



Ajinomoto Co., Inc.

**Forecast for FY2024 (Ending March 31, 2025)
and Initiatives for Enhancing Corporate Value**

Taro Fujie

**Director, Representative Executive Officer,
President & Chief Executive Officer**

November 7, 2024





I. Summary Results for the First Half Ended September 30, 2024 and the FY2024 Forecast

II. Initiatives for Enhancing Corporate Value

Reference Materials

Appendixes: Consolidated Results First Half Ended September 30, 2024

FY2024 Revised Forecast by Segment

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

- In the interim period of FY2024, both sales and business profits reached new highs.
Business profit achieved growth of 13% YoY, and growth was double-digit even when currency translation is excluded.
We revised sales and business profit forecasts upward.
- Functional Materials recovered steadily, particularly in the area of electronic materials.
Bio-Pharma Services (CDMO services), including Forge Biologics, was strong with Healthcare and Others leading the whole.
- Seasonings and Foods overseas achieved stable organic growth. In Japan, decline in profit margin in the Food Products business (Seasonings and Foods, Frozen Foods) is an issue. We will take further action to combat cost increases due to high prices of raw materials and the weak yen.
- The operating cash flow that is revised upward will be proactively returned to shareholders in accordance with our cash allocation policy.
We announced a two-for-one stock split and repurchase shares at the same time.
- To achieve our 2030 Roadmap, we intend to evolve toward a corporate culture grounded in our Purpose, in which employees themselves take the lead in always endeavoring to achieve our vision.

The background of the slide is a photograph of three hikers standing on a rocky mountain peak. They are silhouetted against a bright, hazy sky with soft clouds, suggesting a sunrise or sunset. The hikers are wearing backpacks and have their arms raised in a celebratory gesture. The foreground shows the rugged, rocky terrain of the mountain.

I. Summary Results for the First Half Ended September 30, 2024 and the FY2024 Forecast

II. Initiatives for Enhancing Corporate Value

I-1. FY2024: Digest of First-Half Results

Sales: Increased
(New record)

¥744.2 billion

108% of FY2023

Excluding currency translation:
approx. 105%

Excluding the impact of
the Forge consolidation: 107%

up ¥56.2 billion

Business profit: Increased
(New record)

¥86.9 billion

113% of FY2023

Excluding currency translation:
approx. 110%

Excluding the impact of
the Forge consolidation: 119%

up ¥10.3 billion

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

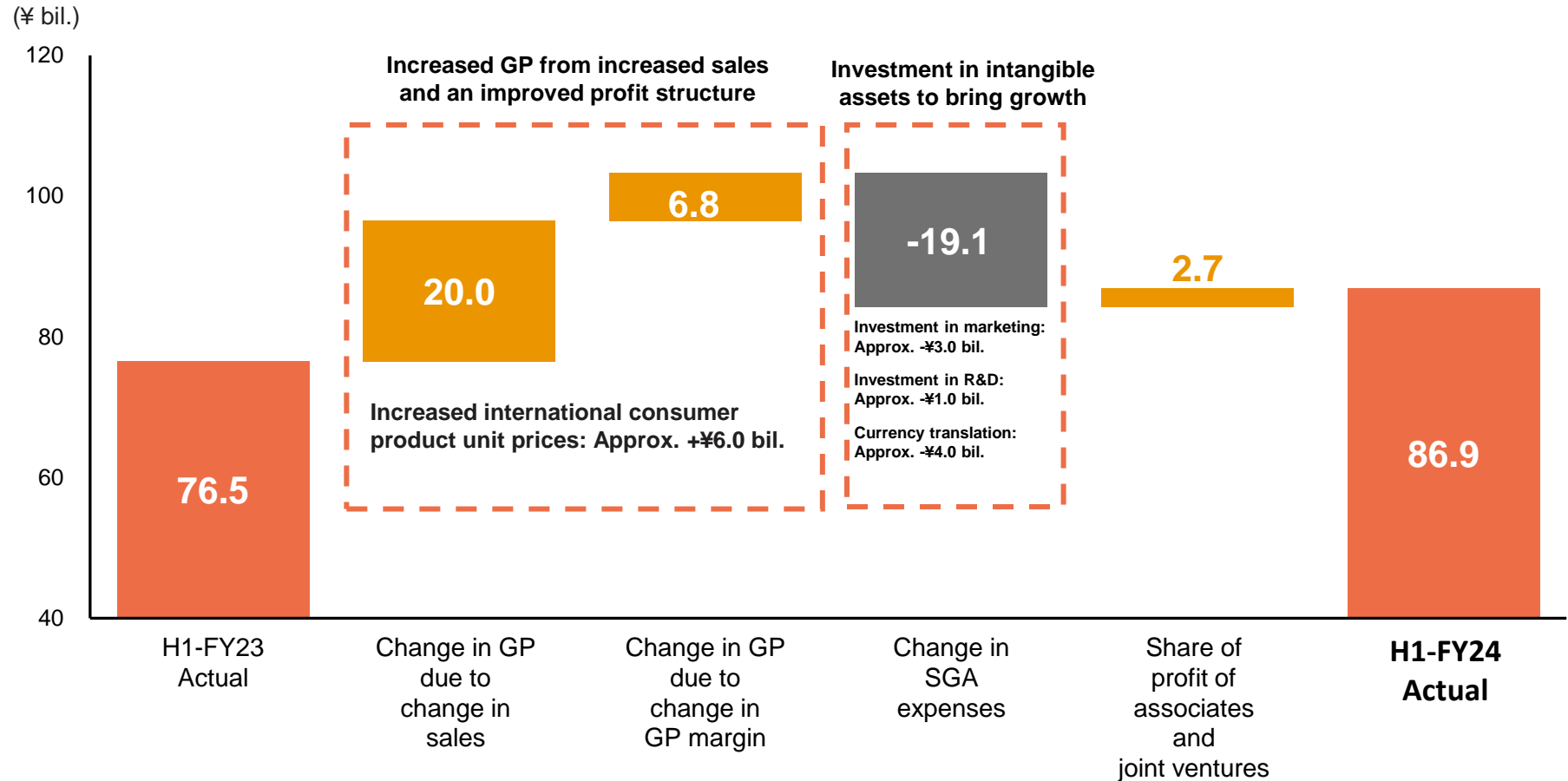
¥50.2 billion

108% of FY2023

YoY Details – Summary

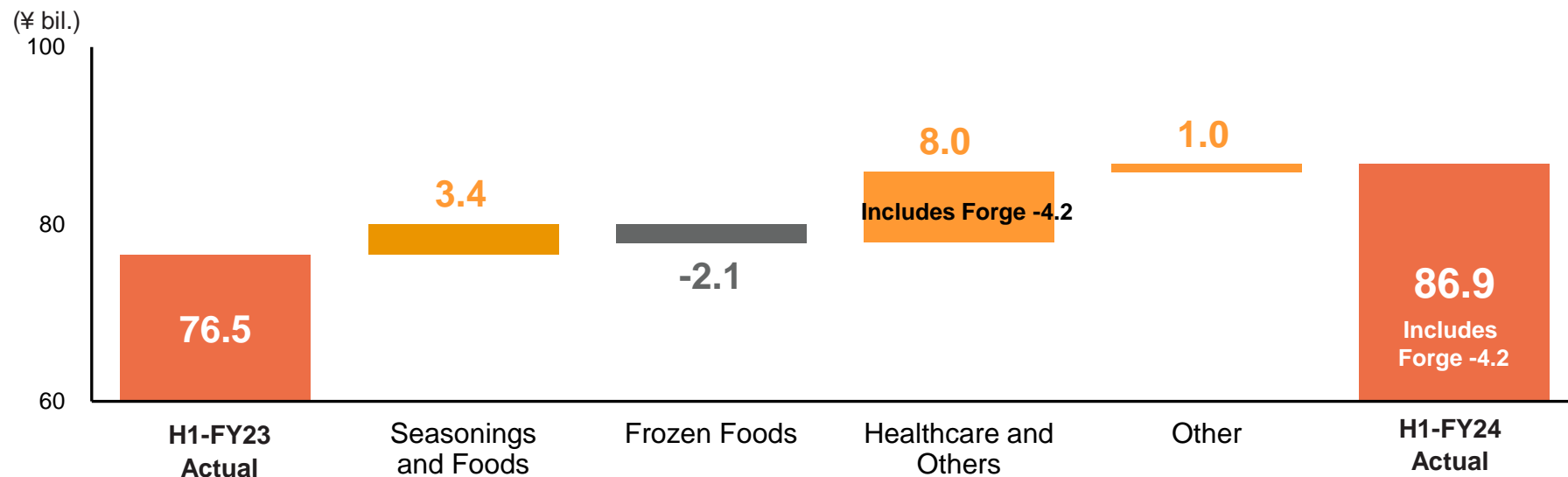
(¥ Billion)	vs Q1-FY23	vs Q2-FY23	vs H1-FY23	Details of impacts in H1-FY24
Sales	25.9	30.2	56.2	
Change in GP due to change in sales	9.5	10.5	20.0	Primarily Sauce & Seasonings overseas, Frozen Foods overseas, and Functional Materials made contributions to increased profit.
Change in GP due to change in GP margin	-0.2	7.0	6.8	Significant improvement of GP margin in Healthcare and Others drove increased profit.
Change in SGA expenses	-10.7	-8.4	-19.1	Increased due to impact of the Forge consolidation, in addition to the impact of currency translation.
Share of profit of associates and joint ventures	1.6	1.1	2.7	
Business profit	0.2	10.1	10.3	
Change in operating income/expenses	-0.0	-2.1	-2.1	Recording of Althea structural reform expenses.
Change in financial income/expenses	0.0	-0.1	-0.1	
Profit attributable to owners of the parent company	-3.2	7.0	3.7	

I-2. Changes in Business Profit (H1-FY2024 Results by P&L Factor)

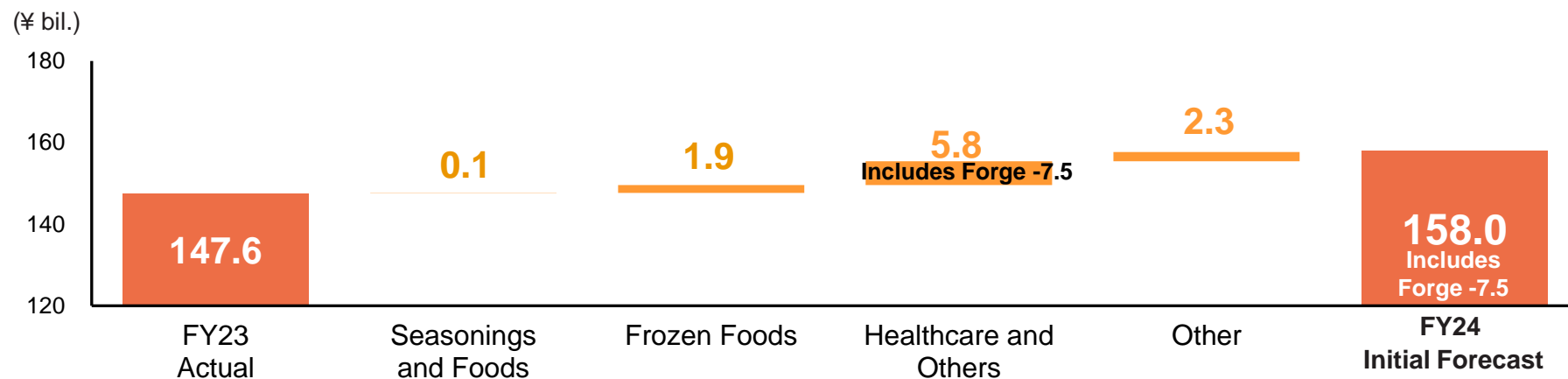


Ref.: Impact of currency translation: approximately +¥2.8 billion

I-2. Changes in Business Profit (H1-FY2024 Results by Disclosed Segment)



