

Eat Well, Live Well.



AJINOMOTO FOODS NORTH AMERICA

ANNUAL REPORT
2018-19

Innovation and
structure is
fundamental to our
success at Ajinomoto.

As a leading manufacturer in the frozen food industry, Ajinomoto Foods North America is dedicated to contributing to a healthier lifestyle through nutritious and balanced Umami foods. With a commitment to excellence and innovation, all our products are cooked with our customers in mind, providing healthy and delicious meals for all.

We currently operate nine factories and our headquarters domestically in the United States. With over 2,800 employees working around the clock, we serve as a brand leader across all categories of frozen foods.

Our products span across the largest categories of ethnic frozen foods ranging from Mexican to Italian to Asian across every distribution channel including foodservice, grocery, warehouse club, and custom manufacturing. From incredible Umami sauces to delicious Umami seasoning, you can count on quality with every Umami product.

INTRODUCTION







ABOUT US

"We are looking forward to providing great results in the frozen foods industry."

At Ajinomoto Foods North America, we take pride in cooking foods that taste and feel great. Our success is guided by the company's vision and mission to provide the best products that satisfies everyone's needs.

Our Vision

Enhancing time-strapped eating experiences.

Our products deliver high-quality restaurant experiences in a short amount of time, allowing you to enjoy a full experience anytime, anywhere.

Our Mission

We deliver the "Wow"

It is our mission to impress our customers through our careful attention to detail and ability to provide the greatest flavor from the best ingredients and procedures.

Basics, Fundamentals and Beyond

Time really flies fast; it has been almost a year since I joined Ajinomoto Foods North America. The company experienced many challenges in 2018, and realized sharp bounce back to good in 2019.

I've been very excited to join and enjoy the process of implementing changes during my time here at AFNA. Over the past year, I've had the pleasure of participating in strategic discussions and prompt actions towards business execution with my professional colleagues.

The company continue to impressed me with their great assets which include our people, brands, products, and long-lasting relationships with our stake holders. Our great assets allow us great opportunities to step forward and leverage them in the right direction by setting up important fundamentals of the frozen foods business.

The reinforcement of our frozen foods business foundation will be led by the management team of the company in the coming year. Our core operation process will be more organized and polished, to achieve outstanding performance under a unified one-team spirit.

Also we will leverage the support from the Ajinomoto Group fully in terms of cutting edge technologies and the science of taste. We are the No.1 player of Asian Frozen Foods in the United States – our knowledge and technologies can be applied and utilized for other specialty frozen foods as well.

I am pleased to share our passion with you and I hope you continue to explore our dedication to quality products through this report.



Sumio Maeda
President and CEO

AJINOMOTO GLOBAL

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).



34,500  employees worldwide

Employees of the Ajinomoto group develop the business from each local culture.

123 plants

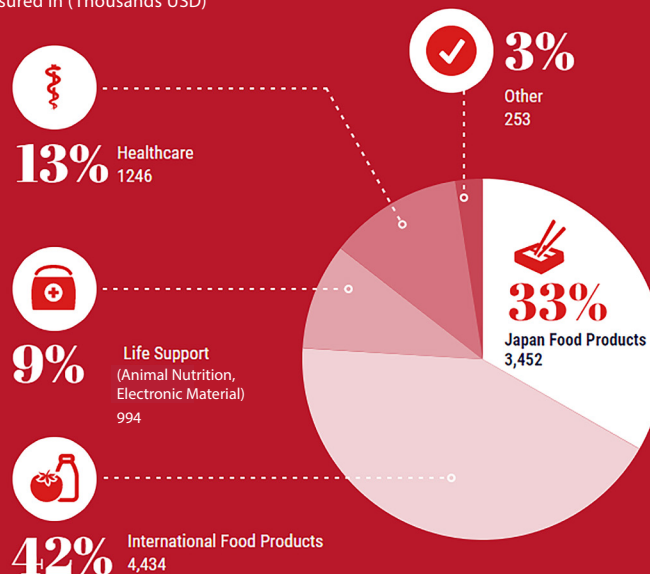
We deliver safe and reliable products to customers throughout the world.

As the world's leading manufacturer of amino acids, the Group focuses on expanding its business scope through the development of original manufacturing methods and applications for high-quality amino acids to conduct wider ranging operations that support the Food and AminoScience businesses domestically and internationally.

Currently, the Food Products category is 70% while the AminoScience category is roughly 30%.

