

Overseas Investments in Agriculture and Food from a Food Industry Standpoint

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About Ajinomoto: Origins



Dr. Kikunae Ikeda

Discovered Amino Acid (Glutamate) was key to Taste of Traditional Japanese Soup Stock made from Konbu(Seaweed).

Claimed this was new basic taste and named it Umami.

Patent for New Seasoning.

Now Scientifically Accepted as a Basic Taste (Sweet, Sour, Salty, Bitter, Umami)

Mr. Saburosuke Suzuki

Had Iodine business.

Iodine extracted from Konbu.

First to market monosodium glutamate as seasoning product.



Started business with Umami in 1909

“Create technology and establish business”

About Ajinomoto: Product Tree



**Pursuing Deliciousness and Health
in a Wide Range of Fields**

AJI-NO-MOTO®
Introduced in 1909



About Ajinomoto

Corporate Overview

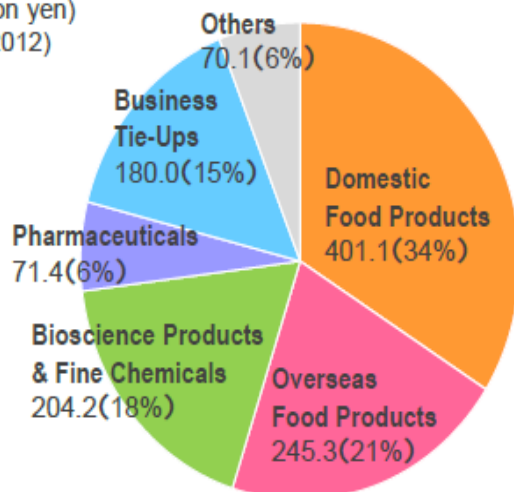
おいしき、そして、いのちへ。
AJINOMOTO.

Foundation	• May 20, 1909
Paid-in Capital	• JPY 79,863 million
Number of Employees	• 27,518 (Consolidated)
Net sales	• JPY 1,172.4 billion
Ordinary income	• JPY 77.1 billion
Net income	• JPY 48.3 billion
Total assets	• JPY 1,091.7 billion

(as of March 31, 2013)

Composition of Net Sales by Business

(billion yen)
(FY2012)



Business areas and main product categories

Food Products Business

Seasonings and processed foods
Umami seasoning for processed food manufacturers*
Frozen foods
Edible oils

Coffee of Ajinomoto General Foods, Inc.

Pharmaceuticals Business

Pharmaceuticals and medical foods

Amino Acids Business

Feed-use amino acids
Amino acids for pharmaceuticals and foods
Sweeteners
Pharmaceutical fine chemicals
Specialty chemicals

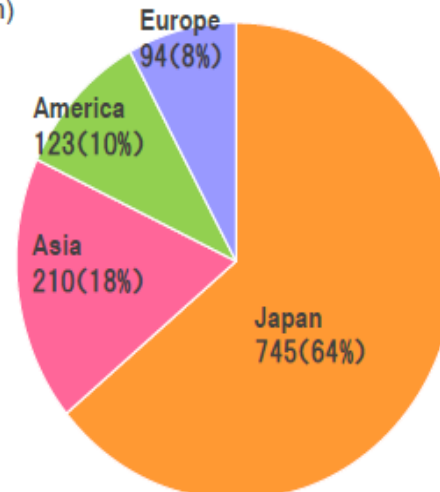
Other Business

Packaging
Logistics
Services and others

* Re-classified from "Amino Acids Business" to "Food Products Business" in fiscal 2009.

Composition of Net Sales by Region

(billion yen)
(FY2012)



Overseas Business

Overseas Business
3 5 % of Total Sales, 5 2 % of Operating Profit

<March 2013>

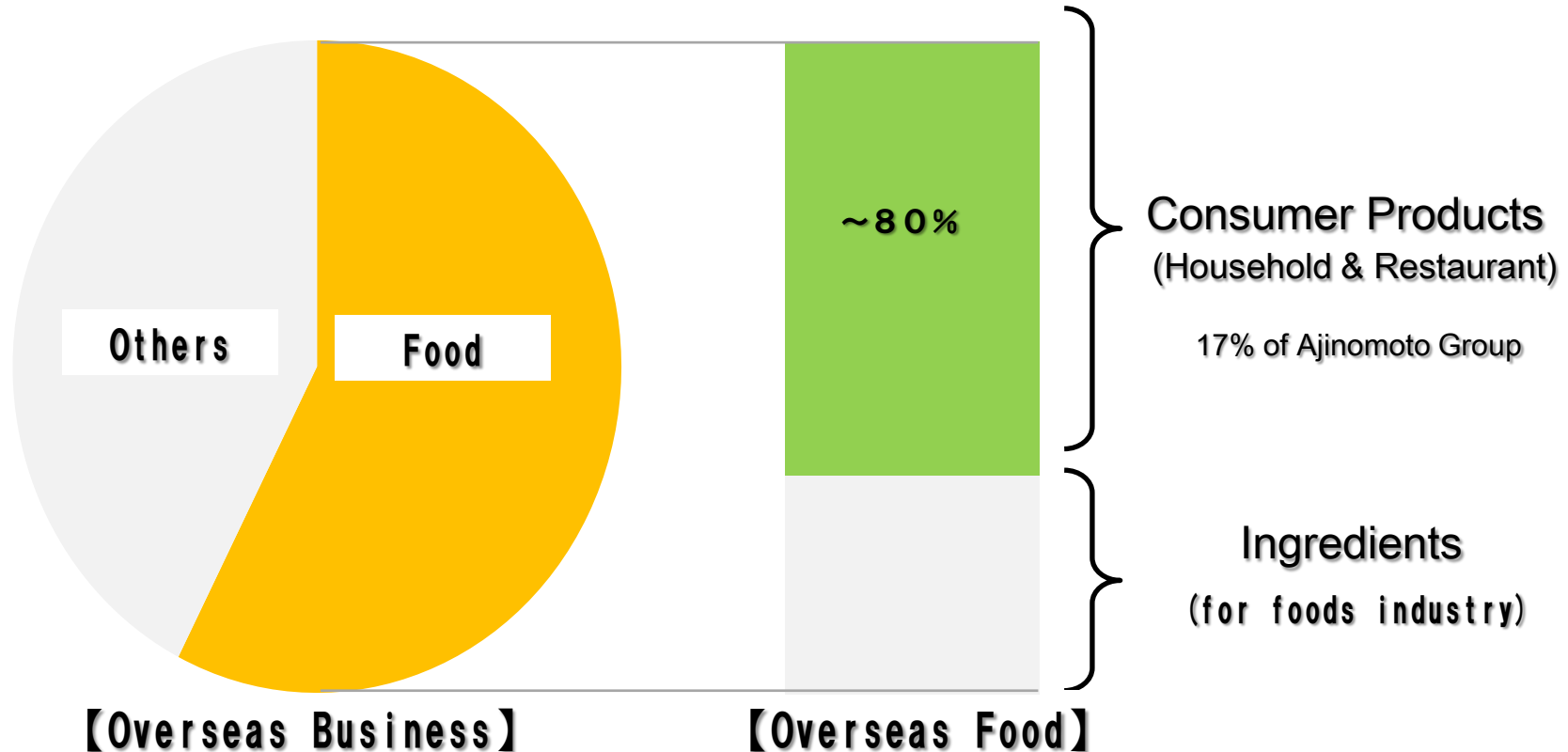
(100 M¥)

