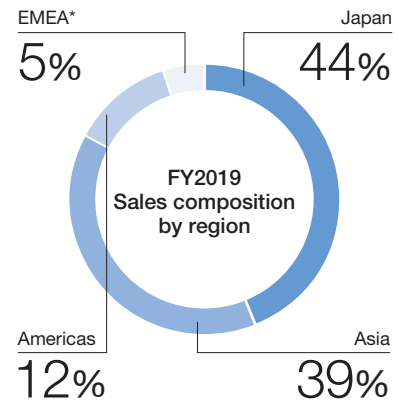
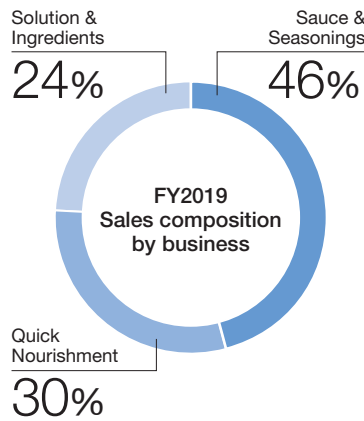


# Seasonings & Foods Business



\* EMEA: Europe, the Middle East and Africa

## FY2020-2025 Seasonings & Foods business strategy

The Seasonings & Foods business aims for an organic growth rate of 5% and business profit margin of 12% by fiscal 2022, and ROIC of 17% or higher by fiscal 2025. We will accomplish this by further strengthening products and services that help resolve consumers' food and health issues, based on the stable growth of core products such as umami seasonings and flavor seasonings.

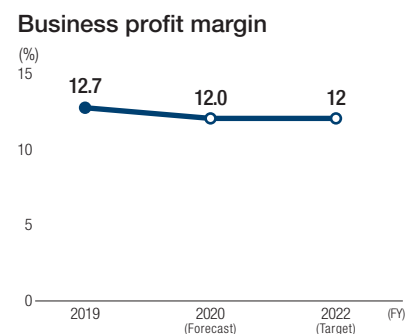
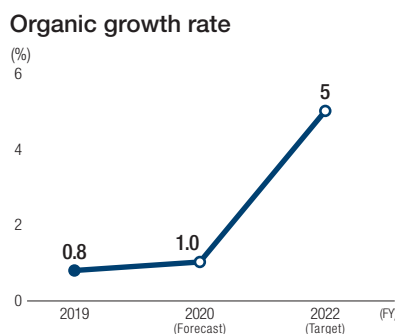
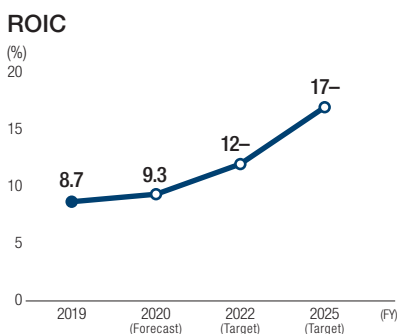
Specifically, we are actively working to expand our lineup of high value-added products tailored to the health needs and changing lifestyles of each particular country and region. This includes seasonings that make it possible to make delicious, nutritionally balanced meals easily, and products that are simple and delicious yet provide essential nutrients. We are now deploying our knowledge gained in Japan in global markets, taking our business to the next level with data-driven consumer behavior analysis and promoting solutions to food and health issues through partnerships within local communities.

In the Sauce & Seasonings business, we will promote delicious, lower-salt menu using umami seasoning *AJI-NO-MOTO*® and accelerate the development of reduced-salt products. We will also provide solutions to address food and health issues in the community by providing information on nutritionally balanced meals using local ingredients already underway in Japan and rolling out our *Kachimeshi*® model overseas.

At the same time, we will focus on expanding product categories (menu-specific seasonings, etc.) tailored to local dietary habits that address changing styles of cooking and demand for reduced cooking time. Through this, we will actively promote new product development together with facilitating the growth of existing products and reduced-salt products for consumers to enjoy their lives.

In the Quick Nourishment business, we will expand the business by strengthening products and sales channels to address changing consumer lifestyles and to improve quality of life. Specifically, we will focus on tapping into new businesses and categories that promote health value as well as increasing the number of products that are tasty and easily supplement nutrition and products with high added-value that support peace of mind.