(Ref.) FY2024 Initial Forecast vs. FY2023 Actual

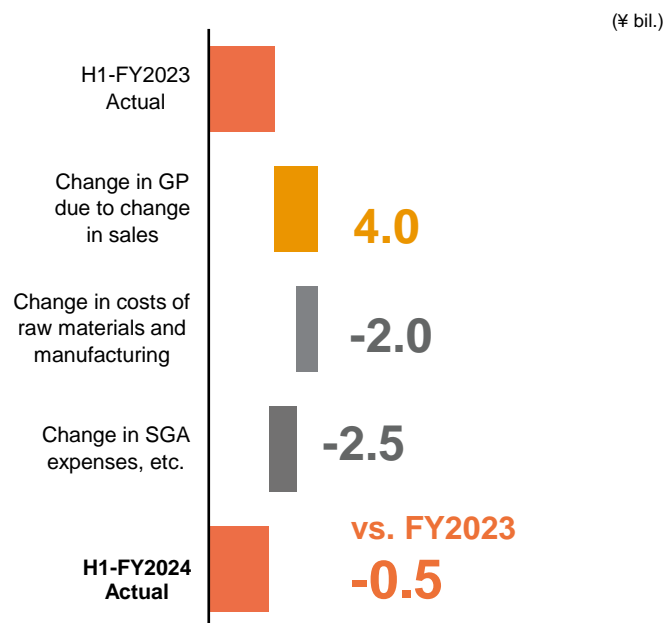


I-3. Sauce and Seasonings, and Quick Nourishment: Breakdown of Sales, and Factors behind Changes in Business Profit

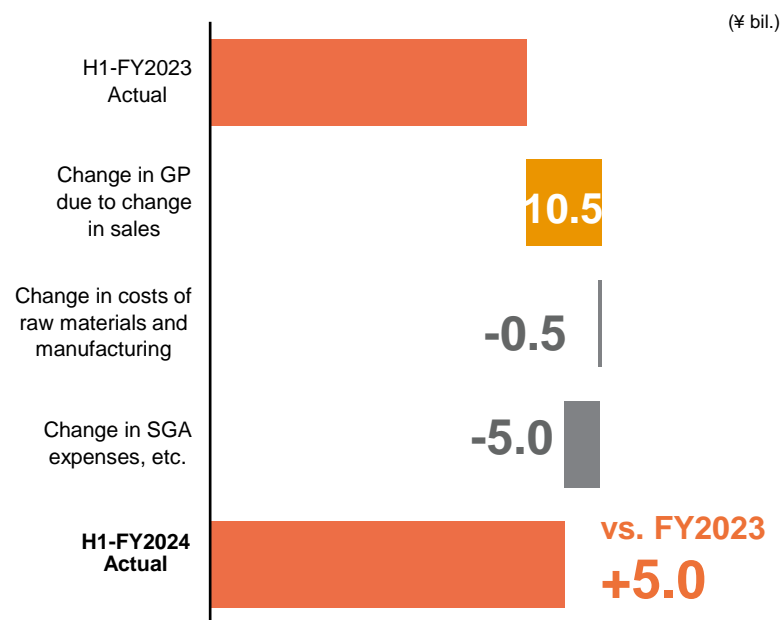
Breakdown of the FY2024 first half sales and factors behind changes in business profit, in Japan and overseas (vs. the previous year)



Factors behind changes in business profit (Japan)



Factors behind changes in business profit (overseas, local currency basis)



I-4. Revised Forecast for FY2024

Upward revision of sales and business profit in the FY2024 full-year forecast

We revised the sales and profit forecasts upward on the expectation that Functional Materials will maintain its strong first-half momentum. By contrast, we revised the forecast for business profit downward due to the coffee business in Japan (high raw materials prices, the weak yen), and shared companywide expenses (increase in future-oriented investment).

Sales

¥1,532.5 billion

106% of FY2023

Excluding currency translation: 105%

Excluding the impact of the Forge consolidation on consolidated results: approx. 105%

Business profit

¥160.0 billion

108% of FY2023

Excluding currency translation: 107%

Excluding the impact of the Forge consolidation on consolidated results: approx. 111%

Profit attributable to owners of the parent company

¥95.0 billion

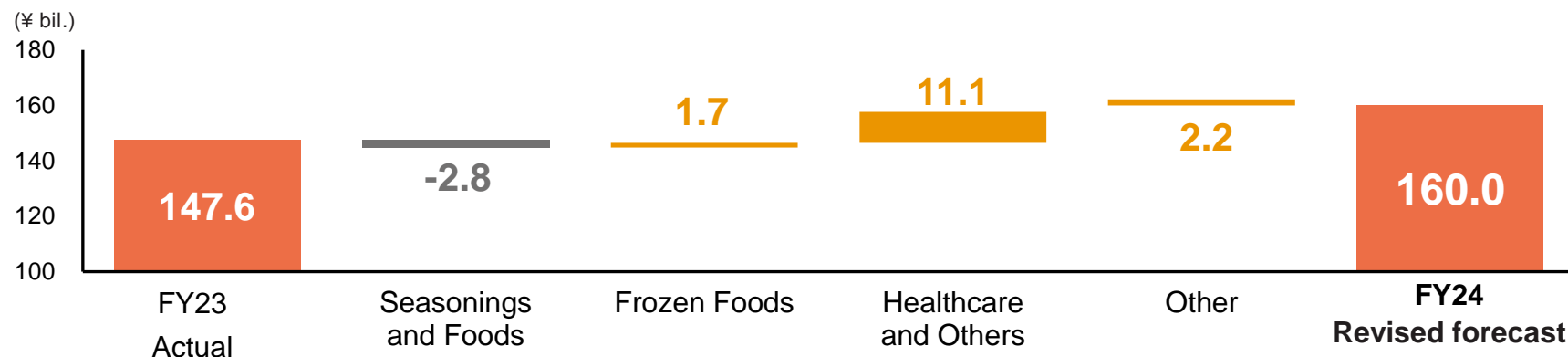
109% of FY2023

Assumed exchange rate of H2-FY24: ¥145/USD

	(¥ Billion)	FY24 Revised forecast	FY23 Actual	vs. Prev. year	FY24 Initial forecast	vs. Initial forecast	vs. Initial Forecast w/o company wide shared expense
Sales		1,532.5	1,439.2	106%	1,527.0	5.5	
Seasonings and Foods		889.9	846.9	105%	889.9	0.0	
Frozen Foods		292.7	281.8	103%	292.7	0.0	
Healthcare and Others		331.3	294.5	112%	325.8	5.5	
Other		18.4	15.8	116%	18.4	0.0	
Business profit		160.0	147.6	108%	158.0	2.0	4.0
Seasonings and Foods		108.7	111.5	97%	111.7	-2.9	-2.0
Frozen Foods		11.2	9.5	117%	11.5	-0.2	0.0
Healthcare and Others		35.5	24.3	145%	30.2	5.2	6.0
Other		4.4	2.1	205%	4.4	-0.0	0.0
Profit attributable to owners of the parent company		95.0	87.1	109%	95.0	0.0	
Operating profit		149.0	146.6	101%	149.0	0.0	
Profit before income taxes		143.9	142.0	101%	143.9	0.0	

I-5. Changes in Business Profit (FY2024 Revised Forecast by Disclosed Segment)

FY2024 Revised Forecast vs. FY2023 Actual



FY2024 Revised Forecast vs. FY2024 Initial Forecast

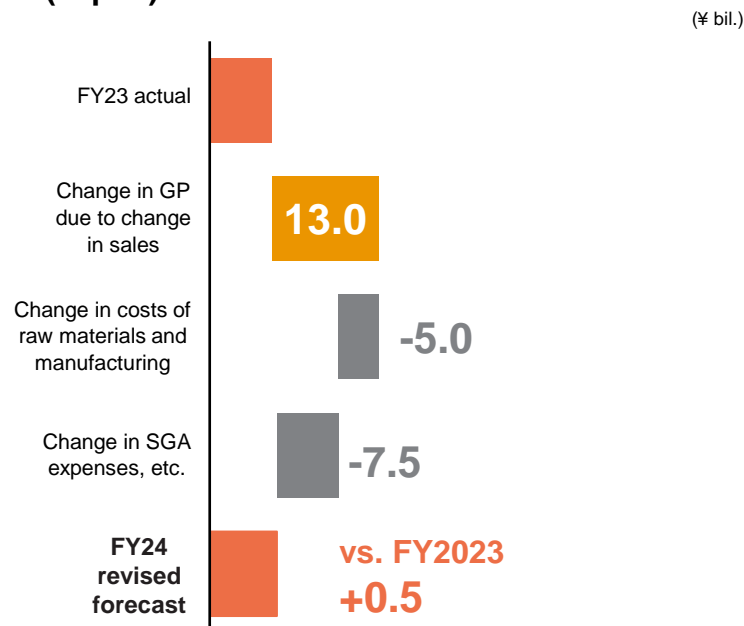


I-6. Sauce and Seasonings, and Quick Nourishment: Breakdown of Sales, and Factors behind Changes in Business Profit

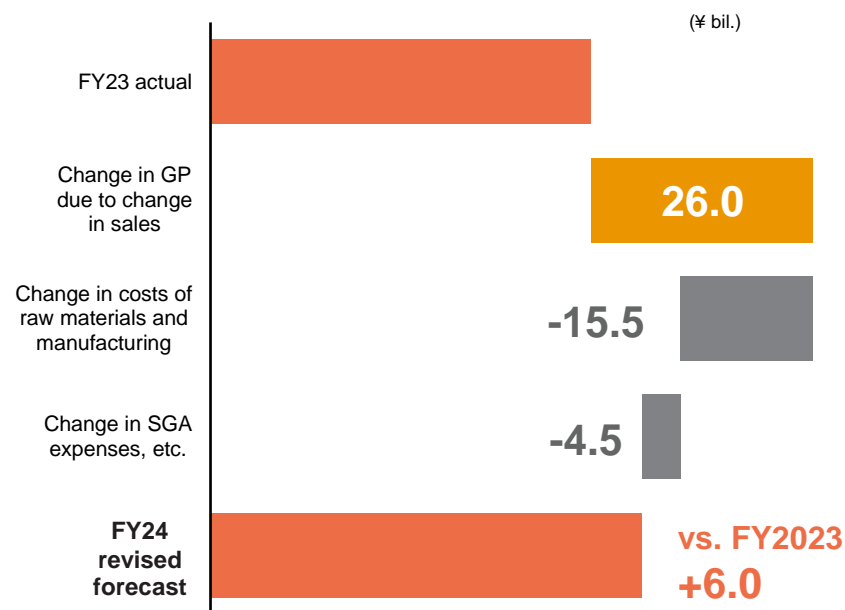
Breakdown of factors behind changes in sales and business profit for the FY2024 revised forecast, in Japan and overseas (vs. the previous year)



Factors behind changes in business profit (Japan)



Factors behind changes in business profit (overseas, local currency basis)

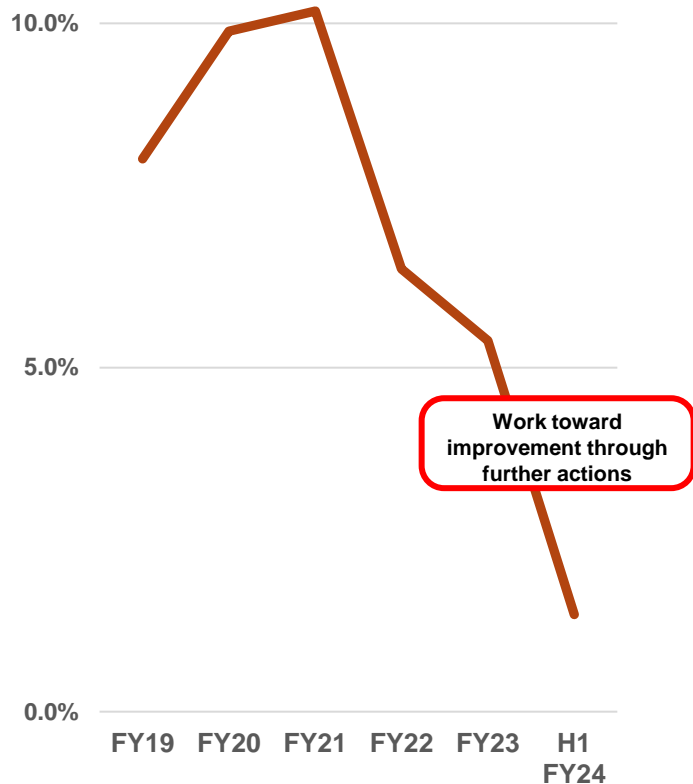


I-7. <Seasonings and Foods> (Japan coffee business)

