Source of value creation

Source of value creation

Since its founding, the Ajinomoto Group has created new value through co-creation with external parties. The source of these efforts is the discovery of the savory flavor (umami) by Dr. Kikunae Ikeda coupled with the commercialization of umami seasonings by our founder, Saburosuke Suzuki II, an example of collaboration between academia and business.

The founders' aspirations

Innovation through co-creation

Dr. Kikunae Ikeda, who discovered that glutamic acid is the component that gives the savory flavor (umami) to Japanese kombu dashi broth made from kelp, was not originally a food researcher. He originally specialized in catalyst research, but, while visiting Germany to pursue related studies, he was shocked by the differences between German and Japanese people in terms of their physical qualities and nutrition. This inspired him to find a way to improve the nutrition of the Japanese people. After returning to Japan, Dr. Ikeda devoted himself to research as a professor at the Tokyo Imperial University. During this time, he recognized the potential for researching the components of the umami flavor from the savoriness of boiled tofu, and, at the same time, he set up a laboratory at home where he started researching sauce and seasonings. In 1908, he successfully crystalized the corresponding amino acid (glutamic acid), although his initial efforts only resulted in about 30 grams of the amino acid from 12 kilograms of kelp. Dr. Ikeda had learned the importance of putting inventions into practical use from his teacher, Dr. Ostwald, while studying in Germany, and he patented a method for manufacturing umami seasonings in July of the same year.

It was Saburosuke Suzuki II, the founder of the Ajinomoto Group, who would be instrumental in delivering Dr. Ikeda's academic discovery and invention to society in the form of a practical business. Mr. Suzuki had successfully established a business involving the extraction of iodine from kajime seaweed, and, as he was exploring ways to expand his business, he became acquainted with Dr. Ikeda and his developing research. Mr. Suzuki understood and shared Dr. Ikeda's desire to use umami seasoning to increase the deliciousness of basic meals and improve the nutrition of the Japanese people, and, in May 1909, he commercialized the world's first umami seasoning, AJI-NO-MOTO®. It was this collaboration of industry and academia from which the history of the Ajinomoto Group began. To continue to spread the new value of umami, the Group boldly shifted its sales channels from its initial pharmaceutical-wholesaler route to the food-and-alcoholic-beverage route and took measures that went beyond functional explanations to provide experiences and increase brand recognition, including newspaper advertising, ground stamps, electronic display boards, and other unprecedented methods. In this way, the Group carved out a market for itself over the course of many years, from patent acquisition to practical application and widespread adoption.

The Ajinomoto Group has continuously emphasized co-creation and the pursuit of innovation while adapting to changing times and situations over the years, and we have combined our strengths with a diverse range of worldwide partners who share our Purpose, including research institutes, other companies, and external experts, as we cooperate with our customers to create new value and expand our business. As we demonstrate the strengths that underlie our value creation, we have generated both value that can compete at a global standard, as well as value in line with different regions.

Discoverer of the umami taste **Dr. Kikunae Ikeda**

"I want to help alleviate malnutrition among Japanese people and contribute to improving our physical fitness."

Saburosuke Suzuki II

"I want to share excellent scientific discoveries in a way that is beneficial to society."

Demonstrating the strengths that drive value

Co-creating semiconductor materials at global standards

Through “AminoScience,” the Ajinomoto Group expanded into the field of electronic materials in the latter half of the 1990s and released the insulation material Ajinomoto Build-up Film™ (ABF™) around 1998. A distinctive feature of that effort was that the Group did not try to complete development entirely in-house. Instead, it worked with customers in semiconductor manufacturing, making repeated improvements together in ways that reflected actual manufacturing processes and real-world usage environments. Customer requirements and issues became the starting point for refining the technology. By responding to such needs again and again, and doing so at speed, the Group improved performance, boosted quality, and worked to ensure that the results could be scaled for mass production. Thanks to those efforts, ABF™ did not remain just another electronic material for a specific application. It grew into a global standard in the field of semiconductor packaging. The Group’s ability to start from its own core technology, avoid locking in the applications or forms it would take, and keep evolving the technology through co-creation with customers and society has been a consistent strength in its business expansion into electronic materials.

Co-creation in applying amino acids to infusions

Around 1950, post-surgical patients receiving infusions were experiencing fevers, nausea, and other side effects. When a pharmaceutical company analyzed the issue, it identified the cause: trace impurities in the amino acids that served as the raw materials for the infusions. The Ajinomoto Group received a request from the pharmaceutical company to help solve the issue and launched a co-creation initiative with the company to take amino acid purification technologies to the next level. The effort eventually produced high-purity amino acids with sharply reduced impurities. By developing and releasing the world’s first amino-acid infusion with those new amino acids, the Group helped reduce side effects in patients. Later, the Group introduced fermentation into its manufacturing process, making it possible to supply a wide range of high-purity essential amino acids for pharmaceutical use. By enhancing the purity and supply of amino acids, the Group has developed a strong foundation for its pharmaceutical-grade amino acids business today.

