

Eat Well, Live Well.



# **Ajinomoto Co., Inc. (2802) Forecast for FY2020 (Ending March 31, 2021) and Initiatives for Structural Reform**

**Takaaki Nishii  
President & CEO**

**May 25, 2020**

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# Contents

- I. FY2019 Summary Results and FY2020 Forecast
- II. Impacts of COVID-19 and Progress on Structural Reform

Reference Material

Appendixes: Consolidated Results FY2019 (Ended March 31, 2020)  
FY2020 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

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# I-1. FY2019: Summary Results

## 1. Sales: **Decreased**

- Increase in sales from pharmaceutical custom manufacturing and amino acids for pharmaceuticals and foods.
- Large decrease in sales in the animal nutrition business.

## 2. Business profit: **Increased (highest on record)**

- Large decrease in profit in animal nutrition business.
- Recorded impairment loss of ¥3.8 billion related to trademark rights of Promasidor Holdings Limited (PH).
- Large increase in profit in umami seasonings for processed food manufacturers, seasonings & processed foods (overseas), frozen foods (Japan), specialty chemicals, and coffee products.

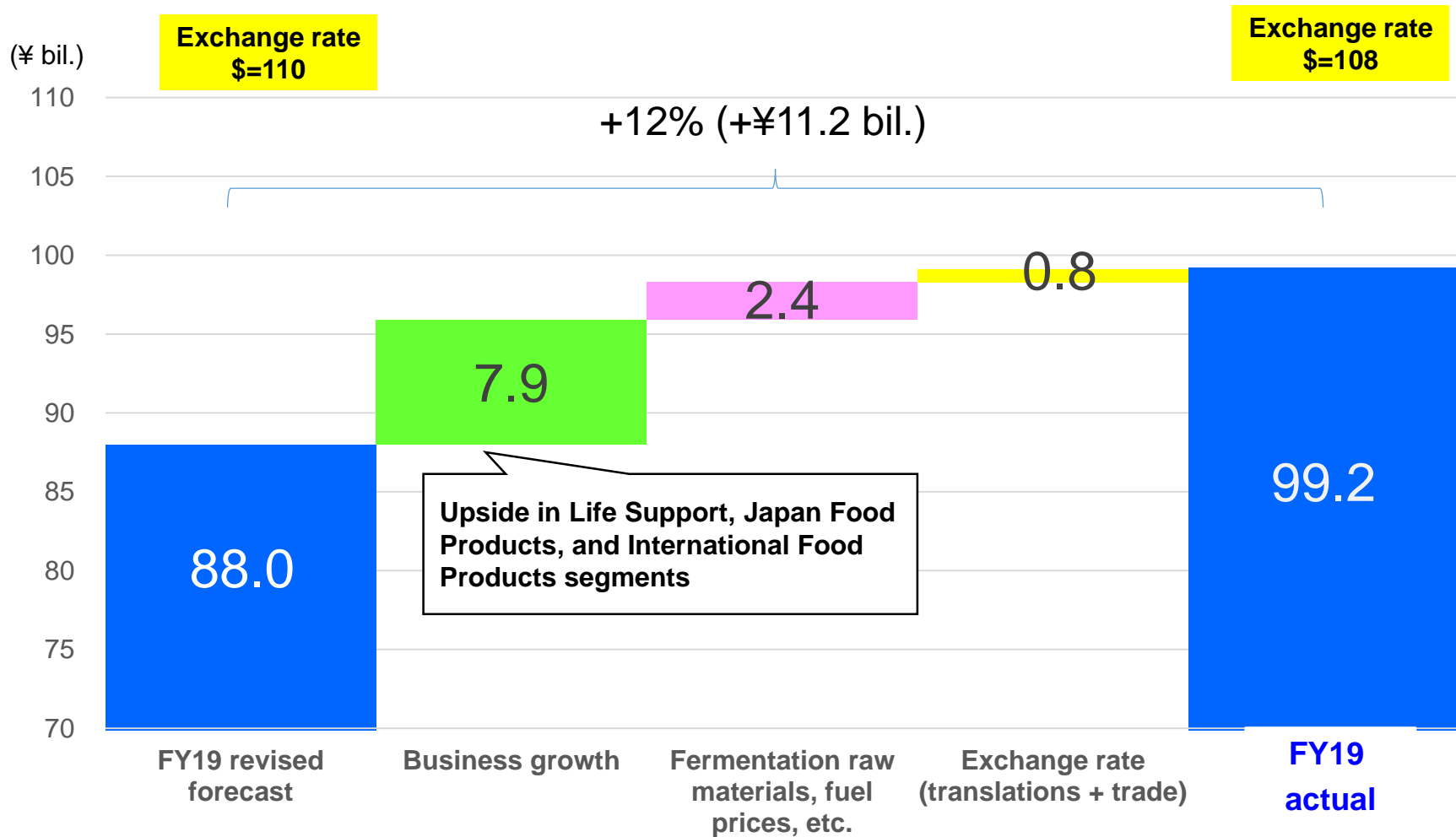
## 3. Profit attributable to owners of the parent company: **Decreased**

- Recorded impairment loss of ¥31.8 billion related to production facilities of the European animal nutrition business, PH, production facilities of the bakery business, seasonings production facilities in Europe, and goodwill and trademark rights of AIS.

(¥ billion)	FY2019 Actual	FY2018 Actual	Difference	YoY		FY2019 Actual	FY2018 Actual
Sales	1,100.0	1,114.3	-14.2	-1%	Business profit margin	9.0%	8.4%
Business profit	99.2	93.2	5.9	6%	ROE	3.3%	4.7%
Profit attributable to owners of the parent company	18.8	29.6	-10.8	-36%	ROIC	3.0%	3.8%
					ROA (BP basis)	7.2%	6.6%
					EPS	¥34.37	¥53.62



# I-2. FY2019: Factors Influencing Business Profit





## I-3. FY2019: Recording of Impairment Loss

Recorded impairment loss and impairment loss on investment accounted for using the equity method.

(Unit: ¥billion)

	When recorded	Business Profit	Operating profit (Qtr. profit before income taxes)	Profit attributable to owners of the parent company	Comments
(1) Animal nutrition business	2Q-FY19	-	14.9	11.7	<b>Life Support: animal nutrition</b> Production equipment
(2) Promasidor Holdings Limited	2Q-FY19	-	4.2	4.2	Impairment loss on investment (goodwill)
	2Q-FY19	3.8	3.8	3.8	<b>International Food Products: seasonings &amp; processed foods</b> Trademark rights
(3) Bakery business	2Q-FY19	-	3.8	2.9	<b>Japan Food Products: seasonings &amp; processed foods</b> Production equipment
(4) MSG business in Europe	3Q-FY19	-	6.8	6.8	<b>International Food Products: seasonings &amp; processed foods</b> Production equipment
(5) Seasonings business in Turkey	4Q-FY19	-	2.2	2.1	<b>International Food Products: seasonings &amp; processed foods</b> Goodwill and trademark rights
Total		3.8	36.0	31.8	

## I-4. FY2019: Profit

Despite highest business profit ever, annual profit decreased due to incurred impairment loss and costs for structural reform

(¥ Billion) -: losses	FY19 Actual (A)	FY18 Actual (B)	Difference (A)-(B)	Comments
Sales	1,100.0	1,114.3	-14.2	
Business profit	99.2	93.2	5.9	FY19 actual: Share of profit of associates and joint ventures -2.4 (-3.8 is impairment loss for trademark rights)
Other operating income & expenses	-50.4	-39.5	-10.8	
Impairment losses	-34.9	-32.4	-2.4	FY19 actual -34.9 (Europe, USA, Japan, Turkey, etc.)
Other	-15.5	-7.1	-8.3	FY19 actual -15.5 (Special Second Career Program for Managers)
Operating profit	48.7	53.6	-4.8	
Financial income & expenses	0.0	1.0	1.0	
Profit before income taxes	48.7	54.6	-5.9	
Income taxes	-20.3	-17.6	-2.6	Tax rate: FY18 actual 32%, FY19 actual 41%
Profit (includes discontinued operations)	28.9	39.0	-10.0	
Profit attributable to owners of the parent company	18.8	29.6	-10.8	
Profit attributable to non-controlling interests	10.1	9.3	0.8	