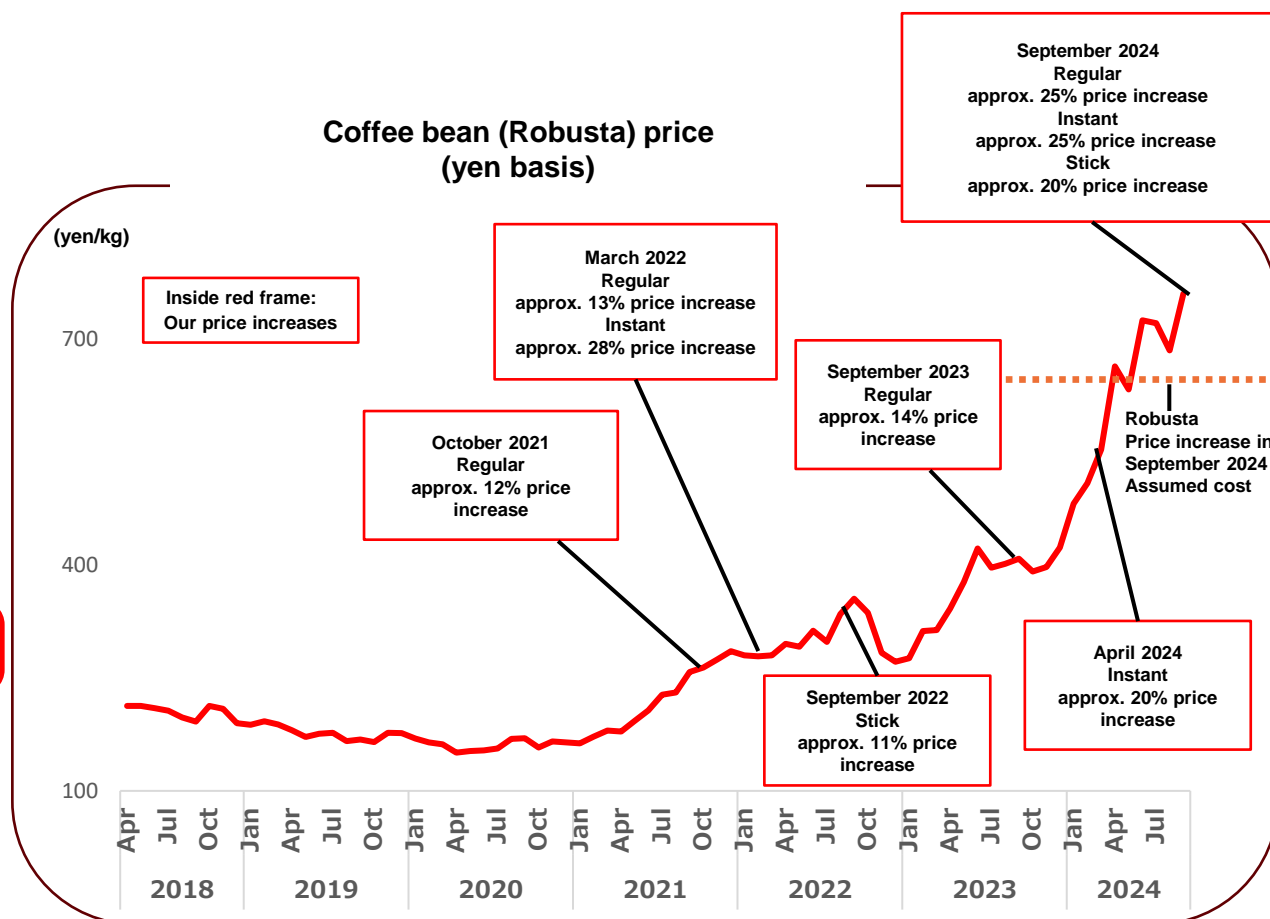
Despite multiple price increases, we have been unable to keep up with cost increases due to soaring prices of coffee beans and the weak yen, resulting in worsening business profit margin.

⇒ We will promptly take further actions while closely watching the prices of material.

Business profit margin
(Japan coffee business)



Coffee bean (Robusta) price
(yen basis)



Source: The World Bank Group, "Commodity Markets"; MUFG Bank Ltd., "List of Foreign Exchange Rates"

I-7. <Seasonings and Foods> (Japan coffee business)

We are reducing the percentage of the amount of coffee beans used as a part of the sales KPI, and are building a business portfolio resistant to the effects of market prices. We aim for stable business operation by improving the GP margin, including increases in unit prices through price increases

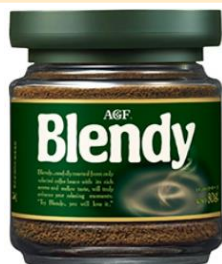
Coffee beans: Usage **high**

Regular coffees



percent of sales*
approx. 15%

Instant coffees



percent of sales
approx. 30%

Coffee beans: Usage **low**

Stick products



percent of sales
approx. 40%

Powdered drinks, etc. Other



2024 Launched exclusively
for personal bottle use

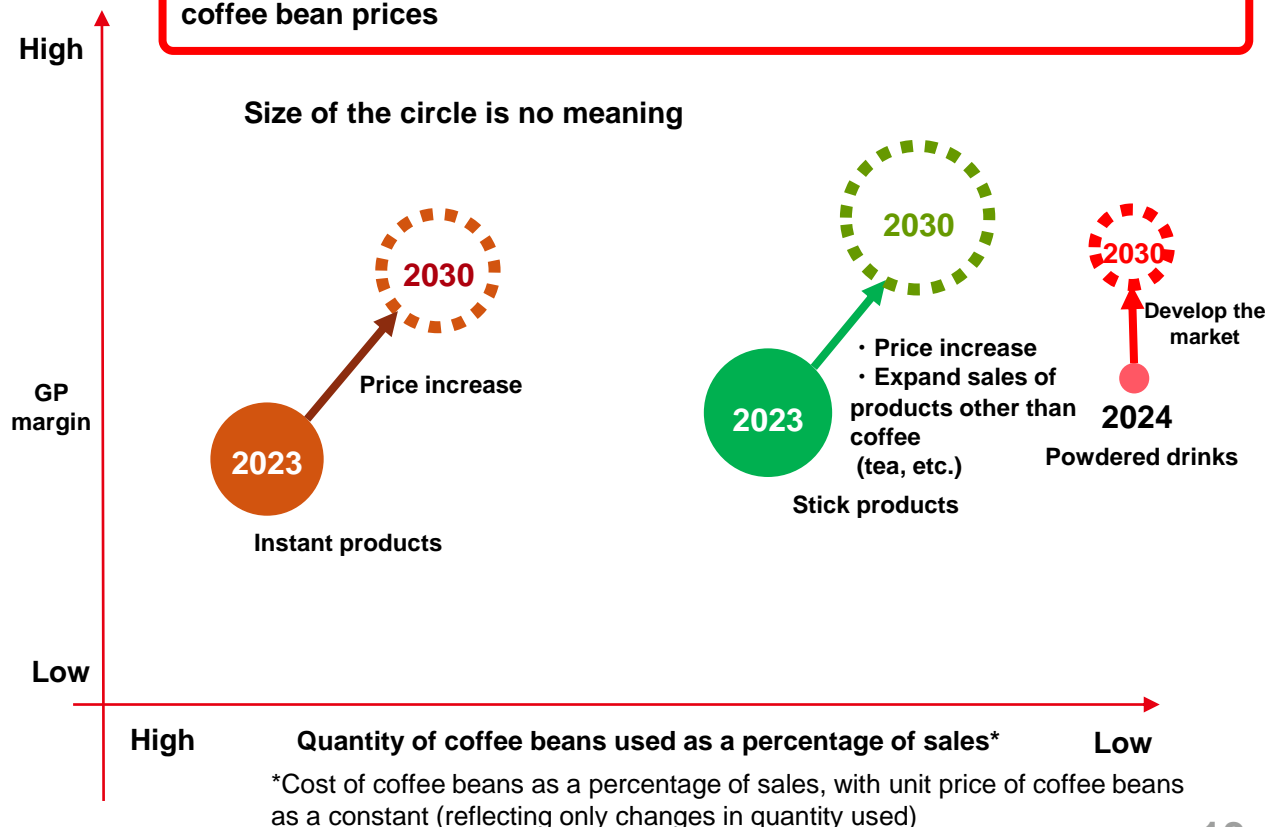
percent of sales
approx. 15%

Other
marim®,
gift sets,
etc.

*percent of sales (home-use products)

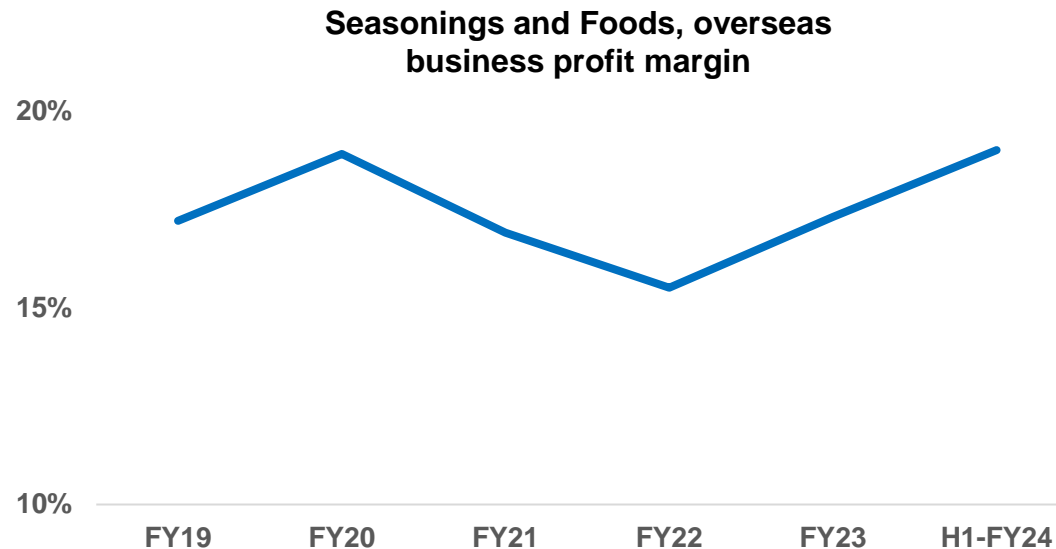
Coffee beans: Control of the impact of market price

Due to the growth of the varieties of stick products and price increases, the quantity of coffee beans used as a percentage of AGF sales decreased by 8% from FY2021 to FY2023, creating a portfolio with enhanced resistance to coffee bean prices



I-8. <Seasonings and Foods> (Overseas)

In the Seasonings and Foods segment, overseas business profit margin exceeds the pre-COVID-19 pandemic level. We will strengthen the business portfolio and further grow sales and profit margin.



Next-generation pillars

Develop future growth drivers in menu-specific seasonings, liquid seasonings, and cooking sauces, etc.

Enhance added value

Grow products with health and nutrition value that contribute to ASV

Expand frontiers*

Expand business in our five major countries** as well as their surrounding countries and regions

*Countries and areas to be expanded, such as Cambodia and Bangladesh in Asia, Bolivia in South America

**Thailand, Indonesia, Vietnam, Philippines and Brazil

I-9. <Frozen Foods> (Japan)

1. Achievement and issues in H1-FY2024

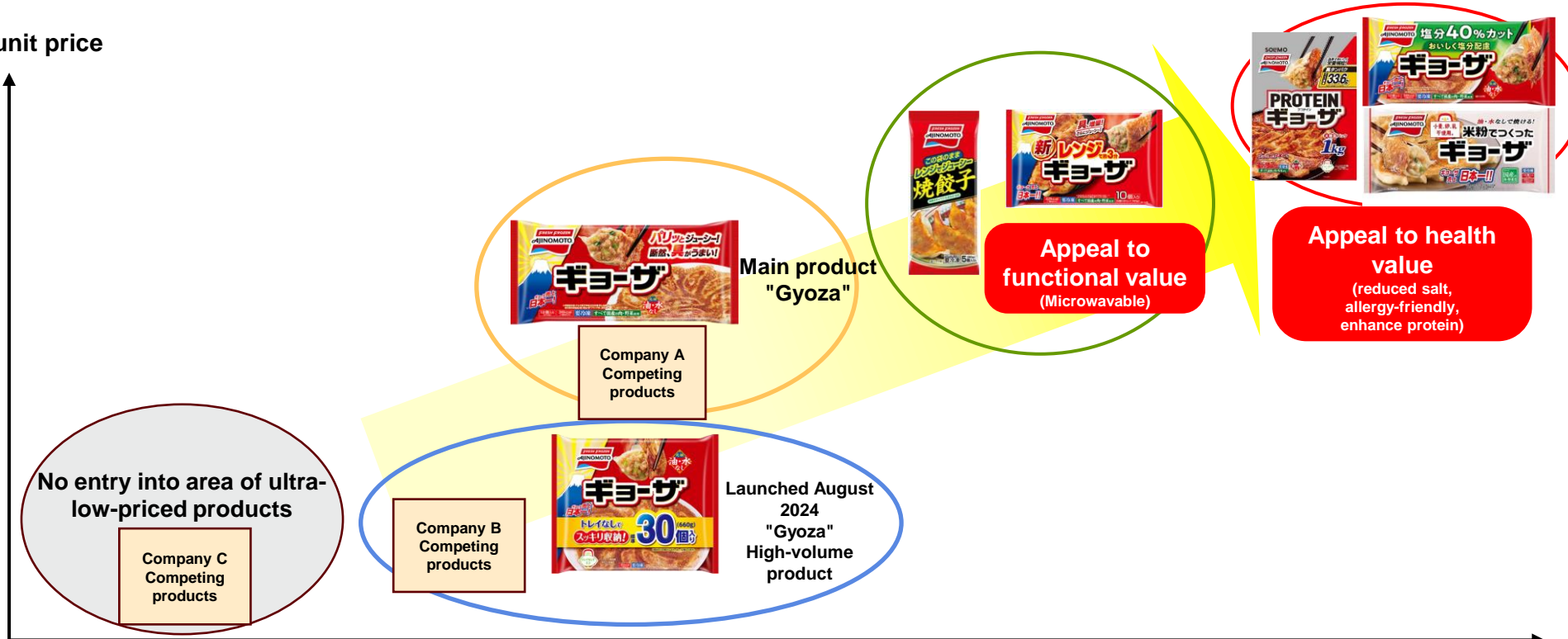
Achievement	Recaptured No. 1 market share in gyoza
Issues	Sales level with the previous year. Decrease in profit due to increased costs due to high prices of raw materials and weak yen.