In the Solution & Ingredients business, we will grow the business using the specialties of *Tencho* (savory seasonings) and enzymes for packaged food manufacturers, as well as the home meal replacement and food service industry. Utilizing the Group's technology and know-how in the elements of deliciousness, including flavor, taste and texture, we will resolve social issues by expanding solutions that deliver health value including "delicious salt reduction" and solutions that address changing consumer preferences around the world, such as growing demand for meat alternatives.



**Building ecosystems with local communities**

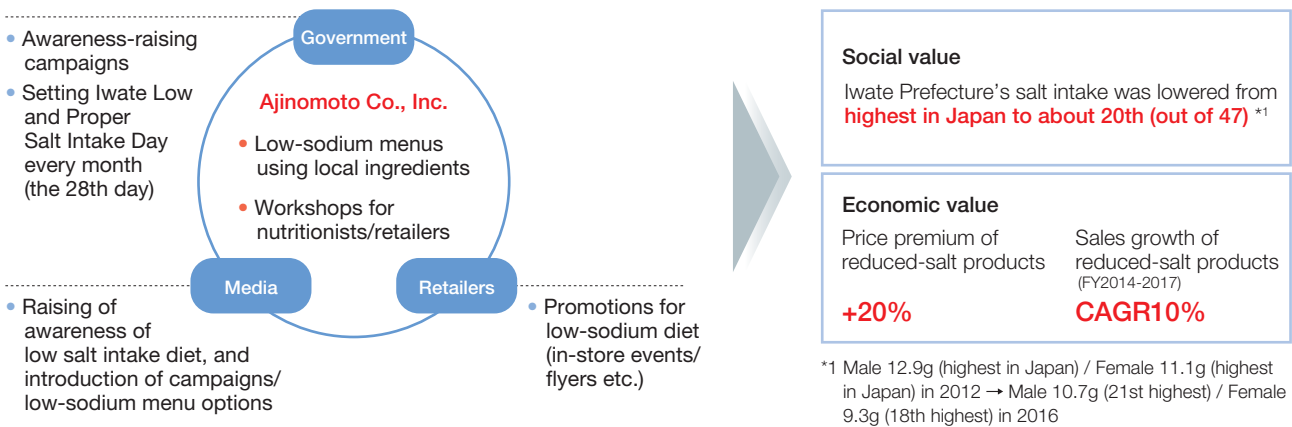
Since 2014, Ajinomoto Co., Inc. has created local ecosystems through partnerships with local governments, retailers and the media, which it has used to roll out a salt reduction promotional program. The first targeted Iwate Prefecture, which at the time had the stigma of highest salt intake per capita of any prefecture in Japan. The program introduced at stores low-sodium menu ideas that combine our reduced-salt products with local ingredients, and it organized seminars for nutritionist associations about lower-salt options. These efforts made together with the local government, retailers and the media helped to reduce per capita salt intake in Iwate Prefecture by 10 to 20% over a four-year period. Through this program, we not only contributed to the improvement of dietary habits

in Iwate Prefecture, but also increased sales through the increased sales volume of reduced-salt products with a higher unit price.

In addition to salt reduction, in Japan we are expanding the program to other areas, including *Kachimeshi*<sup>®</sup>, which proposes nutritionally balanced meal options and *Love Vege*, which seeks to increase people’s vegetable intake. In this manner, as of the end of fiscal 2019, these activities in close collaboration with local governments have been implemented in 39 prefectures across Japan.

Outside of Japan, we have a school meal project in Vietnam and other projects for supporting athletes in Asia and Brazil. Looking ahead, we plan to expand these efforts to other countries and regions by building local ecosystems.

