

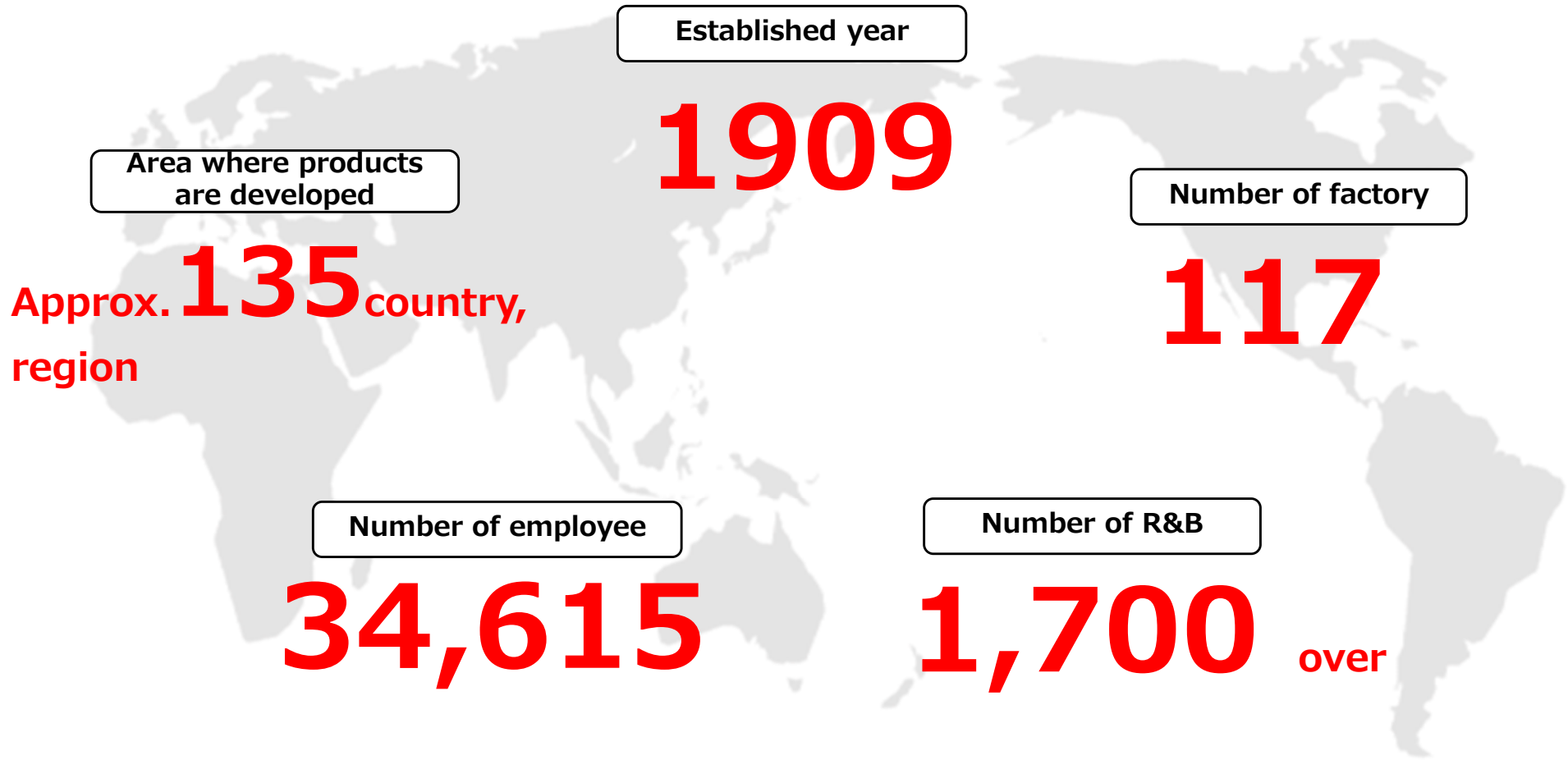
Eat Well, Live Well.



AJINOMOTO CO., INC (2802)

(As of Dec. 2023)

1. Overview (FY2022)



2. Our Founding Aspiration and Now

Commercialized AJI-NO-MOTO® in 1909 from amino acids (umami ingredients) contained in kelp dashi.



Dr. Kikunae Ikeda,
Discoverer of the umami taste

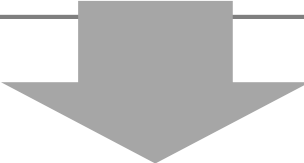
Our founding aspiration

Contribute to society through food

Commitment to improve the nutrition of Japanese people with umami



Saburosuke Suzuki II,
Founder of the Ajinomoto Group



Now

Co-creation of social and economic value through our business

ASV (Ajinomoto Group Creating Shared Value)



The Original AJI-NO-MOTO®

3. Evolution of vision | Where we want to be

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

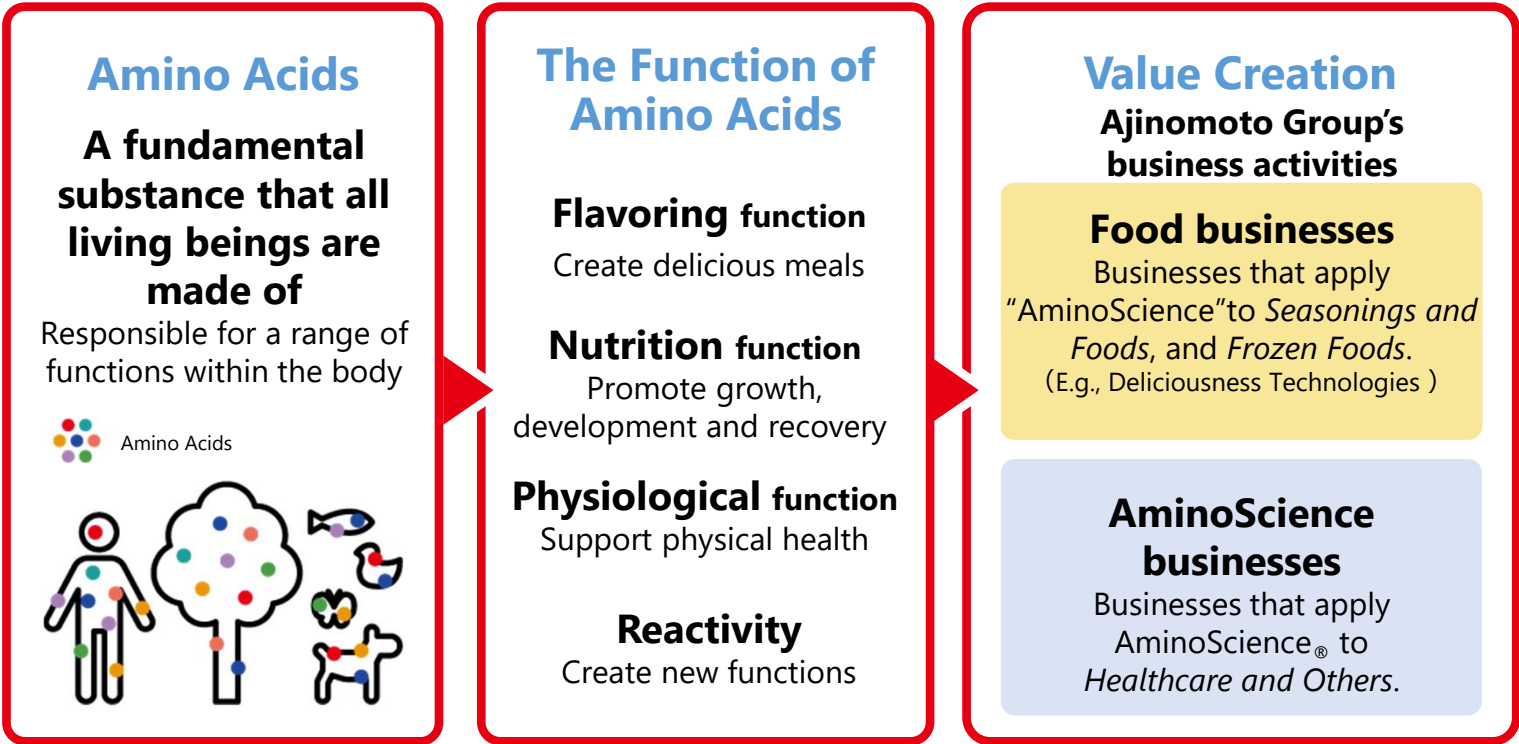


**Contributing to the well-being of all human beings,
our society and our planet with “AminoScience”**

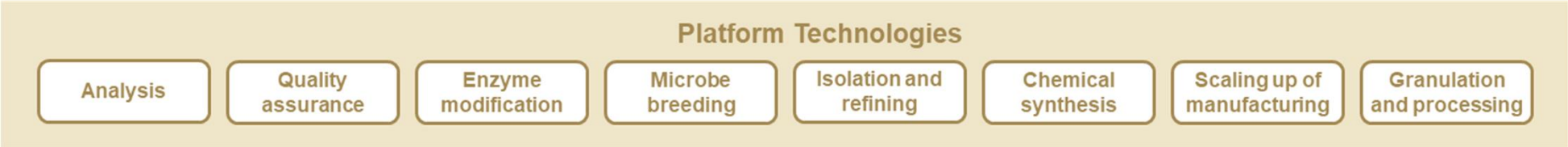


What is "AminoScience"?

