Notes: 1. This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
2. Please be advised that certain expressions for domestic voting procedures that are not applicable to the shareholders outside Japan and certain pictures, graphs and reference matters are omitted or modified to avoid confusion.
3. The date and time referred in this document is based on Japan Standard Time.

Stock Code: 2802

NOTICE OF CONVOCATION OF THE 144th ORDINARY GENERAL MEETING OF SHAREHOLDERS

1. **Date**: **10 a.m. (doors open at 9:00 a.m.), Thursday, June 23, 2022**

2. **Place**: **Ajinomoto Group Takanawa Training Center, Large Auditorium**
13-65, Takanawa 3-chome, Minato-ku, Tokyo
* The location of the Meeting differs from last year.

3. **Agenda of the Meeting**:

Matters to be Reported:

1. Report on contents of the Business Report, Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit Committee on the Consolidated Financial Statements, for the 144th Fiscal Year (from April 1, 2021 to March 31, 2022)

2. Report on contents of Non-Consolidated Financial Statements for the 144th Fiscal Year (from April 1, 2021 to March 31, 2022)

Matters to be Resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Partial Changes to the Articles of Incorporation
Proposal 3: Election of 11 Directors

-If any changes are required in the Reference Documents for Shareholders' Meeting, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements, the changes will be immediately posted on the Company's website, located at: https://www.ajinomoto.com/jp/ir/event/meeting.html.

Request to Shareholders
The General Meeting of Shareholders will be held in a venue with significantly reduced seating capacity to prevent the spread of the novel coronavirus (COVID-19). **We ask that you refrain from attending the Meeting and instead exercise your voting rights in writing (Voting Rights Exercise Form) or electronically (via the Internet)**. Please note that if you wish to attend the Meeting, you will be required to **pre-register to attend (via lottery system)**, and **only shareholders chosen via the lottery system will be permitted to enter the venue**.
The Meeting will be **streamed live via the Internet**. In addition, **questions may be submitted in advance** via a dedicated website. (Questions must be related to the purpose of the Meeting and limited to one question of up to 200 characters per person.)

For pre-registration and submission of questions, please access https://ajinomoto.premium-yutaiclub.jp/ (Premium Yutai Club members) / https://ajinomoto.premium-yutaiclub.jp/live/ (Premium Yutai Club non-members) (Japanese only).

Please note that **no souvenirs or samples will be provided** at the Meeting.
In the event of a major change in the holding of the Meeting due to future circumstances, the Company will inform shareholders via the website below.
https://www.ajinomoto.co.jp/company/jp/ir/event/meeting.html

Exercising Your Voting Rights:

-To vote in writing:

Please indicate on the enclosed Voting Form, your votes for or against the proposals, and return the Form by mail. In the event that your votes, for or against the proposals are not indicated on the Form for each of the proposals, your votes will be deemed as in favor of the proposals.

Deadline for voting: delivery no later than 4:30 p.m., Wednesday, June 22, 2022

-To vote via internet:

Please refer to “Exercising Your Voting Rights Via Internet” (below) and cast your votes for or against the proposals.

Deadline for voting: no later than 4:30 p.m., Wednesday, June 22, 2022

-How to fill out the Voting Form:

Please indicate your votes for or against each proposal.
(If for or against a proposal is not indicated on the Voting Form, the votes will be deemed as in favor of the proposal.)

Proposal 1 and Proposal 2:

-For: Mark a circle in the box marked “賛”.
-Against: Mark a circle in the box marked “否”.

Proposal 3:

-For all candidates: Mark a circle in the box marked “賛”.
-Against all candidates: Mark a circle in the box marked “否”.
-Against some candidates: Mark a circle in the box marked “賛” and write the number of each candidate you wish to vote against.

<u>Exercising Your Voting Rights Via Internet:</u>

Voting Via Internet is available only in Japanese.

If you wish to exercise your voting rights via Internet, please refer to the following information before exercising your voting rights.

(1) By Scanning the QR Code
(Note: the following method of exercising voting rights is limited to a single use.)
Using the QR Code allows you to log in without requiring a Login ID and Temporary Password

1. Scan the QR Code
Scan the “Login QR Code” on the bottom right of the Voting Form with your smartphone.
2. Indicate whether you are for or against proposals by following the instructions on the screen.

(2) By Entering your Login ID and Temporary Password

1. Please access the voting rights exercise website (https://evote.tr.mufg.jp/).
2. Enter the “Login ID” and “Temporary Password” on the bottom right of the Voting Form.
3. Enter both the “New Password” and “New Password (Confirmation)” fields.
4. Please indicate your votes for or against the proposals by following the instructions on the screen.
* Deadline for exercising voting rights via Internet: no later than 4:30 p.m., Wednesday, June 22, 2022
Please be informed that the website will not be accessible from 2:00 a.m. through 5:00 a.m., every day.
5. In the event that a voting right is exercised both by Voting Form and via internet, only the vote via internet shall be deemed as valid.
6. In the event that a voting right is exercised more than once via internet, only the last vote shall be deemed as valid.

Request to Shareholders

We ask that you refrain from attending the Meeting and instead exercise your voting rights in writing (Voting Rights Exercise Form) or electronically (via the Internet).

The Meeting will be **streamed live via the Internet** for shareholders to view remotely. In addition, **questions relating to the purpose of the Meeting may be submitted in advance** via a dedicated website.

Shareholders who wish to attend the Meeting must register in advance (via lottery system). Please note that **only shareholders who have been chosen via the lottery will be permitted to enter the venue.**

Premium Yutai Club Members　Non-Members

■ Live Stream of the Meeting

1. Date and time

   Thursday, June 23, 2022, from 10:00 a.m. until the close of the Meeting

2. How to view the live stream

   Please access the dedicated website (the "Website") by entering the following URL directly on your PC or smartphone, or by scanning the above QR code.

   https://ajinomoto.premium-yutaiclub.jp/srmeeting

3. Important notes regarding viewing the live stream

(1) Due to unavoidable circumstances, there is a possibility that we may be unable to provide a live stream of the Meeting. In such case, a notice will be posted on our website.

https://www.ajinomoto.co.jp/company/jp/ir/event/meeting.html

(2) Only shareholders are permitted to view the live stream

(3) Photography, recording, audio recording, storage, and publication on social networking services, etc., of the live stream are strictly prohibited.

(4) Viewing may be impaired if there are issues with the shareholder's Internet connection or line conditions, etc.

(5) Internet connection fees and telecommunication charges incurred during the viewing will be borne by the shareholder.

4. Information for shareholders who will attend the event

   In consideration of the privacy of shareholders present at the Meeting and other factors, footage via the live stream will focus on the video screen and the immediate vicinity of the officers' seats. Please note that shareholders present at the Meeting may unavoidably be shown in the live footage.

■ Submission of Questions in Advance

1. Submission period

   Wednesday, June 1, 9:00 a.m. to Friday, June 10, 2022, 5:00 p.m.

2. How to submit questions

   Please access the Website, log in, and submit your questions via the form. Please note that questions must be related to the purpose of the Meeting, and are limited to one question of up to 200 characters per person. Responses will be provided on the day of the Meeting, focusing on those that are of high interest to shareholders. Due to limitations to the number of questions that can be answered, responses may not be provided for all questions received in advance.

■ Pre-registration to attend the General Meeting of Shareholders (via lottery system)

1. Application period

   Wednesday, June 1, 9:00 a.m. to Friday, June 10, 2022, by 5:00 p.m.

2. How to apply

   Application via the Website or by telephone

3. Announcement of lottery results

The results of the lottery will be notified to all pre-registration applicants by mail.

For inquiries regarding the live stream, submission of questions in advance, and pre-registration attendance at the Meeting, please contact:

Ajinomoto Co., Inc. Premium Yutai Club (Japanese only)

0120-179-546 (toll free)

Hours: 9:00 a.m. - 5:00 p.m. (except Saturdays, Sundays and holidays)

Aiming to become a Group that delivers the “Essence of Happiness” to people around the world

To Our Shareholders:

Delivering the “Essence of Happiness” and Increasing Corporate Value

I am Taro Fujie. On April 1, 2022, I became the new Representative Executive Officer, President & Chief Executive Officer (CEO). Recently, the COVID-19 pandemic and the conflict in Ukraine have had a great impact on the Ajinomoto Group and on people across the world. I too am extremely saddened by these events, and while praying for peace I have continued to ask: what does happiness mean to us, and what can the Ajinomoto Group do to help?

I arrived at the realization that the Ajinomoto Group should pursue the “Essence of Happiness.”

The “Essence of Happiness” is about leveraging our unique capabilities in solving food and health issues by unlocking the power of amino acids, to bring happiness to the world. Ongoing research is now showing how happiness can have a positive effect on people’s healthy lifespan, productivity, and creativity. I believe that our corporate message of “Eat Well, Live Well” and our greater corporate value all interconnect with the “Essence of Happiness”.

The idea of continuing to deliver the “Essence of Happiness” to as many people as possible is also a belief that I have held dear in my own life. As the CEO, I will work to further evolve the Ajinomoto Group.

Taking over the reins of ASV management and “Purpose x Passion x OE (Operational Excellence)”

I am aware that my mission as CEO is to carry on the work of the former CEO Takaaki Nishii in the area of ASV*[1] management, pursue our purpose of “solving food and health issues by unlocking the power of amino acids,” and also to greatly increase the corporate value of the Ajinomoto Group. First of all, ASV is the basic policy of Ajinomoto Group management. In 2020, the Ajinomoto Group declared its commitment to evolve ASV management both internally and externally, and made a promise to become a “solution-providing company for food and health issues” as our vision for 2030. Even if our management system is renewed, our commitment to ASV management and our vision for 2030 will not change.

Our purpose is to solve food and health issues by unlocking the power of amino acids. I believe that the heartfelt passion of our employees to pursue this purpose, and the appreciation felt by all stakeholders who share in our purpose, will be the driving force for the Ajinomoto Group’s further growth.

The more passionate we are about this purpose, the better we can achieve a virtuous cycle of ASV that creates both social and economic value.

Of course, passion alone is not enough; ability and talent are also important. We must continue to place an emphasis on “Purpose x Passion x OE (Operational Excellence)” which is a combination of maintaining high morale among employees and with stakeholders both inside and outside the Company, while staying committed to our own beliefs and earnestly working to achieve our own purpose, and continuously improving our skills to achieve those objectives.

*[1] Ajinomoto Group Shared Value. Initiatives that create both social and economic value through our business activities.

Pursuing “Speed-Up x Scale-Up” to increase our corporate value

In transitioning to the new management structure, I held weekly discussions with former CEO Nishii about the challenges faced by the Ajinomoto Group, and what is needed to further improve our corporate value. In these discussions, when we looked back on the last 10 years, another issue that came to light was our growth potential—particularly the growth potential of our food products (excluding our overseas seasonings business).

As managers, we need to face up to the issue of slow growth in our food products business and our disparity in competing globally, and avoid being satisfied with our strong business performance over the short term. In overcoming these issues, it is essential for us to pursue “Speed-Up x Scale-Up” of management. Based on discussions with our new management team, we are pursuing both the evolution of ASV management and “Purpose x Passion x OE” and we have also clearly set out a policy of pursuing the “Speed-Up x Scale-Up” of management.

Since the baton of leadership has been passed to me in the middle of our Medium-Term Management Plan through to FY2025, I will inherit the management responsibility of achieving the FY2025 management indices that have already been set, and promise to aim for their early achievement.

First, by FY2025, we will complete our “asset-light plan” of reducing tangible assets, which has been in progress since former CEO Nishii was in charge, to create a profit structure that enables highly efficient growth. In doing so, we will further improve asset efficiency, and we will start full-scale development of our Return on Invested Capital (ROIC) tree from FY2022, which aims to improve the ROIC index while arranging the elements of our ROIC into a tree-like form. We will also place further emphasis on our high-priority businesses. To guide these efforts, in 2021, we began holding the semiannual Core Businesses Grand Design Meeting under the Executive Committee to visualize the current status of the six priority businesses*[2] and discuss future plans. “Stage-gate management,” whereby we set up gates (such as: what? who? by when? how far? and how?) for each stage in the management process while assessing whether business growth can be achieved, we will prioritize investment and reduce product categories and the number of products. Moreover, with regard to raising value for consumers centered on health, we will increase the weighting of high-value-added products, and pursue higher sales volumes and unit prices, while raising brand value and realizing organic growth (sales growth excluding the effects of discontinuous growth, and at constant exchange rates).

*[2] Sauce & Seasonings, Quick Nourishment, Solution & Ingredients (Seasoning for restaurant and industrial use), Frozen Foods, Healthcare, and Electronic Materials.

FY 2021 results and future outlook

Looking at our business results for FY2021, the Company's consolidated sales increased 7.3% year-on-year, or ¥77.9 billion, to ¥1,149.3 billion. This was because in food business there were strong sales of home-use products, mainly overseas, and a partial recovery in sales of restaurant and industrial use products which were affected by COVID-19 in the previous fiscal year, in addition to strong sales of Electronic Materials and Bio-Pharma Services.

Business profit increased 6.9% year-on-year, or ¥7.7 billion, to a record high of ¥120.9 billion. An increase in sales in Healthcare and Others contributed to higher profit despite the impact of rising fuel and raw material prices in food business. Profit attributable to owners of the parent company reached a record high of ¥75.7 billion, up 27.4%, or ¥16.3 billion.

Although many uncertainties regarding the business results for FY2022 remain given the soaring costs of raw materials and fuel prices, etc., at this stage we expect to outperform the levels of FY2021.

To conclude

To contribute to extending the healthy life expectancy of one billion people by 2030, the Ajinomoto Group is pursuing "Nutrition Without Compromise" - delivering nutritional food that is delicious, accessible, and sensitive to local eating habits. Our particular focus is "delicious salt reduction" and "protein intake optimization".

In addition to our initiatives to reduce our environmental impact by 50% by 2030, we have set a new goal of carbon neutrality, which will reduce our greenhouse gas emissions to net zero by 2050. Through these efforts, we aim to become a corporate group that delivers the "essence of happiness" to the world, and we will do our utmost to "Speed-Up x Scale-Up" the growth of our corporate value.

Yours sincerely,

Taro Fujie
Representative Executive Officer,
President & Chief Executive Officer
Ajinomoto Co., Inc.
15-1 Kyobashi 1-chome
Chuo-ku, Tokyo, Japan

Reference Documents for Shareholders' Meeting

Proposal 1	Appropriation of Surplus

As part of our 2020-2025 Medium-Term Management Plan, during Phase 1 (FY 2020-2022) of structural reforms, we seek to apply cash flow created by profit increase and asset reduction to investment for growth, and provide returns to our shareholders of over one hundred billion yen.

In the current Medium-Term Management Plan, we will raise our consolidated dividend payout ratio from 30% to 40%, and aim for a consolidated rate of return of 50% or greater, providing returns to our shareholders in a steady and sustainable manner.

In accordance with this policy, for the fiscal year under review we propose to provide a year-end dividend of ¥28 per share (which including an interim dividend of ¥24 per share, brings the annual dividend to ¥52 per share).

If this Proposal is approved, the consolidated dividend payout ratio for the period under review will be 37.3%. We will continue our efforts to effectively utilize shareholders' equity and will strive to meet the expectations of our shareholders.

1. Matters related to year-end dividend

    (1) Kind of dividend assets:

    Cash

    (2) Items relating to allocation of dividend assets to shareholders and total amount of the same:

    ¥28 per share of common stock / a total of ¥15,032,635,268

    (3) Effective date of payment of dividend from surplus:

    June 24, 2022

2. Other matters related to appropriation of surplus

    There are no applicable matters.

Proposal 2	Partial Changes to the Articles of Incorporation

1. Reasons for changes

(1) Introduction of General Meetings of Shareholders without a designated location

The Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts (Act No. 70 of 2021) and the Ministerial Ordinance Concerning General Meetings of Shareholders Without a Designated Location, Based on the Industrial Competitiveness Enhancement Act (Ministry of Justice / Ministry of Economy, Trade and Industry Ordinance No. 1 of 2021) enable the holding of so-called "virtual-only shareholder meetings."

By stipulating in the Articles of Incorporation, a listed company can have a General Meeting of Shareholders without a designated location, which enable directors and shareholders to attend such a shareholder meeting via the Internet or other means without the need for a physical venue.

We wish to make necessary changes to Article 14 of our Articles of Incorporation, such as the establishment of Paragraph 4, so that when our Board of Directors determines that it is not appropriate to hold a General Meetings of Shareholders at a designated location, in light of the interests of our shareholders, due to the spread of infectious diseases or the occurrence of large-scale disasters including natural disasters, we may hold a General Meetings of Shareholders without a designated location.

Furthermore, we have received confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice pursuant to the provisions of the Ministry of Economy, Trade and Industry Ordinance / Ministry of Justice that this change will meet the requirements of the Ordinance and help strengthen industrial competitiveness while giving consideration to securing the interests of shareholders.

(2) Introduction of means to electronically provide reference documents, etc., for a General Meeting of Shareholders

The revised provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the "Act for Partial Amendment of the Companies Act" (Act No. 70 of 2019) will come into effect on September 1, 2022. To prepare for the introduction of systems to electronically provide reference documents, etc., for a General Meeting of Shareholders, the current Articles of Incorporation will be amended as follows.

(a) Paragraph 1 of Article 16 of our Articles of Incorporation will stipulate that we take measures to electronically distribute the information contained in the reference documents, etc. for a General Meeting of Shareholders.
(b) Paragraph 2 of Article 16 of our Articles of Incorporation will establish rules to limit the scope of matters to be stated in the document to be delivered to shareholders who request a hardcopy delivery.
(c) Since the current Article 16 (Disclosure via Internet and Deemed Provision of Reference Documents for Shareholders' Meeting, etc.) will no longer be required, it will be deleted.
(d) Supplementary provisions regarding the dates, etc., that the abovementioned new establishments and deletions will take effect, will be established.

Supplementary explanation

An "electronic provision system" is a system for publishing reference documents, etc., for a General Meeting of Shareholders on websites such as a company's homepage. By notifying shareholders of these website addresses, etc., in writing, the reference documents, etc., for a General Meeting of Shareholders can be provided to the shareholders.

As the electronic provision system will be compulsorily applied to listed companies, we will apply such a system from the following General Meeting of Shareholders (June 2023) onwards. Shareholders will be provided with a brief convocation notice and, if necessary, attached documents.

Shareholders who wish to receive hardcopy reference documents for our General Meeting of Shareholders in June 2023 and thereafter, may complete procedures to "request a hardcopy delivery."

For information about the procedure for "requesting a hardcopy delivery," please contact a securities company where you have an account or Mitsubishi UFJ Trust and Banking Corporation, which is the administrator of the shareholder registry.

(3) Electronic notification in advance of the diverse exercise of voting rights

We will delete Paragraph 2, Article 18 of our current Articles of Incorporation so that advance notice regarding diverse exercise of voting rights can be given via the Internet.

2. Description of changes

The details of the changes are as follows.

(Changes are indicated by underlining.)

Current Articles of Incorporation	Proposed changes
Article 14 (Convocation) 1. (Omitted) 2. (Omitted) 3. The General Meeting of Shareholders shall be convened to be held in a special ward of Tokyo. However, if it is difficult to be convened to be held in the special wards of Tokyo, another area may be chosen as the place of the General Meeting of Shareholders.	Article 14 (Convocation) 1. (No changes) 2. (No changes) 3. The General Meeting of Shareholders shall be convened to be held in a special ward of Tokyo. However, if it is difficult to be convened to be held in the special wards of Tokyo, another area may be chosen as the place of the General Meeting of Shareholders. This shall not apply in case the General Meeting of Shareholders is to be a General Meeting of Shareholders with no specified venue, pursuant to the following paragraph. 4. A General Meeting of Shareholders may be held without specifying a venue when the Board of Directors determines that, considering the interests of shareholders as well, it is not appropriate to hold the General Meeting of Shareholders with a specified venue in situations such as the spread of infectious disease or the occurrence of a natural disaster, etc.
Article 16. (Disclosure via Internet and Deemed Provision of Reference Documents for Shareholders' Meeting, etc.) The Company may, in convening a General Meeting of Shareholders, deem that it has provided shareholders with information concerning matters that should be stated or indicated in Reference Documents for Shareholders' Meeting, Business Reports, Financial Statements or Consolidated Financial Statements by way of disclosing such information by a method utilizing the Internet in accordance with the provisions of the Ordinance of the Ministry of Justice.	(Deleted)
(Newly established)	Article 16 (Measures for Electronic Provision, etc.) 1. The Company shall electronically provide the information of the Reference Documents for a General Meeting of Shareholders, etc. in convening a General Meeting of Shareholders. 2. Among the matters to be provided electronically, the Company may choose to omit all or some of the matters stipulated by the Ordinance of the Ministry of Justice in documents to be delivered to shareholders who make a request for the delivery of hard copies by the record date of voting rights.
Article 18 (Exercise of Voting Right by Proxy) 1. Shareholders may exercise their voting rights by appointing one (1) proxy who is a shareholder of the Company entitled to exercise voting rights. In such case, such proxy shall submit a document evidencing his/her power of representation at each General Meeting of Shareholders. 2. Notification in accordance with the provision of Article 313, paragraph 2 of the Companies Act shall be provided in writing.	Article 18 (Exercise of Voting Right by Proxy) Shareholders may exercise their voting rights by appointing one (1) proxy who is a shareholder of the Company entitled to exercise voting rights. In such case, such proxy shall submit a document evidencing his/her power of representation at each General Meeting of Shareholders.
(Newly established)	(Supplementary Provisions) 1. Based on resolution of the Ordinary General Meeting of Shareholders of June 23, 2022, the deletion of Article 16 of the Articles of Incorporation before the change (Disclosure via Internet and Deemed

	Provision of Reference Documents for Shareholders' Meeting, etc.) and the establishment of new Article 16 (Measures for Electronic Provision, etc.) shall take effect September 1, 2022 (hereafter referred to as "Date of Enforcement"), the date on which the amendment provision is stipulated in the proviso of Article 1 of the Supplementary Provisions of the "Act for Partial Amendment of the Companies Act" (Act No. 70 of 2019). 2. Notwithstanding the provision of the preceding paragraph, Article 16 of the Articles of Incorporation before the change shall remain in force with respect to a General Meeting of Shareholders the date of which is within six (6) months of the Date of Enforcement. 3. These Supplementary Provisions shall be deleted on the later of the two dates; six (6) months form the Date of Enforcement or three (3) months from the date of the General Meeting of Shareholders in the preceding paragraph.

Proposal 3	Election of 11 Directors

The terms of office of all 11 Directors will expire at the close of this Ordinary General Meeting of Shareholders. Based on the decision of the Nomination Committee, we request that 11 Directors be elected. If this Proposal is approved, the proportion of Independent Directors in our Board of Directors will exceed one half, and the proportion of female Directors will exceed one third. The 11 Director candidates are as follows.

Outside = Outside Officer
Independent = Independent Officer

Candidate No.	Name		Current position and responsibility in the Company	Board of Directors meeting attendance (FY2021)	Committee meeting attendance (FY2021)
1	Reappointment Female Outside Independent	Kimie Iwata	Outside Director Chair of the Board Member of the Nomination Committee Member of the Compensation Committee	(17 out of 17 meetings) 100%	Nomination Committee 89% (8 out of 9 meetings) Compensation Committee 86% (6 out of 7 meetings)
2	Reappointment Male Outside Independent	Takashi Nawa	Outside Director Chair of the Nomination Committee Member of the Compensation Committee	(17 out of 17 meetings) 100%	Nomination Committee 100% (9 out of 9 meetings) Compensation Committee 100% (7 out of 7 meetings)
3	Reappointment Male Outside Independent	Joji Nakayama	Outside Director Chair of the Compensation Committee Member of the Nomination Committee	(12 out of 12 meetings) 100%	Nomination Committee 100% (9 out of 9 meetings) Compensation Committee 100% (7 out of 7 meetings)
4	Reappointment Male Outside Independent	Atsushi Toki	Outside Director Chair of the Audit Committee	(16 out of 17 meetings) 94%	Audit Committee 100% (10 out of 10 meetings)
5	Reappointment Female Outside Independent	Mami Indo	Outside Director Member of the Audit Committee	(17 out of 17 meetings) 100%	Audit Committee 100% (10 out of 10 meetings)
6	New appointment Female Outside Independent	Yoko Hatta	—	—	—
7	New appointment Male	Taro Fujie	Representative Executive Officer, President & Chief Executive Officer	—	—
8	New appointment Male	Hiroshi Shiragami	Representative Executive Officer & Executive Vice President Chief Innovation Officer (CIO) Supervision of Research and Development	—	—
9	Reappointment Female	Chiaki Nosaka	Director Executive Officer &	(17 out of 17 meetings) 100%	Nomination Committee 100% (9 out of 9

			Senior Vice President In charge of Diversity and Human Resources Member of the Nomination Committee		meetings)
10	New appointment Male	Tatsuya Sasaki	Executive Officer & Senior Vice President General Manager, Global Corporate Division General Manager, Corporate Service Division	—	—
11	Reappointment Male	Masaya Tochio	Director Member of the Audit Committee	(17 out of 17 meetings) 100%	Audit Committee 100% (10 out of 10 meetings)

(Notes)

1. We transitioned from a Company with an Audit & Supervisory Board to a Company with Three Committees at the conclusion of the 143rd Ordinary General Meeting of Shareholders held on June 23, 2021. For this reason, the status of officer attendance at the committees is that of after June 23, 2021. In addition, the attendance record of Mr. Atsushi Toki and Ms. Mami Indo at meetings of the Board of Directors includes their attendance as Audit & Supervisory Board Members (External) before the change in the design of our institution.
2. The record for Mr. Joji Nakayama indicates his attendance at meetings of the Board of Directors after his Director appointment on June 23, 2021.

1	Reappointment Outside Independent Female

Kimie Iwata

Date of birth:
April 6, 1947

Number of Company shares held:
1,400 shares

Board of Directors meeting attendance: 100% (17 out of 17 meetings)
Nomination Committee meeting attendance: 89% (8 out of 9 meetings)
Compensation Committee meeting attendance: 86% (6 out of 7 meetings)

Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies

April 1971	Joined the Ministry of Labour (currently Ministry of Health, Labour and Welfare)
January 2001	Director-General of Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare
June 2004	Director, Corporate Officer, Shiseido Company, Limited
April 2007	Director, Corporate Executive Officer, Shiseido Company, Limited
April 2008	Director and Executive Vice President, Shiseido Company, Limited
June 2008	Representative Director, Executive Vice President, Shiseido Company, Limited
March 2012	Outside Audit & Supervisory Board Member, Kirin Holdings Company, Limited
April 2012	Director, Shiseido Company, Limited
July 2012	Outside Director, Japan Airlines Co., Ltd.
October 2015	Audit and Inspection Commissioner, the Tokyo Metropolitan Government (present post)
March 2016	Outside Director, Kirin Holdings Company, Limited
June 2018	Outside Director, Sumitomo Corporation (present post)
June 2019	Outside Director, Resona Holdings, Inc. (present post)
June 2019	Outside Director, Ajinomoto Co., Inc. (present post)

(Important positions currently held in other companies)
Audit and Inspection Commissioner, the Tokyo Metropolitan Government
Outside Director, Sumitomo Corporation
Outside Director, Resona Holdings, Inc.

