

Eat Well, Live Well.



Ajinomoto Co., Inc. (2802)

**Forecast for FY2021 (Ending March 31, 2022)
and Initiatives for the Structural Reform
Phase of the Medium-Term Management Plan**

**Takaaki Nishii
Member of the Board,
Representative Executive Officer,
President & Chief Executive Officer**

November 4, 2021

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- I. Summary Results for the First Half Ended September 30, 2021 and FY2021 Forecast
- II. The Corporate Value Enhancement Cycle and Engagement
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FY2021 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

Our Message Today

- The full-year FY2021 forecast is for increased sales and profit (upward revision).
- In Healthcare and Others, the electronic materials and amino acids businesses and Bio-Pharma Services business were strong, driving Group-wide performance. Sustained growth is expected from the next fiscal year onward, too.
- In Seasonings and Foods, sales have grown organically with strategic use of the marketing budget and the effect of increased prices. However, due to increases in the cost of raw materials, fuel, and logistics, profit is expected to decline this year. By steadily enacting countermeasures, we are strengthening profitability for the next fiscal year and beyond.
- In Frozen Foods, profit is expected to be level with the previous year due to cost increases being absorbed by price increases, etc.

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I-1. FY2021 Results Digest

- In first-half results, sales increased by ¥38.8 billion and profit increased by ¥7.3 billion.
- The full-year forecast is for increased sales and profit. Increased sales are expected in all segments due to strategic use of the marketing budget, etc.
- Business profit has been revised upward from the initial forecast of ¥115.0 billion to ¥120.0 billion, with Healthcare and Others driving the Company.
- Expect ROIC of 7.6%, progressing steadily toward the MTP target for FY2022.
- Operating cash flow is expected to be approximately ¥163.0 billion, the same level as in the previous year.
It is on pace to exceed ¥400.0 billion over the planned three years of FY2020-2022.
- For shareholder returns, we are further increasing dividends (initial forecast: ¥44 yen -> revised forecast: ¥48) and are repurchasing shares as planned. EPS is expected to grow again in FY2021.

I-2. FY2021: First-Half Summary

First-Half Results Summary

Sales: ¥550.2 billion (107.6% of FY2020 results; excluding currency translation: 105.6%)
 Business profit: ¥69.3 billion (111.9% of FY2020 results; excluding currency translation: 109.3%)

1. Sales: **Increased (¥38.8 billion)**

- Overall revenue increased, mainly driven by Sauce & Seasonings and Frozen Foods, both from overseas, and Bio-Pharma Services & Ingredients, and Functional Materials.

2. Business profit: **Increased (¥7.3 billion)**

- Overall profit increased due to profit growth in Healthcare & Others despite decline in profit of Seasonings and Foods and Frozen Foods.

(YoY Business Profit Details – Summary)

(¥ billion)

	vs Q1-FY20	vs Q2-FY20	vs H1-FY20
Change in GP due to change in sales	11.0	4.0	15.0
Change in GP due to change in GP margin	-0.5	1.0	0.5
Change in SGA expenses	-6.5	-2.5	-9.0
Share of profit of associates and joint ventures	1.0	0.0	1.0
Total	5.0	2.5	7.5

(Reference)

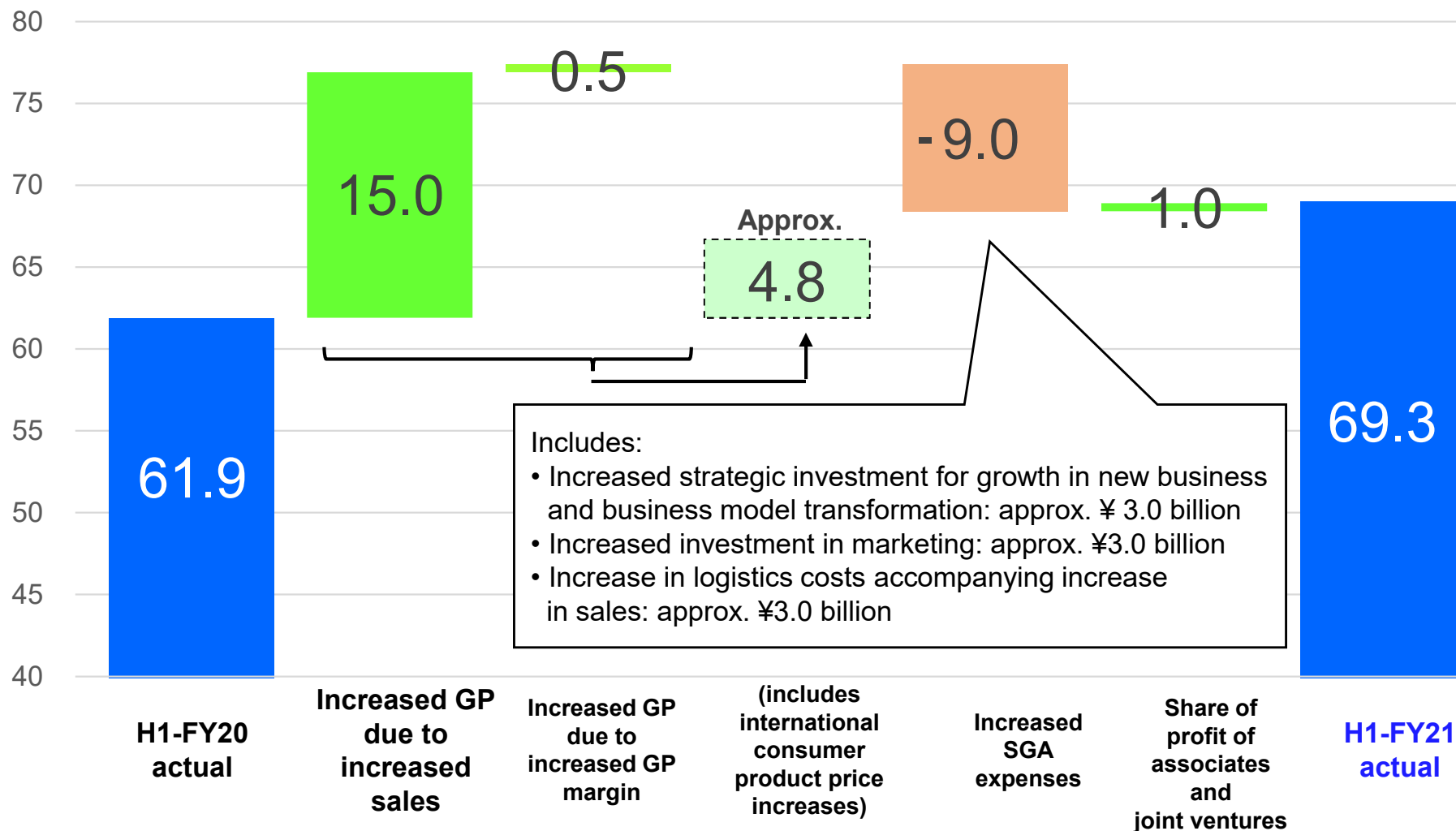
vs Q1-FY19	vs Q2-FY19	vs H1-FY19
4.5	2.0	6.5
7.0	3.5	10.5
-0.5	1.0	0.5
0.5	3.5	4.0
11.5	10.0	21.5



I-3. Changes in Business Profit (First-Half Results by P&L Factor)

Includes:
 Cost increases for raw materials and fuel, and food ingredients: -¥2.5 billion (net impact)
 Currency translation: +¥1.5 billion

(¥ bil.)

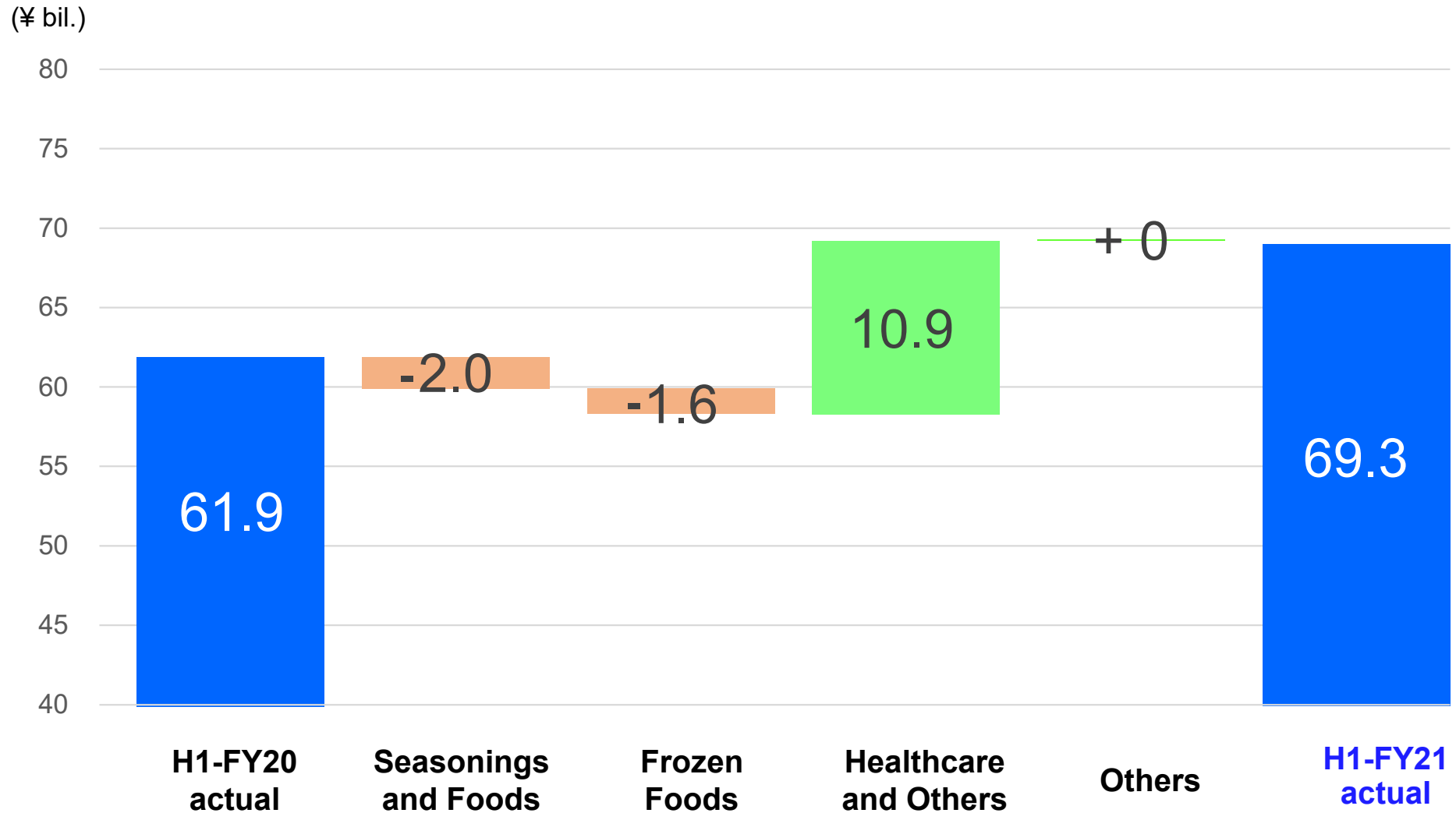


Includes:

- Increased strategic investment for growth in new business and business model transformation: approx. ¥ 3.0 billion
- Increased investment in marketing: approx. ¥3.0 billion
- Increase in logistics costs accompanying increase in sales: approx. ¥3.0 billion



I-3. Changes in Business Profit (First-Half Results by Disclosed Segment)



I-4. Expect Pressure from Cost Increases, and Measures to Counter that Pressure

Recent prices for fermentation raw materials and fuel are close to the levels of 2011, which were the highest in the past 10 years. → We will overcome these with various measures.

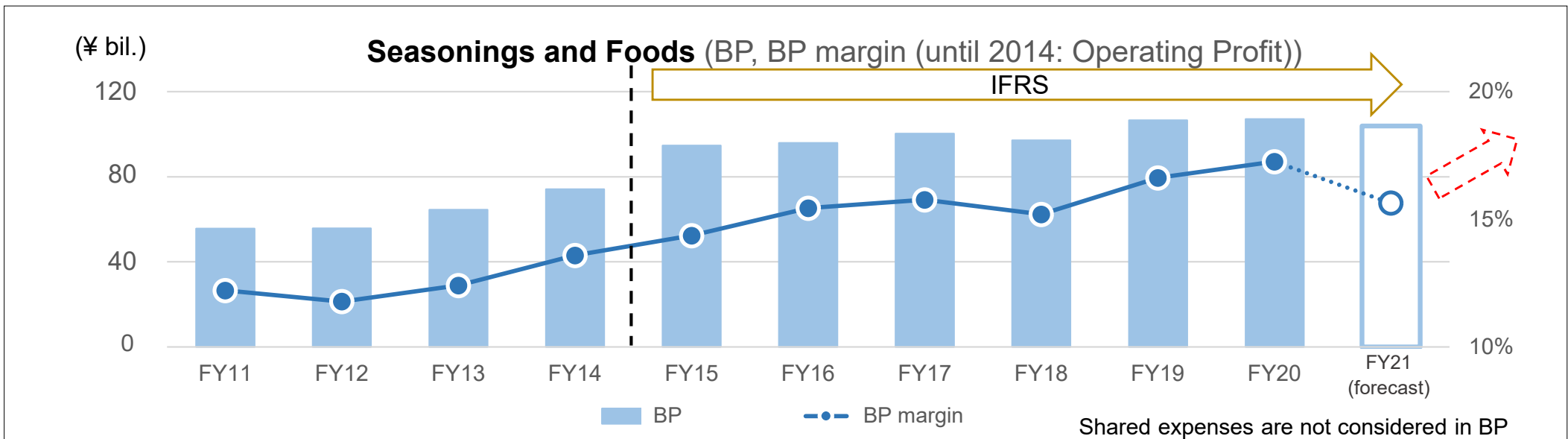
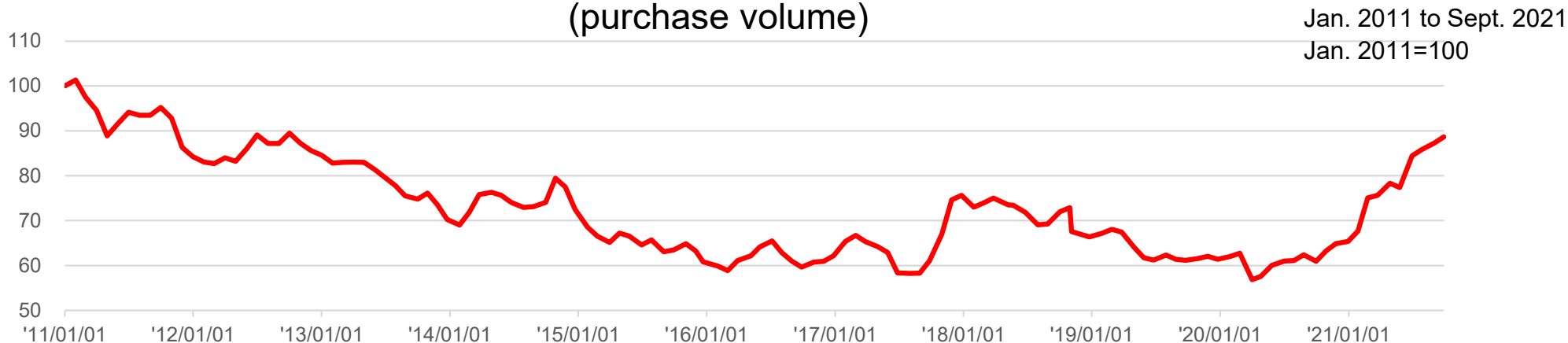
Circumstances that are expected to continue into FY2022

1. The cost of raw materials for fermentation and food products will stay at a high level
The cost of raw materials will continue at a high level due to demand from the recovery from COVID-19, in addition to reduced production accompanying abnormal weather.
 2. Another rise in energy costs and logistics costs staying at a high level
By shifting to renewable energy, energy costs will stay at a high level. This will effect manufacturing and packaging material costs.
Logistics costs arising from a shortage of containers will also remain at a high level.
- ⇒ We will steadily reduce costs by using reduced-material fermentation and innovating with raw material mixes. Also, we will proceed with further structural reform toward a profit structure unaffected by commodity prices, and quickly change prices.

Reference: Items that Impact Business Results (Main and Sub Fermentation Raw Material Prices)

Commodity prices impact Seasonings and Foods. Proceed with structural reform to achieve a business structure that is not affected by raw material prices.