2. Gyoza product strategy

Provide a lineup of products tailored to consumer needs, and increase both market share and GP margin by setting prices commensurate with value.

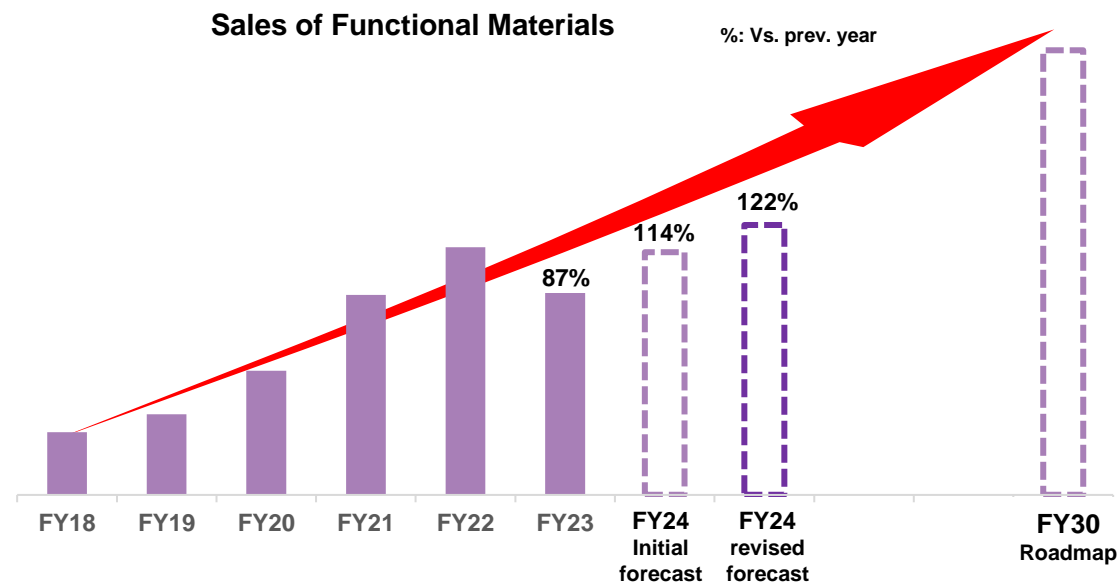
Accelerate the growth of functional axis products (health and cooking) that are ahead of other companies.

kg unit price



I-10. <Healthcare and Others> Functional Materials

Revenue and profit increased significantly in the first half of FY2024. Momentum is expected to continue in the second half; forecasts for sales and business profit have been revised upward.



Upwardly revised sales are expected to surpass FY2022 sales and reach a record high

Status by application in the first half of FY2024, and future outlook

PCs
Gradual recovery of demand is expected to continue in the second half.

Servers and Networks
Recovery in the cloud service market is expected to continue; demand for general-purpose servers is also expected to grow gradually.

Generative AI
Demand for generative AI applications continues to expand, and significant growth is expected. This has the potential to become an overall driver in several years.

I-11. <Healthcare and Others> Bio-Pharma Services (CDMO services)

The use of unique technologies is driving growth, and profit has significantly increased in existing businesses. Forge Biologics is also performing strongly.

Situation in the first half

Europe

Recovery of orders, increase in factory productivity. Significant increase in profit due to improvement of mix.

Japan

AJIPHASE® continued to perform well, driving significant increases in revenue and profit.

North America (Althea)

Promotion of structural reform despite decline in revenue and profit (on local currency basis).

As the market recovers, business performance is also in the recovery stage.

North America (Forge Biologics)

Orders have increased to 2.5 times the level of the previous year. Customers have increased to 50 companies.

Initiatives by Ajinomoto Bio-Pharma Services

- In areas that leverage our unique technology there is little impact from the market so maintain strong performance and capture new customers.
- Continue to strengthen Global One Team initiatives, connecting this to capturing customers through collaboration among sites.
- Many customers express interest in our unique technologies, we are connecting this to receiving orders for new projects.
⇒ We are steadily growing business to achieve the 2030 Roadmap.

I-12. 2030 ASV Indicators

Aim to steadily reach our FY2024 revised forecast to reach our 2030 ASV indicators.

		FY23	H1-FY24	FY24 revised forecast	FY25 (plan)	FY30 (plan)	Ref.: Aim for approx. 3X EPS (vs. FY2022)	
ASV Indicators	Economic value indicators	ROE <small>(Excluding the impact of the Forge consolidation)</small>	11.0% <small>(11.4%)</small>	Approx. 12% <small>(Approx. 13%)</small>	18%	Approx. 20%	ASV will grow dramatically and continually, and we will continue to be an attractive group for stakeholders and society	
		ROIC (>Capital Cost) <small>(Excluding the impact of the Forge consolidation)</small>	8.7% <small>(9.4%)</small>	Approx. 9% <small>(Approx. 10%)</small>	13%	Approx. 17%		
		Organic sales growth	1.7%	Approx. 5% <small>(Initial forecast 7%)</small>	5% <small>(FY22-25)</small>	5% or more <small>(FY25-30)</small>		
		EBITDA margin	15.7%	17.4%	Approx. 16%	17%		19%
	Social value indicators	Initiatives to Reduce Environmental Impact	-35% CO ₂ emissions <small>(Scope1, 2)</small>	-	-	Reduce our environmental impact by 50% <small>(outcome)</small>		
		Nutrition commitment <small>We plan to consider KPIs for other contributions than nutrition as well.</small>	940 mil. people	-	-	Help extend the healthy life expectancy of 1 bl people <small>(outcome)</small>		
	Strengthening intangible assets	Employee engagement score	76%	76% <small>(Preliminary results)</small>	80%	85% or more		
		Brand Value (mUSD) <small>(Interbrand published value)</small>	1,625 <small>(result, +17% vs. prev. year)</small>	-	Compared with FY22, CAGR 7% or more			
	Challenging targets from management							

I-12. Reference: Growth Paths by Segment

Please see the Appendix
(for the initial forecasts)

Segment		Organic growth				Business profit				ROIC				EBITDA margin			
		Vs. prev. year		CAGR		Vs. prev. year		CAGR									
Seasonings and Foods	Sauce & Seasonings	FY22 actual (sales)	H1-FY24 actual	FY24 revised forecast	FY25 plan (FY22-25)	FY22 actual (BP)	H1-FY24 actual	FY24 revised forecast	FY25 plan (FY22-25)	FY22 actual	FY23 Actual	FY24 revised forecast	FY25 plan	FY22 actual	H1-FY24 actual	FY24 revised forecast	FY25 plan
	Quick Nourishment	¥775.0 billion	4.9%	5.0%	5%	¥84.8 billion	6.0%	-2.5%	12%	14.9%	16.7%	Approx. 14%	16%	14.9%	18.5%	Approx. 17%	16%
	Solution & Ingredients									*11.0%	*15.0%						
										WACC 7%							
Frozen Foods	Frozen Foods	¥267.2 billion	-0.6%	1.9%	3%	(BP) ¥2.0 billion	¥4.5 billion	¥11.2 billion	¥10.0 billion or more	-3.3%	4.4%	Approx. 5%	5%	5.5%	8.1%	Approx. 8%	8%
										*0.7%	*3.4%						
Healthcare and Others	Bio-Pharma Services & Ingredients																
	Functional Materials (electronic materials and others)	¥299.6 billion	7.6%	7.3%	8%	¥48.6 billion	73.1%	45.6%	13%	12.6%	4.2%	Approx. 5%		21.8%	19.5%	Approx. 18%	27%
	Others									*4.6%	**6.0%	Approx. 9%	18%				
										WACC 7%							
Total		¥1,359.1 billion	4.4%	5.0%	5%	¥135.3 billion	13.5%	8.3%	15% or more	9.9%	8.7%	Approx. 9%	13%	15.2%	17.4%	Approx. 16%	17%
								Approx. 11%		*8.0%	**9.4%	Approx. 10%					
										WACC 6%							

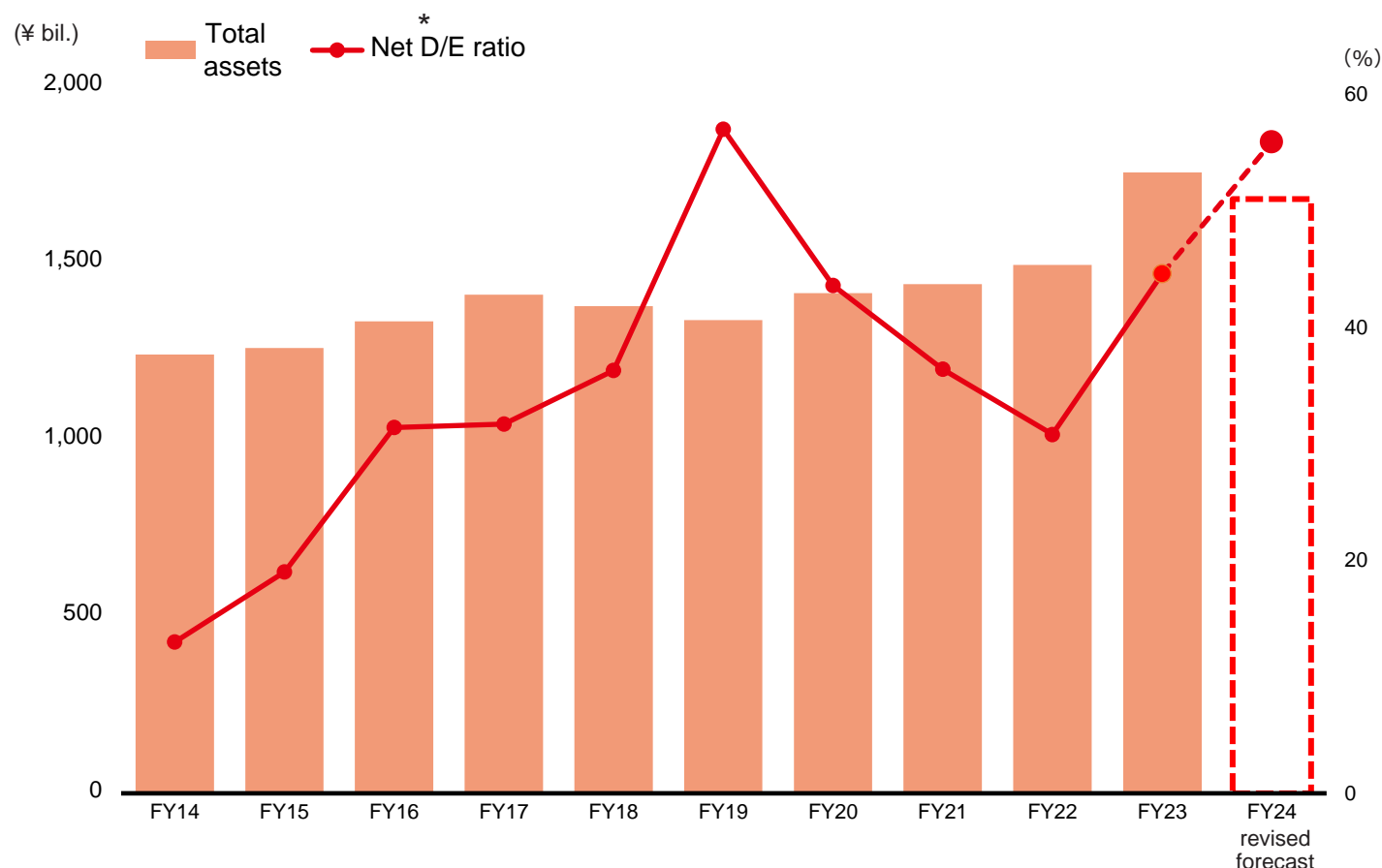
* Excluding the profit from sales of non-current assets and impairment losses

**Excluding the impact of the Forge consolidation

I-13. Assets and Liabilities

The forecast for total assets remains unchanged.

