

IR DAY

Food Products Division

Seasonings and Foods Segment

1. “Delicious Low Salt” Plan (1) Japan

Launch **positive low-salt promotion**

Move from “Let’s reduce salt” to

“Low salt because it’s delicious” and “Delicious and low salt”

(1) Promote salt reduction using AJI-NO-MOTO®

- **Build local ecosystems** in collaboration with government, distribution, and media
⇒ Expand Iwate Prefecture salt reduction model



- **Promote in stores and boost awareness**
⇒ Further increase volume purchased by young single-person households and elderly single-person households



(2) Provide low-salt products

- Expand sales of **products with “Delicious low salt” mark**



- **Accelerate development of low salt products**
⇒ Use salt reduction technology and ANPS



ANPS: Ajinomoto Nutrition Profile System-Products

(3) Boost digital roll out of low-salt content and menus



Above: Rolling out AJI-NO-MOTO® menus in a tie-up with a popular blogger

Right: Distributing “Delicious low-salt” menus through SNS



減塩したいけど、お塩を減らすとなんか物足りない・・・そんな時は「うま味」を活用。実は、「うま味」を足すと味に深みやコクがグッと増して、減塩でもおいしく仕上がるんです。うま味調味料「味の素」なら、ササッと簡単にいつもの料理にうま味をプラスできる。しかも、いろんなレシピにおいしく使えるからとっても便利!

1. “Delicious Low Salt” Plan (2) Overseas

(1) Promote salt reduction using AJI-NO-MOTO®

Build local ecosystems in collaboration with government, distribution, and media:
Ajinomoto (Malaysia) Berhad

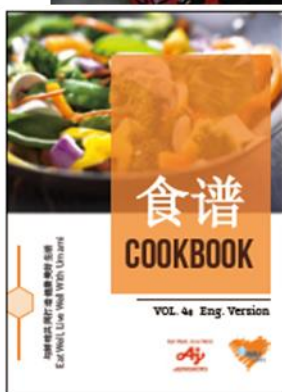
- ◆ Provide low-salt menus using umami to retirement homes (collaboration with a university)

2016: Started proposing low-salt menus using umami

1H 2020: **Start collaboration with a local university**

Expand recipes and scale of low-salt menus

Plan to provide to five retirement homes (approx. 300 people)



(Article published in local media)

(Cookbook containing nutritionally balanced menus)

(2) Provide low salt-products

Roll out low-salt versions of overseas products such as the following



2. Solving Issues through Local Collaboration (1) Japan

Working with local relevant people, such as governments, producers, the distribution industry, and media
 ⇒ Promoting solutions to **local food and health issues**

(1) Kachimeshi®

- Collaborating with governments in 39 prefectures
 ⇒ Further expand measures to promote health using local ingredients



- Promoting in stores and owned media



(2) Kyushu Rikisaku Yasai (Vegetables) and Kudamono (Fruit)

- Built an ecosystem based on local collaboration
 ⇒ About 60 companies collaborate: farmers, distributors, etc.
 Producing high value-added vegetables using by-products of our Kyushu Plant
 ⇒ Received the Deputy Chiefs' Award (by the Chief Cabinet Secretary) in the Third Japan SDGs Award

「九州力作野菜®」「九州力作果物®」プロジェクトによるメリット	
副生バイオマスの有効活用	
九州事業所 ・重油使用ゼロ化によるコストダウンと二酸化炭素排出低減	
生産	堆肥製造業者 ・安価な副生バイオマスを混合し、高品質な堆肥として耕種農家に提供 耕種農家 ・高品質な堆肥を活用による高品質農作物の栽培 ・安定した販路(九州イオングループ218店舗)確保による所得増
流通	卸業者 ・高品質な農作物の取り扱い
販売	イオン九州圏 ・高付加価値化された農作物のブランド化販売による競合他社との差別化

(3) Love Vege®

- Collaborating with governments in 24 prefectures
 ⇒ Expand collaboration with governments, farmers, distribution, media, chefs, etc.

