

Eat Well, Live Well.



The 5th Briefing on Integrated Report Topics

Initiatives for Achieving ASV's Target of “Health and Well-being”

Masaya Tochio
Member of the Board & Corporate Senior Vice President
Ajinomoto Co., Inc.

March 29, 2019

Striving for sustainable growth heading into FY2020

ASV Value Creation Model

Resolution of social issues

Resolution of social issues

- #### Issues of **Healthy lifestyle**
- Physical: Nutrition imbalance (undernutrition/ overnutrition)
 - Psychological: Eating alone & lack of spare time

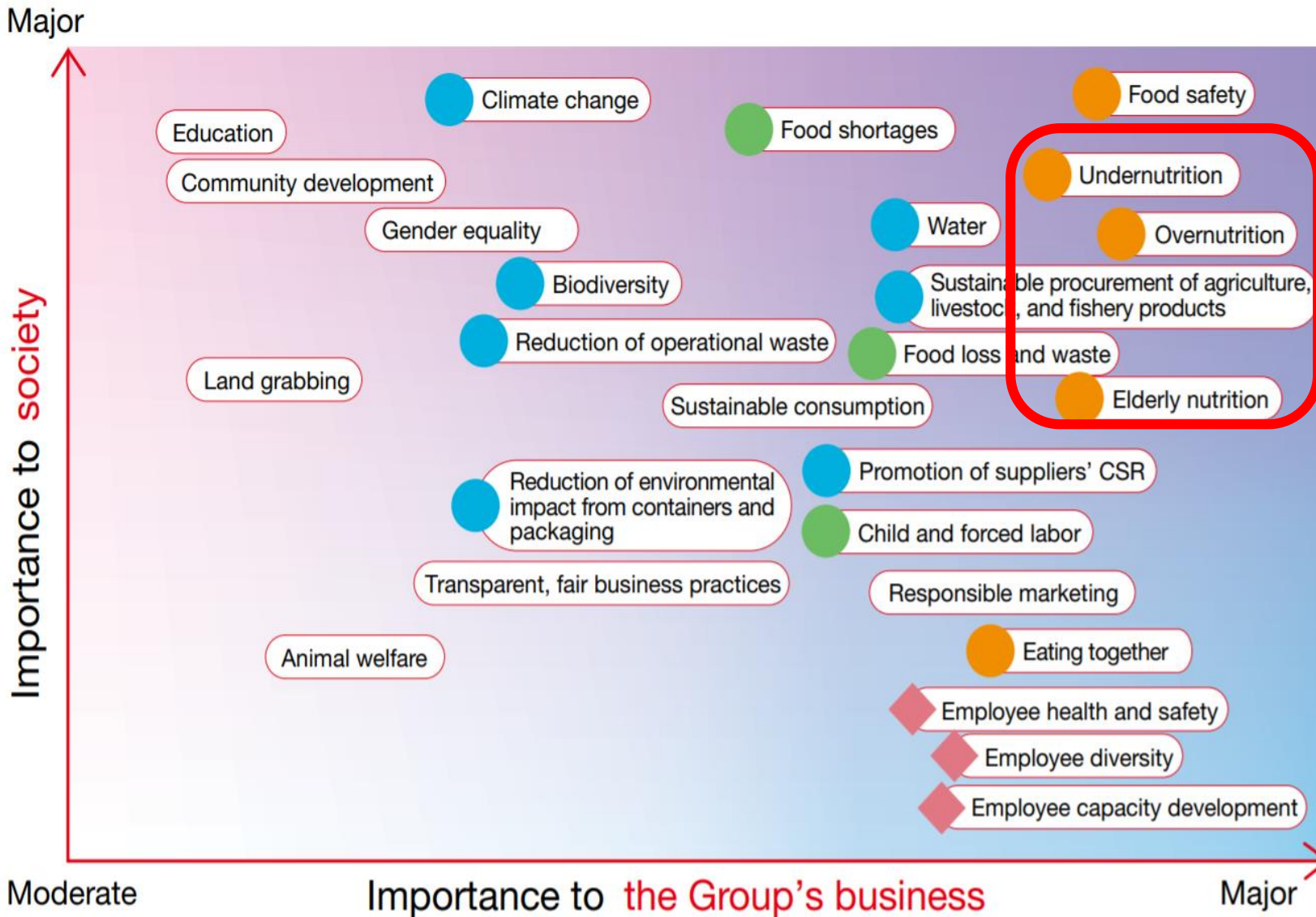
- #### Issues of **Food Resources**
- Depletion of food resources
 - Increase in food waste
 - Sustainable procurement of ingredients

- #### Issues of **Global Sustainability**
- Global warming (greenhouse gases)
 - Increase in waste
 - Depletion of water



Social issues to be Resolved through the Ajinomoto Group's Business

Materiality matrix of the Ajinomoto Group (Fiscal 2017 revised)



Materiality relevant to "21st-century issues of human society"



● Health and Well-being



● Food Resources



● Global Sustainability

◆ Business Foundation

Established the “Group Shared Policy on Nutrition” in July 2017

1. We aspire to focus on the nutritional needs of people of different regions, ages, lifestyles, and health conditions and provide products and information that improve the nutritional balance of daily meals.
2. We assist people in enjoying delicious food and contribute to emotional and physical nourishment through smart cooking* and recommendations of delicious menu utilizing Umami.
3. We provide reliable solutions based on scientific research that utilize the nutritional and physiological properties of protein and amino acids.
4. We assist consumers in the selection of more healthy food products by devising and implementing voluntary labelling and communication strategies while following guidelines of national and public agencies.
5. We continue to conduct socially beneficial activities related to nutrition and build ties with diverse stakeholders.

Enabling consumers to have enjoyable and efficient experiences in preparing meals including shopping, cooking, and cleaning up after meals.

- Food and supplement products in everyday life
- "Smart cooking" that saves time for other activities
- Approaches leveraging knowledge and evidence related to amino acids

Overseas: Solving nutritional issues through flavor seasonings (e.g., Masako® in Indonesia)



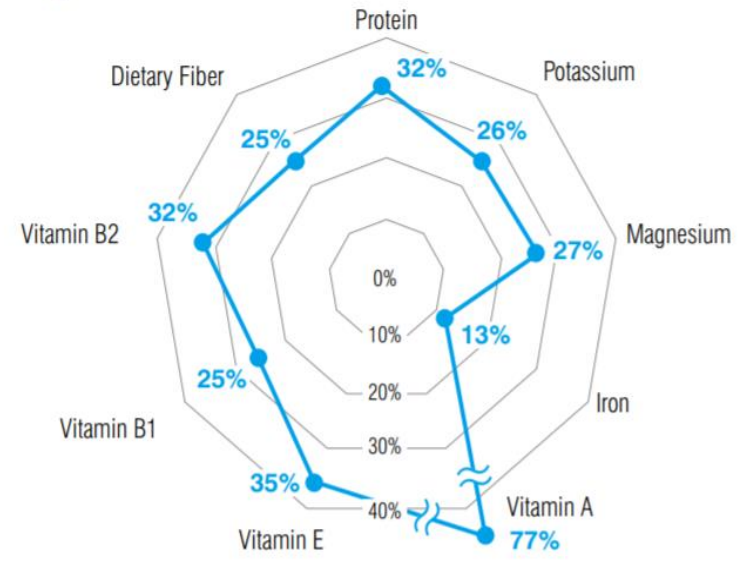
Amount of meats and vegetables that can be consumed through recommended menus using Masako® in Indonesia (three dishes)

Vegetable soup	
Carrots	60g
Cabbage	60g
Masako®	9g

Overnutrition

Undernutrition

Ratio of nutrient consumption amount through recommended menus (total for three dishes) to daily recommended nutrient consumption amount for Indonesian citizens*2



*2 According to presentation materials provided by Indonesian health officials, calculated based on the daily recommended consumption amount for women in their 20s

Communication Initiatives



Highlight vegetable soup in television commercials



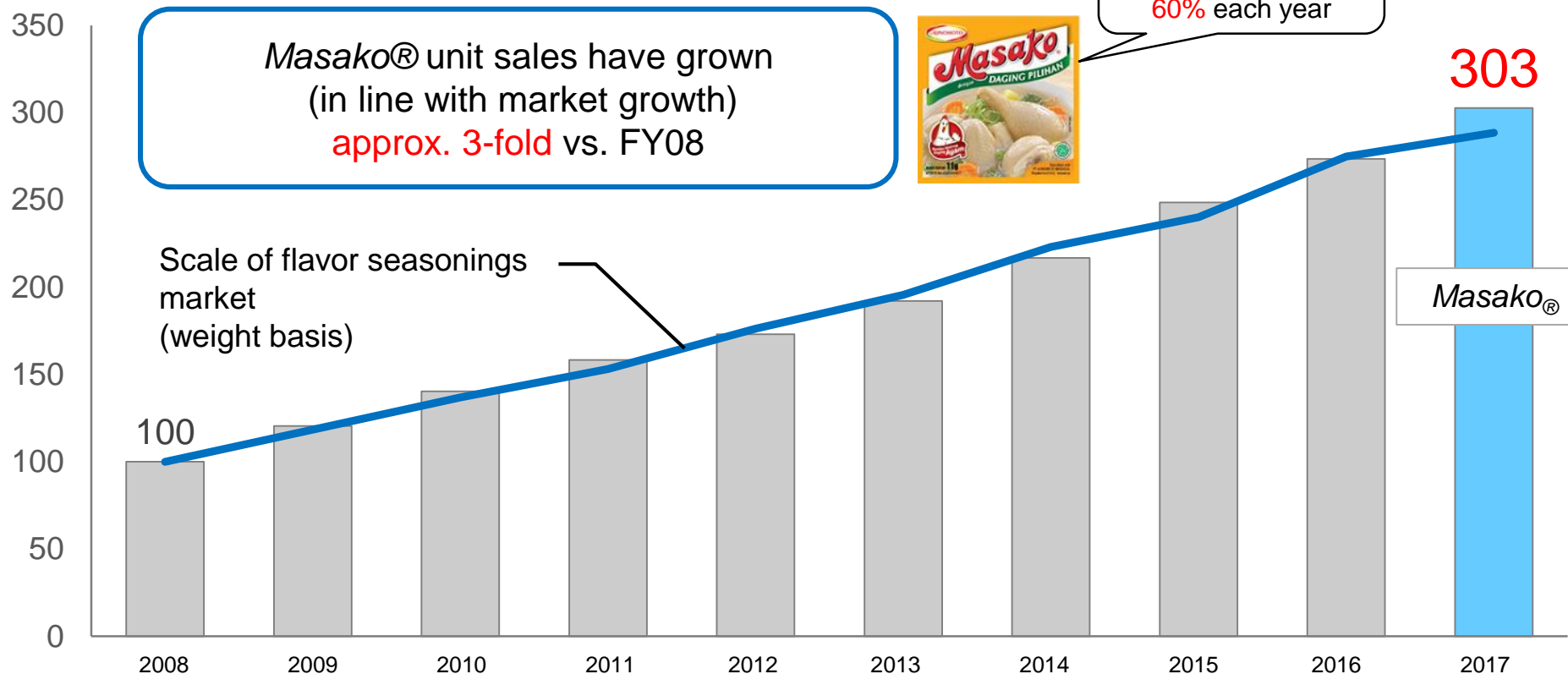
Deploy Dapur Umami recipe information site



Introduce nutritionally balanced menus on the back of packages

Overseas: Solving nutritional issues through flavor seasonings (e.g., Masako® in Indonesia)

■ Flavor seasonings market (weight basis) and Masako® unit sales trend (when FY08 = 100)



Value delivered

Reasonable prices & deliciousness



The appeal of improved nutritional balance

AminoScience: *AminoIndex*TM technology

Evaluate the risk of the “3 major diseases” with a single blood sample



Assesses various disease risks based on balance of blood amino acid concentrations in single blood sample

***AminoIndex*TM Risk Screening (*AIRS*TM)**

***AminoIndex*TM Cancer Screening (*AICS*TM)**

***AminoIndex*TM Lifestyle disease Screening (*AILS*TM)**

New tests developed

Assesses possibility of current cancer

AICS(stomach), *AICS*(lung),
AICS(colorectal),
AICS(pancreatic),
AICS(prostate), *AICS*(breast),
AICS(uterine/ovarian)

Assesses four-year risk of developing diabetes

***AILS* (diabetes risk)**

Assesses current amino acid deficiencies

***AILS* (amino acid levels)**

Assesses 10-year risk of having a cerebral/cardio vascular event

***AILS* (cerebral/cardio disease risk)**

Based on results of the two tests above, designate one of four types: Test Result Report, Types I-IV

