

Ajinomoto Co., Inc.
FY2017-2019 (for FY2020)
Medium-Term Management Plan
"Sustainable Growth through ASV"

Towards a Genuine Global Specialty Company

February 17, 2017
Takaaki Nishii
President & CEO

Contents of FY17-19 Medium-Term Management Plan

I. Ajinomoto Group: What We Aim for

II. Key Principles

III. Key Strategies

IV. Enhancing Corporate Brand

What We Aim for (Our Philosophy):

We will accomplish our Mission by engaging in businesses that embrace our ASV

Our Philosophy

Corporate Message
Eat Well, Live Well.

Ajinomoto Group Mission
(Mission)

Our mission is to contribute to the world's food and wellness, and to better lives for the future

Ajinomoto Group Vision
(Vision)

Our vision is to become a genuine global food company group with specialties guided by our leading-edge bioscience and fine chemical technologies

ASV
(The **A**jinomoto Group **C**reating **S**hared **V**alue)
(Value)

ASV represents our unchanging commitment: With our stakeholders and businesses, we help solve society's issues, leading to the creation of economic value

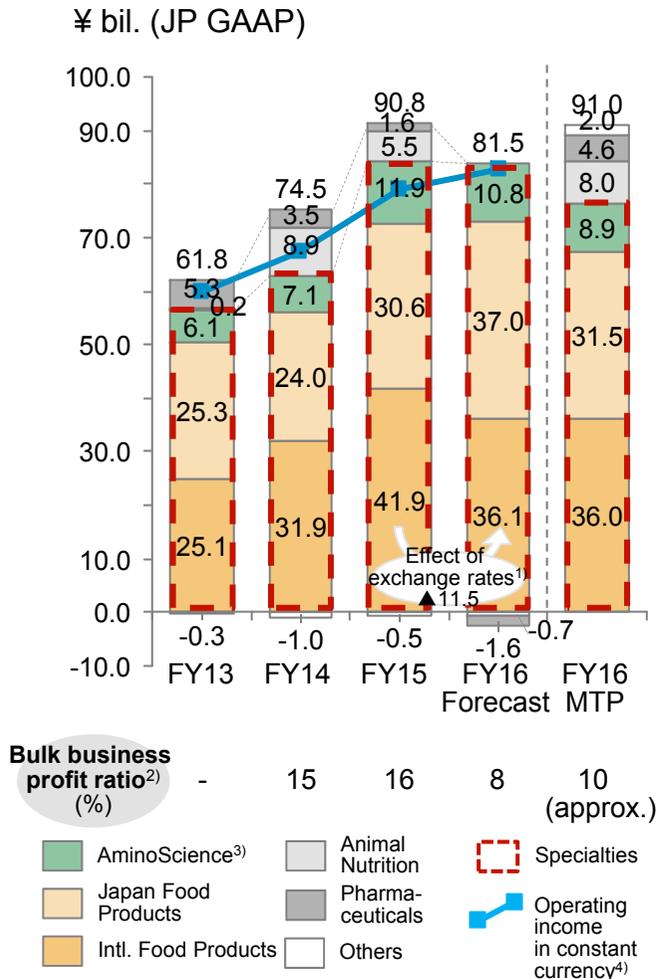
Ajinomoto Group Way

Ajinomoto Group Principles (AGP)

Review of FY14-16 Medium-Term Management Plan (MTP):

Steady progress with FIT & GROW, but issues remain in commodities (incl. Animal Nutrition)

Operating Income by business



Achievements and remaining issues

FIT	<p>Significant progress made but underdelivered vs targets</p> <ul style="list-style-type: none"> Launched EA Pharma Co., Ltd. with Eisai Co., Ltd. Sold Ajinomoto Sweeteners Europe and GABAN <p>Steadily expanded specialty businesses</p>	➔	Needs further transformation of Animal Nutrition
GROW	<p>Grew food products business with "Five Stars (FS)⁵⁾" strategies</p> <ul style="list-style-type: none"> Sales growth in "FS" : +9.3%⁶⁾ (CAGR) AGF⁷⁾ and Windsor⁸⁾ <p>Expanded regional and business portfolio</p> <ul style="list-style-type: none"> Örgen⁹⁾ (Turkey) and Promasidor¹⁰⁾ (Africa) Alliance with T.HASEGAWA CO., LTD.¹¹⁾ Investment in Advanced Biopharmaceuticals areas 	➔	Underdelivered vs targets for "Five Stars" with slow growth in Thailand
Management Foundation	<p>Strengthened Group management system</p> <ul style="list-style-type: none"> Global Governance Policy (GGP) introduced Global corporate organizational reformed Position / talent management system introduced 	➔	More Talent Diversity
Financial KPIs	<p>Delivered steady shareholder returns</p> <ul style="list-style-type: none"> Achieved plan of shareholder returns and payout ratio 	➔	Underdelivered Operating Income and ROE targets

1. FY2015: USD1 = ¥120, FY2016: USD1 = ¥103.5; 2. Percentage of operating income accounted for by Umami Seasonings for Processed Food Manufacturers, Sweeteners and Animal Nutrition; 3. Excludes Animal Nutrition and Pharmaceuticals; 4. Operating income calculated by assuming the exchange rate was fixed to the FY14-16 MTP rates; 5. Five Stars : Thailand, Brazil, Indonesia, Vietnam, Philippines; 6. FY13-16, local currency based calculation; 7. AGF = Ajinomoto General Foods, Inc. (made a consolidated subsidiary); 8. Windsor Quality Holdings, LP (acquired); 9. Acquired; 10. Promasidor Holdings Limited (equity participation); 11. Partnership in the fermented natural flavors business

Direction for the Next MTP:

Continue "FIT & GROW with Specialty" to become a global top 10 class company

FIT & **GROW** with *Specialty*

FIT

Scale-down commodities and expand specialty

GROW

Enhance growth drivers
by adapting to changes in lifestyles in Five Stars

**Management
Foundation**

Reinforce our organization, human resources and
work-styles as a global top class company

**Financial
KPI**

Establish business structure with high asset/capital
efficiency capable of creating sustained profitability

"Genuine Global Specialty Company"

To become a global top 10 class company that grows sustainably through ASV

"Genuine Global Specialty Company"

1. Contribute to the **future progress of humanity and the earth**
2. Possess our own **industry-leading technologies and business domains**
3. Assemble a group of **diverse, globally capable talent**
4. Achieve the **business and profit scale** of a global company
5. Meet global **efficiency** standards to generate profit



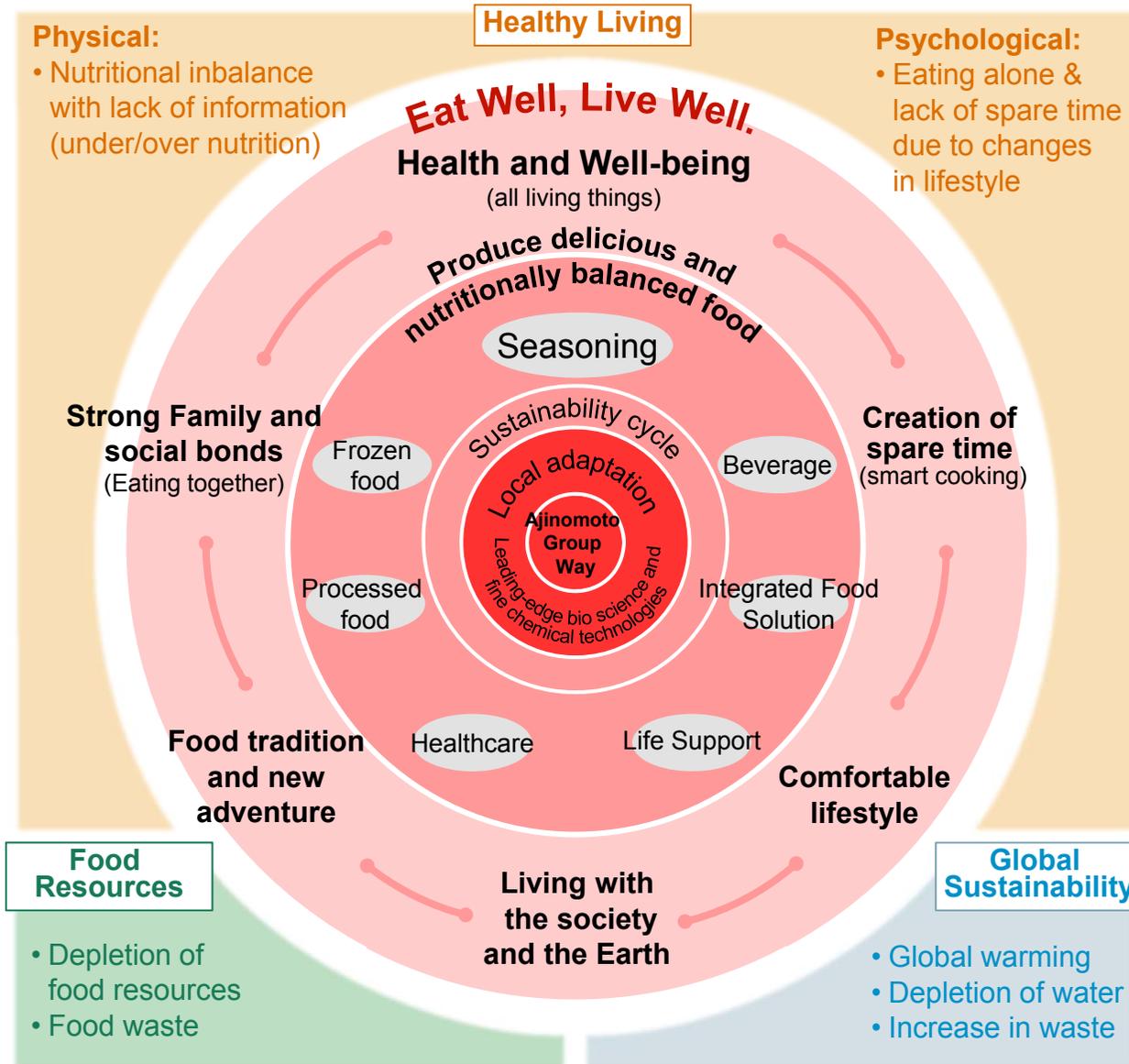
Elements needed to become a global top 10 class company
– what the Ajinomoto Group aims for

Achieve sustainable growth through ASV, that creates specialties

Note: Business Profit = An original profit KPI adopted by the Group following the voluntary application of International Financial Reporting Standards for management purposes. The KPI is defined as follows; "Total sales" – "Cost of sales" – "Selling, General and administrative expenses" + "Equity earnings of affiliate companies"

Social Issues to Resolve and Values to Create as The Ajinomoto Group:

Contribute to resolve social issues with our businesses, leading to economic value and sustained growth



ASV Value Creation Stories

- 1 We contribute to health and well-being by utilizing our leading-edge bioscience and fine chemical technologies which also leads to deliciousness technologies, and by delivering good and healthy food
 - Produce good and healthy food menus with proteins and vegetables centered on Umami
- 2 We contribute to the development of a society that enables strong family/social bonds and diverse lifestyles through eating well
- 3 We contribute to the sustainability of the society and the earth, with our customers and local communities, across the value chain from production to consumption
- 4 We co-create value with each region through the perspectives of the customers, with our global, top-class and diverse talents



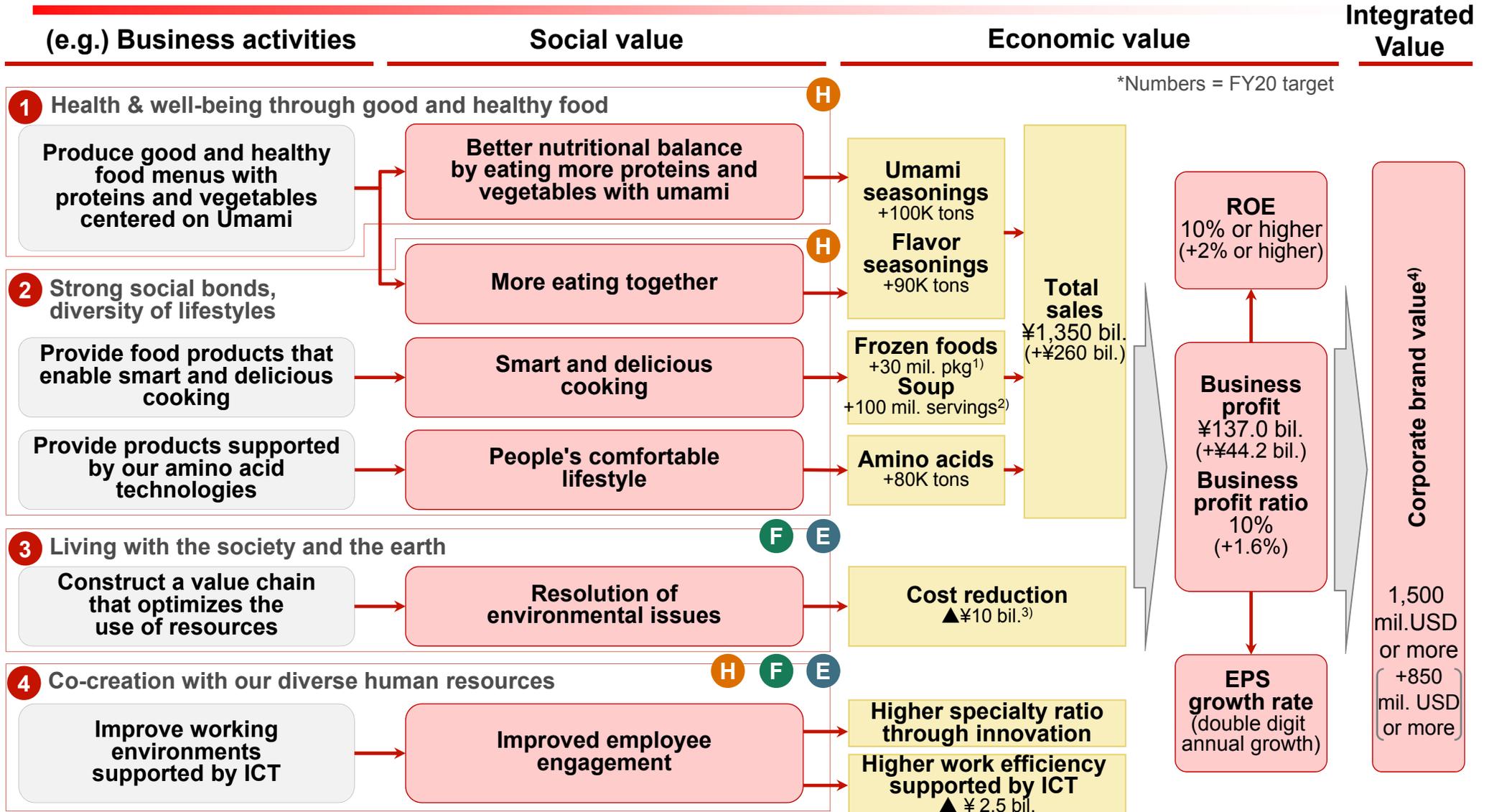
Social issues that we aim to resolve



Values that we aim to create

- H : Healthy Living
- F : Food resources
- E : GlobalSustainability

How Business Activities and Social/Economic Value Connect



1. Counting only products for household consumers in Japan; 2. Counting only the "Cup Soup" brand products in Japan; 3. Comparison between FY16 and FY19; 4. Measured by Interbrand, "Japan's Best Global Brands 2016" (based on FY15 results)
Notes: The numbers for Umami seasonings, Flavor seasonings, Frozen foods, Soup, Amino acids = FY15-20 comparisons; for financial KPIs = FY16-20 comparisons
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Ajinomoto Group's FY2020 Integrated Targets:

Achieve value creation by setting integrated targets for both social and economic values

"Genuine Global Specialty Company"

To become a global top 10 class company that grows sustainably through ASV

Integrated Value

Corporate Brand

Enhance brand value through creating social/economic value, which leads to further value creation
FY20 brand value target¹⁾ = 1,500 mil.USD or more

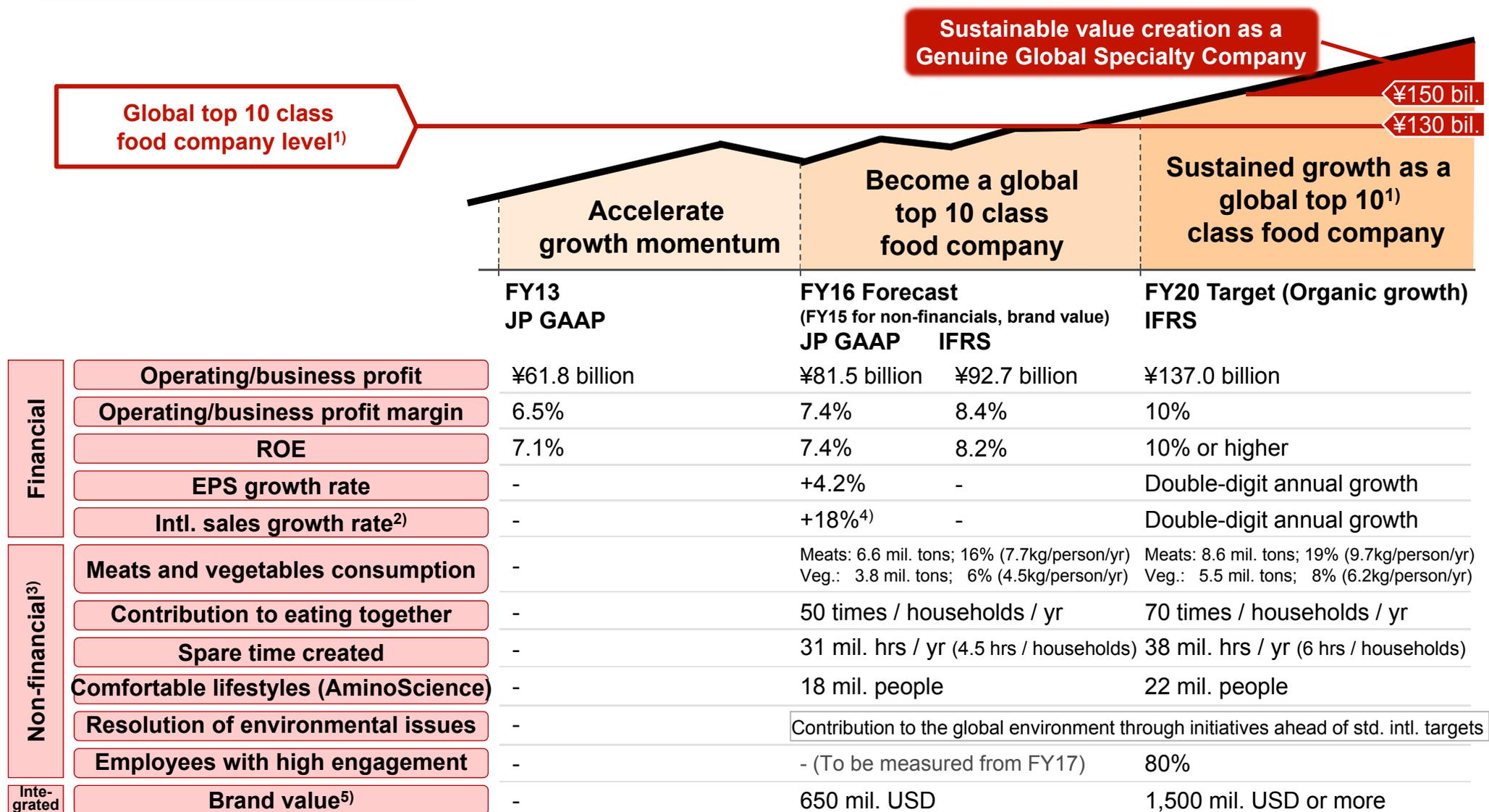
FY20 Integrated Targets

Financial targets in IFRS (economic value)		Non-financial targets ²⁾ (social value)	
Business profit	¥137.0 bil. or more	Meats and vegetables consumption³⁾ (Japan, Five Stars)⁴⁾	S Meats: 8.6 mil. tons/yr; 19% (9.7kg/person/yr) vs FY15 +3% (+2.0kg) S Vegetables: 5.5 mil. tons/yr; 8% (6.2 kg/person/yr) vs FY15 +2% (+1.6kg)
Business profit margin	10%	Contribution to eating together (Japan and Five Stars)⁴⁾	S 70 times / households / year vs FY15 +20 times
ROE	10% or higher	Spare time created (Japan)⁵⁾	S 38 mil. hrs / yr (6 hrs / yr / households) vs FY15 +7 mil. hrs
EPS growth rate	Double-digit annual growth	Contribution to comfortable lifestyles (AminoScience)	S 22 mil. people vs FY15 +4 mil. people
Intl. sales growth rate (consumer foods) (local currency basis)	Double-digit annual growth	Resolution of environmental issues	E Contribution to the global environment through initiatives ahead of std. intl. targets e.g. GHG ⁶⁾ : 50% reduction by FY30 ⁷⁾
		Employees with high engagement	G 80%

1. Measured by Interbrand; 2. Refer to Reference Materials (p.36-40) for definitions of non-financial targets and calculation assumptions; 3. Annual total and % of annual consumption per person; 4. Calculation based on certain products in Japan and Five Stars; 5. Calculated using certain Japan Frozen Foods and Soup products.; 6. GHG = Greenhouse gases; 7. Compared to FY05
Note: std. = standard, intl. = international

Roadmap to a "Genuine Global Specialty Company":

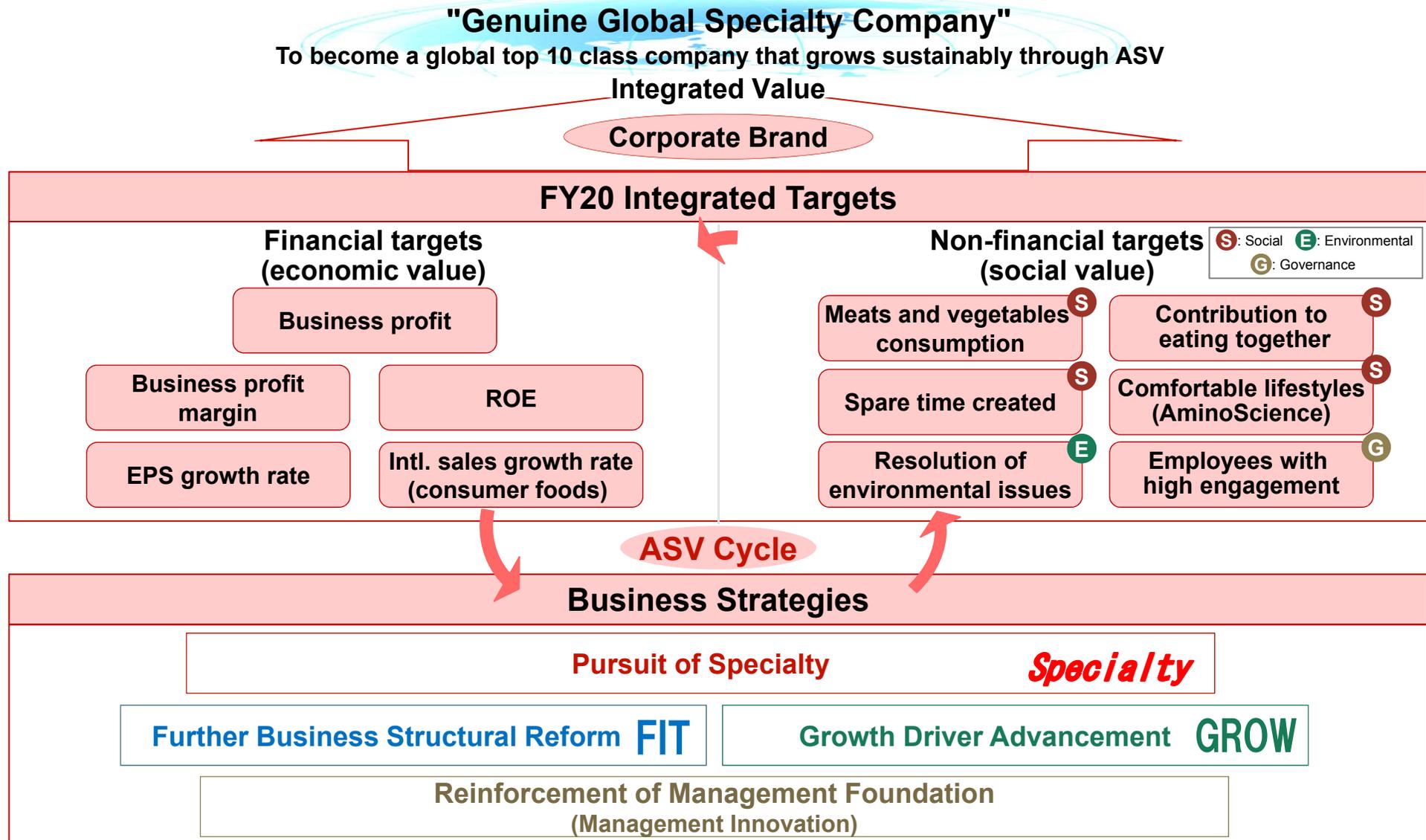
Become a global top 10 class company with robust business structure



1. Global top 10 class status defined as business profit of ¥130.0 billion or higher with IFRS accounting standards.; 2. Consumer foods, local currency basis

3. Refer to Reference Materials (pp.36-40) for definitions of non-financial targets and calculation assumptions; 4. Includes Frozen foods (Ajinomoto Windsor, Inc.); 5. Measured by Interbrand

Overall Outline of Initiatives towards FY2020



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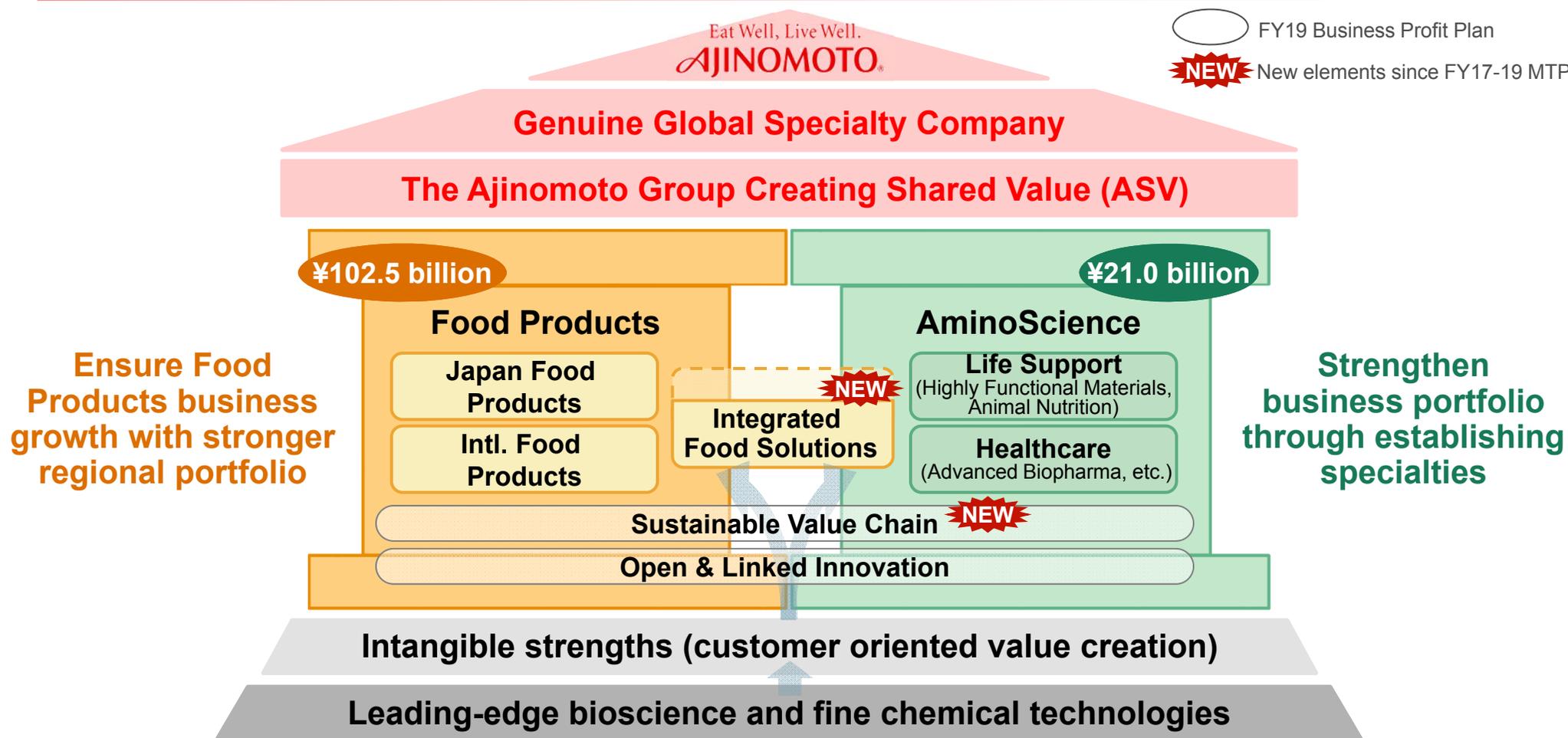
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Our Business Direction:

Grow through two business pillars of Food Products and AminoScience with specialties



FY19 Financial Target (): FY16 Forecast

Business profit	¥ 124.0 bil. (92.7 bil.)	ROE	9.8% (8.2%)
BP margin	9.4% (8.4%)	EPS growth rate	Double-digit annual growth
		Intl. sales growth rate ¹⁾	Double-digit annual growth

FY19 Non-financial Target

Promote business activities towards achieving the FY20 non-financial targets

1. Consumer foods, local currency basis

Note: BP = Business Profits; BP of Others (oil, packing materials, etc) = ¥0.3 bil Copyright © 2017 Ajinomoto Co., Inc. All rights reserved.