「ラブベジ®」で楽しく食育！～幼児教育とのお取組～



2. Solving Issues through Local Collaboration (2) Overseas

Rolling out overseas versions of *Kachimeshi*® in six countries outside Japan using Japan's *Kachimeshi*® model as a reference ⇒ expand further

Thailand



Kachimeshi® bento lunch boxes for Thai women's volleyball team



Indonesia



Ajinomoto staff deliver *Kachimeshi*® bento lunch boxes to national team swimmer I Gede Siman Sudartawa



Malaysia



Kachimeshi® menu introduced in cafeteria at national sports schools



Brazil



Agreement with Brazil Olympic Committee to provide support for national athletes

Philippines



Providing support for karate representative Junna Tsukii

Singapore



Providing support for the national swim team

3. Expanding Premium Products

Clarifying unconscious and unsatisfied consumer wants
 ⇒ accelerating **development of matching premium products**

Japan

Knorr® Soup Grande



Microwaveable container with outstanding “convenience,” “portability,” “flexibility,” and “shelf life”

¥350/serving
 vs.: Knorr® Cup Soup
 ¥70/serving
×5.0

Steam Me

(available online and in Tokyo and 9 prefectures)



Uses our proprietary pressure-cooking pouch and unique technology and ingredients to soften meat

¥300/serving
 vs.: Cook Do®
 ¥200/serving
×1.5

Miso Soup with a lot of chunky ingredients



Uses our proprietary ingredients and manufacturing methods to produce a satisfying soup with rich flavour

¥140/serving
 vs.: Market average
 ¥100/serving
×1.4

Knorr® Zeitaku Yasai Hokkaido Sweet Corn

(type of corn exclusively available through Ajinomoto online sales)



Uses 100% Hokkaido super sweet corn. A rich flavor with **double the sweetcorn** of regular products.

