

Eat Well, Live Well.



**Ajinomoto Co., Inc. (2802)**

**Purpose-Driven Management  
by Medium-Term ASV Initiatives  
2030 Roadmap**

**Resolve the Food and Health Issues of All Human Beings and Beyond**

**Taro Fujie**

**Member of the Board, Representative Executive Officer  
President & Chief Executive Officer**

February 28, 2023

## **Introduction**

### **1 2020–2025 Medium-Term Management Plan Phase 1 Review**

### **2 Key Strategies in the 2030 Roadmap**

### **3 Ajinomoto Group Growth Strategy**

### **4 ASV Indicators**

### **5 Financial Strategy and Management Resource Allocation**

## **Conclusion**

## **Supplementary Materials**

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



## Today's Topics

### **Contribute to the well-being of all human beings, our society and our planet with AminoScience®**

Evolving our purpose beyond "Unlocking the power of amino acids to resolve the food and health issues" to "Contributing to the well-being of all human beings, our society and our planet with AminoScience®."

### **Management transformation to "Purpose-driven management by medium-term ASV\* initiatives" based on "ASV indicators"**

To pursue ASV with determination and ambition, we will flexibly transform existing businesses to achieve sustainable growth through management transformation based on ASV indicators, leading to maximization of medium- to long-term value.

\* ASV (Ajinomoto Group Creating Shared Value)  
Co-creation of social and economic value through our business

### **Shift from structural reform to growth**

By shifting to growth in four outcome-driven growth areas, we aim to create a highly profitable, unique, and robust structure with a 1:1 Food Business to AminoScience Business ratio. This will be achieved by not only steadily generating cash flow and reducing cost of capital, but also adopting business model transformation (BMX) for our core businesses, which will drive growth.



## Evolution of vision | Where we want to be



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



**Contributing to the well-being of all human beings,  
our society and our planet with AminoScience®**



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In drawing up our 2030 Roadmap, we have evolved from our previous Purpose of "Unlocking the power of amino acids to resolve the food and health issues" to "Contributing to the well-being of all human beings, our society and our planet with AminoScience®."

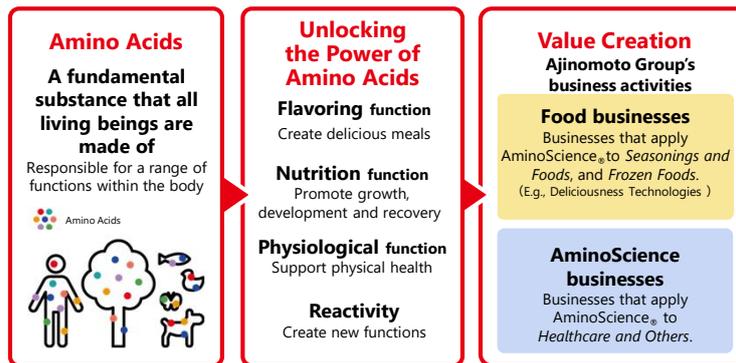
This new Purpose reflects our desire to contribute not only to solving food and health issues, but also to well-being beyond that, by leveraging the Ajinomoto Group's unique strengths in AminoScience®.

This Purpose is by no means limited to the beliefs of our management, but rather reflects the spontaneous aspirations of the Ajinomoto Group employees around the world and our determination to meet the expectations of our many and diverse stakeholders, including the Sustainability Advisory Council. By 2030, we will achieve two outcomes by addressing both health and nutrition issues and contributing to the environment through the food system.

## What is AminoScience®?



A collective term for the various materials, functions, technologies, and services derived from research and implementation processes with a rigorous focus on unlocking the power of amino acids. It also refers to the Ajinomoto Group's unique scientific approach to connect these to resolving social issues and contributing to well-being.



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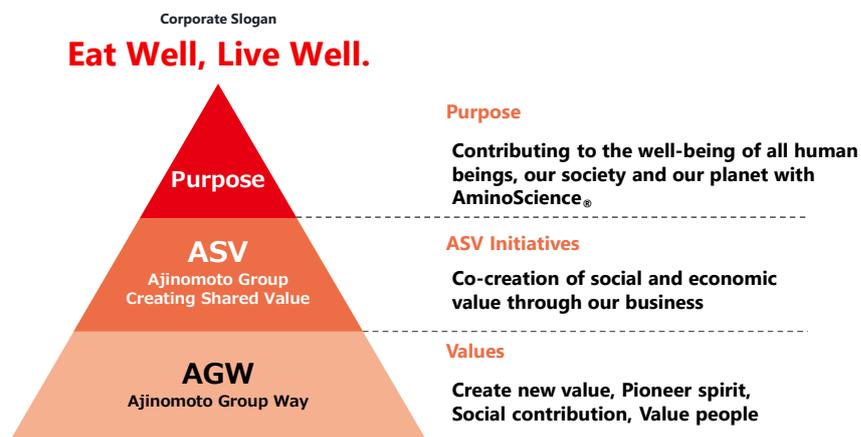
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Now, we will explain what AminoScience® is. AminoScience® is a collective term for the various materials, functions, technologies, and services derived from research and implementation processes where we have, and will continue to have since the foundation, a rigorous focus on the function of amino acids. It also refers to the Ajinomoto Group's unique scientific approach to connect these to resolving social issues and contributing to well-being, and is one of the sources of our Group's inimitable competitive advantage.

**“Our Philosophy” resolving food and health issues,  
for all human beings and beyond**



We will achieve “**Eat Well, Live Well.**” by going beyond resolving food and health issues, and contributing to the well-being of all human beings, our society and our planet with AminoScience®.



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In line with the evolution of our Purpose, we have also evolved “Our Philosophy.” Let us take a moment to review our corporate slogan, “Eat Well, Live Well.”

“Eat Well, Live Well.” is an expression of the Ajinomoto Group’s resolve not only to deliver even better taste to people around the world, but also to contribute to solving the food, medical, environmental problems facing humanity, and realization of Smart Society via scientific efforts to promote health through daily meals and via AminoScience®.

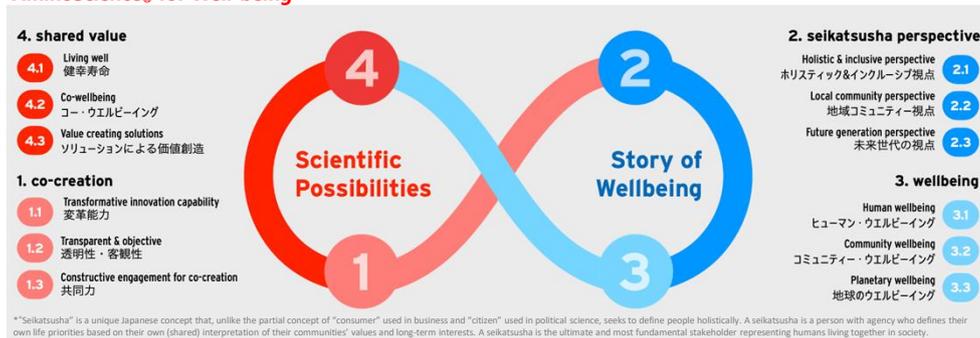
## Important issues for the Ajinomoto Group (Materiality)



With a view to realizing our vision and further improving our corporate value over the long term, we have engaged in a series of dialogues at the Sustainability Advisory Council and have arranged important issues for the Ajinomoto Group (Materiality) and their connections.

Hone **1 co-creation** capabilities, take the **2 seikatsusha\*** perspective while achieving **3 well-being** and, through our business activities return co-created **4 shared value**.

AminoScience<sup>®</sup> for Well-being



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Based on a report from the Sustainability Advisory Council, comprised mainly of outside experts, we have engaged in a series of dialogues with many different stakeholders and have established material issues that the Ajinomoto Group should address from a long-term perspective, in order to realize our vision and improve our corporate value over the long term. At the bottom of this slide is the Materiality Relation Chart, organizing material issues and how they are connected for the purpose of improving corporate value from a long-term perspective. We will maintain an awareness of each item and connection within this Möbius strip as we engage in dialogue with stakeholders, all the while taking measurements and making disclosures regarding specific initiatives, target KPIs, etc. as part of our management strategy.

For details, please refer to the Sustainability Advisory Council report posted on our website.

Reference: Report to the board of directors

[https://www.ajinomoto.com/sustainability/framework/council\\_report2022.php](https://www.ajinomoto.com/sustainability/framework/council_report2022.php)

## Transformation to “purpose-driven management by medium-term ASV initiatives” based on “ASV indicators”



To continuously improve our corporate value, we have eliminated the process of formulating medium-term management plans with overly elaborate figures. Instead, we are setting challenging ASV indicators and evolving to “medium-term ASV initiatives” where we pursue ASV with determination/ambition and improve our ability to execute these initiatives.

	Conventional Medium-Term Management Plan (MTP)	Purpose-Driven Management by Medium-Term ASV Initiatives
Period	Aggregation of three years' worth of single-year forecasts	Vision from the long-term perspective
Target Setting	Building up realistic single-year forecasts based on current conditions	Backcasting from challenging “ASV indicators” set with leadership from management
Priority	Creating elaborate plans and figures	Drawing up a roadmap pursuing the essence of the greater strategic narrative and issues
Progress Checks and Corrections	Quarterly forecasts and revised targets each fiscal year	Monthly rolling forecasts and agile actions to correct and improve execution

### Medium-Term ASV Initiatives: Key to Success

\*Hereinafter, medium-term ASV initiatives

**Evolving into a corporate culture where employees take a leading role to constantly pursue the challenge of achieving our vision, driven by their enthusiasm for our purpose and the resonance of our diverse stakeholders.**

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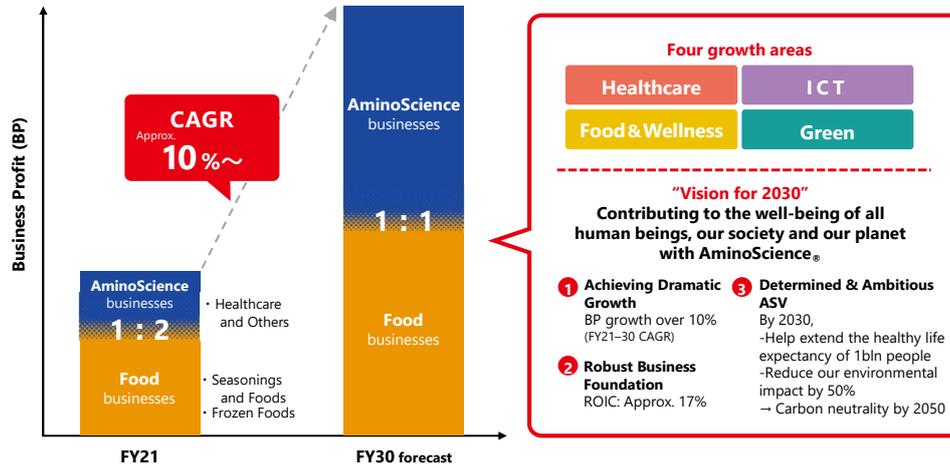
Going forward, we will evolve to “medium-term ASV initiatives” where we pursue ASV with determination and ambition and improve our ability to execute these initiatives toward our “vision for 2030.”

