

Eat Well, Live Well.



FY2022 Ajinomoto Co., Inc. Business Briefing Growth Strategy through Business Model Transformation (BMX)

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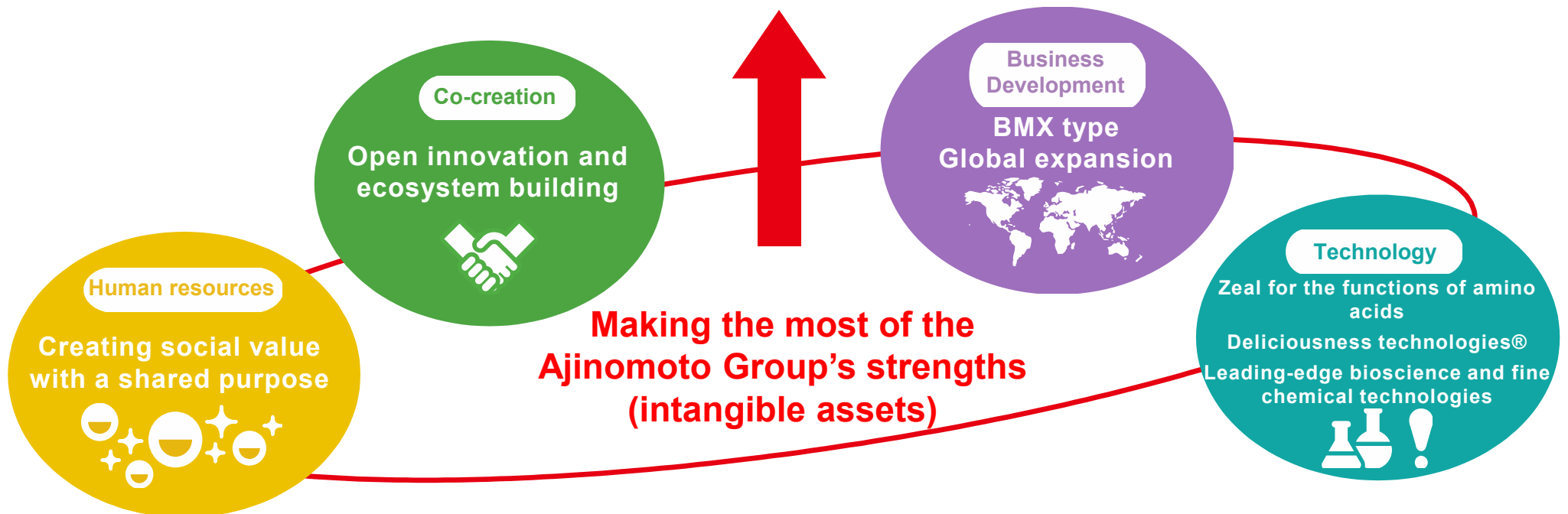
- 1. Overall View of Business Model Transformation (BMX)**
- 2. Growth Strategy for Healthcare and ICT Areas**
- 3. Growth Strategy for Green Areas**



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Approach to Business Model Transformation (BMX)



Four Growth Areas of BMX

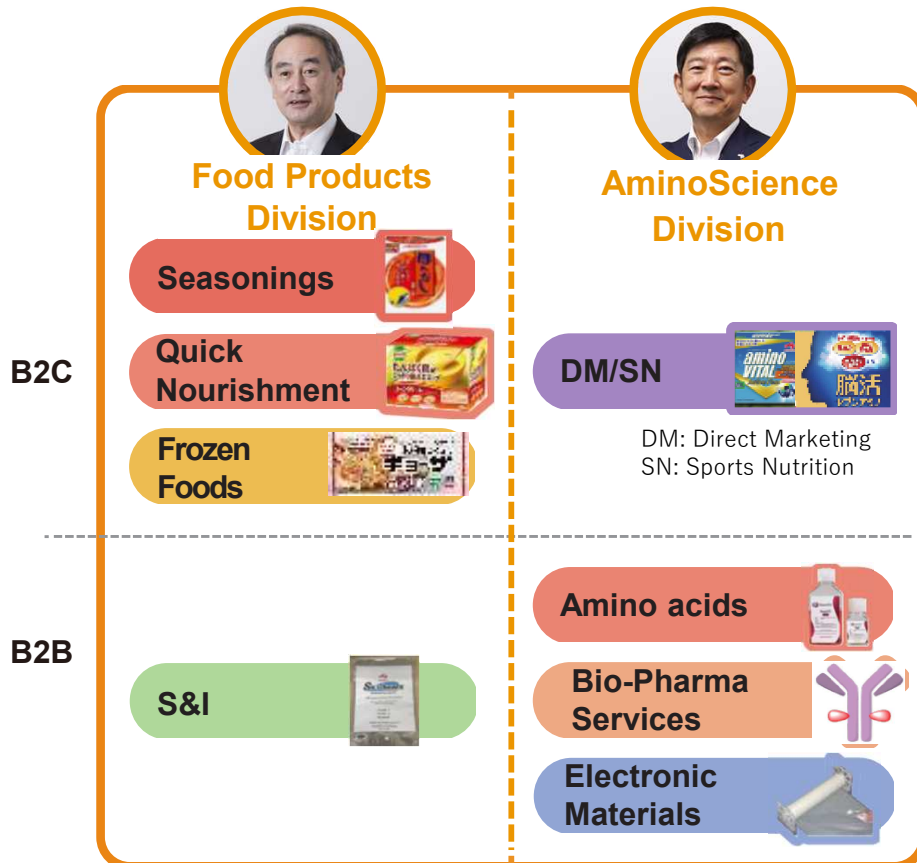
We have identified four BMX areas where Ajinomoto Group can leverage its strengths going forward into 2030. Based on the value we want to provide and co-create, we have identified Healthcare, Food & Wellness, ICT, and Green as growth areas.

