

Eat Well, Live Well.



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

# **Financial Results for Q1 of FY2024 (Ending March 31, 2025)**

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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 Message

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- **Revenue and profit increased in Q1-FY2024. Sales and business profit set new records for the first quarter. Excluding the impact of the Forge Biologics acquisition, business profit increased 7% compared to the same period in FY2023.**
- **In the Seasonings and Foods segment, Sauce and Seasonings overseas and other businesses remain solid.**
- **In the Frozen Foods segment, have invested in brands according to plan from the start of the fiscal year, achieving growth in main products.**
- **In the Healthcare and Others segment, revenue increased and profit increased significantly. Within this, for Functional Materials(electronic materials and others) both revenue and profit increased significantly. For Bio-Pharma Services (CDMO services), including Forge, orders remained strong.**
- **In Q1, shared companywide expenses increased due to increased strategic investment aimed at achieving the 2030 Roadmap. For the full year, however, we will control these expenses to keep them within the level forecast at the beginning of the fiscal year.**

# I-1. Digest of the First Quarter (April - June)

**Sales: Increased**

**¥365.5 billion**

107.7% of FY2023

Excluding currency translation: 102.3%

Excluding the impact of the Forge acquisition: approx. 107%

**up ¥25.9 billion**

We achieved increased revenue in each segment and increased revenue overall.

**Business profit: Increased**

**¥43.0 billion**

100.5% of FY2023

Excluding currency translation: 95.0%

Excluding the impact of the Forge acquisition: approx. 107%

**up ¥0.2 billion**

Profit increased in Healthcare and Others, but declined in Seasonings and Foods and in Frozen Foods, due to increased shared companywide expenses.

