

Eat Well, Live Well.



**FY2022 Ajinomoto Co., Inc. Business Briefing**  
**Evolution of ASV Management in the**  
**New Executive Team**

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President & Chief Executive Officer**

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## About Today's Business Briefing

To **evolve ASV management in the new executive team** we speeded up management with the 100-day plan and increased revenue and profits in the first quarter, achieving record results.

Going forward, we will formulate the 2030 Roadmap for medium-term index-based management, and continually and dramatically increase corporate value.

We will drive growth through **business model transformation (BMX)** in four growth areas to continually grow the Ajinomoto Group.

We will bring about synergies in various businesses and regions by **integrating food and AminoScience**, and connect it to increasing corporate value.

We will strengthen our unique manufacturing technology and solution capabilities based on the technology and customer base we fostered in the CDMO business and, with the **Bio-Pharma Services Business** as the Group's next growth driver, contribute to further growth.



**1 ASV Management Policies**

**2 New Management Structure: 100-Day Change of Gears**

**3 Summary**

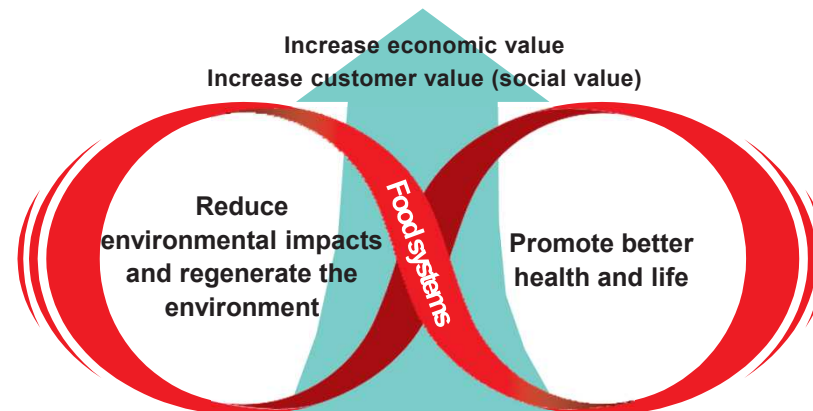


# The Ajinomoto Group Vision

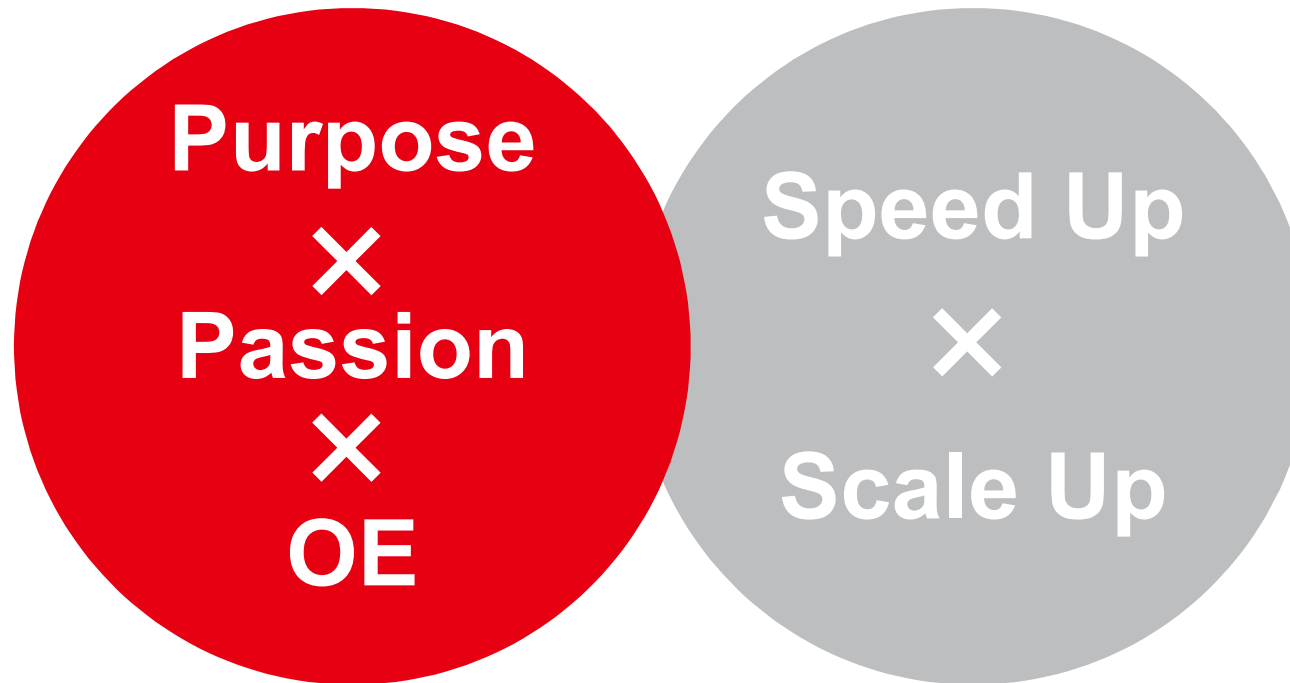
Broaden empathy toward our purpose, co-create value with partners through the functions of amino acids, and, seeking to realize our vision, enhance corporate value continually and dramatically through “Purpose x Passion x Operational Excellence (OE)” & “Speed Up x Scale Up.”