	Domestic	Overseas (Incl. non-food)	Consolidated
Sales	7,649	4,075	11,724
	65%	35%	100%
Operating Profit	343	369	712
	48%	52%	100%

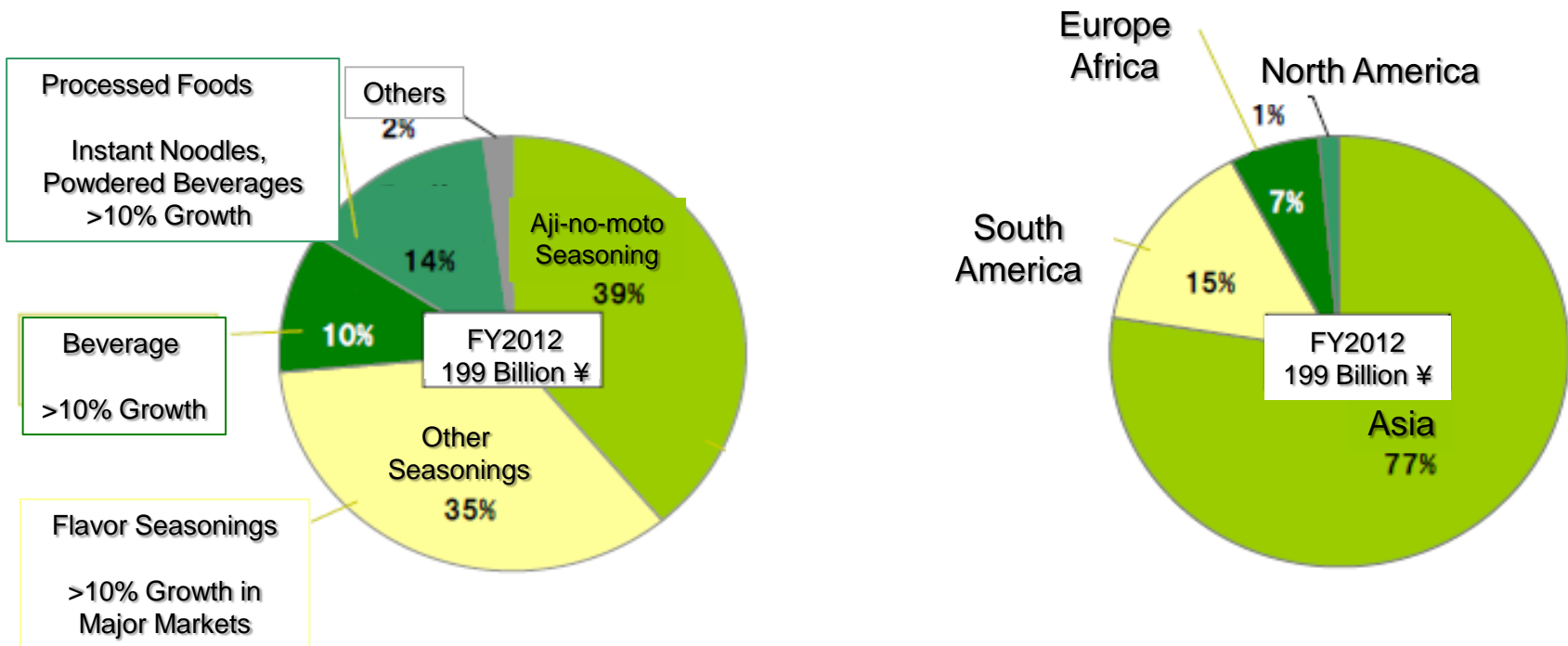
Breakdown of Overseas Business

60% of Overseas Business is in the food sector, of which 80% is in the consumer foods sector (for households and restaurants)