**Profit attributable to owners of the parent company**

**¥23.9 billion**

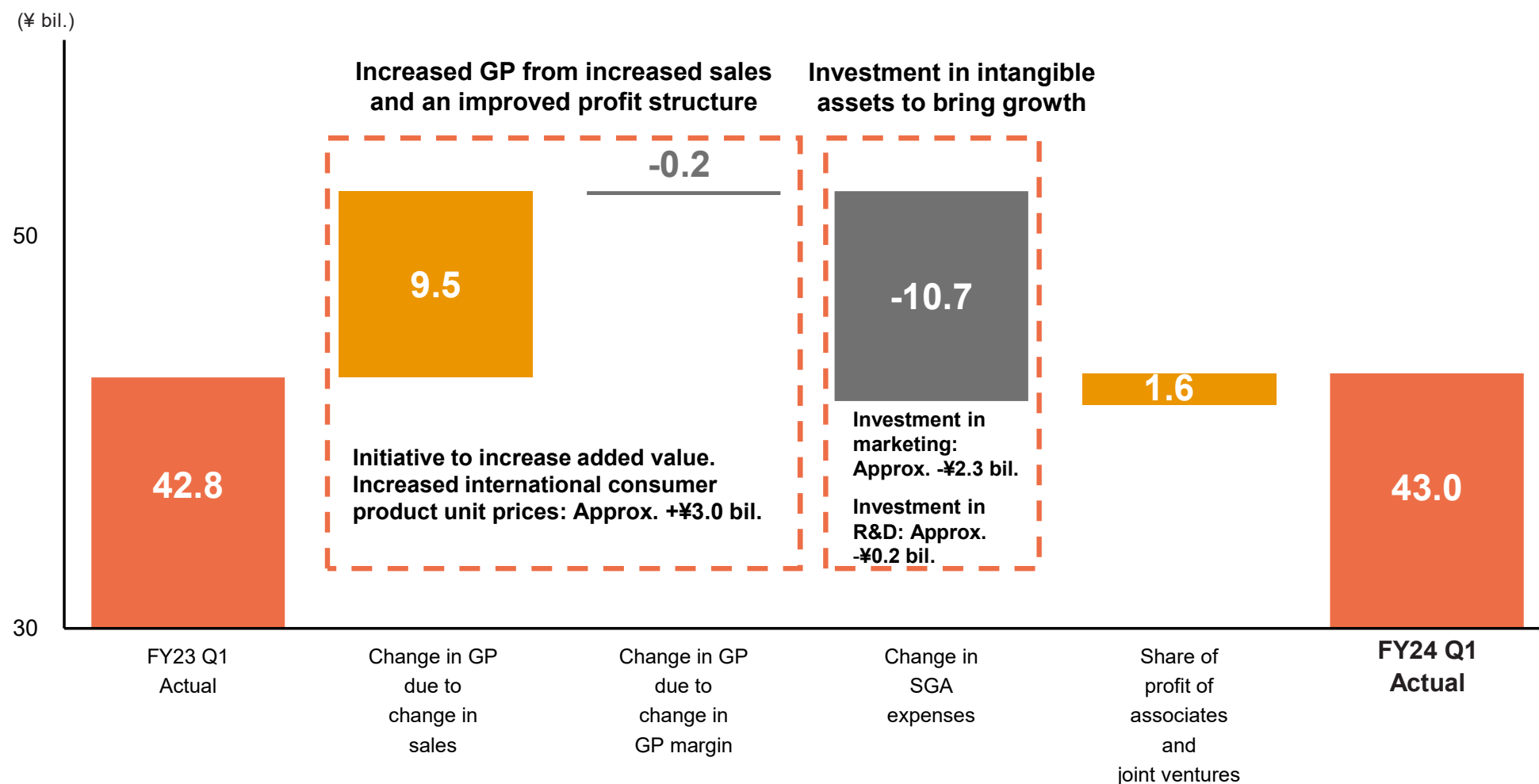
88.0% of FY2023

Profit declined due to a transient increase in the tax burden of withholding taxes overseas associated with the proactive return of funds from overseas subsidiaries.

## YoY Business Profit Details – Summary

(¥ Billion)	vs Q1-FY23	Details of impacts in Q1-FY24
Change in GP due to change in sales	9.5	Increased profit in Sauce & Seasonings overseas, Frozen Foods overseas, and Functional Materials made particular contributions.
Change in GP due to change in GP margin	-0.2	A higher GP margin in Healthcare and Others made up for a lower GP margin in the Food Products business, resulting in little change from the previous year.
Change in SGA expenses	-10.7	SGA expenses increased due to marketing investments in line with strategy, in addition to the impact of currency translation.
Share of profit of associates and joint ventures	1.6	
Total	0.2	

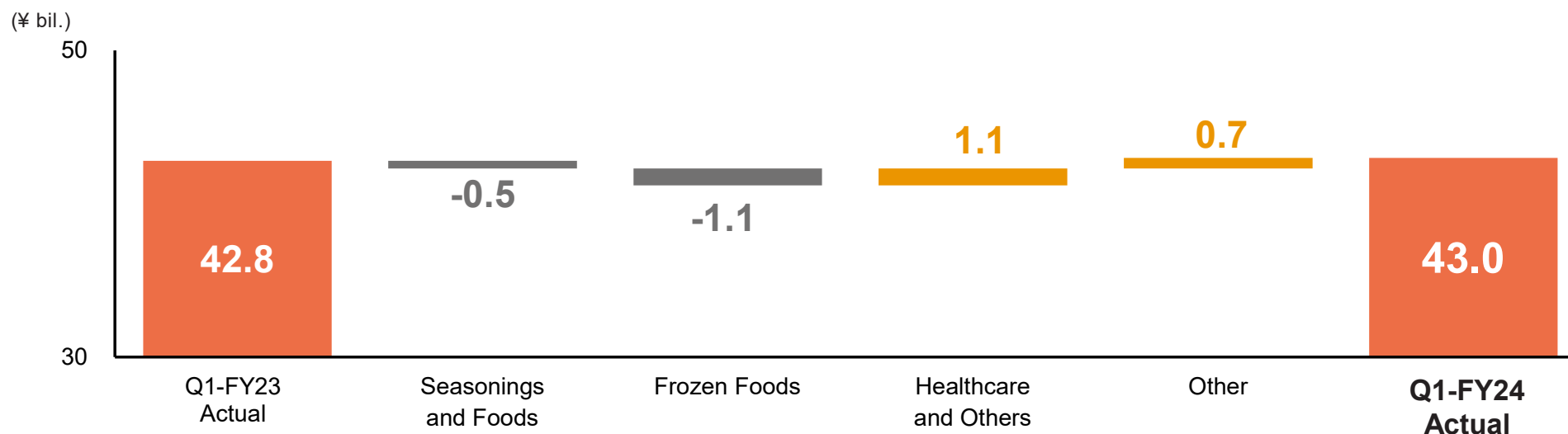
## I-2. Changes in Business Profit (Q1 Results by P&L Factor)