Business Strategies of the FY17-19 MTP in Summary

FIT & **GROW** with *Specialty*

Pursuit of Specialty *Specialty*

FIT

Further Business Structural Reform

Shift Fundamentally from
Commodities to Specialties

Construct Sustainable
Value Chains across Businesses

GROW

Growth Driver Advancement

Ensure Food Products Business Growth
with Stronger Regional Portfolio

Expand Business Portfolio with
New Business Pillars

Reinforcement of Management Foundation

Organization

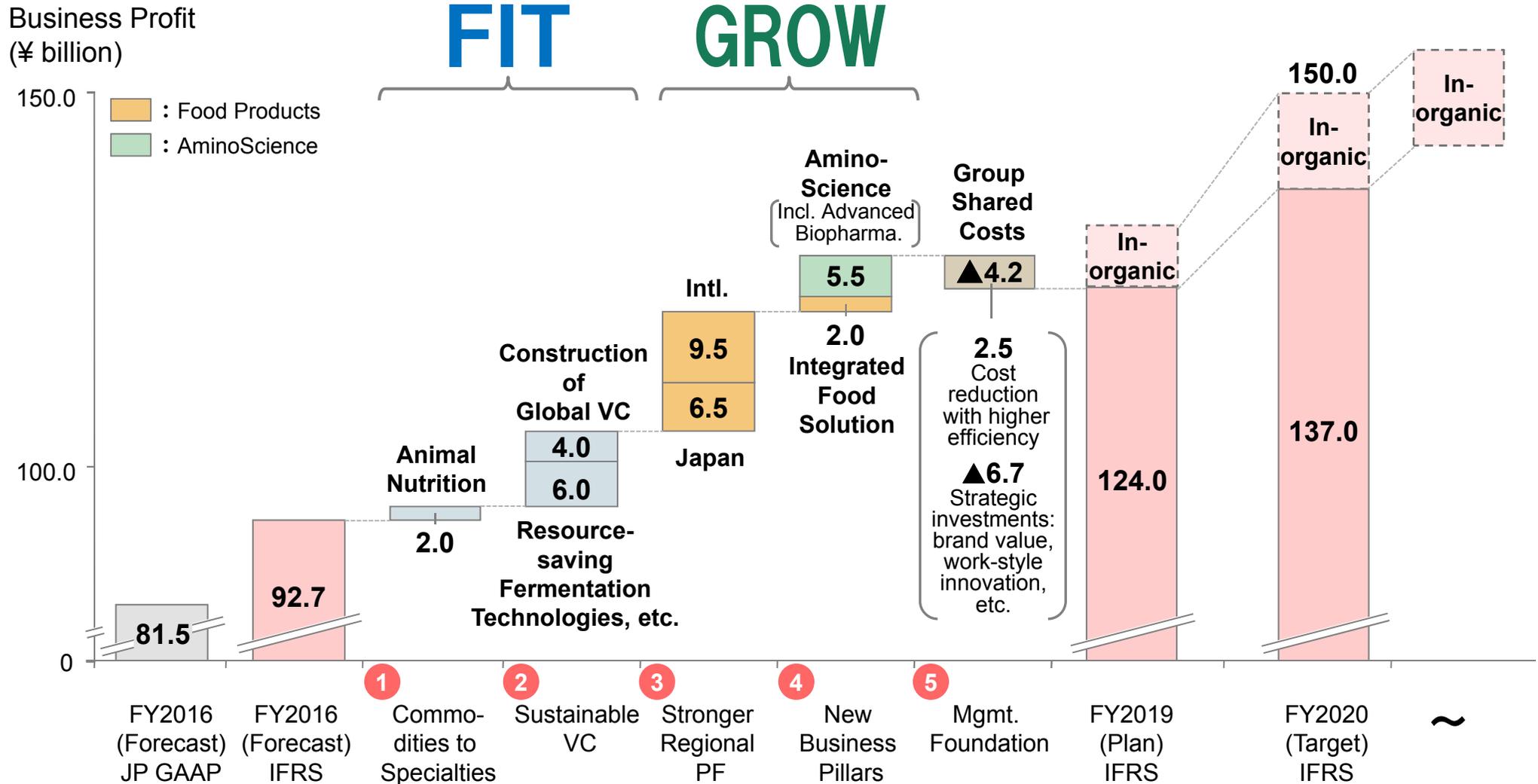
Talents

Work-styles

Renewal of core system

Breakdown of Growth in Business Profit:

Drive profit growth through initiatives of FIT & GROW

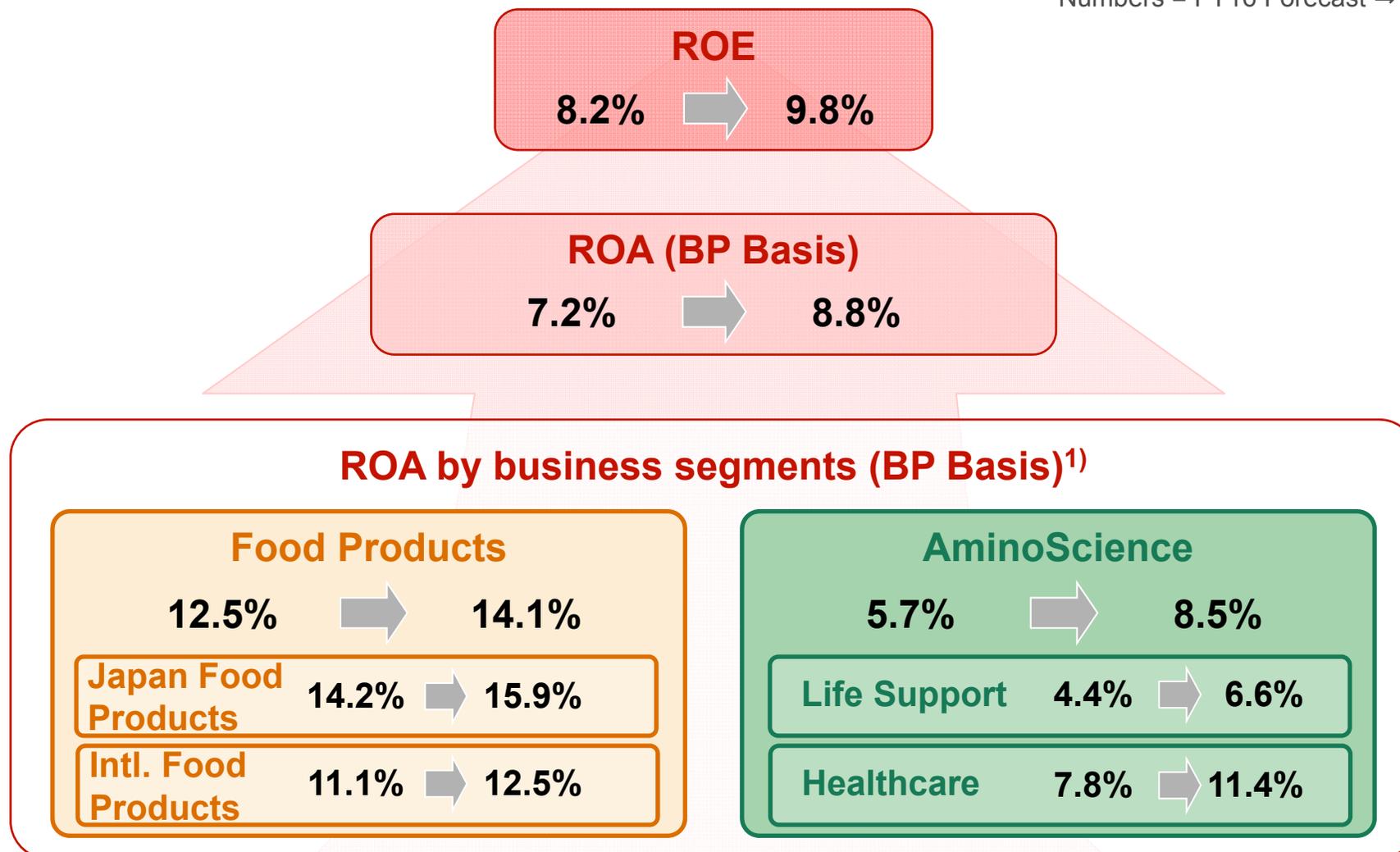


Note: VC = Value chains, PF = Portfolio

ROE and ROA (BP Basis) Targets:

Enhance capital and asset efficiency by focusing investments on the areas of growth

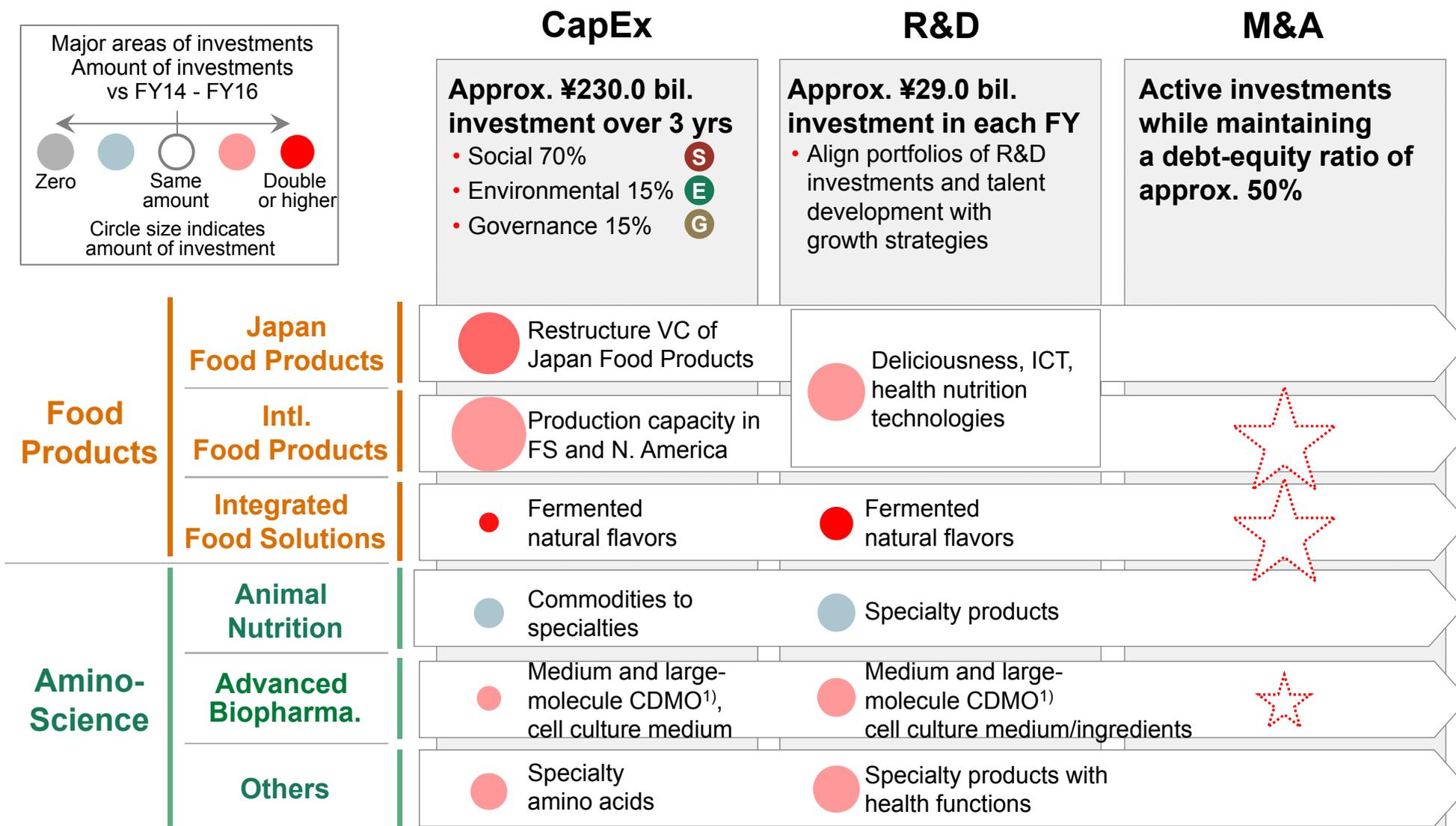
*Numbers = FY16 Forecast ⇒ FY19 Plan



1. Group shared costs are allocated to each business segments, group shared assets (cash and deposits, Ajinomoto Co., Inc. central office assets, etc.) are not allocated
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Integrated Management of Three Elements of Investment for Growth:

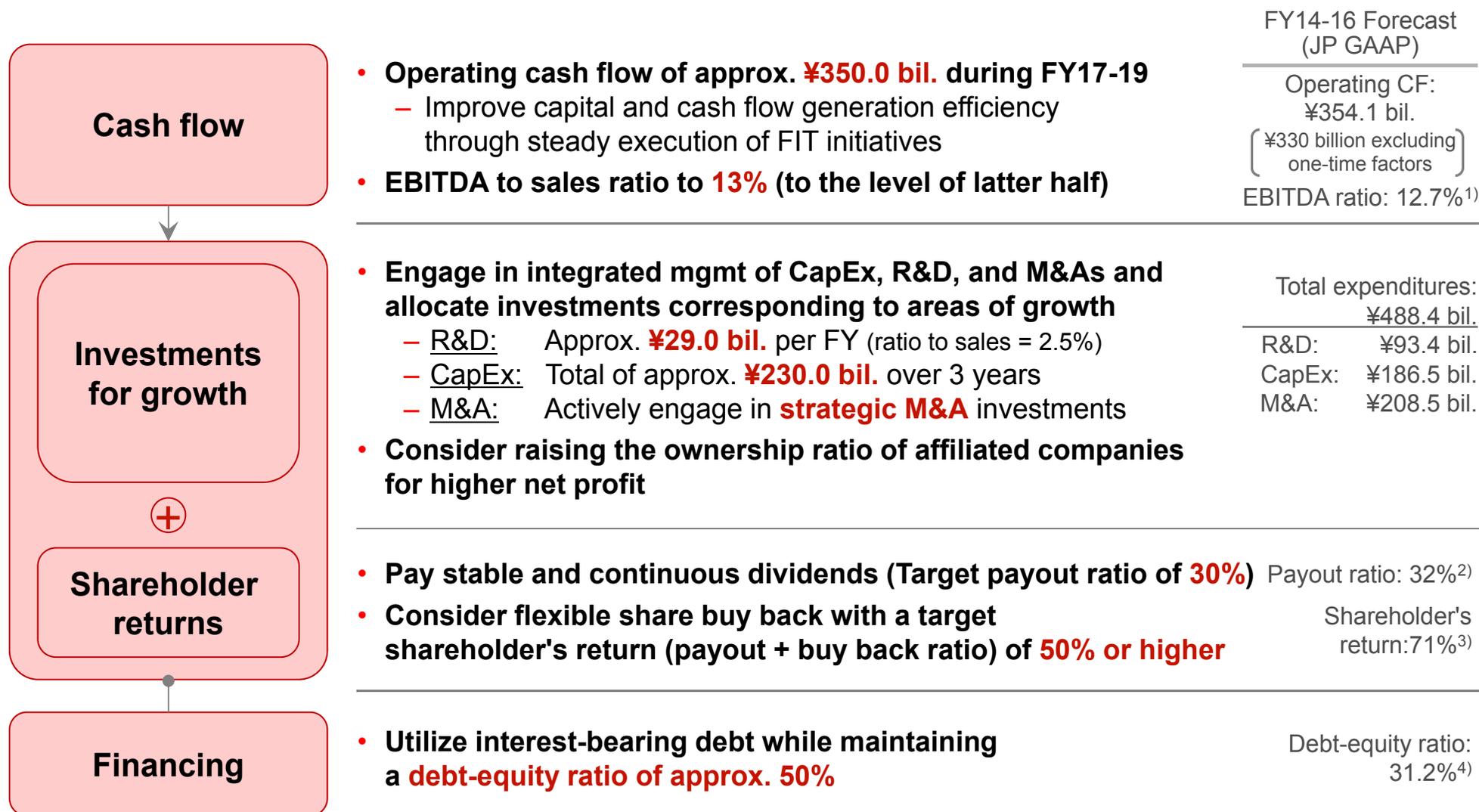
Allocate resources to support strategies for stronger regional and business portfolios



1. CDMO = Contract Development & Manufacturing Organization

Financial Strategy:

Generate cash flow, invest for growth and provide stable shareholder returns



1. FY16 forecast; 2. 3-years average value calculated - extraordinary gain from the transfer of equity in NISSIN-AJINOMOTO ALIMENTOS LTDA. is excluded from the denominator (3-year average of 30% when the gain is included); 3. 3-years cumulative forecast; 4. FY16 forecast

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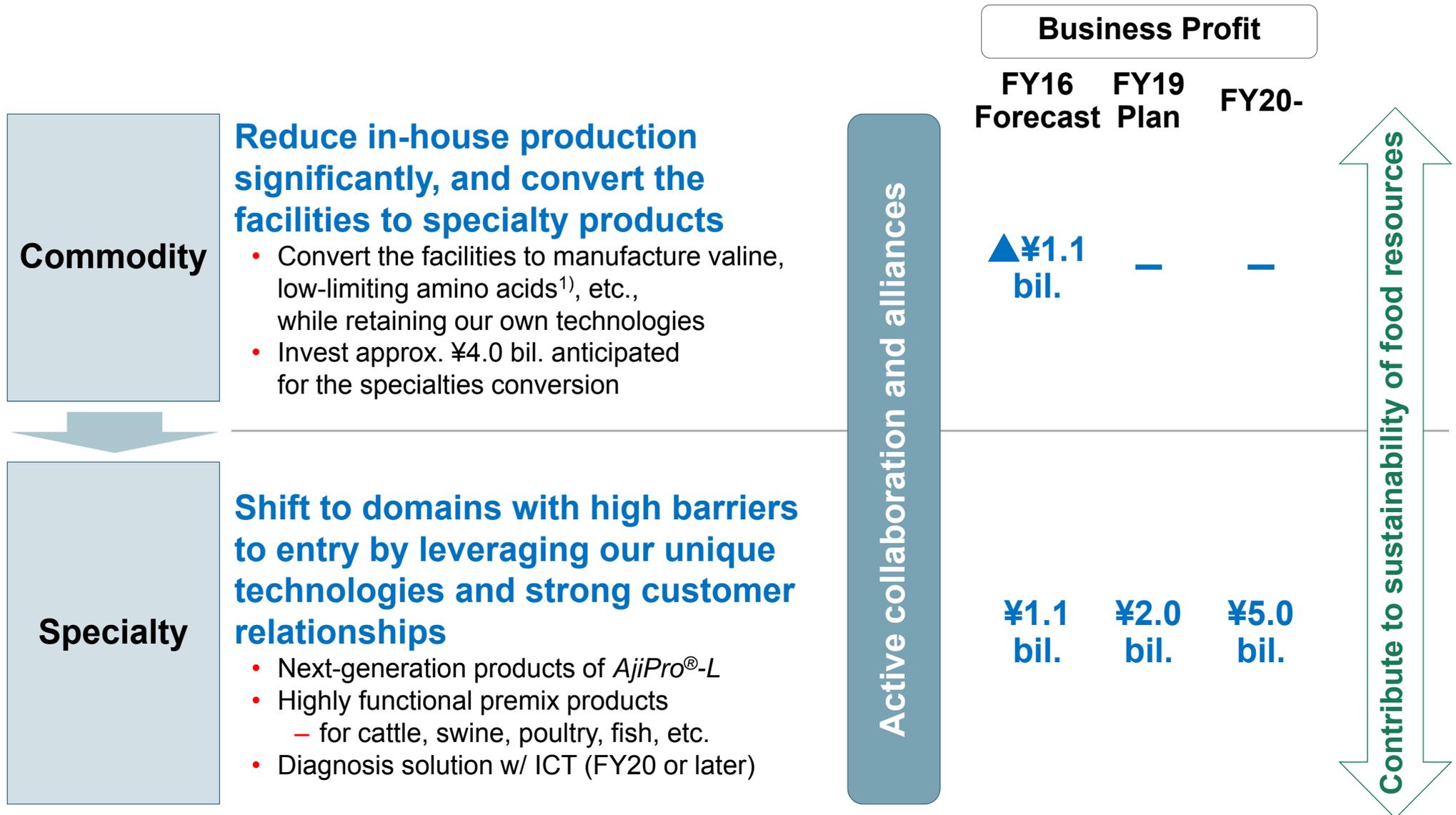
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Reduction of environ. impacts

1 Shift Fundamentally from Commodities to Specialties:

1) Animal Nutrition - Outsource production of commodities and accelerate shift to specialties



1. Amino acids that become the limiting amino acid following Lysine and Threonine

1 Shift Fundamentally from Commodities to Specialties:
2) Accelerate conversion of other bulk businesses to specialties

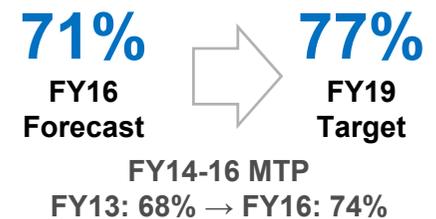
- Improve nutrient balance
- Comfortable lifestyle

Umami seasonings for processed food manufacturers (MSG)

Expand supply for retail/internal demand, and reduce costs

- Utilize existing production capacities, and adjust sales based on market prices and sales capacity
- Reduce the production costs with resource-saving fermentation technologies

Ratio of retail sales⁴⁾

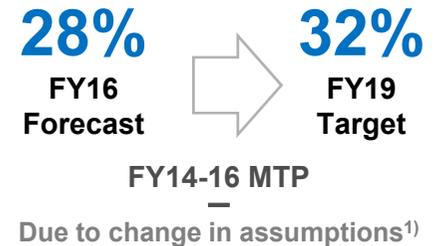


Sweeteners

Pursue specialties with retail business, and reduce costs

- Reorganize the brand portfolio to clarify focus of investments, expand sales to food services (low-carb menus, etc.)
- Reduce manufacturing and SG&A costs, and expand sales of products with price premium

Ratio of retail sales

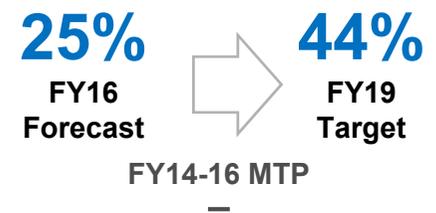


Pharmaceuticals custom manufacturing

Shift from small-molecules to med./large-molecules

- Medium/Large-molecules: Invest in Fill and Finish²⁾ and launch ADC³⁾ business
- Small-molecules: Integrate with medium/large-molecules business and build external partnerships for wider range of service offerings

Ratio of medium/large-molecules BP

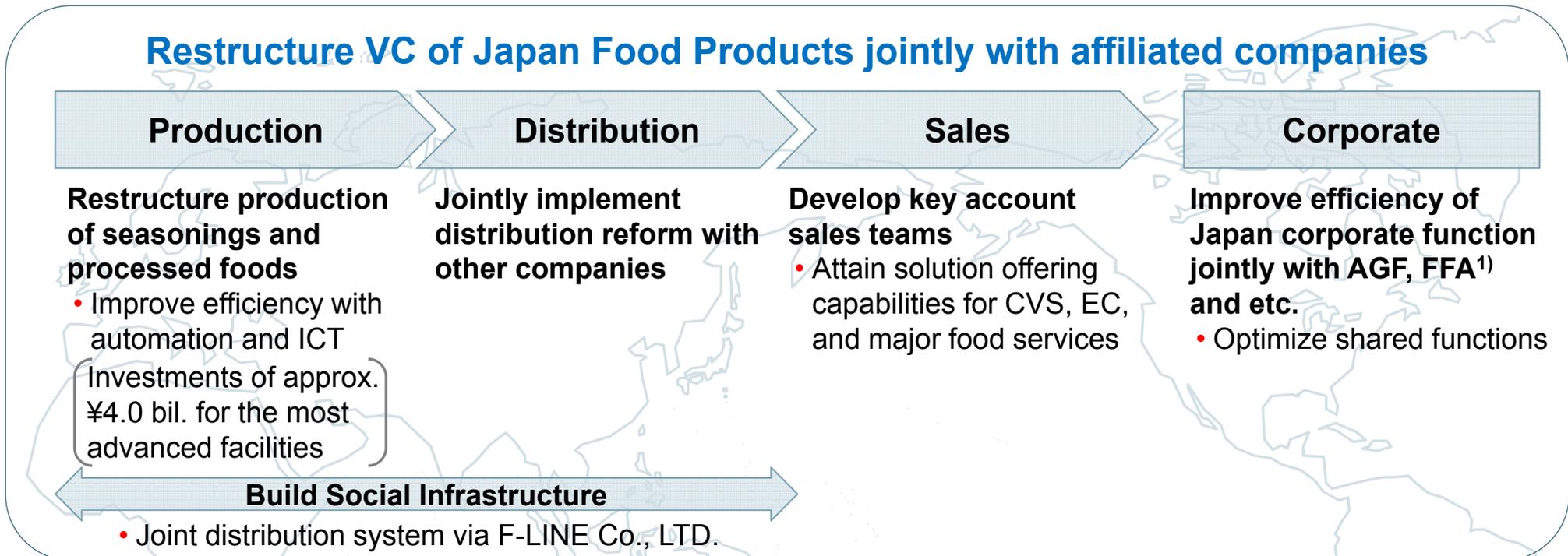


1. Part of Sweetners business moved to Intl. Food Products business; 2. Fill and Finish = Sterile filling and formulation of biopharmaceuticals; 3. ADC = Antibody Drug Conjugate; 4. Weight based
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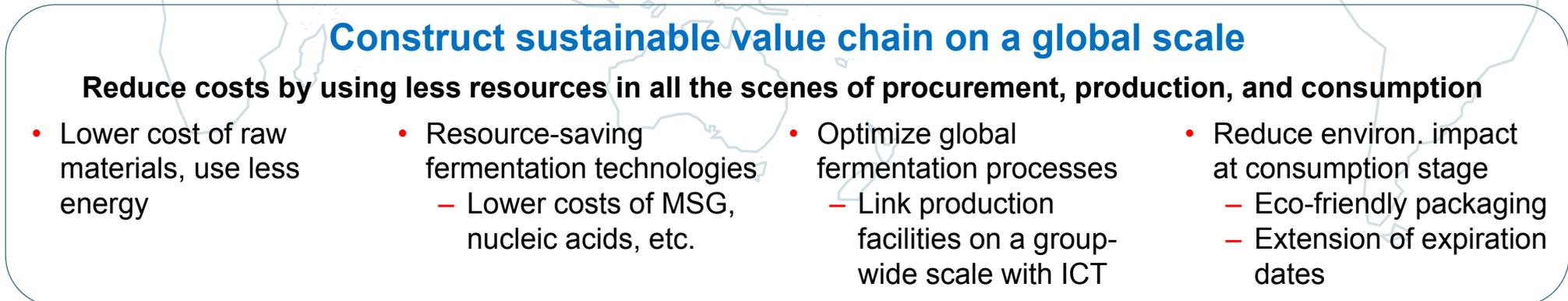
2 Construct Sustainable Value Chains across Businesses:
Establish a value chain that supports sustainable growth

Reduction of environ. impacts

Restructure VC of Japan Food Products jointly with affiliated companies



Construct sustainable value chain on a global scale



1. FFA = Ajinomoto Frozen Foods Co., Inc.

3 Ensure Food Business Growth with Stronger Regional Portfolio:

1) Wider set of business models and innovative technologies to grow globally

- Better nutritional balance
- More eating together
- Smart & delicious cooking

Innovate products and business models powered by science and digital

("Meals x Amino acids = Balanced Nutrition", etc.)