## **Impact on FY20 Business Results (summary)**

At the present stage, it cannot be predicted when the COVID-19 outbreak will come to an end, so the economic outlook is uncertain. In these circumstances, the Company has prepared the business results forecast based on the following assumptions

1. **The state of emergency declarations, lockdowns, and other measures will be lifted by the second quarter** in each of the countries where the Ajinomoto Group operates its business, **but economic activity during this period will be significantly impacted.**
2. Although economic and other activity will recover gradually **from the third quarter**, it will continue to be impacted **by the onslaught of a second wave of COVID-19 in some regions such as North and South America.**





# I-6. FY2020: Impacts of COVID-19 Reflected in the Forecast

## Impact of COVID-19 on FY20 Business Results

Sales: approx. -¥76.0 billion (down approx. 7% vs. FY19 actual )  
 Business profit: approx. -¥23.0 billion (down approx. 23% vs. FY19 actual)

### Factors reflected in the forecast for FY2020

Meaning of symbols: ×: long-term    △: gradual recovery    ○: temporary

#### Impacts appearing from March to May

- 1. Reduction of overseas operations, 6 month freezing of the sell off process
- 2. Drop in demand after the build-up of inventories in amino acid for pharmaceuticals
- 3. Increase in sales prices of feed-use amino acids (1Q–2Q)
- △ 4. Impact of increase in demand for home-use products (frozen foods, seasonings and foods) and large drop in demand for eating out
- △ 5. Delays in customers' development plans in pharmaceutical custom manufacturing
- △ 6. Impact of contraction of the market accompanying the reduction and cancellation of sports events and medical checkups
- △ 7. Increase in costs and delays in international procurement of raw materials and increase in logistics costs
- × 8. Decrease in demand from tourists due to travel restrictions between countries and regions

#### Impacts expected going forward...expected in 2Q or 3Q

Explosion of second wave of infections in the U.S. and Brazil, and restrictions on going outside

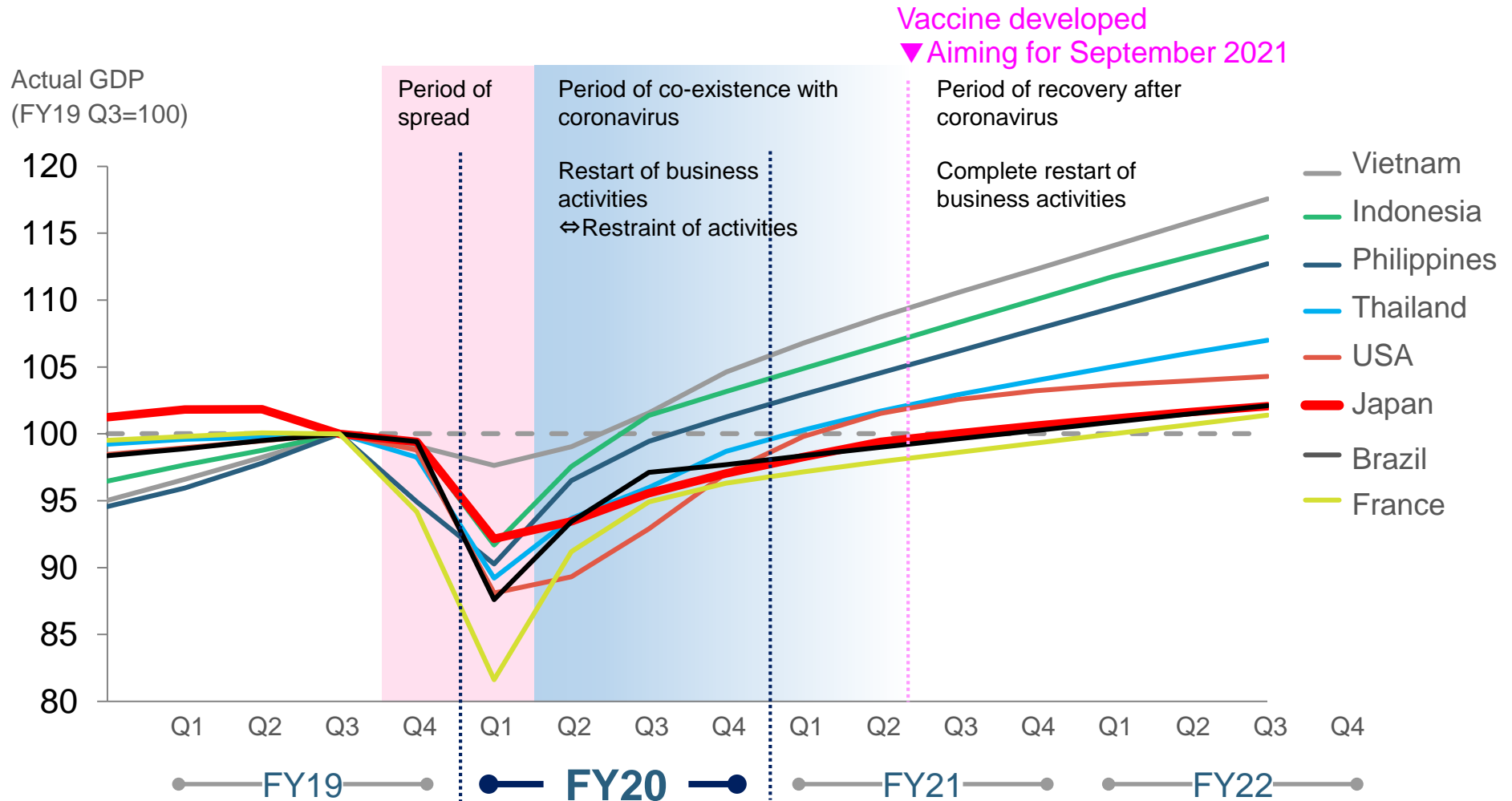
#### Unclear impacts that are not reflected in the forecast

Increase of unemployed people and pressure of deflation from reduced income vs. insufficient global supply and inflation



