

Eat Well, Live Well.



**Ajinomoto Co., Inc. (2802)  
Forecast for FY2022 (Ending March 31, 2023)  
and Initiatives for Enhancing Corporate Value**

**Taro Fujie  
Representative Executive Officer,  
President & Chief Executive Officer**

**May 11, 2022**

Eat Well, Live Well.



# Contents

- I. FY2021 Summary Results and FY2022 Forecast
- II. Management Policies under the New Administration and Initiatives for Enhancing Corporate Value

## Reference Material

Appendixes: Consolidated Results FY2021 (Ended March 31, 2022)  
FY2022 Forecast by Segment

Note: Business profit (consolidated) in this material:

Sales - Cost of sales - Selling expenses, Research & development expenses and General & administrative expenses + Share of profit of associates and joint ventures

- The environment surrounding our business is extremely challenging, with prices of raw materials and fuel currently soaring. However, profits increased in FY2021 and are expected to increase in FY2022 as well. While enhancing the value provided by our products and services, we will respond to these challenges through means including unit price increases, sales volume increases, and cost reductions to achieve sustainable growth.
- Along with short-term measures, we will also continue with the growth strategy and medium- to long-term structural reform. Taking the soaring prices of raw materials and fuel as an opportunity, we will build a resilient business foundation for future growth.
- The new administration began on April 1. To achieve our vision, we will enhance our medium- to long-term corporate value through "Purpose x Passion x Operational Excellence (OE)" and "Speed Up x Scale Up."

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## I-1. Financial Results Digest

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- In FY2021 financial results, revenue increased by ¥77.9 billion and profit increased by ¥7.7 billion. Sales was ¥1,149.3 billion, the highest since we started using IFRS in FY2016. Business profit was ¥120.9 billion, setting a record high for the third year in a row.
- The forecast for FY2022 is a revenue increase of ¥160.6 billion and a profit increase of ¥3.0 billion. Amid an environment made challenging by substantial increases in prices for raw materials and fuel, profits are expected to increase due to increased unit prices, greater sales volume, etc.
- ROIC in FY2021 was 7.9%. In FY2022, we will achieve our Medium-Term Management Plan (MTP) target of 8%.
- Operating cash flow in FY2021 was ¥145.5 billion. Despite some currency translation effects, progress is being made at a pace that will give us greater than the ¥400 billion planned for FY2020-2022.
- In shareholder returns, we have decided to increase the dividend further (interim forecast: ¥48 ⇒ FY2021 actual: ¥52). An increased dividend is planned for FY2022 as well (¥58).

## I-2. Summary for the FY2021

Sales: ¥1,149.3 billion (107.3% of FY2020 results; excluding currency translation: 104.6%)

Business profit: ¥120.9 billion (106.9% of FY2020 results; excluding currency translation: 103.9%)

### 1. Sales: **Increased (up ¥77.9 billion)**

- Revenue increased, led overall by Sauce & Seasonings overseas, Frozen Foods overseas, Bio-Pharma Services & Ingredients, and Functional Materials.

### 2. Business profit: **Increased (up ¥7.7 billion)**

- Profit decreased in Seasonings and Foods and in Frozen Foods but increased significantly in Healthcare and Others, leading to an increase overall.

(YoY Business Profit Details – Summary)

(¥ billion)

	vs FY20				
	Q1	Q2	Q3	Q4	Cumulative
Change in GP due to change in sales	11.0	4.0	8.0	6.5	29.5
Change in GP due to change in GP margin	-0.5	1.0	-2.0	-8.5	-10.0
Change in SGA expenses	-6.5	-2.5	-3.0	0.5	-11.5
Share of profit of associates and joint ventures	1.0	0.0	-2.0	1.0	0.0
<b>Total</b>	<b>5.0</b>	<b>2.5</b>	<b>1.0</b>	<b>-0.5</b>	<b>8.0</b>

(Reference)

	vs FY19				
	Q1	Q2	Q3	Q4	Cumulative
	4.5	2.0	5.5	6.0	18.0
	7.0	3.5	0.5	-7.0	4.0
	-0.5	1.0	-1.0	-3.0	-3.5
	0.5	3.5	-1.5	0.5	3.0
<b>Total</b>	<b>11.5</b>	<b>10.0</b>	<b>3.5</b>	<b>-3.5</b>	<b>21.5</b>

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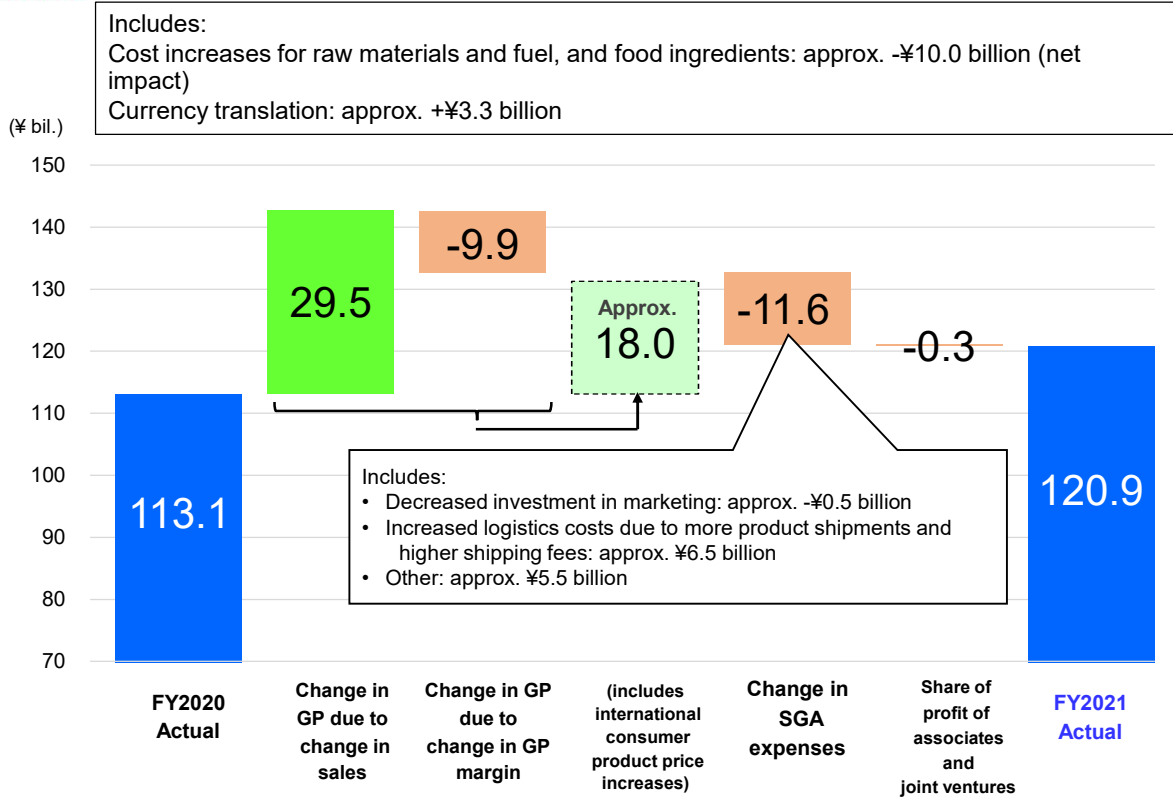
Sales were ¥1,149.3 billion, 107.3% of sales in the previous fiscal year.

Organic growth, with the sale of businesses and currency translation excluded, accounted for 6.8% of the total, contributing to steady growth. Growth was led by Sauce & Seasonings overseas, Frozen Foods overseas, Bio-Pharma Services, and Functional Materials.

Business profit reached a record high of ¥120.9 billion despite significant cost increases in the fourth quarter caused by high prices for raw materials and fuels. While profit decreased over the full year in Seasonings and Foods and in Frozen Foods, a significant increase in profit in Healthcare and Others resulted in a strengthening of our business structure.

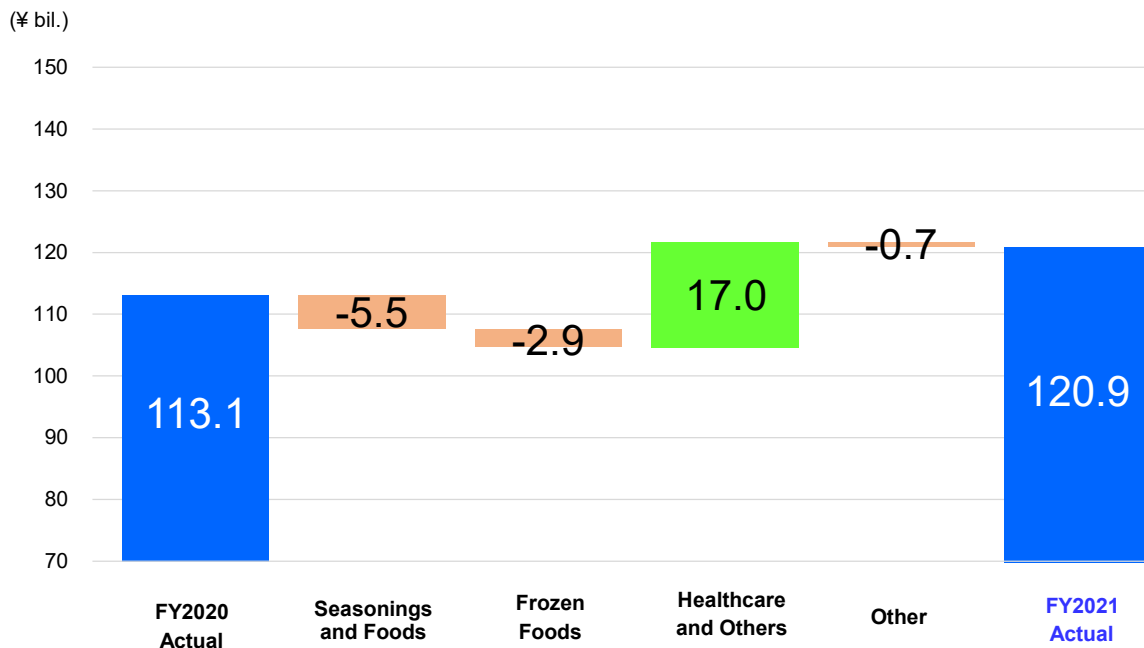


### I-3. Factors Leading to Changes in Business Profit (by P&L)



Overall, fermentation raw materials and fuel, and food ingredients were affected by sharp increases in costs particularly in the fourth quarter, leaving a net negative impact of ¥10billion. Impacts included increases in personnel costs and logistics costs and a decline in factory operations in some areas due to the pandemic.

### I-3. Factors Leading to Changes in Business Profit (by Segment)



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Within Seasonings and Foods, profit decreased mainly in Sauce and Seasonings in Japan, Quick Nourishment (soups), and umami seasonings for processed food manufacturers. Profit decreased significantly in Frozen Foods, especially overseas. In Healthcare and Others, profit increased significantly due to significant revenue increases in Functional Materials and Bio-Pharma Services.



## I-4. Items that Impact Business Results

Recent prices for fermentation raw and sub raw materials and fuel are at levels higher than in 2011, which were the highest in the past 10 years. → We will overcome these with various measures.

### **Circumstances expected to continue from FY2022 to FY2023**

1. Sustained high cost of raw and sub raw materials for fermentation, and food raw materials  
Raw material costs soared due to the recovery of demand following COVID-19, as well as a decrease in food production due to abnormal weather in recent years. In addition, costs of raw materials and sub raw materials rose further and have remained at a high level following the invasion of Ukraine by Russia.
2. Further rise in energy costs and sustained high logistics costs  
The Ukrainian situation has disrupted supply chains, and energy prices remain high. This is also affecting manufacturing costs, packaging materials, etc. Logistics costs resulting from shortages of containers and drivers remain at a high level.

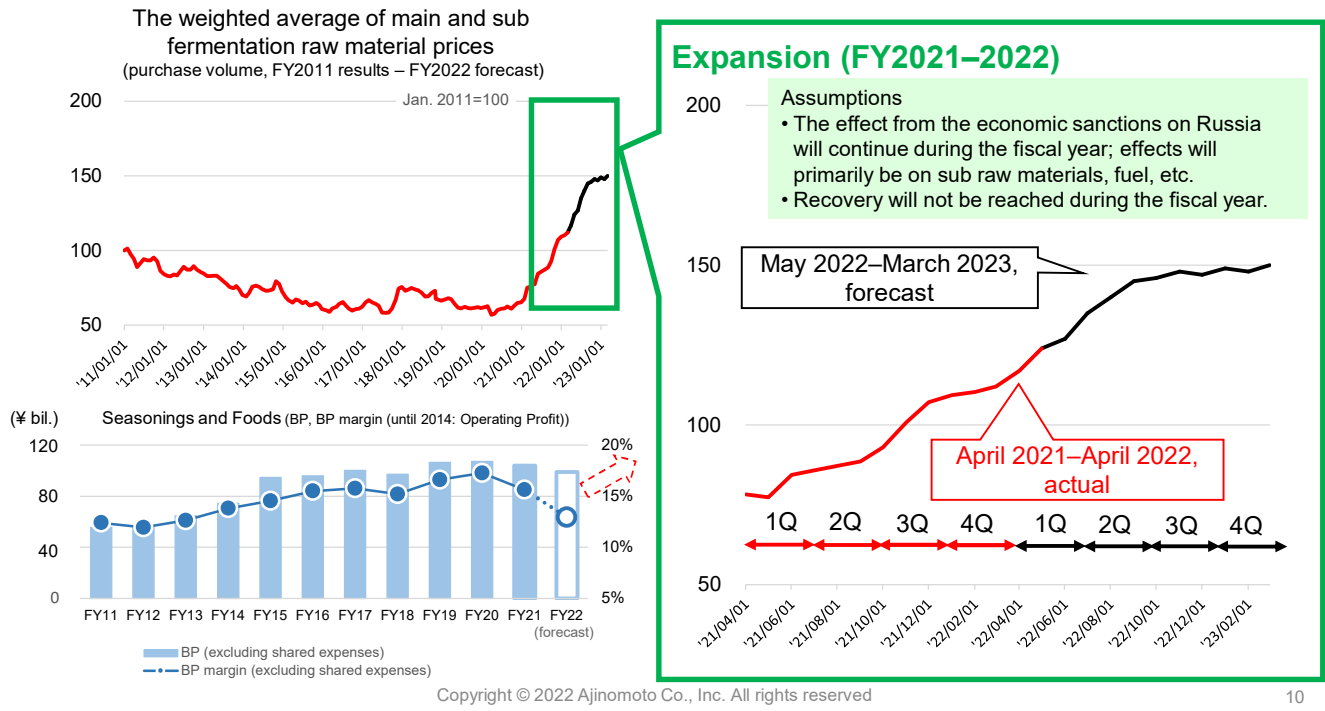
⇒ We immediately set up a response team after Russia's invasion of Ukraine. The team has a grasp of the effect of raw material and fuel costs, and is quickly working out additional responses. In FY2022, we will quickly change prices and will proceed with further structural reform toward a profit structure unaffected by commodity prices.

Making assumptions for raw material and fuel prices was the most difficult part of forecasting FY2022 business performance. We had expected that raw material and fuel prices would remain high from FY2021, but the level has exceeded expectations due to Russia's invasion of Ukraine at the end of February.

In response, we have built a structure for making monthly updates to information on effects of raw material and fuel prices and our measures to address these. In the initially formulated forecast, we reflected measures including consolidation of the effects of raw material and fuel prices as well as price increases to counteract these, and from March to April, we updated it two times. We also examined risks including reduced volume due to price increases, and created a business forecast incorporating those risks.

I-4. Items that Impact Business Results (Main and Sub Fermentation Raw Material Prices )

The Seasonings and Foods business was affected by commodity prices. Along with timely price increases, we will proceed with greater structural reform to achieve a business structure that is not affected by raw material prices.



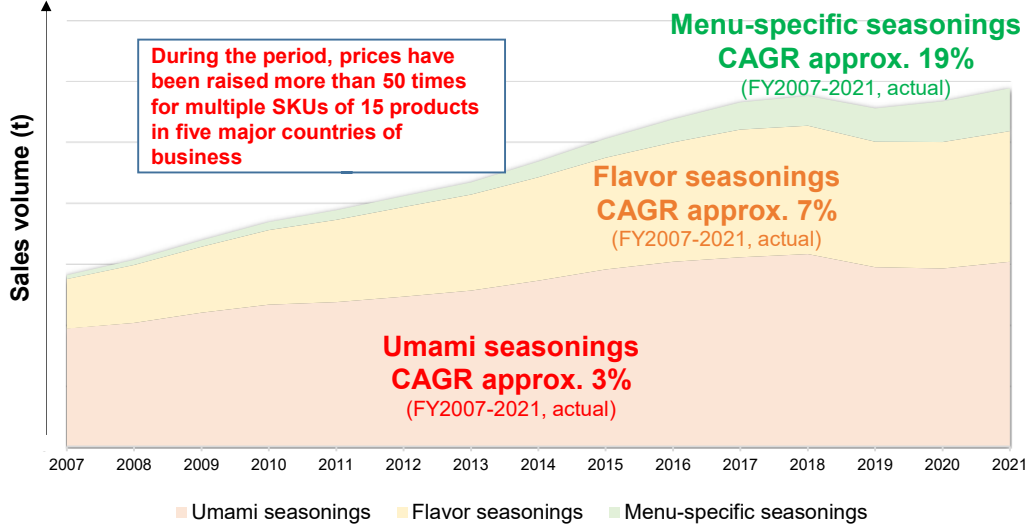
Our current assumption is that price hikes will continue in FY2022, with strong impacts especially in the first and second quarters. We will continue our shift toward the creation of a business structure that is unaffected by raw material prices.