## 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



# ASV\* Management: Management under the New Executive Team (What should be carried forward)



**Purpose**

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

**Passion**

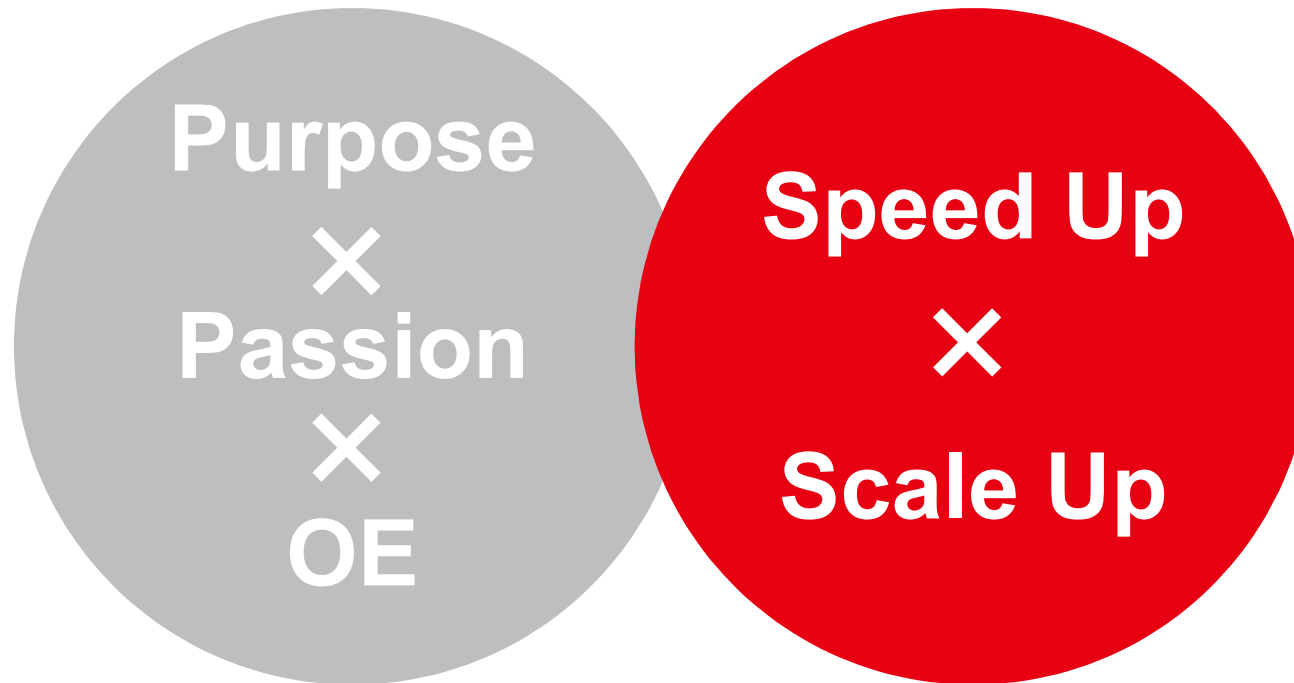
**Passion of employees toward the purpose, and empathy from the diverse people who share our purpose**

