its entire equity stake in Ajinomoto Animal Nutrition Europe S.A.S. (“AANE”), which is a feed-use amino acid company wholly owned by Ajinomoto Co. subsidiary Ajinomoto Animal Nutrition Group, Inc. (“AANG”), to METabolic EXplorer S.A. (“METEX”), a company based in France with strengths in research and development in fermentation technologies. AANG entered into exclusive negotiations with METEX to discuss the proposal of sale of the shares of AANE and concluded a put-option agreement (the “Option Agreement”) under which METEX offers to AANG to buy all the shares of AANE for EUR 15 million (approximately JPY 1,890 million). Subject to the prior completion of the consultation procedures with the relevant staff representatives, such proposed transaction could be completed by around April 2021 at the earliest\*.

\* In accordance with labor law in France, the consultation of the relevant staff representatives needs to be completed first. To that end, the consultation of AANE’s Social and Economic Committee on the proposed transaction was launched today and may take up to three months.

AANE has been involved in the feed-use amino acid business in Europe since 1974, manufacturing and selling feed-use lysine, feed-use tryptophan and other products. While European markets for meat and feed-use amino acids have been showing steady growth, Ajinomoto Co. has made transformation into a business structure that enables sustainable growth a key strategy of its FY2020-2025 Medium-Term Management Plan. As its roadmap for structural reform, it is planning to reshape its portfolio with a focus on higher efficiency and stronger growth potential by restructuring non-core businesses. Part of this initiative has been AANG’s implementation of an asset-light approach to bases outside Japan in the structural reform of its animal nutrition business for approximately the past 10 years. AANG initiates exclusive negotiations with METEX with the intention of completing its structural reform.

With the aim of becoming a “solution-providing group of companies for food and health issues,” the Ajinomoto Group will contribute to the production of sustainable food resources by conducting a specialty business based on its unique amino acid technologies and materials, and a customized feed solution (CFS) business that provides new value through its products and services, including customized solutions for each customer.

With the conclusion of the Option Agreement during the fourth quarter of the fiscal year ending March 2021, Ajinomoto Co. will evaluate the assets and liabilities of AANE concerned with the proposed transaction at that time at fair value after deducting sales costs, in accordance with the provisions of IFRS 5. As a result of this accounting treatment, Ajinomoto Co. expects to record a total of JPY 13 billion in impairment loss and other items as other operating expenses. This expense is already included in the performance forecast as announced in “Revision to Consolidated Performance Forecast of Ajinomoto Co., Inc. for Fiscal 2020” on January 29, 2021.

Note: EUR = JPY 126.48 (exchange rate as of January 29, 2021)

## Reference

### Overview of Ajinomoto Animal Nutrition Group, Inc.

- (1) Location: Chuo-ku, Tokyo
- (2) Establishment: 2011
- (3) Representative: Masami Kashiwakura, President
- (4) Number of employees: 14
- (5) Business description: Animal nutrition business and supervision/control of such business, including feed-grade amino acids, through ownership of the stock of companies that operate it
- (6) Capital: Approximately JPY 1,330 million
- (7) Equity ownership: Ajinomoto Co., Inc. 100%

### Overview of Ajinomoto Animal Nutrition Europe S.A.S.

- (1) Location: Paris, France
- (2) Establishment: 1974
- (3) Representative: David Demeestere
- (4) Number of employees: Approximately 320
- (5) Business description: Manufacture and sale of feed-use amino acids and their by-products
- (6) Sales: EUR 193 million (approximately JPY 24.5 billion)
- (7) Equity ownership: Ajinomoto Animal Nutrition Group, Inc. 100%
- (8) Website: <https://en.ajinomoto-animalnutrition-emea.com>

### Overview of METabolic Explorer S.A.

- (1) Location: Saint-Beauzire, France
- (2) Establishment: 1999
- (3) Representative: Benjamin Gonzalez
- (4) Number of employees: Approximately 70
- (5) Business description: Research and development of biochemical processes for chemical compound manufacturers
- (6) Sales: Approximately EUR 2 million (approximately JPY 250 million)
- (7) Equity ownership: Mirova 7.52%, Benjamin Gonzalez 4.26%
- (8) Website: <https://www.metabolic-explorer.com>

The Ajinomoto Group, using the power of amino acids, aims to provide food and health-related solutions that improve dietary habits and support aging populations, and create greater wellness for people all around the world.

Based on the corporate message "Eat Well, Live Well.", we have been scientifically pursuing the possibilities of amino acids to aim for future growth by creating new value through sustainable and innovative solutions for communities and society.

The Ajinomoto Group has offices in 35 countries and regions, and sells products in more than 130 countries and regions. In fiscal 2019, sales were 1.1000 trillion yen (10.1 billion U.S. dollars). To learn more, visit [www.ajinomoto.com](http://www.ajinomoto.com).

For further information, please contact: [HERE](#)