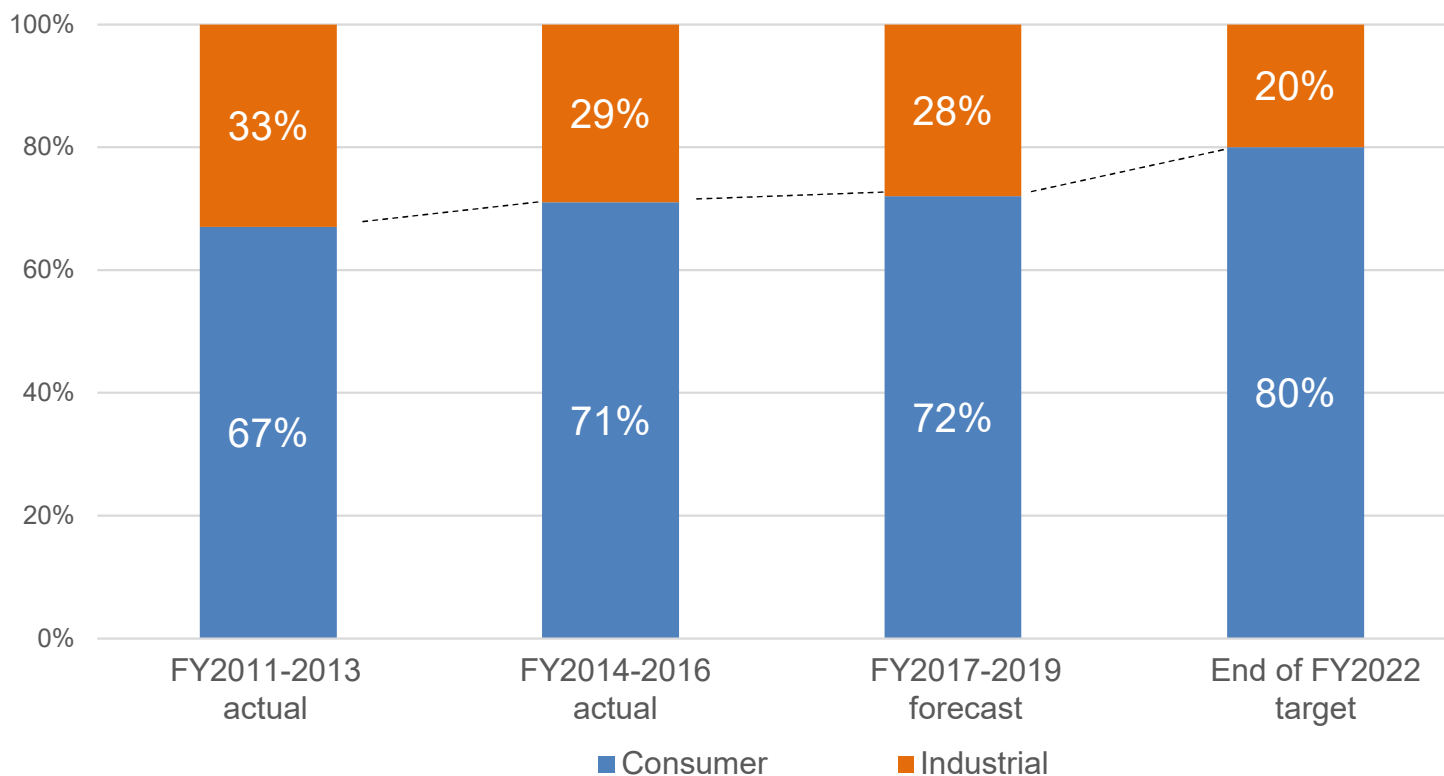
The weighted average of main and sub fermentation raw material prices (purchase volume)



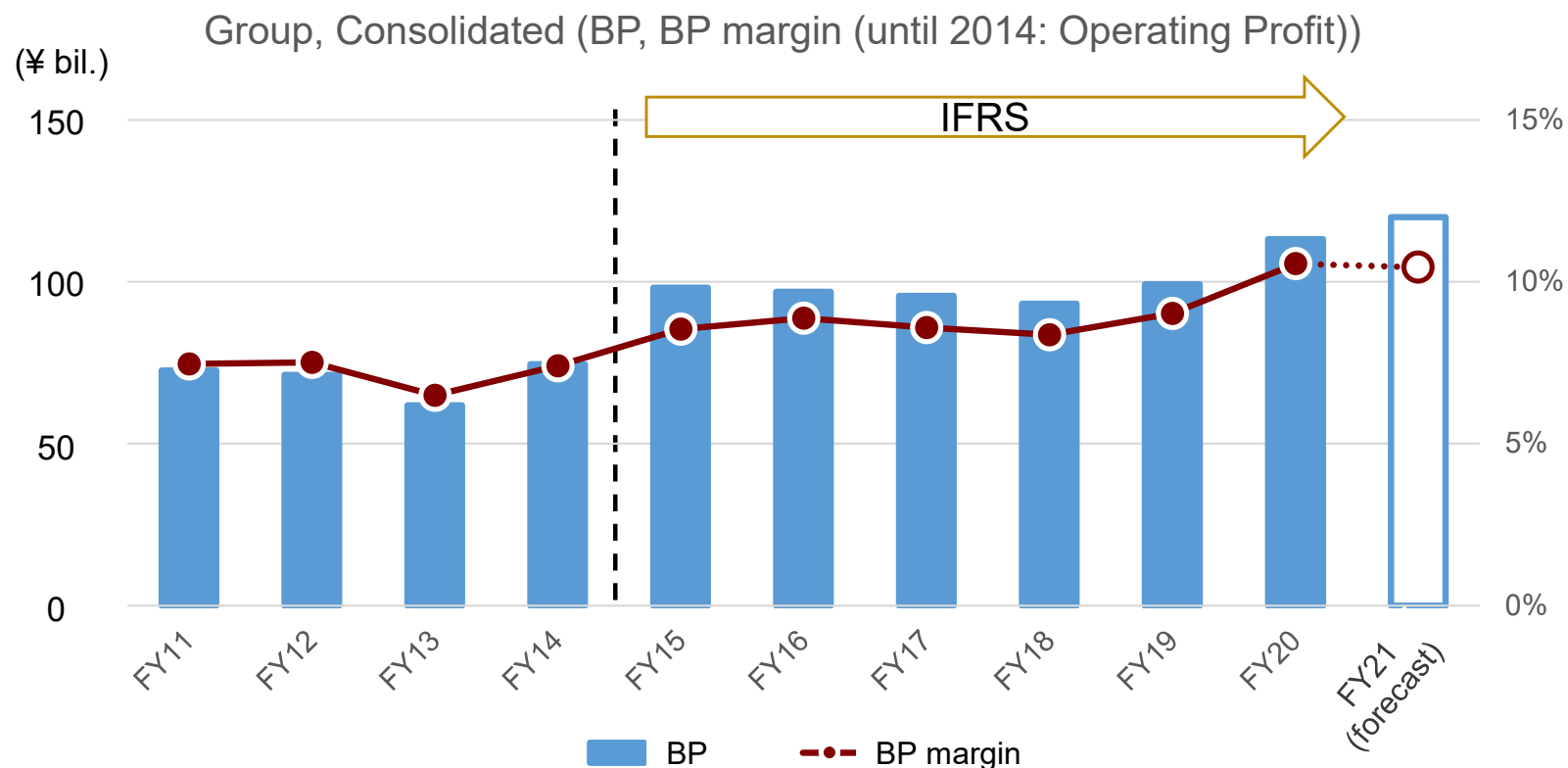
Asset reduction measures: umami seasonings for processed food manufacturers business

1. Achieve consumer ratio of 80% during the current Medium-Term Management Plan: change the sales ratio by increasing sales to consumers and reducing industrial (outside) sales.
2. Gradually introduce resource-saving fermentation technology. Streamline business assets, improve costs and increase per plant productivity.

Consumer/industrial ratio of umami seasonings (by sales volume)



I-5. Group, Consolidated (Business Profit, Business Profit Margin)



- From FY2015 to FY2018, business profit growth stopped temporarily in line with commoditization of the bulk business, primarily feed-use amino acids and slowing economic growth, etc. in major countries of business.
- Profit structure strengthened as a result of pulling in the MTP from FY2019 and proceeding with structural reform.
- In FY2021, profit in Healthcare and Others will increase significantly, leading the Group as a whole.
- We will achieve organic growth through appropriate measures and use of the budget to address COVID-19 and rising raw material prices, and will connect this to sustainable growth with profit growth from the next fiscal year onward.



I-6. FY2021: Forecast (Revised)

The full-year forecast for FY2021 **anticipates revenue and profit growth (upward revision)**. While the environment in the second half will also be difficult, we will achieve organic growth through appropriate measures and use of the budget, and will connect this organic growth to sustainable growth from the next fiscal year onward.

Sales (forecast): ¥1,148.0 billion (107.1% of FY2020 results; excluding currency translation: 105.1%)

Business profit (forecast): ¥120.0 billion (106.1% of FY2020 results; excluding currency translation: 103.7%)

(YoY Business Profit Details – Summary)

(¥ billion)

	vs H1-FY20	vs H2-FY20	vs FY20
Change in GP due to change in sales	15.0	14.0	29.0
Change in GP due to change in GP margin	0.5	1.0	1.5
Change in SGA expenses	-9.0	-16.5	-25.5
Share of profit of associates and joint ventures	1.0	1.0	2.0
Total	7.5	-0.5	7.0

(Reference)

	vs H1-FY19	vs H2-FY19	vs FY19
	6.5	11.0	17.5
	10.5	4.5	15.0
	0.5	-18.0	-17.5
	4.0	1.5	5.5
Total	21.5	-1.0	20.5

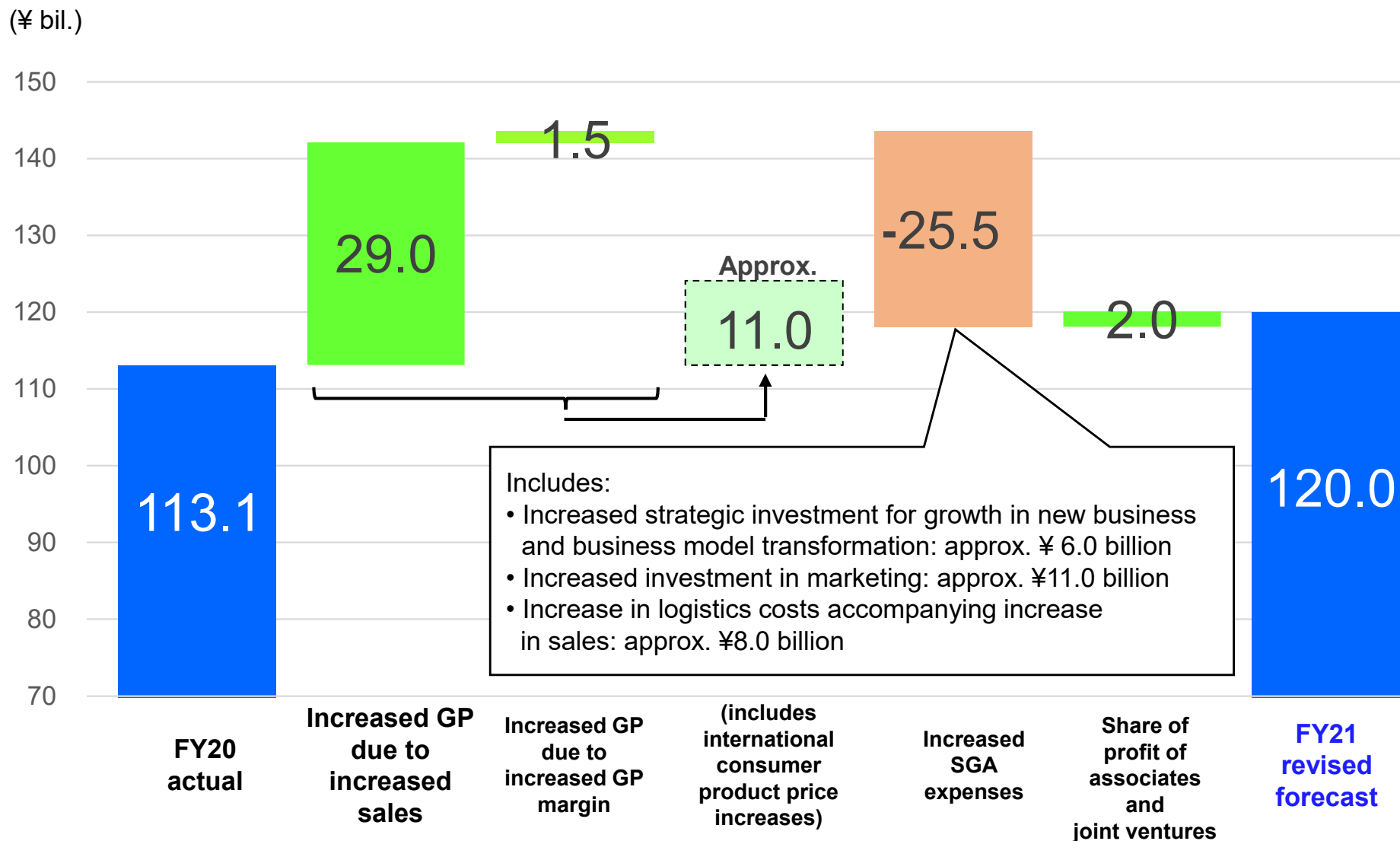


I-7. Changes in Business Profit (Results Forecast by P&L Factor)

Includes:

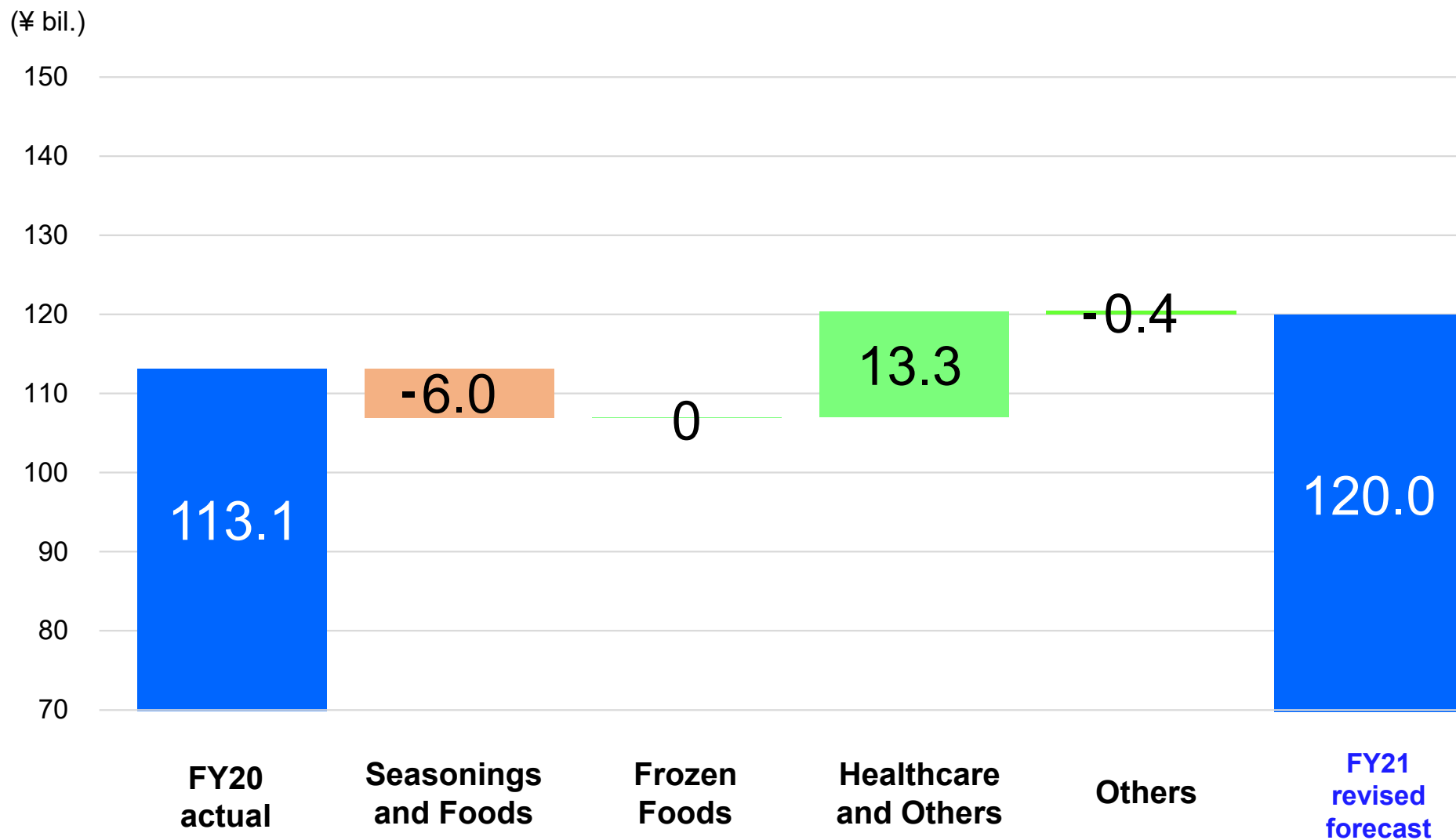
Cost increases for raw materials and fuel, and food ingredients: -¥5.5 billion (net impact)