Refining technology through co-creation

Value creation at the Ajinomoto Group is not a go-it-alone process—it centers on co-creation through a network of customers, universities, other companies, and even doctors.

Evolving basic seasonings into menu-specific seasonings

In the latter half of the 1970s, people saw authentic Chinese cuisine as something to get at a restaurant—not something easy to make at home. Making Chinese food a part of the household repertoire came with significant perceptual and technical hurdles. In that context, the Ajinomoto Group set out to create the value of enabling people to make authentic Chinese dishes at home. The company developed Cook Do® as a premixed seasoning combining ingredients such as tianmian sauce, douban sauce, and flavored oils in optimal proportions. In addition to creating the seasoning, the product design extended to the cooking process itself—elements like how to apply heat and what order the ingredients should go in. The Group delved deep into the details, paying close attention to viscosity, aroma, resistance to burning, and more, to create products that customers could use to get professional-grade flavors at home. The Group also worked to eliminate the preconception that Chinese food was hard to make. By focusing on communicating a new picture of everyday dining, one where households could bring their own Chinese dishes to the table, the Group helped transform Chinese cuisine from a special restaurant experience into everyday home cooking—and opened up a new market as well.

Evolving from pharmaceutical raw materials to the CDMO business

In the 1990s, a time when amino-acid materials for pharmaceutical use were prone to price competition, the Group confronted a need to shift toward higher-value-added businesses. At the same time, pharmaceutical companies were seeing development and manufacturing processes become increasingly fragmented as drug development grew more advanced, a situation that led to mounting inefficiencies and risks. That reality prompted action at the Group. The Group expanded into the CDMO business, moving beyond raw material supply and contract manufacturing to work with pharmaceutical companies from the development stage onward in creating the manufacturing processes. Today, the Group has established a business that provides integrated support from early development through commercial production, spanning small-molecule to medium- and large-molecule drugs. The framework combines stable small-molecule production at OmniChem N.V., acquired in 1989; small-lot, multi-product production of oligonucleotide drugs at GeneDesign, Inc., acquired in 2016; proprietary technologies such as AJIPHASE®, a liquid-phase synthesis technology, and AJICAP®, an ADC drug-discovery technology; and more. This is a prime example of how co-creation can help shorten pharmaceutical development timelines and stabilize quality.

Turning unprecedented value into business

The Group does not let innovation end with discovery. It has consistently elevated innovations toward usable applications in products and services, turning its efforts into value for markets and the real world.

creation (from the Ajinomoto Group's founding to today)

Becoming part of the taste of Japanese home cooking

In the second half of the 1960s, the Ajinomoto Group focused on a fuller picture of what gives home cooking in Japan its value—not only taste but also the aroma of dashi broth, another crucial factor in crafting Japanese dishes. Recreating that aroma, the Group knew, would be key to improving consumer satisfaction. The Group solved the technical challenge of aromas evaporating easily and being difficult to preserve or recreate by using granulation technology to integrate aromatic ingredients with seasoning components, achieving both storability and aroma release at the time of use. The Group also focused on solubility, easy-to-understand usage amounts, and other aspects of user-friendliness in the home setting—even integrating the experience of successful home cooking into the product design itself—to propose a new "flavor seasonings" category of products that transformed the ways consumers cooked. HONDASHI®, a flavor seasoning that makes it easy to add the aroma of dashi broth to home cooking, became a fixture in home cooking across Japan.

Not selling products—getting consumers to use them

Focusing on getting people—wherever they are—to use its products broadly in everyday life, the Ajinomoto Group has developed its products and businesses to take root extensively and on a deep level, finding their way into the actual lives and cultures of people across the globe.

Establishing a presence in cooking across ASEAN countries

In Southeast Asia, with its deep-rooted culture of street food and dining out and its wide range of home cooking and seasoning habits, it was a struggle to establish the Ajinomoto Group's sauces and seasonings in the market by just highlighting the functions and quality they offer. To make inroads, local employees visited markets and retail stores, using small-pack products to interact with consumers directly and show them how to use the seasonings in cooking. They stepped into actual cooking settings and made proposals there, creating conditions where consumers could understand how to use the products. The Ajinomoto Group also designed products to suit each country's food culture and taste preferences, making its sauces and seasonings a natural part of local dishes. Building on the trust it had earned in eating-out settings, the Group expanded into households, as well. With that, the Group's sauces and seasonings took root across ASEAN countries—not as imports but as local products that people see as essential parts of their everyday eating habits.

