

Eat Well, Live Well.



**Ajinomoto Co., Inc.**

**Marketing Initiatives and the Evolution of  
Marketing to Realize Enhancement of  
Corporate Value**

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**July 1, 2024**

# Today's Message

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The Marketing Design Center (MDC) is

“Swinging the Bat,” meaning promoting talent development and leading the transformation to a corporate culture that embraces challenges. Based on these human assets, activities will be rolled out with the focus mainly on four areas.

1. Re-strengthening D2C business based on insights obtained from consumer data
2. Combining consumer data obtained from D2C with customer big data to accompany the development of new products in existing businesses and meet the challenge of creating hit products
3. Creating a new communication strategy model  
Contributing to top line expansion in existing businesses through the strength of mass media & digital marketing × advertising & public relations
4. Contributing to growth in the food products business as a whole by expanding models of brand investment that increase its effectiveness on a global basis and leading the development of marketing talent in Japan and overseas

While investment in marketing is being implemented in line with the plans of each business as before, effectiveness and efficiency have been improved through the upgrading of strategy and introduction of new techniques.

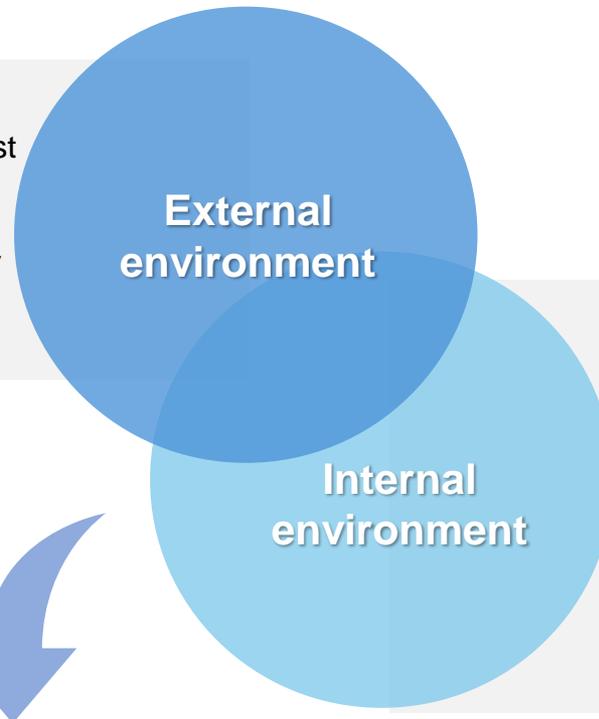
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- I. **What is the Marketing Design Center?**
- II. **Pioneer of Corporate Culture Transformation**
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- V. **Initiatives to Enhance Brand Power and Develop Talent**

## I-1. Background to Establishment of MDC

**Our strong business model led to shortcomings in our ability to adapt to customer changes, necessitating the establishment of a new organizational structure.**

- Decrease in interaction with and interest in conventional food information
- Diversification in purchase locations
- Increase in interest in information other than food



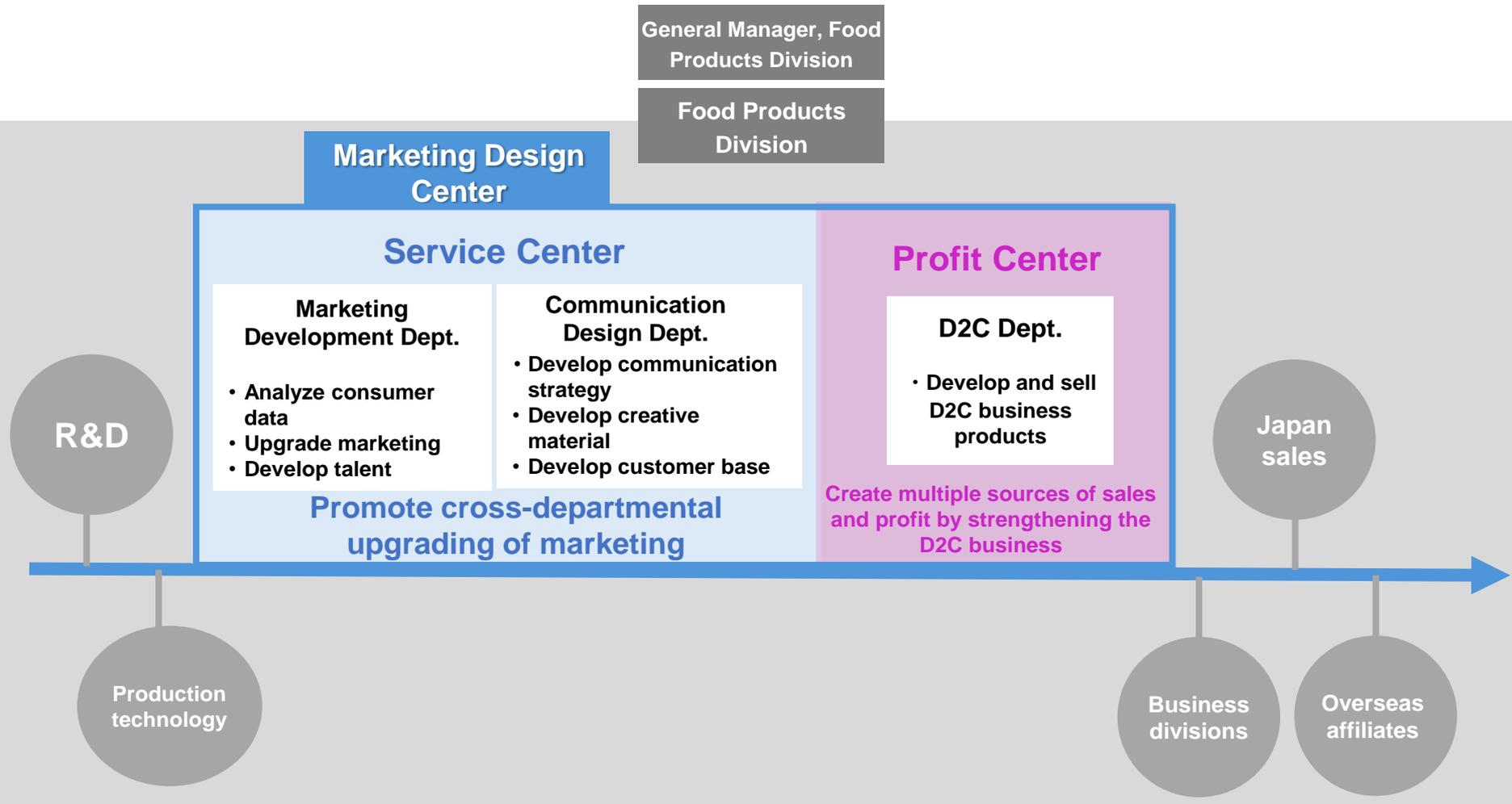
- Feeling a sense of urgency is difficult due to growth of the current B2B2C (Ajinomoto→intermediate channels→consumers) model
- Difficult to feel motivated to take on the challenge of uncertain new products
- Delayed adaptation to digital communication due to systems that are highly optimized for mass communication