**Salt reduction project in Iwate Prefecture**



**Example of initiatives with local collaboration outside of Japan**

**Thailand**

*Kachimeshi*\*2 bento lunch boxes provided to Thai women’s volleyball team



**Indonesia**

*Kachimeshi* bento lunch boxes provided to national team swimmer I Gede Siman Sudartawa



**Malaysia**

*Kachimeshi*<sup>®</sup> menu introduced in cafeteria at the most historical national sports school



**Brazil**

Agreement with Brazil Olympic Committee to provide support for national athletes

**The Philippines**

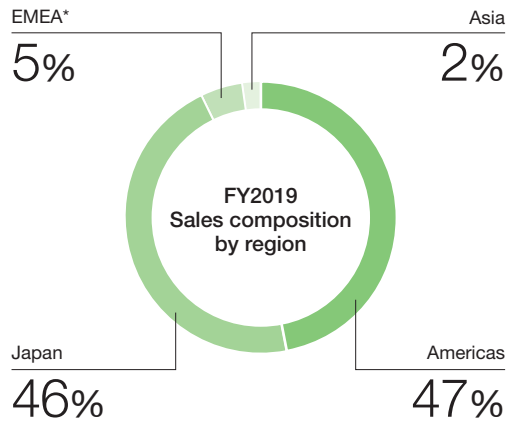
Providing support to karate representative Junna Tsukii

**Singapore**

Providing support to the national swim team

\*2 *Kachimeshi* is the trademark of the *Kachimeshi*<sup>®</sup> project outside of Japan.

# Frozen Foods Business



\* EMEA: Europe, the Middle East and Africa

## FY2020-2025 Frozen Foods business strategy

The Frozen Foods business aims for an organic growth rate of 3% and business profit margin of 3% by fiscal 2022, and ROIC of 5% by fiscal 2025. To achieve this, we will expand our lineup of added-value products and reorganize our production structure globally through asset-light management. We are also aggressively investing for future growth centered on our core product categories.

The Frozen Foods business's core product categories are *gyoza* (Japanese-style dumplings) and *shumai* (Chinese-style steamed dumplings) in Japan, and Asian foods and dessert categories overseas. In these core categories, we are focusing on providing health value and creating new value attuned to the changing social environment and diversifying consumer needs. To create this value, we are developing foods that are both delicious and geared to modern lifestyles by being easy and enjoyable to make, providing solutions for operating issues in the food service industry caused by the shortage of labor, and minimizing food loss and waste. We consider this business to be one of the prime areas where we can fulfill ASV. We will apply the full force of the Ajinomoto Group's expertise, materials, product development capabilities, and manufacturing technologies to increase the sales composition ratio of our health-solution products and comprehensively strengthen them with the value-added features of lower salt, optimized protein intake, free of three major allergens (eggs, dairy, and

wheat), and improved nutritional balance. We will concentrate investments into the Asian food category overseas and seek to generate business growth surpassing the market growth. We will also implement measures to strengthen our business structure, such as by downsizing operations in North America that are struggling to maintain profitability.



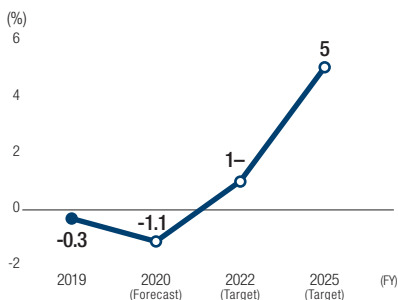
TAI PEI® reduced-salt product



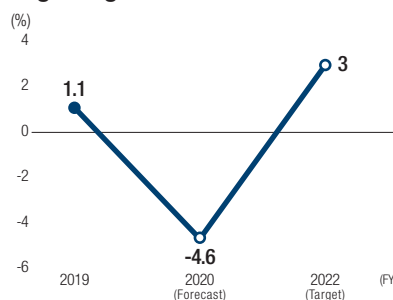
Medimeal® Flan Custard for enhanced protein intake

The Frozen Foods business currently has manufacturing bases in six countries supplying products to over 30 countries and regions. We are consolidating the manufacturing and distribution networks to support dynamic business growth with integrated global management. Measures will be launched in fiscal 2020 to improve asset usage efficiency by reducing fixed assets and increasing factory utilization rates. Growth investment for the Frozen Foods business will concentrate on the core product categories.