Currency translation: +¥2.6 billion



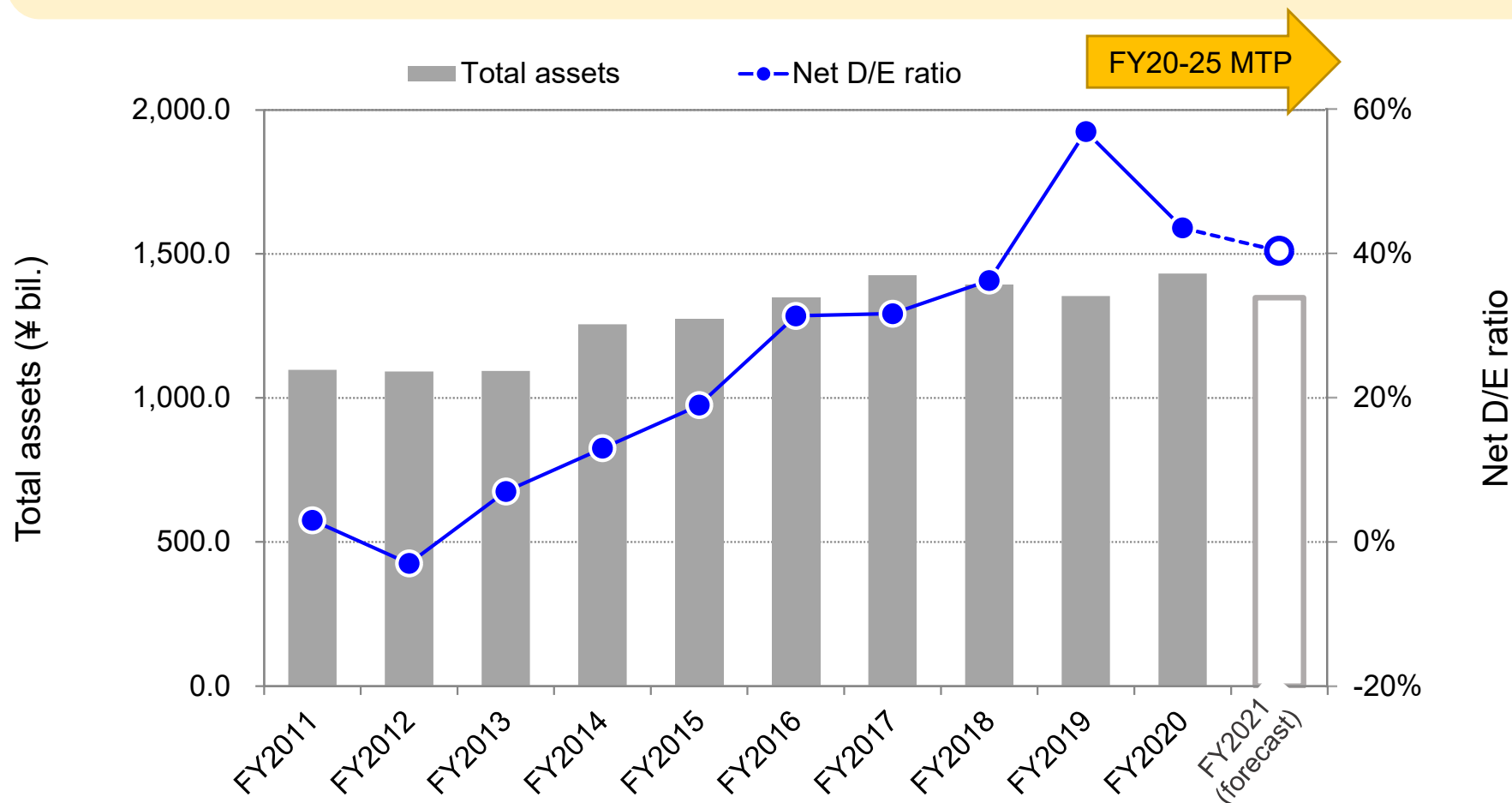


I-7. Changes in Business Profit (Results Forecast by Disclosed Segment)



I-8. Assets and Liabilities

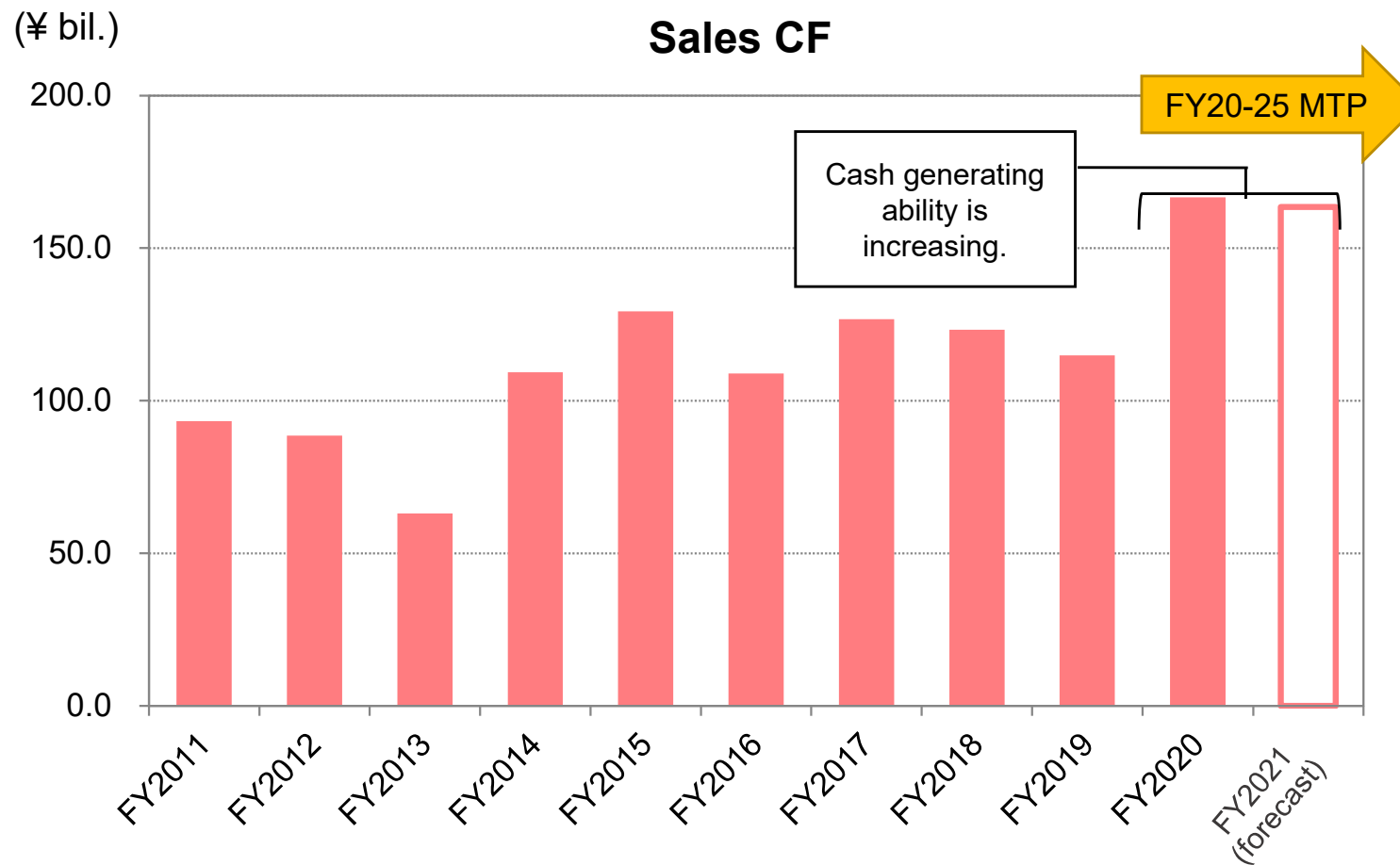
In FY2019, net D/E ratio* temporarily increased due to the acquisition of shares from overseas minority shareholders. **Since FY2020, however, we have managed this to within the 50% set as a guideline in the MTP.**



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

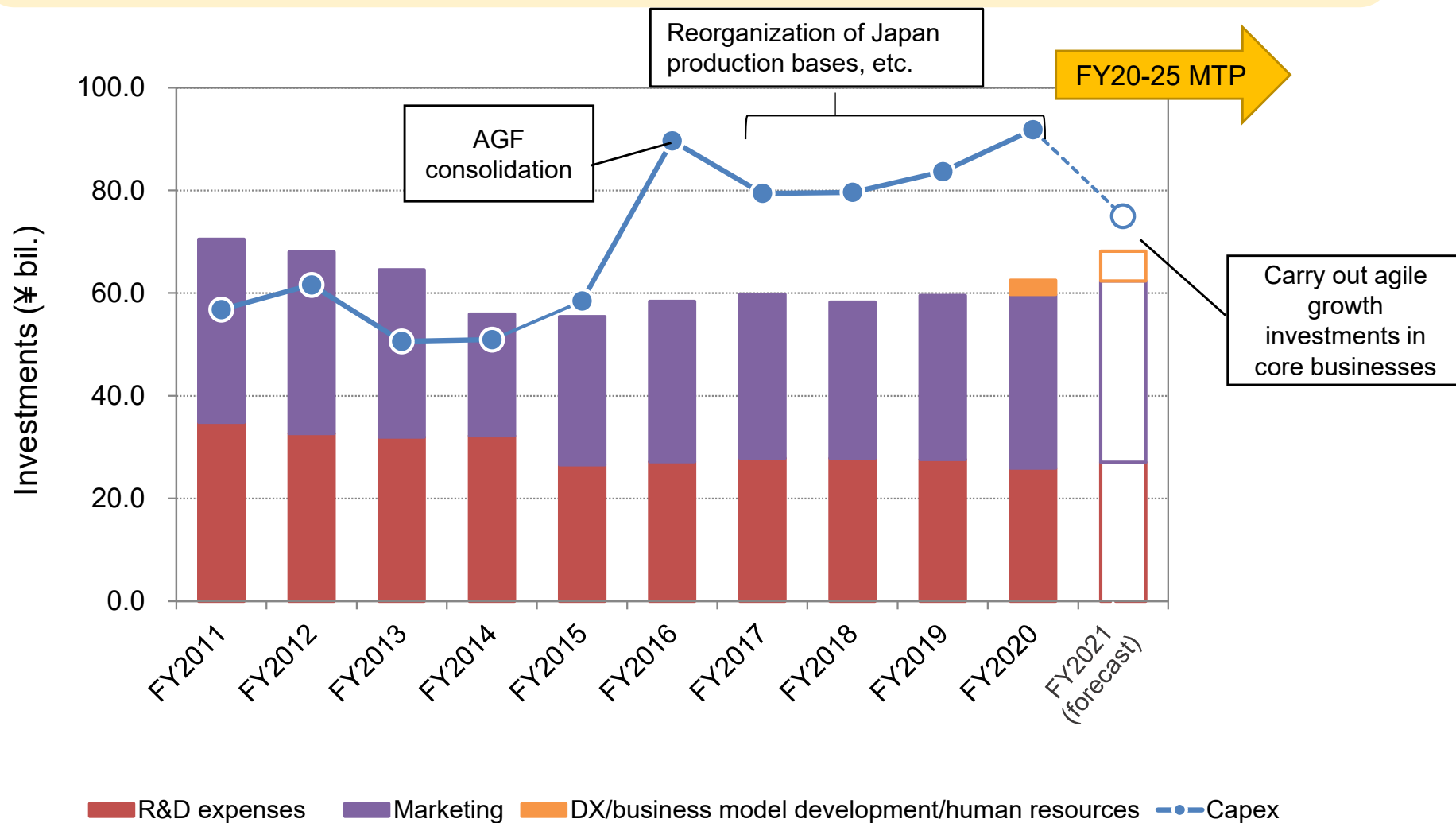
I-9. Cash Generation

FY2021 forecast: Approximately ¥163.0 billion. Since FY2020, cash generation ability has been increasing in line with the increase in business profit, against a backdrop of business growth.



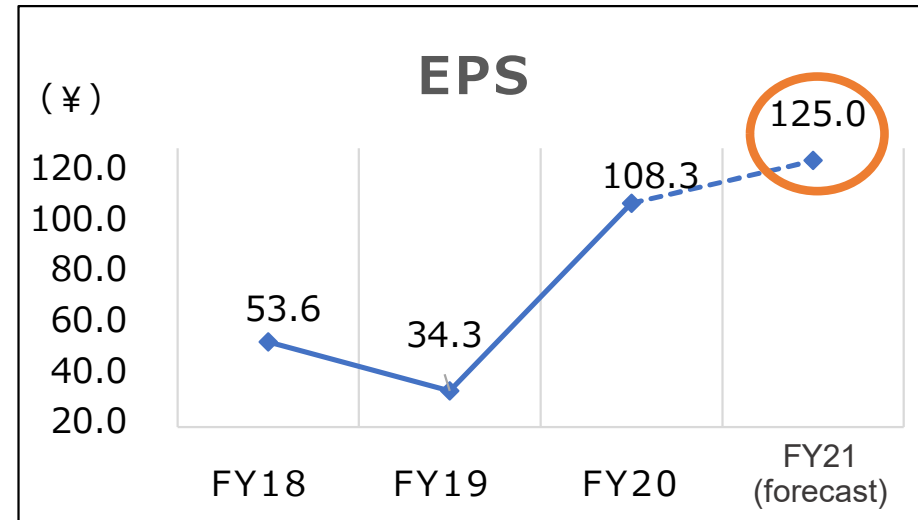
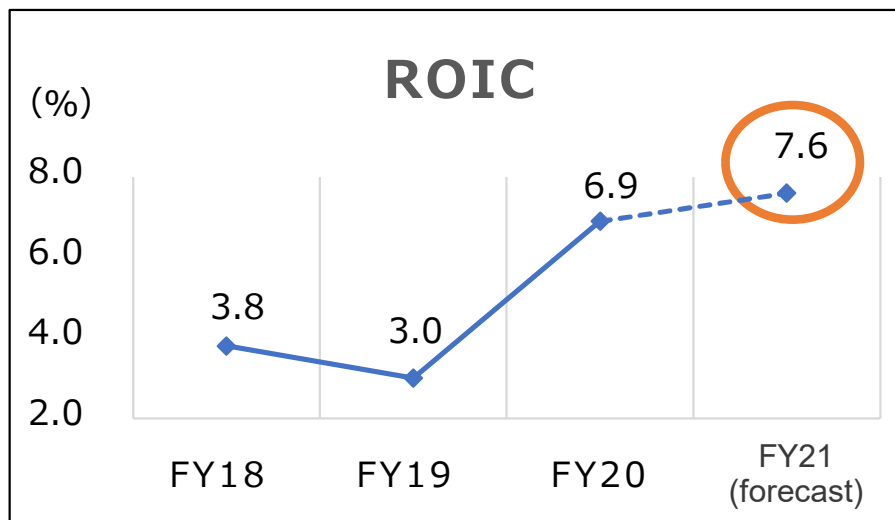
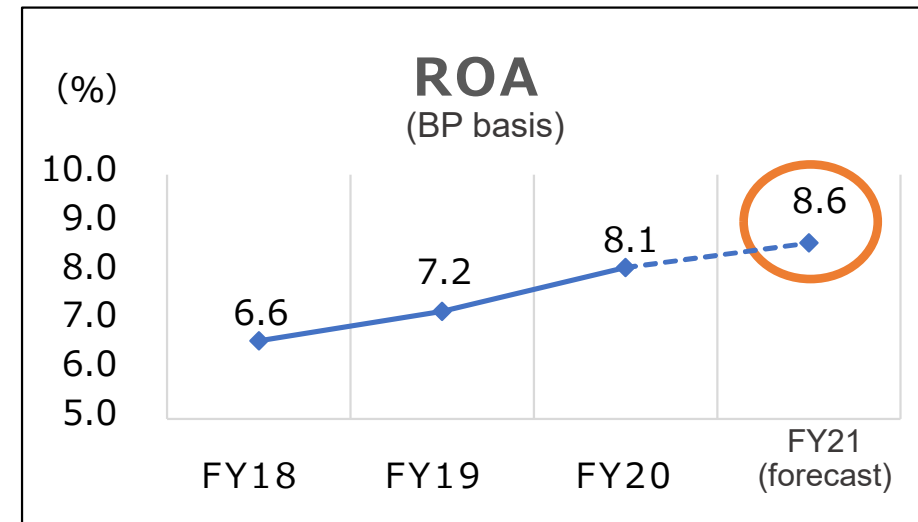
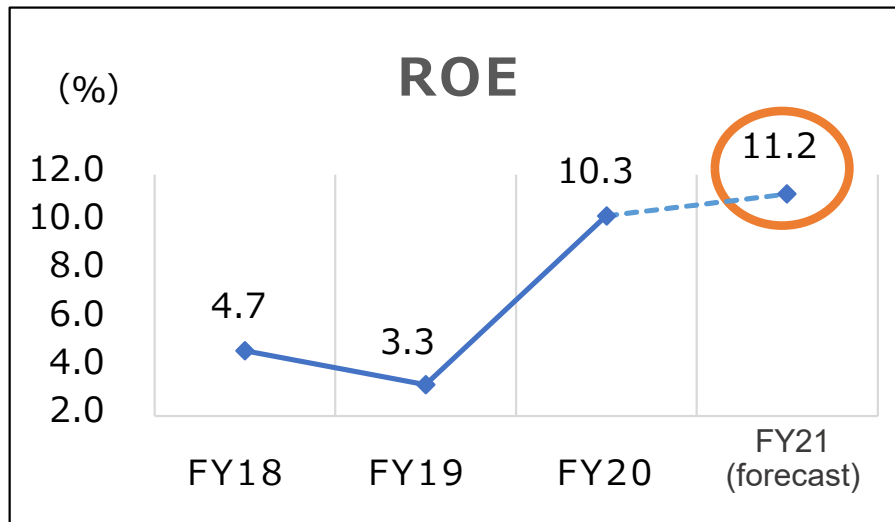
I-10. Strategic Investments

Shift investments from tangible assets to intangible assets, including R&D, brands, DX, business model development, and human resources. Capex will decrease from FY2021, but we will **carry out agile growth investments in core businesses** such as electronic materials.