### Direction

- **Establish business a model beyond “existing brands × existing sales channels where the company has strengths”**
- **Improve ability to create new value (products and services) and foster a culture of embracing challenges**
- **Establish one-to-one communication with consumers centered on digital and online communication**

## I-2. Organizational Structure and Role of MDC

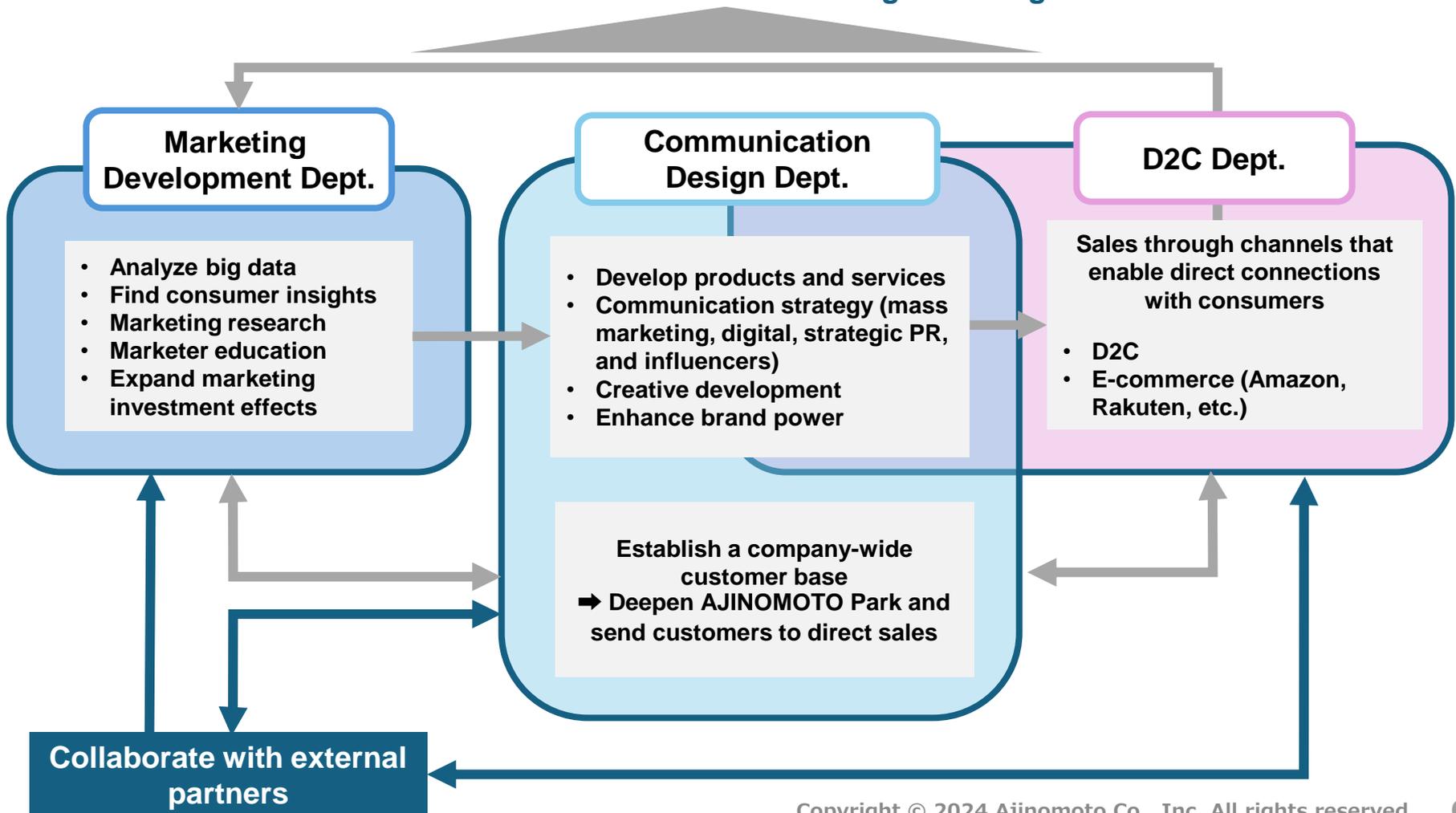
The Marketing Design Center is a unique organizational unit functioning both as profit center seeking to establish new earnings pipelines and a service center working to upgrade marketing with the aim of creating new value.



# I-3. Established and Incorporated D2C Dept. Aiming for Final Model of Marketing Cycle Integration

Established and incorporated the D2C Dept. in April 2024 aiming for the final model of the marketing cycle, including channels that enable direct connections with consumers.

Accompany and support existing businesses/Group companies with consumer information and marketing knowledge



# The Great Journey

Thinking of life in 100 years.

Thinking of food and nutrition in 100 years.

It is about building on a deeper insight into human nature.

It is about constantly updating what we can offer.

It is about finding solutions to how to change and deliver the value we have cultivated in the pursuit of deliciousness and “AminoScience.”

We do not just make products.

We create surprises, create excitement, and convey our gratitude to society.

We are the creators of a brand that will continue to be loved for 100 years to come.

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## II-1. "Swinging the Bat" Initiative

Based on past experience, I firmly believe that hit products are created when the abilities of human assets are utilized at 120% and team members "swing at full strength."

### 2001 Launch



At launch:  
PIC of Soup Business

Current sales: Over ¥10 billion

### 2011-13 Launch



At launch: Deputy General  
Manager, Marketing,  
Consumer Foods Division  
Current sales: Over ¥2 billion –  
over ¥5 billion for each product

### 2015-16 Launch

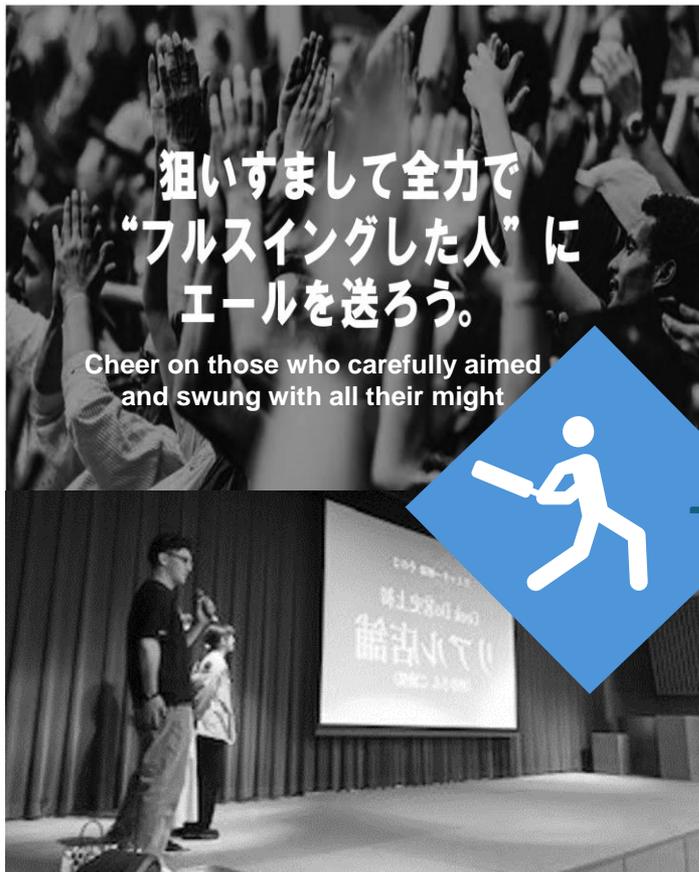


At launch: General Manager,  
Household-Use Foods  
Division, Ajinomoto Frozen  
Foods Co., Ltd.  
Current sales: Over ¥15  
billion

\*Sales are based on consumer purchase prices

## II-1. "Swinging the Bat" Initiative

Right now, it is time to reaffirm that the AJINOMOTO WAY means creating new value and a pioneering spirit and transforming the corporate culture.