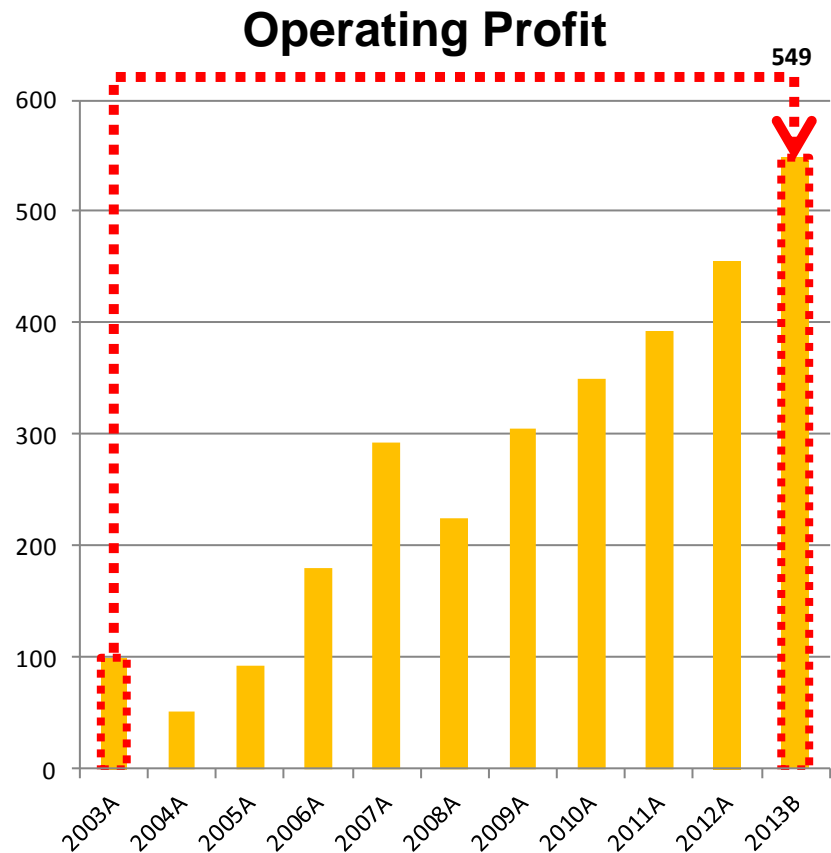
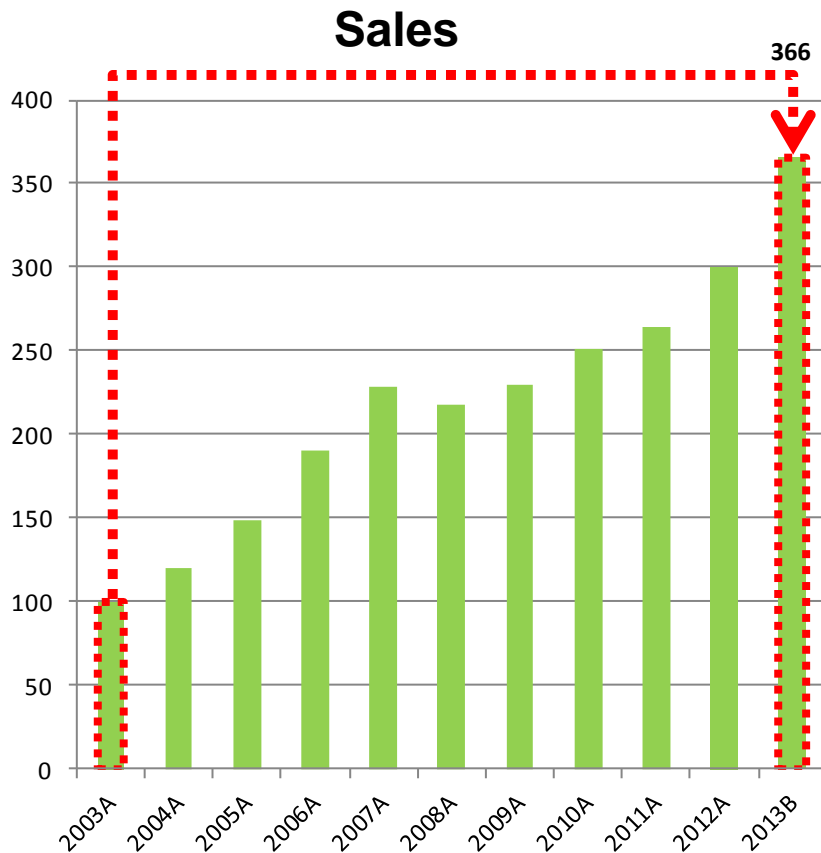
<March 2013>



Overseas Business: Breakdown by Products, Area



Growth of Overseas Food Business (2003~2013)



Index: 2003 = 100

History of Overseas Consumer Foods

(1) Pre WW2: Export of Umami Seasonings

- Bulk Export, Repackage Abroad

(2) 1960~1980s: Start of Overseas Business

- Local Production (Fermentation Process) (1961)
- Establishment of distribution model (Philippines)
- Applied to other countries

(3) 1980~2000: Expansion of Seasonings

- Expansion of Business to Flavor Seasonings
 - ・ Thailand 「Ros Dee」、Indonesia 「Masako」
 - ・ Philippines 「GINISA」、Brazil 「Sazon」 など

(4) After late 1980s: Processed Foods

- Expansion of Processed Food Business

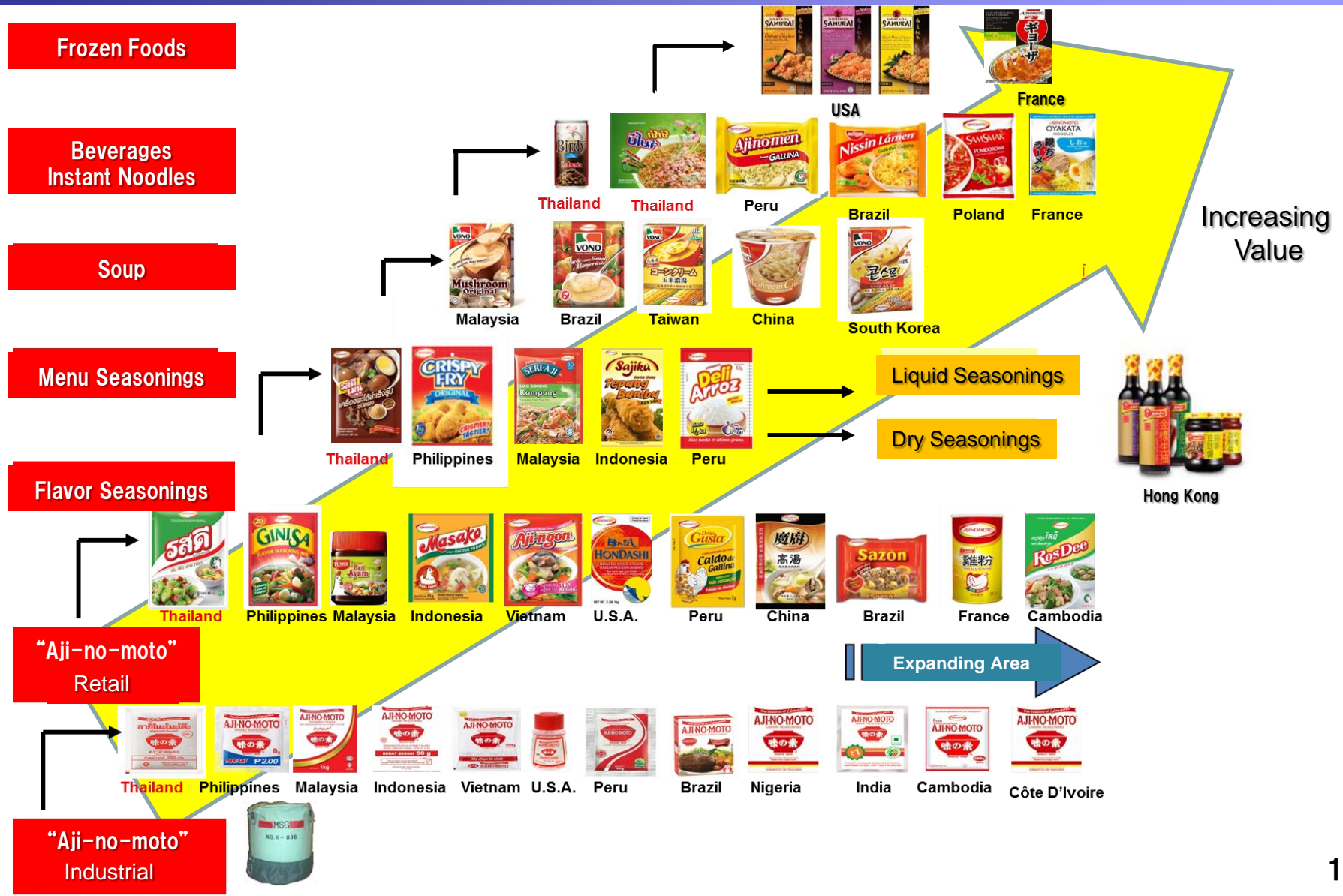


First Pot WWI Export (1947)