Gross Sales by Business Category

Measured in (Thousands USD)



NORTH AMERICAN REGION

11 ENTITIES

Ajinomoto North America Holdings (ANH)

- Ajinomoto Health & Nutrition (AHN)
- Ajinomoto Foods North America (AFNA)
- Ajinomoto Animal Nutrition (AANA)
- Ajinomoto Bio-Pharma Services (ABPS)
- Ajinomoto Toyo Frozen Noodle (ATFN)
- Ajinomoto Cambrooke (ACI)
- Ajinomoto Fine-Techno (AFT USA)
- New Season Foods (NSF)
- Kenney & Ross (K&R)
- More Than Gourmet (MTG)

Ajinomoto Foods North America (AFNA)

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Ajinomoto Health and Nutrition (AHN)

At Ajinomoto Health & Nutrition North America, Inc., we focus on the nutrition and health of our customers.

As Ajinomoto's North American subsidiary, we're backed by the global network of Ajinomoto Group companies. By leveraging an international research, manufacturing, supply and distribution system; we're able to bring the highest-grade of amino acid products, and highest-quality food ingredient solutions to consumers in the US and around the world.

Ajinomoto Animal Nutrition (AANA)

Ajinomoto Animal Nutrition is one of five global companies affiliated with the Ajinomoto Animal Nutrition Group, a leader in feed-grade amino acid manufacturing. Our goal is to provide quality products, the highest level of technical expertise, and unmatched customer service.

As the only amino acid supplier with an in-house amino acid lab in North America, Ajinomoto Animal Nutrition offers amino acid analysis services to our contract customers.

Ajinomoto Bio-Pharma Services (ABPS)

At Ajinomoto Bio-Pharma Services, our mission is to help improve the health of humankind. Our ultimate goal is to provide adaptive solutions, responsive service, trusted partnerships and peace of mind to our customers.

Our goal is to deliver quality product and personalized service, while providing flexibility and guidance to meet our clients' needs.



CONSUMER PACKAGED GOODS



Tai Pei® Asian-style frozen entrees began in 1996 with their infamous Sweet & Sour Chicken in a memorable takeout-style box. Today, Tai Pei transformed their single-serve entrees with new recipes that include clean ingredients, savory sauces and flavor-infused rice. The renovated Tai Pei is free from preservatives, artificial flavors and colors.



In 1972, founder Clarence Mou and family migrated from Taipei, Taiwan to the San Francisco area to pursue the American dream, opening a small restaurant with authentic flavors. Ling Ling® continues to use authentic recipes inspired by the regions of Asia, just as the founders did. We proudly share our heritage, making high quality, freshly frozen foods for your family to discover.



AJINOMOTO® focus on delivering a wide variety of high-quality, authentic Japanese and Asian frozen foods that are delicious and convenient, as well as seasonings essential to Japanese and Asian gourmet cuisine. The brand believes strongly in food safety and quality to deliver safe and reliable products.



Jose Ole® is a Mexican-style frozen foods brand that has been committed to creating delicious and satisfying Mexican flavors since 2000. The use of the finest ingredients, such as tender cuts of meat, real cheese, and oven-baked tortillas; introduce authentic flavors in our quick meals to deliver real satisfaction.

FOOD SERVICE



Fred's Frozen Foods was founded in 1960 in Noblesville, Ind. With an increase in popularity, Fred's started producing other popular appetizers including breaded mushrooms, zucchini circles and cauliflower.

In 1982, Fred's introduced the FIRST breaded mozzarella cheese sticks – now a standard menu item in many establishments. Fred's for Starters® continues to create many household and restaurant favorites.



The POSADA® brand was introduced in 1980 to serve a new premium, upscale market niche that redefined the frozen Mexican foodservice industry, shifting the product focus from cost to quality. Soon after, the company's geographic coverage was expanded nationally from its previous focus on the Southwestern United States, and POSADA grew quickly into one of the most premium frozen Mexican foods products in the U.S.



Golden Tiger®

Golden Tiger® is one of the largest suppliers of Asian Dim Sum, originating in Los Angeles in 1963 by the Lee family. The Lee restaurant was the first Chinese "fast food" concept, and followed old family recipes, filling the kitchen with the scent of barbecue roasted pork, fresh seafood cooked in woks, and stir-fried vegetables.

Jean Lee expanded the manufacturing part of the business to include a USDA facility, producing an extensive line of authentic Dim Sum and more than a dozen different varieties of Egg Rolls. Golden Tiger is another example of a fine family tradition translating into products that are now being sold nationally.