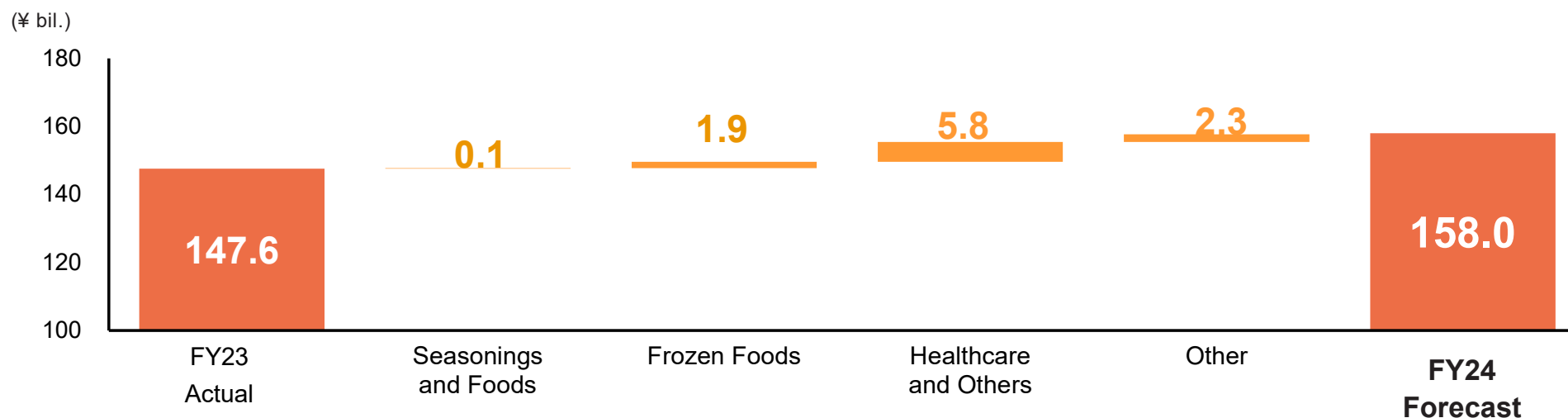
**Business profit: Impact of currency translation: +¥2.3 billion**

### I-3. Changes in Business Profit (Q1 Results by Disclosed Segment)

#### Q1-FY2024 Actual vs. Q1-FY2023 Actual



#### FY2024 Forecast vs. FY2023 Actual



## I-4. Key Financial Results by Segment (1)

Sales	Seasonings and Foods +¥14.2 billion	In Japan	Although decreased sales volume due to increased prices for coffee in Quick Nourishment, increased unit prices and increased volume in Sauce and Seasonings, overall level with the previous year
		Overseas	In addition to steady growth of both sales volume and unit prices primarily in Sauce & Seasonings, Increased revenue from increased sales volume and impact of currency translation despite the impact of decreased unit prices in umami seasonings for processed food manufacturers, overall , Increased revenue.
	Frozen Foods +¥6.3 billion	In Japan	Overall, level with the previous year, driven by home-use gyoza, despite decreased revenue in restaurant and industrial-use products.
		Overseas	Overall, increased revenue due to good results for Asian category, despite the impact of structural reform (Italian foods, etc.).
	Healthcare and Others +¥5.9 billion	Functional Materials	Driven by increased sales of electronic materials accompanying a rebound in the semiconductor market.
		Amino acids for pharmaceuticals and foods	Inventory adjustment by customers has progressed.
		Bio-Pharma Services (CDMO services)	Although Q1-FY2024 results are level with the previous year, the market is recovering.

## I-4. Key Financial Results by Segment (2)

Business Profit	<b>Seasonings and Foods</b> <b>+¥1.0 billion</b> (excluding shared companywide expenses)	<b>In Japan</b> Although increased profit in some categories such as umami seasonings, mayonnaise, soups, etc., coffee couldn't absorb increased raw material cost, overall, decreased profit.
		<b>Overseas</b> Although umami seasonings for processed food manufacturers decreased profit, increased profit primarily in Sauce & Seasonings, overall, increased profit.
	<b>Frozen Foods</b> <b>-¥800 million</b> (excluding shared companywide expenses)	Overseas, level with the previous year. However, decreased profit due to aggressive brand investment in Japan, overall, decreased profit in 1Q.
	<b>Healthcare and Others</b> <b>+¥1.7 billion</b> (excluding shared companywide expenses)	<b>Functional Materials</b> Large increase in profit due to increased revenue and the impact of improved mix.
		<b>Amino acids for pharmaceuticals and foods</b> Increased profit due to growth in high value-added areas, such as bio-pharma.
		<b>Bio-Pharma Services (CDMO services)</b> Excluding the elimination of unrealized gains and losses, existing businesses were level with the previous year.
	<b>Shared companywide expenses</b>	Strategic investments expanded in the first quarter in line with the 2030 Roadmap. Will control it in line with the plan over the full year.