In past medium-term management plans, despite not being able to predict the future, our plans have been too meticulously planned, with an aggregation of detailed single-year forecast data. This often resulted in failure to execute in accordance with our plans. We were also suffering from planning sickness, where all we did was Plan without Doing, Checking, or Acting (PPPP rather than PDCA), draining our energy and putting us behind our plans. To this end, we have abandoned our previous medium-term plans, based on an overly elaborate aggregation of figures for three years, and instead have set forth challenging “ASV indicators” from our long-term vision perspective, backcasting these to clarify our roadmap to FY2030. This roadmap then becomes our path to achieving our vision. Note that we will continue to announce our forecasts for each fiscal year as before.

In order to evolve to “medium-term ASV initiatives,” we believe that we must evolve into a corporate culture where employees take a leading role to constantly pursue the challenge of achieving our vision, driven by their enthusiasm for our Purpose and the resonance of our diverse stakeholders.

## Shift from structural reform to growth

We aim to achieve a highly profitable, unique, and robust structure by shifting to growth in the four outcome-driven growth areas through evolution of core businesses and business model transformation (BMX) .



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We will shift to growth in four outcome-oriented growth areas through business model transformation (BMX) that will drive our core businesses and growth. Our aim is to create a highly profitable, unique, and robust structure with a 1:1 ratio between the Food and AminoScience businesses, by creating high-margin businesses and increasing profitability through growth.

By 2030, we are targeting two outcomes: to help extend the healthy life expectancy of one billion people and to reduce our environmental impact by 50%. Furthermore, we will simultaneously achieve business profit growth at a CAGR of over 10% from FY2021 and ROIC of approximately 17% in FY2030.

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## **FY20-22 (2020-2025 MTP Phase 1) | Policies and major initiatives**



### **① Foundation-Strengthening Initiatives**

E: Commitment to net zero greenhouse gas (GHG) emissions, etc.  
S: Establishment of the Sustainability Advisory Council, reporting to the Board of Directors, etc.  
G: Transitioning the organizational form to Company with Three Committees, appointing the president by the Nomination Committee, etc.  
Investment in intangible assets, DX promotion (SCM, BMX, etc.), "100-day plan" evolution of management style

### **② Basic Strategies** Phase 1 (2020-2022) : Structural reform, Phase 2 (2023-2025) : Regrowth

Improving ROIC and steady organic growth  
Focusing on core businesses and promoting asset light measures

### **③ Addressing Changes in the External Environment**

Addressing the COVID-19 pandemic and the Ukraine crisis ("100-day plan" Implementing "Speed Up")  
Visualizing raw material and fuel costs and rapidly countering price increase

### **④ Businesses**

Food: Further promote customer-centric business by pursuing specialties (nutrition without compromise)  
AminoScience: Dramatic expansion through business model transformation

### **⑤ Initiatives Driving Greater Corporate Value**

Corporate Value Enhancement Cycle= Innovating through stronger intangible assets

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In Phase 1 of the 2020-2025 Medium-Term Management Plan (the FY20-22 MTP), we undertook thorough structural reforms to achieve sustainable growth going forward, and promoted steady organic growth, focusing on core businesses, and asset light measures.

In the FY20-22 MTP, we identified our ability to adapt to changes in the macro environment as one of our weaknesses. Since last April, under the slogan of "Speed Up x Scale Up," we have been transforming our corporate culture to speed up decision-making and execution, accelerating how we improve our adaptability. This includes our rapid response to the crisis in Ukraine, which could not have been foreseen when the medium-term plan was formulated.

## FY20-22 (2020-2025 MTP Phase 1) | Structural reform and regrowth

We have successfully speed up structural reforms and established a regrowth trajectory ahead of schedule.



This graph shows that our efforts allowed us to enter a regrowth trajectory ahead of schedule in terms of both sales and business profit.

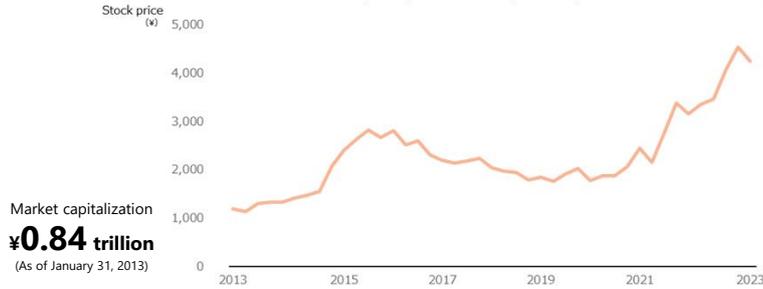
**FY20–22 (2020–2025 MTP Phase 1) | Improving corporate value**



Our initiatives have also successfully led to improved corporate value.

**Market capitalization and stock price over the past decade**

(January 31, 2013 – January 31, 2023)



Approx.  
**2.7**  
times

Market capitalization  
**¥2.29 trillion**  
(As of January 31, 2023)

Market capitalization  
**¥0.84 trillion**  
(As of January 31, 2013)

**Dividends per share (¥)**

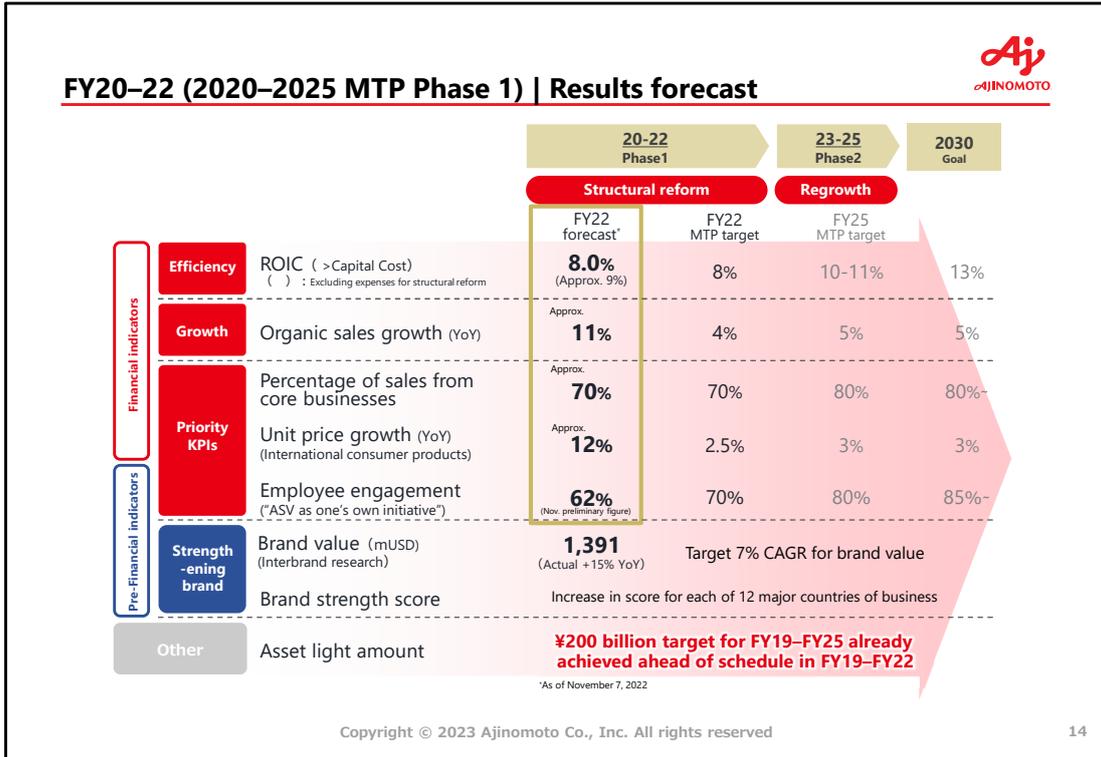
2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (forecast)
20	24	28	30	32	32	32	42	52	62

Note: ¥ = JPY

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Our market capitalization has also grown as our stakeholders have come to recognize our initiatives so far. Our enhanced ability to generate cash, combined with share buybacks, has let us sustainably increase dividends as we seek to strengthen shareholder returns.



We expect to achieve nearly all of the financial and non-financial targets set forth in Phase 1 of the 2020–2025 Medium-Term Management Plan. Unfortunately, we do not expect to achieve our target employee engagement score, but we will continue to work on strengthening our human assets, which are the source of improving the value of our intangible assets. We will further increase this engagement score and enhance our corporate value through the mutual growth of individuals and organizations, united by our Purpose in ASV.

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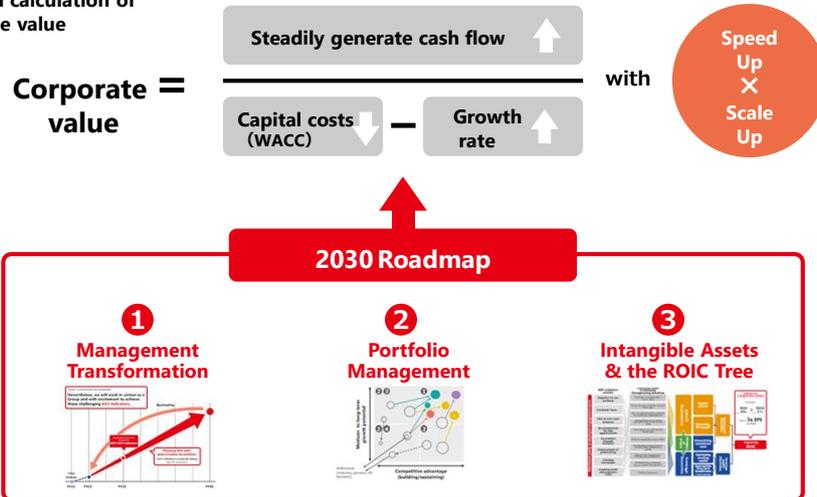


## 2030 Roadmap overview



Under the 2030 Roadmap, we will carry out initiatives in three pillars to improve corporate value.

