



Food & Wellness

Current strengths in Food & Wellness

The Ajinomoto Group has grown by applying its Deliciousness Technologies to scientifically analyze food cultures and offer products matched to local cultures worldwide. Driving our growth is our high-level approach to the pursuit of deliciousness around the world.

The Ajinomoto Group has grown its business by taking a scientific approach to examining local food cultures and using Deliciousness Technologies supported by "AminoScience." Our Deliciousness Technologies are at their best with seasonings products and are a key element to our strength in the markets of Southeast Asia, Latin America, and West Africa. By closely tracking the changes in food preferences as these markets have developed economically, our main product offerings have evolved from umami seasonings to flavor seasonings and menu-specific seasonings. Every product was created from a deep understanding of local dietary habits and taste preferences and applying our Deliciousness Technologies. This business model has the potential to further expand its frontiers, and we see much promise in Cambodia, Laos, and Bangladesh.

Some regions have different growth models. In North America and Europe, for example, where the food cultures and eating habits are already very mature, we are developing the market for frozen foods led by Asian frozen foods, such as Gyoza, where we are applying

"AminoScience" to scientifically analyze food ingredients and preparation methods. We then use our taste, ingredient, and preparation technologies to find solutions to reproduce the delicious flavors and identify issues in the preparation methods. Access to worldwide information via the internet and tourism from Asia are helping drive market penetration of both Japanese and Asian frozen foods, which even have growth potential in various Asian countries.

Strength the double pillars of B2C and B2B businesses

One of our strengths is that we are one of only a small number of companies with sales surpassing ¥1 trillion whose B2B operations (including the AminoScience business) generate more than 30% of our overall sales. This strength reflects the many advances in the elements of deliciousness—taste, aroma, and texture—we have made with "AminoScience" to create unique and superior ingredients.

Another of our strengths is our global network of



world-renowned B2B partner companies selling our products. We are also a global leader in providing the highest level of quality consistency for the pursuit of deliciousness. Our B2C operations are backed by our ability to work with customers to co-create satisfactory solutions and our ability to develop leading-edge solutions for food and health issues.

Finding solutions for current issues

We believe we need to enhance our growth potential while refining our current strengths, such as by extending into new frontiers for providing delicious products cater to local preferences. One of the major challenges to boosting our growth potential will be overcoming the impact from Japan's declining population to reestablish our strong business growth. Like many other food companies, one way we have increased sales has been by making our products more widely available. Population trends, however, are making this sort of quantitative expansion increasingly difficult.

One way to break away from this reliance solely on mass sales for volume growth is to adopt a new business model based on developing deep and direct personal relationships with customers and on responding to more sophisticated needs related to well-being. For us to realize this new business model, we will need to find a solution for an unavoidable issue in our sales channels. Specifically, retail stores have only a limited amount of space, and the constraints on product space often make it difficult to maintain a consistent presence for products that target a narrow customer base. In addition, meeting more sophisticated needs related to well-being means that instead of offering only single products we will need to combine products and services across categories and to create D2C relationships with new categories of customers by engaging in dialogue to gain a deeper mutual understanding. We created the Marketing Design Center in April 2023 to spearhead our activities in this area, and the center is already taking steps to build the new business model and form relationships with new customers.

In 2012, Ajinomoto Vietnam Co., Ltd. started School Lunch Project that applied the school lunch system of Japan.



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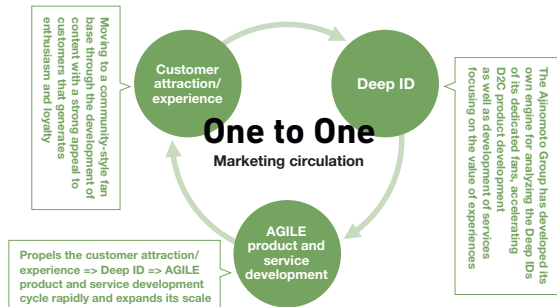
We will contribute to the well-being of each and every person through digitalization and the development of products and services with high nutritional and health values based on “AminoScience.”

D2C platform innovations that deliver the joy of personalized cuisine

In the changing society of today, we must promote food and wellness digitally. We will resolve health issues by forming deep connections with consumers, contributing to their well-being through comfortable food experiences.

POND concept for the Marketing Design Center and AJINOMOTO PARK

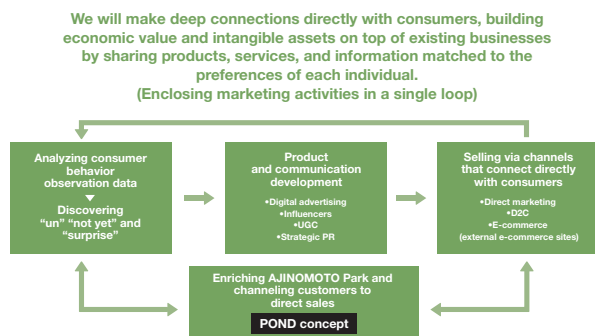
Organizational concept for the Marketing Design Center



How can we connect with our customers, how do we gain an in-depth understanding of them, and how can we create products? To offer the joy of personalized meals, we must have a deep understanding of consumers. We connect directly with our customers, communicating in a manner suited to each to address their health issues, and providing them with satisfying experiences with food. This is the “Food and Wellness” concept that the Ajinomoto Group wants to achieve through digital technology. We therefore established the Marketing Design Center in April 2023, and will work to achieve this transformation.