I-11. Profit Growth and Capital Productivity

Important management indicators are all expected to improve due to asset reduction and steady growth in business profit. **Capital productivity is increasing.**



I-12. Shareholder Returns

Operating cash flow is expected to be about the same level as last year, approximately ¥163.0 billion. **Plan to further increase the dividend (initial: ¥44, current: ¥48).** EPS is expected to grow again in FY2021.

Cash Flow

Operating cash flow:
¥400 bil.+ over 3 years
FY20 actual: ¥165.6 bil.
FY21 forecast: approx. ¥163.0 bil.

Asset reduction on scale of approx. ¥200.0 bil. by FY25

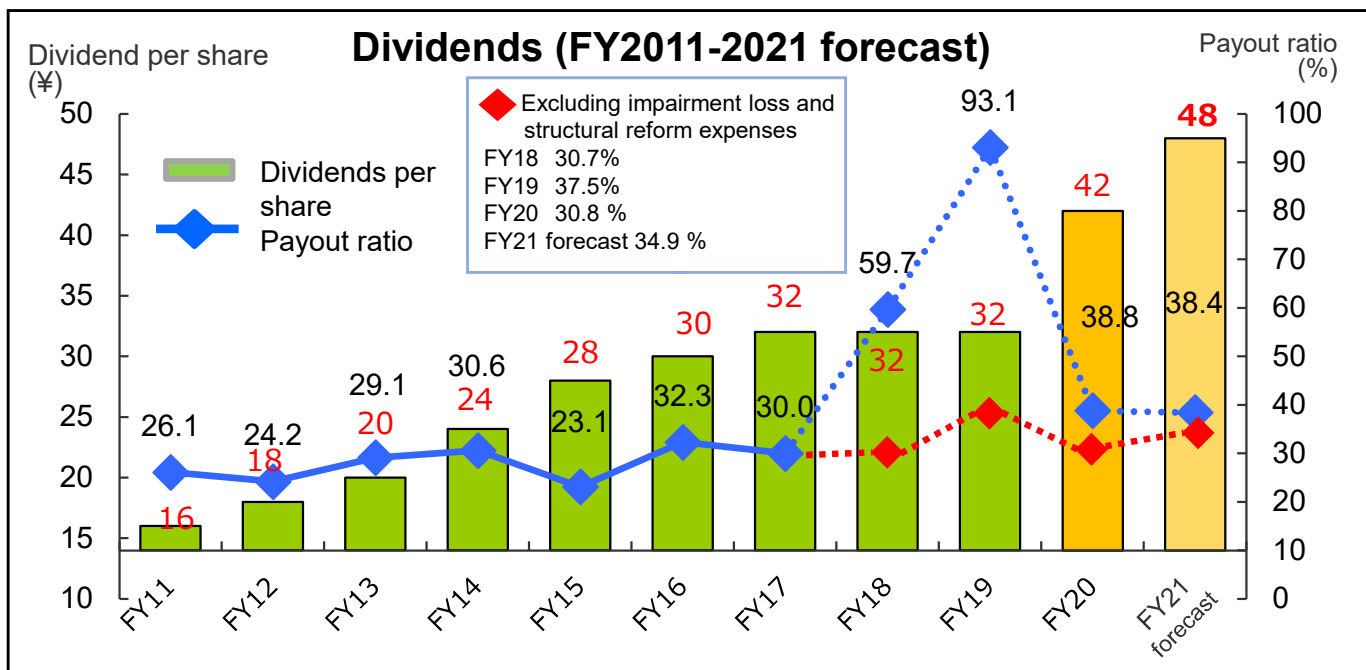
Investments for Growth

Through the MTP period, shift investments from tangible to intangible assets, from non-core to core businesses

Shareholder Returns

Payout ratio: target 40% per FY
FY20 actual: ¥42 (annual) (dividend increase)
New FY21 forecast: ¥48 (annual) (dividend increase planned)

FY20-22
Forecast total shareholder return: 50%+ as target



Repurchase of shares

Repurchase of shares with a limit of 25 million shares, ¥40 billion, which equals 4.55% of the total number of shares outstanding (excluding treasury shares)

(Period: May 11, 2021–January 31, 2022)

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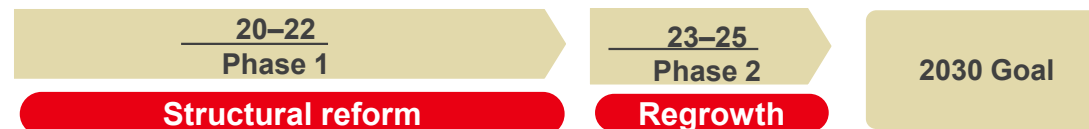
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Priority KPIs (Company-wide Forecast)

Steady progress toward achieving the structural targets of the MTP. To ensure the achievement of FY2022 and FY2025 targets, we are moving to steadily execute the MTP priority themes.



		FY19 (Actual)	FY20 (Actual)	H1-FY21 (Actual)	FY21 (Forecast)	FY22 (MTP Target)	FY25 (MTP Target)	2030 Goal	
Financial indicators	Efficiency	ROIC (>Capital cost) (): Excluding expenses for structural reform	3.0% (Approx. 6%)	6.9% (Approx. 8%)	5.7% (5.7%)	7.6% (8.3%)	8%	10–11%	13%
	Growth	Organic sales growth (YoY)	0.3%	-0.6%	7.1%	7.5%	4%	5%	5%
	Priority KPIs	Percentage of sales from core businesses	66.5%	66.6%	67.7%	Approx. 70%	70%	80%	80% or more
		Unit price growth (YoY) (International consumer products)	Approx. 5%	2.8%	3.1%	3% or more	2.5%	3%	3%
	Non-financial indicators	Employee engagement ("ASV as one's own initiative")	55%	64%	61% (Nov. preliminary figure)		70%	80%	85% or more
Strengthening brand		Brand value (mUSD) (Interbrand research)	780	926	Target 7% CAGR for brand value				
		Brand strength score	56	58	Increase in score for each of 12 major countries of business				



II-1. Priority KPIs (Forecast by Segment)

Segments

FY2020 Actual and FY2021 Revised Forecast

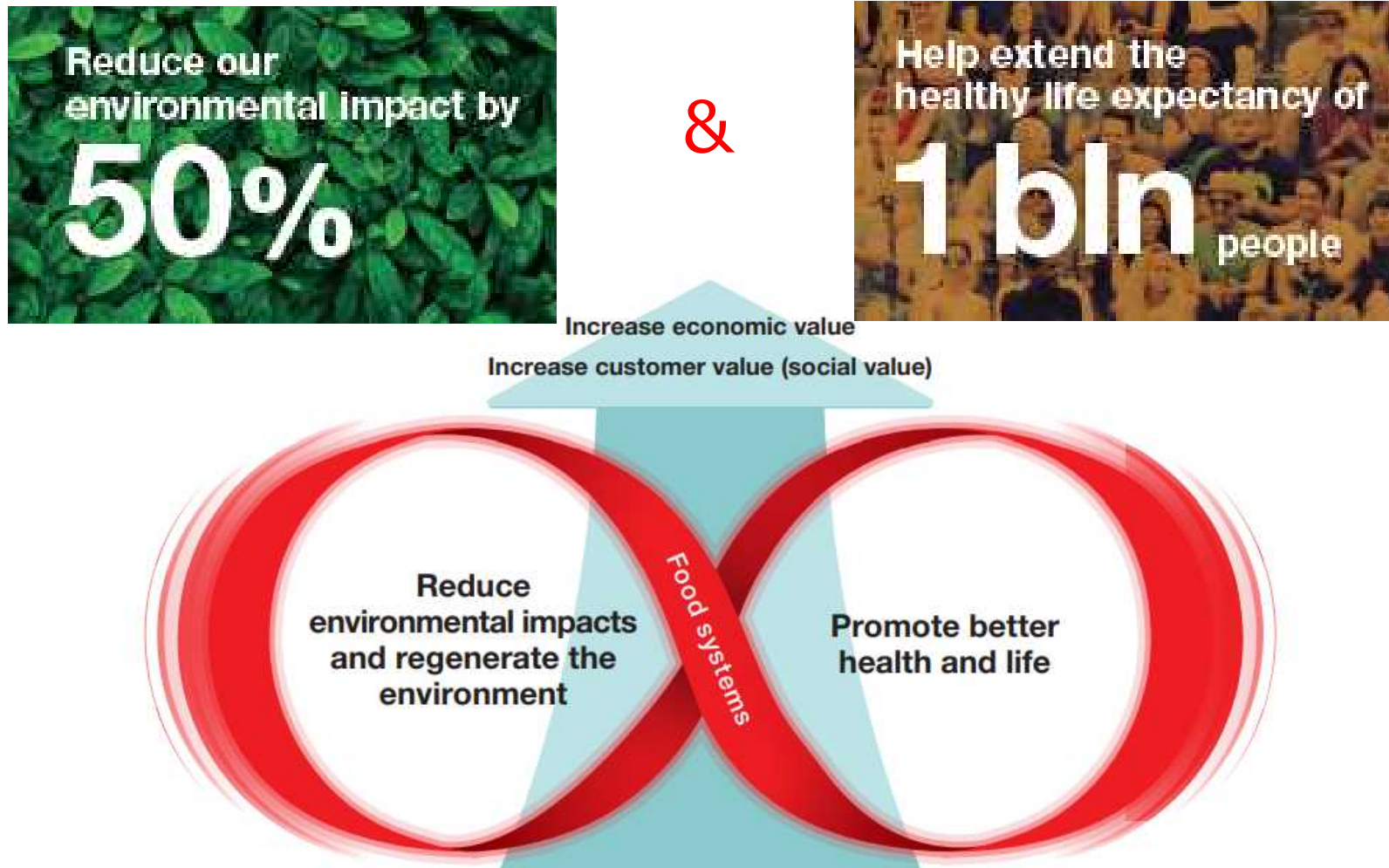
Segments		Organic growth			Unit price growth (International consumer products)			ROIC				
		Organic growth			Unit price growth			ROIC				
		Organic growth (%)			Unit price growth (%)			ROIC (%)				
Seasonings and Foods	Sauce & Seasonings	FY20 actual	FY21-H1 actual	FY21 forecast	FY20 actual	FY21-H1 actual	FY21 forecast	FY20 * actual	FY21 * forecast	MTP Targets		
	Quick Nourishment									FY22	FY25	
	Solution & Ingredients	-0.3%	5.4%	5.6%	2.8%	2.3%	3% or more	12.4%	Approx. 12%	12% or more	17% or more	
								WACC 6%				
Frozen Foods	Frozen Foods	-5.0%	5.7%	7.5%	2.8%	4.7%	5% or more	0.6%	Approx. 1%	1% or more	5%	
									WACC 5%			
Healthcare and Others	Bio-Pharma Services & Ingredients											
	Functional Materials	3.5%	14.7%	11.0%	—	—	—	1.2%	Approx. 10%	10% or more	12% or more	
	Others									WACC 8%		

* Excluding structural reform expenses

II-2. ASV Management: Management Vision 2030 and Strategy

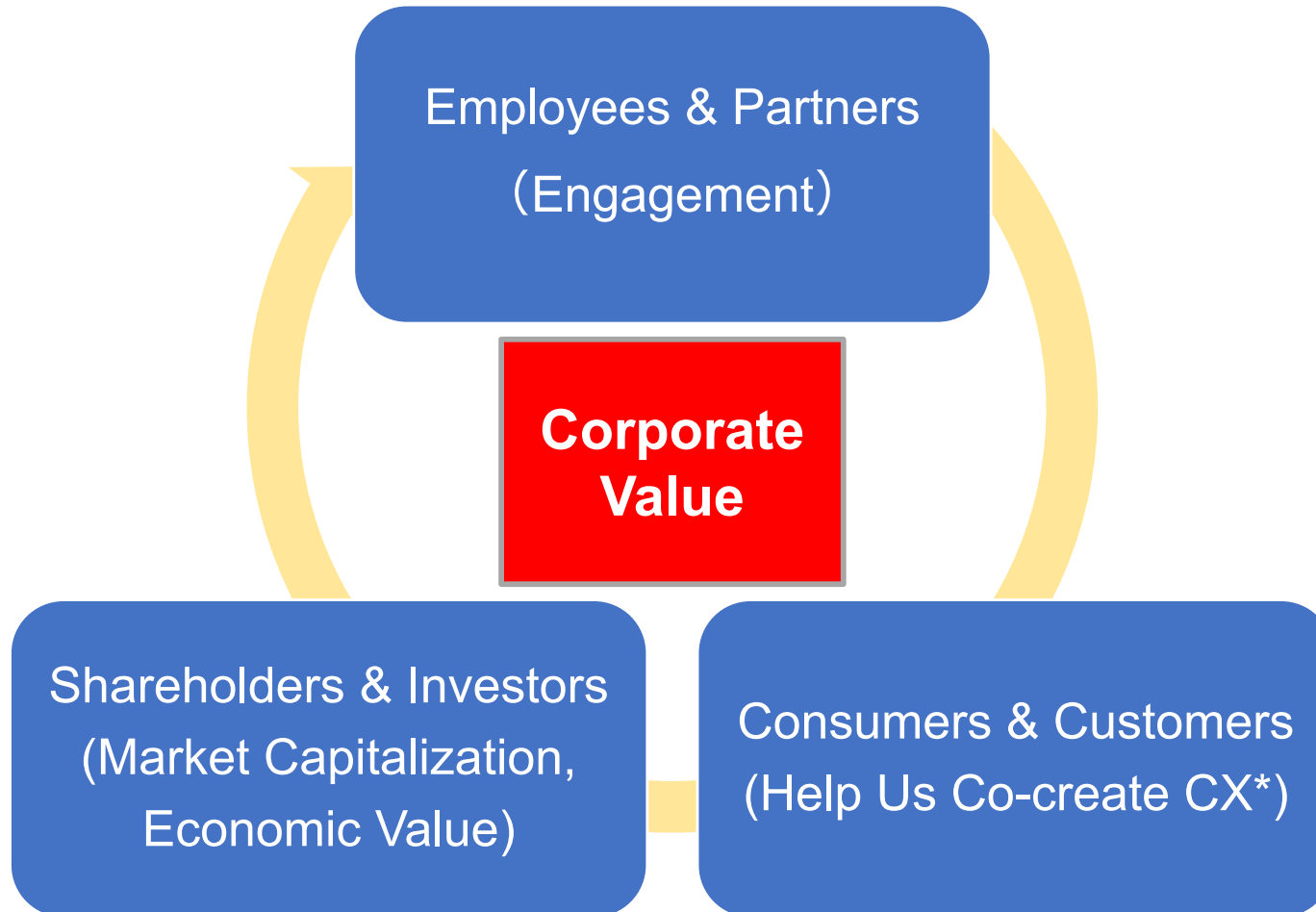
Ajinomoto Group Vision

Contribute to greater wellness for people worldwide, unlocking the power of amino acids to resolve the food and health issues associated with dietary habits and aging.



