

2020-2025 Medium-Term Management Plan

This section presenting an overview of the 2020-2025 MTP contains the plan content as it was announced in February 2020. Since that time, the outbreak of the COVID-19 pandemic has vastly impacted our earnings outlook for fiscal 2020.

The battle against the spread of the coronavirus has greatly altered consumer behavior and triggered a sharp increase in demand for “health-conscious” and “in-home” products. The Ajinomoto Group has responded to these developments by adding a “healthy new lifestyle” strategy and will continue transforming its business model and companywide operations as it remains fully determined to meet the MTP targets for fiscal 2022.

Overall structure and KPIs

2017-2019 MTP Review

Build a robust business structure for continuing value creation

Under the 2017-2019 MTP, we bolstered our ability to propose solutions to customers beyond the reach of other companies and further advanced our areas of competitive advantage. These efforts generated sales growth for menu-specific seasonings and products designed for the changing lifestyles. Health-related product sales also increased considerably, including for frozen Asian foods and foods with functional claims. Sales of basic and flavor seasonings captured the top share in the global market but the growth pace slowed down. At the same time, while we focused all of our efforts into the structural reform, some businesses did not yet produce results, and some others continued the long-term trends of flat or slightly declining revenues. One point that became an issue during the previous MTP is the decline in asset efficiency as our M&A activity swelled our asset holdings. We set fiscal 2019 as a year of preparation to put the Group in a solid position to

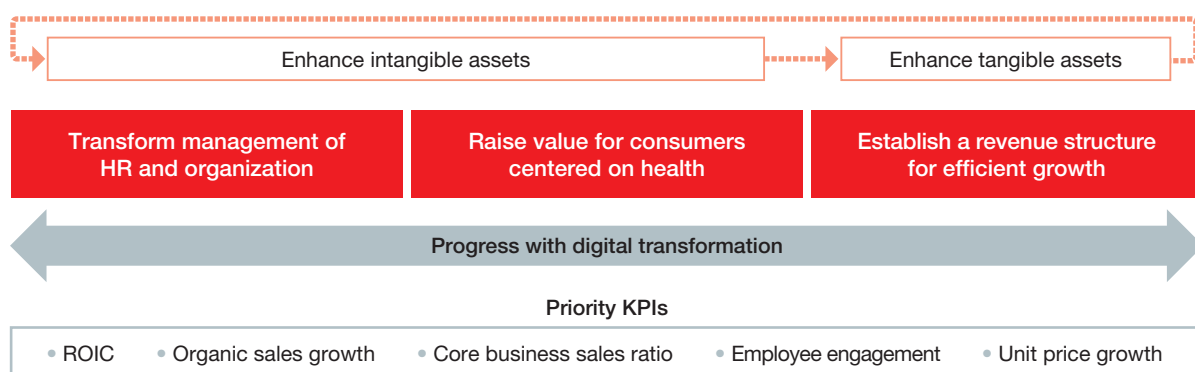
address these issues during the new MTP. During the year, we selected and concentrated management resources to core businesses and began some tasks ahead of schedule for an asset-light business model to give us the framework for structural reform.

FY2019 results

Sales	¥1,100.0 billion
Business profit	¥99.2 billion
Profit attributable to owners of the parent company	¥18.8 billion
Business profit margin	9.0%
ROE	3.3%
ROIC	3.0%
ROA (based on business profit)	7.2%
EPS	¥34.37

2022-2025 MTP Key principles

Focus all of our management resources on resolving food and health issues



We are implementing the 2020-2025 MTP in two stages; Phase 1 Structural Reform and Phase 2 Regrowth. All of our management resources are being concentrated on becoming a solution-providing group of companies for food and health issues, and we are reforming the Group's business structure to lay the foundation for sustained

growth with programs specifically designed to fulfill our objectives to transform the management of our human resources and the organization, raise consumer value centered on health, and establish a revenue structure for efficient growth.



*The priority KPIs above are used as compensation assessment criteria for officers.

▶ For details, see pp.65–66 "Corporate Governance."