### Why are we "Swinging the Bat" now?

- 
- The job of marketing is a leap into the future, so there will be some failures.
  - Creating a culture that does not criticize failure but learns from it and commends the taking of challenges is very important.
  - We will start a culture in MDC in which we stand up to bat and keep swinging as hard as possible, and spread it company-wide.

### Selection criteria for the Swinging the Bat Award

- 
- Even if the outcome was not as good as expected, was there careful aim and a full swing?
  - Did the initiative take shape and address value to consumers?
  - Can the learning obtained be generalized and used by other people and departments?

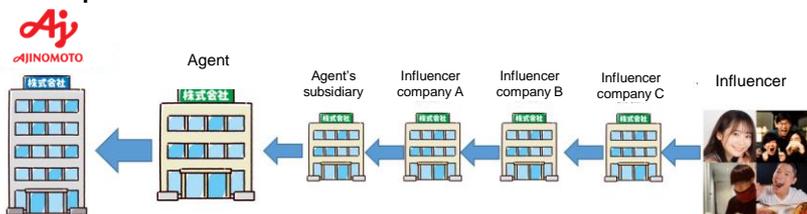
## II-2. "Swinging The Bat" Award Example

The sensitivities and go-getter spirit of a second-year employee generated 10 million TikTok views, unprecedented in the food industry where there had been barely any TikTok videos with even 1 million views until now.

It also succeeded in reducing the cost to 1/10<sup>th</sup> of the industry average and streamlining business channels.

### Past

Influencer measures faced issues of rising gross costs and stereotyped proposals because many companies were involved in the business flow.

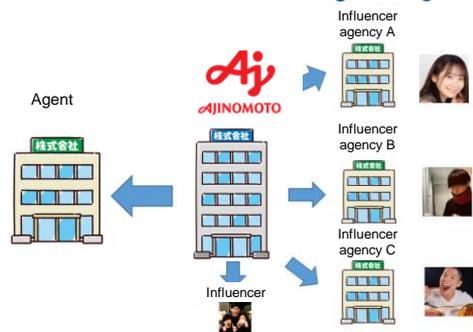


Created many videos with over 1 million organic views.  
 Maintained **Cost Per View (CPV)** at less than 1 yen for each measure through direct buying. (Industry organic CPV: average around 10 yen)  
 CPV: Cost Per View

### Now

Ajinomoto negotiated directly with influencer agencies, making it possible to secure influencers for net amounts and also streamlined business channels.

(Ajinomoto ⇒ agency)



Case study  
**Koumi Paste®**  
**Kuro-chan project!**

Total organic views  
**Over 10 million**  
 CPV  
**Less than 0.1 yen**

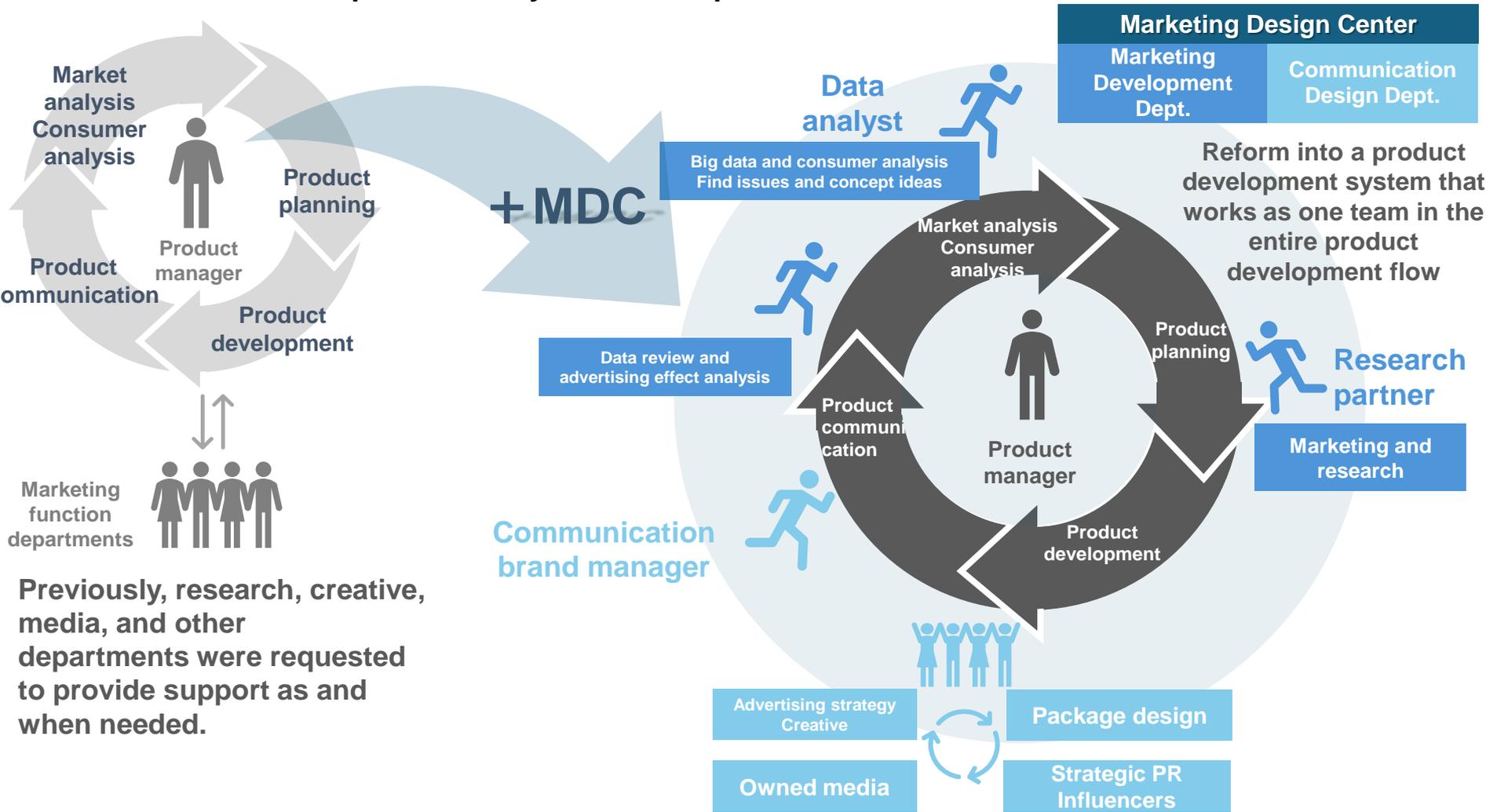


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# III-1. Reform of Product Development System in Existing Businesses

Reform from the previous request-based support into a process that provides support as an integrated part in the entire product development flow. Aim for integration of business divisions and MDC in a mass production system for hit products.