II-3. ASV Management: Corporate Value Enhancement Cycle

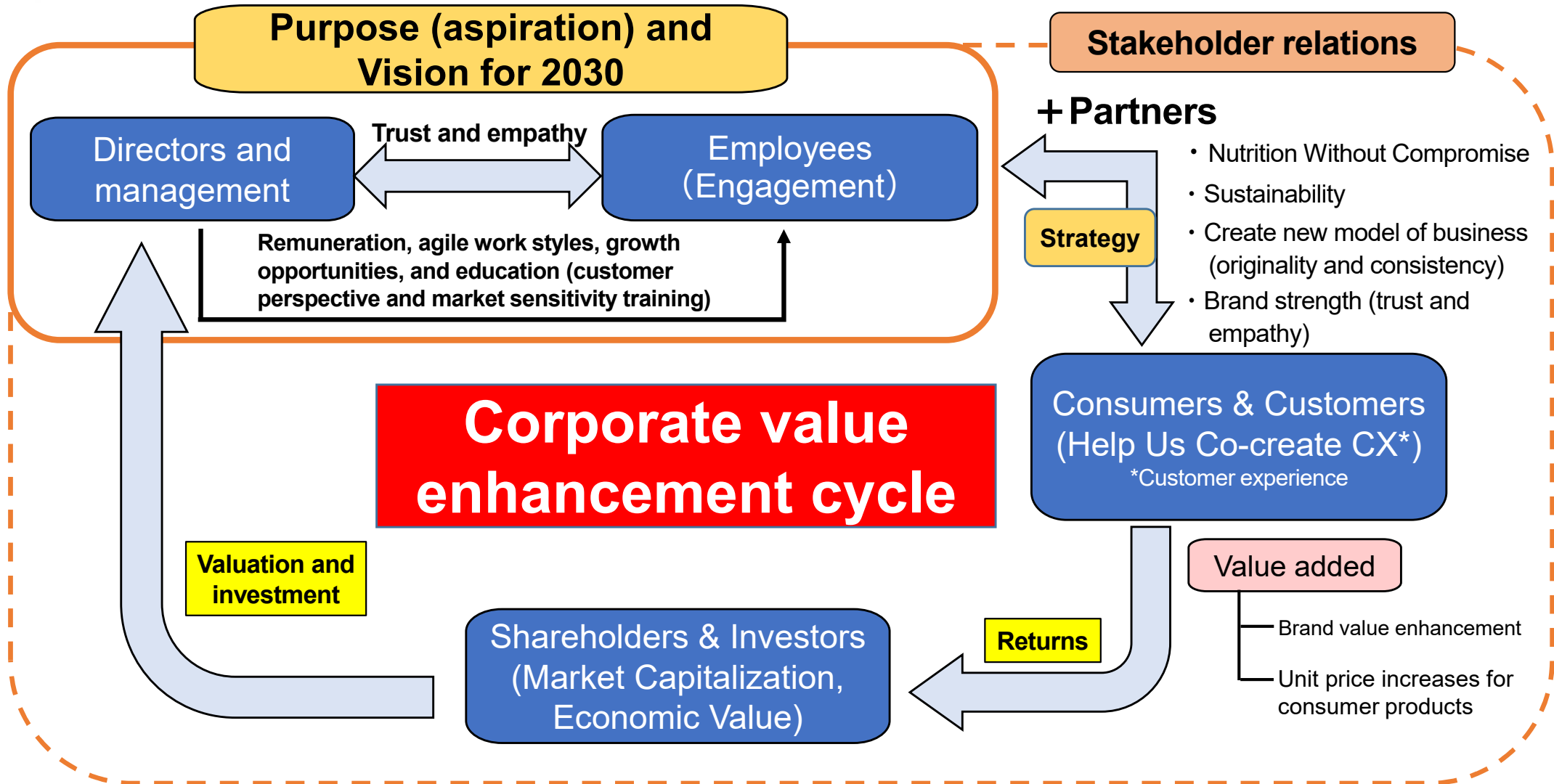
Synchronize the enhancement of value for all stakeholders



*Customer experience



II-4. Purpose (Aspiration) “Solving Food and Health Issues,” and Corporate Value

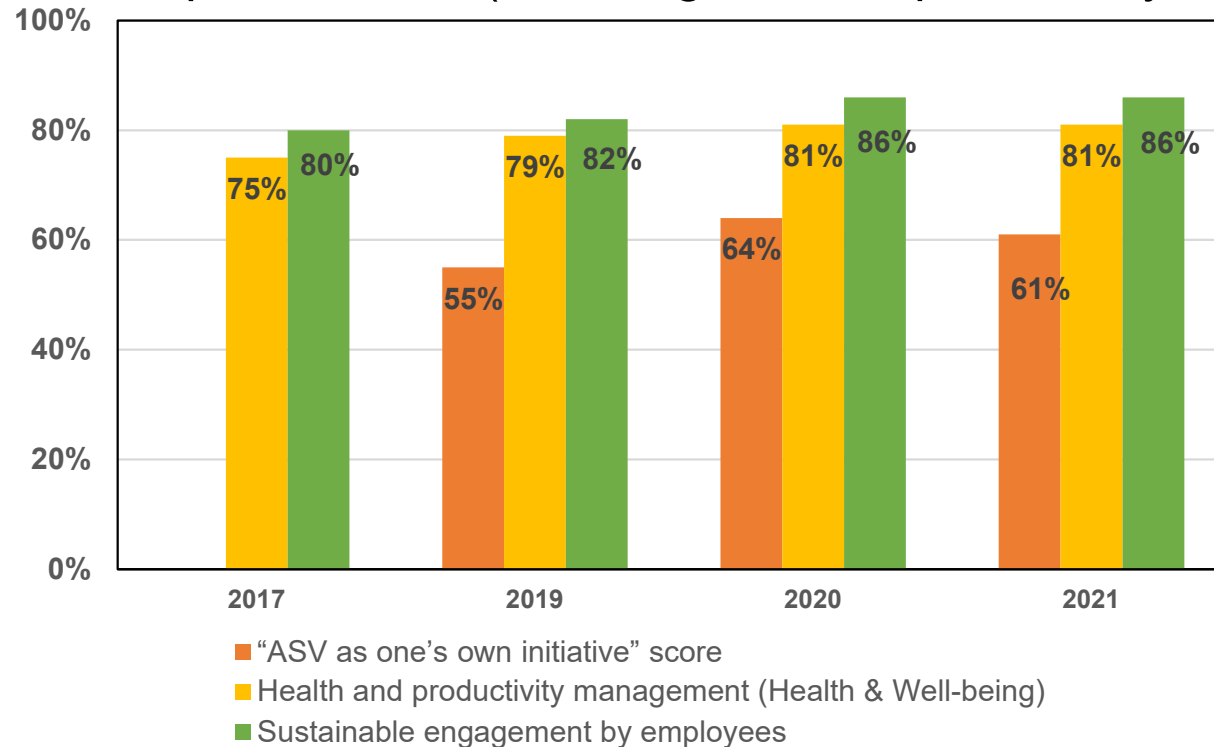


Enhancement of corporate value (the ASV value creation cycle starting from intangible assets) is one of the important issues for deliberation by the Board of Directors.

II-5. Employee Engagement

- In order to improve customer value, promote initiatives to enhance employee engagement.
- ASV as one's own initiative dropped somewhat. Figure out why, including the impact of the pandemic, and move forward on improvement measures.

Favorable response score (including FY2021 preliminary results)



In FY2021, again, the engagement score reached the level of global excellent companies.
We are above a healthy level in all categories and maintaining high scores.

II-6. Development of DX Human Resources to Co-create CX with Consumers and Customers

Started training of Business DX Employees, System Developers, and Data Scientists in FY2020. Also reinforced through appointment from outside.

Group companies in Japan and overseas are also preparing and launching training curriculum.

	FY2020				FY2021		FY2020-2021 Total	
	No. of Trainees	Percent of employees	No. Qualified	Percent of employees	No. of Trainees	Percent of employees	No. of Trainees	Percent of employees
Beginner	801	25.2%	743	23.3%	950	29.8%	1,751	55.0%
Intermediate	173	5.4%	51	1.6%	317	10.0%	490	15.4%
Advance	29	0.9%	9	0.3%	59	1.9%	88	2.8%

In FY2020-2021 more than half of Ajinomoto Co., Inc. employees took courses.

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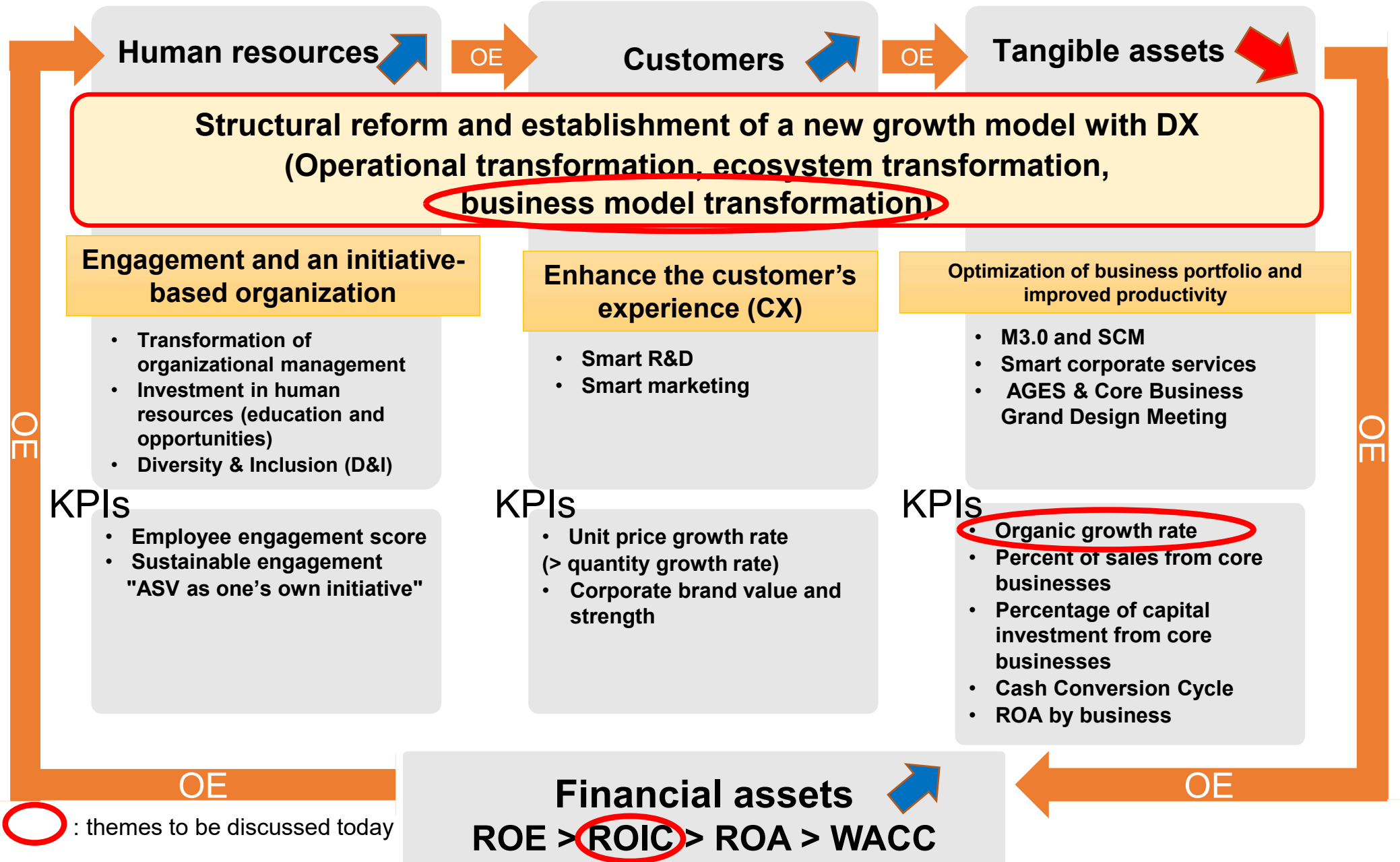
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III. List of MTP Priority Themes

1. Status of Progress on Structural Reform
2. Organic Growth Rate
3. Business Model Transformation
4. Promotion of Sustainability (Health and Environment)

Plan to report on enhancement of brand value in the May financial results

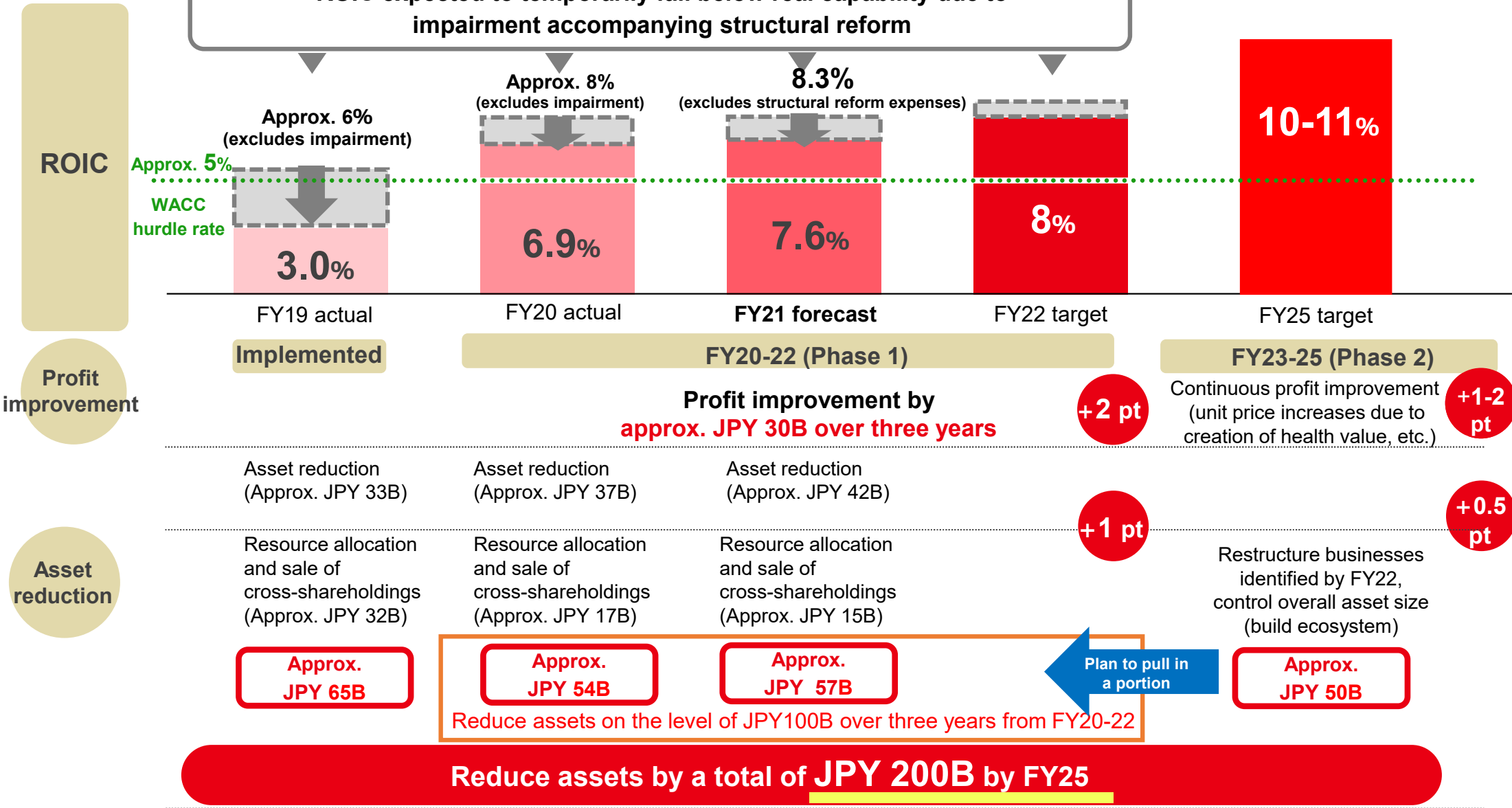
III-1. MTP Priority Themes and Mechanisms for Corporate Value Enhancement





III-2. Progress of Structural Reform (MTP Priority Theme: 1. ROIC)

ROIC expected to temporarily fall below real capability due to impairment accompanying structural reform



+X pt Contribution from ROIC (compared to FY19)

III-2. Progress of Structural Reform (MTP Priority Theme: 1. ROIC)

Structural reform in non-core businesses

Financial impact

1. Animal Nutrition Business (commodities)

Completed sale of company in Europe in April.
Shift to customer solution-providing business.