Thai Factory 1960)

Our Basic Business Model



Types of Overseas Agricultural Investment

1. Food and Food ingredient plants in various countries

Supply local markets and export globally

Overseas Investment for Plants and Subsidiaries

Large Scale Fermentation Plants

Food Processing Plants

Mainly use locally sourced raw material

2. Import for Japanese Market

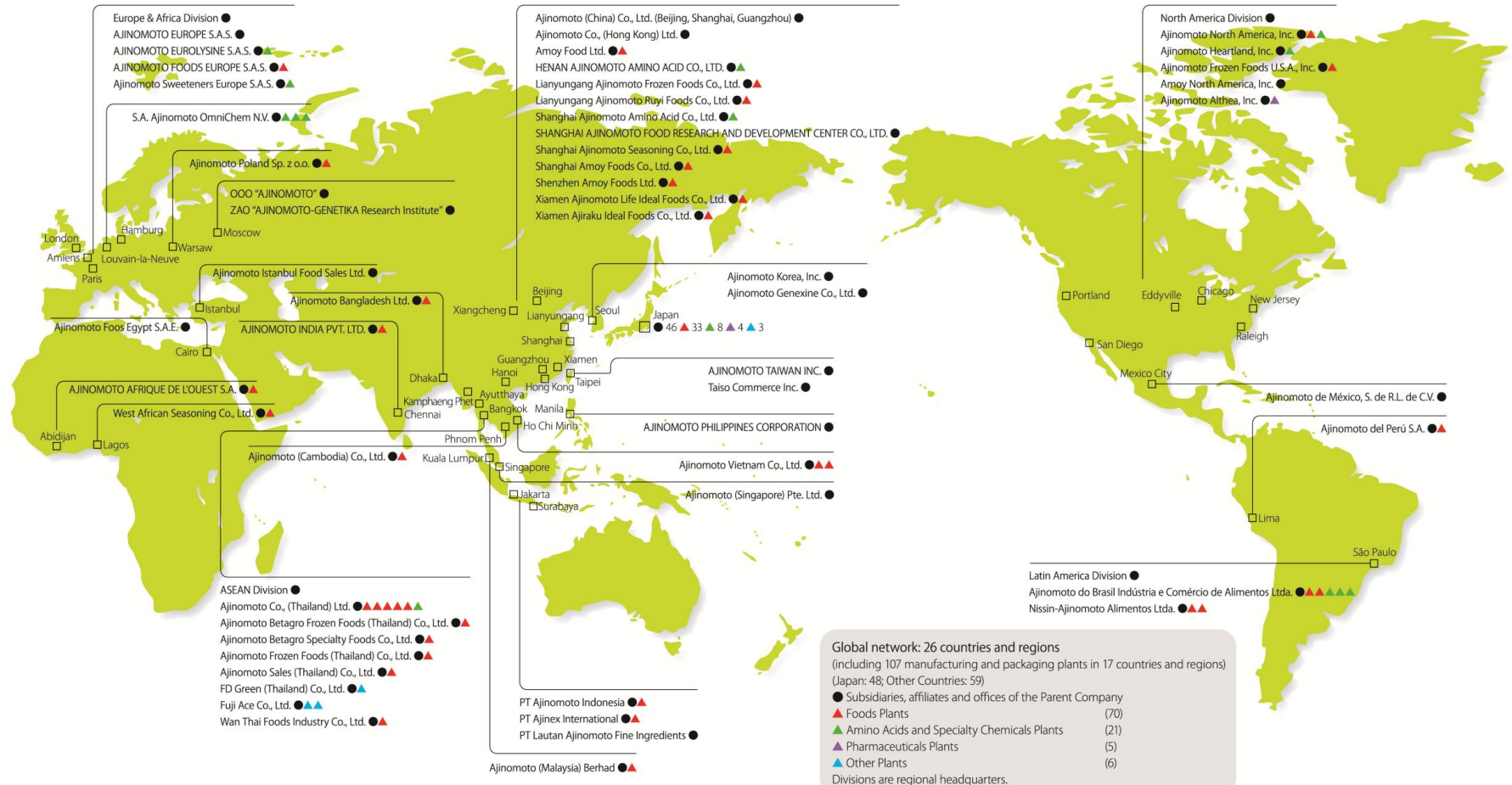
Raw Materials and Products

Managed farms in various countries

Sourcing from North and South Hemispheres

Global Network

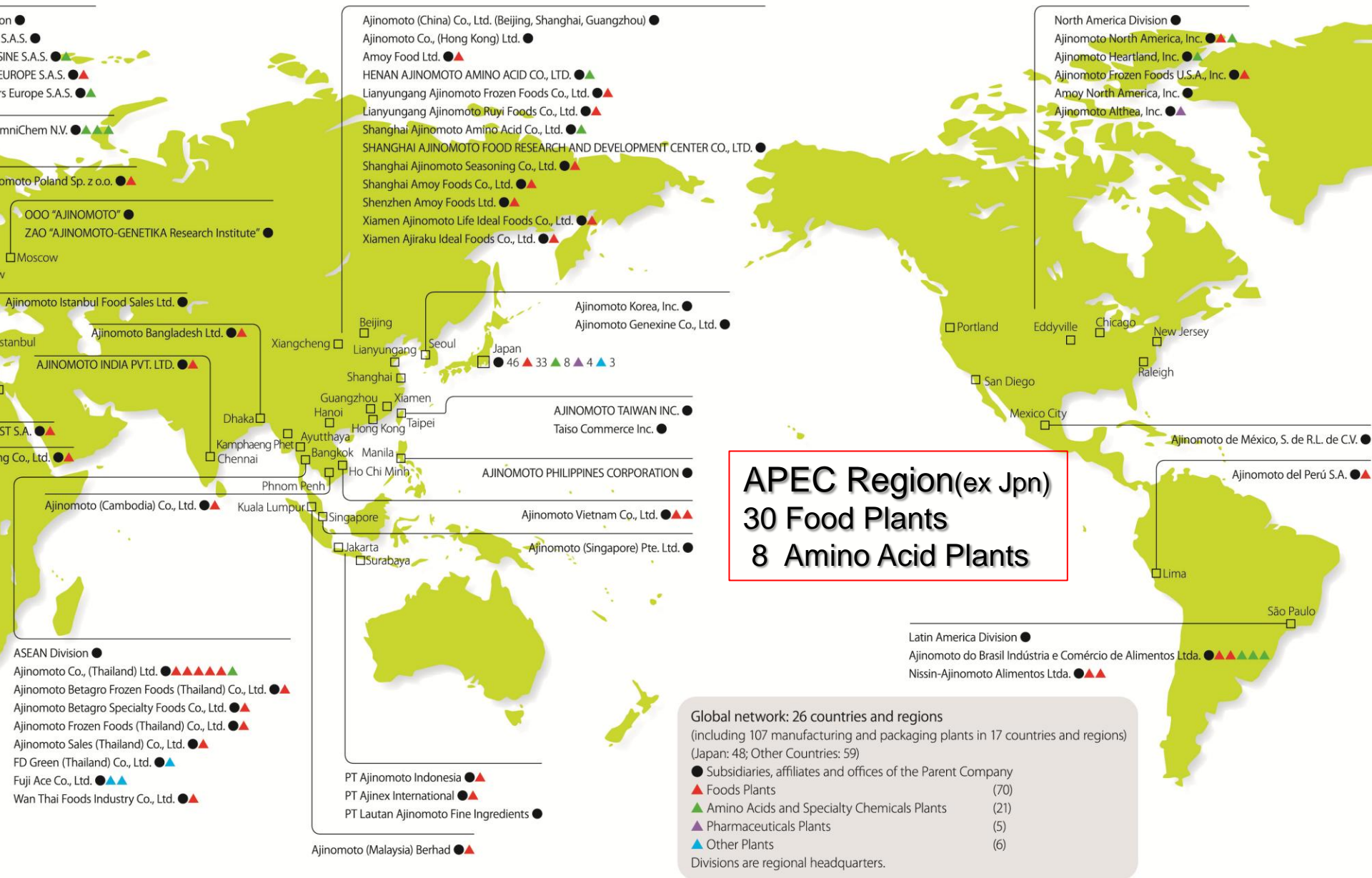
(As of August 01, 2013)



Eat Well, Live Well.
AJINOMOTO®

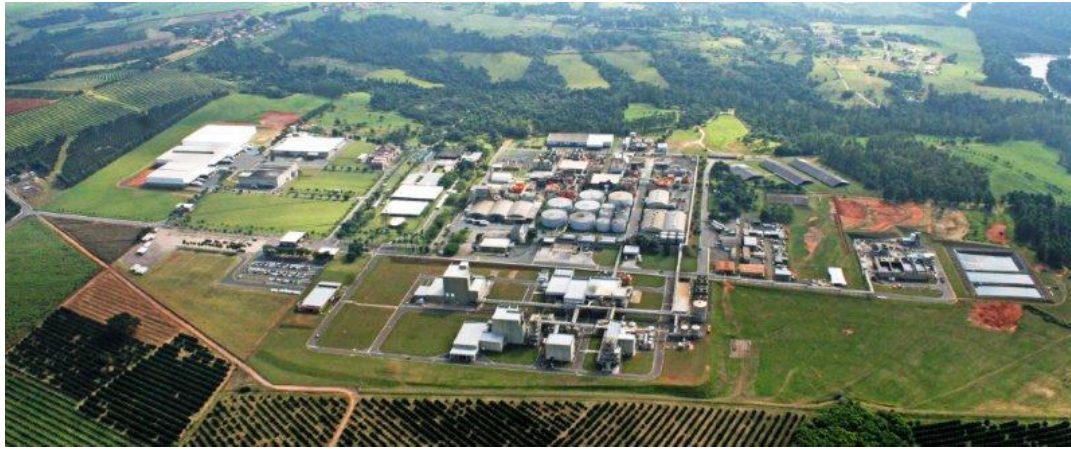
Global Network

(As of August 01, 2013)



Overseas Plants

Amino Acid Fermentation Plants in Brazil



Food Processing Plants in Thailand



World Product Map

France

- **AJI-NO-MOTO**® (umami seasoning)
- **L-Lysine** (feed-use amino acid)
- **L-Threonine** (feed-use amino acid)
- **L-Tryptophan** (feed-use amino acid)
- **Aspartame** (amino acid-based sweetener)
- **ACTIVA**® (enzyme ACTIVA)



Vietnam

- **AJI-NO-MOTO**® (umami seasoning)
- **Aji-ugon**® (flavor seasoning)
- **LISA**® (sauce)
- **Birdy**® (canned coffee)



Belgium

- **Pharmaceutical fine chemicals**
- **Amino acids**

Poland

- **SAMSMAX**® (instant noodles)
- **Yum Yum**® (instant noodles)



Nigeria

- **AJI-NO-MOTO**® (umami seasoning)



India

- **AJI-NO-MOTO**® (umami seasoning)



Thailand

- **AJI-NO-MOTO**® (umami seasoning)
- **ROSDEE**® (flavor seasoning)