The Bernardi tradition was started at Mona's, a quaint Italian restaurant famous for its tortellini and ravioli. For decades, people all over Illinois would converge on the small town of Toluca to enjoy Dick Bernardi's signature family dishes. This demand turned into an opportunity to manufacture quality stuffed pastas and distribute Bernardi's specialties to other restaurants across the country.

Today, the Bernardi family's traditions live on in a company dedicated to preserving the legacy with the same care the family instilled in its popular Italian food.

CPG

TAI PEI RANKED 9 OUT OF 10 IN ASIAN SINGLE SERVE ENTRÉES CATEGORY

Rank	Product	Brand
1	TP Fried Rice Chicken & Veg Rice Entrée	Tai Pei
2	TP Shrimp Fried Rice Entrée	Tai Pei
3	TP Sweet & Sour Chicken & Veg Rice Entrée	Tai Pei
4	TP Beef & Broccoli Veg Rice Entrée	Tai Pei
5	TP Orange Chicken & Veg Rice Entrée	Tai Pei
6	TP General Tso Spicy Chicken & Veg Rice Entrée	Tai Pei
7	TP Peppered Beef & Veg Rice Entrée	Tai Pei
8	Kahiki General Tso's Chicken & Broccoli Rice	Kahiki
9	TP Chicken & Pork Combination Fried Rice	Tai Pei
10	TP Teriyaki Chicken & Veg Rice Entrée	Tai Pei

Source: Total US - Multi Outlet- 26 Weeks Ending 8/11/2019. Filtered at ACV Weighted Distribution > 7%



Innovation

We revolutionized Asian single serve entrees with our flavor-infused fried rice and innovative heat'n at bowl.

Authenticity

Delicious taste starts with our master chefs creating authentic recipes that stay true to their ethnic origins.

Quality

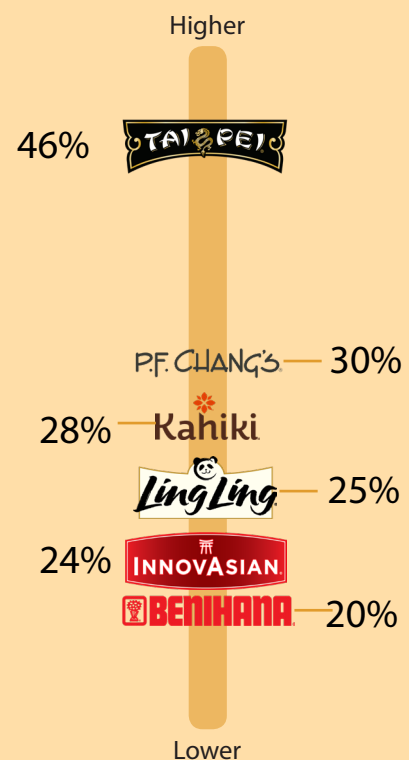
For authentic Ramen flavor and noodle texture, we have invested in proprietary technology to achieve restaurant quality taste.

Flavor

Our ethnic foods are bursting with flavor. Whether it's the right spice blend or a crispier tortilla, we continually improve our products to deliver exceptional taste.



Repeat Rates



Source: IRI Unify CSIA - Total US - All Outlets - Latest 52 Weeks Ending 8/11/2019



FOODSERVICE

Asian

- #1 in "Street" Sales Volume
- 18% of Foodservice Mix

Italian

- #1 in "Street" Sales Volume
- 17% of Foodservice Mix

Latin

- #1 in "Street" Sales Volume
- 25% of Foodservice Mix

Chili

- #1 in "Street" Sales Volume
- 6% of Foodservice Mix

Appetizers

- #2 in "Street" Sales Volume
- 34% of Foodservice Mix

Cost Calculator

An APP for restaurants to determine food costs and gross profits per dish.

Recipes

Recipe ideas to provide menu inspiration for restaurants.

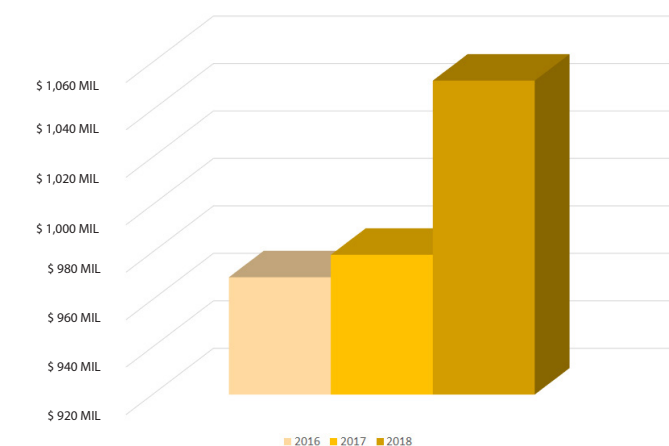
Customizable Merchandising

Table tents, POS and coupons customized for promotional activities.