# I-7. FY2020: Forecast of the Impact of COVID-19 on Each Country's Economy

## Forecasts of actual GDP in our major countries of business

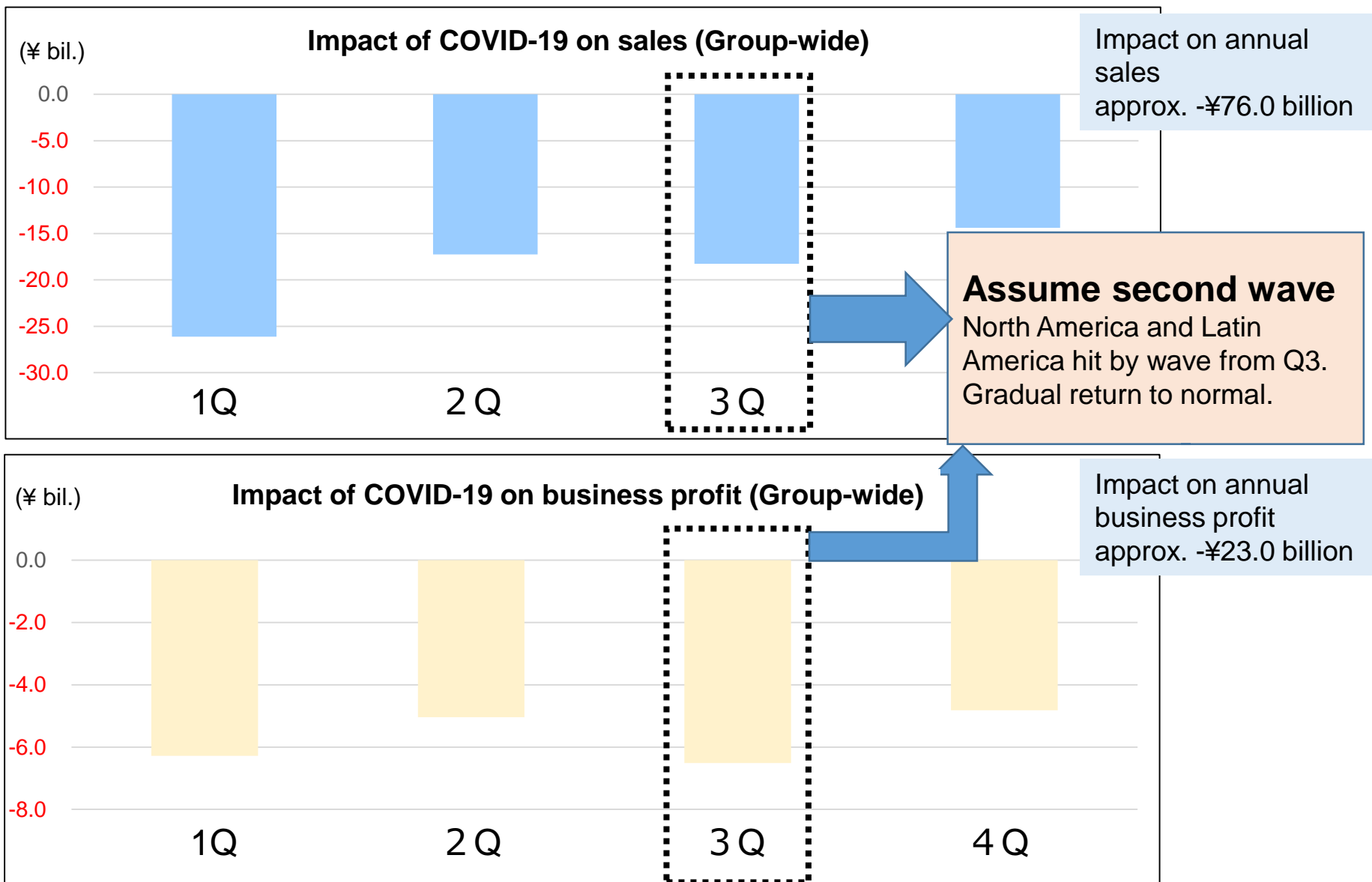


Note: with the exception of Vietnam, figures have been calculated with seasonal corrections

Source: Oxford Economics



# I-8. FY2020: Impact of COVID-19 on the Forecast





# I-9. FY2020: Forecast

## 1. Sales: **Decrease**

- Overseas seasonings and processed foods, and frozen foods will decrease due to impact of COVID-19.

## 2. Business profit: **Decrease**

- Overseas seasonings and processed foods, and frozen foods will decrease due to impact of COVID-19.
- Amino Acids business will decrease due to impact of COVID-19.

## 3. Profit attributable to owners of the parent company: **Increase**

- Other business expenses will decrease.

(¥ billion)	FY2020 Forecast	FY2019 Actual	Difference	YoY
Sales	1,048.0	1,100.0	-43.5	-4%
Business profit	78.0	99.2	-21.2	-21%
Profit attributable to owners of the parent company	22.5	18.8	3.6	19%

	FY2020 Forecast	FY2019 Actual
Business profit margin	7.4%	9.0%
ROE	4.1%	3.3%
ROIC	3.0%	3.0%
ROA (BP basis)	5.8%	7.2%
EPS	¥41.02	¥34.37

## I-10. FY2020: Profit

Business profit will decrease due to impact of COVID-19. Although some structural reform costs are expected, annual profit is forecast to increase.

(¥ Billion) -: losses	FY20 Forecast (A)	FY19 Actual (B)	Difference (A)-(B)	Comments
Sales	1,048.0	1,100.0	-52.0	
Business profit	78.0	99.2	-21.2	
Other operating income & expenses	-29.2	-50.4	21.2	
Impairment losses	-	-34.9	34.9	
Other	-29.2	-15.5	-13.7	Structural reform costs: approx. -16.0
Operating profit	48.7	48.7	0.0	
Financial income & expenses	-1.4	0.0	-1.4	
Profit before income taxes	47.3	48.7	-1.4	
Income taxes	-19.6	-20.3	0.6	Tax rate: FY20 forecast 41%
Profit (includes discontinued operations)	27.6	28.9	-1.3	
Profit attributable to owners of the parent company	22.5	18.8	3.6	
Profit attributable to non-controlling interests	5.1	10.1	-5.0	

# I-11. FY2020: Priority KPIs (Group-wide)

		20–22 Phase 1		23–25 Phase 2		2030 Goal
		Structural reform		Renewed growth		
		FY19 (Actual)	FY20 (Forecast)	FY22 (Target)	FY25 (Target)	
Efficiency	ROIC (>Capital cost)	3.0%	3.0%	8%	10–11%	13%
	Organic sales growth (YoY)	0.3%	-0.5%	4%	5%	5%
Priority KPIs	Percentage of sales from core businesses	66.5%	66.9%	70%	80%	80% or more
	Employee engagement (“ASV as own initiative” <sup>1</sup> )	55%	—	70%	80%	85% or more
	Unit price growth (YoY) (International consumer products)	Approx. 5%	—	2.5%	3%	3%

1: “ASV as own initiative” = Status whereby each and every employee is able to autonomously work towards achievement of ASV. **Note:** Organic sales growth and unit price growth are target growth rates for FY21-22 and FY24-25, respectively. **Organic sales growth:** Refers to sales growth excluding the effects of discontinuous growth such as exchange rates, changes in accounting practices and M&A/business sell-off. **Unit price growth rate:** Refers to the unit price growth rate of the international consumer products from the base year for each country and category as a weighted average in proportion to sales.

# I-11. FY2020: Priority KPIs (by new segment)

## New Segments

## FY19 Actual and FY20 Forecast

Food

Seasonings and Foods	Sauces & Seasonings
	Quick Nourishment
	Solutions & Ingredients

	ROIC (%)	Organic growth (%)	Unit price growth (%)
Seasonings and Foods	FY20	8.0%	0.9%
	FY19	8.7%	0.8%

Frozen Foods	Frozen Foods
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Frozen Foods	FY20	-1.9% <sup>1</sup>	-9.2%
	FY19	-0.3%	1.1%