Growth driver: Raising value for consumers by resolving food and health issues

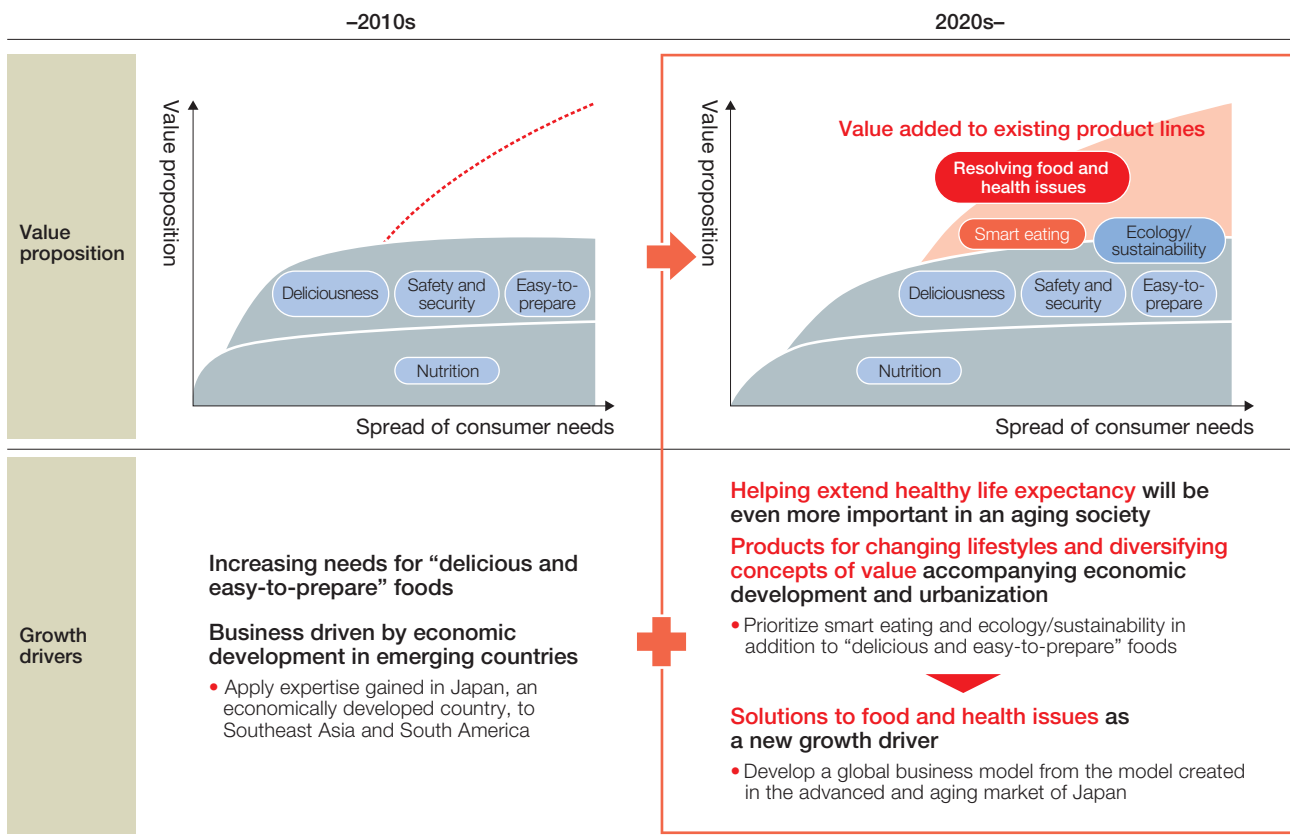
The growth driver in the 2020-2025 MTP is “resolving food and health issues.” This is a change from our past approach, which was, for example, to develop and market consumer food products focused on pursuing “delicious and easy-to-prepare food” geared to specific regions. In addition to the value provided so far, we are now taking the approach of using the value we have created addressing health issues in Japan, which is at the forefront of dealing with an aging society, through our salt reduction, *Kachimeshi*®, and other initiatives and translating it to address health issues for not just specific countries or regions, but for the entire global market.

