

Ajinomoto Co., Inc. Acquired Majority Shares of an Agro-business Company in Spain

Expanding Agro-business in Europe

TOKYO, October 17, 2017 – Ajinomoto Co., Inc. (“Ajinomoto Co.”), through its consolidated subsidiary S.A. Ajinomoto OmniChem N.V. (“AOC”) in Belgium, has signed a share purchase agreement of majority shares of Agro2Agri, S.L. (“A2A”) that has Agro-business subsidiaries in Spain with Dadelos S.L., its sole shareholder of A2A. AOC aims to grow its agro business through entering into the rapidly growing new agriculture market on a full-scale especially in Europe, and increase its related sales¹ (sum of 2 companies) to EUR 60 million, by 1.5 times (vs. expected sales for 2017) by 2020.

1. Total sales of AOC and A2A

A2A, specialized in the production and marketing of biostimulant² products mainly based on amino acids in more than 50 countries worldwide, has several subsidiaries both in B2B business to produce and supply raw materials for agrochemical and fertiliser companies and in B2C business concentrating on marketing and sales and has grown with double digits annually over the last five years with its strength of product development capability.

2. Agro natural compound of ingredients such as amino acids and other ingredients through microbial fermentation and natural ingredients including natural extracts that is used to improve immunity inherent in plants and promote plant growth

Example of A2A biostimulant product



The global biostimulants market was valued at USD 1,607 million in 2014 and is projected to reach USD 3,490 million by 2020 at a CAGR of 14.1% from 2015 onwards due to heightening awareness of the necessity of reducing the environmental burden in agriculture. Especially the European market, the largest and covering about 40% of the total market, is projected to reach USD 1,411 million by 2020. (Source: MarketsandMarkets 2016).

AOC, established in 1778, mainly manufactures and sells pharmaceutical intermediates and APIs globally. Its Agro-business produces and sells surfactants³ in more than 60 countries worldwide as ingredients of agrochemical and fertiliser (B2B business) under the brand name *Tensiofix*[®], with strength in formulation expertise to develop and propose specific formulations with surfactants to be applied in crop protection in line with customer needs.

3. Agent to enhance dispersibility of insoluble ingredients in the use of agrochemicals to be dissolved in water. It can reduce the agrochemical amount used and also the environmental burden due to the homogenous mix.

By the majority share acquisition this time, Ajinomoto Co. will expand its agro business more rapidly by entering into the fast-growing area of biostimulants on a full-scale and taking advantage of the strengths of AOC and A2A such as joint development of new products and new customers, and proceed with the establishment of specialities in the agro business in Europe as well as increase its related sales in Europe to EUR 60 million, by 1.5 times (vs. expected sales for 2017) by 2020.

The Ajinomoto Group aims to realize a “genuine global specialty company” through the “food and AminoScience business” by contributing to human, animal and plant nutrition under the corporate message of “Eat Well, Live Well.”

Reference

Overview of S.A. Ajinomoto OmniChem N.V.

- (1) Location: Wetteren, Belgium
- (2) Establishment: 1778 (The Ajinomoto Group from 1989)
- (3) Representative: Peter Stuyck, Managing Director
- (4) Number of employees: Approx. 750 (as of September 2017)
- (5) Capital: EUR 21 million (approx. JPY 2.4 billion)
- (6) Equity ownership: Ajinomoto Co., Inc. 100%
- (7) Business description: Manufacture and marketing of pharmaceutical intermediates and APIs

Overview of Agro2Agri, S.L. (as of September 2017)

- (1) Location: Valencia, Spain
- (2) Date of establishment: 2016
- (3) Representative: Manuel de Tomás, CEO
(Norbert Pons, CEO from October 2, 2017)
- (4) Number of employees: Approx. 80
- (5) Capital: non-disclosure
- (6) Equity ownership: Dadelos S.L. 100%
- (7) Business description: Manufacturing and marketing of biostimulants

Overview of Dadelos S.L.

- (1) Location: Valencia, Spain
- (2) Date of establishment: 1990
- (3) Representative: Manuel de Tomás, CEO
- (4) Number of employees: non-disclosure
- (5) Capital: non-disclosure
- (6) Equity ownership: Tomás family 100%
- (7) Business description: Manufacturing and marketing of biostimulants etc.

*EUR 1 = JPY 132.85 (exchange rate as of September 30, 2017)

About Ajinomoto Co.

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

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