Based on results of the test above, designate one of two types

AminoScience: *AminoIndex*TM technology

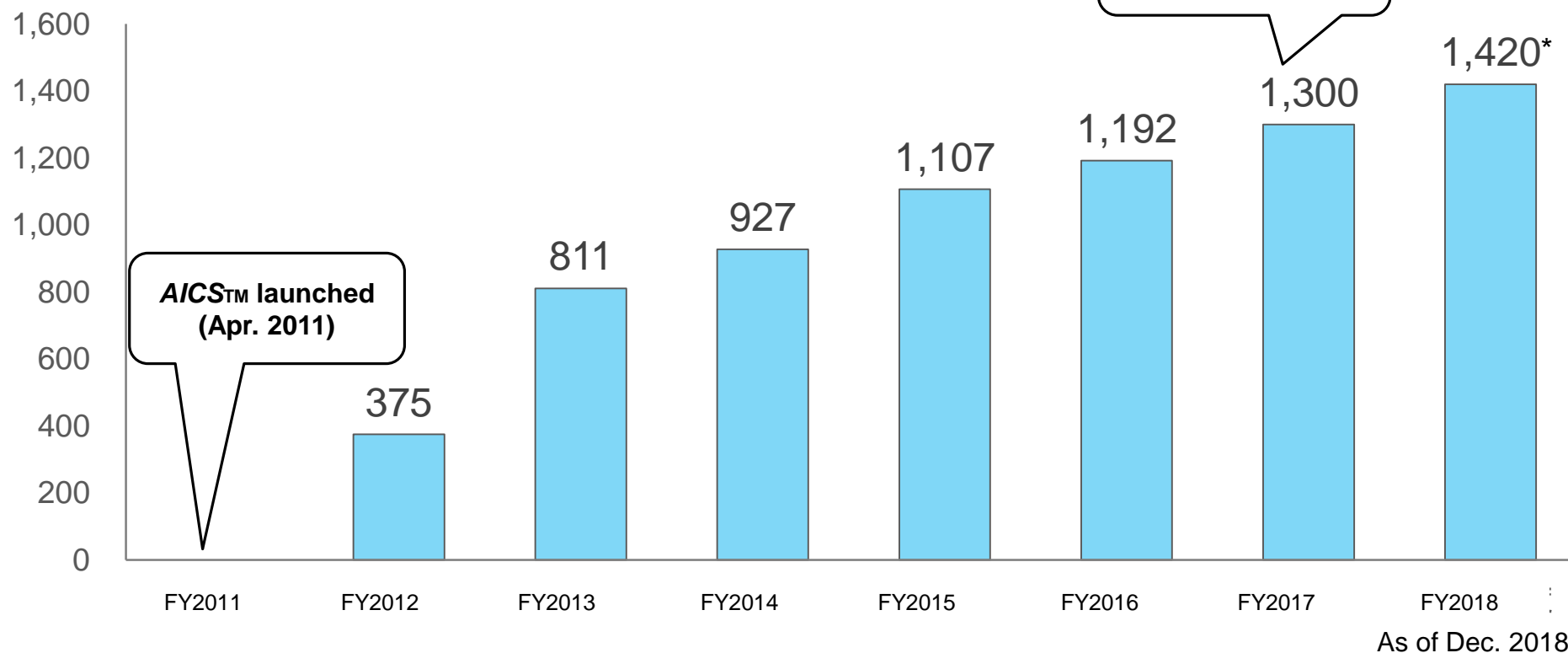
Overnutrition

Undernutrition

Elderly nutrition

■ Trend in no. of facilities able to offer the *AICS*TM or *AIRS*TM test

Units: no. of facilities



■ Direction for Ajinomoto Co.

Continue advancing R&D on testing that applies *AminoIndex*TM technology and helps with the prevention and early detection of various diseases, including cancer and lifestyle-related diseases.

Eat Well, Live Well.



Domestic Sales Sector *ASV-centered Sales Strategy*

Hideki Takeuchi
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Deputy General Manager, Food Products Division
Ajinomoto Co., Inc.

March 29, 2019

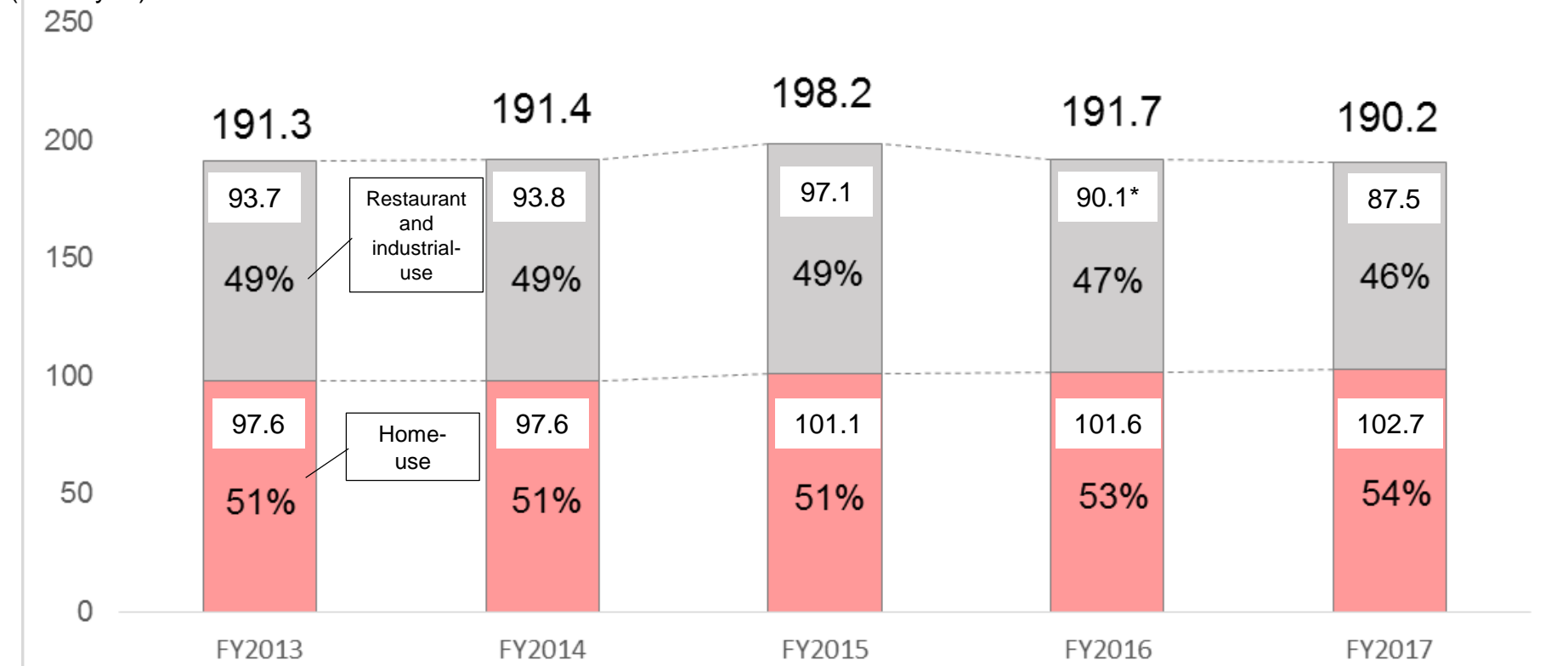
1. Sales Trends of Seasonings & Processed Foods in Japan
2. Domestic Sales Sector Structure and Strengths
3. Sales Strategy Centered on ASV (*Kachimeshi*®)
4. Initiatives for Reduced Sodium and Increased Vegetable Intake
5. *Kachimeshi*® Initiatives
6. Examples of ASV Initiatives with Processed Food Makers and Future Direction

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1. Sales Trends of Seasonings & Processed Foods in Japan

- ◆ Ajinomoto Co.'s sales trends of seasonings & processed foods (home-use and restaurant and industrial-use) in Japan (FY2013-FY2017)

(billion yen)

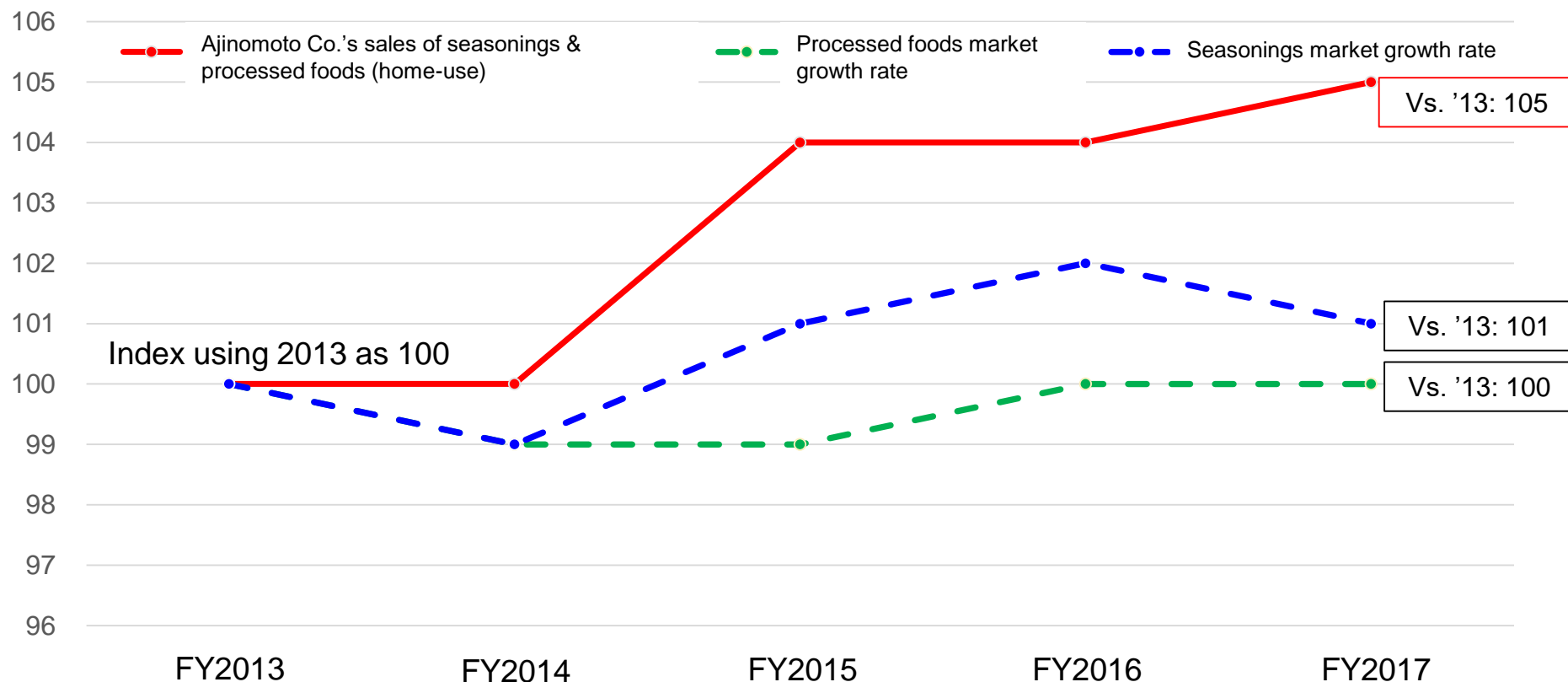


*Ended capital relationship with affiliated company

Home-use sales are strong, but restaurant and industrial-use sales face challenges. As a result, total sales have remained nearly flat.