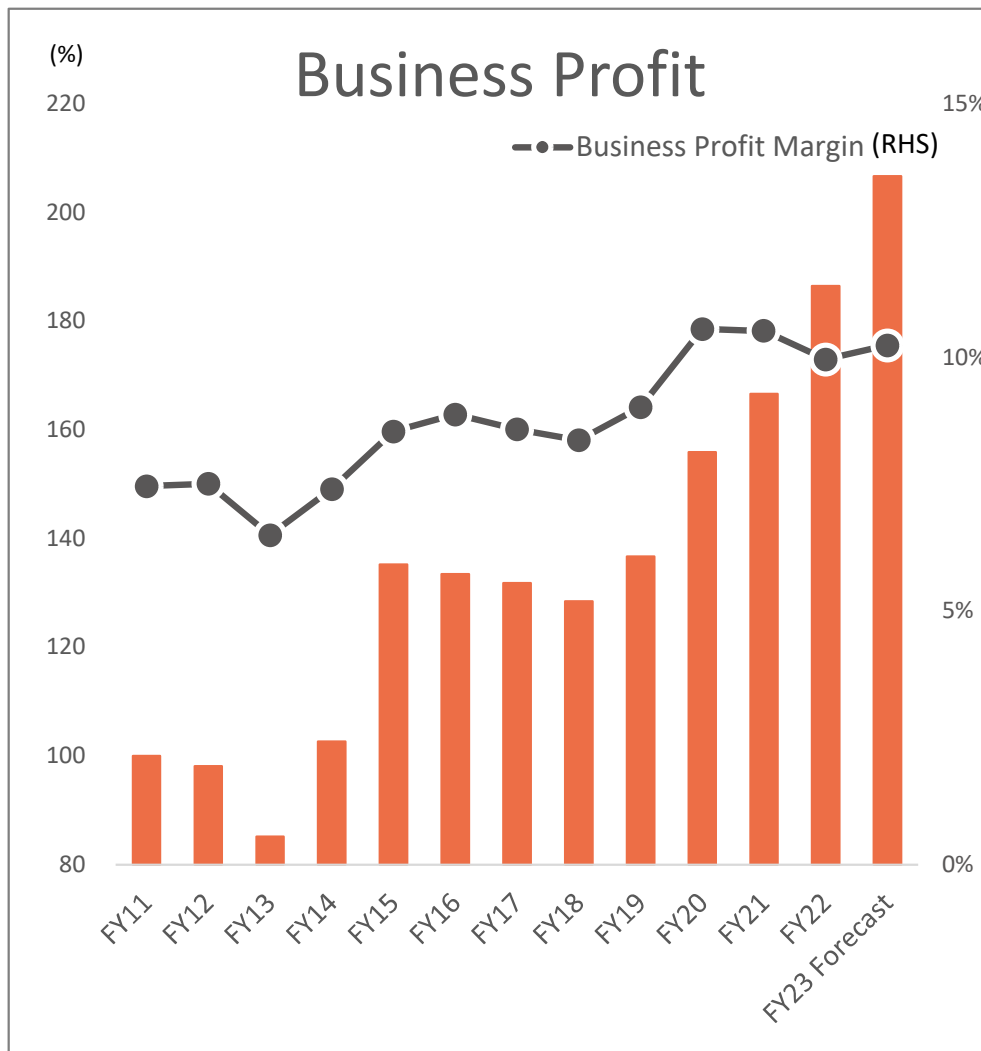
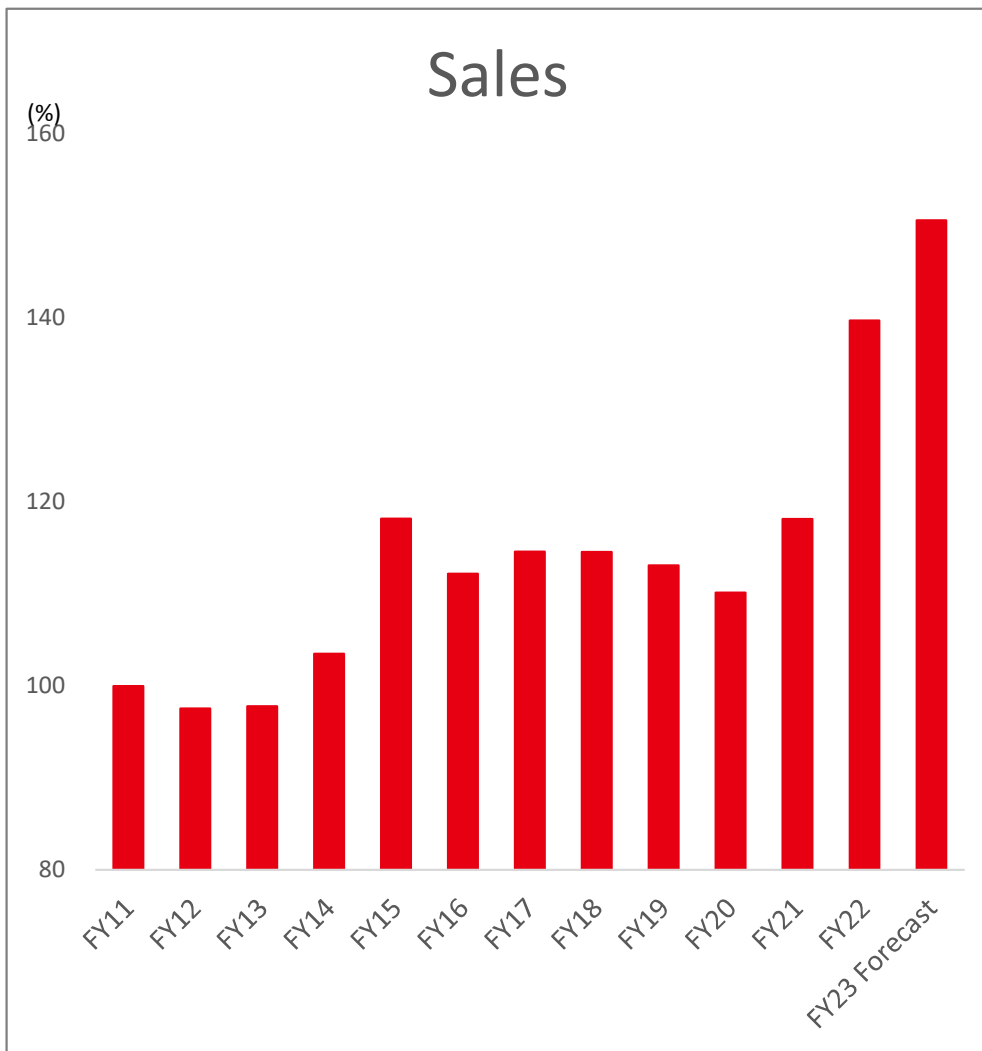
A collective term for the various materials, functions, technologies, and services derived from research and implementation processes with a rigorous focus on the function of amino acids. It also refers to the Ajinomoto Group's unique scientific approach to connect these to resolving social issues and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



4. Using Amino Acids as a Source for Range of Business



5-1. Sales and Business Profit History



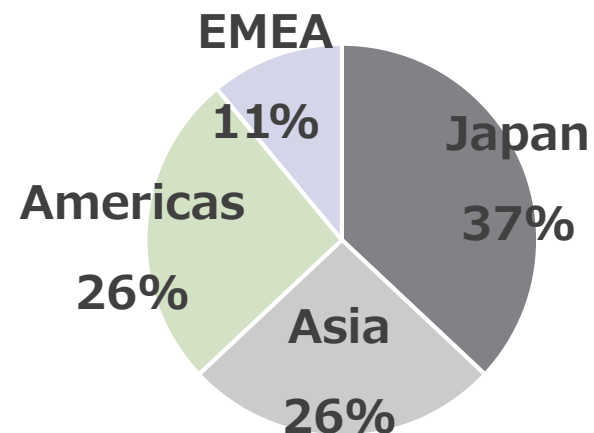
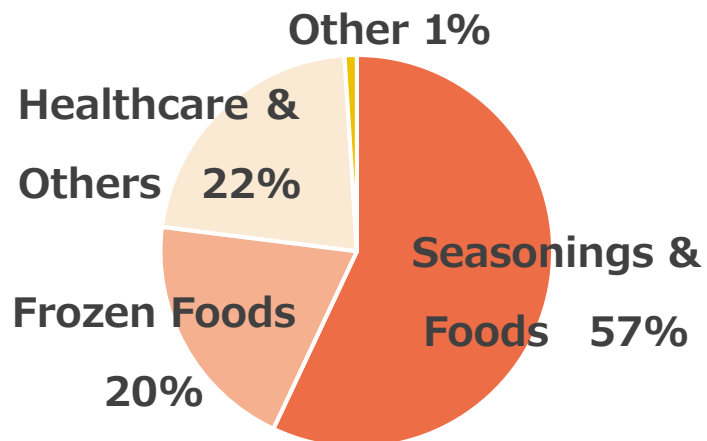
- Sales / Business Profit (LHS) : % with FY11 as 100
- IFRS from FY15
Business profit FY11-FY14 show operating profit



5-2. FY2022 Sales and Business Profit by Segments

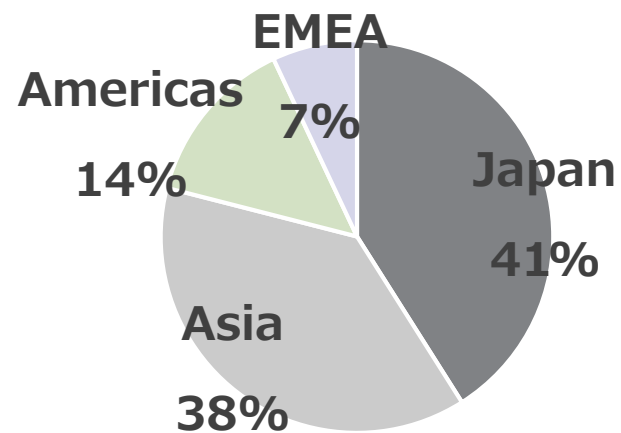
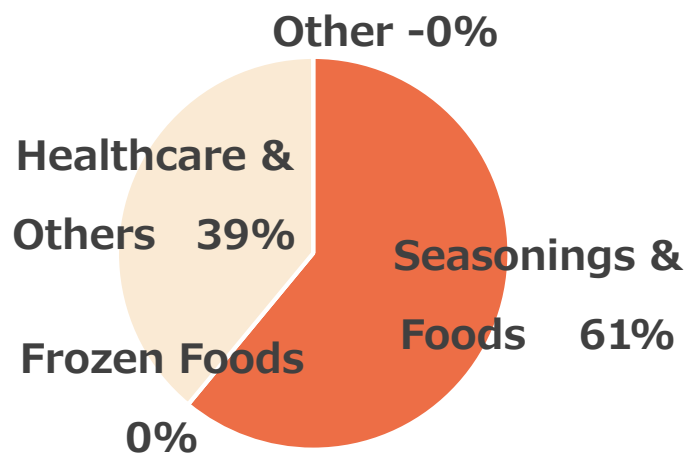
<Sales>

FY22
¥1,359.1billion



<Business Profit>

FY22
¥135.3billion



6-1. Seasonings & Foods

Sales of Seasonings & Foods :
¥775bin (FY22)



● Japan ¥274bin (FY22)

<Home use : Japan>

• Saesonings

Ajinomoto®, Hondashi®, Comsomme, CookDo® etc.



• Quick & Nurishment

Knorr®, Blendy® etc.



Home use : Restaurant use = approx. 7 : 3
(Japan : sales ratio)

<Restaurant use : Japan>

Large-volume products, and services and products that help solve problems for the foodservice industry, food manufacturers, meals for businesses, and others.

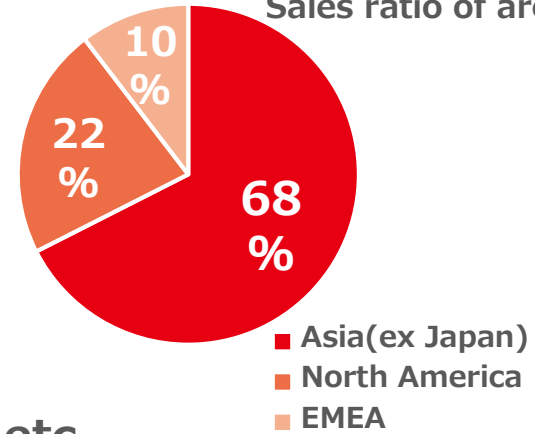


● Overseas ¥501bin (FY22)

• Over 130 country & region

(Thai, Indonesia, Vietnam, Philippines, Brazil and others)

• Ajinomoto®, flavour seasonings, RTD, instant noodle etc.



