

Eat Well, Live Well.



IR Day 2022

**Enhancement of Corporate Value through Initiatives
Regarding Human Assets**

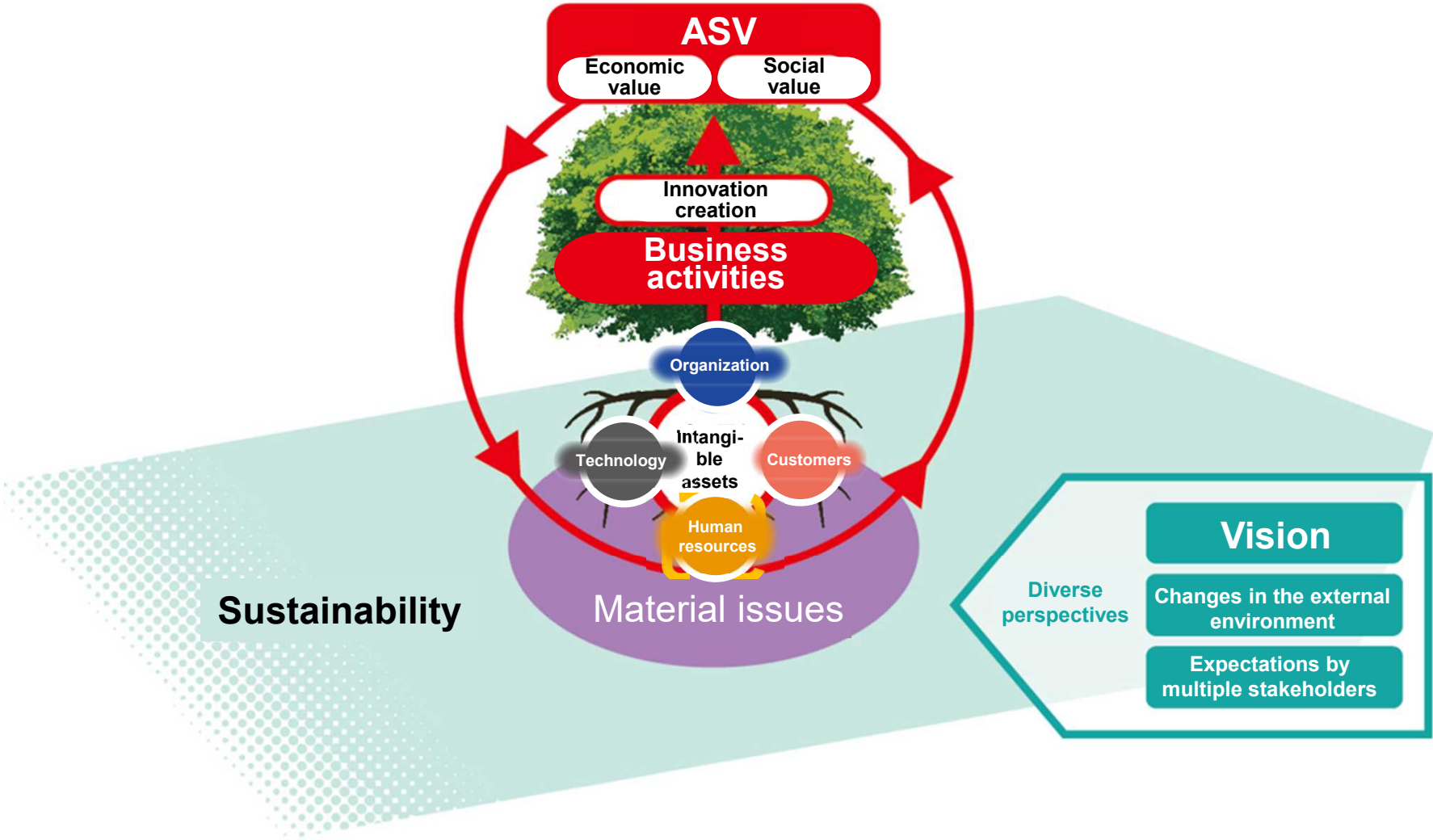
**Naoko Yamamoto
General Manager
Global Human Resources Department
September 14, 2022**

We aim for sustained and dramatic enhancement of our corporate value by **strengthening human assets**, the source of all intangible assets.

To this end,
united by our aspiration, or purpose, of ASV,
we will steadily implement the **co-growth of diverse talent and organizations that create value**
as the center of our human resources strategy.

Today's Topic

Initiatives for human assets, a key component of intangible assets

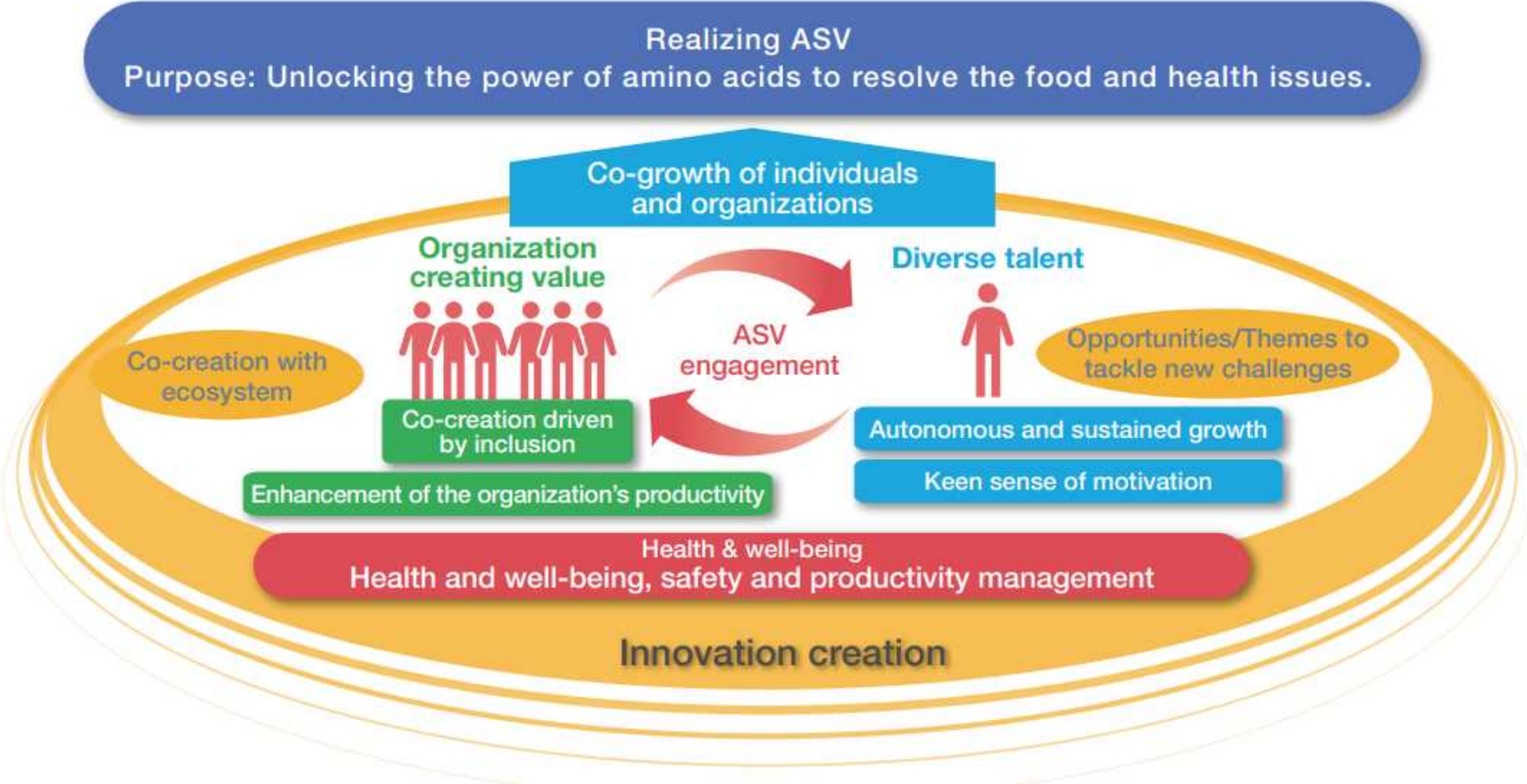


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- I. Value Creation Story Based on Human Assets**
 - II. Diverse Talent and Inclusion**
 - III. Co-growth of Individuals and Organizations**
 - IV. Human Resources Investment**
 - V. Toward Value Creation Based On Human Assets**

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I-1. Value Creation Story Based on Human Assets

Create innovation and enhance corporate value through co-growth of diverse talent and organizations that create value.



I-2. Approach to Promoting Diversity and Inclusion

Create innovation through the diverse knowledge and experience of diverse individuals and fostering an inclusive organizational culture.

