

Rapid response to consumer lifestyle changes

The Ajinomoto Group has aimed to realize health and well-being, pursuing to balance nutrition and deliciousness. In response to diversifying consumers' lifestyles, we are striving to offer new, more personalized value and to increase opportunities for communication with individual consumers. Particularly, we are strengthening our approach to Generation Z, who will play a leading role in the future. We are working to expand our fan base by providing value through support for people's habits and physical well-being, real experiences, and enjoyable contributions to ethical and sustainability.

Additionally, we are also taking an approach that embraces the changes in consumer behavior (spending more time at home, increasing use of e-commerce) and the changes in awareness (health-conscious eating habits, nutritional balance, emphasis on the number of calories consumed, pursuit of well-being) due to the impact of the COVID-19 pandemic.

To respond to the diversification of consumer values, we will provide a wider range of solutions in the future.

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 etc.
- 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

Responding to diversifying values required for food

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, nutritious menus using local ingredients and classic dishes. We also suggest ways to make a dining scene better.

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 meals.

The Ajinomoto Group offers a variety of values in response to these changes in lifestyles and the times, as well as to 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, easy-to-enjoy seasonings offering authentic flavors, and other products responding to changing work styles and growing opportunities to cook at home. We also create opportunities to enjoy cooking and meals, 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.



Cook Do® Chao Sauce cooking sauce (Japan)

Enables easy preparation of authentic Chinese stir-fry dishes, like oyster-flavored fried noodles and stir-fried meat and vegetables. It responds to the needs of people who want to enjoy the authentic taste of a restaurant at home, and who want to save time and effort while still cooking their meals.



Cook Do® Kon-ya wa Chuukameshi (Tonight is Chinese Rice) menu-specific seasoning (Japan)

Enables easy at-home stir-fry meat, vegetables, and other ingredients. Just add sauce and serve over rice to enjoy authentic Chinese rice dishes at home. It eliminates concerns and dissatisfaction by people preparing rice dishes at home about not eating enough vegetables or a limited repertoire, and responds to recently-highlighted demand for rice.



THE LITRE (Japan)

Creates one liter of an enjoyable, delicious beverage just by dissolving one stick in water. Customers can choose from eight different flavors to suit their meal or mood. Enjoyable on the go with a personal bottle. Paper is used for a portion of the stick packaging material, so the product is also environmentally friendly.



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 approximately 40,000 registered users. The website features an active community of consumers who engage in interactive dialogue.

Rapid Response to Consumer Lifestyle Changes

Performance

> Press release
(Japanese only)

Approach

GRI203-2

> Group Shared
Policy on Product
Accessibility

Rapid response to consumer lifestyle changes

■ Dedicated organization initiatives for business creation for Generation Z

Generation Z (Gen-Z), born between 1995 and 2009, now comprises one of the world's largest generations, at approximately 1.3 billion. Generation Z is highly concerned about the global environment, social contribution, sustainability, diversity, and respect for the individual. Ajinomoto Co., Inc. views Generation Z as a flagbearer of promoting the formation and spread of value toward the well-being of people in the coming era. With this in mind, we have established a new dedicated organization to pursue the values and the true needs of Generation Z and to accelerate the creation of businesses that provide value for "resolving food and health issues" on a global scale. Its objective is to rapidly create business, such as developing products in new domains and new channels, and creating new business models utilizing digital technologies without being bound by the framework of existing businesses, but by ideating freely from the perspective of Generation Z and consumers. In this way, it handles all operations from business planning and business development to market establishment.

■ Product development targeting Generation Z

In June 2022, Ajinomoto Co., Inc. and dot.me Co., Ltd. held a joint test marketing campaign for a limited time on e-commerce sites and at Shibuya Scramble Square for the new *Kayu Kayu Kou Jitsu*® cup congee product targeting Generation Z. This campaign offered the new product in multiple flavors: soy-milk congee, pumpkin congee, and spicy hot pot congee.

Our research revealed that, compared to some years ago, Generation Z's mindset toward meals has increasingly emphasized saving time on ordinary meals and eating meals when they want, regardless of the time of day. Furthermore, in order to create time for tasks at work or school, hobbies, etc., they often eat easy and filling high-calorie meals, and not only that, they feel guilty about doing so. In response, we developed a congee product with qualities that align with solving the issue of how to make a meal that is both easy and guilt-free. *Kayu Kayu Kou Jitsu* is the first product developed by our dedicated organization for business creation targeting Generation Z.

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 rural 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 16g (1000 rupiah = 10 yen) in Indonesia and 11g in the Philippines (3 pesos = 8 yen)^[1].

The 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 2022 was used to convert product prices into Japanese yen.

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 \(Japanese only\)](#)

Performance

GRI417-3

Responsible communications with consumers

The Ajinomoto Group markets products in more than 130 countries and regions. Each region has its own *deliciousness* and 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.

Incidents of non-compliance

During fiscal 2021, 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.