- **Takumi-Aji** (sauce)
- **VONO**® (soup)
- **Birdy**® (canned coffee)
- **Yum Yum**® (instant noodles)
- **Frozen Foods**
- **Lite Sugar** (low-calorie sweetener)
- **L-Lysine** (feed-use amino acid)
- **CALPIS-LACT** (milk serum beverage)



Malaysia

- **AJI-NO-MOTO**® (umami seasoning)
- **TUMIX**® (flavor seasoning)
- **SERI-AJI**® (menu-specific seasoning)
- **VONO**® (soup)
- **PAL SWEET**® (amino acid-based sweetener)
- **TENCHO M SERIES** (savory seasoning)
- **ACTIVA**® (enzyme ACTIVA)



Singapore

- **AJI-NO-MOTO**® (umami seasoning)



Indonesia

- **AJI-NO-MOTO**® (umami seasoning)
- **Masako**® (flavor seasoning)
- **Sajiku**® (menu-specific seasoning)
- **CALPICO**® (whey beverage)
- **Birdy**® (canned coffee)



Philippines

- **AJI-NO-MOTO**® (umami seasoning)
- **Ajinomoto Ginisa Flavor Mix** (umami seasoning)
- **CRISPY FRY**® (menu-specific seasoning)
- **FRES-C**® (powdered drink mix)



China

- **AJI-NO-MOTO**® (umami seasoning)
- **Younang**® (soup)
- **MOR CHU GAOTANG**® (flavor seasoning)
- **WEIDUDU**® (left curry)
- **Frozen Foods**
- **AMOY**® (Chinese ethnic sauce)
- **PAL SWEET Calorie Zero** (amino acid-based sweetener)
- **L-Lysine** (feed-use amino acid)
- **Amino Acids** (amino acids for pharmaceuticals and foods)



South Korea

- **HON-DASHI**® (flavor seasoning)
- **VONO**® (soup)



Taiwan

- **AJI-NO-MOTO**® (umami seasoning)
- **HON-DASHI**® (flavor seasoning)
- **VONO**® (soup)
- **CALPIS**® (condensed milk serum beverage)



U.S.A.

