

**Ajinomoto Group to Restructure Seasonings and Processed Foods Production System
in Japan
To Strengthen Business Structure through Formation of a New Company
and Construction of New Plants
Investment of Approx. JPY40 Billion to Bring Production to a Leading World-Class Level
through Consolidation of Production Bases, Use of ICT and Automation**

TOKYO, September 29, 2017 – Ajinomoto Co., Inc. (“Ajinomoto Co.”) is restructuring the value chain of its Japan Food Products business as one of the key strategies in its FY2017-2019 Medium-Term Management Plan. In accordance with the plan, Ajinomoto Co. has set forth a policy to restructure its food production operations in Japan, including the formation of a new company, in order to contribute to the health and happiness of consumers by providing safe and secure products that meet consumer needs.

This policy is the first step in strengthening the foundation of the Japan Food Products business over the medium and long term. With a total investment of JPY40 billion, Ajinomoto Co. will consolidate its five production bases for seasonings and processed foods into three, and build state-of-the-art production facilities that dramatically increase efficiency through the use of leading-edge information and communications technology (ICT) and automation. Once the new facilities are completed, Ajinomoto Co. will continue to effectively introduce the most advanced technologies to achieve a leading world-class level of production that meets customer demand flexibly and quickly.

In Japan, consumer needs are expected to become more diverse as a result of changes in the social structure, notably the aging population and the increase in single-person households; rising awareness of health, the environment and food safety and security; and changing lifestyles. Moreover, the projected decline in the working-age population will make it more difficult to secure the personnel necessary to support stable production. At the same time, rapid advances in ICT and other technologies are expected to significantly transform the production system going forward.

Given these changes, Ajinomoto Co. will consolidate and restructure the production systems of some of its facilities, Knorr Foods Co., Ltd. and AJINOMOTO PACKAGING INC. to form a new company with a planned opening in April 2019. In addition, two production facilities of the new company will be built on the premises of the Kawasaki Administration & Coordination Office and the Tokai Plant, respectively. These facilities will utilize leading-edge ICT, including automation technology, to dramatically increase efficiency. Construction is scheduled for completion in the second half of fiscal 2019 at the Tokai Plant and the first half of 2021 at the Kawasaki Administration & Coordination Office.

The main purposes of the formation of the new company and the construction of the new production facilities are as follows.

1. Aim to strengthen business structure by consolidating and restructuring production systems for seasonings and processed foods as well as by increasing their production, thereby improving EBITDA by approximately JPY 7 billion annually and business profit of target business areas by approximately 2%.
2. Roughly double current labor productivity at production facilities by fiscal 2021 through the consolidation and restructuring of production systems, establishment of an integrated manufacturing and packaging system, the use of leading-edge ICT and the introduction of automation and other advanced technologies.
3. Implement thorough quality control to ensure food safety and security, and create a flexible production system by designing a process for smooth and efficient product switchover to respond to the changing needs of consumers and society. Also, reduce environmental impact by adopting leading-edge energy-saving technologies and other means to reduce food loss and minimize CO₂ emissions.

4. Integrate the technology departments of the three companies involved in the manufacturing and packaging of seasonings and processed foods and integrate their production technologies and knowledge to enhance technological capabilities. Develop and accumulate manufacturing and packaging technologies that enable production at a leading world-class level and strengthen the competitiveness of the Ajinomoto Group, including International Food Products, from Japan.
5. Move toward synchronized manufacturing and packaging at the new plants and reduce inventories of raw materials and intermediate products. Use the consolidation and restructuring of production systems as an opportunity to link with improvements in distribution efficiency, including joint distribution with other companies, to significantly boost asset efficiency by reducing inventories throughout the supply chain.

To realize its corporate message, “Eat Well, Live Well,” the Ajinomoto Group is strengthening its value chain to steadily deliver products that customers can enjoy with peace of mind, and to contribute further to advances in food and health for consumers.

The impact of the restructuring described in this news release on Ajinomoto Co.’s consolidated business results for fiscal 2017 will be immaterial.

Overview of the New Company

(1) Name:	To be determined
(2) Location:	1-1 Suzuki-cho, Kawasaki-ku, Kawasaki, Japan
(3) Timing of formation:	April 2019 (planned)
(4) Representative:	To be determined
(5) Number of employees:	To be determined
(6) Businesses:	Manufacturing and packaging of seasonings and processed foods, etc.

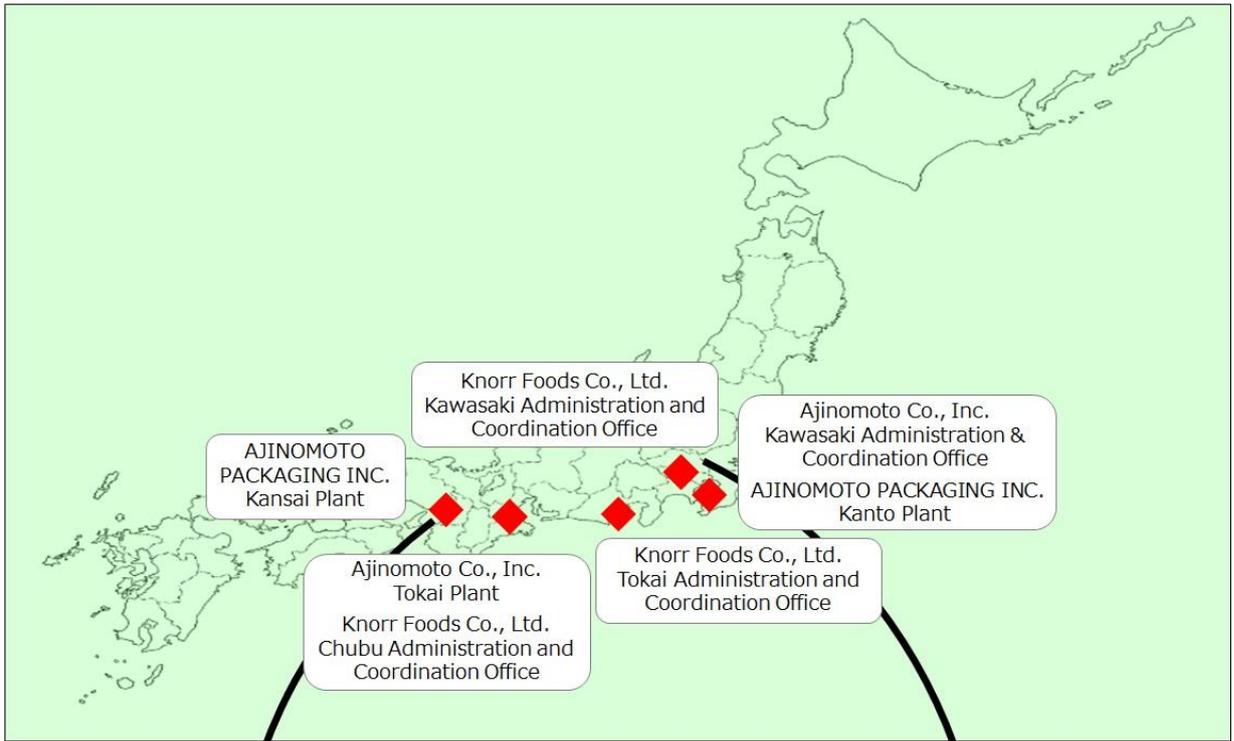
About Ajinomoto Co.

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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<After Completion of Consolidation>