● Special items relating to candidate for Outside Director:
Ms. Kimie Iwata is a candidate for Outside Director under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. Ms. Iwata was appointed to be an Outside Director of the Company at the 141st Ordinary General Meeting of Shareholders held on June 25, 2019. As of the conclusion of this Ordinary General Meeting of Shareholders, her term as an Outside Director will have been for 3 years.

● Reasons for nomination as a candidate for Outside Director, and summary of expected role:
Ms. Kimie Iwata has a high degree of insight into corporate management and corporate social responsibility, as well as a wealth of experience in supporting the active participation of women and promoting diversity. In June 2019 Ms. Iwata was appointed as an Outside Director with the expectation that she would utilize these skills in important Company matters and supervise the way business is carried out. Since her appointment, in addition to holding lively discussions on the Board of Directors and at other meetings, Ms. Iwata has demonstrated great leadership since her appointment as Chair of the Board in June 2021. For these reasons, we re-nominate Ms. Iwata as a candidate for Outside Director. We envision for her to continue as the Chair of the Board and be active as a Member of both the Nomination Committee and the Compensation Committee.
In September 2014, while she was an outside director of Japan Airlines Co., Ltd., it was discovered that customer information had been leaked due to unauthorized access to the company's customer information system. Although she was unaware of the incident until it was discovered, she was appointed as chairman of a review committee made up of independent officers and established by the airline (in October of 2014) after the leak was uncovered, and worked on measures to prevent a recurrence.

2

Reappointment Outside Independent Male

Takashi Nawa

Date of birth:
June 8, 1957

Number of Company shares held:
0 shares
Board of Directors meeting attendance: 17 out of 17 meetings (100%)
Nomination Committee meeting attendance: 100% (9 out of 9 meetings)
Compensation Committee meeting attendance: 100% (7 out of 7 meetings)

Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies

April 1980	Joined Mitsubishi Corporation
April 1991	Joined McKinsey & Company, Inc.
June 2010	Professor, Graduate School of International Corporate Strategy, Hitotsubashi University (presently The School of International Corporate Strategy, Hitotsubashi University Business School) (present post)
June 2011	Outside Director, NEC Capital Solutions Limited (present post)
November 2012	Outside Director, Fast Retailing Co., Ltd. (present post)
June 2014	Outside Director, Denso Corporation
June 2015	Outside Director, Ajinomoto Co., Inc. (present post)
June 2020	Outside Director, SOMPO Holdings Inc. (present post)
April 2022	Professor, Business School, Kyoto University of Advanced Science (present post)

(Important positions currently held in other companies)
Representative Director, Genesys Partners, Ltd.
Professor, the School of International Corporate Strategy, Hitotsubashi University Business School
Outside Director, NEC Capital Solutions Limited
Outside Director, Fast Retailing Co., Ltd.
Outside Director, SOMPO Holdings, Inc.
Professor, the Business School, Kyoto University of Advanced Science

● Special items relating to candidate for Outside Director:
Mr. Takashi Nawa is a candidate for Outside Director under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. Mr. Nawa was appointed to be an Outside Director of the Company at the 137th Ordinary General Meeting of Shareholders held on June 26, 2015. As of the conclusion of this Ordinary General Meeting of Shareholders, his term as an Outside Director will have been for 7 years.

● Reasons for nomination as a candidate for Outside Director, and summary of expected role:
Using his great insight into international corporate management that he has developed, both through being a Professor at a graduate school in the field of international corporate strategy and the wealth of work experience that he has gained at non-Japanese consulting companies, Mr. Nawa has contributed to the growth of the Ajinomoto Group. Since June 2015 he has been active as an Outside Director. In recent years Mr. Nawa has offered proposals in the formulation of current Medium-Term Management Plan from a new perspective and novel way of thinking and has also supported our in-house training of managers. For these reasons, we re-nominate Mr. Nawa as a candidate for Outside Director. We envision for him to continue to be active as the Chair of the Nomination Committee and as a Member of the Compensation Committee.

3	Reappointment Outside Independent Male	Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies

Joji Nakayama

Date of birth:
May 11, 1950

Number of Company shares held:
300 shares
Board of Directors meeting attendance: 100% (12 out of 12 meetings)
Nomination Committee meeting attendance: 100% (9 out of 9 meetings)
Compensation Committee meeting attendance: 100% (7 out of 7 meetings)

Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies

April 1979	Joined Suntory Limited
March 2000	Director, Suntory Limited
December 2002	President, CEO, Daiichi Suntory Pharma Co., Ltd.
June 2003	Director, Daiichi Pharmaceutical Co., Ltd.
June 2010	Representative Director, President, CEO, Daiichi Sankyo Co., Ltd.
April 2017	Representative Director, Chairman, CEO, Daiichi Sankyo Co., Ltd.
June 2019	Representative Director, Chairman, Daiichi Sankyo Co., Ltd.
June 2020	Full-time Advisor, Daiichi Sankyo Co., Ltd. (present post)
June 2021	Outside Director, Ajinomoto Co., Inc. (present post)

● Special items relating to candidate for Outside Director:
Mr. Joji Nakayama is a candidate for Outside Director under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. Mr. Nakayama was appointed to be an Outside Director of the Company at the 143rd Ordinary General Meeting of Shareholders held on June 23, 2021. As of the conclusion of this Ordinary General Meeting of Shareholders, his term as an Outside Director will have been for 1 year.

● Reasons for nomination as a candidate for Outside Director, and summary of expected role:
Mr. Joji Nakayama has served as president and chairman of a global healthcare company. He has extensive experience in corporate management and governance and deep insights into the healthcare businesses. He has contributed in making important managerial decisions at the Board of Directors by utilizing the knowledge and supervision of the way business is carried out. For these reasons, we re-nominate Mr. Nakayama as a candidate for Outside Director. We envision for him to be active as the Chair of the Compensation Committee and as a Member of the Nomination Committee and Audit Committee.

4	Reappointment Outside Independent Male

Atsushi Toki

Date of birth:
May 19, 1955

Number of Company shares held:
5,400 shares

Board of Directors meeting attendance: 94% (16 out of 17 meetings)

Audit Committee meeting attendance: 100% (10 out of 10 meetings)

Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies

April 1983	Registered as an attorney at law
April 1989	Partner, Okudaira Toki Law Office
April 1997	Representative, Meitetsu Sogo Law Office
December 2001	Outside Corporate Auditor, Maruyama Mfg Co., Inc.
May 2003	Outside Director, Parco Co., Ltd.
June 2003	Outside Corporate Auditor, Credit Saison Co., Ltd.
March 2008	Partner, Seiwa Meitetsu Law Office
December 2015	Outside Director / Audit and Supervisory Committee member, Maruyama Mfg Co., Inc. (present post)
June 2016	Outside Director, GEOSTR Corporation (present post)
June 2016	Audit & Supervisory Board Member (External) Ajinomoto Co., Inc.
September 2018	Representative, Meitetsu Sogo Law Office (present post)
June 2021	Outside Director, Ajinomoto Co., Inc. (present post)

(Important positions currently held in other companies)
Representative, Meitetsu Sogo Law Office (attorney at law)
Outside Director / Audit and Supervisory Committee member, Maruyama Mfg Co., Inc.
Outside Director, GEOSTR Corporation

● Special items relating to candidate for Outside Director:

Mr. Atsushi Toki is a candidate for Outside Director under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. Mr. Toki was appointed to be an Outside Director of the Company at the 143rd Ordinary General Meeting of Shareholders held on June 23, 2021. As of the conclusion of this Ordinary General Meeting of Shareholders, his term as an Outside Director will have been for 1 year. Furthermore, before taking office as an Outside Director of our Company, Mr. Toki has been an Audit & Supervisory Board Member (External) of the Company. If this period of 5 years in office is added, his term of office will become 6 years.

● Reasons for nomination as a candidate for Outside Director, and summary of expected role:

Mr. Atsushi Toki has specialized knowledge as an attorney at law and has a wealth of experience. Since his appointment in June 2016, Mr. Toki has utilized his extensive knowledge relating to the corporate law to actively participate from his legal perspective in meetings of the Board of Directors. He makes a significant contribution to the strengthening of our Company in auditing functions and systems of corporate governance. For these reasons, we re-nominate Mr. Toki as a candidate for Outside Director. We envision for him to be active as the Chair of the Audit Committee and as a Member of the Nomination Committee.

5	Reappointment Outside Independent Female	Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies
	Mami Indo	April 1985 Joined Daiwa Securities Co. Ltd. August 1989 Transferred to Daiwa Institute of Research Ltd. April 2004 Transferred to Daiwa Securities SMBC Co. Ltd. (presently Daiwa Securities Co. Ltd.) April 2006 External Director, Daiwa Investor Relations Co., Ltd. October 2007 Transferred to Daiwa Institute of Research Ltd. April 2009 Senior Managing Director, Executive Officer of Consulting Division, Daiwa Institute of Research Ltd. August 2010 Senior Managing Director, Executive Officer of First Consulting Division, Daiwa Institute of Research Ltd. April 2013 Executive Managing Director, Deputy Executive Officer of Research Division, Daiwa Institute of Research Ltd. April 2016 Senior Executive Director, Daiwa Institute of Research Ltd. December 2016 Commissioner, Securities and Exchange Surveillance Commission June 2020 Audit & Supervisory Board Member (External), Ajinomoto Co., Inc. June 2020 Outside Director, Tokyo Gas Co., Ltd. (present post) June 2021 Outside Director, Fujitec Co., Ltd. (present post) June 2021 Outside Director, Ajinomoto Co., Inc. (present post) (Important positions currently held in other companies) Outside Director, Tokyo Gas Co., Ltd. Outside Director, Fujitec Co., Ltd.
	Date of birth: November 6, 1962 Number of Company shares held: 800 shares Board of Directors meeting attendance: 100% (17 out of 17 meetings) Audit Committee meeting attendance:100% (10 out of 10 meetings)	

● Special items relating to candidate for Outside Director:

Ms. Mami Indo is a candidate for Outside Director under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. Ms. Indo was appointed to be an Outside Director of the Company at the 143rd Ordinary General Meeting of Shareholders held on June 23, 2021. As of the conclusion of this Ordinary General Meeting of Shareholders, her term as an Outside Director will have been for 1 year. Furthermore, before taking office as an Outside Director of our Company, Ms. Indo has been an Audit & Supervisory Board Member (External) of the Company. If this period of 1 year in office is added, her term of office will become 2 years.

● Reasons for nomination as a candidate for Outside Director, and summary of expected role:

Ms. Mami Indo, in addition to many years of extensive experience working for securities companies and think tanks, has worked in the Securities and Exchange Surveillance Commission. Her achievements and insights are highly regarded both inside and outside of our Company. In June 2020 Ms. Indo was appointed as an Audit & Supervisory Board Member (External) so that she could use this knowledge at our Company. Since she took office, she has been active in her field and has made a great contribution, especially in the areas of governance and risk management. For these reasons, we re-nominate Ms. Indo as a candidate for Outside Director. We envision for her to be active as a Member of the Compensation Committee and Audit Committee.

6	New appointment Outside Independent Female	**Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies**
	Yoko Hatta	August 1988 Joined Peat Marwick Main & Co. (presently KPMG LLP New York Office) August 1997 Partner of the same office September 2002 Partner, KPMG Peat Marwick Tax Corporation (presently KPMG Tax Corporation) June 2008 Auditor of International Christian University (present post) June 2015 Audit & Supervisory Board Member (External), Kobayashi Pharmaceutical Co., Ltd. (present post) June 2016 Audit & Supervisory Board Member (External), IHI Corporation June 2016 Audit & Supervisory Board Member (External), Nippon Paper Industries Co., Ltd. June 2019 Outside Director, Nippon Paper Industries Co., Ltd. (present post) (Important positions currently held in other companies) Audit & Supervisory Board Member (External), Kobayashi Pharmaceutical Co., Ltd. Outside Director, Nippon Paper Industries Co., Ltd.
	Date of birth: June 8, 1952 Number of Company shares held: 0 shares Board of Directors meeting attendance -	

● Special items relating to candidate for Outside Director:
Ms. Yoko Hatta is a candidate for Outside Director under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.

● Reasons for nomination as a candidate for Outside Director, and summary of expected role:
Ms. Yoko Hatta has extensive experience in international accounting firms and a great insight into international taxation and other matters. We envisage that she will utilize this knowledge and participate in the appropriate supervision of the operations of the Board of Directors. As such, we newly nominate her as an Outside Director candidate. In addition to her role as a Director, we expect that she will serve as a Member of the Audit Committee. Furthermore, although Ms. Hatta has no experience of being involved in the management of a company other than as an Outside Director or Audit & Supervisory Board Member (External), we deem that for the reasons mentioned above, she will be able to faithfully carry out her duties as an Outside Director.
In January 2019, while she was in office as an Audit & Supervisory Board Member (External) of IHI Corporation, it was discovered that inappropriate work was being carried out in the company's Civil Aero Engine maintenance business. In response, in March 2019, the Ministry of Economy, Trade and Industry ordered the company to make licensed repairs based on the Aircraft Manufacturing Industry Act, and in April 2019, the Ministry of Land, Infrastructure, Transport and Tourism issued a business improvement order to the company, based on the Civil Aeronautics Act. Ms. Hatta made recommendations on the importance of legal compliance and risk management, based on her wealth of experience and insight, before these facts became clear. After the facts of the incident came to light, Ms. Hatta maintained a clear understanding of the situation by receiving reports on the progress of the investigation. She strove to prevent a recurrence, and took steps that included demanding the prompt investigation of the impact on safety, taking appropriate measures to prevent a recurrence, and further strengthening and enforcing compliance.

7	New appointment Male Taro Fujie Date of birth: October 25, 1961 Number of Company shares held: 21,400 shares Board of Directors meeting attendance: -	**Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies** April 1985 Joined Company July 2008 General Manager, China Foods & Seasonings Dept., China Business Strategy & Planning Division July 2011 President, Ajinomoto Philippines Corporation June 2013 Corporate Executive Officer June 2015 President, Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda. June 2017 Corporate Vice President, Ajinomoto Co., Inc. April 2021 General Manager, Food Products Division June 2021 Executive Officer & Senior Vice President April 2022 Representative Executive Officer, President & Chief Executive Officer (present post) (Important positions currently held in other companies) Outside Director, Tokai Denpun Co., Ltd.

● Reasons for nomination as a candidate for Director:

Mr. Taro Fujie has extensive experience in managing business abroad. He has served as president at multiple local subsidiaries, not only in Japan but also at major overseas offices of the Ajinomoto Group. While managing both the food and AminoScience businesses, he has made many achievements in realizing the transition from structural reform to the growth stage. Since 2013 he has been the Corporate Executive Officer and Executive Officer, and has played a central role in this capacity in reforming the corporate culture of the Ajinomoto Group. Mr. Fujie has a strong will to bring visions into reality. To further propel ASV (Ajinomoto Group Shared Value) management that will increase our corporate value, we nominate Mr. Fujie as a candidate for Director. After being appointed to the Director, he will continue to assume the duties of Representative Executive Officer, President & Chief Executive Officer. In addition, Mr. Fujie will be appointed as a Member of the Nomination Committee

8	New appointment Male	**Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies**
	Hiroshi Shiragami	April 1986 Joined Company July 2009 General Manager, AminoScience Business Development Dept., Amino Acids Company July 2013 Board Chairman & Managing Director, Ajinomoto Althea, Inc. July 2015 Corporate Fellow, Ajinomoto Co., Inc. June 2019 Corporate Vice President June 2019 General Manager, Research Institute for Bioscience Products & Fine Chemicals, AminoScience Division June 2021 Executive Officer & Senior Vice President April 2022 Representative Executive Officer & Executive Vice President (present post) (Current Assignment in the Company) Chief Innovation Officer (CIO) Supervision of Research and Development
	Date of birth: May 10, 1961 Number of Company shares held: 14,315 shares Board of Directors meeting attendance: -	

● Reasons for nomination as a candidate for Director:

Mr. Hiroshi Shiragami has extensive experience in domestic and overseas AminoScience business and management. He has been responsible for research and business development in the AminoScience field, and promoting their business structural transformation into growth fields. In addition, since April 2021 he has been our Chief Innovation Officer (CIO) and R&D supervisor, directing the creation of new businesses through business model transformation and innovation. For the above reasons, we nominate Mr. Shiragami as a candidate for Director and, upon his election as such, envision for him to continue to serve as Representative Executive Officer & Executive Vice President, CIO, and R&D supervisor.

9	Reappointment Female Chiaki Nosaka	Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies
	Date of birth: November 6, 1960 Number of Company shares held: 28,200 shares Board of Directors meeting attendance: 100% (17 out of 17 meetings) Nomination Committee meeting attendance: 100% (9 out of 9 meetings)	April 1983 Joined Company April 2005 General Manager, Shanghai Ajinomoto Food Research and Development Center Co., Ltd. July 2009 General Manager, Food Technology Development Center, Food Products Company, Ajinomoto Co., Inc. June 2011 Corporate Executive Officer June 2015 Corporate Vice President June 2015 General Manager, Institute of Food Sciences and Technologies, Food Products Division June 2019 Member of the Board & Corporate Vice President June 2021 Director, Executive Officer & Senior Vice President (present post) (Current Assignment in the Company) In charge of diversity and HR

● Reasons for nomination as a candidate for Director:

In addition to Ms. Chiaki Nosaka's wealth of experience in the field of food product development both in Japan and overseas, since 2017 she has been the Corporate Executive Officer responsible for the active participation of diverse human resources and the promotion of innovation. Since her appointment as a Director in June 2019, she has also been in charge of human resources, further expanding her range of activities. For these reasons, we re-nominate Ms. Nosaka as a candidate for Director and, upon her re-election as such, envision for her to serve as a Director in addition to being in charge of diversity and HR. In addition, Ms. Nosaka will be re-appointed as a Member of the Nomination Committee.

10	New appointment Male	**Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies**
	Tatsuya Sasaki	April 1986 Joined Company January 2011 General Manager, Nutrition Care Dept., Wellness Business Division July 2013 General Manager, Corporate Planning Dept. June 2017 Corporate Executive Officer June 2019 Corporate Vice President July 2019 President, Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda. June 2021 Executive Officer & Vice President, Ajinomoto Co., Inc. April 2022 Executive Officer & Senior Vice President (present post) April 2022 General Manager, Global Corporate Division (present post) April 2022 General Manager, Corporate Service Division (present post) (Current Assignment in the Company) General Manager, Global Corporate Division General Manager, Corporate Service Division
	Date of birth: June 25, 1963 Number of Company shares held: 6,437 shares Board of Directors meeting attendance: -	

● Reasons for nomination as a candidate for Director:
Mr. Tatsuya Sasaki has a wealth of domestic and international experience in the field of new business development. He has experience and achievements in leading the improvement of the management base of the entire Group from his position as General Manager of the Corporate Planning Dept. Since July 2019 he has supervised the food and AminoScience businesses in Latin America. He has knowledge of a wide range of businesses of the Ajinomoto Group. For the above reasons, we nominate Mr. Sasaki as a candidate for Director and, upon his election as such, envision for him to serve as a Director and continue to be the General Manager of the Global Corporate Division and the General Manager of the Corporate Service Division.

11	Reappointment Male

Masaya Tochio

Date of birth:
August 8, 1959

Number of Company shares held:
39,571 shares

Board of Directors meeting attendance:
100% (17 out of 17 meetings)

Audit Committee meeting attendance:100% (10 out of 10 meetings)

Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies

April 1983	Joined Company
July 2007	General Manager, Overseas Foods & Seasonings Dep., Food Products Company, Ajinomoto Co., Inc.
June 2011	Corporate Executive Officer
June 2011	General Manager, Corporate Planning Dept.
June 2013	Member of the Board & Corporate Vice President
June 2017	Member of the Board & Corporate Senior Vice President
April 2018	General Manager, Global Corporate Division
April 2018	General Manager, Corporate Service Division
June 2019	Representative Director
June 2021	Director (present post)

● Reasons for nomination as a candidate for Director:

Mr. Masaya Tochio, in addition to his experience in the food business in Japan and overseas, in recent years has overseen the entire Corporate Division and has strongly promoted the strengthening of the management base of the entire Group. Since June 2021, as the only Director specializing in supervisory functions who does not concurrently serve as an Executive Officer, he has appropriately supervised the execution of duties of Executive Officers and others. For these reasons, we re-nominate Mr. Tochio as a candidate for Director. Under the new system, we envision him to serve as a Director and continue to be a Member of the Audit Committee (Standing).

Notes:

1. We have designated 5 individuals (Ms. Kimie Iwata, Mr. Takashi Nawa, Mr. Joji Nakayama, Mr. Atsushi Toki, and Ms. Mami Indo) to be Independent Officers under the stipulations of the Tokyo Stock Exchange and have registered this decision with the Exchange. If the election of these 5 individuals is approved, we will continue to designate them to be Independent Officers. In addition, if the appointment of Ms. Yoko Hatta is approved, we will newly designate her to be an Independent Officer under the stipulations of the Tokyo Stock Exchange and register this decision with the Exchange. For information on Company standards for determining the independence of outside officers, please refer to page 26.
2. The Company has entered into an agreement with the following 5 individuals (Ms. Kimie Iwata, Mr. Takashi Nawa, Mr. Joji Nakayama, Mr. Atsushi Toki, and Ms. Mami Indo) to limit liability for damages under Article 427, Paragraph 1 of the Companies Act. Financial limitations on liability for damage based on this Agreement shall be the aggregate amount as stipulated in the respective items of Article 425, Paragraph 1 of the Companies Act. If the election of these 5 individuals is approved, this Agreement shall be continued. In addition, if the appointment of Ms. Yoko Hatta is approved, we plan to newly conclude an agreement with her similar to that described above to limit her liability for damages.
3. The Company has concluded a liability insurance policy to insure 10 individuals (Kimie Iwata, Takashi Nawa, Joji Nakayama, Atsushi Toki, Mami Indo, Taro Fujie, Hiroshi Shiragami, Chiaki Nosaka, Tatsuya Sasaki, and Masaya Tochio) with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If a claim for damages is filed by a shareholder or a third party, those damages such as damages and dispute costs that the insured is to bear will be covered by the insurance policy. If the election of the 10 individuals (Kimie Iwata, Takashi Nawa, Joji Nakayama, Atsushi Toki, Mami Indo, Taro Fujie, Hiroshi Shiragami, Chiaki Nosaka, Tatsuya Sasaki, and Masaya Tochio) is approved, these 10 individuals will continue to be insured by the insurance policy. Upon the approval of the election of Ms. Yoko Hatta, we plan to newly cover her in this policy. The insurance policy will be renewed in September 2022.

(Reference) Expected membership of Directors in the three committees
If this Proposal is approved, the composition of each committee and council will be as follows. (◎ = Committee Chair)

Candidate No.	Name	Nomination Committee	Compensation Committee	Audit Committee	Sustainability Advisory Council	Remarks
1	Kimie Iwata	○	○		○	Chair of the Board Lead Independent Director
2	Takashi Nawa	◎	○			
3	Joji Nakayama	○	◎	○	○	
4	Atsushi Toki	○		◎		
5	Mami Indo		○	○		
6	Yoko Hatta			○		
7	Taro Fujie	○			○	Representative Executive Officer, President & Chief Executive Officer (CEO)
8	Hiroshi Shiragami				○	Representative Executive Officer & Executive Vice President Chief Innovation Officer (CIO) Supervision of Research and Development
9	Chiaki Nosaka	○				Executive Officer & Senior Vice President In charge of diversity and HR
10	Tatsuya Sasaki				○	Executive Officer & Senior Vice President General Manager, Global Corporate Division General Manager, Corporate Service Division
11	Masaya Tochio			○		

(Note) The Sustainability Advisory Council was established in April 2021 and is chaired by Dr. Scott Trevor Davis, an outside expert.

(Reference) Skill Matrix

The Company's basic policy is to ensure that the Board of Directors is composed of Independent Directors who can objectively supervise business execution from an independent perspective, Internal Directors who also serve as Executive Officers (including the Chief Executive Officer, and Internal Director who is a Member of the Audit Committee (Standing), taking into consideration the number of Directors, the ratio of people from inside and outside the Company, the proportion of Directors who also serve as Executive Officers, and the diversity with regard to individual experience, capacities, expertise, international background, gender, etc.

Our Board of Directors, which consists of candidates with the expertise, knowledge, and experience shown in the table below, work with our stakeholders through ASV management to contribute to the realization of a sustainable society, overcome social issues, and continuously improve our corporate value.

	Business strategy	Global management	Sustainability / ESG	DX	R&D / Production	Sales & Marketing	Finance & Accounting	HR Management & Development	Legal / Risk management
Kimie Iwata	○		○					○	
Takashi Nawa	○	○	○	○					
Joji Nakayama	○	○	○					○	
Atsushi Toki									○
Mami Indo							○		○
Yoko Hatta							○		○
Taro Fujie	○	○				○		○	
Hiroshi Shiragami		○		○	○			○	
Chiaki Nosaka		○			○			○	
Tatsuya Sasaki	○	○	○			○			
Masaya Tochio		○					○		○

(Reference) Standards for Determining the Independence of Outside Directors

Outside Directors must not fall under any of the following categories to be considered independent.

(1) Said person regards the Company as a key customer, or is an executive officer for such a party.
(2) Said person is a key customer of the Company, or is an executive officer for such a party.
(3) Said person is a consultant, accounting specialist or legal specialist who has received substantial monetary or other assets (other than director compensation) from the Company (if the person receiving said assets is a corporate entity, association, or other such organization, this stipulation extends to members of that organization)
(4) Said person who falls under criteria (1), (2), or (3) above at any time within a one-year period before the proposed appointment.
(5) Said person is a relative (a relative up through the second degree of kinship) of any person (other than those deemed unimportant) falling under criteria 1), 2), or 3) below.
    1) A person falling under criteria (1), (2), (3), or (4) above.
    2) A person who is an executive officer of a subsidiary of the Company.
    3) A person who falls under criteria 2) above or is an executive officer of the Company, at any time within a one-year period before the proposed appointment.

Notes:

1. A person who “regards the Company as a key customer,” refers to a person who, within the most recent business year, received from the Company an amount corresponding to 2% of that party’s annual consolidated sales or ¥100 million, whichever is higher.
2. A person who is “a key customer of the Company,” refers to a person who, within the most recent business year, paid to the Company an amount corresponding to 2% of our annual consolidated sales or ¥100 million, whichever is higher.
3. A person who “has received substantial monetary or other assets from the Company,” refers to a person who, within the most recent business year, has received from the Company monies/property in an amount corresponding to 2% of that party's sales/ total revenues or ¥10 million, whichever is higher.