- **AJI-NO-MOTO**® (umami seasoning)
- **Frozen Foods**
- **amino VITAL**® (amino acid supplement)
- **L-Lysine** (feed-use amino acid)
- **L-Threonine** (feed-use amino acid)
- **Amino Acids** (amino acids for pharmaceuticals and foods)



Peru

- **AJI-NO-MOTO**® (umami seasoning)
- **Dona Gusta**® (flavor seasoning)
- **AJI-NO-SILLAO**® (soy sauce)
- **Aji-no-men**® (instant noodles)



Mexico

- **AJI-NO-MOTO**® (umami seasoning)
- **HON-DASHI**® (flavor seasoning)

Brazil

- **AJI-NO-MOTO**® (umami seasoning)
- **Sazon**® (flavor seasoning)
- **Sabor a mi** (basic seasoning)
- **VONO**® (soup)
- **Instant Noodles**
- **Refresco MID**® (powdered drink mix)
- **FIT**® (sugar-free powdered drink mix)
- **L-Lysine** (feed-use amino acid)
- **L-Threonine** (feed-use amino acid)
- **Amino Acids** (amino acids for pharmaceuticals and foods)



A Local Presence in Markets Around the World

The Ajinomoto Group has established a presence in 22 countries and regions throughout the world in order to expand its business operations in food products, amino acids, pharmaceuticals, and other fields. At present our products are sold in over 130 countries and regions, and we have plans to both expand to new markets and further broaden our product lineups. Following is an introduction to the Ajinomoto Group's major production bases and target markets worldwide, as well as a description of our products.

Products Developed to Local Taste



Philippines

"GINISA"



Thailand

"Ros Dee"



Indonesia

"Masako"



Malaysia

"TUMIX"



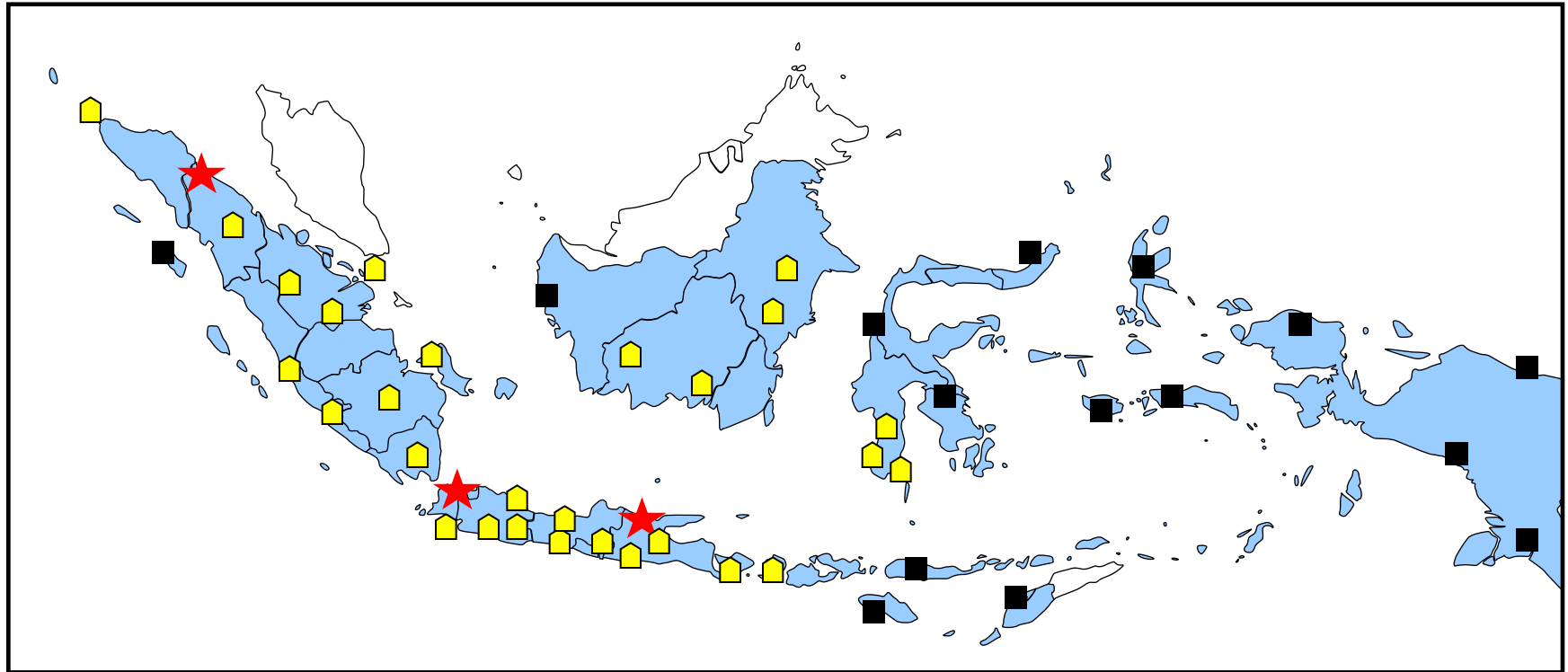
Vietnam

"Aji-ngon"



Developed Locally. Manufactured Locally

Extensive Sales Network <eg. Indonesia>



★	Branch Office	3	Total Sales Force
■	Sales Office	49	
	Distribution Centers	133	
	Total Sales Points	185	
■	Distributors	35	1,753

Selecting Countries for Plant Investment

1. Demographics

Population Size and Growth

2. Raw Materials

Availability of Agricultural Products

For Fermentation Need Lots of Carbohydrates
(Sugar cane, Sugar Beet, Tapioca, Corn)

3. Infrastructure

Stable supply of Water, Electricity, Fuel
Transportation Infrastructure

Importing Food Ingredients

Main ingredients for frozen foods disclosed via internet.