I-4. Items that Impact Business Results (Volume Growth in Sauce & Seasonings Overseas)

Sales volume has increased steadily despite ongoing price changes over the past 15 years. We are carrying out price changes while enhancing added value through constant product improvements.

Sales Volume of Major Sauce and Seasonings in Major Countries Overseas (FY2007–2021)

Target countries: Thailand, Indonesia, Vietnam, Brazil, Philippines



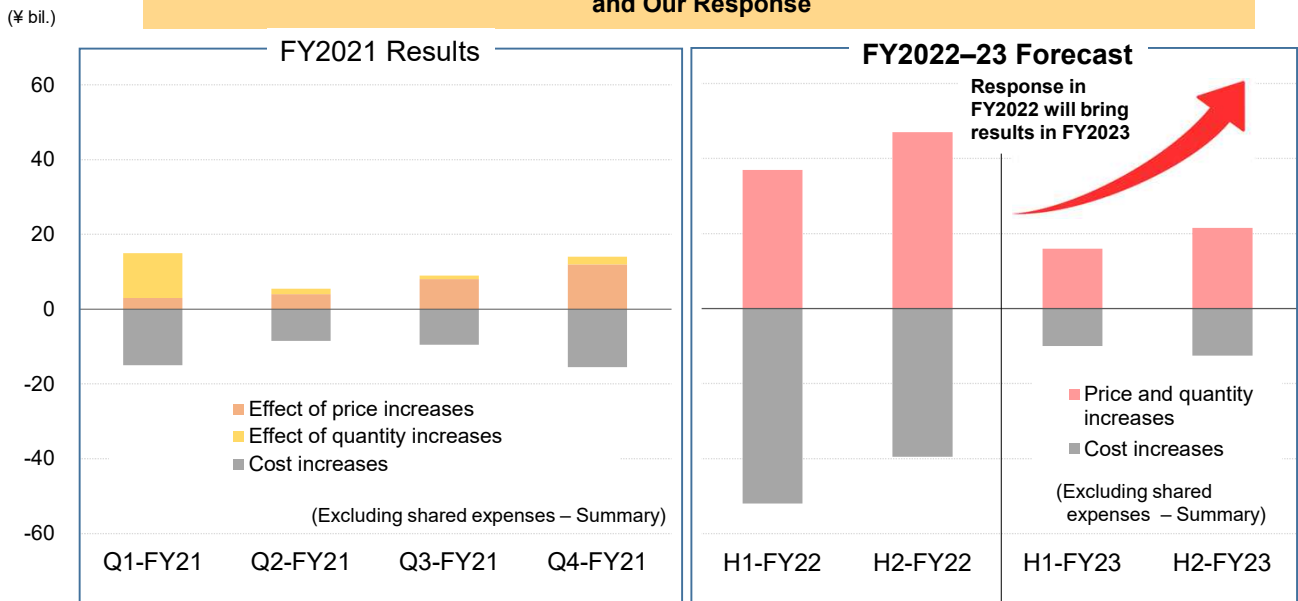
Looking at the past 15 years, we have raised prices a total of over 50 times for 15 products in five major countries of business. Regarding the effects of repeated price increases on volume, we believe that, despite the possibility of short-term impacts, the increases will lead to sustainable growth and strengthening of our business structure in the long term.



I-4. Items that Impact Business Results (Respond to the Effect of Costs & Expenses)

In FY2021 we minimized the impact from substantial price increases in raw materials and fuel and the downward pressure on GP by changing prices, and will do the same in FY2022. In FY2022, in addition to increasing unit prices, we will beat this back by also steadily growing volume.

YoY Amount of Impact of Costs & Expenses on Seasonings and Foods Business BP, and Our Response



In FY2022, too, we plan to continue revising prices in major countries and for major products, with effects manifesting through the latter half of the fiscal year. In the first half, increased prices of raw materials and fuels continue to have a strong effect.

## I-5. Forecast for FY2022

### Full-year FY2022 forecast: Increased revenue and profit

While the business environment will be challenging, we will take appropriate measures and strengthen our business foundation, and connect this to sustainable growth while achieving organic growth.

Sales: ¥1,310.0 billion (114.0% of FY2021 results; excluding currency translation: 109.9%)

Business profit: ¥124.0 billion (102.6% of FY2021 results; excluding currency translation: 98.0%)

(¥ bil.)	FY22 Forecast	FY21 Actual	vs Prev. year	Summary
<b>Sales</b>	1,310.0	1,149.3	114%	<ul style="list-style-type: none"> <li>To respond to cost inflation, we expect double-digit sales growth in all segments by implementing agile and appropriate price revisions, increasing sales of value-added products, etc.</li> </ul>
Seasonings and Foods	748.3	664.2	112%	
Frozen Foods	255.8	221.7	115%	
Healthcare and Others	287.9	251.2	114%	
Other	17.8	12.1	146%	
<b>Business Profit</b>	124.0	120.9	102%	<ul style="list-style-type: none"> <li>In Seasonings and Foods, we expect decreased profit due to substantially increased raw material and fuel prices.</li> <li>We expect increased profit overall, with increases in Frozen Foods and in Healthcare and Others.</li> </ul>
Seasonings and Foods	76.5	81.2	94%	
Frozen Foods	2.6	-0.6	-	
Healthcare and Others	47.5	43.3	109%	
Other	-2.7	-3.0	-	

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Sales will be ¥1,310 billion, 114% of sales in the previous fiscal year (or 110% with currency translation excluded).

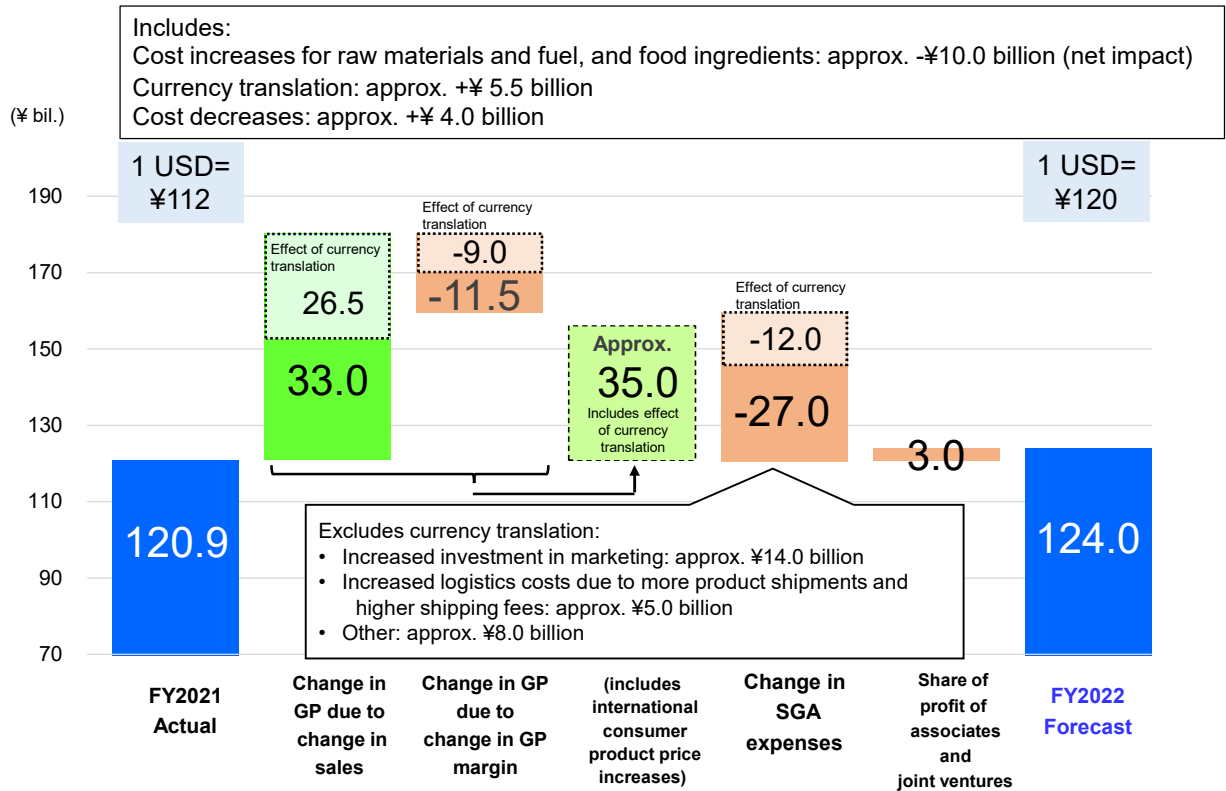
Business profit will be ¥124 billion, 102% of profit in the previous fiscal year (or 98% with currency translation excluded).

While sales are set to an aggressive level for sustainable growth, we have set business profit at a reliably attainable level, with the effects of price increases on sales volume and other risk scenarios incorporated.

Given the drastic changes in the environment for raw materials and fuels and for supply chains, we will make quarterly updates and incorporate these into future business forecasts.



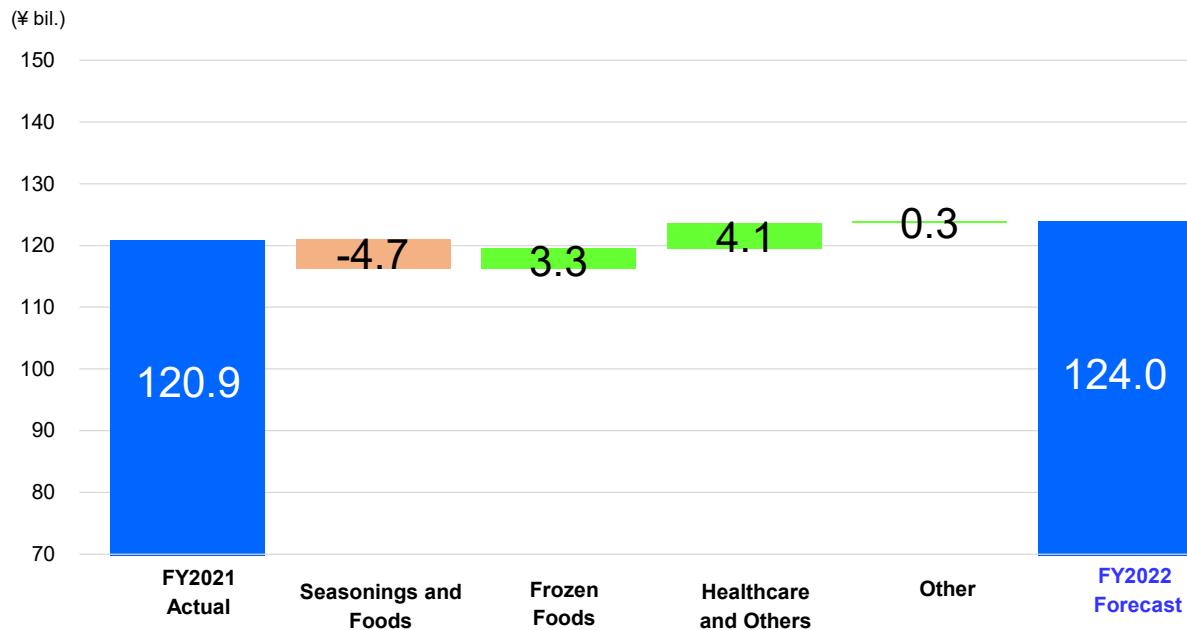
## I-6. Changes in Business Profit (Forecast by P&L)



First, the currency translation situation remains unstable, with strong downward pressure on the yen, at present, however, we are using conservative rate forecasts.

A net impact of ¥10 billion will result from rising costs of fermentation raw materials and fuel and food ingredients throughout the fiscal year. While further accelerating value enhancements that include price increases and product mixes, we will steadily boost profit through efficiency improvements that include cost reductions.

## I-6. Changes in Business Profit (Forecast by Segment)



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In Seasonings and Foods, we expect a decline in profit for Sauce and Seasonings, Quick Nourishment, and Solution & Ingredients alike.

In Frozen Foods, we forecast increased profit due to taking action through price revisions, along with the effects of structural reform.

In Healthcare and Others, we forecast an increase in profit mainly due to increased revenue in Functional Materials.

## Priority KPIs (Group-wide Forecast)

Steady progress toward achieving the structural targets of the MTP. To ensure the achievement of FY2022 and FY2025 targets, we are moving to steadily execute the MTP priority themes.

		20-22 Phase 1		23-25 Phase 2		2030 Goal			
		Structural reform		Regrowth					
		FY19 (Actual)	FY20 (Actual)	FY21 (Actual)	FY21 (Forecast)	FY22 (MTP Target)	FY25 (MTP Target)		
Financial indicators	<b>Efficiency</b>	ROIC (>Capital cost) ( ): Excluding expenses for structural reform	3.0% (Approx. 6%)	6.9% (Approx. 8%)	7.9% (Approx. 8.5%)	8.0% (Approx. 9%)	8%	10-11%	13%
	<b>Growth</b>	Organic sales growth (YoY)	0.3%	-0.6%	6.8%	Approx. 11%	4%	5%	5%
	<b>Priority KPIs</b>	Percentage of sales from core businesses	66.5%	66.6%	68.7%	Approx. 71%	70%	80%	80% or more
		Unit price growth (YoY) (International consumer products)	Approx. 5%	2.8%	4.8%	Approx. 8%	2.5%	3%	3%
Non-financial indicators	<b>Strength-ening brand</b>	Employee engagement ("ASV as one's own initiative")	55%	64%	61%	-	70%	80%	85% or more
		Brand value (mUSD) (Interbrand research)	780	926	1,208 (YoY +30%)	Target 7% CAGR for brand value			
		Brand strength score	56	58	59	Increase in score for each of 12 major countries of business			

There are no changes in our structural targets. In FY2022, we will achieve the structural targets of the Medium-Term Management Plan.



## I-7. Priority KPIs (Forecast by Segment)

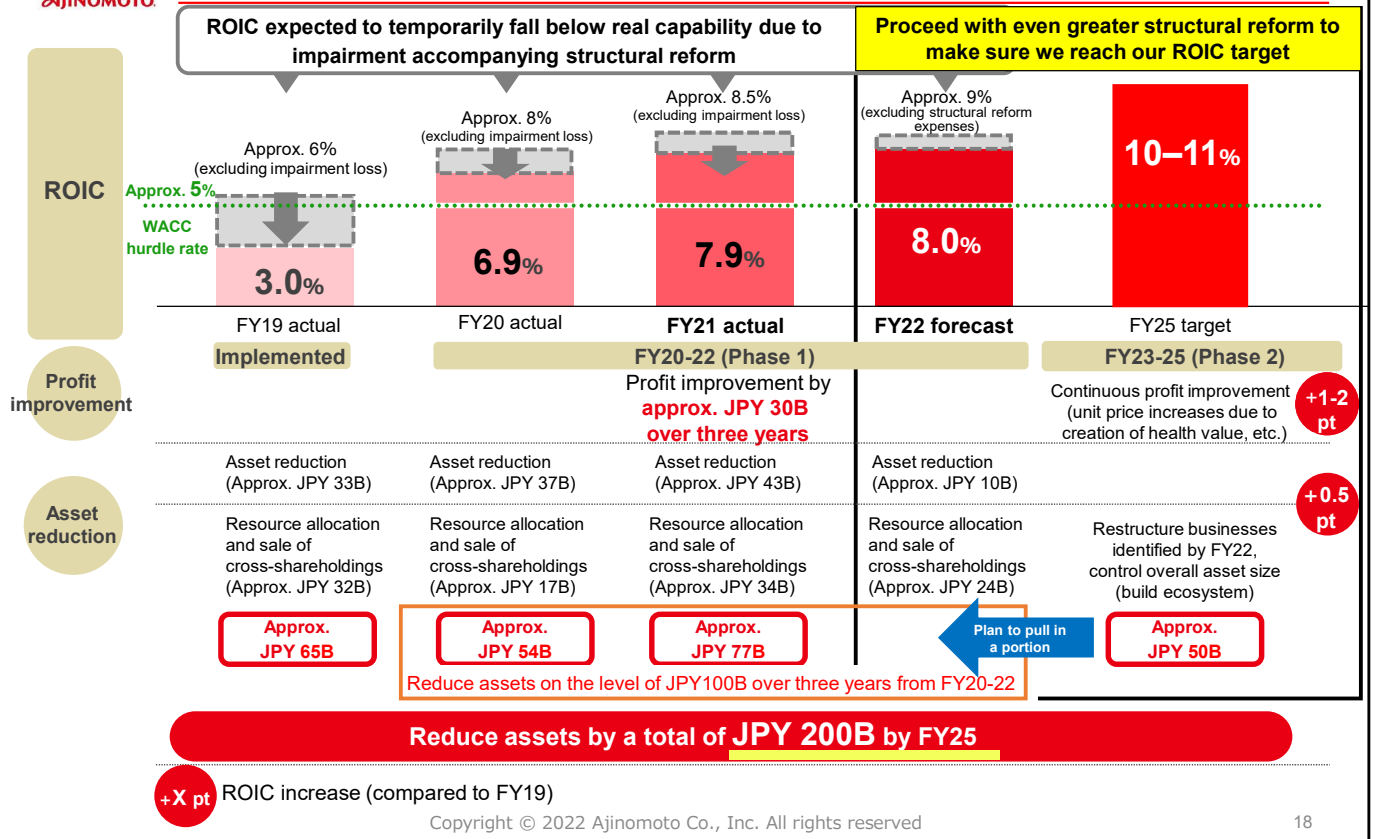
Segments		FY2021 Actual and FY2022 Forecast										
		Organic growth			Unit price growth (International consumer products)			ROIC				
		(%)			(%)			(%)				
		FY20 actual	FY21 actual	FY22 forecast	FY20 actual	FY21 actual	FY22 forecast	FY20* actual	FY21* actual	FY22* forecast	MTP Targets	
				Approx.			Approx.			Approx.	FY22	FY25
Seasonings and Foods	Sauce & Seasonings	-0.3%	4.9%	9%	2.8%	3.5%	6%	12.4%	10.9%	12%	12% or more	17% or more
	Quick Nourishment			Approx. 9%			Approx. 6%			Approx. 12%		
	Solution & Ingredients										WACC 6%	
Frozen Foods	Frozen Foods	-5.0%	9.8%	11%	2.8%	7.8%	12%	0.6%	-1.5%	1%	1% or more	5%
				Approx. 11%			Approx. 12%			Approx. 1%		
Healthcare and Others	Bio-Pharma Services & Ingredients											
	Functional Materials	3.5%	10.8%	13%	-	-	-	1.2%	10.7%	12%	10% or more	12% or more
	Others			Approx. 13%						Approx. 12%		
											WACC 8%	

\* Excluding structural reform expenses

By segment, too, we aim to achieve our structural targets in the same way.



