



Well,



live

Well,



Toward the **ASV Report** conveying our approach to **ASV management** and relevant activities

We have renamed our integrated report the ASV Report and positioned it as a report that conveys our approach to ASV management and our activities under this approach.

Editorial policy

This ASV Report conveys—in the Message from the President and CEO—the aspirations and commitment of newly appointed President and CEO Taro Fujie to steadily promote ASV management across the entire Ajinomoto Group and further enhance corporate value. This report also features the Group's growth strategy for medium- to long-term value creation, progress, and current outcomes along with efforts to strengthen corporate governance and promote sustainability under the new organizational structure launched in 2021.

We hope the report will encourage and stimulate dialogue with our shareholders, investors, and all other stakeholders.

Organizational scope

This report covers the activities of the Group, comprising, unless otherwise noted, Ajinomoto Co., Inc. (the Company) and its consolidated subsidiaries and equity-method affiliates (as of March 31, 2022). When comprehensive Group information is not available, the data parameters are explicitly defined.

Period covered by this report

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

Past circumstances, data, and recent cases outside of this time period are presented when appropriate.

Precautions related to forward-looking statements

Business performance forecasts and other forward-looking statements presented in this report are based on management estimates, assumptions, and projections at the time of publication. The Company does not guarantee that the forward-looking statements will be fulfilled. Various factors could cause actual results to differ materially from expectations.

Purpose

Unlocking the power of amino acids to resolve the food and health issues.

Vision

Contribute to greater wellness for people worldwide, unlocking the power of amino acids to resolve the food and health issues associated with dietary habits and aging.

Outcome

By 2030, help extend the healthy life expectancy of 1 billion people

By 2030, reduce our environmental impact by 50%, while improving business performance



ASV Management

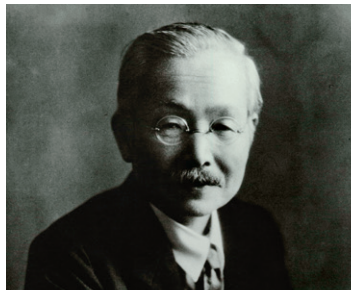
The Ajinomoto Group has grown by pursuing ASV (The Ajinomoto Group Creating Shared Value). ASV represents our unchanging commitment to help resolve social issues and create value through our business. This remains our fundamental management policy.

Our Founding Aspiration

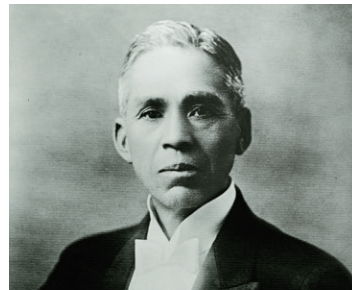
Eat Well, Live Well.



Discovered that the umami component in *kombu* (kelp) broth is the amino acid glutamic acid



Discoverer of the umami taste
Dr. Kikunae Ikeda
Tokyo Imperial University Professor



Ajinomoto Group founder
Saburosuke Suzuki II



Launched **AJI-NO-MOTO®**, the world's first umami seasoning based on glutamic acid

Pursuit of “unlocking the power of amino acids” since our founding

For more than a century, the Ajinomoto Group has been “unlocking the power of amino acids” to pursue realizing both deliciousness and well-being, while passing down its founding aspiration of “Eat Well, Live Well.” As a leader in amino acids, our global business operations span a wide range of domains centered around the core food products and AminoScience businesses.

Wide ranging contributions by unlocking the power of amino acids

Around 20% of the human body is comprised of proteins and 20 types of amino acids make up these proteins.

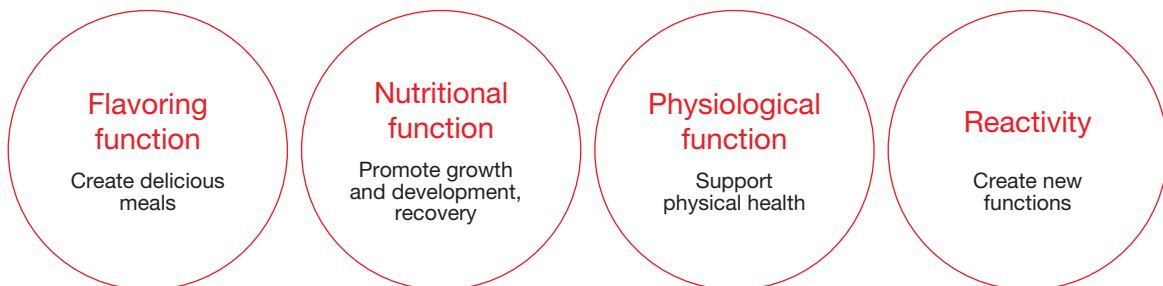
Amino acids have a flavoring function to create delicious meals, a nutritional function to promote growth and development, a physiological function to support physical health, and reactivity to create new functions.

The Ajinomoto Group has been studying amino acids since its founding over 100 years ago. Our research has not only helped to explain how amino acids function, but also yielded a wide range of new materials and

technologies created using amino acids. When we talk about the power of amino acids, we are referring to all of this.

Amino acids are considered the building blocks of life itself—the source of life—because they are found in the most fundamental elements of humans and other animals as well as vegetation and microorganisms. Unlocking the power of amino acids makes it possible to widely contribute to deliciousness, health and nutrition, and even the natural environment.

The four functions of amino acids



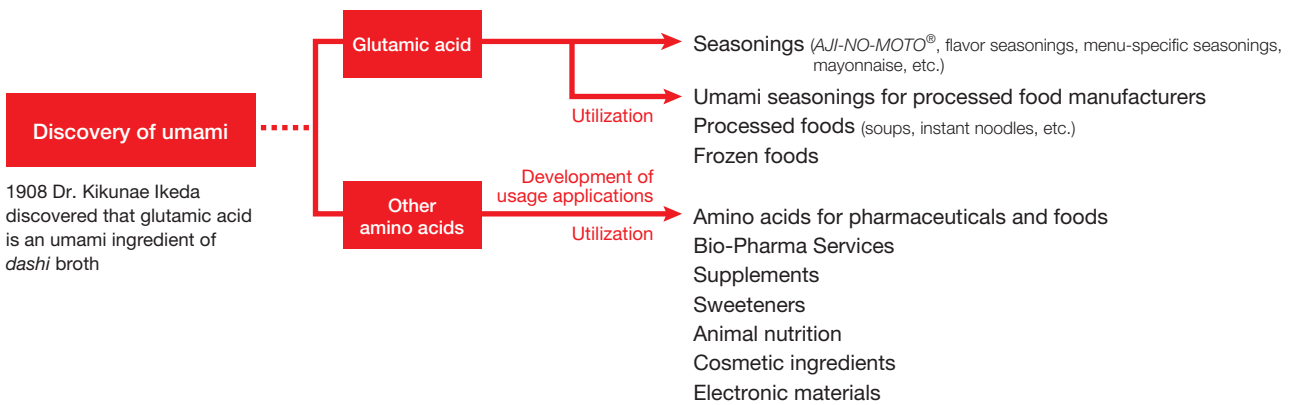
History of business growth driven by the pursuit of amino acids

Since it released the world's first umami seasoning more than a century ago, the Ajinomoto Group has expanded its business reach globally through the development of innovative manufacturing methods and ways of using amino acids while passing down the founding aspiration

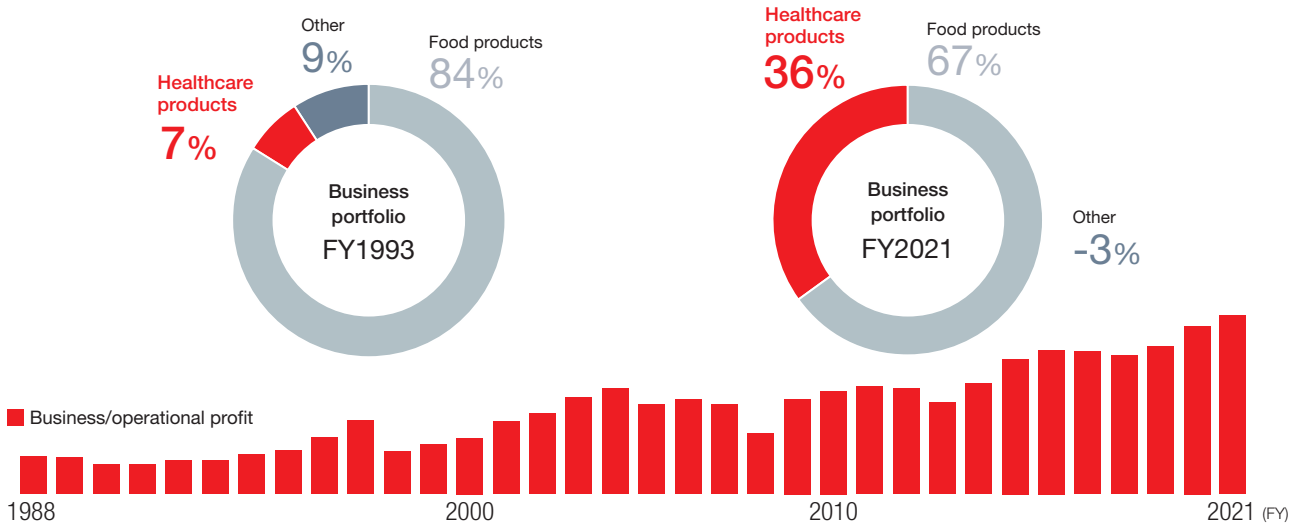
of "Eat Well, Live Well."

By combining the various powers of amino acids, we have been able to develop a multifaceted business portfolio spanning foods, seasonings, healthcare, and electronic materials.

Business growth centered on amino acids



Changes in business/operational profit and business portfolio

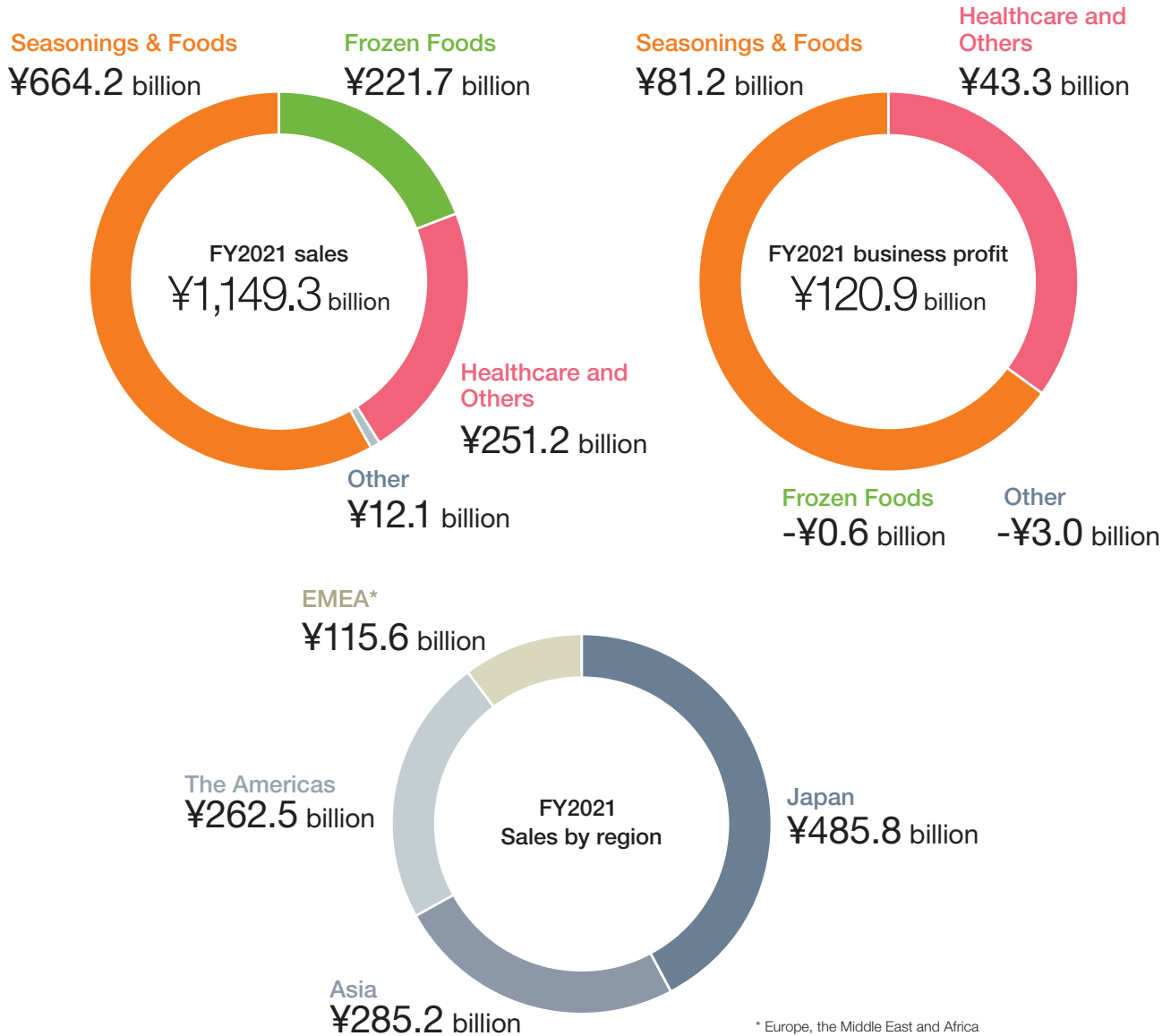


The Ajinomoto Group today







The Ajinomoto Group focuses its management resources on six core businesses in order to contribute to solutions to social and environmental issues while addressing the diversification of consumer lifestyles and values and changes in consumer preferences around the world. We will

continue to tackle new challenges without compromise, aiming to become a solution-providing group of companies for food and health issues by utilizing the Ajinomoto Group's uniqueness of unlocking the power of amino acids and turning that power into value that contributes to the world.

Sales/business profit/sales by region



Six core businesses

<p>Seasonings & Foods</p>	<p>Sauce & Seasonings</p> <p>We provide a variety of products including umami seasonings <i>AJI-NO-MOTO</i>[®], flavor seasonings for home-made dishes, and menu-specific seasonings to support smart cooking to more than 130 countries and regions around the world. Through our products, we contribute to deliciousness that suits the local consumer preferences as well as to improve nutrition of consumers.</p> <p>Quick Nourishment</p> <p>We provide foods that respond to the needs for ready-to-eat meals, individual meals, and healthy meals, such as soups, beverages, and instant noodles, and products that supplement nutrition including those for medical institutions. The business contributes to consumers' health and well-being by addressing globally changing lifestyles.</p> <p>Solution & Ingredients</p> <p>We supply products and services globally to our customers (consumer foods industry and food services) to solve their challenges from the consumers' point of view. The business provides Integrated Food Solutions comprising our Deliciousness Technologies based on specialty ingredients.</p>	 <p>Umami seasonings: <i>AJI-NO-MOTO</i>[®]</p>  <p>Beverage: <i>Birdy</i>[®]</p>  <p>Texture improver: <i>Ajinomoto KK Seasoning for Juicier Kara-Age and Meat</i></p>
<p>Frozen Foods</p>	<p>Frozen Foods</p> <p>We provide products mainly in the Asian food category such as <i>gyoza</i> (Japanese-style dumplings) and fried rice to markets in Japan, North America, and Europe. With a focus on deliciousness, the business meets consumers' needs for quick and easy cooking and healthy frozen foods.</p>	 <p><i>Gyoza</i></p>
<p>Healthcare and Others</p>	<p>Healthcare</p> <p>We provide amino acids and amino acid-based products and services to customers globally in a broad range of industries including pharmaceuticals, foods, and cosmetics. The business helps to improve consumers' quality of life and support comfortable lifestyles utilizing the nutritional, physiological, and flavoring functions of amino acids.</p> <p>Electronic Materials</p> <p>We supply products globally centered on <i>Ajinomoto Build-up Film</i>[®] (ABF), an interlayer insulating material for semiconductor packages. These products are mainly used in PCs, servers for data centers, and communications network applications, playing a key role in providing more comfortable lifestyles to consumers together with our customers.</p>	 <p>Fundamental foods: <i>Glyna</i>[®]</p>  <p><i>Ajinomoto Build-up Film</i>[®] (ABF)</p>



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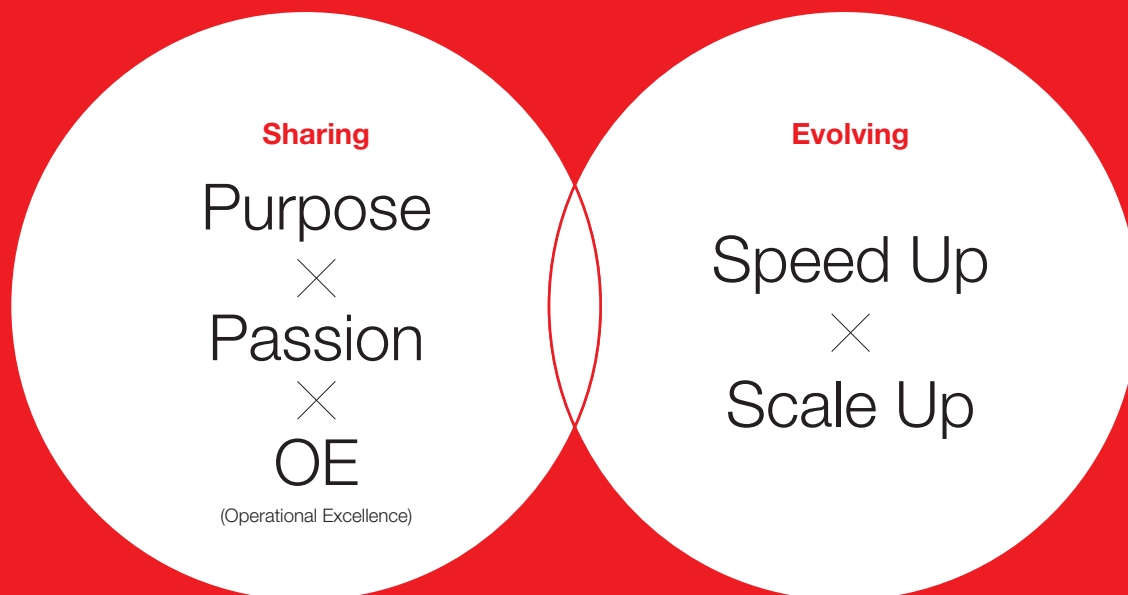
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Message from the President and CEO

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Becoming a corporate group delivering the “essence of happiness” to the world



Taro Fujie

Director,
Representative Executive Officer,
President & Chief Executive Officer

My thoughts and resolve as CEO

Deliver the “essence of happiness” and enhance corporate value

It is an honor to have been appointed as President and CEO. The COVID-19 pandemic and the conflict in Ukraine are having a major impact on the lives of people around the world and the Ajinomoto Group. I have been reflecting on the meaning of happiness and giving much thought to what the Group can do. I believe the Group should pursue the “essence of happiness” in a way that only we can. The essence of happiness that we can provide is to create a fount of happiness for the world by “unlocking the power of amino acids to resolve the food and health issues.” Research shows that feeling happy affects longer healthy life expectancy and more productivity and creativity. The essence of happiness is a vital element of our corporate slogan “Eat Well, Live Well.” and all of our activities to enhance our corporate value.

The concept of sharing the essence of happiness with as many people as possible has also become a major theme for me personally, and as CEO, I look forward to making further progress toward making that a reality.

Actively carrying on with ASV management and “purpose x passion x operational excellence”

My mission is to dramatically increase the Group’s corporate value by continuing to apply the ASV management advanced by former CEO Takaaki Nishii and to actively pursue the Group’s purpose to “unlock the power of amino acids to resolve the food and health issues.” Since its founding, the Group has followed its fundamental management policy of ASV pursuing the dual creation of social and economic value. In 2020, we publicly committed to further advancing ASV management and declared that we will transform the Group into a “solution-providing group of companies for food and health issues” by 2030. Our management structure may continue to evolve, but our ASV management and vision for 2030 will remain unchanged.

Moreover, I believe that the driving forces that will enable the Group to continue growing are our purpose to “unlock the power of amino acids to resolve the food and health issues,” the passion our employees have to fulfill our purpose, and the endorsement of our purpose by our stakeholders. The stronger the passion and support for our purpose, the better we will be able to create a virtuous ASV cycle that simultaneously generates social and economic value.

Of course, passion alone is not enough, we must also

have both the ability and the skills. To fulfill our purpose, all of our employees and business partners inside and outside the Group must feel a moderate tension, believe in the virtue of our purpose and be dedicated to fulfilling it, and, continuously refine their skills to make our purpose a reality. All three of these are absolutely essential, and I combine them into a single phrase—“purpose x passion x operational excellence (OE).”

Since October 2021, I have been meeting on a weekly basis with former CEO Nishii to discuss matters ranging from what the Group’s issues are to what we need to do to further enhance our corporate value. As we looked back at the last decade of the Group’s development, one topic that came to the fore was, with the exception of the overseas Sauce & Seasonings, our ability to grow our food products business. We set a record high for profits and achieved all of our main management targets in fiscal 2021, and we are continuing to make steady progress with our plans in fiscal 2022. However, I do not want the strong results to cloud my judgment and feel that I need to look closely at the slow pace of growth of the food products business and consider how our competitiveness has diminished in relation to other companies around the world. Key to addressing these two areas will be our Speed Up x Scale Up (SxS) management initiative. After discussions with the new executive team, we have set clear policies of advancing ASV management, pursuing “purpose x passion x OE,” and executing SxS.

The business environment includes headwinds from the soaring prices for main and sub-raw materials for fermentation. Nevertheless, we intend to continue building on our organic sales growth through effective strategies and spending to strengthen our business foundation and generate sustained growth. We expect these activities to generate growth in both sales and profits in fiscal 2022 and project sales rising 14.0% year on year to ¥1,310 billion and business profit increasing 2.6% to ¥124 billion.

I have pledged to take over the full responsibilities as CEO and to do my utmost to achieve the management indicator targets that have been set for fiscal 2025 ahead of schedule. My first objective will be to complete former CEO Nishii’s initiative to convert to an “asset-light” business model by fiscal 2025 that will further improve our asset efficiency. In fiscal 2022, we started using an ROIC tree¹, which breaks down return on invested capital (ROIC) into individual components, to gain a clear understanding of where we can improve our asset efficiency. I also intend to intensify our focus on the core businesses. The Core Businesses Grand Design Committee, created in fiscal 2021 under the Executive Committee, is currently examining and discussing ways to visualize the performance status

and formulate future plans for the six core businesses². We are using Stage Gate management process to set control gates at stages detailing who, what, when, how, and how much that will enable us to carefully assess an investment's potential to generate business growth, to prioritize investments, and also to effectively regulate the number of items and our product categories. In addition, in our drive to "raise value for consumers centered on health," we are increasing the ratio of high-value-added products and enhancing our brand value with the aim of boosting our sales volume and unit prices to realize organic sales growth.

Initiating medium-term indicator management

Japanese companies have been said to suffer from "medium-term plan disease" of creating three-year plans with very specific targets for three years in the future.

However, in times like the present, that future is highly unpredictable. So, when a plan's underlying premises inevitably change, the plan loses relevancy. To preserve the integrity of our plans, while continuing to work toward attaining the Group's numerical targets set for fiscal 2025, we will change how we approach the medium-term planning process. We will set our vision for 2030 and medium-term management indicators then backcast to create a roadmap toward achieving them. Recognizing the volatility of the changing business environment, we are creating a system so we will always be ready to quickly and flexibly revisit and revise a plan if conditions change.

*1 An ROIC tree breaks down and provides visualization of the components of ROIC so that each employee can understand and take an active role in contributing to improving the results.

*2 The six core businesses are Sauce & Seasonings, Quick Nourishment, Solution & Ingredients, Frozen Foods, Healthcare, and Electronic Materials.

Speed Up x Scale Up

Reestablishing our strong growth potential

As I stated earlier, the biggest challenge for the Ajinomoto Group is to reestablish our growth potential, which is vital for raising our corporate value. Before I talk about how we will do that, I would like to touch on the foundations of corporate value. I consider corporate value to be the sum of financial value and the potential future value to be created by intangible assets. The formula presented is the standard way to calculate corporate value with the addition of Speed Up x Scale Up, the two components that I add which accelerate the cycle for creating corporate value to produce the maximum growth.

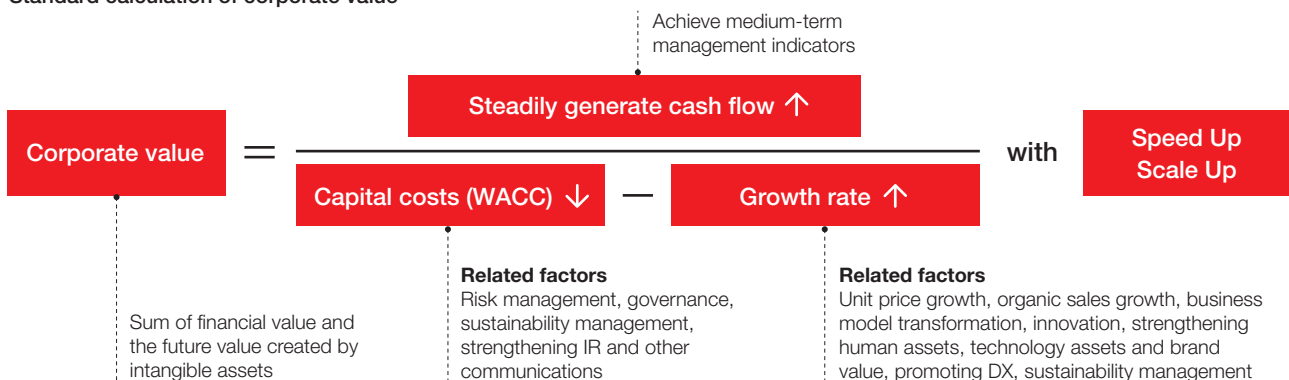
The first step is to steadily increase the numerator (cash flow), which entails ensuring we attain our ROIC target and the other priority KPIs³ set as medium-term management indicators. At the same time, we will work to minimize the denominator (capital costs), by improving our risk management abilities in an unpredictable social

environment. Improving our ability to earn stakeholder trust is also important, and to that end the Sustainability Advisory Council and Sustainability Committee are both stepping up their activities. We are also emphasizing dialogue with investors in our investor relation (IR) activities. For the other denominator (growth rate), we are working to fully integrate digital technologies in numerous areas, including to transform our business model, generate innovation, strengthen human resources, fortify our technology assets, and enhance our brand value.

For all of these, we will Speed Up decision-making and execution, and will Scale Up by applying the growth strategy centered on the integrated food products and AminoScience businesses and by laterally developing successful implicit operations into explicit businesses for the Group.

*3 The five KPIs are ROIC (over capital costs), organic sales growth, core business sales ratio, employee engagement score, and unit price growth (of international consumer products).

Standard calculation of corporate value



Changing our corporate culture to advance Speed Up

I believe that one of our management issues is the amount of time it takes to make and execute dynamic management decisions for the Group as a whole. In contrast, the world's leading companies have made top-down decisions and quick transformations that have put a measurable gap between our comparative corporate value.

Recognizing this, Ajinomoto Co., Inc. transitioned its form of corporate organization to a Company with Three Committees in 2021. The new structure allows us to delegate substantial authority to the executive side (Executive Committee) and vastly accelerate the speed of decision-making. Next is changing the Executive Committee. We will further accelerate execution by approaching meetings without expecting easy agreement, but by engaging in open debate that is both thorough and fact and data driven. We also launched the 100-day Plan on April 1, 2022, to fully activate business execution under the new organizational structure. The Executive Committee is still getting used to the new format, but many outdated policies are being overturned and my sense is that the speed of decision-making is already faster than ever.

We are spreading this new vigor throughout the Group. We have the fortunate advantage that all of the Group's employees take pride in doing earnest and excellent work and actively take the initiative to make improvements at their work sites. We will continue to apply a hybrid top-down and bottom-up approach to transforming the Group as we create a corporate culture that values taking the initiative and speed.

At the same time, we will speed up our ability to innovate by assembling a cross-sectional team encompassing the food products and AminoScience businesses and by emphasizing diversity and inclusion bringing together people with different genders, career experiences, and regional backgrounds.

Generating Scale Up from the food products and AminoScience integration and successful business models

I believe what sets the Ajinomoto Group apart is our ongoing exploration of the power of amino acids and turning that power into value for the world. The Scale Up plan is rooted in the growth strategy centered on the integrated food products and AminoScience businesses, where we will develop successful implicit operations from among our products, businesses, and R&D investments into models for explicit businesses for the Group.

An example of this is how we expanded the Sauce & Seasonings business. Starting with umami seasoning *AJI-NO-MOTO*®, we developed *HONDASHI*® flavor

seasoning and then *Cook Do*® menu-specific seasoning. At each step, we standardized the successful marketing activities and continued developing new product categories that we then applied across Japan and overseas. This strategy of standardization of successful operations will be used for other programs as well. The *Love Vege* project in the Tokai region, *Smart Salt* project in the Tohoku region, and the Iwaki Health Promotion Project joint research with Hirosaki University in Aomori Prefecture are collaborations with local governments and academia in Japan aimed at creating food and health ecosystems. From these projects, we develop business models for promoting vegetable consumption and reducing salt intake that we can then mobilize in countries and regions facing health issues.

We manage our business portfolio in a similar manner, and have produced some results that we are quite proud of. For example, the investment in resource-saving fermentation technologies around 2010 led to a significant reduction in our amino acid production costs, and the decision to focus our R&D on electronic materials, amino acids for pharmaceuticals and foods, and Bio-Pharma Services around 2015 is enabling us now to transform the business model for the AminoScience business. We will take what we've learned from these R&D investments and continue honing them for prioritizing investments in marketing, human resources, DX, and regional activities.

DX and innovation are also key to our Scale Up plan. We will apply them particularly to the fields of healthcare, food and wellness, ICT and green innovation. By backcasting from our vision of society beyond 2030, we



determined that these are four areas of innovation we are well equipped to provide innovation and create next-generation business and markets.

The reason I am advocating SxS so strongly is that

the faster we can speed up our decision-making and execution, the quicker the scaling up momentum will spread throughout the Group. I believe the synergistic effects of SxS will enhance our corporate value.

Strengthening our intangible assets

Investing in organizational, human, technology, and customer assets

Intangible assets are also important for both Speed Up x Scale Up. To grow large trees and produce fruit, you have to cultivate the soil, sow seeds, provide water and fertilizer, and prune the branches. Enhancing corporate value is the same. Particularly important is laying deep roots. For corporate value, the roots are our intangible assets.