4 Growth Areas	Value (outcomes) that Ajinomoto Group wants to co-create and provide	Specific serious needs anticipated in 2030
Healthcare	<p>Contribute to extending healthy life expectancies</p> <p>New social systems, technologies, values will bring about a healthy way of life suitable for an era of 100-year life expectancies</p>	<ul style="list-style-type: none"> ● Visualization of future health risks ● Evolution and diversification of health solutions ● Treatment transformation with advanced medical technology ● Advances in self-health care and self-treatment
Food & Wellness	<p>Contribute to wellbeing and self-realization</p> <p>Towards a value system wherein happiness is subjective and personal, and the happiness of society and the earth beyond the individual is realized</p>	<ul style="list-style-type: none"> ● Diversification and fragmentation in the pursuit of individual happiness ● Multiple affiliations and compartmentalization of communities of shared interests ● Experiencing contributing to the happiness of someone or something
ICT	<p>Contribute to a smart, sustainable society</p> <p>Construction of a new social system through the development of digital social infrastructure and the transformation of physical social infrastructure</p>	<ul style="list-style-type: none"> ● Advancement of digital social infrastructure ● Transformation of existing rules and norms ● Building new social systems
Green	<p>Contribute to the earth, a low-carbon society, and future generations</p> <p>Responding to the limits of safe human survival on the planet and the limits of providing and maintaining adequate health for all, through technological innovation and changing values/behaviors. (Responding to the boundaries of Planet & Health)</p>	<ul style="list-style-type: none"> ● Building a food system to support a growing population ● Accelerate innovation to enhance sustainability across areas ● Reform of awareness and behavior of people and corporations

Our Business Model Transformation (BMX)

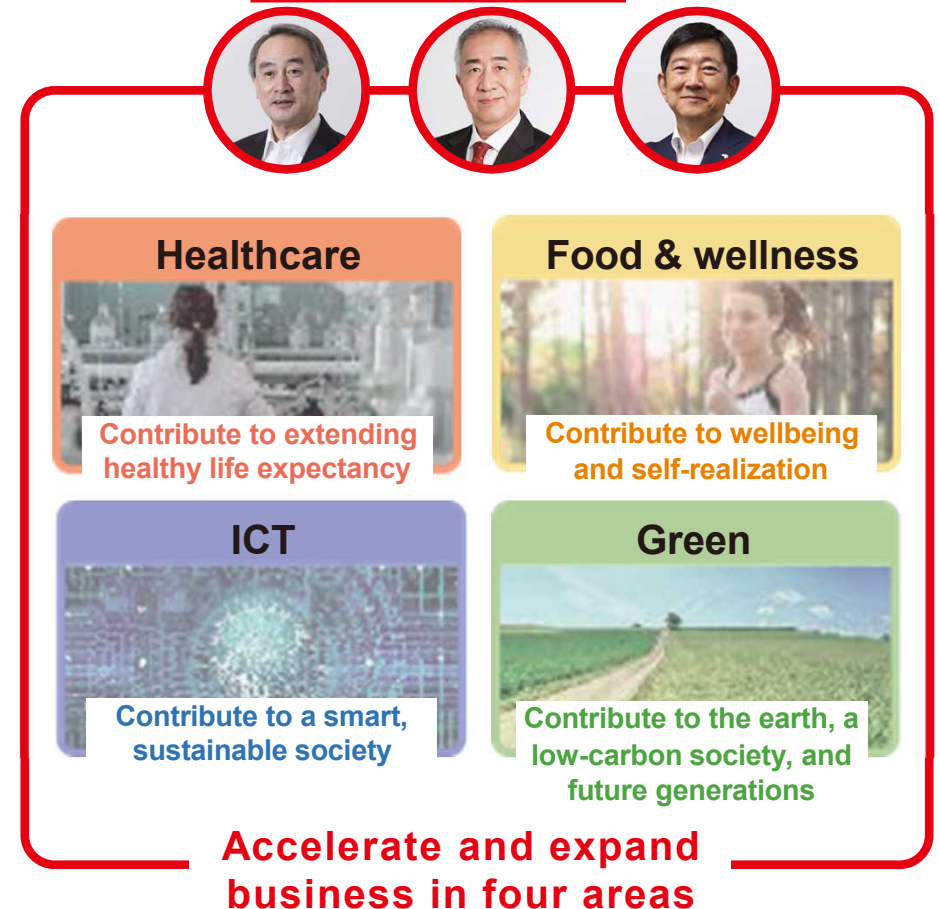
Steady growth in six core businesses

Existing organizational structure based on product/customer axis



Drive growth in four areas of BMX

Virtual organizational structure based on outcomes which we are working towards



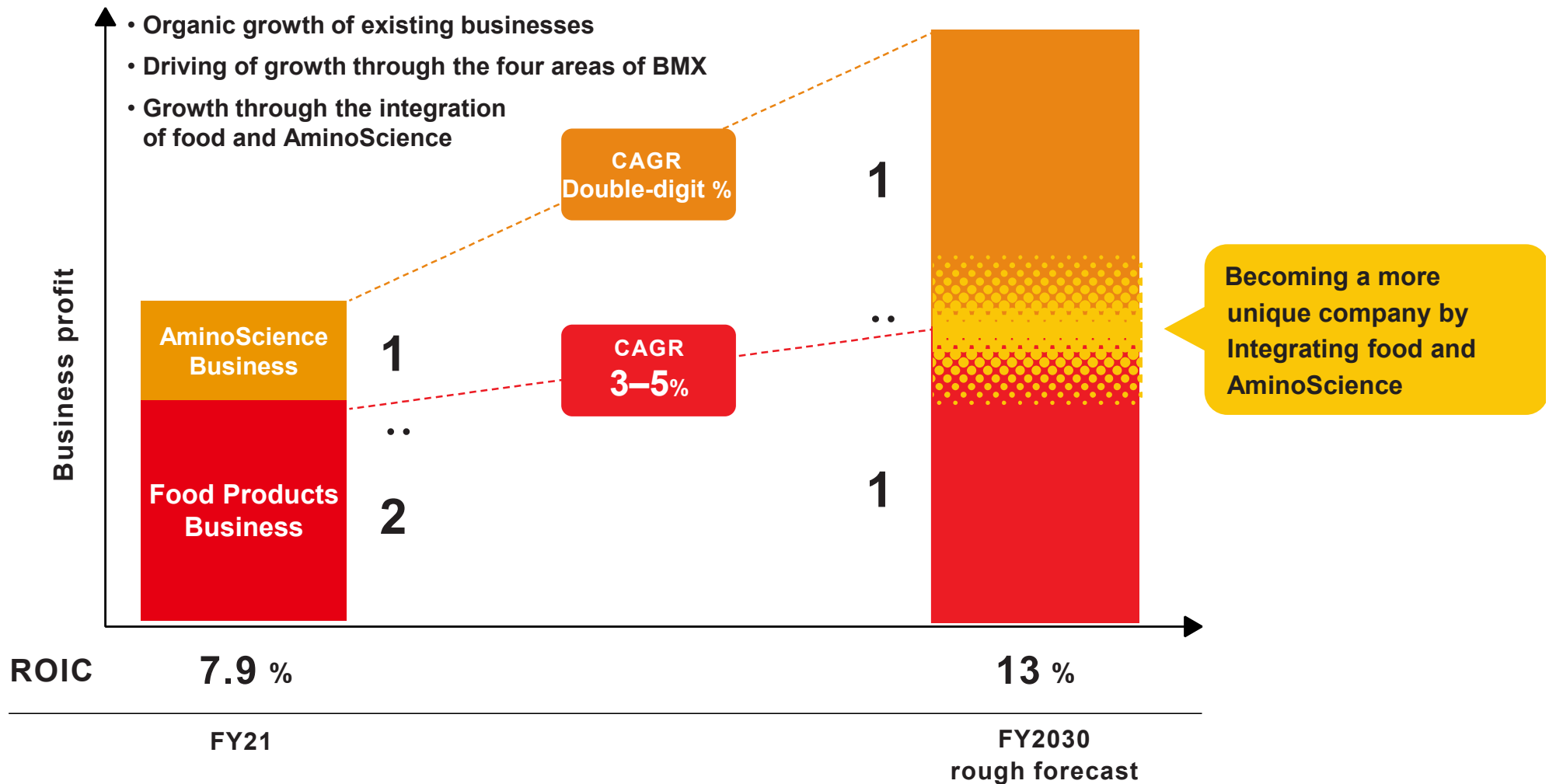
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Growth Strategy Aimed at Enhancement of Corporate Value