Turning crises into opportunities

The Group has used crises, including major changes in the environment and rules, disasters, regulatory issues, and recessions, not as reasons to contract but as starting points for structural transformation and the next stage of growth.

Turning MSG misinformation into growth

In the late 1960s, a research report in the United States triggered growing concerns about MSG. Information with little scientific evidence, including the idea of Chinese Restaurant Syndrome, spread. The Ajinomoto Group did not immediately respond with emotional rebuttals or try to contain the rumors in the short term. Instead, the Group built up objective data via scientific verification and chose to leave judgment up to society. After more than a decade of research and dialogue in Japan and overseas, the U.S. Food & Drug Administration concluded in 1980 that MSG was safe for ordinary use. The Joint FAO/WHO Expert Committee on Food Additives also found that MSG did not jeopardize people's health. From that turning point, the Group gained a deep understanding of how important it is to communicate scientific knowledge to society and build trust. By bolstering its quality assurance, research and development, and information disclosure as core components of its management foundation, the Group connected the crisis to crisis-response capabilities that turn threats into opportunities for redefining corporate value.

Responding to soaring raw-material costs amid the Ukraine conflict

The sharp rise in grain and energy prices stemming from the conflict in Ukraine since 2022 had a major impact on raw-material costs and posed a serious threat to the Group's revenue base. In response, the Group quickly strengthened its systems for sharing information and making decisions across the organization. It brought together procurement and pricing information that had previously been dispersed across regions and businesses, making raw-material market conditions, inventory levels, foreign exchange trends, and other factors visible. It then worked to reduce procurement risk by diversifying suppliers and revisiting procurement timing. At the same time, the Group used its technological capabilities to strengthen cost-absorption measures, reviewing formulations and processes to maintain quality while optimizing its raw materials. Alongside these internal efforts, the Group implemented appropriate price revisions in markets around the world. It also worked to help customers and distributors understand its brand value and its products' added value through careful, effective communication. By uniting management and the front lines and continually making quick adjustments in response to change, the Group restored and strengthened its earnings power—and turned a threat into an opportunity for corporate transformation.

Value creation story

What supports the Ajinomoto Group's long-term value creation

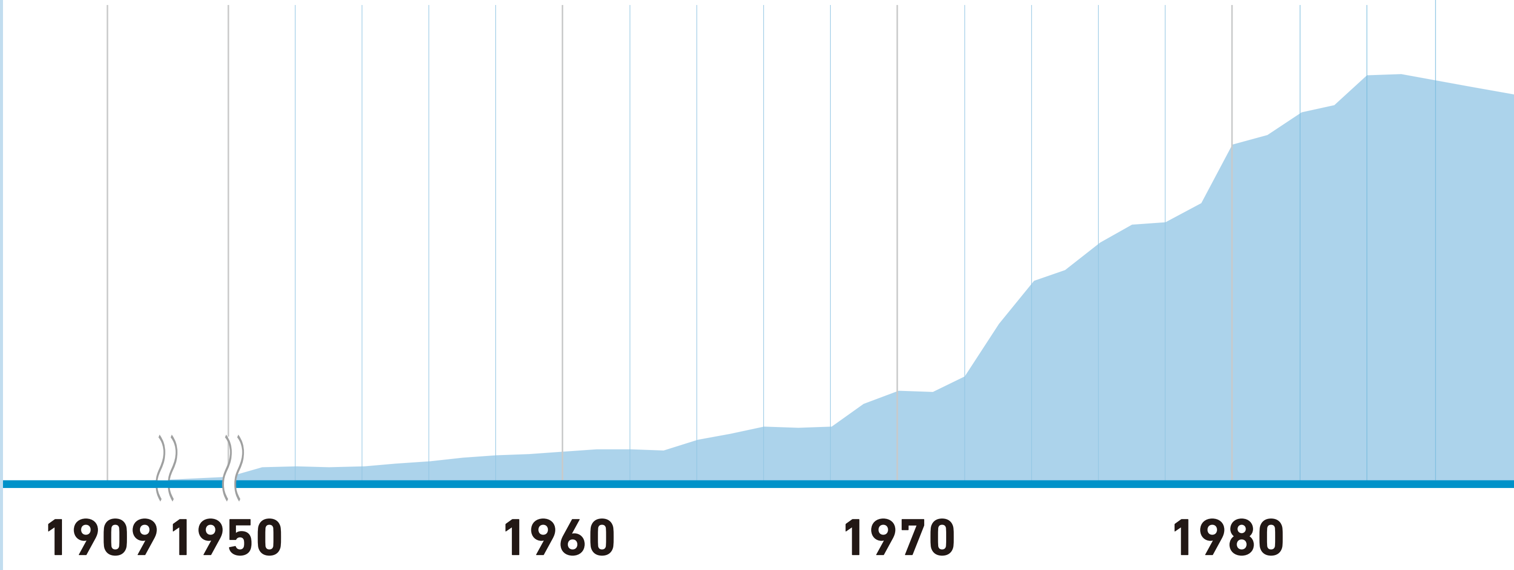
Since its founding, the Ajinomoto Group has grown by co-creating social value and economic value through its business. That growth has come from all the different strengths the Group has developed.