### I-8. Progress of Structural Reform

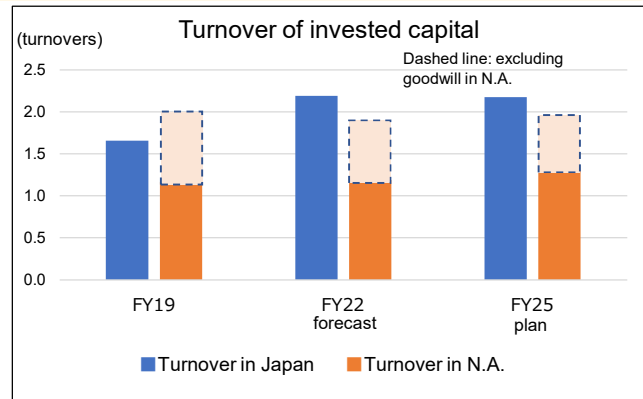
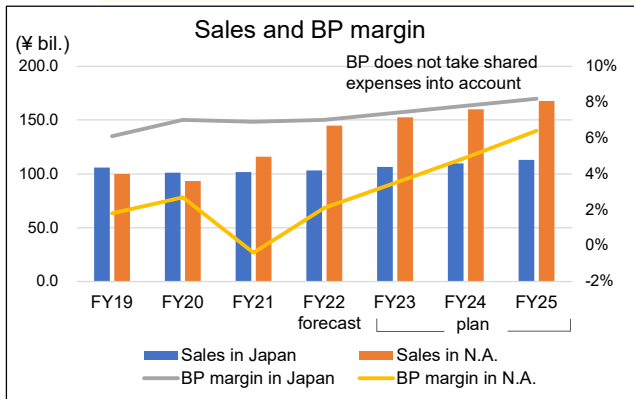


We will further advance structural reform to ensure that we achieve our ROIC targets for FY2022 and FY2025.



I-8. Progress of Structural Reform (Frozen Foods Business)

**Frozen Foods Business ROIC: Measures to achieve our major indicators and to make sure we reach 5% ROIC in FY2025**



Review of FY2021

- North America: decreased profit due to increased inflation and a shortage of workers due to COVID-19.
- Japan: structural reform proceeded as expected and we fought back the effect of COVID-19.

Measures for FY2022

- North America: price increases previously announced will be reflected from Q1. After that, we will respond appropriately to increases in raw material and fuel prices, too. In addition, we will accelerate the transfer of resources from non-core areas (appetizers and the Italian category) to core areas (Asian category).
- Japan: will continue reorganizing the fried rice factories and using OEM for non-core areas.

Measures to reach 5% ROIC

1. Further concentrate in core areas, such as the Asian category, which are highly profitable and have a growing market.
2. Resolutely reduce and reorganize non-core areas, and accelerate transfer of resources to the Asian category.
3. Overall, compensate for the reduction of low-profit, non-core areas with the growth of high-profit core areas.

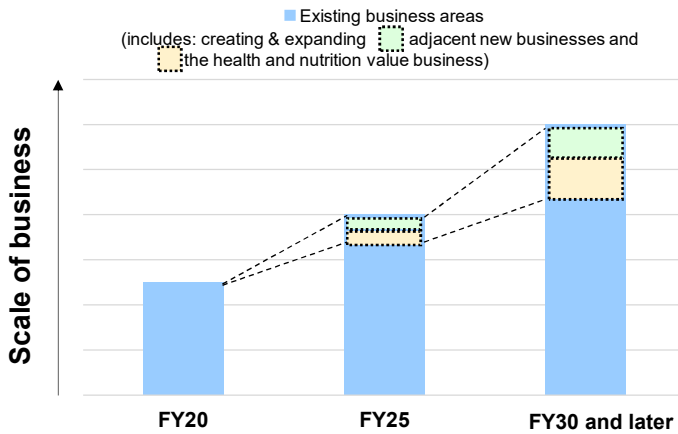
In the Frozen Foods business in North America, amid soaring personnel costs and other costs in FY2021, operations declined at some factories as the omicron variant of COVID-19 spread. Production has already stabilized, and we believe that we can achieve ROIC of 5% through additional price hikes to address increased costs and through steady implementation of structural reform measures.



## I-9. Initiatives for Organic Growth (Seasonings and Foods Business)

In existing businesses, we will increase the value we provide while increasing unit prices and quantities. We will also anticipate market changes and create **adjacent new businesses** that meet the unsatisfied needs peripheral to existing markets. In addition, we will work to accelerate overall business growth while we expand the **health and nutrition value business** by integrating food and AminoScience, which makes use of amino acids and peripheral technologies and materials.

### Growth in the Seasonings and Foods business (consumer)



#### Organic growth of existing business areas

1. Organic growth by increasing the value we provide while increasing unit prices and quantities. +
2. Create **adjacent new businesses** that meet unsatisfied needs. +
3. Expand the **health and nutrition value business**.

⇒ Proceed with further selecting and concentrating, and raise profitability while raising the efficiency of assets.

The Seasonings and Foods business in particular can work toward sustainable growth through the addition of adjacent new businesses, and reduced salt, reduced sugar, ingestion of protein, etc. in the health and nutrition value businesses, to organic growth in existing areas.



I-10. Drive Growth with Business Model Transformation (Electronic Materials Business)

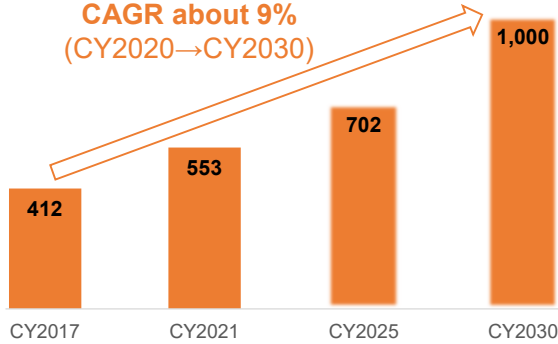
- ◆ Continued adoption in PC and game markets
- ◆ Growth in data center servers and communication applications
- ◆ Growth in various types of functional materials



**Accelerating growth in electronic materials business continues**

**Global semiconductor market (\$ billion)**

**CAGR about 9%**  
(CY2020→CY2030)

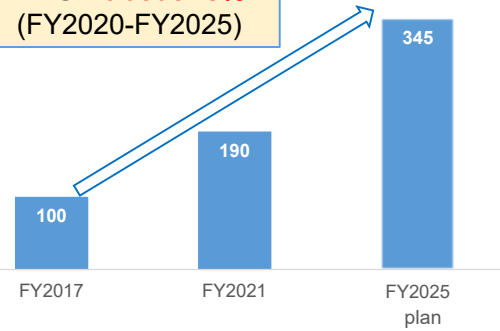


2017-2021: World Semiconductor Trade Statistics (WSTS), Spring 2021  
2030: IBS Semiconductor Market Analysis, Jan. 2021

**Ajinomoto Build-up Film® (ABF) Shipment Volume**

Estimated, with FY2017 shipment volume set to 100

**CAGR about 18%**  
(FY2020-FY2025)



**To be sure to respond to customers' demands, we will make steady investments for increased production of about ¥1.0 billion in FY2022 and about ¥17.0 billion from FY2023.**

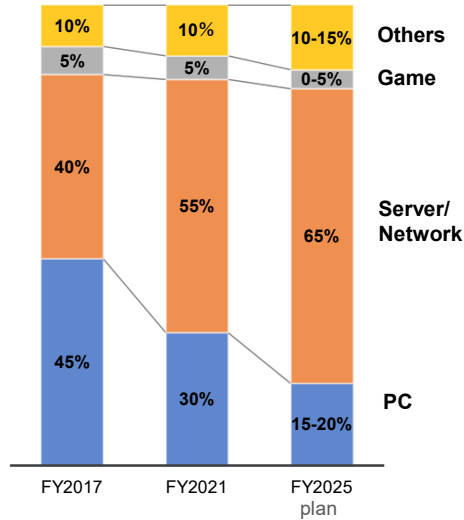
We expect the CAGR of *Ajinomoto Build-up Film®* (ABF) shipment volume in FY2020 to 2025 to be 18%, with high growth continuing.



I-10. Drive Growth with Business Model Transformation (Electronic Materials Business)

Products for data center servers and for networks are contributing to the growth of ABF. The amount of ABF required per IC package is also increasing due to the increased size and complexity of the packages. Demand is shifting to ABF with higher performance and higher added value.

Quantity by ABF application



Differences in ABF requirements and performance, by application (relative values)

	Subject of comparison	For PCs	For servers, networks
Required amount	Area of packaging substrates	1	3.0-3.5
	Number of insulating layers in packaging substrates	1	3
Performance	Key physical property values (Contribution to improvement of processing speed)	1	3.5

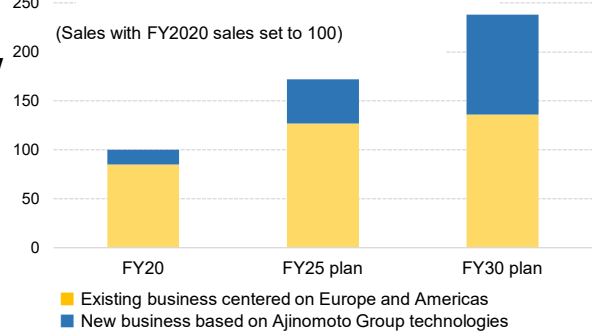
In line with the expansion of applications, we continue to increase added value in the areas of packaging substrates, number of insulating layers, performance, and so on.

Basic strategy of our Bio-Pharma Services business

We will accelerate organic growth through new businesses based on **Ajinomoto Co., Inc. fundamental technologies that enable differentiation.**

⇒ **Toward new growth drivers**

Growth strategy in the CDMO business



Intangible assets of the Ajinomoto Group

- AJIPHASE™**
- TALAMAX®** (CORYNEX™)
- AJICAP™**
- RNA fermentation production technology**

- Proprietary efficient manufacturing technology for oligonucleotides, which have an expanding market as a therapeutic agent for intractable diseases. Already successfully industrialized.
- Attracting attention as a manufacturing technology for antibody-like proteins and antibodies without sugar chains
- Breakthrough technology to control the number of drugs that bind to antibodies
- mRNA is attracting attention for novel coronavirus vaccines

Advanced medical care modalities

- Oligonucleic acids**
- Proteins**
- Antibody drug conjugates**
- mRNA, gene therapy vaccines**

New businesses based on our fundamental technologies will accelerate growth in Bio-Pharma Services business.

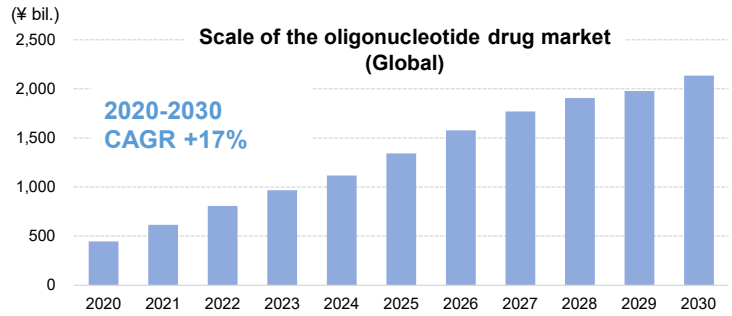


I-10. Drive Growth with Business Model Transformation (Oligonucleotides)

Global oligonucleotide drug market

- The scale of the oligonucleotide drug market is currently about ¥500–600 billion.
- The market is expected to grow to ¥2 trillion by 2030, driven by products in the areas of hereditary and rare diseases.

Source: Seed Planning, The State of Worldwide Development of Nucleic Acid Pharmaceuticals and Prospects for the Future, 2019, converted at 1 USD = 110 yen.



Strengths of our oligonucleotide drug business



- The world's only practical manufacturing technology for liquid-phase synthesis of oligonucleotides
- Strength in mass production

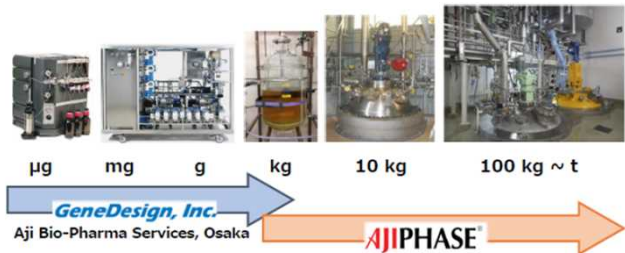
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Solid-phase synthesis

- General manufacturing method for oligonucleotides
- Strength in high-mix, low-volume manufacturing

Through Ajinomoto Group's unique business model, we will provide oligonucleotide contract manufacturing services that employ optimal manufacturing methods at every scale.

- GeneDesign, Inc. leverages its technical strengths to support drug manufacturers from the initial stages of development.
- AJIPHASE® has multiple pipelines that include commercial drugs and late-stage development products. (Assumes CAGR of about 20% for FY2020–2030 sales)

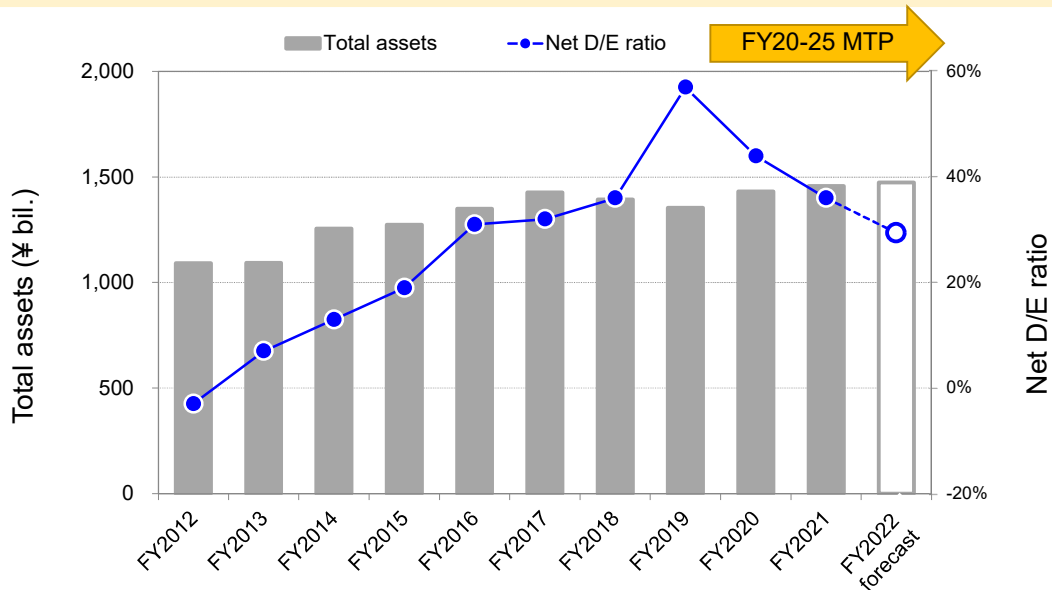


In the oligonucleotides field in particular, the market is expected to grow significantly in the future. We possess our own liquid-phase synthesis technology as well as being good at mass production.