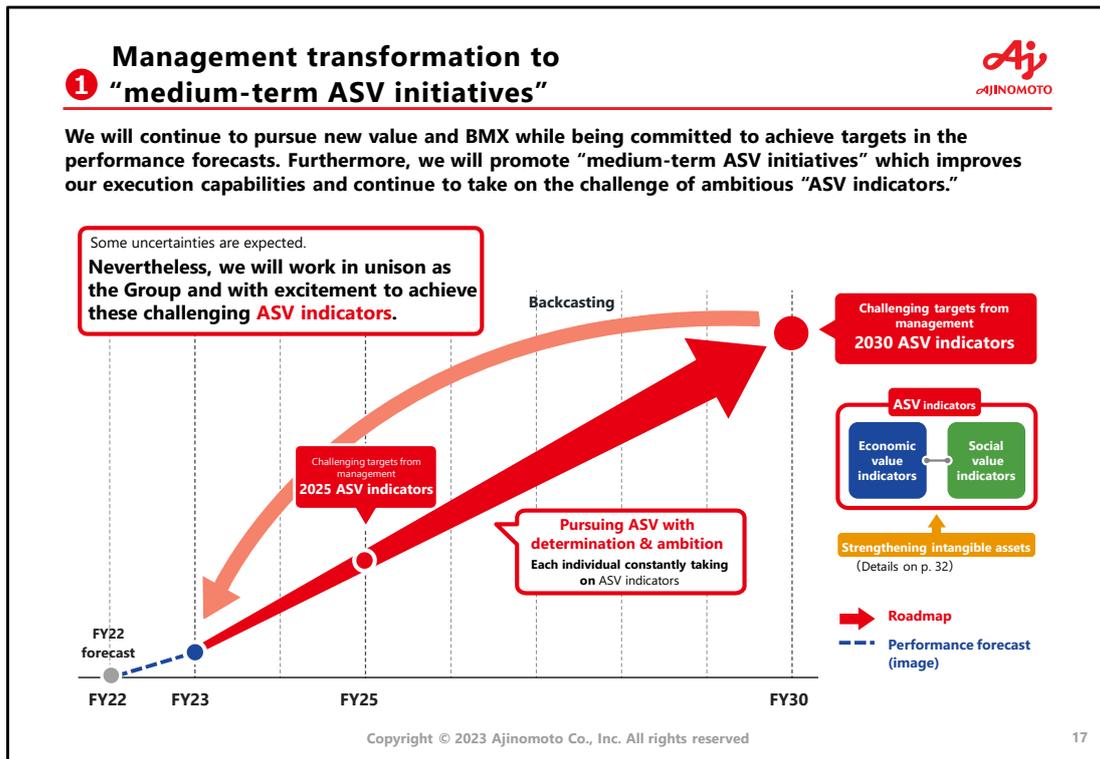
Standard calculation of corporate value



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We will work to improve corporate value based on the formula we have devised for calculating corporate value. This formula is also provided in the ASV Report (Integrated Report). The 2030 Roadmap lists three main points to address. The first is management transformation to “medium-term ASV initiatives,” the second is evolution of portfolio management, and the third is investment in intangible assets with an awareness of the link to the ROIC tree.



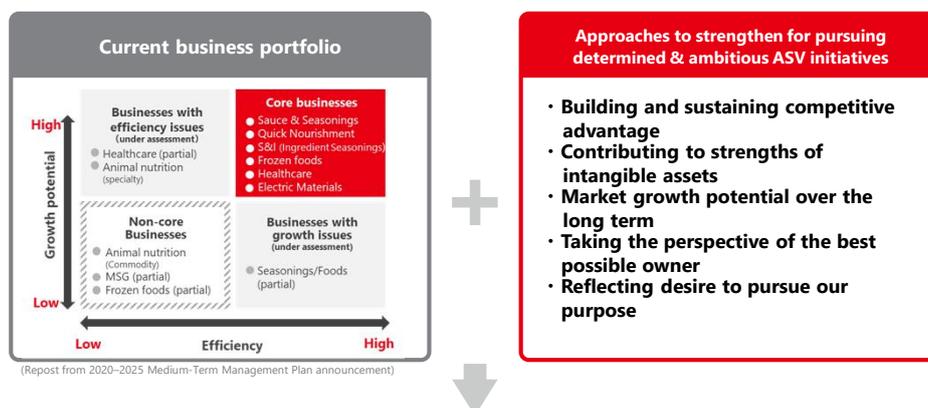
The first point in the 2030 Roadmap is management transformation to "medium-term ASV initiatives." While being committed to presenting and achieving single-year performance forecasts, we will pursue new value and business model transformation. Furthermore, we will maintain ambitious "medium-term ASV initiatives" with "ASV indicators."

To this end, management will set challenging targets toward our "vision for 2030," backcasting from there to build a roadmap to FY2030. These targets are called "ASV indicators." These ASV indicators are expressed in not only economic value indicators, but also social value indicators that lead to economic value.

We will grow thanks to each of our Group members constantly taking on challenging indicators, and these challenges will also be the driving force to dramatically and continuously improve our corporate value.

## 2 Portfolio management

Despite progress in structural reforms, we need to evolve to an optimal business portfolio with a view to business and organizational restructuring during the growth stage as we get closer to our "vision for 2030," a state of evolution in determined & ambitious ASV initiatives.



**Evolving our business portfolio with sustainable growth while maintaining financial discipline and continuing to pursue our purpose**

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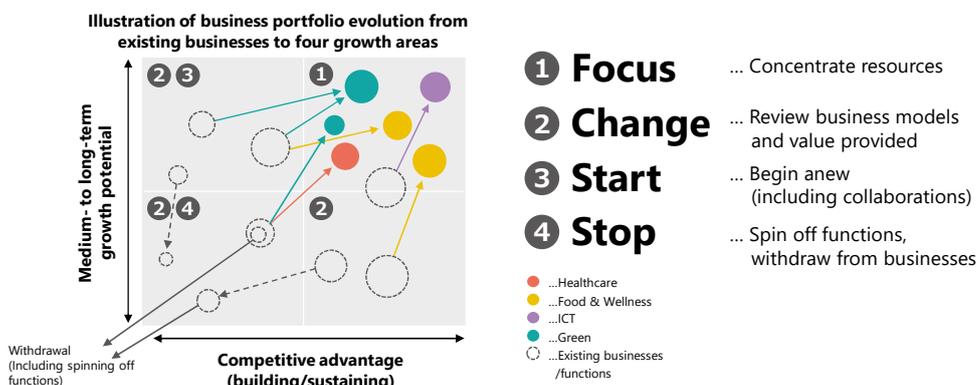
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The second point is the evolution of portfolio management. We made steady progress in structural reforms in Phase 1 of the 2020–2025 Medium-Term Management Plan. However, in order to shift to growth, we need to add perspectives such as building and sustaining competitive advantage, contributing to our strengths, market growth potential on the longer term, taking the perspective of the best possible owner, and above all, unwavering resolve to pursue our Purpose in an era when the future is becoming harder to predict.

By enhancing these new perspectives, we believe we can evolve to a business portfolio with sustainable growth while maintaining financial discipline and continuing to pursue our Purpose.

## ② Portfolio management

We will redesign our business portfolio to realize our “vision for 2030” and sustainable growth beyond. Furthermore, we will nimbly capture signs of environmental changes, using them as opportunities to polish our business portfolio as needed.



**Accelerating growth and transforming existing business through business model transformation (BMX), evolving into an outcome-driven platform**

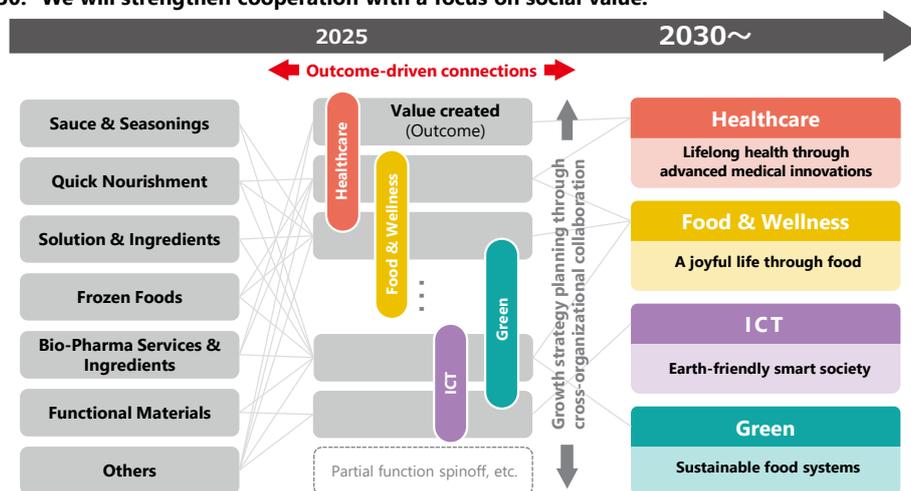
In order to achieve our “vision for 2030” and to continue to enhance our corporate value over the long term by pursuing ASV with determination and ambition, it is important to shift to a business model that captures medium- to long-term trends to gain tailwinds, and to shift to truly differentiated businesses that are unique to the Ajinomoto Group by pursuing value as a source of competitive advantage. In order to invest for growth in these areas, our fundamental businesses must also steadily generate cash.

The portfolio has medium- to long-term growth potential on the vertical axis, with potential for building and sustaining competitive advantage on the horizontal axis. We will concentrate management resources (①) on businesses that will drive growth toward our “vision for 2030” given the values that the Ajinomoto Group wants to provide and co-create. Furthermore, in areas with high growth potential, we will shift to business models that will benefit from growth tailwinds and transform to more profitable business structures by increasing added value (②). In addition, we will also start planting new seeds of growth (③) to a certain degree, both on our own and through collaboration, with a view to 2030 and beyond. At the same time, based on our Purpose, we will use Stage-Gate management and other tools to make decisions at appropriate timings on the necessity of withdrawal from businesses (④), including spinning off functions, for those needing reassessment of their contribution value, all of this from a perspective of the best possible owner.

## ② Portfolio management



By examining our business development from an outcome-driven perspective, we have begun to see the value of our current businesses' contributions and their connections to "vision for 2030." We will strengthen cooperation with a focus on social value.



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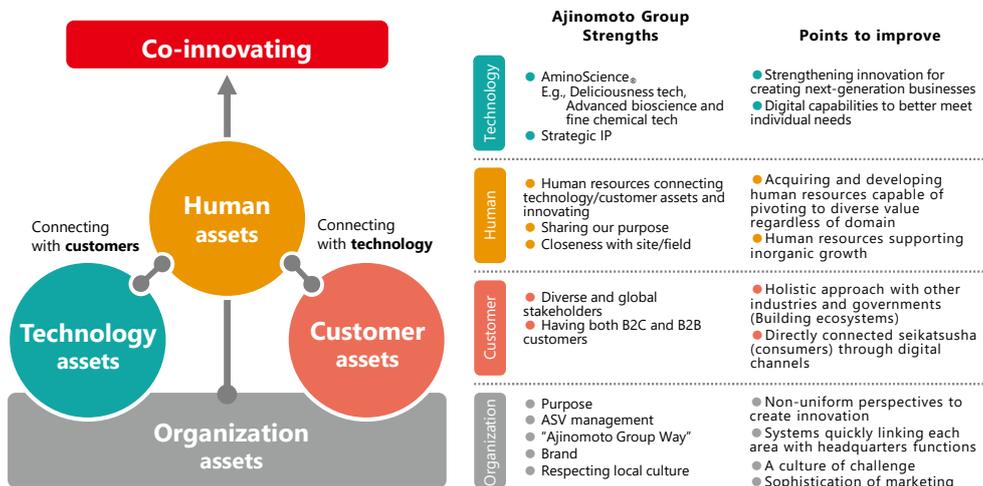
Currently, our organizational structure is focused on products and services. However, in line with our growth strategy focusing on value provided, we will further link and utilize tangible and intangible assets, transcending traditional business and organizational barriers. If we consider how this affects regions and functions, it may not be optimal to reorganize the organization with this value focus. However, we will also evolve the Ajinomoto Group's organization at the appropriate time.

