

Eat Well, Live Well.



AJINOMOTO FOODS NORTH AMERICA, INC.



Annual Report 2017-2018



"This year our company entered into a fundamental phase of its transformation and accelerated the reforms that should bring us on the path to sustainable profitable growth."

Ajinomoto Foods North America is determined to continue growth in the Frozen Foods industry, adding new initiatives in all categories with new branding, flavors and experiences.

By leveraging our heritage and our research capabilities, we are offering great tasting food and are developing healthier solutions that can be afforded by everyone. Since the discovery of umami, our company remain committed to advance the enjoyment of flavors.

Our value chain start with carefully selected ingredients, a strong culinary expertise inspired by tradition, and a cooking process which enhance the complexity of a recipe. The goal is to provide the customer with the same quality and experience that it would expect from the best restaurants.

Our roots into multiple ethnic foods provide us with endless sources of creativity. Our goal is to deliver "WOW's" which we define as a surprising and superior experience in term of taste and enjoyment. We launched high quality ramens last year to deliver the "WOW" factor and sold 8,400,000 servings.

+17% increase in employees.

Ajinomoto Foods North America believes in employing creative and innovative people. Our employee force saw an increase of 17% between 2016 and 2017.

Positive Consumer Feedback

"This product is wonderful! Everything about it is great! I am really excited about this product! Its not often you can find a good TV dinner that tastes good."

"I'm a fan of Asian cuisine and always looking for something quick and easy that also tastes good. I found it, you made it, it's your Ramen Noodles with chicken. This stuff is awesome! You now have a customer for life."

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Ajinomoto Foods North America

As part of Ajinomoto Co., Inc.'s Global Brand Initiatives, Ajinomoto Windsor, Inc. is changing its name to Ajinomoto Foods North America, Inc. to create brand consistency across North America. The company's rebranding structure will utilize the new Ajinomoto Global Brand logo - setting the stage for global consistency and a unified management.

Our new name will help distinguish Ajinomoto Foods North America as one of the leading high-quality foods company in the United States, Canada and Mexico. The new company branding structure in North America will support the Ajinomoto's Global Brand Logo, and its efforts to become a global top 10 food company.

The Ajinomoto Global Brand Logo will enhance the corporate brand globally as well as ensure global consistency across all business activities and brands. The new logo goes 'beyond language' with a friendly design that incorporates not only the history of the company but also the creative visions, goals, growth, and development of the Group.

Grand Opening of our New Appetizer Factory

Joplin, Missouri

Ajinomoto Foods North America, Inc. aims to strengthen its business for food service and establish a strong No. 2 position in

category to develop, produce and sell specialty frozen appetizers.

The development of the new facility also introduces

"APPETIZERS ARE THE COMPANY'S FASTEST-GROWING PRODUCT, EXPERIENCING 5-8 PERCENT GROWTH ANNUALLY."



Location	Joplin, Missouri
Opening Date	2018
Production	Our newest factory in Joplin, Missouri is dedicated to producing high quality appetizers: onion rings, breaded cheese, green beans, etc.
Budget	Approximately 50 million USD

the frozen appetizer market with the new Appetizer plant for Ajinomoto Foods North America, Inc. (AFNA) in Missouri, USA.

With the construction of the new plant, the technologies of Ajinomoto Co. in Japan and Ajinomoto Frozen Foods Co., Inc. will be introduced in the frozen appetizer

more than 200 new quality jobs for the city of Joplin, providing greater care and access for the community.

Our New Products



TAI PEI®

Building on the success of Tai Pei's product and packaging reinvention which drove strong results, +11% in Grocery in 2017, Tai Pei launched new Noodle and Asian Meatball platforms in late 2017. Both platforms provide incrementally to Tai Pei's core rice

products. The delicious new noodle flavors are Spicy Korean Style Noodles with Chicken and Vegetable Lo Mein. The Asian meatball line is an innovative twist to fried rice, adding meatballs that carefully seasoned with great Asian flavors. The Asian meatball flavors are Japanese Style Chicken Meatballs and Emperor's Spicy Chicken Meatballs.



LING LING®

Ling Ling had a stellar year in 2017 with Grocery consumption up +70% driven by growth in the core Potstickers and Multi-Serve Fried Rice platforms. Building on this momentum the team launched six new innovative noodle products in both the multi-serve and single-serve categories. In the multi-serve category the Ling Ling team created and launched two unique, gourmet noodle offerings:

Chicken Yakisoba Noodles, and Drunken Noodles with Chicken. In the single-serve category, four new Ramen items were launched using innovative packaging, in the flavors: Tonkotsu Chicken, Shoyu Vegetable, Spicy Miso Chicken, and Chicken Shoyu.



JOSE OLE®

Jose Ole has taken innovation to the next level with its launch of 9 new products. The new products boasted new flavor and form innovation. Paramount among these innovations was the introduction and launch of the Dos Taco format. Our Rolled Tacos are packaged together to provide an easy snack or meal to people on the go. Jose Ole also launched two amazing flavor innovations behind Loaded Beef Nacho and Queso Chicken which are both unique in the Mexican category.