Previously, research, creative, media, and other departments were requested to provide support as and when needed.

## III-2. Development and Launch of Cook Do® “For Kiwami (Premium) Mala Mapo Tofu”

Close support for Cook Do® “For Kiwami (Premium) Mala Mapo Tofu” from product development to communication development and sales. Implementation of a continuous, integrated strategy led to creation of a hit product.



Accompanied by researchers and data analysts

### Cook Do® limiter removal

#### Concept development

- With consumer analysis it is possible to get scale with “narrow and deep” needs

#### Product development

- Full utilization of ingredients and blending, and original technologies (richness, spiciness, flavor enhancing, etc.) cultivated over the 45-year history of Cook Do®

Accompanied by designers/creators



- First ever no “sizzle”
- Ultra-pared back packaging

Creative elements producing a sense of quality and level of sincerity without dining scenarios that go beyond food theory

OMO (Online Merges with Offline):  
A marketing strategy that aims for an even better customer experience by merging online and offline

Accompanied by media staff and strategy PR



Online Merges with Offline (OMO) strategy = Provide a place for experiencing quality (physical stores) → spread of information from media and

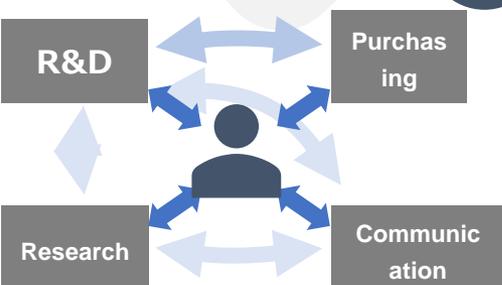


# III-3. Product Development and Launch of Pasta Cube

For Pasta Cube, a Scrum-based process was used to find food market trends and insights, actualize the product, and execute a communication strategy with an impact at the time of launch, and the product is showing signs of being a hit product.

**1** Food trend research  
⇒ New cooking method  
“One-pan pasta”  
Cook with one frying pan

**2** Scrum-based process



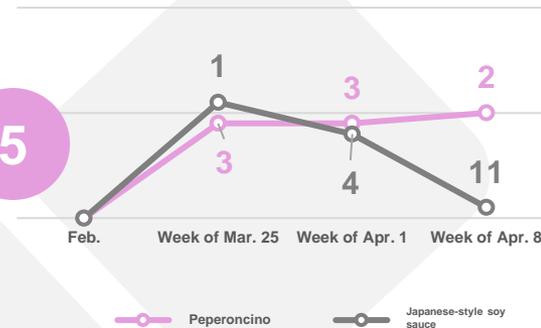
**3** Found insight on unfulfilled needs

- Desire for ease but not for cutting corners
- Concern about nutritional balance of pasta

**4** Packaging and creative elements that embody the product



**5** Top ranking in category with over 200 items



Time Period	Peperoncino Ranking	Japanese-style soy sauce Ranking
Feb.	1	1
Week of Mar. 25	3	3
Week of Apr. 1	4	4
Week of Apr. 8	2	11






# III-4. Development of a Protein Soup Exclusively for E-commerce and Creation of a Model for Success

Protein Soup, a product exclusively for e-commerce, became a hit through a strategy that leverages unique positioning and the features of e-commerce. We have made the knowledge obtained from this into a key for D2C development and will utilize it as a model to expand the D2C business.

## Hit Protein Soup

**1 Broader sources of market share and unique positioning**

Cold, sweet proteins with market scale of 100 billion yen



Warm protein good for meals



Success factors

**2 Product name and design that captures the characteristics of e-commerce**

- Product name that facilitates smartphone search hits
- Important information deliberately enlarged!



## Creation of a key for D2C business development

Insights specific to D2C were derived from personal n=1 events of 1,189 people and compiled into a “key”

### Insight research (1,189 people)

- ✓ Favorite D2C products and behavior
- ✓ Use scenarios, feelings, lifestyle background

Consideration of intrinsic value



### III-5. Address the Challenge of Business Model Transformation to Expand D2C Business

Work to transform the D2C business model from single-item repeat mail order to fan-building D2C based on brand attachment.

Past

Mainstay was single-item repeat mail order



Staff responsible for developing products based on building fans decided through volunteering and commenced in June 2024

Transformation driver

Going forward

Brands with customer attachment (products and services)

Original analysis engine/algorithm

Leverage company-wide customer base to evolve owned media through content marketing



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# IV-1. Reform Communication Strategy to PESO Model

Aim to reform our communication strategy from a mainly mass media model to the PESO (Paid, Earned, Shared, Owned) model.

Paid media (Controllable)



Earned media (Third-party delivery)



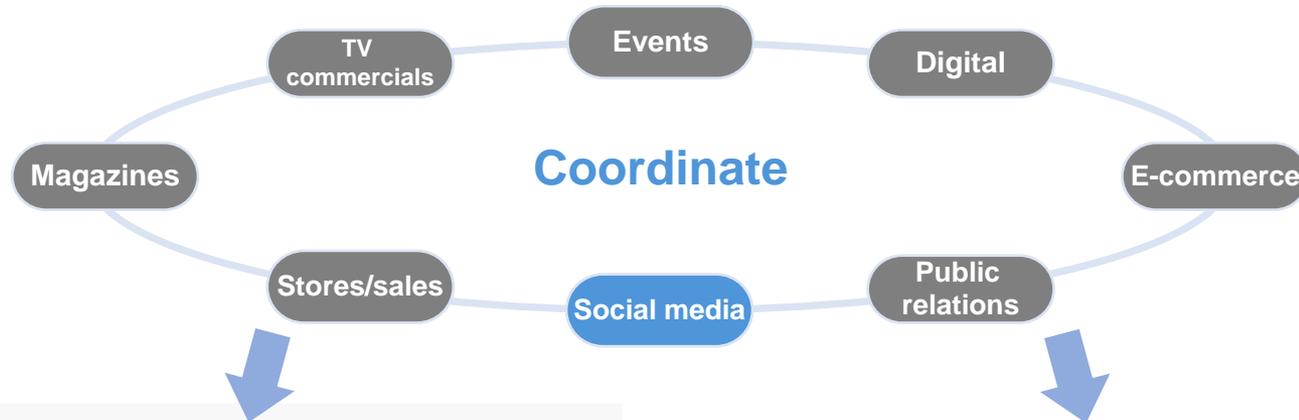
Owned media (Official company information)



Shared media (Social media/Spread and share)

# IV-1. Reform Communication Strategy to PESO Model

It will become essential to completely integrate online and offline communication and deliver information of interest and concern to consumers via trusted media to fit individual circumstances.