End

(Attached Document)

Business Report (From April 1, 2021 to March 31, 2022)

I. Matters regarding the Current Status of the Ajinomoto Group

1. Progress of Operations and Operating Results

During the fiscal year ended March 31, 2022, the Company's consolidated sales increased 7.3% year-on-year, or ¥77.9 billion, to ¥1,149.3 billion. This was because in Seasonings and Foods and Frozen Foods there were strong sales of home-use products, mainly overseas, and a partial recovery in sales of restaurant and industrial use products which were affected by COVID-19 in the previous fiscal year, in addition to strong sales of electronic materials and Bio-Pharma Services in Healthcare and Others.

Business profit increased 6.9% year-on-year, or ¥7.7 billion, to ¥120.9 billion. An increase in sales in Healthcare and Others contributed to higher profit despite the impact of rising fuel and raw material prices in Seasonings and Foods and Frozen Foods.

Operating profit increased 23.2% year-on-year, or ¥23.4 billion, to ¥124.5 billion, compared to the previous year when significantly higher impairment losses were recorded associated with the structural reform of the animal nutrition business in Europe and North America, despite recording impairment losses in other operating expenses in the seasonings business in North America in the current fiscal year.

Profit attributable to owners of the parent totaled ¥75.7 billion, up 27.4%, or ¥16.3 billion.

Note: "Business profit" is defined as sales minus the cost of sales, selling expenses, research and development expenses, and general and administrative expenses, to which share of profit of associates and joint ventures is then added. Business profit does not include other operating income or other operating expenses.

Seasonings and Foods

In the Seasonings and Foods segment, sales increased 7.0% year-on-year, or ¥43.7 billion, to ¥664.2 billion, primarily because of strong sales of home-use products, mainly overseas, and a partial recovery in sales of restaurant and industrial use products, which were affected by COVID-19 in the previous fiscal year. Segment business profit fell 6.4% year-on-year, or ¥5.5 billion, to ¥81.2 billion, owing to rising fuel and raw material prices despite increased overseas revenue and the effect of currency translation.

Main factors affecting segment sales

Sauce & Seasonings

Increase in revenue overall due to increased revenue overseas, despite decreased revenue in Japan.

Japan: Decrease in revenue primarily due to the fall back in at-home demand after the increase in the previous year.

Overseas: Increase in revenue primarily due to steady sales of home-use products accompanying growing at-home demand, the recovery of sales of some foodservice-use products, the effect of currency translation, and increased unit sales prices.

Quick Nourishment

Increase in revenue due to increased revenue both in Japan and overseas.

Japan: Revenue increased primarily due to increased sales of soup products.

Overseas: Revenue increased primarily due to increased sales of instant noodles and increased unit sales prices.

Solution & Ingredients

Increase in revenue primarily due to increased sales of umami seasonings for processed food manufacturers.

Main factors affecting segment profits

Sauce & Seasonings

Overall, profit was level with the previous year due to increased profit overseas and decreased profit in Japan.

Japan: Profit decreased primarily due to cost increases, such as of raw materials, and the impact of decreased revenue.

Overseas: Profit increased primarily due to the impact of increased revenue and the effect of currency translation, despite the impact of cost increases, such as of raw materials.

Quick Nourishment

Overall, profit decreased due to a large decrease in profit in Japan, despite increased profit overseas.

Japan: A large decrease in profit primarily due to the effect of launching a new soup factory and the impact of cost increases, such as of raw materials.

Overseas: Increase in profit primarily due to the impact of increased revenue, despite the impact of cost increases, such as of raw materials.

Solution & Ingredients

Decrease in profit overall due to the impact of rising raw material and fuel costs for umami seasonings for processed food manufacturers, despite increased revenue.

Frozen Foods

Frozen Foods segment sales increased 11.8% year-on-year, or ¥23.4 billion, to ¥221.7 billion, primarily as a result of an increase in sales overseas and the effect of currency translation. Segment business profit decreased year-on-year by ¥2.9 billion and recorded a ¥0.6 billion loss, as a result of the rising cost of raw materials and other inputs in North America.

Main factors affecting segment sales

Increase in revenue overall due to significantly increased revenue overseas, despite decreased revenue in Japan.

Japan: Revenue decreased primarily due to the impact of ceasing sales accompanying structural reform, despite increased sales of high-value-added products.

Overseas: Revenue increased significantly primarily due to continued steady demand in North America and Europe, and, in North America, increased unit sales prices and the effect of currency translation.

Main factors affecting segment profits

Large decrease in profit overall due to a large decrease in profit overseas, despite profit being level with the previous year in Japan.

Japan: Profit was level with the previous year primarily due to the impact of structural reform, despite decreased revenue.

Overseas: Large decrease in profit primarily due to the impact of cost increases, such as of raw materials, despite the impact of increased unit sales prices in North America.

Healthcare and others

Healthcare and Others segment sales increased 4.9% year-on-year, or ¥11.7 billion, to ¥251.2 billion, owing to an increase in revenue of Bio-Pharma Services & Ingredients and Functional Materials, despite a decline in revenue of animal nutrition due to structural reform. Segment business profit increased 65.1% year-on-year, or ¥17.0 billion, to ¥43.3 billion, because of the increase in revenue.

Main factors affecting segment sales

Bio-Pharma Services & Ingredients

Increase in revenue due to increased sales of Bio-Pharma Services and Amino Acids for Pharmaceuticals and Foods.

Functional Materials

Large increase in revenue primarily due to strong sales of Electronic Materials.

Others

Large decrease in revenue primarily due to the impact of structural reform in animal nutrition.

<u>Main factors affecting segment profits</u>

Bio-Pharma Services & Ingredients

Large increase in profit accompanying increase in revenue.

Functional Materials

Large increase in profit accompanying large increase in revenue.

Others

Large increase in profit primarily due to decreased expenses because of structural reform of animal nutrition.

Notes: From the fiscal year ended March 31, 2022, the Company made the following changes with respect to the Healthcare and Others segment.

1. The Amino Acids for Pharmaceuticals and Foods and Bio-Pharma Services businesses were combined and reclassified as the Bio-Pharma Services & Ingredients business.
2. The name of the product category previously classified as Specialty Chemicals was changed to Functional Materials.
3. Medical Foods, which was previously included in Amino Acids for Pharmaceuticals and Foods, and a portion of the businesses previously included in Bio-Pharma Services in Healthcare and Others, are included in Others in Healthcare and Others.

2. Assets and Income Status

	141st Fiscal Year (FY2018)	142nd Fiscal Year (FY2019)	143rd Fiscal Year (FY2020)	144th Fiscal Year (Fiscal Year Under Review) (FY2021)
Sales (Billions of yen)	1,114.3	1,100	1,071.4	1,149.3
Business profit (Billions of yen)	93.2	99.2	113.1	120.9
Profit attributable to owners of the parent company (Billions of yen)	29.6	18.8	59.4	75.7
Basic earnings per share (yen)	53.62	34.37	108.36	139.42
Total assets (Billions of yen)	1,393.8	1,353.6	1,431.2	1457.0
Total equity (Billions of yen)	685.9	592.0	667.8	739.7
Equity per share (attributable to owners of the parent company) (Yen)	1,113.93	983.19	1,130.82	1,280.50
ROE Return on equity attributable to owners of the parent company (%)	4.7%	3.3%	10.3%	11.6%

Notes: 1. The Ajinomoto Group has adopted the International Financial Reporting Standards (IFRS)
2. Basic earnings per share is calculated based on the average number of shares outstanding during the fiscal year less the average number of shares of treasury stock during the fiscal year.
3. Equity per share (attributable to owners of the parent company) is calculated based on the number of shares outstanding at the end of the fiscal year less the number of shares of treasury stock at the end of the fiscal year.
4. From the 142nd fiscal year, the Ajinomoto Group has classified the packaging business under discontinued operations. Together with the logistics business, which had previously been classified under discontinued operations, profit from discontinued operations in the consolidated statements is presented separately from the profit from continuing operations, and sales, business profit, and operating profit in the above table are amounts related to continuing operations.

3. Capital Expenditures of the Ajinomoto Group

Capital expenditures of the Ajinomoto Group for the fiscal year ended March 31, 2022 amounted to a total of ¥74.1 billion, which was mainly for the following:

- Construction of soup etc. manufacturing and packaging facilities (Japan) (completed in October 2021)
- Construction of food production facilities (U.S.A.) (scheduled for completion in August 2022)
- Expansion of pharmaceutical manufacturing facilities (India) (scheduled for completion in January 2023)
- Construction of food production facilities (Malaysia) (scheduled for completion in March 2023)
- Installation of a biomass combined heat and power system (Thailand) (scheduled for completion in March 2023)
- Expansion of food production facilities (Japan) (scheduled for completion in March 2024)

4. Company Reorganization

On April 14, 2021, an agreement was concluded to transfer all shares of Ajinomoto Animal Nutrition Europe S.A.S., a European feed-use amino acid company wholly owned by the Company's former subsidiary, Ajinomoto Animal Nutrition Group, Inc. ("AANG"), to METabolic EXplorer S.A. of France, and the said transfer was completed on April 28, 2021. In addition, on April 26, 2021, the Company entered into an absorption-type merger agreement with AANG, and absorbed AANG into the Company on July 1, 2021.

5. Financing of the Ajinomoto Group

There are no applicable matters.

6. Employees of the Ajinomoto Group (as of March 31, 2022)

(1) Employees of the Company and its consolidated subsidiaries

Number of employees	Change from the previous fiscal year end
34,198	Increase by 737

Note: The number of employees indicates full-time employees, excluding temporary employees.

(2) Employees of the Company

Number of employees	Change from the previous fiscal year end
3,252	Increase by 68

Note: The number of employees indicates full-time employees, excluding temporary employees.

7. Important Subsidiaries and Affiliates (as of March 31, 2022)

The Company has 112 consolidated subsidiaries, including the 48 companies listed in "(1) Important Subsidiaries" below, and 14 affiliates accounted for by the equity method, including the 3 companies listed in "(2) Important Affiliates" below.

(1) Important Subsidiaries

Company name	Location	Capital stock	Ratio of voting rights (%)	Main business
Ajinomoto Frozen Foods Co., Inc.	Chuo-ku, Tokyo	JPY 9,537 million	100	Frozen Foods
Ajinomoto Food Manufacturing Co., Ltd.	Kawasaki-ku, Kawasaki-shi	JPY 4,000 million	100	Sauce & Seasonings and Quick Nourishment
Ajinomoto AGF, Inc.	Shibuya-ku, Tokyo	JPY 3,862 million	100	Quick Nourishment
Ajinomoto Healthy Supply Co., Inc.	Chuo-ku, Tokyo	JPY 380 million	100	Other (Healthcare)
AJINOMOTO ENGINEERING CORPORATION	Ota-ku, Tokyo	JPY 324 million	100	Other
Ajinomoto Fine-Techno Co., Inc.	Kawasaki-ku, Kawasaki-shi	JPY 315 million	100	Functional Materials
Ajinomoto Communications Corporation	Chuo-ku, Tokyo	JPY 295 million	100	Other
DELICA ACE Corporation	Ageo-shi, Saitama	JPY 200 million	100	Solution & Ingredients
Ajinomoto Financial Solutions, Inc.	Chuo-ku, Tokyo	JPY 100 million	100	Other
Ajinomoto Bakery, Inc.	Chuo-ku, Tokyo	JPY 100 million	100	Solution & Ingredients
GeneDesign, Inc.	Ibaraki-shi, Osaka	JPY 59 million	100	Bio-Pharma Services & Ingredients
Saps ltd.	Chuo-ku, Tokyo	JPY 50 million	100	Solution & Ingredients
Ajinomoto Direct Corporation	Chuo-ku, Tokyo	JPY 10 million	100	Other (Healthcare)
Ajinomoto Trading Co., Ltd.	Minato-ku, Tokyo	JPY 200 million	96.7	Other (Healthcare)
Ajinomoto Digital Business Partners Co., Inc.	Chuo-ku, Tokyo	JPY 51 million	66.7	Other
Ajinomoto SEA Regional Headquarters Co., Ltd.	Thailand	THB 2,125,000 thousand	100	Seasonings and Foods / Frozen Foods

Company name	Location	Capital stock		Ratio of voting rights (%)	Main business
Ajinomoto Co., (Thailand) Ltd.	Thailand	THB	796,362 thousand	99.7	Sauce & Seasonings
AJINOMOTO SALES (THAILAND) COMPANY LIMITED	Thailand	THB	50,000 thousand	100*	Sauce & Seasonings and Quick Nourishment
AJITRADE (THAILAND) CO., LTD.	Thailand	THB	10,000 thousand	100*	Other (Healthcare)
WAN THAI FOODS INDUSTRY CO., LTD.	Thailand	THB	60,000 thousand	60.0*	Sauce & Seasonings and Processed Foods
AJINOMOTO BETAGRO FROZEN FOODS (THAILAND) CO., LTD.	Thailand	THB	764,000 thousand	50.0*	Frozen Foods
PT Ajinomoto Indonesia	Indonesia	USD	8,000 thousand	51.0	Sauce & Seasonings
P.T. AJINOMOTO SALES INDONESIA	Indonesia	USD	250 thousand	100*	Sauce & Seasonings
Ajinomoto Vietnam Co., Ltd.	Vietnam	USD	50,255 thousand	100	Sauce & Seasonings
Ajinomoto (Malaysia) Berhad	Malaysia	MYR	65,102 thousand	50.4	Sauce & Seasonings
AJINOMOTO PHILIPPINES CORPORATION	The Philippines	PHP	665,444 thousand	95.0	Sauce & Seasonings
Ajinomoto (China) Co., Ltd.	China	USD	104,108 thousand	100	Other (Healthcare)
Shanghai Ajinomoto Seasoning Co., Ltd.	China	USD	27,827 thousand	100*	Sauce & Seasonings and Solution & Ingredients
Shanghai Ajinomoto Trading Co., Ltd.	China	RMB	10,000 thousand	100*	Bio-Pharma Services & Ingredients
AJINOMOTO (HONG KONG) CO., LTD.	Hong Kong	HKD	5,799 thousand	100	Solution & Ingredients
AJINOMOTO (SINGAPORE) PRIVATE LTD.	Singapore	SGD	1,999 thousand	100	Solution & Ingredients
Ajinomoto (Cambodia) Co., Ltd.	Cambodia	USD	11,000 thousand	100	Sauce & Seasonings
Ajinomoto Korea, Inc	Republic of Korea	KRW	1,000,000 thousand	70.0	Sauce & Seasonings and Quick Nourishment
AJINOMOTO TAIWAN INC.	Taiwan	NTD	250,000 thousand	100	Sauce & Seasonings and Quick Nourishment
Ajinomoto North America Holdings, Inc.	U.S.A.		-	100	Holding company
Ajinomoto Foods North America, Inc.	U.S.A.	USD	15,030 thousand	100*	Frozen Foods
Ajinomoto Health & Nutrition North America, Inc.	U.S.A.	USD	0	100*	Bio-Pharma Services & Ingredients
Ajinomoto Althea, Inc.	U.S.A.	USD	0	100	Bio-Pharma Services & Ingredients
Ajinomoto Cambrooke, Inc.	U.S.A.	USD	34,280 thousand	100*	Other (Healthcare)
More Than Gourmet Holdings, Inc.	U.S.A.	USD	21,908 thousand	50.1*	Solution & Ingredients
Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda.	Brazil	BRL	913,298 thousand	100	Sauce & Seasonings, Solution & Ingredients, and Bio-Pharma Services & Ingredients

Company name	Location	Capital stock	Ratio of voting rights (%)	Main business
Ajinomoto del Perú S.A.	Peru	PEN 45,282 thousand	99.6	Sauce & Seasonings and Quick Nourishment
AJINOMOTO FOODS EUROPE S.A.S.	France	EUR 35,000 thousand	100*	Solution & Ingredients
S.A. Ajinomoto OmniChem N.V.	Belgium	EUR 21,320 thousand	100*	Bio-Pharma Services & Ingredients
AJINOMOTO FOODS NIGERIA LTD.	Nigeria	NGN 2,623,714 thousand	100	Sauce & Seasonings
AJINOMOTO ISTANBUL FOOD INDUSTRY AND TRADE LTD. CO.	Turkey	TRY 51,949 thousand	100	Sauce & Seasonings and Quick Nourishment
AJINOMOTO POLAND SP Z.O.O.	Poland	PLN 39,510 thousand	100	Quick Nourishment
Agro2Agri, S.L.	Spain	EUR 2,027 thousand	85.0*	Other (Healthcare)

Notes: 1. The Company's ratio of voting rights in companies indicated with an * (asterisk) mark are calculated including the voting rights held by the Company's subsidiaries.

2. In the fiscal year under review, Ajinomoto Animal Nutrition Group, Inc., Ace Bakery Corporation, AJINOMOTO ANIMAL NUTRITION (SINGAPORE) PTE. LTD., and AJINOMOTO ANIMAL NUTRITION EUROPE S.A.S. were removed from Important Subsidiaries.

3. Ajinomoto North America Holdings, Inc. capital stock amount is not shown because it transferred all capital stock to capital surplus.

4. Effective November 25, 2021, West African Seasoning Co., Ltd. changed its trading name to AJINOMOTO FOODS NIGERIA LTD.

(2) Important Affiliates

Company name	Capital stock	Ratio of voting rights (%)	Main business
EA Pharma Co., Ltd.	JPY 9,145 million	40.0	Manufacture and sale of pharmaceuticals, etc.
J-OIL MILLS, INC.	JPY 10,000 million	27.2	Manufacture and sale of edible oils, etc.
Promasidor Holdings Limited	USD 0 thousand	33.3	Manufacture and sale of processed foods etc.

8. Policy on Determination of Dividends of Surplus, etc.

As part of our 2020-2025 Medium-Term Management Plan, during Phase 1 (FY 2020-2022) of structural reforms, we seek to apply cash flow created by profit increase and asset reduction to investment for growth, and provide returns to our shareholders of over one hundred billion yen. In the Medium-Term Management Plan, we will raise our consolidated dividend payout ratio from 30% to 40%, and aim for a consolidated rate of return of 50% or greater, providing returns to our shareholders in a steady and sustainable manner.

The year-end dividend may be determined by a resolution of the Board of Directors in accordance with Article 34, Paragraph 1 of the Articles of Incorporation, but in principle, the dividend is to be determined by a resolution of the General Meeting of Shareholders, except in cases where infectious diseases or natural disasters may affect the holding and operation of the General Meeting of Shareholders.

9. Our Tasks Ahead

Progressing ASV Management

Ajinomoto Group's basic management policy is to pursue ASV (Ajinomoto Group Shared Value) management, a management approach that aims to balance the creation of social value and economic value through Ajinomoto Group's business activities. Our goal for 2030 is to be reborn as a "solution-providing company for food and health issues", with two additional target outcomes of "extending the healthy life expectancy of one billion people" and "reducing our environmental burden by 50%."

Progress on our Medium-term Management Plan

Under the 2020-2025 Medium-term Management Plan set by tracing a path from our desired state in 2030, we are working to improve capital efficiency and return to organic growth and have announced financial and non-financial KPIs including ROIC, organic growth rate, core business sales ratio, unit price growth, and employee engagement score. The FY2021 results and FY2022 targets for these KPIs are as follows.

			FY19 (Result)	FY20 (Result)	20-22 Phase 1 Structual Reform FY21 (Result)	FY22 (Target)	FY22 (Target as of the Plan)	23-25 Phase 2 Regrowth FY25 (Target as of the Plan)	2030 Goal
Financial indicators	Efficiency	ROIC (1) (>Capital cost) (): Excluding expenses for structural reform	3.0% (Approx. 6%)	6.9% (Approx. 8%)	7.9% (Approx. 8.5%)	8.0% (Approx. 9%)	8%	10-11%	13%
Financial indicators	Growth	Organic growth rate (2) (YoY)	0.3%	▲0.6%	6.8%	Approx. 11%	4%	5%	5%
Financial indicators	Priority KPIs	Core business sales ratio (3)	66.5%	66.6%	68.7%	Approx. 71%	70%	80%	80%~
Financial indicators	Priority KPIs	Unit price growth (YoY) (4) (Overseas consumer products)	Approx. 5%	2.8%	4.8%	Approx. 8%	2.5%	3%	3%
Non-Financial indicators	Priority KPIs	Employee engagement score ("Adoption of the ASV approach at the individual level") (5)	55%	64%	61%	–	70%	80%	85%~
Non-Financial indicators	Strengthening Brand	Brand value (mUSD) (InterBrand reseach)	780	926	1,208 (YoY +30%)	Target 7% CAGR (6) for brand value			
Non-Financial indicators	Strengthening Brand	Brand strength score	56	58	59	Increase in score for each of 12 major countries of business			

(1) Return on Invested Capital: An indicator of how much profit a company has made from the capital it has invested in the business
(2) Sales growth rate excluding the effects of non-continuous growth such as foreign exchange, accounting changes and M&A / sale of businesses
(3) Core businesses: Sauce & Seasonings, Quick Nourishment, Solution & Ingredients (restaurant and industrial use seasonings), Frozen Foods, Healthcare, Electronic Materials
(4) For overseas consumer products, this is an index that shows the unit price growth rate from the previous year by country and by category as a weighted average by sales
(5) The proportion of employees who feel they are contributing to the realization of ASV
(6) Average annual growth rate

Shifting to medium-term index-based management

Under our new structure from April 2022, which includes a change of Representative Executive Officer & President and certain other Executive Officers, we have transitioned to a new stage of our Medium-term Management Plan for 2025 and will continue to make every effort toward early achievement of our existing targets for FY2022 and FY2025.

Japanese corporations are sometimes said to be afflicted by “medium-term plan disease.” This refers to their tendency to prepare elaborate multi-year plans with detailed performance targets and figures, even during times of great uncertainty when the future is difficult to predict. As commentators have pointed out, these plans serve only to exhaust the workplace and erode the meaning of the planning process itself.

In acknowledgement of this issue, while continuing to pursue the existing performance target for 2025, we have decided to abolish conventional medium-term planning and shift to medium-term index-based management in which we define our management KPIs and "ideal state" for 2030, then trace a path from the future back to the present to achieve these indicators. As part of that process, we are making sure that we can review our plans rapidly and flexibly at any time in response to material changes in the business environment.

(1) **Speed-Up x Scale-Up**

The key issue for Ajinomoto Group is regaining powerful growth momentum

The biggest challenge for Ajinomoto Group is to resume a growth trajectory. Only by overcoming this challenge, will we be able to improve corporate value. We will speed up management decision-making and execution and pursue a recovery in growth momentum through a strategy based on the integration of food and AminoScience, modeling our successes to formalize the Ajinomoto Group's institutional knowledge, and scaling up through standardization of these successes as best practices both inside and outside the Ajinomoto Group.

Speeding up by transforming our corporate culture

Ajinomoto Group has tended to lag in making and implementing the kind of dynamic management decisions necessary for overall corporate optimization. Leading companies around the world, meanwhile, have widened the gap in corporate value with their peers by proceeding with top-down, rapid reforms.

Recognizing this, in 2021 we transitioned to a Company with Three Committees, and promoted rapid decision-making by substantially delegating authority from the Board of Directors to executives on the business execution side (the Executive Committee). Instead of predetermined decision-making, we are structuring this Executive Committee to ensure that it functions as a legitimate forum for high quality decision-making based on frank, fact- and data-based discussion to further speed up execution.

Concomitant with the new executive structure, we developed a 100-day plan to chart immediate actions from April 1, 2022. Although this Executive Committee is still evolving, there has clearly been a step-change in the pace of decision-making with respect to changing the direction of management policies. By shifting gears, we have seen an increase in the speed of decision-making. Our aim is to extend this higher pace of action throughout Ajinomoto Group, drawing on our employees’ sincerity and proven capacity which we take pride in across every business arena to initiate improvements. Through an appropriate combination of top-down and bottom-up approaches, we intend to transform the corporate culture to emphasize initiative and activation.

Scaling up through the standardization of our successes under a growth strategy centered on the integration of food and AminoScience

Based on a growth strategy that integrates food and AminoScience, we will scale up our activities by modeling successful cases that incorporate the Ajinomoto Group's institutional knowledge and applying this knowledge throughout our business in everything from product category expansion overseas and portfolio management in R&D, to the launch of new businesses in AminoScience. It goes without saying that DX and innovation are essential to this process.

To give examples of this modeling process in the seasonings field, we have developed our products domestically and internationally by modeling best marketing practices and continuing to create new categories, from the umami seasonings “AJI-NO-MOTO®” to flavor seasonings (such as “HONDASHI®”) to menu specific seasonings (such as “Cook Do®”). We will continue these development efforts by building an ecosystem with government and academia, creating outcomes such as “Love Veggie” in the Tokai area, “Smart Salt®” in the Tohoku area, joint research with Hirosaki University in the “Iwaki Health Promotion Project” in Hirosaki City, Aomori Prefecture, and working in countries and regions around the world that suffer from insufficient vegetable intake and excessive salt content. This modeling process will help drive our growth.

We will also strengthen portfolio management for optimal investment and business allocation. For example, focused investment in lower resource fermentation technology around 2010 led to a significant reduction in amino acid production costs, and the focused R&D investment in Electronic Materials, Amino Acids for Pharmaceuticals and Foods, and biopharma since around 2015 has led to the current business model reform in the AminoScience business and a steady achievement of results. We will continue to standardize and refine the knowledge from these R&D investments and apply it to investments in marketing, human resources, DX, regions, and other areas. By tracing a path back from our desired state after 2030, we envision pursuing innovation in four areas—healthcare, food & wellness, ICT (information and communication technology), and green—where Ajinomoto Group is best placed to create next-generation businesses and markets.

The reason we advocate "Speed-Up x Scale-Up" is because the faster the speed of decision-making and execution, the more the scale up can spread throughout the entire company at once. And this synergistic effect will enhance corporate value.

(2) **Strengthening intangible assets**

Investing in our organizational, human capital, technology, and customer assets

The key to both speeding up and scaling up are intangibles. To grow a large tree and produce fruit, the seed must be planted in well-cultivated soil, and the growing tree must be watered, fertilized, and pruned. The same is true for corporate values. It is especially important to have strong roots, and these roots are our intangible assets.

We will explain our approach and enhancement measures for the four intangible assets that we focus on.

First, organizational assets. This refers to the strength of the entire organization that is shared within a company. Ajinomoto Group's organizational assets are the Company's overall strength and foundation—which includes our aspiration to “provide solutions for food and health issues by unlocking the power of amino acids to resolve food and health issues—our motivation to realize this aspiration, our vision, ASV management, our corporate brand, governance and other management structures, various databases, intellectual property, and other such assets. By continuously refining these organizational and other intangible assets, intangible assets will accumulate, and organizational assets will grow even larger.