(Reposted)

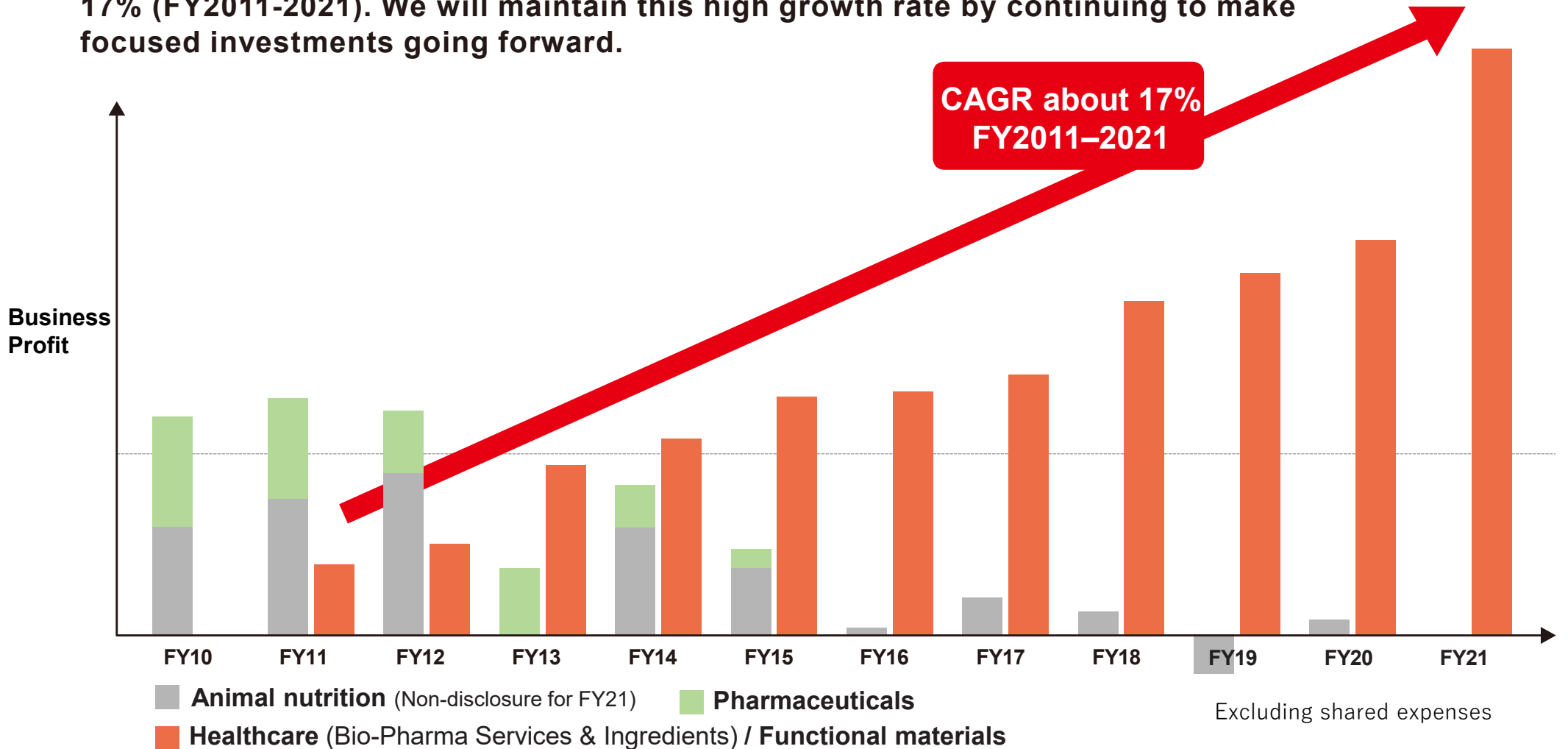
We will enhance growth potential and profitability through the driving of growth in the four areas of BMX, the integration of food and AminoScience, and the strengthening of efficient management through further selection and concentration



Last 10 Years of AminoScience Business Growth through Business Model Transformation