## (1) Information of interest to consumers

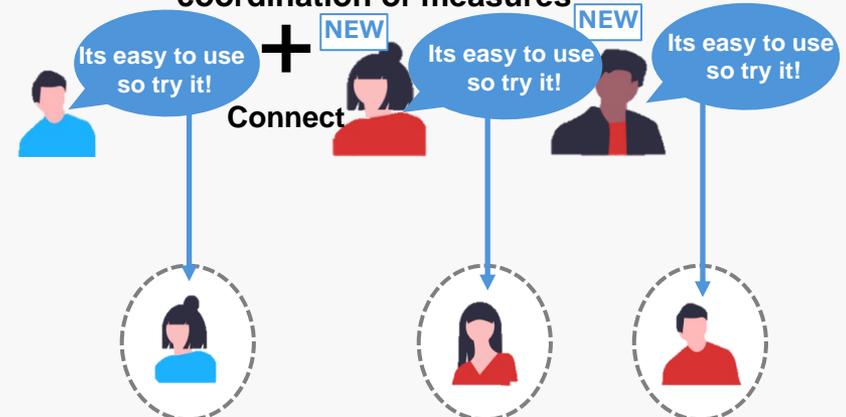
Increase in people with new interests through coordination of measures



Can break through barriers by delivering information of interest on Ajinomoto Co., Inc.

## (2) Information disseminated by consumers (word of mouth and reviews)

Increase in people who disseminate information through coordination of measures



# IV-2. PESO Model for Cook Do® Oyster Sauce

Successfully generated over 200 million yen worth of information diffusion by reforming the communication strategy for Cook Do® Oyster Sauce through the PESO model.

- TV time: Airing of existing TV commercials
- Magazine tie-up: Implemented **web tie-up with "Instant disappearing lettuce club"**
- Newspaper (Jomo/Ibaraki): Published **"Newspaper 2 for Lettuce Preservation"** in major lettuce producing areas



Ibaraki Shimbun Jomo Shimbun

**POINT**  
Featured real lettuce farmers.  
Collaboration with JA and used logo



**POINT**  
Interviews with farmers from newspapers, articles with recipes similar to commercials, etc.



- Following PR release, was featured in several popular web news programs becoming a topic of conversation, as well as being picked up at length on TV information programs



ORICON NEWS

DayDay. news イット!



**POINT**  
Exposure equivalent to 150 million yen  
⇒ 77-fold ROI !

- Recipe feature page (Ajinomoto Park): Created new recipe page featuring **10 recipes using large amounts of lettuce**
- X post (Ajinomoto Park): Posted newspaper manuscript and PR content on day of PR release and recipes in carousel-style the following week to promote versatility



- Many consumers who saw the web article or the TV expressed their surprise. Comments included, "You can see the growers' faces too clearly lol" and "There's a first round to this"



## IV-2. PESO Model for Cook Do® Oyster Sauce

With the PESO model, from an ad in one local newspaper, coverage in numerous TV and online news and information programs, and buzz among consumers was generated. After two months, the product regained the top share in its market for the first time in four years.

Shinano Mainichi Shimbun  
Ad in only one newspaper



### Online news



### TV news and information programs



### Spread from consumer → consumer



Regained top market share for the first time in about four years

## IV-3. Strengthen Influencer Marketing

Connect with influencers and co-create communication with the aim of reforming our strategy to the PESO model. Work to strengthen influencer marketing to realize the Vision for 2030.



### Connect and deepen

Hold face-to-face events with influencers

- Four events held for influencers in the past to increase communication volume.
- Over 200 influencers took part for free in the most recent event in March 2024. They have 55 million followers.



New product presentation for influencers

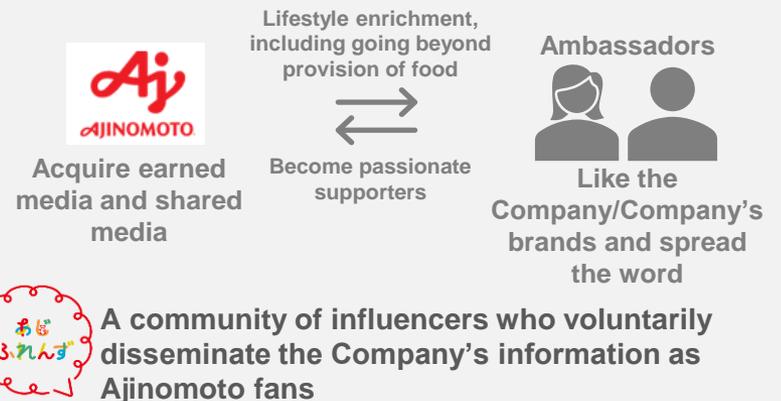


Collaboration event with apparel brand



### Co-create

Promote “AjiFriends” ambassador program



### Vision for 2030

It will be possible to freely combine influencer genres (entertainment/lifestyle, cooking/recipes, sports, beauty/apparel, etc.) depending on the purpose of the product or project to create high-impact communication.

“AjiFriends” ambassadors:

**No. of influencers: 500**

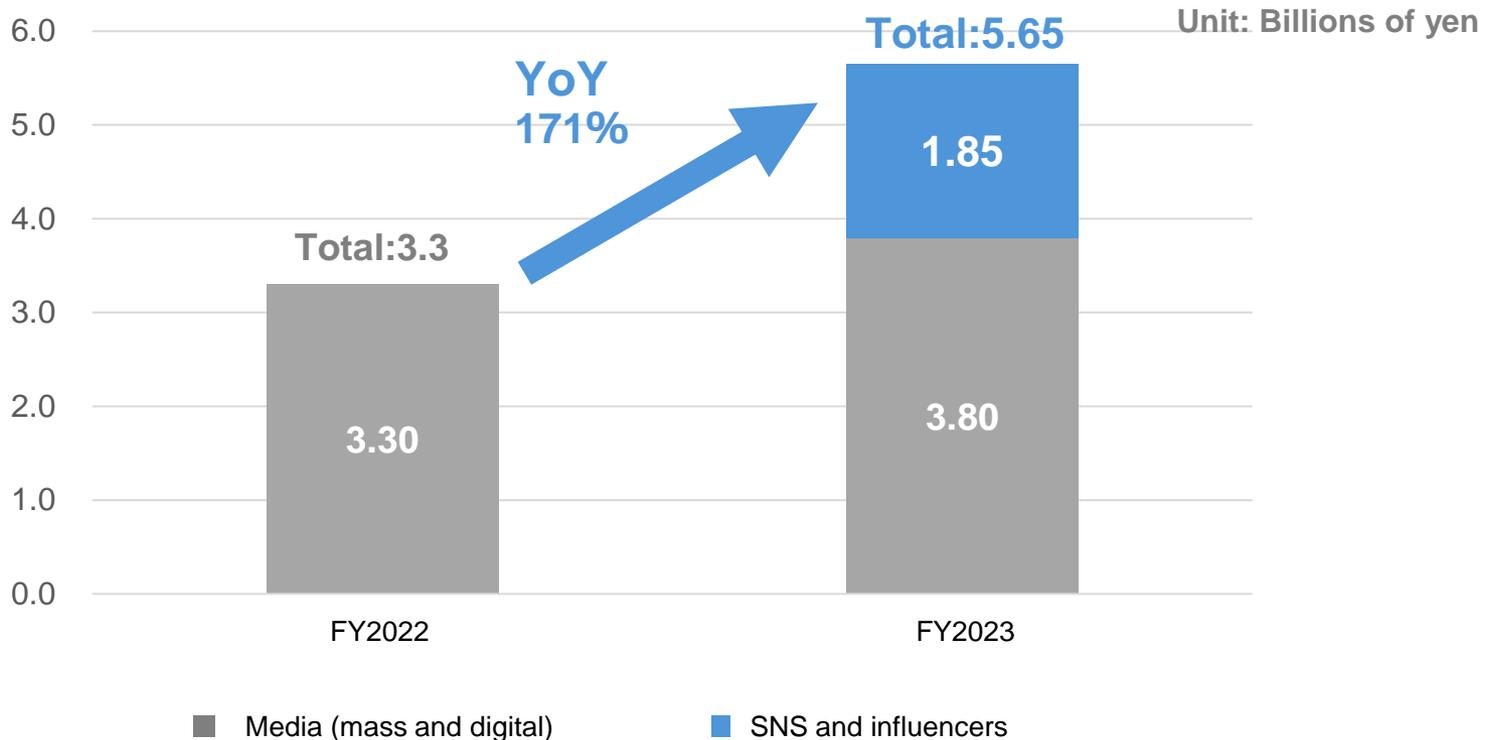
**Total no. of followers: Over 100 million**

## IV-3. Impact of PESO and Influencer Marketing

Used earned media, such as TV and online news, with coverage paid for by the media, and shared media, which is spread through sharing by consumers on social media, etc.

Without significant investment, we achieved an amount of advertising equivalent to ¥5.65 of billion in fiscal 2023, which was 1.7 times the previous year, as well as innovation in our communication strategy.

Media exposure, advertising equivalent



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## V-1. Ajinomoto Group's View on the Importance of Brands

Brands are “bonds with customers (customer value)” and are a key intangible asset together with human, technology, and organization assets. Enhancing brand power contributes to stabilizing the earnings base.

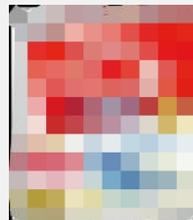
01

Being chosen  
as testimony to attachment and trust, and  
purchasing even  
at a unit price that has attachment and trust added to  
performance

- Higher unit price than competitors contributes to profit
- Lower barriers to initial purchase of new products to facilitate growing the products



Price per kg: 1,752 yen  
Market share: 56%\*



Price per kg: 1,120 yen  
Market share: 15%\*

\*Data source: Ajinomoto Group estimates, consumer purchase basis

02

B2C business with brands will not grow  
explosively over the short term  
(not 1.5- or 2-fold in a single year) but will  
grow steadily without major declines

Increase in Life Time Value due to decrease in volatility  
of sales and ongoing purchases

**Role in supporting foundations of  
company-wide sales and profits**

## V-2. Strategy for Enhancing Ajinomoto Brand Power is Support/Contribution Model

Positive images of corporate brand build up through provision of value by product brands in each area, and images acquired through company-wide activities on environmental and nutrition initiatives flow back to product brands.

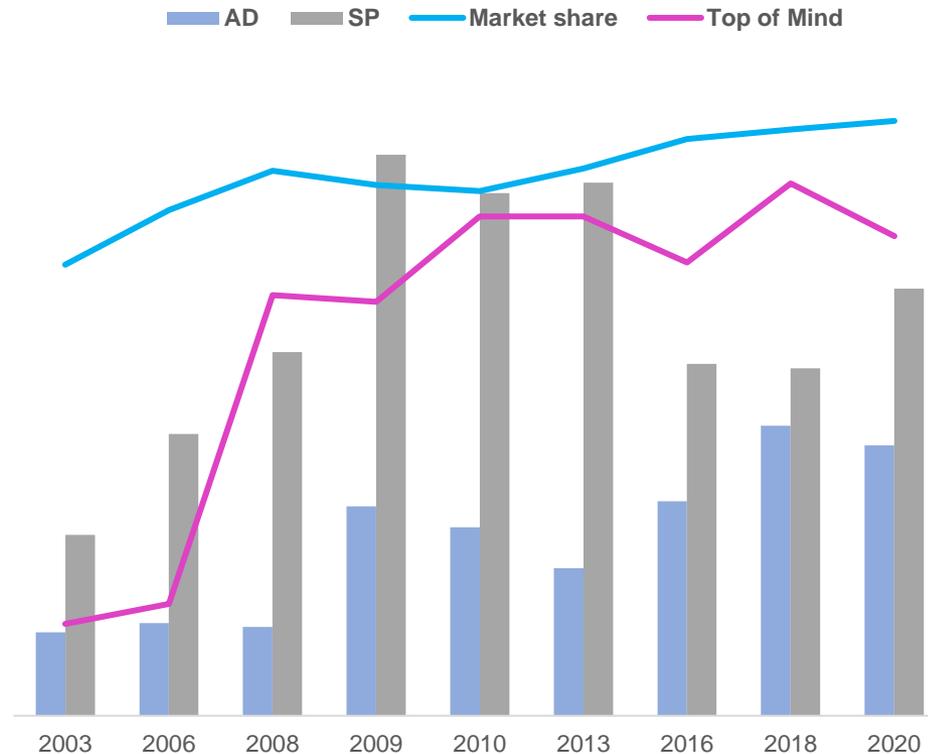


## V-3. Impact of Marketing Investment on Brand Power

It is important to shift investment toward a strategy for accumulating positive images of a brand, increasing mindshare, and securing a strong market position.

Since FY2009, we have doubled advertising investment for *RosDee*® Thai flavour seasoning and reduced sales promotion expenses, increasing mindshare, thereby increasing market share.