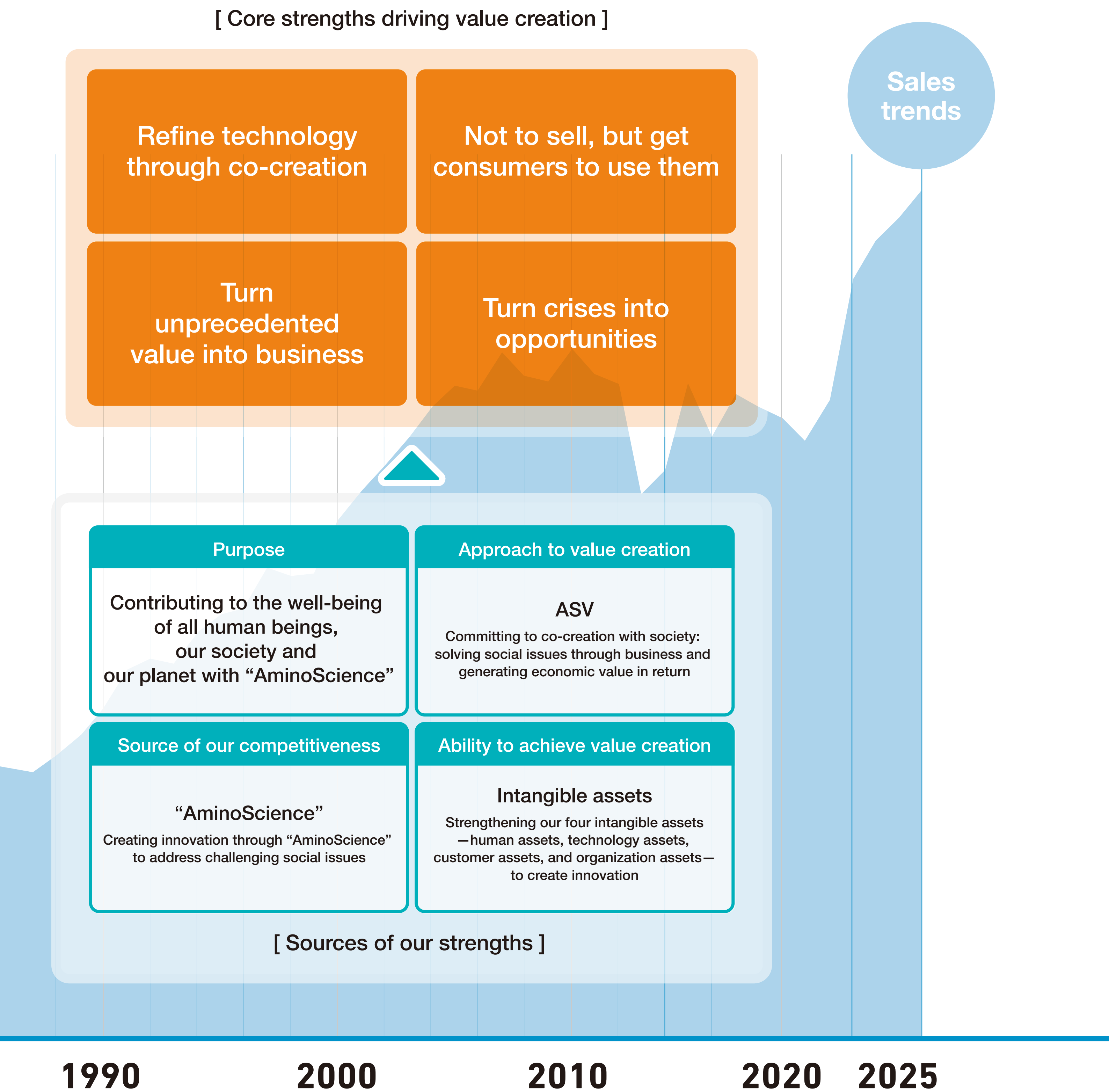
Behind that history is a set of capabilities that has emerged in different eras and at different turning points: the commitment and ability to refine technologies through co-creation, the ability to turn unprecedented value into business, the ability to get consumers to use products, and the ability to turn crises into opportunities. By bringing these capabilities into play, the Group has generated innovation, overcome challenges, and created value.