For example, in April 2023, we will launch Marketing Design Center to enhance the marketing of the entire Ajinomoto Group, Procurement Strategy Department to lead the strategic procurement and development of raw materials, including sustainable raw materials, and an innovation strategy team to centralize the intelligence functions (Search & Partnering) at the head office and in North America that directly access cutting-edge innovation information and activities, speedily considering and making decisions on investments, collaborations, M&A, etc.

### 3 Intangible assets for the Ajinomoto Group



We will invest in intangible assets to ensure that human resources empowered by purpose can use AminoScience® to co-innovate for the future by working closely with consumers and customers.



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The last point is to invest in intangible assets mindful of their link to the ROIC tree. In this section, we will explain our approach and our work to enhance the four intangible assets that the Ajinomoto Group focuses on.

First, technology assets include AminoScience®, such as Deliciousness Technologies and advanced bioscience and fine chemical technologies. We believe that digital capabilities will be indispensable in order to better meet customer needs going forward.

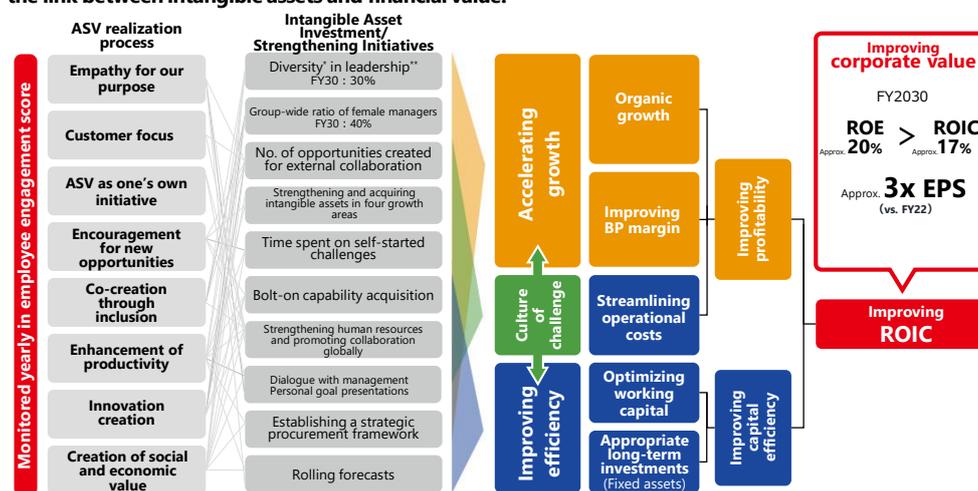
In human assets, the Ajinomoto Group's strength comes from human resources who share the same Purpose and create innovation by matching customers and technologies, and human resources who are close to work sites and fields. Given that we intend to increase the composition of our AminoScience businesses, we will acquire and develop human resources capable of pivoting to diverse values regardless of the domain.

In customer assets, our strength lies in our engagement with diverse and global stakeholders, including in B2B and B2C, as well as various sectors and areas. Here, the network we have with our customers creates synergies between our businesses. Going forward, we will aim for a more holistic approach.

Finally, there are organization assets. These refer to the overall organizational strength shared by the Group. Our strengths here are our Purpose and resonance with the same, ASV management, "Ajinomoto Group Way," and our corporate branding. On the other hand, in order to shift to growth, we believe it is necessary to strengthen the mechanism for "Speed Up x Scale Up" innovations occurring in work sites and fields.

### 3 Intangible assets and the ROIC tree

We aim to achieve ROIC of about 17% and approximately triple our EPS by FY30 (vs. FY22) by improving efficiency and especially strengthening investments to accelerate growth, while maintaining awareness of the link between intangible assets and financial value.



\*Diversity focused on gender, nationality, and affiliation / \*\*Executive officers and general managers of departments/organizations, or similar key positions

This diagram shows the linkage between the ROIC tree and intangible asset investment and enhancement efforts. It shows examples of initiatives to strengthen intangible assets such as those shown in the slides on page 21, and how these initiatives will accelerate growth, improve efficiency, and achieve higher ROIC, and ultimately ROE beyond ROIC levels.

We believe that these examples of intangible asset investment and enhancement efforts are closely related to the eight items of the ASV realization process shown on the far left, and we will continue to improve corporate value by monitoring the ASV realization process items in measuring our employee engagement score on an annual basis.

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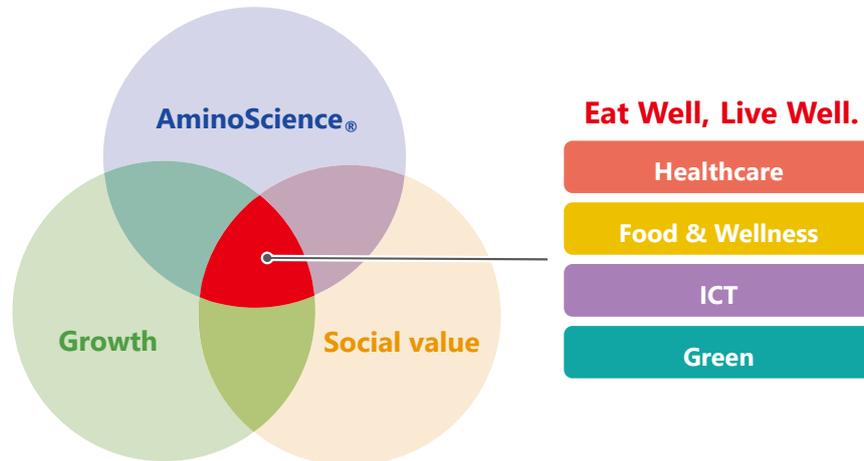
Supplementary Materials



## Ajinomoto Group growth strategy | Basic policy



By leveraging the strengths of the Ajinomoto Group's unique AminoScience® offerings, we aim to achieve dramatic growth in four growth areas. These areas were defined through our basic policy to focus on areas where there is great market growth potential and social value.



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The Ajinomoto Group's growth strategy focuses on four growth areas, in markets where there is growth potential over the medium- to long-term. In these areas, we can provide sustainable social value by leveraging the Ajinomoto Group's unique strength, AminoScience®, and combined with this growth driven by BMX and steady growth of existing businesses, we will aim to achieve dramatic growth toward FY2030.

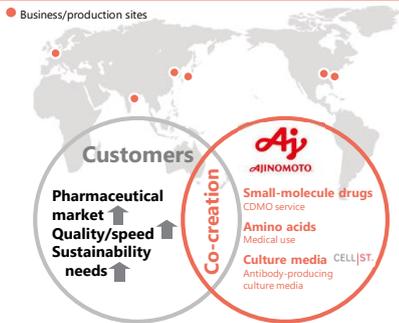
## Healthcare



In keeping with strengthening our core businesses, we will also accelerate business growth by focusing management resources on strategic businesses with growth market prospects.

Steady growth of existing businesses

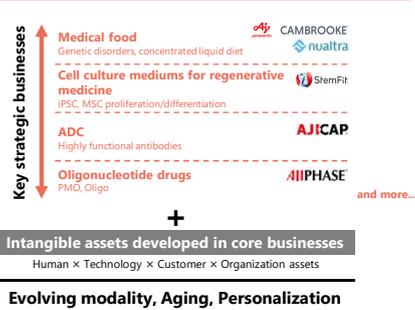
### Steady Growth of Core Businesses



- Co-creating values with customers in growth markets
- Enhancing human resources and technology
- Maximizing our asset efficiency and allocating resources appropriately

Further growth driven by BMX

### Accelerating Growth through Strategic Businesses



- Maximally leveraging intangible assets developed in core businesses
- Accelerating growth through unique technology
- Further expansion of AJIPHASE® business and aggressive investment in the regenerative medicine and medical food business fields.

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In the Healthcare domain, we will achieve growth by expanding co-creation with customers and maximizing asset efficiency in our core businesses, including the amino acids business, contract small-molecule pharmaceuticals, and antibody-producing culture media, markets that will continue to grow. We will also leverage the assets of these core businesses to accelerate growth by concentrating investment of management resources into key strategic businesses such as those leveraging AJIPHASE® technology in oligonucleotide drugs, as well as cell culture mediums for regenerative medicine, and medical food, areas expected to grow significantly.

## Food & Wellness



In addition to greater earnings by strengthening regional strategies in the consumer food businesses and shifting the Frozen Food Business to a growth trajectory, we will accelerate growth by building a new business foundation that co-creates diverse value, including health and nutritional value.

Steady growth of existing businesses

### Strengthening Area Strategies as a Growth Strategy



- Steady growth in ASEAN and Latin America and revitalization of Japan business
- Shifting Frozen Food Business to growth trajectory (North America, Europe)
- Focusing on the frontier (ASEAN developing countries, Halal market, etc.)

Further growth driven by BMX

### Providing Health and Nutritional Value Satisfying Individual Preferences



- Developing and providing products and services with high health and nutritional value through innovation by AminoScience®
- Establishing a foundation for providing well-being value for each region and individual through digital touchpoints

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In the Food & Wellness domain, in addition to greater earnings by strengthening area strategies in the consumer food businesses and making structural reforms to shift the Frozen Foods Business to a growth trajectory, we will accelerate growth by building a new business foundation that provides health, nutrition, and well-being value for each individual.

In our area strategies, in addition to solid organic growth by enhancing our portfolio in ASEAN and Latin America, we will also revitalize our Japanese business through cross-border e-commerce centered on Japanese products, with a bird's-eye view of Japan and East Asia. In the Frozen Foods Business, we aim to achieve substantial growth mainly in North America and Europe. We will also focus on expanding in frontier areas.

Furthermore, we have established a new aim to turn the achievement of true well-being into a pillar of our growth. Our aim is to evolve this into a business where we connect directly with each individual consumer and understand their health challenges and ideals. Then, we will leverage the Ajinomoto Group's strengths in AminoScience® and insights built from years of work to understand food in nations and regions around the world to create new experiences, services, and products that will bring joy to their lives.