From <http://www.ffa.ajinomoto.com/>

Main Ingredients	Country of Origin
Pork	Canada, USA, Japan
Chicken	USA, Brazil
Cabbage	Japan, China
Onion	China, USA, Japan, Australia
Leek	China
Garlick	China

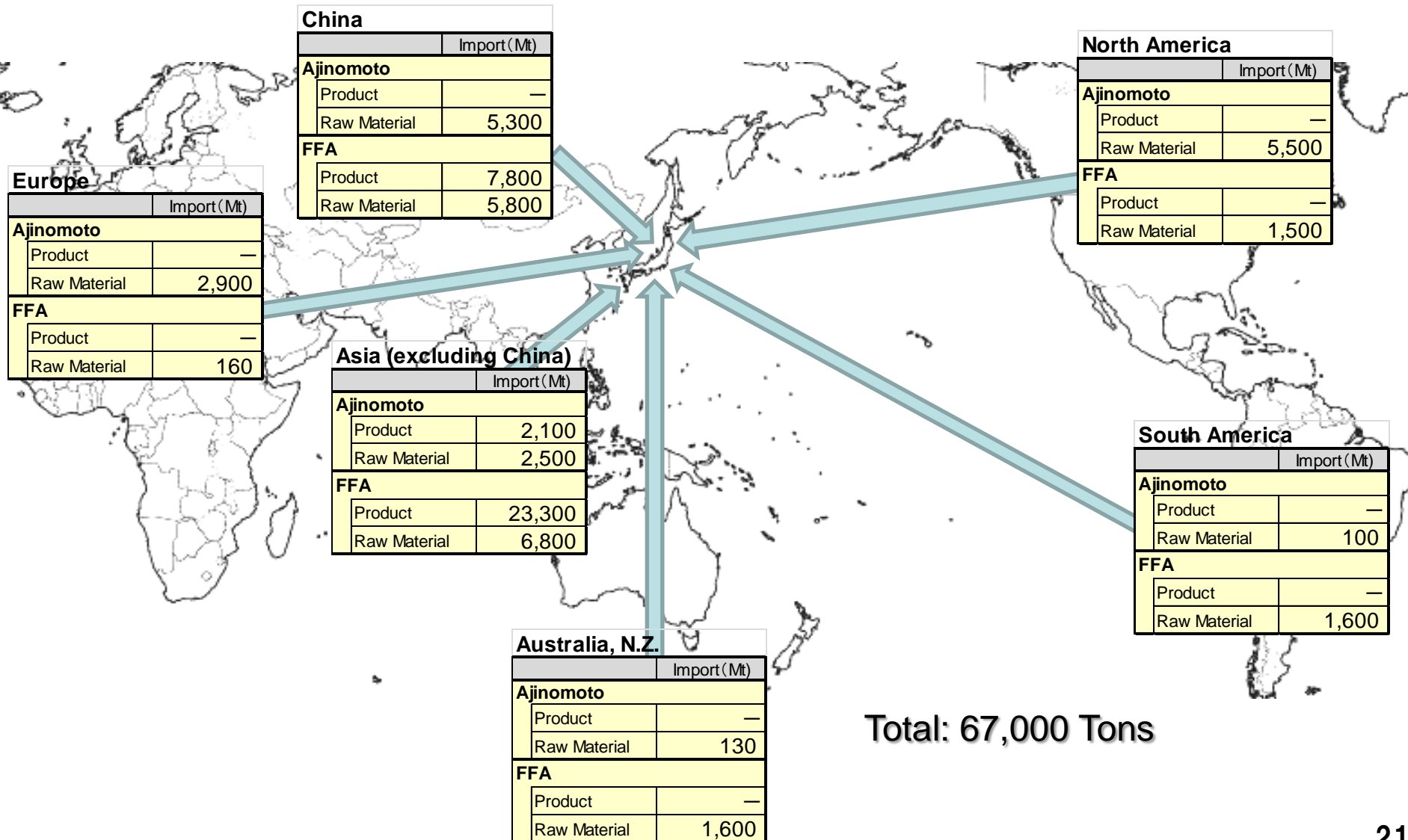
Top selling frozen dumplings



Importing Foods: Farms managed by Ajinomoto Frozen Foods



Import of Products and Raw materials for Ajinomoto and Ajinomoto Frozen Foods



Raw Material Supplier Selection <eg. China>

● Selection of raw material suppliers

Review and determination of raw material standards

Product Design and Development

Inspections

Selection of raw material suppliers and Submission of quality guarantee

● Retention and Management of raw material suppliers

Inspections by own plants in China

◆ Management point

- Our company and raw material suppliers share awareness of the significance of process management that starts from cultivation.
- Our company confirms on a regular basis that raw material suppliers manage their processes.

⇒ Residual pesticide testing is implemented to verify the process management.

Raw Materials

Vegetables

Meat

Seafood (shrimp)

Confirmation of pesticides used

Confirmation of animal drugs used

Confirmation of animal drugs used

Soil Analysis

<Beef>
Use of raw materials produced in non-BSE contaminated countries

Feeding Management

Cultivation Management

Feeding Management

Animal drug Testing

Pesticide Testing

Animal drug Testing

Primary Material Processing



Use of Biomass Energy

Introduction of Biomass Boilers

We have introduced biomass boilers, in each region.