### ▼ Changes in Marketing Investment and Brand Power for *RosDee*®



AD: advertisement  
SP: sales promotion

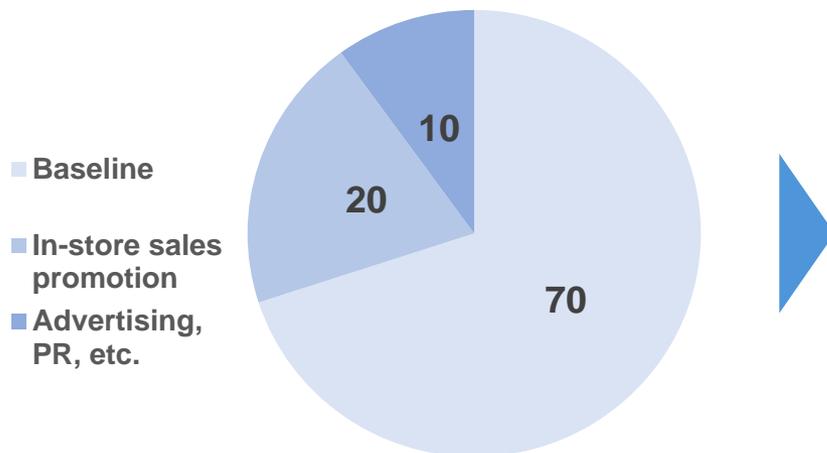
Top of Mind Awareness:  
In surveys, etc., when people are asked, "What do you think of when you think of xxx, ? the things that come to mind are referred to as unprompted recall. The first thing that comes to mind in unprompted recall is termed Top of Mind Awareness.

## V-4. Initiatives to Optimize Marketing Investment

Introduced marketing mix modelling (MMM) to optimize marketing investment, expand sales volume, and enhance brand power more efficiently.

- A method of analysis that breaks down weekly sales volume into baseline (≡ brand power), advertising and PR (and the breakdown), and in-store sales promotion.
- Introduced MMM for 13 brands in Japan in FY2021, and completed introduction for 11 brands overseas in FY2023
- Generated over ¥1 billion investment improvement effect in FY2022

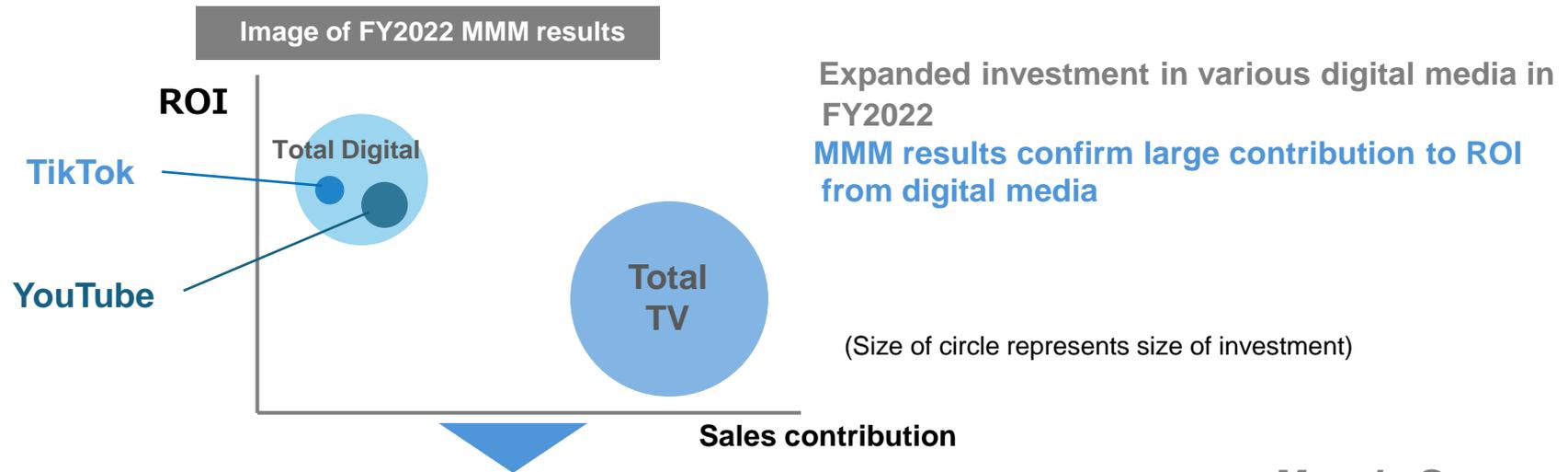
Image of marketing mix modeling



- ✓ Allows a quantitative understanding of the impact of marketing measures on results
- ✓ Allows the effects of advertising and PR to be seen by medium, and the effect of in-store promotion to be broken down into improvement of standard displays and the effects of special offers
- ✓ Enables the effect of external factors, such as high and low temperatures and price fluctuations for vegetables and other ingredients that are linked to other product features, to be identified, facilitating measurement of effects that is more in line with the actual conditions

## V-4. Initiatives to Optimize Marketing Investment

The brand power and competitiveness of the *Masako*® brand in Indonesia had declined. But through monthly meetings with MDC, the packaging design was revised and creative elements were improved, and advertising investment was optimized with MMM analysis. This brought about higher market share compared to competitors, as well as improved ROI.



In FY2023, while maintaining TV advertising, which makes a big contribution to sales, significantly increased investment in digital media, which makes a big contribution to ROI

Medium		FY2023 investment YoY
TV		100%
Digital		292%
Total media		134%

**Masako**®  
 Difference between the most recent year and the previous year  
 Market share: +0.8%  
 FY2023 total media ROI: 163% increase YoY

## V-5. Measures to Enhance the Corporate Brand: AJINOMOTO

Initiatives to enhance the value of support for product brands from the corporate brand through corporate activities aimed at solving social issues are implemented mainly in individual countries and disseminated to the local community.



Ajinomoto Thailand  
Initiative to reduce food  
loss



Ajinomoto Vietnam  
Initiative to solve  
nutrition issues



Ajinomoto Indonesia  
Initiative to eliminate  
plastic

# V-5. Measures to Enhance the Corporate Brand: AJINOMOTO

Measures to enhance the corporate brand are implemented by the company in a country. In Japan, such measures are led by the Marketing Design Center.

## Messaging to consumers

Communicate social issues of food loss, eating together, and others in a way that is fun and has an impact