## I-11. Assets and Liabilities

In FY2019, net D/E ratio\* temporarily increased due to the acquisition of shares from overseas minority shareholders. In FY2021, total assets increased due to fixed assets and increases in inventory due to currency translation effects and increases in raw materials prices.



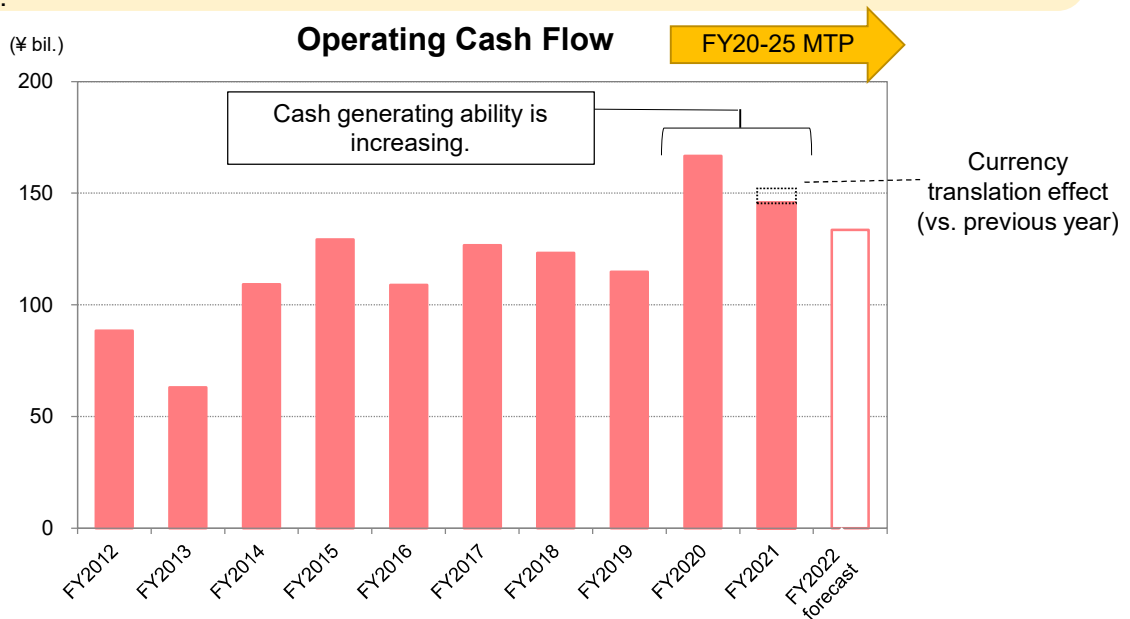
\*Net D: Interest-bearing debt - Cash on hand and in banks x 75%

We have made steady progress in streamlining total assets through asset reduction and resource allocation, but total assets increased in FY2021 due to currency translation.



## I-12. Cash Generation

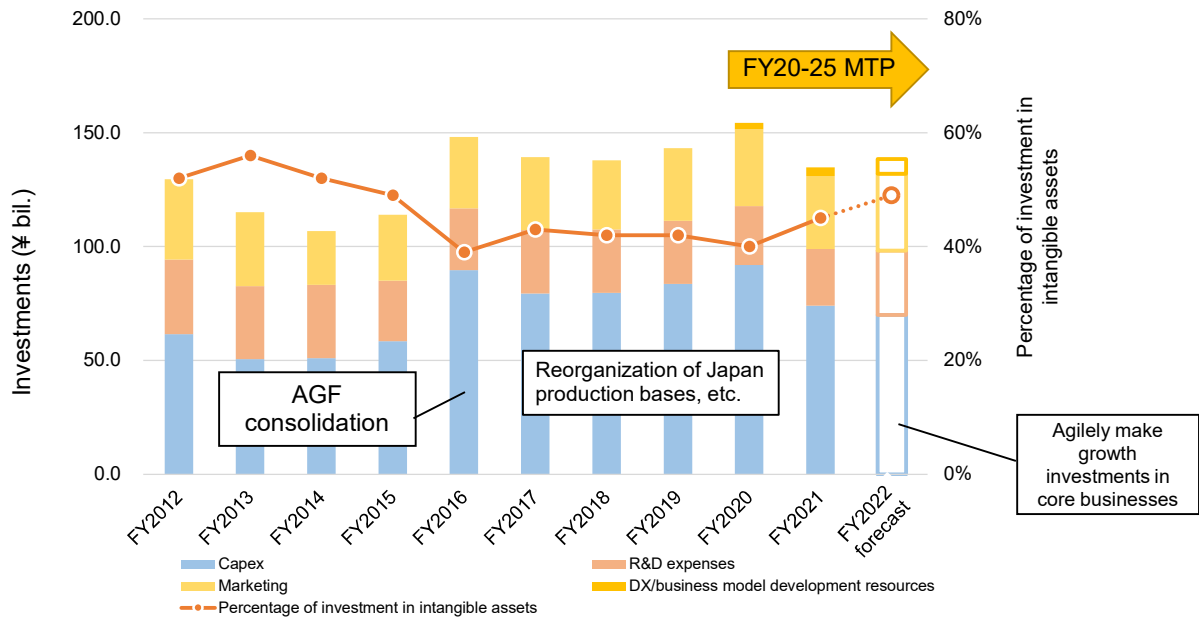
**Operating cash flow in FY2021 was ¥145.5 billion.** While our ability to generate cash is increasing with a backdrop of business growth, working capital, such as accounts receivable and inventories in particular, was affected by currency translation in the FY2021 results. We will work to generate more cash with improvements in the cash conversion cycle.



Our ability to generate cash is increasing but is affected by currency translation.

## I-13. Strategic Investments

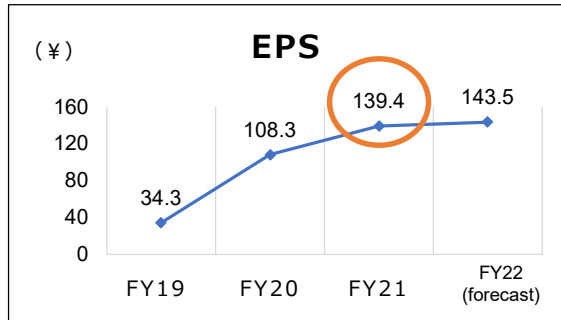
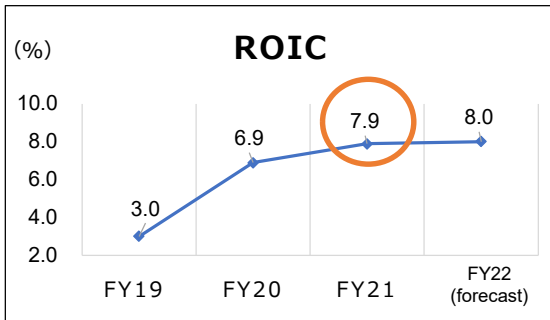
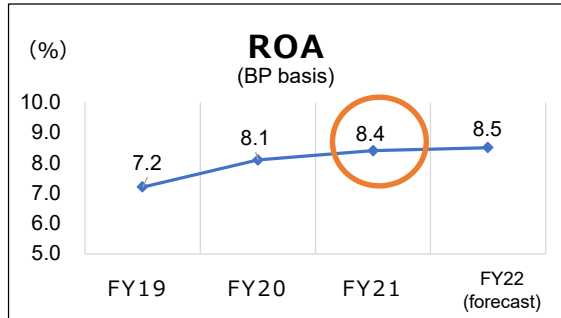
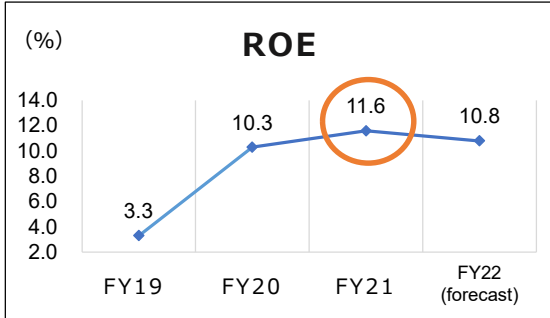
We will **shift investments from tangible to intangible assets** such as research and development, marketing, DX, business model development, and human resources. In capex, we will agilely make growth investments in core businesses such as electronic materials.



We are shifting investments from tangible assets to intangible assets.

## I-14. Important Management Indicators

Important management indicators in FY2021 all improved due to steady growth of business profit. In FY2022, improvement will be limited due to deterioration of the business environment, but we will continue to improve them from FY2023.

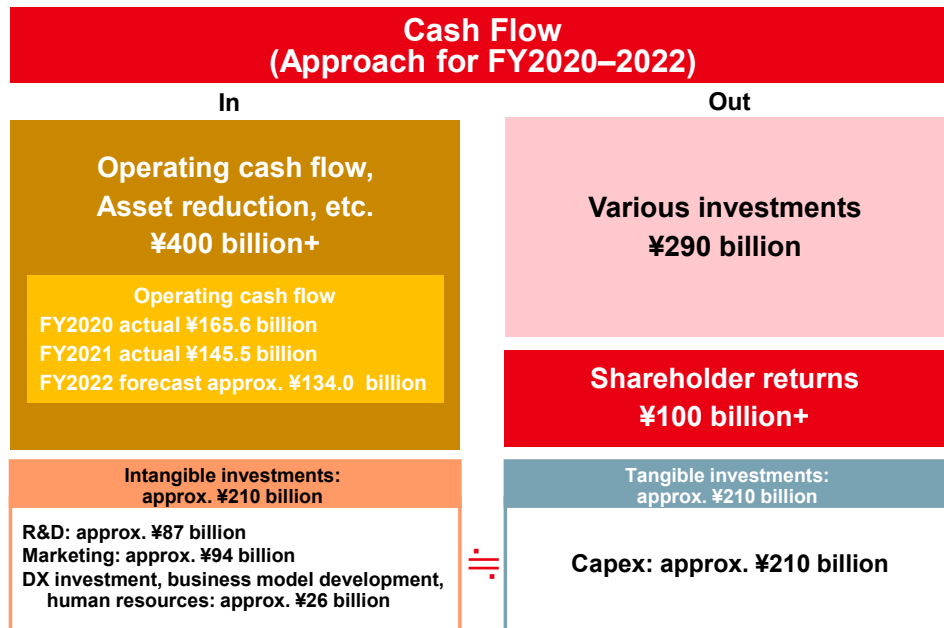


We will continue to improve our important management indicators.

## I-15. Investment for Growth and Shareholder Returns (Approach for FY2020–2022)

Throughout the MTP, shift investments from tangible to intangible assets, from non-core to core businesses.

**Operating cash flow in FY2020-2022 is expected to exceed the ¥400.0 billion target in the MTP.**

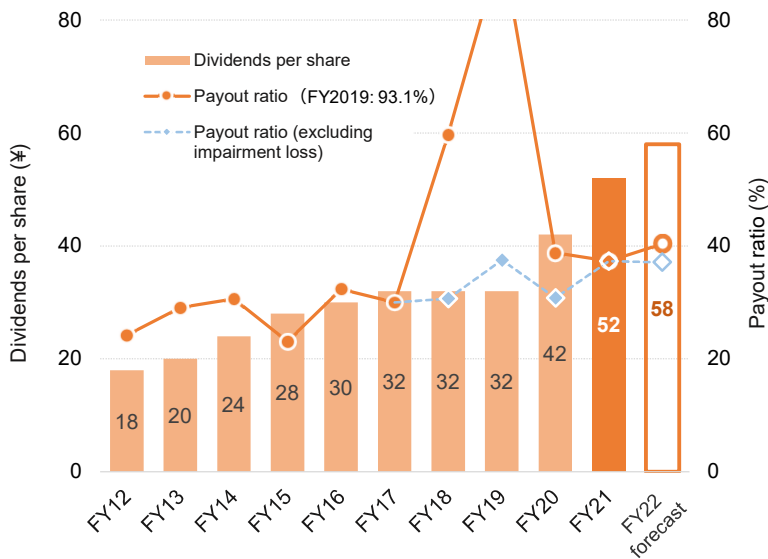


Cash flow generation, growth investment, and shareholder returns are steadily progressing in line with our FY2020-2022 plan.

## I-15. Investment for Growth and Shareholder Returns (FY2022 Forecast)

In FY2021, we decided to further increase the annual dividend (interim forecast: ¥48 ⇒ FY2021 actual: ¥52). We expect to increase the dividend in FY2022, too.

Dividends (FY2010-2022 forecast)



### Shareholder Returns (Approach for FY2020–2022)

Forecast total shareholder return for the 3 year period: target 50%+  
Single FY payout ratio: target 40%

**FY2021 actual:**  
**¥52 (annual) (dividend increase)**  
**(+¥10 from FY2020)**

**FY2022 forecast:**  
**¥58 (annual) (dividend increase scheduled)**  
**(+¥6 from FY2021)**

Regarding shareholder returns, in FY2021 we purchased and retired ¥40 billion worth of treasury stock, and increased our dividend from the ¥24 per share projected for the second half to ¥28 per share, increasing the dividend for the year to ¥52 per share. In FY2022, we plan to raise this to ¥58 per share, and hope to continue stably expanding dividends and shareholder returns.

Eat Well, Live Well.



# Contents

- I. FY2021 Summary Results and FY2022 Forecast
- II. Management Policies under the New Administration and Initiatives for Enhancing Corporate Value

Reference Material

Appendixes: Consolidated Results FY2021 (Ended March 31, 2022)  
FY2022 Forecast by Segment

Note: Business profit (consolidated) in this material:

Sales - Cost of sales - Selling expenses, Research & development expenses and General & administrative expenses + Share of profit of associates and joint ventures

## II-1. The Ajinomoto Group Vision

Broaden empathy toward our purpose, co-create value with partners through the functions of amino acids, and, seeking to realize our vision, enhance corporate value continually and dramatically through “Purpose x Passion x Operational Excellence (OE)” & “Speed Up x Scale Up.”



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Our Ajinomoto Group Vision is "contribute to greater wellness for people worldwide, unlocking the power of amino acids to resolve the food and health issues associated with dietary habits and aging."

In addition to this, we have set "help extend the healthy life expectancy of 1 billion people" and "reduce our environmental impact by 50%" as outcomes to be achieved by 2030.

The achievement of these outcomes for 2030 will be an important milestone for ASV (The Ajinomoto Group Creating Shared Value) Management, which aims to uphold our unchanging commitment: With our stakeholders and businesses, we help resolve society’s issues, leading to the creation of social and economic value.

My mission is to solidly carry forward our purpose of unlocking the power of amino acids to resolve food and health issues and the ASV Management that former CEO Nishii worked toward, and to dramatically enhance the corporate value of the Ajinomoto Group.

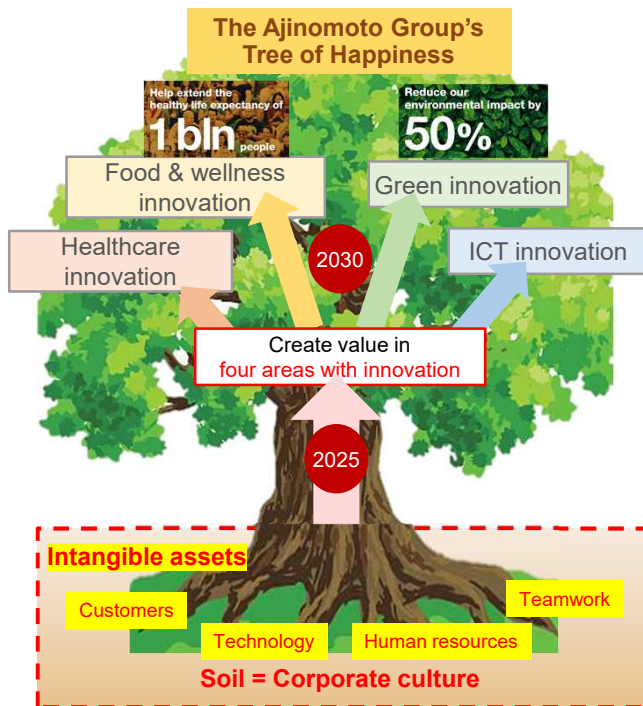




## II-2. What We Will Value in Order to Achieve the Ajinomoto Group Vision

**Soil, which enriches intangible assets = Corporate culture**

**Roots, which take nourishment from that soil = Intangible assets**



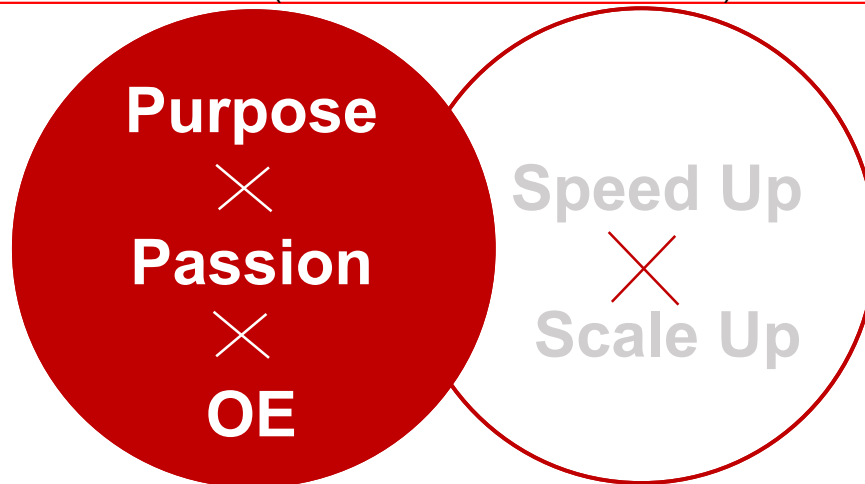
### Intangible assets we value

- Our quest to further seek functions of amino acids and benefit from them
- Human resources, teamwork, and engagement that practice Ajinomoto Group Way
- Sophisticated R&D
- Intellectual property
- Sustainable production technology
- Safety, quality, and environmental protection without compromises
- Analytical capabilities (scientific approaches to “why” and mechanisms)
- The ability to adapt to different cultures and societies
- Marketing ability and brand value
- Social capital: relations with diverse customers and partners (trust)
- The ability to learn from mistakes, with respect for ambitious efforts

**Corporate culture** is the platform for everything (individuals taking leadership to connect through “purpose” and take on challenges)

This page shows how we hope to develop our Group into one that provides the essence of happiness to consumers worldwide.