Amount of asset
reduction:
Approx. ¥15.5
billion (FY2021)

2. Part of MSG Business

Promote structural reform aimed at reducing industrial business (outside sales). Aim to streamline business assets, improve costs, and improve productivity per factory.

Project to
increase
GP margin is
underway

3. Part of Frozen Foods Business

Steadily increase production in growth areas such as in Asian category and reduce assets globally while also reducing SKUs.

Amount of asset
reduction:
¥1.3 billion
(FY2021)

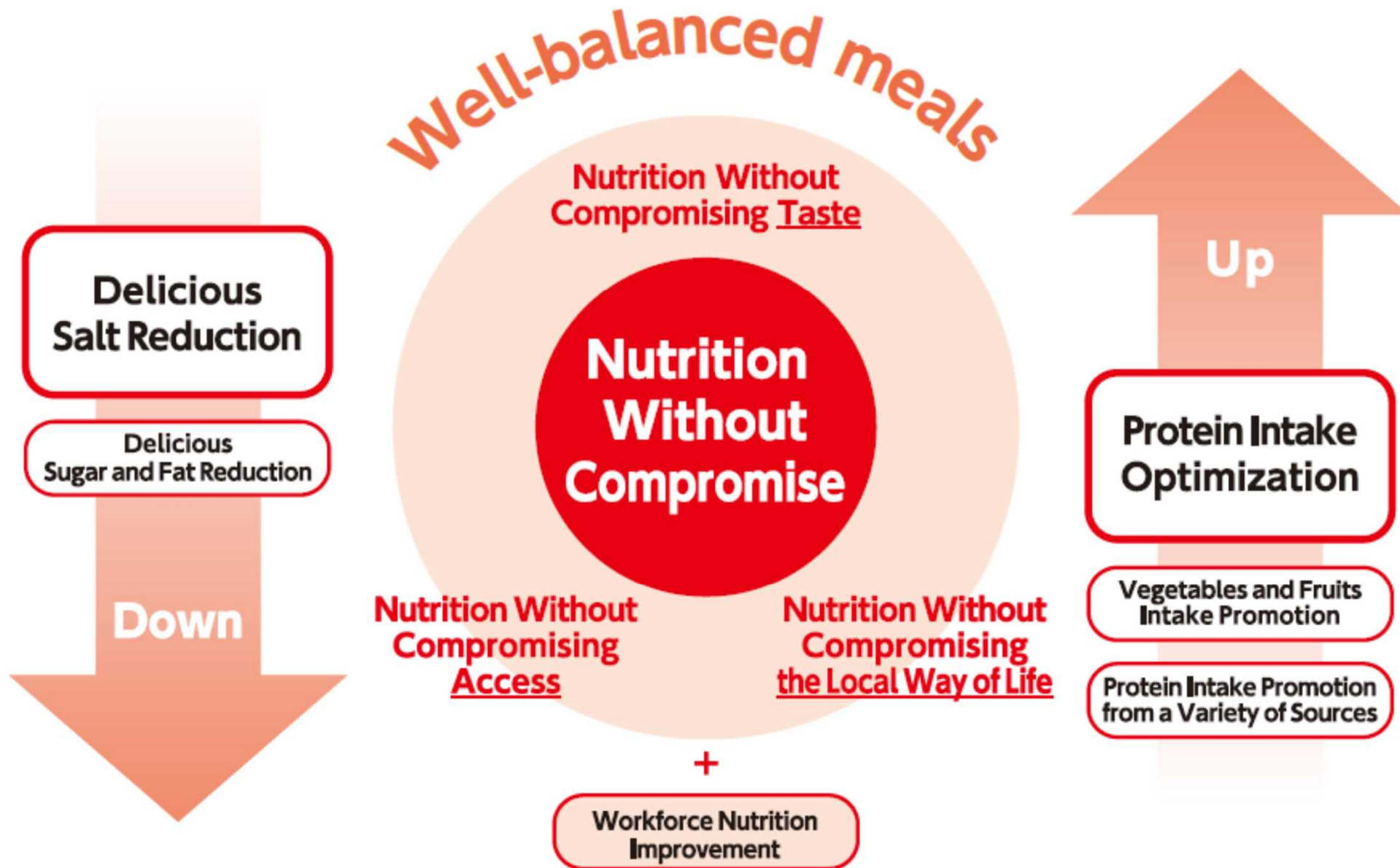
4. Part of Coffee Business in Japan

Withdraw from PET bottle liquid coffee business. Production and sales to be transferred to major beverage manufacturer(s) under a trademark licensing agreement.

Amount of asset
reduction:
¥1.0 billion
(FY2021)

III-3. Organic Growth (MTP Priority Theme: 2. Organic Growth Rate)

Nutrition Without Compromise



III-3. Organic Growth (MTP Priority Theme: 2. Organic Growth Rate)

Many consumers are already reducing their salt intake. We will seize potential opportunities and provide our unique solutions to consumers.

Online survey of understanding, awareness and uptake of salt reduction in major countries of business (September 2021)

Survey Item	Assessment (=> Opportunities and strategies)	Data	
Understanding, awareness, uptake	Many people are reducing their salt intake in each of the countries surveyed. Many people have a high level of awareness and are already reducing their salt intake. =>Motivation to reduce salt	Percentage of people reducing their salt intake	
		4 ASEAN countries	69%
		2 South American countries	77%
		(Reference) Japan	44%
Uptake method	The two main methods adopted by many people are: reducing the amount of salt or seasonings they use and reducing their consumption of processed foods (that seem to have a high salt content). Uptake method is limited to reducing amount of salt used. =>Promote cooking	Percentage of people who responded they are reducing salt with the 2 main methods (see left)	
		4 ASEAN countries	65%
		2 South American countries	76%
		(Reference) Japan	68%
Limiting factors	Main limiting factors to uptake of salt reduction are: "not delicious," "lack of recipes," "don't know salt content," "finding reduced salt products is difficult." 4 main limiting factors to uptake of salt reduction. => Experience deliciousness	Percentage of people who responded with one of the four main limiting factors (see left) (No data from Japan)	
		4 ASEAN countries	83%
		2 South American countries	75%

Target countries Thailand, Indonesia, Vietnam, Philippines, Brazil, Peru

Survey target People in their 20s, 30s, and 40s (n=300 for each), four levels of household income (A, B, C, D), responsible for cooking, seasoning decision maker

Japan survey method: Online, in Dec. 2020, women are between the ages of 20 and 79 (inclusive) and cook at home at least 3 times a week (n=maximum of 8,000)

III-3. Organic Growth (MTP Priority Theme: 2. Organic Growth Rate)



“Smart Salt” Project

Delicious salt reduction using umami and dashi broth!

Advertising
Stream videos for a wide range of ages

Owned media
Provide delicious salt reduction recipes

Products
High quality based on Ajinomoto proprietary technologies

Motivation for salt reduction

Encourage cooking practice

Experience the deliciousness



Global Rollout

Plan to put on sale reduced salt products for 15 brands in 7 countries in **FY2020–FY2021**



III-4. Business Model Transformation (Electronic Materials Business)

(MTP Priority Theme: 3. Business Model Transformation)

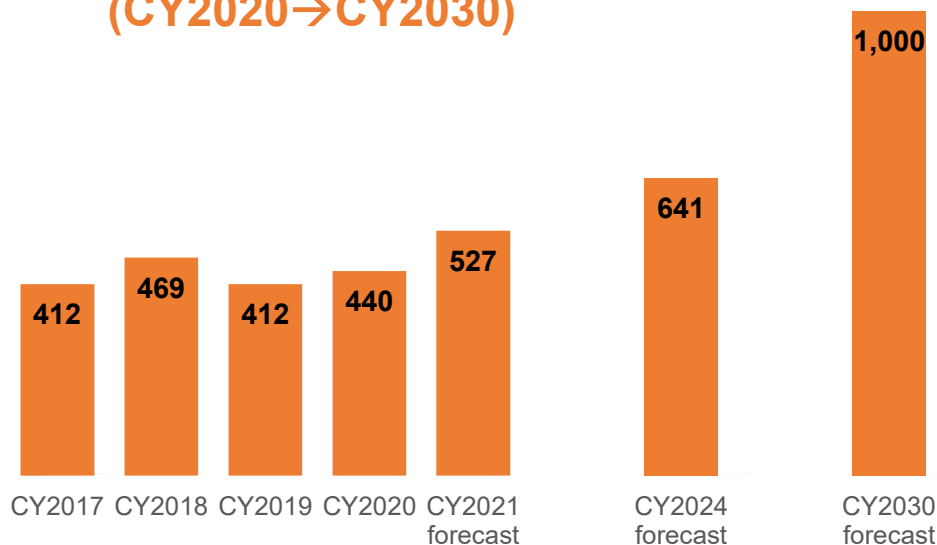
- ◆ Continued adoption in PC and game markets
- ◆ Growth in data center servers and communication applications
- ◆ Expansion of magnetic material (*AFTINNOVA*®) in existing applications



Accelerating growth in electronic materials business continues

Global semiconductor market (\$ billion)

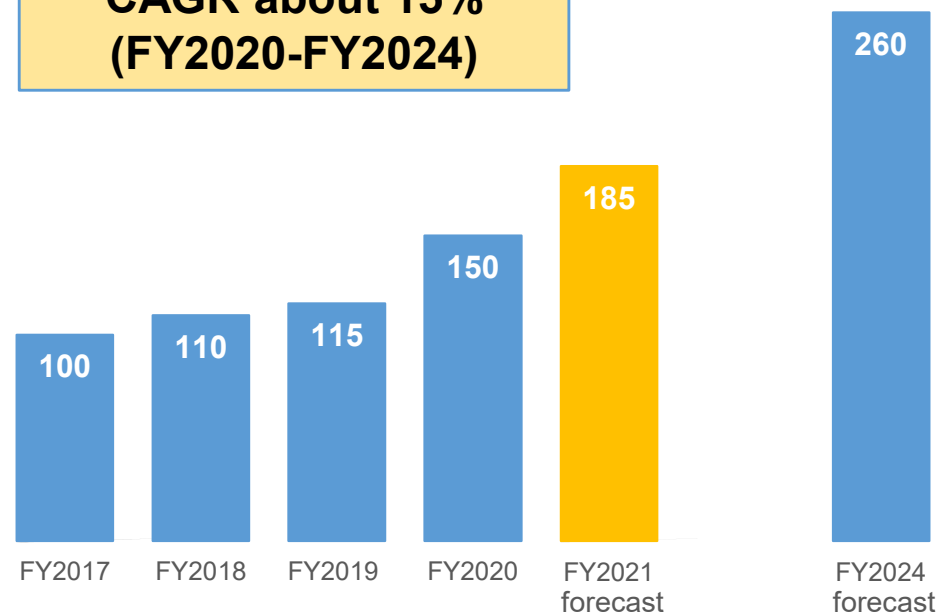
**CAGR about 9%
(CY2020→CY2030)**



ABF Shipment Volume

**CAGR about 15%
(FY2020-FY2024)**

Estimated, with FY2017 shipment volume set to 100



2017-2021: World Semiconductor Trade Statistics (WSTS), Spring 2021
2030: IBS Semiconductor Market Analysis, Jan. 2021

To be sure to respond to customers' demands, pull the plan in and expect to proceed with investments for increased production of about ¥1 bil. FY2022 and about ¥17.0 bil. from FY2023

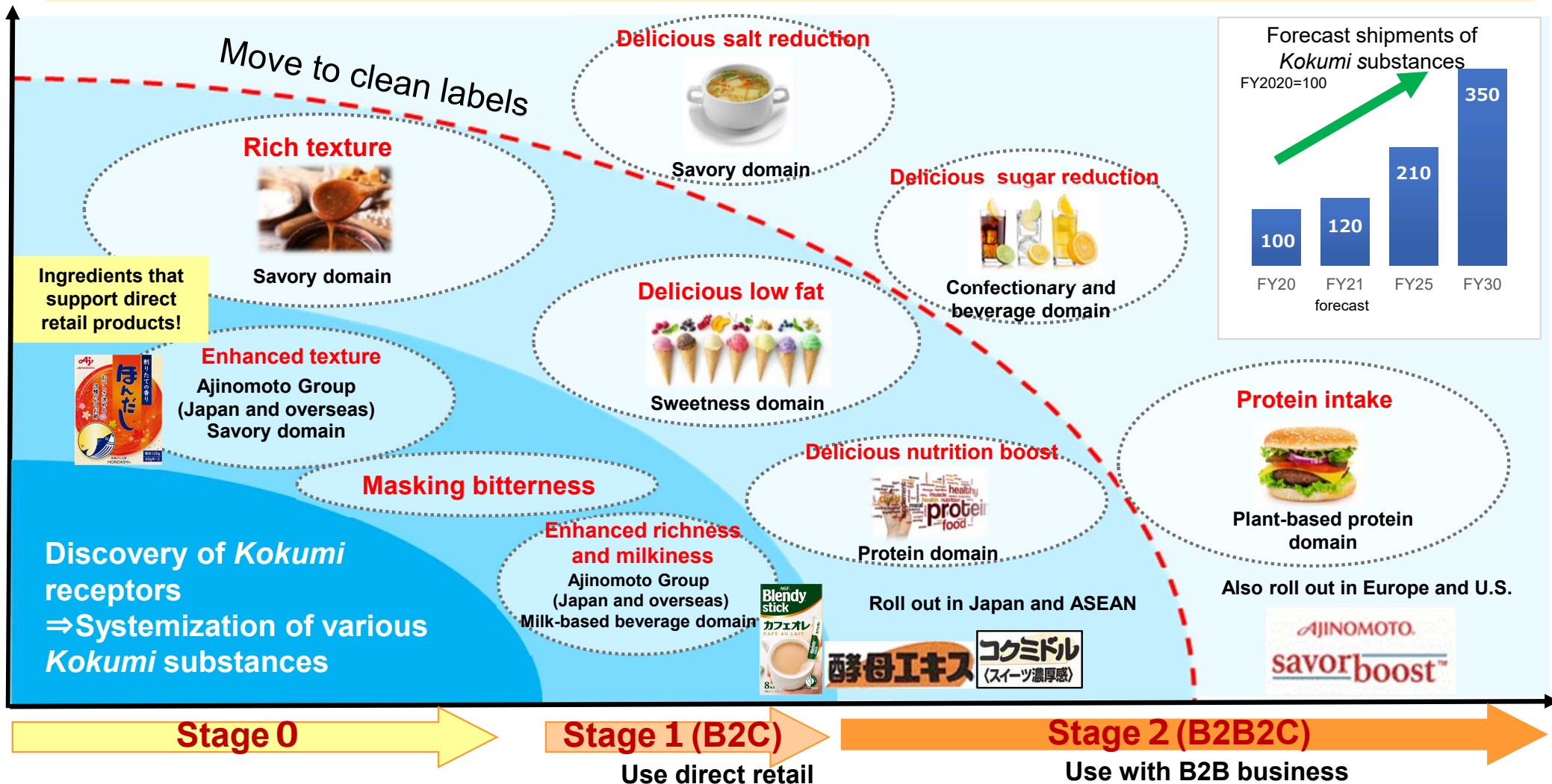


III-4. Business Model Transformation (S&I Business)

(MTP Priority Theme: 3. Business Model Transformation)

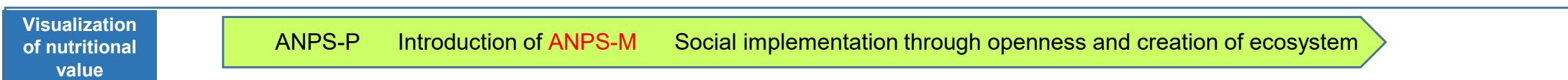
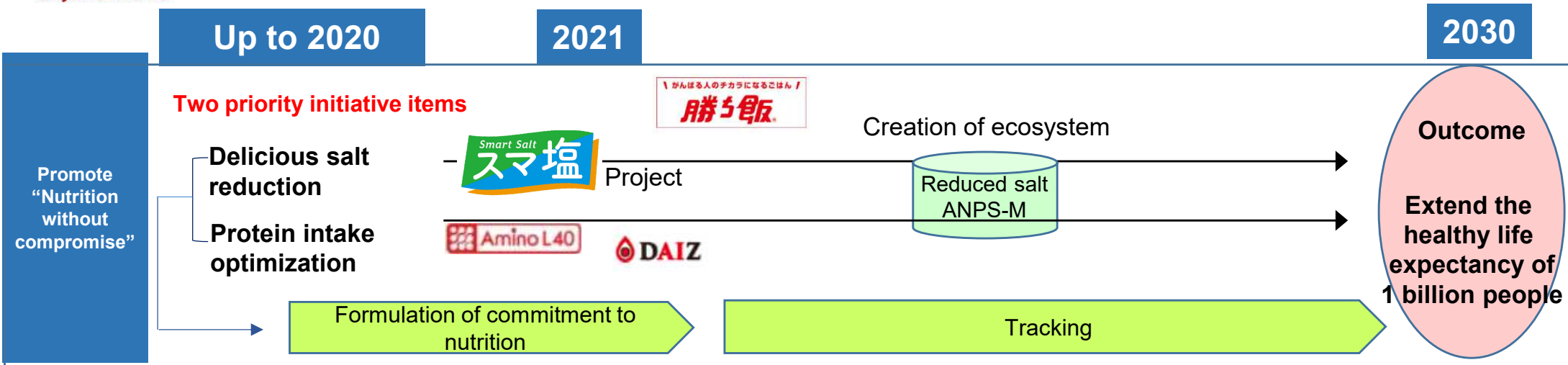
AJINOMOTO

- ◆ *Kokumi* substances* based on amino acids contribute to delicious salt reduction, delicious sugar reduction, and protein intake for consumers.
 - ◆ Contact points with customers are expected to expand from Japan to Europe, the U.S. and other overseas regions due to clean labels.
 - ◆ Contribute to solving the problems of B2B customers as a business model for high-speed development of products and solutions
- * Substances that give food a richness that includes complexity, depth, continuity, and breadth.