Let me explain the four intangible assets that I am focusing on and how we plan to strengthen them.

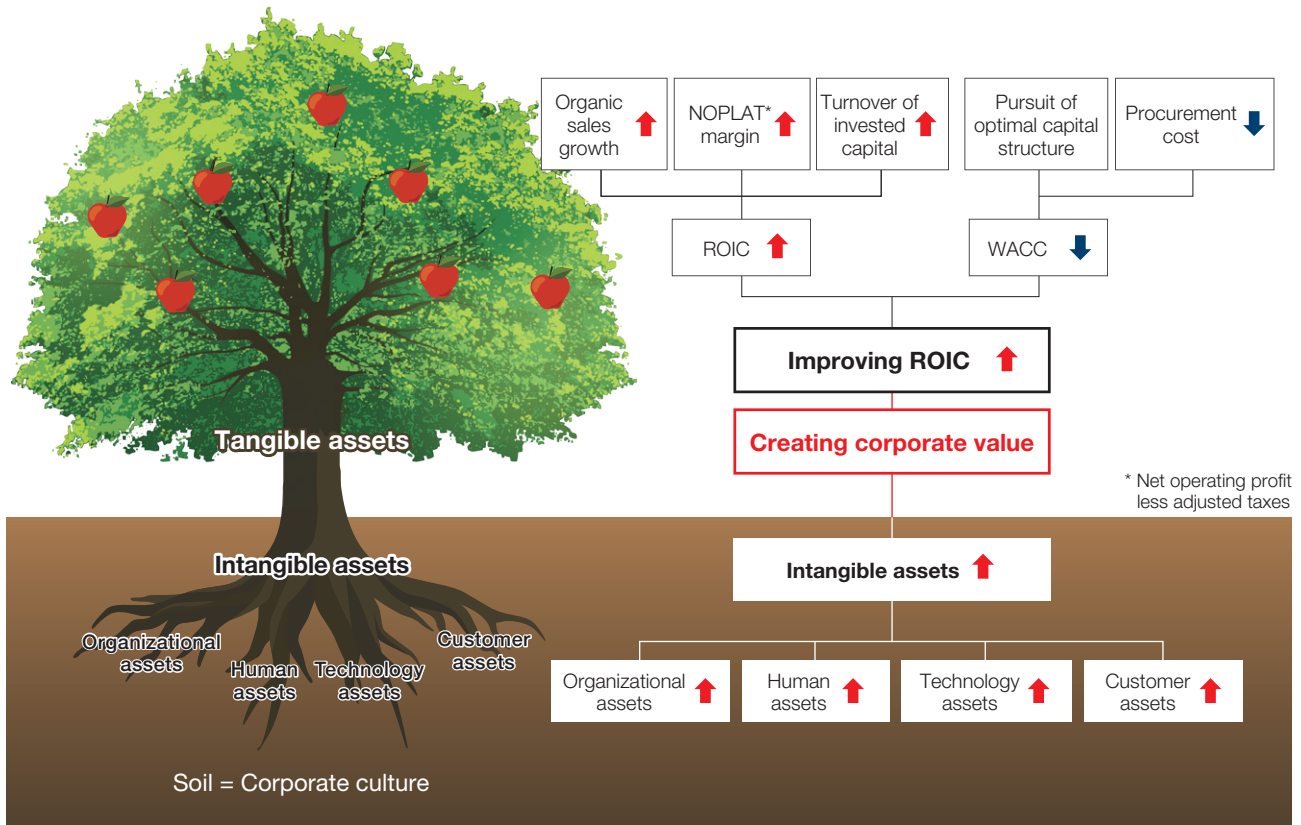
The first is organizational assets, which refers to the overall power shared throughout a company. The organizational assets that provide the foundation and overall strength of the Ajinomoto Group are our purpose and passion to “unlock the power of amino acids to resolve the food and health issues,” our management structure with its vision, ASV management, corporate

brand, and governance, and our various databases and intellectual properties. Continuously refining these organizational assets and our other intangible assets enables us to accumulate more intangible assets that then add to further growth of our organizational assets.

Human assets are the driving force that increase the value of all intangible assets. My job is to increase the total sum of our human assets by fanning the passion our employees have for our purpose and gathering more stakeholders to endorse our purpose.

One way we are doing that is by raising our work-style reform to another level to enhance work motivation. We are also cultivating a deep workforce by focusing on developing DX talent, promoting professional talent from outside the organization, supporting Group employees who want to work at side jobs and careers, and helping employees stay on top of current issues through interaction with leaders in

Growing corporate value with intangible and tangible assets



the field. We will also extensively overhaul the personnel system and operations. We are introducing a hybrid personnel system for non-managers that combines the professional qualification grade (graded human resources) and the job type (graded duties and responsibilities). Intended to enable assignments catered to each person's ability and contributions, this system allows us to better place the right person in the right position based on their competence and ability. Meetings to discuss this system with the labor union are scheduled for April 2023.

Our technology assets are what set the Ajinomoto Group apart and are critical in every aspect of our efforts to pursue "unlocking the power of amino acids" from R&D to production and for our businesses to generate the innovation that creates social value. In the food products business, we have advanced our Deliciousness Technologies and pursue development to enhance the added value and functions of our products around the world. In the AminoScience business, including healthcare and electronic materials, we anticipate innovation in the market and seek to develop products and services with unmatched value by enhancing leading-edge bioscience and fine chemical technologies. We are also refining our technology assets to transform our business model with the integration of the food products and AminoScience

businesses and to create next-generation businesses.

Customer assets are what connect all of our intangible assets to our future financial value. By 2030, we are aiming to help extend healthy life expectancy by increasing our current reach of 700 million customers to encompass one billion customers, potential customers, and consumers.

We have customers around the world, in Asia, the United States, Central and South America, Europe, and Africa. Our customers also extend beyond general consumers and include companies in the food products and food service industries, pharmaceuticals industry, and semiconductor industry. We are creating business models that will use our products and services to address customer issues and use our expertise to target both apparent and latent customer needs. The business models will boost our customer value and brand value, enable unit price growth, raise customer numbers, and increase purchase frequency for our products.

All of this grows out of our corporate culture, which is the rich soil that enables our intangible assets to flourish. Our corporate culture of each employee taking the initiative to fulfill our purpose enriches other intangible assets. My number one priority as CEO is to transform our corporate culture.

Promoting sustainability

Listening to stakeholders and broadening our ASV management

I believe that promoting sustainability will not only help realize a sustainable society but will also lower cost of capital and accelerate the business growth of the Ajinomoto Group. There are many social and environmental issues that the Group should tackle, but our first focus is on fulfilling the pledge we made in March of this year to achieve net-zero GHG emissions by fiscal 2050, in addition to reducing our environmental footprint by 50% by fiscal 2030. As we progress toward net-zero, we will practice ASV management to increase our economic value by addressing social issues and contribute to constructing resilient and sustainable food systems.

In 2021, we established the Sustainability Advisory Council as a subordinate organization of the Board of Directors to ensure that sustainability is a permanent part of our efforts to enhance corporate value. In the year and a half since the Council was created, various stakeholders from a range of fields have come to speak with us, and we continue to have meaningful, forward-looking discussions about what the Group can contribute to sustainability and the Group's materiality

and future vision. I have learned a great deal from these discussions and am certain that they will help us realize ASV. Stakeholder opinions will be conveyed to the Board of Directors and incorporated into our consideration of the Group's materiality from medium- to long-term perspectives and to our policy responses to the environmental changes linked to the Group's materiality. The Sustainability Committee, a subordinate body of the Executive Committee, is tasked with identifying risks and opportunities that have groupwide impact and reflecting them in the business strategy following the strategic direction indicated by the Board of Directors. The business divisions also actively participate in the discussions and are taking active steps toward realizing outcomes.

We have some tasks ahead that will be both challenging and stimulating. One will be how many stakeholders around the world we can convince to endorse our purpose. Another is to move away from sustainability solutions that require compromise and devise symbiotic solutions that are mutually beneficial. The starting point for this way of thinking was an experience I had when I was working in the Philippines.

For many years, we were selling a 10-gram bag of *AJI-NO-MOTO*® for one peso. We were operating on an entrenched belief that consumers only wanted to spend one coin on an item. But then the price of raw materials skyrocketed. After making every effort to reduce costs, all of our departments agreed to try a “more than double” value strategy of doubling the price to two

pesos but increasing the product volume by more than double. The strategy was successful as we won the appreciation of consumers and increased profits while also reducing plastic waste. That experience is why I believe in finding solutions that produce positive results for all sides and applying it to our global activities.

Message to stakeholders

Dialogue emphasizing “You have communicated your message only when understood.”

That moment when a stakeholder connects their purpose with the purpose of the Ajinomoto Group to “unlock the power of amino acids to resolve the food and health issues,” I want them to feel the excitement of taking on the challenge. I believe that when they join with us, we can then work together to address various issues and even progress toward a peaceful world without division.

That is why I believe open dialogue with stakeholders is so important. When I was working overseas, there was a time when I couldn’t understand why my messages weren’t getting across to employees. Then someone told me, “If your message isn’t understood, then you haven’t communicated.” I learned the necessity of communicating clearly when a group has members from diverse backgrounds, and always remember that “You have communicated your message only when understood.”

In this integrated report which we have titled ASV Report, our aim is to communicate as clearly as possible our ASV management, our purpose, our direction, and how we plan to get there. We hope stakeholders will read the report and share with us what they think so we can engage in dialogue.

Completely dedicated to contributing to happiness 100 years from now

I believe that inherent in the name of the Ajinomoto Group is the meaning that we will never compromise on deliciousness and nutrition. I call this the “essence of happiness,” and I want the Group to grow into a corporation that delivers it to our stakeholders, to our children, and for the generations 100 years from now.

My message and “Main points discussed in the 100-day Plan” briefly summarize what I have discussed above. As CEO, I am fully dedicated to implementing these changes and concepts.



What I want to communicate

- Pass on ASV management and “purpose x passion x OE”
- Steadily achieve the medium-term management indicator targets
- Transform our corporate culture, establish a culture of taking the initiative
- Focus on reestablishing our growth potential, our biggest management issue
- The driving forces for growth are innovation, Speed Up x Scale Up
- Integrate the food products and AminoScience businesses
- Use our world-class amino acid expertise to create social and corporate value
- Advance our sustainability initiatives; realize extended healthy (and happy) life expectancies; and reduce our environmental footprint for generations 100 years in the future
- Engage in dialogues with stakeholders
- Pursue the “essence of happiness”

Main points discussed in the 100-day Plan

	Items	Main points discussed in the 100-day Plan
Topics directly linked to realizing and achieving ASV	Management structure	<ul style="list-style-type: none"> • Quantify intangible assets to improve corporate value • Combine business and financial strategies • Establish a Value Creation Advisory Board • Analyze the impact of the Ukraine situation and construct a business structure that responds to medium- to long-term risks • Convert from medium-term planning to medium-term indicator management
	Organizational structure and operation	<ul style="list-style-type: none"> • Establish organizational management based on a clear management policy • Promote a network-based work style and corresponding personnel system
	Business strategy	<ul style="list-style-type: none"> • Create a business model and form a growth strategy for the integrated food products and AminoScience businesses
	Brand marketing	<ul style="list-style-type: none"> • Clarify our vision, improve investment efficiency, and create new branding for the Group and the BtoC and BtoB businesses • Use AJINOMOTO PARK for consumer analysis and to develop communications, construct a comprehensive DtoC model to expand sales and to develop and apply marketing knowledge
Mechanisms to accelerate and support ASV	Governance	<ul style="list-style-type: none"> • Execute governance covering the full range of interested parties that share our purpose (multistakeholder governance)
	Human resource management	<ul style="list-style-type: none"> • Construct a human resource structure accommodating a hybrid of conventional and new job types and that promotes diverse career structures mixing management and professional occupations
	Corporate culture	<ul style="list-style-type: none"> • Create a corporate culture of employees making decisions on their own through DX aimed at resolving the food and health issues, laying the foundation for data utilization, and enabling quicker decisions to stop or downsize a project

100-day Plan status as of June 23, 2022



Taro Fujie
 Director,
 Representative Executive Officer,
 President & Chief Executive Officer

He's the type of executive that makes people around him cheerful, fun, and positive

I remember him saying many times regarding high productivity, comments like "Decide to quit things in order to do what you want" and "Explanations should be simple, clear, transparent, and meetings should be no longer than 30 minutes." As for work-style reform, he led the transformation and worked to actively bring in best practices from outside the Company. I was impressed by his sincere efforts to take the initiative in solving problems, while at the same time communicating with employees and motivating them.



Yasue Saito
Business Strategy & Planning Dept.
AminoScience Division
Ajinomoto Co., Inc.

I promoted work-style reform under Mr. Fujie from 2017 to 2021.

Mr. Fujie treats every person he meets like they are on equal footing with him

He is friendly and can be spotted casually chatting with people regardless of their positions. In 2017, he created an initiative called the "Reverse Mentor Interviews," which sought to promote understanding between young professionals and officers in the Information System Planning Department, and I had the honor of being paired with Mr. Fujie during my second year at the Company. Through this program, I was able to forge a close relationship with Mr. Fujie, who previously felt like someone totally outside of my reach.

Furthermore, he was promoting a culture of "Decide Fast, Execute Fast," and he embodied that attitude himself. I distinctly remember how he immediately tried to utilize the IT tool I introduced to him in one of our interviews.

Bunta Ohgiya
Corporate Planning Dept.
Ajinomoto (Malaysia) Berhad

I had the opportunity to share many insightful discussions with him over lunch when I was working in the Ajinomoto head office from 2017 to 2020.



Meet President Fujie

Four people who have worked with our new President Taro Fujie share some memories that give a picture of his personality.



A man who leads by example

He listens to the opinions of each employee. He's enthusiastic, friendly, and well-liked by everyone. In China, he developed our human resources by setting KPIs (action goals) for employees, conducting regular evaluations and sharing feedback, and providing training for management positions. He also promoted autonomous management at the workplace. These efforts enabled us to raise the food business in China to profitability. When I visited Japan after he had left China, he gave me a hand-bound book as a gift, which was the monthly CEO reports I had been writing while he was in Shanghai. I was deeply moved by his warm-heartedness.



Liming Shen
Assistant General Manager, Shanghai Ajinomoto Amino Acid Co., Ltd.
Director, General Manager, Shanghai Ajinomoto Trading Co., Ltd.

From 2007 to 2010 when Mr. Fujie was in charge of the China business, I often went with him to visit wet markets for research.

An open leader who treats employees with respect

His strong leadership helped Ajinomoto do Brasil Indústria e Comércio de Alimentos overcome a difficult situation at a time when the Brazilian economy was struggling. Yet he always considered the workload and results, and respected the limits of employees, never pushing beyond. From our very first meeting, I could sense his openness to frank dialogue on equal terms. He also helped me understand that it's OK to step away from something in order to tackle new things that we really want to do.

Marcos Yasuzawa
Executive Director
Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda.

I worked with Mr. Fujie from 2015 to 2017, when he was the president of ABR.



Successor Nomination Process

Selection of the President & CEO's successor by the Nomination Committee

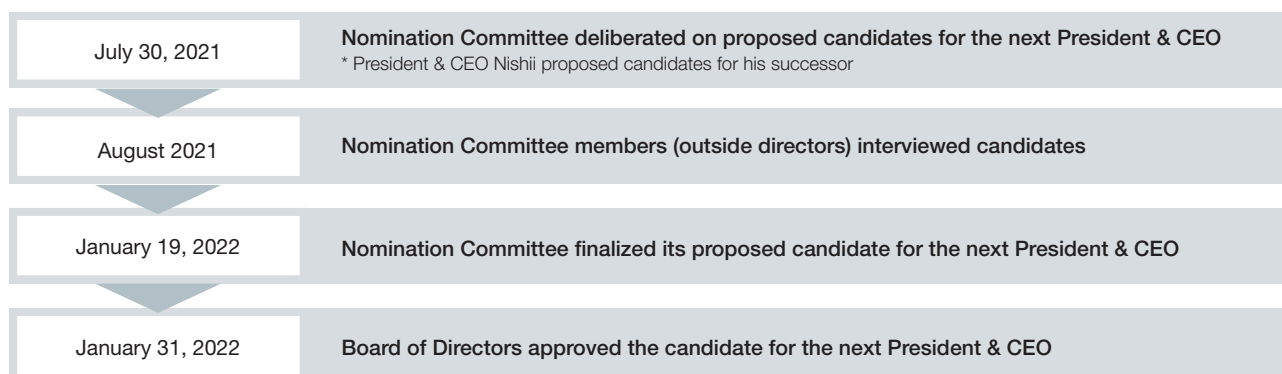
Ajinomoto Co., Inc. appointed a new President & CEO on April 1, 2022. The Nomination Committee, including its previous incarnation as the Nomination Advisory Committee prior to changes in our corporate organization, spent two years selecting the President & CEO's successor.

Process behind the selection of President & CEO

Ajinomoto Co., Inc. transitioned to a Company with Three Committees in June 2021. Following this, the Company established the Nomination Committee, chaired by an outside director, and clarified the process behind the election and dismissal of the President & CEO and the selection process for director candidates. At the meeting of the Board of Directors held in January 2022, the next President & CEO was approved based

on the candidate proposed by the Nomination Committee. In addition to the participation of outside directors who are committee members involved in various aspects of execution, the Nomination Committee evaluated multiple candidates while referring to the evaluations of third-party organizations, and selected the next President & CEO based on the results of individual interviews.

Overview of the selection process



Message from Chair of the Nomination Committee

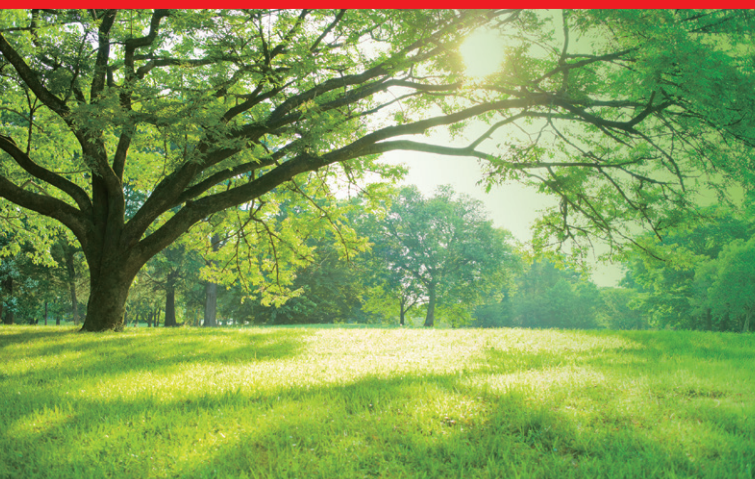
I'm convinced that our new President & CEO Taro Fujie has the leadership skills to drive ASV management forward.

At the meeting of the Nomination Committee held in July 2021, previous President & CEO Nishii said, "We've built up the foundation for ASV management and made preparations for my successor. The next generation management team centered on Taro Fujie will certainly be able to make growth a reality." After that, the Nomination Committee moved forward with the selection of candidates for the next President & CEO, ultimately arriving at Taro Fujie. Fujie has a wealth of experience overseas leading transformations from structural reforms to growth. As Executive Officer, he has played a significant role in corporate culture reforms. He is someone who can powerfully lead ASV management gaining stakeholders' understanding internally and externally, while fully drawing upon the power of intangible assets, aimed at achieving our purpose.

After taking over, Fujie has been ushering in changes in a fast-paced manner, including assigning a person with extensive experience in the food products business to head up the AminoScience business and vice versa. I believe he was the correct choice for the Nomination Committee, and I look forward to his achievements to come.



Takashi Nawa
Outside Director
Chair of the Nomination Committee



02

Medium- to Long-term Growth Strategy

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CIO Shiragami Talks about the Sustainable Growth Strategy

The Ajinomoto Group's strategy for sustainable growth and the path to creating our own unique value

Hiroshi Shiragami

Director,
Representative Executive Officer & Executive Vice President,
Chief Innovation Officer (CIO)
Supervision of R&D



The Ajinomoto Group's strategy for sustainable growth

It is my honor to accept the position of Representative Executive Officer & Executive Vice President, and Chief Innovation Officer of the Ajinomoto Group. My objective is to lead the Group as we continue to develop our unique strengths and to use the new organizational structure as a foundation for highly cohesive executive management that furthers our sustainable growth and raises our corporate value.

The Ajinomoto Group is implementing a three-tiered strategy to establish sustainable growth. We are presently working to improve the asset efficiency of the six core businesses and convert them to high-value-added businesses with the aims of accelerating their "steady growth" and meeting our targeted medium-term management indicators. The second tier is to advance groupwide business model transformation centered on social issues and market to position us for our 2030 vision. The drivers of the Group's growth will be the integrated food products and AminoScience businesses and our digital technologies. The third tier is to frame a Picture of the Future for the Group beyond 2030 and backcast from that vision to lay the foundation for next-generation businesses that will be the pillars of our business in four areas of innovation. This three-tier growth strategy is designed to build the Group's corporate value and establish a sustainable growth track.

Business model transformation to drive growth

The business model transformation that the Ajinomoto Group has implemented over the past decade has contributed greatly to the growth of the AminoScience business. The shift in focus from the commodity business of amino acid materials to high-profit businesses, such as healthcare and electronic materials, has led to business profit in the Healthcare and Others segment growing by an average pace of 26% over the last five years and reaching a record-high of ¥43.3 billion in fiscal 2021. We are also accelerating our growth by integrating digital

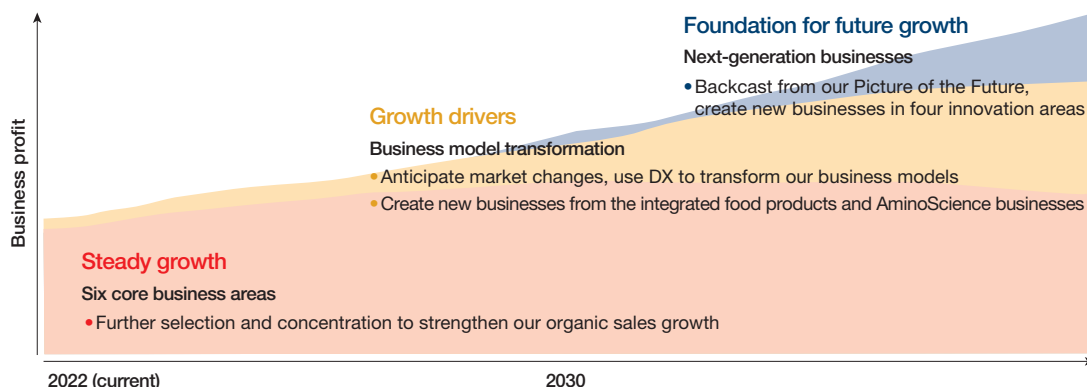
transformation into our processes. We forecast the combination of growth in our existing businesses and our business model transformation to add another roughly ¥16 billion in business profit in fiscal 2025.

In the Healthcare segment, we have formulated a unique liquid phase production method and developed oligonucleotide therapeutics, which have applications for treating intractable diseases, into a core business. We are also progressing with products with uses in advanced medical care fields, such as regenerative medicine and cell therapy. In addition, the integration of the food products and AminoScience businesses is opening many avenues for developing new medical food products, such as meals designed for people with metabolic syndrome in North America.

In the electronic materials business, we are stepping up forward-looking R&D investment in next-generation high-speed communications and new applications that will be used in a sustainable and smart society. We are also seeking to accelerate our growth by developing applications for digital technologies, such as for materials informatics. We have outlined specific scenarios for driving the growth of each business toward our 2030 targets.

In these successful business model transformations, we anticipated technological innovations that have had major impacts on social change and industrial structures and constructed ecosystems with partner companies to co-create social value and innovate solutions with economic structures that are unmatched by other companies. To develop these successes into templates for use throughout the Group, our business divisions and R&D and business development departments are working together to integrate the food products and AminoScience businesses to create groupwide business model transformation to address social issues and achieve the outcomes we are pursuing. For example, we are building business models for combining our amino science and digital technologies to use food for solutions

Scheme to raise corporate value



to health issues like lifestyle diseases and maintaining cognitive function with the outcome of people enjoying happy and flourishing lives. In 2021, we invested in the startup company Oishi Kenko Inc. with the aim of constructing an ecosystem with related companies.

We are also anticipating strong growth in the market for meat alternative products and have begun developing cultivated meat and plant-based meat alternative products.

In the emerging market for plant-based meat alternative products, we are developing new technologies in the integrated food products and AminoScience businesses that will broaden our business providing products with nutritional value and deliciousness. In addition, we have invested in startup DAIZ Inc. and SuperMeat the Essence of Meat Ltd. of Israel to build an ecosystem for developing and commercializing unique technologies for cultivated meats and low environmental impact protein. Through the Ajinomoto Group’s touchpoints with consumers around the world, we are building businesses to provide sustainable food products that are delicious, high in nutritional value, and catered to the local food cultures.

Backcasting to creating next-generation businesses contributing to our “Eat Well, Live Well.” aspiration

The rapid innovation in virtually all industries is triggering major changes in the industrial structure. Our mission is to contribute to the health of the earth and society and help people “Eat Well, Live Well.” To create an image of what we want the Ajinomoto Group to be in the future, we have projected forward from the megatrends in the earth’s environment, society, consumers, and technology to create a Picture of the Future how we expect the world to look in 2030 and beyond. We see opportunities for business growth in all categories from contributing to the earth’s environment to the growing markets for healthcare and information technology, and pursuing innovations in the digital, bioscience, and sustainability fields. We then backcast from our future image of the Group and defined four areas of innovation from the perspectives of the markets and consumers: healthcare, food and wellness, information and communications technology

(ICT), and green innovation. We are creating detailed images for the Group in each of these areas toward which we will use to guide aggressive investment in research and business development to create next-generation businesses that contribute to a sustainable society.

The objective of our innovation in healthcare is to help realize healthy 100-year lifespans. We are using the Group’s unique abilities to create a solution business that extends healthy life expectancy by providing early disease prediction and prevention and supports sustainable healthcare systems. Innovation in the food and wellness field will seek to create foods that support mental and physical health and happiness. These are natural areas for the Group to take the initiative, and will seek to deliver customer experience value that tangibly adds to personal health and happiness in ways suitable to the lifestyle and culture of each country and region.

Innovation in ICT will be aimed at contributing to environmentally conscious smart societies. One way we are doing that is by participating in the IOWN® Consortium, which is working to develop high-speed, low-energy optical communication systems for a sustainable and smart ICT society.

Our green innovation will seek to create businesses that contribute to “the earth, society, and future generations.” Constructing food systems that preserve the global environment and support the health of a global population expected to reach 10 billion in 2050 is the very definition of ASV. We are also working to create green amino acid production methods that account for the environmental footprints of manufacturing processes, form supply chains that coexist and harmonize with nature with carbon-neutral biocycles, and construct complete and recirculating local ecosystems that minimize the unnecessary distribution of goods.

At the Group’s amino acid plant in Thailand, we are engineering a low-impact, on-site ammonia production and supply system, which was developed by Tsubame BHB Co., Ltd., a company we established with the Tokyo Institute of Technology in 2017. The innovative ammonia production system features significantly lower CO2 emissions and will mark a major step toward fulfilling the SDGs.

Our overall vision for the four innovation areas embodies how we see the Ajinomoto Group contributing to sustainable society in the future, and we will continue bringing that vision into clearer focus as we progress toward fulfilling our objectives.

* Innovative Optical and Wireless Network (IOWN[®]) is a registered trademark of NTT Corporation.

Contributing Ajinomoto Group value creation to create a sustainable society

Realizing the sustainable growth we are seeking to establish will require that we refine our unique strengths. The source of our strength and our most important intangible asset is our human resources. Our human resources are invaluable. I want the Group to create a corporate culture of innovation in which we all share the Group mission to “unlock the power of amino acids to resolve the food and health issues” and everyone is highly motivated and excited about the challenge we are pursuing to create social value. Innovation also requires a blending of different values, and that is why we will continue promoting diversity and inclusion.

Amino acids are vital elements of the earth, humankind, and life. Since its founding, the Ajinomoto Group’s efforts to thoroughly explore the power of amino acids have created new value that has resolved various social issues. The technology assets we have developed along the way are also one of the Group’s strengths and are the foundation of value creation. Our pursuit of “unlocking the power of amino acids” has involved a wide range of technical fields and has resulted in a diverse menu of unique platform technologies, including our Deliciousness Technologies and leading-edge bioscience and fine chemical technologies. Continuing to advance

and intertwine these technologies will lead to innovation that will make it possible for us to create value that is unmatched by other companies.

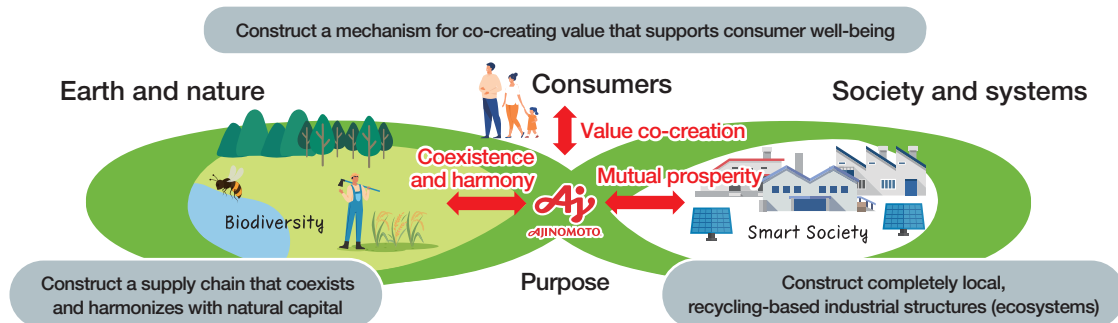
In the food products business, we have developed the Deliciousness Technologies and promoted marketing and product development geared to the national and regional cultures and lifestyles encompassing some 700 million people worldwide, giving us an unparalleled strength in business development. One of our unique strengths in our Healthcare and Electronic Materials businesses is our ability to anticipate innovation that will lead to changes in the industrial structure by developing leading-edge bioscience and fine chemical technologies. This foresight enables us to create a business model for developing products and services with unmatched value. We will further hone these strengths with innovation and DX to create businesses with social value that contribute to the well-being of the earth and humankind.

I also believe that our active efforts to use open innovation to co-create social value is another unique strength of the Group. To fulfill our mission to “unlock the power of amino acids to resolve the food and health issues,” we will form an ecosystem of companies, new startup firms, academia, local communities, and consumers that share our objective so we work together to create social value.