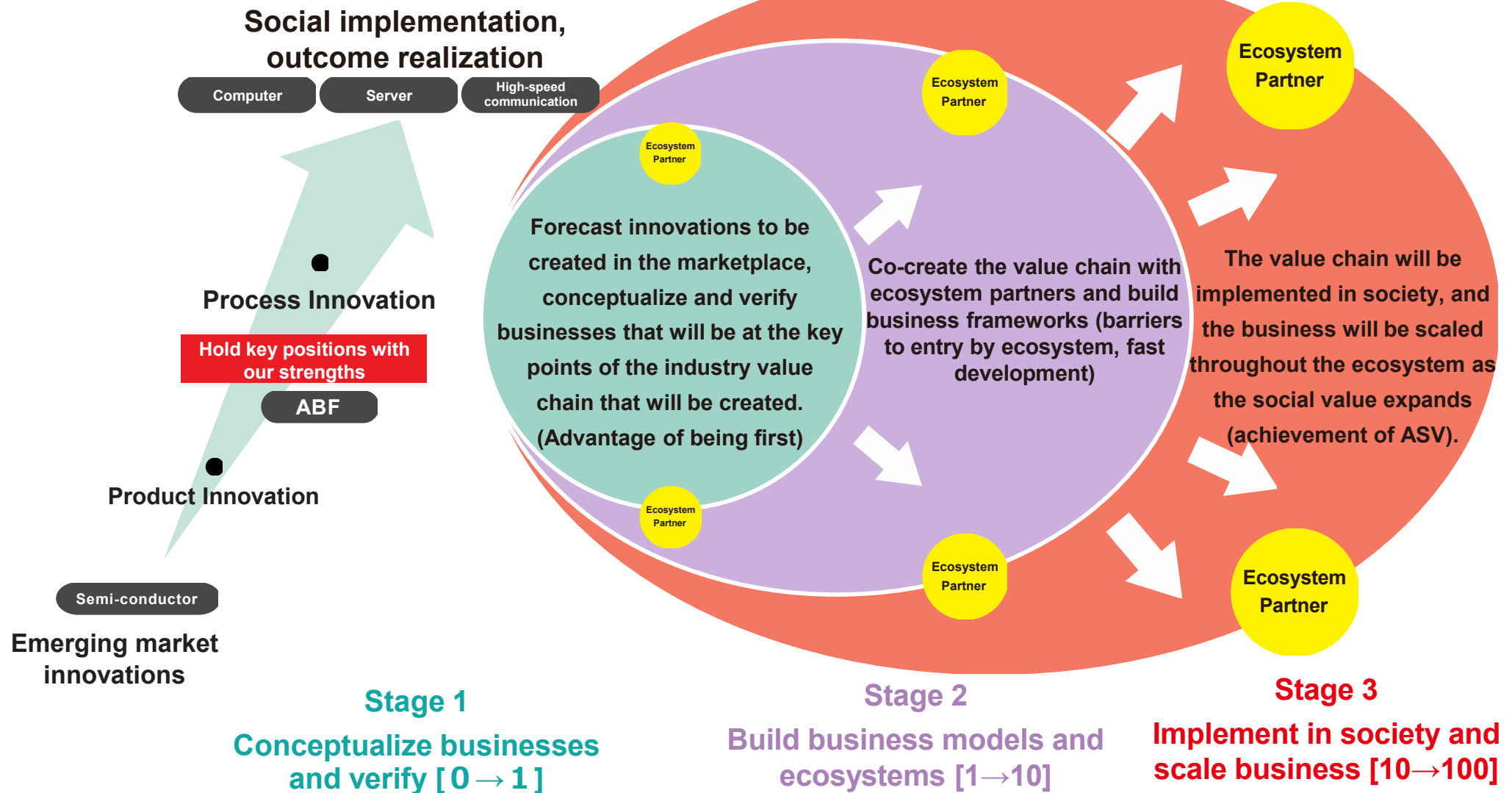
Selection and concentration of business by foreseeing and capturing social changes. Achieved business model transformation to a high value-added business by shifting R&D investment to 5-10 years into the future.

Business profit of Healthcare / Functional materials grew at a CAGR of approximately 17% (FY2011-2021). We will maintain this high growth rate by continuing to make focused investments going forward.



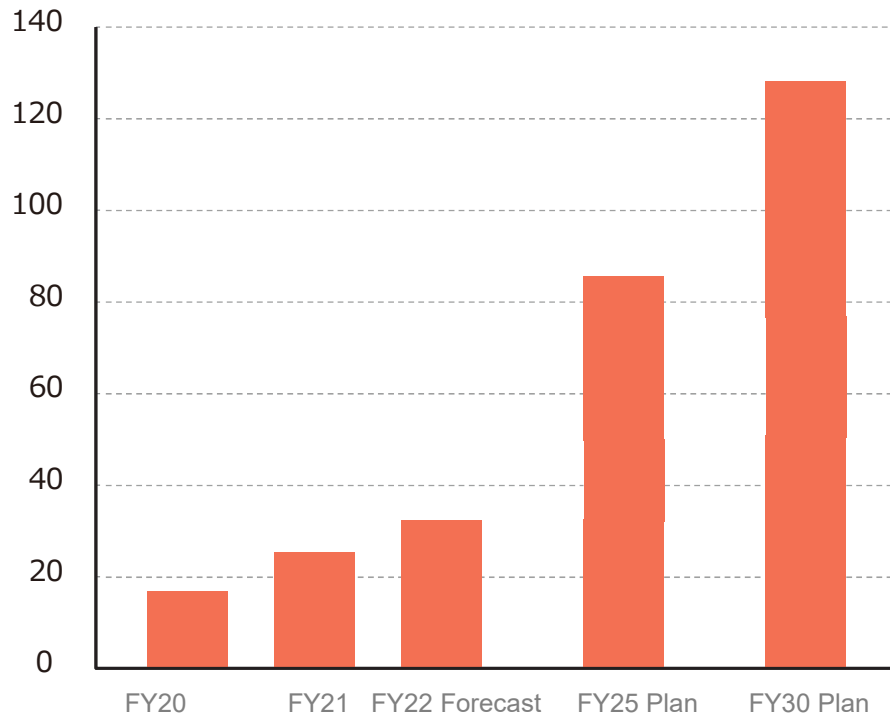
Standardization of Business Model Transformation (BMX)

Standardize successful BMXs (electronic materials, healthcare) and deploy them throughout the Company.