1. Sales Trends of Seasonings & Processed Foods in Japan

◆ Ajinomoto Co.'s sales (home-use) and Japan's processed foods market (FY2013-FY2017)



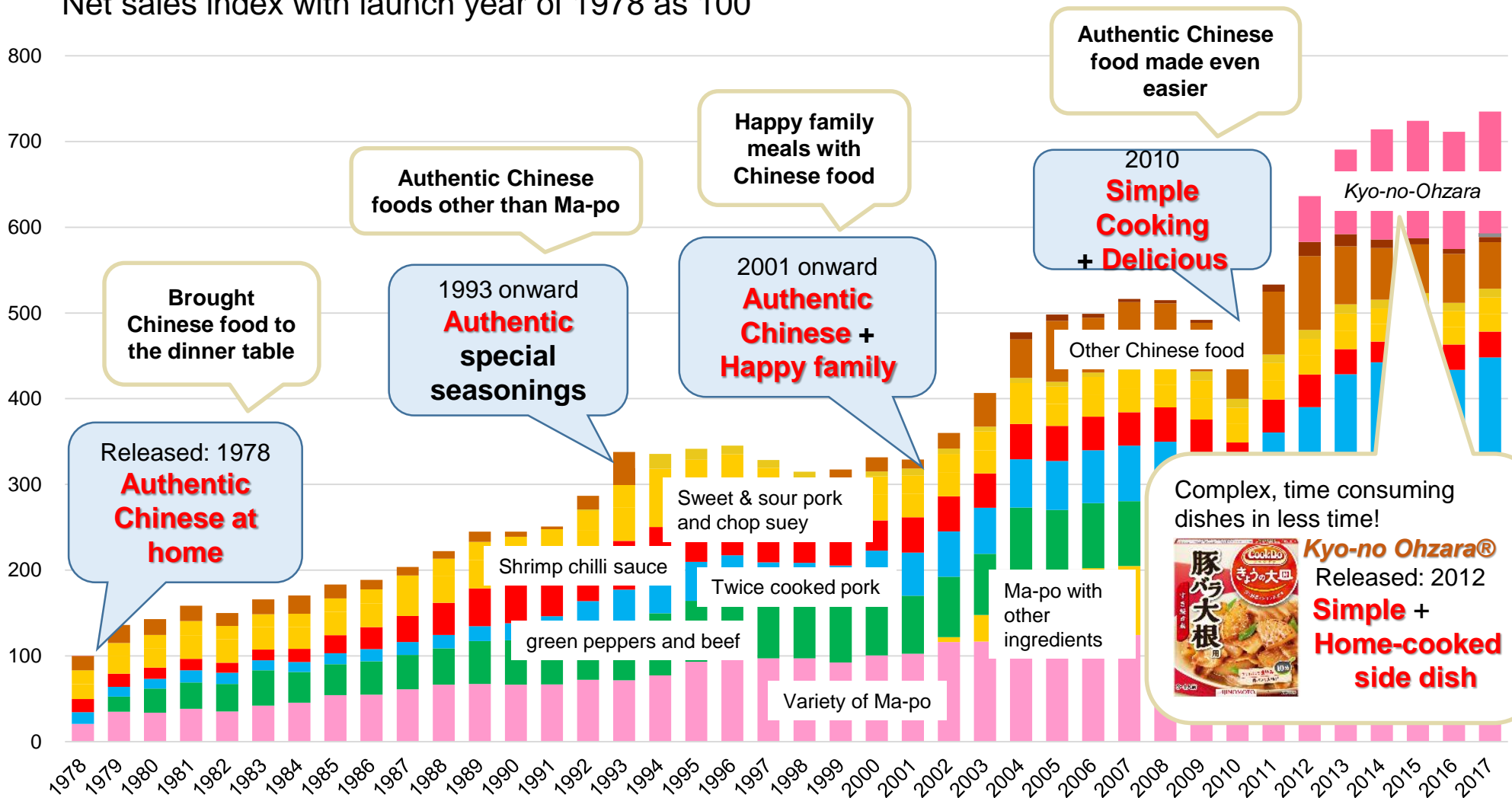
Market growth rate: Intage SCI; seasonings & processed foods market size

Home-use sales have grown continuously despite flat overall market growth

1. Sales Trends of Seasonings & Processed Foods in Japan

◆ Cook Do®'s value proposition and net sales of menu-specific seasonings

Net sales index with launch year of 1978 as 100



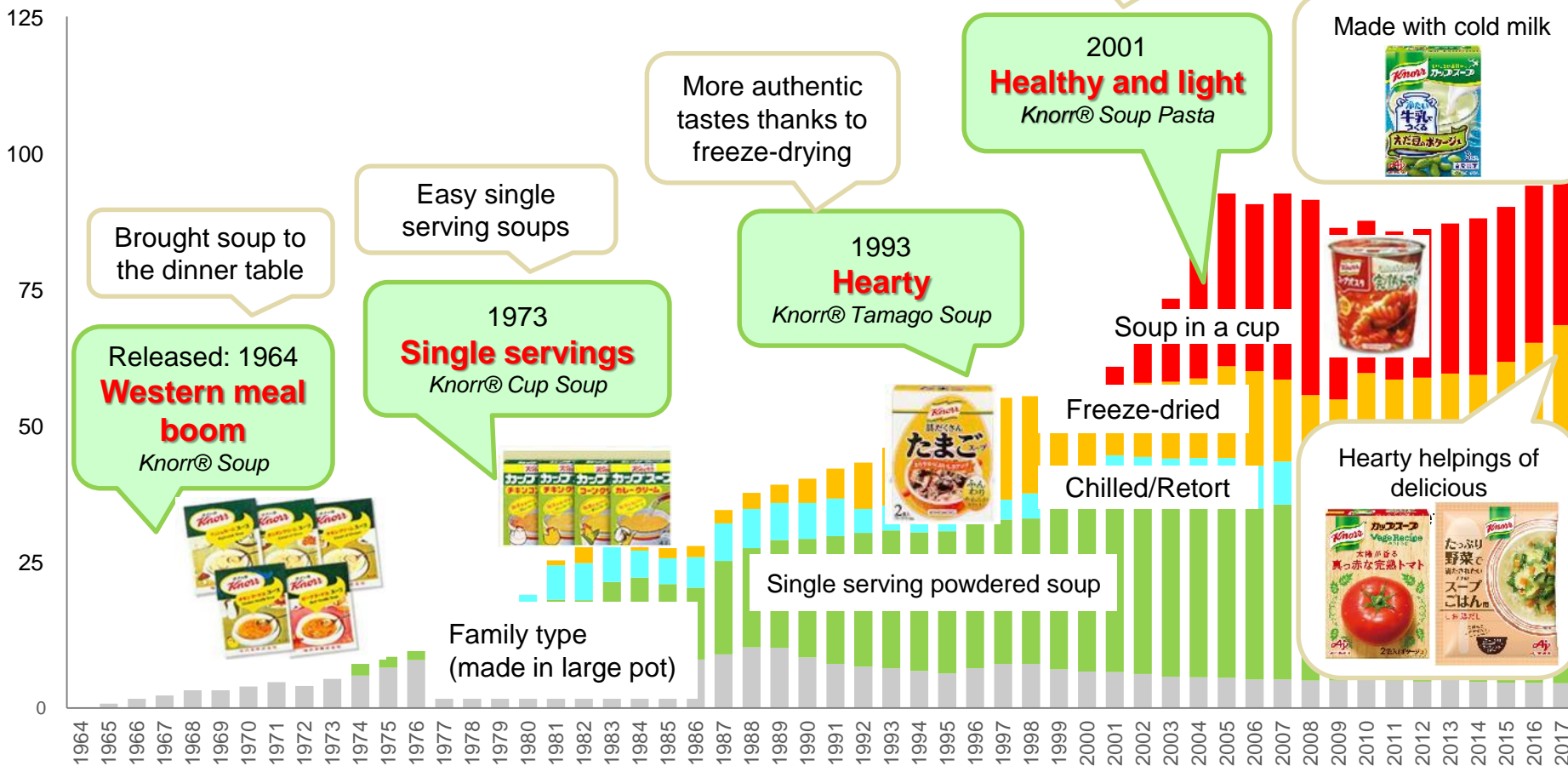
(2017; Ajinomoto Co. research)

1. Sales Trends of Seasonings & Processed Foods in Japan

◆ Knorr® soups' value proposition and market size

Home-use soups market

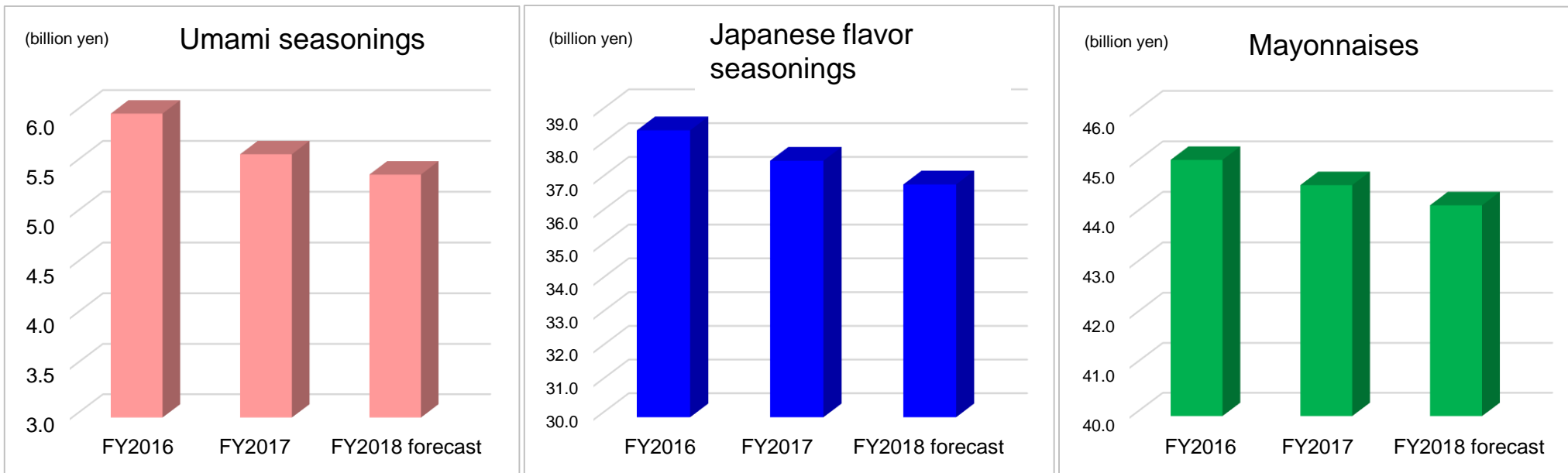
(billion yen)



(2017; Ajinomoto Co. research)

1. Sales Trends of Seasonings & Processed Foods in Japan

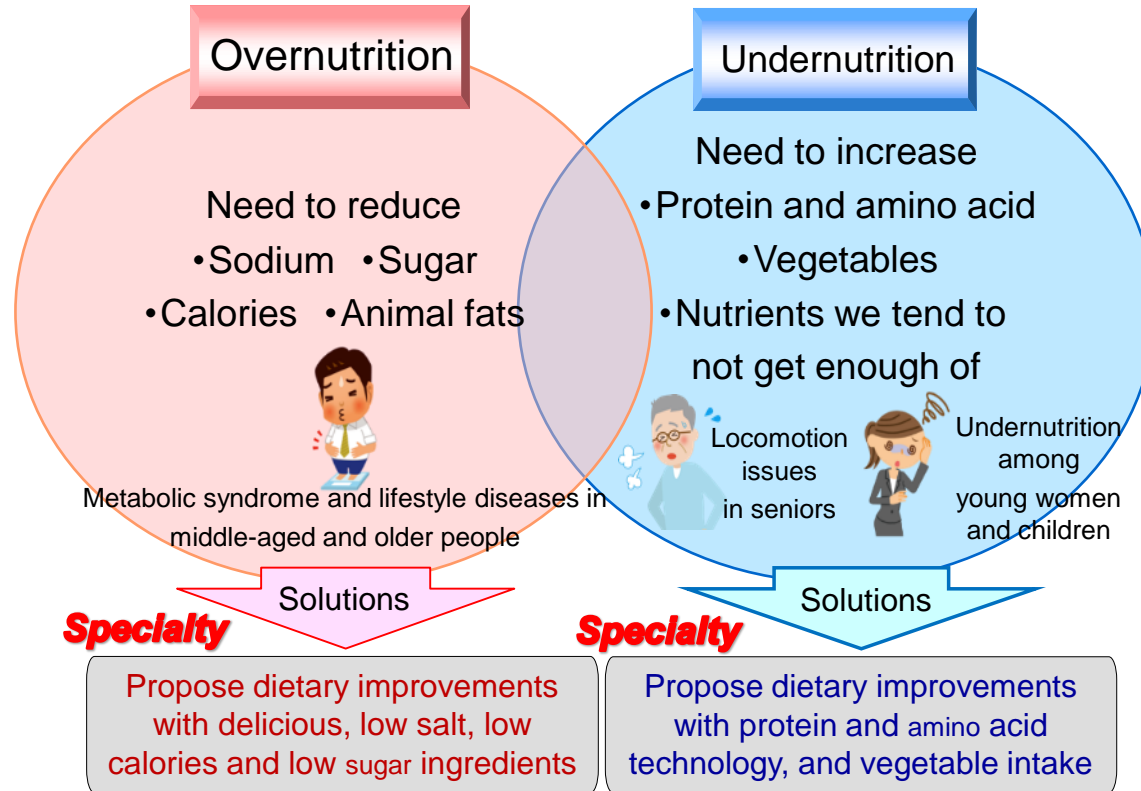
◆ Market trends of home-use basic seasonings by category (Ajinomoto Co.'s estimates)



