

Ajinomoto Co., Inc. Strengthens Its Business Platform for Consumer Foods in Europe

Acquisition of Frozen Food Company LABEYRIE TRAITEUR SURGELÉS S.A.S. of France (Enterprise Value of Approx. JPY 2.7 Billion)

TOKYO, July 20, 2017 – Ajinomoto Co., Inc. (“Ajinomoto Co.”) has decided to acquire LABEYRIE TRAITEUR SURGELÉS S.A.S. (“LTS”) of France through its consolidated subsidiary AJINOMOTO FOODS EUROPE S.A.S. (“AFE”), which signed a share purchase agreement with LABEYRIE FINE FOODS S.A.S. (“LFF”), the parent company of LTS, on July 19, 2017 (local time). Through this acquisition, Ajinomoto Co. will expand and enhance its business platform for frozen foods in France by combining LTS’s production base and market reach in the home-use sales channel with the Ajinomoto Group’s specialty (product development and production technology capabilities). Going forward, Ajinomoto Co. will further strengthen its consumer foods business in Europe and accelerate growth.

The frozen food market in Europe is huge, at approximately EUR 41 billion (approximately JPY 5.2 trillion;* source: Euromonitor 2016) in 2015, and is growing steadily. The Asian market segment has continued to grow by double digits in recent years, reaching approximately EUR 500 million (approximately JPY 64 billion; Ajinomoto Co. estimate for 2016). Sales of AFE’s consumer foods business in fiscal 2016 totaled approximately EUR 45 million (approximately JPY 5.8 billion), mainly comprising sales of frozen foods for restaurant use.

LTS is a frozen foods operating subsidiary of LFF, which mainly manufactures and sells chilled foods such as foie gras and smoked salmon. Its net sales for fiscal 2016 were approximately EUR 50 million (approximately JPY 6.4 billion). Currently conducting business centered on France, LTS sells *LABEYRIE* products, which are the No. 1 brand in France for high-quality desserts and apéritifs (bite-sized puff pastry), *Blini* brand products, pies, risotto and other products to major distributors. With this acquisition, Ajinomoto Co. intends to expand and enhance its business platform for frozen foods in France by capitalizing on its strength in gyoza products to expand sales of Ajinomoto Group products through LTS’s home-use sales channel, and by selling LTS products through Ajinomoto Co.’s existing restaurant-use sales channel. Ajinomoto Co. will also roll out LTS’s high-quality products to other countries.

The planned acquisition price, which is based on an enterprise value of EUR 21 million (approximately JPY 2.7 billion) and will include the total of the consideration for all shares of LTS and the receivables that LFF holds for LTS, will be fixed after AFE’s acquisition of all shares of LTS, which is scheduled for November 2017.

In its FY2017-2019 Medium-Term Management Plan, Ajinomoto Co. has set a key strategy of ensuring growth in its foods products business with a stronger regional portfolio, and aims to be the clear No. 1 in the Asian frozen foods market by rolling out its specialty products in North America and Europe. Ajinomoto Co. will contribute to the health and well-being of local consumers through the development of product categories adapted to local eating habits and food culture.

The impact of the acquisition on Ajinomoto Co.’s business results for fiscal 2017 will be immaterial.

* EUR 1 = JPY 127.97 (exchange rate as of June 30, 2017)

Overview of LABEYRIE TRAITEUR SURGELÉS S.A.S.

- (1) Location: Le Neubourg, French Republic
- (2) Established: 2010 (Recorded year of acquisition of Brossard Frozen Food by LABEYRIE FINE FOODS S.A.S.)
- (3) Representative: Lilas France S.A.S. (holding company of the LABEYRIE Group)
- (4) Sales: Approximately EUR 50 million (Approximately JPY 6.4 billion)
- (5) Number of employees: 316 (as of April 2017)
- (6) Businesses: Manufacture and sale of frozen foods
- (7) Capital: EUR 6 million (Approximately JPY 800 million)
- (8) Equity ownership: LABEYRIE FINE FOODS S.A.S. 100%