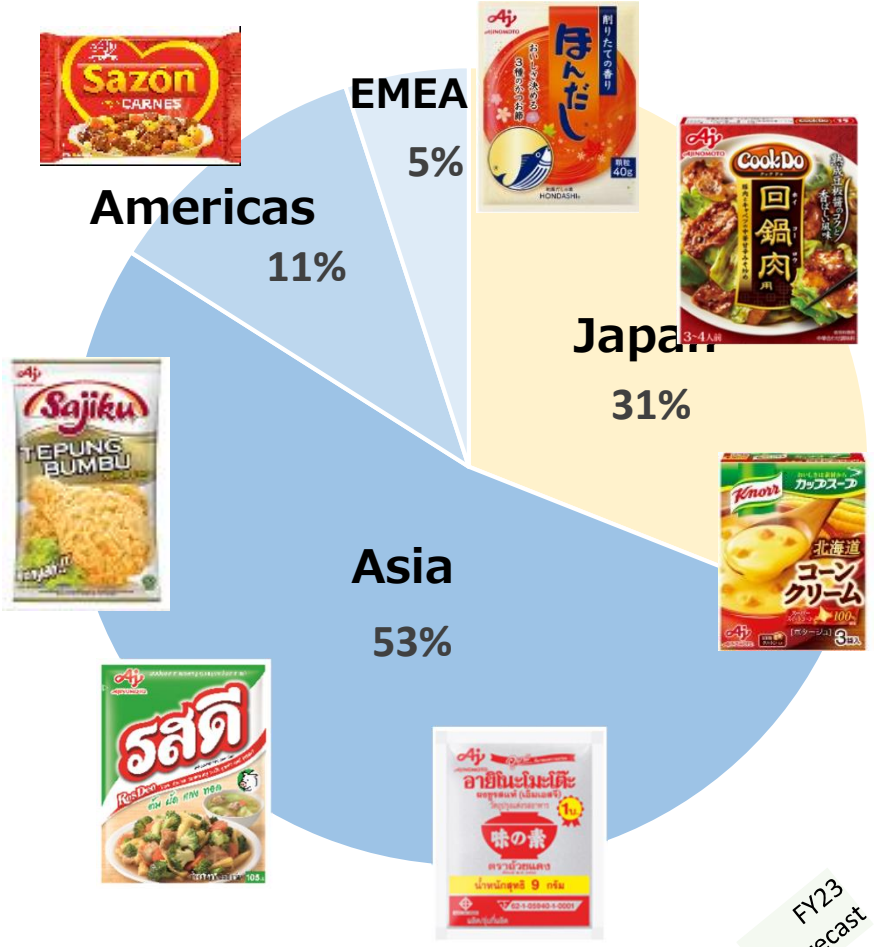
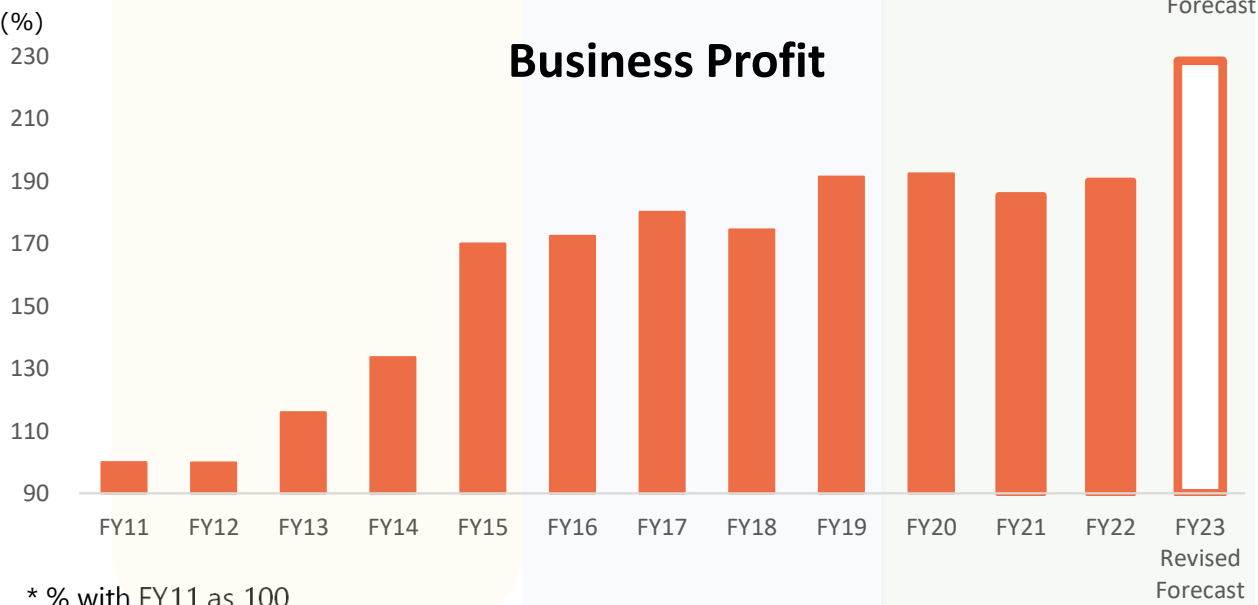
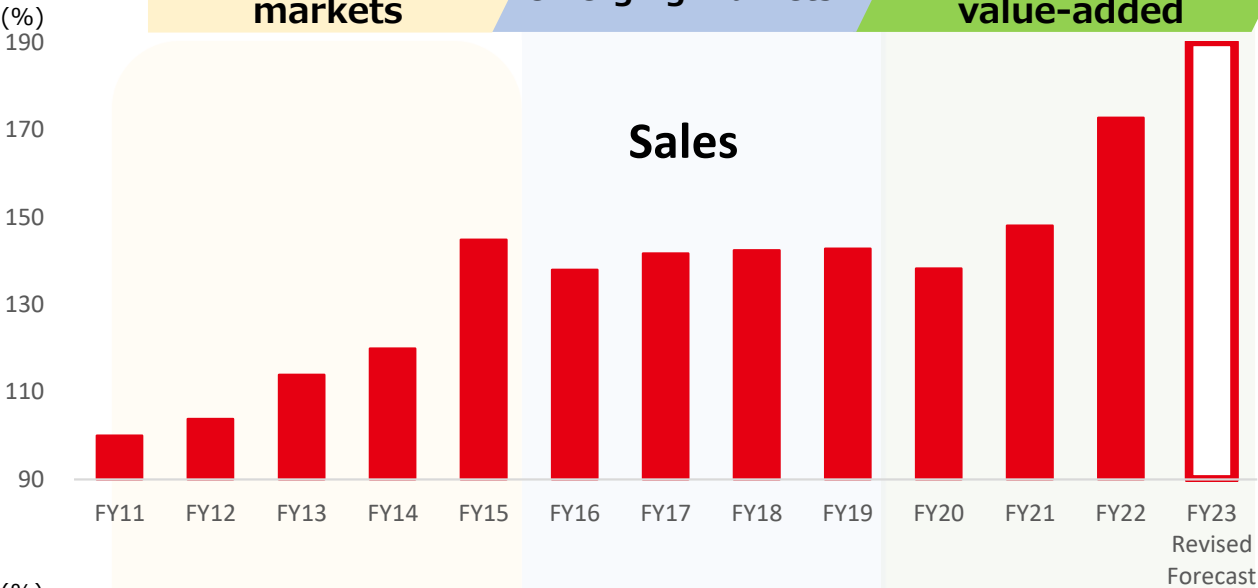
• Umami seasonings for processed food mfrs.

Global supply of bulk products



6. Core Business Strategies

6-1. Seasonings & Foods



Sales composition by region (FY22)

* % with FY11 as 100
 * Business profit does not take into account common expenses.
 * IFRS from FY15

6-1. Seasonings & Foods

**FY23 Revised Forecast
organic growth rate: 6.8%**

Product range spread

Reduced-salt products and health value-added products



Increasing added value (unit price growth)



Menu-specific seasonings



Flavor seasonings



Umami seasonings



Japan

Thailand

Indonesia

Vietnam

Philippines

Brazil

Other countries

Diverse customer needs in different countries and regions



6-2. Frozen Foods

Frozen Foods Sales : 267.2 B yen (FY22)

● Japan 89.7 B yen (FY22)

● Overseas 177.5 B yen (FY22)

<Home-use : Japan>

Gyoza

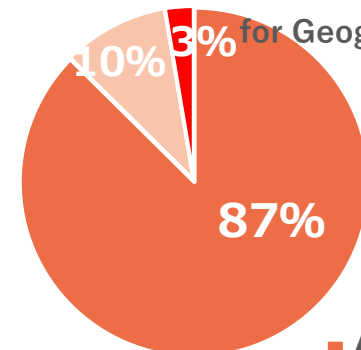
「ザ★®(THE)」 brand

Yawaraka Wakadori Kara-Age

(fried chicken) etc.



Percentage of Overseas Sales



- Americas
- EMEA
- Asia (ex JP)

• Mainly in North America, Europe, Thailand, and Singapore

• Asian category (gyoza etc.)
Mexican, Processed chicken, macaron etc.)

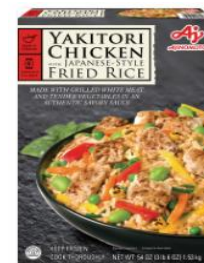
Home-use : Restaurant and industrial-use = approx. 7 : 3 (Sales in Japan)

<Restaurant and industrial-use : Japan>

Large-volume products to the food service industry, business and school lunches, as well as cakes and other sweets to hotels and other customers.



North America : Gyoza



North America : Mexican (Taqitos)

North America : Fried Rice



Europe : Gyoza



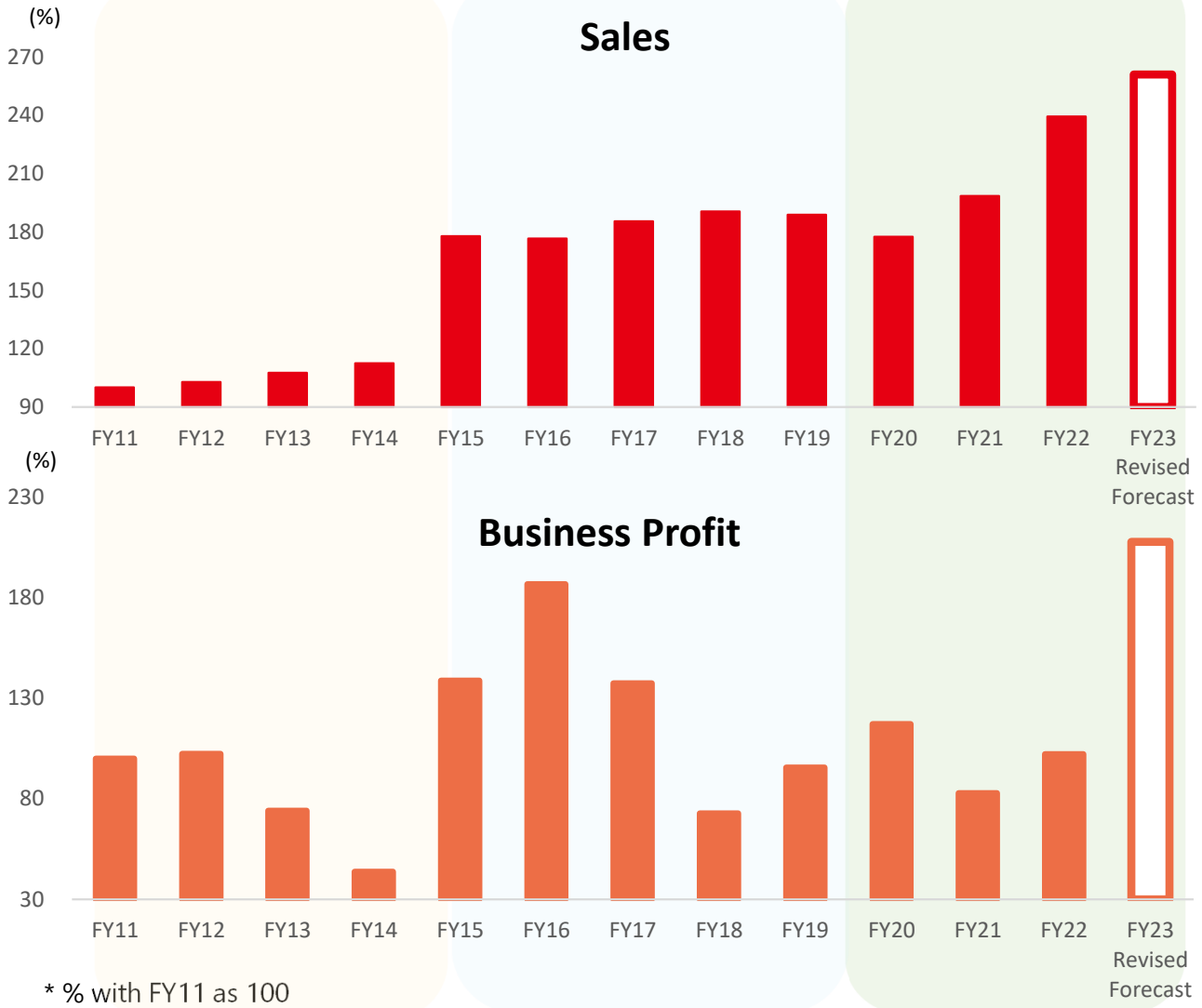
Europe : Macaron



AJINOMOTO.