**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

# ASV Management: Management under the New Executive Team (What should be evolved)



## Speed Up

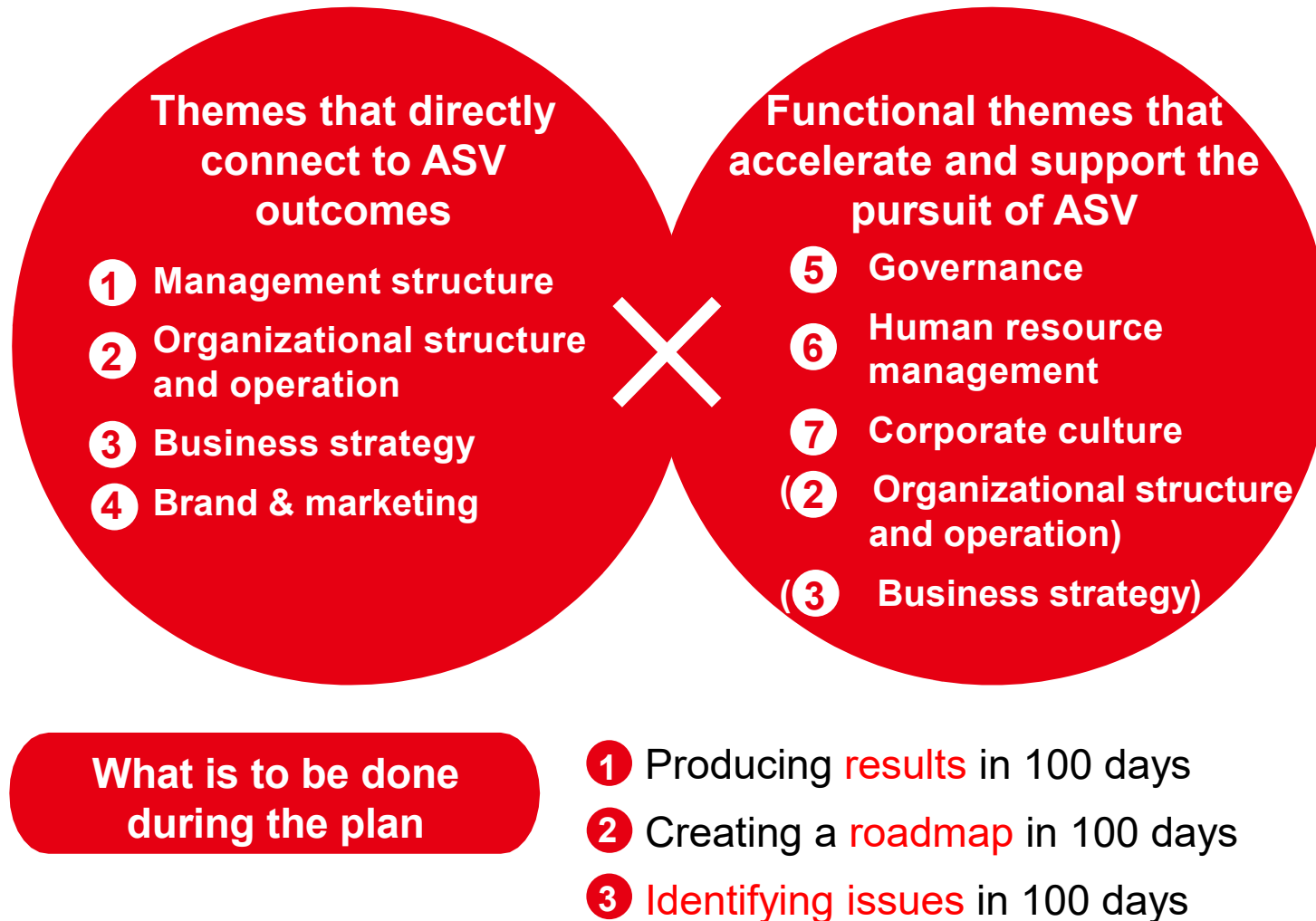
Transformation of corporate culture and appropriate top-down and bottom-up communication  
Accelerate "Stop and Reduce" to earnestly tackle what we want to do