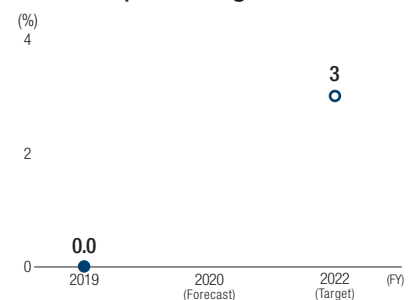
### ROIC



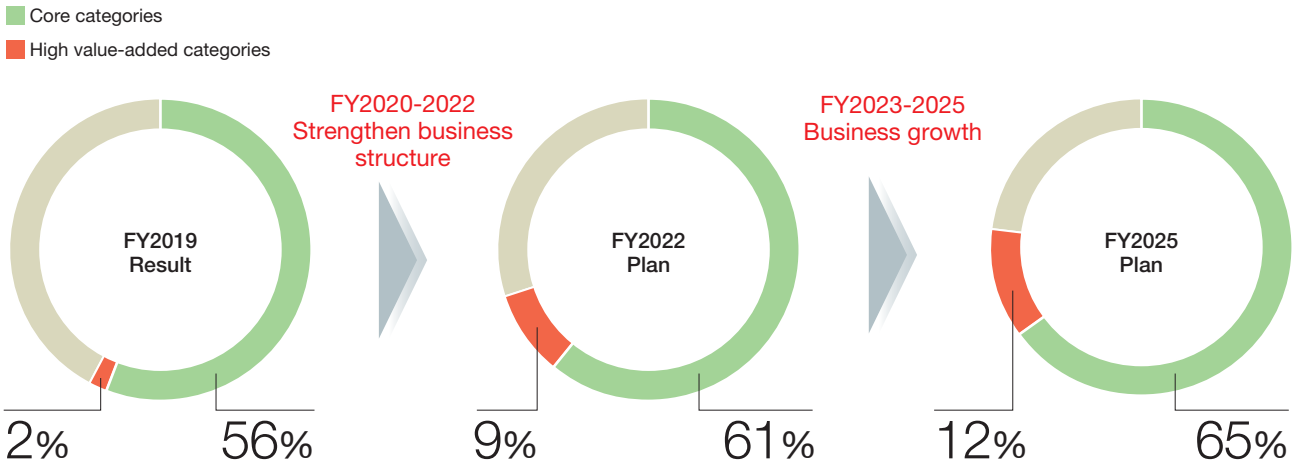
### Organic growth rate



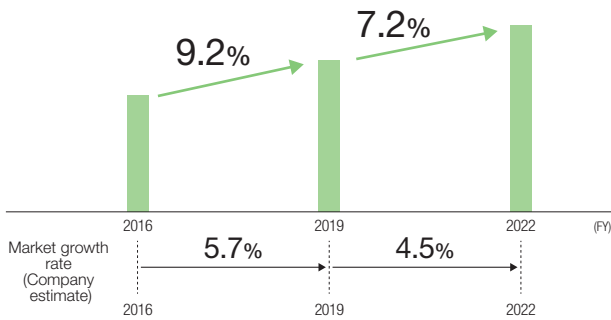
### Business profit margin



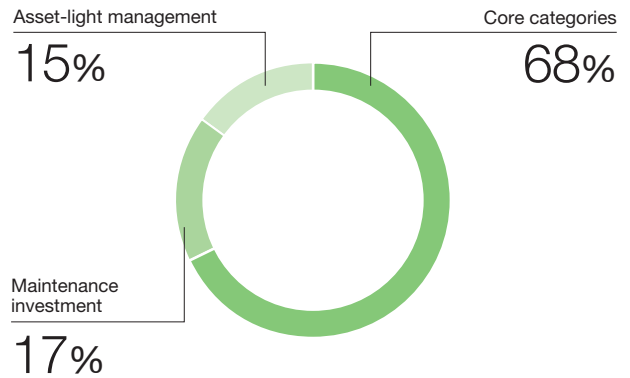
FY2020-2025 sales composition plan



Sales growth rate (CAGR) of the frozen Asian foods category in North America



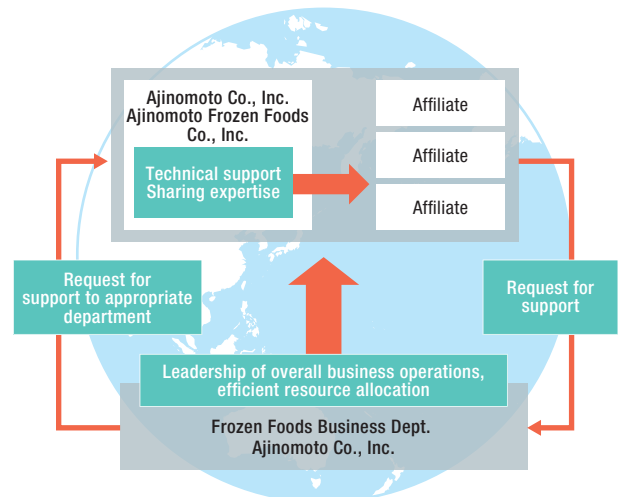
FY2020-2022 capital expenditure plan



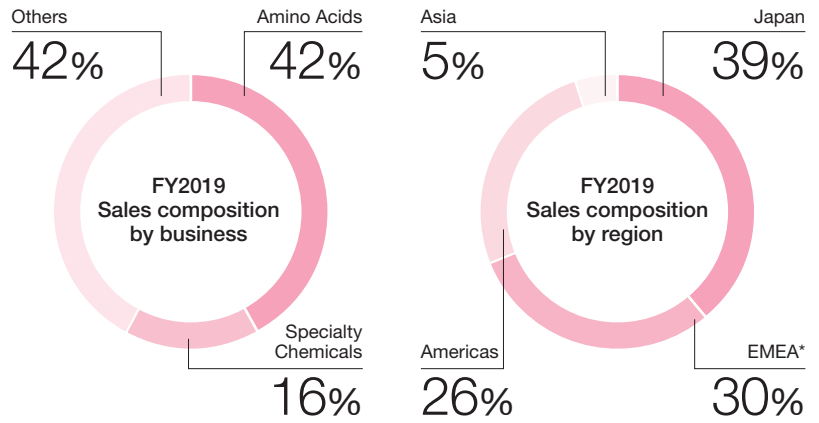
Integrated global management of the Frozen Foods business

The Ajinomoto Group has created a new operating structure for the Frozen Foods business, which previously had affiliates independently advancing their businesses. Aimed at accelerating global business growth, the new structure adopted in fiscal 2019 is built on integrated worldwide management enabling the Group to promote a universal strategy and align all of its businesses on a single vector. The new structure supports faster decision-making and more efficient resource allocation from a global business perspective, while also enabling the Group to provide stronger support for affiliates using the world-class manufacturing technologies and expertise cultivated in Japan. The freer flow of communication among Group companies around the world about marketing, R&D, and production functions is already being used to share best practices and create new systems for human resources development.