I want to build a corporate culture in which individuals who take leadership connect through purpose and take on challenges. The roots that steadily take up nutrients from the soil of that corporate culture are, in my view, intangible assets. I see a sound corporate culture as enriching those intangible assets, which in turn leads to increased financial value and other elements of corporate value overall.



Purpose = Unlocking the power of amino acids to resolve food and health issues

Passion = Passion of employees toward the purpose, and empathy from the diverse people who share our purpose

OE = Employees and partners continuing to build OE competence together with high moral while maintaining a fitting degree of tension

\*The Ajinomoto Group Creating Shared Value: Initiatives to create both social and economic value through its business, which the Group has been consistently engaging in since its foundation

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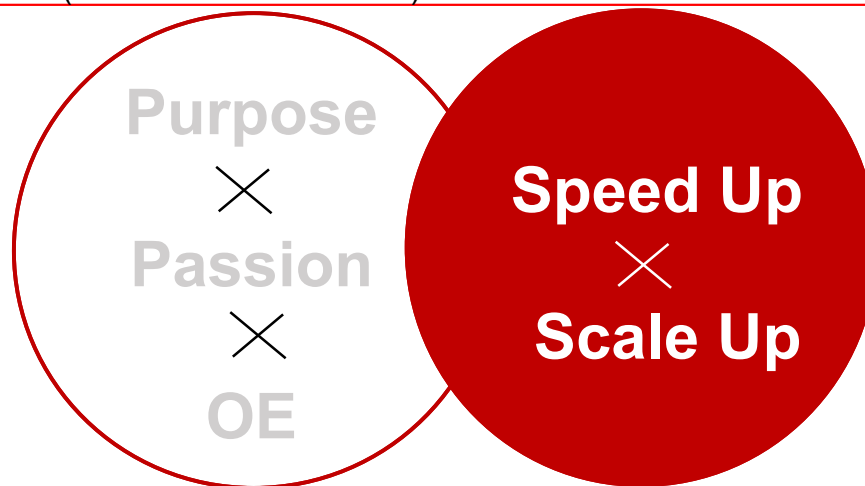
Let me explain what I will carry forward from the management under former CEO Nishii.

The first item is ASV Management. ASV is our unchanging effort to create social value and economic value with our stakeholders and businesses.

The second item is "Purpose x Passion x OE." I hope to carry forward the purpose of unlocking the power of amino acids to resolve food and health issues and dramatically enhance the corporate value of the Ajinomoto Group.

I believe that the passion of employees toward the purpose, along with the empathy of diverse stakeholders who share our purpose, are driving forces for the growth of the Ajinomoto Group.

The greater the passion toward our purpose, the more motivated every employee will be, and the more we will be able to achieve the positive cycle of ASV. What is needed is not only passion but also competence and capability. We will connect these to solving problems through employees and partners who continue to build OE competence with high morale while maintaining fitting relationships, both inside and outside the Group.



Speed Up = Transformation of corporate culture and appropriate top-down and bottom-up communication

Accelerate "Stop and Reduce" to earnestly tackle what we want to do

Scale Up = Standardization of successes inside and outside the Ajinomoto Group, integration of food and AminoScience, transformation of the business model, and creating next-generation businesses

Two things that I want to evolve are "Speed Up" and "Scale Up."

For Speed Up, we will transform corporate culture and appropriately communicate top-down and bottom-up. In order to then earnestly tackle what we want to do, we will accelerate "Stop and Reduce."

For Scale Up, we will standardize successes inside and outside the Ajinomoto Group, integrate food and AminoScience, transform our business model, and create next-generation businesses.

## II-3. ASV Management: Management under the New Administration (100-day plan)

100-day plan : Specific action plan for the 100 days beginning April 1, 2022, when the new administration was launched

Objective: Achieve our vision for 2030. We will indicate the major directions of our strategy (where to go) and how to go there, and will sustainably enhance our corporate value through "Speed Up x Scale Up" of transformation, to contribute to the happiness of the various related stakeholders who share our purpose. Our seven themes are as follows.



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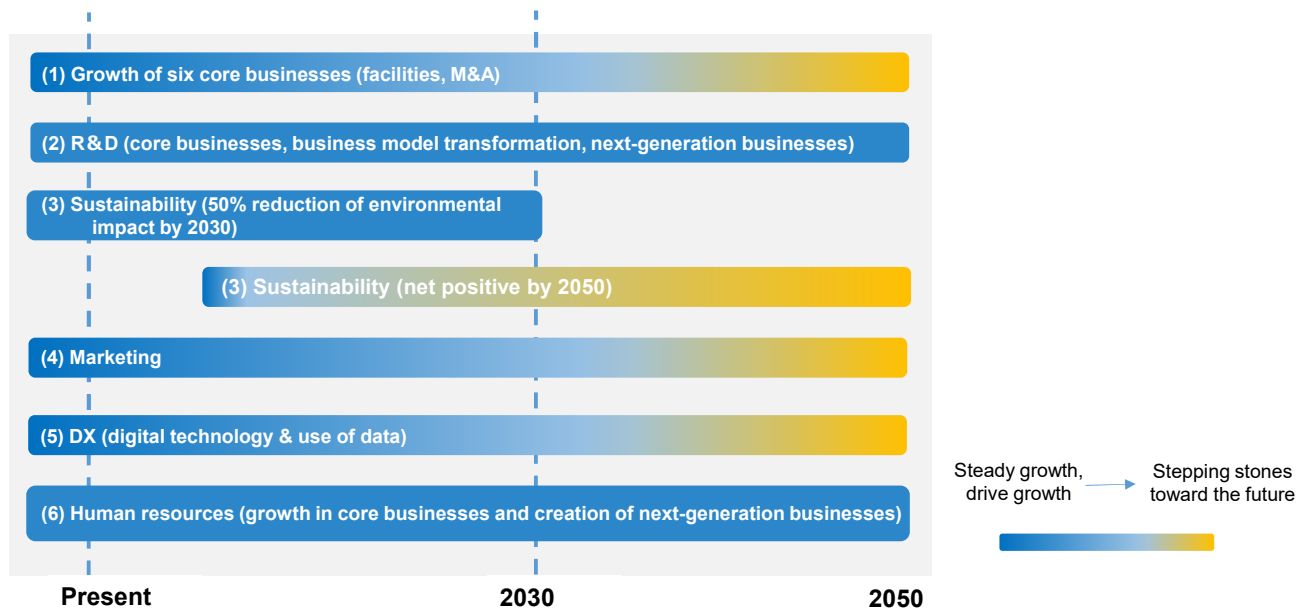
To achieve Speed Up and Scale Up, our new administration is undertaking a 100-day plan. This is a specific action plan for the 100 days from April 1, when our new administration was launched, and is broken down into three parts. The first of these is the solid achievement of results within 100 days. The second is to create a clear roadmap. The third is thorough identification of issues.

In order to achieve the vision that we hope to achieve in 2030, we plan to indicate our major strategic directions. These fall under seven themes, divided into themes that directly connect to ASV outcomes and functional themes that accelerate and support the pursuit of ASV.

Now, a month and a half after we began undertaking the 100-day plan, I think that we are steadily shifting gears to "Speed Up" our management.

We will establish and execute **investment strategies** that support sustainable growth.

**For steady growth and drive growth aimed at 2030, and as future stepping stones to 2050, we will establish and execute policies for growth investments in six areas.**



Here I would like to discuss our investment strategy.

We will establish six areas aimed at Scale Up and, in anticipation of drastic changes in the world, will boldly revise our investment portfolio.

For each of the six areas, we will revise prioritized investments and our portfolio. From a Group-wide perspective, we will also decide which of the six areas to prioritize for investments, and will carry these out.

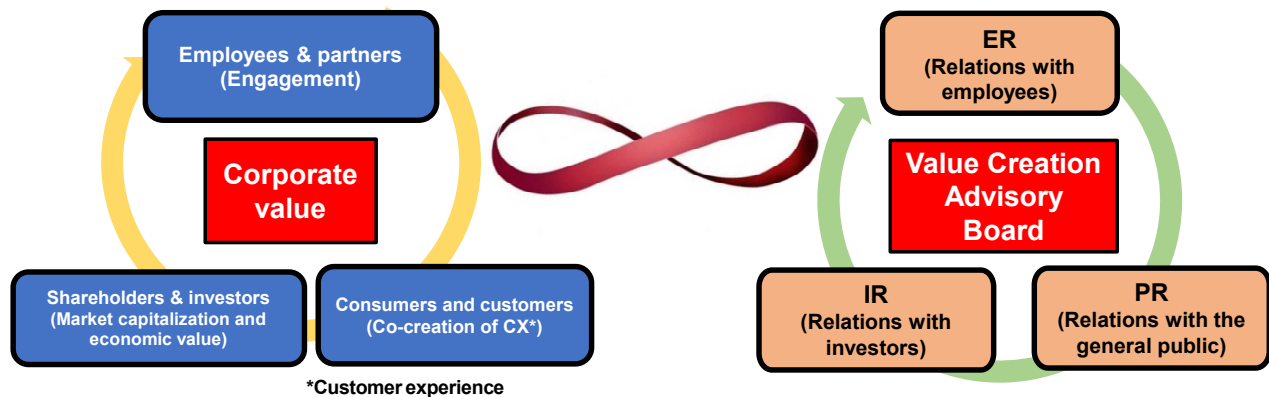
By aptly carrying out such priority investments in the past, our businesses including electronic materials, Bio-Pharma Services, amino acids for pharmaceuticals and foods, and Sauce & Seasonings overseas are now contributing to our present corporate growth.

Solidly carrying out these priority investments will connect to Scale Up. We also intend to Speed Up the execution of these investments.

**Introduction of mechanisms to support the enhancement of corporate value.  
We will synchronize the enhancement of value for all stakeholders.**

### Plan to establish a Value Creation Advisory Board (tentative name)

- Will play a role in enhancing corporate value.
- Will be an advisory board to the CEO and CIO.
- Members are to be professionals from outside the company. (Will work with company personnel and integrate intangible assets.)
- KPIs will quantify the value of brand strength, etc.
- **Plan to establish the Board in June of this year.**



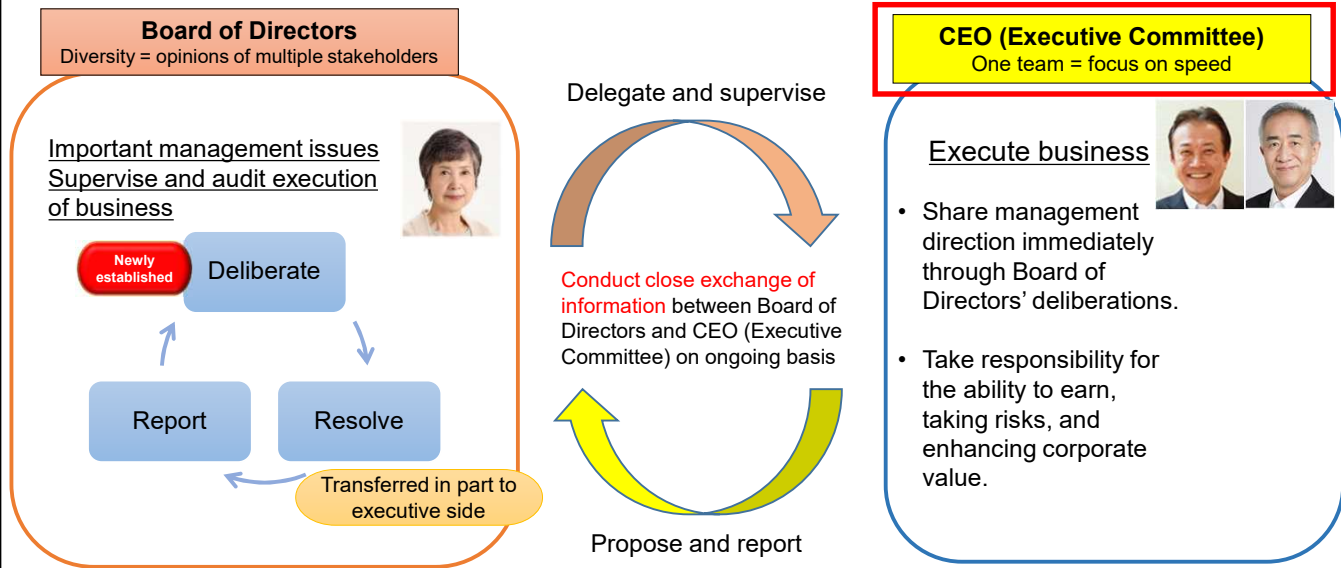
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In enhancing corporate value, (1) the passion of our employees toward our purpose and the empathy of diverse stakeholders who share that purpose—that is, engagement—will act as the driving force. (2) Through this, we will receive support from consumers and customers, leading to improvement of our product brand and corporate brand power and thereby enhancing our economic value. (3) This in turn will be returned to shareholders and investors to boost their support and raise our market capitalization, creating a positive evaluation by shareholders and investors that will enhance the engagement of employees. It is important that we continuously operate this cycle at high speed and connect it to enhancement of our corporate value.

We will also introduce mechanisms to support the enhancement of corporate value—namely, the establishment and operation of the Value Creation Advisory Board. For each of the three elements of the value improvement cycle, the Board will enact more specific measures, and to accelerate ...turnover, the Board will invite leading professionals from outside the Group to collaborate with human resources in the Group, and will integrate our intangible assets, with the aim of enhancing corporate value.

- Further reinforcement of the supervisory functions of the Board of Directors
- **Quick execution**
- Selection of a Company with Three Committees  
= Easier understanding of design of governance



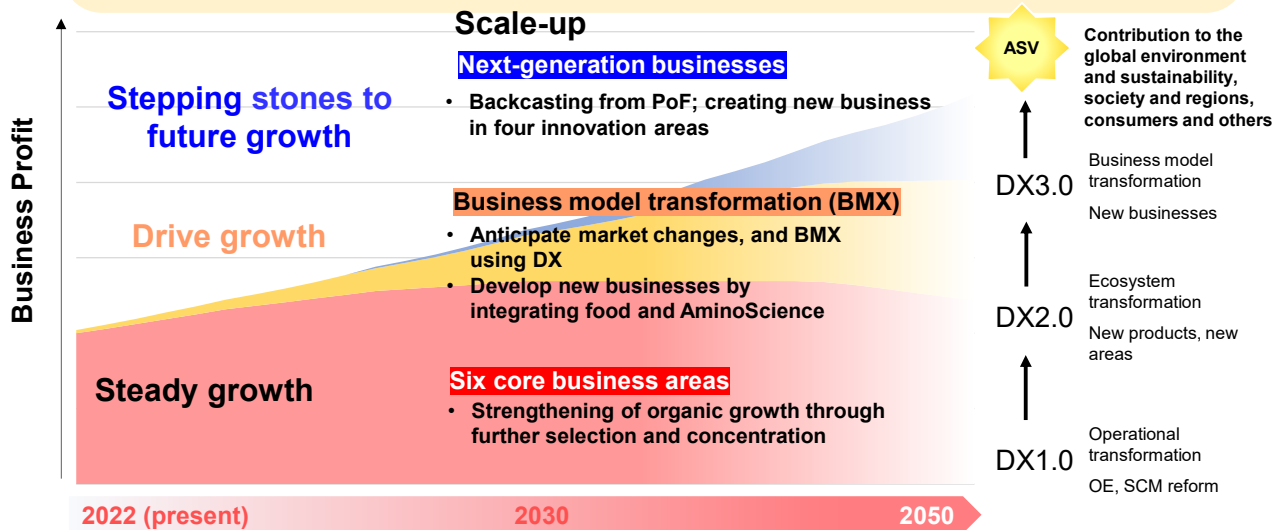
Here I would like to introduce an example of Speed Up. Leading companies around the world are quickly transforming under direction of the top, widening the corporate value gap with Japanese companies. In 2021, we advanced reforms of our Board of Directors along with significant delegation of authority to the executive side (Executive Committee), which has speeded up our execution. We will next change the Executive Committee into a venue not for scheduled and harmonized decision-making but rather for frank and serious discussions based on facts and data, to Speed Up decision-making and execution. Setting major directions and priorities for the Group as a whole and boldly revising business and investment portfolios in anticipation of drastic changes in the world are particularly vital duties that our top management is charged with.