6. Core Business Strategies

6-2. Frozen Foods



Japan



North America



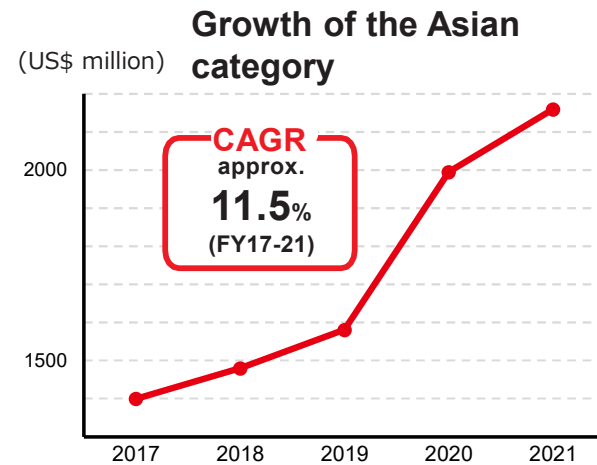
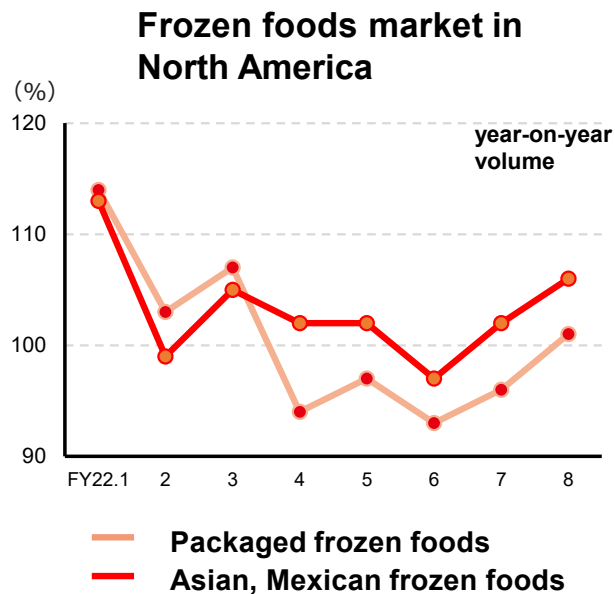
Europe



* % with FY11 as 100
 * Business profit does not take into account common expenses.
 * IFRS from FY15

6-2. Frozen Foods : Growth in the Asian Category

Focus on core categories (especially the Asian category)
Expansion of the Asian category is expected to continue, returning to growth



FY2022 sales composition of gyoza

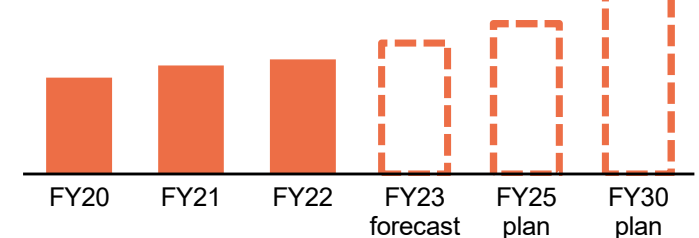
Japan : Overseas = 50:50

Solid expansion of gyoza overseas (North America)

Solid expansion, especially for home use



Gyoza sales and planned sales, North America



Sales of Healthcare and Others :
¥ 299 bil. (FY22)

6-3. Healthcare and Others

● Electronic materials and others ¥ 70.1 bil. (FY22)

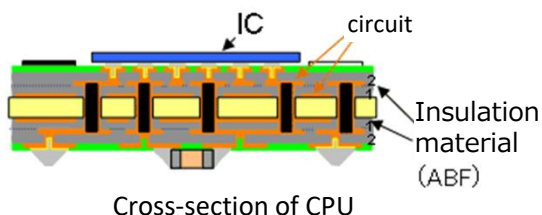
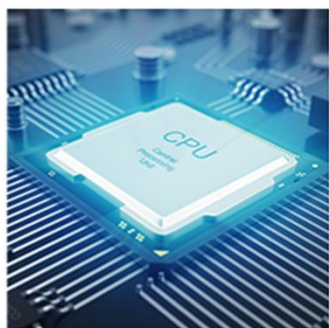
Ajinomoto Build-Up Film® (ABF) is a film-type insulating material that is used in key components of PCs and servers or networks. This product has more than a 95% share of the global market for insulating films for high-performance semiconductors.

electrical appliance



computer, server, network station, game, mobile device, etc.

high-performance semiconductors (CPUs)



Cross-section of CPU

ABF

● Amino acids for pharmaceuticals and foods ¥ 57.5 bil. (FY22)

• Infusions

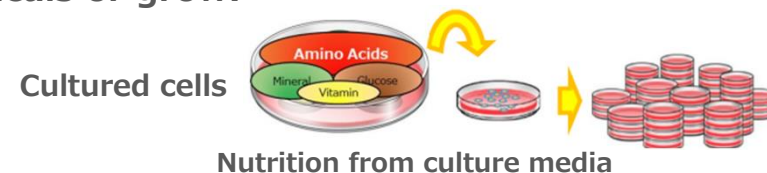
Ajinomoto Group amino acids were used in the world's first amino acid infusion.



• Biopharmaceutical culture medium

• **Regenerative medicine culture medium (For iPS/ES cells)**

※ Culture media : Sources of nutrition for the cultured cells used to create biopharmaceuticals or grow.



● Bio-Pharma Services ¥ 72 bil. (FY22)

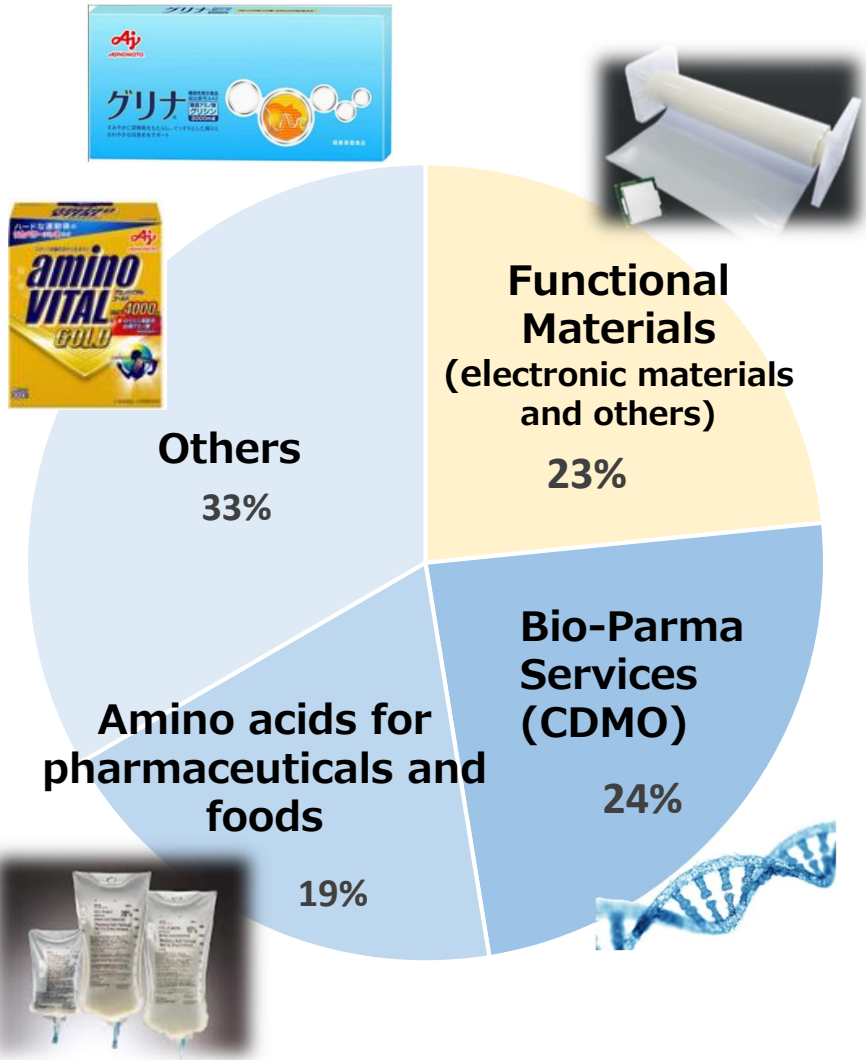


• CDMO Services

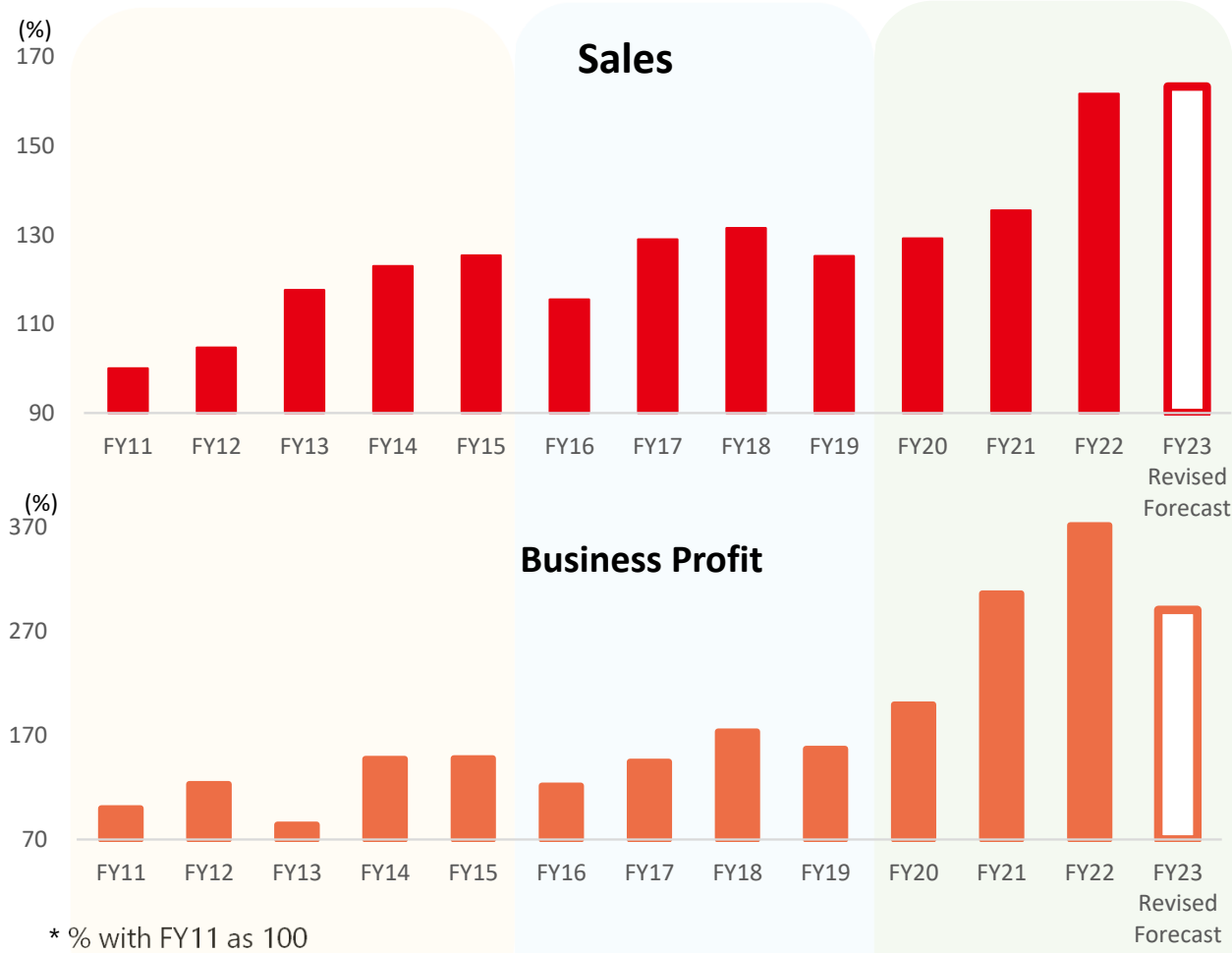
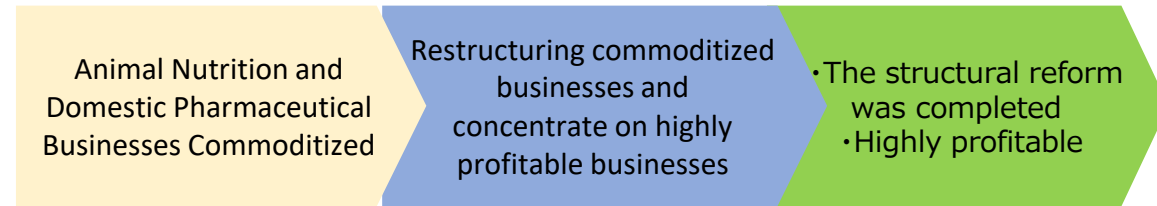
Rolling out a nucleic acid drug CDMO that uses AJIPHASE®, a proprietary liquid-phase synthesis method enabling mass production at low cost.