Frozen Foods business global operation



Healthcare and Others Business



\* EMEA: Europe, the Middle East and Africa

FY2020-2025 Healthcare and Others business strategy

The Healthcare and Others business aims for an organic growth rate of 4% and business profit margin of 12% by fiscal 2022, and ROIC of 12% or higher by fiscal 2025. To achieve this, we will establish a highly efficient and high-growth business portfolio as well as expand the value we provide in BtoB and BtoC businesses.

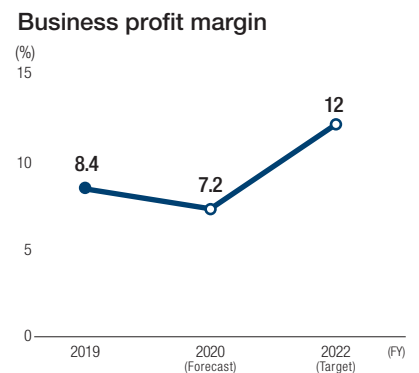
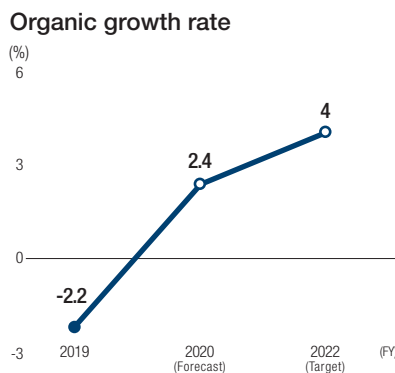
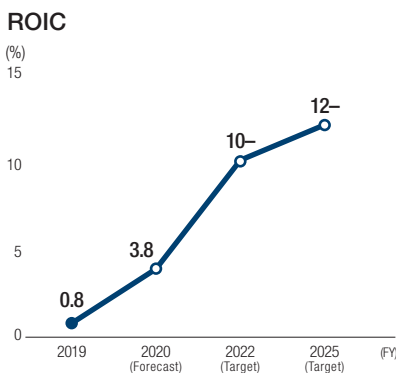
In the Amino Acids business, “Ajinomoto Bio-Pharma Services,” which offers pharmaceutical contract development and manufacturing services globally, is experiencing robust growth. We have gained expertise and know-how through contract services from major pharmaceutical companies, having built strong relationships with these companies for many years. At the same time, we are reinforcing our business foundation by focusing on the growth domains of antibody drugs and oligonucleotide therapeutics. As for amino acids for pharmaceuticals and foods, we will aim to increase our presence in medical foods and cell culture medium for regenerative medicine, which are growth domains, while responding to demand from customers globally.