Realizing ASV
Purpose: resolving the food and health issues

Develop a corporate culture that creates innovation through inclusion of diverse human resources

One Team Inclusion

- Create a “model” to utilize the Ajinomoto Group’s unique strengths
- Organization:
 1. Strengthen ASV management cycle activities
 2. Co-create using cross-sectional human resources
 3. Management that utilizes diversity to draw out capabilities

Diverse Talent

- Attributes: Gender, age, nationality, LGBT, disability, Group company they belong to, etc.
- Experience/Skills:
 1. Cross-sectional human resources
 2. Specialists (specialized knowledge/skills in each domain)
 3. Human resources development

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II. Diverse Talent and Inclusion

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- Attributes: Gender¹, age, nationality, LGBT, disability, Group company they belong to, etc.
- Experience/Skills:
 1. Cross-sectional human resources²
 2. Specialists (specialized knowledge/skills in each domain)³
 3. Human resources development⁴

II-1-1. Targets and Initiatives to Promote Women's Careers

Ajinomoto Co., Inc.

Diverse Talent

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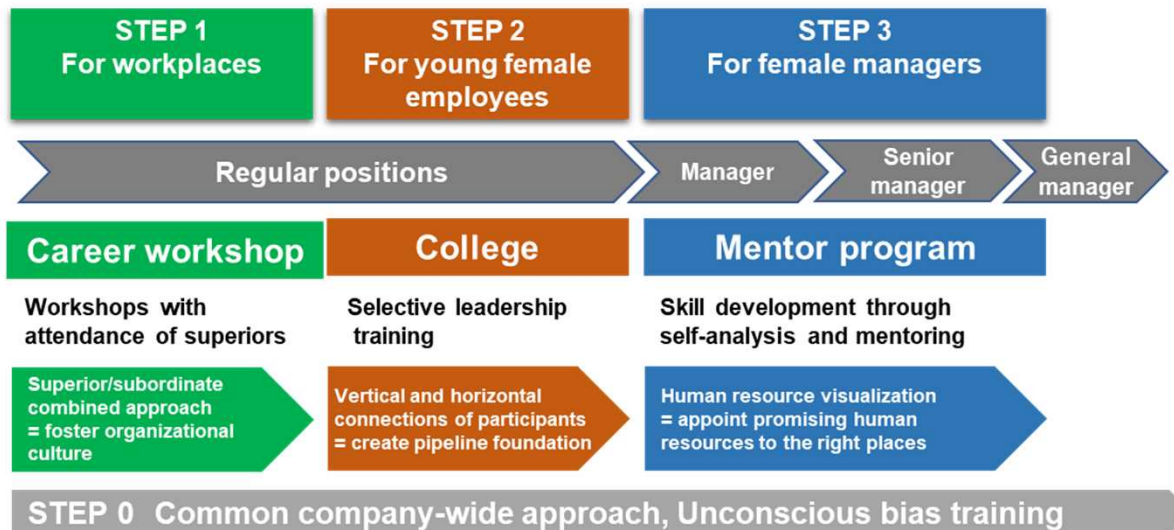
Approach the various grades to enhance and appoint women so they comprise 30% of decision-making roles by 2030.

AjiPanna Academy

- Started in FY2020
- Total of 676 participants over two years

Initial career stage

Mid-career stage



II-1-2. Progress of Initiatives to Promote Women's Careers

Ajinomoto Co., Inc.

Diverse Talent

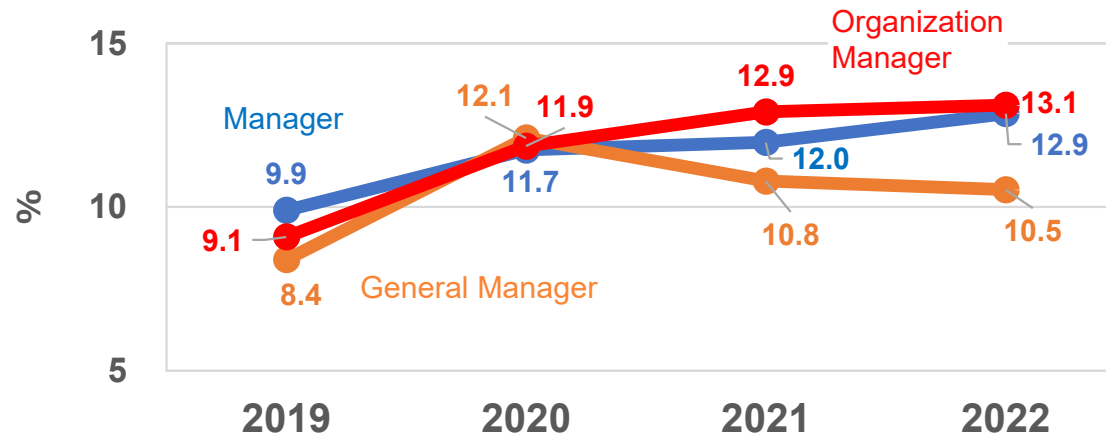
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Despite the increase in the percentage of female line managers, further pipeline development is needed.

The gender gap in awareness of career development has shrunk.

■ Changes in the percentages of female officers and line managers



Percentage of female directors (including outside directors)
36%

■ Changes in awareness by gender (score gap between men and women based on Engagement Survey)

Related questions	2017	2021
Involvement in making decisions	20	7
Fair provision of opportunities	19	6
Support from supervisor	19	4

II-2. Acceleration of Innovation through Cross-Sectional Human Resource Assignment

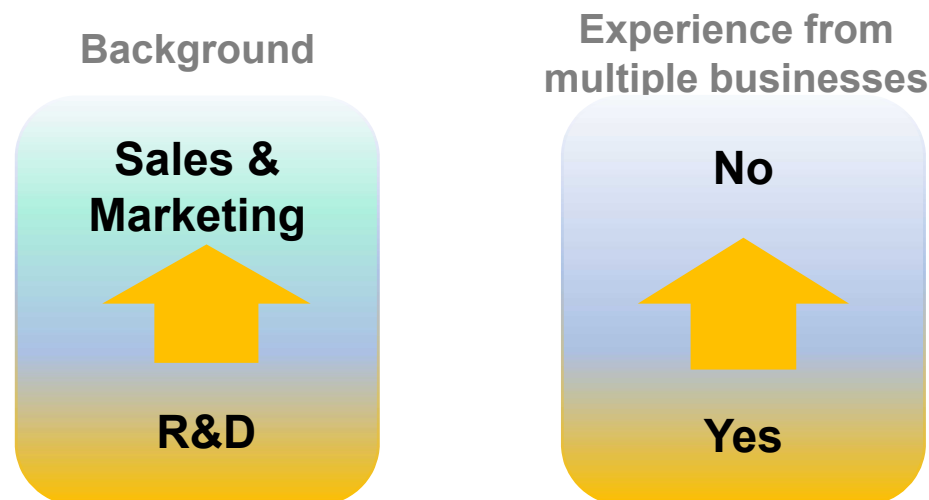
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**Accelerate innovation through diverse exchange of human resources.
Start qualitative monitoring using visualization of human resources information.**



■ Examples of personnel transfers in FY2022

Food Products X AminoScience

- Person with AminoScience business experience → General Manager, Food Products Division
- Person with Food Products business experience → General Manager, AminoScience Division

R&D X Business

- General Manager, Quick Nourishment Dept., Food Products Division → First appointment of a human resource with an R&D background in the AminoScience business domain

Inter-Group company exchanges

- AJINOMOTO DO BRASIL → President, AJINOMOTO DEL PERU S.A.
- Management candidate → Executive Officer, Marketing, AJINOMOTO CO. (THAILAND) LTD.

II-3. Mid-career Hiring and Appointment of External Human Resources

Ajinomoto Co., Inc.

Diverse Talent

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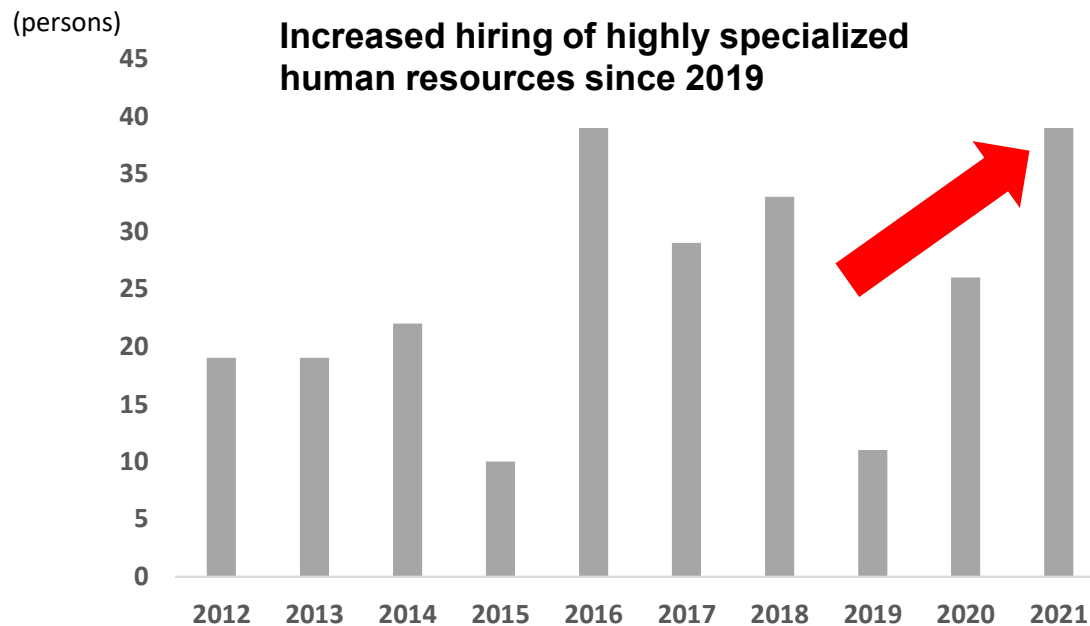
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Boost mid-career hiring linked to management and business strategies, and appoint to key positions.