We made “resolving food and health issues” our growth driver because the increasing food and health issues around the world as populations age have broadened the range of markets where the Ajinomoto

Group can contribute. Particularly in Southeast Asia and South America, which are our core business regions, we anticipate rising health-related spending, mainly in high and upper-middle income groups. Our aim is to reestablish business growth by introducing high value-added products, such as health-promoting products, as we seek to enhance the value of our existing products.

The COVID-19 situation has progressed to a stage of gradual reopening of social and economic activities, but the impacts are likely to continue for some time to come. Especially in times like these when people feel a real threat to their mental and physical health, we will not stop forging ahead with the structural reform called for in the MTP and will concentrate on creating new value from the customer’s perspective to contribute to the health and well-being of people around the world.

Redefined growth drivers



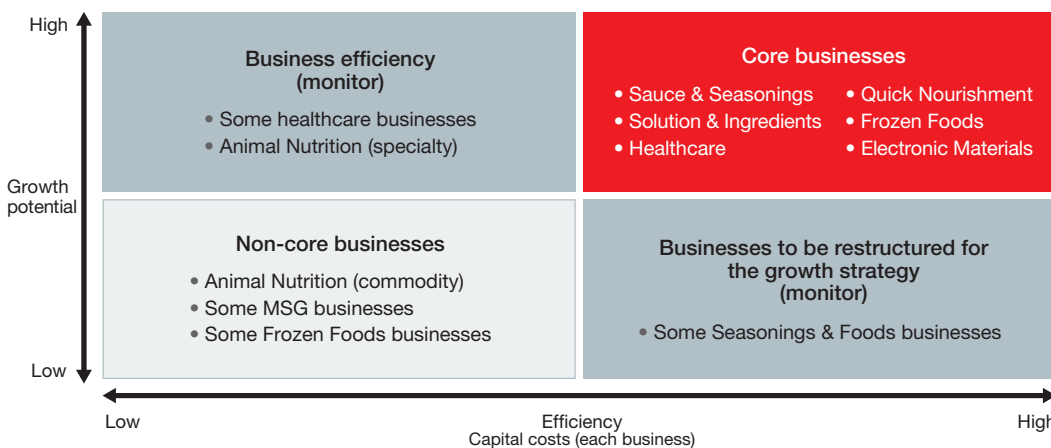
Reformulating our business portfolio to focus on creating value in our core businesses

Under the 2020-2025 MTP, we will revise our profit structure by concentrating our management resources into our core businesses with the aims of improving our capital efficiency and realizing sustainable growth. We have set Sauce & Seasonings, Quick Nourishment, Frozen Foods, Solution & Ingredients, Healthcare, and Electronic Materials as our core businesses based on their potential for ROIC to outpace capital costs and business growth. In these core businesses, we will focus on regaining growth trajectories and creating new businesses, while also

accelerating value creation that helps solve social issues.

For non-core businesses, in Phase 1 of MTP during fiscal 2020-2022 we will complete the restructuring of those businesses and prepare for any transfers, sale, or withdrawals deemed appropriate. At the same time, we will scrutinize businesses exhibiting efficiency and growth issues in Phase 1, and take appropriate action in Phase 2 during fiscal 2023-2025. Over the next six years, we will carefully assemble a healthy and potent portfolio of businesses.

Portfolio reform and value creation in the core businesses



Core Businesses	Use umami to promote "delicious salt reduction"	Improve personal dietary habits and nutrition	Promote smart eating lifestyle	Coexistence with communities and the earth
Sauce & Seasonings Achieve nutritionally balanced and diverse menus and smart cooking	Contribute to risk prevention and treatment of chronic diseases	Increase the number of people who grow older in good health	Promote smart and comfortable lifestyles	Create sustainable products and businesses with low environmental impact
Quick Nourishment Support consumers' peace of mind and healthy lifestyles by ready-to-eat foods and drinks				
Frozen Foods Support diverse lifestyles by enabling anybody to easily access chef-quality flavors and experience other food cultures				
Solution & Ingredients Solve issues of health, labor shortage, and food resources with customers				
Healthcare Contribute to disease prevention and treatment with health risk evaluation technology				
Electronic Materials Support comfortable lifestyles by digital technologies with customers				