¥180/serving
 vs.: Knorr® Cup Soup
 ¥70/serving
×2.6

Thailand

Yum Yum Sood Ded

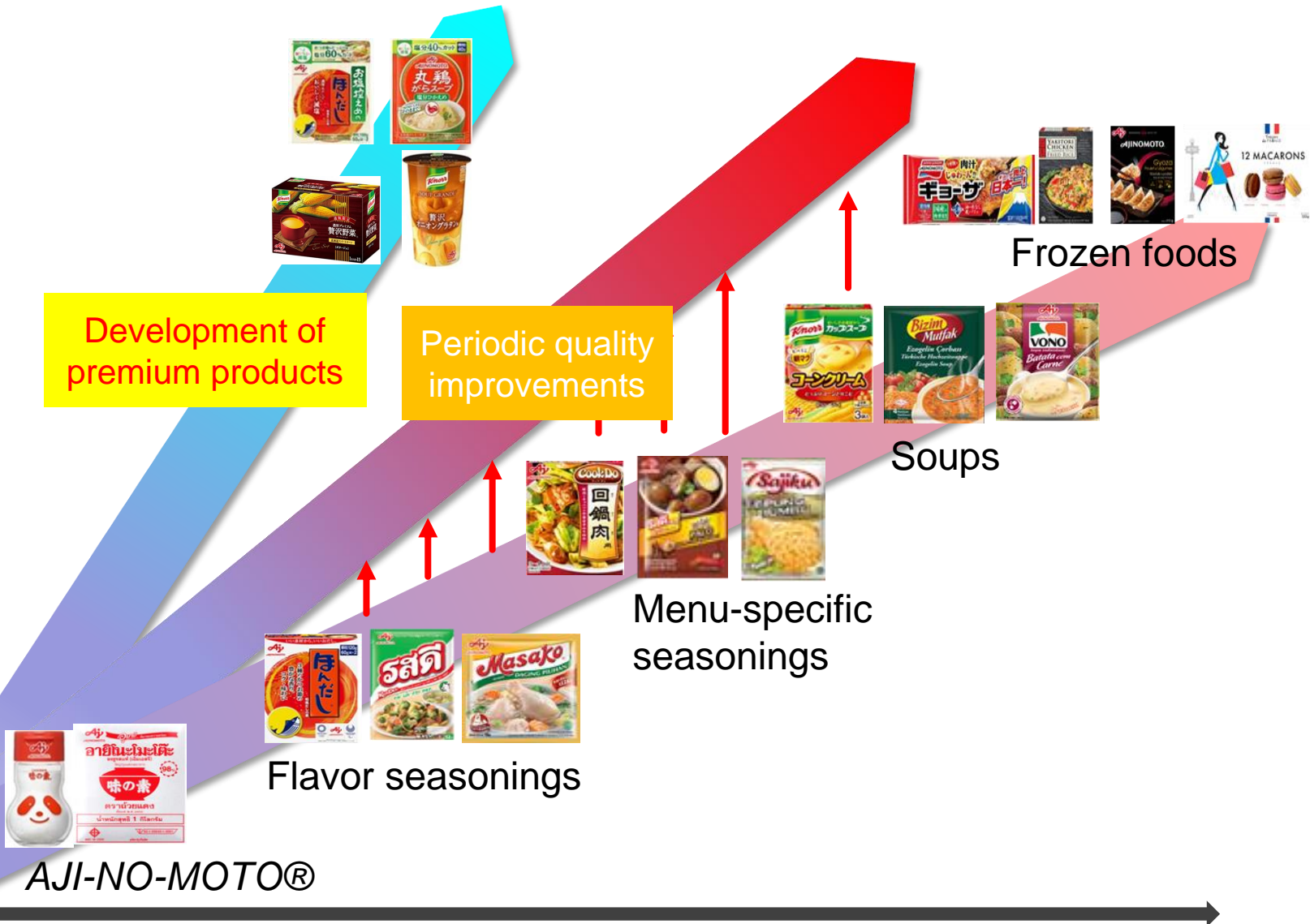


A premium product using **thick noodles** with a soft, chewy texture and **soup** made from shrimp heads

10 baht/serving
 vs.: Regular Ajinomoto product
 6 baht/serving
×1.7

4. Model of Expansion of Value Provided

Value provided/
unit price





Food Products Business



Amino Science Business

Common objectives
Shared office space

“One Floor, One Team”

Cognitive health risk analysis

アミノ酸を知る。今のからだを知る。
aminoindex
アミノインデックス。



“mobile app”



Health solution

personal nutrition/life improvement

- amino acids balance improvement

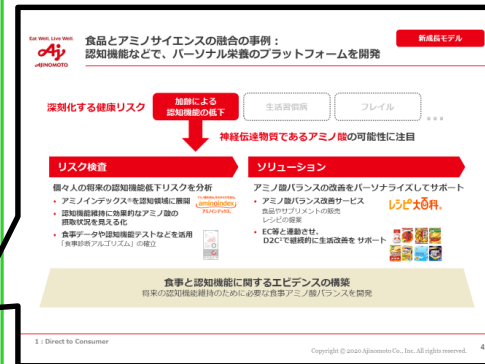


AJINOMOTO.ダイレクト : direct marketing

e-commerce

AJINOMOTO.Park
レシピ大🍷科。

- food/supplement
- information: meal/recipe



B2B in ASD business models



B2B in FPD business models



AJINOMOTO.