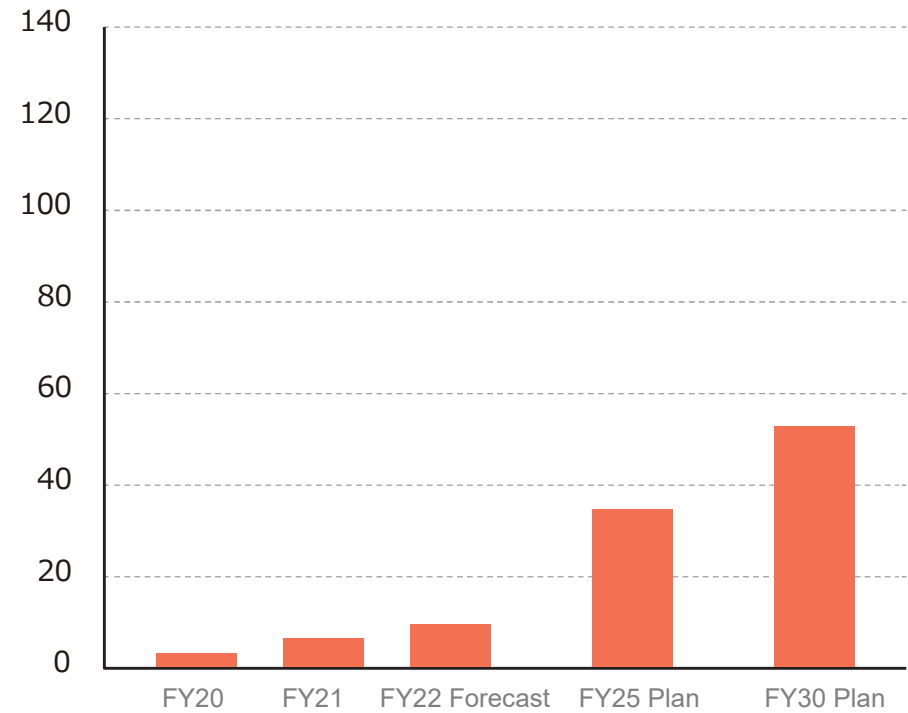
Drive Growth through Business Model Transformation

We aim to generate approximately ¥120 billion in new sales and ¥50 billion in new business profits in healthcare and ICT areas in 2030 through business model transformation.



Starting point FY20

Sales (¥bil)



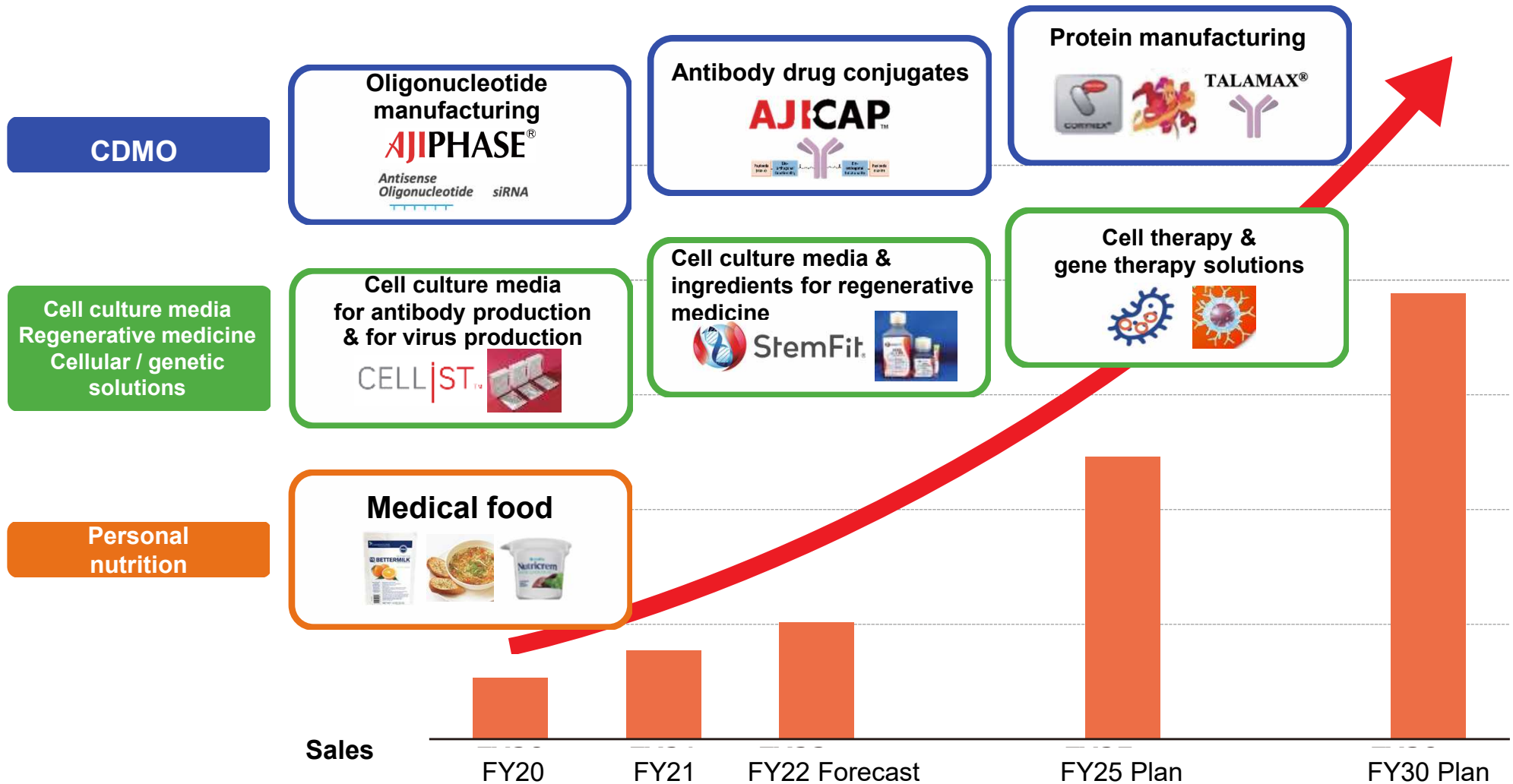
Starting point FY20

Business profit (¥bil)

Healthcare (CDMO, cell therapy support, medical food, etc.)
 ICT (functional materials, etc.)
 Business contributions made since FY20