The basic seasonings market has declined slightly over the medium-term

1. Sales Trends of Seasonings & Processed Foods in Japan

◆ Health issues facing society as a whole



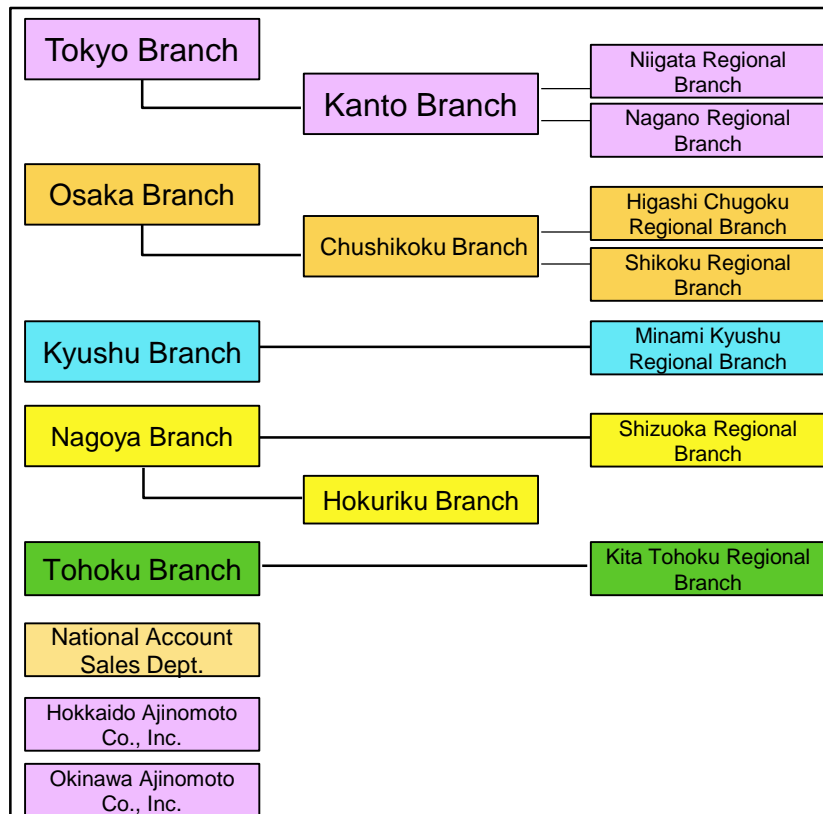
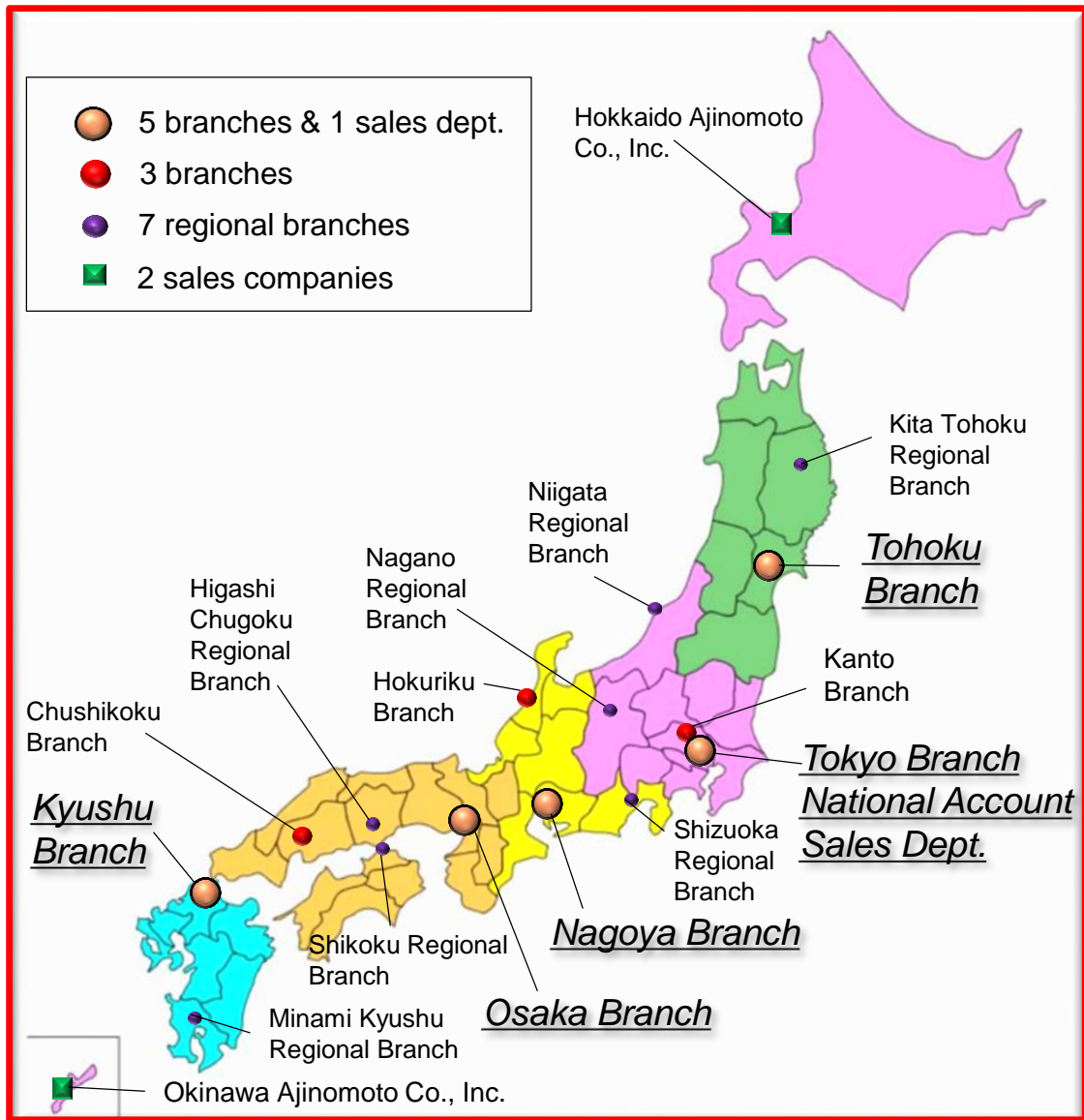
Eliminate both overnutrition and undernutrition by proposing well-balanced meals

Realize solutions to social issues through our business

1. Sales Trends of Seasonings & Processed Foods in Japan
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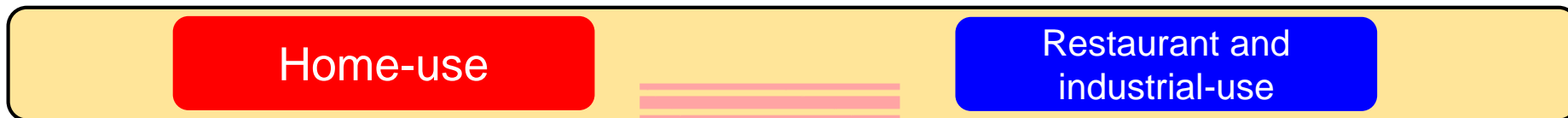
2. Domestic Sales Sector Structure and Strengths

◆ Sales Network in Japan (As of March 2019)



2. Domestic Sales Sector Structure and Strengths

◆ Relationships with business customers



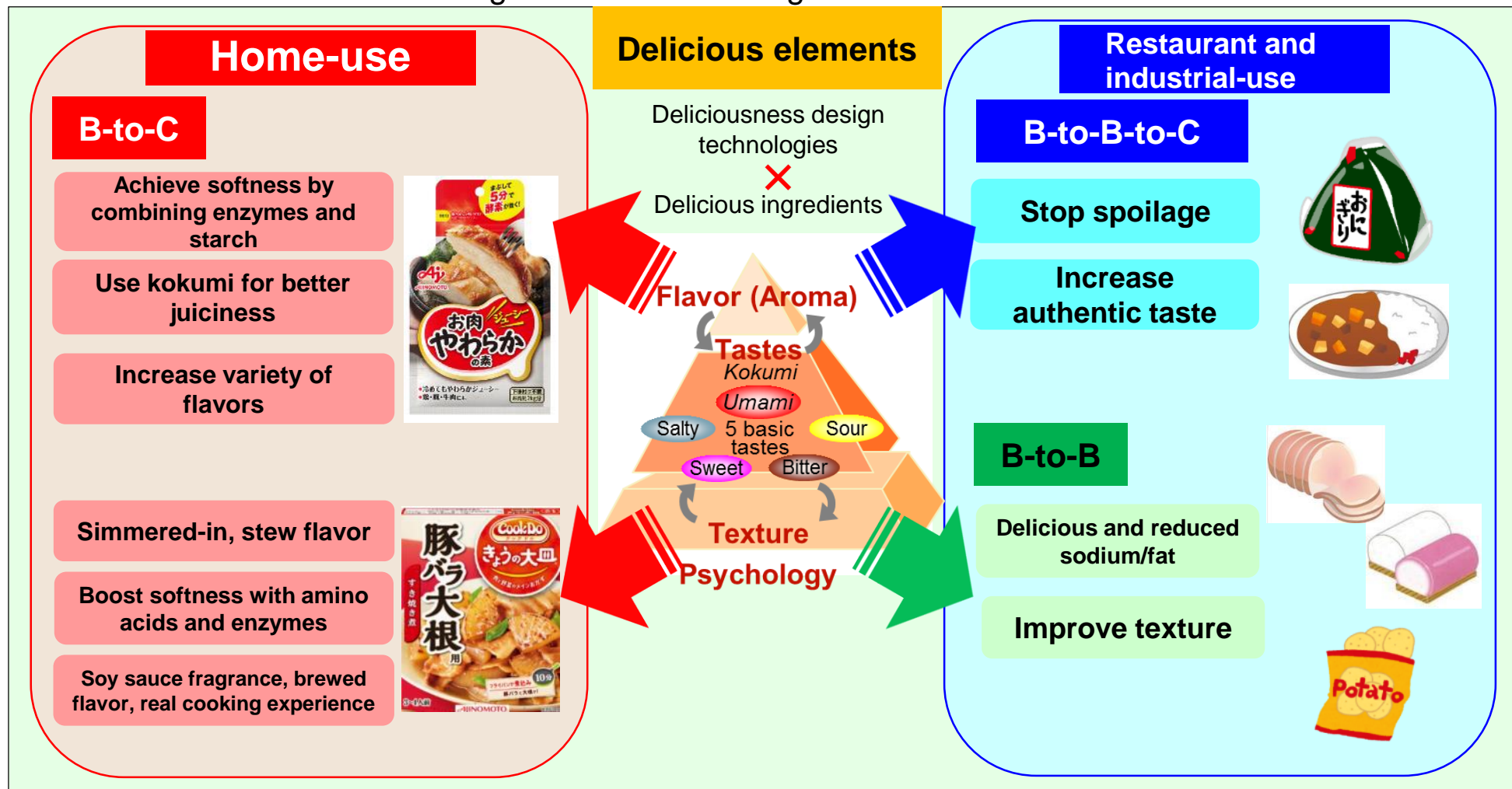
Direct relationships and proposals by Ajinomoto Co.