Our mainstay product in the Specialty Chemicals

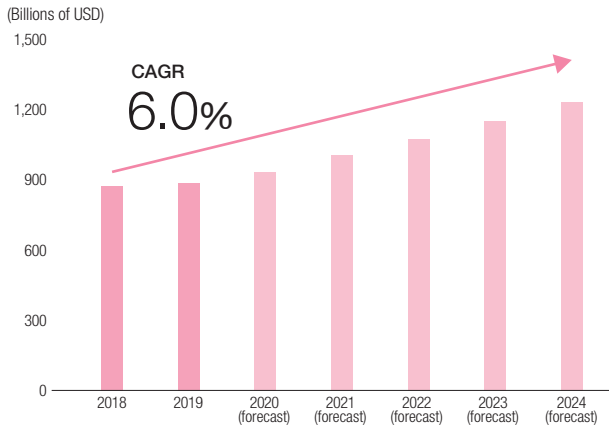
business is *Ajinomoto Build-up Film® (ABF)*, an interlayer insulating material for semiconductor packages used in computers and smartphones. *ABF* is expected to see sustained growth buoyed by growing demand for new network services for high speed communication and for server applications for data centers, which are growing globally driven by 5G.

Furthermore, we will integrate food and AminoScience more actively to promote products and solutions using amino acids that can maintain and improve the body’s physical functions. We will evolve *AminoIndex®*, which assesses disease risks based on the balance of amino acid concentration in blood, and expand the reach of exams to lowering the risk of cognitive function decline. Based on this, we will develop a platform for providing integrated services tailored to individuals closely linked to exam results and the results of diet/lifestyle-driven assessments.

In the Animal Nutrition business, where commoditization continues, we will shift to specialty products with high added-value.

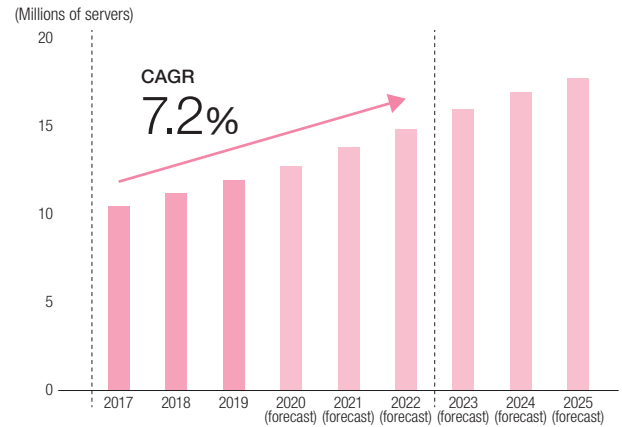


Worldwide total prescription drug sales



Source: Evaluate Pharma

Worldwide data center server demand (Company estimate)



Providing solutions that support individuals' health

As aging progresses around the world, forecasts indicate health issues will emerge, driven mainly by the loss of muscle mass and decline in cognitive functions associated with aging. The Ajinomoto Group has elucidated and created an index for the balance of amino acid concentration in the blood. Using "AminoIndex technology" that assesses healthy conditions and disease

risks, we have developed a method to analyze current risks of decline in cognitive function. Also, we are developing algorithms that analyze the correlation between eating, lifestyle habits and decline in cognitive function. We will provide support to individuals to improve their lifestyles by delivering tailored advice and solutions to consumers.

▶ For details, see p.23 "Business Model Transformation / Project overview."

Developing a platform for personalized nutrition