Enhance human resource diversity by further expanding the appointment of highly specialized human resources.

Change in number of mid-career hires by fiscal year



Areas of expertise emphasized in mid-career hiring

Digital technology-related
Finance and M&A
Marketing
Law and intellectual property
New business development
Human resources
R&D
etc.

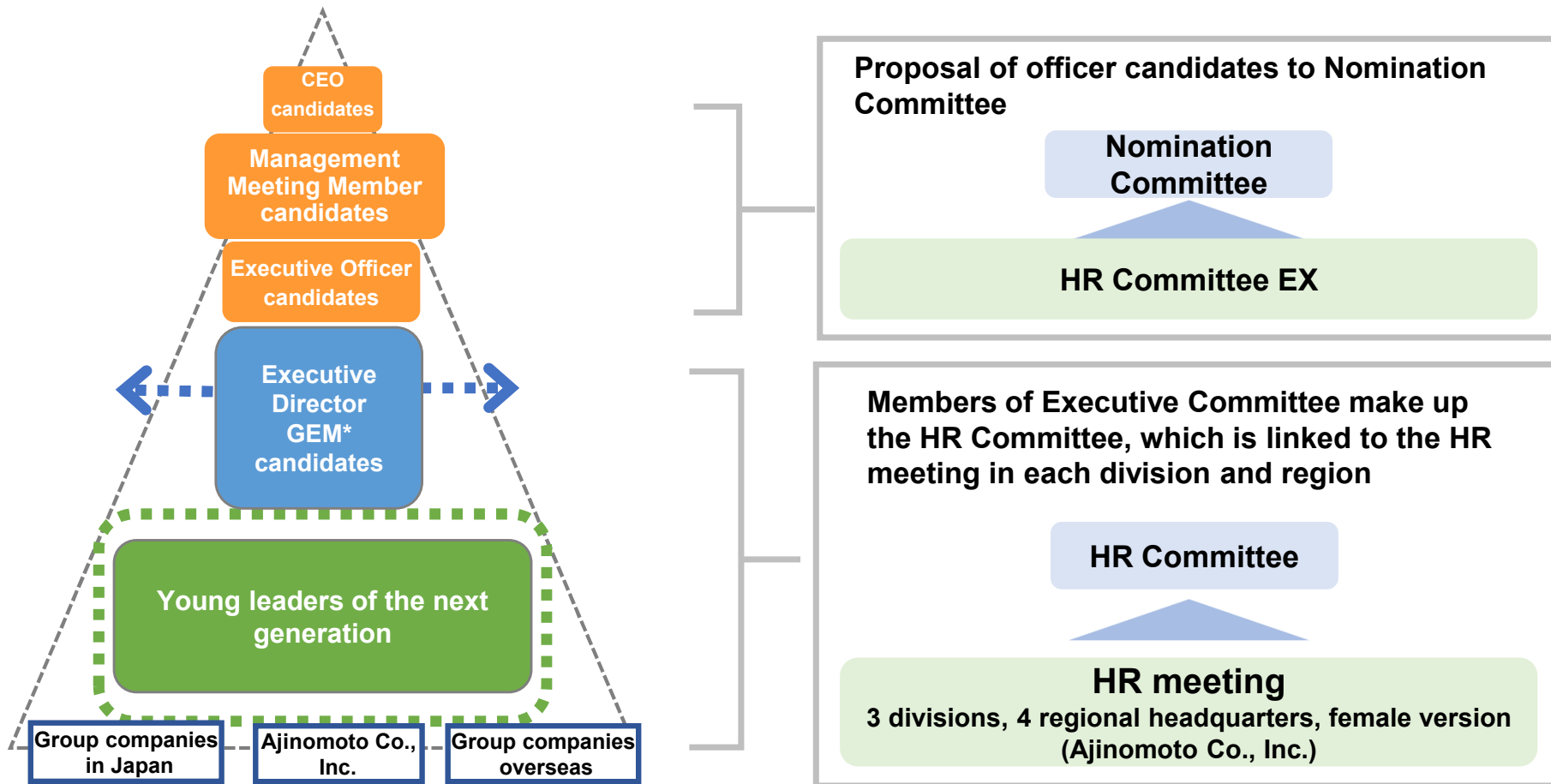
Currently employed mid-career hires: 13% of all employees
Percentage of mid-career hires for past three years: Over 35%

II-4-1. Mechanisms for Training Group Management Human Resources

Diverse Talent

- Attributes: Gender, age, nationality, LGBT, disability, Group company they belong to, etc.
- Experience/Skills:
 1. Cross-sectional human resources
 2. Specialists (specialize knowledge/skills in each domain)
 3. Human resources development ⁴

Link the three levels of the human resource pool and strengthen the pipeline of future management candidates.



* Group Executive Manager (Approximately 120 positions across the Group as of July 2022)

II-4-2. Approach to Human Resources Development

Strengthen measures that foster self-directed career development and setting of challenges by diverse talent.

- Diversify hiring and appointment
- Expand opportunities for voluntary participation
- Support external connections (Side jobs, second jobs, hands-on training)



- Instill Ajinomoto Group Value
- Increase literacy (Digital, nutritional, environmental)
- Diverse training (Ajinomoto Group Academy, MBA, research dispatch, etc.)

Utilize DX for Human Resources

- Visualize positions and HR information

- Appoint to key positions at an early stage
- Provide mentoring and career support interviews
- Provide coaching and One on One
- Provide 360-degree feedback

II-4-3. Examples of Side Jobs/Second Jobs Outside Ajinomoto Co., Inc.

Ajinomoto Co., Inc.

Diverse Talent

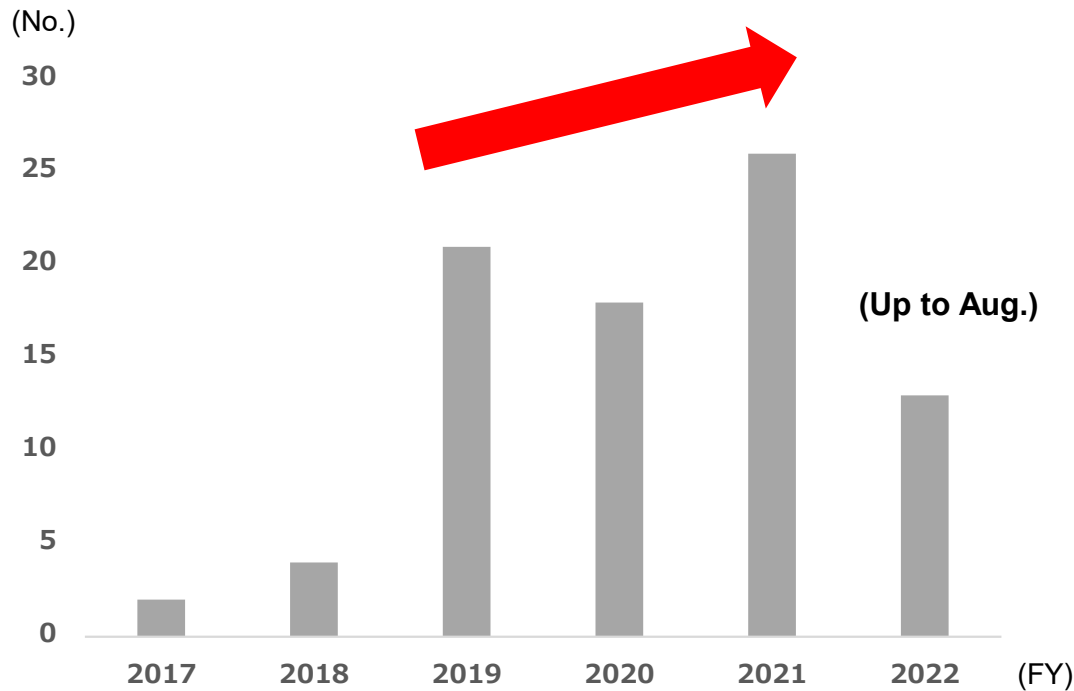
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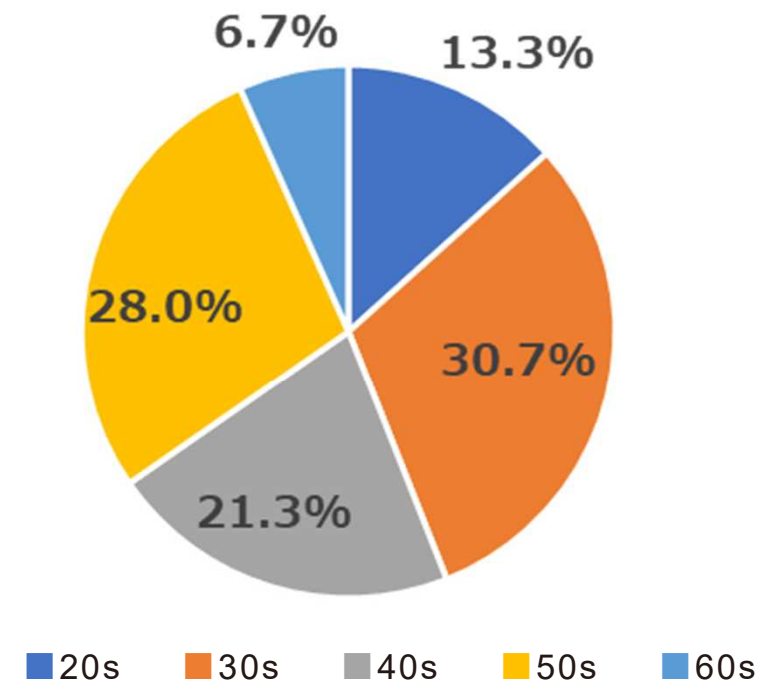


The number of requests for approval has risen since FY2019. Employees in their 20s–30s make up more than 40% of those who apply, and they are taking up the challenge in various occupations and business areas.