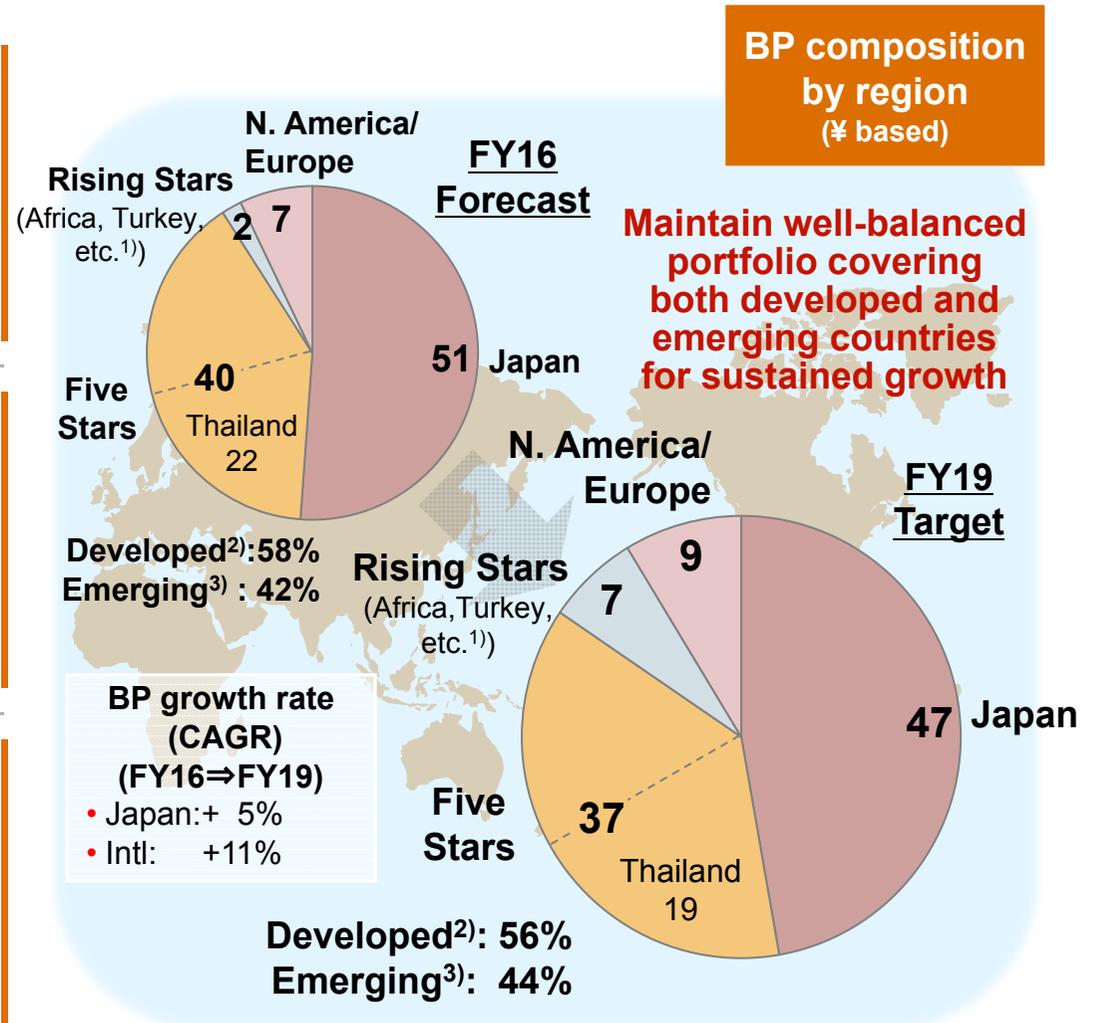
- Prove the model in Japan and roll out globally

Develop categories that match with the food culture and lifestyle of each country

- Emerging: New applications and categories
- Developed: Expand N. America frozen food business, build platform in Europe (M&A, etc.)

Expand business in new regions through partnerships with local industry leaders

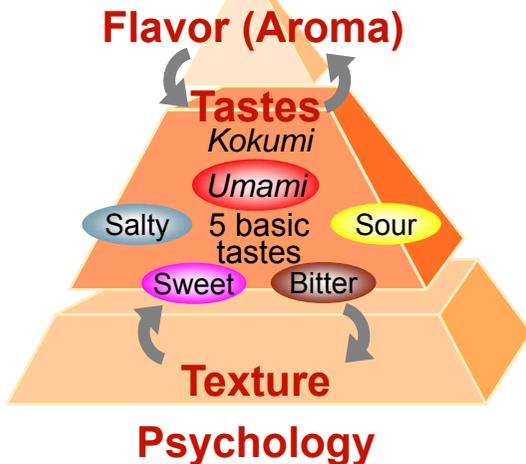
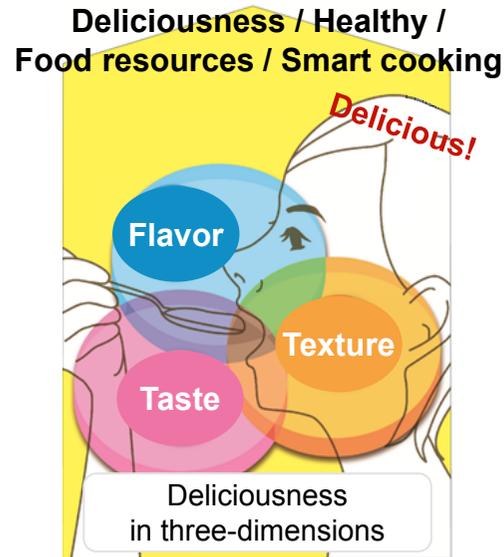
- Leverage platforms acquired in FY14-16 (e.g., Africa)



1. Includes Africa, Turkey, Malaysia, Singapore, Cambodia, Peru, China, Taiwan, Korea, Hong Kong;
2. Developed = Japan, North America, Europe; 3. Emerging = Five Stars, Rising Stars

3 Ensure Food Business Growth with Stronger Regional Portfolio:
2) Deepen our deliciousness technologies for regional expansion and new business

- Better nutritional balance
- More eating together
- Smart & delicious cooking



Deliciousness technologies

Deeper understandings of biological mechanism for deliciousness

- Mechanism of each of taste, flavor and texture
 - Cooking, receptors, etc.
- Mechanism of interaction among taste, flavor and texture
 - Intraoral dynamics, cognitive brain functions

Technologies to control deliciousness freely

- Simulation and control tech. (Retronasal aroma¹), etc.)
- Acquisition of key ingredients, and establishment of natural production methods²
 - New taste ingredients, meat flavor, masking

Technologies to optimize deliciousness for local preferences

- Analysis of preference in each country (local adaptation)
 - Our unique preference maps³
- Optimal applications adapted to local preferences

Digital technologies to deliver more deliciousness to individual consumers

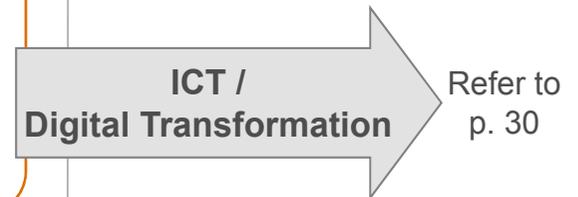
- Consumer behavior: Advanced customer segmentation
- Consumer psychology: Reveal drivers of happiness & deliciousness for better customer experience & offerings

No.1 in deliciousness with our leading-edge technologies and local/customer adaptation

Global No.1 in Dry Savories⁴

Category No. 1 in each country

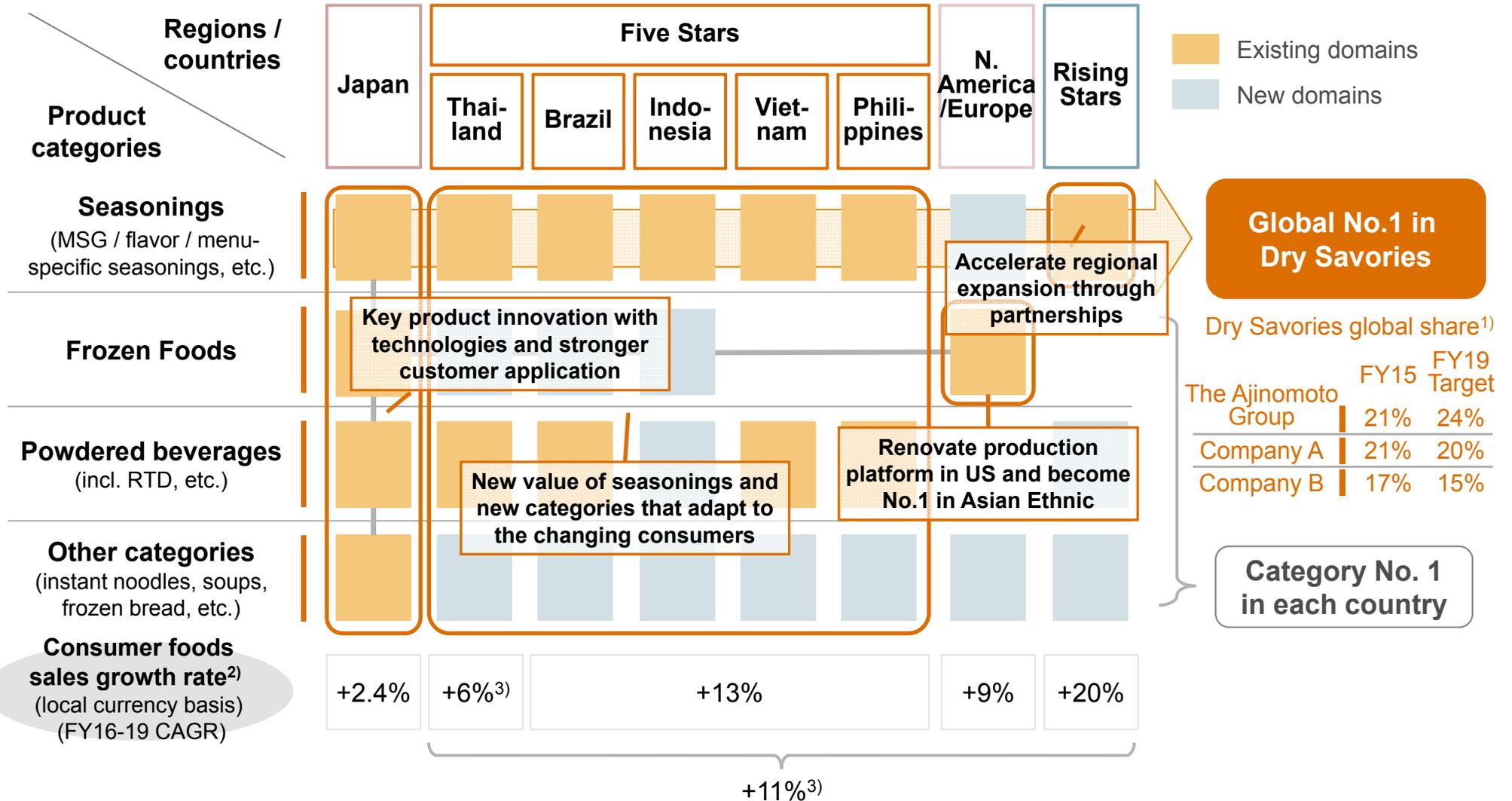
Launch Integrated Food Solutions business



1. Retronasal aroma = the aroma that comes from your throat and goes through your nose; 2. Natural production methods = production using fermentation; 3. Preference map = Technology that enables objective assessment of preference; 4. Dry Savories = Umami seasoning and flavor seasonings (powdered, cubes, etc.)

3 Ensure Food Business Growth with Stronger Regional Portfolio:
3) Become No.1 in deliciousness with our Group technologies and local adaptation

- Better nutritional balance
- More eating together
- Smart & delicious cooking



1. Ajinomoto Co., Inc. estimate, 55 countries; 2. Includes FFA (Intl.);
3. Includes sales increase from new excise tax in Thailand. Figures excluding the effect are Thailand = +4%, International Food Products total = +10%
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3 Ensure Food Business Growth with Stronger Regional Portfolio:

4) Intl. Food Products – Five Stars

Better nutritional balance

More eating together

Smart & delicious cooking

Five Stars

Deepen value proposition of seasonings, and develop new categories that adapt to local eating habits and lifestyle

CapEx of approx. ¥35.0 billion to be invested



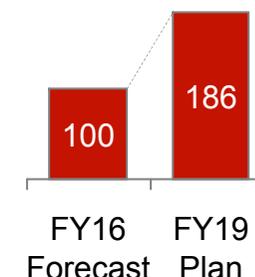
Existing categories

Refine quality of existing products (X)

More new product lines

- "No.1 in deliciousness" with our unique technology
 - More meat flavor in flavor seasonings
 - Easy-to-use products (*Ros Dee*® cubes)
- Menu-specific seasonings:
Expand menu and regional coverage – as the next pillar after *AJI-NO-MOTO*® and flavor seasonings
 - *Ros Dee*® Menu, *Aji-Quick*®, *Sajiku*®
- Powdered beverages:
Leverage AGF's tech. for coffee, expand into tea domain
 - *Birdy*® 3 in1 green tea
- Expand sales to food services and food processing companies

Sales of menu-specific seasonings (Powder, Liquid) (Indexed : FY16 = 100)



New categories

Launch new categories (X)

Exploit new channels & occasions

- Frozen foods (Gyoza, frozen bread, frozen cakes, etc.) addressing convenience needs
- Instant noodle with larger regional coverage (*YumYum*®)
- Light meal (snacks, kid's category, etc.)
- Food services and convenience store channels
 - Adapt to changes in shopping behaviors



- Better nutritional balance
- More eating together
- Smart & delicious cooking

3 Ensure Food Business Growth with Stronger Regional Portfolio:

5) Intl. Food Products: North America, Europe and Rising Stars

North America and Europe

Expand the frozen foods business by leveraging our industry leading technologies and know-how

CapEx of approx. ¥20.0 billion to be invested to renovate and expand production platform

Become No.1 in the Asian/Ethnic frozen foods category by introducing new line-ups and pursuing deliciousness

- Capture double-digit growth¹⁾ of Asian/Ethnic market
- Enhance products to adapt to consumer preferences (*Gyoza*, *TOKYO STYLE SHOYU RAMEN*, etc.)
- Develop products that meet low-sodium/fat demands
- Amplify appetizer products for the food services



Build business platform in Europe through M&A



Rising Stars

Accelerate regional expansion through partnerships with local industry leaders



Accelerate regional expansion by leveraging business platforms acquired through active partnership

Africa

- Leverage Promasidor to expand in African countries (5 keys + 31 others)



Turkey, Middle East

- Leverage Örgen and Kükre to develop businesses in Turkey and Middle Eastern countries (incl. Iran)