Human capital assets are the driving force that increases the value of all our intangible assets. We aim to increase our total human assets by mobilizing the drive of our employees to realize our purpose, while also mobilizing the support and understanding of the diverse stakeholders who share our purpose. To this end, the work-style reforms undertaken to date will be progressed to the next level as work-satisfaction reforms. As part of this, we will enrich our human capital assets by staying closely informed about social trends while focusing on developing human resources with DX skills, bringing outside expertise into the Company, and enabling our people to hold additional roles outside Ajinomoto Group. We will also fundamentally review our personnel system and operations. By introducing a hybrid personnel system that combines job-type grades (grades based on duties and responsibilities) with job qualification grades (grades based on human assets), we will focus on allocating the right people to the right place with the right skills, empowering our people to make the most of their abilities, and rewarding them for their contribution to our Company.

Technology assets are the critical source of Ajinomoto Group's uniqueness across all our intangible assets. Our technology assets enable us to continue to create value for society through innovation in everything from R&D to production and business operations in our mission to reveal and utilize the power of amino acids. In the food business, we are advancing our “Palatability Design Technology” to develop products with enhanced added value and functions in each region of the world, and in the AminoScience business, including Healthcare and Electronic Materials, we are developing products and services with high barriers to entry by progressing our advanced bio/fine chemical technology in anticipation of market innovation. We will continue to refine our technology assets to reform our business model and create next-generation businesses through the integration of food and AminoScience.

Customer assets are the assets that connect all our intangible assets and future financial value. Including not only current customers but also potential customers and consumers, we aim to expand our current contact with approximately 700 million customers to one billion by 2030 and contribute to the extension of healthy life expectancy. Our global reach encompasses Asia, the United States, Latin America, Europe, and Africa. In addition to regular consumers, we have important corporate customers in the restaurant and food industries, and in the pharmaceutical and semiconductor-related industries. By standardizing our successful contributions to addressing customer issues through our products and services, and by accurately capturing their apparent and latent needs, we can increase customer and brand value, leading to higher unit prices and increased purchase volumes and frequency.

The corporate culture is the soil that enriches these intangible assets. A self-motivated corporate culture, in which all employees take it upon themselves to realize their “Purpose”, is a culture that enriches other intangible assets. Creating this kind of corporate culture is a key priority of the management team.

(3) **Promoting Sustainability**

Expanding ASV by listening to stakeholders

We believe that promoting sustainability will not only help realize a sustainable society but also contribute to reducing the cost of capital and increasing the growth rate of Ajinomoto Group. Our Sustainability Advisory Council, which was established just over one year ago and reports to the Board of Directors, enables specialists in each area to engage in meaningful, forward-looking deliberation and research on ways in which Ajinomoto Group can address sustainability issues, and this supports our steady progress toward realizing ASV management.

The Sustainability Advisory Council will continue to report to the Board of Directors, incorporating the views of a diverse range of stakeholders, examining existing materialities (important issues for the Company) from a medium- to long-term perspective, and advising on policies for responding to relevant changes in the business environment. Concurrently, the Sustainability Committee, a subcommittee of the Executive Committee, identifies risks and opportunities at the company-wide management level and reflects them in business strategies, based on the strategic direction set by the Board of Directors.

Sustainability initiatives are often viewed as requiring trade-offs: to achieve a given positive outcome, something else must be sacrificed. Our aim is to earn the understanding and support of our stakeholders around the world for our sustainability purpose and pursue sustainability in ways that overcome the trade-off paradigm to create trade-on outcomes.

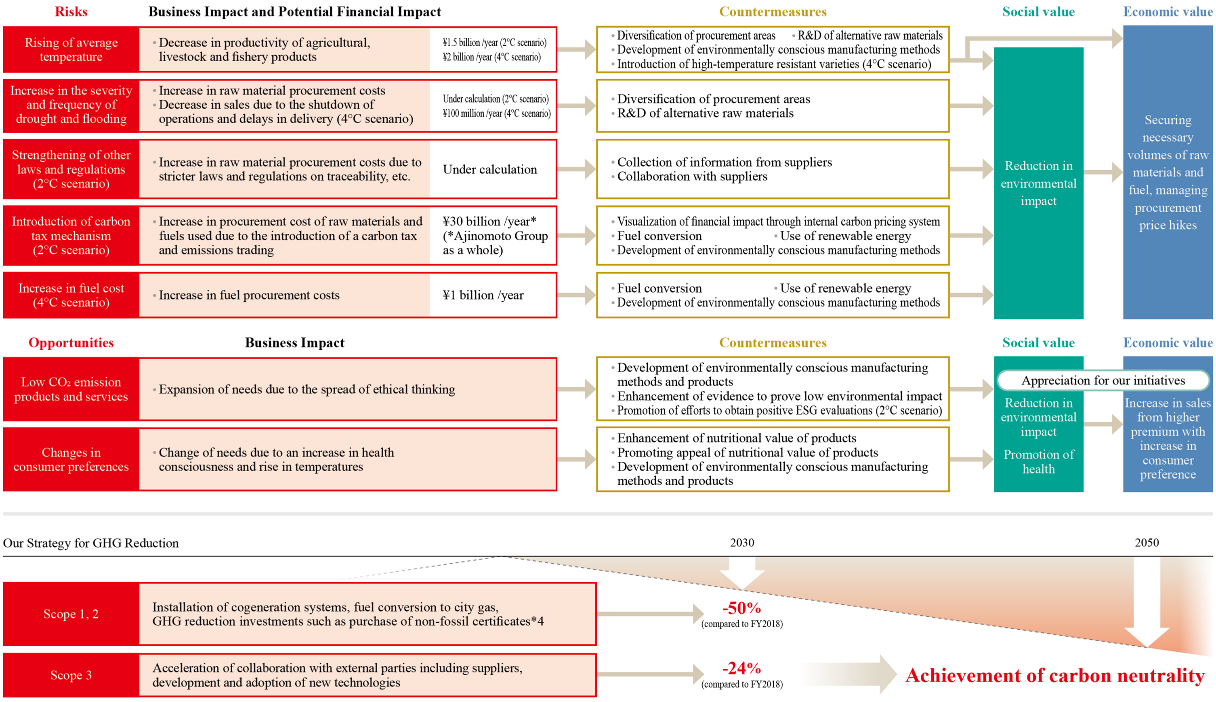
Ajinomoto Group has numerous social and environmental issues to address. In March 2022, we declared our commitment to achieve carbon neutrality by FY2050, in addition to reducing environmental burden by 50% by FY2030. While aiming for carbon neutrality, we will implement ASV, which creates economic value by solving social issues, and contribute to building a strong and sustainable food system.

(Reference) Our response to climate change

Climate change, an urgent global issue, has a major impact on Ajinomoto Group's businesses and strategies in a number of ways, including suspension of business activities due to large-scale natural disasters, interruptions to the procurement of raw materials such as crops and fuels, and changes in product consumption trends. The Company considers climate change to be an important company-wide risk and opportunity, and endorses the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In accordance with the TCFD recommendations, the Company considers countermeasures and discloses relevant information from four perspectives: governance, strategy, risk management, and indicators and targets. As part of this, we conduct scenario analysis to assess the impact of climate change on our business. In FY2021, we conducted scenario analyses on the impact of climate change as of 2030 and 2050 on global umami seasonings and major domestic products under the scenario that the global average temperature will increase by 2°C or 4°C in 2100 from the post-industrial revolution level. A summary of the risks and opportunities based on the 2050 scenario analysis and the measures taken to address them are shown below.

Based on the impact on business in the scenario analysis, we plan to invest in fuel conversion, renewable energy use, and environmentally conscious manufacturing methods in Scope 1*[1] and Scope 2*[2] in order to further reduce GHG (Greenhouse gas) emissions in the future. We will also work on product development with the aim of realizing "trade-on" in which sustainability initiatives lead to increased added value for our products rather than lower product costs.
In addition, under Scope 3*[3], we plan to formulate collaborative plans with raw material suppliers, etc.



*1 Direct GHG emissions by the businesses themselves
*2 Indirect GHG emissions from the use of electricity, heat, and steam supplied by others
*3 Other GHG emissions (product use and disposal, transportation, employee travel and commuting, investments, etc.)
*4 We are considering further investments to reduce GHG emissions, and will disclose the details as soon as they are determined.

II. Matters regarding Shares of the Company (as of March 31, 2022)

(1) Number of shares authorized to be issued by the Company: 1,000,000,000 shares

(2) Number of shares issued: 536,996,254 shares

(3) Number of shareholders: 120,621

(decreased by 17,600 compared with the end of the previous fiscal year)

(4) Major shareholders

Shareholder	Number of shares held (thousand shares)	Ownership interest (%)
The Master Trust Bank of Japan, Ltd. (trust account)	102,586	19.11
Custody Bank of Japan, Ltd. (trust account)	35,829	6.67
The Dai-ichi Life Insurance Company, Limited	26,199	4.88
NIPPON LIFE INSURANCE COMPANY	25,706	4.79
Meiji Yasuda Life Insurance Company	11,362	2.12
MUFG Bank, Ltd.	10,202	1.90
STATE STREET BANK WEST CLIENT – TREATY 505234	8,948	1.67
Custody Bank of Japan, Ltd. (security investment trust account)	8,297	1.55
Sompo Japan Insurance Inc.	6,282	1.17
JP MORGAN CHASE BANK 385781	6,272	1.17

Notes: 1. Ownership interests are calculated after deduction of treasury stock (116 thousand shares).

2. The number of shares held by The Dai-ichi Life Insurance Company, Limited does not include 2,000 thousand shares of the Company contributed as a trust asset for a retirement benefit trust of The Dai-ichi Life Insurance Company, Limited. The Dai-ichi Life Insurance Company, Limited holds voting rights in respect of these shares.

(5) Shares issued to corporate officers as compensation for the execution of their duties during the fiscal year under review

Details of stock-based compensation granted during the fiscal year under review are as follows

	Number of shares	Number of recipients
Directors (excluding Outside Directors, including Executive Officers)	5,300	2
Outside Directors	—	—
Executive Officers who are not Directors	—	—

Note: The number of shares represents the number of shares delivered as medium-term company performance-linked stock compensation to Directors who retired in June 2021 and to Directors who became Members of the Audit Committee following the transition to a Company with Three Committees.

(6) Other important matters regarding shares

(1) Based on the resolution made at a Board of Directors meeting held on May 10, 2021, the Company purchased 12,167,100 shares for the purpose of increasing the level of shareholder returns and improving capital efficiency.

(2) Based on the resolution made at a Board of Directors meeting held on February 16, 2022, the Company retired all of the treasury shares acquired in (1) above on March 7, 2022.

(7) Cross-shareholdings

(1) The Company's policy regarding cross-shareholdings

The Company will decrease its holdings of cross-shareholdings gradually to the minimum amount necessary. The Company carefully scrutinizes each individual cross-shareholding in terms of whether the purpose of holding them is appropriate and whether the benefits and risks of holding them are commensurate with the capital costs. Every year, the Company reviews the propriety of holding shares through the Board of Directors and discloses the results of these reviews. Those shares judged as inappropriate to hold will be sold once the detailed plan for selling is determined.

(2) Standard for the exercise of voting rights

The Company will exercise voting rights of cross-shareholdings so as to contribute to improving long-term corporate value. The Company will vote against instances where shareholder value is significantly impaired due to organizational restructuring or other factors, or cases where serious concerns arise with regard to corporate governance for reasons such as social scandals.

(3) Total number of shares and balance sheet amount of cross-shareholdings

Category		FY2018	FY2019	FY2020	FY2021
Number of shares (shares)	Listed	50	42	36	35
	Non-listed	67	67	69	71
	Total	117	109	105	106
Total Balance sheet amount (¥ million)	Listed	39,703	24,755	28,220	28,201
	Non-listed	3,355	3,177	3,156	3,500
	Total	43,059	27,932	31,376	31,701

III. Corporate Governance and Matters Regarding the Corporate Officers of the Company (as of March 31, 2022)

1. Matters Regarding Corporate Governance

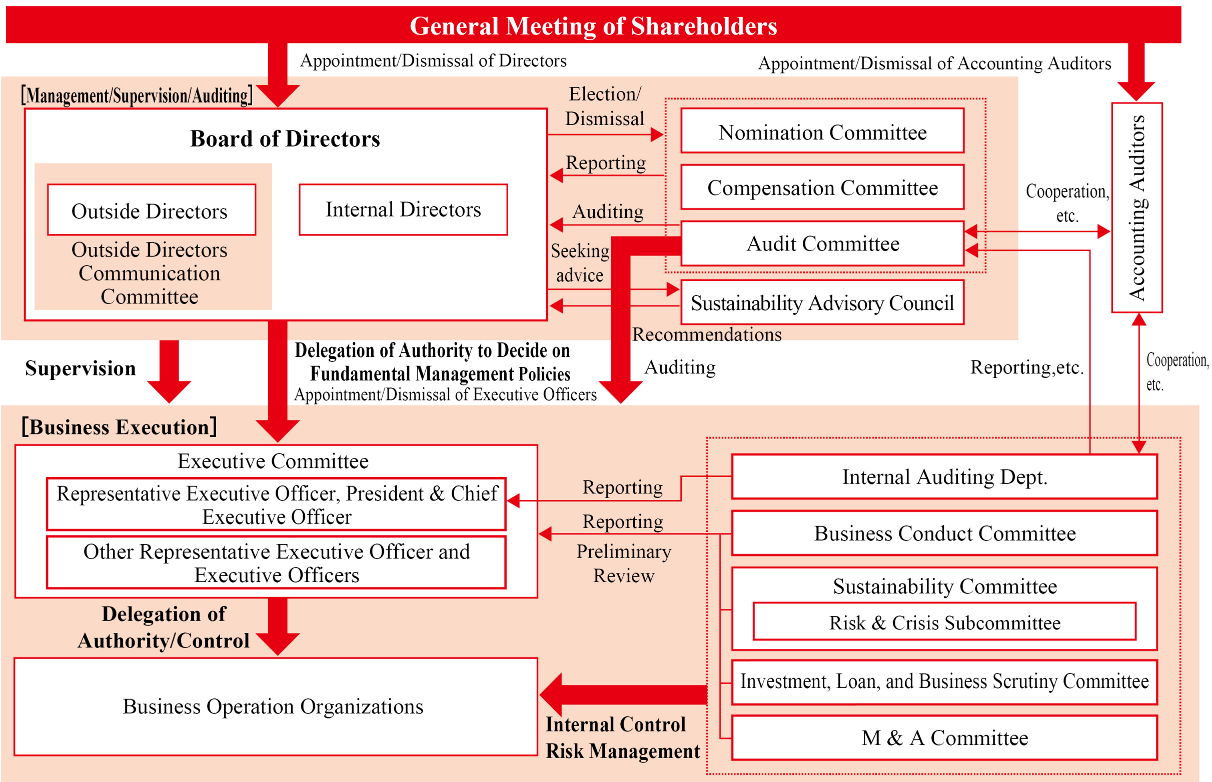
(1) Basic Approach to Corporate Governance

The Ajinomoto Group positions corporate governance as one of the most important aspects of its management foundation for strengthening ASV Management and achieving 2030 vision. Toward 2030, through dialogue with multi-stakeholders, we accelerate ASV Management by contributing to greater wellness for people worldwide and reducing greenhouse gas emissions by 50% as priority issues, and by digging up invisible assets such as human resources through digital transformation. Furthermore, in order to enhance the effectiveness of ASV Management, we select a Company with Three Committees that clearly separate supervision and execution by balancing “supervision of appropriate execution that reflects the opinions of stakeholders" and "speedy business execution.” The Board of Directors consists of a variety of Directors, discusses and examines important management matters that greatly affect corporate value, encourages risk-taking of execution by indicating a major direction, verifies the validity of execution processes and results, and appropriately supervises execution. On the other hand, the execution, the Chief Executive Officer who has been greatly delegated authority from the Board of Directors will take the lead in making decisions for important business execution at the Executive Committee, will realize sustainable enhancement of corporate value as one team. In order to closely communicate between the Board of Directors and the Executive Committee, governance rules are established based on the Company's approach to enhance corporate value, proposals and reports are made from the Executive Committee to the Board of Directors, and deliberations and resolutions are made by the Board of Directors.

Recently, the business environment has changed dramatically due to the prolonged COVID-19 pandemic, and comprehensive risk management is more important than ever. We comply honestly with the Ajinomoto Group Policy (AGP) that shows the ideal way of thinking and action that Ajinomoto Group companies and their officers and employees should comply with, continue to develop and properly operate our internal control system, strengthen our system that considers sustainability as an active risk-taking system, and continuously enhance our corporate value.

(2) Organizational Structure of the Corporate Governance System

The organizational structure of our corporate governance system is as follows.



(Board of Directors and Committees)

・Board of Directors

Consisting of 6 Outside Directors and 5 Internal Directors (a total of 11 members), one of the Outside Directors is the Chair of the Board. The Board of Directors, as the highest decision-making body for management, discusses and examines important management matters that greatly affect corporate value, indicates a major direction, supervise appropriate executions that reflect the opinions of stakeholders. Additionally, through the ASV Management, the Company works with stakeholders and others to resolve social issues, contributes to the realization of a sustainable society, and takes responsibility for sustainable enhancement of corporate value.

・ Nomination Committee

Consisting of 3 Outside Directors and 2 Internal Directors (a total of 5 members), one of the Outside Directors is the Chair of the Committee. The Committee deliberates on validity of the evaluation and reappointment of Directors, on validity of the evaluation and reappointment of Representative Executive Officer & President, and on succession planning of the Representative Executive Officer & President, etc. The Nomination Committee decides the policy of electing and dismissing Directors, proposals for the election and dismissal of Directors, and proposals of draft for selection of the Representative Executive Officer & President, etc. If Proposal 3 is approved, 1 Outside Director who is also a Member of the Audit Committee, will newly serve as a Member of the Nomination Committee in order to further reflect diverse opinions. Consequently, a total of 6 members (4 Outside Directors and 2 Internal Directors) are scheduled to be selected as Members of the Nomination Committee at the Extraordinary Meeting of the Board of Directors following the 144th Ordinary General Meeting of Shareholders.

・ Compensation Committee

Consisting of 3 Outside Directors, one of the Outside Directors is the Chair of the Committee. The Committee deliberates and decides matters related to remuneration for Directors and Executive Officers in order to determine the remuneration of Directors and Executive Officers fairly and appropriately. If Proposal 3 is approved, 1 Outside Director who is also a Member of the Audit Committee will newly serve as a Member of the Compensation Committee in order to further reflect diverse opinions. Consequently, 4 Outside Directors are scheduled to be selected as Members of the Compensation Committee at the Extraordinary Meeting of the Board of Directors following the 144th Ordinary General Meeting of Shareholders.

・Audit Committee

Consisting of 3 Outside Directors and 1 Internal Director (a total of 4 members), one of the Outside Directors is the Chair of the Committee. The Committee plays an important role in the function of "supervision of the execution of duties" by the Board of Directors by auditing the legality and appropriateness of Directors' and Executive Officers' execution of duties. If Proposal 3 is approved, in order to further improve governance, 1 Outside Director who serves as a Member of the Nomination Committee and a Member of the Compensation Committee, will newly serve as a Member of the Audit Committee. Consequently, a total of 5 members (4 Outside Directors and 1 Internal Director), are scheduled to be selected as Members of the Audit Committee at the Extraordinary Meeting of the Board of Directors following the 144th Ordinary General Meeting of Shareholders.

・Sustainability Advisory Council

Consisting of 7 outside experts, 2 Outside Directors, and 3 Internal Directors (a total of 12 members), one of the outside experts is the chair of the Council. In order to pursue the enhancement of the corporate value of the Ajinomoto Group from the perspective of sustainability, based on the advisory of the Board of Directors, the Sustainability Advisory Council deliberates the Company's approach to sustainability from the perspective of multi-stakeholders and reports the result to the Board of Directors.

・Outside Director Communication Committee and Lead Independent Outside Director

The aim of the Outside Director Communication Committee is to improve the quality of supervision of business execution through the exchange of information among the Outside Directors and by mutually complementing specializations. In addition, the Chair of the Board of Directors shall be the Lead Independent Director for the purpose of responding to stakeholders and effectively advising Directors who concurrently serve as Executive Officers and other Executive Officers.

(Executive Committee)

The Executive Committee will realize prompt and appropriate business execution with a team centered on the Chief Executive Officer based on major directions and mandates indicated by the Board of Directors. Deliberations and resolutions on basic plans, policies, and other important matters related to business execution will be described in the minutes along with the approval and disapproval of the members of the Executive Committee. In addition, proposals and reports to the Board of Directors are conducted in accordance with the Regulations on Board of Directors and the Minor Regulations on Board of Directors, and close communication is made so that the agenda of the Board of Directors can be set systematically and effectively. Members of the Executive Committee are consisted of the Representative Executive Officer & President and the other Executive Officers appointed by the Representative Executive Officer & President (excluding Executive Officers in charge of internal control), and approved by the Board of Directors.

(Internal control, risk management and sustainability)

・Business Conduct Committee

The Company has established the Business Conduct Committee to strengthen the Ajinomoto Group's management base and enhance corporate value by fostering an open corporate culture and building a corporate structure that is resistant to crises, etc., by raising compliance awareness and instilling AGP. In addition, the Business Conduct Committee thoroughly disseminate AGP, determine and implement various measures to respond promptly and appropriately to crises (compliance), etc., disseminate information to raise compliance awareness, grasp trends and respond from the viewpoint of compliance, and implement smooth and prompt responses and appropriate resolution.

・Sustainability Committee

The Company has established the Sustainability Committee to promote sustainability management. In accordance with materiality, the Sustainability Committee formulates measures, proposes them to the Executive Committee, and manages progress. In addition, the Committee formulates risk countermeasures for company-wide management issues, manages progress, develops and promotes risk management processes that contribute to strengthening internal control, and conducts matters related to crisis (safety and security) management. Furthermore, as a subcommittee of the Sustainability Committee, Risk & Crisis subcommittee is responsible for matters related to crisis (safety and security) management.

・Investment, Loan and Business Scrutiny Committee

The Committee carries out multifaceted reviews of investment and loan decisions, revitalization of unprofitable businesses, and exits from unprofitable businesses, prior to deliberations by the Executive Committee.

・M&A Committee

The M&A Committee carries out multifaceted reviews of M&A deals prior to deliberations by the Executive Committee.

(3) Reasons for Selection of the Current Corporate Governance System

The Company has selected a Company with Three Committees system to reflect the opinions of multi-stakeholders and evolve ASV management with a more effective corporate governance system that combines appropriate supervision of execution with speedy business execution.

(4) Views on the Abilities and Diversity of the Board of Directors as a Whole

The Company has the basic policy, considering the number of members, the percentage of Internal Directors and Outside Directors, the percentage of persons who concurrently serve as Directors and Executive Officers, individual experiences, abilities, insights, internationality, gender, etc., for the Board of Directors composed of independent Outside Directors who can objectively supervise business execution from an independent standpoint, Internal Directors who concurrently serve as Executive Officers including Chief Executive Officer, and Internal Directors who are Members of the Audit Committee (Standing). In addition, in order to promote the separation of supervision and execution and further enhance the effectiveness of the management oversight function by the Board of Directors, the Outside Directors shall occupy a majority, and the Chair of the Board shall be the Outside Director.

2. Matters regarding Corporate Officers

(1) Names, Positions and Assignment in the Company and Important Positions Currently Held in Other Companies, etc. of Directors and Executive Officers

1. Directors

Position	Name	Assignment in the Company	Important Positions Currently Held in Other Companies, etc.
Outside Director (Independent Officer)	Kimie Iwata	Chair of the Board Member of the Nomination Committee Member of the Compensation Committee	Audit and Inspection Commissioner, the Tokyo Metropolitan Government Outside Director, Sumitomo Corporation Outside Director, Resona Holdings, Inc.
Outside Director (Independent Officer)	Takashi Nawa	Chair of the Nomination Committee Member of the Compensation Committee	Representative Director, Genesys Partners, Ltd. Professor, the School of International Corporate Strategy, Hitotsubashi University Business School Outside Director, NEC Capital Solutions Limited Outside Director, Fast Retailing Co., Ltd. Outside Director, Sompo Holdings, Inc.
Outside Director (Independent Officer)	Joji Nakayama	Chair of the Compensation Committee Member of the Nomination Committee	
Outside Director (Independent Officer)	Atsushi Toki	Chair of the Audit Committee	Representative, Meitetsu Sogo Law Office (attorney at law) Outside Director / Audit and Supervisory Committee member, Maruyama Mfg Co., Inc. Outside Director, GEOSTR Corporation
Outside Director (Independent Officer)	Hideki Amano	Member of the Audit Committee	Certified Public Accountant Outside Director, TOPPAN FORMS CO., LTD. Outside Audit & Supervisory Board Member, Kao Corporation Outside Corporate Auditor, Seiko Holdings Corporation
Outside Director (Independent Officer)	Mami Indo	Member of the Audit Committee	Outside Director, Tokyo Gas Co., Ltd. Outside Director, Fujitec Co., Ltd.
Director	Takaaki Nishii	Member of the Nomination Committee	
Director	Hiroshi Fukushi		
Director	Kaoru Kurashima		
Director	Chiaki Nosaka	Member of the Nomination Committee	
Director	Masaya Tochio	Member of the Audit Committee	

2. Executive Officers

Position	Name	Assignment in the Company	Important Positions Currently Held in Other Companies, etc.
Representative Executive Officer & President	Takaaki Nishii	Chief Executive Officer	
Representative Executive Officer & Executive Vice President	Hiroshi Fukushi	Chief Digital Officer (CDO)	
Executive Officer & Senior Vice President	Kaoru Kurashima	General Manager, Global Corporate Division General Manager, Corporate Service Division	Outside Director, J-Oil Mills, Inc.
Executive Officer & Senior Vice President	Chiaki Nosaka	In charge of diversity and HR	
Executive Officer & Senior Vice President	Taro Fujie	General Manager, Food Products Division	Outside Director, Tokai Denpun Co., Ltd.
Executive Officer & Senior Vice President	Hiroshi Shiragami	Chief Innovation Officer (CIO) Supervision of Research & Development	
Executive Officer & Vice President	Gwinnett Bompas	General Manager, AminoScience Division	
Executive Officer & Vice President	Takayuki Koda	Chief Transformation Officer (CXO) In charge of SCM Reform General Manager, Digital Transformation Dept.	
Executive Officer & Vice President	Tetsuya Nakano	In charge of Finance & Investor Relations	
Executive Officer & Chairman of Company	Masatoshi Ito		Outside Director, NEC Corporation
Executive Officer & Vice President	Jiro Sakamoto		President, Ajinomoto Health & Nutrition North America, Inc.
Executive Officer & Vice President	Narutoshi Fukase	Supervision of Food Products Sales	
Executive Officer & Vice President	Yoshiteru Masai		President, Ajinomoto Europe S.A.S
Executive Officer & Vice President	Tatsuya Sasaki		President, Ajinomoto do Brasil Industria e Comércio de Alimentos Ltda.
Executive Officer & Vice President	Junichiro Kojima	General Manager, Institute of Food Sciences and Technologies	
Executive Officer & Vice President	Ichiro Sakakura		President, Ajinomoto Co., (Thailand) Ltd.
Executive Officer & Vice President	Ikuo Kira	General Manager, Research Institute for Bioscience Products & Fine Chemicals General Manager, Kawasaki Plant	
Executive Officer	Chika Morishima	In charge of Sustainability and Communications	

Executive Officer	Takumi Matsuzawa	In charge of Internal Control and Audit Committee	

Notes: 1. 4 Directors, Takaaki Nishii, Hiroshi Fukushi, Kaoru Kurashima and Chiaki Nosaka, concurrently serve as Executive Officers.