Number of Requests (2017–August 2022)



Applications by Age Group (2017–August 2022)



II-4-3. Examples of Side Jobs/Second Jobs (cont.)

Ajinomoto Co., Inc.

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Perspective will be broadened by external experience.
We expect a good effect to foster an organizational culture for growth for individuals and the taking on of challenges on.

Top ranked occupations
(No. of applications)

Consulting and advisory (16)

Instructor/education related (16)

Online/in-store sales (10)

Creative
(5)

Interpreting
and translating
(5)

Coaching
(4)

Top ranked fields
(No. of applications)

Food
(12)

IT
(8)

Sports
(5)



Film-making



Sustainable flowers



Cooking instructor



Sports association director

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Ajinomoto Group Dialogue for the Future (ADF)

Aims

- Develop the human resources to drive future ASV management from an early stage
- Provide opportunities to deepen empathy toward ASV, and review and work to realize aspirations (purpose) through experience of sites that are taking on the challenge of solving the social issues of food and global environment
- Enable employees to express their future path in their own words and communicate it internally and externally

Target

Young people (mainly employees in their 20's volunteer)



Planned destinations



November 2022
Ama-cho
(Shimane Prefecture)



January 2023
Mitoyo
(Kagawa Prefecture)



March 2023
Tsushima
(Nagasaki Prefecture)

Young instructors from venture companies



President and CEO, MATCHA Inc.
Member of Ajinomoto Co., Inc.
Sustainability Advisory Council

Mr. Yu Aoki and others (four in total)

II-4-4. Introduction and Utilization of a Human Resources Management System

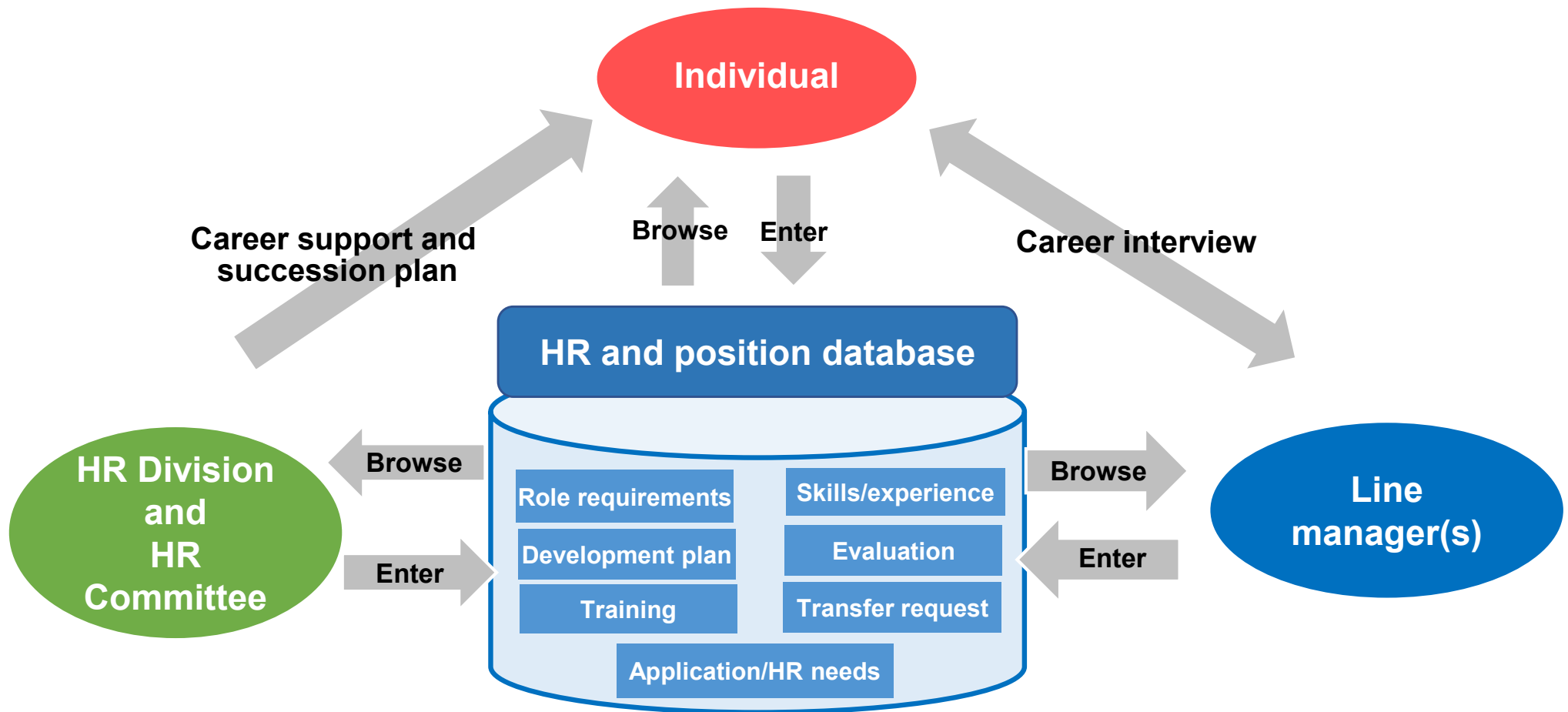
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Promote individual self-directed career development and right person, right place HR management by visualizing human resources and positions

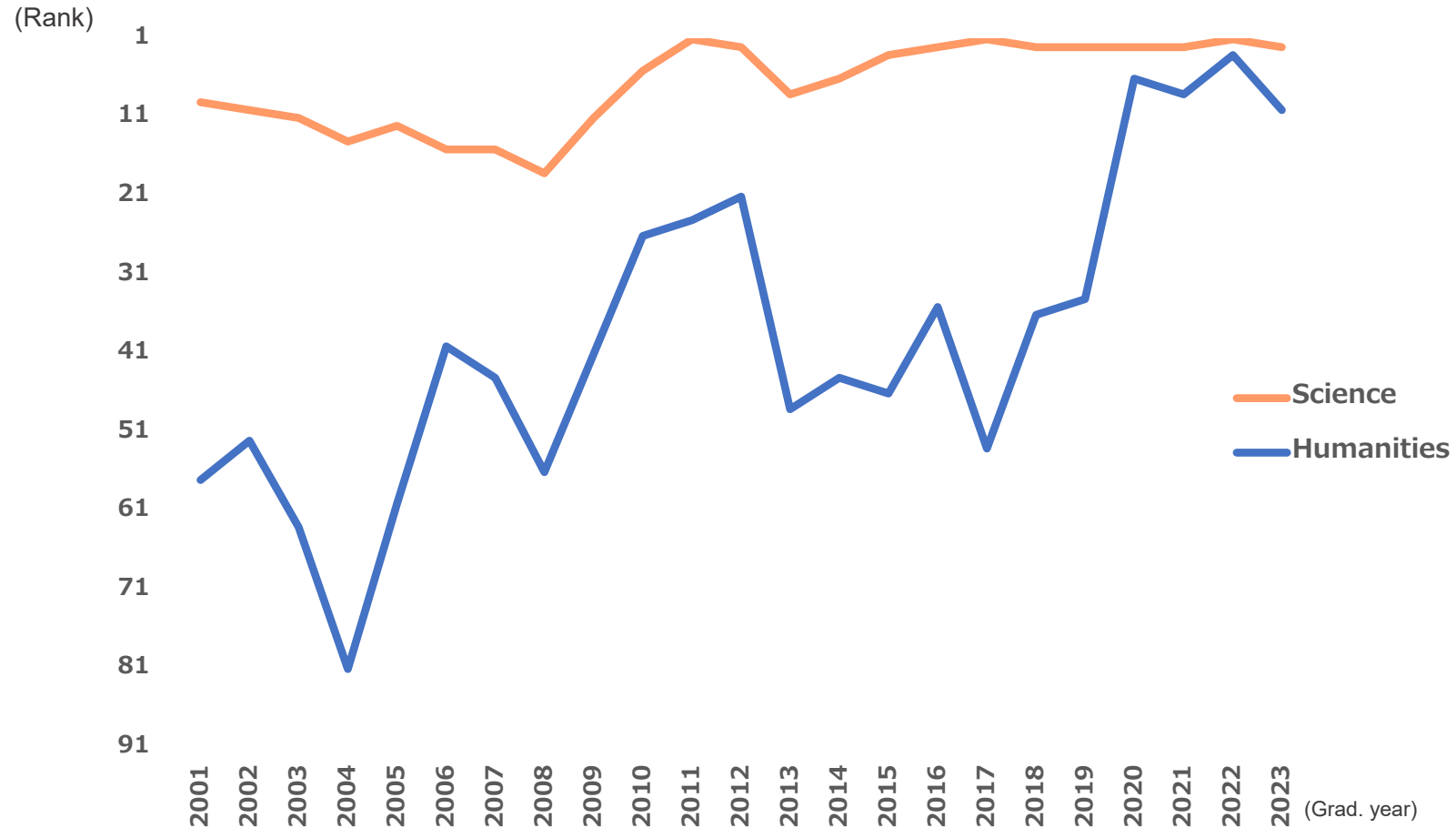


Started using SAP SuccessFactors in July 2021

II-5. Acquiring Human Resources

We will give big opportunities to new human resources who share the purpose of the Ajinomoto Group and will work to realize ASV together.