## 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

# 100-Day Plan under the New Executive Team

**Definition: A specific action plan for the 100 days beginning April 1, 2022, when the new executive team was formed**



# Summary of the 100-Day Plan

We have successfully made a steady change in gear, aimed at speeding up management

## 1. Purpose x Passion x OE

Without fear of self-transformation, we will become "pioneers who stick to our convictions," creating new social impacts and economic impacts together with partners who share our aspirations.

## 2. Speed Up x Scale Up

We will pursue ASV to the end, achieving unprecedented speed and scale.

## 3. Sustainable growth of our corporate value

- (1) Steady promotion of organic growth and strengthening of efficient management
- (2) Thorough visualization through data, and rearrangement/evolution of business portfolio
- (3) Driving of enhanced growth and profitability in four areas of BMX through innovation

## 4. Continued strengthening of sustainable management foundation/organizational structure and operations to continue providing value into the future

## 5. Connecting the impacts of COVID-19 and the Ukrainian situation to corporate modification (short term/medium term)



# Scenario for ASV Management Evolution through the 100-Day Plan

Purpose

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

Foundation of the new Fujie executive team

Purpose x Passion x OE, Speed Up x Scale Up

## Growth strategy Four areas of BMX

Healthcare

Food & wellness

ICT

Green

+ Steady promotion of organic growth through further selection and concentration

Restructuring of business portfolio

Support

Sophistication of marketing

Brand strategy

Visualization of the ASV corporate value creation model

Internal management

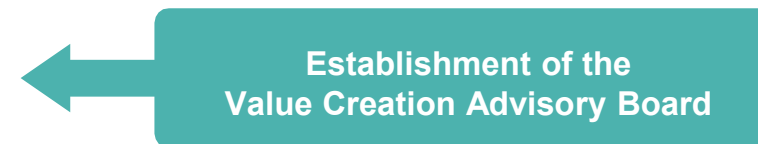
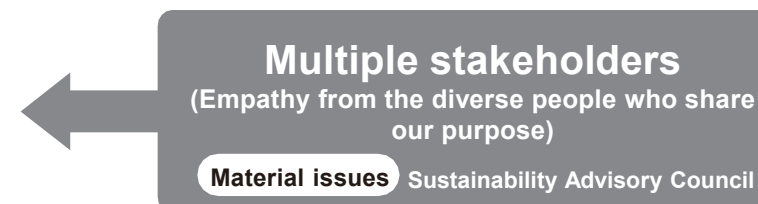
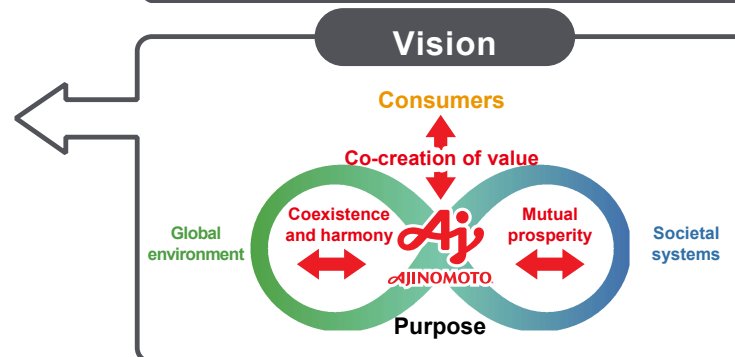
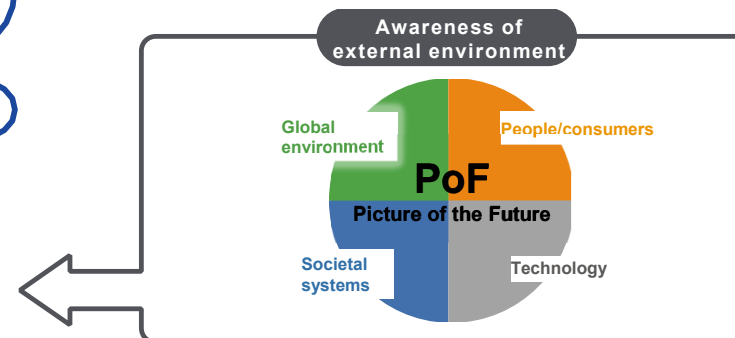
Evolution of the business management cycle and strengthening of intangible assets