The roots of these capabilities lie in the Ajinomoto Group's corporate Purpose, its stance of co-creating with society, its unique scientific strengths, and the intangible assets that form the foundation of management. These elements—the sources of our strengths—have worked together and evolved together over time.

Our founder, Saburosuke Suzuki II, forged a connection between solutions to social issues and business. Through the process of explaining and establishing umami in scientific terms, the Group helped improve nutrition for people. ASV is an heir to that philosophy today, driving the Group's efforts to create both social value and economic value. This has shaped a model for sustainable growth that sees food, health, and environmental issues as business opportunities. At the center of that model is "AminoScience," which has helped the Group expand from sauce and seasonings into fields such as medicine and the environment.
The Ajinomoto Group's four intangible assets—organization assets, human assets, technology assets, and customer assets—also support innovation and strengthen its ability to transform itself.

Going forward, the Group will continue to enhance its intangible assets and use "AminoScience" to pursue ASV: our path to keep creating value that contributes to the well-being of all human beings, our society and our planet.




[Core strengths driving value creation]
Refine technology through co-creation
Not to sell, but get consumers to use them
Turn unprecedented value into business
Turn crises into opportunities
Sales trends
Purpose
Contributing to the well-being of all human beings, our society and our planet with “AminoScience”
Approach to value creation
ASV
Committing to co-creation with society: solving social issues through business and generating economic value in return
Source of our competitiveness
“AminoScience”
Creating innovation through “AminoScience” to address challenging social issues
Ability to achieve value creation
Intangible assets
Strengthening our four intangible assets —human assets, technology assets, customer assets, and organization assets— to create innovation
[Sources of our strengths]
1990
2000
2010
2020
2025

Vision for 2030

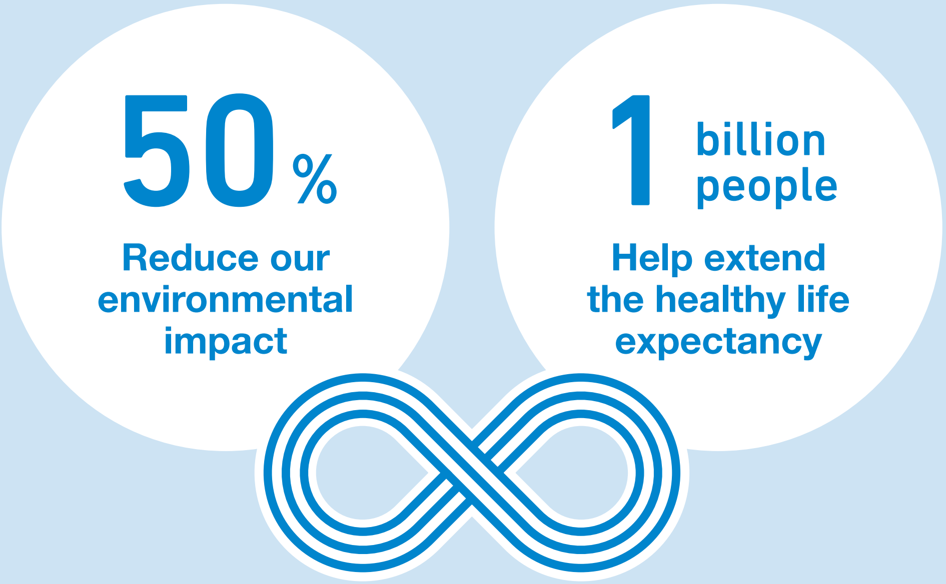
The Ajinomoto Group has expanded its business to 40 countries and regions around the world. The Group is accelerating the pace towards achieving its Vision for 2030 by pursuing ASV through products and services across a wide range of business from food to electronic materials.

Purpose

Contributing to the well-being of all human beings, our society and our planet with “AminoScience”

Vision for 2030 (ASV Indicators)

Social value indicators (Outcomes)



Sustainable agrifood systems that are more resilient

Simultaneous creation of social value and sustainable economic value, the long-term value creation concept followed by the Ajinomoto Group for more than a century, will never change. In 2023, we evolved our Purpose into “contributing to the well-being of all human beings, our society and our planet with ‘AminoScience’” and explicitly identified “AminoScience” as one of the sources of our competitive advantages. At the same time, we also revealed our determination to expand the scope of value creation to include the wider society and our planet. We are working to realize our Purpose while strengthening our intangible assets so as to “reduce environmental impact by 50%,” “extend the healthy life expectancy of 1 billion people,” and achieve the ASV indicators. ASV indicators are made up of economic value indicators, which show the financial performance gained through the business, and social value indicators based on values that we would like to offer and co-create. The ASV indicators provide the tailwind for us to achieve further growth and take on new challenges. We as a group will grow as individual employees continue to take on challenges to achieve higher goals, and use that growth as the driving force to exponentially and continuously improve the corporate value.