# 1-5.Food Products Businesses (Seasonings and Foods, Frozen Foods) in Japan

## Initiatives to promote the evolution of marketing and expand efforts

### Evolution of marketing

As the second action in the *Cook Do®* Oyster Sauce communication strategy featured in the July 1, 2024 business briefing,\* an “Oyster Sauce x Somen” physical store opened for a limited time in Shibuya. With exposure on TV and in social media, Oyster Sauce retained its top share in Q1.

The store



Exposure on tv



Exposure on SNS



\*Business briefing materials

PowerPoint プレゼンテーション  
([ajinomoto.co.jp](http://ajinomoto.co.jp))



### Steady rise of a new business

*Aete*, a D2C home delivery business in Frozen Foods, has earned consumer support beyond expectations in the half year since its launch. Cumulative sales have reached 200,000 servings, it has more than 10,000 followers on X (previously Twitter). New customer numbers, continuing customer numbers, and sales have all surpassed expectations.



Beef and Green  
Pepper Stir-fry

Garlic-butter  
Chicken

Taco Rice

Introduce new menu items  
(early August)

Increase the number of  
dishes to 30

### Enhancement of added value with packaging

We are working to increase users through the introduction of highly buzz-worthy products including the online sales-only *GARI NO MOTO™* 50g mill bottle and special packaging for the 115-year best-seller *AJI-NO-MOTO®* in collaboration with the popular “ONE PIECE” comic series.



### Strengthened support for the child-raising generation

*Gyoza* was launched in a large, 30-pc package. This product features large volume and a high cost performance ratio, aimed at families with growing children. The product has no tray, enhancing ease of storage. We aim for a strong No. 1 market share.





# 1-5. Food Products Businesses (Seasonings and Foods, Frozen Foods) Overseas



Looking to the future, we are strengthening the portfolio of the Food Products businesses overseas

Year-on-year sales are on a local currency basis

## Main categories

Umami seasonings, sales

High single-digit % increase

Increases in sales volume and unit prices

Flavor seasonings, sales

Mid single-digit % increase

Increases in sale volume and unit prices

Sound growth in the main categories that support the business

## Next-generation pillars

Thailand

Sales of product categories at right in these countries

AJI-NO-MOTO PLUS®, RosDee® Cube  
RosDee Menu®, Takumi-Aji®

Indonesia

Double-digit % increase

Sajiku®, Saori®, Mayumi®  
(Menu-specific seasonings, liquid seasonings, mavoronnaise)

Vietnam

Aji-Quick®, Aji-Mayo®, Aji-Xot®, etc.  
\*IR Topics [202407\\_IRTopics\\_AVN\\_E.pdf](https://www.ajinomoto.co.jp/202407_IRTopics_AVN_E.pdf)  
([ajinomoto.co.jp](https://www.ajinomoto.co.jp))



Expansion of high value-added area, a future driver of growth

## New initiatives (new products)

Philippines  
Soup & Go®



An initiative of exporting from Japan

Thailand  
Birdy® Robusta Zero



Contribution to Well-Being

North America AJINOMOTO  
Japanese-Style SHUMAI



Growth in Asian category

# 1-6. Functional Materials

Significant increase in revenue and profit associated with the steady recovery of the semiconductor market

## Growth in sales

Shipping status by ABF\* application

PCs

Sales recovery  
due to replacement demand

Servers and  
networks

Signs of recovery

Generative AI

Demand is very strong

We will further enhance the accuracy of forecasts while monitoring customers' inventory status

## Recovery in business profit margin

Functional Materials business profit margin

FY2024 full-year forecast  
Business profit margin

Q1-FY2024  
Business profit margin

45%



54%

Business profit margin in Q1-FY2024 rose due to factors including:

- Mix became more favorable
- Factory utilization rates increased
- Currency translation impact was positive

\*Ajinomoto Build-Up Film™, an interlayer insulating material

## 1-7. Bio-Pharma Services (CDMO services)

Excluding elimination of unrealized gains and losses, Q1-FY2024 is about the same as the previous year, other than Forge

The market environment surrounding our Bio-Pharma Services continues to gradually recover. We will grow profit from the second quarter, and will work to steadily achieve the full-year plan.