(スイーツ濃厚感)

Improve relationship with B2B clients



AJINOMOTO.ダイレクト

e-commerce

links



meal/recipe proposal

Japan/China/SE Asia

New e-commerce
New business model

e-commerce sales*

FY2019⇒FY2022

around

3

times

*Domestic+
Cross-border ec

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Food Products Division

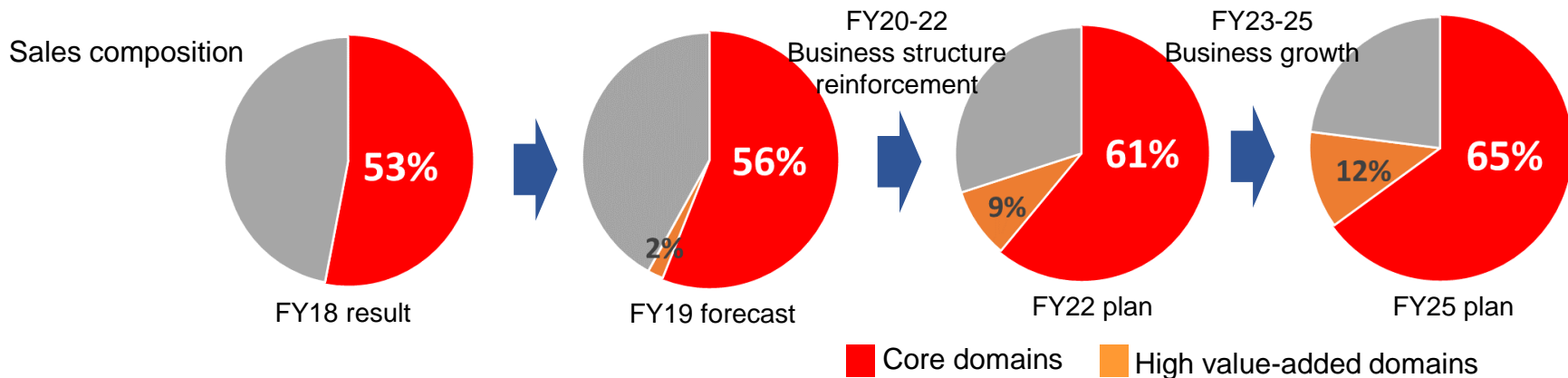
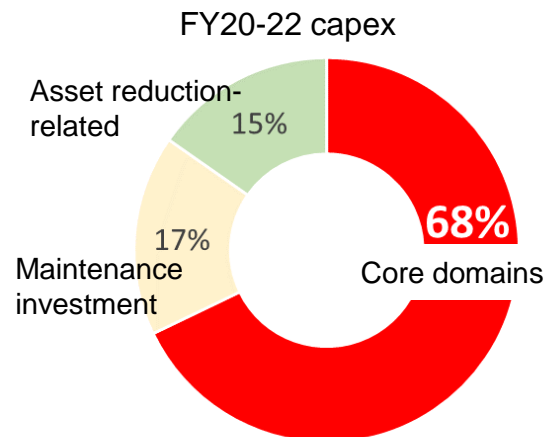
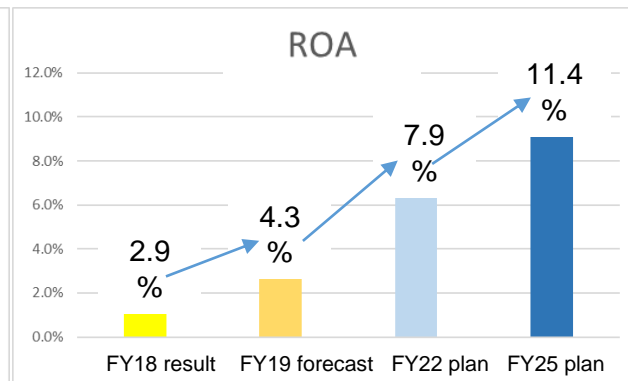
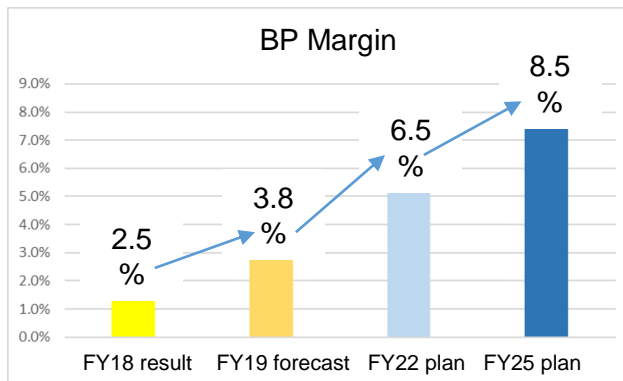
Frozen Foods Segment