Specifically, we will focus on upgrading our existing owned media, AJINOMOTO PARK. Currently boasting 10 million unique users per month, this site mainly provides recipe information, with many users simply browsing for recipes and then leaving. We hope to make this site an attractive “POND,” enhancing it with fun, useful content that will make it enjoyable for users coming in from the outside to navigate around. We also hope to learn about the values and lifestyles of each of our customers as users navigate the site, forming deep connections through two-way communications with each user.

The activity cycle of the D2C platform we are aiming to create



Developing appealing content and collecting customer data

We analyze the wealth of customer data gained by making deep connections with each user and combine the results with the Ajinomoto Group’s prized Deliciousness Technologies, allowing us to develop products and services suited to each person’s biometric information, preferences, and lifestyle patterns. We also work to co-create value with our customers by asking members to try out prototypes before we commercialize them, asking for their opinions on these items. Sharing these opinions universally throughout the Company makes it more likely that existing business departments will develop hit products.

We also guide users to sites where they can purchase products, which leads to the D2C business. Although our D2C products are currently centered on supplements, we plan to expand this to include other food products immediately.

Moving away from our previous business model of directing communications to the needs of the mass target with the largest common denominator, we will work to ensure that we offer the joy of personalized meals to a narrower band of core customers by connecting directly with them and engaging in dialogue. The Ajinomoto Group possesses data on 1.5 million customers, which sets us apart from other companies in the food industry and is a significant advantage in moving ahead with this D2C innovation.

What is “Future Menu” that allows people to live an enjoyable life with delicious food?



Unlike conventional recipe sites, “Future Menu” provides a delicious and enjoyable food experience while maintaining a nutritional balance for daily meals and extraordinary meals such as eating out and home parties with close friends and family. We conducted test marketing for members only from April to May in 2023.

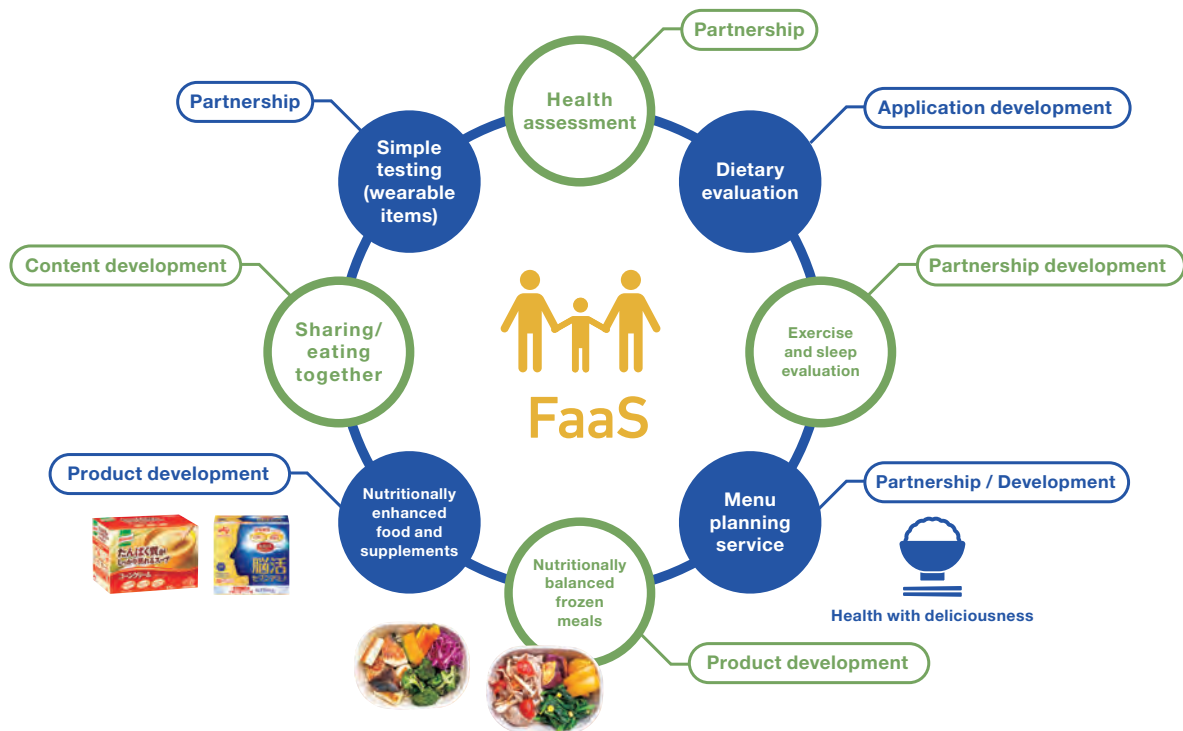


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From “Food” to “Meals”

A new business model based on the FaaS concept

Transitioning from a business model that provides goods to large numbers of people to one that provides personal value to small and medium-sized groups. What is the FaaS concept of services with a greater focus on food and health?