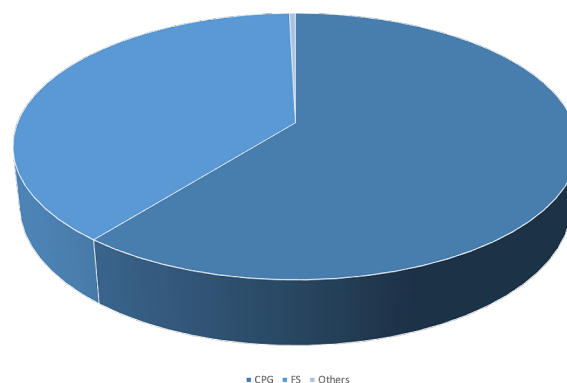
OUR SALES

Gross Sales FY2016-FY2018



	2016	2017	2018
Totals	\$ 969 MIL	\$ 978 MIL	\$ 1,052 MIL

Gross Sales FY2018



Division Description	Gross Sales in FY2018
CPG	\$ 639 MIL
Foodservice	\$ 408 MIL
Others	\$ 4 MIL
Totals	\$ 1,052 MIL



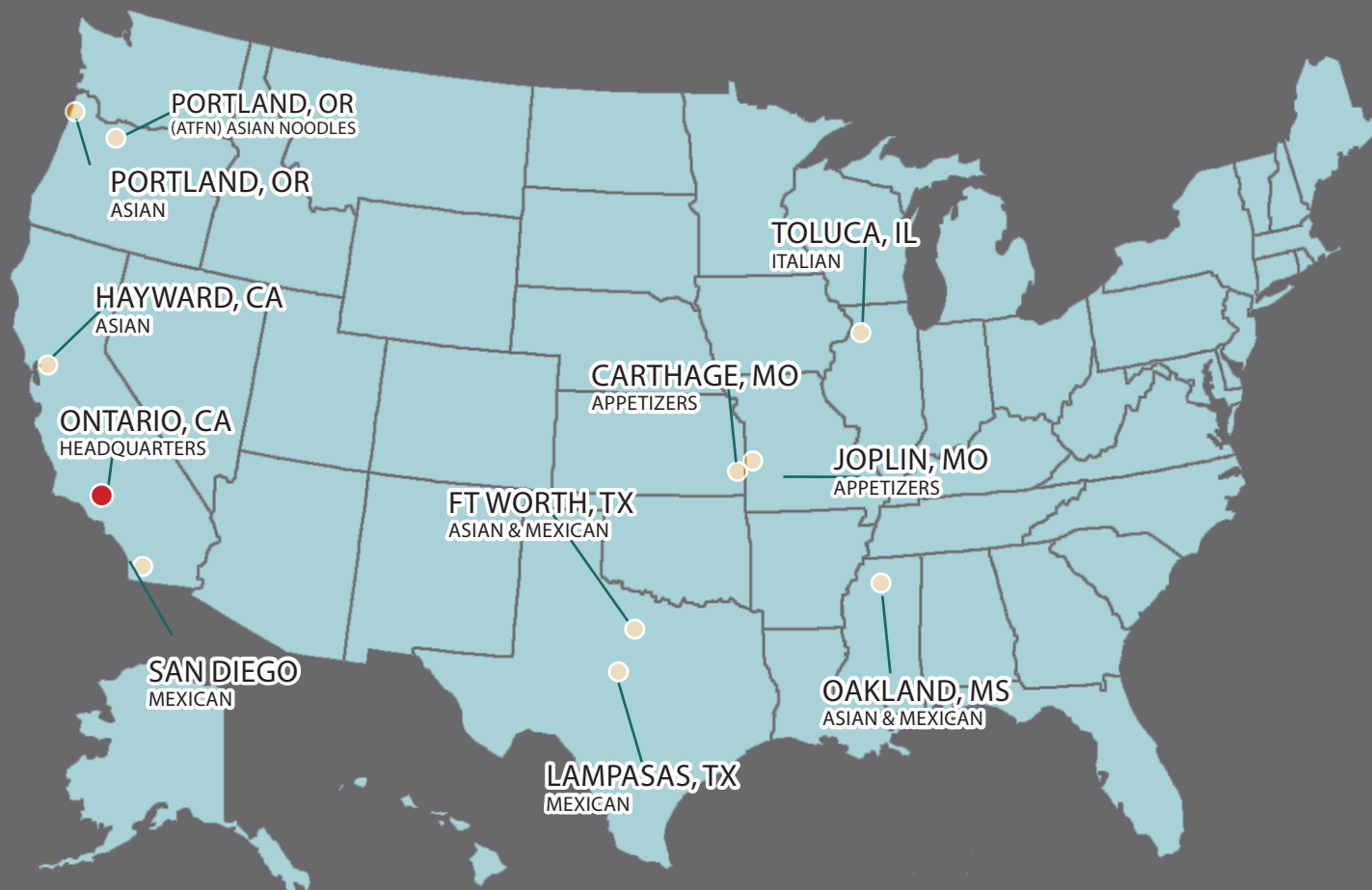
Our Customers

CPG
Albertsons
C & S
Costco
H E Butt
JFC Intl
Kroger
Meijer
Smithfield
United Natural
Usa Govt Installations
WalMart

Foodservice
Affiliated Foods
Ben E Keith
Dot Foods
Fsa
Gordon Food Service
Labatt
Maines Paper
Mclane
Performance Fd Grp/Vistar/Roma
Reinhart
Sysco Corp

Listed in Alphabetical Order

OUR LOCATIONS



Snacks/Appetizers

Asian

Pot Stickers, Gyoza
Shumai
Egg Roll, Spring Roll

Mexican

Taquitos
Mini Mexican Snacks
(Tacos, Nachos)

Coated Appetizers

Onion Ring
Mushroom, Green Beans
Pickles
Mozzarella Cheese Sticks

Main Entrée

Asian

Rice, Fried Rice
Noodles
Bowls (Rice Based)

Mexican

Burritos
Chimichangas
Tacos

Italian Pasta

Ravioli
Tortellini
Lasagna

A top-down photograph of fresh ingredients on a dark, textured surface. Several ripe red tomatoes with green stems are clustered together. Below them are several white mushrooms. A large, sharp knife with a dark handle lies diagonally on the right side of the frame. Small black and red peppercorns are scattered around the base of the vegetables.

UMAMI

"Umami in balance with the other basic tastes plays an important role in determining the deliciousness of a dish."

The origin of "Umami", the fifth taste, began with the two founding fathers of the Ajinomoto Group: Dr. Kikunae Ikeda, Discoverer of the umami taste and Saburosuke Suzuki II, Founder of the Ajinomoto Group.