Strengthening of our unique intangible assets

Shift to medium-term index-based management

Cooperation among business divisions

Towards a self-directed and initiative-based corporate culture



# FY2022 Q1 (April-June) Business Results

By gaining the ability to quickly assess and respond to changes in the global environment, we were able to make a strong start

**Sales** Increased (116.4% vs. prev. year)

**Business profit** Increased (104.1% vs. prev. year)

New quarterly record since introduction of IFRS in FY2016

We achieved steady improvement in unit prices in all regions, to address increases in raw material, fuel, and other costs.

In umami seasonings for processed food manufacturers, a business strongly affected by high prices of fermentation raw materials and fuel, we responded through prompt price revisions.

In international consumer products, management and employees worked as one while actively advancing price increase measures to increase sales volume beyond the favorable level of the previous fiscal year.



We will connect the impact of the Ukrainian situation to modification of management

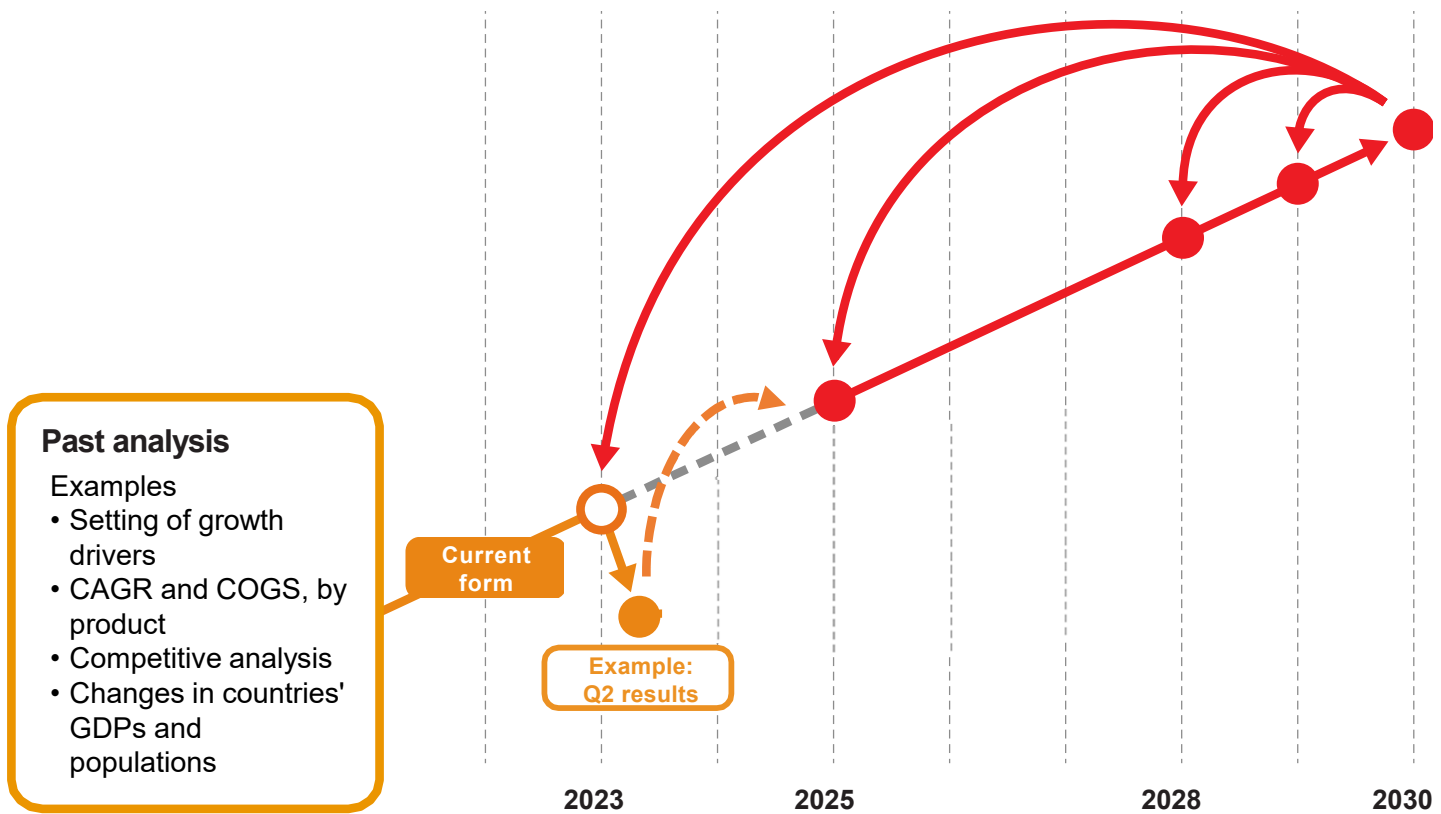
# Strengthening of Management Capabilities for the Continuous Enhancement of Corporate Value