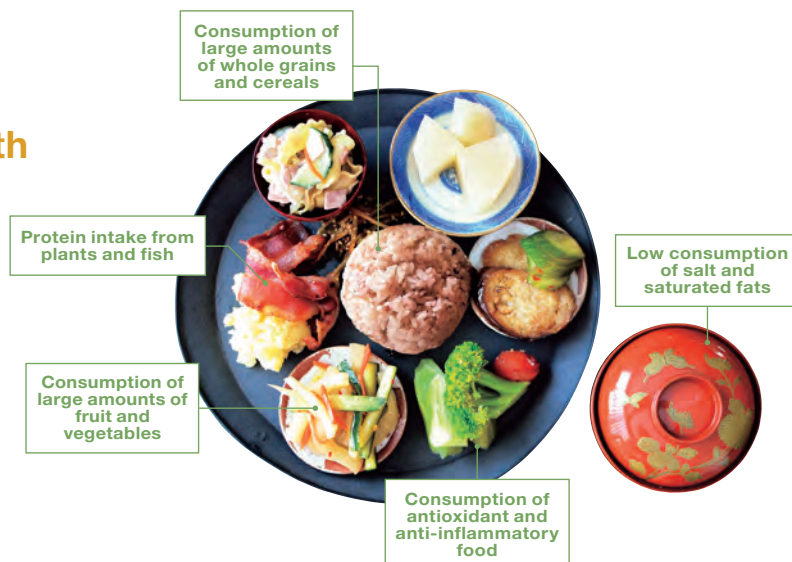
What is the FaaS concept?

There is a growing trend toward the number of patients with so-called lifestyle-related disease such as hypertension and diabetes to increase every year. It is said that while these may not impede everyday life immediately, they can lead to serious ailments such as heart disease and kidney failure. There is a range of data showing that diet is particularly important, and since many of those with lifestyle-related disease are in their forties and fifties, behavioral changes must be made by those in their twenties and thirties to prevent this. However, people with lifestyle-related disease or pre-morbidities are engaged in work and child-rearing at a busy time of their lives, which makes it difficult for them to pay attention to nutritional

balance in what they eat. That has inspired the Ajinomoto Group to create the FaaS concept.

“FaaS” stands for “Food as a Service.” Although Ajinomoto has only offered products such as low-salt seasonings, low-calorie sweetener, and protein-enriched foods to date, our goal is to take things a step further, making a commitment to helping people achieve nutritional balance throughout their diets, and offering a comprehensive service that takes data from health checks into consideration. In addition to our existing food business model aimed at addressing the broad-ranging needs of more people (large groups), we will partner with external organizations to create new business models targeting specific health-related needs (medium to small groups).

Issues with food and health



Including those with pre-morbidities, approximately 20 to 30 million people are frail or suffer from lifestyle-related disease. The primary causative factors in terms of food are excessive salt, sugar, and fat, and protein deficiency. To address these, we must do more than offer suggestions for products that turn specific nutrients on and off; looking to the future, we must propose and provide meals tailored to each individual.

Specifically, the Ajinomoto Group will develop and provide a meal assessment application that checks whether everyday meals are nutritionally balanced, and work with Oishi Kenko Inc., to develop and offer frozen meals that meet health needs and are both healthy and delicious. We will offer meal programs that combine products and services that address lifestyle-related disease to hospitals, clinics, health

management businesses, municipalities, and insurance companies.

In addition, we will provide a complete lineup of nutritionally enriched processed foods and supplements that offer a variety of choices that address the health needs of the individual, and which supplement diets that are deficient in protein or amino acids. Looking to the future, we will cater to a broader range of health needs. For example, we hope to offer the nutrition children need during development through daycare centers and after-school study facilities, and provide nutrition tailored to those who want to maintain or increase muscle strength through fitness gyms and sports-related businesses, as well as to provide nutrition for older people who want to address issues such as frailty and dementia through local governments and care facilities.

Approach to pre-morbidities—Providing menus based on the logic of finding the factors common to areas where people live long lives



People become concerned about their health, even though they may not be unwell. They want to stay young and healthy forever. The Ajinomoto Group is also creating an approach to such pre-morbidities. To date our nutritional theory has only taken account of aspects such as salt, sugar, and protein volume, but we are evolving this to create a unique logic that sheds light on the quality of protein, carbohydrates, and fats, based

on the latest “AminoScience” research. This is an approach to nutrients that only the Ajinomoto Group can offer, thanks to our many years of “AminoScience” research.

Using the Deliciousness Technologies of which the Ajinomoto Group is so proud, we are working to make it possible to offer meal programs that do not sacrifice satisfaction or flavor.