

Rapid response to consumer lifestyle changes

The Ajinomoto Group pursues balance between nutrition and deliciousness, striving to offer foods that nourish both body and mind. We support a diverse range of lifestyles, creating spare time by providing smart cooking, which lets anyone cook easily and encourages people to enjoy cooking, even if they are busy. With our products, we also encourage consumers to experience the fun and joy of eating together. Further, through products with high health value, e-commerce, and other channels, we will provide personal food products and food product experiences that offer both nutrition and peace of mind. We will continue to respond to changing global lifestyle preferences, delivering more solutions that include the clean label movement (clear ingredient labeling, products that use simple raw ingredients), vegan-friendly foods, and more.

Specific examples

- Fair marketing and advertising
- Product access and affordability
- Response to diversification of values (smart cooking, joy of eating)
- Eating alone, eating personalized meals

Related opportunities and risks (Opportunity Risk)

- Enhancing corporate reputation by offering the joy of eating together
- New value creation using digital technology
- Loss of growth opportunities due to delayed response to consumer lifestyle changes or diversifying values

Key initiatives by the Ajinomoto Group

- Creating strong communities and social bonds through food
- Advanced marketing efforts by leveraging big data and consumer data
- Building strategies to deal with smaller markets
- Properly delivering products, services, and information to customers
- Expanding products and services to meet the need for convenience, such as smart cooking

Related SDGs



Rapid Response to Consumer Lifestyle Changes

Responding to diversifying values

Approach

The Ajinomoto Group offers products tailored to each area in which we do business, understanding and respecting the food culture and values of each country and region, as well as the diversified preferences and needs related to food. We offer well-balanced, nutritional menus using local ingredients and classic dishes. We also suggest ways to create a better mealtime settings.

Dietary habits are changing as lifestyles diversify. We see more people eating alone and more people eating individualized meals, even when dining with family. The busy-ness of life is leaving people with less time to prepare and eat meals.

Meals are not only for nourishment, but also valuable opportunities for communications. Consumers demands related to food and lifestyles are diversifying. People want more satisfaction through cooking joyfully and well, as well as the joy of connecting with family and others through food.

The Ajinomoto Group offers a variety of values in response to these lifestyle changes and diversifying needs. For example, we continue to expand our product lineup to meet a diverse set of needs. This includes microwaveable frozen gyoza for those who want a meal that needs less time to cook, mayonnaise meeting discerning tastes for freshness, and other products adapting to changing work styles and growing opportunities to cook at home. We also create opportunities to enjoy cooking and food, suggesting different menus for various occasions.



Frozen gyoza (Japan, U.S.)

Easily prepared in the microwave, these potstickers offer a savory grilled texture and a juiciness bringing you back for more.



Pure Select® Mayonnaise (Keep-fresh Bottle) (Japan)

With the growing number of small households, diversifying dietary habits, and with calls from consumers for mayonnaise that keeps its deliciousness over a longer period of time, we have adopted a new double-structure bottle for the first time in our mayonnaise products. This special bottle helps keep freshness and flavor for longer after it has been opened.



Bistro Do® Menu-specific seasoning (Japan)

This seasoning incorporates a carefully selected blend of ingredients hard to get in the average household, making it easy to prepare authentic Western-style dishes at home. It provides more meal options for consumers with growing opportunities to cook at home, and offers them the value of a more fun dinner table with the lavish meals it enables.



Work Design Coffee (Japan)

This coffee takes on the various psychological difficulties people face amid diversifying work styles from the spread of COVID-19, like relaxing, and mentally overcoming difficult moments. By reading two-dimensional bar code on the packaging, our automatic background music service will play a track selected based on the kind of coffee, where the customer works, and what kind of job they have.



Food Fun! Discovery Community (Japan)

The Food Fun! Discovery Community website is a space for consumers to learn more ways to enjoy food, and already has more than 20,000 registered users. The website features an active community of consumers who engage in interactive dialogue.