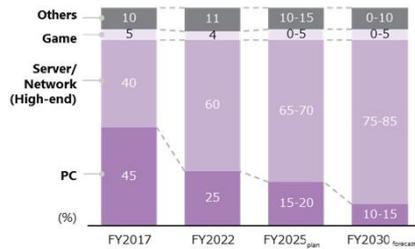
## ICT

We will capture growth areas such as semiconductors for HPC\* (AI applications, etc.) and new packages (multi-chip, 3D-IC), as well as PC and server applications, and continue to evolve and expand ABF\*\* and tackle new areas and materials.

Steady growth of existing businesses

### Strengthening ABF Growth Foundations

[Volume by ABF application over time]

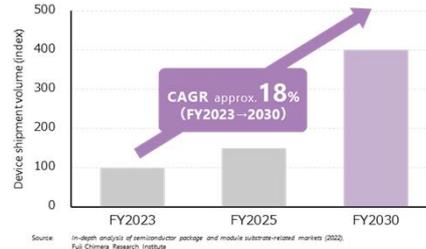


- Despite current demand adjustments in the PC market, growth is expected to continue through 2030, and we will make necessary investments for boosting production. (Approx. ¥25 billion)
- We will leverage our robust value chain network for ABF's continued growth and develop next-generation businesses.
- We will steadily implement business continuity plan (BCP) measures

Further growth driven by BMX

### Evolving/Expanding ABF, Tackling New Areas/Materials

[Growth in the HPC (Device) market]



- High market growth is expected in semiconductors for HPC, especially for the higher end among server/network applications.
- Required ABF volume per IC is increasing due to larger and more complex IC packages.

\*High Performance Computing \*\*Insulation film: Ajinomoto Build-up Film<sub>®</sub> (ABF)

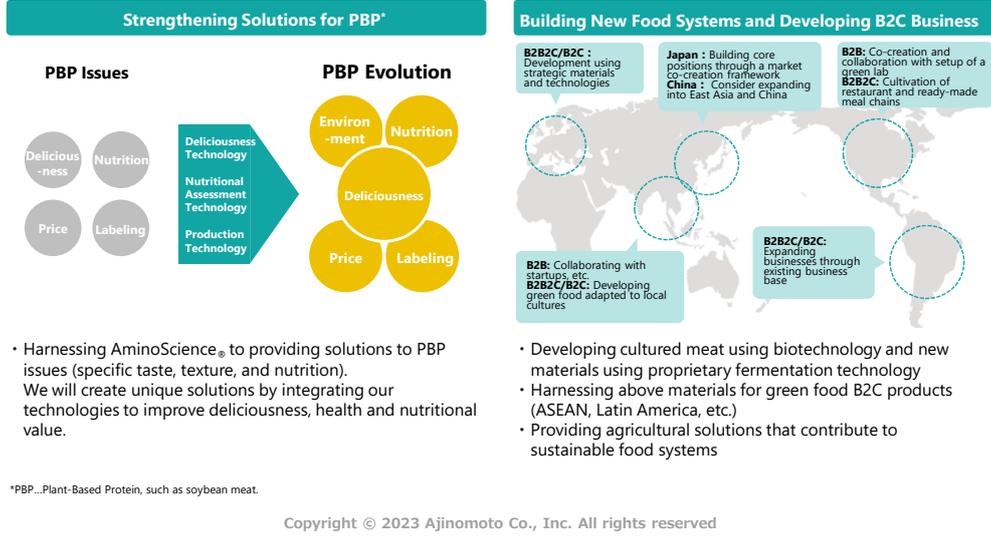
In the ICT domain, we will steadily invest in systematically boosting ABF production and BCP measures in the interest of sustainable growth to 2030 and beyond. Meanwhile, we will leverage our value chain network to evolve and expand applications in growth fields, as well as develop new fields and new materials for the next generation. With regard to ABF applications, we will drive growth by shifting our focus from PC applications to high-end applications such as servers and networks, where applications are expected to increase the surface area of package substrates and the number of insulation layers used. This is to ensure that we capture the High Performance Computing (HPC) semiconductor markets, especially for AI applications, where growth is expected.

## Green

We will co-create new food systems as we take leadership of achieving a “with Earth” society. In this society, there will be a sweeping new dietary style that harmonizes with co-existence with the Earth, passing on national and regional food cultures, and individual tastes and values.

Steady growth of existing businesses

Further growth driven by BMX



In the Green domain, in addition to strengthening our unique solution offering for plant-based protein (PBP) with AminoScience®, with BMX, we will develop a new sustainable food system that harmonizes with co-existence with the earth, passing on national and regional food culture, and individual tastes and values. This system will be made into a new pillar of our businesses.

As PBP market grows globally, we will achieve further evolution in this area through our Deliciousness Technologies and technologies for nutritional design. We will also develop cultured meat using biotechnology and new materials using our proprietary fermentation technology, and bring these to consumers as products tailored to local food culture.

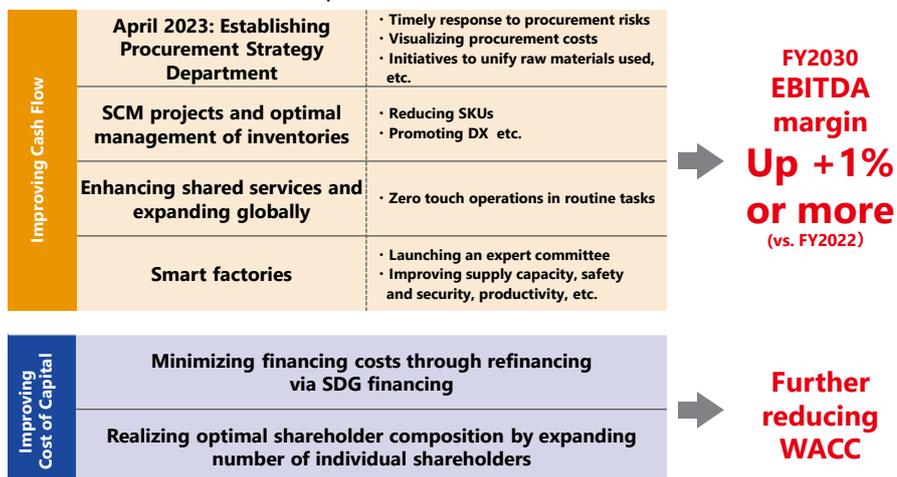
Furthermore, we will expand our agricultural solutions offerings for sustainable agriculture.

## Initiatives for strengthening business foundations



While achieving dramatic growth, we will continue to improve capital efficiency to achieve a streamlined profit structure that supports growth foundations.

### Examples of initiatives



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As mentioned with regard to portfolio management, steady cash generation in core businesses is the key to further growth.

We will evolve strategic procurement, specialize in strategic operations by expanding and enhancing shared services, improve the cash conversion cycle (CCC) through SCM optimization, and work toward smart factories. In addition, we will improve EBITDA margin by 1% or more by FY2030.

There are various initiatives available to improve the cost of capital. For example, an increase in the ratio of individual shareholders can increase the relative stability of the stock price and significantly lower the cost of capital (WACC.)

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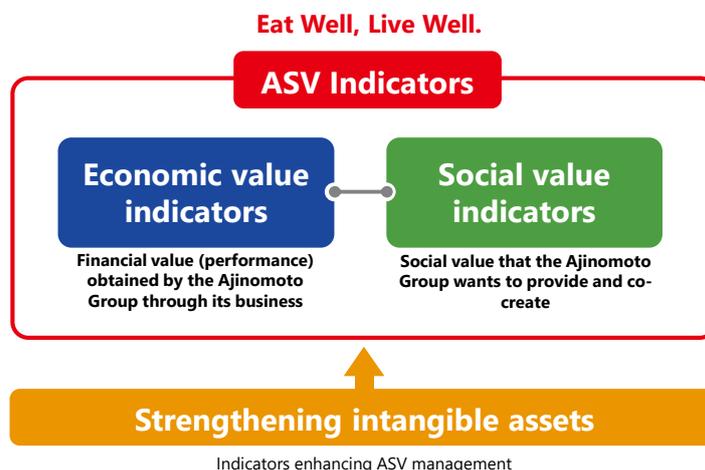
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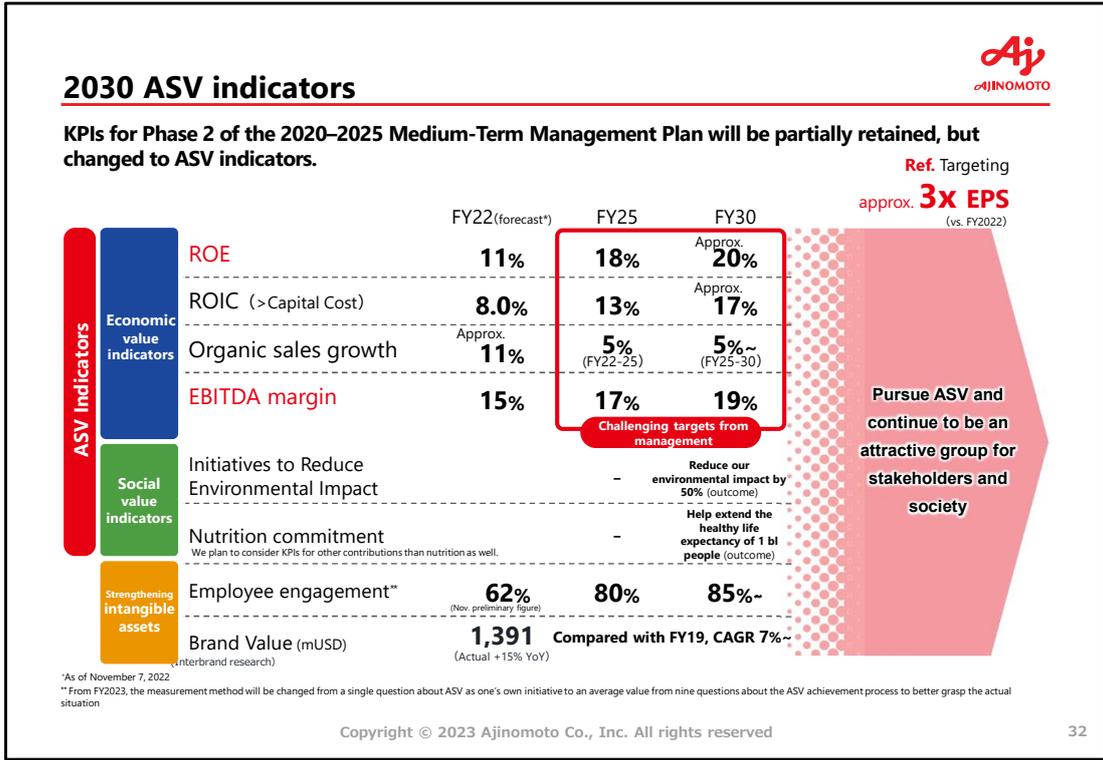


## What are “ASV Indicators”?

We are adjusting existing KPIs for achieving our future vision, combining these with new needed metrics and changing to ASV indicators that will encourage further growth and challenges.