※ Nucleic acids, i.e. DNA and RNA, the substances that control genetic information, are used as pharmaceuticals.

6-3. Healthcare and Others



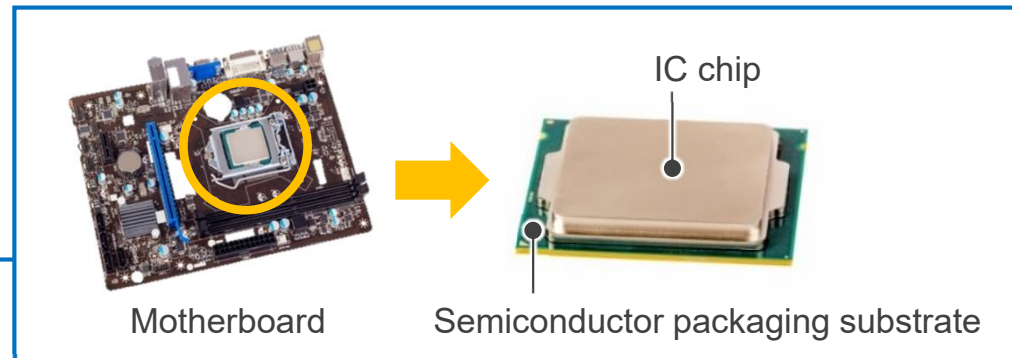
Sales composition by region (FY22)



* % with FY11 as 100
 * Business profit does not take into account common expenses.
 * IFRS from FY15

6-3. Healthcare and Others : What is *Ajinomoto Build-up Film*® (ABF)?

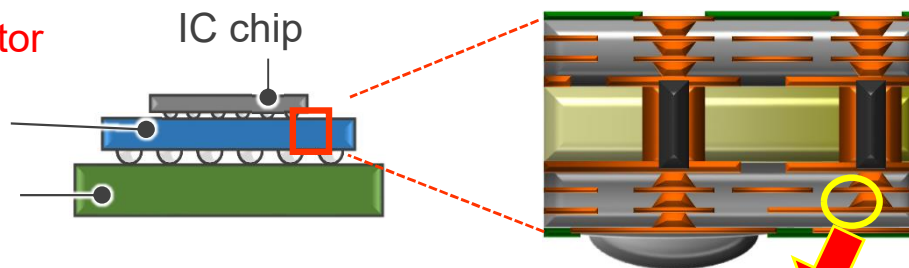
Film-type insulation material protecting the core components in personal computers



Cross-section of packaging substrate

Semiconductor packaging substrate

Motherboard



- IC chip protection
- Signal transmission between IC and motherboard

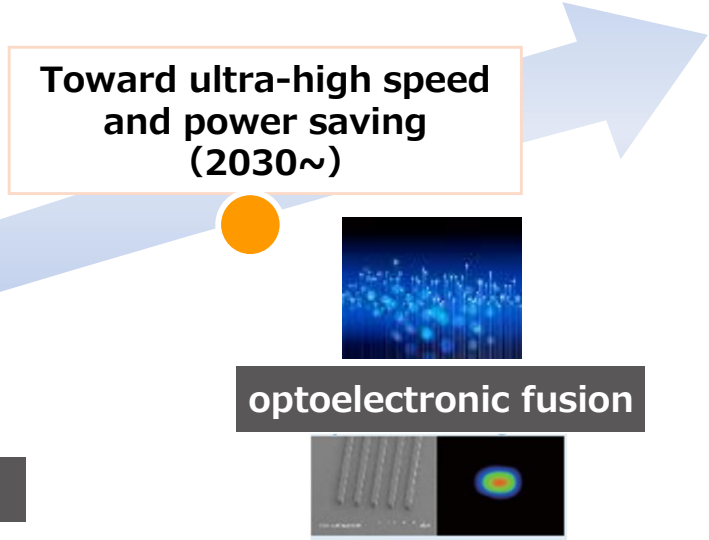
Reference: Human hair, 100µm > 10µm

First developed in 1999, ABF is an insulation material used between buildup substrate layers.

For the more than 20 years since then, it has been continuously used as the de facto standard by major semiconductor manufacturers.

6-3. Healthcare and Others : Development of ABF and Growth of ICT

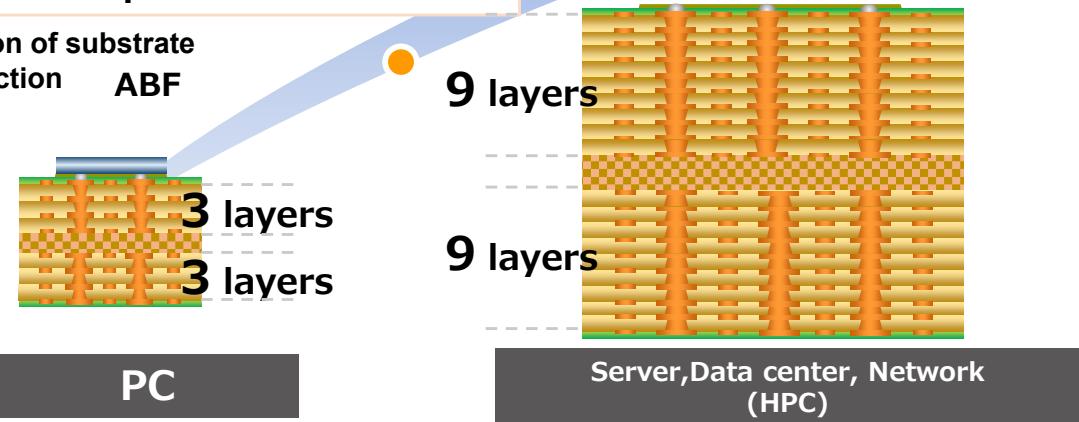
- ✓ ABF is essential for semiconductor package substrates and is the de facto standard
- ✓ ABF usage grows due to shift to HPC* applications
- ✓ ABF also contributes to the evolution of AI semiconductors, driving growth
- ✓ Contributing to future optoelectronic fusion with ABF's evolving technology



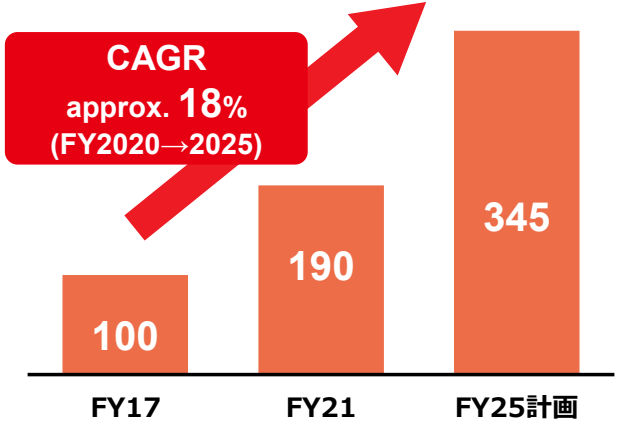
Increasing speed· evolution of AI (~2030)

multi-layer, large size, miniaturization (present)

Illustration of substrate cross-section ABF



Ajinomoto Build-up Film® (ABF) shipment volume



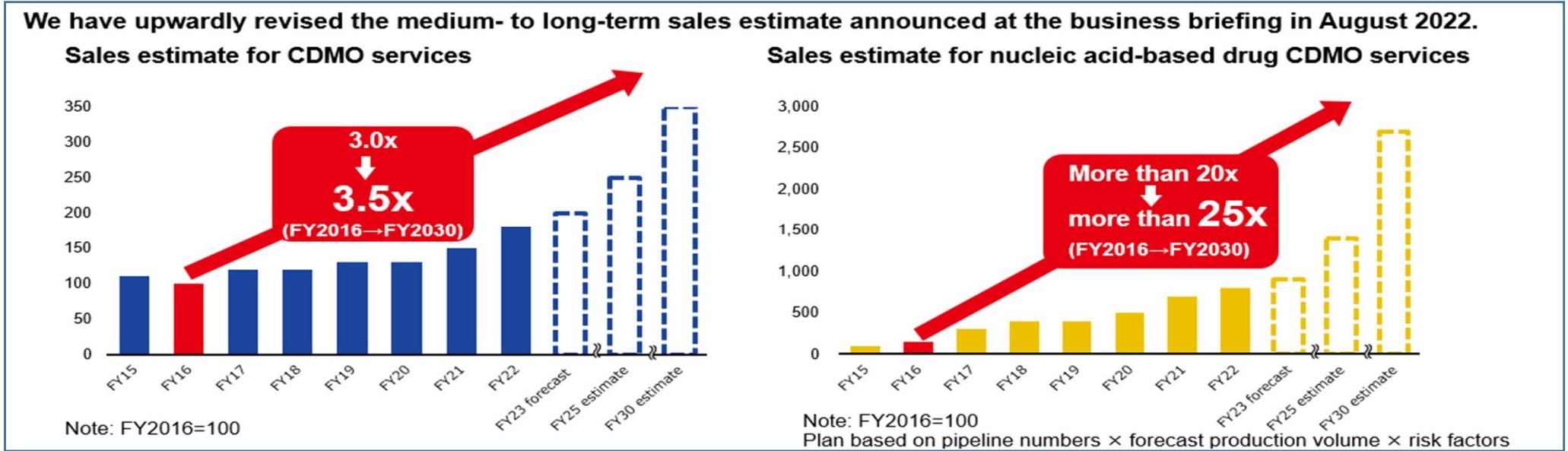
Estimate with FY2017 shipment volume set to 100



6. Core Business Strategies

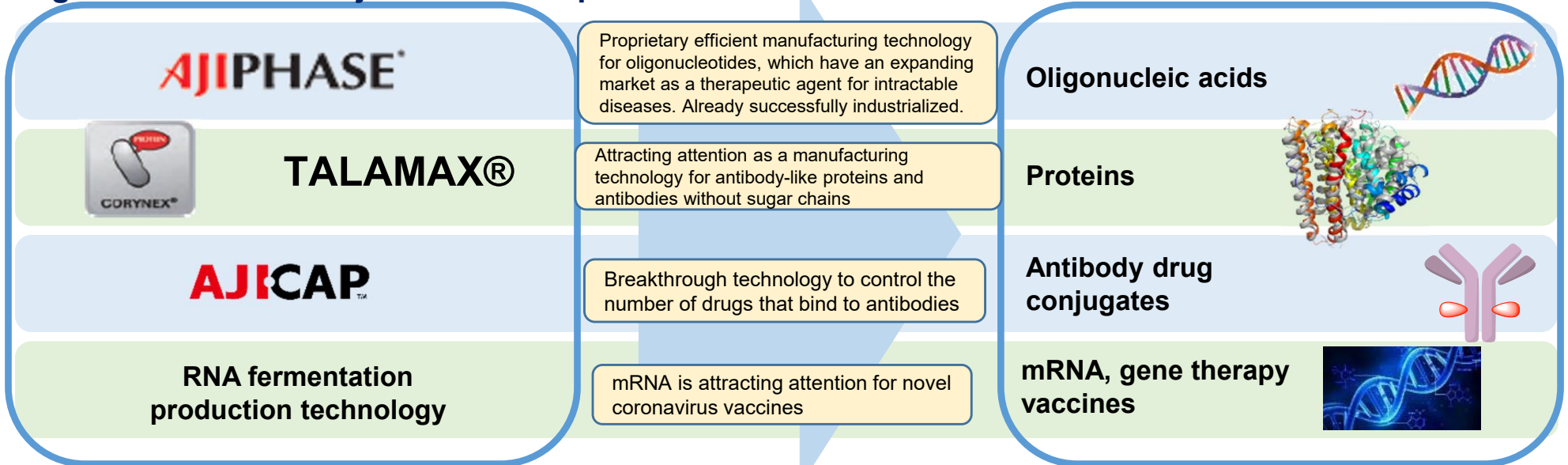
6-3. Healthcare and Others : Bio-Pharma Services business (CDMO)