## Internal branding

The day-to-day hard work of employees is the essence of branding



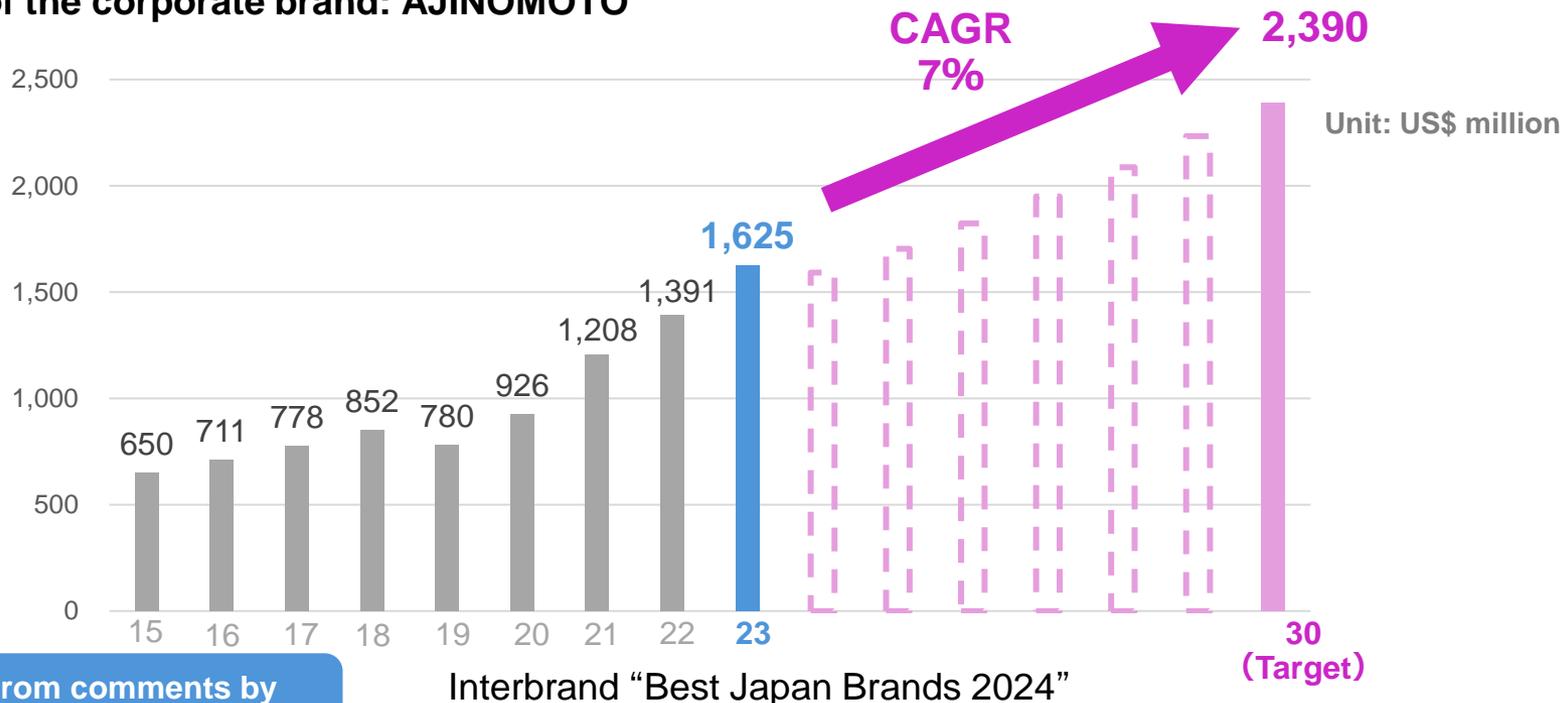
To be edited and distributed to consumers

Getting to know a new aspect of AJINOMOTO enhances brand power

## V-5. Measures to Enhance the Corporate Brand: AJINOMOTO

In the process of boosting initiatives to enhance the value of the corporate brand from multiple perspectives, activities based on the corporate brand and the product brand support contribution model have also been successful in increasing brand value. In fiscal 2023, brand value was US\$1,625 million (+17% from the previous year).

### Value of the corporate brand: AJINOMOTO



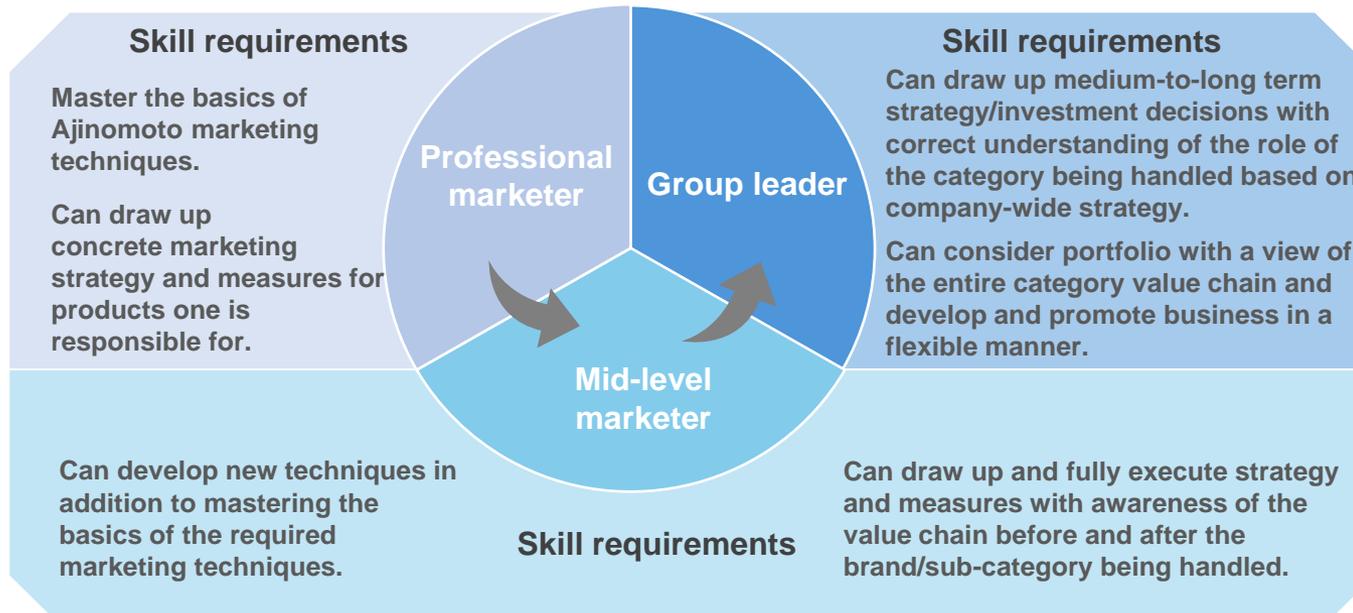
Excerpt from comments by Interbrand

As one of its practical activities, Ajinomoto established the Marketing Design Center, which integrates three departments: the Advertising Dept., the Consumer Analysis & Business Creation Dept., and the Owned Media Dept. It is also working on innovation oriented toward transformation into an organization that co-creates experience value with consumers by strengthening the connection that makes consumers think of the Ajinomoto brand from the moment they make a purchase.

## V-6. Development of Marketing Talent

Establish skill requirements for marketing talent at each grade and develop talent strategically. Also, in addition to development of overseas marketers, plan to share knowledge globally.

### Marketing talent development plan



### Overseas marketer development

#### < Up to FY2023 >

- Employees seconded to overseas affiliates worked with employees in each country and conducted ongoing off-the-job training.
- **Marketing Design Center commenced partial support in ASEAN and Latin America from FY2022.**

#### < Going forward >

- Support revision of manuals and development of basic content.
- **Regional headquarters/local affiliates will become main leaders of off-the-job training and develop systems for continuous initiatives.**

### Hold meetings to share knowledge globally\*

- Team members from various countries will come together to share knowledge and hold discussions with a focus on common themes to be addressed in each country, leading to business growth in each country.
- Business division themes (soup business, instant noodle business, East Asia collaboration, etc.) and MDC themes (communication, branding, e-commerce, D2C marketing, etc.)

\*Scheduled to be held starting from fall FY2024

**For the Ajinomoto Group to transform its organizational culture to take on challenges and create a brand that will continue to be loved for the next one hundred years, we will work to evolve and upgrade marketing and play a part in enhancing 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.
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