The priority KPIs and structural targets indicated in the 2020-2025 Medium-Term Management Plan will be evolved into “ASV indicators.” “ASV indicators” consist of economic value indicators that evaluate the financial performance of the Ajinomoto Group through its businesses, social value indicators based on the values we want to provide and co-create. We will strengthen our intangible assets to support them and maximize our corporate value.



Our new 2030 ASV indicators and their associated targets inherit some of the KPIs from the Phase 2 of the 2020–2025 Medium-Term Management Plan (ROIC, organic growth rate, social value indicators, and strengthening intangible assets), while adding ROE, which evaluates capital efficiency, and EBITDA margin, which indicates cash generating ability. As a reference, in FY2030, we aim to realize EPS of approximately three times that of FY2022 levels.

As reported in the Phase 1 review, we will modify how we measure employee engagement score to use the ASV realization process as shown on page 22, starting with FY2023 results, as a more appropriate measurement method for this score. As a note, the score for the ASV realization process in FY2022 was 75%.

## Reference | Growth paths by segment

Segment		Organic growth (CAGR)		Business profit (BP) (CAGR)		ROIC		EBITDA margin	
		FY22 <sup>forecast*</sup>	FY25	FY22 <sup>forecast*</sup>	FY25	FY22 <sup>forecast*</sup>	FY25	FY22 <sup>forecast*</sup>	FY25
		(Sales)	(FY22-25)	(BP)	(FY22-25)				
Seasonings and Foods	Seasonings								
	Quick Nourishment	¥748.7 billion	5%	¥81.0 billion	12%	Approx. 12% <sup>**</sup>	16%	15%	16%
	Solution & Ingredients					WACC 6% → 7% <sup>***</sup>			
Frozen Foods	Frozen Foods	¥261.1 billion	3%	¥0.1 billion	¥10~ billion	Approx. 0% <sup>**</sup>	5%	4%	8%
Healthcare and Others	Bio-Pharma Services & Ingredients								
	Functional Materials	¥303.5 billion	8%	¥55.8 billion	13%	Approx. 13% <sup>**</sup>	18%	24%	27%
	Others					WACC 8% → 7% <sup>***</sup>			
Total		¥1,367.0 billion	5%	¥133.0 billion	15%~	8.0% (Approx. 9% <sup>**</sup> )	13%	15%	17%
						WACC 5% → 6% <sup>***</sup>			

\*As of November 7, 2022

\*\* Figures above do not include structural reform expenses.

\*\*\*WACC updated for FY23- (no change for frozen foods)

## 2030 ASV indicators | Social value

We are working to reduce our environmental impact by 50% by 2030 and to achieve carbon neutrality by 2050.

Issues		KPIs	Targets	FY21 (Results)
Response to Climate Change	Greenhouse gas	Scope 1, 2 Total	FY30 : Reduced by 50% (vs. FY18)	18% reduction
		Scope 3 (basic unit)	FY30 : Reduced by 24% (vs. FY18)	8% increase
	Water risk	Water consumption	FY25 : Reduced by 80% (vs. FY05)	79% reduction
Achieving a Circular Economy	Plastic waste		FY30 : Zero-out	-
	Food loss & waste	From receiving raw materials to customer delivery	FY25 : Reduced by 50% (vs. FY18)	23% reduction
		Product life cycle overall	FY50 : Reduced by 50% (vs. FY18)	-
Zero waste emissions	Resource recovery ratio	Maintaining 99% or more	98.4%	
Achieving sustainable procurement	Deforestation Biodiversity Human rights Mutual relationships with animals	Sustainable procurement ratio Paper Palm oil Soybeans Coffee beans Beef, Sugarcane	FY30 : 100% of sustainable procurement	98%
				93%
				30%
				58%
				Start risk assessment

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Regarding social value indicators, we will continue our work to achieve a 50% reduction in our environmental impact by F2030, as well as achieve carbon neutrality by 2050.

We will also continue to strive toward goals in existing major themes by FY2030, including reducing greenhouse gas emissions, plastic waste, and food loss and waste, as well as achieving sustainable procurement.

Progress in reducing greenhouse gases in Scope 1 and 2 and cutting food loss and waste has exceeded our plans, and we will continue to make steady progress in these areas. As for reducing greenhouse gas emissions in Scope 3, we launched dialogue with suppliers in FY2022 in the interest of collaboration, beginning with MSG raw materials suppliers in Thailand. In FY2023, we will steadily advance these initiatives and expand them into other areas horizontally to produce concrete numerical results.

With regard to plastic waste reduction, we are working to reduce usage and switch to recyclable packaging materials, as well as toward the social implementation of recycling.

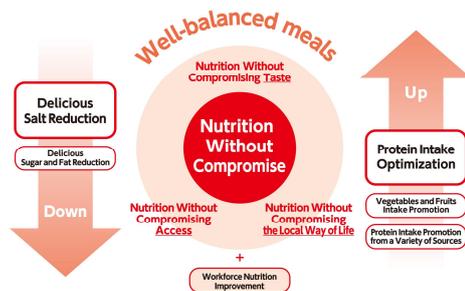
In FY2023, we will visualize KPIs and produce concrete numerical results. For sustainable procurement, we are promoting initiatives in priority raw materials, and in FY2023, we will also promote biodiversity initiatives.

## 2030 ASV indicators | Social value



We will contribute to extending the healthy life expectancy for one billion people by promoting initiatives based on the "Nutrition Without Compromise" approach.

### Ajinomoto Group's approach to nutrition



※Progress toward extending healthy life expectancy for one billion people will be disclosed from our FY22 results.

### Nutrition commitment

Quantitative Targets	FY21 (Results)	FY25/30 (Targets)
Percentage of products with improved nutritional value	50%	60%
Provision of products with improved nutritional value in "delicious salt reduction" and "protein intake optimization"	320 million people /year	400 million people /year
Availability of products utilizing the physiological and nutritional functions of amino acids	1.09 times	2times
Nutrition education for employees	26,000 people	Cumulatively 100,000 people (FY25)

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For health and nutrition, we will contribute to extending the healthy life expectancy of one billion people based on the "Nutrition Without Compromise" approach.

We plan to disclose our progress toward extending healthy life expectancy of one billion people beginning with our FY2022 results.

The "Nutrition without Compromise" approach is to promote a balanced diet that is low in salt, sugar, and fat, and contains adequate amounts of protein, vegetables, and fruits, without compromising the Ajinomoto Group's emphasis on deliciousness, access to food, and local and individual diets. More specifically, through our Commitment to Nutrition efforts since FY2021, our goals are to increase opportunities to provide products with improved nutritional value and to demonstrate a positive impact by increasing the nutritional literacy of our closest stakeholders, our employees. These four quantitative targets serve as KPIs for FY2025 and FY2030, and we are making good progress toward these.

For details, please refer to The Ajinomoto Group's Commitment to Nutrition on our website.

Reference: The Ajinomoto Group's Commitment to Nutrition

<https://www.ajinomoto.com/nutrition/the-ajinomoto-groups-commitment-to-nutrition>

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**1 Matching Business and Capital Strategies**

- Cash allocation policy for maximizing corporate value

**2 Continuously Improving Shareholder Value**

- Continuous improvement of EPS (approx. 3x EPS in FY2030)

**3 Updating Shareholder Return Policy**

- Progressive dividend policy
- Dividend policy based on normalized EPS

Our financial strategy for FY2030 is based on three frameworks.

The first element is to maximize corporate value through a cash allocation policy mindful of cost of capital. Our priorities for cash allocation are clarified on the next page.

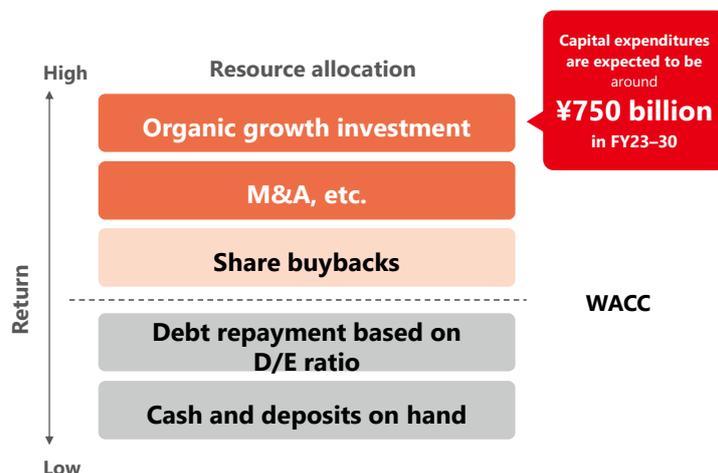
The second element is continuously improving shareholder value. We will steadily improve EPS, launching measures to triple this KPI by FY2030 (vs. FY2022).

Finally, with regard to our shareholder return policy, we have newly adopted two policies: progressive dividends and dividends based on normalized EPS. With these, we will actively work to strengthen sustainable shareholder returns.

## Financial strategy 1 | Cash allocation policy



We will place the highest priority on investments in growth, M&A, etc. If there is excess capacity in operating CF, we will actively carry out share buybacks as a second tier of investments above WACC.



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For cash allocation, we will give the highest priority to investments that enhance the organic growth of our businesses. In addition to investments in organic growth, we will focus on investments to accelerate growth in the four BMX-driven areas, boosting the growth potential of the entire Group. Furthermore, we will actively consider M&A to accelerate the growth of existing businesses and enable growth in new business areas. After making these necessary investments for growth, we will dynamically return profits to shareholders through a new policy within a debt-equity ratio from 30% to 50%.

## Financial strategy 2 | Continuous improvement of EPS



<b>Continuous Growth in Business Profit</b>	<ul style="list-style-type: none"><li>• Early identification of signs of changes in the business environment through rolling forecasts and timely implementation of countermeasures</li><li>• Profit growth through activities to improve TDC* margin and other profit metrics</li></ul>
<b>Managing Effective Tax Rate</b>	<ul style="list-style-type: none"><li>• Setting 27% effective tax rate as the Ajinomoto Group standard tax rate</li><li>• Global tax risk monitoring and timely response</li><li>• Reducing tax rates by maximizing the use of tax benefits, including those related to sustainability</li></ul>
<b>Improving Capital and Asset Efficiency</b>	<ul style="list-style-type: none"><li>• Continuously reducing outstanding shares through dynamic share buybacks</li><li>• Reducing cash and deposits (to ¥90 billion on a consolidated basis in FY2025) to harness surplus funds</li></ul>

\*TDC = Total Delivered Cost including logistics expenses

To continuously increase shareholder value, we will promote three initiatives for continuously improving EPS.