Pakistan

- Leverage the sales network of Lakson

Myanmar

- Apply know-how earned in Thailand to accelerate growth

India

- MARUCHAN AJINOMOTO INDIA PRIVATE LIMITED – *A&M Twisty Noodles*



1. Ajinomoto Co., Inc. estimate

3 Ensure Food Business Growth with Stronger Regional Portfolio:

6) Japan Food Products: Key products innovation and stronger customer applications

- Better nutritional balance
- More eating together
- Smart & delicious cooking

Key products innovation with the Group technologies

Our proprietary deliciousness technologies leveraged to reinforce products, enhance brand equity and expand to adjacent domains

(Examples)



Seasonings

Technology that quickly softens root vegetables and meats



Soup

Improvements in convenience and deliciousness



Frozen Foods

Technology that draws out flavors and umami from meats



Frozen Foods

Unique formula that prevents leaking even when unfrozen



Beverage

Applied technologies for milk-based component that enhances mildness and richness

Customer application capabilities powered by science and digital

Enrich the health & well-being value offerings through co-creation with local communities/customers

Nutritional framework powered by our unique science

(Example)



"Nutritionally balanced meals" that support for people working hard

Proteins that make up strong and healthy body

Vegetables that provide vitamins and minerals

Soaps with **Umami** that supports digestion and absorption

Cafeteria X Employees
No metabolic syndrome!
Workers' *Kachi-Meshi*[®]

Local govt. X Elderly
No locomotive syndrome!
Elderly's *Kachi-Meshi*[®]

Utilization of digital/ICT

E-commerce



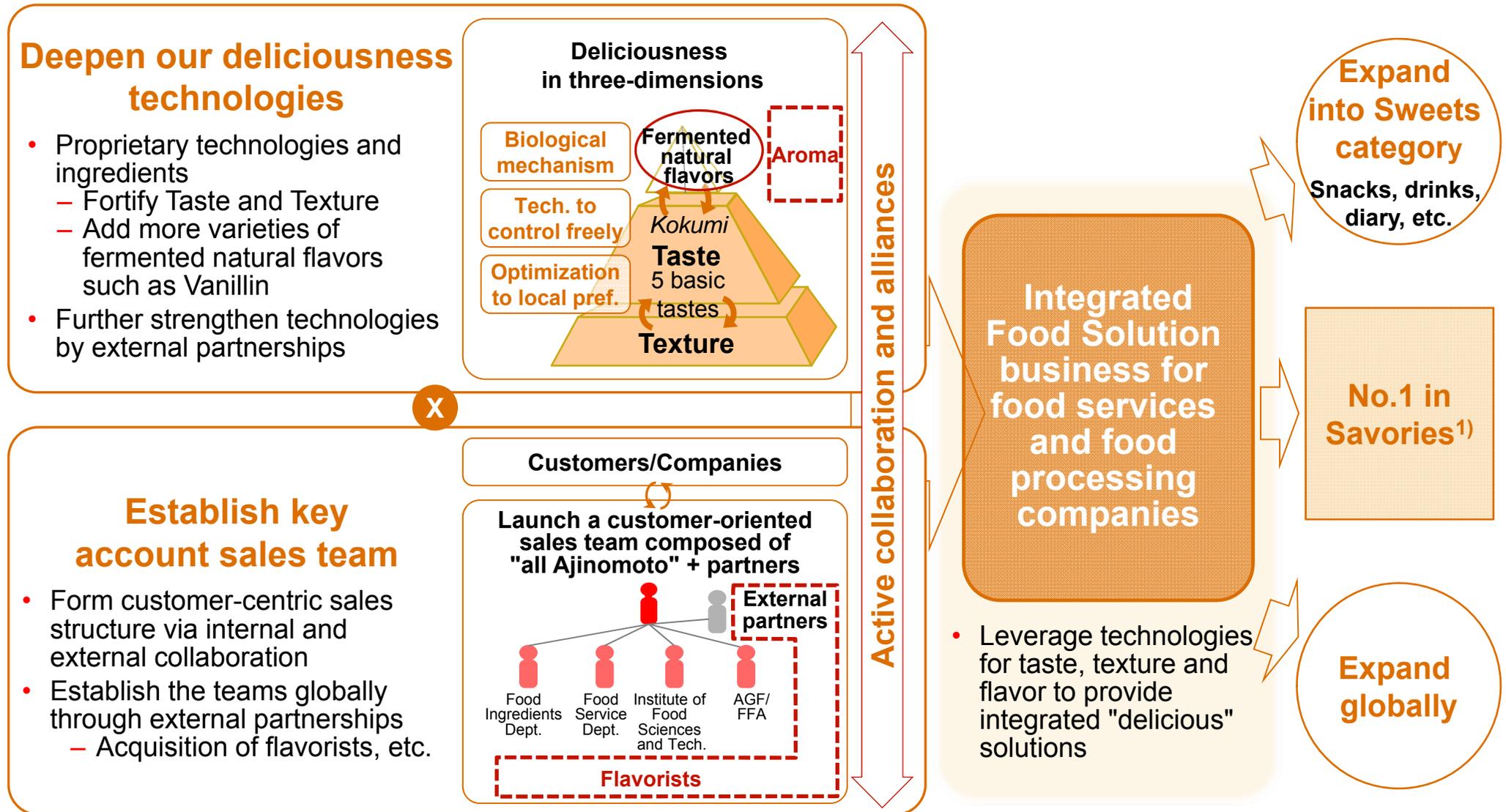
Advanced customer segmentation

Small mass communication

Establish world class quality and productivity with the most advanced facilities

4 Expand Business Portfolio with New Business Pillars:

1) Launch Integrated Food Solutions business

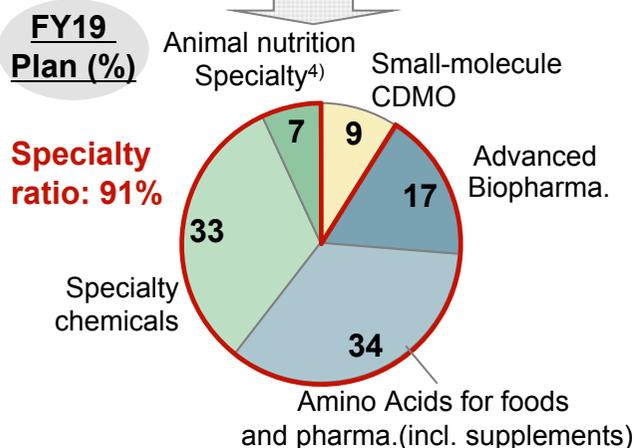
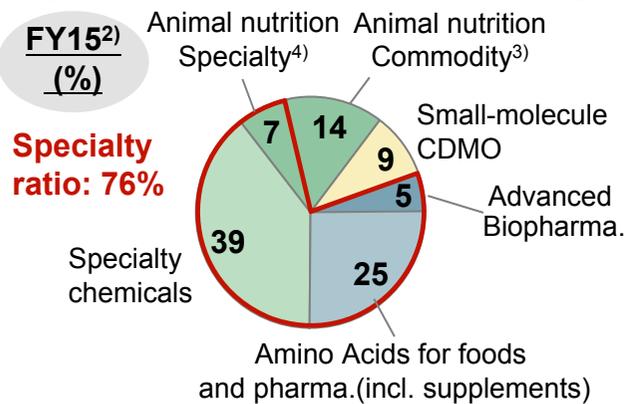


1. Savory = Seasonings for snacks, soup, frozen foods, pouched retort foods, etc.

4 Expand Business Portfolio with New Business Pillars:
2) Transform business portfolio of AminoScience with specialty businesses

Business portfolio to be supported by multiple specialty businesses

BP¹⁾ composition by business area



Advanced Biopharmaceuticals

CDMO business

Large molecule biologics (antibodies, recombinant proteins, ADC)

- Accelerate growth of Fill and Finish
- Launch ADC business

Medium molecule biologics (morpholino⁵⁾ / oligo nucleotides)

- Expand pipeline through GeneDesign, Inc.
- Become global No.2 player by expanding production capacity

Cell culture medium/ingredients

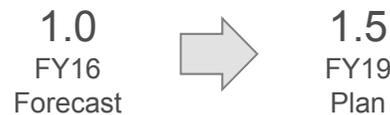
Cell culture medium

- Antibodies: Develop new customers in biosimilars
- Regenerative medicine: Expand varieties for growth and differentiation

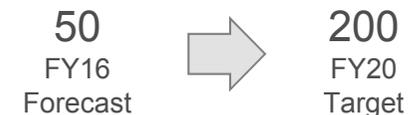
Cell culture ingredients (e.g., scaffold protein⁶⁾, growth factor)

- Enhance capabilities of cell culture solution through expanding business into cell culture ingredient

Net sales (Indexed, taking FY16 as 1.0)



No. of institutions using *StemFit*[®]



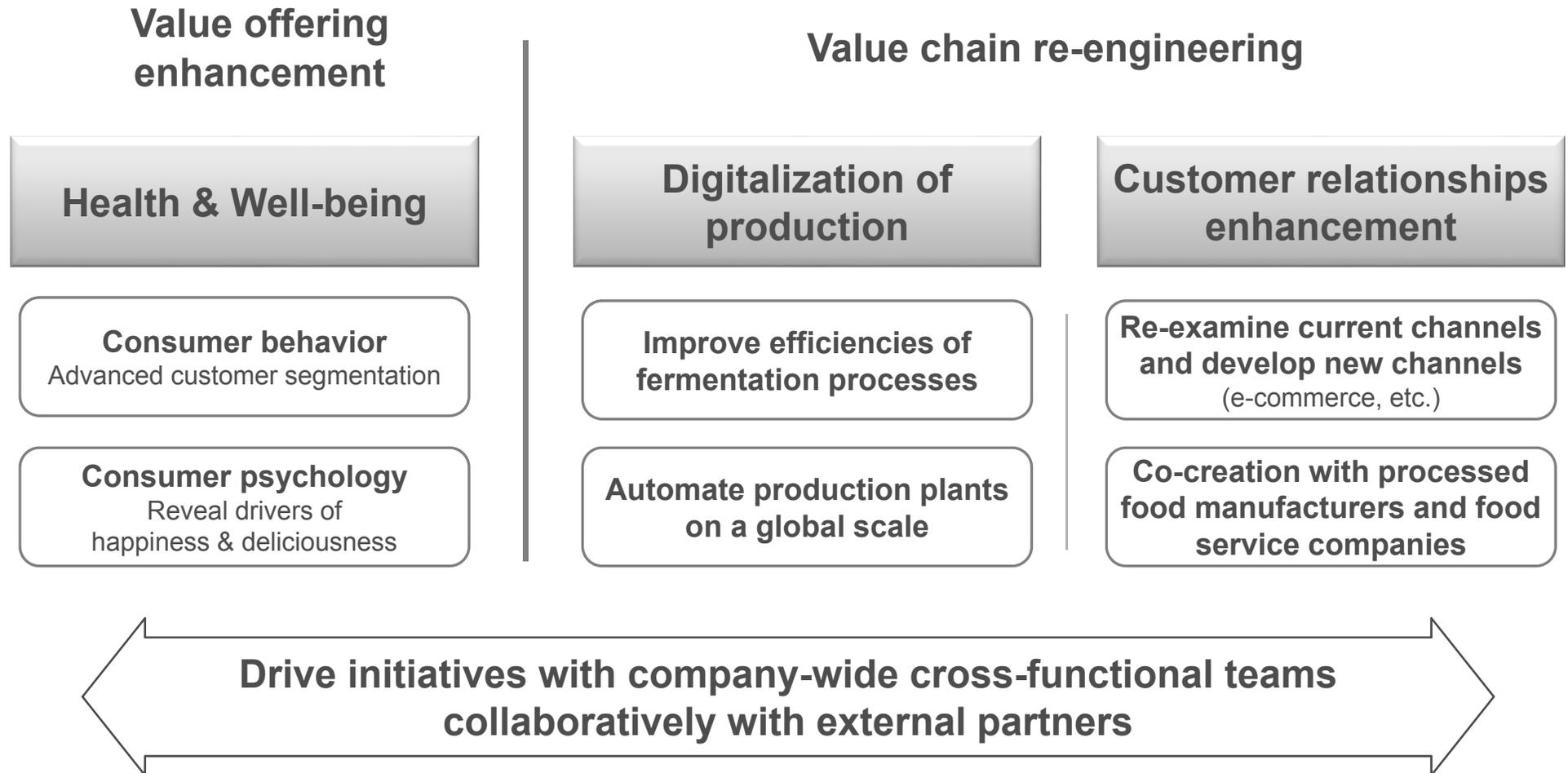
R&D leadership that supports new businesses

Highly bioactive ingredients ⁷⁾	Solubility control technology	Compounding technology	Metabolic analysis technology
Protein expression	Oligo-chemistry ⁸⁾	Formulation technology	Nutrition design technology

1. Business profit composition before allocation of company-wide common expenses. Yen based; 2. Converted from JP GAAP to IFRS; 3. Commodity = Lysine, Threonine, Tryptophan; 4. Specialty = all except commodities; 5. Morpholino = Type of nucleotide which overcome issues of nucleotide therapy (e.g., stability and toxicity); 6. Scaffold protein = Ingredients that maintain the environment for the proliferation and differentiation of the cells; 7. Highly bioactive ingredients = ingredients that are highly effective in small doses; 8. Oligo-chemistry = Mass production technology of peptides and nucleic acids

ICT / Digital Transformation :

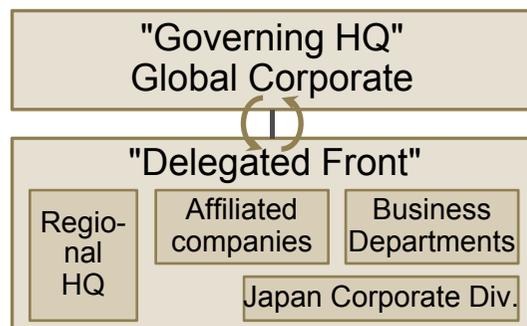
Reengineer value chains to be powered by R&D leadership



5 Management Innovation: Reinforcement of Management Foundation

Organization

Focus the role of global corporate to planning func. and optimize support func. throughout the Group companies



Reinforce/Evolve the governance foundation that conforms to the Corporate Governance Code

Talents

Promote customer-oriented innovation through creating sufficient and diverse talent pool

- Identify and develop 300 next-generation global managers / highly specialized talents
- Promote internal promotion / mid-career hires of female managers through updating HR policies, etc.
Ratio of female managers (Group)
FY15 16% ⇒ -FY20 Target 20%
- Proactively hire mid-career specialists