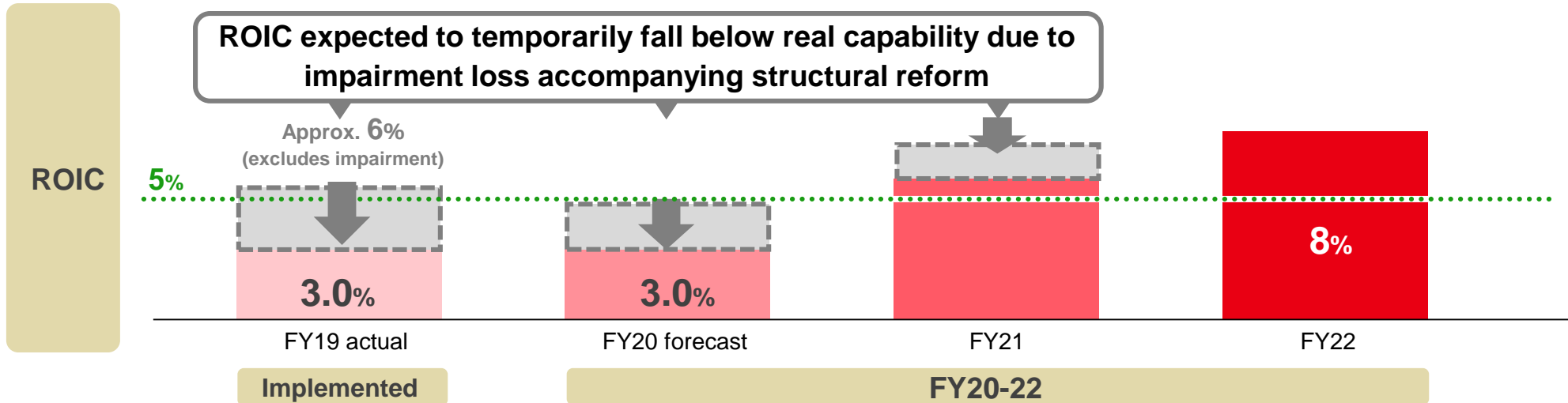
Amino Science

Healthcare and Others	Specialty Chemicals
	Amino Acids
	Others

Healthcare and Others	FY20	2.7% <sup>1</sup>	3.0%
	FY19	0.8%	-2.2%

1: Excluding structural reform expenses

# I-12. FY2020: Asset Reduction Measures



Category	Measure	Impact
Profit improvement	—	
	<ul style="list-style-type: none"> <li>Asset reduction</li> <li>Sell cross-shareholdings</li> <li>Resource allocation</li> </ul> Other However, sales- and alliance-related projects are frozen for about six months to a year due to COVID. Approx. JPY 35B planned in FY2020	Profit improvement by approx. JPY 30B over three years (DX, company-wide structural reform of costs, corporate operation transformation, etc.) <b>+2pt</b>
Asset reduction	Front loading from initial plan of JPY 100B Approx. JPY 65B	
	Restructure non-core businesses Over 3 years Approx. JPY 100B	<b>+1pt</b>

**Increase from the initial plan and reduce assets by a total JPY 200B by FY2025**

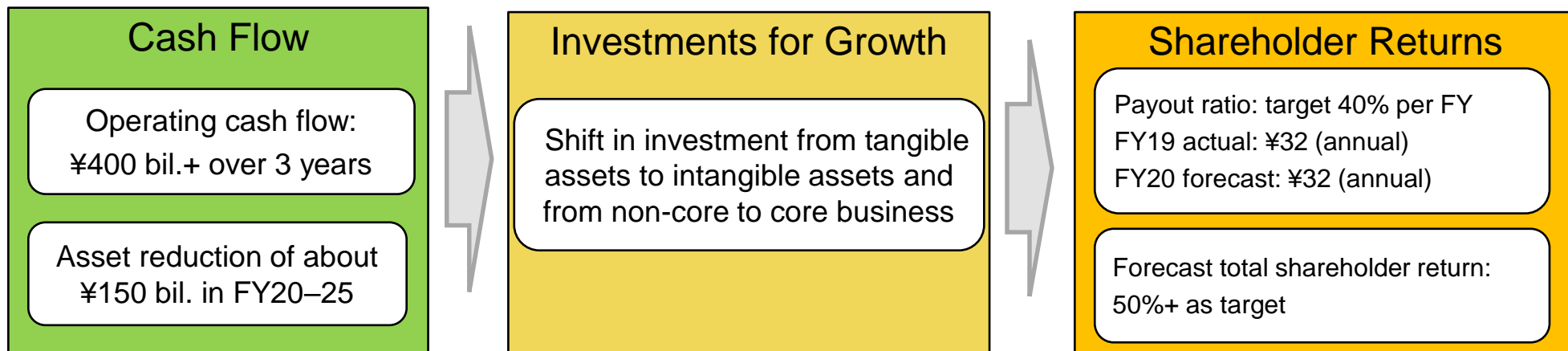
**+Xpt** Contribution from ROIC (reference, compared to FY19)





# I-13. FY2020: Financial Strategy

Based on the policies of the FY2020–2025 MTP, we will strengthen our investments for growth and ability to create cash flow, to achieve stable shareholder returns.



## Tangible and intangible investments (FY20 plan)

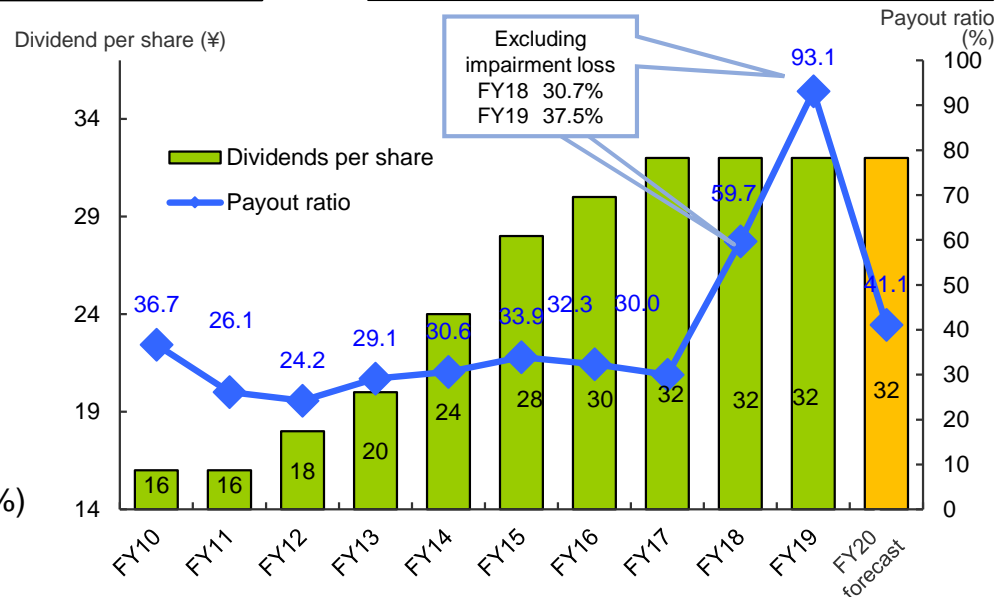
Intangible investments

1. R&D: ¥27.6 bil.
2. Marketing: ¥33.6 bil.
3. DX investment, business model development, HR: ¥8.6 bil.

Tangible investments and other measures

1. Capex: ¥86.0 bil.  
Core business percent approx. 63%
  2. M&A and purchase of non-controlling interests
- (aim for D/E ratio of 50%; March 31, 2020 actual: 46.5%)

Net debt is interest-bearing debt - Cash on hand and in banks x 75%



# I-14. FY2020: ESG Measures

## Environment

ESG Issues	Targets	FY2020 Core Measures	Progress	
<b>Climate change</b>	<b>Greenhouse gases</b>	Percent reduction of greenhouse gases (vs. FY18) FY25: 25% FY30: 50%	<ul style="list-style-type: none"> <li>Develop TCFD scenario analyses for each business area</li> <li>Get SBT validation, commit to RE100</li> <li>Start financial risk mitigation study (e.g.: internal carbon pricing)</li> </ul>	SBT: have submitted targets for validation. Validation received in April, 2020
	<b>Water risk</b>	Percent reduction of water use <sup>1</sup> FY30: 80% (vs. FY05) Percent of recharge of drinking water into forests FY25: 100% or more	<ul style="list-style-type: none"> <li>Reduce water use per unit of production through plant process optimization by 78%</li> <li>Continue forest recharge activities</li> </ul>	
<b>Building a circular economy</b>	<b>Plastic waste</b>	FY30: Achieve “Zero”	<ul style="list-style-type: none"> <li>Execute measures centered on reducing                             <ul style="list-style-type: none"> <li>Study use of recyclable packaging materials</li> </ul> </li> <li>Continue participation in industry-government partnerships</li> </ul>	Have launched business-based projects to promote measures for execution
	<b>Food loss</b>	Percent reduction of food loss (vs. FY18) <sup>2</sup> FY25: 50%	<ul style="list-style-type: none"> <li>Reduce food loss between acceptance of raw materials and delivery to customers by 20%</li> </ul>	
<b>Sustainable procurement</b>	Destruction of forests Biodiversity Human rights Co-existence with animals	Percentage of sustainable procurement FY30: 100% of issue materials	<ul style="list-style-type: none"> <li>Achieve 100% procurement of sustainable paper and palm oil</li> <li>Promote dialog with society through roundtables on animal welfare</li> </ul>	Traceability on paper: 99% (domestic); palm oil: 70%  Have formulated a Group policy on co-existence with animals and our thinking on animal protection and management.