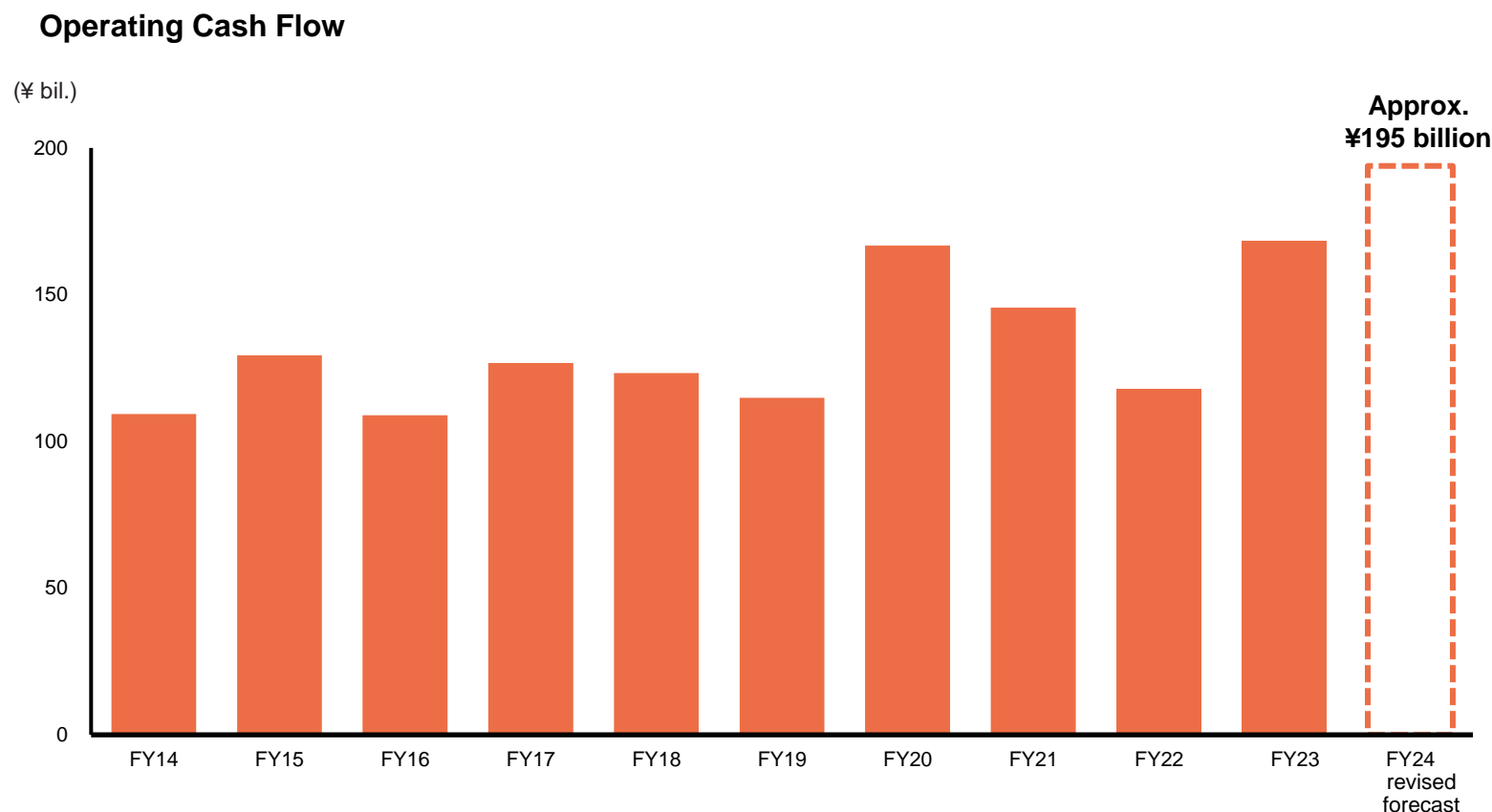
For FY2024, the net D/E ratio range is raised to 40%-60% (from the previous 30%-50%).



*Net D: Interest-bearing debt - Cash on hand and in banks x 75%

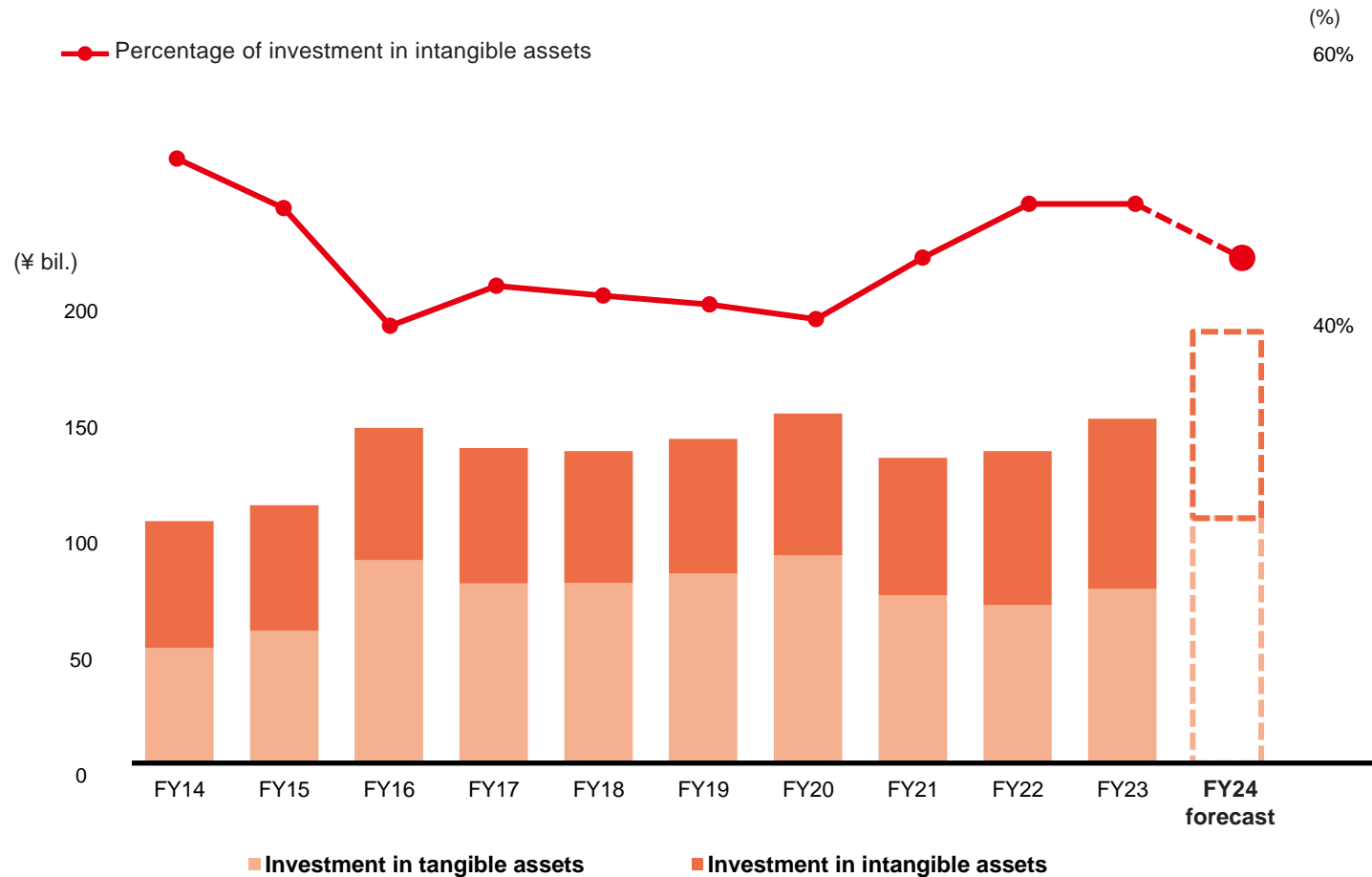
I-14. Cash Generation

The operating cash flow forecast was revised upward by about ¥20 billion.
We will steadily generate operating cash and work to expand investment and shareholder returns in accordance with our cash allocation policy.



I-15. Strategic Investments

The forecast for business performance in investment plans remains unchanged. From a medium- and long-term perspective, we will aggressively promote investments for expanding profit to achieve our vision for 2030.

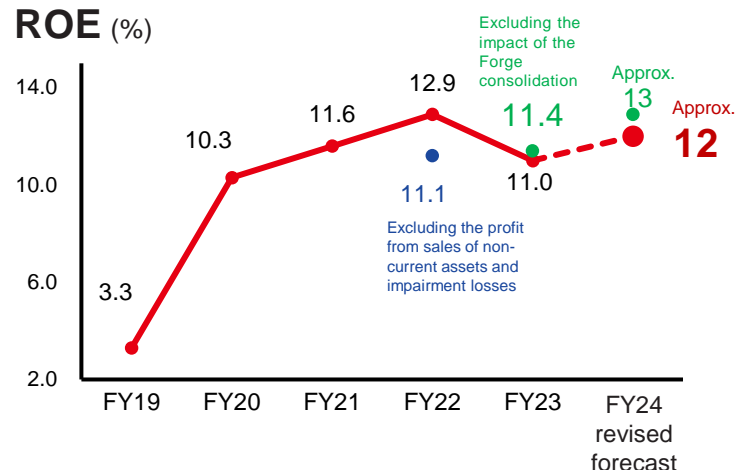


I-16. Important Management Indicators

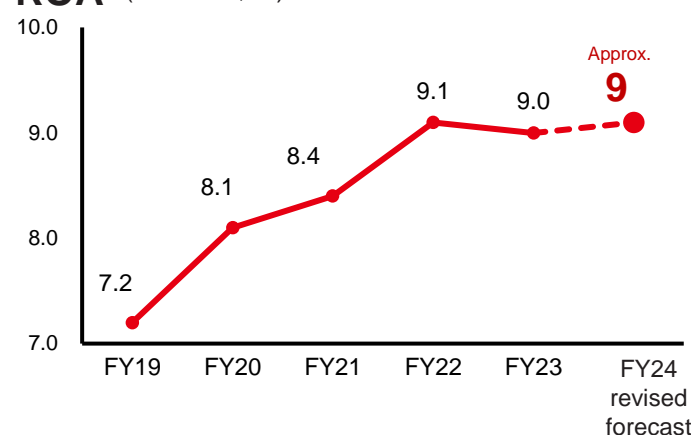
Upwardly revised EPS and Normalized EPS to reflect share repurchases in the second half of the year.

ROE deviates significantly from the FY2025 ASV index (planned value: 18%), but we will raise the value by improving profit attributable to the parent company and by raising the net D/E ratio (page 20) and applying financial leverage.