Mynavi Corporation's New Graduate Recruitment Popularity Rankings
(Ajinomoto Co., Inc.)



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III. Co-growth of Individuals and Organizations

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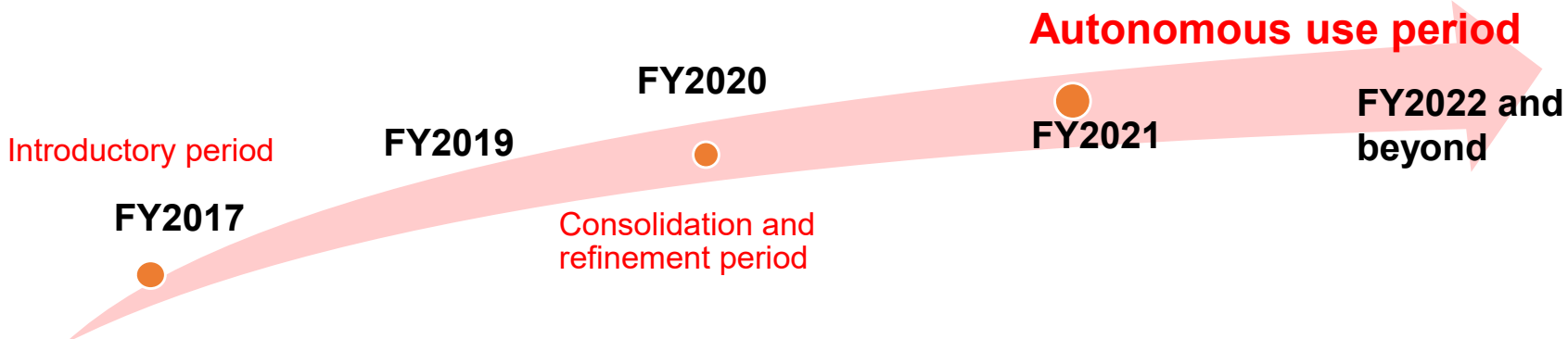
III-1. Management Cycle for Increasing ASV Engagement

We have been working on synchronizing ASV as one's own initiative and developing of the skills of individuals as a model for the co-growth of individuals and organizations since 2020 for further evolution.



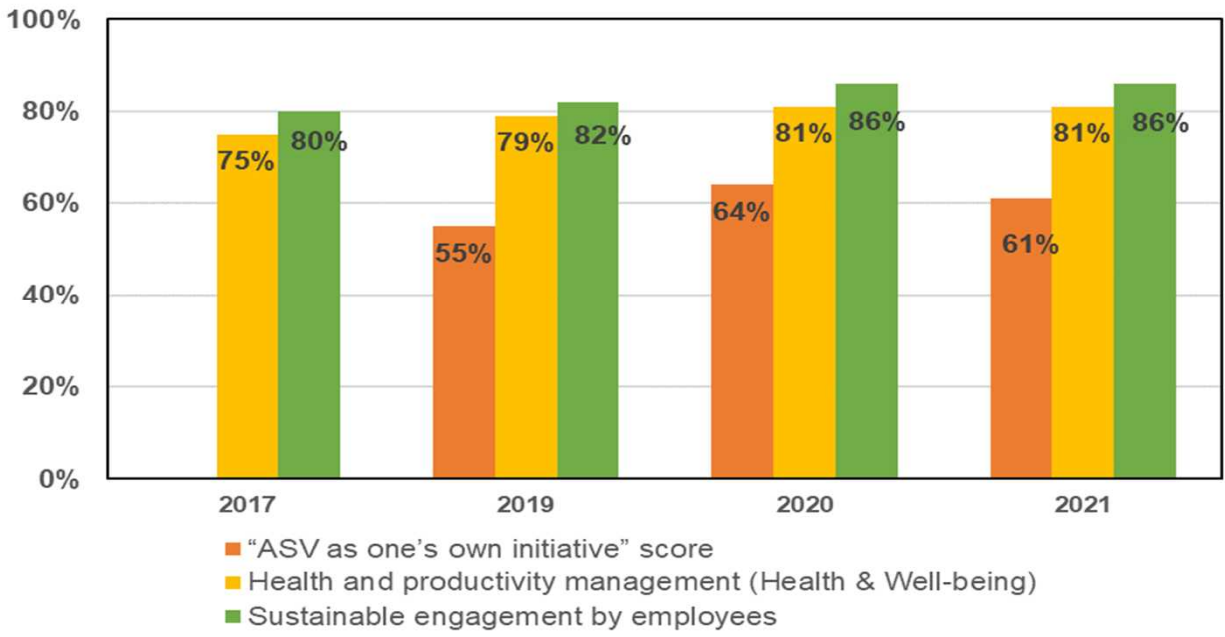
III-2. Use of Engagement Surveys

Scores for “sustainable engagement” and “health and productivity management” are on a level with high-ranked global companies. We will improve monitoring of “ASV as one’s own initiative” in line with the process to create results.



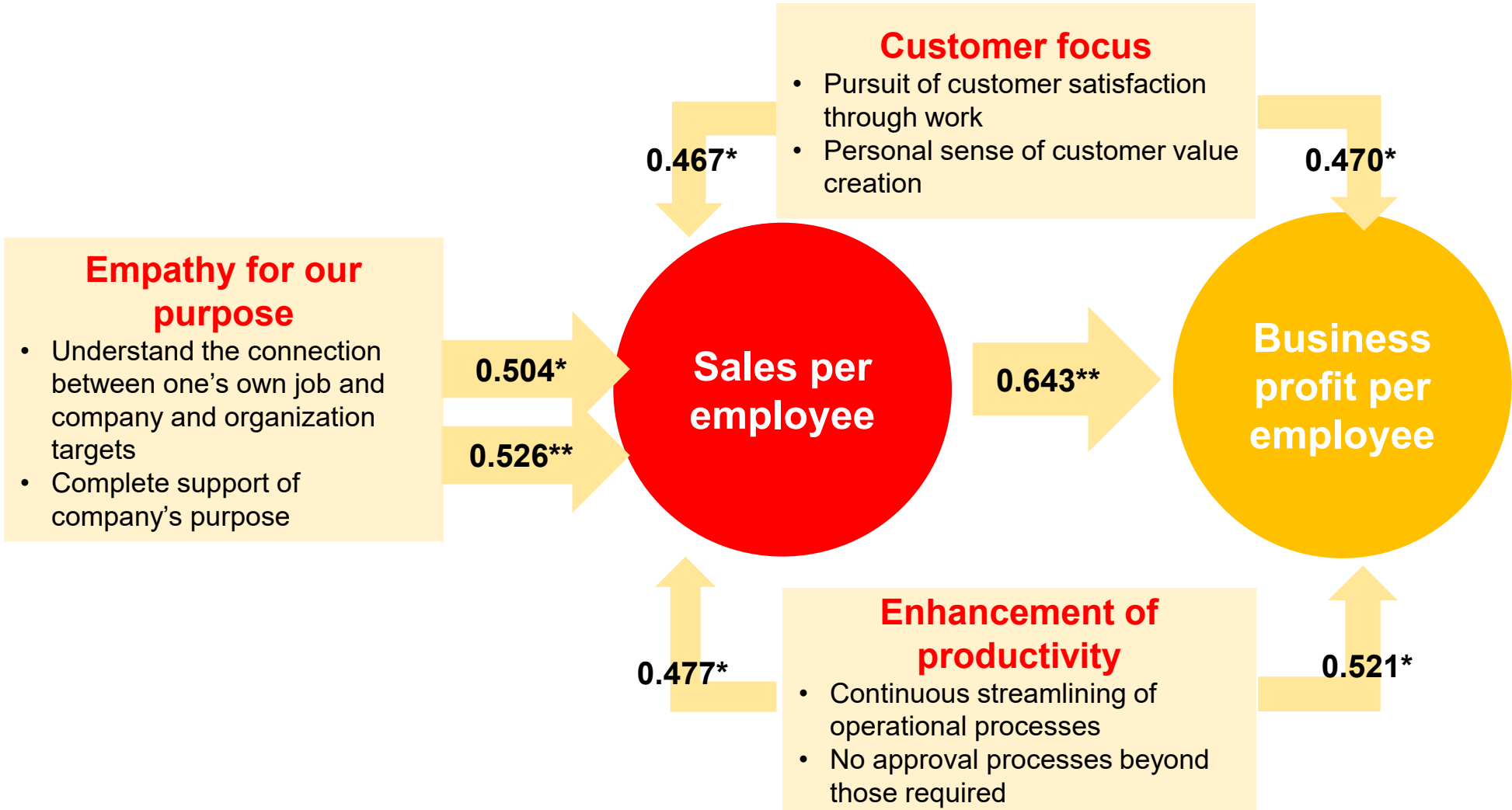
Japan only
Organizational culture
diagnosis survey

Favorable response score



III-3. Analysis of Relationship between Engagement and Business Performance (based on results of the past four engagement surveys)

Empathy for our purpose, Customer focus, and Enhancement of productivity are correlated with sales and business profit per employee. Use engagement surveys in HR and organizational management that lead to results.