### Europe

Small molecule revenue decreased, but we expanded business profit in high-value-added areas and kept profit losses to a small amount.

### Japan

*AJIPHASE®* continues to perform well, driving increased revenue and profit.

### North America (Althea)

Although a recovery trend could be seen in orders and revenue increased, business profit decreased a small amount.

Will execute structural reform project, aim to improve profitability quickly.

### North America (Forge)

In Q1, we acquired multiple new customers and orders increased.

# Reference: Growth Paths by Segment

Segment		Organic growth			Business profit			ROIC			EBITDA margin		
		Vs. prev. year		CAGR	Vs. prev. year		CAGR						
Seasonings and Foods	Sauce & Seasonings	FY23 actual (sales)	Q1-FY24	FY24 forecast	FY23 actual (BP)	Q1-FY24	FY24 forecast	FY23 actual	FY24 forecast	FY25 plan	FY23 actual	Q1-FY24	FY24 forecast
	Quick Nourishment							16.7%	Approx. 15%	16%			Approx. 17%
	Solution & Ingredients	5.5%	3.2%	7.3%	31.5%	-1.6%	0.2%	*15.0%			17.3%	18.7%	17%
								WACC 7%					
Frozen Foods	Frozen Foods	0.6%	1.1%	6.1%	¥9.5 billion	¥2.8 billion	¥11.5 billion	4.4%	Approx. 5%	5%	8.3%	9.1%	Approx. 8%
								*3.4%	WACC 5%				
Healthcare and Others	Bio-Pharma Services & Ingredients							4.2%	Approx. 4%				Approx. 17%
	Functional Materials (electronic materials and others)	-6.8%	-0.1%	8.8%	-49.9%	16.3%	24.0%	*4.6%	Approx. **7%	18%	15.0%	18.2%	17%
	Others							**6.0%					
								WACC 7%					
Total		1.7%	1.9%	7.4%	9.1%	0.5% Approx. **7%	7.0% Approx. **10%	8.7%	Approx. 9%				Approx. 16%
								*8.0%	Approx. **10%	13%	15.7%	17.7%	16%
								**9.4%	WACC 6%				

\*excluding the profit from sales of non-current assets and impairment losses

\*\*excluding the impact of the Forge acquisition



# 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.
- Amounts presented in these materials are rounded down.
- “AminoScience” is a registered trademark of Ajinomoto Co., Inc.

# Fighting Back through Price Increases (Reference)

(Q1-Q2 of FY2024 price increases in major countries, implemented and planned)

April 2024 Japan	Instant coffee	Ongoing weak yen in addition to soaring coffee bean prices Increased prices (20%) following the increases in March 2022
May 2024 Indonesia	Seasonings for foodservice	Soaring raw material prices <i>AJI-NO-MOTO® PLUS</i> and Chicken Powder
June 2024 Philippines	<i>AJI-NO-MOTO®</i>	Respond to future economic environment Increased prices a third time following the increases in February and May 2023
July 2024 Thailand	<i>AJI-NO-MOTO®</i>	Rising raw material prices Increased prices following the increases in August 2022
August 2024, planned Japan	<i>Cook Do®</i> Chyuka Dashi, others	Soaring raw material and packaging material prices Increase prices for <i>Cook Do®</i> for the first time since 2019
September 2024, planned Japan	Coffee (Instant, stick, regular)	Ongoing weak yen in addition to soaring coffee bean prices Increase prices 15-30%
September 2024, planned Japan	Frozen Foods Restaurant and industrial- use sweets (25 chocolate products)	Soaring raw material prices for chocolate Increase prices again following the increases in March 2023

# Initiatives for Sustainability, Health, and Nutrition through Collaboration

(1) Began collaboration with Kewpie Corporation to recycle mayonnaise bottles as a resource.

(2) Beginning to study cooperative efforts by five companies to ensure sustainable growth in frozen food logistics.



(3) A new method for practicing a nutritionally balanced diet in a fun way: start rolling out the “Enjoy balanced eating®” project nationwide.

A total of 11 companies, including food manufacturers and cooking video production companies, are participating.



## Reference Links

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### **Ajinomoto Group IR Information**

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

### **Ajinomoto Group ASV Report (Integrated Report) 2023**

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

### **Ajinomoto Group Medium-Term ASV Initiatives**

[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 and 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)

### **Ajinomoto Group Stories**

<https://www.ajinomoto.com/stories>