

Ajinomoto Group to Build a New Plant for Soups and Other Products at Its Kawasaki Administration & Coordination Office

Capital Investment of Approximately JPY 20 Billion for Completion of Restructuring of the Production System in Japan to Double Productivity

TOKYO, November 30, 2018 – Ajinomoto Co., Inc. (“Ajinomoto Co.”) has decided to build a new plant for manufacturing and packaging soups and other products on the premises of its Kawasaki Administration & Coordination Office (Suzuki-cho, Kawasaki), in accordance with the details announced in its September 29, 2017 press release entitled “Ajinomoto Group to Restructure Seasonings and Processed Foods Production System in Japan.”

Ajinomoto Co. is restructuring the value chain of its Japan Food Products business as one of the key strategies in its FY2017-2019 Medium-Term Management Plan. Under this strategy, it is consolidating and restructuring the production system of its Japan Food Products business with the formation of a new company and a total capital investment of approximately JPY 40 billion. At present, Ajinomoto Co. is building a new plant on the premises of its Tokai Plant that will conduct integrated manufacturing and packaging of seasonings and other products, and has begun consolidating the functions of the Kansai Plant of AJINOMOTO PACKAGING INC. there. Ajinomoto Co. is working toward the formation of a new company in accordance with the details announced in its September 27, 2018 press release entitled “Ajinomoto Group to Form Ajinomoto Food Manufacturing Co., Ltd., a New Company in Charge of Manufacturing and Packaging of Seasonings and Processed Foods in Japan, in April 2019.”

As part of these initiatives, Ajinomoto Co. will make a capital investment of approximately JPY 20 billion to build a new plant on the premises of its Kawasaki Administration & Coordination Office for soup and other products and will transfer the Kawasaki Plant of Knorr Foods Co., Ltd. (Takatsu-ku, Kawasaki) there as initially planned. By doing so, Ajinomoto Co. will achieve flexible production capabilities and high productivity (about double current levels) through the use of ICT, automation and other leading-edge technologies. The aim is to realize a world-class level of production that meets customer demand flexibly and quickly. Ajinomoto Co. is also aiming for further growth in the soup business, and will increase production to accommodate this growth. Ajinomoto Co. intends to continue developing the business by delivering nutritionally balanced, premium and other products that meet diversifying customer needs.

As a result of this consolidation and reorganization and the concurrent increase in production, Ajinomoto Co. intends to enhance its business structure through improving EBITDA by approximately JPY 7.0 billion annually and raising the business profit margin of the businesses involved by approximately 2% from fiscal 2022 onward, in line with its initial plan.

To realize its corporate message, “Eat Well, Live Well,” the Ajinomoto Group is restructuring its value chain to steadily deliver products that customers can enjoy with peace of mind, as it continues to contribute to their health and well-being.

The impact of the restructuring described in this news release on Ajinomoto Co.’s consolidated business results for fiscal 2018 will be immaterial.

Overview of the New Plant

- (1) Location: 1-1 Suzuki-cho, Kawasaki-ku, Kawasaki, Japan
- (2) Floor area: 30,000m² (steel-frame six-story building)
- (3) Total investment: Approximately JPY 20 billion (building, manufacturing and packaging facilities, etc.)
- (4) Business description: Manufacture and packaging of soups and other products
- (5) Start of construction: December 2018 (scheduled)
- (6) Completion: First half of fiscal 2021 (scheduled)

Reference

Press release dated September 29, 2017

“Ajinomoto Group to Restructure Seasonings and Processed Foods Production System in Japan”

https://www.ajinomoto.com/en/presscenter/press/detail/g2017_09_29.html

Press release dated October 20, 2017

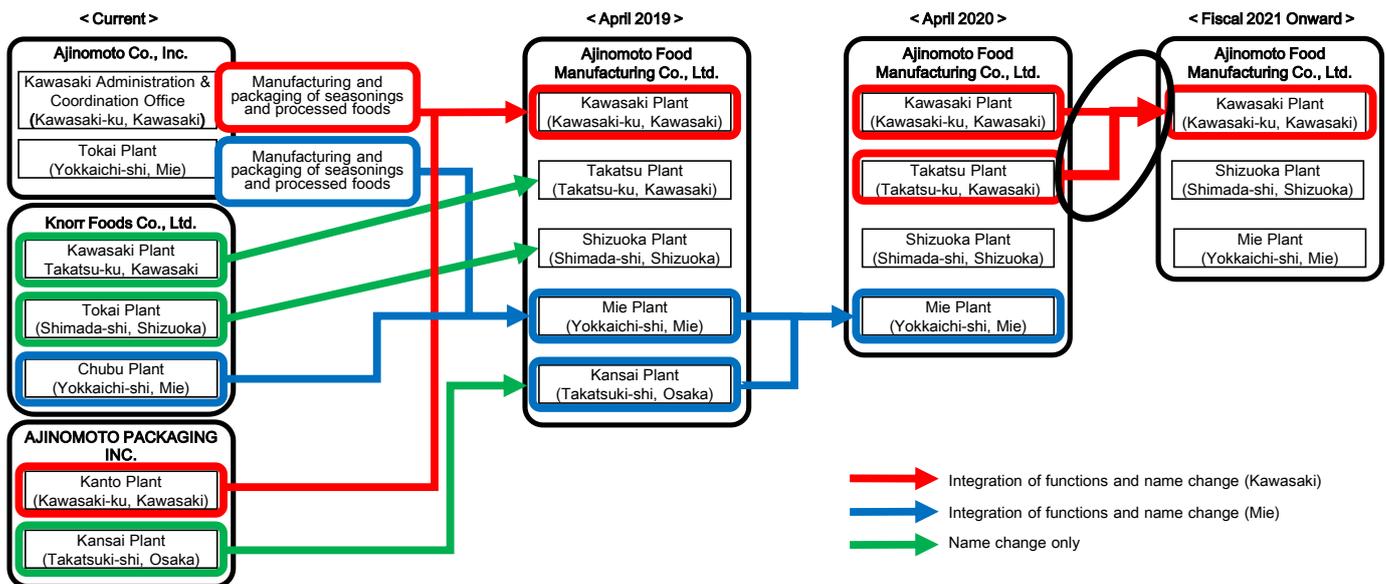
“Ajinomoto Group to Build a New Plant for Manufacturing and Packaging Seasonings and Other Products”

https://www.ajinomoto.com/en/presscenter/press/detail/g2017_10_20.html

Press release dated September 27, 2018

“Ajinomoto Group to Form Ajinomoto Food Manufacturing Co., Ltd., a New Company in Charge of Manufacturing and Packaging of Seasonings and Processed Foods in Japan, in April 2019”

https://www.ajinomoto.com/en/presscenter/press/detail/g2018_09_27_02.html



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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