Frozen Food Business: FY18 Results, FY19 Forecasts, and FY22/FY25 Plans

- Both BP margin and ROA will improve in FY19 from FY18. In FY20-22, we will increase unit prices by expanding core domains* and strengthening value-added products (health issue solutions, etc.) and reinforce business structure. From FY23 onward, we will continue structural reinforcement as well as aim for business growth (BP margin 8.5% and ROA 11.4% under the FY25 plan).
- We will restructure global production and implement fixed asset reductions of ¥4.5 billion (asset light model) (19→15 factories). We will also focus 68% of our global investment on business growth for core domains.

* Core domains Overseas: Asian cuisine and desserts;
 Japan: Gyoza dumplings, shumai dumplings, fried rice, and desserts



FY20–22 Structural Reform Initiatives

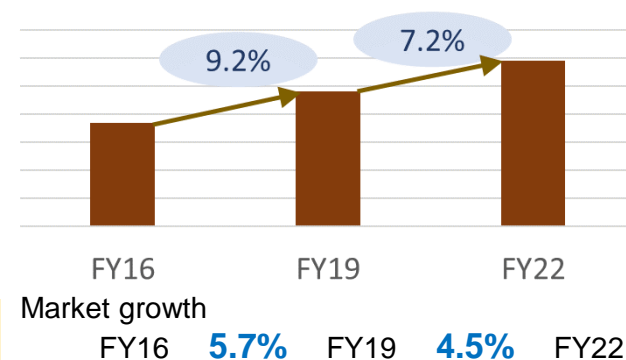
Overseas Market

1. Reinforce business structure
 - 1) We will comprehensively strengthen the Asian cuisine domain and achieve growth that exceeds the market.
 - 2) In the appetizer domain, we will reduce products with low profitability, such as Mexican and Italian products, and shift to products with high unit prices.
2. Promote asset reduction and invest in growth
 - 1) We will increase capacity utilization by closing and amalgamating factories, thereby improving asset efficiency.
 - 2) We will aggressively invest in growth in the Asian cuisine domain.

Japanese Market

1. Reinforce business structure
 - 1) In the retail business, we will achieve growth that exceeds the market, primarily in core domains.
At the same time, we will strive to strengthen products that solve health issues.
 - 2) In the food service business, sales will fall due to discontinuation/reduction of unprofitable products.
We will strive for business structure reform through expansion of core domains, continual strengthening of products that solve operational issues, and use of OEMs.
2. Promote asset reduction
We will restructure Thai and Chinese production systems that manufacture products for Japan.