<p>585 companies* Covers 95% of sales to home-use business type</p> <p><small>* Among 990 companies listed in the 2018 Food & Supermarket Almanac</small></p>	<p>CVS, take-out bento, prepared foods, major CK*, gyudon, ramen, cafeterias, etc.</p>	<p>Processed food makers B-to-B-to-C</p>
<p>Home-use business type</p> 	<p>Restaurant-use business type</p> 	<p>Processing-use business type</p> 

2. Domestic Sales Sector Structure and Strengths

◆ Use of deliciousness technologies and delicious ingredients



Combining our proprietary ingredients will enable various application proposals

2. Domestic Sales Sector Structure and Strengths

◆ Examples of solutions tailored to social issues and needs

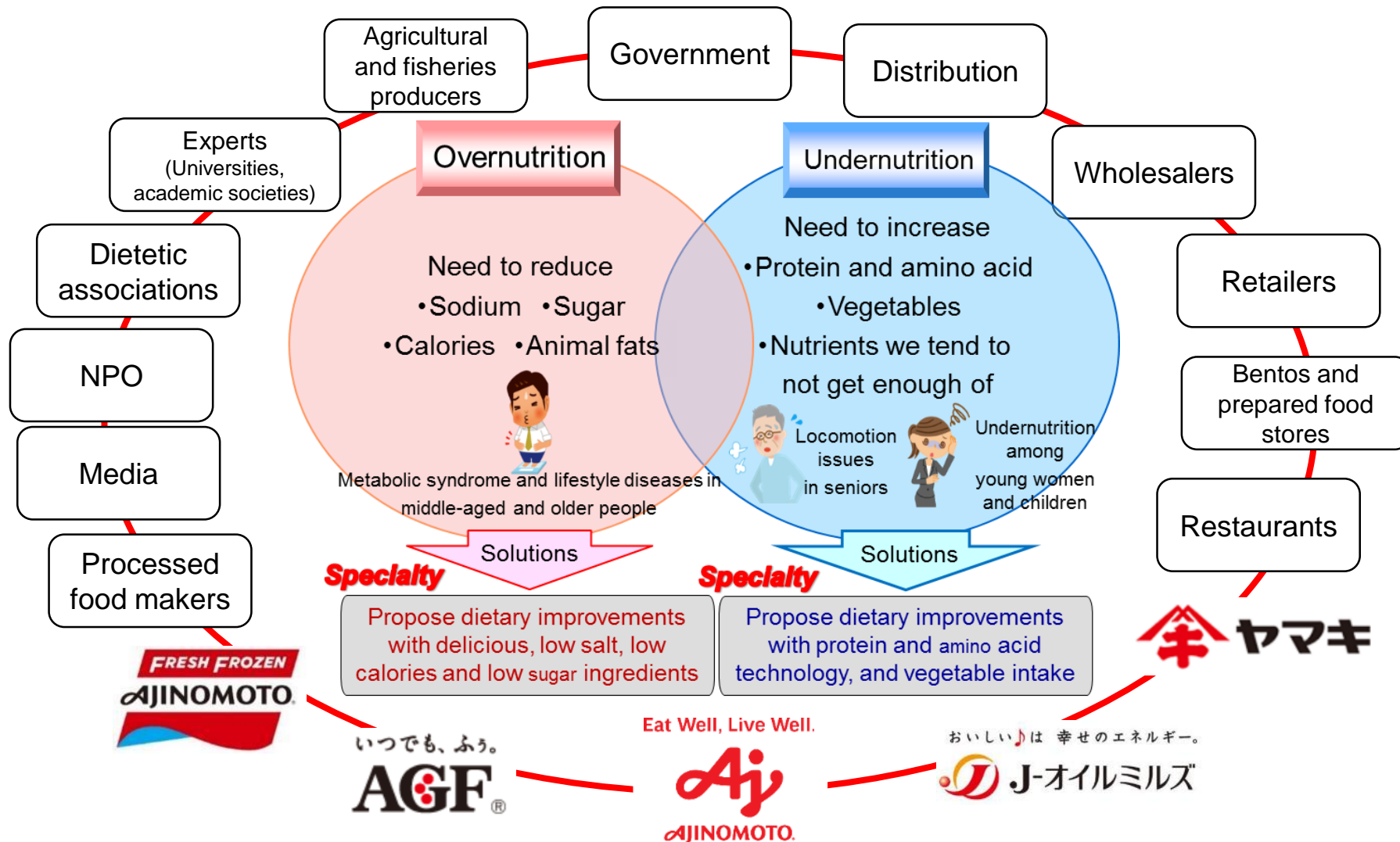
Social issue	Rising cost of raw materials	Effective use of food resources		Worker shortages	Food diversification	Health issues
Needs of restaurants and food makers	Lower costs	Substitute raw materials	Stop spoilage	Simplify preparation	Improve taste	Reduced sodium/sugar
Ajinomoto's solutions (examples)	Increase yield Stop spoilage	Soft processing	Fluffy rice technology	Simplify operations	Proposals to get the most out of products	Development support for products/menus
Proprietary ingredients/technologies						



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3. Sales Strategy Centered on ASV (Kachimeshi®)

◆ Resolving the two issues of poor nutrition



Deliver solutions through collaboration with stakeholders

3. Sales Strategy Centered on ASV (*Kachimeshi*®)

◆ Background to initiatives

Government (national/local)

National and local governments

- Health Japan 21* vision
 - Extend people's healthy life expectancy
 - Prevent onset of lifestyle diseases, etc.

★ **Working to reduce healthcare spending**

* Basic policy for a comprehensive approach to improving people's health in Japan



Facing difficulty spreading the word amid lack of means/method

(Civic reports, ads in prefectural government newspapers, etc.)

Distribution

- CVS: Shifting focus from younger to older generation

- Shopping malls: Impasse with special sales and mass merchandising

- Drugstores: expand ratio of foods and transform to "corner drugstore" (CVS)



Community champion

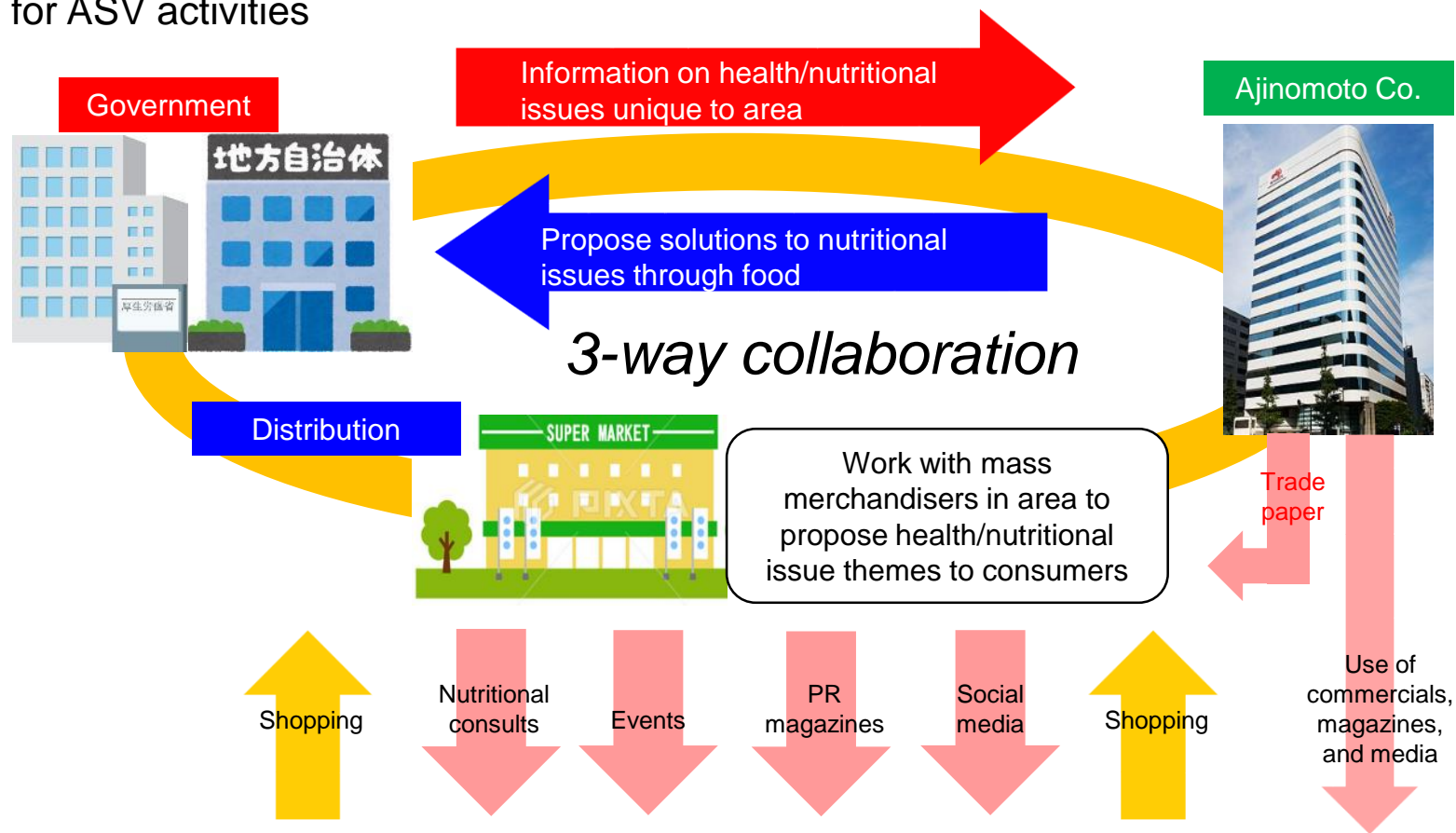
- Support/contribute to communities/consumers
- Differentiation of MD

★ **Working to increase regular customers/sales**

Promote resonance with our approaches and activities

3. Sales Strategy Centered on ASV (*Kachimeshi*®)

◆ Vision for ASV activities



Expand information sharing with **Consumers** and success areas

Continue expanding initiatives as essential activities, with the 3 parties of Ajinomoto Co., government, and distribution resonating with one another

3. Sales Strategy Centered on ASV (*Kachimeshi*®)

◆ Status of initiatives with government

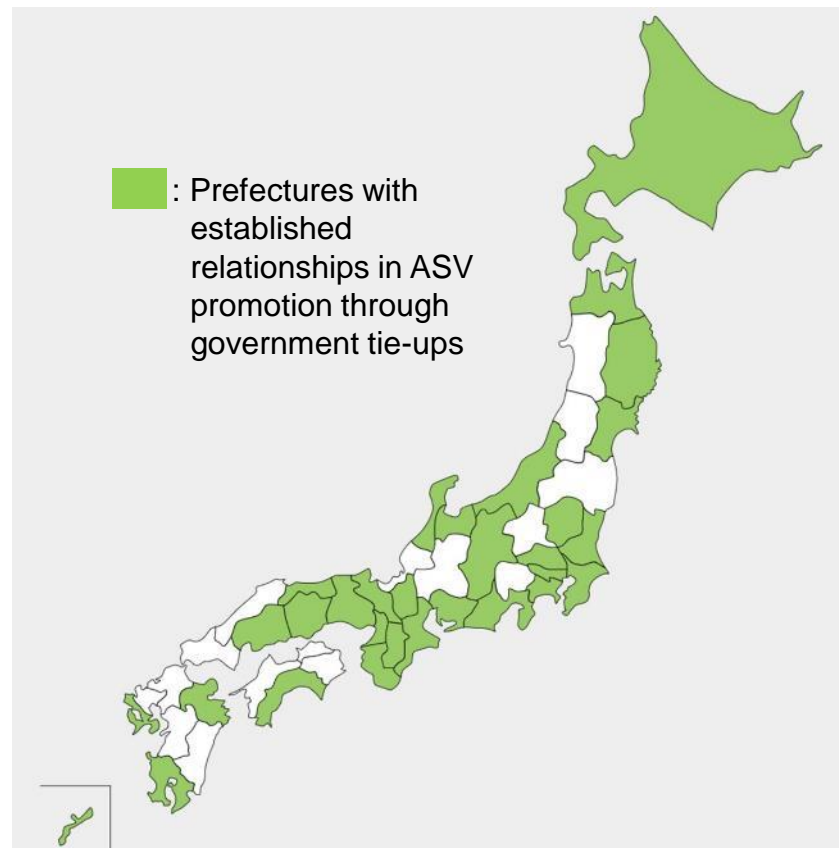
Review of FY2018

Objective: Promote regional development and solutions to health/nutritional issues through tie-ups with regional distributors, media, governments, academia, and dietetic associations, etc.

Numerical target: 24 prefectures in 2020 and 28 prefectures in 2025 (collaboration with prefectures and municipalities)

Review of 2018: Conducted initiatives through tie-ups with a cumulative total of 31 prefectures

As of 2016				Expanded areas up to 2018			
Prefecture	Theme	Prefecture	Theme	Prefecture	Theme	Prefecture	Theme
Hokkaido	Athlete support	Shizuoka	Prolong healthy life expectancy	Ibaraki	Missing breakfast	Kyoto	Tie-up with local produce
Aomori	Using dashi	Aichi	Love Vege®	Tochigi	Obesity	Hyogo	Reduced sodium
Iwate	Reduced sodium	Osaka	Dietary education	Tokyo	Building health	Hiroshima	Love Vege
Miyagi	Tie-up with local produce	Nara	Vegetable intake	Chiba	Use of health data	Okayama	General health promotion
Niigata	Tie-up with local produce	Tottori	Tie-up with local produce	Nagano	Tie-up with local produce	Nagasaki	Tie-up with local produce
Ishikawa	Hokuriku <i>Kachimeshi</i> ®	Kochi	Reduced sodium	Mie	Mie <i>Kachimeshi</i> ®	Okinawa	Reduced sugar
Toyama	Hokuriku <i>Kachimeshi</i> ®	Oita	Tie-up with local produce	Wakayama	<i>MoreVege</i>	Saitama	Meals for students attending cram schools
Kanagawa	Illness prevention	Kagoshima	Longevity	Shiga	Shiga-meshi		