2. There are no significant transactions and/or other special relationships between the Company and the other companies at which the Outside Directors hold important positions.

3. All Outside Directors are designated as Independent Officers as specified by the Tokyo Stock Exchange and the Company has registered them at the Tokyo Stock Exchange.

4. Mr. Masaya Tochio is appointed as a Member of the Audit Committee (Standing) in order to enhance the effectiveness of auditing.

5. Mr. Hideki Amano, a Member of the Audit Committee, is qualified as a certified public accountant and possesses a respectable degree of knowledge of finance and accounting.

6. Directors and Audit & Supervisory Board Members who changed positions during the period are as follows.

Name	New Position	Former Position	Date of Change
Kaoru Kurashima	Director	(New Appointment)	June 23, 2021
Joji Nakayama	Outside Director	(New Appointment)	June 23, 2021
Atsushi Toki	Outside Director	Audit & Supervisory Board Member (External)	June 23, 2021
Hideki Amano	Outside Director	Audit & Supervisory Board Member (External)	June 23, 2021
Mami Indo	Outside Director	Audit & Supervisory Board Member (External)	June 23, 2021
Masatoshi Ito	(Retirement)	Director	June 23, 2021
Etsuhiro Takato	(Retirement)	Director	June 23, 2021
Yasuo Saito	(Retirement)	Outside Director	June 23, 2021
Yoichiro Togashi	(Retirement)	Audit & Supervisory Board Member (Standing)	June 23, 2021
Shizuo Tanaka	(Retirement)	Audit & Supervisory Board Member (Standing)	June 23, 2021

7. The Company transitioned from a Company with an Audit & Supervisory Board to a Company with Three Committees, at the conclusion of the 143rd Ordinary General Meeting of Shareholders held on June 23, 2021, and a Board of Directors meeting held on the same day resolved to elect the Executive Officers as described above in 2. Executive Officers.

8. Changes in the positions of Executive Officers as of April 1, 2022 are as follows.

Name	New Position	Former Position
Taro Fujie	Representative Executive Officer & President	Executive Officer & Senior Vice President
Hiroshi Shiragami	Representative Executive Officer & Executive Vice President	Executive Officer & Senior Vice President
Tatsuya Sasaki	Executive Officer & Senior Vice President	Executive Officer & Vice President
Yoshiteru Masai	Executive Officer & Senior Vice President	Executive Officer & Vice President
Takayuki Koda	Executive Officer & Senior Vice President	Executive Officer & Vice President
Sumio Maeda	Executive Officer & Vice President	(New Appointment)
Masami Kashiwakura	Executive Officer & Vice President	(New Appointment)

Shigeo Nakamura	Executive Officer & Vice President	(New Appointment)
Tatsuya Okamoto	Executive Officer & Vice President	(New Appointment)
Hideaki Kawana	Executive Officer & Vice President	(New Appointment)
Masaki Kashihara	Executive Officer	(New Appointment)
Takaaki Nishii	Executive Officer	Representative Executive Officer & President
Hiroshi Fukushi	Executive Officer	Representative Executive Officer & Executive Vice President
Masatoshi Ito	Executive Officer	Executive Officer & Chairman of Company
Kaoru Kurashima	Executive Officer	Executive Officer & Senior Vice President
Gwinnett Bompas	Executive Officer	Executive Officer & Vice President

(2) Amounts of Compensation, etc. Paid to Directors and Executive Officers (“Executive Officers, etc.”)

(1) Policy and process taken to decide the compensation, etc., paid to Executive Officers, etc.

The Company’s policy regarding compensation paid to Executive Officers, etc. is resolved by the Compensation Committee.

Below is an overview of the policy.

1) Basic policy regarding compensation paid to Executive Officers, etc.

(a) In line with Ajinomoto Group Policy (AGP), it will lead to medium- to long-term expansion of corporate value

(b) The level of compensation is sufficiently competitive with the market level

(c) Compensation will be determined through a transparent process that is accountable to stakeholders

2) Overview of compensation for Executive Officers, etc.

(a) Compensation for Executive Officers (including those who concurrently serve as Directors)

Comprises basic compensation, short-term company performance-linked compensation, and medium-term company performance-linked stock compensation, the details of which are as below.

(i) Basic compensation

Basic compensation is a monetary compensation that is paid every month to encourage employees to fully demonstrate the qualities and abilities that drive corporate growth and to meet their responsibilities. A fixed amount is paid monthly.

(ii) Short-term company performance-linked compensation

Short-term company performance-linked compensation is a monetary compensation that is paid at the end of June each year, depending on the performance evaluation of the entire company and each unit after the end of the fiscal year, as an incentive to encourage steady achievement of performance targets for a single fiscal year and appropriate management.

(iii) Medium-term company performance-linked stock compensation.

Medium-term company performance-linked stock compensation is a performance-linked compensation that is assessed using a predetermined valuation index after the end of the three fiscal years commencing on April 1, 2020 (hereinafter referred to as the "Target Period") with the aim of achieving sustained medium-to long-term improvement in business performance and increasing corporate value of the Ajinomoto Group, and is paid in the Company's shares and the amount equivalent to the conversion and disposal of the Company's shares. The maximum monetary amount the Company contributes to the stock-granting trust (hereinafter referred to as the "Trust") for the medium-term company performance-linked stock compensation is ¥2.2 billion for the Target Period and the maximum amount of the Company’s shares to be acquired with the money contributed by the Trust is 1.1 million. The number of the Company's shares, etc. to be used for payment of compensation is obtained as follows. Each evaluation index (calculated from the target achievement rate and evaluation weight for each evaluation index) is multiplied by the preset medium-term performance-linked compensation amount for each job position. The total number obtained is then divided by the closing price (2,010.5 yen) of the Company's shares on March 31, 2020, to yield the number of shares to be used for payment of compensation. Half of the compensation will be delivered in the form of Company shares, and the remaining 50% will be used for payment of income tax, etc., therefore the Trust will convert this to cash by selling the shares on the market and then paying the amount equivalent to the conversion and disposal of the Company's shares. The Company has set an ROIC (Return on Invested Capital) of 13% from the viewpoint of efficiency and an organic growth rate of 5% from the viewpoint of growth potential by 2030 to be the structural targets. In the Target Period, we have set an ROIC target of 8%. We use the proportion of core business sales, employee engagement, and ESG targets as evaluation indicators, and the relative TSR (Total Shareholder Return) as the evaluation indicator from the viewpoint of shareholder return.

(b) Compensation for Outside Directors and Internal Directors who are Members of the Audit Committee

Compensation for Outside Directors shall be based solely on the basic compensation, with a fixed monetary amount paid monthly.

Compensation for Internal Directors who are Members of the Audit Committee shall be based solely on the basic compensation and shall be paid monthly in a fixed amount.

3) Policy on determining the amount of compensation of Executive Officers, etc.

(a) Method for setting the amount of compensation

The amount of compensation will be set by position based on the responsibilities of supervision and execution assumed by Executive Officers, etc.

(b) Method for determining compensation levels

(i) Compensation levels for Internal Directors and Executive Officers, excluding foreign officers, are based on the 50th to 75th percentile (the top 25th to 50th percentile) of compensation levels for executives (based on the results of surveys conducted by external organizations on about 50 major Japanese companies that are similar in size and business type to the Company).

(ii) Compensation levels for Foreign Executive Officers, etc. are based on the 50th to 75th percentile (top 25th to 50th percentile) of compensation levels for executives, based on the results of surveys conducted by external organizations on companies that are similar in size and business type in the country (or region) most closely related to the Executive Officer, etc. concerned. In addition to the above, in the event of income tax, etc. incurrence in Japan due to appointment of secondees from the overseas Group company to the Company’s Executive Officers, etc., the Company may bear the amount equivalent to the said income tax, etc.

(iii) Compensation levels for Outside Directors are based on the 50th to 75th percentile (the top 25th to 50th percentile) of compensation levels for executives (based on the results of surveys conducted by external organizations on about 50 major Japanese companies that are similar in size and business type to the Company).

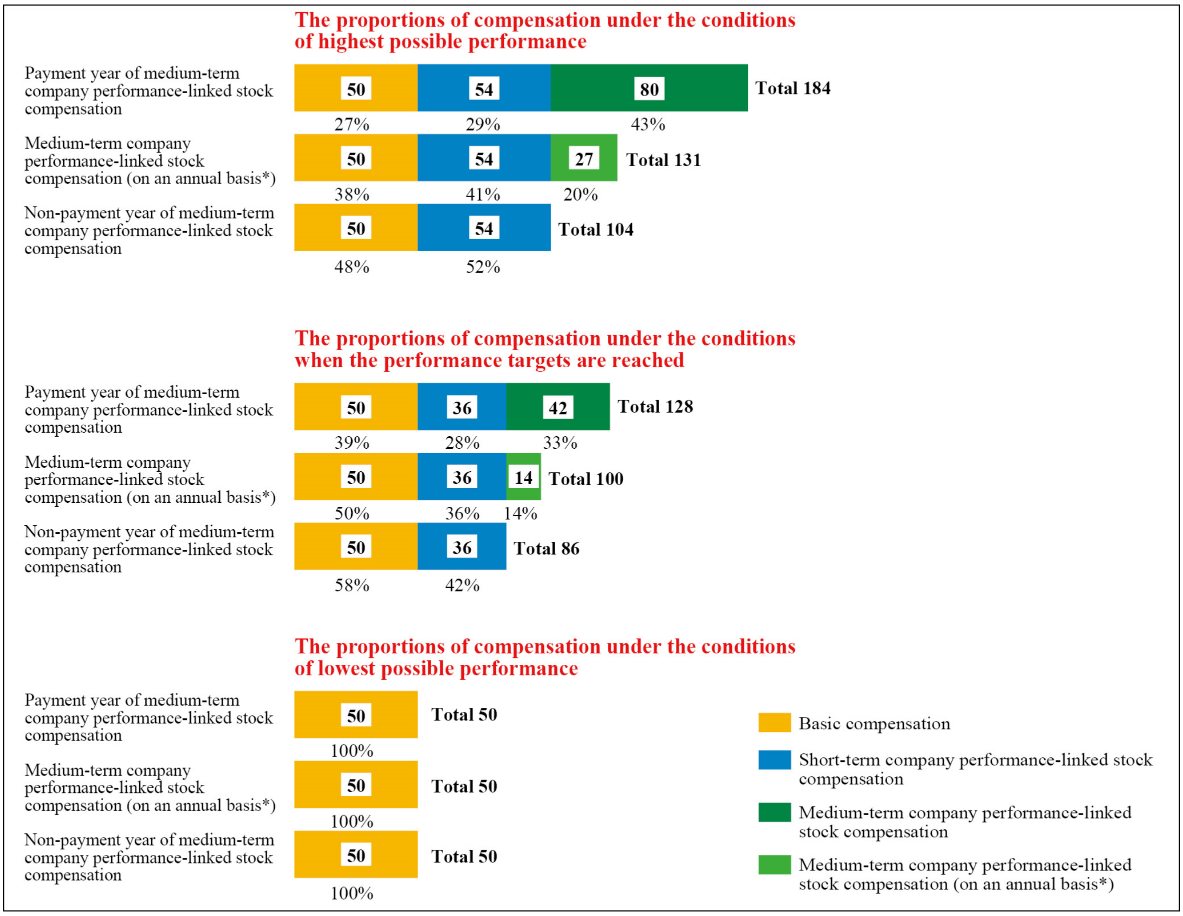
4) Policy on determining the payment ratio of performance-based compensation and compensation other than performance-based compensation

Executive Officers (including those who concurrently serve as Directors) will be paid basic compensation, short-term company performance-linked compensation, and medium-term company performance-linked stock compensation at approximately 50:36:14 (47:40:13 for some positions) (on an annual basis) at the time of achieving the standard performance target.

a) In fiscal years when medium-term company performance-linked stock compensation is paid, short-term company performance-linked compensation and medium-term company performance-linked stock compensation (monetary value conversion at the time of contribution to the Trust) account for a minimum of 0% and a maximum of around 72% of total compensation.

b) Short-term company performance-linked compensation accounts for between 0% and 52% of total compensation in fiscal years when medium-term company performance-linked stock compensation is not paid.

c) If the total compensation at the time of a standard evaluation (on an annual basis *) when the performance targets are reached is assigned an index of 100, then the indices of total compensation under the conditions of highest possible performance and of lowest possible performance, as well as the proportions of each type of compensation in total compensation are as follows.



* "On an annual basis" means when the medium-term company performance-linked stock compensation to be paid after the end of the three-year Medium-Term Management Plan starting from April 1, 2020 is leveled and paid annually.

5) Policy regarding the determination of evaluation indicators for performance-linked compensation

(a) Short-term company performance-linked compensation

Executive Officers who concurrently serve as Director or the Executive Officer & Chairman of Company are evaluated only on the basis of company-wide performance. Other Executive Officers are evaluated based on company-wide performance and unit performance, and the weighting of the evaluation of company-wide performance and unit performance, and the weight of the evaluation of company-wide performance and unit performance is generally 1:1. In addition to Sales and Business profit, which are key indicators of annual financial results, the Company's performance is calculated using Profit attributable to the owners of the parent company (all on a consolidated basis) as an evaluation indicator and using the following formula. Unit performance is determined on the basis of a predetermined compensation schedule based on an evaluation of the performance of the division, organization, and corporation in charge of each Executive Officer.

Amount of short-term company performance-linked compensation = Base amount by position × Evaluation indicators*

*The evaluation indicators are calculated based on the sum of the following three elements. If the achievement rate of each evaluation indicator exceeds 1.25, the upper limit shall be 1.25.

(Consolidated Sales achievement rate x 2 - 1) x 30%

(Consolidated Business profit achievement rate x 2-1) x 50%

(Consolidated Net income achievement rate x 2-1) x 20%

(b) Medium-term company performance-linked stock compensation

The following table shows the evaluation indicators, target values and weighting in evaluation of the medium-term company performance-linked stock compensation.

	Evaluation indicators	Target value	Weighting in evaluation
1	ROIC (Return on Invested Capital) Achievement rate (Notes. 1)	8.0%	60%
2	Proportion of core businesses sales achievement rate (Notes. 2)	70%	20%

3	Relative TSR (Total Shareholders' Return) (Notes. 3)	1	10%
4	Employee engagement (Notes. 4)	-	5%
5	ESG target (Notes. 5)	-	5%

Notes: 1. Weighted average value of target achievement rate in each financial year of the Target Period (Weighted average weight: 25% in FY2020, 25% in FY2021, 50% in FY2022)
ROIC (Return on Invested Capital) is calculated using the method shown below (all values are on a consolidated basis).
.: ROIC = (Operating income after tax for the fiscal year) ÷ [(Capital invested in that fiscal year) + (Capital invested in the previous fiscal year) ÷ 2]
* Invested capital = Shareholders' equity attributable to the owners of the parent company + interest-bearing debt
2. Rate of achievement of FY2022 targets
The proportion of high-priority business sales is calculated using the method shown below (all values are on a consolidated basis).
.: Proportion of core business sales = (Core business sales in FY2022) ÷ (Consolidated sales in FY2022)
3. Rate of achievement of FY2022 targets
Relative TSR is calculated using the method shown below.
.: Relative TSR = (Total shareholder return on the last day of the most recent fiscal year) ÷ (TOPIX total shareholder return including dividends for the period corresponding to the Company's total shareholder yield calculation period)
4. Self-evaluation of the results of the employee engagement survey, and the initiatives stated in the new Medium-Term Management Plan and the degree of achievement of these initiatives
5. Self-evaluation of the initiatives taken towards the ESG targets in the Medium-Term Management Plan and the degree of achievement of these initiatives
6. In addition to the amounts pursuant to the above evaluation indicators, the medium-term company performance-linked stock compensation based on other evaluation indicators may be paid to Foreign Executive Officers, etc.

6) Reasons why the Compensation Committee has determined that the details of individual compensation, etc. of Executive Officers, etc. follow the decision policy regarding the content of individual compensation, etc. of Executive Officers, etc.

As individual compensation, etc. of Executive Officers, etc. is paid in accordance with the compensation standard based on the decision policy established by the Compensation Committee, the details of individual compensation for Executive Officers, etc. are in line with the decision policy.

(2) Amounts of compensation, etc. paid to Directors and Executive Officers

Category	Number of persons to whom compensation, etc. was paid	Total compensation, etc., by category (million yen)			Total compensation, etc. (million yen)
		Fixed compensation	Performance-linked compensation		
		Cash compensation		Non-cash compensation	
		Basic compensation	Short-term company performance-linked compensation	Medium-term company performance-linked stock compensation	
Directors (excluding Outside Directors)	7	275	167	51	494
Audit & Supervisory Board Members (excluding Audit & Supervisory Board Members (External))	2	20	—	—	20
Executive Officers	15	375	429	213	1,017

Outside Directors	7	90	―	―	90
Audit & Supervisory Board Members (External)	3	11	―	―	11

Notes: 1. By resolution of the Ordinary General Meeting of Shareholders held on June 23, 2021, the Company has transitioned from a Company with an Audit & Supervisory Board to a Company with Three Committees. As a result, the number and compensation amount of "Directors (excluding Outside Directors)" above include 4 Directors who concurrently served as Executive Officers upon the transition, and 2 Directors who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2021, as well as their compensation amounts.

2. The number and compensation amounts of “Audit & Supervisory Board Members (Excluding Audit & Supervisory Board Members (External))”, “Outside Directors” and “Audit & Supervisory Board Members (External)” above include 2 Audit & Supervisory Board Members, and 1 Outside Director and 3 Audit & Supervisory Board Members (External) who served between April 1, 2021 and June 23, 2021, as well as their compensation amounts.

3. The number and compensation amounts of “Executive Officers” do not include 4 Executive Officers who concurrently served as Directors from the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2021 until March 31, 2022.

4. The amounts of compensation, etc., listed above are amounts based on International Financial Reporting Standards (IFRS).

5. The difference between a) the expected payment amount and the total amount of short-term company performance-linked compensation paid in June 2021 and b) the expected payment amount disclosed in the business report for the previous fiscal year is included in the short-term company performance-linked compensation.

6. The actual results for the fiscal year under review regarding the evaluation indicators for short-term company performance-linked compensation are as follows.

	Evaluation indicators	Actual results for the fiscal year under review
1	Sales	¥1,149.3 billion
2	Business profit	¥120.9 billion
3	Profit for the business year attributable to the owners of the parent company	¥75.7 billion

7. The difference between a) the total amount of reserves for the fiscal year under review and medium-term performance-linked stock compensation paid in July 2021 and b) the expected payment amount disclosed in the business report for the previous fiscal year is included in the medium-term company performance-linked compensation.

“Medium-term company performance-linked stock compensation” is paid to non-residents of Japan in the form of cash compensation.

8. The actual results related to the evaluation indexes of the medium-term company performance-linked stock compensation is determined after the end of the Target Period.

9. Aggregate compensation to Directors of the Company through to the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2021 was limited to the total amount of ¥1.2 billion per year (excluding employee salaries to be paid to the Directors who concurrently serve as employees), and aggregate compensation to Outside Directors is limited to the total amount of ¥50 million per year, by the resolution of the 129th Ordinary General Meeting of Shareholders held on June 28, 2007.

10. At the 142nd Ordinary General Meeting of Shareholders held on June 24, 2020, it was resolved that the system (the “System”) to pay medium-term company performance-linked stock compensation (the introduction of which was resolved at the 139th Ordinary General Meeting of Shareholders held on June 27, 2017) would continue during the 3 fiscal years that began on April 1, 2020. The System operates as follows. The Company contributes money up to a maximum amount of ¥2.2 billion to a stock ownership trust. The Trust acquires Company shares. The Trust will provide the persons entitled to the System with the Company's shares and the amount equivalent to the conversion and disposal of the Company's shares according to the degree of achievement of the targets of the Medium-Term Management Plan. The persons entitled to the System are those who were Directors (excluding Outside Directors), Corporate Officers, and Corporate Fellows prior to the conclusion of the 143rd Ordinary General Meeting of Shareholders held on June 23, 2021, and Directors (excluding Outside Directors and Internal Directors who are Members of the Audit Committee) and Executive Officers following the conclusion of the said meeting. The total number of Company shares given to the persons entitled to the System

will be no more than 1.1 million shares.

11. Aggregate compensation to Audit & Supervisory Board Members through to the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2021 is limited to the total amount of ¥190 million per year, by the resolution of the 129th Ordinary General Meeting of Shareholders held on June 28, 2007.

(3) Main Activities of Outside Directors in the Fiscal Year under Review

Position	Name	Attendance of meetings (attendance rate)	Statements and duties performed by Outside Directors in their expected roles
Outside Director	Kimie Iwata	Board of Directors: 17 out of 17 meetings (100%) Nomination Committee: 8 out of 9 meetings (89%) Compensation Committee: 6 out of 7 meetings (86%)	Appropriately made comments based on her knowledge of corporate management and corporate social responsibility. At the Board of Directors meetings, as the Chair of the Board of Directors after the transition to a Company with Three Committees, she led discussions and deliberations on important management matters that significantly affect corporate value, and as the Lead Independent Director, she held Outside Directors Communication Committee meetings three times in FY2021, and led the exchange of information and complementation of areas of expertise in order to improve the quality of supervision of business execution.
	Takashi Nawa	Board of Directors: 17 out of 17 meetings (100%) Nomination Committee: 9 out of 9 meetings (100%) Compensation Committee: 7 out of 7 meetings (100%)	Appropriately made comments based on his knowledge of international corporate management. At the Nomination Committee meetings, as the Chair of the Committee, he led discussions to enhance corporate governance by strengthening the fairness, transparency, and objectivity of agenda deliberations, etc. concerning the election and dismissal of Director candidates.
	Joji Nakayama	Board of Directors: 12 out of 12 meetings (100%) Nomination Committee: 9 out of 9 meetings (100%) Compensation Committee: 7 out of 7 meetings (100%)	Appropriately made comments based on his knowledge of corporate management and governance as well as the healthcare business. At the Compensation Committee meetings, as the Chair of the Committee, he led discussions to enhance corporate governance by strengthening the fairness, transparency, and objectivity of compensation decisions for Directors, Executive Officers, and Senior Corporate Advisors.
	Atsushi Toki	Board of Directors: 16 out of 17 meetings (94%) Audit & Supervisory Board: 5 out of 5 meetings (100%)	Appropriately made comments principally from his expert perspective as an attorney-at-law. At the Audit Committee meetings, as the Chair of the Committee, he led

		Audit Committee: 10 out of 10 meetings (100%)	discussions to ensure the legal and appropriate execution of the Ajinomoto Group's business operations and to enhance corporate governance through auditing of the execution of duties by Directors and Executive Officers.
	Hideki Amano	Board of Directors: 17 out of 17 meetings (100%) Audit & Supervisory Board: 5 out of 5 meetings (100%) Audit Committee: 10 out of 10 meetings (100%)	Appropriately made comments based on his knowledge of finance and accounting as well as legal affairs and risk management, principally from his expert perspective as a certified public accountant At the Audit Committee meetings, he appropriately audited the execution of duties by Directors and Executive Officers.
	Mami Indo	Board of Directors: 17 out of 17 meetings (100%) Audit & Supervisory Board: 5 out of 5 meetings (100%) Audit Committee: 10 out of 10 meetings (100%)	Appropriately made comments based on her knowledge of finance and accounting, as well as legal affairs and risk management. At the Audit Committee meetings, she appropriately audited the execution of duties by Directors and Executive Officers.

(Notes) 1. The Company transitioned from a Company with an Audit & Supervisory Board to a Company with Three Committees, at the conclusion of the 143rd Ordinary General Meeting of Shareholders held on June 23, 2021. Therefore, the above indicates attendance at Committee meetings after June 23, 2021. The attendance rates of Atsushi Toki, Hideki Amano, and Mami Indo at the Board of Directors meetings includes the number of times they attended as Audit & Supervisory Board Members (External)) before the organizational change.

2. The attendance rate for Mr. Joji Nakayama indicates his attendance at meetings of the Board of Directors after his appointment on June 23, 2021.

(4) Summary of limited liability agreements

The Company has entered into an agreement with Outside Directors to limit their liability for damages under Article 427, Paragraph 1 of the Companies Act. Financial limitations on liability for damage based on this Agreement shall be the aggregate amount as stipulated in the respective items of Article 425, Paragraph 1 of the Companies Act.

(5) Summary of limited liability agreements for officers, etc.

The Company has concluded a liability insurance policy for officers, etc., with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If a claim for damages is filed by a shareholder or a third party, those damages such as damages and dispute costs that the insured is to bear will be covered by the insurance policy. The persons insured by the liability policy are the Directors and Executive Officers of the Company, and the Directors, Audit & Supervisory Board Members and Corporate Officers of the Company’s subsidiaries. The Company will bear all premium payments for the insurance policy. The insurance policy will be renewed in September 2022.

(6) Evaluation of the Effectiveness of the Board of Directors

(1) Method of implementation

In FY2021, accompanying our transition to a Company with Three Committees, we reviewed our method of evaluating the effectiveness of the Board of Directors. In addition to a questionnaire survey of all Directors, interviews were conducted with the key Directors, and the Board of Directors analyzed and evaluated the results. A summary is as follows.

(2) Results of the evaluation of the effectiveness of the Board of Directors

1) General remarks

According to the results of the questionnaire and interviews, we evaluate the effectiveness of the Board of Directors generally highly. We believe that this is a result of the transition to a Company with Three Committees, and the encouragement of efforts, accompanying the transition, to enhance effectiveness.

2) Initiatives taking into account the results of the previous survey

Based on the issues pointed out in the questionnaire survey of FY2020, we promoted the following reforms to the Board of Directors in FY2021. In this evaluation of the effectiveness of the Board of Directors, the results of the following initiatives were verified, and it was confirmed that they had contributed to enhancing deliberations by the Board of Directors and strengthening supervisory functions. However, it was also confirmed that in some initiatives there remains room for further improvement.

(a) The diversity of the Board of Directors

At the Nomination Committee, the structure and skill matrix of the Board of Directors based on diversity and expertise was openly discussed. Steady improvement was made. Moreover, the Sustainability Advisory Council ensured diversity, including nationality and age group, and complemented the diversity of the Board of Directors.