## Introduction of rolling forecasts

Improvement of  
**ability to forecast**  
business results



Consideration and implementation of countermeasures through management and employees acting as one



### Past analysis

- Examples
- Setting of growth drivers
  - CAGR and COGS, by product
  - Competitive analysis
  - Changes in countries' GDPs and populations

Current form

Example: Q2 results

2023

2025

2028

2030

Vision

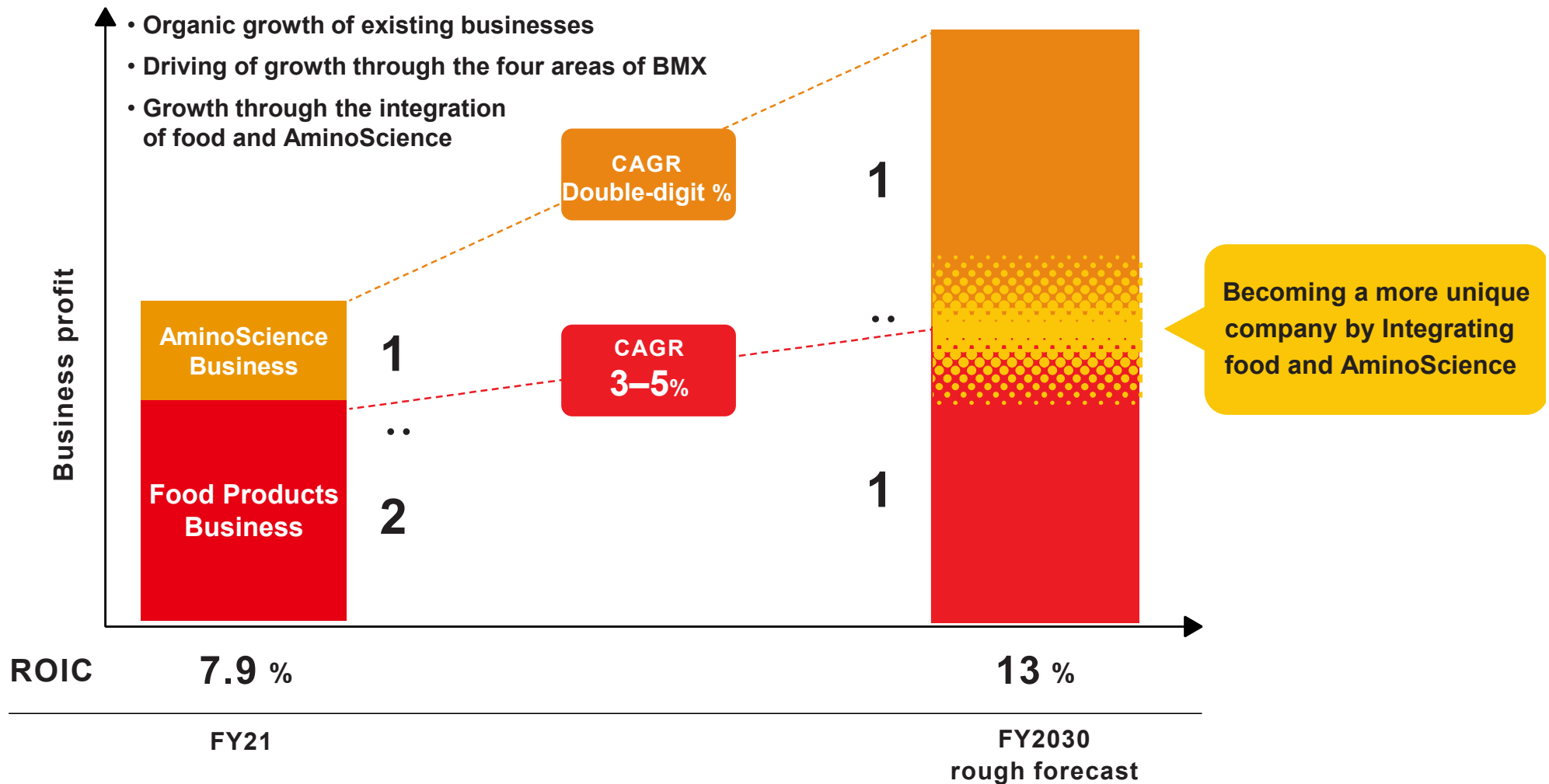
A solution-providing group of companies unlocking the power of amino acids to resolve food and health issues