Umami joins tastes such as sweet, sour, salty, and bitter. These are all unique and cannot be created by mixing other tastes – they are known as primary tastes. Umami provides a pleasant, savory sensation that balances the four other options.

The word "umami" is originally Japanese and the Japanese expressions "to have umami" and "umai" can mean "tastiness" or "deliciousness."

Japanese professor Dr. Ikeda discovered Umami as he experimented with broth made from seaweed (kombu).

With the discovery of umami, Dr. Ikeda was determined to "improve the nutrition of the Japanese people" through healthy and delicious foods. Businessman Saburosuke Suzuki II also shared this vision and launched a business to begin marketing the first Umami seasoning: AJI-NO-MOTO® in 1909.

Over the years, Umami has become an increasingly popular topic and the growing use of Umami has increased globally. Ajinomoto Foods North America strives to bring the flavor of umami to life in its' products.

A photograph of various types of cheese, including a wedge of blue cheese and several blocks of white cheese, arranged on a rustic wooden cutting board. A wooden-handled knife is partially visible on the right side of the board.

The Ajinomoto Group: The First World Umami Forum (WUF) to educate the public on the flavor of Umami

Ajinomoto launches a 2-day conference to share knowledge and expertise on the subject of umami and MSG.

The Ajinomoto Co., Inc. (AJICO) held their first MSG conference, The World Umami Forum, in New York in December of 2018. It was an opportunity to officially present the scientific truth of umami and MSG. The World Umami Forum provided information to drive further awareness and understanding of Umami and MSG.