Work-styles

Enhance the interactions between each employee and the society, and generate "Best Place to Work" that enables further value creation

- Global standard working hours
Average annual working hours (Japan)
FY16 forecast 1,900 ⇒
-FY20 target 1,800 hours
- Standardize/simplify work flow (business admin., meetings, etc.)
- Teleworking with ICT
- Enhance support for child care and nursing care
- Improve employee's health and well-being

Renewal of Core System

Renew core systems to improve the efficiencies of and sophisticate the Group's business / customer management

Contents of FY17-19 Medium-Term Management Plan

I. Ajinomoto Group: What We Aim for

II. Key Principles

III. Key Strategies

IV. Enhancing Corporate Brand

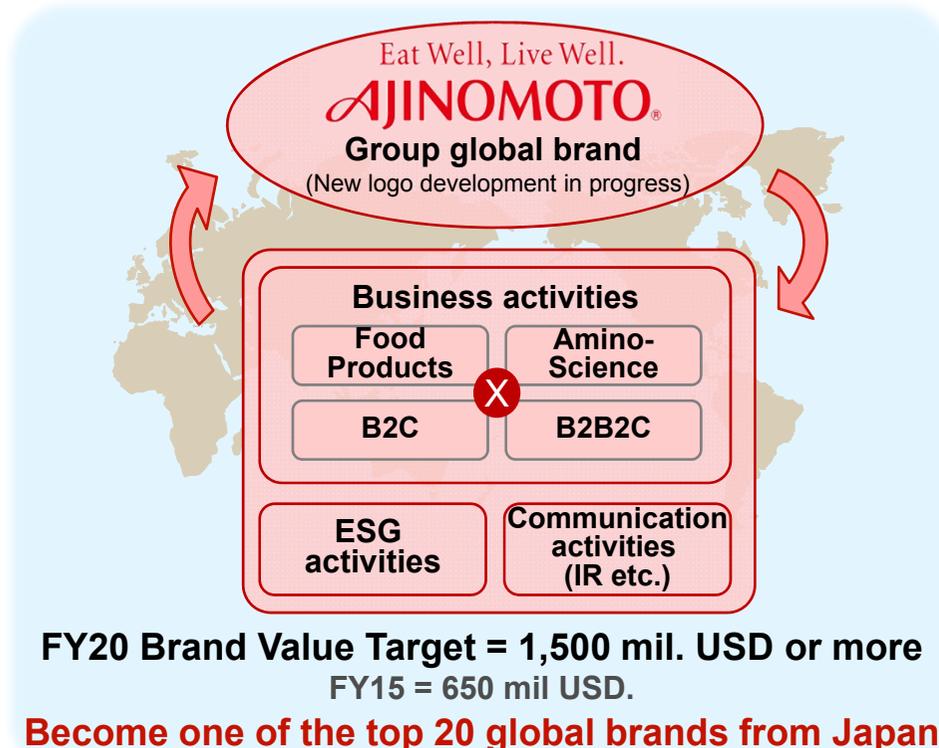
Enhancing Corporate Brand:

Enhance brand value through corporate brand management

Introduce new Group global brand logo and consolidate value to the corporate brand

⇒ **Maximize the value of business activities with consolidated value**

- Organize operational guidelines and brand architecture for each business / region
- Promote group-wide brand communication activities



Key Initiatives

Global sharing and penetration of the value of Umami

"UMAMI Project" (Japan/USA)

Biological science

- Evolution of the living things and birth of the essential amino acids
- Comparative biology of Umami receptors
- Evaluation of Umami with Big Data



Social anthropology

- Social changes involving MSG and Umami
- What the discovery of umami has brought to the society
- The future of Umami and humanity

Continue to expose on media and organize events/symposiums

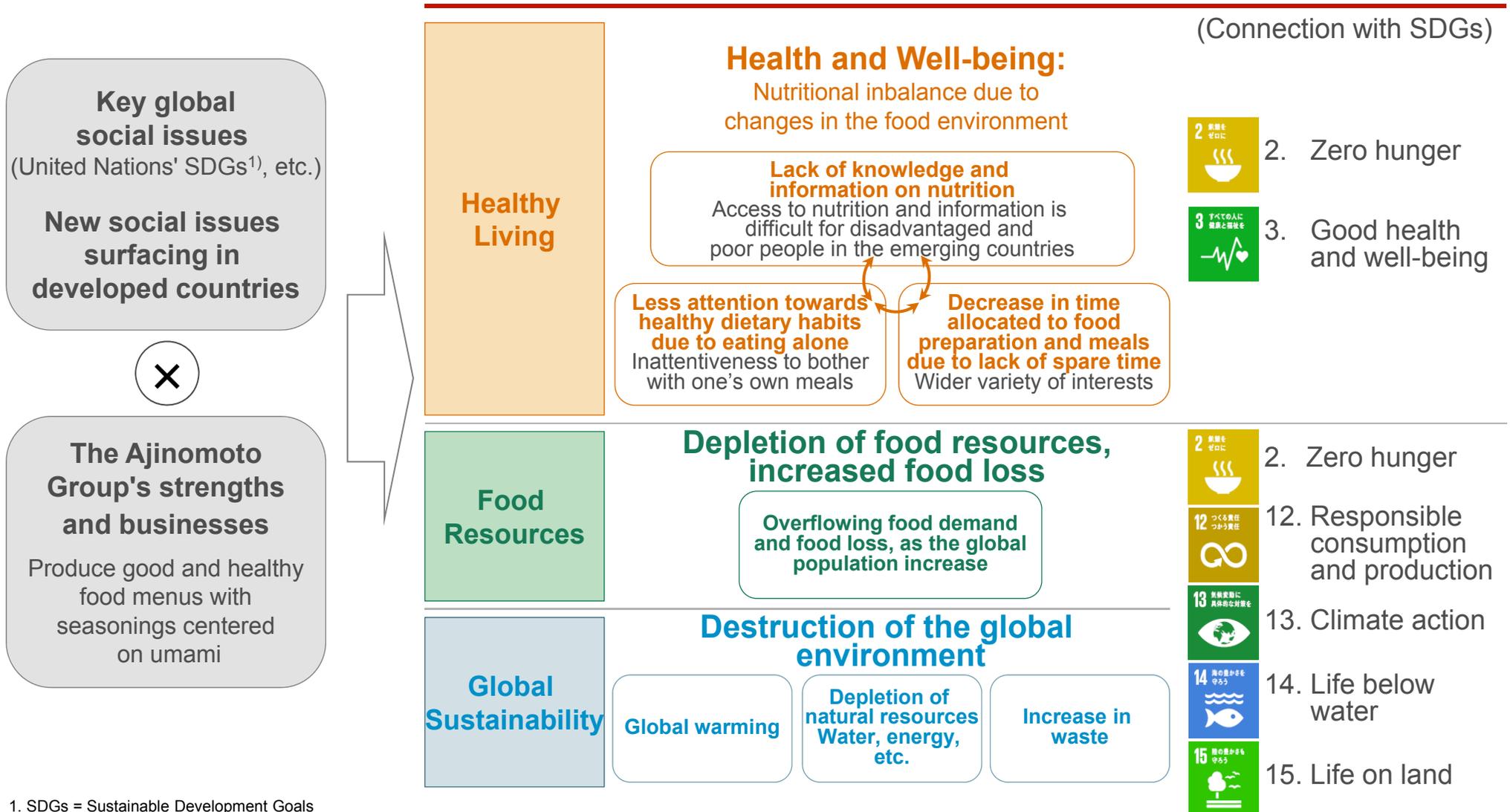
e.g.: "World UMAMI Culinary Forum"

An event to globally disseminate the idea of "soul foods" - meals that are certified as traditional, nutritionally well-balanced and delicious at the same time

Reference Materials

Social Issues That We Aim to Resolve: Healthy Living, Food Resources, and Global Sustainability

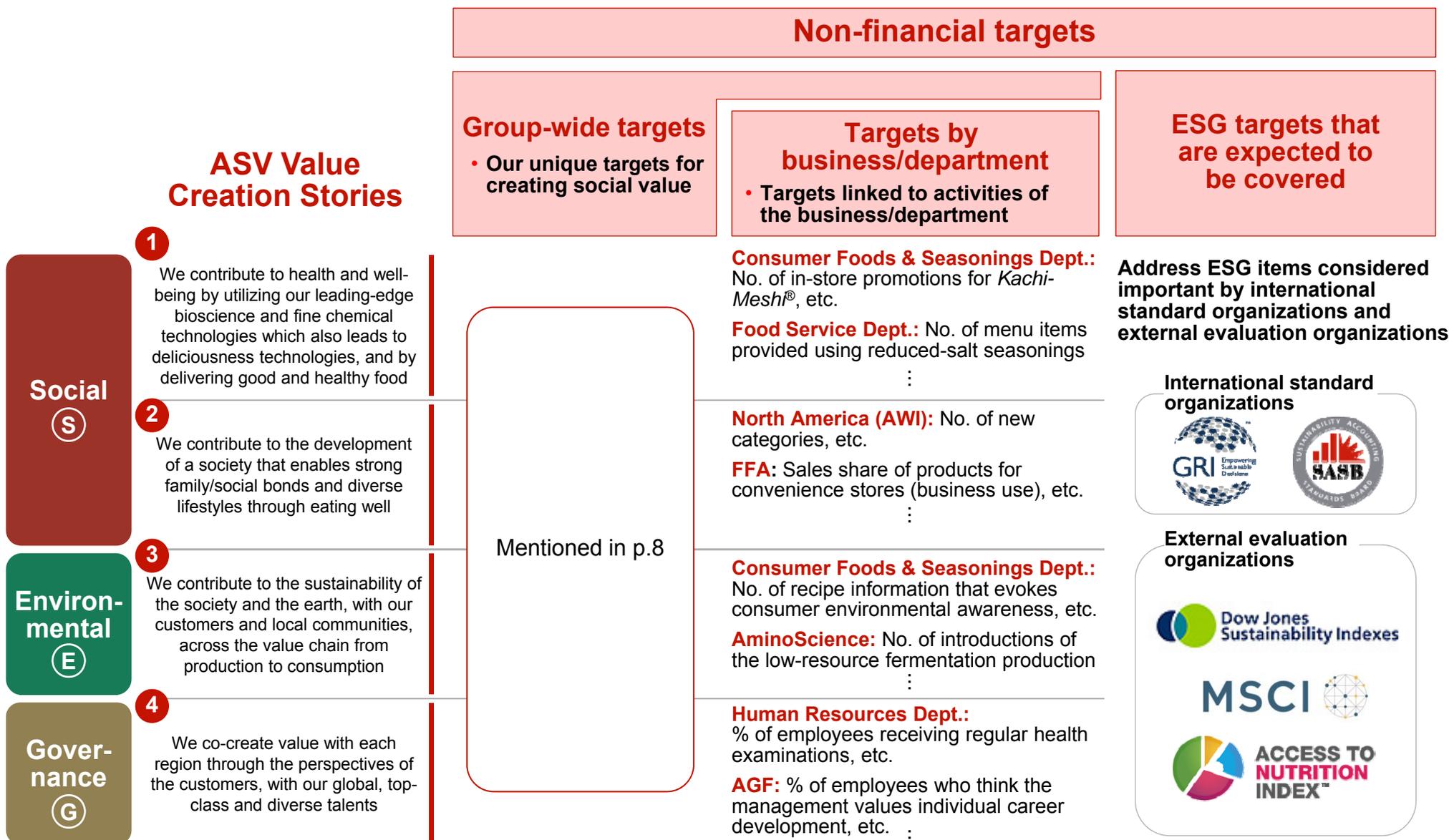
Social issues that we aim to resolve



1. SDGs = Sustainable Development Goals

Outline of Non-financial Targets:

Targets set by each business/department, and ESG targets expected will be covered accordingly



Non-financial Targets — 30 Priority ESG Items

		ESG items considered important by the public (30 items of ESG defined by SASB)	Items considered important by international standardization organizations and external evaluation organizations ¹⁾					The Ajinomoto Group ✓ : Items related to group shared targets
			United Nations GRI ²⁾	SASB ³⁾	DJSI	MSCI	ATNI	
Social Ⓒ	Social capital	Human rights and community relations	✓		✓			✓
		Product access and affordability			✓		✓	✓
		Customer welfare (health and nutrition, etc.)	✓	✓	✓	✓	✓	✓
		Data security and customer privacy	✓		✓			
		Fair disclosure and labeling	✓	✓	✓			
		Fair marketing and advertising	✓	✓	✓			
	Human capital	Labor relations	✓					
		Fair labor practices	✓		✓			✓
		Employee health, safety, and wellbeing	✓		✓		✓	✓
		Diversity and inclusion	✓		✓			✓
		Compensation and benefits	✓		✓			
	Business model and innovation	Recruitment, development and retention	✓		✓			✓
		Lifecycle impacts of products and services		✓				
		Environ., social impacts on assets and operations	✓		✓		✓	
Product packaging		✓	✓	✓			✓	
Environmental Ⓔ	Environment	Product quality and safety	✓	✓		✓	✓	
		Greenhouse gas emissions	✓		✓	✓	✓	
		Air quality	✓		✓			✓
		Energy management	✓		✓			✓
		Fuel management	✓	✓				✓
		Water and wastewater management	✓	✓	✓	✓		✓
		Waste and hazardous materials management	✓		✓			✓
Biodiversity impacts	✓					✓		
Governance Ⓒ	Leadership and governance	Systemic risk management ⁴⁾	✓		✓			
		Accident and safety management	✓		✓			
		Business ethics and transparency of payments	✓		✓			
		Competitive behavior	✓		✓	✓		
		Regulatory capture and political influence	✓				✓	
		Materials sourcing	✓	✓	✓	✓		✓
		Supply chain management	✓	✓	✓	✓		

1. Ajinomoto Co.'s analysis 2. List of indicators that consist of the Sustainable Development Goals (SDGs), international social targets defined by the United Nations, translated by the GRI together with the United Nations for the purpose of facilitating setting of indicators by business operators. 3. ESG items to be focused on by the process food industry defined by the SASB; 4. Risk of collapse of an entire financial system due to credit uncertainty regarding or failure of a single financial institution; Source: Websites of the respective organizations

Note: GRI=Global Reporting Initiatives, SASB=Sustainability Accounting Standards Board, DJSI=Dow Jones Sustainability Indexes, MSCI=Morgan Stanley Capital International, ATNI=Access to Nutrition Index

S Non-financial Targets (Group-wide Targets) in Details: "Social"

Indicator	Definition
<p>Meats and vegetables consumption through our products (Annual total and % of annual consumption per person)</p>	<p>Annual total consumption of meats and vegetables</p> <ul style="list-style-type: none"> Calculated using the weight of our products sold, and the amount of meats and vegetables in the popular food menu (in which our seasoning is being used) <p>% of average annual consumption per person</p> <ul style="list-style-type: none"> Amount of meats and vegetables consumed through our products per person / average annual per capita consumption of meats and vegetables published by FAO
<p>Contribution to the number of occasions of eating together through our products</p>	<p>Calculated the contributed number of meal occasions based on estimated number of menu items produced through our products, the average number of people per household, and the approx. number of menu items per meal occasion</p>
<p>Spare time created through our products</p>	<p>Calculated based on the difference between preparation time for preparing the same menu item from scratch, and preparing it using our products, multiplied by the sales volume targets for the products</p>
<p>Contribution to comfortable lifestyles through our amino acid products (AminoScience)</p>	<p>Calculated the number of people using our materials (mainly amino acid) as a means of nutritional support, ranging from healthy individuals to patients with injuries and diseases (As the amount of consumption varies for different lifestyles and purposes, certain assumptions are set for each products)</p>

- **Japan**
 - Cook Do® 3 items¹,
 - Cook Do® Kyo-no Ohzara® 2 items²
 - Gyoza
- **"Five Stars"**
 - Thailand: Ros Dee®
 - Brazil: Sazón®
 - Indonesia: Masako®
 - Vietnam: Aji-ngon®
 - Philippines: GINISA

- **Frozen foods:** Gyoza, Yawaraka Wakadori Kara-Age (fried chicken), The★CHA-HAN (fried rice)
- **Soup:** Knorr® Cup Soup – Corn Cream, Potage, Tsubu Corn

- **Amino Acids for foods and pharma. (incl. supplements):** for use in transfusions, medical foods, amino VITAL®, No•Mikata®, Glyna®, etc.