1: Vs. primary unit of production. 2: From acceptance of raw materials to delivery to customer (Scope 1)

## **Building a system that has independence and diversity, and bringing about a remuneration system that is highly transparent**

### 1. New Audit & Supervisory Board member

Candidate for Audit & Supervisory Board member: Mami Indo

(Has been a member of the Securities and Exchange Surveillance Commission)

Independent directors account for 42% of the Board of Directors and Audit & Supervisory Board, and women account for 21%.

### 2. Revision of the officer remuneration system

As evaluation indices for medium-term company performance-linked compensation, use ESG targets, relative TSR\* and the priority KPIs from the Medium-Term Management Plan: ROIC, percentage of sales from core businesses, and employee engagement.

### 3. Change the accounting auditor

Select KPMG AZSA LLC as the Company's accounting auditor candidate.

\*Relative TSR:

TSR is the abbreviation for Total Shareholder Return. It is a number that is the total of the profit from an increased share price and dividends.

Relative TSR is a number that compares TSR to a previously determined benchmark group.

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## The Fight with COVID-19 (CEO Message)

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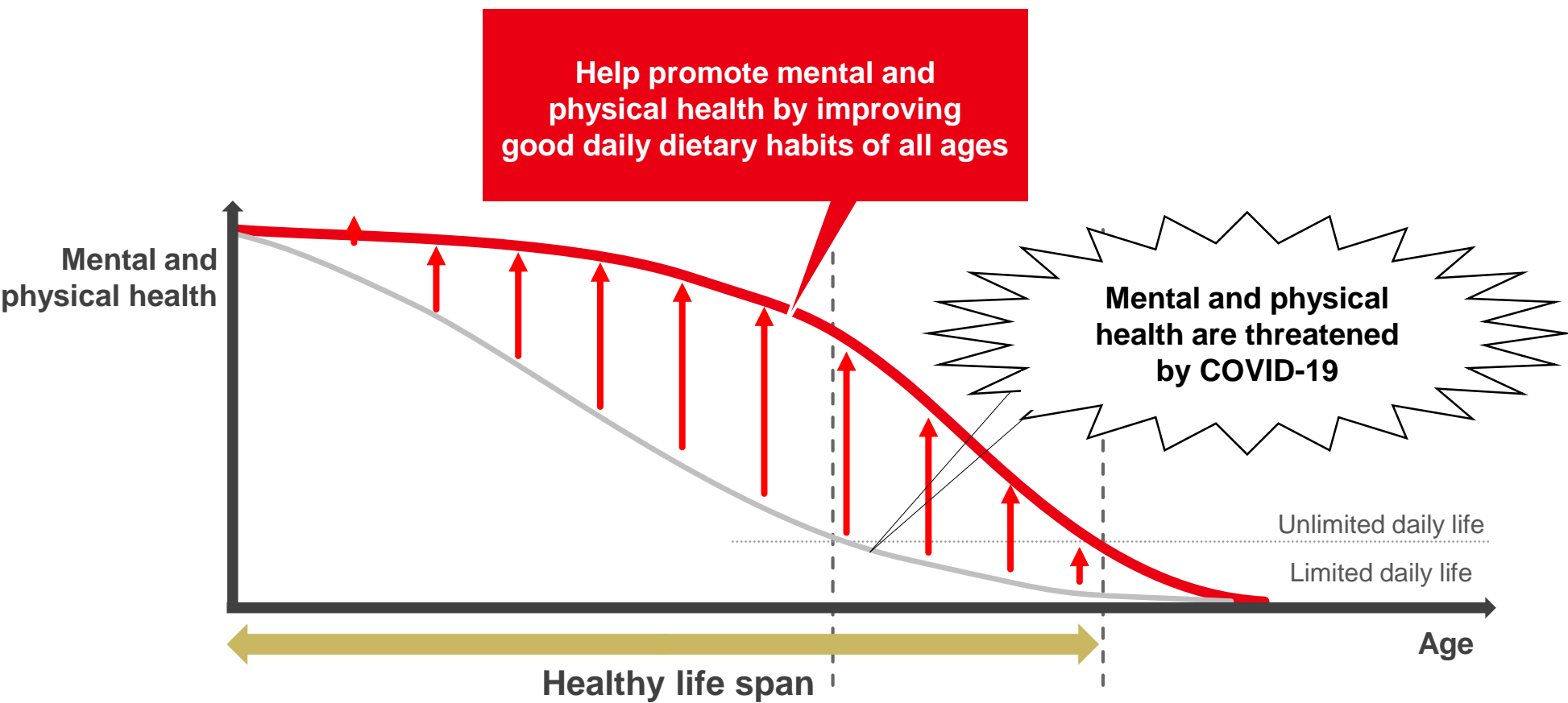
**The Ajinomoto Group is deeply grateful for being able to continue its business and it will do its utmost as one team to bring about the wellness of the people fighting COVID-19.**

**While the effect on FY2020 results will be large, the Group will catch the swell of demand by people for a healthy new lifestyle, and will implement the transformation of the FY2020-2025 Medium-Term Management Plan to reduce the negative impacts and head for a V-shaped recovery in FY2021.**

## II-1. Use the Fight with COVID-19 as an Accelerator for Realizing ASV

### Push forward to realize the Ajinomoto Group Vision

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.



# (Projection only) The Fight with COVID-19

(Initiatives bringing together the strengths of all employees)

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## (Management team members relaying messages)



## II-2. The Fight with COVID-19 (Initiatives for factories)

**At our factories around the world, employees and partners are continuing to work as hard as possible to protect the production of products essential for medical service and daily life.**

1. Activities to protect employees and partners (Japan and overseas)
  - Be thorough about health management of employees and those who enter the factories
  - Secure social distance in the factory. Promote reduced use of public transportation
2. Status of Japanese business sites
  - Production of home-use seasonings and foods, and frozen foods is tight.
3. Status of overseas business sites
  - Ensuring thorough sanitary measures, including the taking of self-run tests, preventing the spread of infection.
  - Although some infected employees have been found in North America, South America, and Europe, where infection is spreading, production is stopped and restarted each time, to continue production.  
(Process: Infection in the factory ⇒ stop the line ⇒ take necessary measures such as disinfecting everything ⇒ re-start production)





## II-3. The Fight with COVID-19 (Initiatives to continue business)

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### 1. Measures to maintain the supply chain

- Give top priority to continuing the production and supply of major products, such as home-use and amino acids for pharmaceuticals
- Shift production personnel from foodservice-use, which is decreasing, to home-use, and do everything possible to secure employment
- Strengthen and support relationships with suppliers, and maintain sustainable procurement

### 2. Measures for funding

- Maintain sufficient liquidity on hand for the time being (more than 1 month)
- Secure safety of funding with the commitment lines we already have with our main banks
- Unify management of funds at headquarters and support Group companies

### 3. Have the Japan Regional Task Force liaise with regional headquarters for risk management

- Measures to prevent infection in each country, impact on the business, and measures to respond
- Forecast the business environment in the eight major countries in scenario planning meetings



# II-4. The Fight with COVID-19

(Initiatives and thanks for healthcare practitioners and consumers)

## Examples of regional and social initiatives (for healthcare practitioners and those fighting COVID-19)

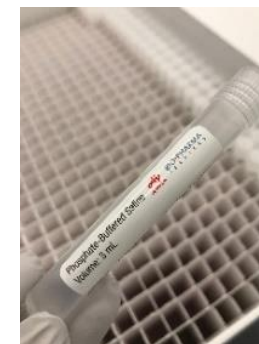
### 1. Open access of intellectual property

**Participation in the IP Open Access Declaration Against COVID-19 as a founding signatory.**



### 2. Sales of vials for COVID-19 tests

**Conclusion of agreement with the U.S. Federal Emergency Management Agency.** Provision of vials for COVID-19 specimens. We will provide 2.5 million vials by the end of September.