Cumulative total: 31 prefectures

Expanding initiatives in terms of both overnutrition and undernutrition

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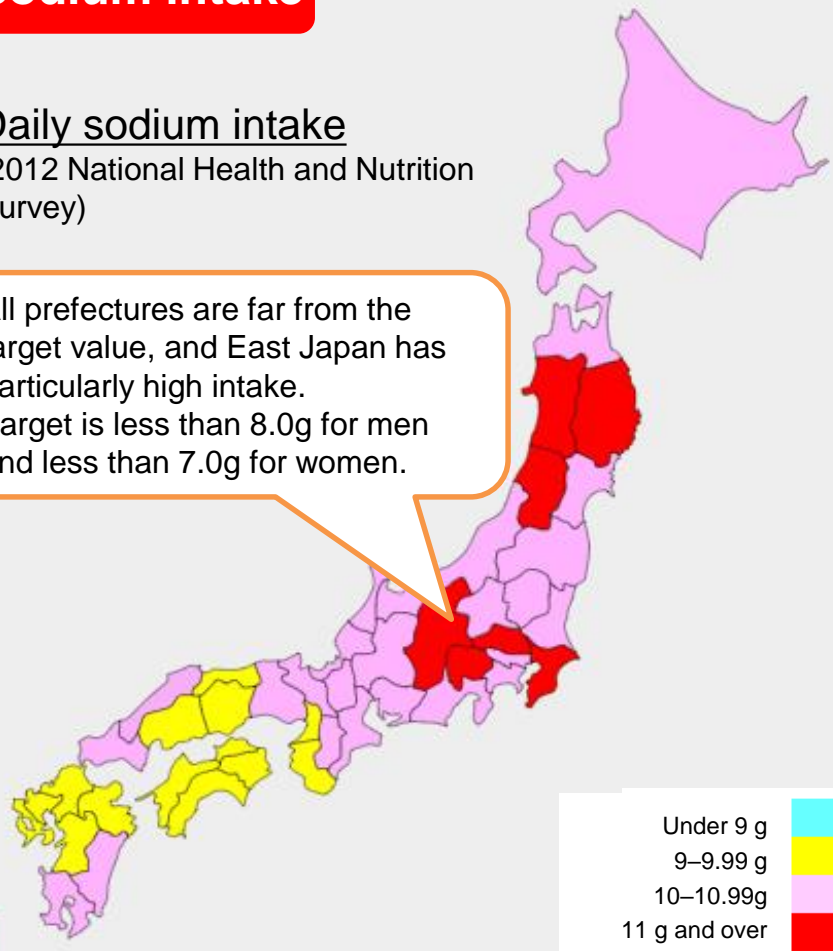
4. Initiatives for Reduced Sodium and Increased Vegetable Intake

◆ Nutritional issues by region

Sodium intake

Daily sodium intake
(2012 National Health and Nutrition Survey)

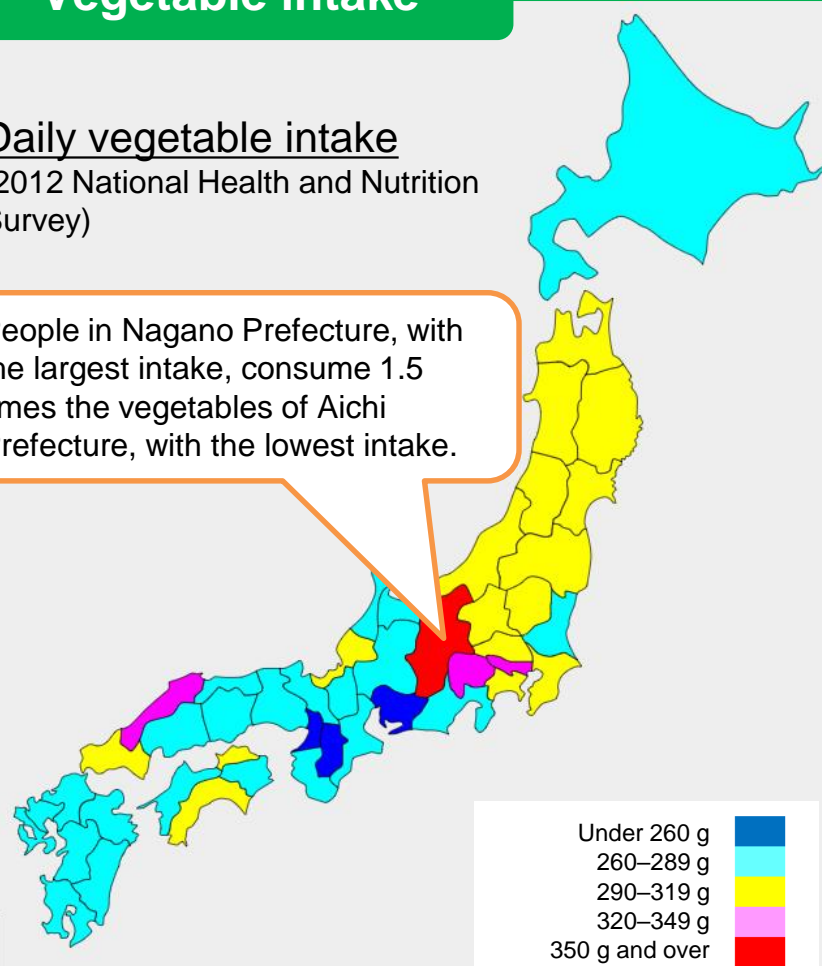
All prefectures are far from the target value, and East Japan has particularly high intake. Target is less than 8.0g for men and less than 7.0g for women.



Vegetable intake

Daily vegetable intake
(2012 National Health and Nutrition Survey)

People in Nagano Prefecture, with the largest intake, consume 1.5 times the vegetables of Aichi Prefecture, with the lowest intake.



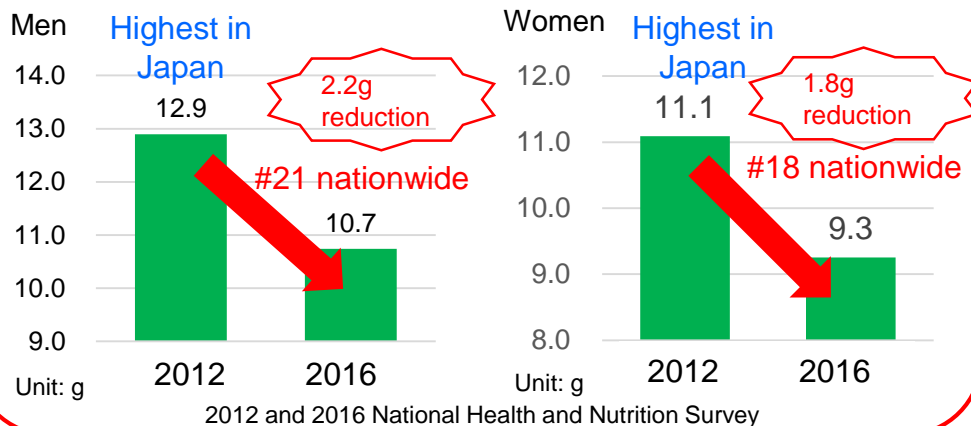
4. Initiatives for Reduced Sodium and Increased Vegetable Intake

◆ Initiatives for reduced/appropriate sodium intake (1)

Iwate Prefecture "Reduced sodium day"



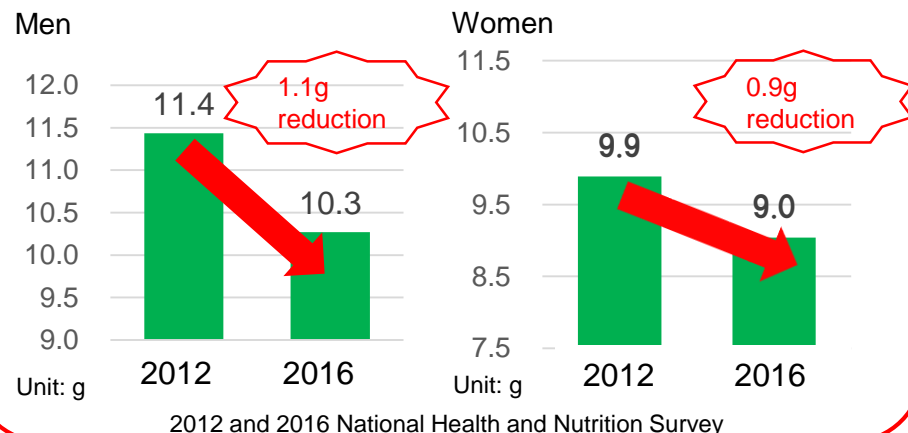
Lowered sodium intake 10-20% over 4 years!



Shizuoka Prefecture Reduced sodium intake with Japanese foods



Lowered sodium intake around 10% over 4 years!



4. Initiatives for Reduced Sodium and Increased Vegetable Intake

◆ Initiatives for reduced/appropriate sodium intake (2)



4. Initiatives for Reduced Sodium and Increased Vegetable Intake

◆ Initiative for increased vegetable intake: Love Vege®



Aiming to increase vegetable intake in Aichi Prefecture (**lowest vegetable intake in Japan**), worked with a local university on joint recipe development and carried out in-store specials and events, etc.

Menu ideas

Love Vege® Bento



More than 240g of vegetables

We made it!

Developed with the Department of Human Nutrition, School of Life Studies, Sugiyama Jogakuen University

Vegetable day with Love Vege®



Example display on produce sales floor



Simple mother-child cooking class held in-store

4. Initiatives for Reduced Sodium and Increased Vegetable Intake

◆ Initiative for increased vegetable intake

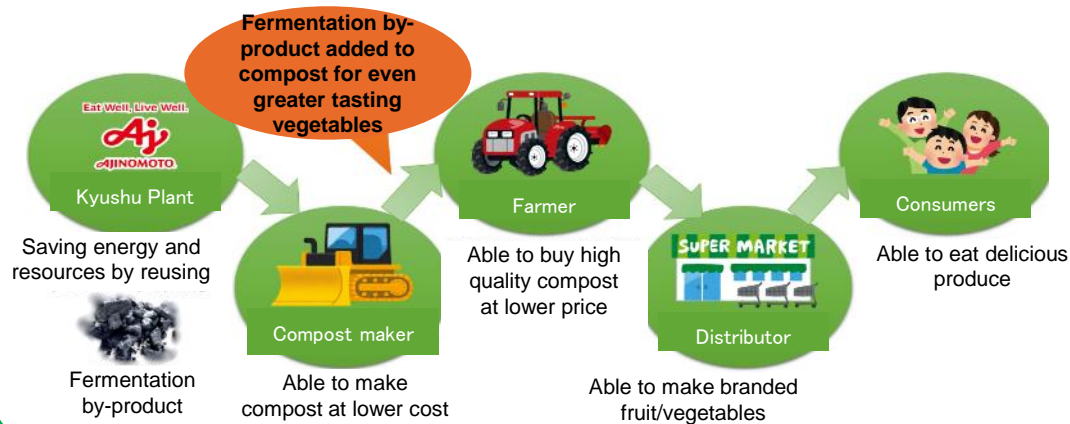
Collaboration with Kyushu-made produce Proposing delicious ways of eating vegetables



Promoting CookDo® as way to prepare/enjoy seasonal vegetables



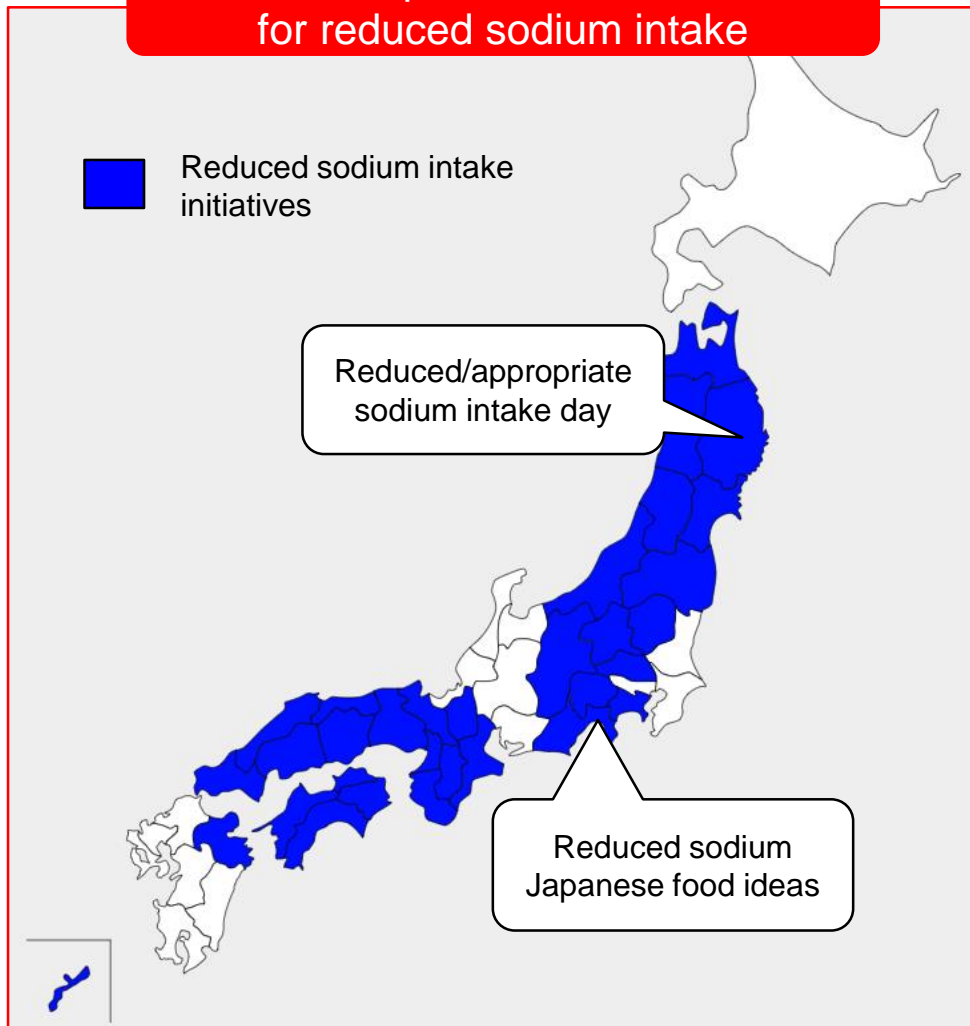
Process for growing Kyushu-made produce (green pepper)