* Statistically significant correlation at 95%
** Significant at 99%

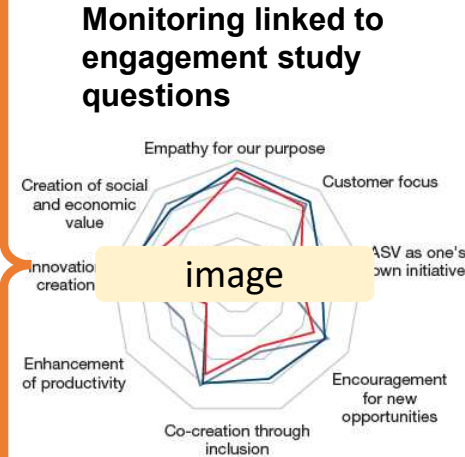
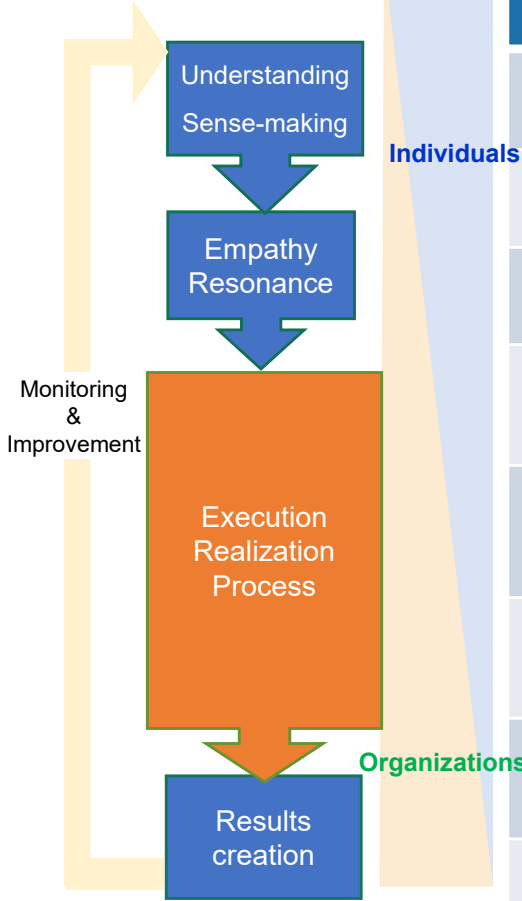
III-4. Introduction of New Approaches to the ASV Realization Process

From this fiscal year we have introduced a new approach for the ASV realization process and we have visualized opportunities and issues from the scores of related questions in the engagement survey

ASV management cycle

ASV Realization Process

Process	Meaning/importance
Empathy for our purpose	Understanding, agreement, and empathy toward company policies
Customer focus	Thinking based on issues for customers and society
ASV as one's own initiative	Self-motivation as the driving force for setting challenges
Encouragement for new opportunities	Accepting challenges and failure is essential for greater individual and organizational achievements
Co-creation through inclusion	Utilize diverse human resources and foster a corporate culture that produces innovation through internal and external dialogue and discussion based on equality
Enhancement of productivity	Need to streamline and refine existing operations to make space for innovation creation
Innovation creation	Innovation through new challenges is essential for resolving social issues
Creation of social and economic value	Creation of outcomes that lead to even greater social and economic value



III-5. Examples of Initiatives: FY2021 ASV Awards

We included “new opportunities” in the screening criteria and strengthened employee voting, developing measures to raise awareness of participation among all employees.

- Targets: All Ajinomoto Group employees
- Frequency: Every year since 2016
- Screening criteria: Social and economic value, **new opportunities (initiatives with new focus/high level of originality)**
- Screening committee:
 - Chair: President
 - Outside judges: 6 (includes 3 outside directors)**
 - Internal judges: 6
- Screening process:
 - Determined by the internal and external judges and employee voting
 - Total 16,977 employee votes (355% vs. prev. year)**
- New measures for FY2022: **Produce a video that links reasons for winning the Grand Prize to AGW* for mutual learning throughout the Group and in each organization**



Grand Prize: The Smart Salt Promotion to increase the number of people practicing salt reduction and expand sales of salt reduced products

Outside judges for ASV Awards



Scott Davis
Professor
College of Business
Rikkyo University



Junko Edahiro
President
e's Inc.



Yukiko Yabu
Outside Director
Daiwa House
Industry Co., Ltd.



George Nakayama
Outside Director
Ajinomoto Co., Inc.



Takashi Nawa
Outside Director
Ajinomoto Co., Inc.



Kimie Iwata
Outside Director
Ajinomoto Co., Inc.

III-5. Example of Initiatives: Network-based Work-style

Create flexible ways to build networks based on empathy with vision and purpose and trust to encourage a network-based work-style.

■ Three classifications (examples)

Internal cross-organizational	Contributions through qualifications and specialized skills	Internal and external cross-organizational
<ul style="list-style-type: none"> • Social Value Quantification Taskforce • Promotion of stronger ASV engagement • Establishment of the Ajinomoto Group Nutrient Profiling System 	<ul style="list-style-type: none"> • Nutritionist Preparation of content to enhance nutritional literacy • Career advisor Participation in career support measures • Participation of young employees in AGES* 	<ul style="list-style-type: none"> • Thailand Virtuous Cycle Project Collaboration of multiple departments and affiliates, and approximately 40 external industry, government, and academic groups led by AJINOMOTO CO. (THAILAND) LTD.

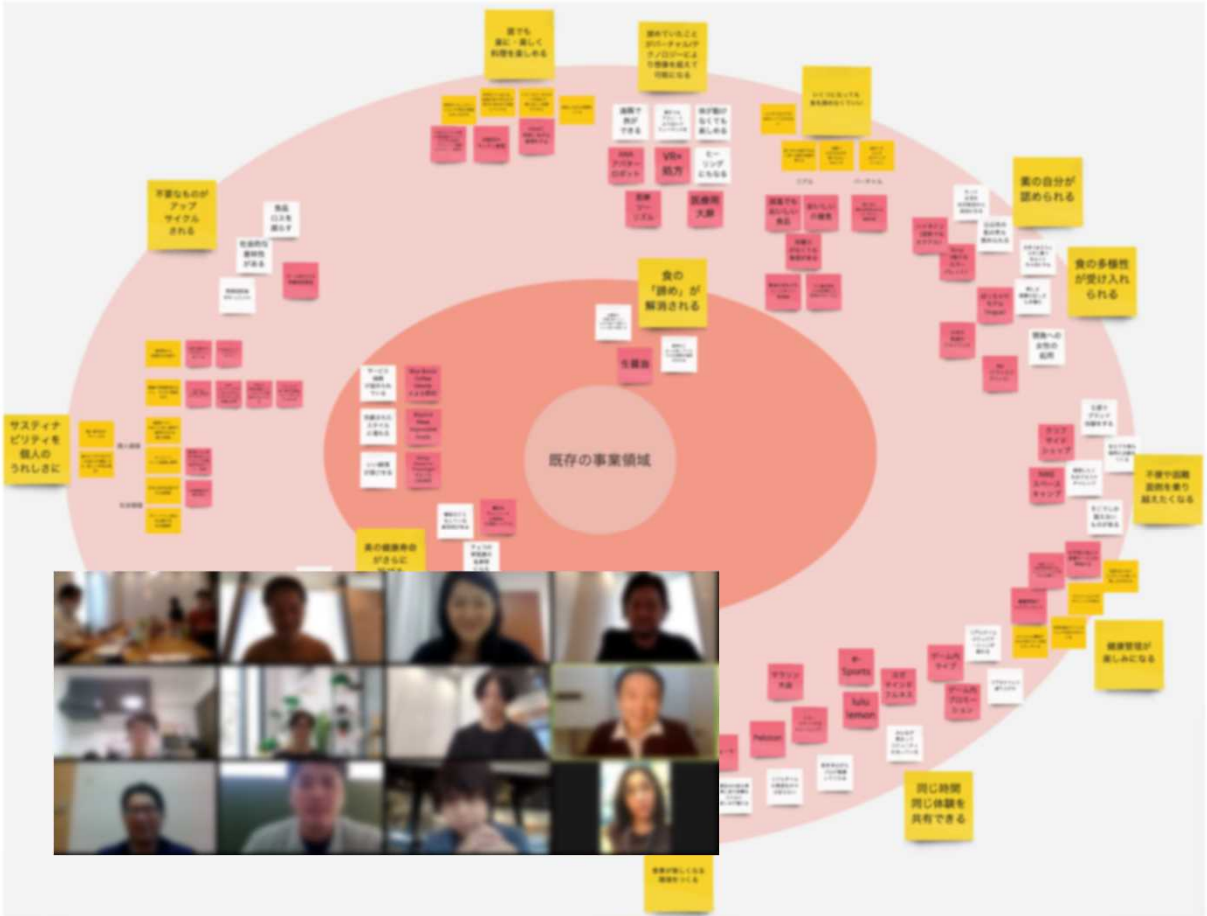
*AGES: Ajinomoto Group Executive Seminar

Aim to strengthen mechanisms to promote voluntary participation

III-5. Examples of Initiatives: Discussing the Vision of the Future (Picture of the Future) by Diverse Members

Diverse members from across the company came together and discussed the future vision for the Ajinomoto Group. Discussed the four growth areas of business transformation.