(b) Comments by Internal Directors

In the more active discussion as a result of new agenda items, there were no particular opinions requesting improvement in either the frequency or content of comments made by Internal Directors. Evaluation scores from the questionnaire improved significantly.

(c) Training of Internal Directors

Certain improvements have been observed, due to the implementation of measures including outside training programs.

(d) Management team training programs

A certain degree of improvement was achieved by enhancing training for managers by using programs both inside and outside the Company.

(e) The deliberation process of advisory bodies

The Nomination Advisory Committee (now the Nomination Committee following the change in the design of our institution) explained to the Board of Directors the deliberation process through which it selects director candidates, to help the Directors better understand this process.

(f) The provision of information before meetings of the Nomination Advisory Committee

Two or three days before meetings of the Nomination Advisory Committee (now the Nomination Committee following the change in the design of our institution), thorough explanations are now given to Outside Directors who are Members of the Nomination Advisory Committee.

(g) Improvements to the effectiveness of the operation of the Board of Directors, considering our transition to being a Company with Three Committees.

The quality of deliberation has been further generally improved by appointing an Outside Director to Chair of the Board and by setting out new agenda items.

(3) Responding to future issues

For FY2022 in addition to continuing the work carried out in FY2021, we have decided to further promote the following initiatives as a result of discussions of this evaluation of the effectiveness by the Board of Directors.

(a) Further and fuller discussion of seven important management matters
(b) Better discussions on the effectiveness of IT governance and information systems, and formulation of policies
(c) Improvement in the Board of Directors management (schedule leveling, improvement of handout material quality, etc.)
(d) Improvement in the management systems of the Nomination Committee and improving its reporting to the Board of Directors
(e) Provision of more opportunities for training Internal Directors
(f) Further enhancement of management team training programs

3. Matters regarding Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Amount of compensation, etc. to be paid to the Accounting Auditor

1) Amount of compensation, etc. to be paid to the Accounting Auditor regarding the fiscal year ended March 31, 2022

Description	Amount of fees to be paid for audit and attestation services (Millions of yen)	Amount of fees to be paid for non-audit services (Millions of yen)
The Company	201	34
The consolidated subsidiaries	101	35
Total	302	70

Notes: 1. The audit engagement agreement entered into by the accounting auditor and the Company does not clearly make a distinction between compensation, etc. for audit under the Companies Act and compensation, etc. for audit under the Financial Instruments and Exchange Act, and both are also substantially indistinguishable. Accordingly, the total amount is stated in the amount of fees to be paid for audit and attestation services.

2. After obtaining necessary information on the status of the execution of duties in the previous fiscal year, etc., and taking into consideration the "Practical Guidelines Related to Coordination with Accounting Auditors" announced by the Japan Audit & Supervisory Board Members Association, the Audit Committee has considered the validity of the content of the auditing plan of the Accounting Auditor, the calculation basis for the estimated amount of compensation, etc., and has judged that the aforementioned amount of fees to be paid for audit and attestation services at the Company (excluding the amount that can be clearly distinguished as pertaining to audit under the Companies Act) is justifiable and has given its consent, as provided for in Article 399, Paragraph 1 of the Companies Act.

3. The Company commissions and pays the Accounting Auditor for services (non-audit services) other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act, such as financial due diligence.

2)Total amount of monetary and other financial benefits to be paid by the Company and its subsidiaries to the Accounting Auditor

The total amount of monetary and other financial benefits to be paid by the Company and its subsidiaries to the Accounting Auditor is ¥372 million.

(3) Matters related to audits of subsidiaries

Among the Company's important consolidated subsidiaries, 23 subsidiaries are audited (limited to those according to the provisions of the Companies Act or the Financial Instruments and Exchange Act (or overseas laws and ordinances equivalent to these laws)) by Certified Public Accountants or audit firms (including those with equivalent overseas qualifications) other than the accounting auditor of the Company.

(4) Policy for decisions on dismissal or non re-appointment of the accounting auditor

In the event that the accounting auditor is recognized to have fallen under any of the items in Article 340, Paragraph 1 of the Companies Act, the Audit Committee shall dismiss the accounting auditor, based on the consent of all Members of the Audit Committee. In this case, a Member of the Audit Committee selected by the Audit Committee shall report the fact that the accounting auditor was dismissed and the reasons for the dismissal at the first General Meeting of Shareholders convened after the dismissal.

In addition, if the Audit Committee recognizes that it is necessary to change the Accounting Auditor, such as cases when it conducts a comprehensive evaluation in accordance with evaluation indicators related to the Accounting Auditor's qualifications, independence from the Company, expertise, and other criteria, and finds that there are issues preventing the Accounting Auditor from executing its duties, then it shall determine the content of a proposal related to the dismissal or non-reappointment of the Accounting Auditor to be submitted at the General Meeting of Shareholders.

Ends

Reference: Percentages and per-share figures stated in this Business Report are rounded off to the indicated units. All other figures stated in this Business Report are truncated to the indicated units.

(Attached Document)

Consolidated Financial Statements (prepared in accordance with IFRS)

Consolidated Statements of Financial Position

(As of March 31, 2022)

(Millions of yen)

Assets

	FY ended March 31, 2022 (as of March 31, 2022)	FY ended March 31, 2021 (Reference: as of March 31, 2021)
Assets		
Current assets		
Cash and cash equivalents	151,454	181,609
Trade and other receivables	162,397	162,104
Other financial assets	17,810	12,078
Inventories	219,356	188,664
Income taxes receivable	6,024	7,459
Others	24,375	18,746
Sub total	581,419	570,662
Assets of disposal groups classified as held for sale	−	14,506
Total current assets	**581,419**	**585,169**
Non-current assets		
Property, plant and equipment	522,312	486,443
Intangible assets	68,309	72,201
Goodwill	99,839	96,024
Investments in associates and joint ventures	115,248	112,246
Long-term financial assets	51,864	53,576
Deferred tax assets	7,017	14,537
Others	11,049	11,090
Total non-current assets	**875,641**	**846,119**
Total assets	**1,457,060**	**1,431,289**

Liabilities

	FY ended March 31, 2022 (as of March 31, 2022)	FY ended March 31, 2021 (Reference: as of March 31, 2021)
Liabilities		
Current liabilities		
Trade and other payables	199,908	188,452
Short-term borrowings	8,219	10,820
Commercial papers	−	30,000
Current portion of bonds	19,990	−
Current portion of long-term borrowings	14,418	18,085
Other financial liabilities	15,802	11,603
Short-term employee benefits	38,567	38,288
Provisions	4,486	4,343
Income taxes payable	10,085	10,770
Others	13,153	11,371
Sub total	324,631	323,736
Liabilities of disposal groups classified as held for sale	−	12,603
Total current liabilities	**324,631**	**336,339**
Non-current liabilities		
Corporate bonds	139,631	149,608
Long-term borrowings	131,650	141,911
Other financial liabilities	56,740	69,381
Long-term employee benefits	38,788	43,487
Provisions	3,708	4,704
Deferred tax liabilities	20,945	16,240
Others	1,219	1,770
Total non-current liabilities	**392,684**	**427,103**
Total liabilities	**717,316**	**763,443**
Equity		
Common stock	79,863	79,863
Capital surplus	−	−
Treasury stock	(1,371)	(1,464)
Retained earnings	616,286	608,031
Other components of equity	(7,869)	(65,454)
Other components of equity related to disposal groups classified as held for sale	−	(718)
Equity attributable to owners of the parent company	686,909	620,257
Non-controlling interests	52,834	47,589
Total equity	**739,744**	**667,846**
Total liabilities and equity	**1,457,060**	**1,431,289**

(Attached Document)

Consolidated Statements of Income

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

	FY ended March 31, 2022	FY ended March 31, 2021 (reference)
Sales	1,149,370	1,071,453
Cost of sales	(723,472)	(665,234)
Gross profit	425,897	406,219
Share of profit of associates and joint ventures	985	1,317
Selling expenses	(168,847)	(160,646)
Research and development expenses	(24,842)	(25,900)
General and administrative expenses	(112,277)	(107,853)
Business profit	120,915	113,136
Other operating income	26,788	24,436
Other operating expenses	(23,132)	(36,450)
Operating profit	124,572	101,121
Financial income	6,868	3,900
Financial expenses	(8,968)	(6,701)
Profit before income taxes	122,472	98,320
Income taxes	(42,244)	(32,040)
Profit	80,228	66,280
Attributable to:		
Owners of the parent company	75,725	59,416
Non-controlling interests	4,503	6,864

(Attached Document)

Consolidated Statements of Changes in Equity

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Equity attributable to owners of the parent company							
					Other components of equity			
	Common stock	Capital surplus	Treasury stock	Retained earnings	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasure-ments of defined benefit pension plans	Cash flow hedges	Cost of hedging surplus
Balance as of April 1, 2021	79,863	—	(1,464)	608,031	15,465	(16,367)	(2,314)	(286)
Profit				75,725				
Other comprehensive income					3,826	2,359	514	46
Comprehensive income	—	—	—	75,725	3,826	2,359	514	46
Purchase of treasury stock			(40,041)					
Disposal of treasury stock		0	0					
Retirement of treasury stock		(39,874)	39,874					
Dividends				(27,316)				
Changes in transactions with non-controlling interests		(1,026)						
Transfer from other components of equity to retained earnings				629	(629)			
Transfer of negative balance of other capital surplus		40,710		(40,710)				
Transfer to non-financial assets							(83)	
Share-based compensation		(76)	259					
Others		267		(71)				
Total net changes in transactions with owners of the parent company	—	—	93	(67,470)	(629)	—	(83)	—
Balance as of March 31, 2022	79,863	—	(1,371)	616,286	18,663	(14,008)	(1,883)	(240)

	Equity attributable to owners of the parent company					Non-controlling interests	Total
	Other components of equity			Other components of equity related to disposal groups classified as held for sale	Total		
	Exchange differences on translation of foreign operations	Share of other comprehensive income (loss) of associates and joint ventures	Total				
Balance as of April 1, 2021	(61,567)	(384)	(65,454)	(718)	620,257	47,589	667,846
Profit			—		75,725	4,503	80,228
Other comprehensive income	50,723	826	58,297	718	59,016	4,152	63,169
Comprehensive income	50,723	826	58,297	718	134,742	8,656	143,398
Purchase of treasury stock			—		(40,041)		(40,041)
Disposal of treasury stock			—		0		0
Retirement of treasury stock			—		—		—
Dividends			—		(27,316)	(3,367)	(30,684)
Changes in transactions with non-controlling interests			—		(1,026)		(1,026)
Transfer from other components of equity to retained earnings			(629)		—		—
Transfer of negative balance of other capital surplus			—		—		—
Transfer to non-financial assets			(83)		(83)		(83)
Share-based compensation			—		183		183
Others			—		195	(43)	152
Total net changes in transactions with owners of the parent company	—	—	(712)	—	(68,089)	(3,410)	(71,500)
Balance as of March 31, 2022	(10,843)	441	(7,869)	—	686,909	52,834	739,744

Notes to the Consolidated Financial Statements

Notes regarding Significant Items for the Preparation of Consolidated Financial Statements

1. Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (hereinafter the "Ajinomoto Group") have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") pursuant to the provisions under Article 120, Paragraph 1 of the Rules of Corporate Accounting. Pursuant to the provisions of the second sentence of the above Paragraph, certain disclosure items required under IFRS are omitted.

2. Scope of consolidation

Number of consolidated subsidiaries:
112 companies
Names of main companies:
Ajinomoto Frozen Foods Co., Inc., Ajinomoto Food Manufacturing Co., Ltd., Ajinomoto AGF, Inc., Ajinomoto Co., (Thailand) Ltd., and Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda.

3. Scope of application of the equity method

Number of associates and joint ventures accounted for using equity method:
14 companies
Names of main companies:
EA Pharma Co., Ltd., J-OIL MILLS, INC., and PROMASIDOR HOLDINGS LIMITED

4. Fiscal year, etc. of consolidated subsidiaries

The fiscal year-end for Ajinomoto Lakson Pakistan (Private) Limited is June 30, and the fiscal year-end for 21 consolidated subsidiaries including Ajinomoto del Peru S.A., is December 31, but all prepare financial statements as of March 31 for consolidation purposes.

5. Accounting policies

(1) Valuation standards and methods for significant assets

1) Financial assets

Financial assets are classified into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss at initial recognition. The Ajinomoto Group initially recognizes financial assets on the transaction date when it becomes a contracting party to the financial asset. Financial assets measured at fair value through profit or loss are initially measured at fair value, while other financial assets are measured at fair value plus transaction costs that are directly attributable to the financial asset.

The Ajinomoto Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset.

(a) Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- Assets are held in accordance with a business model whose objective is to hold assets to collect contractual cash flows, and
- Cash flows that are solely payments of principal and interest on the outstanding balance of the principal are generated on a specific date.

They are subsequently measured at amortized cost using the effective interest method.

(b) Financial assets measured at fair value through other comprehensive income (debt instruments)

Financial assets held by the Ajinomoto Group that meet both of the following conditions are classified as debt instrument measured at fair value through other comprehensive income:

- They are held in accordance with a business model whose objective is achieved by both the collection of contractual cash flows and the sales of assets, and
- Under the contractual terms, cash flows that are solely payments of principal and interest on the outstanding balance of the principal are generated on a specific date.

After initial recognition, they are measured at fair value, with subsequent changes recognized in other comprehensive income. Upon disposal, any cumulative gains or losses recognized through other comprehensive income are reclassified from other components of equity to profit or loss as a reclassification adjustment.

(c) Financial assets measured at fair value through other comprehensive income (equity instruments)

For investments in equity instruments, the Ajinomoto Group has made an irrevocable election to recognize subsequent changes in fair value in other comprehensive income, and classifies them as equity instruments measured at fair value through other comprehensive income.

After the initial recognition, they are measured at fair value, with subsequent changes in fair value recognized in other comprehensive income. Upon disposal, any cumulative gains or losses recognized through other comprehensive income are reclassified from other components of equity to retained earnings.

Dividends from financial assets measured at fair value through other comprehensive income are recognized in profit or loss as financial income.

(d) Financial assets measured at fair value through profit or loss

Financial assets other than financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income described above are classified as financial assets measured at fair value through profit or loss. There are no financial assets that the Group has made an irrevocable designation as financial assets measured at fair value through profit or loss at initial recognition.

After initial recognition, subsequent changes in fair value are recognized in profit or loss.

2) Impairment of financial assets

A loss allowance is recognized for expected credit losses on financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income (debt instruments). Addition to the loss allowances for expected credit loss on financial assets is recognized in profit or loss. Should the balance of the loss allowance be decreased, the reversal of the loss allowance is recognized in profit or loss.

3) Financial liabilities

Financial liabilities are classified as financial liabilities measured at amortized cost and financial liabilities measured at fair value through profit or loss at initial recognition. The Ajinomoto Group initially recognizes financial liabilities on the transaction date when it becomes a party to the contractual provisions of a financial liability. Financial liabilities measured at amortized cost are initially measured at fair value less transaction costs directly attributable to the issue of the financial liabilities, and financial liabilities measured at fair value through profit or loss are initially measured at fair value.

Financial liabilities are derecognized when they are extinguished, that is, when the obligation in the contract is discharged, cancelled or expires.

(a) Financial liabilities measured at amortized cost

After initial recognition, financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method.

(b) Financial liabilities measured at fair value through profit or loss

After initial recognition, financial liabilities measured at fair value through profit and loss are measured at fair value, with subsequent changes in fair value recognized in profit or loss.

4) Derivatives and hedge accounting

The Ajinomoto Group uses derivatives, including foreign exchange forward contracts and interest rate swaps, in order to hedge exposures to foreign exchange rate and interest rate fluctuations.

In applying hedge accounting, at the inception of a transaction, the Ajinomoto Group makes a formal designation and prepares documentation of the hedging relationship, the risk management objective and the strategy for undertaking the hedge. The documentation includes the identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and the method of assessing the effectiveness of hedging instrument in offsetting exposures to fair value or cash flow fluctuations of hedged items arising from the hedged risk. An ongoing assessment of hedge effectiveness is performed at the end of each fiscal year or upon a significant change in circumstances affecting the hedge effectiveness, whichever comes first.

Derivatives are initially recognized at fair value. After initial recognition, the fair value measurement is continuously applied, with subsequent changes in fair value accounted for as follows:

(a) Fair value hedges

Changes in the fair value of a derivative classified as a hedging instrument are recognized in profit or loss. Changes in the fair value of the underlying hedged item are recognized in profit or loss by adjusting the carrying value of the hedged item.

(b) Cash flow hedges

The effective portion of changes in the fair value of a derivative classified as a hedging instrument is recognized in other comprehensive income. The ineffective portion of fair value changes is recognized in profit or loss.

For cash flow hedging relationships that hedge foreign exchange risk, the Group designates only changes in the fair value of the direct component of the hedging instrument. Changes in the fair value of the forward component are accounted for separately as a cost of the hedge.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or liability, or a hedged forecast transaction for a non-financial asset or liability becomes a firm commitment for which fair value hedge accounting is applied, the initial carrying amount of the non-financial asset or liability is adjusted for the amount recognized in other comprehensive income.

Cash flow hedges other than those mentioned above are reclassified from other components of equity to profit or loss in the accounting period or periods during which the hedged future cash flows affect profit or loss. Notwithstanding, if a loss is recognized and the recoverability of all or a portion of that loss in one or more future periods is doubtful, the unrecoverable amount is transferred immediately to profit or loss.

Hedge accounting is discontinued prospectively when a hedging instrument expires or is sold, cancelled or exercised, the hedge does not meet the conditions for hedge accounting. If a forecast transaction is no longer expected to occur, the amount recognized in other comprehensive income is reclassified immediately from other components of equity to profit or loss.

(c) Derivatives not designated as hedges

Changes in the fair value of derivatives not designated as hedges are recognized in profit or loss.

5) Put options on shares of subsidiaries granted to owners of non-controlling interests

The Group initially recognizes the present value of the redemption amount of put options on the shares of subsidiaries granted to the owners of noncontrolling interests as other financial liabilities and reduces the same amount from capital surplus. After initial recognition, the put options are measured at amortized cost using the effective interest method, and changes after initial recognition are recognized as financial income or financial expenses in the consolidated statements of income. When such put options expire, "Other financial liabilities" is transferred to "Capital surplus".

6) Inventories

The cost of inventories comprises the purchase cost, the processing cost and all other costs incurred in bringing the inventories to their present location and condition. The Ajinomoto Group's main cost formula is the weighted average method. The cost of inventories that are not ordinarily interchangeable and used for goods or services for specific projects are determined by using specific identification of their individual costs.

Inventories are measured at the lower of cost or net realizable value. Net realizable value is determined at the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

7) Impairment of non-financial assets

At the end of fiscal year, the Ajinomoto Group assesses whether there is any indication that a non-financial asset may be impaired. If an indication of impairment exists, the recoverable amount of the asset or cash-generating unit is estimated. Goodwill, intangible assets with indefinite useful lives and intangible assets currently not available for use are tested for impairment every year and whenever there is an indication of impairment. Goodwill is allocated to a cash-generating unit (minimum unit or unit group), which is expected to earn cash flows from the synergy of the business combination.

The recoverable amount is the higher of the fair value less costs of disposal or the value in use of an asset or a cash-generating unit. When the recoverable amount of an asset or a cash-generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the difference is recognized in profit or loss as an impairment loss. An impairment loss recognized is first allocated to reduce the carrying amount of the goodwill allocated to the cash-generating unit and then to reduce the carrying amount of other assets in the cash-generating unit, excluding the goodwill, on a pro rata basis.

At the end of fiscal year, the Ajinomoto Group assesses whether there is an indication that the impairment loss recognized in prior periods for an asset, excluding goodwill, or cash-generating unit may no longer exist or may have decreased. If such indication exists, the Ajinomoto Group estimates the recoverable amount, and reverses the impairment loss by increasing the carrying amount of the asset or cash-generating unit. The increase in the carrying amount of an asset or cash-generating unit attributable to a reversal of an impairment loss should not exceed the carrying amount, which would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. Impairment losses recognized on goodwill are not reversed in subsequent periods.

(2) Depreciation and amortization of significant depreciable assets

1) Property, plant and equipment (excluding right-of-use assets)

Property, plant and equipment are measured at cost on initial recognition. The cost of property, plant and equipment comprises the acquisition price, costs directly attributable to the acquisition, costs of dismantling, removing of assets and restoring the site to the original condition and borrowing costs.

After initial recognition, the Ajinomoto Group applies the cost model for measurement and carries the asset at cost less accumulated depreciation and accumulated impairment losses.

Except for non-depreciable assets, such as land, property, plant and equipment are depreciated on a straight-line basis over their useful lives.

The useful lives of major classes of property, plant and equipment are as follows:

- Buildings and structures:	3 to 50 years
- Machinery and vehicles:	2 to 20 years
- Tools, furniture and fixtures:	2 to 20 years

Residual values, useful lives, and depreciation methods are reviewed at the end of each fiscal year. Changes in residual value, useful lives or depreciation methods are accounted for as a change in accounting estimate.

2) Intangible assets (excluding right-of-use assets)

(a) Goodwill

The Group recognizes goodwill as of the acquisition date measured as the excess of a) over b) as described below:

a) the aggregate of the consideration transferred and the amount of non-controlling interest in the acquiree

b) the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed

After initial recognition, goodwill is measured at acquisition cost less accumulated impairment losses, and not subject to amortization.

Goodwill is derecognized when an asset in the cash-generating unit (or its disposal group) is disposed of. In determining gain or loss on disposal, the goodwill related to the operation to be disposed of is included in the carrying value of the operation.

(b) Intangible assets (excluding right-of-use assets)

Intangible assets are initially measured at cost. The acquisition cost of an intangible asset acquired in a business combination is measured at fair value as of the acquisition date. Expenditures for internally generated intangible assets are recognized as an expense as incurred, except for development expenditures that qualify for capitalization.

For measurement after initial recognition, the cost model is applied and the intangible asset is carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with definite useful lives are amortized on a straight-line basis over their useful lives.

The useful lives of major classes of intangible assets with definite useful lives are as follows:

- Software:	3 to 5 years
- Trademarks:	up to 20 years
- Patents:	up to 10 years
- Customer relationships:	6 to 15 years

Useful lives and amortization methods for intangible assets with definite useful lives are reviewed at the end of each fiscal year. If there is a change in the useful life or amortization method, it is accounted for as a change in accounting estimate. The residual value is deemed to be zero.

Intangible assets with indefinite useful lives or that are not yet available for use are not amortized. For intangible assets with indefinite useful lives, the Ajinomoto Group reviews at the end of each fiscal year, whether an event or condition, which led to the conclusion that an asset has no definite life, continues to exist.

(c) Leases

As a lessee, the Group recognizes right-of-use assets and lease liabilities at the commencement date of the lease transaction. Lease liability is measured at the present value of the total lease payments payable, and right-of-use assets are measured based on the initial direct cost incurred by the lessee and the terms and conditions of the lease, such as lease payments made before the commencement date, and the acquisition cost adjusted for costs such as the obligation to restore to original condition.

After initial recognition, the right-of-use asset is depreciated using the straight-line method over the shorter of its useful life or the lease period.

Lease fees are allocated to financial expense and repayments on lease liabilities based on the effective interest rate method, and interest costs are recognized in the consolidated income statement.

However, for short-term leases with a lease term of 12 months or less and leases with a small underlying asset amount, the right-of-use asset and lease liability are not recognized, and the lease payments are recognized as expenses over the lease term using the straight-line method.

(3) Provisions

Provisions are recognized when the Ajinomoto Group has a present obligation (legal or constructive) as a result of past events, an outflow of resources embodying economic benefits required to settle the obligation is highly probable and the amount of the obligation can be reliably estimated.

Where the effect of the time value of money is material, the present value of the expenditures expected to be required to settle the obligation is used for the amount of provision. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(4) Post-employment benefits

The Ajinomoto Group sponsors defined benefit plans and defined contribution plans as post-employment benefit plans.

For defined benefit plans, the determination of the present value of the defined benefit obligations and the related current service cost and past service cost are based on the projected unit credit method. The discount rate is mainly determined based on the high quality corporate bond market yields at the end of the fiscal year, corresponding to the estimated benefit payments. The retirement benefit liability or asset is presented by netting the fair value of plan assets and the present value of the defined benefit obligation. Net interest on the retirement benefit liability or asset is recognized in profit or loss as financial expenses or income.

Remeasurements of the net defined benefit obligations and plan assets are recognized in other comprehensive income, and not reclassified to profit or loss in subsequent periods. Past service cost is recognized as an expense in the period in which it arises.

(5) Foreign currencies translation

1) Functional currency

Each company in the Ajinomoto Group prepares separate financial statements using its functional currency. Most of these companies use the local currency as their functional currency, but where a business environment in which they operate uses currency other than the local currency, they use that currency as the functional currency.

The consolidated financial statements of the Ajinomoto Group are presented in the millions of Japanese yen, which is the functional currency of the Company.

2) Translation of foreign-currency denominated transactions

Foreign-currency transactions are recorded in a functional currency using the spot exchange rate or the rate that approximates the exchange rate at the transaction date. Subsequently, monetary items denominated in foreign currencies are translated using the spot exchange rates as of the end of the fiscal year. Foreign currency-denominated non-monetary items measured at fair value are translated using the spot exchange rates at the fair value measurement date. Foreign currency-denominated non-monetary items measured at historical cost are continuously translated using the spot exchange rate at the transaction date or the rate that approximates that exchange rate.

Translation differences arising from the translation or settlement of foreign currency transactions are recognized in profit or loss; provided that translation differences arising from financial assets measured at fair value through other comprehensive income and cash flow hedges are included in other comprehensive income.

3) Translation of financial statements of foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen using the spot exchange rate at the end of the fiscal year, and revenues and expenses are translated using the spot exchange rate at the transaction date or the rate that approximates the spot exchange rate, respectively. Translation differences are recognized in other comprehensive income. In case of disposing of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified to profit or loss in the period of disposal.

(6) Revenue recognition

IFRS 15 requires the Group to recognize revenue, excluding interest, dividend income recognized in accordance with IFRS 9 and insurance revenue recognized in accordance with IFRS 4, upon transfer of promised goods or services to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services based on the following five-step approach:

Step 1: Identify the contracts with customers
Step 2: Identify the performance obligations in each contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

(7) Other significant items for the preparation of consolidated financial statements

1) Adoption of consolidated tax accounting system

The Company and some of its consolidated subsidiaries adopt the consolidated taxation system, with Ajinomoto Co., Inc. as the consolidated taxable parent company.

2) Presentation of amounts

Amounts less than one million yen are rounded down.

Notes on Changes in Accounting Policies

No applicable items

Notes to Accounting Estimates

Accounting estimates are reasonable estimates based on information available at the time of preparation of the consolidated financial statements. Of the amounts recorded in the consolidated financial statements for the fiscal year under review that are based on accounting estimates, the following items have the risk of having a material impact on the consolidated financial statements for the following fiscal year.