### 3. Provision of products to healthcare practitioners free of charge

**We are providing relief supplies (products) to healthcare practitioners** through the food relief platform WeSupport, and Japan Platform.



# II-5. The Fight with COVID-19 (Revision of global communication)



味の素グループが、いま、  
何よりも大切に思っていること

.....

栄養バランスの良い食事と  
健やかな毎日をサポートしたい。

**Eat Well, Live Well.**

新型コロナウイルス感染拡大防止に関する  
味の素グループの様々な取り組みや役立つ情報をお届けします。

なにをお探ですか？

125%

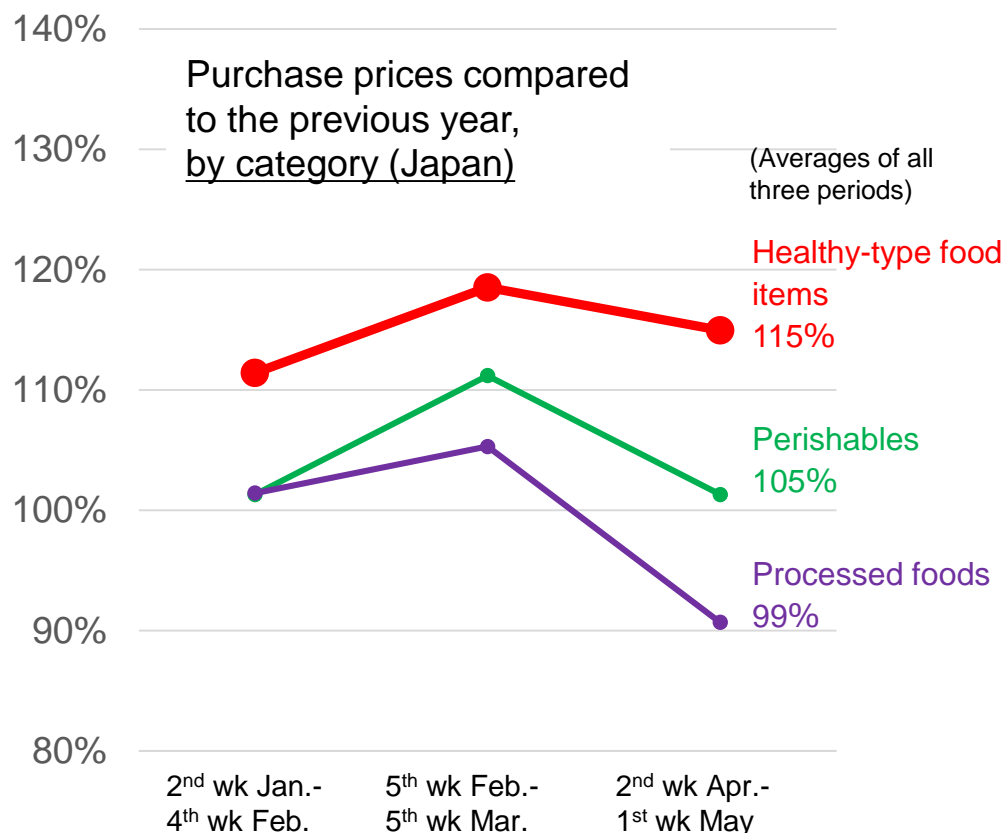
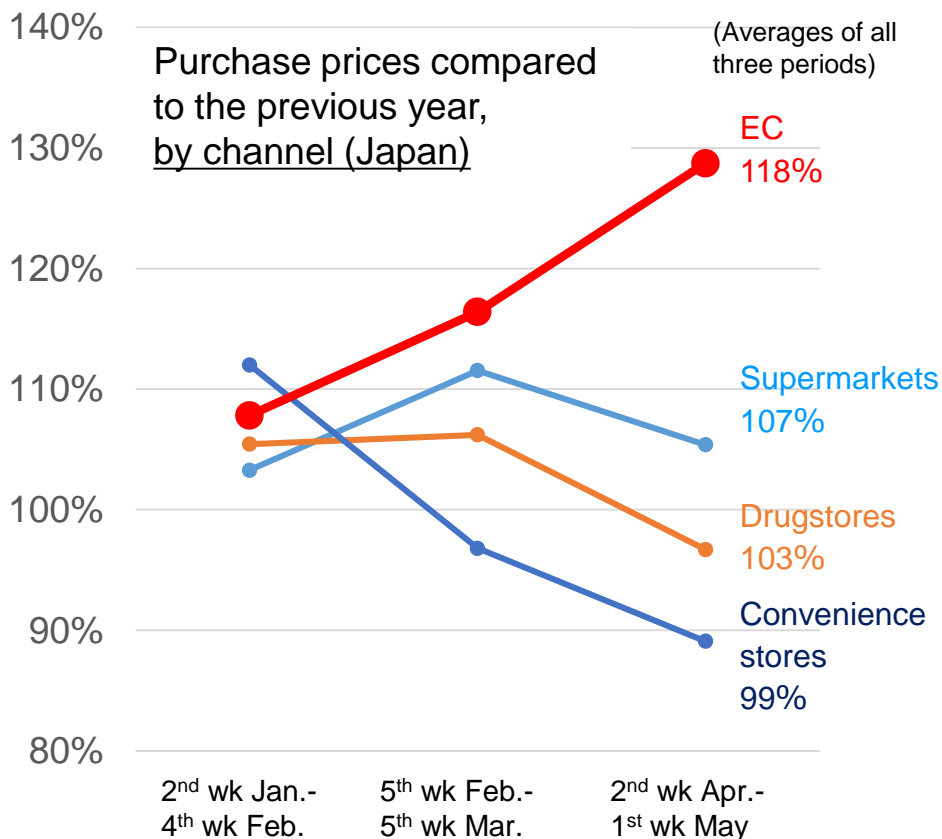
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# (Reference) The Fight with COVID-19

(Additional measures to make the period of co-existence a business opportunity)

## Opportunities in demand for products with health value and perishables (propose menus), EC, and delivery channels



Both graphs based on Zaim, an online bookkeeping service

For reference: percentage of EC for food items in the U.S. in 2019 was 4.6%.

⇒ Now it is **9.0%** (as of May 15, 2020)

## II-6. The Fight with COVID-19

(Additional measures to make the period of co-existence a business opportunity)

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### Additional measures for a new healthy lifestyle

#### **Strengthen core strategies in the Medium-Term Management Plan**

1. Additional measures for recovery of FY20 results...bring in the health orientation and at-home aspects of the new lifestyle
  - 1) Restart marketing strategies and product development for reduced salt and solving the issue of elderly people's low nutrition
  - 2) Add products and promotions for EC (domestic and international), internet supermarkets, and delivery
  - 3) With regard to amino acid supplements, in addition to our mail order system, they will be sold in EC, and sales to pharmacies will be expanded
2. Build new business models, start up the Operation Transformation Task Force
  - 1) Promote the data management platform for personalized nutrition and meals, increase in-house ventures  
Appoint a CIO. Preparing a Research Department (new): Research & Business Planning Department (R&B Planning, re-organized R&D Planning Department), and corporate venture capital (CVC)
  - 2) Promote new KPIs with DX for employee engagement and organizational management, ROIC tree and managerial accounting. Appoint CXO. Unify individual themes and a system for cooperative tasks

## II-7. FY2020: Additional Measures by Segment

Not yet reflected in the forecast. Come up with additional measures for further improvement.

### All foods

- **Strengthen marketing and sales promotions for lifestyles with new values**  
**Communication:** - Strengthen support for at-home dining and promote nutrition and eating together  
 - Promote the safety and security of national brands  
**Products:** restart development of products that are low salt and products that solve issues of low nutrition  
**Channels:** strengthen EC and promotion of delivery from supermarkets, etc.