This is our vision for the Ajinomoto Group in 10 years and beyond, when we are using our unique strengths for the well-being of the earth, society, and all people and are working with local communities and consumers in a shared purpose of creating social value. This initiative is ASV management, and I believe it is the path for the Group to create value that contributes to realizing a sustainable society and enhancing our corporate value.

Our vision realized through four innovation areas

Using our businesses to co-create value with local communities and consumers for the well-being of the earth, society, and people



Advancing business model transformation across all businesses

The Ajinomoto Group is working to create innovative businesses and services across businesses. While anticipating external environment changes at our customers and in society and industry, we are linking our existing businesses to develop new businesses that will contribute to profits beyond fiscal 2025.

Case 1: Working with customers to create solutions for new medical care modalities

The Group's Bio-Pharma Services (contracted pharmaceuticals manufacturing services) have mainly consisted of producing pharmaceutical intermediates following a process received from the client pharmaceuticals company. However, we are currently shifting to using our own proprietary technologies in a business model where we work with clients to co-create solutions beginning at the R&D stage.

As various advanced medical care modalities emerge around the world, demand is growing for the active pharmaceutical ingredients (APIs) needed to realize the modalities. Anticipating particularly strong growth in the market for oligonucleotide therapeutics, we are developing AJIPHASE® and other unique drug production technologies for services to provide APIs for intractable disease treatments and advance development of medium- and large-molecule drug such as protein and antibody-drug conjugates as well as to apply the technologies to the fields of mRNA and gene therapy and vaccine therapy.

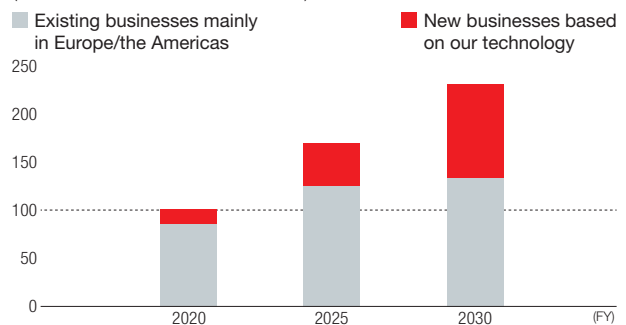
We are also working on a cell therapy support business for regenerative medicine and cell therapy. In culture medium for regenerative medicine, we are working

with the Center for iPS Cell Research and Application at Kyoto University and other leading research institutes in regenerative medicine to create a development ecosystem that will provide high-quality, high-performance medium for iPS cells needed for clinical development activities.

We provide the de facto standard in Japan for the clinical use of iPS-derived cell therapy products, and we are actively expanding our services overseas to contribute to the health of people around the world.

Growth plan for Bio-Pharma Services business

(Based on FY2020 sales as 100)



The Ajinomoto Group and advanced medical care modalities

Ajinomoto Group solutions		Advanced medical care modalities	
AJIPHASE®	Proprietary efficient manufacturing technology for oligonucleotides, which have an expanding market as a therapeutic agent for intractable diseases	Oligonucleotides	
TALAMAX®	Attracting attention as a manufacturing technology for antibody mimetics proteins and antibodies without sugar chains	Protein	
AJICAP	Breakthrough technology to control the number of drugs that bind to antibodies	Antibody drug conjugates	
RNA fermentation production technology	mRNA is attracting attention for novel coronavirus vaccines	mRNA, gene therapy and vaccine therapy	
Culture medium for regenerative medicine Culture growth factors	Medium for iPS cells contributes to clinical development as the de facto standard in Japan	Cell therapy using iPS cells and mesenchymal stem cells	<p>Cultivation of iPS cells → Differentiation into organ cells → Treatment of each organ (Eyes, Heart)</p>

Case 2: Accelerating development of electronic materials for emerging technologies

The Electronic Materials business is the result of a successful business model that grew out of the specialty chemicals business.

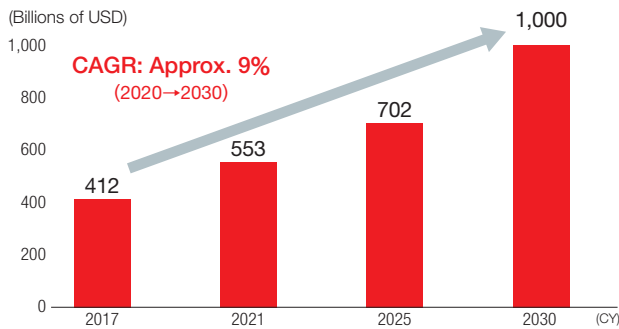
The business has been growing in tandem with the semiconductor market and its main product, *Ajinomoto Build-up Film® (ABF)*, an interlayer insulating material for semiconductor packages, has become the industry standard as a core component of semiconductor package substrates used in personal computers and servers.

We are applying our materials informatics* and other digital technologies to accelerate development of the

next-generation ABFs and advanced materials with the functions needed to make each subsequent technology generation faster, larger capacity, smaller, and more energy efficient. We are also participating in the development of a co-creation ecosystem in the semiconductor industry that will bring about the transformation needed for high-speed communications in future societies.

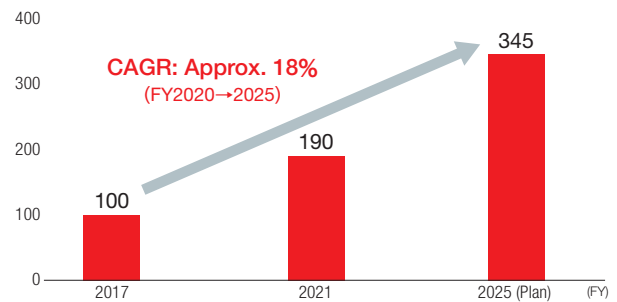
* Informatics using statistical analysis to search for new materials from a large volume of data.

Global semiconductor market trends



ABF shipment quantity transition

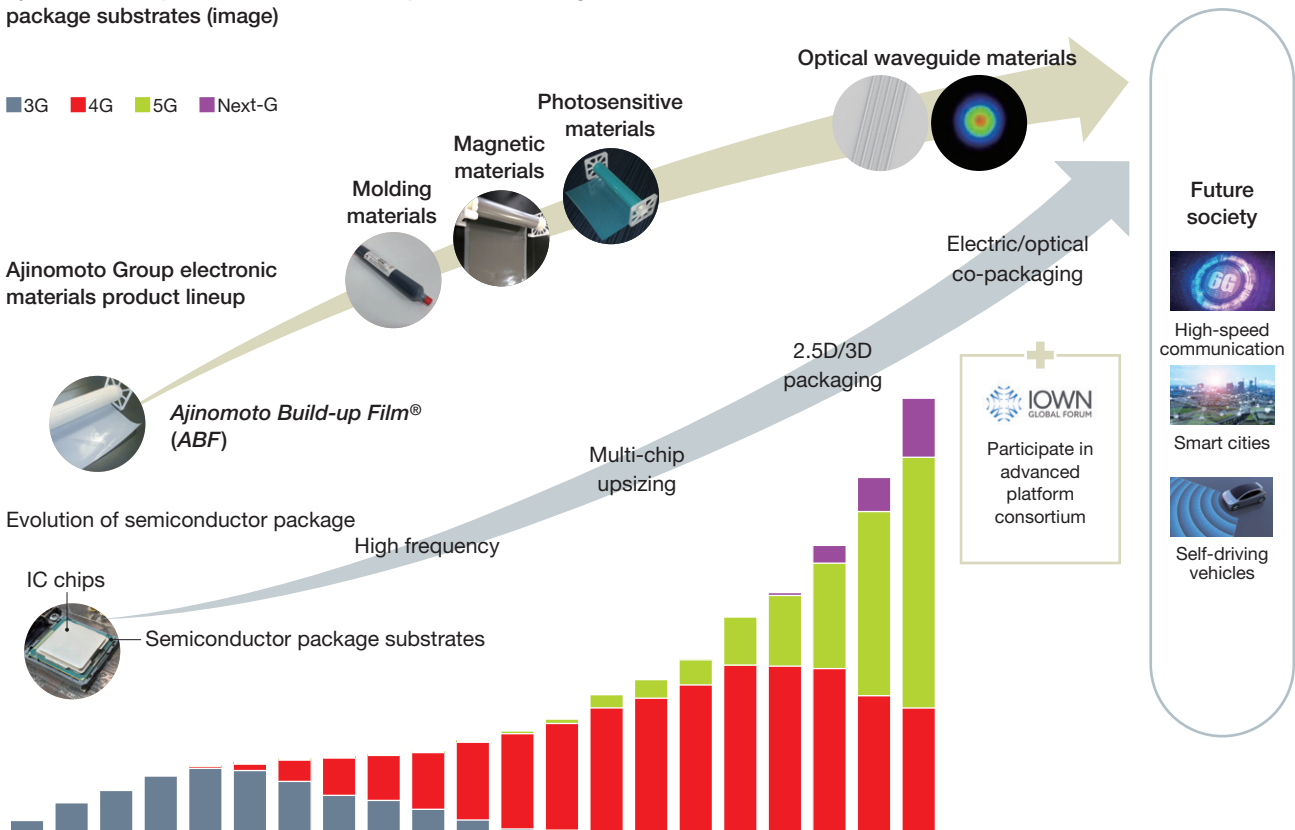
(Estimate provided the shipment volume in FY2017 as 100)



World Semiconductor Trade Statistics (WSTS) (Spring 2021)

Semiconductor Market Analysis, Market research firm International Business Strategies, Inc. (IBS) (January 2021)

Ajinomoto Group electronic materials shipments for each generation of semiconductor package substrates (image)



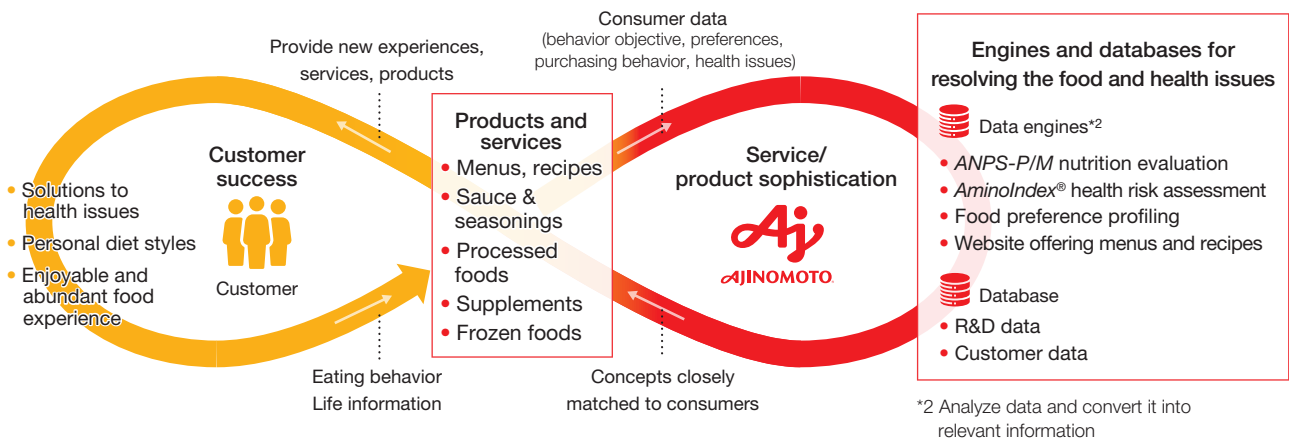
Case 3: Enhancing customer experiences with a combination of online and real services

We provide processed foods, supplements, and other physical products as well as online information for recipes and menu preparation in a multidimensional approach to helping customers address their health issues, create personal diet styles, and fully enjoy an abundant food experience. We will use our data engines and database for profiling food preferences, applying the Ajinomoto Group Nutrient Profiling System (ANPS-P/M), conducting health risk evaluations, and proposing menus and recipes to link our services together to enhance customer experiences and provide sophisticated products and services that integrate the food products and Amino Science businesses.

An example is the use of our products and technology to aid in dementia prevention. We can use *AminoIndex*^{®*1} to analyze blood amino acids for risk of cognitive decline and our *Brain Health Diary for 100-year Life* that creates a scorecard for proposing dishes to help maintain brain function. We also offer our *No-katsu Seven Amino*[®] supplements and propose meals proven to help maintain and improve cognitive function. We are also working on menu ideas and supplements that can help maintain healthy carbohydrate levels for the prevention of diabetes.

*1 Our unique service that can assess with a single blood test the risk of the three major diseases and other conditions from the balance of amino acid concentration in blood

Customer experience evolution cycle

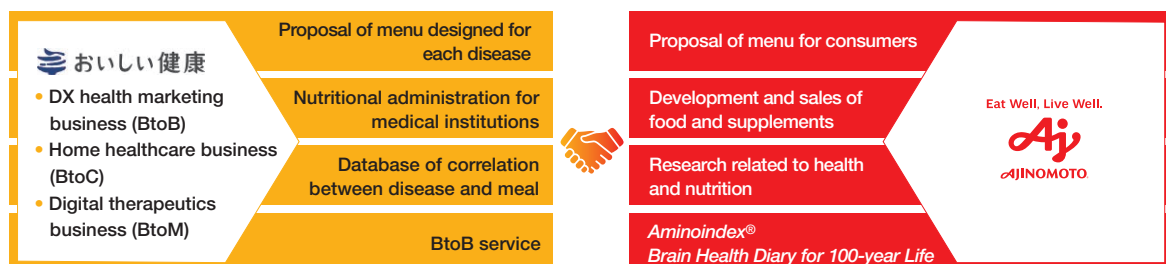


Investment in Oishi Kenko, a startup offering menus for specific health issues

As part of its strategy to engage in the co-creation of value, Ajinomoto Co., Inc. has conducted capital investment in Oishi Kenko Inc., a startup that offers menus catered to specific health issues. We plan to combine Oishi Kenko's expertise in online food and health services with our Deliciousness Technologies and our expertise and R&D capabilities in amino acid nutritional and physiological functions. Together, we will develop solutions for consumers battling unhealthy dietary habits and for patients with lifestyle diseases and to help realize dietary lifestyles that are delicious, healthy, and personal.



Example of a menu proposal

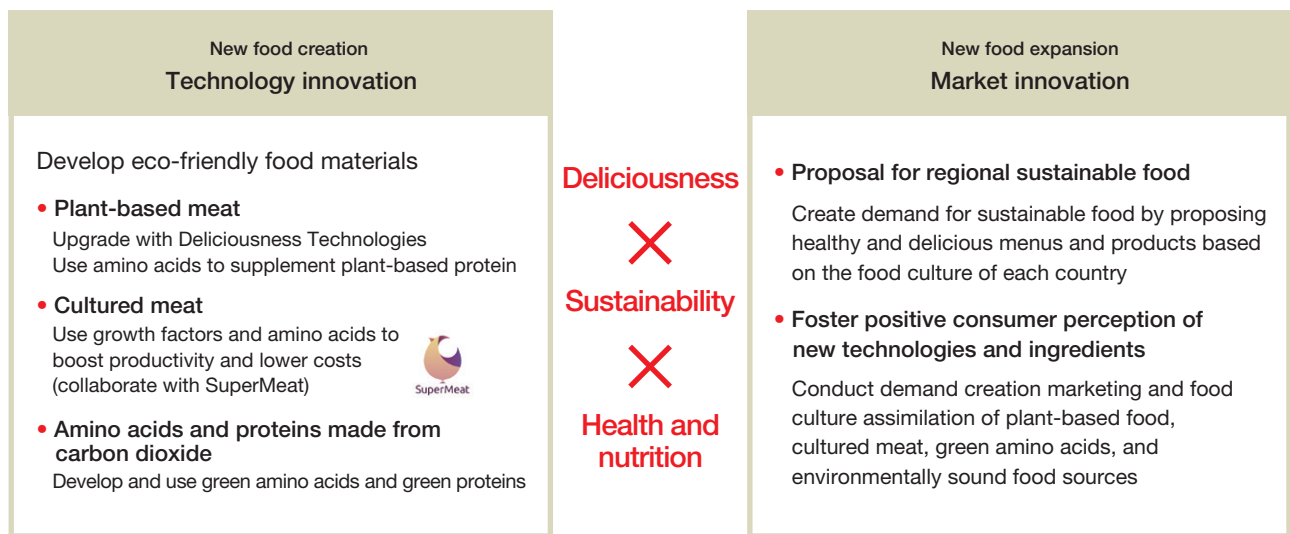


Case 4: Building a sustainable food system that only the Ajinomoto Group can

The growing demand for animal protein is creating a future scenario of supply shortages and growing environmental burden from food production, which is leading to increasing attention on plant-based meat alternatives and cultured meat. The Ajinomoto Group is contributing to solutions for various environmentally conscious food materials, including offering amino acids for healthy and nutritious plant-based meat alternatives, providing development and production services for delicious and

cost-effective cultured meat, and developing and using amino acids and proteins made from carbon dioxide.

We are also actively collaborating with startup companies in this emerging industry. Our objective is to construct a sustainable food system by proposing sustainable foods developed in consideration of local country and regional food cultures, health, and the environment, and by the fostering of positive consumer perception of new technologies and ingredients.



Investment in cultured-meat startup SuperMeat

Ajinomoto Co., Inc. entered a capital investment in March 2022 with the Israeli food tech company SuperMeat the Essence of Meat Ltd. (“SuperMeat”), which is developing and producing cultured meat. We will contribute our solutions expertise to SuperMeat as it seeks to commercialize, develop technologies and materials, and construct a value chain for cultured meat.



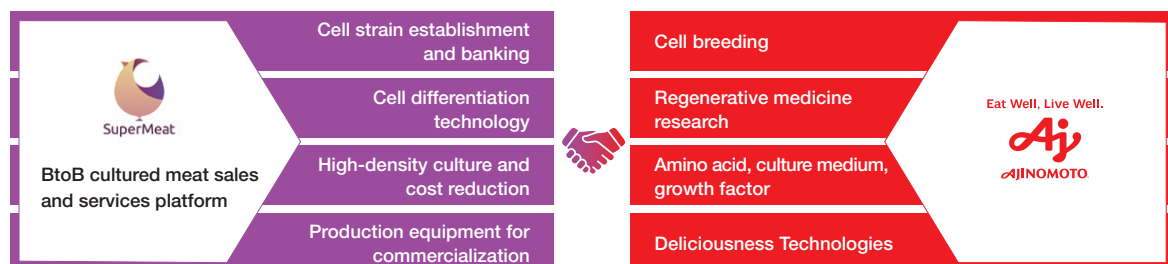
Cultured meat hamburger



Pilot plant



Dining venue adjoining to the pilot plant



Actions for the future rooted in environmental awareness

The structure of industry is undergoing monumental changes in a worldwide movement to address global social issues. The Ajinomoto Group has identified megatrends we see influencing industries through 2030 and beyond and has defined four innovation areas where we can best use our business to address social issues and fulfill our vision.

Our focus on megatrends

We have categorized four domains for innovation—people/consumers, social systems, global environment, and technology—in the megatrends that affect our business, which include the growing global population, changes in

geopolitical social conditions, extending healthy life expectancy with medical advances, intensifying global environmental issues, and evolving social, industrial, and health conditions with advances in technology.

Growing world population

Population over age 65*1

1.5 billion

Transition to the new normal after the COVID-19 pandemic

- Changing consumer behavior
- Increased awareness of hygiene and health management
- Increased awareness of the stable supply of goods
- Social fragmentation
- Increasing occasions of eating alone
- Promotion of Green Recovery

Insufficient food production

Needed increases in food production from 2012 to 2050*2

+50%

Climate change

Global average temperature by 2100*3

+4.8°C

Accelerated use of digital technologies

- Emergence of new business opportunities and competition
- Changes in the way information, products and services are provided
- Increasing opportunities for direct communication with consumers
- Increasing influence of Generation Z

People/consumers

Growing global population/increasing urbanization/GenZ/health consciousness/100-year lifespans/extending healthy life expectancy/diversifying personal preferences/well-being

Social systems

Seamless, global distribution of people, products, and money/geopolitical situations/national self-sufficiency/nationalism/digital economic zones/AI automated decision-making

Global environment

Reinforcement of CO₂ emission regulations/diminishing secure food resources/agricultural reform/development of alternative energy resources/cyclic production/prediction and prevention of large-scale disasters

Technology

Maturity of AI/data acquisition competition/singularity/digital technologies/biotechnologies/renewable energy sources

*1 United Nations (UN), 2020 *2 Food and Agriculture Organization of the UN, 2017 *3 Intergovernmental Panel on Climate Change, 2013

Creating next-generation businesses in the four innovation areas

For a business environment that we expect to be radically different under the four megatrends, the Ajinomoto Group has created multiple future scenarios and a Picture of the Future based on our vision of social issues and consumer needs in

2030. In that picture, we have determined the areas where we can contribute to supporting and improving people's lives and categorized them into four innovation areas where we can begin now to create next-generation businesses.

Future Domain 1

- Contributing to food and healthcare for 100-year healthy lives
- Contributing to developing advanced medical modalities

Gather and visualize personal data from genes to daily behavior data, provide value for maintaining health to a wide range of consumers

Healthcare innovation

Anticipating new modalities of medical care and health evaluation, formulating solution-type businesses

Anticipate new modalities of medical and health evaluations and construct solution-type businesses for the new modalities. This domain includes the leading-edge bio and cell therapy business, which we are already working on as part of our business model transformation.



Future Domain 2

- Contributing to well-being in daily life and throughout life

Create a new customer experience that makes it fun to eliminate the negative aspects of pain and increases enjoyment

Food and wellness innovation

Contributing through food to mental and physical health and happiness

In the food and wellness domain, contribute health solutions, personalization, and a sense of enjoyment in the food business. This domain includes personal nutrition and new businesses providing customer experience value that links food with enjoyment, both of which are part of our business model transformation.



Future Domain 3

- Using our business models to contribute to social system reform

Construct a digital management platform and explore the potential of comprehensive AI management

ICT innovation

Establishing sustainable and accelerating growth for the Electronic Materials business

Establish sustainable and accelerating growth for the electronic materials business, one of our six core businesses.



Future Domain 4

- Creating sustainability systems contributing to the sustainability of the earth

Reduce our environmental footprint by transforming our value chain, and create added value by protecting the environment and creating sustainable food resources

Green innovation

Reforming the biocycle in our amino acid production and creating businesses contributing to the food system

Innovate in amino acid production biocycles that go beyond carbon-neutral to carbon-negative, and create businesses that contribute to realizing sustainable food systems.



Next-generation businesses under development



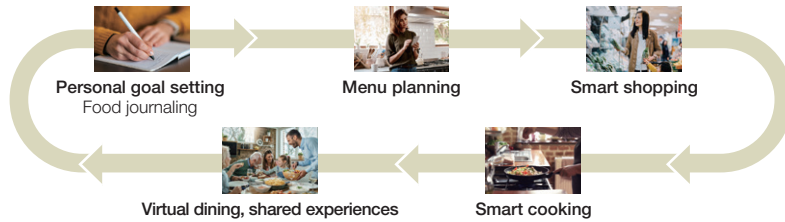
Healthcare innovation
Visualization of future health risks to move from treatment to prevention

We are aiming to achieve radical advances in treatments for intractable diseases and in personalized medicine by 2030. For the era beyond 2030 with 150-year lifespans, we are aiming to provide disease prevention solutions that predict and avoid disease risk on a personalized level.



Food and wellness innovation
Create a cycle that enhances all food experiences

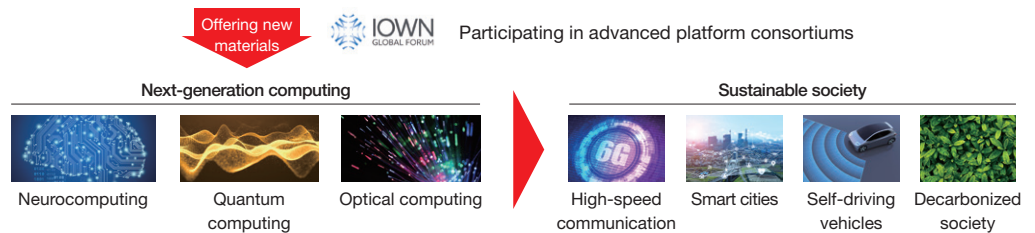
We aim to enhance customer experience value by enabling food experience journeys through menus, meal planning, shopping, food preparation, and individual and group dining in a society where people realize wellness by easy access to products and services that meet personal preferences and health needs.



ICT innovation
Offering electronic materials for the next-generation communication environment

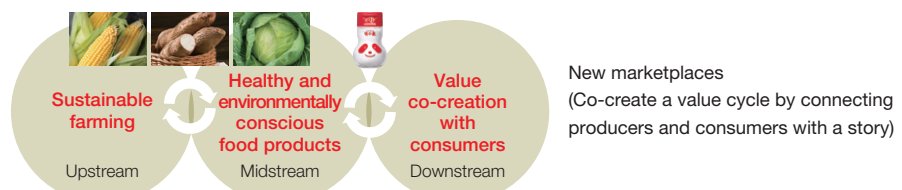
With the coming of a digital twin* society when everything in our daily lives is linked to data, we are advancing optical, quantum, neurocomputing, and other future processing technologies and developing businesses in electronic materials for optical communication.

* A technology that collects information on things and the environment from real spaces and reproduces them in cyberspace.



Green innovation
Building a value chain that contributes to the global environment

We will use the sustainable bioprocess we are developing to propose carbon-neutral and carbon-negative amino acid production processes, new meat production techniques such as air protein and cultured meat, and healthy and environmentally conscious food products and food cultures.



Enhance Intangible Assets

Human Assets Technology Assets Customer Assets

Strengthening intangible assets to generate future value

Intangible assets are indispensable to enhancing corporate value. The Ajinomoto Group has set the intangible assets of organizational assets, human assets, technology assets, and customer assets as its four core assets and is working to strengthen each one.

Vision

Contribute to greater wellness for people worldwide, unlocking the power of amino acids to resolve the food and health issues associated with dietary habits and aging.



Intangible assets

Organizational assets

Human assets

Technology assets

Customer assets

> P.31

> P.39

> P.41

Soil = Corporate culture

Human assets

To accelerate the evolution of ASV management, we are increasing investment in human resources and working to promote diversity and inclusion in an effort to speed up innovation.

Enhance corporate value by ensuring individuals and organizations to grow in a synchronized manner

The Ajinomoto Group understands that human assets are the driving force behind efforts to enhance the value of its intangible assets and for this reason we have been working to further enhance human assets in terms of individuals and organizations.

Our enhancement of individuals involves fostering talent working to achieve ASV based on a process of understanding the points connecting the purposes of the Company and the individual by promoting motivation and personal growth through the individual's own autonomous efforts to tackle new challenges. As to organizations, we seek to co-create value with stakeholders who empathize with our purpose while

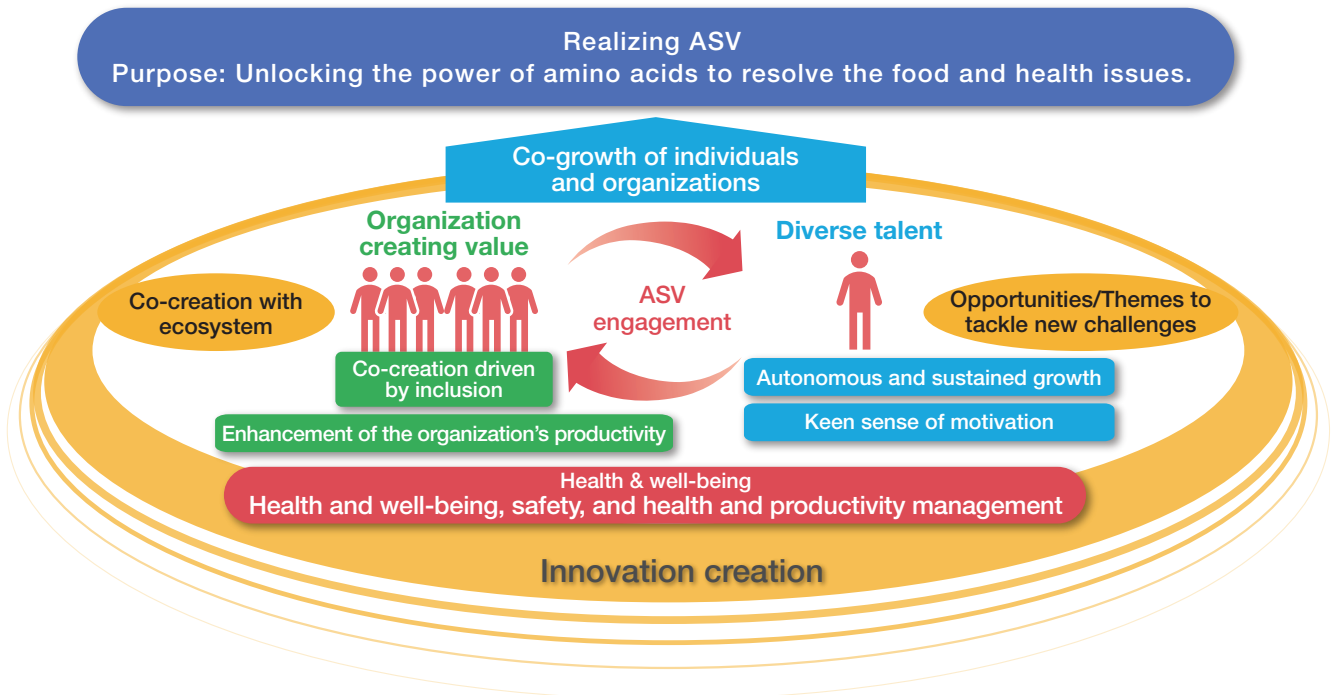
promoting inclusivity among our diverse workforce and raising productivity.

The vision that we hope to achieve through this process is that human resources and organizations enhance corporate value by co-growth of individuals and organizations, while employees who empathize with ASV and our purpose are motivated by their contributions to value for customers and society through their own efforts to tackle challenges and co-creation.

Looking ahead, we will work to enhance our human assets and corporate value, while visualizing the process for ASV management, by backcasting KPIs for achieving our talent management policy from our vision.