Economic value indicators

ROE

Approx. **20** %

ROIC

Approx. **17** %

Towards 2030, we have set a target of approximately 20% for ROE and around 17% for ROIC, aiming to improve profitability and efficiency.

Organic growth rate

CAGR **5** % +

We aim for over 5% organic growth annually, focusing on the four focused growth areas.

EBITDA margin

19 %

We aim to enhance business efficiency and achieve an EBITDA margin of 19% by 2030.

Strengthening intangible assets

Employee engagement score

88 % +

We will foster empathy toward our Purpose, and cultivate a culture that encourages challenge.

Corporate brand value

CAGR **7** % +

Compared with FY22

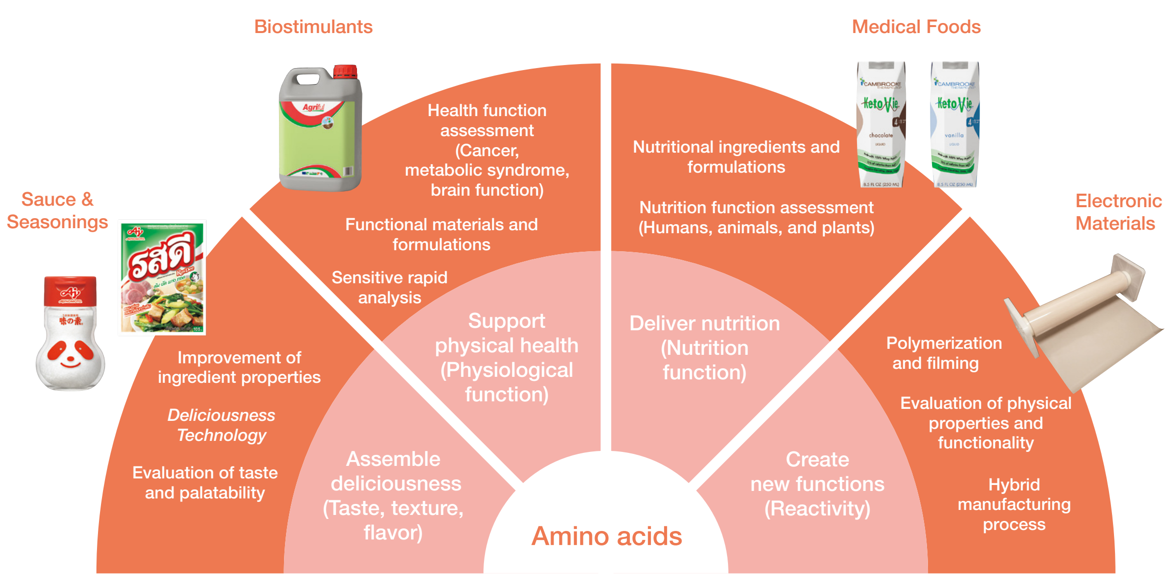
We will connect our technology assets and customer assets through human resources to co-create innovation.

Source of value creation – “AminoScience”

“AminoScience” is a collective term for the various materials, functions, technologies, and services derived from the research and implementation processes that rigorously focus on unlocking the power of amino acids. Furthermore, it also denotes the Ajinomoto Group’s unique scientific approach to connect these functions to resolving social issues and contributing to well-being. “AminoScience” is one of the sources of the Ajinomoto Group’s competitive advantage not easily imitated by other companies.

Business development based on four functions of amino acids

Since its founding, the Ajinomoto Group has focused on four functions of amino acids. First is the flavoring function that brings out the natural taste of ingredients and constitutes deliciousness. The second function is the nutrition function that delivers necessary nutrition efficiently. Third is the physiological function supporting physical health. And, the fourth function is reactivity, which creates new values by designing the molecular structure.
The products and services that were created based on these functions are not just limited to the food area but have expanded into medical and healthcare fields as well as bio and fine chemical fields and further into the electronic materials field. With the advances made in research and development in recent years, it has become clear that the potential use of amino acids extends into previously unanticipated areas. For example, in the food area, we have developed products that balance nutrition and palatability by scientifically designing deliciousness instead of relying on experience and senses. Further, in the health and medical areas as well as bio and fine chemical areas, we have leveraged the knowledge of reactivity and physiological functions of amino acids to expand into areas with high social requirements such as culture media for manufacturing pharmaceuticals and technology related to antibody-drug conjugates (ADCs).