Ajinomoto Asian Cuisine Frozen Food Growth (CAGR) in North America



Products that solve health issues



Karaage made without the three main allergens: egg, milk, and wheat



Low-sodium fried rice

Products that solve operational issues



Pre-cut cake

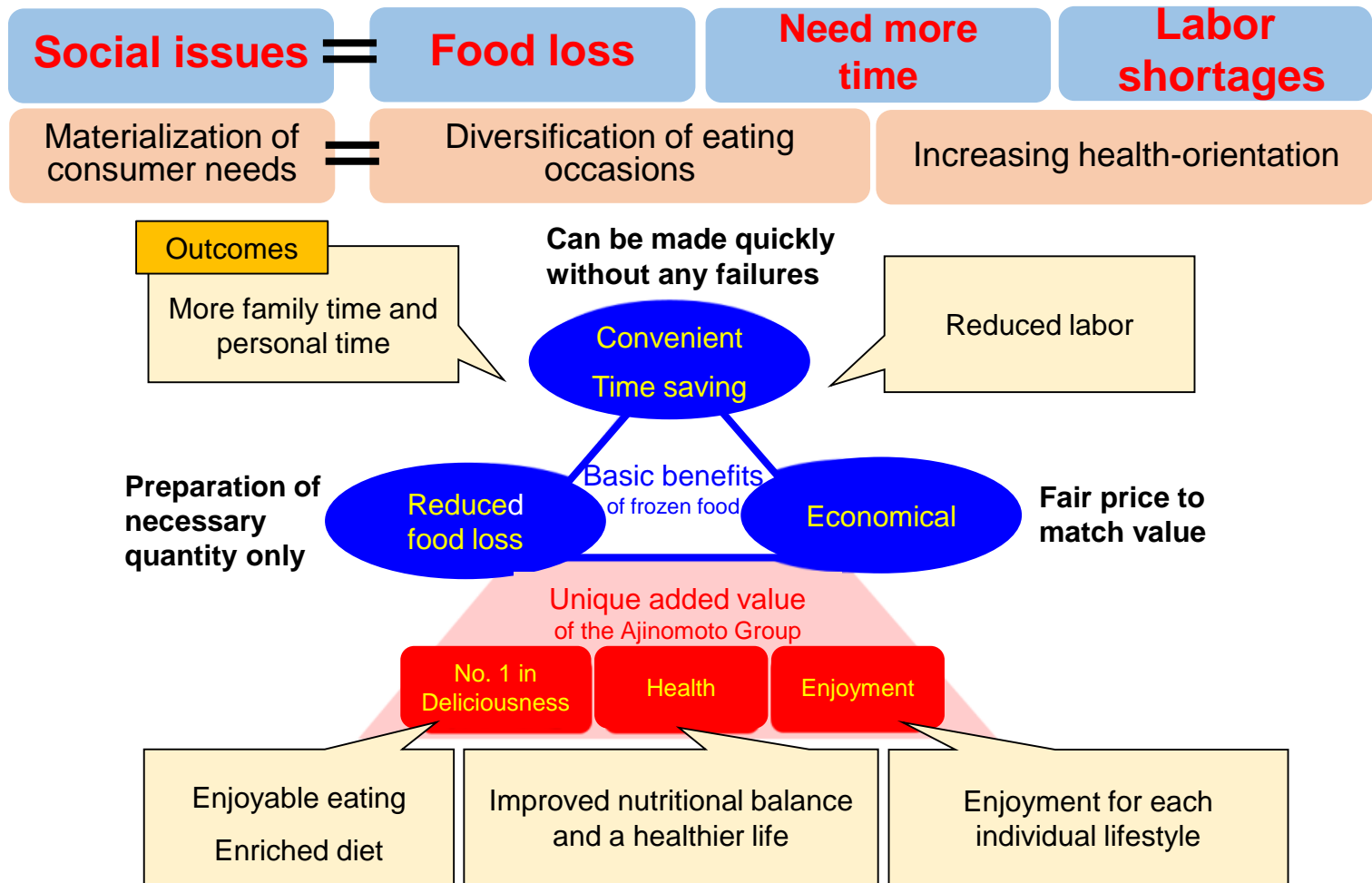


Fried rice that can be kept warm in a rice cooker for hours



Basic Strategy: ASV

We will strengthen our solutions to social issues and responses to the materialization of consumer needs with the basic benefits of frozen food and the unique added value of the Ajinomoto Group. We will promote ASV.



Eat Well, Live Well.



- Forward-looking statements, such as business performance forecasts, made in these materials are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.
- This material includes summary figures that have not been audited so the numbers may change.