Talent management policy

Human resources and organizations that help to enhance corporate value by co-growth of individuals and organizations and where employees who empathize with ASV and our purpose are motivated by their contributions to value for customers and society through their own efforts to tackle challenges and co-creation



Measures to enhance ASV as one's own initiative

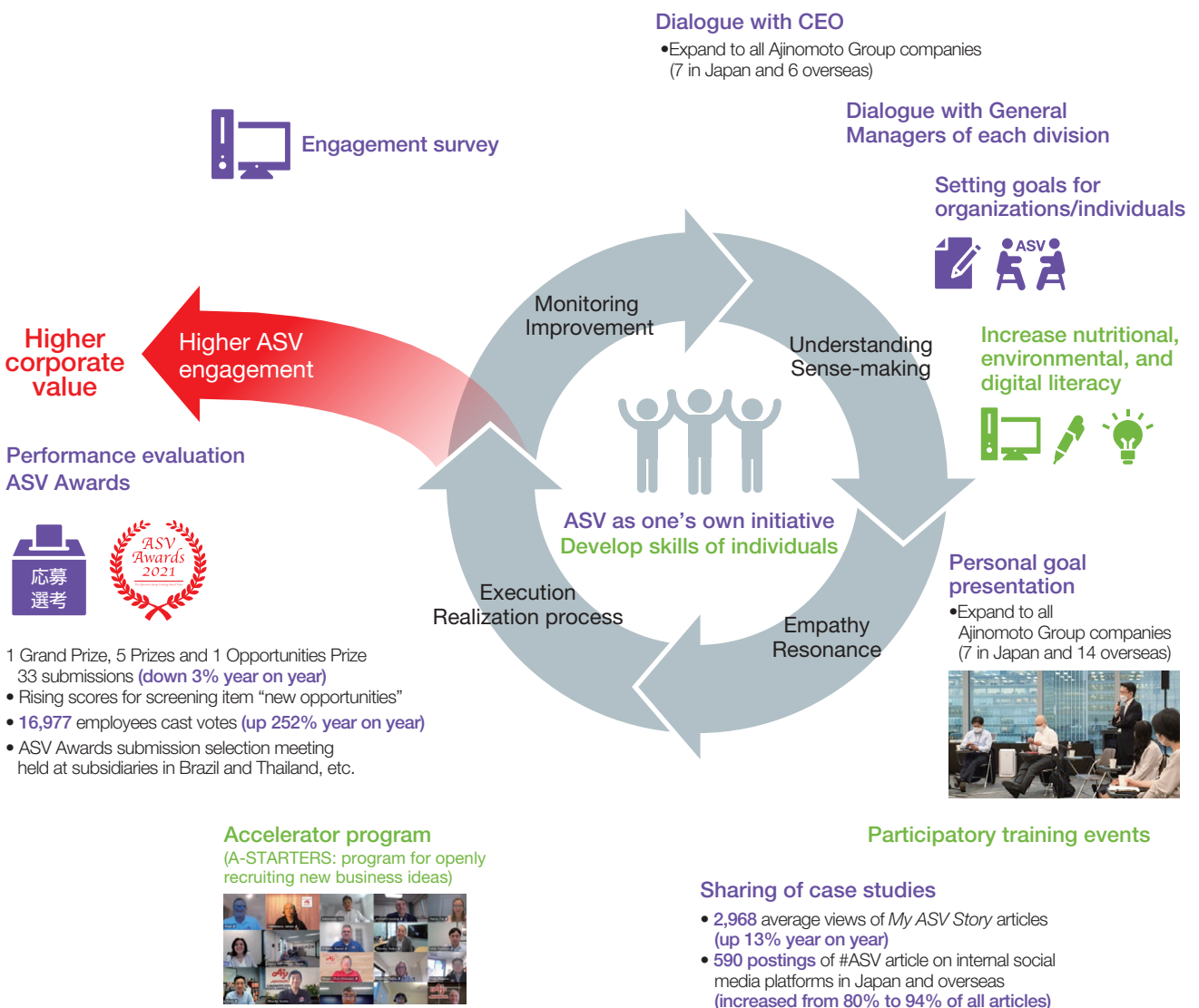
The idea of ASV as one's own initiative helps to speed up ASV realization. Toward this end, we are implementing a number of initiatives under our management cycle for ASV results creation. For example, we held Dialogue with CEO sessions 44 times in fiscal 2021, involving 53 departments at Ajinomoto Co., Inc. along with seven Group companies in Japan and six overseas, reaching a total of 724 employees. We held Dialogue with General Managers of each division 74 times with total attendance of 4,553 employees. As these sessions have expanded, we have seen their importance grow as dialogue is now reflected in actual measures. Starting in fiscal 2021, we held dialogue sessions with management and personal goal presentations at our main Group companies in

Japan and overseas.

The employee engagement score (ASV as one's own initiative) declined three points year on year to 61% in fiscal 2021. Nevertheless, we saw greater employee participation including an increase in employee voting for the ASV Awards that recognize good practices and the holding of pre-selection meetings in Thailand and Brazil for award submissions.

Fiscal 2022 marks the third year of our management cycle. This year we intend to evolve the personal goal presentation and other venues as a place to foster talent and promote collaboration beyond organizational lines aimed at further enhancing the idea of ASV as one's own initiative.

Management cycle for ASV results creation (FY2021 results)



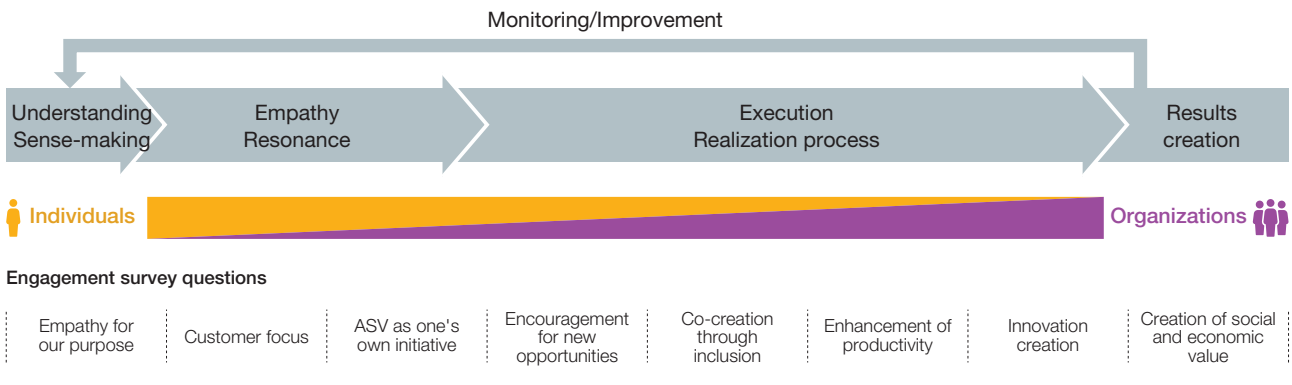
Visualizing the ASV achievement process of individuals and organizations

Previously, we used the employee engagement (ASV as one's own initiative) score as a priority KPI to measure the achievement of ASV. In fiscal 2022, in addition to the score for ASV as one's own initiative, as a new initiative we have begun measuring the progress of ASV management using the engagement survey to visualize the process leading up to ASV realization.

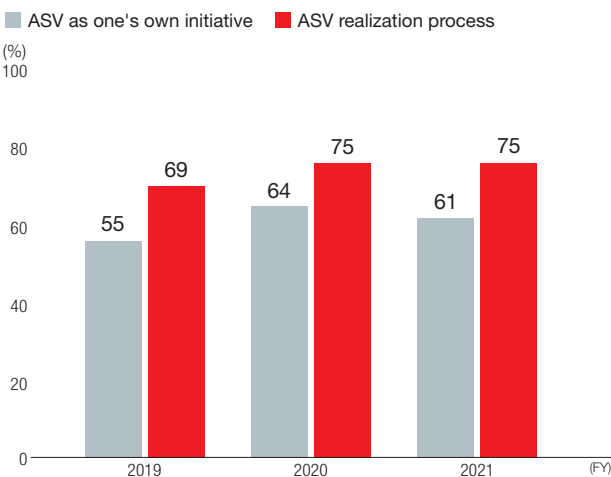
As a monitoring method, we tabulate and analyze the scores for questions on individuals' "empathy for our purpose," "ASV as one's own initiative," and "encouragement for new opportunities" along with questions on organizational management benefiting "inclusion" and "innovation" in the engagement survey

conducted every year. After visualizing each step up to results creation as a company, related questions and scores from the ASV understanding and sense-making of individuals, we compare the results with global high-performance companies and benchmarks for each country and conduct a comparison within the Group based on age, gender, department, and company. This enables us to clarify the issues of each company and organization and utilize this as data useful for countermeasures. Visualizing the passion of employees toward ASV realization and organizational culture and management allows us to continuously enhance human assets, evolve ASV and improve corporate value.

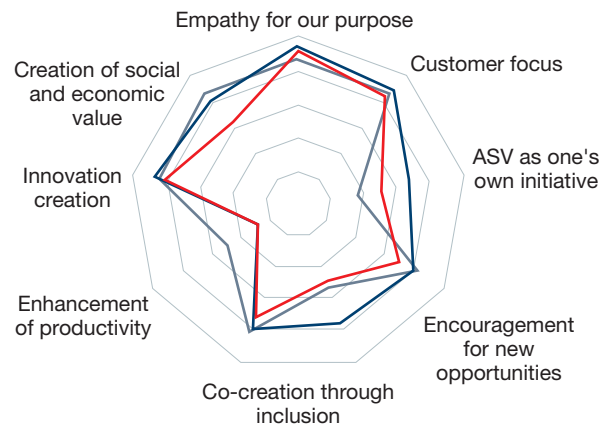
ASV realization process



Engagement survey score



Visualization of relevant engagement survey score (example of previous fiscal year comparison)



FOCUS

Correlation analysis of employee engagement and performance

We conducted a correlation analysis with performance based on the results of the previous three engagement surveys. The results indicated that scores for “empathy for our purpose,” “customer focus,” and “enhancement of productivity” correlate with sales and business profit.

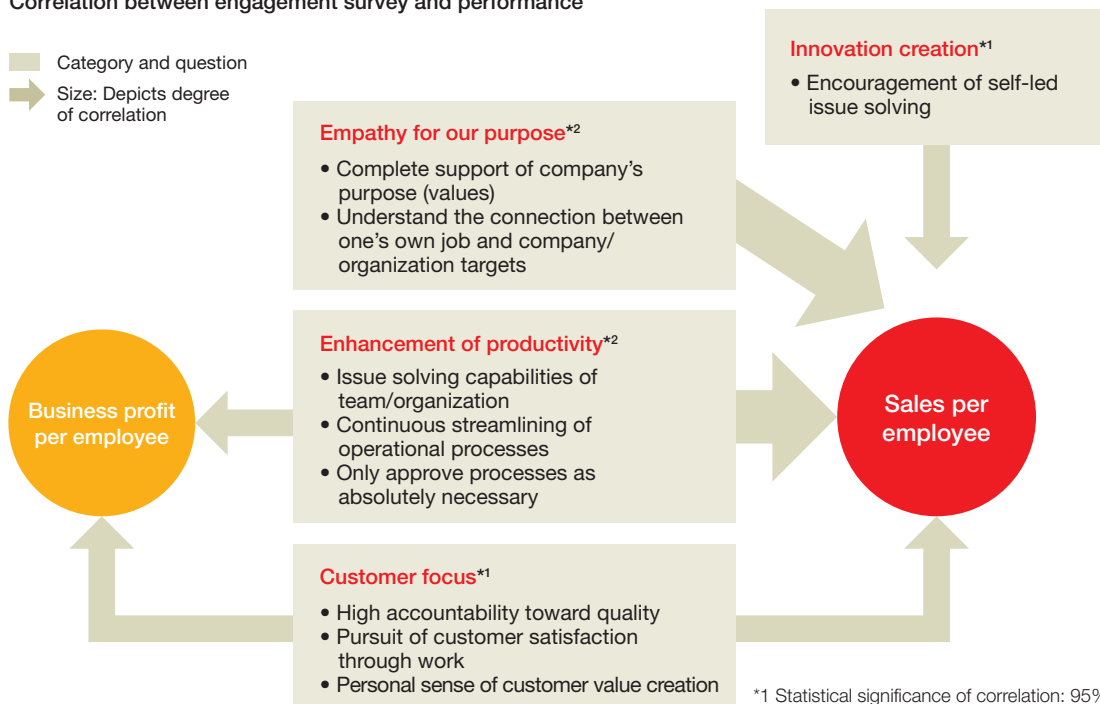
The greatest correlation with sales per employee were scores for “empathy for our purpose” and “enhancement of productivity” followed by “customer focus” and “innovation creation.” As for

business profit per employee, correlation was observed with scores related to “enhancement of productivity” and “customer focus.”

In the future, we will increase the accuracy of analysis by accumulating larger amounts of data. In turn, we will strengthen talent and organizational management linked with improved performance and utilize information from the engagement survey to realize ASV.

Correlation between engagement survey and performance

- Category and question
- Size: Depicts degree of correlation



*1 Statistical significance of correlation: 95%

*2 Statistical significance of correlation: 99%



Diversity and inclusion at the Ajinomoto Group

The Group recognizes the importance of inclusion that respects the diverse experiences and specialization of its workforce irrespective of such concepts as gender, age, and nationality, and that embraces and utilizes diverse viewpoints. Such inclusion fosters a corporate culture that accelerates innovation, achieves value co-creation, and encourages self-led action. Therefore, we are currently focusing on cross-sectional human resource exchange between business divisions with different specialties. Until now, we have assigned employees with R&D experience to business departments to enhance our ability to produce business concepts and assigned employees from the AminoScience Division to the Food Products Division to combine novel technologies and know-how. In fiscal 2022, to further accelerate the integration of the food products and AminoScience businesses, we will reflect cross-sectional approaches in mechanisms and measures for recruitment, assignment, development, and at the same time, utilize our HR information system to

quantitatively measure the progress of our initiatives.

Additionally, in Japan we continue to support the careers development of women. Through AjiPanna Academy, a mechanism for development of female human resources launched in fiscal 2020, we have held career workshops, college, and mentor program for a total of 292 female employees to date. We will continue to expand our pipeline of leadership talent and key decision makers.

Percentage of female directors and line managers (Ajinomoto Co., Inc.)

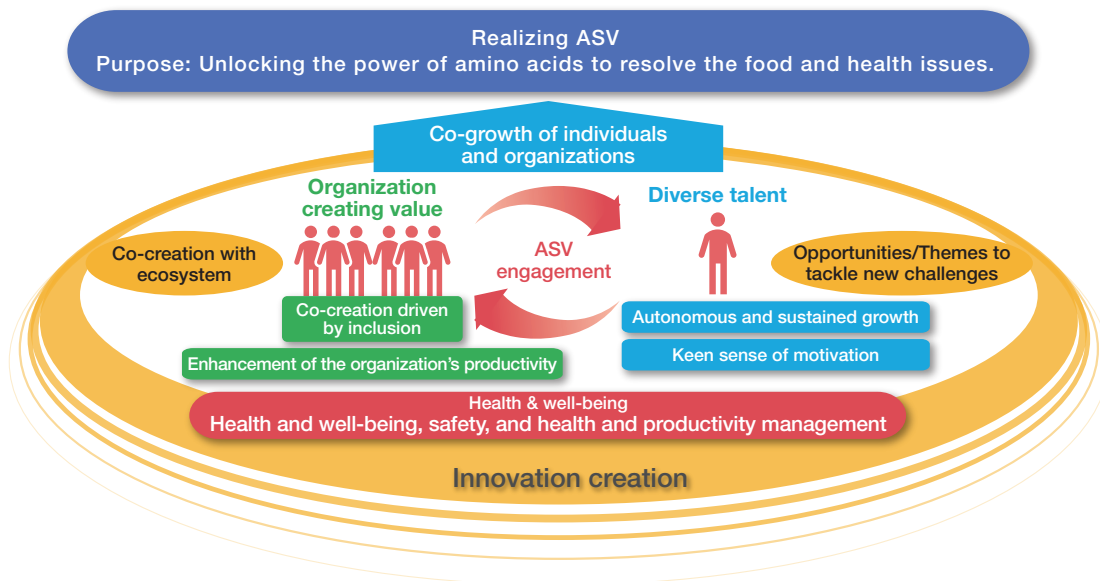
Percentage of female directors



Percentage of female line managers



D&I management for elevating human assets



One team inclusion

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

Diverse talent

- Attribution: Gender, age, nationality, LGBT, disability, etc.
- Experience/Skills:
 - ✓ Cross-sectional human resources (food products x AminoScience, business x R&D, etc.)
 - ✓ Specialist human resources (specialist knowledge/skills in each domain)

HR investment and effects

We are stepping up investment in human assets to strengthen our workforce, considered an important asset for long-term value creation.

Ajinomoto Co., Inc. increased its human resource investment per employee for training and HR system costs including DX, nutritional, and environmental literacy for realizing our vision from ¥222,000 in fiscal 2020 to ¥249,000 in fiscal 2021. Moreover, since initiating the calculation of not only direct costs associated with human resource investment but also opportunity costs determined by multiplying hourly pay by total number of hours of participation (personnel costs/Number of employees [manager + non-manager]), emphasizing visualization of human resource development opportunities received by individuals, the opportunity cost

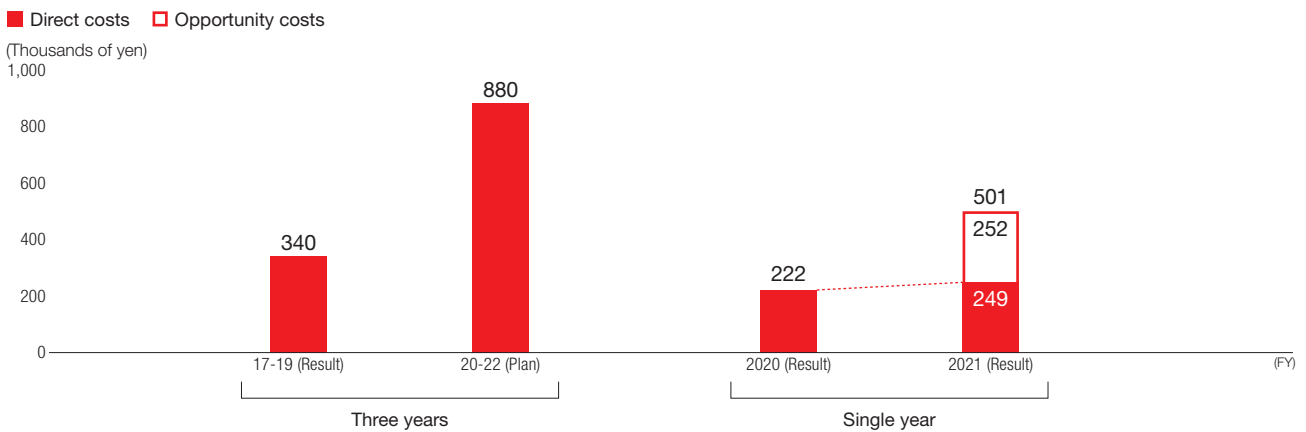
per employee for fiscal 2021 totaled ¥252,000. From fiscal 2022, we have initiated similar monitoring at our main Group companies.

As for productivity, which is an outcome of human resource investment, in conjunction with our management policy to emphasize growth and efficiency, we began monitoring consolidated business profit per hour*1, in addition to the conventional consolidated sales per hour*2. We will continue to monitor the effects of human resource investment because they are expected to appear several years later, and will find ways to roll out effective human resource measures and investments.

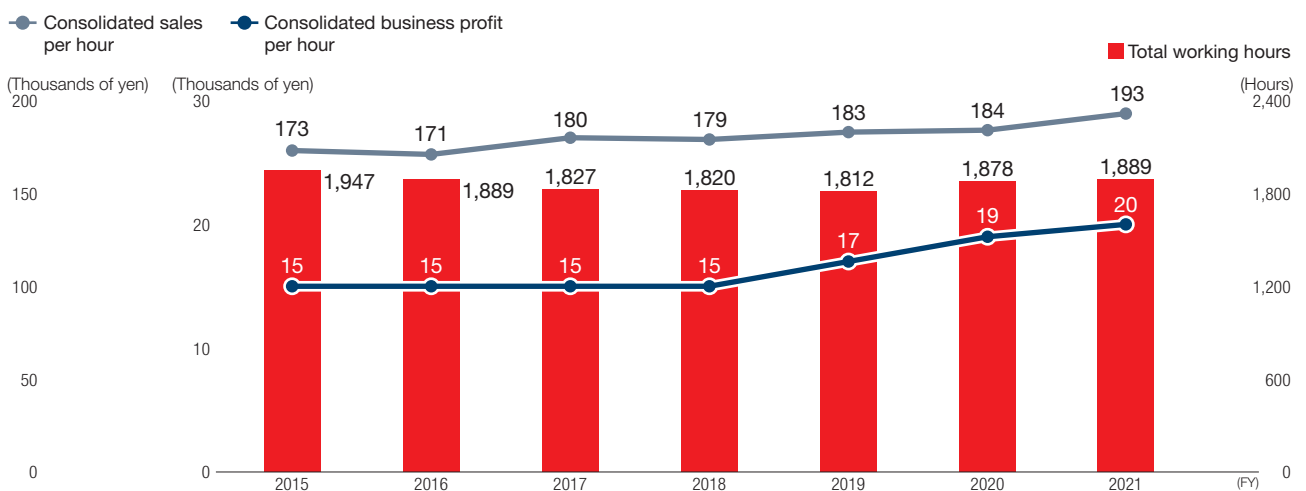
*1 Consolidated business profit ÷ (Number of employees of Ajinomoto Co., Inc. x Total working hours)

*2 Consolidated sales ÷ (Number of employees of Ajinomoto Co., Inc. x Total working hours)

HR spending per employee (Ajinomoto Co., Inc.)



Consolidated sales/Consolidated business profit per hour



ASV Awards recognizing best practices for realizing ASV

The ASV Awards program commends particularly excellent examples of initiatives that embody ASV. The program's aim is to promote ASV as one's own initiative by recognizing and sharing best practices for realizing ASV. In fiscal 2021, the sixth year that the awards have been presented, we added the new Opportunities Prize to recognize efforts to generate innovation even if the value created in the near future is small. We also promoted the online voting for the awards, and the number of employee votes received online increased to a cumulative total of 16,977, an increase of 252% (vs. fiscal 2020).



The fiscal 2021 ASV Awards Grand Prize

The fiscal 2021 ASV Awards Grand Prize was awarded to the *Smart Salt* project for “delicious salt reduction” using umami and *dashi* broth and for addressing the global health issue of excess dietary sodium intake. The initiative was chosen from a field of 33 praiseworthy entrants.

The *Smart Salt* initiative includes conducting online advertising aimed at specific customer clusters, developing tasty, reduced-salt products, educating employees, and constructing ecosystems with local governments, distributors, and academia. Know-how accumulated in Japan is being shared with Group companies overseas with the aims of increasing the number of people following low-salt diets and increasing Group sales of low-salt products. Sales of low-salt products have grown markedly compared to two years before the initiative's launch, and the number of consumers following low-salt diets (purchasing low-salt products) has grown by 1.54 million in Japan, including 570,000 younger consumers, who generally have little awareness of food sodium content.



Award-winning features

- Achieved scale-up by linking research results to commercialization and social implementation
- Unwavering perseverance to create results
- Marketing success using customer clustering and stimulating behavioral change for low-awareness groups

Comment from an award recipient

Our biggest challenge with this project was stimulating awareness of salt reduction among people who are not at an age when salt is usually considered an issue. They have few opportunities to become aware of the amount of salt in their food and basically need to become aware of it on their own, which meant the usual communication tools would not be much help. We decided that we had to use the very latest digital methods, and so we used trial and error to find the most effective messages. It was a real challenge, but we were determined to succeed because we had seen the results of fact-finding surveys about salt reduction in various countries. People everywhere had the same reservations about reducing salt. They know it's important for health, but salt-reduced food doesn't taste as good, and it takes effort so it's hard to continue. We were driven to make it work in Japan because we knew that if we could succeed here, then we can apply it around the world and help people everywhere attain better health. I'm excited about increasing the partners for this initiative so we can help extend healthy life expectancy worldwide.



Kazumi Tateyama (left in photo) and member Sauce & Seasonings Department Ajinomoto Co., Inc.



Active communication between outside judges and employees

Every year, the Ajinomoto Group invites a panel of outside judges to participate in the selection of ASV Awards winners. The direct Q&A sessions between the judges and award candidates are valuable opportunities for the judges to deepen their understanding of employee initiatives and for employees to gain new perspectives on their projects. Here, we present some of the conversations with the selection committee.

Outside judges for ASV Awards



Junko Edahiro
President
e's Inc.



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



Scott Davis
Professor
College of Business
Rikkyo University



Kimie Iwata
Outside Director
Ajinomoto Co., Inc.



Takashi Nawa
Outside Director
Ajinomoto Co., Inc.



George Nakayama
Outside Director
Ajinomoto Co., Inc.

Q Reduced plastic and improved product display with calendar-type packaging in Indonesia

This initiative had clear objectives to protect the environment and reduce costs. What was the biggest hurdle to making it a success?

A The biggest hurdle was getting final approval from all of the people in the related departments. This was a major change to package design that would affect all work sites. Getting approval to eliminate the inner plastic bag was huge, because it's basically the "last mile" for food products. Many people still believe the inner plastic bag is necessary, but in the end they all also strongly believed that we need to do something to help solve Indonesia's serious problem with marine plastics pollution.

Q Culture medium with the world's highest productivity and began supplying it to antibody drug manufacturers

What is the biggest factor that contributed to the project's success?

A The biggest factor was our company's knowledge of amino acids. The Ajinomoto Group's advanced analysis technology gives us highly detailed understanding of amino acids, such as the specific concentration of amino acids and how they are act in the cell culture process. We also have the huge benefit of being able to adjust the amino acids composition in accordance with the analysis results. In other words, the biggest factor was our ability to use our company's technology to draw out the full "power of amino acids."

Q Science-based regulatory guidelines formed with industry input
Contribution to science-based regulatory guidelines

What kind of structure did you need to make this immense project such a huge achievement success?

A Using our relationships with industry groups was crucial. Our company's managers and people involved in this project worked every day on creating and strengthening relationships of trust with relevant industry groups. Their efforts helped us obtain details about changes in administrative guidelines, gather opinions from other companies through the industry groups, and submit our recommendations to the government.

Award winners



Technology Assets

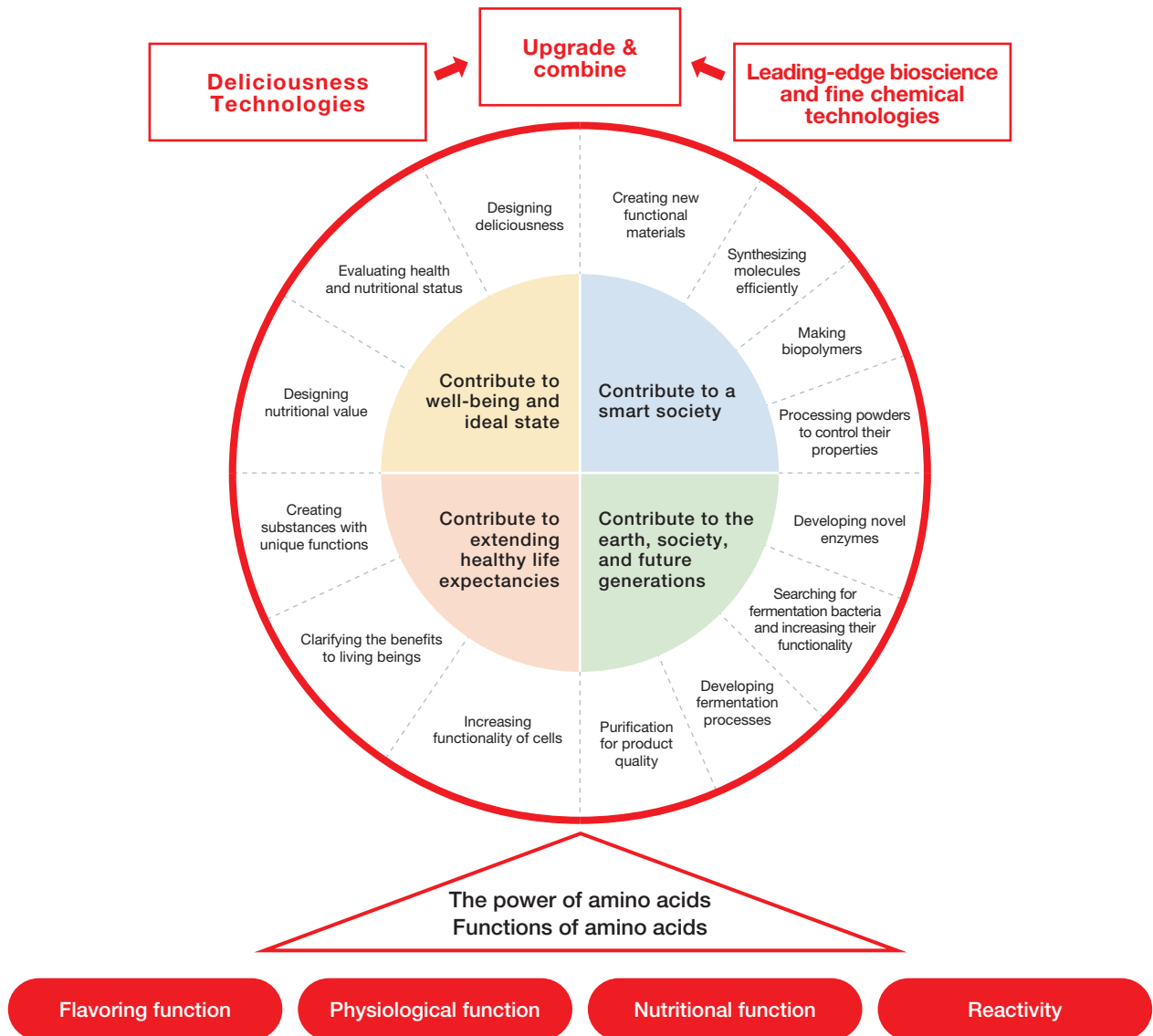
We are upgrading and combining technology assets behind our pursuit of the power of amino acids and creating new value by adding them to our organizational assets and customer assets.

Upgrading and combining platform technologies

During the course of its continuous pursuit of the power of amino acids since its founding, the Ajinomoto Group has established unique platform technologies from a wide range of technological fields, including Deliciousness Technologies and leading-edge bioscience and fine chemical technologies. By combining these technologies, we are creating various new materials and products and

providing new value to the world.

Looking ahead, we will further upgrade and combine the technologies we create and utilize them through open innovation and collaboration with start-ups. This will generate continuous innovation and enable us to enhance technology assets while obtaining new platform technologies.



Smart R&D

The Group is working on digital transformation (DX) in R&D as “Smart R&D.” We are accelerating and upgrading development processes with artificial intelligence (AI) that incorporates our leading technologies and know-how with big data. Also, we are using materials informatics and digital twins* to develop electronic materials with greater performance than conventional methods and to enable high-

performance compounding for cell culturing. Furthermore, we are utilizing bio-digital platforms to create new customer value, such as substantially shortening the development timeline of microbial breeding required to create food materials from the conventional 10 years to 4 months.