The most important of these is continuous growth in business profit. Through rolling forecasting, we can quickly identify changes in the business environment and consider and implement countermeasures to ensure continued business growth. In addition, we will strengthen monitoring of our total delivered cost margins, referring to total costs including logistics costs, in order to better monitor the recent sharp rise in raw material, fuel, and logistics costs, leading to continued business growth.

The second initiative is managing the effective tax rate. Taking into account the mix of statutory tax rates in the countries in which we operate and the tax burden associated with returning funds through dividends, we have set the standard Group tax rate at 27% (FY2021 effective tax rate: 34.5% → normalized tax rate: 27.6%), and will make maximum use of tax benefits from the perspective of sustainability investment, etc. to reduce the effective tax rate.

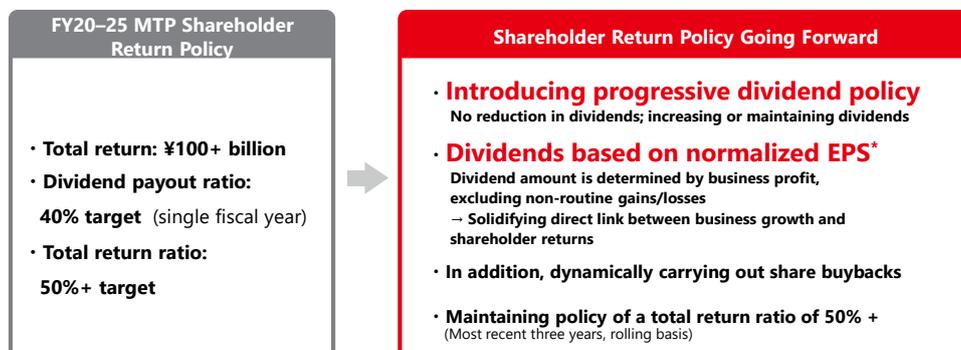
The third initiative is improving capital and asset efficiency. Through ongoing, dynamic share buybacks, we will continue to reduce the total number of shares outstanding, the denominator in calculating EPS. In parallel, we will minimize our level of cash and deposits and harness surplus funds for investments and shareholder returns.

## Financial strategy 3 |

### Continuous strengthening of shareholder returns



We will strengthen shareholder returns by introducing a progressive dividend policy, adopting dividends based on normalized EPS, and continuing dynamic share buybacks.



\*We have defined dividends based on normalized EPS as follows:

$$\text{Dividends based on normalized EPS} = \frac{\text{BP} \times (1 - \text{Ajinomoto Group standard tax rate})}{\text{Outstanding shares}} \times 35\% \text{ (Return coefficient)}$$

\* The Ajinomoto Group standard tax rate for FY2023 is set at 27%. This is based on comprehensive consideration of the mix of statutory tax rates in each country and the tax burden associated with returning funding via dividends, and is subject to periodic review according to actual conditions.

\* The return coefficient for FY2023 is set at 35%. This is based on comprehensive consideration of actual past dividends paid, and is subject to periodic review in light of the Company's shareholder return policy.

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With regard to shareholder returns, the roadmap now includes dynamic share buybacks and a total return ratio of 50% or more (vs. net profit for the period), as well as two new policies: progressive dividends and dividends based on normalized EPS.

First, our progressive dividend policy calls for no reduction in dividends, but rather increasing or maintaining dividend levels. A progressive dividend refers to maintaining the current dividend level even in the event of a temporary downturn in business performance.

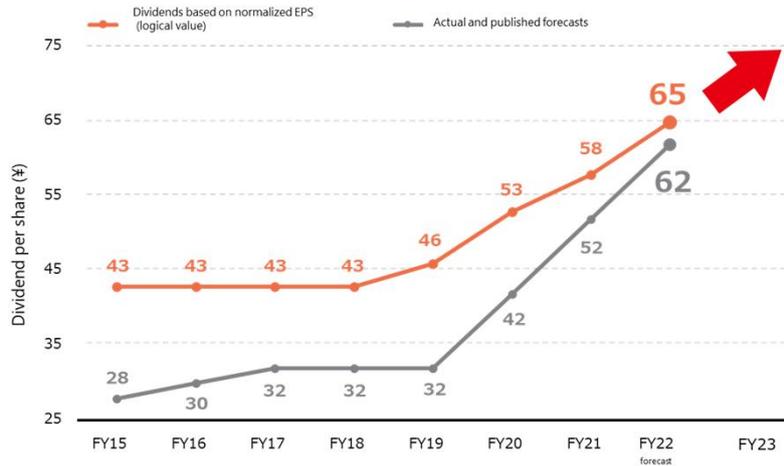
Next, as a dividend based on normalized EPS, we will introduce an approach to base dividends on business profit, a figure less susceptible to impairment losses and other non-routine profit fluctuations.

We will dynamically conduct share buybacks to improve EPS, taking into consideration the business environment, financial environment, capital efficiency, and stock price level, among other factors.

## Reference | Continuous strengthening of shareholder returns



If the equivalent to 35% of normalized EPS is used as the dividend per share, dividends will increase compared to past amounts. Combined with our progressive dividend policy, we will continue to maintain the trend of increasing dividends.



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This slide provides reference information comparing dividends calculated with our new progressive dividend formula versus actual past trends, illustrating our policy in the previous page. We will introduce a return coefficient of 35% on a normalized EPS basis, which clearly shows a stronger dividend policy versus past dividend amounts. Going forward, we will steadily increase business profit with the aim of further increasing dividends.

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## Conclusion

- Pursue **determined & ambitious ASV initiatives**, **evolving to ASV management**, improving **execution ability**
- Realize the **well-being** of all human beings, our society and our planet with **AminoScience®**
- **Improve corporate value through steady cash flow generation**, **improved growth rate**, **reduced cost of capital**
- Create **organic growth** and **shift to growth in four growth areas**
- Visualize and enhance the value of **intangible assets**, the driving force of corporate value improvement
- **Promote sustainability** by clarifying **the roadmap** to creating **social and economic value**
- **“Purpose x Passion x Operational Excellence”** & **“Speed Up x Scale Up”**

**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.
- AminoScience<sup>®</sup> is a trademark of Ajinomoto Co., Inc. registered in Japan.

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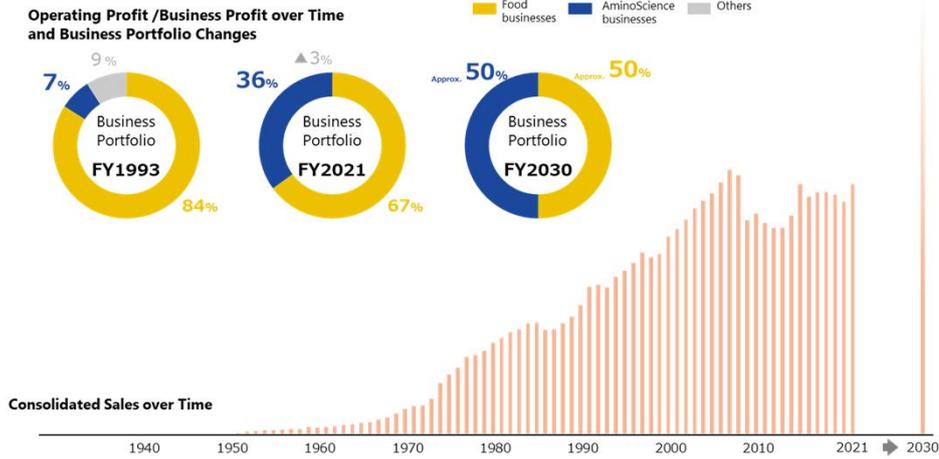
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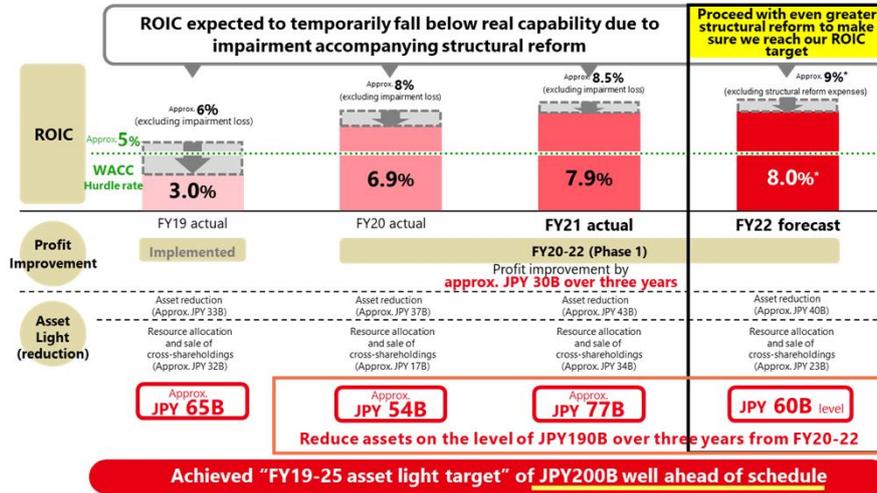
## The Ajinomoto Group's growth trajectory

Our front-line human resources have accurately and rapidly grasped the changing needs of the times, helping us achieving sustainable growth by evolving our business portfolio while building a competitive advantage through AminoScience®.



## FY20-22 (2020-2025 MTP Phase 1) | Progress of structural reform

Although we have achieved our asset light targets of 200 billion yen ahead of schedule, we will continue our efforts to further improve ROIC in FY23 and beyond.



**Group-Wide Project | 1** Healthy and nutritional food products business value creation and regional development through fusion of food and amino acids



**Creating new value in health and nutritional functions of amino acids and promoting business by proposing solutions to health issues and new food experiences, given legal regulations and health and nutrition awareness in each country and region**

Health/nutrition value level : **Diseases/disorders** Presymptomatic disease Conditioning

**EU**

Product Type	Initiatives
Medical food (reimbursed by insurance)	Cambrooke products Nualtra products
ONS (e.g., concentrated liquid diet)	Nualtra products
Foods/supplements (B2C)	Currently developing a product strategy based on ethical needs in Europe (food products)

**Japan**

Product Type	Initiatives
Medical food (Self pay)	TBD
ONS (e.g., concentrated liquid diet)	"Medimeal" (with Nestle)
Foods/supplements (B2C)	Various supplements (wide range) Soups, porridge, etc., using functional ingredients Frozen Foods (nutritionally balanced, or disease control)
Health ingredients (B2B)	AminoL40, dihydrocapsiate, etc.