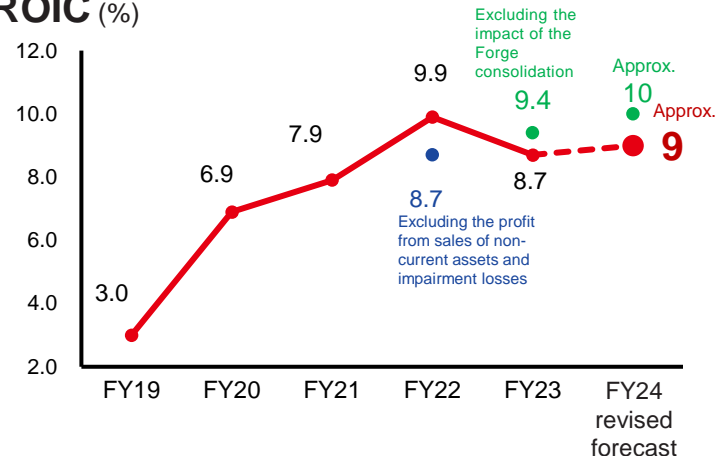
ROE (%)



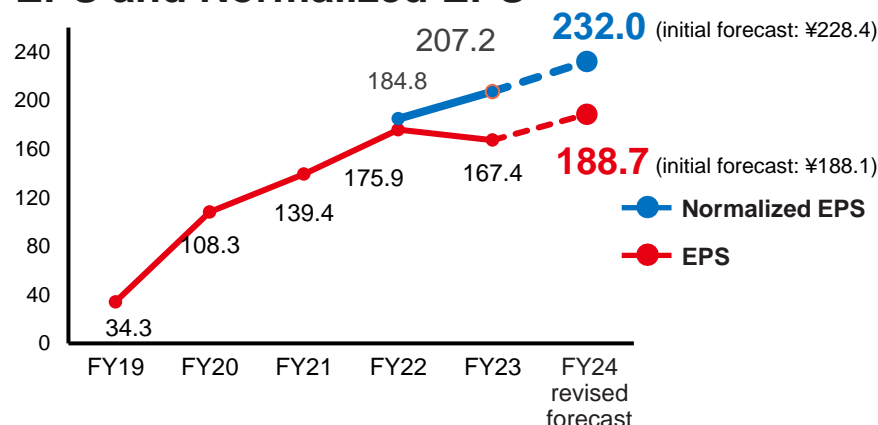
ROA (BP basis, %)



ROIC (%)



EPS and Normalized EPS* (¥)

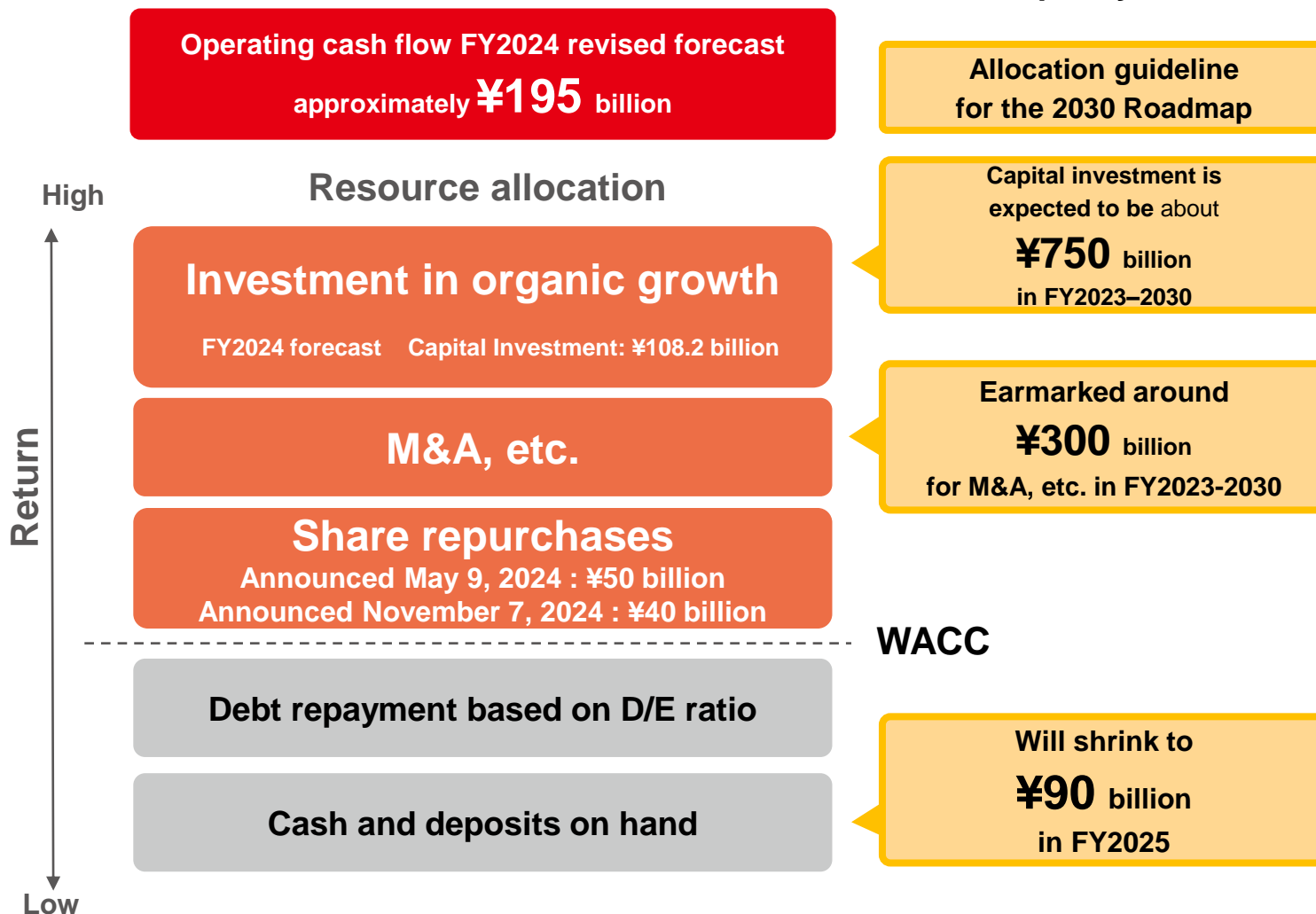


*(Business profit x (1 - Ajinomoto Group standard tax rate: 27%)) / Outstanding shares

I-17. Investment for Growth and Shareholder Returns (Our Thinking under the Medium-Term ASV Initiative)

Further raised the forecast from the beginning of the fiscal year for operating cash flow, which will be a new record.

Announced flexible shareholder returns in accordance with our cash allocation policy.



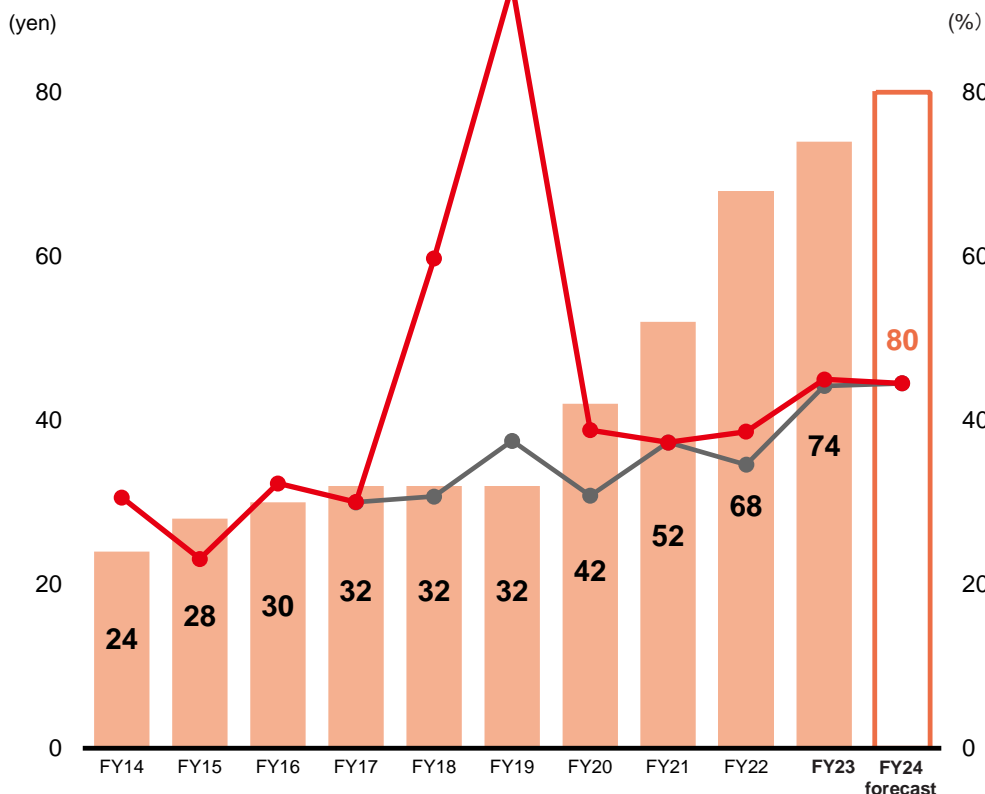
I-18. Return to Shareholders and Investments for Growth

Following a repurchase of 50 billion yen in shares in the first half of FY2024, in the second half we announced a repurchase of 40 billion yen in shares.

We announced an acceleration of return to shareholders as well as a stock split.

■ Dividends (FY2014-2024 forecast)

- Dividends per share
- Payout ratio
- Payout ratio (excluding impairment loss)



■ Shareholder Returns (our thinking under the medium-term ASV initiative)

Introduction of a progressive dividend policy.
Dividends based on normalized EPS.*
Three-year total return: target of 50% or more.

FY24

¥80/year (plan to increase dividend)

Vs. FY2023: +¥6

Announced May 9, 2024

Repurchase of shares limited to 12.5 million shares, 50 billion yen (completed)

Percentage of total outstanding shares (excluding treasury stock) **2.44%**

Announced November 7, 2024

Repurchase of shares limited to 10 million shares, 40 billion yen

Percentage of total outstanding shares (excluding treasury stock) **1.98%**

March 31, 2025

Two-for-one stock split planned

*(Business profit x (1 - Ajinomoto Group standard tax rate: 27%)) / Outstanding shares
x Return coefficient: 35%



I. Summary Results for the First Half Ended September 30, 2023 and the FY2024 Forecast

II. Initiatives for Enhancing Corporate Value

II-1. Medium-Term ASV Initiatives (for year 3 of the “2030 Roadmap”)

We are growing business profit at an annual rate of 10-15% to reach our 2025 ASV indicators.
We will maintain and accelerate this momentum.

FY2023 business profit growth rate

Growth rate with the impact of the
Forge consolidation excluded

15%

Compared to ¥133.0 billion
Roadmap launch pad
(FY2022 forecast)

FY2024 revised forecast business profit growth rate

Growth rate with the impact of the
Forge consolidation excluded

11%

FY2025 expected business profit

**Aiming for
Sustained growth
of 10-15%**

Growth rate with the impact of
the Forge consolidation
included

We will continue to reach toward our FY2025 ASV indicators to achieve even greater heights in FY2030.

II-2. Medium-Term ASV Initiatives (for year 3 of the “2030 Roadmap”)

Our Purpose-Driven Management by Medium-Term ASV Initiatives 2030 Roadmap is now in the second half of its second year.

We are at the stage of "achieved a mindset for tackling challenges" aimed at attaining the height of the Roadmap.

We have achieved evolution, but issues remain:
the gaps with our vision = room for growth, i.e., good opportunities.

Items progressing smoothly

Business

Shift from structural reform to growth

Stable growth in the overseas Food Products business
Recovery in the Bio & Fine Chemicals business
Turnaround of corporations and businesses that have fallen into difficulties and horizontal deployment of successes; etc.

Corporate culture

Fostering of and empathy with our Purpose
Promotion of diversity and the taking on of challenges

Spurring of taking on challenges with "Swing the Bat"
Promotion of eliminating or reducing
Promotion of volunteering to participate in extra projects and strengthening of personnel transfers with open recruitment, etc.

Gaps with our vision

Decline of the profit margin in the Food Products business in Japan
Reduction of inventory assets and improvement of CCC (Cash Conversion Cycle)
Further enhancement of ROE; etc.