In Thailand

using biogas
generated from the
process of producing
amino acid



using rice husks as fuel

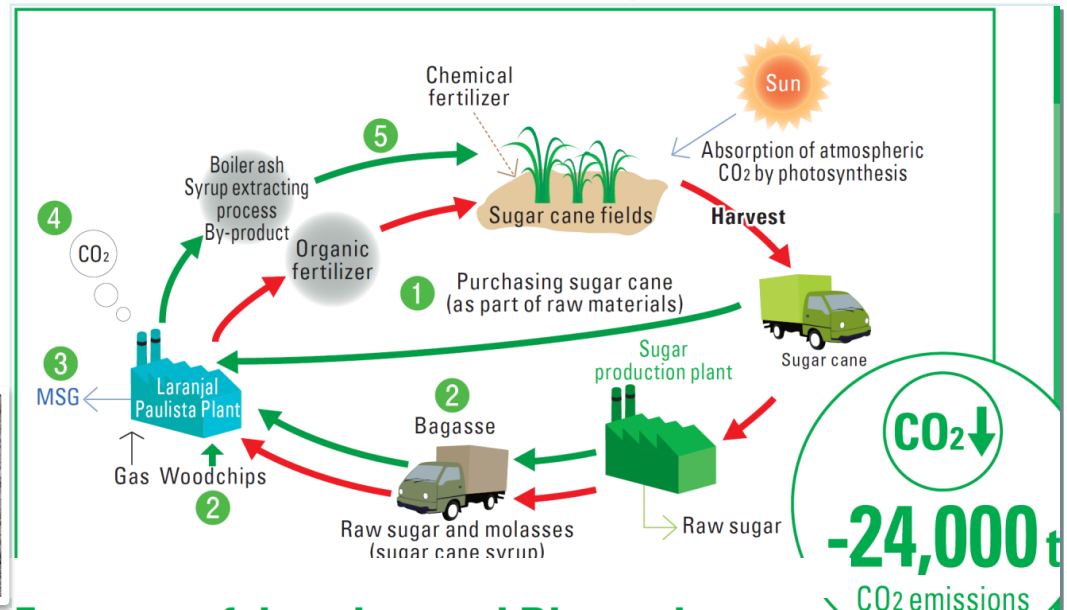


In Brazil

Advanced Bio-cycle Launched at the Laranjal Paulista Plant



using bagasse as fuel





Spreading Environmentally Friendly Livestock Farming

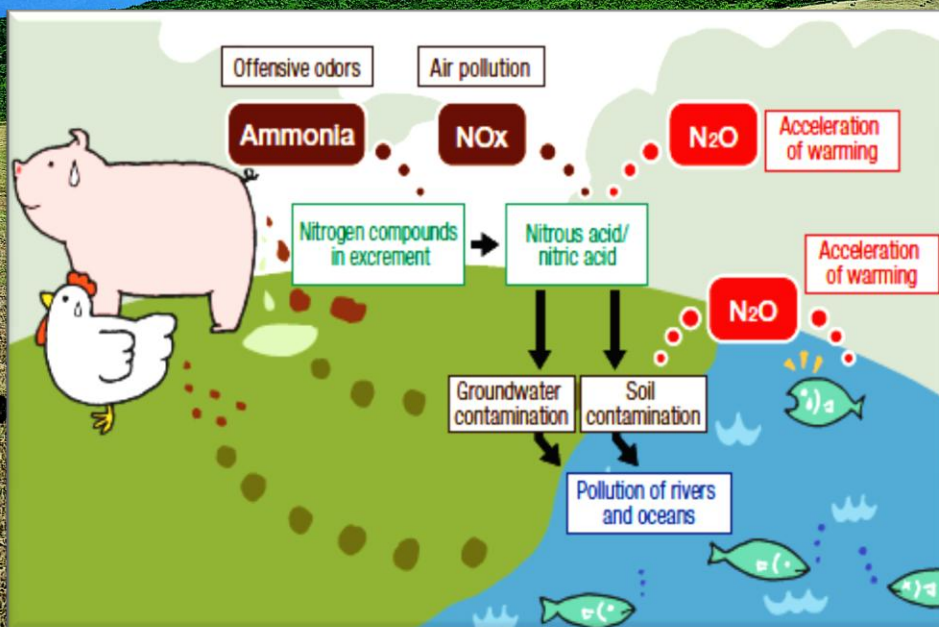
Feed-use Amino Acids

—
30%
N₂O
reduction
Effect



330,000 tons of lysine
of the Ajinomoto Group

↓
Equivalent to
approx. 800,000 tons of CO₂ reduction
= equivalent effect to
tree planting in 123,000 ha
(23 special districts of Tokyo x 2)





More Efficient Use of Farmland

Feed-use Amino Acid

Feed-use amino acid contributes to
the effective use of feed and to the growth of livestock.

50 tons of soybean meal out of 1,000 tons of general feed can be replaced with
48.5 tons of corn + 1.5 tons of lysine.

Approx.
—
70%
Saving land



Arable land necessary to 50 tons of
soybean meal production



Arable land needed for
48.5 tons
of corn production



Land necessary for
the production of raw material
for 1.5 tons of lysine



Approx. 1.2 million tons of world's consumption of lysine

= saves **approx. 14 million ha** of arable land

(roughly a half of soybean land in the US or twice of arable land for overall
agricultural products in Japan)

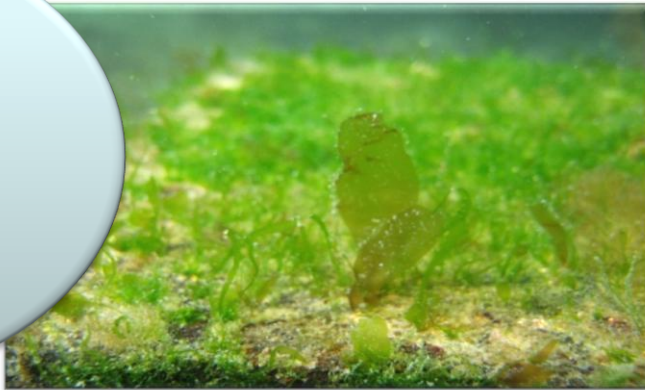


Nurturing Marine Resources

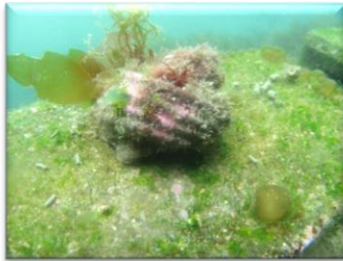
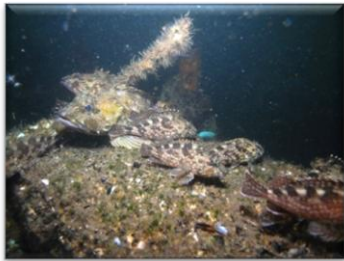
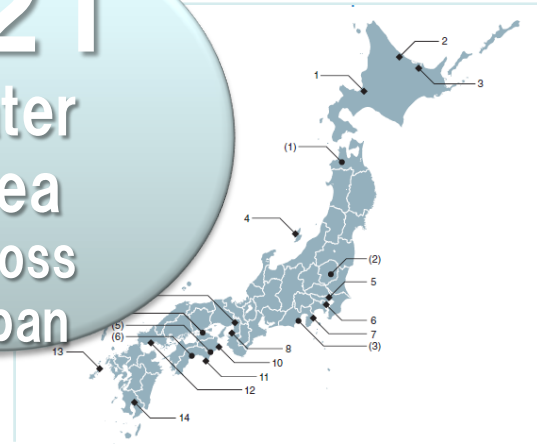
Environmental Vitalizing Concrete

Believing that amino acids can help vitalize water sources, we began conducting research to develop concrete containing amino acids.

5~
10×
faster
microalgae growth



in 21
water
area
across
Japan



**Thank You Very Much
For Your Attention**

おいしさ、そして、いのちへ。
Eat Well, Live Well.
AJINOMOTO®