2030 Goal

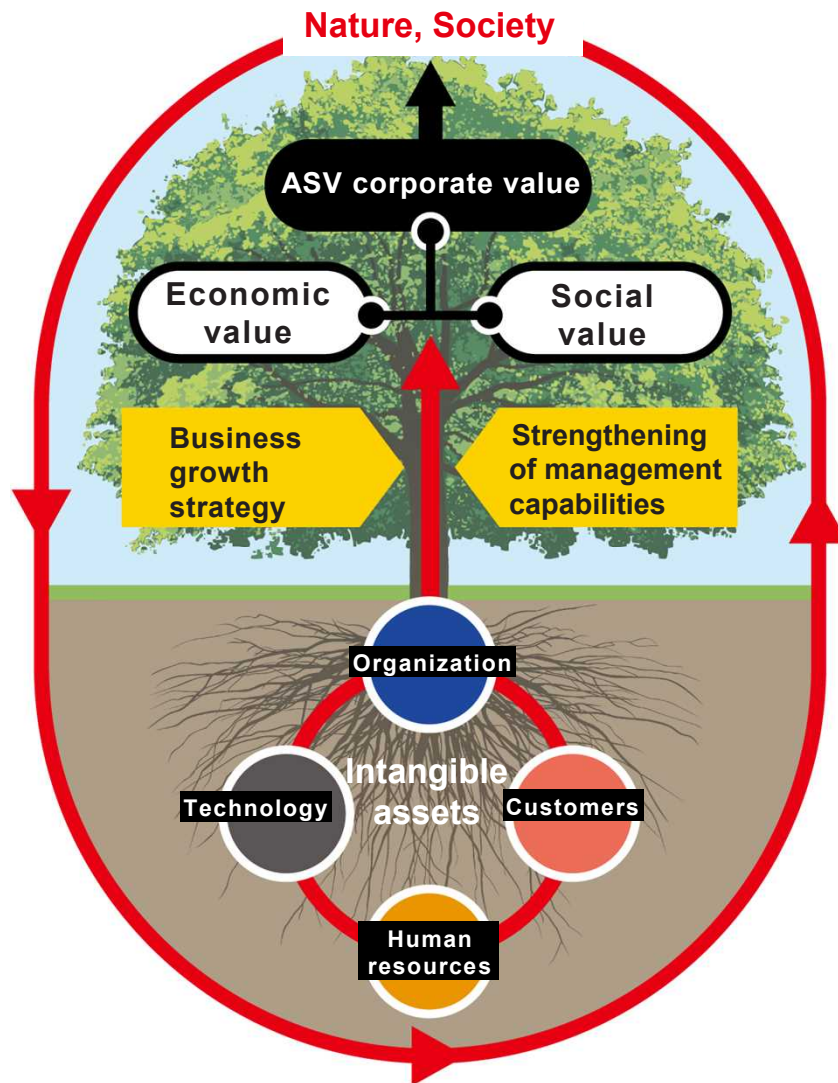
Financial indicators	Efficiency	ROIC (>Capital cost)	13%
	Growth	Organic sales growth (YoY)	5%
	Priority KPIs	Percentage of sales from core businesses	80% or more
Non-financial indicators	Priority KPIs	Unit price growth (YoY) (International consumer products)	3%
	Non-financial indicators	Employee engagement ("ASV as one's own initiative")	85% or more
	Strengthening brand	Brand value (Interbrand research)	Target 7% CAGR
		Brand strength score	Increase in score