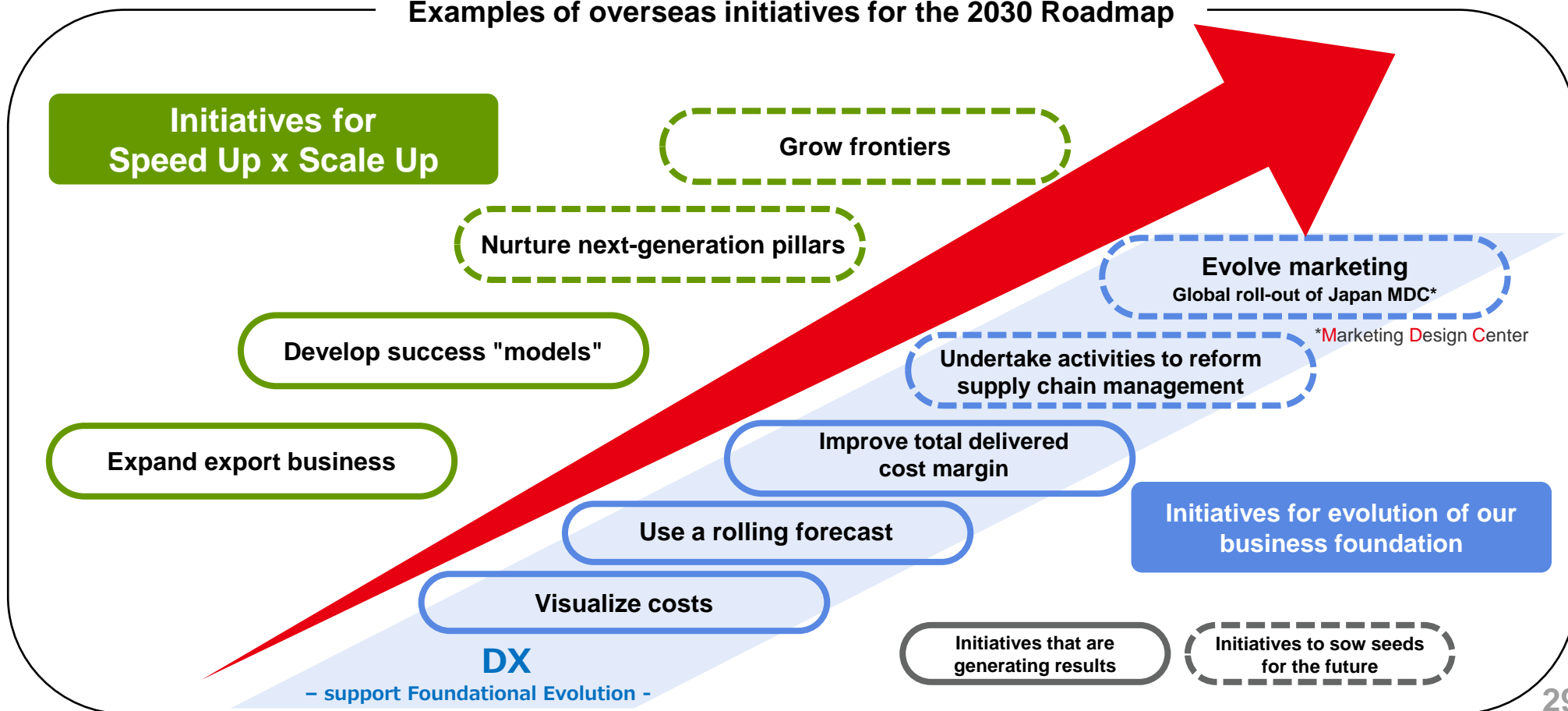
Failure to make full use of employees' and organizations' capabilities
Vertical organizations with silo management
Still many separate approvals needed in the approval process; etc.

II-3. Medium-Term ASV Initiatives (for year 3 of the “2030 Roadmap”)

Overseas Food Products business

In the overseas Food Products business, which has made a recovery in profit through rapid price increases, we aim to achieve the 2030 Roadmap by strengthening the business foundation and with Speed Up x Scale Up, in a virtuous cycle.

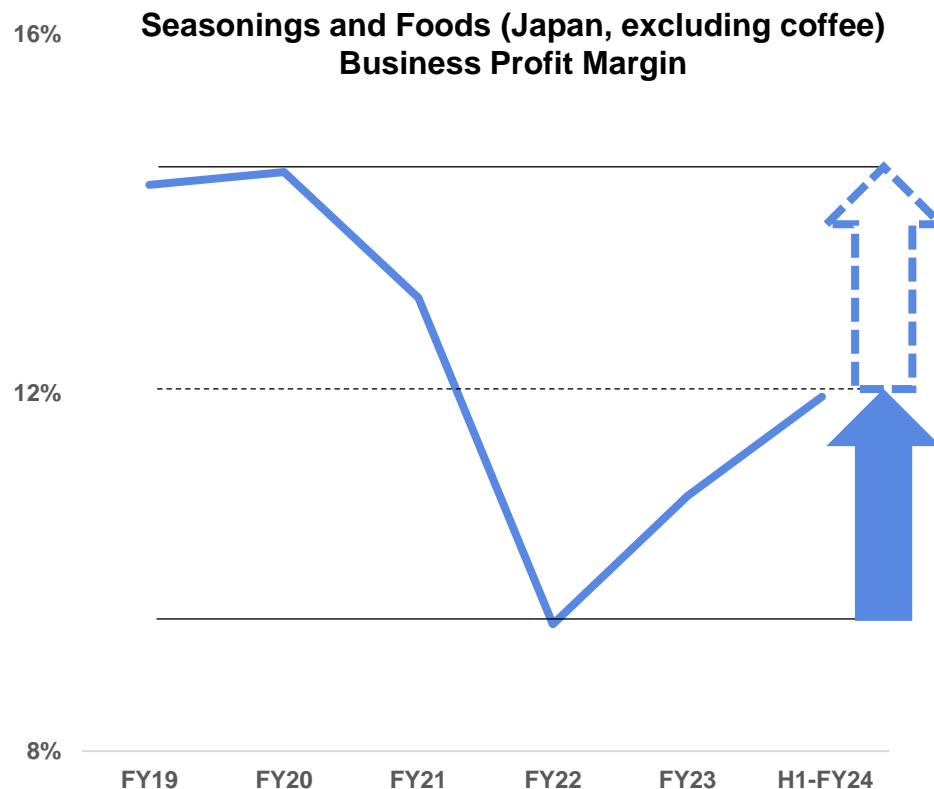
Examples of overseas initiatives for the 2030 Roadmap



II-4. Medium-Term ASV Initiatives (for year 3 of the “2030 Roadmap”)

Japan Food Products Business

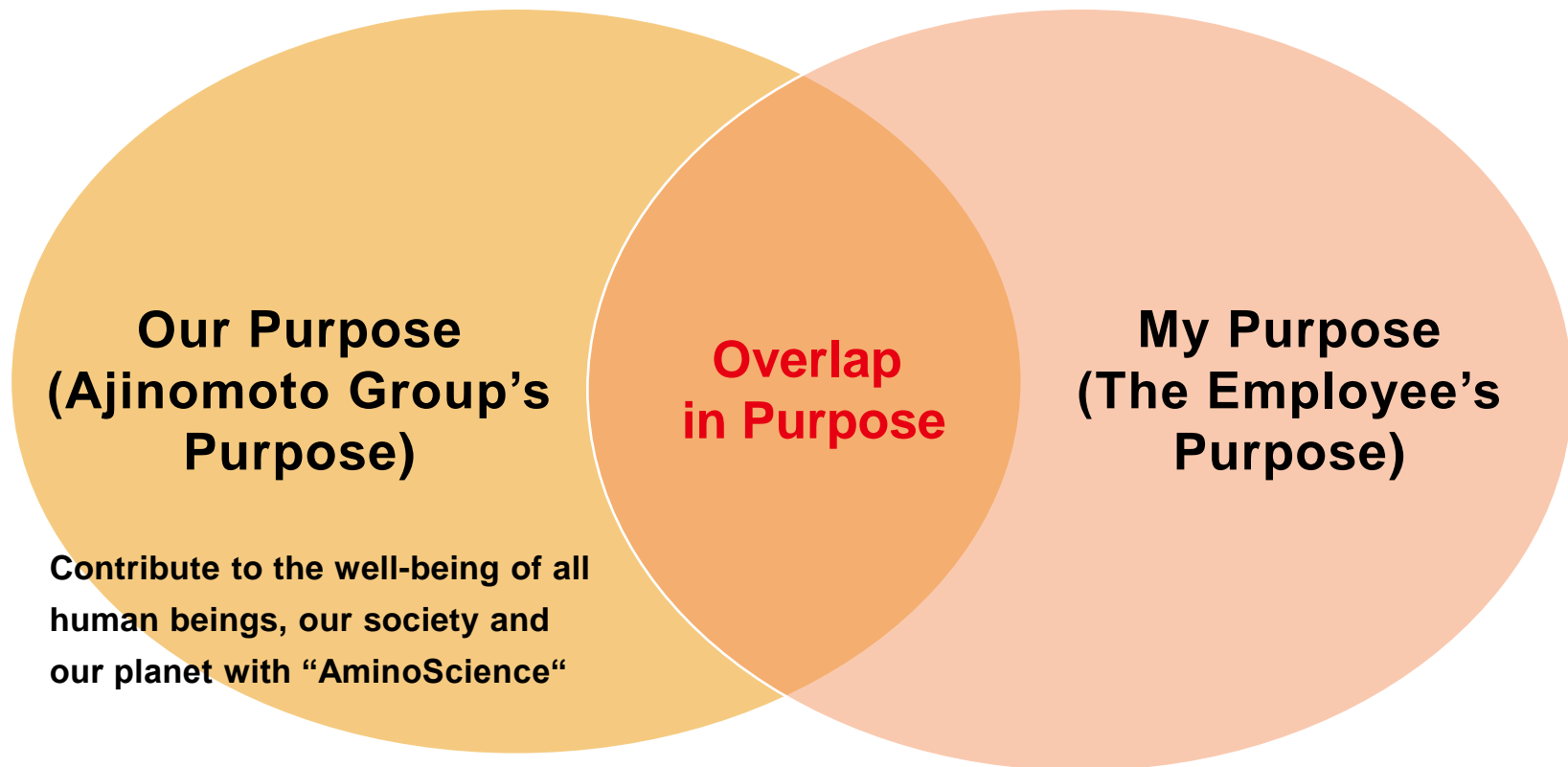
In Japan, Seasonings and Foods, excluding coffee, is recovering, but has yet to reach pre-pandemic levels.



We are steadily working to restore the business profit margin amid the growing frugality of Japanese consumers. Further actions, including price increases, will be taken to achieve a business profit margin at or above pre-pandemic levels.

II-5. Our Philosophy – Activities Promoting Empathy

To achieve the 2030 Roadmap, we will create a corporate culture in which employees take the lead and proactively take on challenges to realize our vision, with both purposes as the base.



Employees identify their own (“my”) Purpose and discover how it overlaps with Ajinomoto Group’s (“our”) Purpose.
⇒ Employees act proactively on their own initiative to realize “My Purpose” and “Our Purpose” is achieved as a result.

Network-like style of working

= cross-organizational work based on a theme, transcending the boundaries of one's own department

TRY & A-CROSS

Making self-initiated taking on of challenges more accessible

- Providing more opportunities for taking on challenges and growing
- Setting up a system to encourage taking on challenges

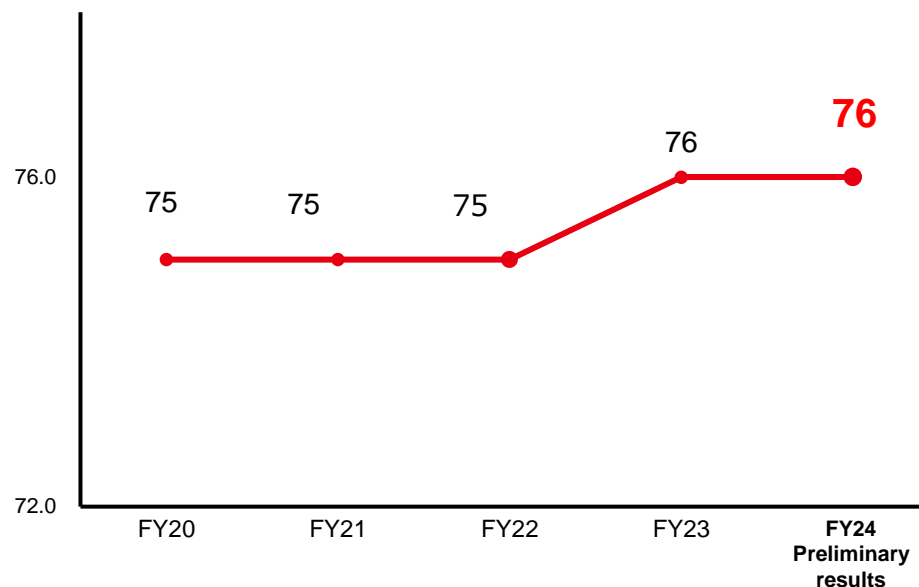
Teams that transcend departments

- Flexible project deadlines and working hours
- Promptly building teams that have and nurture diverse expertise and experience

II-7. Human Asset Initiatives (Engagement Survey, Preliminary Results)

Favorable response to the “ASV realization process” is 76 (average of 8 categories), on par with the previous fiscal year. Scores improved in the categories related to taking on challenges such as “encouragement for new opportunities” and “innovation creation.” Scores did not improve in “enhancement of productivity,” which has been an issue since the previous fiscal year, although we are still reviewing the company-wide approval process. We will read the open answers and take action.

	FY2024 preliminary results	Dif. with prev. year
ASV realization process	76	0
Empathy for our Purpose	93	0
Customer focus	90	-1
ASV as one's own initiative	76	0
Encouragement for new opportunities	81	+3
Co-creation through inclusion	80	+2
Enhancement of productivity	20	-8
Innovation creation	88	+2
Creation of social and economic value	79	+1



Review of the approval process will continue company-wide. We will clarify what needs to be stopped on a company-wide basis, and through the promotion of DX, including AI, we will improve the efficiency of operations and provide opportunities to take on further challenges.

Reference: Question regarding enhancement of productivity.
I think we have to get quite a lot of approvals before decisions are made on things in our day-to-day operations here at this company.