**North America**

Product Type	Initiatives
Medical food (reimbursed by insurance)	Cambrooke products
Supplements (B2C)	Dihydrocapsiate, Glyna, etc.
Health ingredients (B2B)	Dihydrocapsiate, AminoL40

**China · Asia**

Product Type	Initiatives
Medical food (reimbursed by insurance)	Cambrooke products (China, Self pay)
ONS (e.g., concentrated liquid diet)	TBD
Foods/supplements (B2C)	Exploring supplement commercialization Starting discussions with corporations in ASEAN countries based on country-specific health issues (food)
Health ingredients (B2B)	AminoL40, etc.

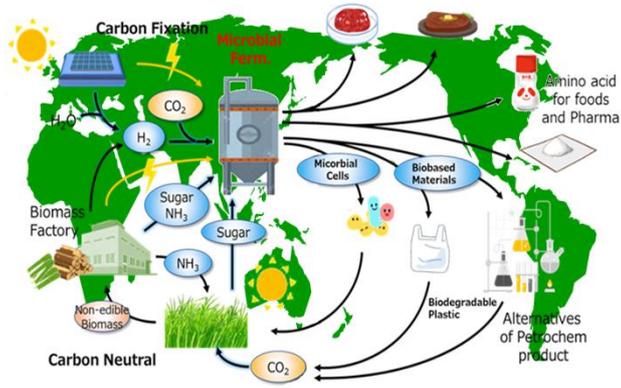
**Latin America**

Product Type	Initiatives
Medical food (reimbursed by insurance)	Cambrooke products
Foods/supplements (B2C)	Starting exploration of supplement commercialization Initiatives to be laterally deployed in ASEAN (food)

**Group-Wide Project | 2 Global fermentation asset optimization**



Setting direction to convert/utilize/evolve tangible and intangible fermentation-related assets (facilities, technologies, human resources, etc.) cultivated by the Ajinomoto Group for future growth strategies, and achieving high-value-added and green initiatives

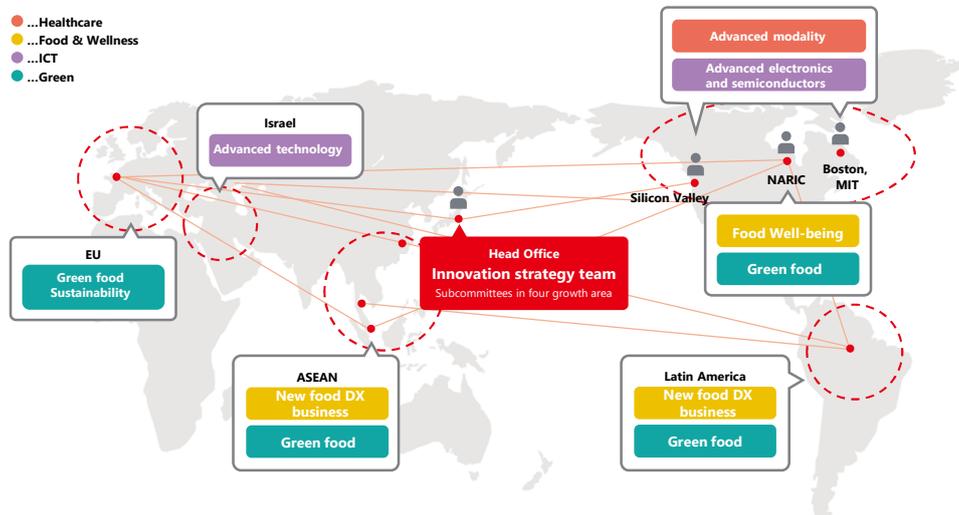


**Conversion/utilization** Exploring opportunities to introduce precision fermentation products, etc.

**Evolution** Taking on the challenge of introducing green technology for amino acids  
(Aiming for carbon neutrality by 2050)

## Strengthening intelligence functions to achieve “medium-term ASV initiatives”

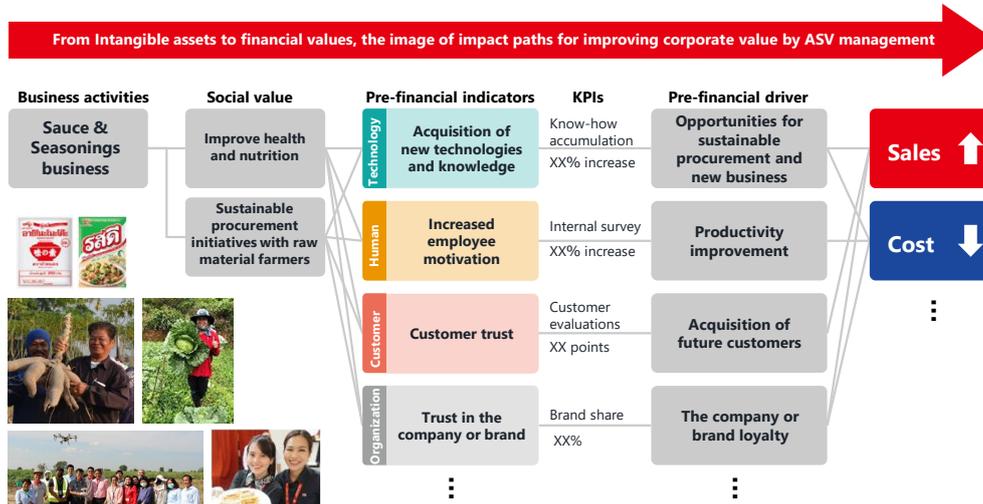
Strengthening intelligence functions (search, access & partnering) for direct access to global markets, customers, and innovation activities to quickly review and make decisions for alliances and partnerships.



## Launching an initiative to clarify an impact path | Example of Ajinomoto Thailand



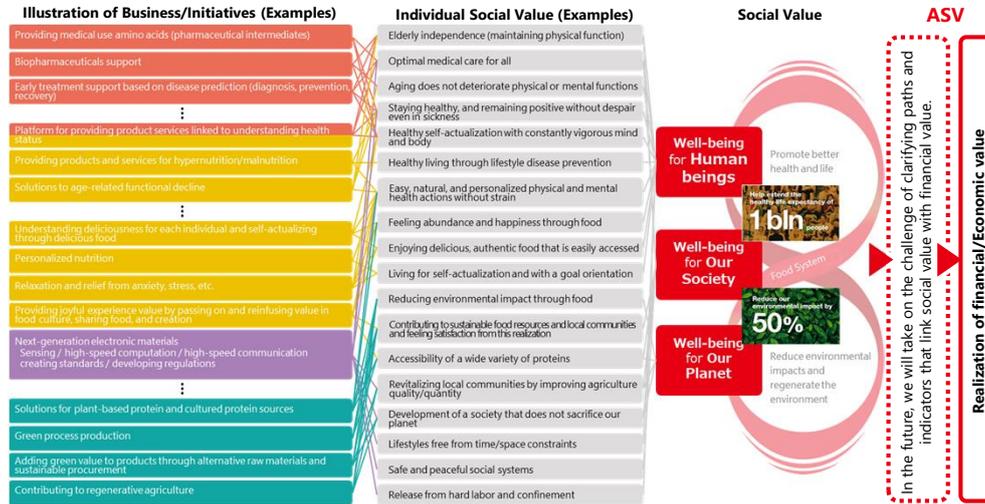
In Thailand, we clarified the impact path (cause and effect) from our business activities to the realization of ASV and implemented it ahead of the entire company. In the future, we will communicate effectively to maximize ASV through this path.



# Connections between business/Initiatives and social/economic value | Ajinomoto Group



After drafting specific impact paths for each business domain, we will take a bird's-eye view of the Group (including business interrelationships), drawing a path to maximize ASV toward 2030.



## Ajinomoto Group human assets

Through dialogue between those inside and outside the Group who resonate with our purpose, we foster purpose and build resonance with it, and encourage diversity and challenge. By doing so, we co-create innovations for the future and strengthen our human resource assets through improving employee job satisfaction (creation of ASV).



## Ajinomoto Group human assets

To enhance ASV, we will actively invest in human resources with a focus on fostering purpose and building resonance, as well as diversity and challenge. We will also link various initiatives with the ASV realization process, improving employee engagement.



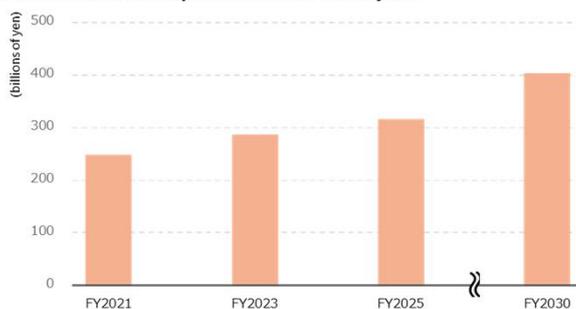
**ASV indicators: Increase employee engagement to 80% (FY25) and 85% (FY30)**

## Accelerating innovation by strengthening R&D investment



We will accelerate growth by strengthening investments tied to the four areas driving growth toward FY2030, as well as R&D investments to create next-generation businesses that will be commercialized after FY2030.

Illustration of Consolidated R&D Expenses in FY2023 and Beyond

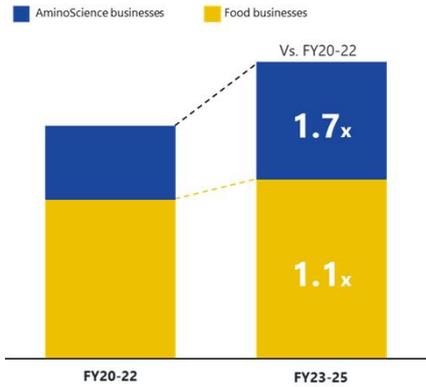


**We will consider increasing R&D investments by more than ¥40 billion in FY2030.**

## Capital investment

After clarifying business priorities, we will strengthen investment in high-priority businesses. We will shift allocation between food and AminoScience to implement a well-rounded investment strategy.

CAPEX (Information systems/capital investment) over time



Total information systems/  
capital investment in  
FY23–30 (eight years)  
is expected to be around

**¥750 billion.**

Strategic investment quotas will be  
secured within the above total for  
sustainability-related investments.

## Reference Links

**Ajinomoto Group IR**

<https://www.ajinomoto.co.jp/company/en/ir/>

**Ajinomoto Group ASV Report (Integrated Report) 2022**

<https://www.ajinomoto.co.jp/company/en/ir/library/annual.html>

**Medium-Term ASV Initiatives 2030 Roadmap**

[https://www.ajinomoto.co.jp/company/en/ir/event/medium\\_term.html](https://www.ajinomoto.co.jp/company/en/ir/event/medium_term.html)

**Ajinomoto Group IR Day**

[https://www.ajinomoto.co.jp/company/en/ir/event/ir\\_day.html](https://www.ajinomoto.co.jp/company/en/ir/event/ir_day.html)

**Ajinomoto Group Business Briefing**

[https://www.ajinomoto.co.jp/company/en/ir/event/business\\_briefing.html](https://www.ajinomoto.co.jp/company/en/ir/event/business_briefing.html)