

Entering the Medical Foods* Market in the United States Ajinomoto Co., Inc. Makes a U.S. Medical Foods Company a Wholly Owned Subsidiary

**Helping to Resolve Customer Issues with Foods
 Using Amino Acid Technologies and “Deliciousness Technologies”**

* Foods classified between pharmaceuticals and dietary supplements by the U.S. Food and Drug Administration (FDA). Eligible for reimbursement under U.S. health insurance.

TOKYO, November 9, 2017 – Ajinomoto Co., Inc. (“Ajinomoto Co.”) has acquired an equity position in U.S. medical foods company Cambrooke Therapeutics, Inc. (“Cambrooke”) through Ajinomoto North America, Inc. (“AJINA”) for approximately USD 64 million (approximately JPY 7.2 billion), and made it a wholly owned subsidiary.

Founded in 2000, Cambrooke develops and manufactures medical foods for patients with amino acid metabolism disorders and other customers. It also makes products such as medical foods for patients with intractable epilepsy and low-protein foods for patients with kidney and liver diseases, and is rolling out its product lineup outside the United States in Europe and elsewhere. Cambrooke uses original ingredients to develop products that are superior to competing products in taste and digestibility, and has achieved a high rate of growth exceeding 20% annually for the past three years.



Medical food products from Cambrooke

The market for medical foods in the United States is the largest in the world at USD 1,750 million (approximately JPY 198 billion) in 2016, with a solid compound annual growth rate (CAGR) of approximately 10%. The category of foods for patients with metabolic disorders accounts for about 40% of this market at USD 660 million (approximately JPY 75.0 billion) and is growing at an annual rate of 10% (2017; Ajinomoto Co. estimate). Patients with metabolic disorders are unable to ingest regular foods and must eat only specified medical foods on a daily basis, but the palatability and lack of variety of these foods have been major issues.

For years, Ajinomoto Co. has sold amino acids into the medical foods market as ingredients. With this acquisition, Ajinomoto Co. will make a full-scale entry into that market. By applying its scientific knowledge of amino acids’ nutritional and physiological functions, “deliciousness technologies” and food application technologies to Cambrooke’s operations, Ajinomoto Co. will offer enhanced foods to patients with metabolic disorders. In addition, by adding to the disease areas covered and using its sales channels outside Japan to strengthen Cambrooke’s overseas rollout, Ajinomoto Co. aims to expand its share of the global market for medical foods for patients with amino acid metabolism disorders to 20%, with sales of approximately USD 90 million (approximately JPY 10 billion) by 2027.

Moreover, by incorporating Cambrooke’s knowledge of the medical foods business into Ajinomoto Co.’s food-related businesses in Japan and overseas, including processed foods, healthcare foods and supplements, Ajinomoto Co. intends to expand its lineup of high-value-added health and nutrition-related products.

Ajinomoto Co. has been conducting Food Products and AminoScience businesses centered on proprietary leading-edge bioscience and fine chemical technologies that it has cultivated over many years through research based on amino acids. Ajinomoto Co. will continue helping to resolve social issues through “food” and “health” to expand its business while providing new value to society.

Reference

Overview of Cambrooke Therapeutics, Inc.

- (1) Location: Massachusetts, U.S.A.
- (2) Established: 2000
- (3) Representative: Howard Lossing, CEO
- (4) Number of employees: Approximately 50
- (5) Capital: USD 33.1 million (approximately JPY 3.7 billion)
- (6) Equity ownership: Galen Partners V, L.P. 63.4%, employee shareholders and others
- (7) Business description: Manufacture and sale of medical foods
- (7) Website: <http://www.cambrooke.com/>

Overview of Ajinomoto North America, Inc.

- (1) Location: Illinois, U.S.A.
- (2) Established: Established in 1956 as Ajinomoto USA. Changed to the current company name in 2011.
- (3) Representative: Tatsuya Sato, President
- (4) Number of employees: Approximately 400
- (5) Capital: None
- (6) Equity ownership: Ajinomoto Group 100%
- (7) Business description: Manufacture and sale of amino acids for pharmaceuticals and foods, and seasonings

■ Main Products of Cambrooke

<Foods for Patients with Metabolic Disorders>

Powdered beverages



Beverages



Cookies



<Ketogenic Foods/Low-Protein Foods>

Pasta



Soup



Processed foods



Note: USD 1 = JPY 113.16 (as of October 31, 2017)

About Ajinomoto Co.

Ajinomoto Co. is a global manufacturer of high-quality seasonings, processed foods, beverages, amino acids, pharmaceuticals and specialty chemicals. For many decades Ajinomoto Co. has contributed to food culture and human health through wide-ranging application of amino acid technologies. Today, the company is becoming increasingly involved with solutions for improved food resources, human health and global sustainability. Founded in 1909 and now operating in 30 countries and regions, Ajinomoto Co. had net sales of JPY 1,091.1 billion (USD 10.07 billion) in fiscal 2016. For more about Ajinomoto Co. (TYO: 2802), visit www.ajinomoto.com.

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