(1) Whether to recognize impairment losses on goodwill and intangible assets with indefinite lives

1) Amount recognized in the consolidated financial statements for the fiscal year under review

The consolidated financial statements for the fiscal year under review include goodwill of ¥39,363 million arising from the acquisition of Ajinomoto Foods North America, Inc., goodwill of ¥30,906 million and intangible assets with indefinite lives of ¥25,907 million arising from the acquisition of Ajinomoto AGF, Inc., and goodwill of ¥19,258 million related to Bio-Pharma Services.

2) Other information that helps users of the consolidated financial statements understand the content of accounting estimates

Goodwill and intangible assets with indefinite useful lives are required to be tested for impairment on an annual basis. In the impairment test, the higher of either the value in use of each cash-generating unit or the fair value less costs to dispose of the asset, is used to determine the recoverable amount, and if the recoverable amount is less than the carrying amount, an impairment loss is recognized.

The estimated recoverable amount of the cash-generating unit of Ajinomoto Foods North America, Inc., Ajinomoto AGF, Inc. and Bio-Pharma Services is calculated using the discounted cash flow method.

The key assumptions used in the calculation of such recoverable amounts include the sales and operating profit margins in the business plans underlying the future cash flows, the growth rates used to extend the future cash flows, and the discount rates applied to the future cash flows. Those assumptions are subject to management's judgment and may affect the financial position and financial performance in the following fiscal year.

Notes to Consolidated Statements of Financial Position

1. Accumulated depreciation of property, plant and equipment

¥770,090 million

2. Loss allowance directly deducted from assets

(Millions of yen)

Trade and other receivables	1,752
Long-term financial assets	81

Notes to Consolidated Statements of Income

1. Impairment losses

Non-financial assets for which impairment losses are recognized are as follows:

(1) Impairment losses recognized by asset type

The Ajinomoto Group recognized impairment losses of ¥9,357 million for the fiscal year ended March 31, 2022. These impairment losses were recorded in “Other operating expenses” in the consolidated statement of income.

(Millions of yen)

	Consolidated fiscal year under review (From April 1, 2021 to March 31, 2022)

Buildings and structures	857
Machinery and vehicles	1,806
Tools, furniture and fixtures	196
Land	625
Construction in progress	191
Software	424
Trademark	556
Goodwill	2,474
Others	2,228
Total	9,357

(2) Details of major assets for which impairment losses were recognized

(1) Seasonings and Foods Segment

In consideration of recent changes in the business environment and the business performance of the Company's subsidiary, More Than Gourmet Holdings, Inc. (hereinafter “More Than Gourmet”), the Company recognized impairment losses, consisting of ¥1,676 million of goodwill and ¥2,785 million of intangible assets of More Than Gourmet, and recorded in “Other operating expenses”, due to a decrease in expected future profitability of the subsidiary from the originally projected business plan.

The recoverable amount of ¥4,471 million was measured based on the value in use and calculated by discounting its future cash flows to present value using the pre-tax discount rate of 15.7%.

(2) Frozen Foods Segment

As part of its business restructuring, the Company has decided to terminate production at the Osaka Plant owned by the Company's subsidiary, Ajinomoto Frozen Foods Co., Inc. in around March 2023.

As a result, a total of ¥2,411 million in impairment losses, including ¥798 million for goodwill, ¥625 million for land and ¥553 million for machinery and vehicles belonging to the said plant, was recorded as "Other operating expenses". The recoverable amount (¥683 million) was measured at fair value less costs of disposal.

2. Gain on sale of fixed assets

The Group recorded a gain on sale of fixed assets of ¥15,505 million for the fiscal year under review. This was mainly due to a gain on sale of ¥13,696 of some of the fixed assets (idle assets) owned by the Company.

3. Settlement gain

Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda. a subsidiary of the Company, had been involved in lawsuits regarding the tax calculation method known as PIS/COFINS, and during the fiscal year under review, it received favorable rulings in all related lawsuits.

As a result, the entire amount of claims related to these lawsuits was recorded as assets, and the Company recognized a gain of ¥3,263 million in "Other operating income" and ¥1,049 million in "Other financial income".

Notes on Revenue Recognition

Revenue recognized from contracts with customers is presented as sales.

1. Details of goods and services

(1) Seasonings and Foods

Seasonings and Foods segment of the Group earns revenues mainly from sales of seasonings, nutritional and processed foods, to general consumers, and the provision of services to restaurants and the food processing industry.

In these sales contracts with customers, the Company has obligations to deliver ordered products. The Company typically satisfies its performance obligations upon delivery. The payment due date depends on individual contracts, but is consistent with market conventions, and the promised amount of consideration does not have a significant financial component.

Rebates are deducted from sales only to the extent that it is highly probable that a significant reversal in revenue recognized will not occur. In Japan, rebates are calculated by multiplying the actual sales volume for a certain period by the rebate rate expected to be achieved, based on the contract with the customer. Overseas, the rebate is calculated by estimating the sales volume for a certain period and multiplying it by the rebate rate in line with actual sales results.

(2) Frozen Foods

Frozen Foods segment of the Group earns revenues mainly from sales of frozen foods.

In these sales contracts with customers, the Company has obligations to deliver ordered products. The Company typically satisfies its performance obligations upon delivery. The payment due date depends on individual contracts, but is consistent with market conventions, and the promised amount of consideration does not have a significant financial component.

Rebates are deducted from sales only to the extent that it is highly probable that a significant reversal in revenue recognized will not occur. Rebates are estimated by multiplying the actual sales performance for a certain period by the rebate rate expected to be achieved, based on the contract with the customer.

(3) Healthcare and Others

Healthcare and Others segment of the Group earns revenues mainly from provision of amino acids for pharmaceuticals and foods, biopharmaceutical services, and the sale of functional materials.

"Amino Acids for Pharmaceuticals and Foods" business sells pharmaceutical and food ingredients, where the Company has obligations to deliver ordered products. "Functional Materials" business sells functional materials and other products for domestic and overseas customers, where the Company has obligations to deliver ordered products. The Company typically satisfies its performance obligations upon delivery. The payment due date depends on individual contracts, but is consistent with market conventions, and the promised amount of consideration does not have a significant financial component.

Rebates are deducted from sales only to the extent that it is highly probable that a significant reversal in revenue recognized will not occur. The amount of rebates is estimated by multiplying actual sales results for a certain period by a rebate rate expected to be reached based on contracts with customers.

"Bio-Pharma Services" business engages in manufacturing and developing pharmaceutical intermediates and active ingredients. The Company satisfies its performance obligations when the manufacture and development are considered complete. The payment due date depends on individual contracts, but is consistent with market conventions, and the promised amount of consideration does not have a significant financial component.

"Others" business mainly sells feed-use amino acids, health foods and supplements for athletes.

2．Breakdown of sales

The Group disaggregates revenue from contracts with customers into major product categories in each reportable segment based on the contracts with customers.

(Millions of yen)

Reportable Segment	Major Product Categories	Consolidated fiscal year under review (From April 1, 2021 to March 31, 2022)
Seasonings and Foods	Sauce & Seasonings	315,736
	Quick Nourishment	192,594
	Solutions & Ingredients	155,906
	Subtotal	664,237
Frozen Foods	Frozen Foods	221,702
	Subtotal	221,702
Healthcare and Others	Amino Acids for Pharmaceuticals and Foods	49,136
	Bio-pharma Services	55,694
	Functional Materials	60,552
	Others	85,876
	Subtotal	251,259

Reportable Segment	Major Product Categories	Consolidated fiscal year under review (From April 1, 2021 to March 31, 2022)
Others		12,171
Total		1,149,370

3．Contract balance

The balance of contract liabilities arising from contracts with customers at the end of the consolidated fiscal year under review are as follows

(Millions of yen)

	Consolidated fiscal year under review (From April 1, 2021 to March 31, 2022)
Contract liabilities	10,590

Revenue recognized in the fiscal year under review that was included in the opening balance of contract liabilities was ¥8,891 million.

Contract liabilities are primarily related to advance consideration received from customers under manufacturing service agreements for pharmaceutical products and are included in “Other current liabilities.”

4．Transaction price allocated to the remaining performance obligations

There are remaining performance obligations related to the manufacturing service agreements for pharmaceutical products as of the end of the previous fiscal year and the end of the fiscal year under review. As the transaction price and the timing of satisfaction of the performance obligations estimated is subject to change due to the status of new drug approvals and other related conditions in the future, the aggregate amount of the transaction price allocated to the remaining performance obligations and the timing of expected revenue recognition are not disclosed.

In addition, by applying the practical expedient in paragraph 121 of IFRS 15, and the Group does not disclose information for performance obligations which are part of a contract with an original expected duration of one year or less.

Notes to Consolidated Statements of Changes in Equity

1. Types and total number of shares issued at end of the fiscal year

Type of shares issued:	Common stock
Total number of shares issued at the end of the fiscal year:	536,996,254 shares

2. Matters regarding dividends

(1) Amount of dividends paid

The following was resolved at the Ordinary General Meeting of Shareholders on June 23, 2021.

Matters regarding common stock:

Total amount of dividends:	¥14,275 million
Dividends per share:	¥26
Record date:	March 31, 2021
Effective date:	June 24, 2021

The above total amount of year-end dividends includes ¥14 million of dividends for the Company's shares owned by the Directors' Remuneration BIP Trust.

The following was resolved at the meeting of the Board of Directors held on November 4, 2021.

Matters regarding common stock:

Total amount of dividends:	¥13,066 million
Dividends per share:	¥24
Record date:	September 30, 2021
Effective date:	December 3, 2021

The above total amount of year-end dividends includes ¥10 million of dividends for the Company's shares owned by the Directors' Remuneration BIP Trust.

(2) Dividends for which the record date falls in the fiscal year ended March 31, 2022 and the effective date falls in the following fiscal year

The following proposal will be submitted at the Ordinary General Meeting of Shareholders to be held on June 23, 2022.

Matters regarding common stock:

Total amount of dividends:	¥15,032 million
Dividends per share:	¥28
Record date:	March 31, 2022
Effective date:	June 24, 2022

Notes to Financial Instruments

1. Status of financial instruments

(1) Credit risk management (risks of our business partners failing to honor contracts, etc.)
For trade and other receivables, each business or sales management division of the Company periodically monitors the credit status of major customers. By monitoring due dates and outstanding balances per customer, the risk of collectability may be early detected and minimized, and deposits are required, when deemed necessary. The same system of risk management is also applied to subsidiaries.

The Ajinomoto Group is exposed to the counterparty risk in relation to derivative transactions. To minimize this risk, derivative transactions are permitted, in principle, only with financial institutions with high credit ratings.

The Ajinomoto Group's maximum exposure to the credit risk is the carrying amounts of the financial assets recognized in the consolidated statements of financial position.

(2) Market risk management (risk of changes in exchange rates, interest rates, etc.)
The Ajinomoto Group conducts its business globally and, therefore, is exposed to the currency risk. The risk arises from receivables and payables and forecast transactions denominated in foreign currencies.

For receivables and payables denominated in foreign currencies, the currency fluctuation risk per currency and per month is hedged mainly using forward foreign exchange contracts. For forecast transactions denominated in foreign currencies, forward foreign exchange contracts may be used depending on the market conditions. Forward foreign exchange contracts are permitted only to the extent the settlement date comes within six months, with an upper limit of 50% of the monthly forecast transaction amounts, as a basic rule.

The Ajinomoto Group also conducts financing through interest-bearing debts. The Ajinomoto Group is exposed to interest rate risk from variable interest rates on some of these interest-bearing debts. Interest rate swaps are used to hedge the interest rate risk from such interest-bearing debts.

Furthermore, the Ajinomoto Group holds equity instruments issued mainly by its trade partners and, accordingly, is exposed to the market fluctuation risk. No equity instruments are held for short-term trading purposes. These equity instruments are periodically assessed with respect to fair value and the financial status of the issuing entity.

The finance division carries out derivative transactions in accordance with internal rules that specify authorization and transaction amount limits, and periodically reports the results of transactions to the executive officers in charge of finance and the Management Committee. The Company's consolidated subsidiaries also manage their derivative transactions in accordance with the Company's rules.

(3) Funding procurement liquidity risk management (risk of failure to meet payment deadlines)
The Ajinomoto Group is exposed to liquidity risk, by which financing may not be available in the necessary amount at the appropriate time. Confusion or disruption in the financial markets, the Company's credit rating lowered by credit rating agencies, and changes in policies and investment decisions by financial institutions all affect the Ajinomoto Group's financing capabilities by increasing the financing cost and reducing liquidity. To minimize such risk, the Company and its principal consolidated subsidiaries use a cash management system and internal loans in an attempt to reduce consolidated interest-bearing debt and mitigate liquidity risk. Liquidity risk is managed by maintaining liquidity at hand at a certain level and continuously setting commitment lines.

2. Breakdown of financial instruments by level of the fair value

Financial instruments measured at fair value on a recurring basis after initial recognition are classified into three levels of the fair value hierarchy depending on the observability and significance of the inputs used in the measurement.

Each level of fair value hierarchy is defined as follows:
Level 1: Fair value measured at quoted prices (unadjusted) in the active market for identical assets or liabilities
Level 2: Fair value measured using direct or indirect observable inputs other than those of Level 1
Level 3: Fair value measured using unobservable inputs

When two or more inputs are used for measurement of fair value, the level of fair value measurement is determined based on the lowest level of input that is significant to the entire measurement.
The details of assets and liabilities measured at fair value on a recurring basis at the end of the fiscal year are as follows; provided that any transfer between the levels of fair value hierarchy is recognized at the end of the reporting period in which the transfer occurs.

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets measured at fair value through profit or loss				
Derivative assets				
Currency related	-	6,875	-	6,875
Interest rate and currency related	-	634	-	634
Debt instruments	-	387	245	633
Financial assets measured at fair value through other comprehensive income				
Equity instruments	28,512	568	16,575	45,656
Total assets	28,512	8,465	16,821	53,800
Liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities				
Currency related	-	1,036	-	1,036
Interest rate related	-	1,840	-	1,840
Total liabilities	-	2,876	-	2,876

For assets and liabilities held as of the end of the fiscal year, there were no transfers between Level 1 and Level 2.

Valuation techniques and inputs used in fair value measurement of each classification of financial instruments are as follows:
Derivative assets and liabilities
Derivative assets and liabilities classified at Level 2 of the fair value hierarchy are over-the-counter derivatives, and their fair value is measured using observable inputs, including interest rates and foreign exchange rates.

Financial assets measured at fair value through other comprehensive income
Financial assets measured at fair value through other comprehensive income classified as Level 3 of the fair value hierarchy include non-marketable securities and are measured mainly by the comparable peer companies analysis and other valuation techniques. Fair value is subject to change due to changes in comparable values of PER of peer companies and other factors.

No significant change in fair value is expected even if unobservable inputs are replaced with reasonably possible alternative assumptions.

Changes in Level 3 assets and liabilities measured at fair value on a recurring basis are as follows

(Millions of yen))

	Balance at beginning of fiscal year	Other comprehensive income	Increase due to purchases, etc.	Decrease due to sales, etc.	Balance at end of fiscal year
Equity instruments	13,043	3,022	523	(13)	16,575

Other than the above, there was no material fair value change with respect to the Level 3 debt instruments for the fiscal year under review.

There were no transfers between levels during the fiscal year under review.

With respect to the valuation process of fair value of Level 3 financial instruments, finance division personnel measure the fair value on a quarterly basis in accordance with the valuation policies and procedures approved by the head of the finance division.

3. Fair value of financial instruments

The carrying amounts of financial assets and liabilities measured at amortized cost as of the end of the fiscal year are as follows. The fair values of financial assets and liabilities excluding those listed below are equal to or approximate their carrying amounts and are therefore not disclosed.

(Millions of yen)

	Amounts in consolidated statement of financial position	Fair value
		Level 2
Assets		
Debt instruments	5,121	5,075
Total assets	5,121	5,075
Liabilities		
Corporate bonds	139,631	141,439
Long-term borrowings	131,650	134,180
Total liabilities	271,282	275,620

Fair value measurement methods of each financial instrument are as follows:

Debt instruments

Fair values are determined based on the present value of the sum of the redemption amount at maturity and interest income discounted by the expected interest rate used when a similar new debt instrument is purchased.

Corporate bonds

Fair values are determined based on the market prices.

Long-term borrowings

For long-term borrowings with fixed interest rates, the fair values are determined based on the present value of the sum of the principal and interests discounted by the rate reflecting the credit risk deemed applicable if a similar borrowing was newly made. For long-term borrowings with variable interest rates, the fair values are measured at their carrying amounts, because the borrowings with variable interest rates reflect the current market rates in the short term and the Ajinomoto Group's credit standing has not significantly changed since the initial borrowing, and thus considered to approximate the carrying amounts.

In addition, the Company recorded a liability of ¥4,810 million for put options classified as Level 3 on sales related to non-controlling interests as of the end of the fiscal year under review. The carrying amount and fair value of these put options are equal, as they are valued at the present value of the amount that may be required to be paid to the counterparty.

Upon initial recognition, the amount is reduced from capital surplus, and changes after initial recognition are recognized in financial income or financial expenses in the consolidated statement of income. The valuation model uses unobservable inputs such as contractual EBITDA multiples, the valuation of which is expected to vary depending on the business plan and interest rates at each point in time.

Notes regarding Per Share Information

Equity per share (attributable to owners of the parent company):	¥1,280.50
Basic earnings per share:	¥139.42
Diluted earnings per share:	¥139.42

Notes on a Disposal Group Classified as Held for Sale

The Company resolved at a meeting of its Board of Directors on February 26, 2021, to transfer all shares of Ajinomoto Animal Nutrition Europe S.A.S. (hereinafter “AANE”), which engages in the animal nutrition business in Europe and is wholly owned by the Company's subsidiary, Ajinomoto Animal Nutrition Group, Inc. (hereinafter “AANG”), to METabolic EXplorer S.A. (hereinafter “METEX”) of France. On the same day, the Company concluded a put-option agreement under which it can request METEX to acquire the shares of AANE.

As a result, the possibility of losing control of AANE in the consolidated fiscal year under review increased, and the assets and liabilities of AANE had been classified as a disposal group classified as held for sale at the end of the previous fiscal year. The disposal group classified as held for sale mainly belongs to the “Healthcare and Others” segment.

On April 14, 2021, AANG entered into an agreement to transfer all shares of AANE to METEX, and the transfer was completed on April 28, 2021. Therefore, there were no assets or liabilities classified as held for sale at the end of the fiscal year under review.

In addition, at the Board of Directors meeting held on April 26, 2021, the Company resolved to conduct an absorption-type merger of AANG, with an effective date of July 1, 2021, and succeeded all of AANG's assets, liabilities, rights and obligations as of the effective date of the merger.

Additional Information

(The impact of the Novel Coronavirus (COVID-19) and changes in global situation surrounding Ukraine)

Progress towards recovery from the COVID-19 pandemic, and changes in the global situation surrounding Ukraine, have caused an acceleration in the rise of raw material and fuel prices across the world. As it is difficult to predict the future situation with regard to both COVID-19 and the situation in Ukraine, based on external information and analysis of market trends in each country, the Company assumes that the impact will continue for a certain period of the next consolidated fiscal year, and is currently considering possible impacts including whether or not there are any indications that any non-financial assets may be impaired.

(Attached Document)

Non-Consolidated Financial Statements (prepared in accordance with Japanese-GAAP)

Non-Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

	FY ended March 31, 2022 (as of March 31, 2022)	**FY ended March 31, 2021** (Reference: as of March 31, 2021)		**FY ended March 31, 2022** (as of March 31, 2022)	**FY ended March 31, 2021** (Reference: as of March 31, 2021)
Assets			**Liabilities**		
I Current assets	**246,075**	**262,529**	**I Current liabilities**	**338,377**	**360,701**
Cash on hand and in banks	33,717	47,005	Accounts payable	84,980	83,816
Notes receivable	3,641	4,181	Short-term borrowings	171,939	180,864
			Commercial papers	－	30,000
Accounts receivable	85,456	86,093	Current portion of bonds	20,000	－
			Current portion of long-term borrowings	11,399	11,399
Goods and products	36,353	36,274	Lease liabilities	9	9
Goods in process	434	462	Other payables	19,662	24,539
Raw materials and supplies	3,862	3,565	Accrued expenses	27,570	26,925
Prepaid expenses	6,490	6,391	Accrued income taxes	496	347
Short-term loans receivable	34,910	32,722	Accrued bonuses for directors and corporate executive officers	538	250
			Provision for shareholder benefit program	312	344
			Provision for directors' stock benefits	173	288
Receivables	42,576	41,937	Provision for environmental measures	19	108
Corporate tax receivable	1,257	2,034	Provision for contract loss	263	208
Others	3,103	4,499	Others	1,012	1,599
Allowance for doubtful accounts	(5,726)	(2,638)	**II Long-term liabilities**	**275,395**	**299,754**
			Corporate bonds	140,000	150,000
II Fixed assets	**714,926**	**721,845**	Long-term borrowings	115,499	126,899
1. Tangible fixed assets	**95,809**	**96,580**	Deferred tax liabilities	2,151	3,149
Buildings	117,715	119,016	Lease liabilities	42	22
Structures	17,131	16,933	Accrued retirement benefits for employees	2,401	2,687
Machinery and equipment	116,029	115,523	Accrued retirement benefits for directors and others	24	24
Vehicles and transporting equipment	152	159	Provision for directors' stock benefits	208	192
Tools, furniture and fixtures	37,103	36,258	Provision for environmental measures	400	408
Land	13,104	16,543	Provision for contract loss	289	2,008
Leased assets	86	59	Provision for loss on business of subsidiaries and affiliates	387	－
Construction in progress	6,149	6,252	Asset retirement obligations	37	40
Accumulated depreciation and accumulated impairment losses	(211,663)	(214,165)	Guarantee deposits received	11,398	11,508
			Others	2,552	2,811
2. Intangible fixed assets	**39,156**	**41,542**	**Total Liabilities**	**613,772**	**660,456**
Patents	32	34			
Leaseholds	2,680	2,680	**Net Assets**		
Trademark	19,126	20,443	**I Shareholders' equity**	**336,455**	**314,409**
Software	14,048	7,397	**1. Common stock**	**79,863**	**79,863**
Software in progress	3,266	10,980	**2. Capital surplus**	**4,274**	**4,274**
Others	1	6	Additional paid-in capital	4,274	4,274

3. Investments and other assets	**579,959**	**583,722**	**3. Retained earnings**	**253,688**	**231,735**
			(1) Legal reserve	16,119	16,119
			(2) Other retained earnings	237,568	215,616
Investments in securities	31,701	31,375			
Investments in stock of subsidiaries and affiliates	471,533	480,160	Reserve for advanced depreciation of fixed assets	5,051	5,294
Investments in capital	38	38	Retained earnings brought forward	232,516	210,322
Investments in capital of subsidiaries and affiliates	74,684	70,507	**4. Treasury stock**	**(1,371)**	**(1,464)**
Long-term loans receivable	157	ー			
Long-term prepaid expenses	1,022	925	**II Valuation, translation adjustments and others**	**10,774**	**9,508**
Others	869	760	**1. Unrealized holding gain on securities**	**11,351**	**10,279**
Allowance for doubtful accounts	(46)	(46)	**2. Unrealized gain (loss) from hedge instruments**	**(577)**	**(770)**
			Total Net Assets	**347,229**	**323,918**
Total Assets	**961,002**	**984,374**	**Total Liabilities & Net Assets**	**961,002**	**984,374**

(Attached Document)

Non-Consolidated Statement of Income

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

		FY ended March 31, 2022	FY ended March 31, 2021 (reference)
I	**Net sales**	**271,542**	**250,350**
II	**Cost of sales**	**154,381**	**138,439**
	Gross profit	**117,160**	**111,911**
III	**Selling, general and administrative expenses**	**130,216**	**122,127**
	Operating income (loss)	**(13,055)**	**(10,216)**
IV	**Non-operating income**	**107,335**	**55,850**
	Interest income	121	109
	Dividend income	103,336	52,904
	Others	3,876	2,837
V	**Non-operating expenses**	**10,839**	**9,381**
	Interest expense	3,940	4,496
	Allowance for doubtful accounts	2,963	1,227
	Cost of lease revenue	2,327	1,954
	Others	1,607	1,703
	Ordinary income	**83,439**	**36,253**
VI	**Extraordinary gains**	**15,512**	**19,967**
	Gain on sale of fixed assets	12,070	14,388
	Gain on reversal of allowance for contract loss	1,517	1,703
	Gain on sales of subsidiaries and affiliates' stocks	—	2,087
	Others	1,924	1,788
VII	**Extraordinary losses**	**6,213**	**17,392**
	Loss on disposal of fixed assets	2,448	2,076
	Loss on valuation of investment securities	1,157	0
	Loss on extinguishment of tie-in shares	884	—
	Loss on valuation of stocks of subsidiaries and affiliates	607	14,238
	Provision for loss on business of subsidiaries and affiliates	387	—
	Others	728	1,077
	Net income before income taxes	**92,738**	**38,828**
	Income taxes--current	2,206	(1,159)
	Income taxes--deferred	1,362	2,365
	Net income	**89,168**	**37,622**

(Attached Document)

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity									Valuation, translation adjustments and others			Total net assets
		Capital surplus			Retained earnings								
	Common stock	Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings (*Note)	Total retained earnings	Treasury stock	Total shareholders' equity	Unrealized holding gain on securities	Unrealized gain (loss) from hedge instruments	Total valuation, translation adjustments and others	
Beginning balance	**79,863**	**4,274**	**-**	**4,274**	**16,119**	**215,616**	**231,735**	**(1,464)**	**314,409**	**10,279**	**(770)**	**9,508**	**323,918**
Changes in fiscal year ended March 31, 2022													
Dividends from retained earnings						**(27,341)**	**(27,341)**		**(27,341)**				**(27,341)**
Net income						**89,168**	**89,168**		**89,168**				**89,168**
Purchase of treasury stock								**(40,041)**	**(40,041)**				**(40,041)**
Disposal of treasury stock			**0**	**0**				**260**	**260**				**260**
Retirement of treasury stock			**(39,874)**	**(39,874)**				**39,874**	**-**				**-**
Transfer of negative amount of other capital surplus			**39,874**	**39,874**		**(39,874)**	**(39,874)**		**-**				**-**
Net changes in items other than those in shareholders' equity										**1,072**	**193**	**1,265**	**1,265**
Total changes in fiscal year ended March 31, 2022	**-**	**-**	**-**	**-**	**-**	**21,952**	**21,952**	**93**	**22,045**	**1,072**	**193**	**1,265**	**23,311**
Ending balance	**79,863**	**4,274**	**-**	**4,274**	**16,119**	**237,568**	**253,688**	**(1,371)**	**336,455**	**11,351**	**(577)**	**10,774**	**347,229**

Note: Details of other retained earnings:

(Millions of yen)

	Reserve for advanced depreciation of fixed assets	Retained earnings brought forward	Total
Beginning balance	5,294	210,322	215,616
Changes in fiscal year ended March 31, 2022			
Dividends from retained earnings		(27,341)	(27,341)
Reversal of other retained earnings	(242)	242	-
Net income		89,168	89,168
Transfer of negative amount of other capital surplus		(39,874)	(39,874)
Total changes in fiscal year ended March 31, 2022	(242)	22,194	21,952
Ending balance	5,051	232,516	237,568

Notes to the Non-Consolidated Financial Statements

Significant accounting policies

1. Valuation standards and methods for securities

(1) Stocks of subsidiaries and affiliated companies are stated at cost determined by the moving-average method.