Message from the CEO

- In FY2024 first half summary results, we continued to grow in the Food Products business (primarily overseas) and recovery in the Bio & Fine Chemicals business from FY2023, in line with the 2030 Roadmap.
- There is room for evolution in the Food Products business in Japan. We will quickly take action to address cost increases caused by soaring raw material prices and the weak yen, and will tackle sound business growth by creating GP aimed at our vision for 2030.
- Gaps originating in our corporate culture also exist. The management team will continue to evolve both its own conduct and the company's mechanisms, and will bring about growth with the proactive taking on of challenges by trusted employees and organizations. By evolving corporate culture on the part of both the management team and employees/organizations, we aim to close the gaps and achieve the 2030 Roadmap.

Eat Well, Live Well.



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Summary of the Second Quarter (July-September)

Sales: Increased

¥378.7 billion

108% of FY2023

Excluding currency translation: 107%

Excluding the impact of the Forge consolidation: 107%

Business profit: Increased

¥43.8 billion

130% of FY2023

Excluding currency translation: 128%

Excluding the impact of the Forge consolidation: 134%

Profit attributable to owners of the parent company

¥26.2 billion

136% of FY2023

Increase or decrease vs FY2023

(¥ Billion)	vs Q2- FY23	Details of impacts in Q2-FY2024
Sales	30.2	
Change in GP due to change in sales	20.0	Primarily Sauce & Seasonings overseas, Frozen Foods overseas, and Functional Materials made contributions to increased profit.
Change in GP due to change in GP margin	6.8	Significant improvement of GP margin in Healthcare and Others drove increased profit.
Change in SGA expenses	-19.1	Increased due to impact of the Forge consolidation, in addition to the impact of currency translation.
Share of profit of associates and joint ventures	2.7	
Business profit	10.1	
Change in operating income/expenses	-2.1	Recording of Althea structural reform expenses.
Change in financial income/expenses	-0.1	
Profit attributable to owners of the parent company	7.0	

Consolidated Statements of Income

(¥ Billion)	H1-FY24 (A)	H1-FY23 (B)	Difference (A) – (B)	Vs. prev. year (A) / (B)	Excluding currency translation Vs. prev. year (A) / (B)	FY24 revised forecast (C)	YTD progress (A) / (C)
Sales	744.2	688.0	56.2	108%	105%	1532.5	48%
Business profit	86.9	76.5	10.3	113%	109%	160.0	54%
Other operating income & expenses	-6.0	-3.8	-2.1	-	-		
Operating profit	80.8	72.6	8.2	111%	-	149.0	54%
Financial income & expenses	-2.6	-2.5	-0.1	-	-		
Profit before income taxes	78.1	70.1	8.0	111%	-	143.9	54%
Income taxes	-22.3	-18.8	-3.4	-	-		
Profit (includes discontinued operations)	55.8	51.2	4.6	109%	-	105.0	53%
Profit attributable to owners of the parent company	50.2	46.4	3.7	108%	-	95.0	52%
Profit attributable to non-controlling interests	5.6	4.8	0.8	117%	-	10.0	56%

FY2024 Assumed Exchange Rates and Exchange Rate Sensitivity

Assumed exchange rates (vs. JPY)

	FY24 revised forecast	FY24 result		FY24-2H revised forecast	FY24 initial forecast
		1Q	2Q		
USD	148.89	155.85	149.71	145.00	140.00
EUR	163.53	167.85	164.28	161.00	154.00
THB	4.25	4.24	4.29	4.24	4.00
BRL	28.14	29.90	26.89	27.88	28.00

Exchange Rate Sensitivity Foreign exchange rates (vs. JPY)

	FY24-2H revised forecast	Sensitivity of translation effects on full year business profit
USD	145.00	±¥1 → approx. ¥80 million
EUR	161.00	±¥1 → approx. ¥40 million
THB	4.24	±¥0.01 → approx. ¥110 million
BRL	27.88	±¥1 → approx. ¥390 million

1H-FY24 Key Financial Results by Segment (1)

Sales	Seasonings and Foods +¥28.8 billion	In Japan	Overall, revenue increased, with increased unit prices and increased volume in Sauce and Seasonings, although sales volume decreased due to increased prices for coffee in Quick Nourishment.
		Overseas	Overall, revenue increased, mainly due to steady growth in Sauce and Seasonings in terms of both volume and unit prices, and the impact of lower unit prices for umami seasonings for processed food manufacturers was absorbed by volume growth and the impact of currency translation.
	Frozen Foods +¥6.5 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, level with the previous year, due to good results for the Asian category covering for the impact of structural reform (Italian foods, etc.). (Local currency basis)
	Healthcare and Others +¥20.4 billion	Functional Materials	Revenue increased driven by higher sales of electronic materials due to the recovery of semiconductor market.
		Amino acids for pharmaceuticals and foods	Revenue increased due to progressing inventory adjustments by customers.
		Bio-Pharma Services (CDMO services)	Revenue increased, even excluding Forge, and <i>AJIPHASE</i> ® etc. continued to perform well.

Amounts in frames are YOY differences

Note: the green and black of the frames have the following meanings:

Increased revenue

Decreased revenue

1H-FY24 Key Financial Results by Segment (2)

Business Profit

Seasonings and Foods

+¥5.4 billion
(excluding shared companywide expenses)

In Japan

Profit decreased in all subsegments (Sauce & Seasonings, Quick Nourishment, and S&I).

Overseas

Overall, profit increased, due to increased profit primarily in Sauce & Seasonings, although umami seasonings for processed food manufacturers had decreased profit.

Frozen Foods

-¥1.9 billion
(excluding shared companywide expenses)

In Japan

Profit decreased due to soaring raw material prices and weak yen, in addition to sales level with the previous year

Overseas

Profit decreased significantly due to aggressive marketing investments

Healthcare and Others

+¥8.9 billion
(excluding shared companywide expenses)

Functional Materials

Large increase in profit due to increased revenue and the impact of improved mix.

Amino acids for pharmaceuticals and foods

Increased profit due to increased revenue and improved mix.

Bio-Pharma Services (CDMO services)

Decreased profit due to the consolidation of Forge (excluding Forge, large increase in profit).

Shared companywide expense

Recorded strategic investments in line with the 2030 Roadmap. Losses amounting approximately ¥3.0 billion in the first half.

Amounts in frames are YOY differences

Note: the green and black of the frames have the following meanings:

Increased profit

Decreased profit

Reference: Growth Paths by Segment (Initial Forecast)

Segment		Organic growth				Business profit				ROIC				EBITDA margin			
		Vs. prev. year		CAGR		Vs. prev. year		CAGR									
Seasonings and Foods	Sauce & Seasonings	FY22 actual (sales)	FY23 actual	FY24 forecast	FY25 plan (FY22-25)	FY22 actual (BP)	FY23 actual	FY24 forecast	FY25 plan (FY22-25)	FY22 actual	FY23 actual	FY24 forecast	FY25 plan	FY22 actual	FY23 actual	FY24 forecast	FY25 plan
	Quick Nourishment	¥775.0 billion	5.5%	7.3%	5%	¥84.8 billion	31.5%	0.2%	12%	14.9% *11.0%	16.7% *15.0%	Approx. 15%	16%	14.9%	17.3%	Approx. 17%	16%
	Solution & Ingredients									WACC 7%							
Frozen Foods	Frozen Foods	¥267.2 billion	0.6%	6.1%	3%	(BP) ¥2.0 billion	¥9.5 billion	¥11.5 billion	¥10.0 billion or more	-3.3% *0.7%	4.4% *3.4%	Approx. 5%	5%	5.5%	8.3%	Approx. 8%	8%
										WACC 5%							
Healthcare and Others	Bio-Pharma Services & Ingredients																
	Functional Materials (electronic materials and others)	¥299.6 billion	-6.8%	8.8%	8%	¥48.6 billion	-49.9%	24%	13%	12.6%	4.2% *4.6% **6.0%	Approx. 4% Approx. 7%	18%	21.8%	15.0%	Approx. 17%	27%
	Others									WACC 7%							
Total		¥1,359.1 billion	1.7%	7.4%	5%	¥135.3 billion	9.1%	7.0% Approx. 10%	15% or more	9.9%	8.7% *8.0% **9.4%	Approx. 9% Approx. 10%	13%	15.2%	15.7%	Approx. 16%	17%
										WACC 6%							

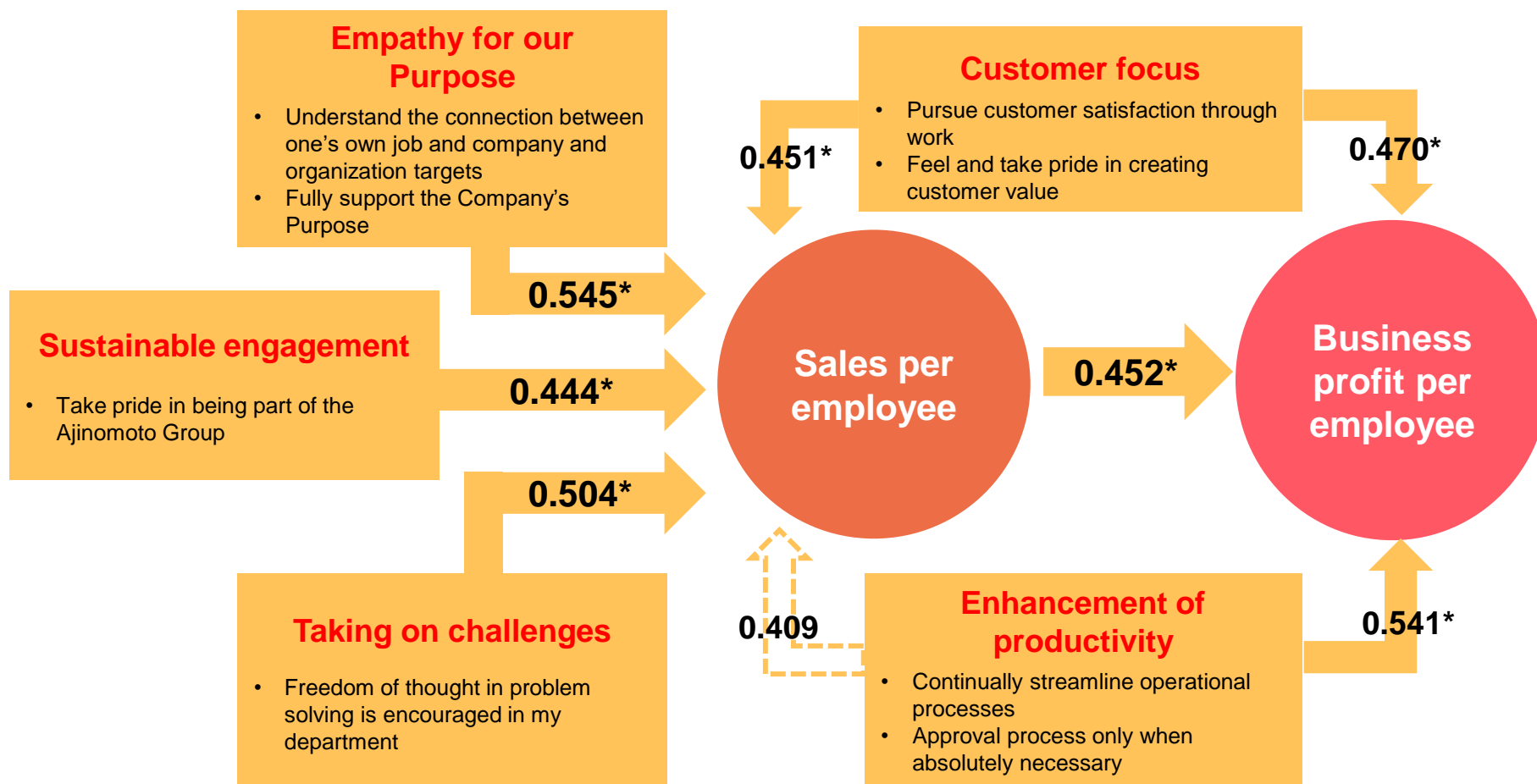
* Excluding the profit from sales of non-current assets and impairment losses

**Excluding the impact of the Forge consolidation

Reference: Human Asset Initiatives (Analysis of Correlation with Business Performance for FY2023)

We continue to analyze the correlation between engagement survey results and business performance (results for FY2023 survey are shown in the chart below).

We identified a correlation between “sustainable engagement” and “innovation (taking on challenges),” and sales per employee, in addition to “customer focus,” “enhancement of productivity,” and “empathy for our Purpose.”



* Statistically significant correlation at 95%

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