### Sauces and Seasonings

- **Communication:** digital (use to solve issues in eating together, nutrition, and cooking)
- **Products:** expand own EC product line
- **Channels:** meal kits in collaboration with other companies, cooperate on delivery of meals

### Quick Nourishment

- **System to provide soups and coffee for the peak demand period**
- **Communication, promotion:** roll out measures to support at-home dining and provide refreshment

### Frozen Foods

- **Strengthen response to demand for takeout and EC channels (North America)**
- **Respond to demand for delivery (Japan)**



## II-7. FY2020: Additional Measures by Segment

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Not yet reflected in the forecast. Come up with additional measures for further improvement.

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### Solutions & Ingredients

- **Strengthen solutions for processed foods manufacturers (Japanese demand)**
  - **Cooperate with startup businesses responding to changes in consumer preferences**
  - **Increase online business negotiations and proposals to customers**
  - **Develop meat-free recipes, which are increasing due to their perceived reduced risk of causing infection**
- 

### Specialty Chemicals (electronic materials)

- **Secure supply volumes to meet needs of global markets**
  - **Prepare for construction of supply systems for 2025**
- 

### Amino Acids

- **Expand sales of amino acids for pharmaceuticals in infusion and culture medium markets for which global demand is expected to grow**
  - **Optimize global supply (CDMO, amino acids)**
  - **Promote development of new markets in North America and China (collaborate with Food segment)**
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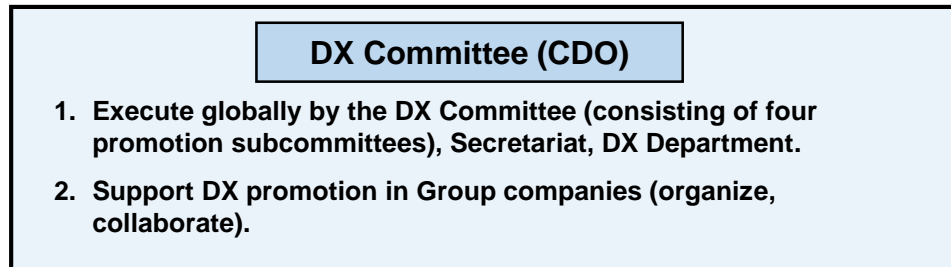
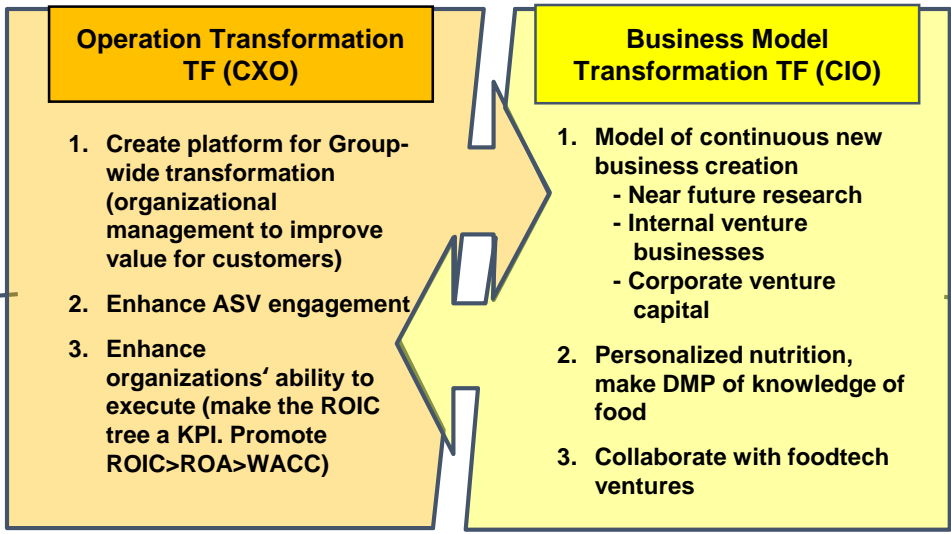
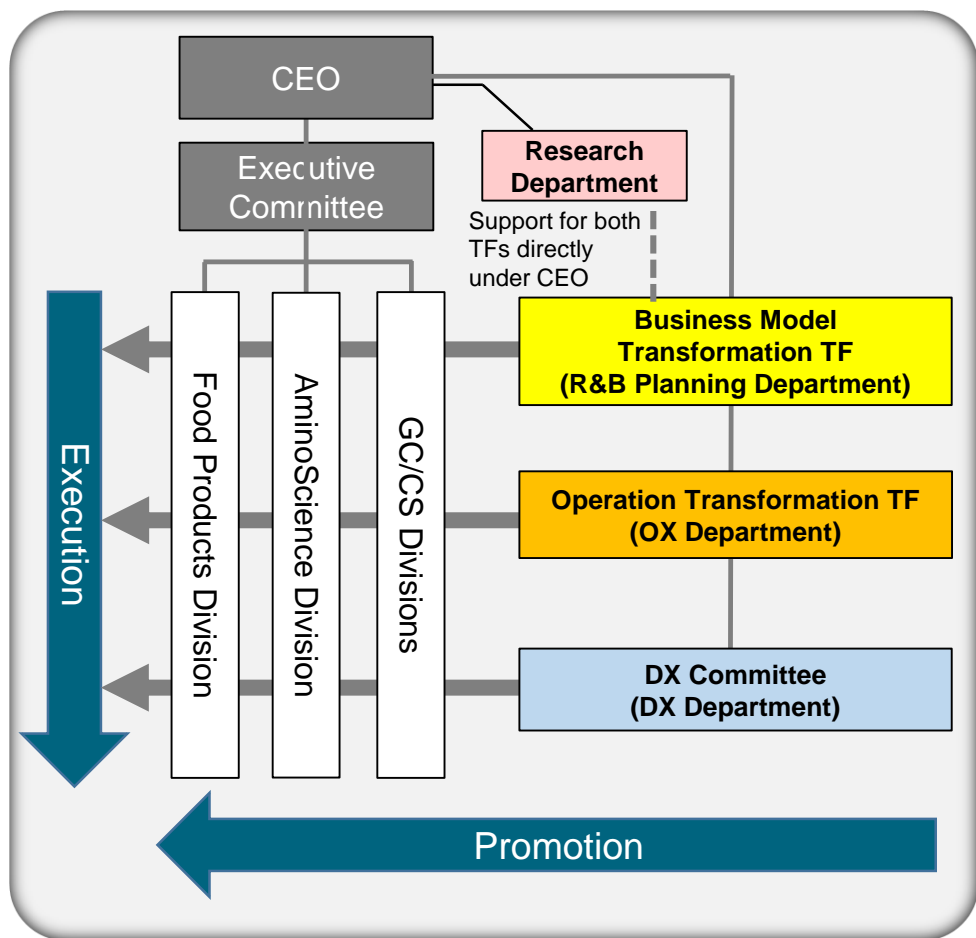
AJINOMOTO

# II-8. FY2020:

## Promote Transformation through DX and the Tasks Directly Supervised by the CEO

We will establish a new **Operation Transformation Task Force and Business Model Transformation Task Force** directly under the CEO with the DX Committee as their foundation, to promote transformation in corporate culture along the horizontal axis.

### Promote as one team



CDO, CXO, and CIO (the horizontal axis) collaborate closely with the operation lines (the vertical axis) and strongly promote transformation as one team.

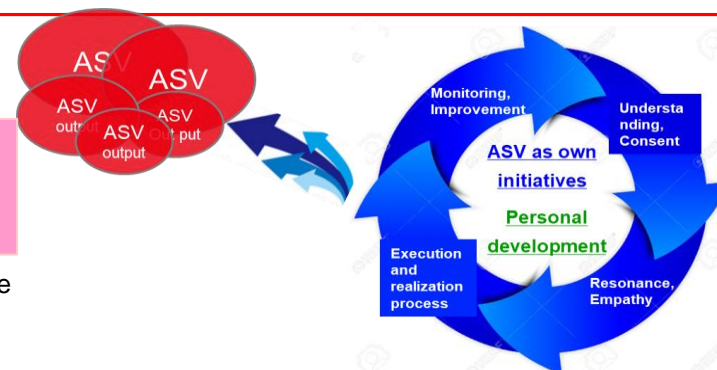







# II-9. FY2020: Transformation to heighten ASV engagement

## Run and evolve the management cycle using OE<sup>1</sup> techniques

(For jobs within the Group and within the Company, the next sectors in the value chain are customers.)