4. Initiatives for Reduced Sodium and Increased Vegetable Intake

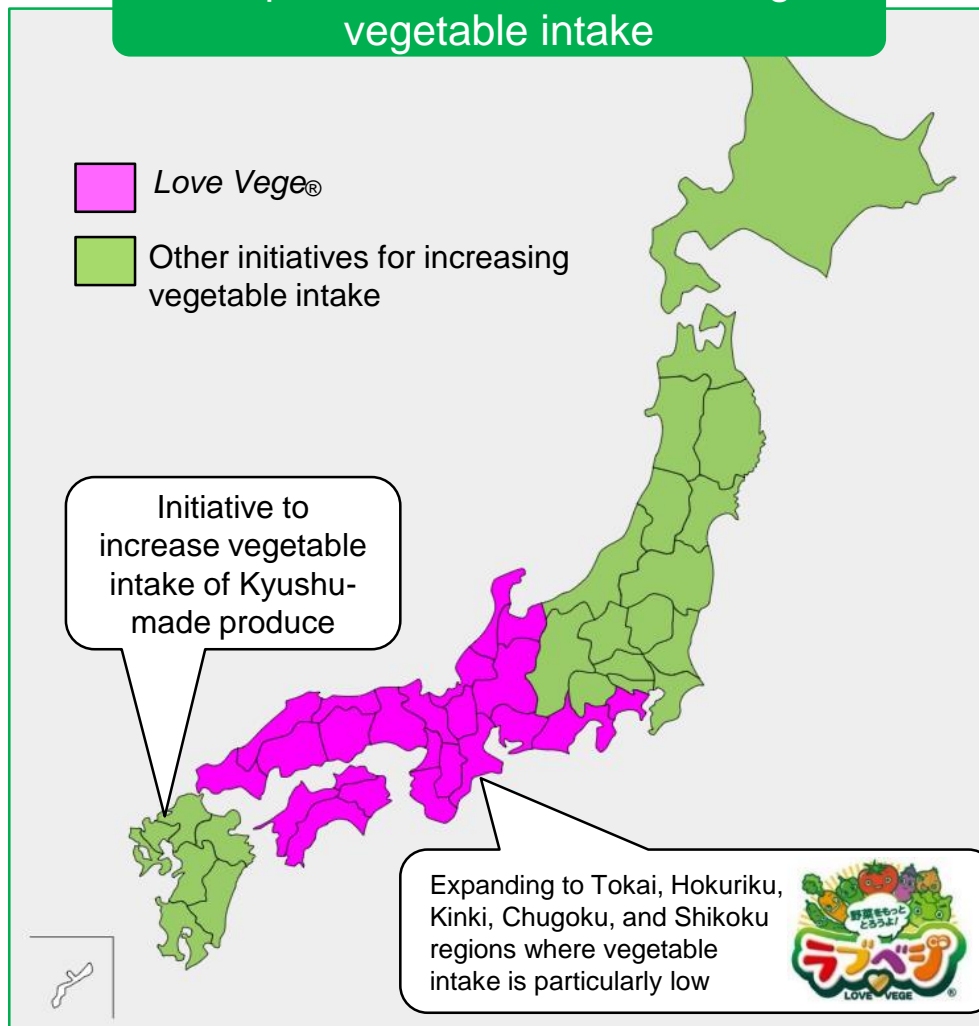
◆ Status of initiatives across Japan for resolving regional health issues (FY2018)

Map of initiatives for reduced sodium intake



Reduced sodium intake initiatives: **32 prefectures**

Map of initiatives for increasing vegetable intake



Vegetable intake initiatives: **46 prefectures**

4. Initiatives for Reduced Sodium and Increased Vegetable Intake

◆Vegetable intake: Examples of *Cook Do*® and *Cook Do*® *Kyo-no-Ohzara*®



Delicious way of eating vegetables!

Number of people who have eaten *Cook Do*® and *Cook Do*® *Kyo-no-Ohzara*® (FY2017)
520 million

Cabbage



7.75 million

Eggplant



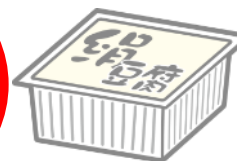
75 million

Green pepper



114.29 million

Tofu

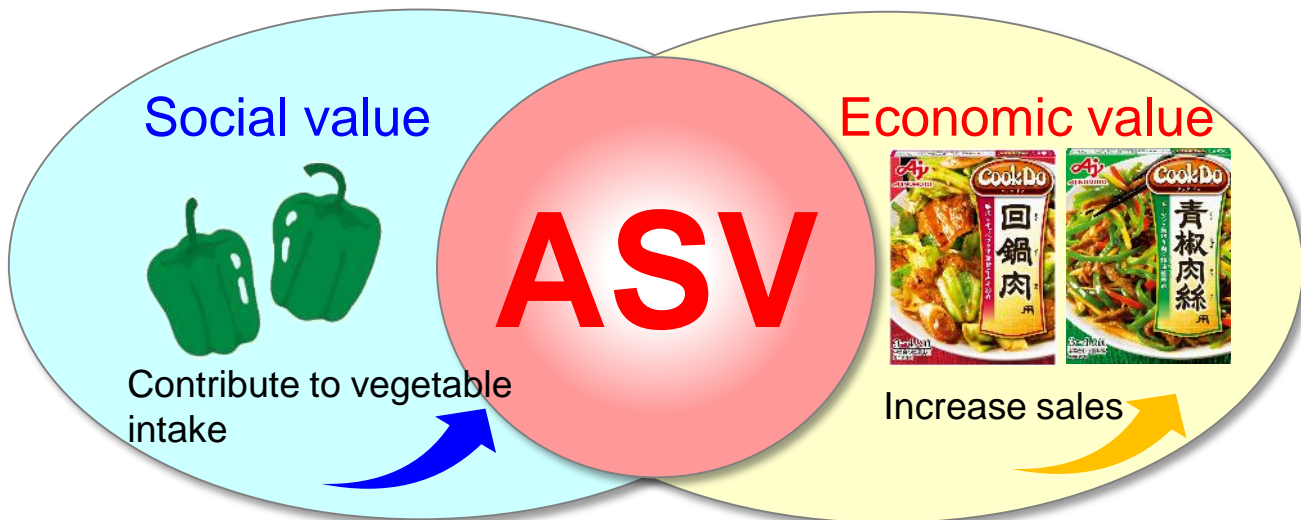


33.33 million

Pork



6,500 tons

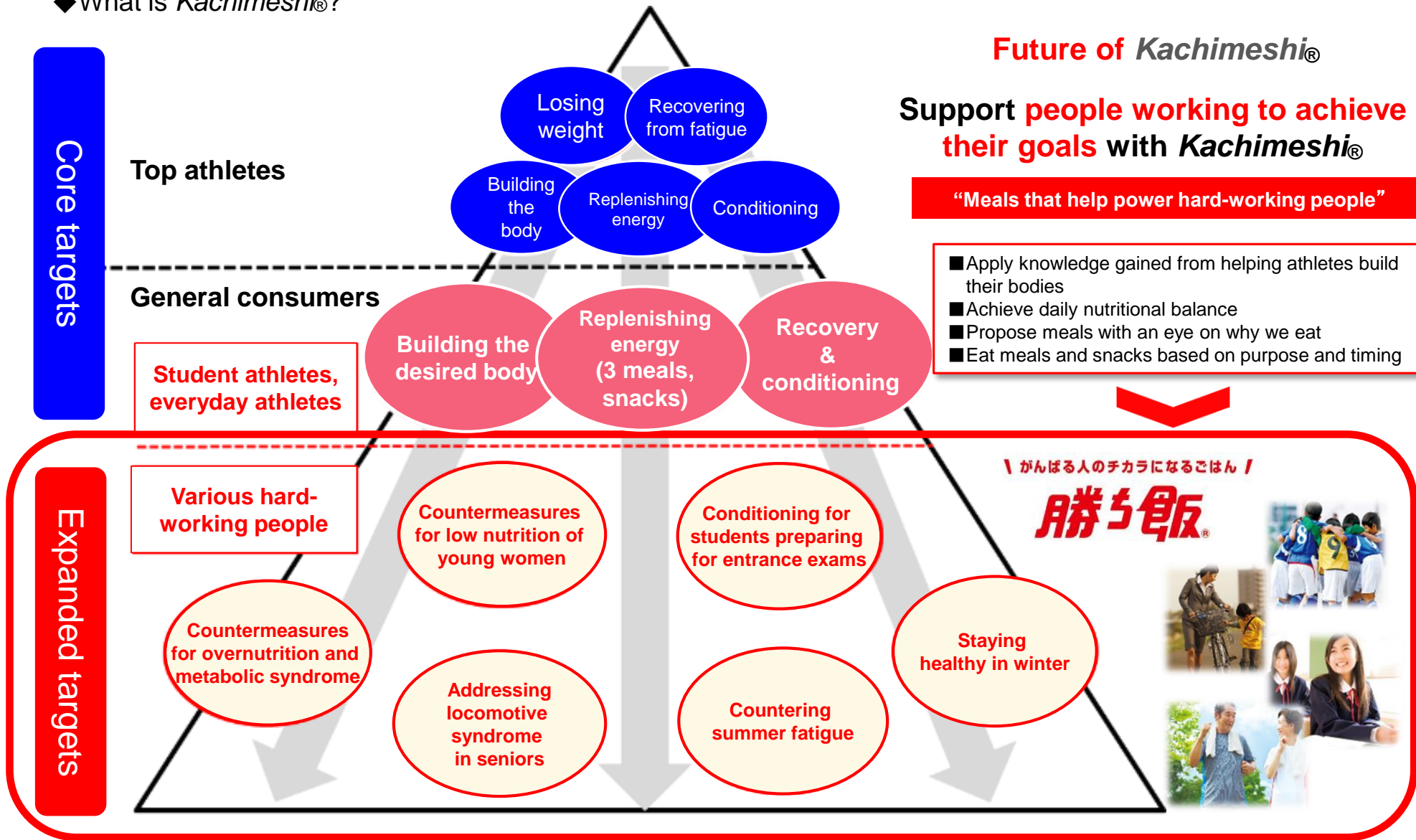


For example...
FY2017: Nationwide green pepper shipments **129,800 tons**
Green pepper consumption using *Cook Do*® **4,091 tons***
(stir fry 130g/pouch, twice cooked pork 40g/pouch)
*Ajinomoto Co. estimates for FY2018
Cook *Do*® contributes to **3.2%** of green pepper consumption in Japan

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5. Kachimeshi® Initiatives

◆What is *Kachimeshi*®?



Various hard-working people: Refers to all consumers regardless of age

5. *Kachimeshi*® Initiatives

◆ Definition of *Kachimeshi*®

Support hard-working people by proposing
nutritionally-balanced meals!