We will also make efforts toward an initiative-based corporate culture that views taking on challenges as a good, and a corporate culture that values speed, to advance transformation through a hybrid combination of appropriate top-down approaches and the powerful bottom-up approaches that are a strength of the Ajinomoto Group.

## II-3. ASV Management: Management under the New Administration (Scale Up)

Overall growth strategy

1. Strengthen organic growth through further selection and concentration in **the six core businesses** and bring about **solid growth**.
2. **Drive growth through business model transformation** with the use of DX and the integration of food and AminoScience.
3. Backcast from the Picture of the Future (PoF)\* to **create next-generation businesses** in the four innovation areas and **lay stepping stones for future growth**.



\* Picture of the Future (PoF): Image of food and health in the future

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An overall image of the Ajinomoto Group's growth strategy aimed at Scale Up is as follows.

- (1) Organic growth in the six core business areas: To achieve our Medium-Term Management Indicators, we will work to enhance asset efficiency with no sacred cows, will undertake the switch to high value-added business, and will realize steady growth through organic growth.
- (2) Business model transformation (BMX): We will aim to accelerate and expand our growth as we head toward 2030, and we will drive growth through the integration of food and AminoScience and through business model transformation utilizing DX throughout the Group.
- (3) Next-generation businesses: We have also set a vision for ourselves taking megatrends from 2030 onward as our as Picture of the Future, or PoF. Backcasting from that, we will set strategies unique to our Group in four innovation areas—"healthcare innovation," "food and wellness innovation," "ICT innovation," and "green innovation"—and will lay stepping stones for future growth.

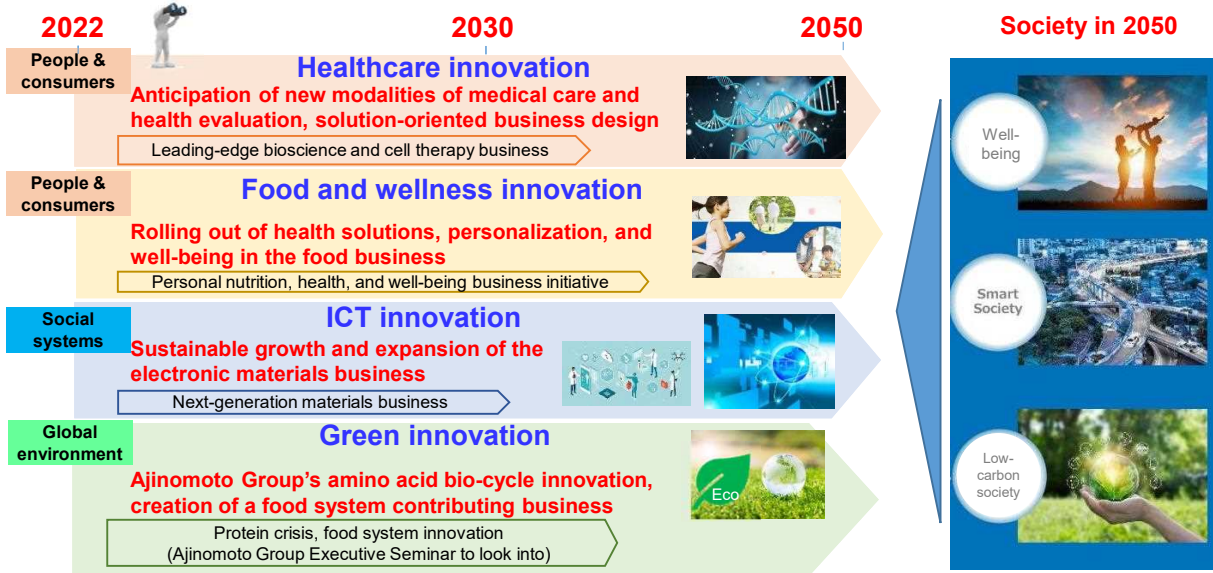
Through this growth strategy, the AminoScience business has grown significantly over the last few years. This tacit knowledge, too, will be made explicit—that is, standardized—and expanded throughout the Group to Speed Up our growth strategy and achieve business growth.



## II-4. Next-Generation Businesses for Business Growth (Innovation areas)

To capture growing opportunities for innovation related to, social changes, the growing healthcare and IT markets, and digital, bio, and sustainability and contribute to the global environment in 2050, we have established four areas of innovation and, by backcasting from the future beyond 2030, and will work on BMX and the creation of next-generation businesses.

### Four areas of innovation that create next-generation businesses

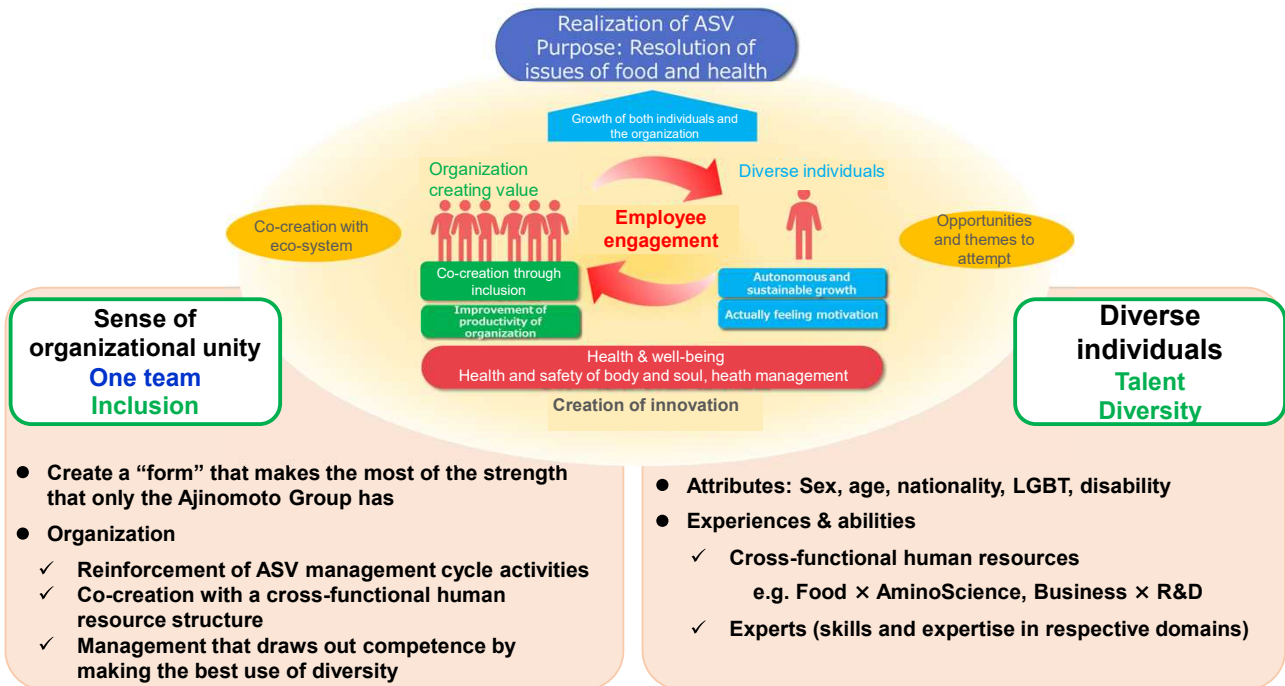


To create the next-generation businesses shown on the previous slide, we have established four innovation areas: "healthcare innovation," "food and wellness innovation," "ICT innovation," and "green innovation."

In each of these, we aim to create next-generation businesses by envisioning the future that we seek to achieve from 2030 onward, and by then backcasting from that vision.

In FY2022, we will formulate an overall plan for each of these innovation areas, for incorporation into our medium- to long-term Group-wide portfolio strategy.

Accelerate innovation and bring about the speedy co-creation of value through the diverse experiences, capabilities, and expertise of individuals and including them in organizations that utilize their qualities.



The passion of every employee toward our purpose and the empathy of diverse stakeholders who share this purpose will be the driving forces for advancing ASV.

Toward that end, we are tackling diversity and inclusion\* from the approaches of both individuals and organizations.

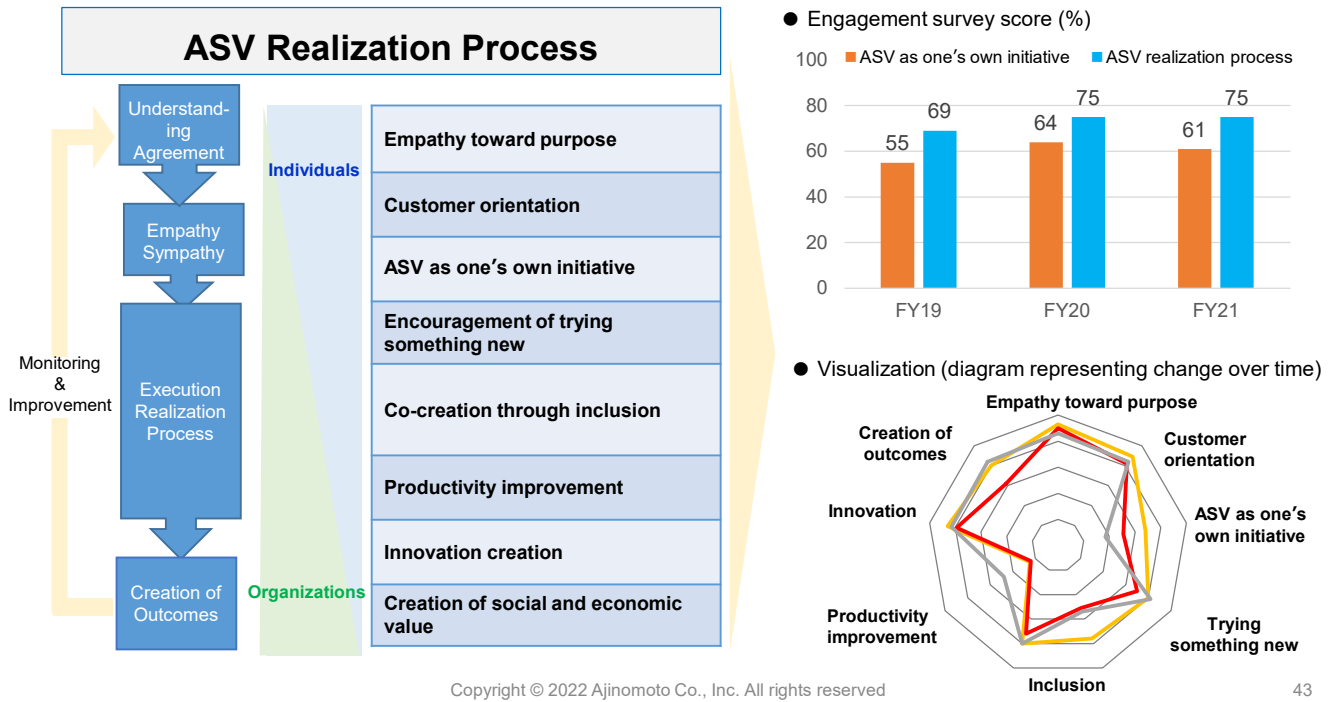
The presence of individuals who are diverse in attributes such as age, gender, work experience, and expertise promotes the autonomous and sustainable growth of everyone and sparks motivation. The inclusion and utilization of the perspectives of diverse individuals fosters a sense of unity within organizations.

Through this inclusion, we will shape an initiative-based corporate culture that gives rise to the acceleration of innovation and the speedy co-creation of value.

\*Inclusion: The availability of opportunities for everyone in an organization to participate in and contribute to business success, and the recognition and utilization of every individual's unique experiences, skills, and ways of thinking.

## II-5. Management that Raises the Value of Human Resources as an Intangible Asset

In parallel with our priority KPI of "ASV as one's own initiative," we will **make the processes that go up to the creation of ASV outcomes visual**, and will monitor our progress toward achieving ASV through engagement surveys.



Within our Group, we see a positive correlation between better organizational culture and better business performance.

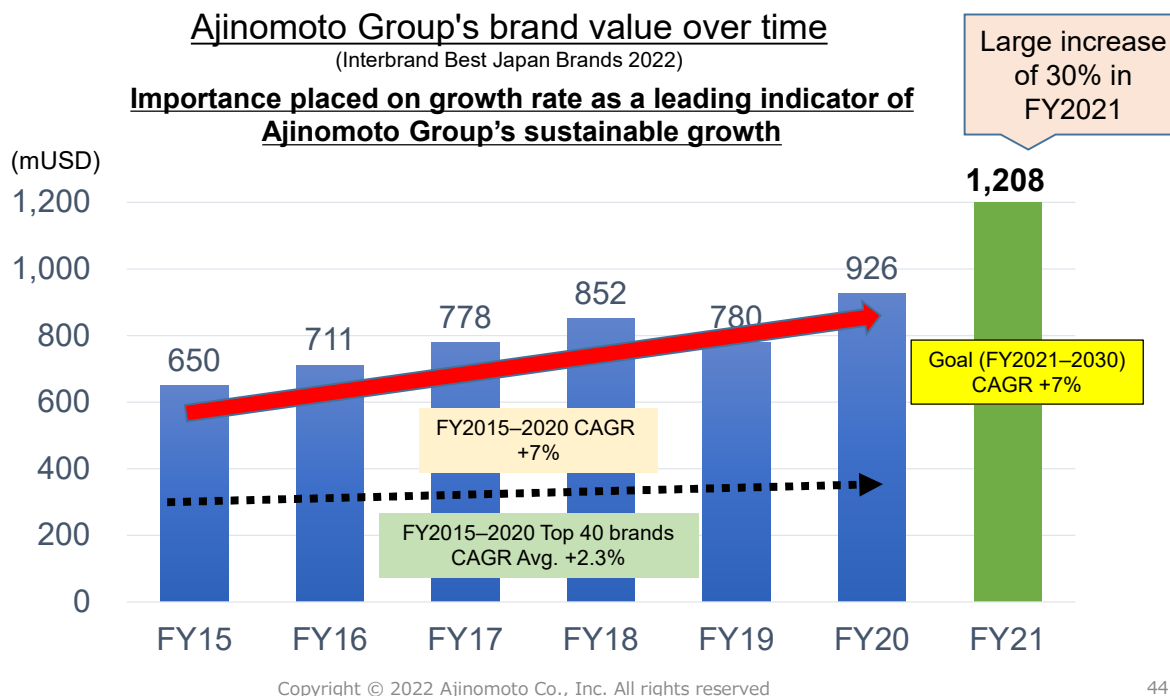
As a new FY2022 initiative in parallel with our priority KPI of "ASV as one's own initiative," we will make processes up to the creation of ASV outcomes visual, and will monitor our progress toward achieving ASV through engagement surveys. We will make every step and its accompanying questions and scores visual, from the steps of understanding and agreeing with ASV to the step of producing results as an organization, and will carry out comparisons by age and gender, between domestic and overseas organizations, and among Group companies to make the issues faced by each organization clear and to enable use as effective data for considering moves.

In this way, human resource assets, especially the passion of every employee toward our purpose, are the driving force in advancing ASV. We want to make these visible and quantified, continuously improve them, and connect them to the enhancement of corporate value.



## II-6. Brand Value as an Intangible Asset

Our brand value has greatly increased in recognition of our ASV management strategy, strong leadership by top management, and purpose branding.



The support of consumers and customers manifests itself as brand value. As a metric to measure this, we use Interbrand's brand valuation.

In FY2021, our brand value increased by a large 30%, and we were selected as one of Japan's Top 5 Growing Brands.

I believe that this reflects a high valuation of our solving of social issues through business, our incorporation of ASV, which creates economic value by creating value together with communities and society, into a mechanism that we call the "corporate value enhancement cycle," and our promotion of "resolving food and health issues" as purpose-driven branding under strong leadership by management.

## II-7. Sustainability Topics (Nutrition)

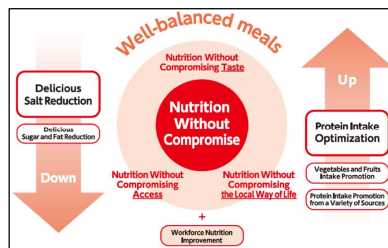
At international conferences in FY2021, we communicated the importance of sustainable and healthy food and led discussions. We were recognized and endorsed for our activities (delicious salt reduction, health management, etc.) from governments and international organizations.