We will accelerate organic growth through new businesses based on **Ajinomoto Co., Inc. fundamental technologies that enable differentiation.** ⇒ **Toward new growth drivers**



Intangible assets of the Ajinomoto Group

Advanced medical care modalities



6-3. Healthcare and Others : Features of Ajinomoto's Oligonucleotide Contract Business

Only CDMO using **AJIPHASE[®]**, a proprietary liquid-phase manufacturing technology, in addition to solid-phase manufacturing technology

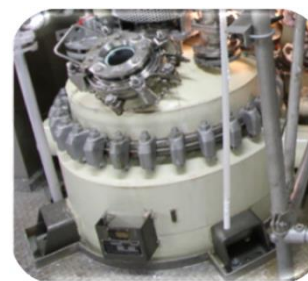
Solid-phase synthesis (Osaka)

Fast Synthesis, Limited Volume

- World's **mainstream manufacturing technology**
- **Fast** but limited 1B volume (depends on synthesizer)
- Requires dedicated synthesizer
- Uses large volumes of organic solvents and raw materials



AJIPHASE[®]



Slower Process, Large Volumes

- **World's only industrial-scale liquid-phase manufacturing technology**
- **General-purpose synthesizing equipment can be used**
- Enables **large volume manufacturing**
- Analysis during synthesis is possible = enables development of **high quality process**
- Uses low volumes of organic solvents and raw materials



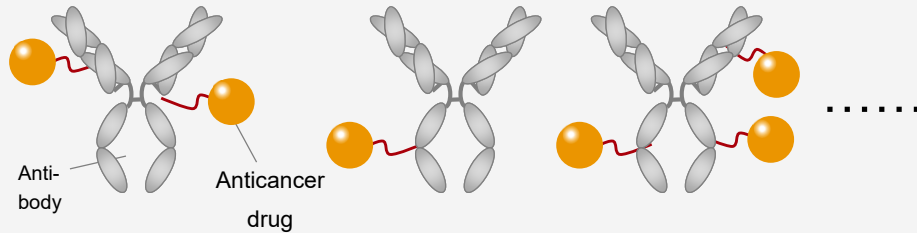
Proven record in commercialization of nucleic acid-based drugs

6-3. Healthcare and Others : Issues in ADC Design and the Value of Our Unique Technology

AJICAP is a breakthrough technology enabling easy creation of site-specific ADCs with **high efficacy and low toxicity**

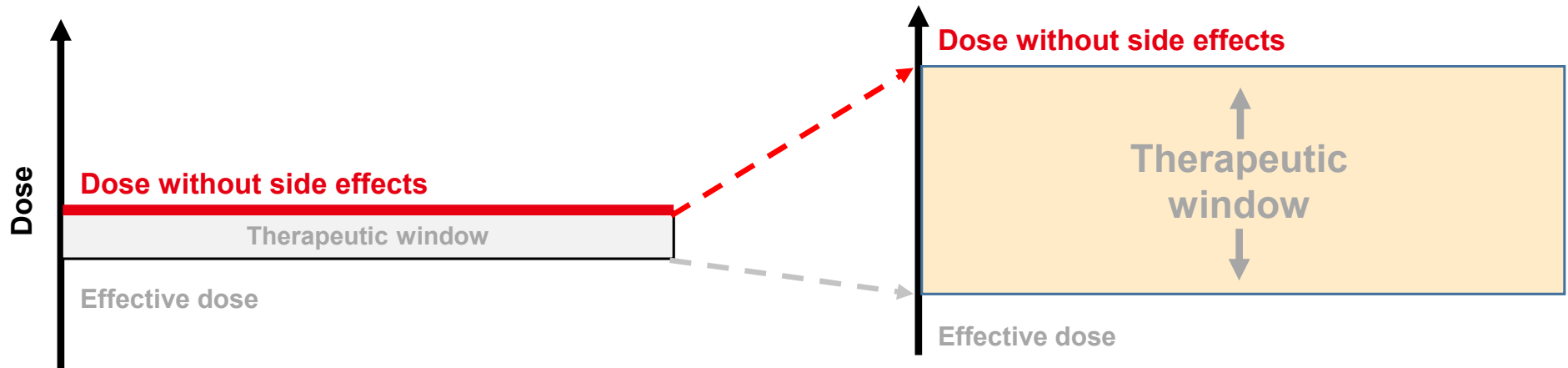
Conventional ADCs

Mixture: anticancer drug bound to different sites of the antibody, and in different amounts



Site-specific ADCs

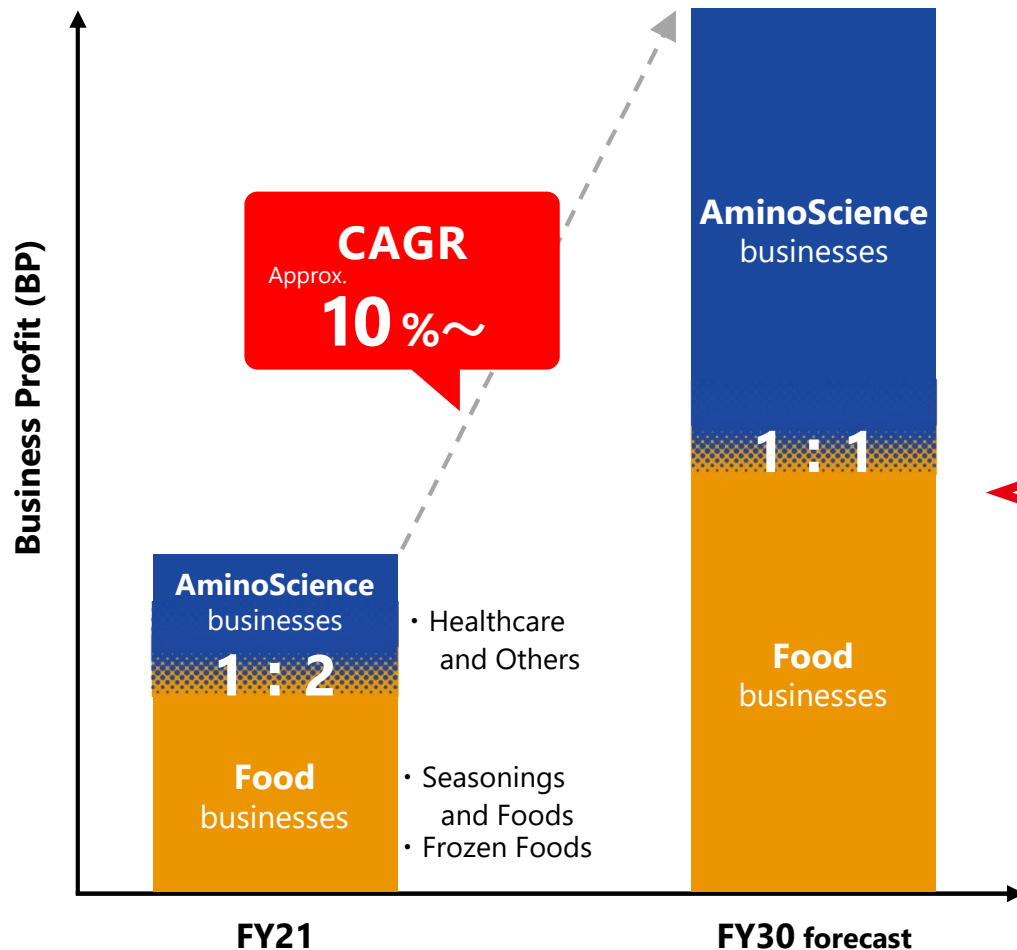
Uniform structure with anticancer drug bound to specific sites of the antibody





7.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) .



Four growth areas

Healthcare	ICT
Food&Wellness	Green

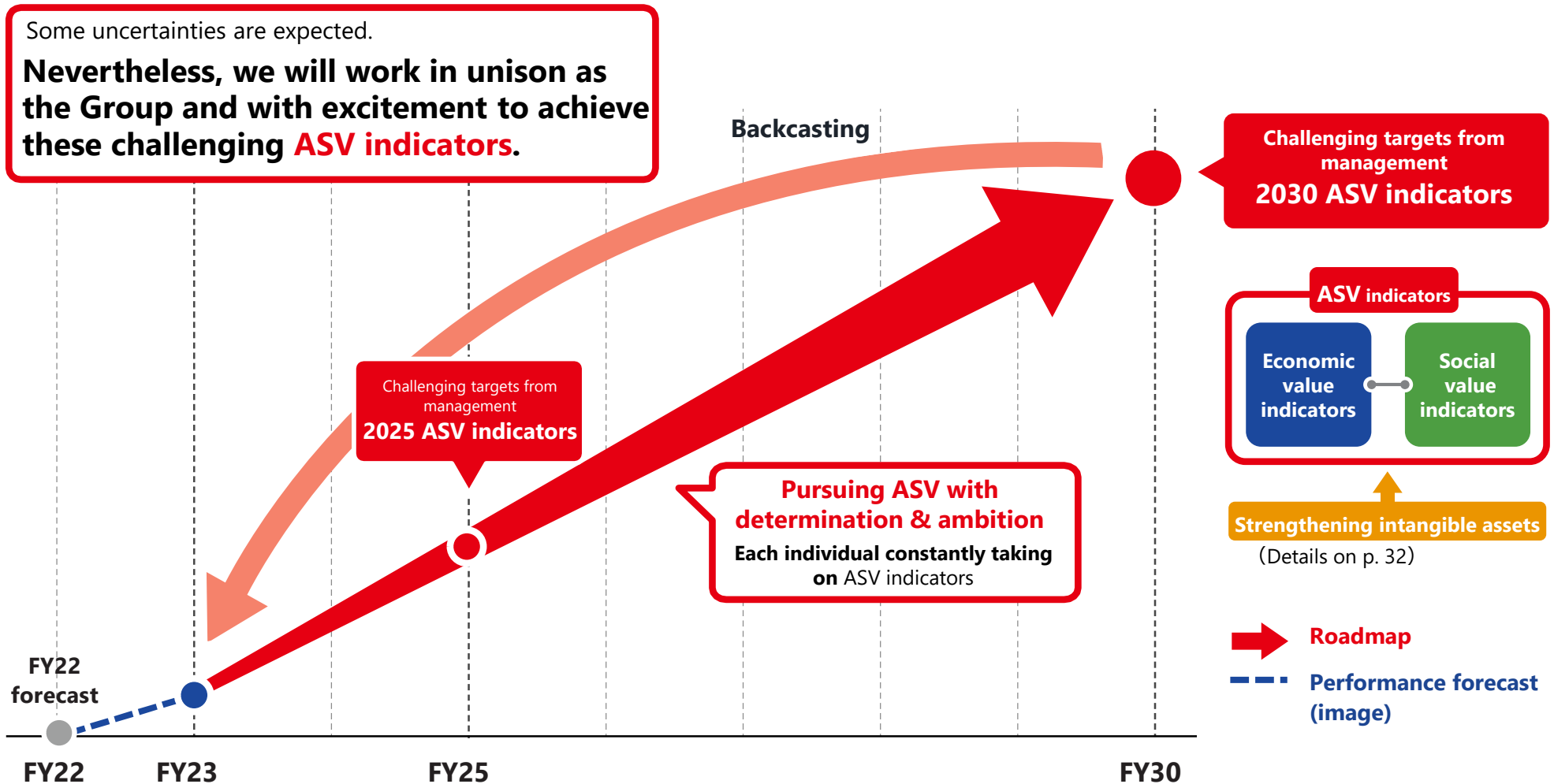
“Vision for 2030”