* A technology that collects information on things and the environment from real spaces and reproduces them in cyberspace.

Advanced data analysis using cutting-edge data science and AI



- | | |
|---|-----------------------------|
| <p>Materials informatics</p> <ul style="list-style-type: none"> • Discovery of high-performance electronic material compounds • Discovery of high-performance cell culture medium compounds • Halved development timeline | <p>Digital twins</p> |
|---|-----------------------------|

Create high-performance compounds for electronic materials and cell culturing impossible with conventional methods

Automation of high-speed evaluation and analysis using cutting-edge evaluation technology and robots



- Bio-digital platform**
- Dramatically speeding up microbial breeding for food materials

Substantially shortened development timeline from 10 years to 4 months

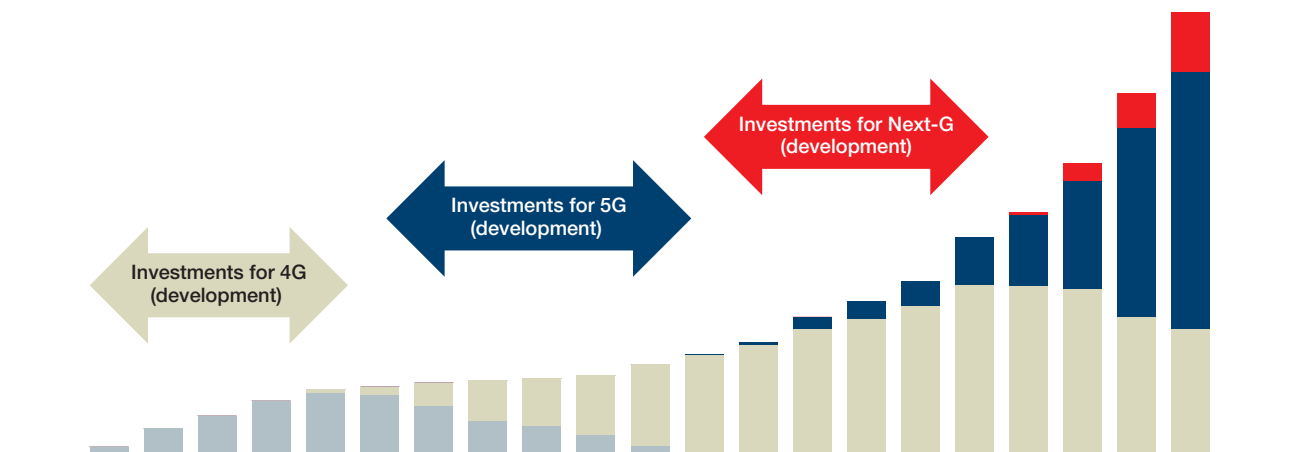
R&D investments for sustainable growth

The Group has made appropriate investments in R&D for the organic sales growth of existing businesses and new business development based on an understanding of changes in the business environment. The figure below represents one example. The current growth of our six core businesses and contributions to business profit

represent outcomes from previous R&D investments. Going forward, in addition to investment for the growth of core businesses, we will continue to create new value by transforming the business model and increasing investment for the creation of next-generation businesses.

New product development period and shipment volume of electronic materials (image)

■ 3G ■ 4G ■ 5G ■ Next-G



Customer Assets

We seek to increase brand value and earn the trust and support of more customers by generating a keen sense of the Ajinomoto Group’s social value through our products and services along with information dissemination in response to changing consumer values.

Understanding of environment

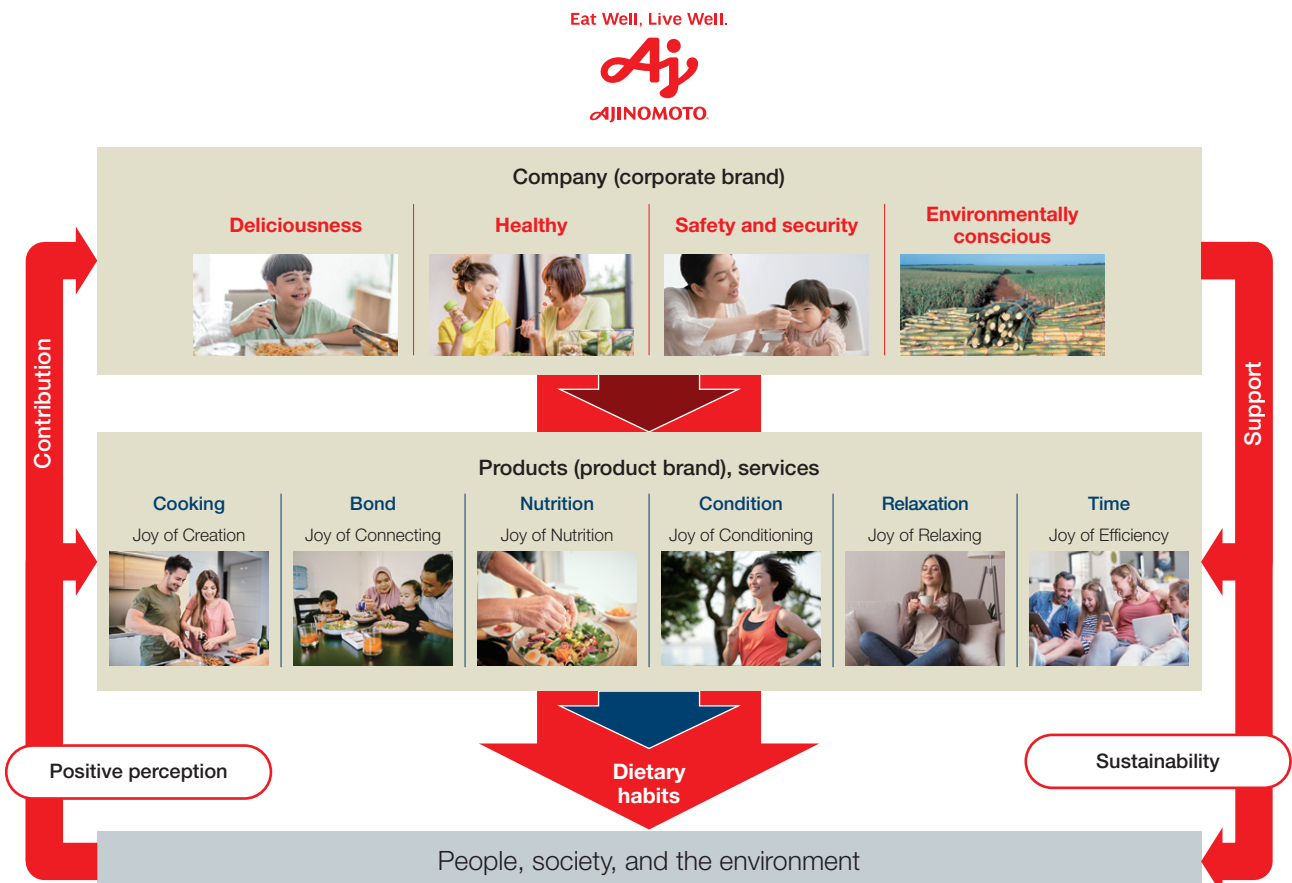
The way we communicate and convey information has changed dramatically with the advent of digital technologies and drastic evolution of communication tools. Amid growing interest in sustainability and the SDGs, consumers’ awareness and expectations of

corporate brands are also changing. Moreover, the influence of millennials and Generation Z will become even stronger in the future. This requires branding that aligns to consumer values, including these generations.

Branding model of the Ajinomoto Group (BtoC)

The Ajinomoto Group seeks to further increase its brand value by having consumers experience and interact with the four forms of support value and six forms of contribution value through its products and services. The four forms of support value elevate trust and support our products and services and the six forms of contribution

value are linked with customer wellness. By disseminating information through companies and our products and services as well as carrying out sustainability initiatives, we are forming a positive perception toward becoming a “solution-providing group of companies for food and health issues.”



Measures to enhance corporate brand value

Support from consumers appears as corporate brand value. The Group utilizes Interbrand’s Corporate Brand Valuation Methodology as an indicator for measuring brand value. In fiscal 2021, our corporate brand value increased 30% over fiscal 2020 and we were selected as one of the Top 5 Growing Brands in Japan. This is because our efforts were highly lauded for promoting the purpose branding of resolving food and health issues under the strong leadership of management by incorporating ASV, which generates economic value by resolving social issues through business and creating value together with communities and society into the cycle for corporate value enhancement.

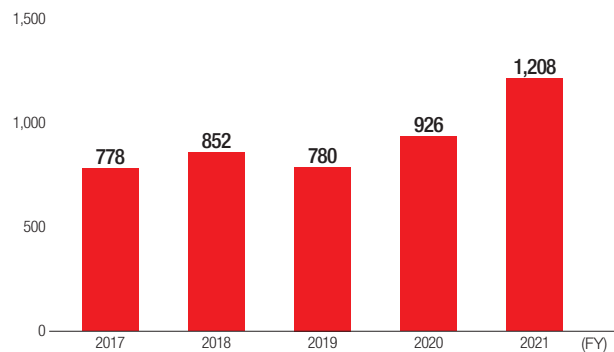
Going forward, we will accelerate support for product brand by focusing investment on disseminating our message for health and nutrition and the environment aimed at further enhancement of corporate brand value. We are also deploying communication approaches that appeal to Generation Z using digital technologies. This will enable us to depart from our image as a seasoning company and traditional company to strengthen our perception as a

company that resolves food and health issues.

At the same time, in terms of product brands, we are focusing marketing investments on priority domains and brands by visualizing our brand portfolio. We will carry out communication focused on the path to the aforementioned six forms of contribution value to accelerate the accumulation of corporate brand value.

Corporate brand value

(Millions of USD)



Strengthening brand management and governance

We are working to visualize how marketing investments strengthen our brands (economic value of brands and ROI) in an effort to optimize investment in each brand and media through marketing mix modeling (MMM). We implement the PDCA cycle to review these results quantitatively and reinvest, which further elevates our product brand value and earnings.

We established the new position of Executive Officer responsible for marketing strategy to reinforce our governance system for brand management. Furthermore, discussions on brand investments are held at meetings of the Board of Directors as part of deliberations on the Group’s growth strategy.



03

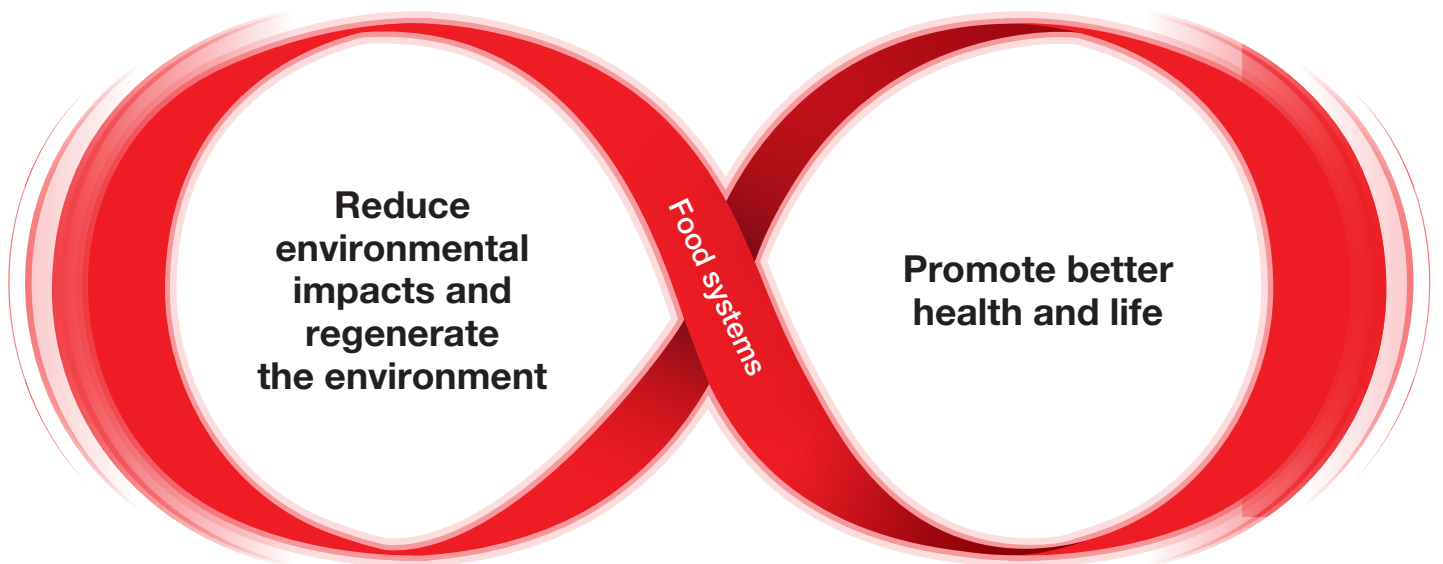
Current Growth

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The business of the Ajinomoto Group is supported by sound food systems.

The Ajinomoto Group will contribute to a resilient and sustainable food system and realize business growth while at the same time providing products and services that are delicious, nutritionally balanced, and benefit people's dietary habits, and further promote reduced environmental impacts and regeneration of the global environment.



Materiality items that have a substantial impact on our ability to create value

The Ajinomoto Group identifies materiality items that have a substantial impact on its ability to create value in the short, medium, and long term through ASV, taking into account changes in the macro environment. Once we identify opportunities and risks from materiality items, we define their orders of importance and priority, then reflect these matters in our business activities.

Identifying materiality items

The Ajinomoto Group understands the macro environment that is deeply related to the creation of outcomes and realization of its vision (see p.27). Using this understanding, we have identified materiality items.

We conduct annual reviews of our materiality items, revising content based on the latest social conditions and the feedback and expectations of our stakeholders. After evaluating the contents in fiscal 2022, it was determined no major changes were needed. Currently, the Sustainability Advisory Council is evaluating materiality with a view to the long term. Accordingly, the Board of Directors intends to identify new materiality items in fiscal 2022.

How we identify material issues

FY2015	Select/sort materiality items
FY2016	Conduct surveys of the SDGs experts (Survey conducted to review the Group's issues and approach taking into account the SDGs announced in 2015)
FY2017	Analyze the relationship between the SDGs and materiality Conduct dialogue with diverse stakeholders
FY2018-2019	Review and revise materiality (Narrowed materiality items from 26 to 11) • Interviews with outside experts • Confirmation by the Board of Directors
FY2020-	Conduct annual review of materiality

> For details, please see [Ajinomoto Group Materiality](https://www.ajinomoto.com/sustainability/pdf/2020/materiality_en.pdf).
https://www.ajinomoto.com/sustainability/pdf/2020/materiality_en.pdf

Ajinomoto Group materiality

Materiality items	Relevant SDGs
Contribution to solve food and health issues	
Rapid response to consumer lifestyle changes	
Assurance of product safety	
Diverse talent	
Climate change adaptation and mitigation	
Contribution to a circular economy	
Reduction of food loss and waste	
Sustainable materials sourcing	
Conservation of water resources	
Strong corporate governance	
Preparation for intense global competition	

Approach to Realizing Our Outcomes

Approach to reducing environmental impacts and to nutrition

Our business operations are supported by sound food systems based on stable food resources and the vibrant natural environment. We have set medium- to long-term targets and KPIs, closely relevant to materiality items, for both reducing our environmental impact by 50% and helping extend the healthy life expectancy of one billion people. We are steadily moving forward with various initiatives while utilizing our strengths.

Principal initiatives for reducing environmental impacts and for improving nutrition

Relevant materiality items	Main initiatives	Main measures	KPIs/Targets
Contribution to solve food and health issues	Pursuit of well-balanced meals		<ul style="list-style-type: none"> Percentage of products with improved nutritional value/Raise to 60% by fiscal 2030 Among our nutritious products, provide products that promote delicious salt reduction and protein intake optimization/400 million people a year by fiscal 2030 Opportunities to use products that utilize the nutritional and physiological functions of amino acids/Double by fiscal 2030 (vs. fiscal 2020) Nutrition education for employees/Cumulative total of 100,000 employees by fiscal 2025
	Practical support for delicious salt reduction	Global expansion of the <i>Smart Salt</i> project	
	Protein intake optimization	<ul style="list-style-type: none"> Sales of protein-rich products Proposal of high-protein options 	
	Supporting the practice of delicious sugar and fat reduction	Sales of high-intensity sweeteners and ingredients that impart a sense of fat and oil; sales of low-fat products	
	Vegetables and fruits intake promotion	<ul style="list-style-type: none"> Develop the <i>Love Vege</i> project to promote vegetable intake (Japan) Introduce recipes that encourage high vegetable intake 	
	Protein intake promotion from a variety of sources	Developing technology for delicious plant-derived alternative proteins	
	Provide products that are beneficial to health	<ul style="list-style-type: none"> Utilize the Ajinomoto Group Nutrient Profiling System (ANPS) to visualize nutritional value Engage in product development that takes advantage of the functions of amino acids 	
Workforce nutrition improvement	<ul style="list-style-type: none"> Improve nutritional literacy of Group employees Join the Workforce Nutrition Alliance (WNA) and use the WNA Scorecard to monitor workplace conditions and pursue activities 		
Climate change adaptation and mitigation	Reducing greenhouse gas emissions	<ul style="list-style-type: none"> Convert to fuels with lower greenhouse gas emission factors Adopting electricity from renewable energy sources Pursue energy conservation 	(Targets approved by SBTi) <ul style="list-style-type: none"> Reduce greenhouse gas emissions (vs. fiscal 2018)/Reduce Scope 1 and 2 by 50%, and reduce Scope 3 by 24% by fiscal 2030 Achieve net-zero GHG emissions by fiscal 2050
		Adopting electricity from renewable energy sources	(RE100 Targets) Convert electricity to renewable energy sources/Achieve 100% by fiscal 2050
Contribution to a circular economy	Transition to zero plastic waste	<ul style="list-style-type: none"> Reduce plastic usage and convert to mono-material packaging materials Contribute to social implementation of recycling in countries and regions where we do business 	Plastic waste/Zero plastic waste by fiscal 2030
Reduction of food loss and waste	Food loss and waste reductions in the supply chain	<ul style="list-style-type: none"> Reduce losses in the production process Optimize supply-demand/supply/sales balance; extend best-before dates Pursue greater usefulness and efficiency 	Food loss and waste reduction rate from the acceptance of raw materials to delivery to customers (vs. fiscal 2018)/Reduce 50% by fiscal 2025
		<ul style="list-style-type: none"> Collaborate with suppliers, retailers, and distributors Develop products useful in reducing waste Engage in activities to reduce loss among consumers 	Reduce food loss and waste rate throughout the product lifecycle (vs. fiscal 2018)/Reduce 50% by fiscal 2050
Sustainable materials sourcing	Responsible sourcing of raw materials	<ul style="list-style-type: none"> Visualize issues in the supply chain, conduct human rights impact assessments, and pursue animal welfare Establish traceability and promote purchasing certified products 	<ul style="list-style-type: none"> Ensure human rights and environmental due diligence Sustainable procurement ratio of key raw materials*/Achieve 100% by fiscal 2030 * Palm oil, paper, soybeans, coffee beans, beef, and sugarcane
Conservation of water resources	Reducing water consumption in production processes	Optimizing production processes	Reduce the rate of water consumption (vs. reduction rate per unit of production volume)/Reduce 80% by fiscal 2030 (vs. fiscal 2005)

Reducing our environmental impact by 50%

Implementing countermeasures to help regenerate the environment is an urgent task for the Ajinomoto Group. We believe that sustainability initiatives to lower our environmental impact by responding to climate change, ensuring the sustainability of food resources, and conserving biodiversity are an essential first step to extending healthy life expectancy.

Climate change initiatives and progress

The Ajinomoto Group is approaching climate change as presenting both risk and opportunity for all Group companies. We consider countermeasures and disclose information based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Group is a member of RE100, an international environmental initiative of businesses committed to 100% renewable electricity. We also have set specific targets for reducing greenhouse gas (GHG) emissions and obtained approval of the targets from the Science Based Targets initiative (SBTi), an international cooperative endorsed by leading global corporations. In addition, in March 2022 we submitted a commitment letter to the SBTi target of achieving net-zero GHG emissions by fiscal 2050.

In fiscal 2021, the Group's Scope 1^{*1} and Scope 2^{*2} GHG emissions totaled 1.612 million t-CO₂e, a reduction of 27% compared to the base year of fiscal 2018. Scope 3^{*3} emissions totaled 10.948 million t-CO₂e, a reduction of 8%.

Progress contracting for energy produced with low CO₂ emission factors in Japan and overseas allowed us to reduce emission volumes significantly from the previous fiscal year, particularly for Scope 2 emissions.

Following TCFD recommendations, in fiscal 2021 we conducted a scenario analysis of the environmental impact of our global umami seasonings and core domestic products (which represent 24% of our consolidated sales) for 2030 and 2050. The scenarios assumed increases of 2°C and 4°C in 2100 in the average global temperature compared to during the industrial revolution. The risks, opportunities, and countermeasures we identified for 2050 based on the scenario analysis are presented in the adjacent chart (P.48).

We are using the results of the scenario analysis to create a plan to reduce our Scope 1 and 2 emissions by investing in fuel conversion, conversion to renewable energy, and environmentally conscious manufacturing methods. We are also seeking to change the tendency to approach sustainability as a compromise or trade-off, and to devise symbiotic solutions. As well, we are conducting trials of collaborative measures with raw material suppliers to reduce Scope 3 emissions.

*1 Direct greenhouse gas emissions from sources that are owned or controlled by the organization

*2 Indirect emissions from purchased electricity, heat, or steam consumed by the Company

*3 Other indirect emissions (product use, disposal, and transport, employee commuting and business travel, investment, etc.)

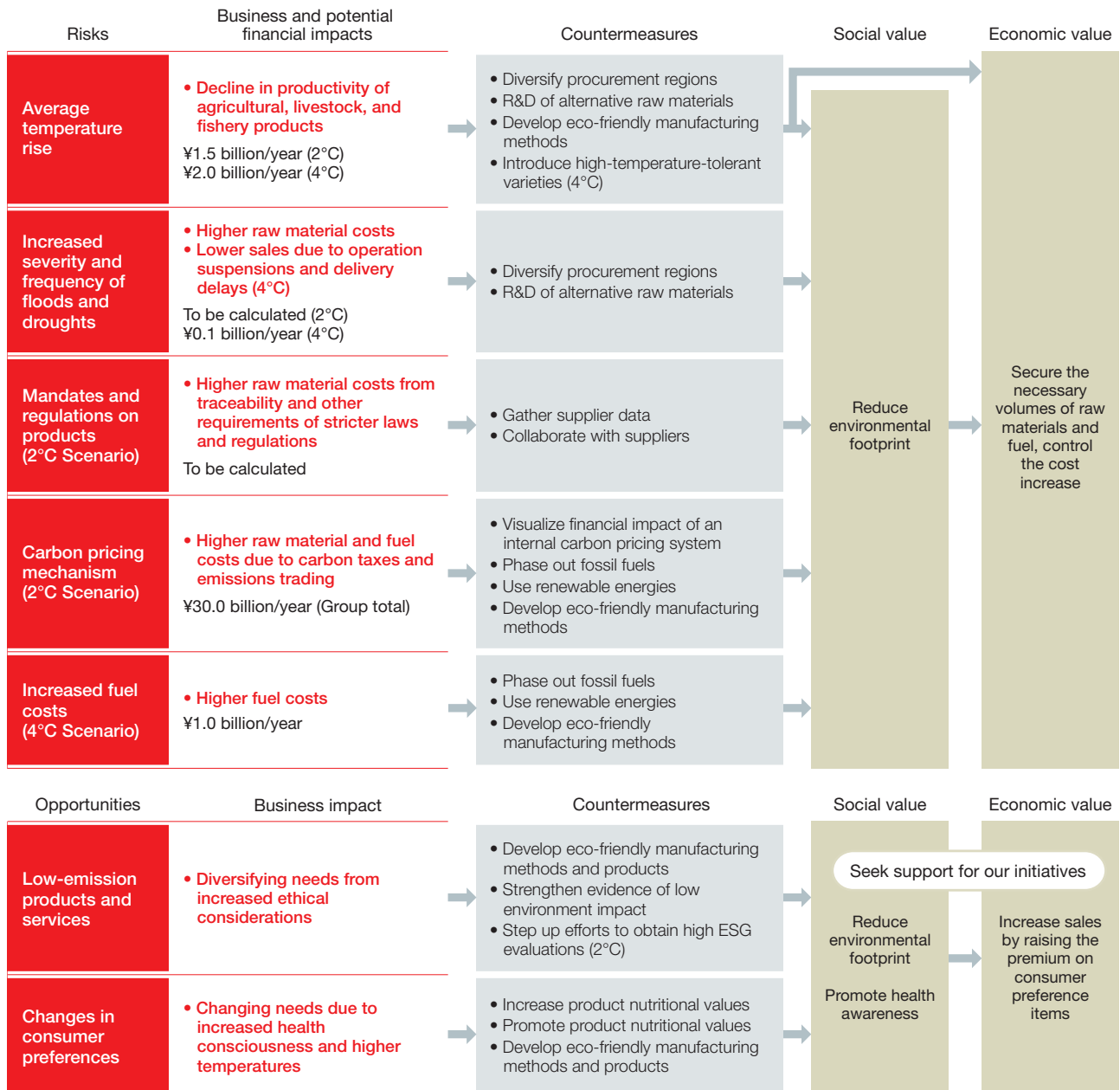
Greenhouse gas emission reduction rate

	FY2020 (Results)	FY2021 (Results)	FY2030 (Targets)
Scope 1 and 2 GHG emission reduction rate (vs. FY2018)	14% reduction [11% reduction] ^{*4}	27% reduction [18% reduction] ^{*4}	[50% reduction] ^{*5}
Scope 3 GHG emission reduction rate (vs. FY2018)	1% reduction [1% reduction] ^{*4}	8% reduction [3% reduction] ^{*4}	[24% reduction] ^{*5}

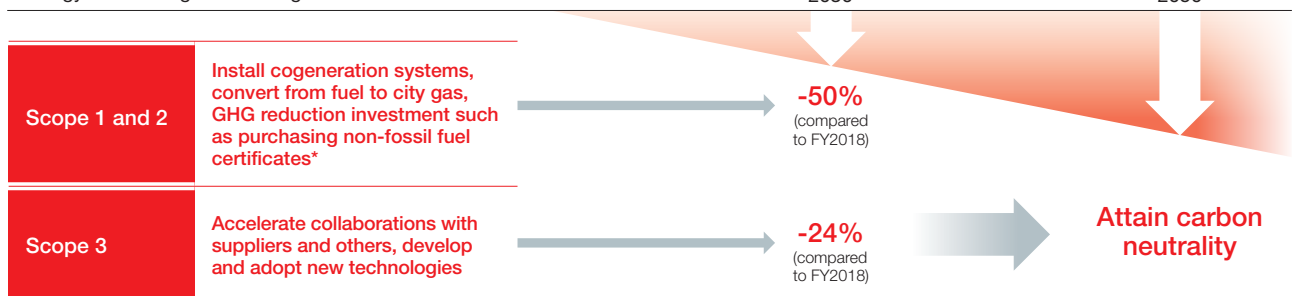
*4 [] indicates actual results adjusted for subject corporations based on SBTi rules

*5 [] indicates target based on SBTi rules

Summary of scenario analysis results



Strategy to reduce greenhouse gas emission



* We will continue to consider investments to further reduce GHG emissions, which we will disclose when the investments are decided.

> For details, please see the Ajinomoto Group Sustainability Data Book 2022. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

> For details, please see our Financial Report 2022. <https://www.ajinomoto.co.jp/company/en/ir/library/report.html>

Measures and progress for reducing plastic waste

The Ajinomoto Group is actively advancing strategies to reduce un-reused and un-recycled plastics released into the environment to zero by fiscal 2030.

Goals for fiscal 2030

- Choose to use plastic in a minimum quantity and purpose required for product safety and quality (reduce)
- Switch to using only plastic packaging made of mono-material or recyclable products (recycle)
- Support and contribute to measures for social implementation of collection, sorting, and recycling in countries and regions where our products are manufactured and sold

In order to achieve zero plastic waste, we aim to complete our reduction efforts by fiscal 2025 while developing technologies for converting to mono-material packaging materials, and finally switch over to exclusively recyclable materials by fiscal 2030.

The Group used a total of 69,000 tons of plastic in fiscal 2021, with over 90% used for product packaging. Of this, 26,000 tons (38% of the Group's total plastic usage) have been switched to mono-materials or paper. We are currently forming reuse methods and developing

technologies to convert the remaining 43,000 tons to recyclable packaging materials. We are a founding member participating in the Japan Clean Ocean Material Alliance (CLOMA), a platform established to help stakeholders across sectors to collaborate and accelerate innovation.

We will continue to explore technology development themes and ways to help create plastic recycling programs in all regions and countries.

> For details, please see the Ajinomoto Group Sustainability Data Book 2022. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Measures and progress for reducing food loss and waste

The Ajinomoto Group's long-term vision is to reduce food loss and waste by 50% versus fiscal 2018 across the entire product lifecycle by fiscal 2050.

We are continuing our efforts in fiscal 2022 to reduce food loss during processes from the acceptance of raw materials to the delivery of the final product to our customers, and to recover food waste for repurposing. We are taking a full lifecycle approach to reducing food loss by working with suppliers and promoting awareness to consumers and society and broadening our efforts to the production stage of raw materials and to programs to reduce food loss in the home.

> For details, please see the Ajinomoto Group Sustainability Data Book 2022. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Reduction in food loss and waste per production volume unit

	FY2020 (Result)	FY2021 (Result)	FY2025 (Target)
Food loss and waste reduction from the acceptance of raw materials to delivery to customers (vs. FY2018)	13% reduction	23% reduction	50% reduction

* Measured with reference to the Food Loss & Waste Accounting and Reporting Standard. Past performance, including its measurement methods, is reviewed retroactively. (Measurement methods may differ between target organizations.)

Measures and progress for responsible procurement of raw materials

The Ajinomoto Group is working to construct a responsible supply chain by creating visualization of supply chain issues, conducting human rights assessments, and promoting animal welfare, and so on. We are also working to achieve 100% sustainable procurement ratios by fiscal 2030 for our essential raw materials (palm oil, paper, soybeans, coffee beans, beef, and sugarcane). For these, we are working to maintain a full understanding of their

procurement conditions, establishing traceability, and seeking to purchase certified products.

Establishing sustainable material sourcing will require reducing risks associated with climate change, human rights, and biodiversity. To strengthen our efforts in these areas, we will increase our participation in international initiatives and third-party groups, such as certification organizations.