UN Food Systems Summit



Tokyo Nutrition for Growth Summit 2021 (N4G)



Announcement of commitment to nutrition

Based on the above successes, we will accelerate and promote nutrition improvement activities, including industry-government-academia collaboration, in FY2022

### Spread and increased use of delicious salt reduction

#### Smart Salt Project



- Use of umami and dashi
- Collaboration with local governments

Ministry of Health, Labour and Welfare  
(Strategic Initiative for a Healthy and Sustainable Food Environment)



Promotion of salt reduction

### Improvement of nutrition in meals overall

#### ANPS-M development and implementation



National Institute of Health and Nutrition  
(Strategic Project for a Healthy and Sustainable Food Environment)



Sustainability efforts are essential for enhancing the sustainability of business and for carrying out our responsibilities to society.

I believe that the promotion of sustainability will contribute not only to the achievement of a sustainable society, but also to the reduction of the cost of capital for the Ajinomoto Group itself and to the improvement of our growth rate.

Toward that end, we aim to achieve health for both the earth and people, and to build sound food systems that connect these.

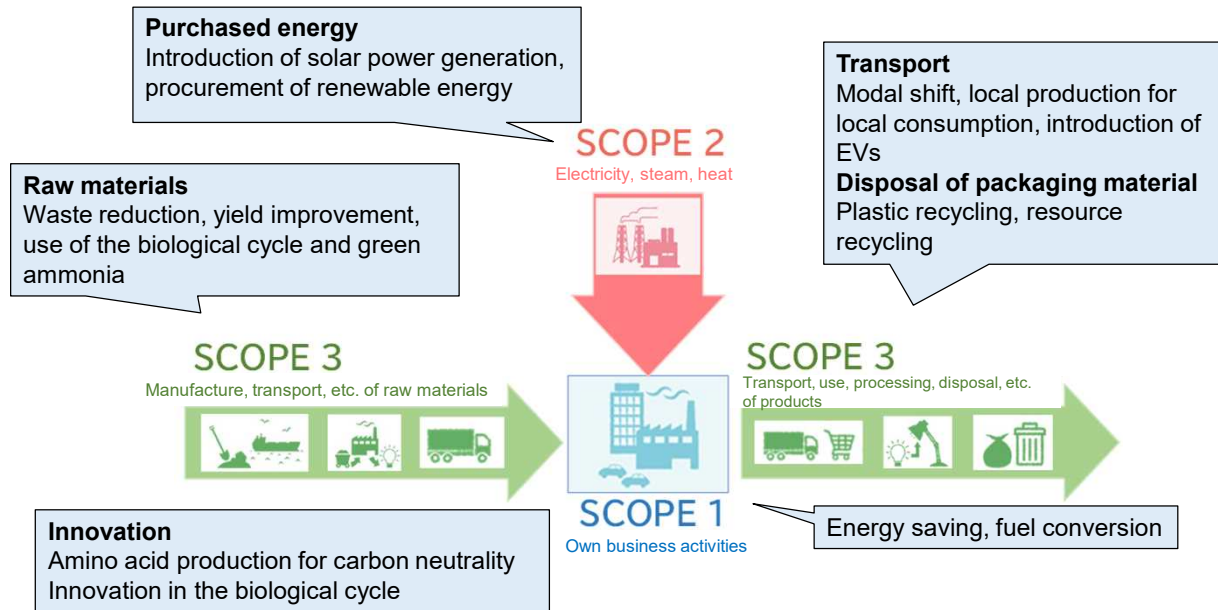
At the Tokyo Nutrition for Growth Summit held last year, former CEO Nishii communicated the importance of sustainable and healthy food, and led discussions. It was an opportunity to have government and international bodies recognize our activities in delicious salt reduction, health management, and more. This is an initiative that we will further evolve.

## II-7. Sustainability Topics (Environment)

### Ajinomoto Group aims to be carbon neutral by 2050.

We submitted a commitment letter to the Science Based Targets Initiative in March 2022.

We will set targets within two years. We expect to achieve a 50% reduction in GHGs (Scope 1 + 2) by 2030.



We submitted a commitment letter to the Science Based Targets Initiative in March 2022.

We expect to attain a 50% reduction in GHGs (Scope 1 + 2) by 2030 through energy saving, fuel conversion, dramatic improvement of food resource utilization efficiency through the introduction of new technologies, reduction of food loss, elimination of plastic waste, and other actions.

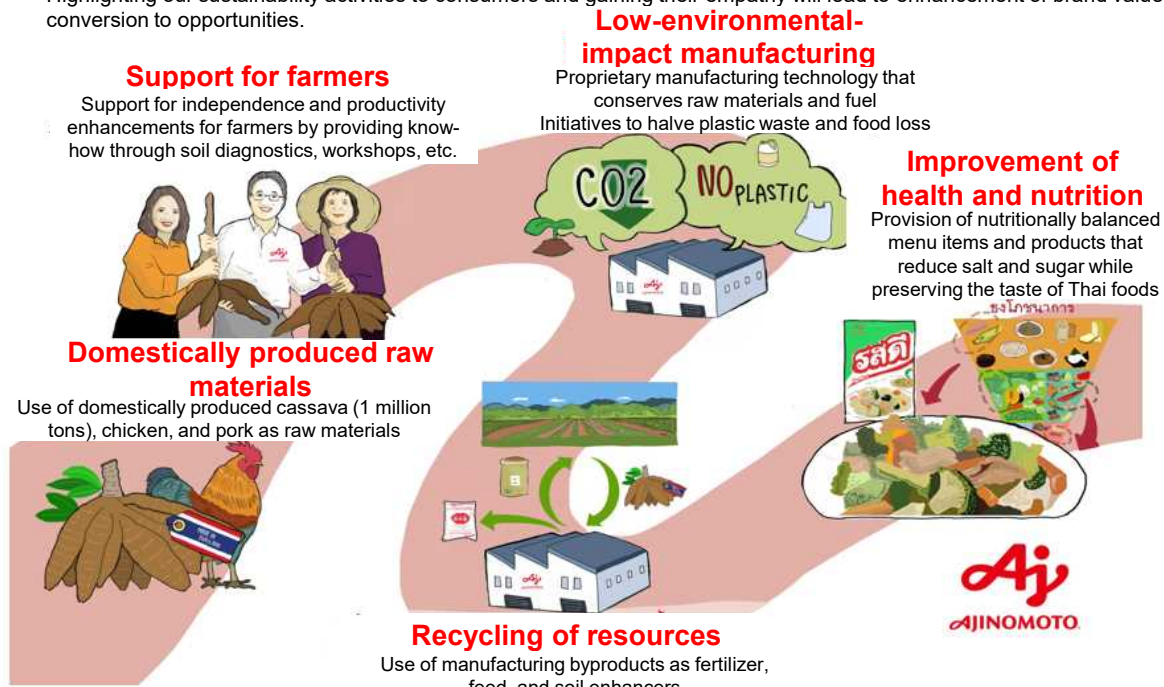
Following that, we will aim for carbon neutrality by 2050, for which we will formulate an action plan within two years.



Reference: Construction of an MSG Ecosystem in Thailand

**We will promote the construction of an ecosystem aimed at realizing our concept of opportunities.**

Highlighting our sustainability activities to consumers and gaining their empathy will lead to enhancement of brand value and conversion to opportunities.



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Our amino acid and MSG businesses use considerable food resources. At present, trade-off relationships—that is, conflicts of interest—exist between business activities and the promotion of food resource sustainability. However, looking ahead to a future in which food and energy will be locally produced for local consumption, we will work with partners to build regional circular economies. By delivering environmental value and nutritional value downstream as a story connecting the supply chain as a whole, we will encourage participation by consumers and will co-create value with consumers and partners.

Skillfully combining the value generated by this with the nutritional value made possible by our Group, we will enhance our corporate and product brand values, and will offer consumers and partners new options and premium value. Moreover, by introducing innovation that connects to further rationalization, we will effect a change from "trade-off" to "trade-on" in our business activities and sustainability.

By earnestly pursuing ASV, we want consumers and customers to feel happiness in being together with the Ajinomoto Group. We hope to connect this to consumers readily paying for our products and services (WTP, or willingness to pay).

## Message from the CEO

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In order to **pursue ASV to the end**, we will carry forward **ASV management** and **Purpose x Passion X OE** under the new administration as well, and will accelerate **Speed Up x Scale Up**.

Toward that end, we will **shift gears** and **make a starting dash** throughout our **100-day plan (100-day action plan)**.

The company will work as one to **resolve food and health issues by unlocking the power of amino acids**, provide the essence of happiness to people worldwide, and achieve **continuous and dramatic enhancement of our corporate value**.



**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.**
- **Amounts presented in these materials are rounded down.**

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**Strengthened the business and promotion of initiatives to capture changes in consumers. Increased revenue from increased sales volume and price increases.**

### ■ Changes in the environment in FY2021

1. Consumers: Percentage of at-home dining, and health and nutrition needs, continued to increase  
Changes in and diversification of distribution channels, such as expansion of EC, home delivery, and everyday low price stores
2. Raw materials and fuel costs, and personnel costs: Soared due to climate change, geopolitical risks, changes in the balance of supply and demand, etc.

### ■ Initiatives undertaken in FY2021 on the basis of environmental changes

**1. Developed and provided products and services that do not compromise on deliciousness, and that contribute to the extension of healthy life expectancy**

**2. Constructed a profit structure allowing efficient growth**

#### Sales and marketing

- (1) Increased prices appropriate to the soaring prices of raw materials and fuels (2) Visualized return on marketing investments

#### Production and logistics

- (1) Held production and supply stable, and reduced costs (2) Optimized inventory by sophisticating SCM

#### Research and development

- (1) Contributed to the growth of next-generation fundamental technologies in core business domains

We will adapt to changes in the environment and advance **further sustainable organic growth** and **capital efficiency** to achieve a company-wide ROIC target of 10–11% in FY2025.

### ■ Key strategies for FY2022 in Seasonings and Foods

#### 1. Improve values that contribute to "consumer happiness," centered on health

- (1) Strengthen nutritional value (Smart Salt, etc.); expand premium products and services
- (2) Continual sowing of seeds to create new categories leading to organic growth
- (3) Strengthen and expand touchpoints with consumers (expansion of EC, D2C, etc.)
- (4) Accelerate the solving of issues through cooperation within regions (reduced salt initiatives, *Kachimeshi*®, etc.)
- (5) Strengthen cooperation with the AminoScience business

#### 2. Construct a profit structure allowing efficient growth

- (1) Use OE and DX for greater efficiency and sophistication of work
- (2) Quickly counter soaring prices for raw materials and fuels (price increases, cost reductions, etc.)
- (3) Promote asset reduction, execute strategic investment plan
- (4) Promote visualization of KPIs to improve business management accuracy

#### 3. Solve social issues and create economic value

- (1) Reduce GHGs: reduce emissions by improving manufacturing methods, fuel conversion, etc.
- (2) Achieve zero plastic waste: Continue initiatives to reduce and recycle  
Develop packaging materials and technologies to control degradation of contents
- (3) Reduce food loss: Reduce amounts generated at the factory, reduce waste by extending consume-by/expiration dates

In FY2021, we promoted strengthening of the business according to plan. Profit increased in Japan and Europe but decreased in North America due to sharp inflation and shortages of labor.

■ Changes in the environment in FY2021

Sharp inflation and ongoing labor shortages, with further labor shortages spurred by the resurgence of COVID-19 due to the Omicron variant (especially in North America)

■ Major initiatives

1. Improved profitability (GP margin YoY: -1.3%)

(1) Expanded core domains (Sales: 114% vs. previous year) and improved product unit prices through strengthening of added value

Unit prices (YoY): North America +7.4%, Japan +2.8%

(2) Reduced unprofitable products by reducing the number of SKUs

North America: -160 (-20%); Japan\*: -50 (-10%)

\*Japan is foodservice only

2. Improved asset efficiency (promoted reduction of assets)

(1) Consolidation of factories: Made decision to close the Osaka Factory to strengthen the structure of the fried rice business in Japan

(2) Promoted diversion of assets to core domains

North America: Increased production of gyoza and fried rice by using appetizer & Italian category food factories

Europe: Increased production of gyoza by using the French factory for retail products

Japan: Shifted non-core products to OEM and increased production of gyoza and shumai

In FY2022, we will focus on profit recovery in North America. In Japan and Europe, we will complete ongoing strengthening of the business and will head toward the regrowth stage.

#### ■ Initiatives for FY2022 strengthening of the business in Frozen Foods

##### 1. Improve profitability (GP margin improvement YoY: + 2.2%)

###### (1) Improve profit in North America

From May, confirmation of effects of price increases and consideration of further price increases to address the situation in Ukraine. Promotion of automation and labor-saving improvements to address labor shortages, and stoppage of low-profit lines.

###### (2) Continue initiatives to improve product unit prices by further expanding core domains and strengthening added value.

###### 1) Percent of sales from core domains: FY2021: 62% → FY2022: 67%

North America: Expand Asian category retail (129% vs. previous year), reduce low-profit business units

Japan: Expand gyoza and shumai (108% vs. previous year) and restructure the fried rice domain

###### 2) Product unit prices (YoY): North America +12%, Japan +10%

###### 3) Continue to reduce unprofitable products by reducing the number of SKUs

##### 2. Accelerate improvement of asset efficiency (promotion of asset reduction)

###### (1) Overseas factories: Previous: 19 → Current 18 → By FY2023: 17 → By FY2025: 15

In addition to the above, we plan to close one of the seven factories in Japan (Osaka Factory) in FY2022.

**Improved capital efficiency by expanding core businesses and structural reform of the animal nutrition business.**

■ **Changes in the environment in FY2021**

1. Accelerated expansion of electronic materials due to robust semiconductor market (organic growth, increased demand from staying at home)
2. Expanded demand related to development of infusions, antiseptics, and vaccines
3. Recovery trend in some activities that stagnated under COVID-19 (research activities, sports activities, etc.)
4. As in FY2020, difficulty of securing personnel in the United States, etc.

■ **Initiatives undertaken in FY2021 on the basis of environmental changes**

1. Expanded sales in core businesses and improved sales unit prices through product mix
  - Electronic materials, amino acids for pharmaceuticals and foods, CDMO business, culture media, surfactants
2. Strengthened business foundation for future growth; transformed business model with DX
  - Expanded the medical food domain
  - Constructed digital strategy for *AminoIndex*® and sports nutrition business
3. Progress in reorganization of the animal nutrition business
  - Completed sale of Ajinomoto Animal Nutrition Europe

Further advance **sustainable organic growth** and **greater capital efficiency** to achieve ROIC target (FY2022: 13% or more (tentative)).

### ■ Key strategies for FY2022 in Healthcare and Others

#### 1. Accelerate growth in core businesses

- **Get high growth in the electronic materials business** with a background of robust demand in the semiconductor industry
- **Grow with the amino acids for pharmaceuticals and foods business**, which has a quality advantage, in stable growth markets
- **Grow in the Bio-Pharma Services business** based on our fundamental technologies such as oligonucleotides

#### 2. Strengthen business foundation for future growth; transform business model with DX

- Construct a new business model in collaboration with Healthcare businesses using DX (medical food, CDMO business, sports nutrition, *AminoIndex*®, etc.)
- Strengthen collaboration with the Food Products business

#### 3. Foster human resources to promote ASV

- Promote ASV with a focus on both the development of workplaces where all employees can thrive and of human resources and organizations that create value together with customers.

## FY2021: Q4 Results Summary

Sales: ¥295.1 billion (106.7% of FY2020 results; excluding currency translation: 103.3%)

Business profit: ¥12.5 billion (94.9% of FY2020 results; excluding currency translation: 89.8%)

### 1. Sales: **Increased (up ¥18.6 billion)**

- Revenue increased, led overall by Sauce & Seasonings overseas, Frozen Foods overseas, and Functional Materials.

### 2. Business profit: **Decreased (down ¥0.6 billion)**

- Profit increased significantly in Functional Materials, but decreased significantly in Quick Nourishment in Japan and Frozen Foods overseas. Profit decreased overall.