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

- Achieving Dramatic Growth**
BP growth over 10% (FY21–30 CAGR)
- Robust Business Foundation**
ROIC: Approx. 17%
- Determined & Ambitious ASV**
By 2030,
-Help extend the healthy life expectancy of 1bln people
-Reduce our environmental impact by 50%
→ Carbon neutrality by 2050

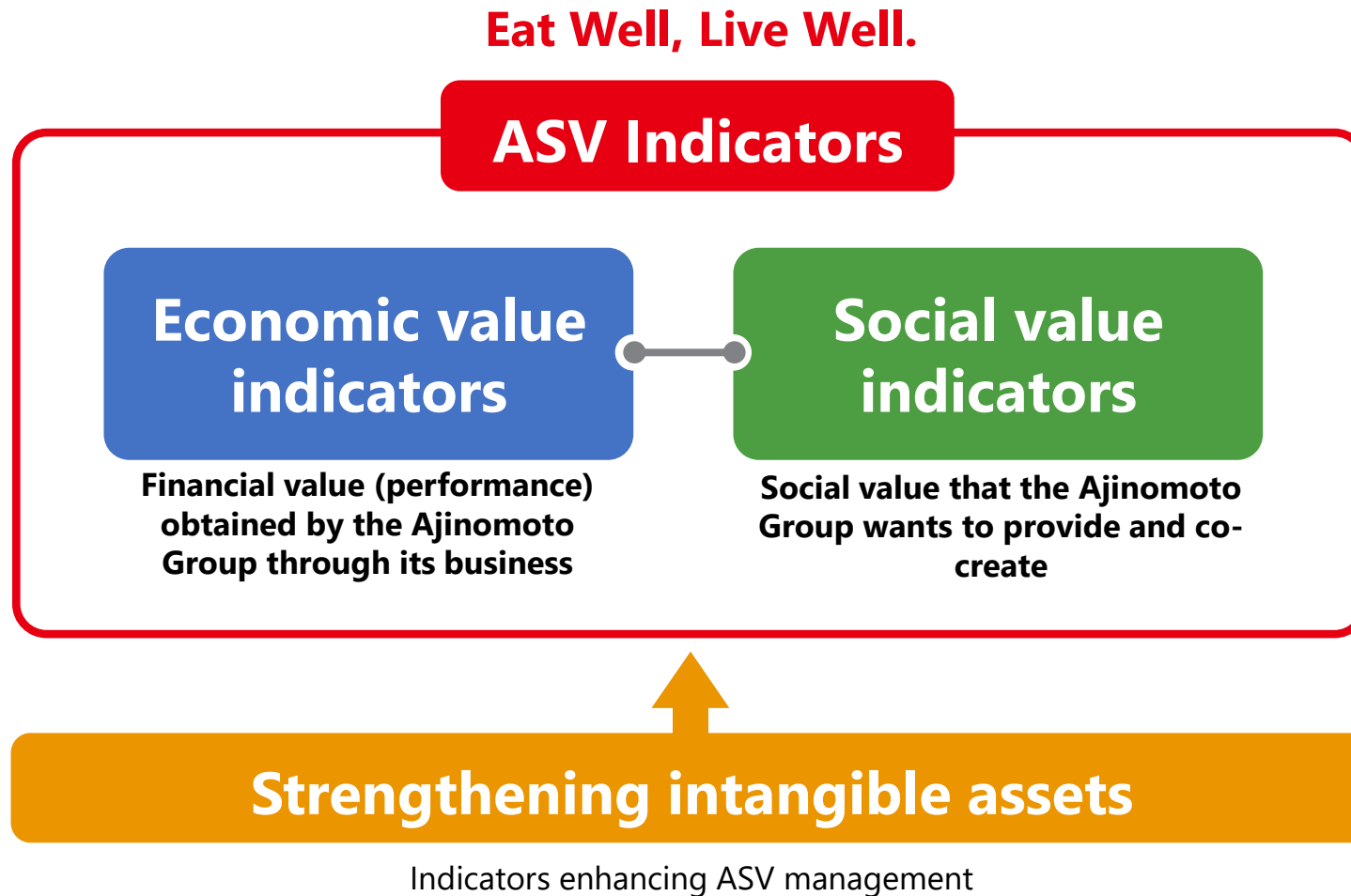
8. ASV Indicators

We will promote “medium-term ASV initiatives” which improves our execution capabilities and continue to take on the challenge of ambitious “ASV indicators.”




8. 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.



8. 2030 ASV indicators

Aim to steadily reach our FY2023 forecast to reach our 2030 ASV indicators.

		FY22	H1-FY23	FY23 revised forecast (initial forecast)	FY25 (plan)	FY30 (plan)	Ref.: Aim for approx. 3X EPS (vs. FY2022)
ASV Indicators	Economic value indicators						
	ROE	12.9%		12.5% (12.4%)	18%	Approx. 20%	
	ROIC (>Capital Cost)	9.9%		10.0% (9.5%)	13%	Approx. 17%	
	Organic sales growth	9.5%	0.8%	4.1% (8.8%)	5% (FY22-25)	5% or more (FY25-30)	
EBITDA margin	15.2%	16.6%	15.4% (15.4%, no change)	17%	19%		
				Challenging targets from management			
Social value indicators							
Initiatives to Reduce Environmental Impact	-		-	-	-	Reduce our environmental impact by 50% (outcome)	
Nutrition commitment	880 mil. people			-	-	Help extend the healthy life expectancy of 1 bl people (outcome)	
We plan to consider KPIs for other contributions than nutrition as well.							
Strengthening intangible assets							
Employee engagement score*	62% (75%**)		76% (Preliminary results)	80%	85% or more		
Brand Value (mUSD)	1,391		-			Compared with FY19, CAGR 7% or more	
(Interbrand research)							
(result, +15% vs. prev. year)							

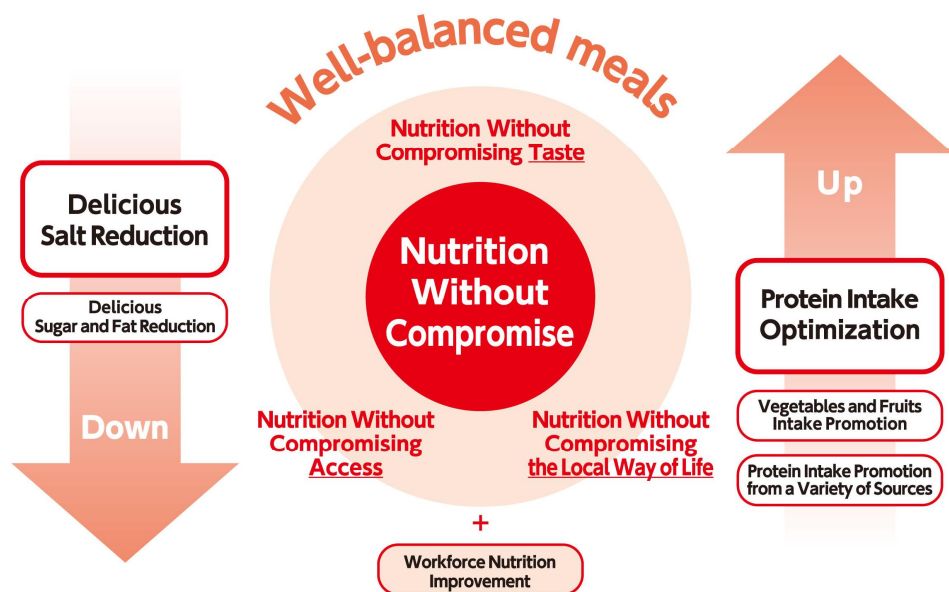
* From FY2023, the measurement method was changed from a single question about ASV as one's own initiative to an average value from nine questions about the ASV achievement process to better grasp the actual situation

** FY2022 score for ASV realization process

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



Nutrition commitment

Quantitative Targets	FY22 (Results)	FY25/30 (Targets)
Percentage of products with improved nutritional value	56%	60%
Provision of products with improved nutritional value in “delicious salt reduction” and “protein intake optimization”	340 million people /year	400 million people /year
Availability of products utilizing the physiological and nutritional functions of amino acids	1.10 times	2times
Nutrition education for employees	56,000 people	Cumulatively 100,000 people (FY25)

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

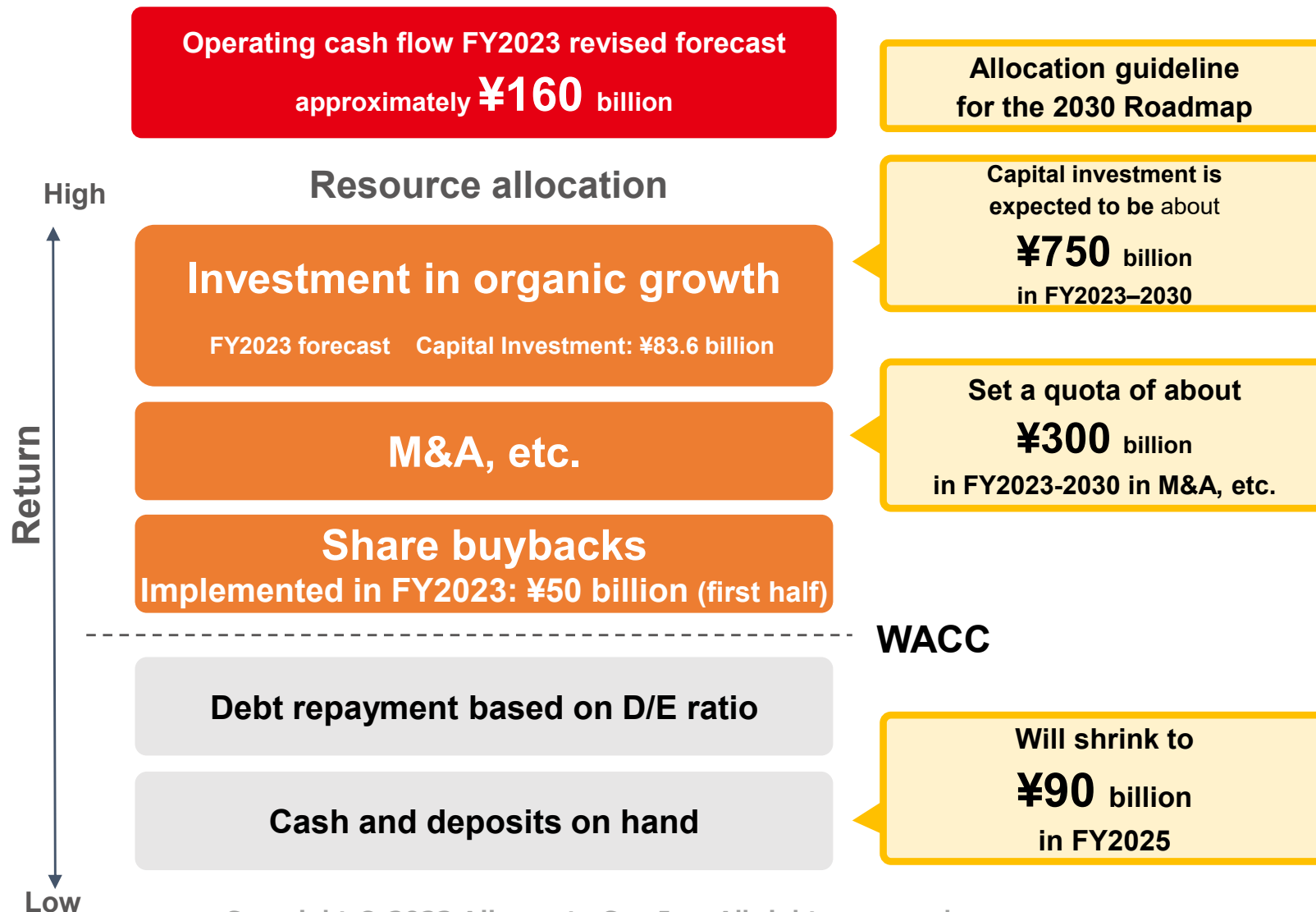
2030 ASV indicators | Social value

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

Issues		KPIs	Targets	FY22 (Results)
Response to Climate Change	Greenhouse gas	Scope 1, 2 Total Scope 3 (basic unit)	FY30 : Reduced by 50% (vs. FY18) FY30 : Reduced by 24% (vs. FY18)	19% reduction 3% reduction
	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)	39% reduction
	Zero waste emissions	Product life cycle overall	FY50 : Reduced by 50% (vs. FY18)	-
Achieving sustainable procurement	Deforestation	Sustainable procurement ratio	FY30 : 100% of sustainable procurement	98%
	Biodiversity			99%
	Human rights	Paper		71%
	Mutual relationships with animals	Palm oil		56%
		Soybeans		Start risk assessment
		Coffee beans		
		Beef, Sugarcane		