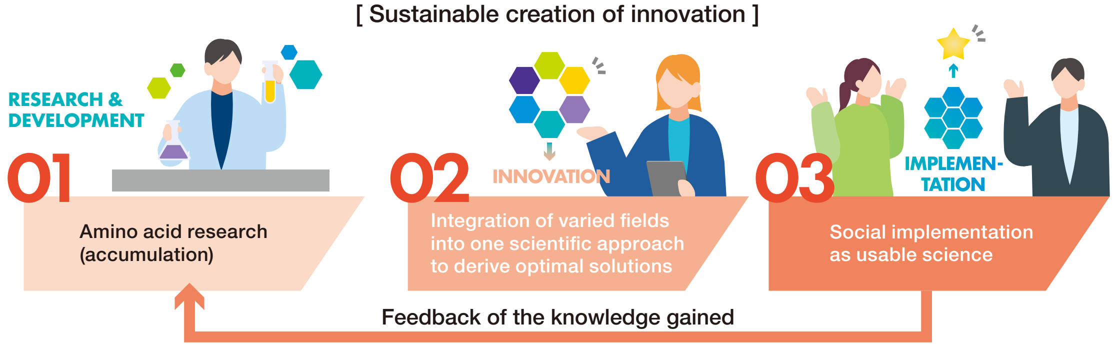
Innovation through “AminoScience”

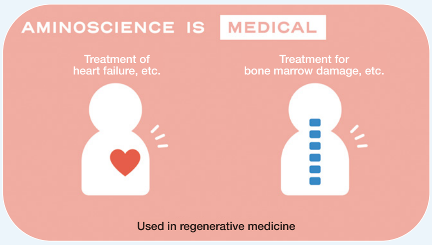
“AminoScience” animation movie

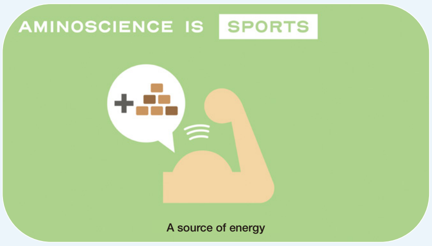
Potential of "AminoScience"

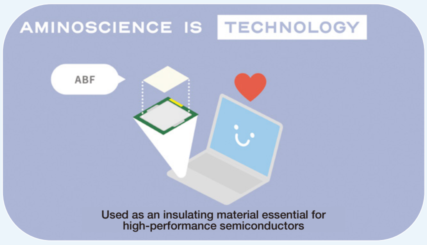
The capability to effectively use the functions of amino acids according to the purpose–that is precisely the strength of the Ajinomoto Group, and is also at the core of "AminoScience." A major feature of "AminoScience" is its ability to incorporate the values from a single scientific basis into varied businesses and applications. For that reason, we have been creating innovation constantly by refining both research and implementation, not as separate entities but together as a single unit. The knowledge gained in the process of translating the research outcomes into social implementation is fed back again to research and development, which has enabled us to create innovative technologies and applications. The continued repetition of this cycle serves as the groundwork for the next innovation. The Ajinomoto Group will continue to rigorously focus on "AminoScience" and pursue the potential hidden in amino acids.

[Sustainable creation of innovation]







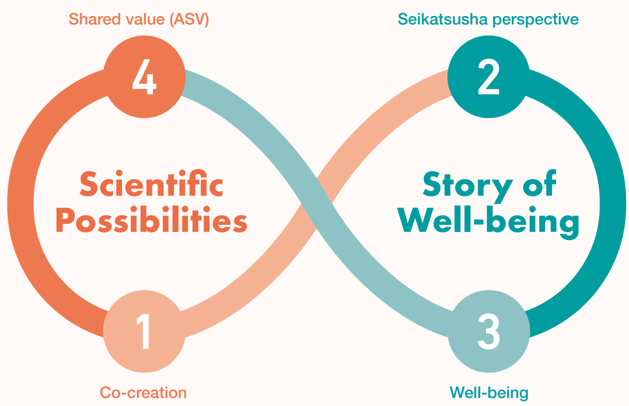


Important issues (Materiality) for the Ajinomoto Group

Important issues (Materiality) for the Ajinomoto Group are essential to the Group's ability to continue co-creating social value and economic value over the long term.
The Group identifies important issues (Materiality) through a process that reflects the thoughts and ideas of management and employees and the expectations from external stakeholders. The important issues (Materiality) are deeply embedded in our business strategies, our on-site operations, and our Purpose.

Important issues (Materiality) for the Ajinomoto Group

VALUE CREATION FRAMEWORK



We will (1) hone our co-creation capabilities, (2) taking the seikatsusha perspective, (3) while achieving well-being, and (4) through our business activities return co-created shared value.