# Growth Strategy Aimed at Enhancement of Corporate Value

We will enhance growth potential and profitability through the driving of growth in the four areas of BMX, the integration of food and AminoScience, and the strengthening of efficient management through further selection and concentration



# Strengthening of Intangible Assets for the Enhancement of Corporate Value



## Synergies among intangible assets maximize value creation

### Intangible assets

#### Human resources

A driving force that enhances the value of all intangible assets

#### Technology

Enhancement and integration of technology assets based on the search for functions of amino acids

#### Customers

Assets that lead to future financial value—both current and potential customers

#### Organization

Purpose, passion toward the purpose, and mechanisms and culture for achieving the purpose

**We will strengthen the intangible assets that are the source of enhancements to corporate value**

**We will formulate the 2030 Roadmap for medium-term index-based management, to achieve continuous and dramatic enhancements to our corporate value through the evolution of ASV management under the new executive team.**

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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.**

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# Reference: Achievements During the 100 Days

<p>1. Management structure</p>	<ul style="list-style-type: none"> <li>• Identification and verbalization of the corporate value and intangible assets unique to Ajinomoto Group</li> <li>• Establishment of the Value Creation Advisory Board under the direct control of the president and executive vice president</li> <li>• Agile assessment of the impacts from Ukraine, and consideration and execution of countermeasures</li> <li>• In conjunction with rolling forecasts, quick capture social and economic changes, quantification of impacts, and start of considerations aimed at the creation and start of simple mechanisms for agile response</li> <li>• Review of meeting bodies, PDCA in management</li> </ul>
<p>2. Organizational structure and operation</p>	<ul style="list-style-type: none"> <li>• Creation and operation of simple and effective new management policies</li> <li>• Modeling of network-oriented working style</li> </ul>
<p>3. Business strategy</p>	<ul style="list-style-type: none"> <li>• We will connect items 3, 4, and 5 to the formulation of the 2030 Roadmap for medium-term index-based management to achieve continuous and dramatic enhancement of our corporate value</li> </ul>
<p>4. Brand &amp; marketing</p>	
<p>5. Governance</p>	
<p>6. Human resource management</p>	<ul style="list-style-type: none"> <li>• Start of consideration for reconstruction of human resource management mechanisms overall</li> <li>• Inclusion of expert and professional human resources in organizations to create a form for co-creation of value with internal human resources</li> <li>• Start of consideration of operation of multiple-track career personnel system management, based on clarification of key job positions, duties, and skills required for functional departments and managers</li> </ul>
<p>7. Corporate culture</p>	<ul style="list-style-type: none"> <li>• Documentation explaining the Ajinomoto Group Way (AGW) behavioral model</li> <li>• Development of a new structure for the DX Committee, communication of the structure, and updating of specific action plans</li> <li>• Development of a foundation for the data utilization that is a prerequisite for promotion of DX</li> </ul>