Support student athletes

Support students preparing for entrance exams

Prevent metabolic syndrome

Address locomotive syndrome

Support young women

Approach to *Kachimeshi*® menus



Key points for reasonable and continuous use

- (1) High intake of **protein** essential for building the body
- (2) Large helpings of **vegetables** as a source of essential vitamins and minerals
- (3) Incorporates into menu **soups** with umami flavors to aid in digestion and absorption

Proposing nutrients, foods and menus tailored to themes and purpose in a timely manner to everyone working hard daily to achieve their goals

5. Kachimeshi® Initiatives

◆ Rollout example (1)

みえ・勝ち飯

• Mie Prefecture and Ajinomoto Co. partnership agreement

• Planning

• Media/social media exposure ⇒ Increase visibility

• Distributor side ⇒ Create economic value

• Tie-ups with community events ⇒ Establish continuous cycle



With Governor Suzuki of Mie Prefecture



Mie Prefecture's Specialty



Thoughtful action

Vege 1. Grand Prix

Ajinomoto Co.'s Specialty

みえ・勝ち飯

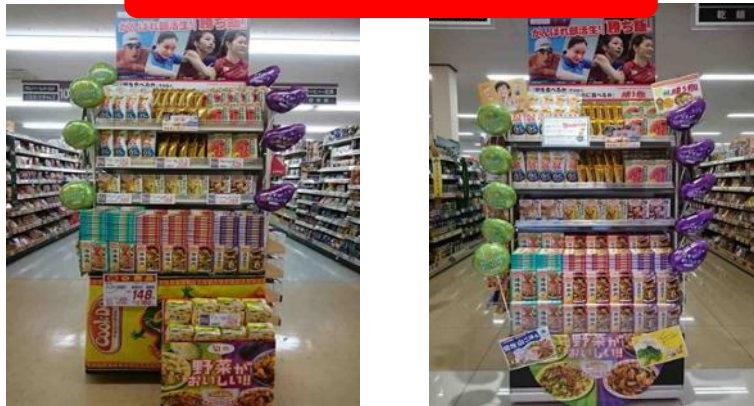


Partnership agreement initiatives	FY2019	FY2020	FY2021
Events	Tokyo Olympics count down event	Tokyo Olympic	Mie Tokowaka National Athletic Meet
Images	 Kachimeshi Pair Cook Love Vege	 Handout original MB at schools Promote implementation in the home and make the event a boom	 Fair for supporting school sports held at mass merchandisers in the Tokai area

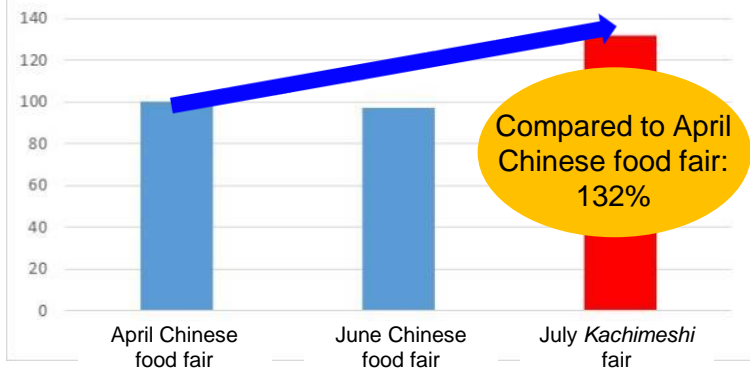
5. Kachimeshi® Initiatives

◆ Rollout example (2)

Mass merchandiser A



Sales from Special Display Corners
(April = 100)

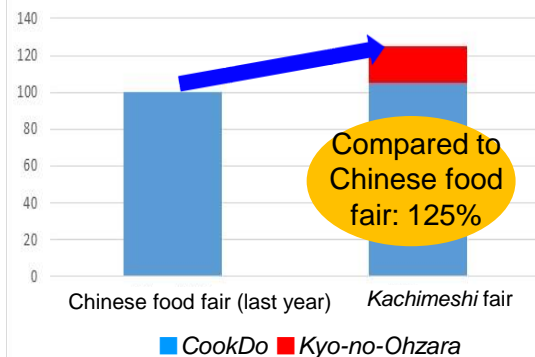


- Increased product exposure through sales floor display contest
- Simultaneous displays of items from different categories

Mass merchandiser B



Sales from Special Display Corners
(Chinese food fair = 100)



- Simultaneous displays of items from different categories
- Creation of fliers, store booklets and recipe leaflets linked together

5. Kachimeshi® Initiatives

◆ Rollout example (3)

Company cafeterias
 For hard-working people on the job
Well-balanced Kachimeshi® set meals

月勝ち飯
 羽生選手が食べたメニューを再現!
 月勝ち飯の3つのポイント

- POINT. 1 たんぱく質** カラダづくりに欠かせないたんぱく質をしっかりとる。
- POINT. 2 野菜** カラダを暖めるビタミンEとカルシウムの野菜をたっぷり取る。
- POINT. 3 汁物 (うま味)** 消化・吸収を助けるうま味の効いた汁物を毎日取り入れる。



Bringing menus used by top athletes for conditioning to you!



Pork soup energy set meal



Body conditioning set meal

Rave reviews!

HMR
 Delicious and simple Kachimeshi®
 Hearty soup filled with vegetables and sources of protein



3 types of hearty soup!

Create a balanced meal with 1 soup and 1 onigiri



5. *Kachimeshi*® Initiatives

◆ Rollout example (4) Supporting students preparing for entrance exams with everyday meal options!
Partnership with major college prep school

Perfect for students preparing for the entrance examination

Supporting students preparing for entrance exams! Developing *Kachimeshi*® menu options

When	Breakfast	Lunch	Dinner
Point	Protein and vitamin B6 needed for building the body against the cold of winter! Activate the brain from the morning with carbohydrates as an energy source and vitamin B1 to aid the metabolism!		
Menu (examples)	Main dish: Spanish omelette	Main dish: Basic oyako-don	Main dish: Pork shoulder and daikon
	Soup: Ripe tomato soup (vegetarian)	Side dish: Mugen enoki	Side dish: Hijiki shiraae and stewed pumpkin

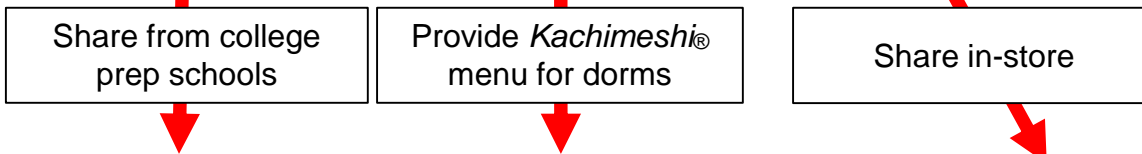
Ingredients containing the following nutrients are recommended for maintaining your physical condition during this time of year!

Vitamin C helps prevent colds

Vitamin C	Vitamin C	Vitamin B6
Spinach	Chinese cabbage	Sweet potato

Protein and vitamin B6 needed to build the body against the cold of winter

Protein	Protein	Protein
Vitamin B6		
Pork thigh	Shrimp	Egg



- Enrollment orientation
- Presentation to parents/guardians
- Postings in-school
- Distribution of menu book to high schools



Presentation on *Kachimeshi*® for parents/guardians



5. Kachimeshi® Initiatives

◆Rollout example (5) Initiatives at drugstores

Menu development and recipe contest by dietitians for drugstores



Nutritional consults



Sales promotion items



Information



In-store campaigns



5. *Kachimeshi*® Initiatives

◆ Introducing various initiatives

***Kachimeshi*® class for junior athletes through tie-up with sports organizations**

- *Kachimeshi*® class linked to seminar held by karate magazine called JKFan
- Dialogue with national team members on meals and snacks, along with explanation of *Kachimeshi*®



***Kachimeshi*® outreach class as part of Tokyo Metropolitan's Olympics/Paralympics education program (from October 2017)**

- Involved in Tokyo Metropolitan's Olympics/Paralympics education program run by the Tokyo Board of Education
- Ajinomoto Co. employees lead *Kachimeshi*® outreach classes at elementary and junior high schools

FY2017 results: classes started in December

2,033 students at 10 elementary and junior high schools in Tokyo

FY2018 results: as of October

1,066 students at 6 elementary and junior high schools in Tokyo

For grades 3 to 6 of elementary school and grades 7 to 9 of junior high school (both FY2017 and FY2018)



勝ち飯



Total of **45,000 stores*** nationwide

Promoting *Kachimeshi*® in-store! *Estimate for FY2018



Tokyo

Osaka

Kyushu

Nagoya

Tohoku

勝ち飯 メニュー

かんぱるのチカラになるごはん / アスリート・高齢 / 食の専門家達の

勝ち飯 3つのポイント

- 1 たんぱく質
- 2 野菜
- 3 分糖

かんぱるのチカラになるごはん /

応援するあなたを応援!

勝ち飯 キャンペーン

キャンペーン期間 8/10 - 8/31

抽選で100名様に豪華商品が当たる!!

忙しいあなたに
とおきの献立できました!

うまか飯

30分調理



勝ち飯 高松野球秋田県大会を応援しています!

「勝ち飯」には、野菜、果物、夕飯の準備が簡単!と、食生活改善をサポートするメニューが盛り込まれています。

食事は重要なトレーニング。きちんとした食事をとろう!!

5. Kachimeshi® Initiatives

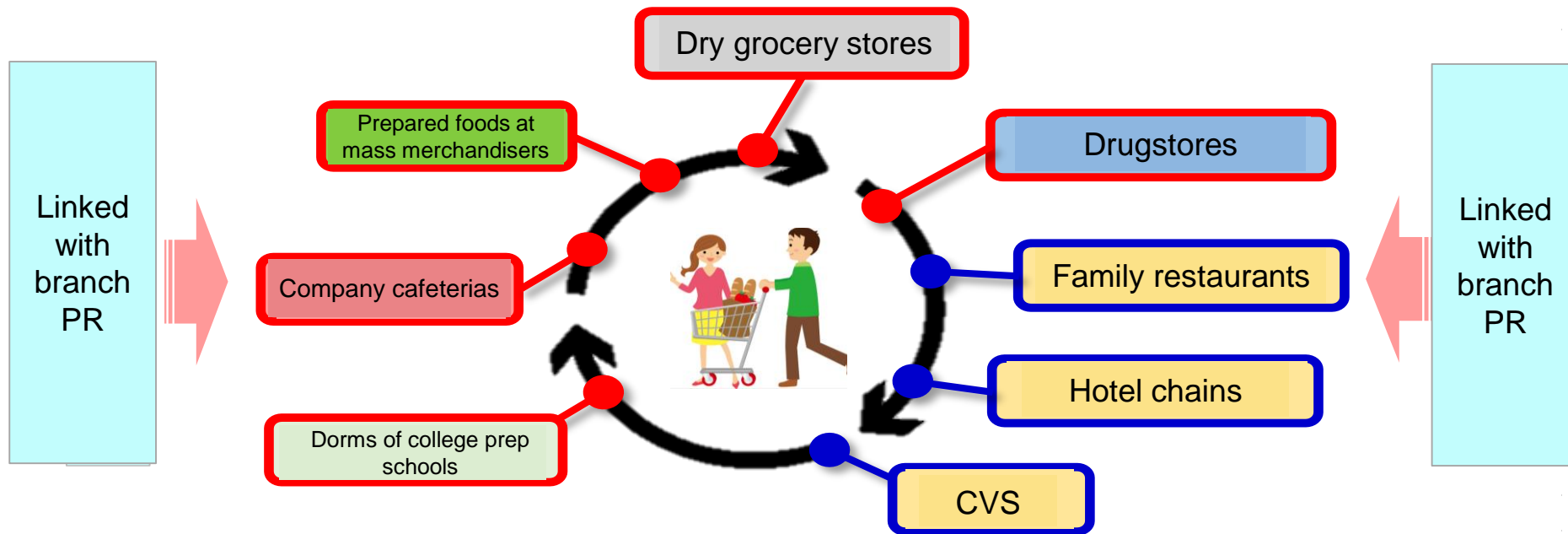
◆ Future rollout (1)

Promote initiatives tailored to channels

Mass merchandiser displays 	Prepared foods at mass merchandisers 	Company cafeterias 	Drugstore tie-ups 	Dorms of college prep schools
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Linked with branch PR

Dietetic association tie-ups 	Boards of education
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Reach out to consumers from various angles

5. Kachimeshi® Initiatives

◆ Future rollout (2)

In-store activities:
In-store campaigns and in-store marketing
Aim for total of 60,000 stores*

*FY2019 target

Digital ads

Visibility

Understanding

Action

Spread

Banner ads

Kachimeshi® page

AP Kachimeshi® page

Kachimeshi® menu submissions

Increase visibility



▼ Ajinomoto Co.'s advertising media



▼ Newspaper ads



1. Sales Trends of Seasonings & Processed Foods in Japan
2. Domestic Sales Sector Structure and Strengths
3. Sales Strategy Centered on ASV (*Kachimeshi*®)
4. Initiatives for Reduced Sodium and Increased Vegetable Intake
5. *Kachimeshi*® Initiatives
6. Examples of ASV Initiatives with Processed Food Makers and Future Direction

Deliver proposals on healthy and nutritionally balanced foods to all stakeholders based on our strengths in technology, materials and sales

Specialty like no other company

This is Ajinomoto Co.'s strength