Six Material Themes

- Achievement of a sustainable global environment
- Achievement of well-being through food
- Contribution to advanced medicine and prevention
- Contribution to the evolution of a Smart Society
- Respect for diverse values and human rights
- Reinforcement of our management foundation

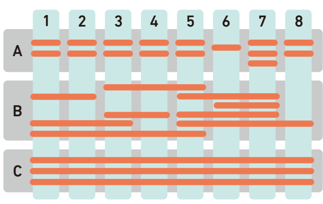
This Value Creation Framework represents the idea of growing in a sustainable manner by implementing the cycle by interlinking the Scientific Possibilities of "AminoScience" and the Story of Well-being contributing to the well-being of all human beings, our society and our planet. We will (1) hone our co-creation capabilities, (2) taking the seikatsusha perspective, (3) while achieving well-being, and (4) through our business activities return co-created shared value. They are interlinked by the ring denoting infinity, which signifies that we will continuously co-create sustainable social and economic values by continually implementing (1) to (4).

The Ajinomoto Group has set goals and KPIs for the Six Material Themes that it is currently working on, including not only reducing negative impacts such as environmental impact but also initiatives to create a positive impact on society at large by leveraging "AminoScience," which is one of our strengths. The progress of major initiatives that apply to the entire Group and their results are reviewed at the Executive Committee.

Formulation process

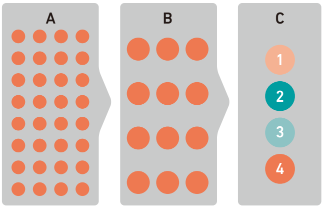
STEP 1 **Identifying issues and opportunities**

Based on a report from the Sustainability Advisory Council, the Ajinomoto Group has identified 28 important issues and opportunities.



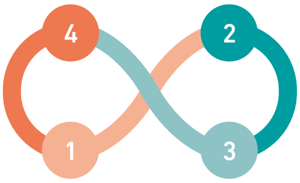
STEP 2 **Classifying issues and opportunities**

These issues and opportunities were grouped into 12 higher-level requirements, and then classified further into four domains.



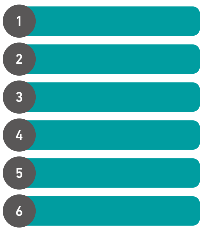
STEP 3 **Organizing connections**

The connections of the respective issues and opportunities were organized as part of the process to sustainably realize transformation and innovation.



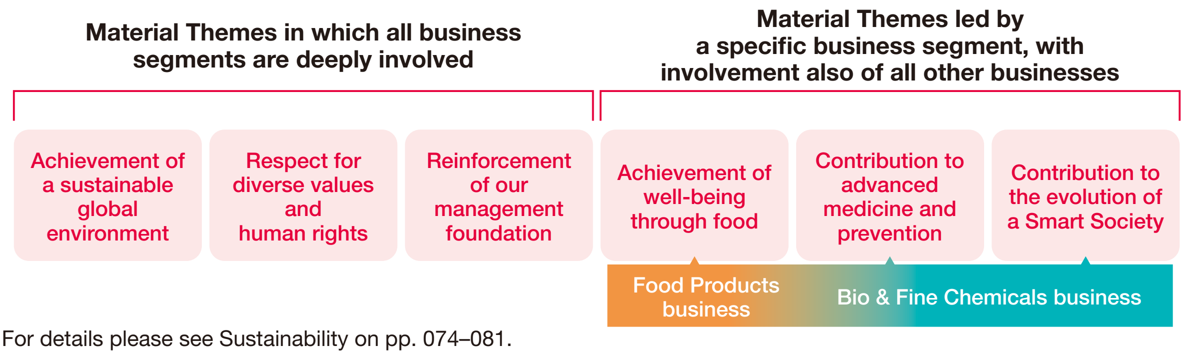
STEP 4 **Organizing into Material Themes**

The Ajinomoto Group then organized Six Material Themes that it is currently working on from the perspective of what multiple stakeholders expect of the Group and the value it provides to society.



The Six Material Themes and their relationship to the business

All business segments are engaged in the efforts related to the Six Material Themes. Achievement of a sustainable global environment, respect for diverse values and human rights, and reinforcement of our management foundation are common material themes in which all businesses are deeply involved. At the same time, there are some material themes where a specific business segment takes the lead, with all other businesses also involved. Achievement of well-being through food is led by the Food Products business in particular while contribution to advanced medicine and prevention and contribution to the evolution of a Smart Society are led by the Bio & Fine Chemicals business in particular as they collaborate with other businesses.



For details please see Sustainability on pp. 074–081.

Important issues (Materiality) for the Ajinomoto Group

For details about opportunities and risks related to important issues (Materiality) for the Ajinomoto Group, and the Group's initiatives and their KPIs for addressing each Material Theme are disclosed in the Sustainability Report 2026.

https://www.ajinomoto.com/sustainability/pdf/2026/SR2026en_management.pdf#page=16