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Adapting to lifestyle changes caused by the spread of COVID-19

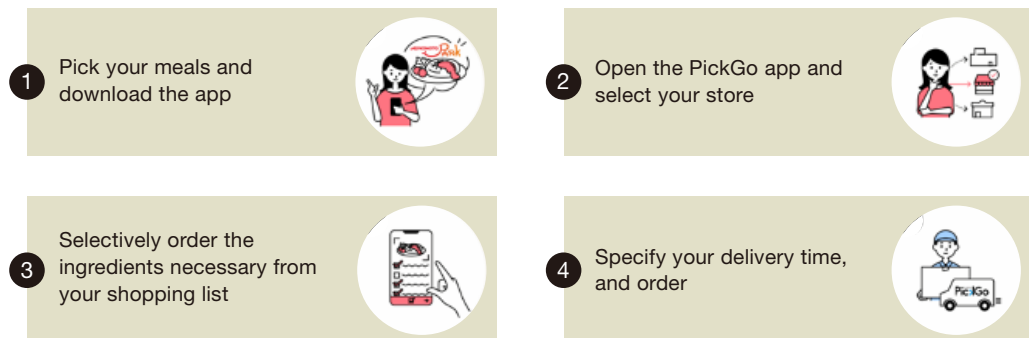
■ First food manufacturer to launch meal delivery services partnering with shopping agents (Japan)

In Japan, the spread of COVID-19 has led to an increase in demand for online shopping, such as for groceries. In addition, with growing opportunities to cook at home, more and more people are experiencing services providing meal kits, combinations of recipes and ingredients that reduce the user's burden from planning the meal to preparing the food. Our **AJINOMOTO PARK** recipe website has seen an exploding number of page accesses, indicating that consumers are becoming more interested in food.

To address these changes, Ajinomoto Co., Inc. launched its *FleMeal* meal kit delivery service in December 2020. This service is in partnership with CBcloud Co., Ltd.'s PickGo, a platform handling processes from shopping to delivery.

It delivers ingredients for three original, nutritionally-balanced recipes (currently 30) from **AJINOMOTO PARK**, bringing it to customers' doors in as little as 30 minutes. Going forward, we will consider expanding these services, including introducing a mechanism for personalizing meal options according to individual tastes and health conditions.

How to order meal kits



■ Released the *A la table*[®] app, enabling people to connect through food (Japan)

With the spread of COVID-19, more and more consumers are trying out cooking for the first time, and more are enjoying homemade meals with their families. Food offers more than just functional benefits like nutrition and convenience; it should have emotional value, like connection and empathy, and with people staying indoors, there are growing needs for connections, especially online.

In June 2020, to address these changes happening for consumers, we launched a beta version of our *A la table*[®] app, designed to connect people through food. App users can post their own dishes and "like" dishes prepared by others. The app also provides new information daily about food, and users can post about their cooking troubles and concerns and ask for advice from other users.

We also supporting community-building by using AI to make individually tailored proposals based on consumer interests and insight analysis, offering them new experiences where they can share their cooking spaces and time.

Rapid Response to Consumer Lifestyle Changes

Approach

GRI203-2

> Group Shared
Policy on Product
Accessibility

■ Established a mail delivery system for supplements (Japan)

The spread of COVID-19 has led to a rapid expansion in online shopping, further leading to greatly increasing courier transactions. This has caused a shortage of delivery staff and the social problem of worsening labor environments. There have also been issues where packages have not been delivered at the customer-specified times. Yet still, there have also been concerns that close contact when receiving deliveries could lead to infection risks.

To resolve these issues, the Ajinomoto Group reviewed the packaging and packaging lines for supplement products, altering these so that all products fit in thin packaging deliverable in post boxes. Customers have responded favorably to this change, saying they can now get their orders without being home. Further, we expect that this will reduce the share of courier services to all deliveries from 70% to 30%, and reduce redeliveries; this will lead to less CO₂ emissions from deliveries.

Improving product accessibility

The Ajinomoto Group expands our business through our own mail order and external e-commerce site, helping consumers purchase products anytime, anywhere. We have established a system to analyze the awareness and behavior of consumers through digital data. We provide products that meet the trends of users on e-commerce websites in Japan and overseas.

At the same time, we have established our own distribution networks that include farms and village areas in developing and emerging countries with weak distribution mechanisms. In this way and more, we provide products not only through supermarkets, but also in grocery stalls within markets. We have adopted a cash-based direct sales model for staff to sell physical goods (products), depending on the conditions in each country or region. By communicating directly with shopkeepers and consumers, we exchange a wealth of information and deepen our understanding of consumer needs. In turn, this allows us to offer products more rooted in the local community.

We also establish reasonable prices and convenient product formats tailored to the lifestyle conditions in each country or region. For example, we offer a minimum standard size of umami seasoning *AJI-NO-MOTO*[®] of 10g (20 naira = 5 yen) in Nigeria and 11g in the Philippines (3 peso = 7 yen)^[1].