1: Operational Excellence



Initiative (ASV as own initiative)	Current progress
Dialogue with CEO/Division Managers 	<ul style="list-style-type: none"> <li>Completed first batch of 37 of 55 organizations. Conducted with small number of people or online even with COVID (total: 38 times)</li> <li>Delivered message of encouragement to all employees (about 34,000)</li> </ul>
Personal goal presentations 	<ul style="list-style-type: none"> <li>Set organizational goals and personal goals (by May)</li> <li>Personal goal presentations at all Ajinomoto organizations (by July)</li> </ul>
Sharing ASV stories Share best practices (communication within the Company) 	<ul style="list-style-type: none"> <li>Preparing for communication of ASV and business activities at workplaces concerning ASV and COVID-19, aimed at adoption of "Workplace" in July</li> </ul>
ASV Awards 	<ul style="list-style-type: none"> <li>Planning for first-ever employee online voting</li> <li>Include external judges and hold awards ceremony for best practices of FY19 (September or later)</li> </ul>
Engagement survey 	<ul style="list-style-type: none"> <li>Change from biennial to annual from FY2020</li> </ul>

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# Contents

- I. FY2019 Summary Results and FY2020 Forecast
- II. Impacts of COVID-19 and Progress on Structural Reform

## Reference Material

Appendixes: Consolidated Results FY2019 (Ended March 31, 2020)  
FY2020 Forecast by Segment

Note: Business profit (consolidated) in this material:

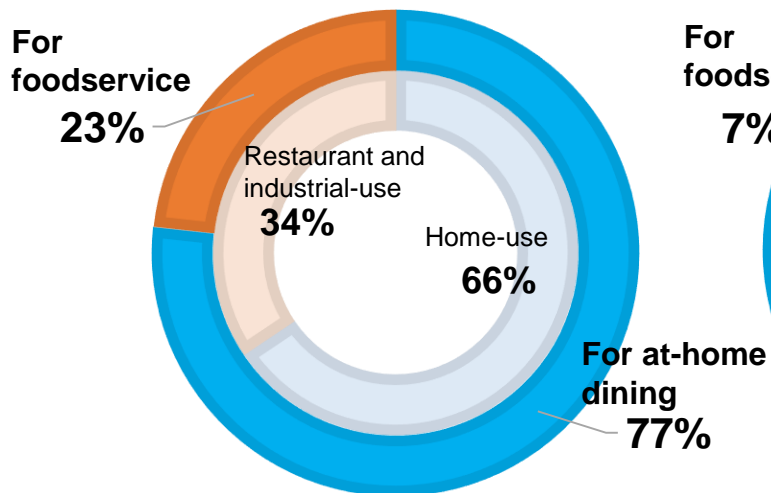
Sales - Cost of sales - Selling expenses, Research & development expenses and General & administrative expenses + Share of profit of associates and joint ventures

# FY2019: Percentage of Sales from Seasonings & Foods and Frozen Foods

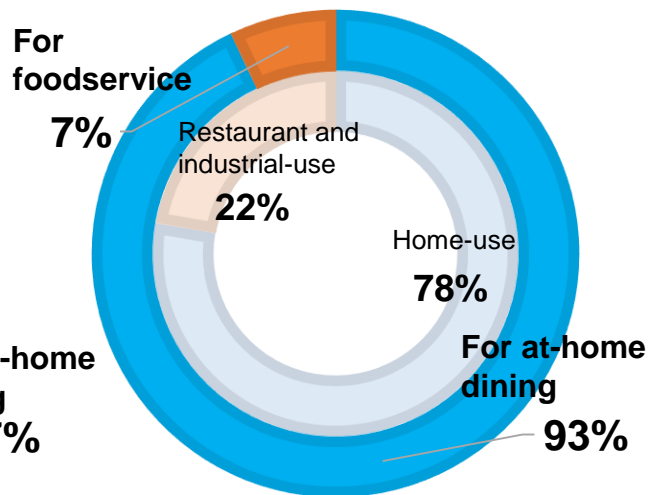
**Seasonings & Foods**

**Frozen Foods**

**Japan**



**Overseas**



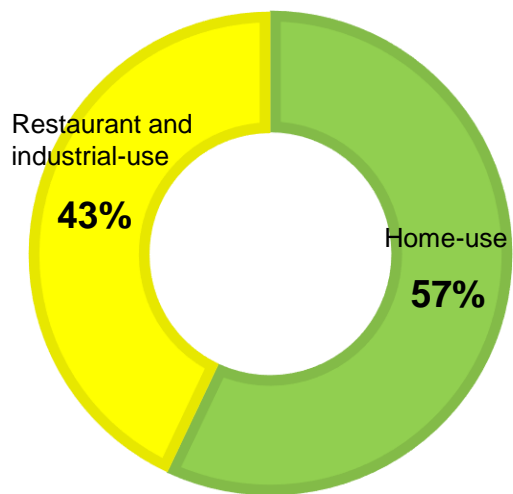
**Home-use**  
= home-use seasonings  
+ processed foods

**Restaurant and industrial-use**  
= for foodservice seasonings  
+ for manufacturers seasonings

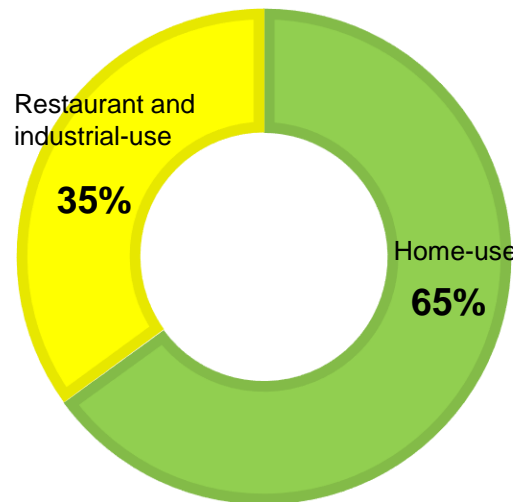
**For at-home dining**  
= home-use seasonings  
+ processed foods  
+ for manufacturers seasonings

**For foodservice**  
= for foodservice seasonings

**Japan**



**Overseas**



**Home-use**  
= home-use frozen foods

**Restaurant and industrial-use**  
= for foodservice frozen foods

# FY2020 Assumed Exchange Rate and Exchange Rate Sensitivity

## Assumed exchange rate (vs. JPY)

	FY20 Forecast	FY19 Actual				FY20-25 MTP
		4Q	3Q	2Q	1Q	
USD	105.00	108.84	108.76	107.36	109.90	107.00
EUR	116.55	120.05	120.32	119.41	123.50	123.00
THB	3.21	3.48	3.59	3.49	3.48	3.42
BRL	19.09	24.57	26.41	27.05	28.02	28.16

## Exchange Rate Sensitivity

### Foreign exchange rates (vs JPY)

	FY20 forecast	Sensitivity of translation effects to full year B.P.
USD	105.00	±¥1 → approx. ¥100 million
EUR	116.55	±¥1 → approx. ¥50 million
THB	3.21	±¥0.01 → approx. ¥100 million
BRL	19.09	±¥1 → approx. ¥300 million

### Impact of exchange rate for trade

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

- 1 JPY vs USD → approx. ¥100 million
- 0.1 EUR vs USD → approx. + ¥0 million
- 1 THB vs USD → approx. + ¥400 million
- 0.1 BRL vs USD → approx. + ¥300 million

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- **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.**