Audiences were provided with an immersive MSG experience and opportunities for panel discussion. Presentations from qualified speakers allowed for a well-rounded discussion of the history of umami, the science behind MSG, and a modern look at the use of MSG in culinary cuisine now. AJICO's CEO Mr. Nishii intended to drive awareness and provide knowledge on MSG. Many aspects of MSG were brought to light for the first time in AJICO's 110-year history in order to dispel the misunderstanding of MSG in the United States.

ASV

AJINOMOTO SHARED VALUE

Improving the company by enhancing economic value through the creation of shared value with local communities and society as a whole.

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 Creating Shared Value (ASV).

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.

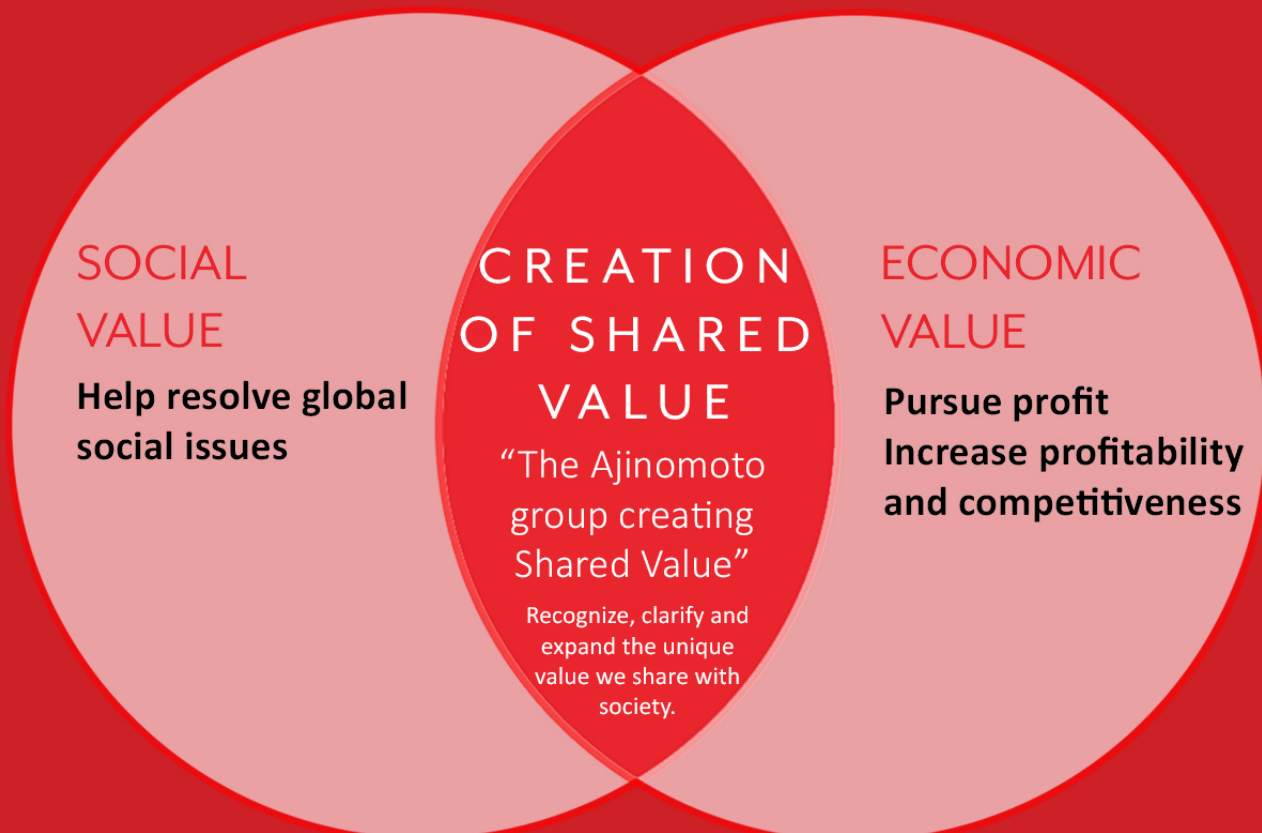
All business activities should add both economic and social value. Going forward, the Ajinomoto Group believes all operations must seek to create and optimize "shared value," or economic and social value combined. We call this Ajinomoto Group Creating Shared Value (ASV), and consider it to be the very core of operational activities.



Ajinomoto Foods North America (Joplin) - LED Energy Saving Project



Ajinomoto Vietnam - School Meal Project (Nutritional Education)



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AJINOMOTO FOODS
NORTH AMERICA, INC.

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