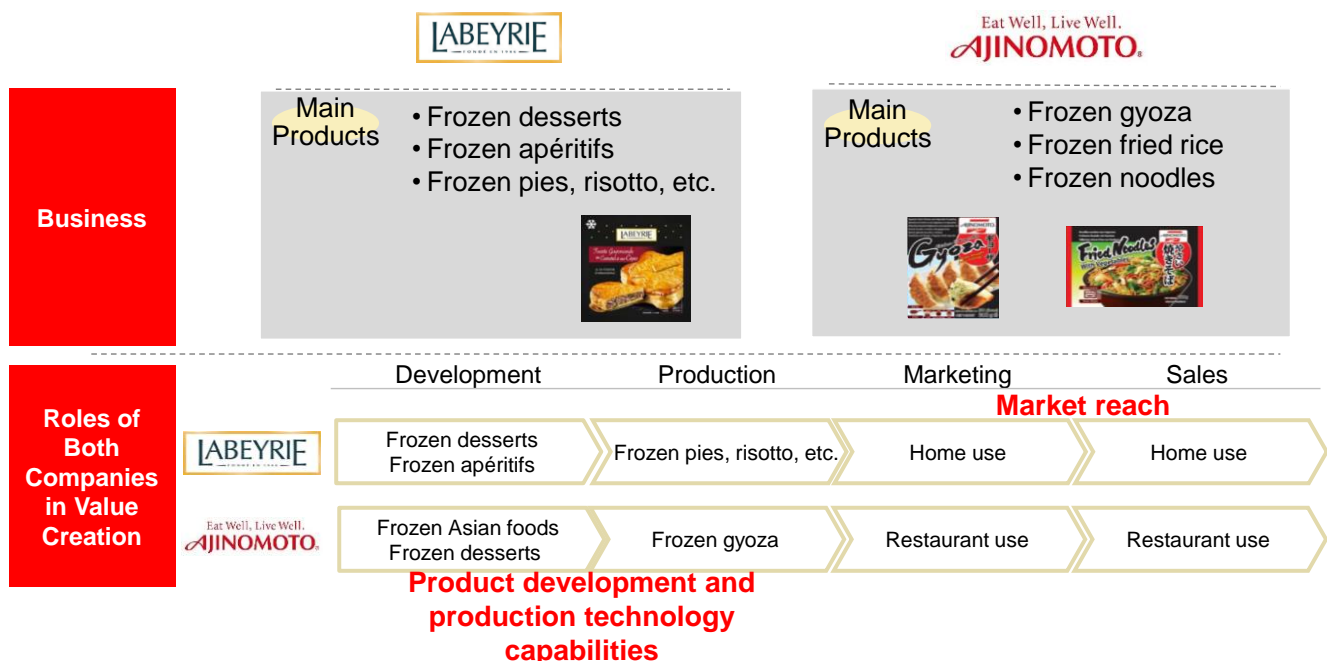
Overview of AJINOMOTO FOODS EUROPE S.A.S.

- (1) Location: Paris, French Republic
- (2) Established: October 2003
- (3) Representative: Alain Vrillon, President
- (4) Sales: EUR 183 million (Approximately JPY 23.4 billion)
- (5) Number of employees: 261 (as of April 2017)
- (6) Businesses: Manufacture and sale of seasonings and enzyme preparations, sale of other processed foods
- (7) Capital: EUR 82 million (Approximately JPY 10.5 billion)
- (8) Equity ownership: Ajinomoto Co., Inc. 100%

Equity Ownership after Share Acquisition

- (1) Equity ownership: AJINOMOTO FOODS EUROPE S.A.S. 100%
- (2) Share acquisition date: November 2017 (scheduled)

Relationship between AJINOMOTO FOODS EUROPE S.A.S. and LABEYRIE TRAITEUR SURGELÉS S.A.S.



Main Products of LABEYRIE TRAITEUR SURGELÉS S.A.S.

Frozen Desserts



Frozen Apéritifs (Bite-sized puff pastry)



Frozen Pies and Risotto



About Ajinomoto Co.

Ajinomoto Co. is a global manufacturer of high-quality seasonings, processed foods, beverages, amino acids, pharmaceuticals and specialty chemicals. For many decades Ajinomoto Co. has contributed to food culture and human health through wide-ranging application of amino acid technologies. Today, the company is becoming increasingly involved with solutions for improved food resources, human health and global sustainability. Founded in 1909 and now operating in 30 countries and regions, Ajinomoto Co. had net sales of JPY 1,091.1 billion (USD 10.07 billion) in fiscal 2016. For more about Ajinomoto Co. (TYO: 2802), visit www.ajinomoto.com.

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