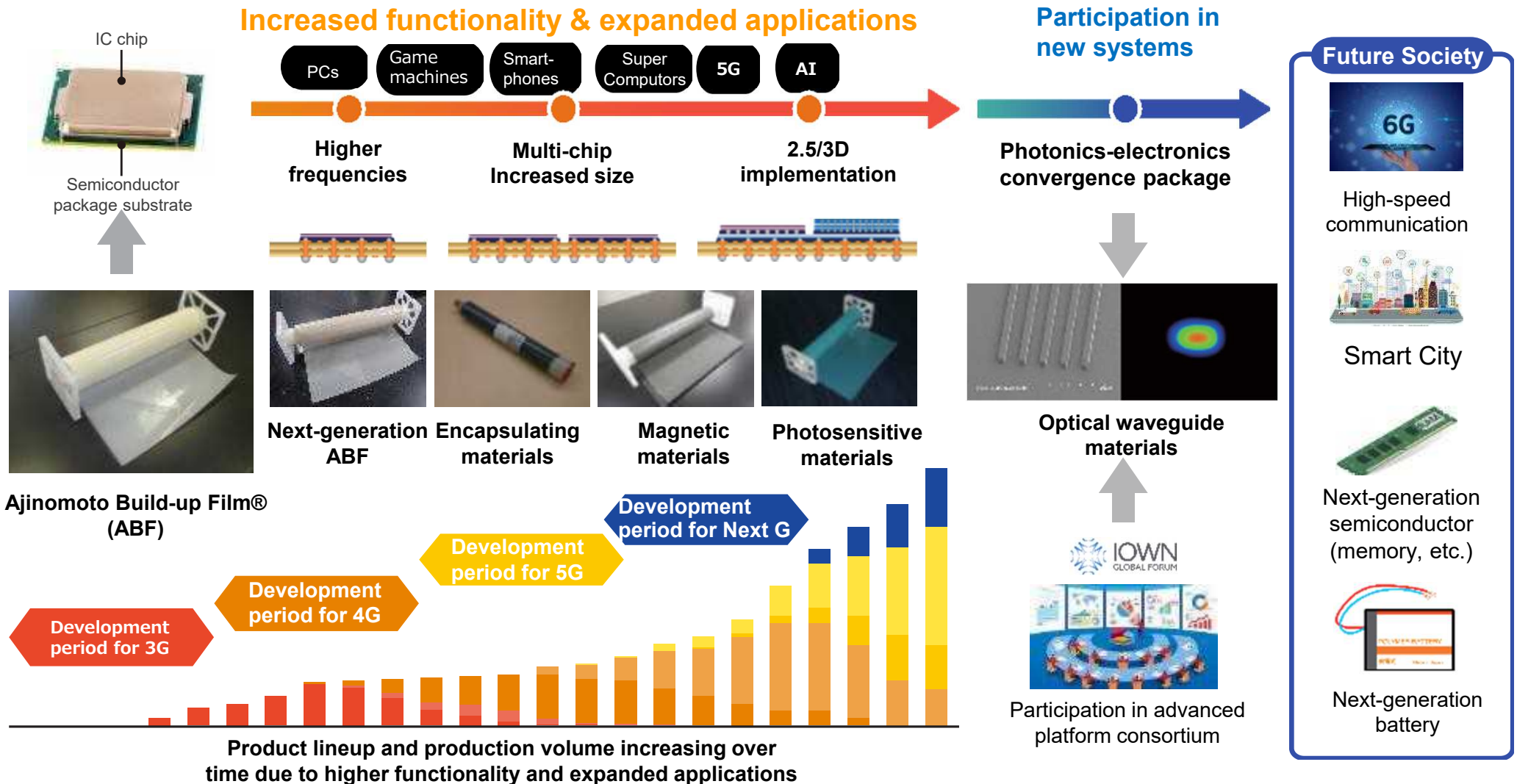
Growth Strategy for the Healthcare Business

Achieve growth, both in CDMO business, such as AJIPHASE®, which responds to the development of advanced medical modalities, as well as in cell culture media, regenerative medicine materials, Cellular / genetic solutions, medical food, etc.



Growth Strategy for the ICT Areas

Achieve sustainable growth through business model transformation with next-generation ABF, which has responded to the increasing sophistication of semiconductors, and by expanding the applications of ABF, and participating in new systems in the future.

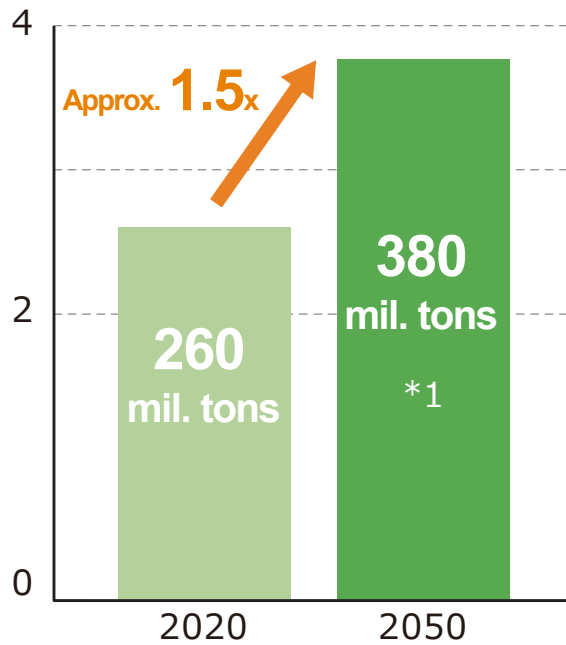


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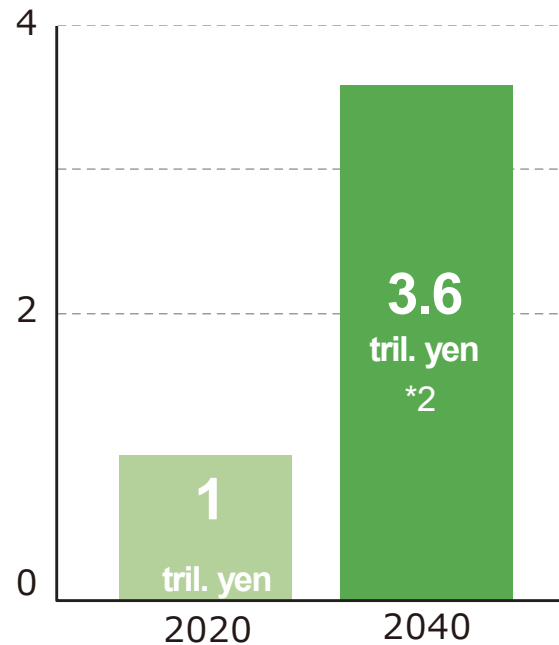