FOOD SERVICE: POSADA®

Our Food Service team introduces a new product: the Chorizo and Queso Mini Taco. These are filled with a blend of spicy mexian pork chorizo with a rich 3 ceese flavor sauce, Monterey Jack cheese and onions, all wrapped in a yellow corn tortilla. The Food Service Team introduces flavors that follow the latest trend and make it easy for customers to enjoy everywhere!



A

jinomoto Foods North America believe strongly in conducting our business according to a set of core values and principles that honor quality, innovation and collaboration.

We appreciate great tasting food and we believe strongly in only using the highest quality ingredients to cook the best tasting products. Ajinomoto Foods continue to develop and introduce great tasting foods while maintaining high quality standards in all of our products.

Innovation is one of the core ingredients in our recipe for success! We promote innovation in all areas of our company. We believe strongly in innovation not only in the foods we cook, the technologies we use, but also in the people we work with.

Collaboration is key to a successful company. Our greatest projects requires insight and help from all of our employees. Through collaboration, we join with our greatest ideas and achieve the greatest successes together as a team.



-10%
customer complaints

Our commitment to quality led to a decrease in customer complains and an increase in overall satisfaction.

INNOVATION

Here at Ajinomoto Foods North America, innovation is a key ingredient; we are proud to create and invent new ways of viewing and tasting food. Our products are first created in the innovative minds of our Research and Development Team and developed further in our kitchens until it reaches perfection.

Our products are made with the highest quality ingredients and our flavors are developed deeper with the latest technologies and techniques. Our Research and Development Team believes in dedicates their time to not only creating food of great quality and flavor; it is their mission to develop innovative products to their customers and the frozen food industry.



63 new products
launched in 2017



COLLABORATION

Collaboration and communication is key to our success at Ajinomoto Foods. Our employees believe strongly in working with one another in order to reach the same goals of success. Through AFNA Ambassador Learning Academy, our employees are able to gain knowledge for each other's experiences and collaborate together for new ideas and solutions.

The AFNA Learning Academy Program involves employees from each of our 10 locations within the United States. Employees are able to gain face-to-face contact with one another, collaborate and brainstorm for new solutions and techniques, understand the differences between each location and develop a stronger relationship with the company.

Ajinomoto Shared Value

Since its foundation, the Ajinomoto Group has always focused on solving social issues through its business activities. Its success lies in creating values together with local communities and wider society. The group has named this philosophy at the heart of its business the Ajinomoto Group Shared Value (ASV).

Social issues change constantly, and there may be more than one way to solve them. As ASV is put into practice, it is important to stay aware of global issues and focus on using the Group's unique strengths, technologies and passions to tackle them. To do this, it is necessary to continue engaging stakeholders and communicating to consumers what the Ajinomoto Group believes and what actions it is taking. The Ajinomoto Group's business is food, the foundation of all life. The Group will continue its efforts, confident that it can help solve social issues in its own unique ways.



ASV: THE TAI PEI® RENOVATION PROJECT

The concept of Ajinomoto Group Shared Value (ASV) is evident in the Tai Pei Renovation Project where Ajinomoto Foods introduce a completely reformulated product that promotes our social and economic values. Through this renovation project, Ajinomoto Foods introduce a healthier and better tasting product for our consumers. The Tai Pei Product Renewal items are all created with high quality ingredients across all platforms, ranging from using kelp extract for umami to our choices of fresh vegetables and all natural meat. Much like the Ling Ling ® Fried Rice, the Tai Pei ® line also uses infused rice to provide consumers with an abundance of flavors. Innovation can be experienced through the renovated Tai Pei line. The packaging of the product adopted a modern design, creating space for marketing labels. Additionally, the new package design promotes innovative cooking by shortening the cooking time by 10%. The actual product itself has also undergone drastic changes including an average sodium reduction by 30%, providing our consumers with a healthy and delicious restaurant quality meal within the comfort of their own home.



AJINOMOTO GLOBAL STORY: THE GHANA PROJECT

The Ghana Nutrition Improvement Project was launched to achieve the aforementioned aspiration via a social business. Under this project, we manufacture and sell a supplement that improves the nutritional balance of weaning food, thereby helping improve the nutritional status of local children in the weaning period. The Group has since been steadily implementing the project in cooperation with the government of Ghana, the University of Ghana, and other international NGOs and corporates.

Malnutrition, which is a serious issue in developing countries, gives various adverse effects to the physical and intellectual growth of children. It is critical to improve the nutritional status of children especially during their first 1,000 days or the first three years from conception to their second birthday, because it is said that the growth retardation of children during the period cannot easily be recovered even by sufficient

nutritional intake in the subsequent stages of their lives. In response, the Ajinomoto Group launched a project to address malnutrition among weaning infants aged between six months and two years. Under the project we will contribute to a sound future of local children by providing a supplement to be added to the traditional porridge called KoKo, which is fed to weaned infants in Ghana but is deficient in nutrients such as protein and micronutrients.

Koko does not meet the nutritional requirements recommended by the WHO and other organizations because it is deficient in energy, protein, and micronutrients. In response, we have developed Koko Plus as a nutrition supplement containing an amino acid to be added to Koko in the cooking process to cover the nutritional deficiency of the meal.



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