1. Twice-Cooked Pork, Szechwan Style Minced Pork with Eggplant, Beef/Pork with Green Pepper (incl. two-serving packs);

2. Sautéed Meat and Cabbage with Miso, Sautéed Pork and White Radish (incl. two-serving packs)

Note: FAO = the Food and Agriculture Organization of the United Nations

E Non-financial Targets (Group-wide Targets) in Details: "Environmental"

Contribute to the global environment throughout the procurement, production and consumption processes via initiatives ahead of standard international targets

	Long-term vision	Indicators	Economic value (cost reduction impact, FY16⇒FY19)	International goals
1	Reduce greenhouse gases	<p>Overall product lifecycle to become carbon neutral</p> <p>Greenhouse gas production volume vs. emission intensity FY20: 5% reduction (vs. FY15) FY30: 50% reduction (vs. FY05)</p> <p>Renewable energy use ratio FY20: 20% FY30: 50%</p> <p>CFC elimination FY25: 100% for new FY30: HFCs¹⁾ extremely small</p>	<p>Use of less energy and more recyclable energy ▲ ¥ 5.5 bil.</p>	<ul style="list-style-type: none"> • SDGs: 7. Clean Energy; 13. Climate Action • Paris Climate Conference: Temperature rise of less than 2°C by latter half of this century; Balance out the emission and absorption of GHG by latter half of this century (Reduce 40%-70% of GHG emissions by 2050) • CGF²⁾: Cut fluorocarbon refrigerant starting from 2015 • Montreal Protocol³⁾, POPs Conv.⁴⁾
2	Reduce food loss	<p>Cut food loss within lifecycle by half by 2050</p> <p>Reduce food loss from receipt of ingredients through to customer delivery FY20: 20% reduction (vs. FY15) FY25: 50% reduction (vs. FY15)</p>	<p>Less food loss ▲ ¥ 0.6 bil</p>	<ul style="list-style-type: none"> • CGF²⁾: Cut food loss by half by 2025 (vs on 2016)
3	Secure food resources and protect natural environment, including ecosystems and biodiversity	<p>Secure food resources for the next generation, contribute to protection of natural environment incl. ecosystems and biodiversity, achieve sustainable procurement</p> <p>Sustainable procurement FY20: 100% for palm oil & paper FY30: 100% for other ingredients</p> <p>Reduce natural raw materials used via resource-saving fermentation tech., usage of by-products & alternative material tech. FY25:100%</p>	<p>Resource-saving fermentation tech., improved yield, less promotional goods, etc. ▲ ¥ 3.5 bil.</p> <p>Expand animal nutrition and agriculture business</p>	<ul style="list-style-type: none"> • SDGs: 14. Life Below Water; 15. Life on Land • CGF²⁾: Zero forest destruction by 2020 • RSPO⁵⁾, FSC⁶⁾, ASC⁷⁾
4	Conservation of water resources	<p>Create an environment where water resources are sustained</p> <p>Production volume vs. water usage in plant FY20: 5% reduction (vs. FY15) FY30: 80% reduction (vs. FY05)</p>	<p>Less water usage ▲ ¥ 200 million</p>	<ul style="list-style-type: none"> • SDGs: 6.Clean Water and Sanitation
5	3R for waste material (Reduce, Reuse, Recycle)	<p>Zero emission of waste materials</p> <p>Reduce waste generated via business activities/recycle ratio Maintain higher than 99% in FY20 and FY25</p>	<p>Reuse of waste material, lighter packaging ▲ ¥ 200 million</p>	<ul style="list-style-type: none"> • SDGs: 12. Responsible Consumption and Production

1. HFCs = Hydrofluorocarbons, substitute for CFCs; 2. CGF = Consumer Goods Forum; 3. Montreal Protocol = Montreal Protocol on substances causing destruction of the ozone layer; 4. POPs Convention = Stockholm Convention on Persistent Organic Pollutants (POPs) (such as regulatory control of organic substances that contain polychlorinated biphenyls); 5. RSPO = Roundtable on Sustainable Palm Oil; 6. FSC = Forest Stewardship Council; 7. ASC = Aquaculture Stewardship Council

G Non-financial Targets (Group-wide Targets) in Details: "Governance"

Towards strengthening and specialization of global corporate functions and improving efficiency of group-wide support functions:
restructure organization, secure sufficient and diverse talent pool and realize better work-style

	Organization	Ratio of the Group shared costs to sales (steady-state basis)		
		3.1% FY16 Forecast	➔	2.5% FY20 Target
Talents	Diversity	Ratio of female managers (Group)		Ratio of local executive managers
		FY14-16 MTP target FY13:14% → FY16:20%	16% FY15 Actual ➔ 20% FY20 Target (Japan FY30 Target: 20%)	FY14-16 MTP target FY13:40% → FY16:50%
	Employee engagement	Percentage of employees with high engagement^{1),2)} (Group)		mentioned in P8
		80% FY20 target		Group-wide targets
Work-styles	Work-style innovation (Japan)	Average annual working hours (Japan)		
		1,900 hours FY16 Forecast	➔	
	Employees' health and well-being	Percentage of employees who feel they are health mentally and physically²⁾ Target and action plans will be determined based on the results from the upcoming survey		

1. The percentage of employees who feel that their company is creating value towards solving social issues, and that they feel they are contributing to that value creation will be measured;
2. Measured through "Ajinomoto Global Engagement Survey" starting FY17. All the full time employees will be surveyed

An Example of ASV: Value Co-creation with Local Communities (Vietnam)

Achieved further value creation through co-creation



Provided good and healthy food

- e.g.: Provided menus centered on umami that enable children to eat protein & vegetables (School Meal Projects)

Contributed to the global environment through utilization of co-products

- Supported wide range of fruits and vegetables, such as gum trees, sugar cane, pineapple, and coffee



Co-creation with local communities

Schools and companies

Government and municipalities

Shared channels

- Reached to schools and other public facilities by collaborating with the Ministry of Education and local govt.

Constructed sustainability cycle

- Provided co-products to suppliers (rubber cultivation, coffee beans, etc.)

Consumers

Local suppliers



Develop social infrastructure

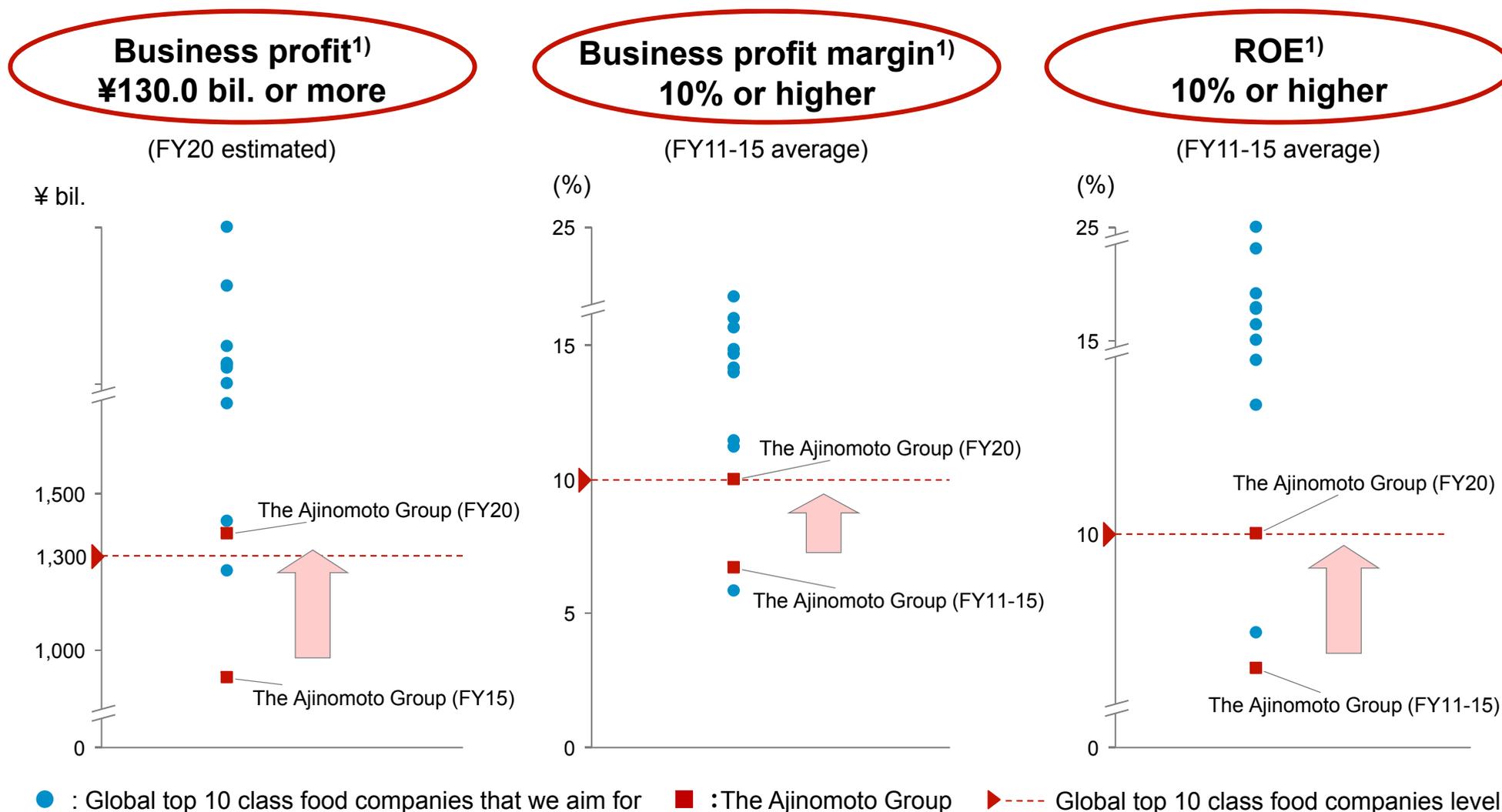
(raising awareness of the importance of nutritional balance)

- Launched the licensing system for nutritionist with the govt.
- Found Vietnam's first Bachelor of Nutrition Science through an initiative with Hanoi Medical University and the National Institute of Nutrition



Eat Well, Live Well.
AJINOMOTO.

Elements Needed to Become a Global Top 10 Class Food Company - What the Ajinomoto Group Aims for (in Details)



1. Figures for the Ajinomoto Group : FY11-15 is JP GAAP based operating profit and ROE actual. FY20 figures are IFRS based business profit and ROE goals
Note: Figures for each global top 10 class food company are estimates calculated by the Ajinomoto Co., Inc.; Exchange rates used for calculation are yearly averages for each accounting year
Source: Bloomberg

Targets by Business: Net Sales and Business Profit

	FY2016 Forecast			FY2019 Plan			Difference
	Net sales (¥ billion)	Business profit (¥ billion)	Business profit margin (%)	Net sales (¥ billion)	Business profit (¥ billion)	Business profit margin (%)	Business profit (¥ billion)
Food Products	817.4	80.5	9.8	960.9	102.5	10.6	+22.0
Japan Food Products	403.0	41.1	10.1	433.5	48.5	11.2	+7.4
Intl. Food Products	414.4	39.4	9.5	527.4	54.0	10.2	+14.6
Amino Science	216.1	12.6	5.8	285.5	21.0	7.3	+8.4
Life Support	124.5	4.7	3.7	155.7	7.4	4.7	+2.7
Healthcare	91.6	7.9	8.6	129.7	13.5	10.4	+5.6
Others	61.5	▲0.4	▲0.6	64.5	0.3	0.5	+0.7
Consolidated	1,095.0	92.7	8.4	1,311.2	124.0	9.4	+31.2

Currency Assumptions for FY17-19 MTP

Exchange rates of the major currencies

	JPY	vs USD
USD	100.00	-
EUR	110.00	0.90
BRL	30.30	3.30
THB	2.80	35.7

Foreign exchange sensitivity of FY19 business profit

(1) Impact of exchange rate on currency translation

USD \pm JPY 1 \rightarrow Approx. ¥0.2 billion

EUR \pm JPY 1 \rightarrow Approx. ¥0.05 billion

BRL \pm JPY 1 \rightarrow Approx. ¥0.3 billion

THB \pm JPY 0.01 \rightarrow Approx. ¥0.1 billion

(2) Impact of exchange rate on trade

JPY 1 increase vs USD \rightarrow Approx. \blacktriangle ¥0.2 billion

0.1 EUR increase vs USD \rightarrow Approx. \blacktriangle ¥0.0 billion

1 THB increase vs USD \rightarrow Approx. + ¥ 0.3 billion

0.1 BRL increase vs USD \rightarrow Approx. + ¥ 0.2 billion

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- **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.**
- **Unaudited figures are included in these materials for reference.**
- **Amounts presented in these materials are rounded off.**