III-5. Promotion of Sustainability

(MTP Priority Theme: 4. Extend the Healthy Life Expectancy of 1 Billion People)



Strengthen engagement globally

- Contribute to international conferences (appeal)
- Food Systems Summit (Sep. 2021)
- Tokyo Nutrition for Growth Summit (Dec. 2021)
- Construct strategic relationships; partnerships

Strengthen base to extend healthy life expectancy

- Construct hypothesis of meals leading to physical and mental health
- HIROSAKI COI center of innovation
- Joint research with Hirosaki COI
- Analysis of varied and diverse big data => Solve issues through products and services (utilize the field)
- Promote improved nutrition in the workplace
- Affiliation with Workforce Nutrition Alliance

Visualize and quantify healthy life expectancy (KPIs)

- Utilize DALYs (disability-adjusted life years)
- Joint research with academia (e.g., The University of Tokyo)
- Visualize well-being (subjective indicators)
- Participate in Well-being Initiative

III-5. Promotion of Sustainability

(MTP Priority Theme: 4. Extend the Healthy Life Expectancy of 1 Billion People)

➤ Leadership at international conferences

- UN Food Systems Summit

- ✓ Actively participated in CEO consultation meetings¹
- ✓ Endorsed Business Declaration for Food Systems Transformation²
- ✓ As the representative of private companies at the pre-summit in July, announced contribution to achieve zero hunger in terms of agricultural support and reduction of malnutrition



Pre-summit speech (online)

- Tokyo Nutrition for Growth Summit 2021

- ✓ Actively contribute to the success of the summit through discussions on nutrition improvement with domestic and overseas stakeholders



➤ Contribute to active dialogue and rule-setting with evaluation body

- ATNI (Access to Nutrition Initiative)

- ✓ Participate in event related to results of evaluation of Japanese companies in 2021
- ✓ Recommended reworking of evaluation method from uniform method to one reflecting local food culture and dietary habits
(Evaluation for diet overall, not only packaged foods. Activities aimed at improving consumers' nutritional knowledge)

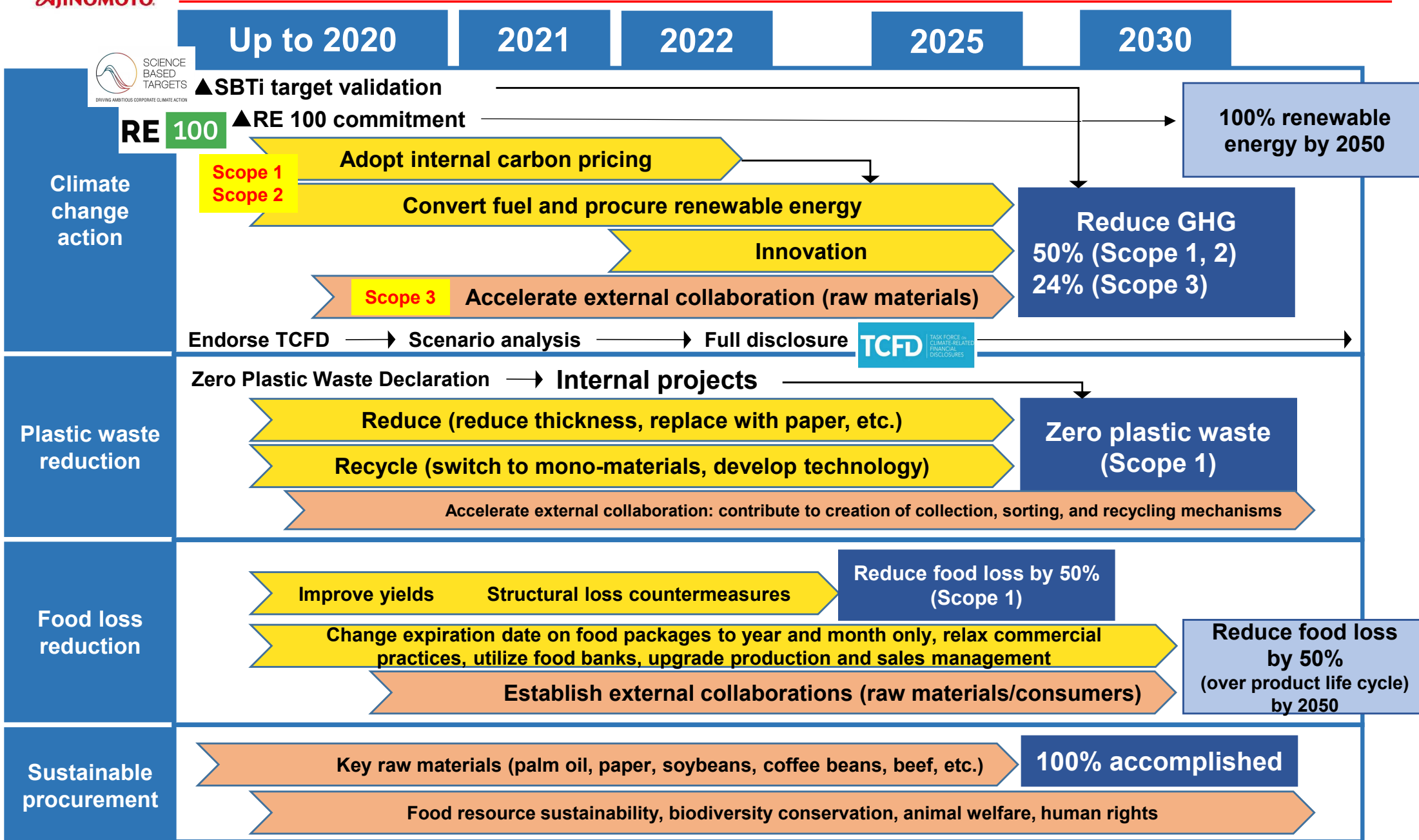


1. CEO consultation for Food Systems Summit: Participation by approximately 60 CEOs from around the world, at request of UN Special Envoy Dr. Agnes Kalibata. Held 5 times.
2. <https://foodsystems.community/business-declaration-for-food-systems-transformation/>



III-5. Promotion of Sustainability

(MTP Priority Theme: 4. Reduce Environmental Impact by 50%)



Message from the CEO

We are capturing the "new normal" of COVID-19 and, with our engagement in health and the environment, the growth potential of our core businesses is increasing.

We are progressing with development of frameworks to unleash the potential of talent through DX toward our aim of becoming a solution-providing group of companies for food and health issues by turning issues such as increasing resource prices and the impact of sustainability costs into opportunities.

We will continue advancing our ASV management through rapid transformation.

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.**

FY2021: Q2 Results Summary

FY2021 Q2 Results Summary

Sales: ¥273.8 billion (104.0% of FY2020 results; excluding currency translation: 102.4%)
 Business profit: ¥30.3 billion (108.0% of FY2020 results; excluding currency translation: 106.5%)

1. Sales: **Increased (¥10.4 billion)**

- Overall revenue increased driven by overseas Sauce & Seasonings, umami seasonings for processed food manufacturers, overseas Frozen Foods, Bio-Pharma Services & Ingredients, Functional Materials, etc.

2. Business profit: **Increased (¥2.2 billion)**

- Overall profit increased due to large profit growth in Healthcare & Others despite decline in profit of Seasonings and Foods and Frozen Foods.

(YoY Business Profit Details – Summary)

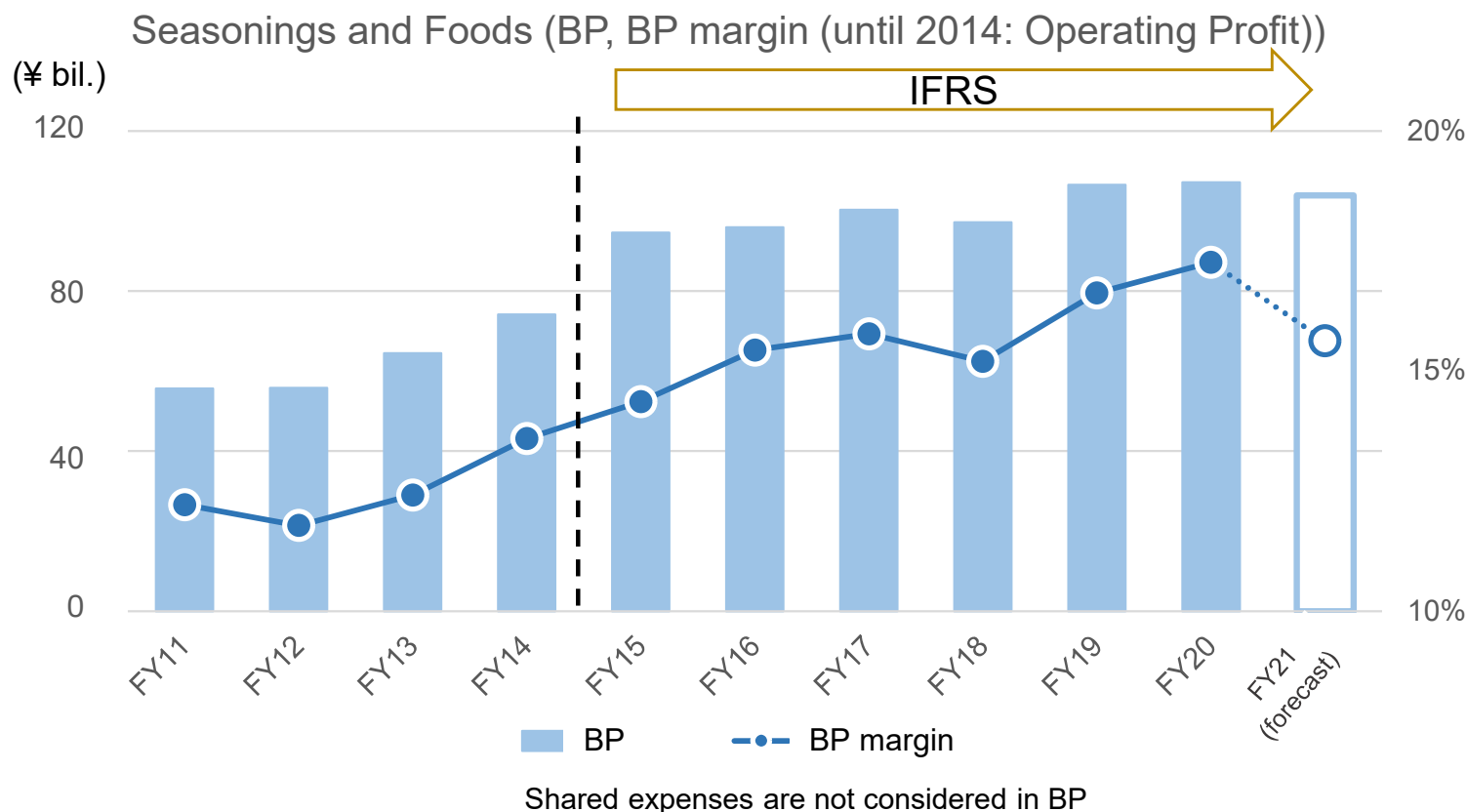
(¥ billion)

	vs Q1-FY20	vs Q2-FY20
Change in GP due to change in sales	11.0	4.0
Change in GP due to change in GP margin	-0.5	1.0
Change in SGA expenses	-6.5	-2.5
Share of profit of associates and joint ventures	1.0	0.0
Total	5.0	2.5

(Reference)

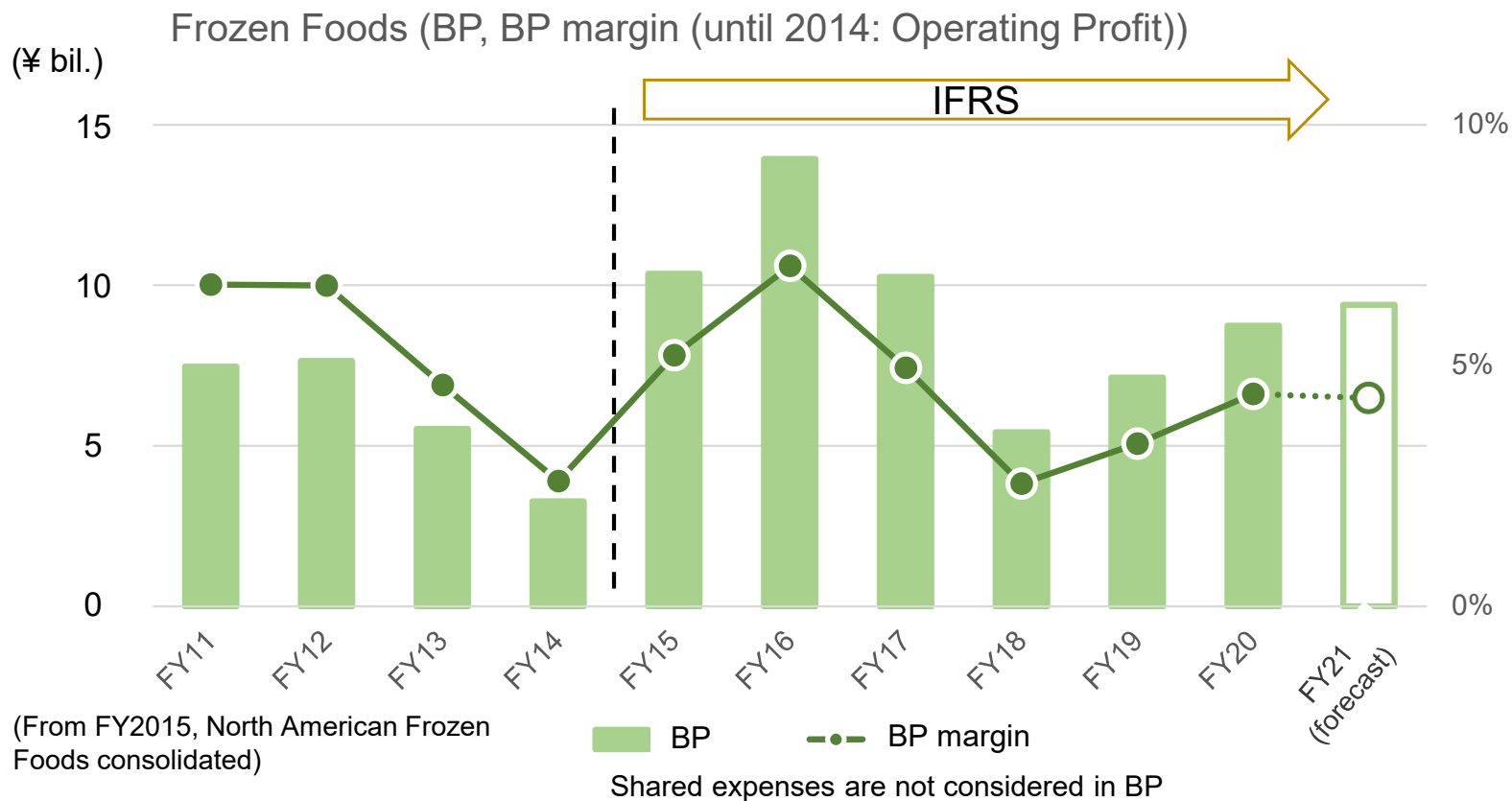
	vs Q1-FY19	vs Q2-FY19
	4.5	2.0
	7.0	3.5
	-0.5	1.0
	0.5	3.5
Total	11.5	10.0

Seasonings and Foods Segment (Business Profit, Business Profit Margin)



- Profitability has improved steadily since FY2015.
- In FY2021, business profit is expected to decline despite sales growth, due to rising raw material and fuel costs, rising expenses, etc.
- In the second half, we will steadily carry out price increases and other countermeasures to achieve organic growth, connecting this to sustainable growth accompanied by profit growth from the next fiscal year onward.