(YoY Business Profit Details – Summary)

(¥ billion)

	vs FY20				
	Q1	Q2	Q3	Q4	Cumulative
Change in GP due to change in sales	11.0	4.0	8.0	6.5	29.5
Change in GP due to change in GP margin	-0.5	1.0	-2.0	-8.5	-10.0
Change in SGA expenses	-6.5	-2.5	-3.0	0.5	-11.5
Share of profit of associates and joint ventures	1.0	0.0	-2.0	1.0	0.0
<b>Total</b>	<b>5.0</b>	<b>2.5</b>	<b>1.0</b>	<b>-0.5</b>	<b>8.0</b>

(Reference)

	vs FY19				
	Q1	Q2	Q3	Q4	Cumulative
	4.5	2.0	5.5	6.0	18.0
	7.0	3.5	0.5	-7.0	4.0
	-0.5	1.0	-1.0	-3.0	-3.5
	0.5	3.5	-1.5	0.5	3.0
<b>Total</b>	<b>11.5</b>	<b>10.0</b>	<b>3.5</b>	<b>-3.5</b>	<b>21.5</b>



## FY2021: Summary Results

(¥ Billion); -: losses	FY21 Actual (A)	FY20 Actual (B)	Difference (A) - (B)	vs. Prev. year (A)/(B)	vs. Prev. year (excluding currency translation) (A)/(B)
Sales	1,149.3	1,071.4	77.9	107%	104%
Gross profit	425.8	406.2	19.6	104%	-
(Gross profit margin)	37.0%	37.9%			
Business profit	120.9	113.1	7.7	106%	103%
Other operating income & expenses	3.6	-12.0	15.6	-	-
Impairment losses	-9.3	-18.5	9.1	-	-
Others	13.0	6.5	6.4	-	-
Operating profit	124.5	101.1	23.4	123%	-
Financial income & expenses	-2.1	-2.8	0.7	-	-
Profit before income taxes	122.4	98.3	24.1	124%	-
Income taxes (Tax rate: FY21 actual 34.5%)	-42.2	-32.0	-10.2	131%	-
Profit (includes discontinued operations)	80.2	66.2	13.9	121%	-
Profit attributable to owners of the parent company	75.7	59.4	16.3	127%	-
Profit attributable to non-controlling interests	4.5	6.8	-2.3	65%	-

## FY2022: Forecast

(¥ Billion); -: losses	FY22 Forecast (A)	FY21 Actual (B)	Difference (A) - (B)	vs. Prev. year (A)/(B)	vs. Prev. year (excluding currency translation) (A)/(B)
Sales	1,310.0	1,149.3	160.6	114%	109%
Business profit	124.0	120.9	3.0	102%	98%
Other operating income & expenses	-7.9	3.6	-11.6	-	-
Impairment losses	-	-9.3	-	-	-
Other (FY22 Structural reform expenses: approx. -10.0)	-	13.0	-	-	-
Operating profit	116.0	124.5	-8.5	93%	
Financial income & expenses	-3.0	-2.1	-0.9	-	
Profit before income taxes	113.0	122.4	-9.4	92%	
Income taxes (Tax rate: FY22 forecast 27.0%)	-30.5	-42.2	11.7	72%	
Profit (includes discontinued operations)	82.5	80.2	2.2	102%	
Profit attributable to owners of the parent company	77.0	75.7	1.2	101%	
Profit attributable to non-controlling interests	5.5	4.5	0.9	122%	

**We have set specific points for transformation and have begun a 100-day plan. We will regain strong growth potential through Speed Up x Scale Up.**

## Road map

	Item	Transformation points	100-Day Plan	2023	2024	2025
Themes that directly connect to ASV outcomes	Management structure	<ul style="list-style-type: none"> <li>Quantify intangible assets aimed at enhancement of corporate value</li> <li>Establish a Value Creation Advisory Board (tentative name)</li> </ul>	→	→	→	→
	Organizational structure and operation	<ul style="list-style-type: none"> <li>Move toward management based on a policy</li> <li>Move toward network-oriented working style</li> </ul>	→	→	→	→
	Business strategy	<ul style="list-style-type: none"> <li>Build an integrated growth strategy for food and amino science</li> </ul>	→	→	→	→
	Brand & marketing	<ul style="list-style-type: none"> <li>Clarify our vision for ourselves, streamline investment, and establish a B2B brand model</li> </ul>	→	→	→	→
Functional themes that accelerate and support the pursuit of ASV	Organizational structure and operation	<ul style="list-style-type: none"> <li>Centralize the Corporate Division</li> <li>Streamline work and switch to high value-added work</li> </ul>	→	→	→	→
	Business strategy	<ul style="list-style-type: none"> <li>Integrate the operation of the research and business divisions</li> </ul>	→	→	→	→
	Governance	<ul style="list-style-type: none"> <li>Move to governance oriented toward diverse stakeholders that share a "purpose"</li> </ul>	→	→	→	→
	Human resource management	<ul style="list-style-type: none"> <li>Move to a hybrid type of task orientation and job description: Completely renew human resource management into a multiple-track career personnel system</li> </ul>	→	→	→	→
	Corporate culture	<ul style="list-style-type: none"> <li>Move to an initiative-based corporate culture: use DX to solve food and health issues, develop a foundation for data utilization, and accelerate "Stop and Reduce"</li> </ul>	→	→	→	→



## Progress in Structural Reform

### Structural reform in non-core businesses

### Financial impact

**1. Animal Nutrition Business (commodities)**

Completed sale of company in Europe in April.  
Shift to customer solution-providing business.

Amount of asset  
reduction:  
Approx. ¥15.5  
billion (FY2021)

**2. Part of MSG Business**

Promote structural reform aimed at reducing industrial business (outside sales). Aim to streamline business assets, improve costs, and improve productivity per factory.

Project to  
increase GP  
margin is  
underway

**3. Part of Frozen Foods Business**

Steadily increase production in growth areas such as in Asian category and reduce assets globally while also reducing SKUs.

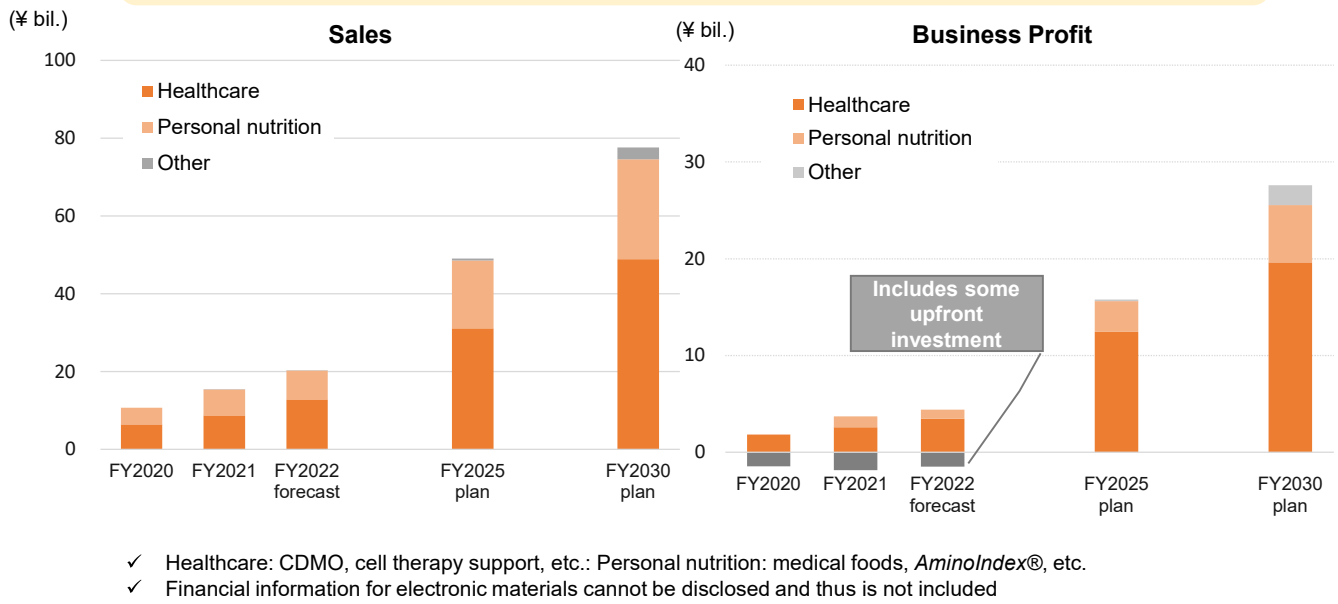
Amount of asset  
reduction:  
Approx. ¥3.0  
billion (FY2021)

⇒ We established the Core Business Grand Design Meeting in FY2021.  
We will make investment decisions and reduce categories and SKUs through stage gate management.



## Business Model Transformation (Update of plan from March 2021 IR Day)

We expect the creation of about ¥50.0 billion in sales and about ¥16.0 billion in business profit in FY2025 through business model transformation. **Progress is being made in-line.**



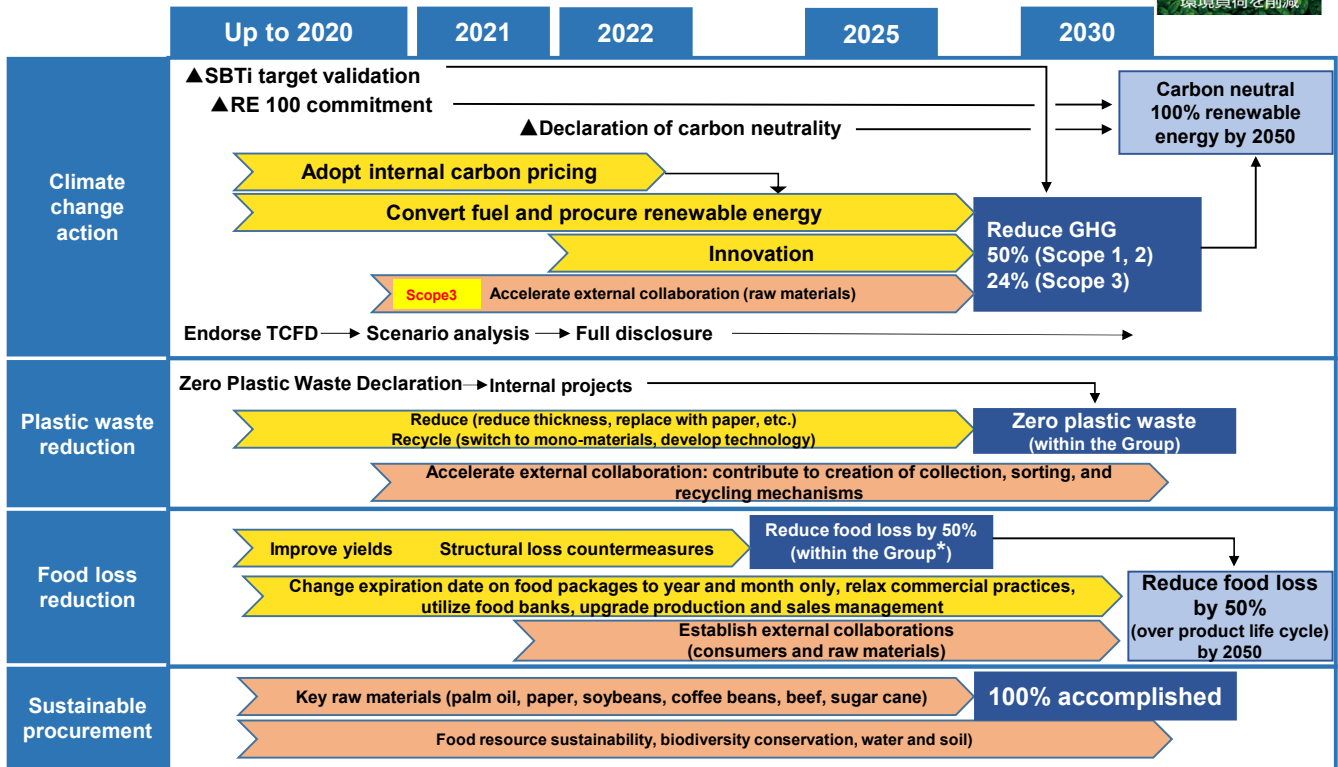
## Addressing Inflation (FY2021 actual–FY2022 forecast)

(Price actions in major countries of business: only executed and announced actions)

	H1-FY2021	H2-FY2021
Sauce & Seasonings	<ul style="list-style-type: none"> <li>Indonesia (Umami seasonings, June and September)</li> <li>Brazil (Flavor seasonings, July)</li> <li>Japan (Mayonnaise, July)</li> <li>Philippines (Umami seasonings, September)</li> </ul>	<ul style="list-style-type: none"> <li>Brazil (Flavor seasonings, October)</li> <li>Philippines (Menu-specific seasonings, October)</li> <li>Indonesia (Menu-specific seasonings, December–January)</li> <li>Indonesia (Umami seasonings, January)</li> <li>Japan (Mayonnaise, March)</li> </ul>
Quick Nourishment		<ul style="list-style-type: none"> <li>Japan (Home-use ground coffee, October)</li> <li>Japan (Home-use ground and instant coffee, March)</li> </ul>
Solution & Ingredients	<ul style="list-style-type: none"> <li>Overseas (Umami seasonings for processed food manufacturers, at appropriate time for distributors)</li> </ul>	<ul style="list-style-type: none"> <li>Japan (Umami seasonings for processed food manufacturers, for all customers, January)</li> <li>Overseas (Umami seasonings for processed food manufacturers, for global customers, progressively from January)</li> </ul>
Frozen Foods	<ul style="list-style-type: none"> <li>North America (Restaurant and industrial use, April and September)</li> </ul>	<ul style="list-style-type: none"> <li>North America (Home use, October, Restaurant and industrial use, March)</li> <li>Japan (Home use / restaurant and industrial use, February–March)</li> </ul>

	H1-FY2022
Sauce & Seasonings	<ul style="list-style-type: none"> <li>Brazil (Flavor seasonings, April)</li> <li>Indonesia (Menu-specific seasonings, April)</li> <li>Japan (Umami seasonings, June)</li> </ul>
Quick Nourishment	<ul style="list-style-type: none"> <li>Japan (snack soups, June)</li> </ul>
Solution & Ingredients	<ul style="list-style-type: none"> <li>Global contracts and as required</li> </ul>
Frozen Foods	<ul style="list-style-type: none"> <li>North America (Home use, April)</li> <li>North America (Restaurant and industrial use, June)</li> </ul>

# Path toward Reducing Environmental Impact by 50%



\* From receipt of raw materials up to delivery to customers



# Path toward Extending the Healthy Life Expectancy of 1 Billion People

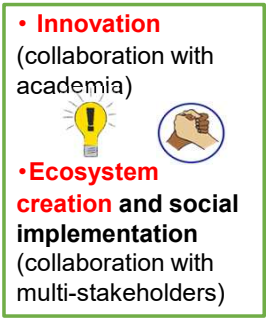
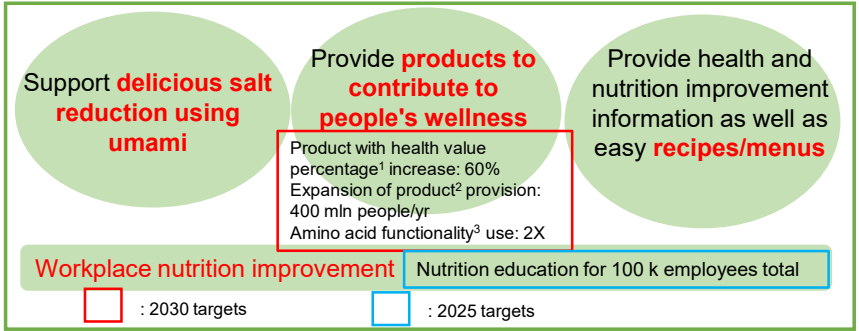


In our **commitment to nutrition**, we have established specific targets for improved nutrition by the year 2030.



## Commitment to nutrition

Raise customer value in terms of nutrition



&

1. Products with enhanced nutritional value (reduction in salt, saturated fat and other nutrients with concerns about excessive intake and increases in protein, vegetables, and other recommended nutrients).  
 2. Products that promote delicious salt reduction and protein intake.  
 3. Opportunities for use of products that use the nutritional and physiological functionality of amino acids.



## FY2022 Assumed Exchange Rate and Exchange Rate Sensitivity

Assumed exchange rate (vs. JPY)

	FY22 Forecast	FY21 Actual				FY20-25 MTP
		Q4	Q3	Q2	Q1	
USD	120.00	116.34	113.71	110.11	109.52	107.00
EUR	133.00	130.40	130.04	129.83	131.94	123.00
THB	3.63	3.52	3.41	3.34	3.49	3.42
BRL	26.09	22.35	20.36	21.05	20.71	28.16

### Exchange Rate Sensitivity

Foreign exchange rates (vs JPY)

	FY22 forecast	Sensitivity of translation effects to full year B.P.
USD	120.00	±¥1 → approx. ¥100 million
EUR	133.00	±¥1 → approx. ¥50 million
THB	3.63	±¥0.01 → approx. ¥100 million
BRL	26.09	±¥1 → approx. ¥200 million

Impact of exchange rate for trade

(Sensitivity of translation effects to full year B.P.)

- 1 JPY	vs USD	→	approx. + ¥200 million
- 0.1 EUR	vs USD	→	approx. + ¥100 million
- 1 THB	vs USD	→	approx. + ¥600 million
- 0.1 BRL	vs USD	→	approx. + ¥500 million



## Reference Links

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Ajinomoto Group IR

<https://www.ajinomoto.co.jp/company/en/ir/>

Ajinomoto Group Integrated Report 2021

<https://www.ajinomoto.co.jp/company/en/ir/library/annual.html>

Ajinomoto Group Medium-Term Management Plan

[https://www.ajinomoto.co.jp/company/en/ir/event/medium\\_term.html](https://www.ajinomoto.co.jp/company/en/ir/event/medium_term.html)

Ajinomoto Group IR Day

[https://www.ajinomoto.co.jp/company/en/ir/event/ir\\_day.html](https://www.ajinomoto.co.jp/company/en/ir/event/ir_day.html)

Ajinomoto Group Business Briefing

[https://www.ajinomoto.co.jp/company/en/ir/event/business\\_briefing.html](https://www.ajinomoto.co.jp/company/en/ir/event/business_briefing.html)