> For details, please see the Ajinomoto Group Sustainability Data Book 2022. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Our approach to nutrition

Health issues attributed to dietary habits and lifestyle are growing around the world. These include increasing risk of high blood pressure and heart disease due to excess salt intake. Resolving these issues requires improving nutritional balance in our everyday diet.

The Ajinomoto Group participated in the Tokyo Nutrition for Growth Summit 2021 held in December 2021, where we announced our Commitment to Nutrition. The key component of this commitment is the basic policy of Nutrition Without Compromise at the heart of our initiatives for improving nutrition. The policy includes the three pillars of nutrition without compromising taste, nutrition without compromising access, and nutrition without compromising the local way of life. Specifically, we aim to resolve health issues by improving nutritional balance while preserving local foods and deliciousness through partnerships with local producers, distributors, NGOs, and academia, among others.

At a side event of the summit, we proposed the review of nutrition evaluation methods used by food companies. While existing evaluation methods are suitable for evaluating the nutrition of products consumed as is or after simple cooking, they are not suitable for evaluating the nutrition of products that combine ingredients such as seasonings. In order to improve this situation, we aim to deepen our engagement with ATNF* as well as establish a model that can more appropriately evaluate Japanese and Asian-style menus centered on cooking.

Recognizing the common worldwide nature of consumer health preferences as an opportunity, we will further promote activities that improve nutrition going forward.

* Access to Nutrition Foundation: An organization that compiles the Access to Nutrition Index (ATNI) ranking the nutrition improvement activities of food and beverage companies

> For details, please see the Ajinomoto Group Sustainability Data Book 2022. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Progress of our Commitment to Nutrition

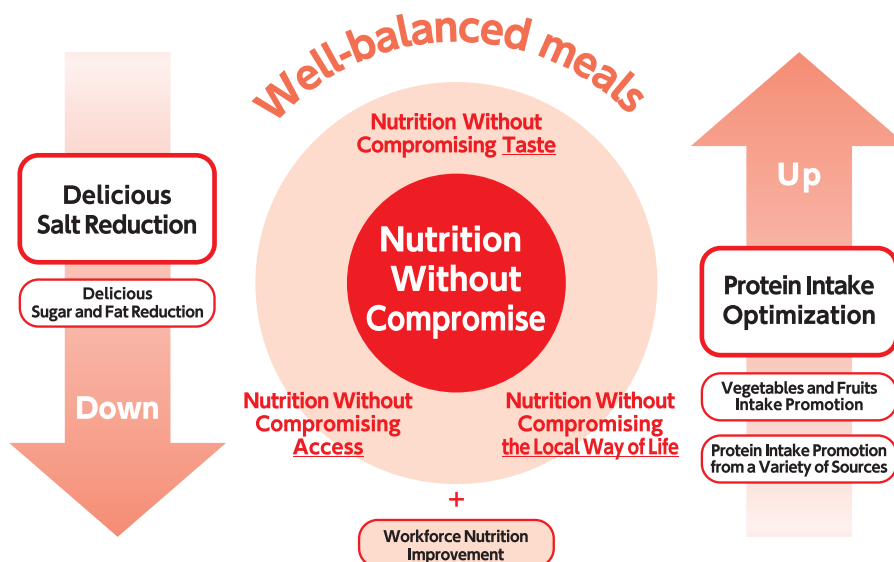
Commitment to Nutrition (Excerpt)

By 2030, we will help extend the healthy life expectancy of one billion people by increasing the current reach to 700 million consumers and providing products and information that support consumers in enjoying nutritious and delicious foods with Nutrition Without Compromise as a basic policy on our approach to nutrition.

- Support practice of “delicious salt reduction” using umami
- Provide nutritious products to contribute to people’s wellness
- Support consciousness/behavior change of consumers by providing information that supports health and nutrition improvement
- Improve nutrition literacy of Group employees

The Ajinomoto Group seeks to extend the healthy life expectancy of one billion people by 2030 through initiatives under its basic policy of Nutrition Without Compromise. To support the practice of “delicious salt reduction” using umami laid out in our Commitment to Nutrition, we are implementing the *Smart Salt* project globally. This project is working on salt reduction using umami and *dashi* broth through collaboration with a host

Ajinomoto Group’s approach to nutrition



of stakeholders. For consumers, we are providing recipes and seasonings that reduce salt without compromising taste. In fiscal 2021, we partnered with 12 local governments in Japan and expanded these activities to five countries to implement salt reduction initiatives.

In terms of providing nutritious products to contribute to people's wellness, in fiscal 2021, we expanded the number of our corporations using ANPS to 15 in 12 countries, aimed at visualization of the nutritional value of products. We increased the percentage of products with improved nutritional value^{*1} and the number of people reached with products that benefit "delicious salt reduction" and "protein intake optimization." This was achieved by making progress with product development and reformulation such as salt reduction at each corporation, along with contribution to nutrition improvement by the mainstay products of corporations newly added to the scope of evaluation.

Regarding availability of products utilizing the function of amino acids, we made progress amid the recovery trend of demand for core products from the impact of the COVID-19 pandemic.

As for providing information that supports health and nutrition improvement, we shared recipes for nutrition improvement such as "delicious salt reduction" on owned media and through the streaming of videos in various countries and regions.

In terms of workforce nutrition improvement, we provided nutrition education globally aimed at improving the nutritional literacy of employees, reaching 26,000 employees so far. Furthermore, we became the first Japanese company to join the Workforce Nutrition Alliance^{*2} in March 2022 in order to announce specific targets and propel our activities forward.

*1 Products with improved nutritional value means the products that meet our criteria and contribute to the intake of improved nutrition from an international public health perspective.

*2 Global alliance to improve workforce nutrition which the Consumer Goods Forum (CGF) and the Global Alliance for Improved Nutrition (GAIN) jointly established.

> For details, please see Our Commitment to Nutrition and Research. <https://www.ajinomoto.com/nutrition/our-commitment-to-nutrition-and-research>

> For details, please see the Ajinomoto Group Sustainability Data Book 2022. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Quantifying the effects of salt reduction using umami

In fiscal 2020, we launched a research project together with academia called the U20 Healthy Umami Research Project in an attempt to quantify the effects of salt reduction using umami. The project is scientifically exploring, disseminating, and appealing the benefits and public hygiene value of umami in response to the issue of excess salt intake. In fiscal 2021, the project estimated the salt reduction effects based on the dietary pattern of Americans using the U.S. National Health and Nutrition Examination Survey (NHANES) database, followed by the Japan estimation in fiscal 2020. The results suggest that umami could be used to lower the average salt intake per American by 5.51% to 10.54% (0.46 g to 0.88 g/day). This shows the hidden potential for "delicious salt reduction" using umami to contribute to the UN's salt reduction target^{*3} (30% reduction by 2025) even in countries and regions with differing sources of sodium intake compared to Japan. Going forward, we will harness these research outcomes to steadily explore the possible contribution of umami on salt reduction in the main countries where we operate, and also continue studying on forecasting impacts on DALYs (disability-adjusted life year)^{*4}, seeking social implementation of "delicious salt reduction" using umami.

*3 From WHO's NCD Global Monitoring Framework.

*4 DALY is the number of years of life a person might be expected to lose when adjusted for a disease or health condition and the severity of the disability. DALY is the sum of Years of Life Lost (YLLs) and Years Lost due to Disability (YLDs). Developed in the early 1990s by Harvard University Professor Christopher Murray, the DALY metric quantifies the overall burden of disease and health conditions. DALY is used by the WHO and the World Bank as an overall health outcome indicator that provides a different perspective than standard life expectancy, and is increasingly being used around the world as a complementary indicator to healthy life expectancy.

> For details, please see the Ajinomoto Group Sustainability Data Book 2022. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Nutrition commitment quantitative KPIs

	FY20 (Results)	FY21 (Results)	FY25 (Targets)	FY30 (Targets)
Percentage of products with improved nutritional value ^{*1}	40% ^{*5}	50%	—	60%
Provision of products with improved nutritional value in "delicious salt reduction" and "protein intake optimization"	280 million people per year	320 million people per year	—	400 million people per year
Availability of products utilizing the physiological and nutritional functions of amino acids	(Base year)	1.09 times	—	2 times
Nutrition education for employees	460	26,000	Cumulatively 100,000	—

*5 The value was corrected because the additional applicable products were identified by more accurate collection of data.

Case study: Tackling the challenge of devising symbiotic solutions in Thailand

Building a sustainable food value network to deliver value to consumers and elevate brand value

The Ajinomoto Group’s amino acid and MSG businesses use a host of different food resources. Until now, a “trade-off,” or relationship of conflicting interests, existed between business activities and the promotion of food resource sustainability. However, the Group seeks to build out its community circulation business activities into an ecosystem together with its partners, anticipating a future where food and energy will be produced locally for local consumption. Our story of co-creating value with consumers and partners by delivering positive impacts on the environment along with nutritional value downstream across the entire supply chain is already underway in Thailand.

Upstream, we launched the “Thai Farmer Better Life” partner project in 2020 to help growers of cassava, a staple raw material of MSG, to increase their productivity and achieve financial independence by providing the Group’s unique technologies and know-how. Currently, there are more than 40 partners from industry, government, and academia collaborating with this project.

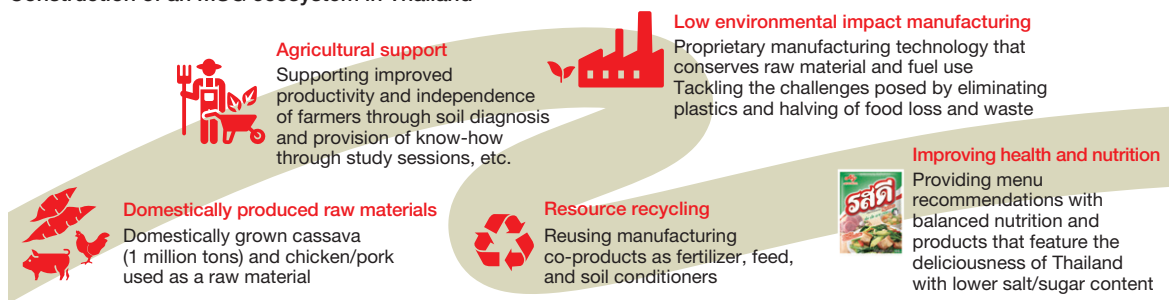
Mid-stream, we continue working on MSG production with lower environmental impacts and loss using the Group’s proprietary innovations. We are close to achieving carbon neutrality at our MSG plant located in Kamphaeng Phet Province. In addition, we are implementing a biocycle unique to the Ajinomoto

Group by utilizing the many co-products of amino acids in fertilizers and animal nutrition products. Furthermore, we are exploring ways to produce ammonia, an imported sub-raw material for MSG production, in-house and in a greener manner.

In this way, we will combine the Group’s unique nutritional value with the positive impacts for the environment to elevate corporate and product brand value as well as provide new choices and premium value to consumers and partners. Furthermore, by introducing innovations resulting in rationalization, we will switch the relationship between business activities and sustainability into devising symbiotic solutions.

Rather than a single-direction supply chain, from upstream to downstream, this can be viewed as a co-creation and circular network for green and health value closely rooted in the community. In other words, this means contributing to sustainable food systems all the way back to the field and returning value to consumers through acceptance of purchase premiums by consumers. The results of this series of initiatives and the story of creating consumer preferences and purchase premiums were seen in the outcomes of the Thai consumer survey conducted by the Group in 2022. Going forward, we will speed up and expand initiatives aimed at crystallizing this concept.

Construction of an MSG ecosystem in Thailand



Message from a leader of the “Thai Farmer Better Life” partner project



K. Sornsin
 AJINOMOTO CO.,
 (THAILAND) LTD. / FD
 Green (Thailand) Co., Ltd.

The “Thai Farmer Better Life” partner project not only supports cassava farmers but also promotes the development of our employees in the form of communication and creativity to foster new businesses through connections with farmers and other partners. To make our starch procurement sustainable, our ASV initiatives involve collaboration with the entire cassava supply chain, spanning cassava farmers, harvesters, collectors, starch mill factories, and the Ajinomoto Group. This project is helping to increase our trust and engagement among consumers.

Case study: Building an ecosystem for social implementation of “delicious salt reduction”

Our participation in Ministry of Health, Labour and Welfare initiatives

According to the 2021 Global Nutrition Report^{*1}, not a single country achieved the WHO’s salt reduction target, rather there are concerns that sodium intake increased during the COVID-19 pandemic. The problem of excess salt intake greatly impedes extension of healthy life expectancy^{*2} as it relates to high blood pressure and cardiovascular diseases in East Asia and Southeast Asia. In Dietary Reference Intakes (DRIs) for Japanese 2020, the target value for average table salt intake for people aged 18 and older was 7.5 g/day for men and 6.5 g/day for women. The fact is, however, that it is extremely difficult to change deeply rooted dietary habits.

The Ajinomoto Group participated in the Review Committee for Promoting a Health and Sustainable Food Environment organized by the MHLW^{*3} of Japan in fiscal 2021. We took part in discussions for identifying nutritional issues in Japan and solutions aimed at extending the healthy life expectancy of people around the world and assisted with the compilation of the final report (published in June 2021)^{*4}.

Part of this was included in the commitment of the Japanese government announced at the Tokyo

N4G Summit 2021^{*5}. In the closing remarks of the summit’s high-level sessions, Mr. Keiichi Ono, Director General of Secretariat for Tokyo N4G Summit 2021, commented “Effective salt reduction was presented and discussed in this summit satellite events using umami and *dashi* broth.” A major outcome from our participation in the summit was the fact that our findings will be carried over to the international community as a legacy. Following the summit, the MHLW established the Strategic Initiative for a Healthy and Sustainable Food Environment (HSFE) led by multistakeholder collaboration^{*6}. This initiative seeks to build a Japanese model for food environment development that leaves no one behind through the social implementation of salt reduction. It is also working to extend healthy life expectancy of people around the world and achieve a vibrant and sustainable society starting from Japan. The key to achieving a sustainable food environment that naturally lowers salt intake is deliciousness without compromise. The Ajinomoto Group will pursue this and support the establishment of an ecosystem led by multistakeholder partnerships.

Social implementation of “delicious salt reduction”

Began with employees’ commitment deeply rooted in the Ajinomoto Group’s purpose



*1 <https://globalnutritionreport.org/reports/2021-global-nutrition-report/> *2 <https://vizhub.healthdata.org/gbd-compare/>

*3 Ministry of Health, Labour and Welfare *4 <https://www.mhlw.go.jp/content/10900000/000836945.pdf>

*5 Tokyo Nutrition for Growth Summit https://nutritionforgrowth.org/wp-content/uploads/2021/12/Tokyo-Compact-on-Global-N4G_Annex_Dec-14.pdf

*6 <https://www.nttdata-strategy.com/hsfe/english/>



Hisayuki Uneyama Ph.D.

Executive Specialist, Global Communications Department, Ajinomoto Co., Inc.

A multistakeholder review committee was organized by the MHLW aimed at discussing Japan’s nutritional issues ahead of the Tokyo N4G Summit, and I was given the opportunity to participate as a member. This review committee found that the top priority nutritional issue facing Japan is salt reduction and reaffirmed the need to promote the development of a food environment that can naturally reduce salt intake through multistakeholder collaboration. The review committee made me aware once again of the significant expectations and role of distribution and food manufacturing as the front line of contact with consumers. Providing “delicious salt reduction” products utilizing the Group’s knowledge of umami will support the realization of a sustainable salt reduction society. I hope to contribute to providing “delicious salt reduction” products without compromise and to the extension of the healthy life expectancy of people around the world.

Progress of 2020-2025 Medium-Term Management Plan

Evolution from medium-term planning to medium-term indicator management

We will shift from medium-term management planning to medium-term indicator management to realize our vision for 2030. This means that going forward we will formulate and execute management strategy while reviewing plans swiftly based on the changing business environment.

Evolving toward medium-term indicator management

The Ajinomoto Group will make fundamental changes to its medium- to long-term planning process so that it can flexibly review plans in line with a constantly changing business environment while maintaining the fiscal 2025 goal as a milestone.

We strive for medium-term indicator management, in

which we will set medium-term management indicators to realize our vision for 2030, and visualize the path to realizing them by backcasting from the future to the present. We intend to update our plans on an annual basis instead of following the conventional practice of adhering to a set three-year plan.

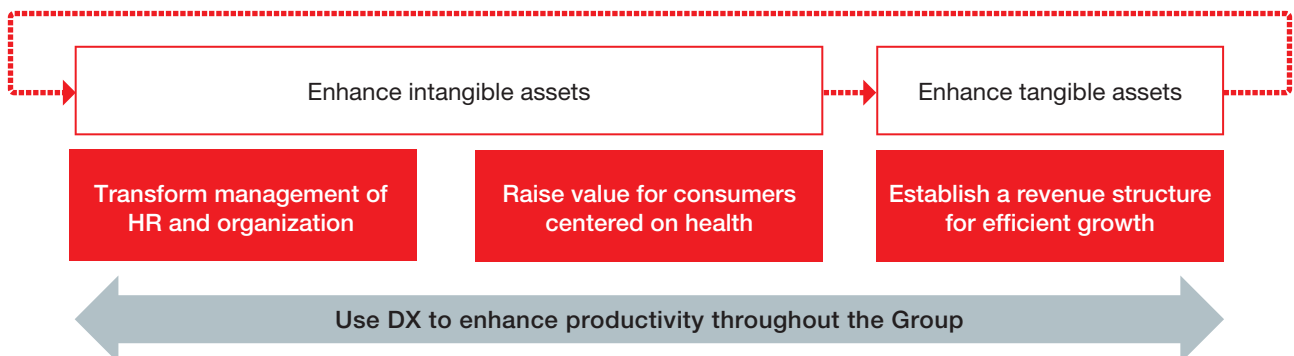
Basic policy of the 2020-2025 Medium-Term Management Plan aimed at goal achievement in fiscal 2030

The Ajinomoto Group has established a policy of concentrating its management resources to unlock the power of amino acids to resolve the food and health issues. Under this policy, we are working to establish a revenue structure for efficient growth, raise value for consumers centered on health, and transform management of human resources and organization as part of the 2020-2025 Medium-Term Management Plan, which was established by backcasting from the Group's future vision for 2030 to today. During the course of the plan's six-year period, we

will transform into a sustainable business structure positioning fiscal 2020 to 2022 as Phase 1 Structural Reform and fiscal 2023 to 2025 as Phase 2 Regrowth. These phases will be supported with digital transformation (DX) as we accelerate strategy execution.

The five priority KPIs are ROIC for efficiency, organic sales growth rate for growth, core business sales ratio linked to both, employee engagement score, and unit price growth. Goals for fiscal 2030 have been established for each.

Key principles of 2020-2025 Medium-Term Management Plan



Progress in fiscal 2021 and steady growth in fiscal 2022

Among the priority KPIs, we made steady progress with ROIC despite impairment losses from the structural reform process. As for the plan to reduce our business asset holdings by a total of ¥200 billion by fiscal 2025, in fiscal 2021, we achieved a total reduction of approximately ¥77 billion, including ¥43 billion from reducing business asset holdings and ¥34 billion from resource allocation and the divestment of cross-shareholdings. The organic sales growth rate grew steadily, driven by overseas seasonings, overseas frozen foods, Bio-Pharma Services & Ingredients, and functional materials. The core business sales ratio rose primarily on the back of progress made with structural reforms in animal nutrition. The unit price growth of international consumer products increased mainly on price hikes instituted in response to soaring prices of raw materials and fuel. The employee engagement score was 61%, which was three points lower than fiscal 2020 due partially to the impacts of COVID-19, but we are increasing voluntary initiatives and employee participation in measures to boost ASV engagement. As for corporate brand value, another leading indicator, it increased largely by 30% over the previous fiscal year

amid praise for our ASV management strategy, the powerful leadership of executive management, and branding centered on the aspiration to unlock the power of amino acids to resolve the food and health issues.

Although we posted our highest ever profits in fiscal 2021, as of late, the prices of raw materials and fuel continues to rise unabated. Particularly, the price of fuel and the main and sub raw materials for fermentation are trending at the highest levels in 10 years including 2011 the previous high-water mark. In response, following the conflict in Ukraine, we have set up an emergency response task force, putting into place a system for monthly updates on the impacts of raw material and fuel prices and countermeasures. Under this task force, we are also implementing additional countermeasures in a prompt manner. Given this challenging environment, we will make fine-tuned price adjustments in response to soaring costs so that we can attain our performance forecast and medium-term management plan targets laid out for fiscal 2022. Moreover, we will respond in the short term and build a resilient business foundation for medium- to long-term growth, aimed at a profit structure unaffected by commodity prices.

Priority KPIs	FY19 (Results)	FY20 (Results)	FY21 (Results)	FY22 (Forecasts)	FY25 (Targets)	FY30 (Final Targets)
ROIC	3.0%	6.9%	7.9%	8.0%	10-11%	13%
Organic sales growth (YoY)	0.3%	-0.6%	6.8%	Approx. 11%	5%	5%
Core business sales ratio	66.5%	66.6%	68.7%	Approx. 71%	80%	80%+
Employee engagement score (ASV as one's own initiative)	55%	64%	61%	—	80%	85%+
Unit price growth (YoY) (International consumer products)	Approx. 5%	2.8%	4.8%	Approx. 8%	3%	3%

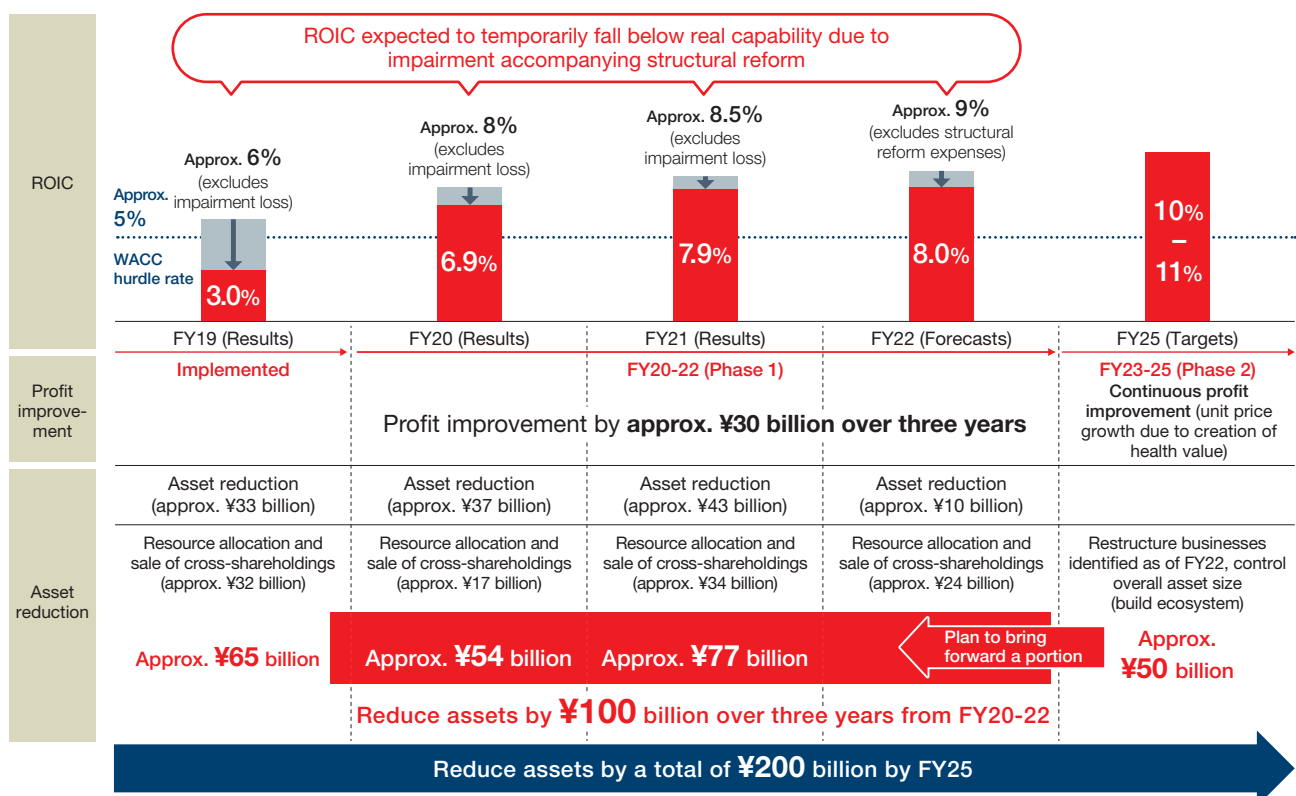
Corporate brand value [*] (Millions of USD)	FY19 (Result)	FY20 (Result)	FY21 (Result)	FY22 (Forecast)	FY25 (Target)	FY30 (Final target)
	780	926	1,208 (+30% YoY)		Target of 7% CAGR	

* Evaluated by Interbrand, "Best Japan Brands"

Fiscal 2021 results and challenges

	Results in fiscal 2021	Challenges and measures for regrowth
Establish a revenue structure for efficient growth		
Reformulate portfolio for higher efficiency and growth	<ul style="list-style-type: none"> Decided to close Osaka Plant to strengthen structural reforms of the cooked rice business in Japan within frozen foods Shifted assets to core domains of frozen foods business (North America, Europe, Japan) Succeeded domestic liquid coffee business to outside entity 	<ul style="list-style-type: none"> Improve profits of North American frozen foods business Increase asset efficiency of frozen foods business (reduce 18 plants to 15 plants by fiscal 2025)
Raise value for consumers centered on health		
Unit price growth by creating a food and health ecosystem	<ul style="list-style-type: none"> Accelerated the <i>Smart Salt</i> project globally and continued with product development and collaboration with other stakeholders 	<ul style="list-style-type: none"> Continue to implement <i>Smart Salt</i> Project and further expand it overseas
Unit price growth by providing delicious options for new lifestyles	<ul style="list-style-type: none"> Developed nutrition profiling system that can visualize nutritional value even after cooking with seasonings (ANPS-M) 	<ul style="list-style-type: none"> Introduce ANPS-M for development of menu and products such as seasonings
Transform management of human resources and organization		
Invest in our people, enhance issue-solving capabilities	<ul style="list-style-type: none"> Expanded dialogue sessions with top management and personal goal presentations to Group companies globally Continued to implement program fostering business DX talent Expanded nutritional literacy training to Group companies globally and began environmental literacy training 	<ul style="list-style-type: none"> Introduce new monitoring indicators for visualizing progress of ASV along with the process for results creation

Progress in asset reduction and improving ROIC



DX raising productivity throughout the Group

The Ajinomoto Group is advancing its digital transformation (DX) to boost its market competitiveness, efficiency, productivity, and corporate value as we seek to transform into a “solution-providing group of companies for food and health issues.” We have mapped four stages of DX1.0 Companywide Operational Transformation, DX2.0 Ecosystem Transformation, DX3.0 Business Model Transformation, and DX4.0 Social Transformation. We are promoting DX in each of these linked layers from the customer’s point of view, for overall Group optimization, and with complete employee participation with the aim to become a leader of social change in the food and health fields.

Optimizing supply chain management (DX1.0-2.0)

The Ajinomoto Group is introducing operational excellence (OE) as the foundational management system for our transformation and is implementing customer-oriented business reform throughout the organization. We are also collaborating with external partners to create an ecosystem that will enable us to continuously improve the value we provide to customers.

As we develop in these areas, we also recognize the challenge for supply chain management to prevent the tendency for overall inventories to rise as each department uses the inventories for their own specific purposes. We have introduced OE to supply chain management as an initiative that encompasses all departments and companies for improvement. By doing so, we can minimize the negative effects such as supply issues during

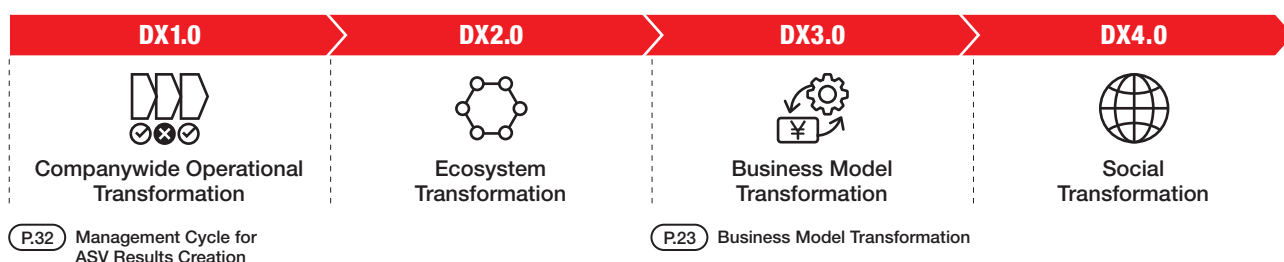
the COVID-19 pandemic. We are also applying digital technologies to improve our logistics efficiency through F—LINE Corporation, which we established with four other food manufacturers, with the aim of transforming the ecosystem while appropriately collaborating with external partners and sustainably maintaining and improving the value provided to customers.

* Continuous improvement and reform activities based on the philosophy and methods of thoroughly refining all operations to solve problems and to add value from the customer’s point of view while individuals and teams grow in a synchronized manner in order to create a competitive advantage

Developing a business model flexible to evolving consumer food experience value (DX3.0)

We are adding the power of digital to our array of advanced food and health technologies to create a new business model that will seamlessly provide services at various touch points along the consumer eating experience journey. The Ajinomoto Group has accumulated and refined technologies over many years for creating functional materials, engineering deliciousness and nutritional value, and diagnosing health and nutrition status. We also continue to develop the Ajinomoto Group Nutrient Profiling System (ANPS) for visualizing product nutrient values and are constructing a common platform to apply proprietary algorithms to our databases on health and nutrition correlations and on menu composition. Our objective is to creatively use our data to offer meticulous services that meet individual consumer needs. The consumer information we collect from those services will in turn be used to continue improving the consumer experience (see p.23).

The four stages of Ajinomoto Group DX



Selected as a DX Stock 2022

The Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange selected “DX Stocks” in each industry that have established internal mechanisms to advance DX and enhance corporate value and that have realized exceptional achievements using digital technologies. Ajinomoto Co., Inc. was recognized for developing its unique definition of DX for business model transformation and social change, and for methodically advancing its roadmap while developing human resources.



Case study: Ajinomoto Food Manufacturing Co., Ltd.

