

The Ajinomoto Group to Enhance Its Integrated Food Solutions Business in the North American Market

Scheduled to Acquire a 50.1% Equity Stake in U.S. Liquid Seasonings Company More Than Gourmet Holdings, Inc.

TOKYO, August 21, 2019 – Ajinomoto Co., Inc. (“Ajinomoto Co.”) has signed a share purchase agreement to acquire a 50.1% equity stake in More Than Gourmet Holdings, Inc. (“MTG”) of the United States for a strategic partnership through Ajinomoto Co.’s consolidated subsidiary Ajinomoto Health & Nutrition North America, Inc. (“AHN”). By augmenting this U.S. liquid seasonings business and its associated sales channel for food service and restaurant customers through the combination of Ajinomoto Co.’s proprietary ingredients and “deliciousness technologies” with capabilities to make proposals to customers in the United States, Ajinomoto Co. will enhance the Ajinomoto Group’s Integrated Food Solutions business in North America.

The size of the B-to-B market for prepared take-out foods, food service and restaurants in the United States is USD 18.3 billion (approximately JPY 2 trillion), accounting for about 40% of the global market, and steady growth at a rate of 3.2% is expected during the period from 2011 to 2025 (source: Ajinomoto Co. estimate). In the U.S. food service and restaurant market, the popularity of liquid seasonings (stocks, broths and sauces, etc.) is increasing in comparison to powdered seasonings due to their convenience for in-store preparation and their high-quality image. In addition, there have been notable moves by food ingredients manufacturers to shift their business models through collaborative efforts with liquid seasonings manufacturers. Specifically, food ingredients manufacturers have been shifting toward adding a liquid seasoning manufacturer to their corporate group, incorporating its knowledge of various manufacturing methods, tastes and other matters, then combining them with the group’s parent company’s own ingredients to provide customized menu proposals as a means to strengthen relationships with specified customers.

Ajinomoto Co. has strengths in savory powdered seasonings and “deliciousness technologies” cultivated over many years of research, and has established good relationships with over 500 customers including processed food manufacturers and food service and restaurant companies. Meanwhile, MTG’s liquid seasonings business, including broths and sauces, is familiar with the trends and preferences of U.S. consumers and has strong connections with processed food manufacturers and food service and restaurant companies as a result of its original manufacturing technologies for achieving high quality, customized solutions that meet customer needs. Ajinomoto Co. will utilize the menu customization capabilities in the food service and restaurant market, as well as the direct sales channel to food service and restaurant companies it will acquire through this partnership, and combine them with its own ingredients and taste and texture technologies. By doing so, Ajinomoto Co. aims to expand its Integrated Food Solutions business in North America and establish a new specialty.

Ajinomoto Co. is scheduled to acquire a 50.1% equity stake in MTG in August 2019, and plans to maintain MTG’s current management structure after the share acquisition. The impact of the acquisition on Ajinomoto Co.’s consolidated business results for fiscal 2019 will be immaterial.

Ajinomoto Co. has been ensuring food business growth with a stronger regional portfolio as a key strategy of its FY2017-2019 Medium-Term Management Plan. By enhancing the Integrated Food Solutions business, which offers high added value adapted to local eating habits and food culture in the prepared take-out foods and food service and restaurant markets, Ajinomoto Co. will continue to contribute to the health and well-being of local consumers.

Note: USD 1 = JPY 108.64 (exchange rate as of July 31, 2019)

Reference

Overview of More Than Gourmet Holdings, Inc.

- (1) Location: Ohio, United States of America
- (2) Establishment: 1993
- (3) Representative: Brad Sacks, CEO
- (4) Number of employees: Approximately 50
- (5) Business description: Manufacture and sales of stocks, broths, and sauce concentrates
- (6) Capital: USD 12.6 million (approximately JPY 1.4 billion)
- (7) Equity ownership: Culinary Group Holdings, LLC 100%

Overview of Ajinomoto Health & Nutrition North America, Inc.

- (1) Location: Illinois, United States of America
- (2) Establishment: Established in 1956 as Ajinomoto U.S.A; renamed in 2018
- (3) Representative: Tatsuya Sato, President
- (4) Number of employees: Approximately 400
- (5) Business description: Manufacture and sales of seasonings and amino acids for medical and food use
- (6) Capital: NA
- (7) Equity ownership: Ajinomoto North America Holdings, Inc. 100%

Equity Ownership after the Share Acquisition

- (1) Equity ownership: Ajinomoto Health & Nutrition North America, Inc. 50.1%;
Culinary Group Holdings, LLC 49.9%
- (2) Share acquisition date: August 22, 2019 (scheduled)

The Ajinomoto Group is a global company with specialties in the business of food and amino acids, guided by our leading-edge bioscience and fine chemical technologies.

Based on the corporate message "Eat Well, Live Well.," we have been scientifically pursuing the possibilities of amino acids in supporting the healthy lives of people all around the world. We aim for future growth and continuous contribution to greater wellness by creating value through sustainable and innovative solutions for communities and society.

The Ajinomoto Group has offices in 35 countries and regions, and sells products in more than 130 countries and regions. In fiscal 2018, sales were 1.1274 trillion yen (10.1 billion U.S. dollars). To learn more, visit www.ajinomoto.com.

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