Sustainable Food Business - Market and Growth Potential

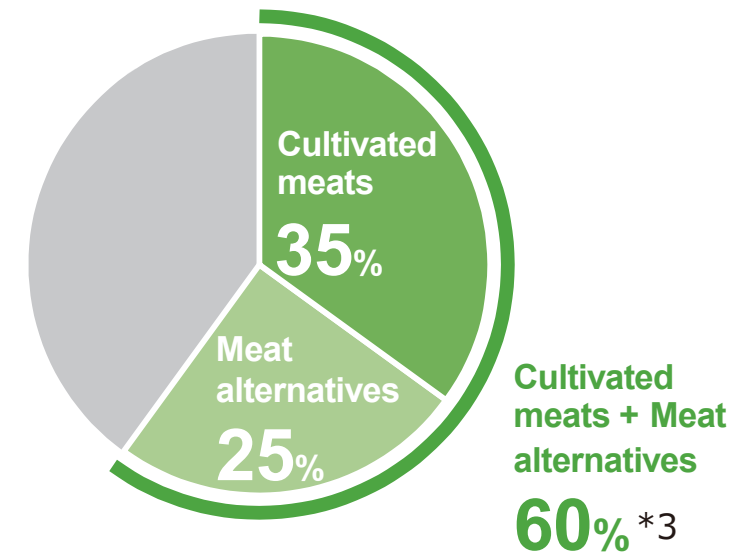
Population growth and increasing demand for meat are expanding the market for alternative proteins and cultivated meats.



Global demand for meat



Global alternative proteins market

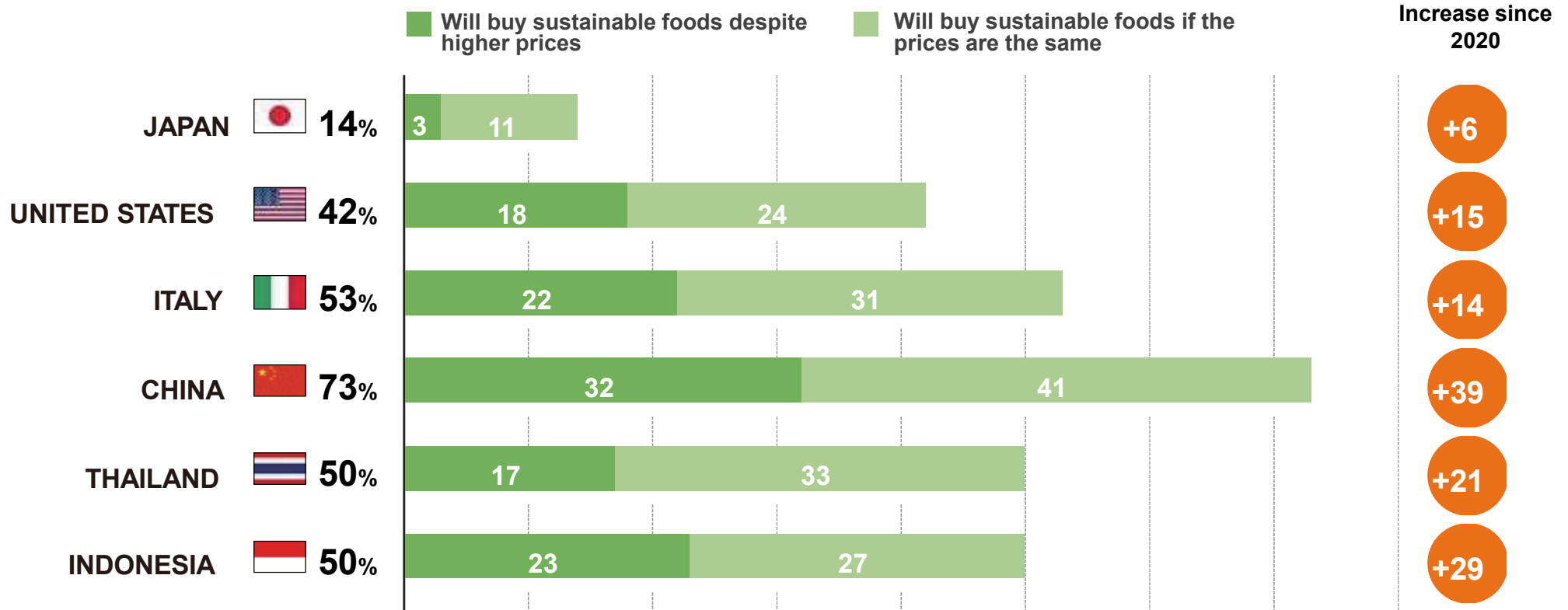


Ratio of cultivated meats and meat alternatives in the global meat market (by 2040)

1. Agriculture & Livestock Industries Corporation / MAFF, 2. Modor Intelligence, 2021, 3. A.T. Kearney, 2019

Sustainable Food Business – Change in Consumer Preferences

Rapid growth in percent of consumers who would prefer sustainable foods despite higher prices



Changes in attitudes and behavior toward sustainable foods
 (Percentages of customers who would prefer sustainable foods despite higher prices and those who would prefer sustainable foods only if prices are the same)

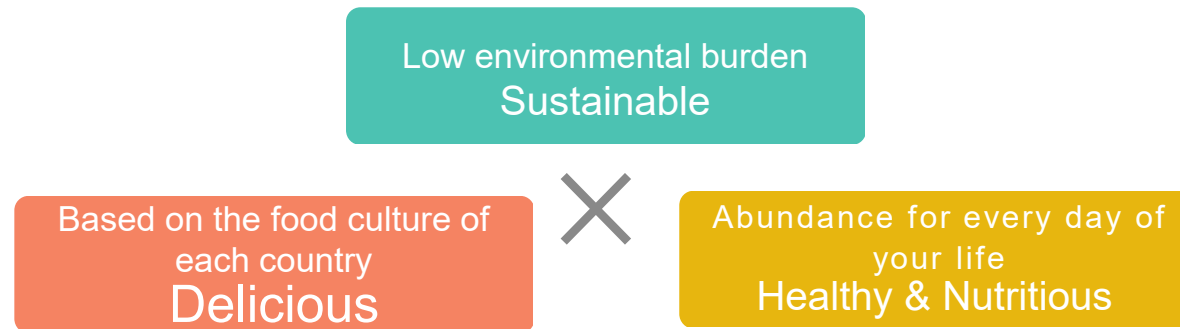
Source: SIGMAXYZ Food for Wellbeing Survey (January 2022), On the everyday foods we buy and eat (2022): %, N=800

About Our Sustainable Food Business

We will contribute to solving the protein crisis and the rising demand for food caused by the growing world population, providing food and health to the entire world through our Sustainable Food Business.