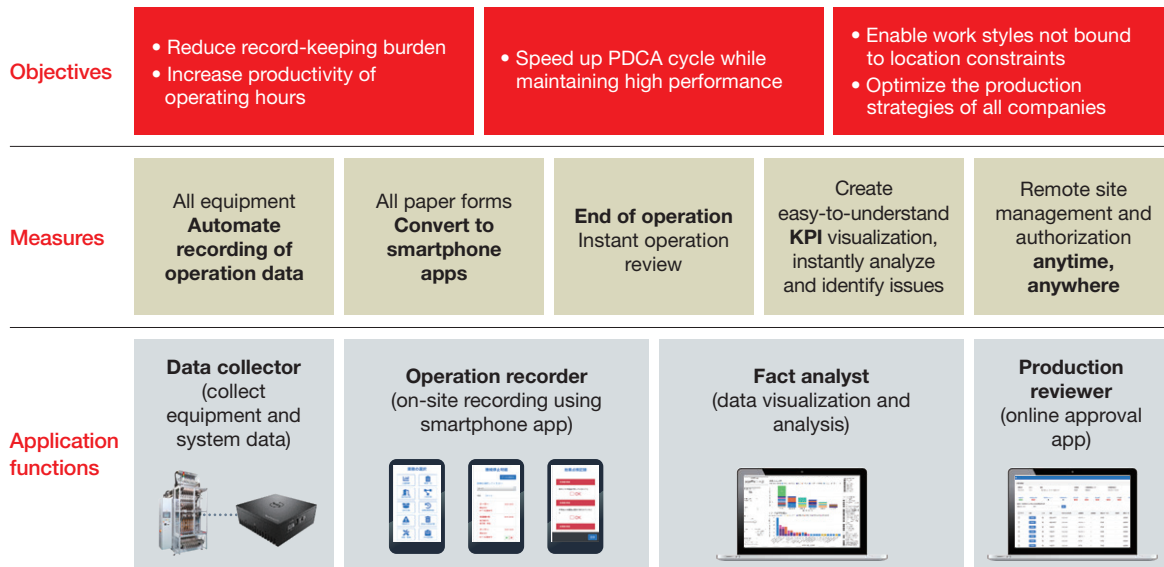
Digitalizing all packaging process information, and improving workability and productivity

Seasoning and processed food manufacturer and packager Ajinomoto Food Manufacturing Co., Ltd. has all sorts of equipment conducting packaging processes that must meet innumerable standards, and several hours each day were being lost to dealing with dozens of required paper forms. Data analysis also took time, and the company was having difficulty implementing sufficient improvement measures.

The company was also facing the larger trends of diversifying work styles and a shrinking working-age population from Japan’s aging population and declining birthrate. Management responded by introducing packaging control system “APPLE” to standardize its process control operations and teamed with system vendors to develop an easy-to-

use smartphone application. The application eliminated the paper-based forms and automated data collection from all equipment. The paperless system works anytime and anywhere, making it possible to remotely verify the status of operating equipment and enabling quick data analysis and response. We will continue leading the industry in introducing advanced packaging control systems, which we plan to install at all of our manufacturing sites as well as our Group companies in Japan and abroad. In addition, we will continue developing the systems by collaborating with industry groups and other packaging machine manufacturers toward establishing the system as the industry standard.

Packaging control system “APPLE”



Akihiko Ebisawa
DX Strategy Promotion Department, Ajinomoto Food Manufacturing Co., Ltd.

Printed forms were the norm at our production site, and we had a tough time at first getting people, who were of all ages and nationalities, to switch from using a pen to using a smartphone. Everyone eventually got used to it, though, and that helped us start to really use the data to make improvements. This was a direct use of digital technology to bring about work-style reform in the production department. As using the app becomes the norm in the Ajinomoto Group production departments, it will become another tool for improving our on-site data analysis and raising our operations to a higher level.

On the integration of the food products and AminoScience businesses

The Ajinomoto Group is integrating the food products and AminoScience businesses with the aims of generating further growth and creating greater value. Yoshiteru Masai, General Manager of Food Products Division, and Sumio Maeda, General Manager of AminoScience Division, talked about the joined direction and vision that will be key to a successful integration.



General Manager of Food Products Division

Yoshiteru Masai

1986 Joined Ajinomoto Co., Inc.
 2013 General Manager of Amino Acid Department
 2016 General Manager of Specialty Chemicals Department
 2017 Corporate Executive Officer, General Manager of Specialty Chemicals Department
 2019 Corporate Vice President, General Manager of Europe and Africa Division
 2022 (April) Executive Officer & Senior Vice President, General Manager of Food Products Division



General Manager of AminoScience Division

Sumio Maeda

1987 Joined Ajinomoto Co., Inc.
 2008 Director, Food ingredients of AJINOMOTO FOODS EUROPE S.A.S.
 2016 Deputy General Manager of ASEAN Division
 2019 Corporate Executive Officer, CEO and President of Ajinomoto Foods North America, Inc.
 2022 (April) Executive Officer & Vice President, General Manager of AminoScience Division

Closer cooperation between the businesses under the new corporate structure

Please tell us a little about your backgrounds.

Masai When I first joined Ajinomoto Co., Inc., I was appointed to domestic sales of specialty chemicals products. My first overseas assignment was to develop the amino acid market mainly for food products in the United States. Later, I was the General Manager of the Moscow Office, where we primarily worked on creating a market for amino acids for animal nutrition. Our clients were located across the country, and I traveled to Siberia, the Ural Mountains, the Volga River, and the far eastern end of Russia. After returning to Japan, I was the General Manager of the Amino Acid and Specialty Chemicals Departments for three years each.

Maeda Most of my career has been in sales and marketing. In 2008, I was transferred to France, where I managed sales of MSG and other food ingredients for the food industry in EMEA. I struggled sometimes when our results didn't improve as we had hoped, but Mr. Masai gave us lots of encouragement from Moscow. I was later assigned to Thailand, where I helped put together the business plan for Southeast Asia and worked on setting up companies in emerging countries. In 2019, I was appointed CEO and President of Ajinomoto Foods North America.

Masai I have experience with food manufacturers in the United States and Mr. Maeda oversaw MSG sales in France. I previously worked in the AminoScience business and am now the General Manager of Food Products Division, and

Mr. Maeda, who is from the food products business, is now the General Manager of AminoScience Division. The purpose of having us trade places like that is to accelerate the integration of the two businesses. It's a clear demonstration of the Group putting its strategy into practice.

Maeda To be honest, the assignment was a huge surprise. But I was relieved that Mr. Masai would be the General Manager of Food Products Division and knew the strategy would work out all right. Not only have we known each other for a long time, but you make it a point to be approachable and are easy to work with.

Masai I go by your office all the time because we're on the same floor, and I'm always stepping in to talk.

Maeda It seems like we discuss strategy a couple times every day.

Masai That's true! The scheme to get us to work closely together is working quite well.

Combining strengths to boost brand value How do you view the markets and what are the challenges that lie ahead?

Masai The AminoScience business is expanding, particularly in the healthcare and specialty chemicals segments. Overseas, the food products business is growing, but in Japan the lack of population growth and slow economic growth over the past several years is making it very difficult to expect sales growth.

Maeda The food products business is so broad and vast that it should steadily expand in countries where the



population is growing. There are some risks, however. The steep rise in raw material prices is certainly a headwind. At the same time, the AminoScience business is growing because we are taking a “narrow and deep” approach. We know that we create value by digging deep into a limited market.

Masai I think the challenge for the AminoScience business is to enhance its brand value. The food products business is mainly a BtoC operation, so it has focused on branding, but the AminoScience business is primarily a BtoB operation and has not developed its branding as much.

Maeda People choose brands because they remember them as being reliable or having a good reputation, or quite simply, because they just like them. The AminoScience business definitely has brand power, which you can tell from its high number of clients. What we need to do is translate that power into an asset, like a product or service brand or a corporate brand. Conversely, the food products business targets an unspecified number of customers, which could actually have the effect of weakening the brand value. I think it would be prudent for both businesses to be aware of who their core customers are, so we are sure to appeal directly to them.

Masai One of the characteristics of the Group is that we have both BtoC and BtoB businesses. The BtoB operations create unique customer assets and form direct and close relationships with clients. I think we should develop our branding to take full advantage of both types of business.

Integrating human resources and other intangible assets

What are your main areas of focus going forward?

Maeda The main focus is on integrating the two businesses, especially the intangible assets of our human resources and expertise. Since we’re fundamentally a manufacturing operation, we also need to make 120% use of our equipment and other tangible

assets. If done properly, though, intangible assets can magnify our value by 10 or even 20 times.

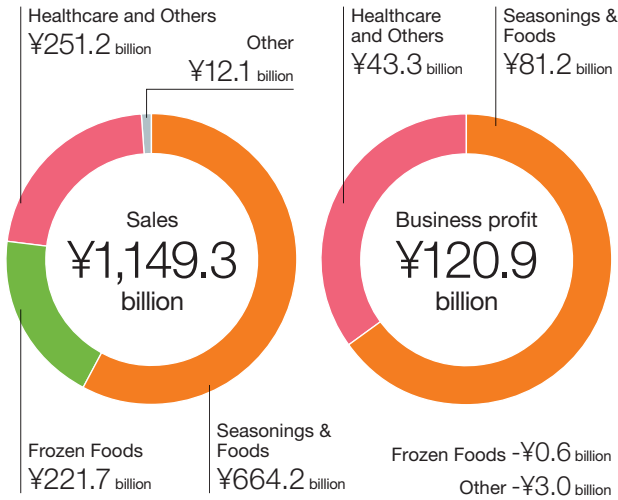
Masai I agree. Human resources are the foundation for creating value in all of our businesses. I haven’t had many opportunities to work with the people in the domestic food business, but I’m impressed by the number of talented people it has. I think that the capabilities of the younger generations of employees are one of the keys to growing the food products business in Japan. Young people generate ideas that I would never have come up with. They also have access to a huge amount of data. I would really like our drive to increase our workplace diversity to include creating a structure that incorporates ideas from people across age groups as well.

Maeda The AminoScience business is also flush with talent, and the conviction of their opinions is admirable. I would like to see more people gaining experience, both successes and failures, including outside the Company and global field, because staff with a broad mix of direct experience expands the potential of both the person and the Company.

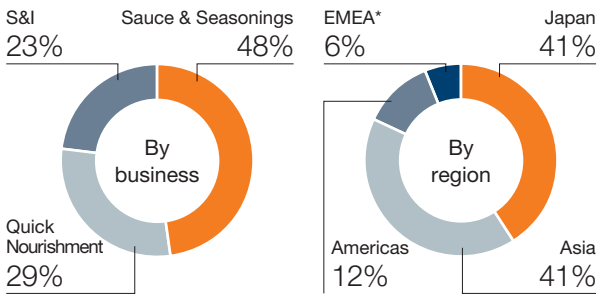
Masai Deepening the understanding between the two businesses will also be important. For example, I would like people on the food products business side to know about amino acids, not just how they function but also their usefulness and potential. I also think we can learn much from the Group’s history. That’s the message I would like to convey to everyone—know our history, look at the present from the perspective of a professional, and envision the future.

Maeda I believe when everyone is gaining and learning from a wide range of knowledge and engaging in healthy and open dialogue with other departments, we can create even more interesting and even more unique value. The integration of the food products and AminoScience businesses promises great potential for the Ajinomoto Group.

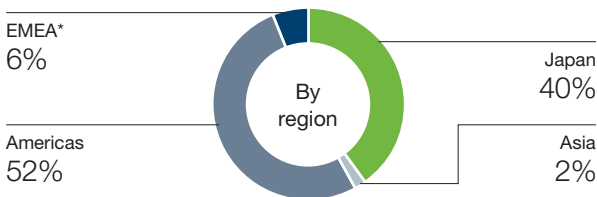
Fiscal 2021 sales and business profit



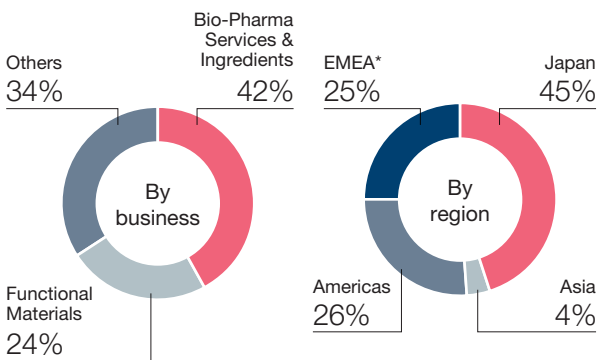
Sales composition of Seasonings & Foods



Sales composition of Frozen Foods



Sales composition of Healthcare and Others



* EMEA: Europe, the Middle East, and Africa

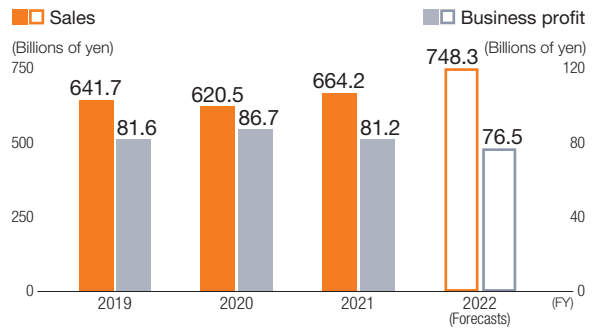
Seasonings & Foods

- Core businesses included in this segment
- Sauce & Seasonings
 - Quick Nourishment
 - Solution & Ingredients (S&I)

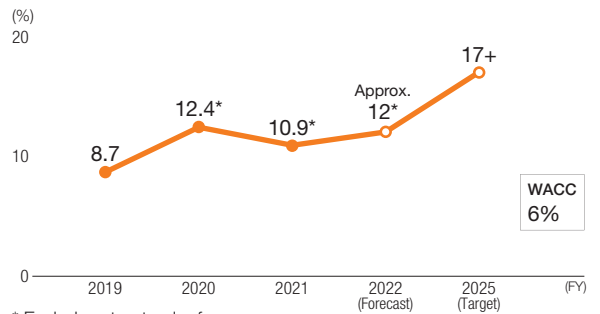
Fiscal 2021 results

Overall sales increased, but business profit declined. Sales increased year on year 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. Business profit declined over the previous fiscal year owing to rising fuel and raw material prices despite increased overseas sales and the effect of currency translation.

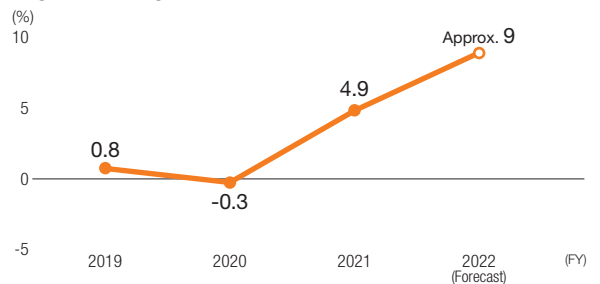
Sales and business profit



ROIC



Organic sales growth



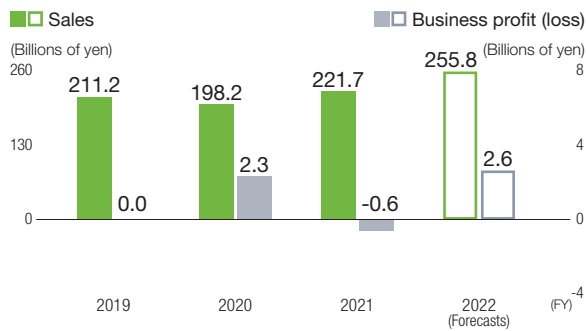
Frozen Foods

Fiscal 2021 results

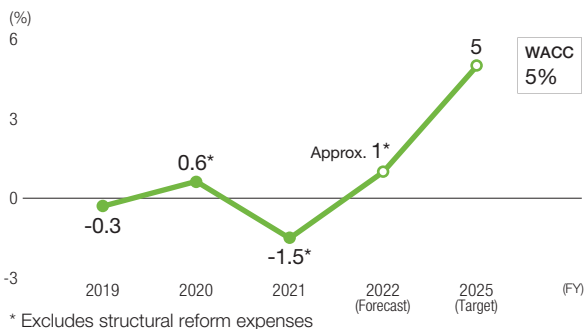
Overall sales increased, but business profit declined. Sales rose year on year primarily as a result of an increase in overseas sales and the effect of currency translation.

Business profit declined year on year as a result of the rising cost of raw materials inputs in North America and others.

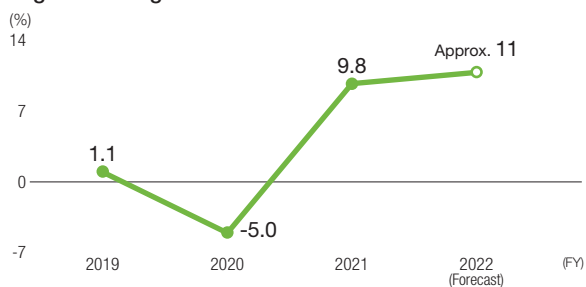
Sales and business profit (loss)



ROIC



Organic sales growth



Healthcare and Others

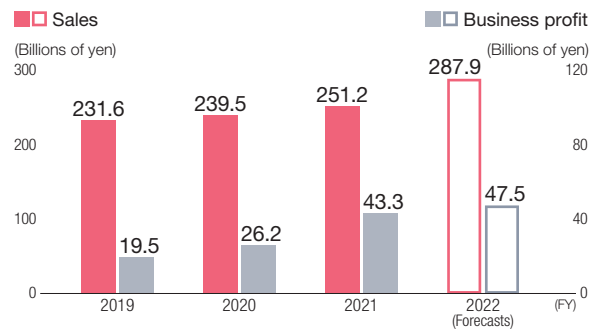
Core businesses included in this segment

- Healthcare
- Electronic Materials

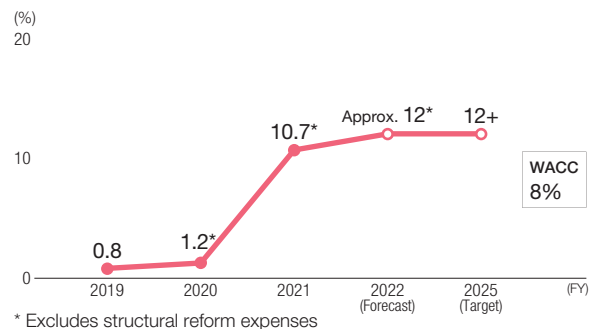
Fiscal 2021 results

Overall sales and business profit both increased. Sales increased year on year owing to an increase in revenue of Bio-Pharma Services & Ingredients and Functional Materials. Business profit increased over the previous fiscal year because of the increase in sales.

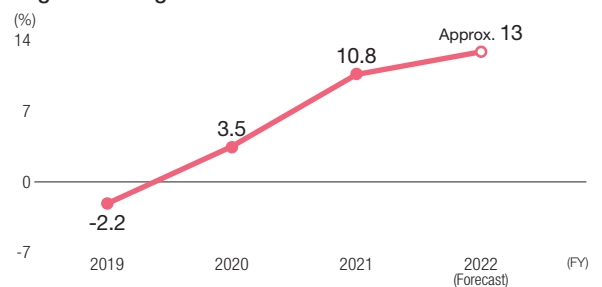
Sales and business profit



ROIC



Organic sales growth



Creating social and economic value with our core businesses

We are contributing to solutions to social and environmental issues through our broad global business portfolios spanning food and healthcare while addressing the diversification of consumer lifestyles and values as well as changes in their preferences.

Sauce & Seasonings

Opportunities and risks

In Japan, as life “with COVID-19” has become the normal state and vaccinations have progressed, the food service industry partially recovered in fiscal 2021, and while home-use demand remained high, it did decline slightly. We must keep a close watch on the impact of spreading COVID-19 infections in fiscal 2022 and beyond.

Overseas, again in fiscal 2021, primarily in the core countries where we market our products, governments repeatedly tightened restrictions due to the spread of COVID-19, which shrank the market slightly overall for both home-use and the food service industry. Since fiscal 2022 began, some countries’ restrictions have gradually eased, and while a full market recovery will likely require some time, we anticipate that the overall market for both home-use and food service industry will see steady growth.

In fiscal 2022 and beyond, especially in the core countries where we market our products, the shift will continue to the convenience products area, featuring items like menu-specific seasonings. Also, demand is rising for high-value-added products such as those that are environmentally conscious or have health value, and we perceive this as a business expansion opportunity.

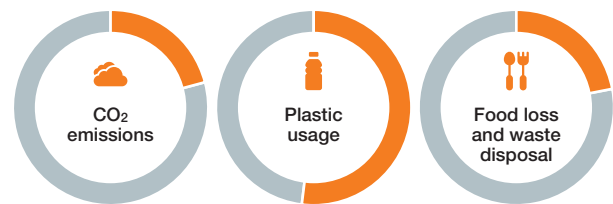


Umami seasoning



Chinese seasoning

Sauce & Seasonings environmental footprint in relation to the core businesses (approx. ratios)



* The percentage calculations include figures representing a proportion of production volume and are meant to represent the general trend.

We anticipate that in addition to growth in the reduced-salt products market, demand for health information, such as cooking recipes relating to reduced-salt and increased vegetable intake, will increase even more. Meanwhile, costs for raw materials and fuel and packaging materials are facing unprecedented increases due to the impact of the Ukraine situation and abnormal weather conditions, among other factors. Increasing competition in acquiring food resources and a shortage in transport options are elevating risks on the procurement side as well, leading to expectations of continued harsh and uncertain conditions.

Growth strategies

In Japan, we will aim to expand sales by strengthening our brand through steps such as improving existing products and releasing products tailored to changing lifestyles, by further expanding sales channels, and by maximizing the effect of advertising and marketing through a combination of mass and digital communications. We will also strengthen our brand and maintain and build up a competitive edge by using Deliciousness Technologies, strengthening the development of unique ingredients,

Social value

- By proposing “delicious salt reduction” using umami and soup stock, we contribute to resolving nutritional issues globally
- By reducing the amount of plastic used, such as thinner product packaging, we contribute to resolving environmental issues globally

Economic value

- Increase sales of high-value-added products (increase unit price)
- Reduce costs by reducing the amount of plastic used (improve ROIC)

and accumulating and using information on umami and salt reduction.

Overseas, in addition to improving the quality of our core brands, we will increase brand value by promoting environmental responsiveness and strengthening health value. In the traditional retail channels that constitute our main markets, we will be thorough about basic activities such as store displays and also build a scheme for accepting online orders. As well, we will aim to produce new sales by maximizing buying opportunities, such as

by trying our hand at new selling methods like online shops using owned media. We will respond appropriately to rising costs for things such as ingredients and packaging materials while keeping a close eye on market conditions. We will also aim for unit price growth by actively launching premium products and reduced-salt products, for example, and by expanding the proportion of sales accounted for by high-value-added product category items such as menu-specific seasonings and cooking sauces.

Quick Nourishment

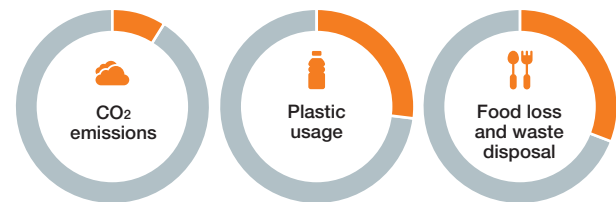
Opportunities and risks

The soup market in Japan continued to expand in fiscal 2021. In terms of coffee, although dried products for home-use had a strong showing, restaurant and industrial-use demand decreased. As demand for immediate/convenience meals, and an awareness of health and nutrition, are increasing under the “new normal” of life “with COVID-19,” demands relating to mental health are also forecast to continue growing in fiscal 2022 and beyond. Moreover, as people’s tastes and purchase channels, such as for premium and personal items, become increasingly diverse, we believe the e-commerce/home delivery market in particular will continue to grow.

Overseas, the instant noodles market has grown in Thailand, Europe, and South America, but rising prices for wheat and palm oil are pushing up costs tremendously. The drink market shrunk in Thailand, a major country for the Ajinomoto Group, due to a decline in drinking opportunities for ready-to-drink products during the COVID-19 pandemic, but this is recovering in fiscal 2022. While reduced-sugar and no-sugar products are doing well due to increasing health consciousness, there are noticeable changes in consumer preferences due to factors such as urbanization, as well as heightened expectations for high-quality products.

Meanwhile, because of continuing poor harvests due to climate change as well as price increases of main raw

Quick Nourishment environmental footprint in relation to the core businesses (approx. ratios)



* The percentage calculations include figures representing a proportion of production volume and are meant to represent the general trend.

materials and fuels, there will likely be an impact as energy and distribution costs remain high. It is also imperative that we flesh out our efforts to address the issue of marine plastics and the sustainable procurement of palm oil in light of a heightened awareness of ethical consumption.

Growth strategies

We are setting 1) ROIC improvement from organic sales growth and structure reinforcement, 2) Optimization of business portfolio, 3) Business expansion in the Health and Nutrition area and, 4) Elaboration on target users and promotion of “New ways of delivery” as the four pillars of our growth strategy. In particular, we will prioritize product development and communications that promote the provision of solutions for consumer issues in the health and nutrition areas.

Based on increased sales of our core soup products, in Japan we are amplifying our product categories, as well as improving the nutritional value and ease of preparing products in response to people’s diversifying preferences and behavioral changes. We are also striving for an increase in quantity and unit price growth by promoting our products’ premium value. For coffee, we will be appealing to its health value, and making it premium, among other tactics, to convert it to a value-added business.

Overseas, we will utilize the Ajinomoto Group’s unique technological capacity and wisdom to strengthen



No-sugar coffee drink



Instant noodles

our product power. With regard to instant noodles, in Thailand we will increase sales by addressing the demand for reduced salt and increasing our premium items, in addition to striving to export to more countries, especially in the European market. In ready-to-drink products,

we will expand our market share with reduced-sugar and no-sugar products in Thailand's No. 1 brand, *Birdy*®, and actively conduct marketing activities that will strengthen engagement with the younger demographic groups in an effort to strengthen our brand power.

Social value

- By offering delicious products both in Japan and overseas that are easy to prepare and that facilitate salt reduction and the intake of protein and other nutrients, and contribute to resolving health issues that arise from dietary habits and lifestyles
- Reduce food loss and waste by improving the canned coffee production process in Thailand

Economic value

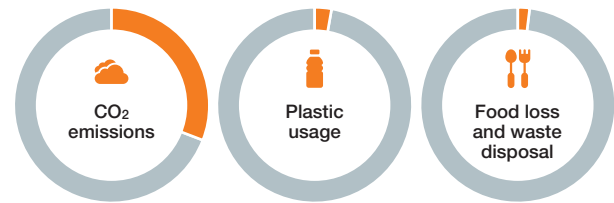
- Increase sales of high-value-added products (increase unit price)
- Cut costs (improve ROIC)

Solution & Ingredients (S&I)

Opportunities and risks

With regard to the restaurant and industrial-use business in Japan, the COVID-19 pandemic's impact on the food service industry led market conditions to alternate between periods of recovery and periods of worsening. Amid these circumstances, the scale of the food service industry is shrinking and people's mindset is also changing. For example, a heightened awareness of health and nutrition is pushing up demand in the reduced-salt and reduced-sugar areas as well as that of meat alternatives, which presents the Ajinomoto Group with an opportunity to offer solutions. We expect restaurant and convenience store demand in office areas to continue declining to a certain

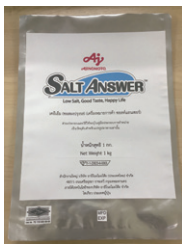
Solution & Ingredients environmental footprint in relation to the core businesses (approx. ratios)



* The percentage calculations include figures representing a proportion of production volume and are meant to represent the general trend.

extent in fiscal 2022 and beyond, but we believe that in the medium and long term the market for both home-use and the food service industry will return to steady growth.

As for umami seasonings for processed food manufacturers, both in Japan and overseas, there are increases in energy costs due to the situation in Ukraine, price increases in the main and auxiliary raw materials for fermentation as well as in cooking oil, and increases in distribution costs, and these trends are forecast to continue in fiscal 2022. Meanwhile, demand for MSG and nucleotide seasonings will likely remain firm in its



Low-salt savory seasoning



Rice husks used in biomass cogeneration systems

Social value

- Contribute to changes in the tastes of consumers worldwide, diversification of food, and the effective utilization of food resources through the provision of solutions rooted in each area for the improved taste/flavor/texture of foods in a collaborative effort with customers globally
- Introduce new technology and switch fuels to further reduce the amount of CO2 emitted during amino acid/MSG production
- Improve soil fertility and productivity of agriculture by supplying highly nutritional fertilizers made from by-products of amino acid production

Economic value

- Increase sales by providing high-value-added products and services (increase unit price)
- Reduce manufacturing costs (improve ROIC)
- Increase sales by commercializing and selling by-products (improve ROIC)
- Steady procurement of raw materials (improve ROIC)

recovery from the pandemic crisis, and we expect the organic sales growth rate in the Asian and African MSG markets in particular to drive growth overall.

Growth strategies

In the restaurant and industrial-use business, we will pair unique products such as savory (*kokumi*) seasonings with the technology and expertise we have cultivated thus far, and will brush up our ability to offer solutions that address customers' concerns, primarily in the reduced-salt, reduced-sugar, and plant-based meat alternatives areas, where further increase in growth is forecast. In addition, in Japan, we will actively share with customers and users of new restaurants and of food services for elderly care

facilities, etc., information including our expertise and "Delicious salt reduction" and other materials that contribute to nutritional improvement. We will also work on structural reform by engaging in collaborative value creation with startups that are adapting to new dining trends and diversifying eating habits. Also, we will proceed to expand our business overseas by enriching our selection of high-value-added products in North America and other key areas.

In terms of umami seasonings for processed food, we will strive for thorough improvement in asset efficiency and work to reduce costs as well as further reduce CO₂ emissions by increasing productivity and optimizing supply chain management. Meanwhile, we will also create new demand by promoting salt reduction by using umami.

Frozen Foods

Opportunities and risks

With the rise in at-home dining demand, the home-use market in Japan increased again in fiscal 2021, whereas despite a trend toward recovery, the food service industry remained sluggish due to effects of the COVID-19 pandemic. It is anticipated that in fiscal 2022, the home-use market will continue to grow, while in the restaurant and industrial-use market, demand for eating out will not yet see a full recovery.

Due to this increase in eat-at-home opportunities, we anticipate a further increase in the home-use market in demand for individual diets and easy-to-prepare, time-saving foods and in health/nutrition needs with an emphasis on nutritional balance. In the food service industry as well, as restaurants cope with labor shortages and food loss and waste, we expect more extensive use of ready-made frozen foods.