Future Creation Camp



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IV-1. Human Resources Investment



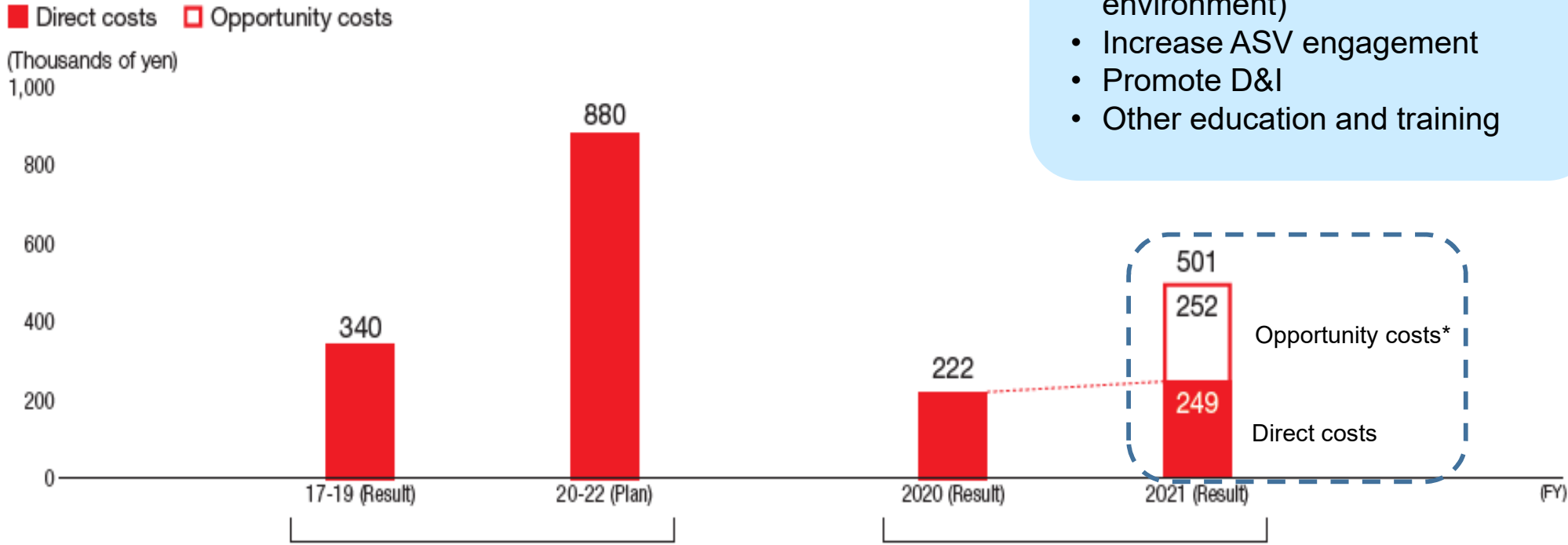
Strengthened HR investment with identification of four key areas as central for promoting management strategies.

In addition to directly involved costs, we also emphasize opportunity costs* for instilling ideas in employees.

* Calculated as total time employees spend on training, etc. X personnel expenses

- Four key areas**
- Increase literacy (nutrition, DX, environment)
 - Increase ASV engagement
 - Promote D&I
 - Other education and training

HR investment per employee



From the 20-25 Medium-Term Management Plan, totals for each 3-year period

Single year results

IV-2. Examples of Opportunity Costs

Provide educational opportunities to improve DX, nutritional, and environmental literacy, which are areas to be enhanced, and synchronize this with development of individuals' capabilities to foster understanding of and empathy with ASV

Training for nutritional and environmental literacy, no. of trainees

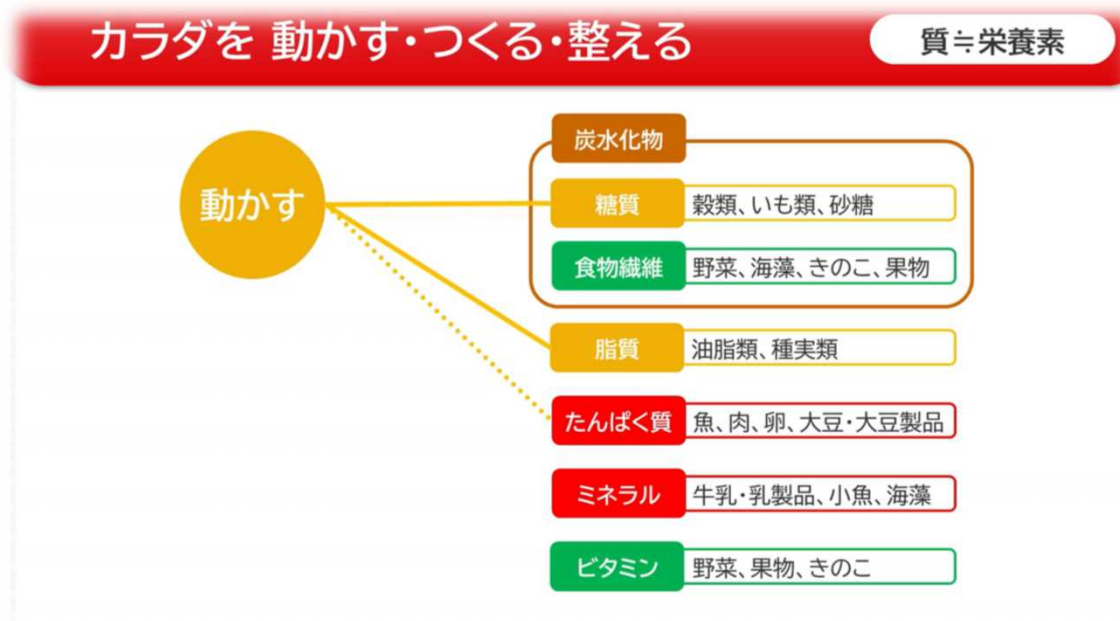
	FY20	FY21
Nutritional literacy training	460	total: 25,685
Environmental literacy training	-	2,765

Program to train business DX human resources, no. of certified people (Ajinomoto Co., Ltd.)

	FY20		FY21	
	No. cert.	% of employees	No. cert.	% of employees
Entry level	743	23%	854	27%
Intermediate level	51	2%	192	6%
Advance level	9	0.3%	16	0.5%
Total*	803	25%	1,062	33%