Sustainable Food Business

Building new pillars of business globally



We will create a food business that provides health, nutrition, and sustainability with a wide range of ingredients, B2B, and B2C, as well as environmental support and lifestyle solutions that give expression to individuality.

Sustainable Food Business

Our Strength: Business Base in the U.S.

Accelerate growth by making our B2B business in U.S., where demand for alternative food products is increasing, into a central base.

 Expansion of B2B solutions in the U.S.



- Enhance the product lineup of plant-based solutions, providing health and nutrition.
- Establish a high-speed development system (electric material type) and standardize our solutions through collaboration with related companies.



7.4 B\$

U.S. plant-based food market size (2021)

54 %

Growth rate over 3 years (2019-2021) GFI, 2022

Business has grown to US\$10 mil.
→ Aiming to expand business soon by investing resources.





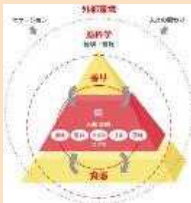


Customer engagement center (Chicago)



Innovation workshop (2021)

Sustainable Food Business – Our Strength: Providing solutions by integrating food and AminoScience

Integrate Deliciousness technologies[®] and leading-edge bioscience and fine chemical technologies to provide solutions for even higher value-added alternative protein foods.

	Our Initiatives	Deliciousness technologies [®]	Leading-edge Bioscience & Fine Chemical Technologies
Plant-based proteins	<ul style="list-style-type: none"> Improve texture and taste Improve healthiness and nutritional value 	 <p>Application of flavor technology</p>	 <p>Taste improvement technology using receptors</p>
Cultivated meat/fish	<ul style="list-style-type: none"> Develop safe products with high social value Improve taste, healthiness, and nutritional value 	 <p>Enzymes and other texture-improving technologies</p>	 <p>Applied technology of cell culture media for regenerative medicine</p>
Microbial proteins	<ul style="list-style-type: none"> Develop and expand environmentally-friendly materials made from carbon-dioxide gas (air protein) 	 <p>Application to protein-enriched foods</p>	 <p>Strain breeding, fermentation technology</p>

Investing in Cultivated Meat Startup SuperMeat

Combining SuperMeat’s cultivated meat development technology and expertise with our own bio-medicine and fermentation R&D and Deliciousness technologies® for taste and texture, we will contribute to finding “solutions to the issues of food and health”.



B2B business providing cultivated meat platform sales and services

- Owns the whole value chain, from cell line construction to cultivated meat production
- Proved capability at a pilot plant, demo plant set to begin operation in the U.S. in 2023

Cell line establishment and banking

Cell differentiation technology

High-density cultures & cost reduction

Production facilities for commercialization



- Stem cell culture and differentiation technologies cultivated in regenerative medicine research
- Fermentation and process development technologies
- Creating deliciousness based on analysis and control of flavor, aroma, and texture (seasoning technology)

Cell breeding

Regenerative medicine research

Amino acids, culture media, growth factors

Deliciousness technologies®



Affiliated restaurant

Sustainable Food Business – Our Strength: Business Development Rooted in the Food Culture of Each Country and Region

Develop healthy and delicious menus and products based on the nutritional issues and food culture of each country and region.

Western food culture (America, Brazil, etc.)

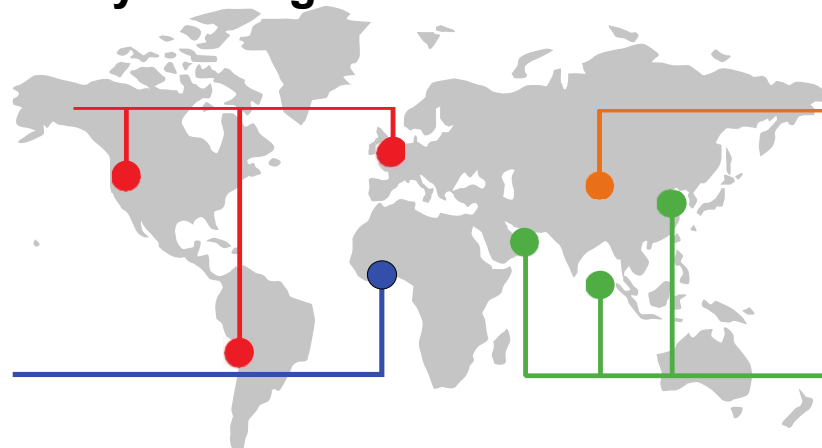


Protein intake: sufficient
Nutrition: excessive
Environmental impact: large

Emerging countries (e.g. Nigeria)



Protein intake: insufficient
Nutrition: insufficient
Environmental impact: small



China, Vietnam, etc.



Protein intake: sufficient
Nutrition: excessive and insufficient*
Environmental impact: mid to large (increasing)

Asian food culture (Japan, ASEAN nations)



Protein intake: sufficient
Nutrition: excessive and insufficient*
Environmental impact: small

Local food culture and nutritional issues

Excess/lack of nutrition and environmental impact are the main trends shown

*Both excessive and insufficient nutrition exist as health problems in these regions

Establish sustainable food labs in each region

- Research and analysis of food culture, health & nutrition, and environmental impact related to food for each region (dietary habits, food loss, etc.)
- Hub function to work on product and solution development and marketing strategies for each region with open innovation



Set up sustainable food business promotion department

- Decide overall business strategy
Investment strategy, startup collaborations, ecosystem strategy
- Provide menus and products that incorporate digital technology
Provide healthy, nutritious, environmentally-friendly, and delicious menus and products based on local food culture (B2C, D2C)

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- **This material includes summary figures that have not been audited so the numbers may change.**
- **Amounts presented in these materials are rounded down.**