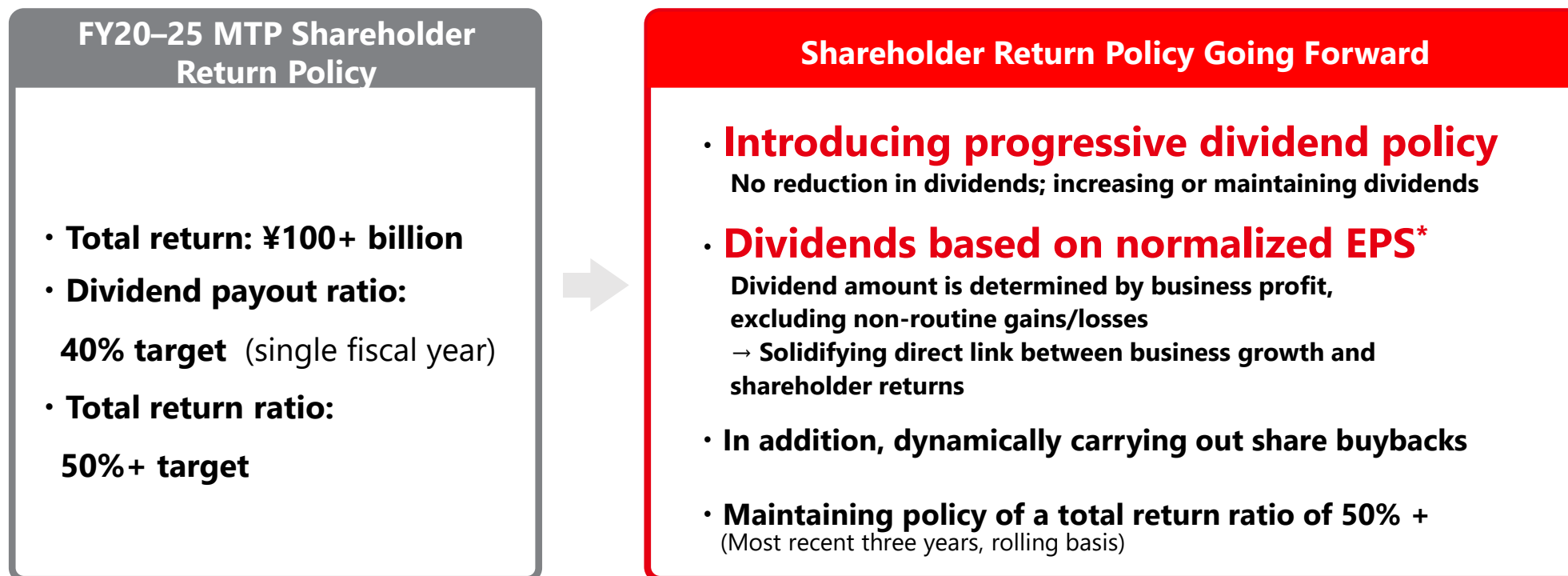
Shareholder Returns and Investment for Growth (Our Thinking under the Medium-Term ASV Initiative)

While generating record-high operating cash flow and making necessary investments for the future, we will aggressively buy back shares as a second tier of investments above WACC.



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:

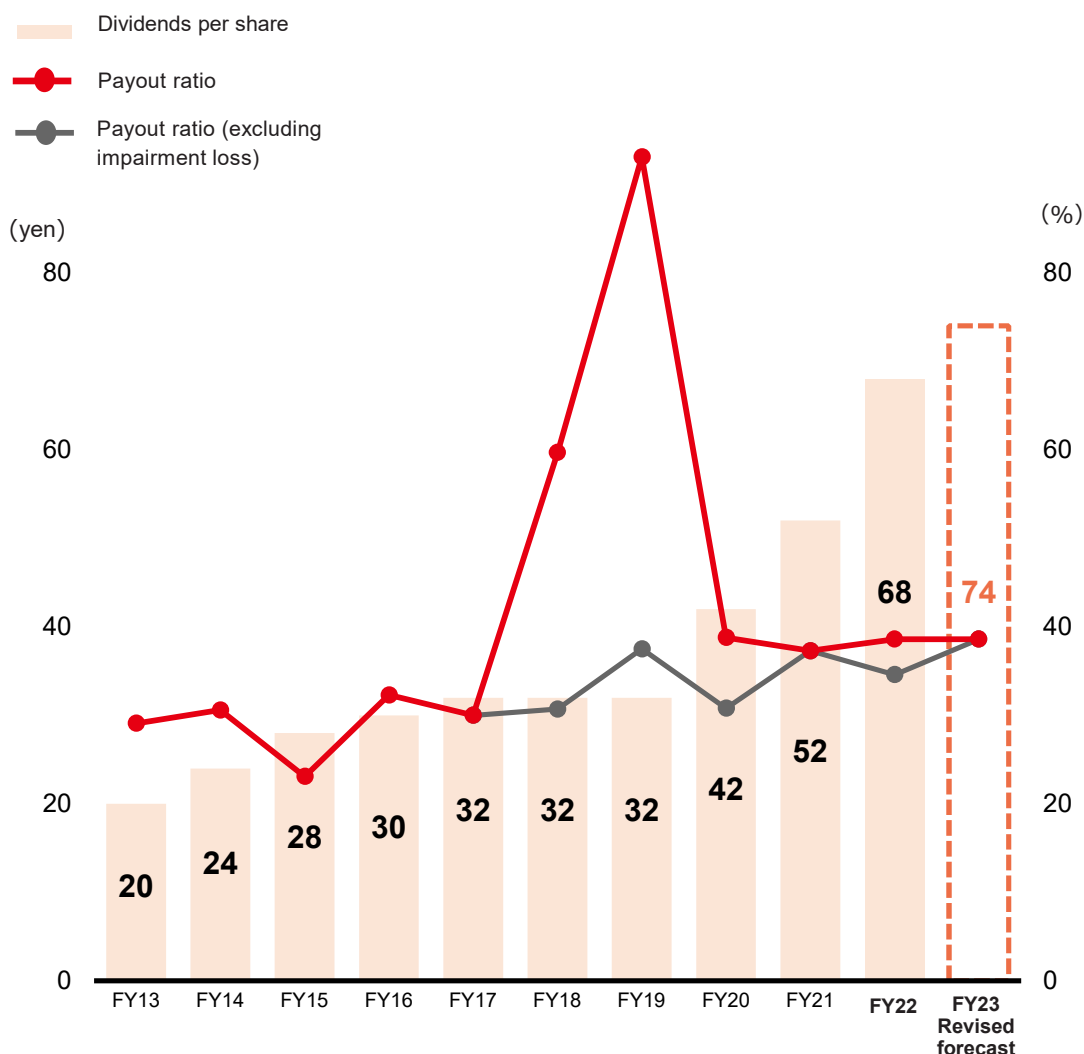
$$\text{Dividends based on normalized EPS} = \frac{\text{BP} \times (1 - \text{Ajinomoto Group standard tax rate})}{\text{Outstanding shares}} \times \underset{\text{(Return coefficient)}}{35\%}$$

- 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.

Shareholder Returns and Investment for Growth

A dividend increase based on a progressive dividend policy is scheduled for FY2023. We buy back shares and work to further enhance shareholder return.

Dividends (FY2013-2023 forecast)



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.

FY2023

¥74/year (plan to increase dividend)
Vs. FY2022: +¥6

Bought back approx. 9.6 million shares, ¥50 billion (first half)

Percentage of outstanding shares (excluding treasury shares) **1.82%**

* (Business profit x (1 - FY2023 Ajinomoto Group standard tax rate: 27%)) / Outstanding shares x Return coefficient: 35%



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.**

Reference Links

Ajinomoto Group IR

<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>

Medium-Term ASV Initiatives 2030 Roadmap

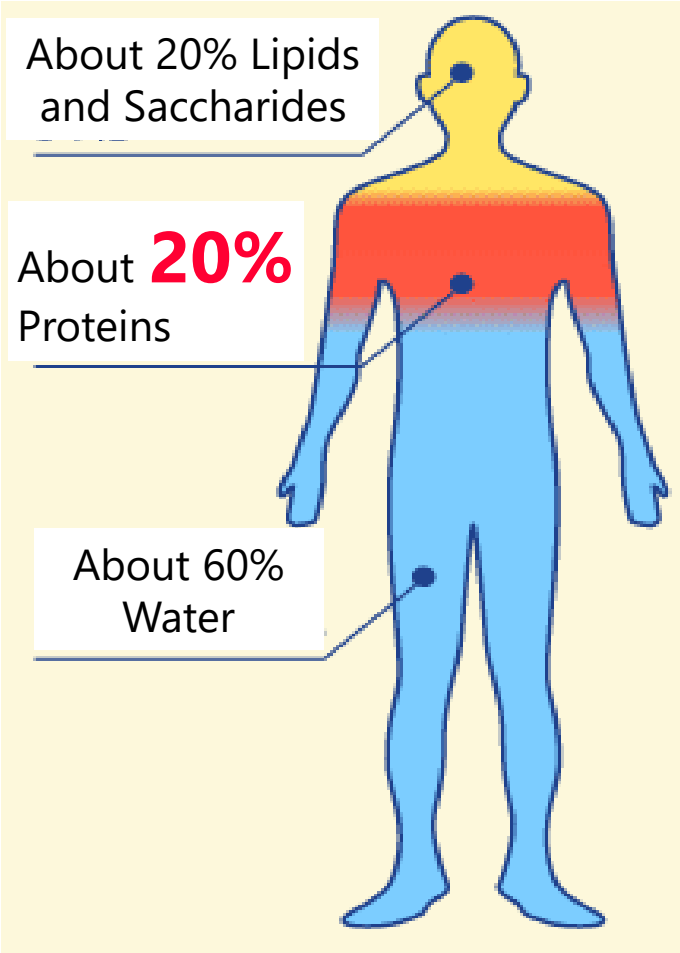
https://www.ajinomoto.co.jp/company/en/ir/event/medium_term.html

Ajinomoto Group Business Briefing / IR Day

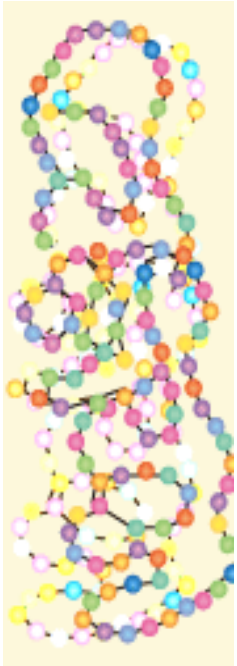
https://www.ajinomoto.co.jp/company/en/ir/event/business_briefing.html



(Reference) What Are Amino Acids?



Approx. 100,000 types of proteins



The 20 Types of Amino Acids That Make Up Proteins	
Isoleucine	Glycine
Leucine	Alanine
Lysine	Serine
Methionine	Aspartate
Phenylalanine	Asparagine
Threonine	Glutamate
Tryptophan	Glutamine
Valine	Arginine
Histidine	Cysteine
	Tyrosine
	Proline

- ◆ About 60% is Water ◆ Proteins, Lipids, Minerals, Saccharides
- ◆ 20% of the body is made up of Protein
- ◆ Proteins are composed of 20 types of amino acids
- Make up skin, muscle, bones, organs, blood, hormones, etc.

(Reference) Raw materials and Production Method

Production process of glutamic acid by fermentation