*Some employees take more than one course

e-Learning to raise nutritional literacy



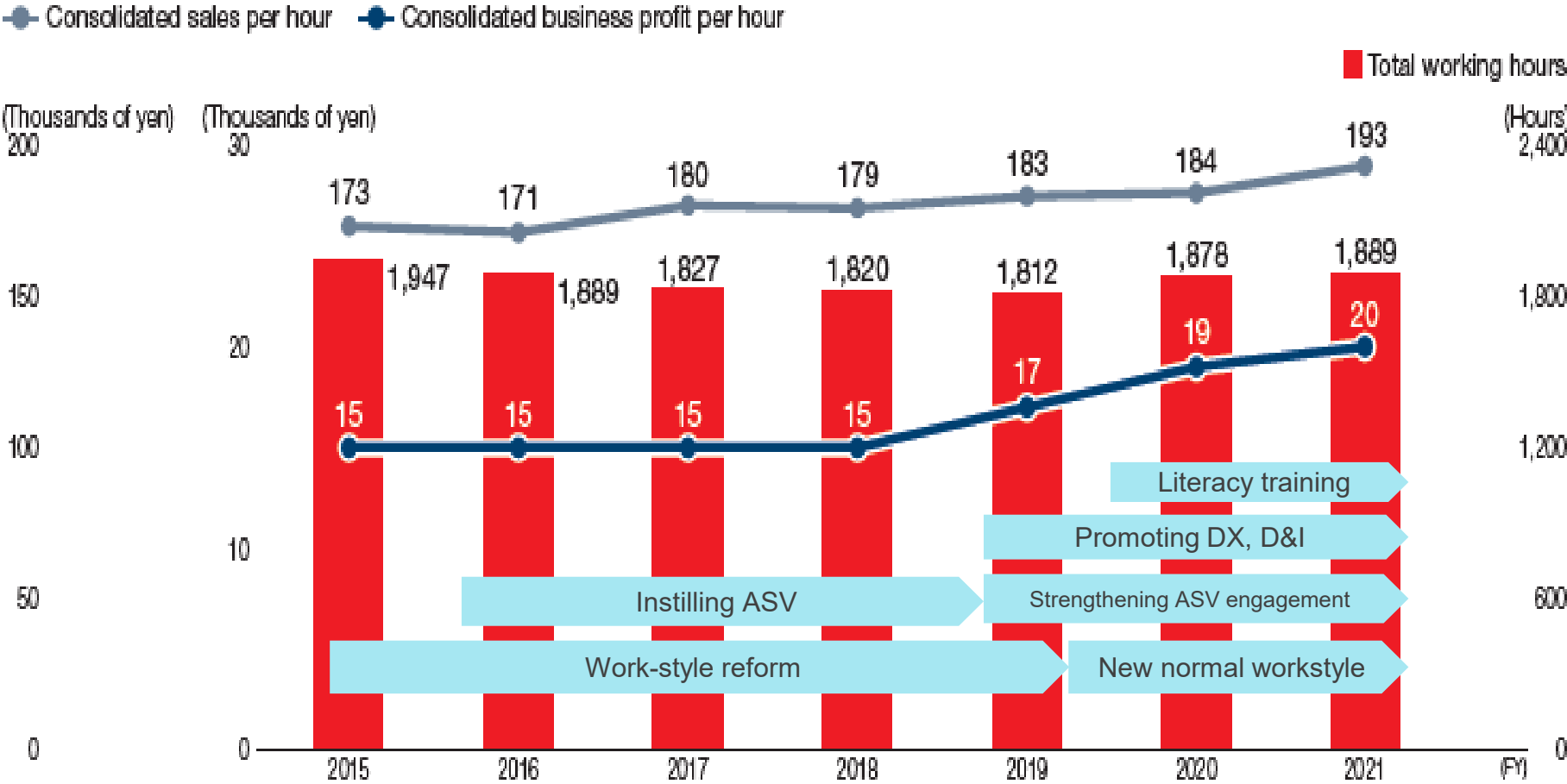
About 2,000 employees took classes in 2 years

IV-3. Hourly Productivity



In line with the management strategy to increase growth and efficiency, we will continue to consider return on investment based on productivity in terms of both sales and profit.

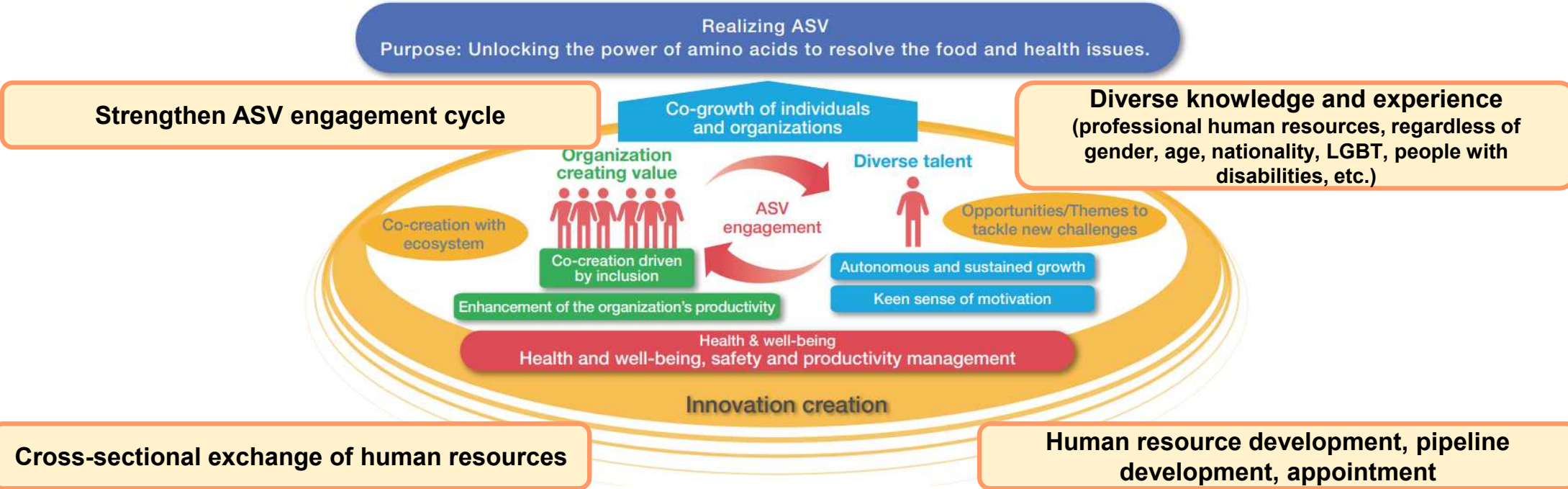
Consolidated sales/Consolidated business profit per hour



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V. Toward Value Creation Based On Human Assets

Create innovation and enhance corporate value through co-growth of diverse talent and organizations that create value.





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- **Forward-looking statements, such as business performance forecasts, made in these materials are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.**
- **This material includes summary figures that have not been audited so the numbers may change.**
- **Amounts presented in these materials are rounded down.**



Appendix



Index concerning human capital ~ ISO 30414

Source: Notes added to the document prepared by DTC from ISO 30414
 "Human resource management — Guidelines for internal and external human capital reporting"

Already disclosed items (shaded light blue)

Human capital areas	Human capital measurement standards		Large-scale organization	Disclosure by this company	
			External	Disclosed?	Disclosure place
Compliance and ethics	1	Number and types of complaints raised	x	✓	Sasu DB
	2	Number and types of completed disciplinary actions	x		
	3	Proportion of employees who have completed training on compliance and ethics	x		
	4	Disputes raised by external interested parties (labor-related lawsuits, etc.)			
	5	Opinions of external audits and the number, types and sources of measures arising from them		✓	Securities Report
Costs	1	Overall personnel costs	x	✓	Securities Report
	2	External personnel costs			
	3	Ratio of average salary and remuneration		✓	Sasu DB
	4	Total costs of employment			
	5	Cost per person recruited			
	6	Overall recruitment costs			
	7	Turnover costs			
Diversity	1	Workforce diversity across the following headings:			
		a) Age			
		b) Gender	x	✓	Sasu DB
		c) Disabilities	x	✓	Sasu DB
		d) Other	x		
	2	Diversity of the leadership team	x	✓	Sasu DB
Leadership	1	Trust in the leadership			
	2	Span of control (number of subordinates under the control of the management)			
	3	Proportion of employees who have participated in leadership training			
Organizational culture	1	Engagement/employee satisfaction/commitment			
	2	Retention rate		✓	Sasu DB
Organizational health and well-being	1	Ratio of time lost due to accidents, such as injuries, etc.	x	✓	Sasu DB
	2	Number of industrial accidents occurring	x	✓	Sasu DB
	3	Number of operational fatalities	x	✓	Sasu DB
	4	Proportion of employees who have participated in training on safety			
Productivity	1	EBIT/net sales/profit per employee	x	✓	Integrated Report
	2	Human capital ROI	x		

Recruitment, mobility and turnover	Recruitment (IN)				
	1	Number of candidates for each vacant position			
2	Quality when recruiting (performance with respect to expected value)				
3	Average period to replenish necessary personnel				
	a) Time taken to fill vacant positions	x			
	b) Period taken to fill important positions	x			
4	Status of transition and future personnel ability evaluation (human resources pool)				
	Mobility (THROUGH)				
5	Proportion of positions replenished with in-house human resources	x			
6	Proportion of important positions replenished with in-house human resources	x			
7	Proportion of important positions				
8	Proportion of important positions with respect to all open positions				
9	In-house mobility rate				
10	Depth of the employee group				
	Turnover (OUT)				
11	Turnover rate	x			
12	Voluntary retirement rate (excluding mandatory retirement)		✓	Sasu DB	
13	Voluntary retirement rate of important human resources				
14	Reasons for retirement			Develop skills of individuals	
Skills and capabilities	1	Total costs for development and training	x	✓	Sasu DB
	2	Learning and development			
		a) Proportion of the number of training participants with respect to the total number of employees in a year			
		b) Average training time per employee		✓	Sasu DB
		c) Proportion of the number of participants for each different training category			
3	Personnel competency rate				
Succession planning	1	Succession effectiveness (proportion of in-house successions with respect to the total number of important positions)			
	2	Successor cover rate (proportion of the number of successor pool employees with respect to the total number of leaders)			
	3	Succession readiness rate			
		a) Ready			
		b) Can be ready within 1 to 3 years			
	c) Can be ready within 4 to 5 years				
Workforce availability	1	Number of employees	x	✓	Sasu DB
	2	Full-time equivalent (FTE)	x		
	3	External workforce			
		a) Number of contracted employees			
	b) Number of temporary employees		✓	Sasu DB	
4	Absentee rate				