(2) Other securities for which market price is available are stated at market price at the fiscal year end and the changes in market price, net of applicable income taxes, are directly charged or credited to net assets. The cost of such securities sold is determined by the moving-average method. Other securities for which market price is not available are stated at cost determined by the moving-average method.

2. Derivative instruments

Derivative instruments are carried out at fair value. However, special treatment is applied with respect to interest rate swaps, in cases where criteria for special treatment are met. If interest rate and currency swap contracts are used as a hedge and meet certain hedging criteria, the interest rate and currency swap contracts are not stated at fair value, and instead the amount to be received under the interest rate and currency swap contracts is added to or deducted from the interest on the liabilities for which the swap contracts are executed, and the liabilities denominated in foreign currencies, for which the interest rate and currency swap contracts are executed, are translated at the contracted rate (integral accounting).

3. Inventories

Inventories are stated at cost determined by the average method (in cases where the profitability has declined, the book value is reduced accordingly).

4. Depreciation method of fixed assets

(1) Tangible fixed assets (excluding leased assets)
The depreciation of tangible fixed assets is computed by the straight-line method. The range of useful life is 7 to 50 years for buildings and 4 to 15 years for machinery and equipment.

(2) Intangible fixed assets (excluding leased assets)
The amortization of intangible fixed assets is computed by the straight-line method. Software is amortized by the straight-line method over the estimated internal useful life (5 years). Trademarks are in principle amortized by the straight-line method over the period of its validity (20 years).

(3) Leased assets
The straight-line method is applied with the useful life of the asset being the lease period and the residual value being zero.

5. Reserves

(1) Allowance for doubtful accounts:
Allowance for doubtful accounts is recorded for possible bad debts at the amount estimated based on historical bad debts experience for general receivables and by reference to the individual collectability of specific doubtful receivables.

(2) Accrued bonuses for directors and corporate executive officers
In preparation for the payment of bonuses to directors and corporate executive officers, the Company has provided an allowance for expected payment for services during the fiscal year.

(3) Provision for shareholder benefit program
In preparation for payment relating to the shareholder benefit program, a provision for the shareholder benefit program has been recorded for the amount estimated based on past results, which shall be paid during and after the following fiscal year.

(4) Accrued retirement benefits for employees
Accrued retirement benefits for employees are provided based on the projected benefit obligations and fair value of pension plan assets at the end of the fiscal year in order to prepare for payment of retirement benefits.

Prior service cost is amortized by the straight-line method over a period within the average remaining service years of employees (10 years) at the time of recognition.

Actuarial gain or loss is amortized by the straight-line method over a period within the average remaining service years of employees (10 years) at the time of recognition, from the respective fiscal year following the fiscal year of recognition.

(5) Accrued retirement benefits for directors and others
Accrued retirement benefits for directors and corporate executive officers are recorded at the amount required to be paid in accordance with internal rules in order to prepare for payment of retirement benefits to those directors and others.

The Company abolished the system of payment of severance benefits to directors and corporate executive officers in June 2007, and has decided to pay severance benefits at the time of retirement with respect to the period in which the system was applied.

(6) Provision for share-based compensation
In preparation for delivery of the Company's shares to directors and others as part of the Company's share-based compensation program, the Company has recorded an allowance for the expected amount of obligations at the end of the fiscal year in accordance with internal rules.

(7) Allowance for environmental measures
In preparation for payment for environmental measures, an allowance for the amount of costs expected to be incurred has been recorded.

(8) Provision for contract loss
In preparation for losses relating to the fulfillment of contracts, a provision for loss on contracts has been recorded for the estimated amount of losses expected.

(9) Provision for loss on business of subsidiaries and affiliates
In preparation for losses relating to losses from the business of subsidiaries and affiliates, a provision for loss on business of subsidiaries and affiliates has been recorded for the estimated amount of losses expected.

6. Standards for revenue recognition

The Company recognizes revenue, excluding interest and dividend income, etc., upon transfer of promised goods or services to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services based on the following five step approach

Step 1: Identify the contracts with customers
Step 2: Identify the performance obligations in each contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Company derives revenues primarily from the sale of seasonings, food products, and amino acids for medical and food use. Under the sales contracts for these products, the Company recognizes revenue upon delivery of goods that satisfy performance obligations.

7. Translation of assets and liabilities denominated in foreign currencies into yen

Monetary receivables and payables denominated in foreign currencies are translated into yen at the rate of foreign exchange in effect at the balance sheet date. The resulting exchange gain or loss is recognized in profit or loss.

8. Hedge accounting

(1) Hedge accounting policy
The Company adopts deferred hedge accounting.
Derivative instruments are carried out at fair value. However, special treatment is, in principle, applied with respect to interest rate swaps, in cases where criteria for special treatment are met. If interest rate and currency swap contracts are used as a hedge and meet certain hedging criteria, the interest rate and currency swap contracts are not stated at fair value, and instead the amount to be received under the interest rate and currency swap contracts is added to or

deducted from the interest on the liabilities for which the swap contracts are executed, and the liabilities denominated in foreign currencies, for which the interest rate and currency swap contracts are executed, are translated at the contracted rate (integral accounting).

(2) Hedging instruments and hedged items

Hedging instruments	Hedged items
Interest rate swaps	Interest on corporate bonds and borrowings
Interest rate and currency swaps	Foreign currency borrowings, interest paid on borrowings

(3) Hedging policy
The Company hedges foreign exchange rate risk and interest rate risk for certain transactions that are significant and that can be recognized individually, based on internal rules for derivative transactions.

(4) Assessment of hedge effectiveness
An assessment of hedge effectiveness is not undertaken for forward exchange contracts, as the conditions pertaining to the hedging instruments and the hedged items are equivalent. Interest rate swaps for which special treatment is applied, or interest rate and currency swaps for which integral treatment is applied, evaluation of effectiveness is not conducted.

9. Adoption of consolidated tax accounting system

The Company, as the taxable parent company, has adopted the consolidated taxation system.

10. Accounting for retirement benefits

Accounting methods for unrecognized actuarial gains and losses and unrecognized prior service costs related to retirement benefits differ from those applied in the consolidated financial statements.

Changes in accounting policy

(Adoption of Accounting Standard for Revenue Recognition)

From the beginning of the fiscal year under review, the Company has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) (hereafter “Accounting Standard for Revenue Recognition”), and the “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, March 26, 2021), and recognizes revenue at the amount expected to be received in exchange for promised goods or services when control of the goods or services is transferred to the customer.

In adopting the Accounting Standard for Revenue Recognition, the Company followed the transitional treatment stipulated in the provision of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of retrospective application of the new accounting policy prior to the beginning of the current fiscal year has been added to or deducted from retained earnings brought forward at the beginning of the current fiscal year, and the new accounting policy is applied from the said beginning balance.

The main changes resulting from the adoption of this accounting standard are as follows:

(1) Revenue recognition for principal transactions

The Company changed its method of recognizing revenue from transactions in which it is a principal, from recognizing revenue on a net basis, i.e., the amount received from the customer less the amount equivalent to commissions paid to dealers, etc., to recognizing revenue on a gross basis.

As a result, Net sales and Selling, general and administrative expenses were each higher by ¥4,226 million in the fiscal year under review compared with those before the adoption of the revenue recognition accounting standard. There is no effect on the balance of retained earnings at the beginning of the period.

Changes in presentation method

(Notes to statement of income)

1. “Litigation-related expenses” (¥193 million in the fiscal year under review), which was presented as a separate line item in the previous fiscal year, is included in “Others” under “Non-operating expenses” in the statement of income in the fiscal year under review because its materiality has decreased.

2. “Gain on sale of investment securities” (¥819 million in the fiscal year under review), which was presented as a separate line item in the previous fiscal year, is included in “Others” under “Extraordinary gains” in the fiscal year under review because its materiality has decreased.

3. “Loss on valuation of investment securities” (¥0 million in the previous fiscal year), which was included in "Others" under “Extraordinary losses” in the previous fiscal year, is presented as a separate line item in the fiscal year under review because its materiality has increased.

4. “Loss on valuation of investments in capital of subsidiaries and affiliates” (¥53 million in the fiscal year under review), and “Fee related to special second career program” (nonexistent in the fiscal year under review) and “Provision for environmental measures” (¥10 million in the fiscal year under review), which were presented as separate line items in the previous fiscal year, are included in "Others" under “Extraordinary losses” in the fiscal year under review because their materiality has decreased.

Notes to accounting estimates

Accounting estimates are reasonable estimates based on information available at the time of preparation of the consolidated financial statements. Of the amounts recorded in the consolidated financial statements for the fiscal year under review that are based on accounting estimates, the following items have the risk of having a material impact on the financial statements for the following fiscal year.

1．Valuation of shares in subsidiaries and affiliates

(1) Amounts recorded in the financial statements of the fiscal year under review

Shares in subsidiaries and affiliates with no market price	¥471,533 million

(2) Other information relevant to the use of accounting estimates in the financial statements

If the substantive value of shares in subsidiaries and affiliates declines significantly due to deterioration in their financial position, a write-down is recognized unless the possibility of recovery is supported by sufficient evidence. The substantive value is calculated based on the net asset values obtained from subsidiaries and affiliates, also considering differences from the market price of assets, etc.

The calculation of actual value and the determination of recoverability are mainly influenced by management's judgment regarding the rationality of the business plan of the applicable companies, which involves future uncertainties that may impact the financial position and financial performance of the following fiscal year.

Notes to Balance Sheet

1. Monetary receivables and payables to subsidiaries and affiliated companies

Short-term monetary receivables	¥107,552 million
Long-term monetary receivables	¥350 million
Short-term monetary payables	¥242,593 million
Long-term monetary payables	¥167 million

Notes to Statement of Income

1. Transactions with subsidiaries and affiliated companies

Transaction amount with respect to operating transactions	
Sales *	¥56,155 million
Purchasing	¥74,400 million
Supply of raw ingredients	¥47,141 million
Other Operating transactions	¥28,062 million
Transaction amount with respect to non-operating transactions	¥108,971 million

* : From the beginning of the fiscal year under review, the Company changed its method of recognizing revenue from transactions in which it is a principal, from recognizing revenue on a net basis, i.e., the amount received from the customer less the amount equivalent to commissions paid to dealers, etc., to recognizing revenue on a gross basis. As a result, sales from transactions with subsidiaries and affiliated companies are ¥40,150 million lower in the fiscal year under review.

2. Gain on sale of fixed assets

Gain on sale of fixed assets is recorded mainly due to the sale of land and buildings.

Notes to Statements of Changes in Net Assets

Types and total number of treasury stock at the end of the fiscal year:

Type of treasury stock:	Common stock
Total number of treasury stock at the end of the fiscal year:	559,323 shares

Notes on Securities

Stocks of subsidiaries and affiliated companies

(Millions of yen)

Category	Book value	Fair value	Variance
Stock of subsidiaries	1,420	12,932	11,512
Stock of affiliated companies	8,239	14,549	6,310
Total	9,659	27,482	17,822

Note: Stocks of subsidiaries and affiliated companies with no market price

Category	Book value
Stock of subsidiaries	384,660
Stock of affiliated companies	77,213

These items have no market price and therefore they are not included in the above.

Notes on Deferred Tax Accounting

1. The significant components of deferred tax assets and liabilities as of March 31, 2022 were as follows:

	(Millions of yen)
Deferred tax assets:	
Loss on valuation of investment securities	24,510
Tax losses carried forward	4,019
Accrued bonuses	2,353
Foreign tax credit carried forward	2,077
Allowance for doubtful account	1,886
Impairment losses	1,676
Accrued retirement benefits for employees, etc.	1,519
Period expense	1,220
Depreciable assets, etc.	557
Accrued business taxes, etc.	183
Provision for contract loss	169
Loss from inventory revaluation	79
Others	257

Gross deferred tax assets	40,510
Valuation allowance for loss carried forward	(4,019)
Valuation allowance for deductible temporary differences, etc.	(30,476)
Gross valuation allowance	(34,495)
Total deferred tax assets	6,014
Deferred tax liabilities:	
Reserve for advanced depreciation of fixed assets	(3,064)
Unrealized holding gain on securities	(4,981)
Others	(120)
Total deferred tax liabilities	(8,166)
Net deferred tax liabilities	(2,151)

2. Accounting for corporate and local income taxes or tax effect accounting related to these taxes

Effective from the next fiscal year, the Company will transition from a consolidated taxation system to a group tax sharing system. In addition, the Company will apply the " Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021) for accounting treatment and disclosure of tax effect accounting related to corporate income taxes and local corporate income taxes from the end of the current fiscal year.
Since the consolidated taxation system was applied in the current fiscal year, accounting treatment and disclosure for corporate and local income taxes are in accordance with the "Tentative Treatment of Tax Effect Accounting under Consolidated Taxation System (Part 1)" (PITF No. 5 (February 16, 2018) and "Tentative Treatment of Tax Effect Accounting under Consolidated Taxation System (Part 2)" (PITF No. 7, February 16, 2018).

Notes on Business Combinations

(Absorption-type merger of consolidated subsidiary)

At a meeting of the Board of Directors held on April 26, 2021, the Company resolved to conduct an absorption-type merger of its wholly-owned subsidiary Ajinomoto Animal Nutrition Group, Inc. and concluded the merger agreement on the same day.

1 . Summary of the merger

(1) Purpose

Ajinomoto Animal Nutrition Group Inc. was established in 2011 with the aim of accomplishing structural reinforcement by integrating global business management through asset-light management and business specialty enhancement. Having fulfilled its purpose, it was determined that it is no longer necessary to maintain its corporate status and could be subjected to an absorption-type merger.

(2) Name of merging company and business description

Merging company name: Ajinomoto Animal Nutrition Group, Inc.
Business description: Animal nutrition

(3) Date of merger

July 1, 2021

(4) Legal structure of merger

Absorption-type merger with Ajinomoto Co., Inc. as the surviving company and Ajinomoto Animal Nutrition Group Inc. as the absorbed and dissolved company.

(5) Name of post-merger company

Ajinomoto Co., Inc.

2 . Outline of accounting treatment applied

Based on the “Accounting Standards for Business Combination” and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” the merger is treated as a common control transaction.
As a result of this transaction, a loss on extinguishment of tie-in shares of ¥884 million was recorded under “Extraordinary losses”.

Notes regarding Related Party Transactions

Subsidiaries, affiliated companies, etc.

Attribution	Name of Company, etc.	Percentage of voting rights held	Relationship with related party	Details of transaction	Transaction amount (millions of yen)	Item	Year-end balance (millions of yen)
Subsidiary	Ajinomoto Food Manufacturing Co., Ltd.	100% (directly)	Purchase and sale of said company's products by the Company; joint purchase and provision of raw materials to said company	Purchase of products, etc.[1]	83,106	Accounts payable	8,079
				Fee-based supply of raw materials, etc.[2]	49,637	Receivables	10,301
				Lending of funds[3]	-	Short-term loans receivable	12,500
	Ajinomoto Frozen Foods Co., Inc.	100% (directly)	Purchase and sale of said company's products by the Company; joint purchase and provision of raw materials to said company; concurrent holding of corporate officer positions	Purchase of products, etc.[4]	812	Accounts payable	16,349
	Ajinomoto Engineering Corporation	100% (directly)	Subcontracting of operations to said company by the Company	Purchase of tangible fixed assets, etc.[5]	10,696	Other payables	5,946
	Ajinomoto Fine-Techno Co., Inc.	100% (directly)	Purchase of said company's products by the Company; subcontracting of said company's operations by the Company	Borrowing of funds[3]	-	Short-term borrowings	27,534
	Ajinomoto AGF, Inc.	100% (directly)	Purchase and sale of said company's products by the Company; concurrent holding of corporate officer positions	Purchase of products, etc.[4]	1,357	Accounts payable	18,956
				Fee-based supply of raw materials, etc.[2]	33,390	Receivables	12,389
	Ajinomoto Co., (Thailand) Ltd.	99.68% (directly)	Purchase and sale of said company's products by the Company; purchase and sale of the Company's products by said company; concurrent holding of corporate officer positions	Borrowing of funds[6]	137,515	Short-term borrowings	90,015
				Repayment of funds[6]	137,515		
	Ajinomoto Sales (Thailand) Co., Ltd.	100% (indirectly)	Purchase and sale of said company's products by the Company	Borrowing of funds[6]	30,000	Short-term borrowings	30,000
				Repayment of funds[6]	50,000		

(Transaction conditions, policy for deciding said conditions and others)

1. The purchase price of the products is determined by contract with consideration given to the manufacturing cost of Ajinomoto Food Manufacturing Co., Ltd. and the sales price to third parties.
2. For the fee-based supply of raw materials, the price is determined by reference to contract, with consideration given to market prices.
3. As the Company has a cash management system to facilitate unified cash management within the Ajinomoto Group and borrowing and lending between participating companies is conducted on a daily basis, transaction amounts are not disclosed. Interest rates are decided in consideration of market rates.

4. The Company is the sole agent and the price is determined by reference to contract, with the final selling price serving as the basis. These sole agent sales are recorded by netting sales and cost of goods sold, and therefore the disclosed amount is commission.
5. With respect to the purchase of tangible fixed assets, the price is determined by reference to contract, with consideration given to the purchase price of Ajinomoto Engineering Corporation and market prices.
6. With respect to borrowing of funds, interest rates are determined by reference to market interest rates.

Notes regarding Revenue Recognition

Information on the basis for understanding revenue has been omitted because the same information is presented in the Notes to Consolidated Financial Statements, except for the frozen foods business, for which the Company acts as an agent.

Notes regarding Per Share Information

Net assets per share:	¥647.29
Net income per share:	¥164.18
Diluted net income per share:	¥164.17

Additional Information

(Share-based Compensation of Executive Officers Based on the Company's Medium-term Earnings Performance)

1. Overview of transactions

The Company has introduced a share-based compensation for executive officers based on the Company's medium-term earnings performance (the "System"), for the purpose of boosting the motivation of Directors (excluding Internal Directors who are Members of the Audit Committee and Outside Directors) and Executive Officers (including those who concurrently serve as Directors) (excluding non-residents of Japan) (collectively the "Executive Officers, etc.") to contribute towards the improvement of the Ajinomoto Group's medium- and long-term business performance and enhancement of its corporate value.

The System was introduced for a trust period of three years covering the first years of the FY2020-2025 Medium-Term Management Plan that commenced on April 1, 2020 (the "Target Period") using a stock-granting trust (the "Trust") created by the Company as the trustor, using funds provided by the Company to acquire Company shares, and at the end of the Target Period grant or make payment to Executive Officers, etc. of Company shares and cash in the amount equivalent to the conversion value of Company shares depending on their job positions and the level of achievement of the performance targets.

2. Company shares held by the Trust

Shares held by the Trust are recorded as treasury shares under net assets, based on the Trust's book value (excluding expenses). At the end of the fiscal year under review, the book value and total number of such treasury shares was ¥989 million and 442,900 shares respectively.

(The impact of the Novel Coronavirus (COVID-19) and changes in the global situation surrounding Ukraine)

Progress towards recovery from the COVID-19 pandemic, and changes in the global situation surrounding Ukraine, have caused an acceleration in the rise of raw material and fuel prices across the world. As it is difficult to predict the future situation with regard to both COVID-19 and the situation in Ukraine, based on external information and analysis of market trends in each country, the Company assumes that the impact will continue for a certain period of the next fiscal year, and is currently is currently considering possible impacts including whether or not there are any indications that any non-financial assets may be impaired.

Audit Report
Copy of Report of Accounting Auditor Regarding Consolidated Financial Statements

Independent Auditor's Report

May 16, 2022

Mr. Taro Fujie,
Representative Executive Officer & President
Ajinomoto Co., Inc.

KPMG AZSA LLC
Tokyo Office, Japan

Designated and Engagement Partner, Certified Public Accountant: Takuji Kanai (seal)
Designated and Engagement Partner, Certified Public Accountant: Hirotaka Tanaka (seal)
Designated and Engagement Partner, Certified Public Accountant: Hiroto Kawase (seal)

Opinion

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Ajinomoto Co., Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 444-4 of the Companies Act.

In our opinion, the above consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS) with certain omissions of disclosure items pursuant to the latter part of Paragraph 1, Article 120 of the Rules of Corporate Accounting, are based on Ajinomoto Co., Inc. and its consolidated subsidiaries, and we acknowledge that the status of assets and profits and losses for the period pertaining to the consolidated financial statements are fairly presented in all material respects.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) with certain omissions of disclosure items pursuant to the latter part of Paragraph 1, Article 120 of the Rules of Corporate Accounting. This includes the establishment and operation of an internal control system that Company management has decided is necessary to ensure that consolidated financial statements are prepared without any material misstatements due to fraud or error and are presented fairly.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so, disclosing, as applicable, matters related to going concern in accordance with International Financial Reporting Standards (IFRS) with certain omissions of disclosure items pursuant to the latter part of Paragraph 1, Article 120 of the Rules of Corporate Accounting.

The audit committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with International Financial Reporting Standards (IFRS) with certain omissions of disclosure items pursuant to the latter part of Paragraph 1, Article 120 of the Rules of Corporate Accounting, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan
Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

Copy of Report of Accounting Auditor Regarding Non-Consolidated Financial Statements

Independent Auditor's Report

May 16, 2022

Mr. Taro Fujie,
Representative Executive Officer & President
Ajinomoto Co., Inc.

KPMG AZSA LLC
Tokyo Office, Japan

Designated and Engagement Partner, Certified Public Accountant: Takuji Kanai (seal)
Designated and Engagement Partner, Certified Public Accountant: Hirotaka Tanaka (seal)
Designated and Engagement Partner, Certified Public Accountant: Hiroto Kawase (seal)

Opinion

We have audited the financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the notes to the non-consolidated financial statements, and the accompanying supplemental schedules of non-consolidated financial statements ("the financial statements and the accompanying supplementary schedules") of Ajinomoto Co., Inc. ("the Company") as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules . Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements and the Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company′s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management′s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company′s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

Notes to the Reader of Independent Auditor’s Report:

This is an English translation of the Independent Auditor’s Report as required by the Companies Act of Japan for the conveniences of the reader.

Copy of the Audit Committee Audit Report

Audit Report

The Audit Committee has audited the performance of duties by the Directors and Executive Officers for the 144th fiscal year beginning April 1, 2021 and ending March 31, 2022. The methods and results are reported as follows.

1. Overview of Auditing Methods

The Audit Committee periodically received reports from Directors, Executive Officers, employees, and others concerning the structure and operation of the details of resolutions of the Board of Directors concerning the matters listed in Article 416, Paragraph 1, Item 1 (b) and (e) of the Companies Act, and the systems (internal control systems) put in place based on those resolutions. The Audit Committee asked for clarification as needed, expressed its opinions, and conducted audits using the following methods.

1) At its meeting on July 28, 2021, the Audit Committee passed resolutions on the auditing policies, auditing plans, and division assignment of duties of each Member of the Audit Committee. In accordance with these resolutions and in collaboration with the Company's internal control divisions, Members of the Audit Committee attended important meetings, including those online, and received reports from Directors, Executive Officers, employees and others on matters related to the performance of duties. Members of the Audit Committee asked for clarification as needed, inspected important written approvals, etc., and investigated the operations and finances of headquarters and other major offices and plants. Regarding subsidiaries, the Members of the Audit Committee communicated and exchanged information with the Directors, Audit & Supervisory Board Members, and others of such, received business reports and investigated the operations and finances of the subsidiaries as deemed necessary.
2) Members of the Audit Committee received reports from the Internal Auditing Division of the audit results after each audit, and every three months received and exchanged opinions on reports on the audit results and evaluation reports on internal control systems relating to financial reports.
3) Members of the Audit Committee received explanations of auditing plans in advance from the Accounting Auditor, and, in addition to carrying out discussions, received reports of the audit results. Furthermore, in addition to monitoring and examining whether the Accounting Auditor maintained an independent stance, as well as implementing fair audits, Members of the Audit Committee received reports from the Accounting Auditor to the effect that systems had been put in place to ensure that their duties are appropriately performed. Members of the Audit Committee discussed major audit considerations with KPMG AZSA LLC, received a report on the implementation of the audit, and requested explanations as necessary.

Based on the aforementioned methods, we examined the Business Report and the supplementary schedules for the fiscal year in question, along with the financial statements (the Balance Sheet, the Statement of Income, the Statements of Changes in Net Assets along with the Notes to the Non-Consolidated Financial Statements) and the supplementary schedules, the consolidated financial statements (the Consolidated Statements of Financial Position, the Consolidated Statements of Income, the Consolidated Statements of Changes in Equity and the Notes to the Consolidated Financial Statements)..

2. Audit Results

(1) Result of Audit of Business Report, etc.

1) In our opinion, the Business Report and the supplementary schedules fairly represent the Company’s affairs in accordance with the applicable laws and regulations and the Articles of Incorporation.
2) With regard to the execution of duties by the Directors and Executive Officers, we have found no evidence of wrongful action or material violation of laws and regulations, or of the Articles of Incorporation.
3) In our opinion, the contents of the resolution of the Board of Directors with regard to the internal control systems are appropriate. We confirm that continuous improvements are being made with respect to the development and operation of the internal control systems. With regard to details of these internal control systems reported in the Business Report we have found no matters on which to remark.

(2) Auditing result of the financial statements and the supplementary schedules
In our opinion, the methods and results employed and rendered by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

(3) Auditing result of the consolidated financial statements
In our opinion, the methods and results employed and rendered by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

May 16, 2022

Audit Committee of Ajinomoto Co., Inc.
Atsushi Toki, Chair of the Audit Committee (Outside Director) (seal)
Masaya Tochio, Member of the Audit Committee (Standing) (seal)

Hideki Amano, Member of the Audit Committee (Outside Director) (seal)
Mami Indo, Member of the Audit Committee (Outside Director) (seal)

End

(Notes)
Our Company transitioned from a Company with an Audit & Supervisory Board to a Company with Three Committees at the conclusion of the 143rd Ordinary General Meeting of Shareholders held on June 23, 2021. The situation from April 1, 2021 to June 23, 2021 at the conclusion of the Ordinary General Meeting of Shareholders is based on the details inherited from the former Audit & Supervisory Board.