The Ajinomoto Group strives to improve product availability and accessibility by utilizing digital data and collecting information through direct communications.

[1] The exchange rate as of end of June 2021 was used to convert product prices into Japanese yen.



Product sold in
Nigeria

Product sold in the
Philippines

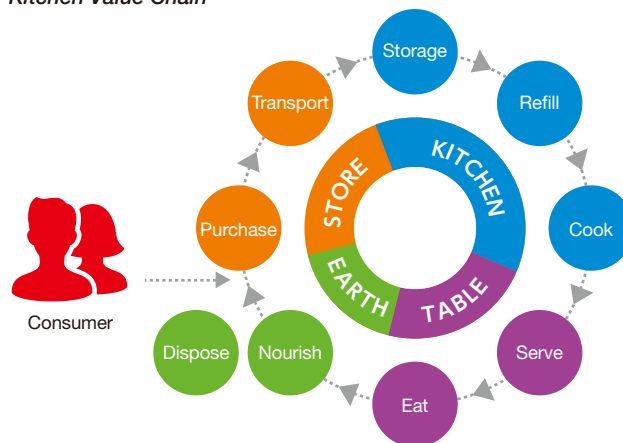
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Developing solutions to improve value

The Ajinomoto Group interfaces with consumers in various touch points between product receipt and disposal, including stores, kitchens, and the dining table. We call this series of connection points the *Kitchen Value Chain*[®]. To ensure that consumers are satisfied at each point, we develop products with a focus on such qualities as deliciousness, ease of preparation, and the usefulness and eco-friendliness of packaging materials, as evaluated from the standpoints of kansei engineering, ergonomics, and human psychology.

To develop products that consumers feel delicious, we must understand what deliciousness means from their perspective. The perception of deliciousness depends not only on the country, region, age, gender, and food experience of the individual, but also on the eating environment. Focusing on our own unique ingredients, the Ajinomoto Group refines *Deliciousness Technologies*[®], that integrate aroma, taste, and texture. In this way, we pursue science- and digital-based solutions to diversified needs without compromising on delicious taste.

Kitchen Value Chain[®]



Rapid Response to Consumer Lifestyle Changes

Appropriate communications and information sharing

Approach

GRI417-DMA

> Group Shared Policy on Marketing Communications

> Group Shared Policy on Package Description

> Product package labeling (Japanese only)

> Making Nutrition a Priority During the Pandemic

> Ajinomoto Group Initiatives in the With-COVID-19 Era (Japanese only)

Performance

GRI417-3

Responsible communications with consumers

The Ajinomoto Group markets products in more than 130 countries and regions. Each region experiences *deliciousness* differently and has its own customs related to preparing and eating food. Each region also has particular ways of communicating that are considered appropriate. Communicating in accordance with the local culture is crucial to conveying the value of a product or service.

Given these differences, we have stated our commitment to practicing responsible marketing communications in our Group Shared Policy on Marketing Communications. This policy acknowledges that extra caution is needed in marketing communications designed for children. We pledge to act responsibly, refraining from exploiting the inexperience or imagination of children or using language that can mislead children.

We updated our policies in April 2020 to clarify that the Ajinomoto Group Policies are based on the ICC Framework for Responsible Food and Beverage Marketing Communications, which are global standards established by the International Chamber of Commerce.

Group companies in Japan publish social media guidelines on their respective websites, disclosing the rules with which employees must comply when engaging in social media. Packaging on food-related products display both legally required information and voluntary information unique to the Ajinomoto Group, including lists of allergens and details of ingredients that may be unfamiliar to customers.

TOPIC

Communications with consumers during the COVID-19 pandemic

With the spread of COVID-19, needs have risen for information on health and eating habits. In this environment of the new normal, the Ajinomoto Group seeks to propose information and food that are helpful to customer lifestyles, becoming involved more closely in their daily lives. On our website, we provide explanations about functions of amino acids, advice on maintaining a health immune response, and more information helpful for daily health. In addition, we have published a summary of Ajinomoto Group initiatives toward infection control.

Incidents of non-compliance

During fiscal 2020, the Ajinomoto Group was not subject to any public announcements made by the Japan Consumer Affairs Agency related to violations of the Act against Unjustifiable Premiums and Misleading Representations.