Frozen Foods Segment (Business Profit, Business Profit Margin)

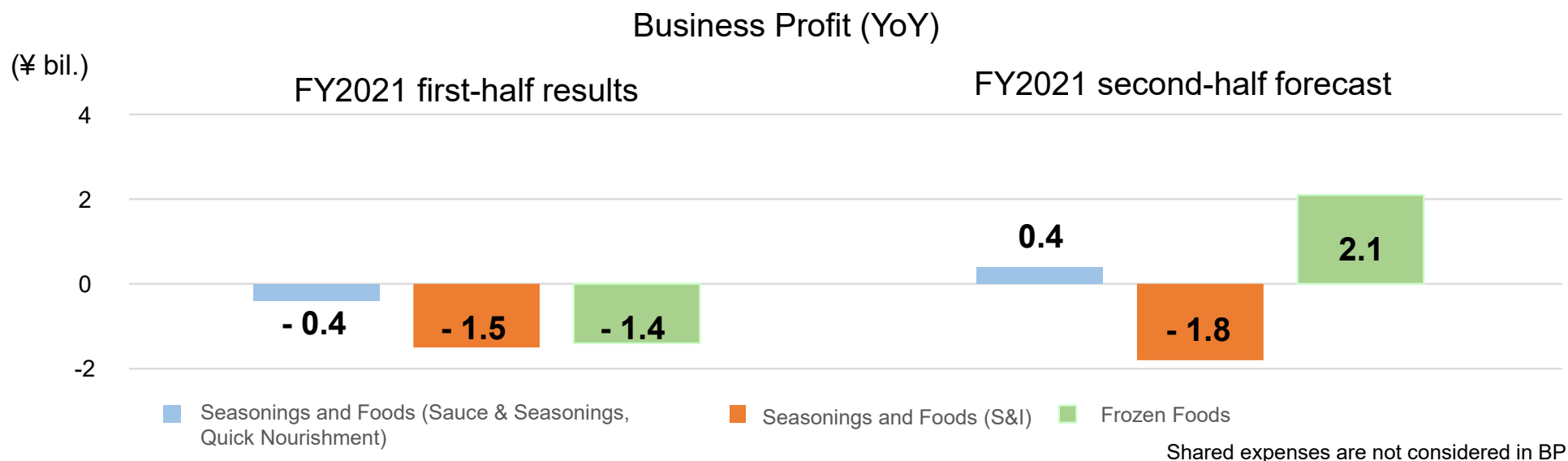


- After the acquisition of Windsor in FY2014, the new factory launch did not progress as planned, and business profit struggled to grow. The current MTP was pulled in to start from FY2019. Structural reform is proceeding steadily.
- In FY2021, although costs for raw materials and logistics will rise, sales will grow and increased prices will make up for the increased costs. Excluding shared expenses, expect to secure increased profit.
- In the second-half, we will work on structural reform, including raising prices and cutting unprofitable items, in order to connect this to sustainable growth accompanied by profit growth from the next fiscal year onward.



Business Profit in the Food Products Business

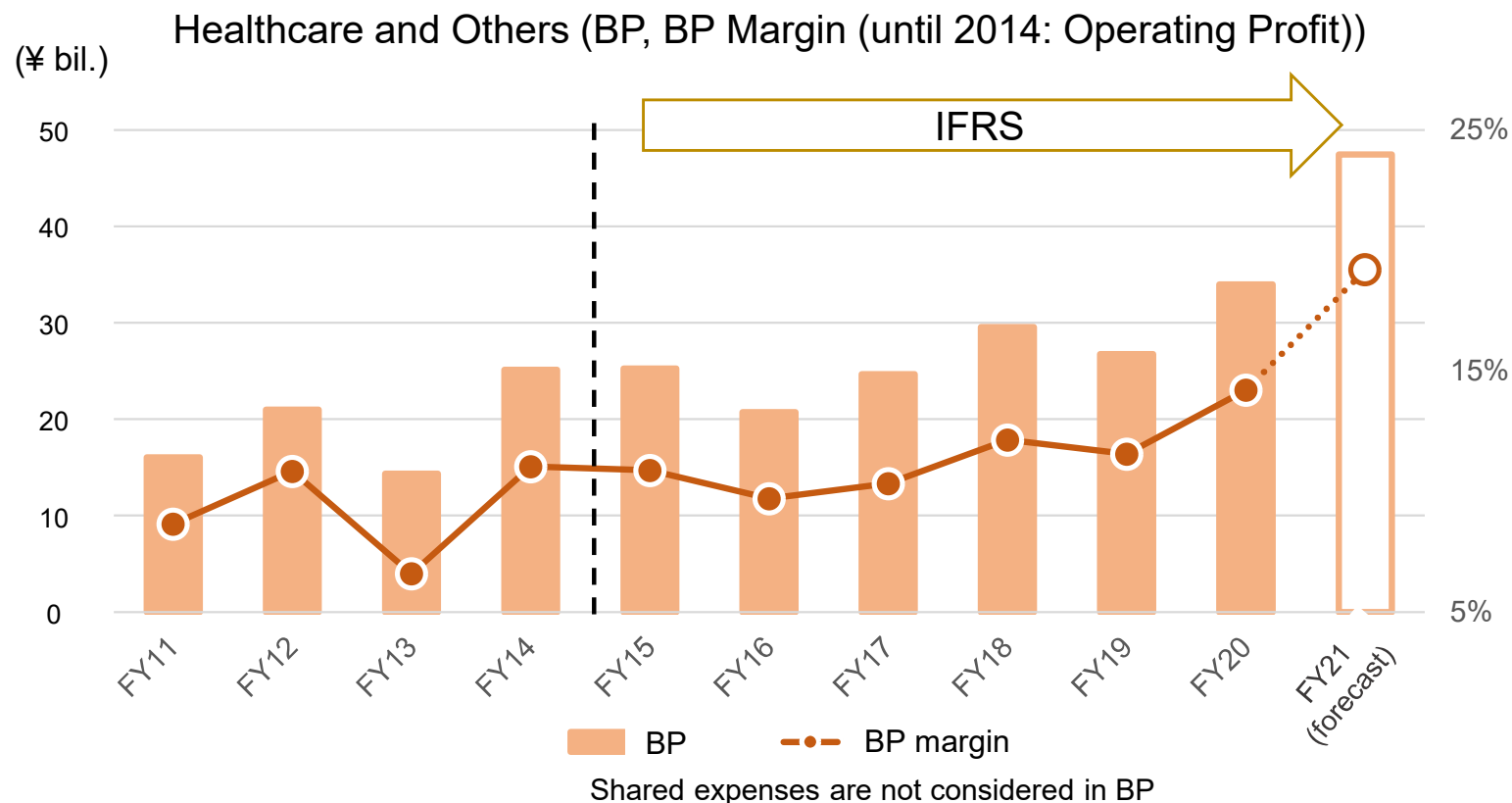
Will plan to steadily come back in Seasonings and Foods and Frozen Foods from the second half. Impacts will remain throughout the fiscal year in the Solution & Ingredients business but we will implement additional measures for the next fiscal year.



(Price increases in major countries of business; only those implemented or announced)

	H1-FY2021	H2-FY2021
Sauce & Seasonings, Quick Nourishment	<ul style="list-style-type: none"> • Brazil (flavor seasonings, July) • Japan (mayonnaise, July) • Indonesia (umami seasonings, June and September) • Philippines (umami seasonings, September) 	<ul style="list-style-type: none"> • Brazil (flavor seasonings, July and October) • Philippines (flavor seasonings, menu-specific seasonings, October) • Japan (home-use coffee products, October) Additional measures being planned in each country from 3Q onward
S&I	<ul style="list-style-type: none"> • Increased prices at distributors overseas 	<ul style="list-style-type: none"> • Japan (all customers, January) • Additional measures being planned for overseas, too
Frozen Foods	<ul style="list-style-type: none"> • North America (foodservice, April and September) 	<ul style="list-style-type: none"> • North America (for consumers and food service, October) • Japan (for consumers and food service, February) Additional measures being planned in each country from Q3 onward

Healthcare and Others Segment (Business Profit, Business Profit Margin)



- In Healthcare and Others, structural reform of feed-use amino acids has been completed, and the shift to core businesses is progressing.
- In FY2021, the Bio-Pharma Services business and electronic materials business, which leverage our unique technologies, are strong.
- The Functional Materials and Bio-Pharma Services & Ingredients businesses are expected to grow sustainably, as we make capital investments of appropriate scale from the next fiscal year onward.

First-Half Results (Consolidated Statements of Income)

(¥ Billion); -: losses	H1-FY21 Actual (A)	H1-FY20 Actual (B)	Difference (A) - (B)	vs. Prev. year (A)/(B)	vs. Prev. year (excluding currency translation) (A)/(B)
Sales	550.2	511.3	38.8	107%	105%
Gross profit	211.7	196.1	15.5	107%	
(Gross profit margin)	38.4%	38.3%			
Business profit	69.3	61.9	7.3	111%	109%
Other operating income & expenses	12.4	-0.6	13.0	-	
Impairment losses	-0.3	-0.3	0.0	99%	
Others	12.4	-0.2	13.0	-	
Operating profit	81.7	61.3	20.4	133%	
Financial income & expenses	-2.0	-1.3	-0.6	150%	
Profit before income taxes	79.6	59.9	19.7	132%	
Income taxes (Tax rate: FY21 forecast 27.6%)	-21.9	-18.8	-3.1	116%	
Profit (includes discontinued operations)	57.7	41.1	16.6	140%	
Profit attributable to owners of the parent company	54.1	36.6	17.4	147%	
Profit attributable to non-controlling interests	3.5	4.4	-0.8	80%	

First-Half Results (Sales and Business Profit by Segment)

(¥ Billion); -: losses	H1-FY21 Actual (A)	H1-FY20 Actual (B)	vs Prev. year (A)/(B)
Sales	550.2	511.3	107%
Seasonings and Foods	316.0	295.3	107%
Frozen Foods	106.3	98.8	107%
Healthcare and Others	121.9	110.6	110%
Other	5.9	6.5	90%
Business Profit	69.3	61.9	111%
Seasonings and Foods	45.0	47.0	95%
Frozen Foods	1.0	2.6	39%
Healthcare and Others	22.8	11.9	191%
Other	0.3	0.2	137%

H1-FY19 Actual (C)	vs FY19 (A)/(C)
532.2	103%
308.3	102%
103.2	103%
113.5	107%
7.0	83%
47.6	145%
38.6	116%
1.3	77%
7.1	319%
0.4	72%

First-Half Results (Sales and Business Profit by Region; Change from Prev. Year)

(¥ Billion); -: losses	Japan		Asia		Americas		EMEA		Other		Total	
	H1-FY21 Actual	Difference	H1-FY21 Actual	Difference	H1-FY21 Actual	Difference	H1-FY21 Actual	Difference	H1-FY21 Actual	Difference	H1-FY21 Actual	Difference
Sales	234.3	9.4	136.7	9.7	125.2	16.1	53.9	3.5	-	-	550.2	38.8
Seasonings and Foods	127.3	-0.4	131.1	11.3	39.6	6.0	17.8	3.6	-	-	316.0	20.6
Frozen Foods	44.9	-1.5	1.4	-0.0	54.3	7.1	5.6	2.0	-	-	106.3	7.5
Healthcare and Others	56.1	12.1	4.1	-1.5	31.1	2.8	30.4	-2.1	-	-	121.9	11.3
Other	5.8	-0.6	0.0	0.0	-	-	0.0	0.0	-	-	5.9	-0.6
Business Profit	28.6	3.7	27.9	2.6	8.1	-1.6	4.5	2.6	-	-	69.3	7.3
Seasonings and Foods	16.3	-2.5	29.9	1.2	5.0	-2.0	2.0	0.4	-8.3	0.8	45.0	-2.0
Frozen Foods	2.6	-0.6	0.5	-0.3	0.3	-1.1	0.1	0.4	-2.7	0.0	1.0	-1.6
Healthcare and Others	14.5	5.7	1.8	1.1	6.0	1.2	3.5	1.5	-3.1	1.2	22.8	10.9
Other	0.9	0.2	-0.0	-0.0	-	-	0.1	-0.0	-0.7	-0.0	0.3	0.0
Shared companywide expenses	-5.9	0.9	-4.3	0.6	-3.2	0.3	-1.2	0.2	14.9	-2.1	-	-

Forecast (Consolidated Statements of Income)

(¥ Billion); -: losses	FY21 Forecast (A)	FY20 Actual (B)	Difference (A)-(B)	vs. Prev. year (A)/(B)	vs. Prev. year (excluding currency translation) (A)/(B)
Sales	1,148.0	1,071.4	76.5	107%	105%
Gross profit	436.5	406.2	30.3	107%	
(Gross profit margin)	38.0%	37.9%			
Business profit	120.0	113.1	6.8	106%	103%
Other operating income & expenses	-5.7	-12.0	6.3	47%	
(FY21 Structural reform expenses: approx. -10.0)					
Impairment losses	-	-18.5	-	-	
Other	-	6.5	-	-	
Operating profit	114.3	101.1	13.1	113%	
Financial income & expenses	-4.3	-2.8	-1.5	155%	
Profit before income taxes	109.9	98.3	11.6	111%	
Income taxes (Tax rate: FY21 forecast 33.7%)	-37.0	-32.0	-5.0	115%	
Profit (includes discontinued operations)	72.8	66.2	6.6	109%	
Profit attributable to owners of the parent company	68.0	59.4	8.5	114%	
Profit attributable to non-controlling interests	4.8	6.8	-1.9	71%	

Forecast (Sales and Business Profit by Segment)

(¥ Billion); -: losses	FY21 Forecast (A)	FY20 Actual (B)	vs. Prev. year (A)/(B)	FY19 Actual (C)	vs. FY19 (A)/(C)
Sales	1,148.0	1,071.4	107%	1,100.0	104%
Seasonings and Foods	665.1	620.5	107%	641.7	103%
Frozen Foods	217.0	198.2	109%	211.2	102%
Healthcare and Others	247.7	239.5	103%	231.6	106%
Other	18.1	13.1	137%	15.3	118%
Business Profit	120.0	113.1	106%	99.2	120%
Seasonings and Foods	80.7	86.7	93%	81.6	98%
Frozen Foods	2.3	2.3	101%	0.0	2604%
Healthcare and Others	39.6	26.2	150%	19.5	202%
Other	-2.6	-2.2	119%	-1.9	134%

Forecast (Sales by Region; Change from Prev. Year)

(¥ Billion); -: losses	Japan		Asia		Americas		EMEA		Total	
	FY21 forecast	Differ- ence	FY21 forecast	Differ- ence	FY21 forecast	Differ- ence	FY21 forecast	Differ- ence	FY21 forecast	Differ- ence
Sales	493.7	22.8	287.0	23.2	256.8	37.7	110.3	-7.3	1,148.0	76.5
Seasonings and Foods	277.8	5.3	272.8	23.1	78.5	9.9	35.8	6.0	665.1	44.6
Frozen Foods	89.4	-2.3	4.3	1.6	111.4	18.0	11.8	1.4	217.0	18.7
Healthcare and Others	108.7	15.1	9.3	-1.8 *	66.9	9.8	62.7	-14.8 *	247.7	8.1
Other	17.5	4.4	0.4	0.3	-	-	0.0	0.0	18.1	4.9

* FY2020 results for the animal nutrition business include ¥5.4 billion in Asia and ¥27.0 billion in EMEA.



Reference Links

Ajinomoto Group IR

<https://www.ajinomoto.co.jp/company/en/ir/>

Ajinomoto Group Integrated Report 2021

<https://www.ajinomoto.co.jp/company/en/ir/library/annual.html>

Ajinomoto Group Medium-Term Management Plan

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

Ajinomoto Group IR Day

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

Ajinomoto Group Business Briefing

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