In North America, in addition to a recovery in demand



Gyoza sold in Japan

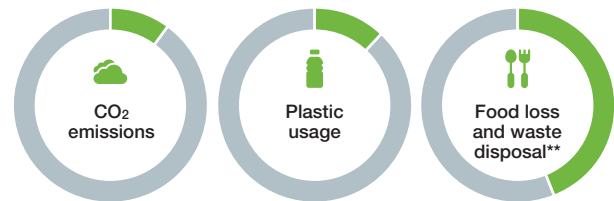


Gyoza sold in the United States

Social value

- In addition to offering our basic values of delicious, easy-to-prepare, and affordably priced foods, we also meet personal needs such as salt reduction, anti-allergen, and individual diets, contributing to people's mental and physical health
- Reduce food loss and waste throughout the supply chain from the acceptance of raw materials to delivery to customers

Frozen Foods environmental footprint in relation to the core businesses (approx. ratios)



* The percentage calculations include figures representing a proportion of production volume and are meant to represent the general trend.
 ** As frozen foods use unprocessed raw materials, the food loss during the manufacturing process is structurally higher than that of other segments.

for eating out in fiscal 2021, demand for home-use products, primarily Asian food, remained robust. In fiscal 2022 as well, due to lifestyle changes, we expect e-commerce and delivery to grow, health consciousness to rise further, and demand for Asian food to continue to increase. However, as a risk factor, rapid increases are anticipated worldwide in raw materials, distribution, and labor costs due to the effects of the Ukraine situation.

Growth strategies

In Japan, we will strive to increase home-use product

Economic value

- Expand sales of high-value-added products (increase unit price)
- Gain sympathy for initiatives (organic sales growth), cut costs (improve ROIC)

sales by concentrating on the high-value-added products area. For our flagship *gyoza* (Japanese-style dumplings), we will maintain our No. 1 position in the market by engaging in strategic marketing investment and expanding our lineup. We will also continue strengthening our offering of high-value-added products that enhance the value of mental and physical health (outstanding deliciousness, fun of cooking, health/nutrition), as well as increasing the unit price. To cope with the wildly changing market environment, in addition to existing channels, we will also strengthen efforts in growing channels such as

e-commerce, delivery, and takeout.

Overseas, we will focus on expanding our core segments, such as Asian products. We will also strengthen efforts in e-commerce and delivery channels, where demand is growing, and accelerate our response to the demand for health value-added products. As well, we actively work to reduce CO₂ emissions through energy-saving measures, reduce plastics by using paper packaging material, and reduce food loss and waste throughout the supply chain from the acceptance of raw materials to delivery to customers.

Healthcare

Opportunities and risks

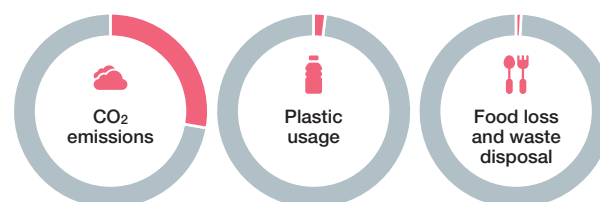
Demand is growing worldwide in the market for amino acids for pharmaceuticals and foods, and steady growth is forecast to continue. The demand for high-quality amino acids centering on the biopharmaceuticals business in particular is growing, and we anticipate that we will need to set up a system for continuous, increased production. Also, since development is proceeding on antibody drugs and biosimilars (follow-on biologics), strong growth is expected to continue in the culture media market for biopharmaceuticals, and we believe development of high-performance culture media will be a key issue for meeting unmet needs for increasingly diverse drugs.

A steady growth trend is continuing in the contracted pharmaceuticals manufacturing services market. As pharmaceutical modalities become more diverse, biopharmaceuticals such as oligonucleotide therapeutics and next-generation antibody drugs are leading growth in



Culture media for regenerative medicine

Healthcare environmental footprint in relation to the core businesses (approx. ratios)



* The percentage calculations include figures representing a proportion of production volume and are meant to represent the general trend.

the overall market, and among them, the market for oligonucleotide therapeutics is becoming increasingly brisk, with new drugs being approved in rapid succession. On the other hand, small-molecule drugs, which account for the majority of the market, underpin the market's steady growth, and anticancer drugs and other highly active bulk drugs in the cancer drug area are expected to spark a trend in small-molecule drug development. However, we must keep a close watch on factors such as distribution delays and the skyrocketing costs of raw materials and fuel stemming from the Ukraine situation.

Growth strategies

In amino acids for pharmaceuticals and foods, we will establish a supply system to meet the strong demand, and will continue to steadily supply high-quality products with full traceability and pursue added value through

Social value

- Introduce new technology and switch fuels to reduce the amount of greenhouse gasses emitted in the amino acid production process
- Through amino acids for medical purposes, medical diets, and our contracted pharmaceuticals manufacturing services, contribute to improving QOL for patients and people with health issues

Economic value

- Reduce manufacturing costs (improve ROIC)
- Increase demand (organic sales growth)

proper compliance with regulations. We will meet customers' needs in the biopharmaceutical culture media segment through the expertise in culture media composition that we have cultivated as the world's top amino acid manufacturer, as well as through the steady supply of high-quality amino acids. In addition, we will aim to acquire new customers by establishing a meticulous support service and diversifying our pipeline. Also, in the area of culture media for regenerative medicine, there are still many issues to be resolved in various advanced fields for the practical application of regenerative medicine, but we will continue to respond with the necessary advanced technologies to realize such regenerative medicines.

Within Bio-Pharma Services, in the small-molecule drug segment, we will achieve steady growth based on

our strengths of proprietary expertise, a solid quality control system, and trusting relationships with customers. In the biopharmaceuticals segment, we will differentiate ourselves by leveraging the superiority of the Ajinomoto Group's proprietary pharmaceutical production technology, such as CORYNEX®, TALAMAX®, and AJICAP®, while also increasing our presence in the various markets for proteins such as antibodies and antibody drug conjugates. We will further refine our AJIPHASE® technology, a means of large-scale synthesis for oligonucleotide therapeutics, and organize a contracted oligonucleotide manufacturing system to meet the various needs of customers, from small volume to mass manufacturing, thereby raising the barriers to entry and enhancing our competitive edge.

Electronic Materials

Opportunities and risks

With digitalization picking up speed as a result of the COVID-19 pandemic, the fiscal 2021 global semiconductor market rose 126% year on year (in terms of monetary amount)¹. The market continues to grow, particularly for data center servers and for networks.

Based on further spread and progress in the transition to 5G, demand is expected to continue increasing for a wide range of products relating to such things as networks, artificial intelligence (AI), and automated driving, and the average annual growth rate for the global semiconductor market (2021-2030) is projected at 7.9%².

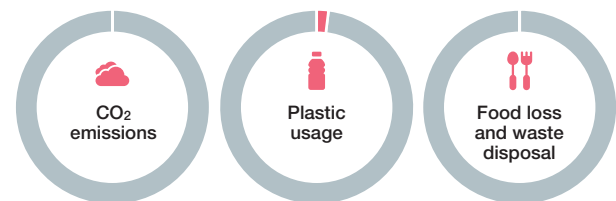
¹ World Semiconductor Trade Statistics (WSTS) (Spring 2022)

² World Semiconductor Trade Statistics (WSTS) (Spring 2022), Market research firm International Business Strategies, Inc. (IBS) (January 2021)



Ajinomoto Build-up Film® (ABF)

Electronic Materials environmental footprint in relation to the core businesses (approx. ratios)



* The percentage calculations include figures representing a proportion of production volume and are meant to represent the general trend.

Growth strategies

In the growing semiconductor market, we will engage in close communication with customers and swiftly put out products that meet their needs in order to reliably supply materials. In June 2022, our new R&D building was completed, and we installed the latest equipment and expanded our experimental trial space. Moving forward, we will further accelerate the development of materials for semiconductor packages, which increasingly involve micro wiring and are becoming larger and more multi-layered. Also, led by our core product Ajinomoto Build-up Film® (ABF), an interlayer insulating material for semiconductor packages, the Ajinomoto Group will apply our industry-leading technological development capabilities and advanced digital technologies to continue providing essential materials that contribute to creating an advanced IT society.

Social value

- IoT and AI, improve the performance of semiconductor package substrates and reduce energy consumption and CO₂ emissions by developing and supplying new magnetic materials

Economic value

- Increase demand (organic sales growth)

Reestablishing our strong growth and enhancing our corporate value

Tetsuya Nakano

Executive Officer & Vice President



Accelerating the rise in corporate value

In fiscal 2021, the Ajinomoto Group continued to advance structural reforms and concentrate investment in the core businesses toward fulfilling its vision for the Group in 2030. While the COVID-19 pandemic affected our earnings results, we raised ROIC to 7.9% and achieved organic sales growth of 6.8%. In fiscal 2022, we intend to offset the overall impact from the sharply rising raw material and fuel prices and to continue advancing

toward attaining the structural targets set in the Medium-Term Management Plan for ROIC of 8% and organic sales growth of 11%. Under the new management structure, we will transform to medium-term indicator management and evolve our financial capital strategy by applying our Speed Up x Scale Up management initiative to investing in non-tangible assets that will strengthen our business portfolio and accelerate our growth.

ROIC and organic sales growth

	FY2020-2022 Phase 1 Structural reform				FY2023-2025 Phase 2 Regrowth		FY2030 Target
	FY19 (Results)	FY20 (Results)	FY21 (Results)	FY22 (Forecasts)	FY22 (Targets*)	FY25 (Targets*)	
ROIC (excludes structural reform expenses)	3.0% (Approx. 6%)	6.9% (Approx. 8%)	7.9% (Approx. 8.5%)	8.0% (Approx. 9%)	8%	10-11%	13%
Organic sales growth (YoY)	0.3%	-0.6%	6.8%	Approx. 11%	4%	5%	5%

* Medium-Term Management Plan targets

Fiscal 2021 performance summary

- **Sales: ¥1,149.3 billion (+7.3% YoY)**

Overall sales increased on strong sales in the Seasonings & Foods and Frozen Foods segments for home-use products, particularly overseas, and improving sales for some food service products and industrial-use products from the low sales during the pandemic last year. Sales were also brisk in the Healthcare and Others segment for electronic materials and Bio-Pharma Services.

- **Business profit: ¥120.9 billion (+6.9% YoY)**

Overall business profit increased on a sharp rise in profit in the Healthcare and Others segment and despite the impact of higher raw material and fuel prices in the Seasonings & Foods and Frozen Foods segments.

- **Profit attributable to owners of the parent company: ¥75.7 billion (+27.4% YoY)**

The increase reflected the rise in business profit and others.

Fiscal 2022 performance forecast

- **Sales: ¥1,310.0 billion**

Overall sales are projected to increase on higher sales in all segments as we respond to cost inflation by quickly and aptly revising our product prices and increasing sales of value-added products.

- **Business profit: ¥124.0 billion**

Overall business profit is expected to increase on higher sales in the core businesses of the Healthcare and Others segment and the Frozen Foods segment, which are expected to offset the impact from higher raw material and fuel prices in the Seasonings & Foods segment.

- **Profit attributable to owners of the parent company: ¥77.0 billion**

Profit attributable to owners of the parent company is expected to increase along with the anticipated rise in business profit.

Priority KPIs: Fiscal 2022 forecast by segment

Segment	Organic sales growth			Unit price growth			ROIC				
	FY20 (Results)	FY21 (Results)	FY22 (Forecasts)	FY20 (Results)	FY21 (Results)	FY22 (Forecasts)	FY20*1 (Results)	FY21*1 (Results)	FY22*1 (Forecasts)	FY22 (Targets*2)	FY25 (Targets*2)
Seasonings & Foods	-0.3%	4.9%	Approx. 9%	2.8%	3.5%	Approx. 6%	12.4%	10.9%	Approx. 12%	12%+	17%+
WACC 6%											
Frozen Foods	-5.0%	9.8%	Approx. 11%	2.8%	7.8%	Approx. 12%	0.6%	-1.5%	Approx. 1%	1%+	5%
WACC 5%											
Healthcare and Others	3.5%	10.8%	Approx. 13%	-	-	-	1.2%	10.7%	Approx. 12%	10%+	12%+
WACC 8%											

*1 Excludes structural reform expenses *2 Medium-Term Management Plan targets

Steps to establish ROIC-oriented management

The Ajinomoto Group management and worksites are making an ongoing concerted effort to maintain and improve ROIC, and ensure it exceeds the cost of capital (WACC). Management seeks to continuously improve capital investment efficiency by effectively allocating management resources based on growth potential and efficiency. Autonomous management following an ROIC tree concept at our worksites enhances ROIC from a medium- and long-term perspective.

ROIC-oriented management



Business portfolio management

The Core Business Grand Design Committee, which was established under the Executive Committee in fiscal 2021, explores ways to improve the structure of businesses that are not fulfilling their growth and efficiency potential. The committee also backcasts from the vision for 2030 to determine specific targets and timelines for the six core businesses as well as the costs associated with their environmental footprint, such as from a carbon tax placed on greenhouse gas emissions.

During fiscal 2020 and 2021, we made steady progress with structural reforms, including reforming the animal nutrition business in Europe and some of the frozen foods business factories in Japan. The progress we made allows us to move up some of the reforms that we were planning for fiscal 2023 and later and to step up measures to improve our capital efficiency as we continue to work toward attaining the structural goals outlined in the Medium-Term Management Plan.

Utilizing an ROIC tree to raise value

The Ajinomoto Group is using an ROIC tree as a guide for autonomous worksite management to build a foundation for improving ROIC over the medium to long term. An ROIC tree provides management and worksites with visualization for KPIs that strongly affect earnings so they can quickly identify signs of performance fluctuations at an early stage.

The budget for fiscal 2022 introduces KPIs for each business that are incorporated into the ROIC tree, thereby enabling analysis of other companies in the same industry, time-series analysis, and management decisions about a business' portfolio. The ability of worksites to autonomously implement measures to improve ROIC will create a solid and dynamic foundation for enhancing the corporate value of the whole Group.

Applying rolling forecasts

Uncertainty in the business environment is rapidly growing as the conflict in Ukraine triggers soaring raw material and fuel prices and inflation takes hold around the world. Staying on top of earnings trends and taking quick action when needed is becoming increasingly important.

We responded to the situation in fiscal 2021 by adopting rolling forecasts for certain businesses and Group companies. Rolling forecasts allow us to revise our earnings outlooks in a timely manner, examine responses geared to emerging earnings trends, and speed up the processes of verifying the effectiveness of our responses. In fiscal 2022, we are introducing rolling forecasts to more businesses and Group companies as a core element of our Speed Up x Scale Up management initiative.

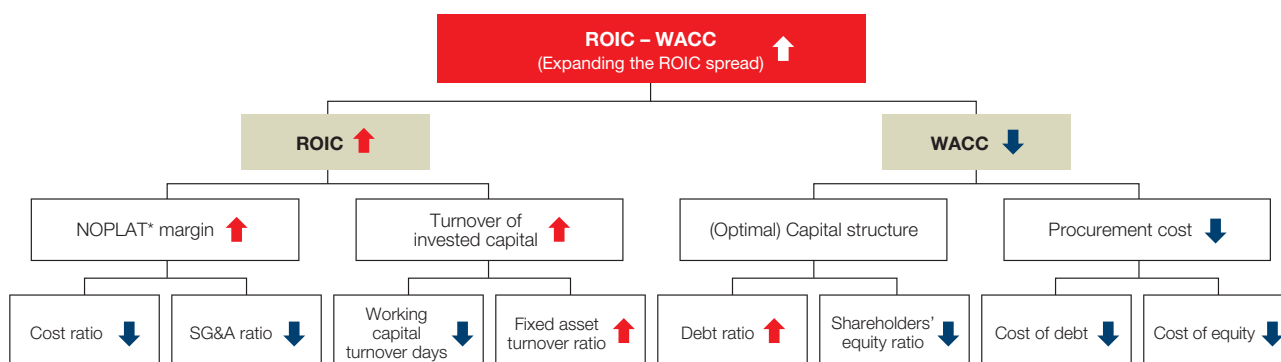
Measures to widen the ROIC spread

Enhancing corporate value requires raising ROIC, lowering WACC, and widening the difference between ROIC and WACC (ROIC spread). One of our financial capital strategies to lower WACC is to engage in sustainability finance, and in fiscal 2021 we issued the Group's first SDG bonds and entered a committed credit line agreement through a Positive Impact Finance* scheme.

When raising funds, we intend to actively integrate sustainability finance as a way to accelerate efforts in the finance field for realizing a sustainable society and reducing the cost of capital.

* A type of sustainability finance in which a company receives ongoing financial support linked to the social impact of a company's activities as assessed using an evaluation framework based on the Principles for Positive Impact Finance

Drivers for widening the ROIC spread



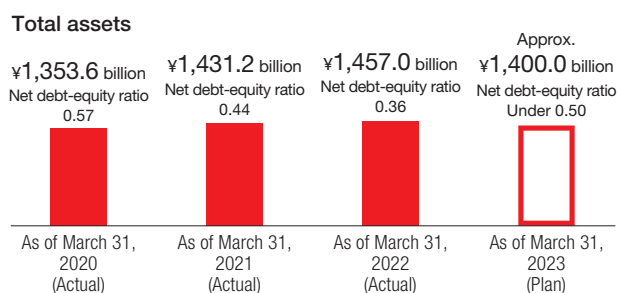
* Net operating profit less adjusted taxes

Balance sheet objectives

A key element to ROIC-oriented management is maintaining a sound balance sheet to support highly efficient capital investment.

Asset-light measures implemented in fiscal 2021 included trimming roughly ¥43 billion of our business asset holdings and reducing another ¥34 billion through resource allocation and selling cross-shareholdings for a total asset reduction amounting to ¥77 billion. Total assets increased in fiscal 2021, owing largely to currency translation effects, and we are continuing efforts to control the rise by applying our asset-light measures to trim ¥100 billion from total assets during the three-year period of fiscal 2020-2022.

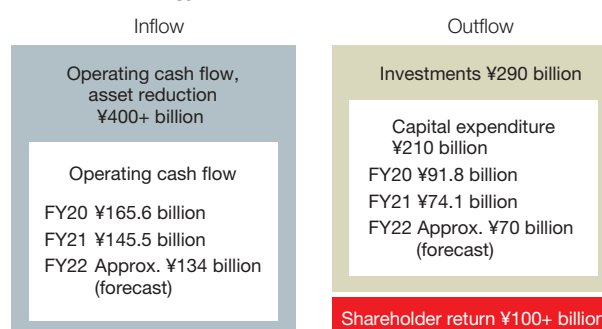
The net debt-equity ratio was 0.36 at the end of fiscal 2021, and we intend to hold it below 0.50 into the medium term.



Cash flow strategy

Operating cash flow amounted to ¥145.5 billion in fiscal 2021. We plan to generate total cash inflow exceeding ¥400 billion during fiscal 2020-2022, and continue to make it a priority management issue to increase cash flow creation output from fiscal 2022 onward. During the fiscal 2020-2022 period, over ¥100 billion has been budgeted for shareholder return.

Cash flow strategy for fiscal 2020-2022

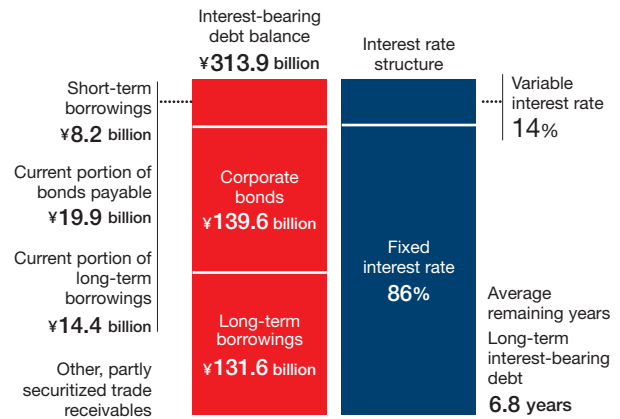


Responding to sudden unexpected market changes

To maintain our fundamental business stability, we are strengthening our financial capital strategy to better respond to rapid changes in raw material and fuel prices and currency translation as well as to changes in financial markets, such as fluctuating interest rates and financing conditions.

- Constructing a managerial accounting system and mechanisms for updating business forecasts to swiftly reflect the effects of raw material and fuel prices and exchange rates
- Establishing a cash management system to effectively utilize funds within a region and between regions around the world
- Using a variety of fund procurement methods, including corporate bonds, commercial papers, borrowing from financial institutions, and liquidating trade receivables; dispersing debt settlement dates; and setting up commitment lines for yen and foreign currencies as back up plans
- Forming Group policies and guidelines for financial activities, such as for using foreign exchange hedges

Interest-bearing debt balance by type of procurement (excluding lease liabilities) (As of March 31, 2022)



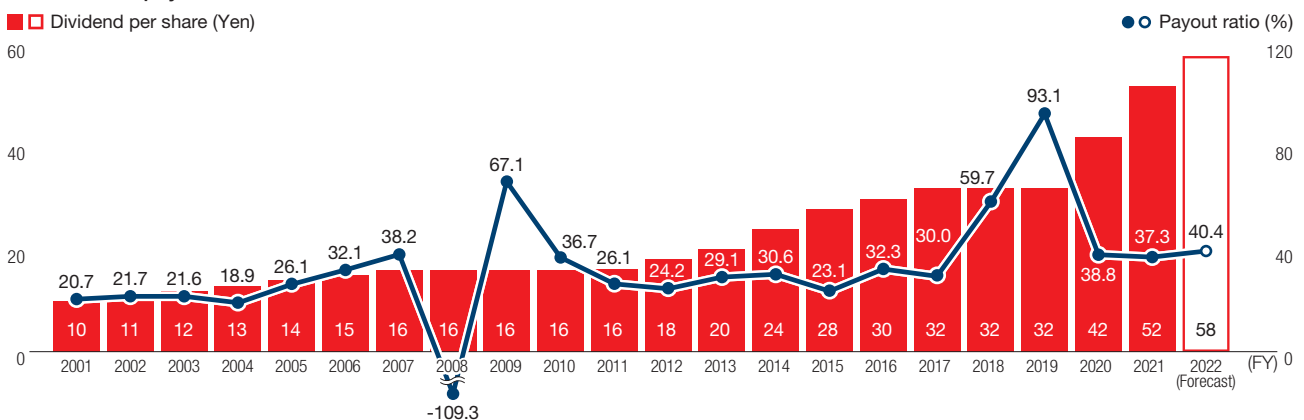
Shareholder return policy

Management's long-term objective is to steadily increase shareholder return while determining the best use of cash flow, such as the allocations for investment for business growth and funds for shareholder return for maximizing corporate value. During fiscal 2020-2022, we will use cash flow generated from increased sales and asset reduction for investment in business growth and over ¥100 billion allocated for shareholder return. Under the current plan,

management has increased the consolidated payout ratio target from 30% to 40% as it continues to work toward raising the consolidated total return ratio above 50%.

Management is aiming to enhance corporate value and provide total shareholder return exceeding TOPIX including dividends by increasing earnings per share and lifting ROIC above shareholders' equity cost over the medium to long term.

Dividend and payout ratio



Total shareholder return

Investment period	1 year	3 years		5 years		10 years	
	Cumulative/annual rate	Cumulative	Annual rate	Cumulative	Annual rate	Cumulative	Annual rate
Ajinomoto Co., Inc.	55.7%	103.6%	26.7%	66.9%	10.8%	264.6%	13.8%
TOPIX	2.0%	31.2%	9.5%	44.3%	7.6%	183.3%	11.0%
TOPIX Foods	0.6%	-3.2%	-1.1%	1.4%	0.3%	131.0%	8.7%

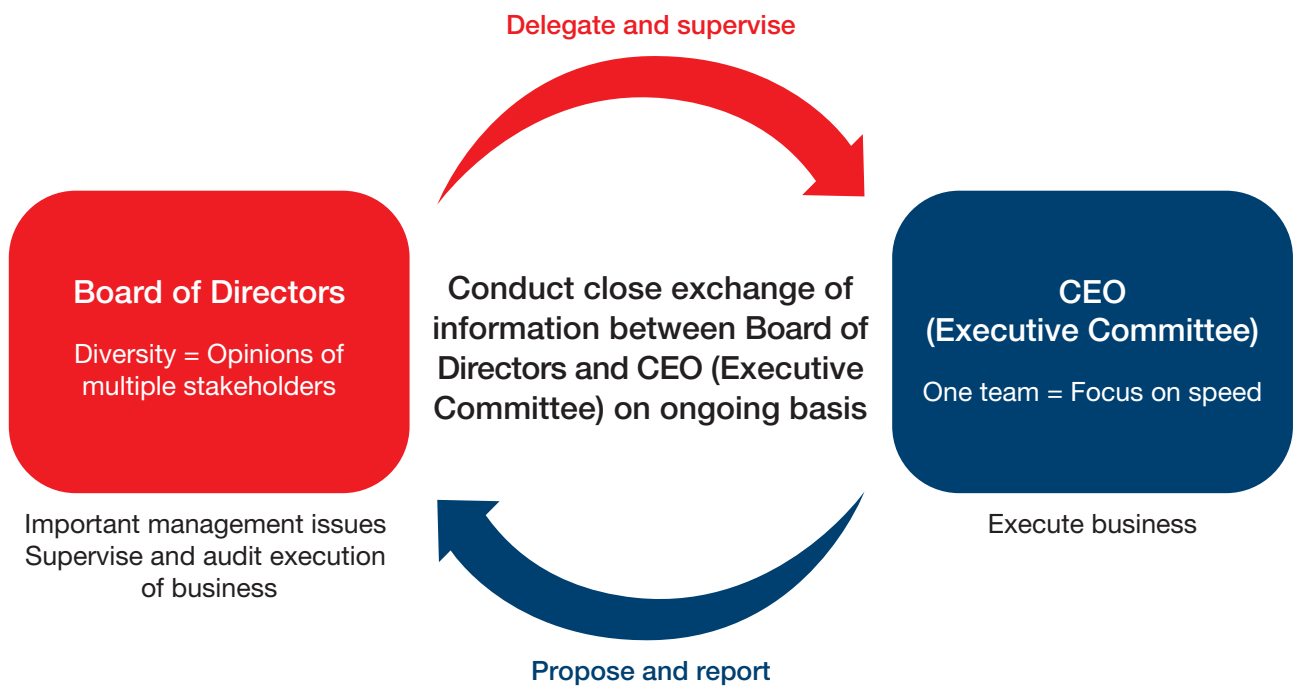


04

Corporate Governance

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Aiming to balance speedy business execution with appropriate supervision that incorporates the opinions of stakeholders



Progress strengthening of governance through changes in the form of corporate organization and what's ahead

In 2021, we adopted the Company with Three Committees organization format and changed its governance structure. Chair of the Board Kimie Iwata and newly appointed President Taro Fujie look back on the past year and discuss topics including strengthening governance and efforts to continue the evolution of ASV management.



Taro Fujie

Director, Representative
Executive Officer,
President & Chief
Executive Officer

Kimie Iwata

Outside Director,
Chair of the Board

A stronger Board of Directors with enhanced monitoring functions

Fujie I've heard that my appointment as president was two years in the making and coincided with the planning for the change of corporate organization. Has there been any change in that process from when you were on the Nominating Advisory Committee to now that you are on the Nominating Committee?

Iwata The process itself has not changed, but the nominating criteria have become clearer under the new form of corporate organization, such as what we evaluate and what human resources are looking for in a CEO. You were a leading candidate from an early stage and were selected when the new criteria confirmed our judgment.

Fujie The interviews and assessments that were part of the appointment process gave me a chance to reaffirm my career and strengths and also to become more aware of my issues and weaknesses. The process was also a good opportunity to really think through what we

want the Ajinomoto Group to become.

How do you think the governance structure has changed over the past year?

Iwata The first significant change is in the composition of the Board of Directors. The Board is now chaired by an outside director, which is myself, and the majority of members are outside directors. The second big change is from the transfer of authority to the executive side, which has decreased the number of agenda items at the Board meetings and allows us to spend more time for the newly established "deliberations." The third major change is the greater level of importance given to corporate nominations and compensation, as represented by the formal creation of the Nomination Committee and Compensation Committee.

I think these changes in the past year are a good start to improving the effectiveness of the Board of Directors. These improvements also gained high marks in this year's survey on effectiveness of the Board.

Fujie Before the last General Meeting of Shareholders

when I was an executive officer and now as a director, I feel some tension—in a good way—at the Board of Directors' meetings because I know that the outside directors will present us with opinions informed by their diverse professional experiences. I think this, in particular, contributes to strategic direction decisions for the Company. For example, there are occasionally items that we really need to know more about than ideas originating from our work sites or that are not completely optimal solutions, such as those related to our R&D or marketing investment portfolios.

Iwata It sounds like the Board is starting to fulfill its monitoring function. Before, the internal directors usually explained the items on the agenda, so they often ended up presenting items from the executive side. Now, the explanations are presented by executive officers who are not also serving as directors, and the internal directors are better able to provide frank opinions from a supervision perspective. I feel that my message as the Chair of the Board is that I want the inside and outside directors to have equal footing in the discussions being put into action.

Fujie The Executive Committee has also changed. Executive officers tend to give priority to their own departments, but they are starting to take more of the perspective of what is best for the Group overall. I see that as an indication that management is fulfilling the initial objectives of the organizational change and is becoming even better at advancing initiatives created at its work sites, which is one of the Group's strengths.

Healthy risk-taking to further advance ASV management

Iwata Significantly, delegating authority to the executive side also means that the Board of Directors supports the risk-taking of the executive side. One example of that was the Board's support for the decision in March 2022 to set the Group target to achieve net-zero greenhouse gas emissions by fiscal 2050. This shows the support because the view had been that it would be difficult to set a forecast target for 2050 when we are still doing all we can just to meet the environmental targets for 2030. That view is certainly understandable. But then the Board thought that, even if the path forward is not 100% certain, if we successfully clarify the obstacles to overcome then we should also be able to achieve those long-term targets.

Fujie The only way for us to realize ASV management and the Group's "purpose" is to continue overcoming big obstacles. The transfer of authority is intended precisely so. We can do that by opening ourselves to various opinions and by pursuing my Speed Up x Scale Up initiative.

Iwata I think the fact that the Board of Directors has been discussing how we can respond to global environmental issues shows the progress that we are making with ASV

management. When we seek to link ASV management to our social and economic value, I think it will be important to help stakeholders understand and accept our ASV management by not only providing a compelling story but also through presentations backed by numerical data.

Fujie ASV management's driving force is the "passion" of our employees and stakeholders. That passion can be quantified and shown in the employee engagement score and our corporate brand value. I really feel that the change of corporate organization is changing many things for the better.

Constantly improving governance to make it stronger

Fujie I agree that the governance structure is much more robust, but do you see anything else we can do to make it even stronger?

Iwata I do see a few issues to address, but I don't consider any of them to be critical. The only way forward is to continue working to make it better every year. One point that it would be good to continue improving is the cooperation between the Compensation, Nomination, and Audit Committees. The Compensation Committee, for example, could use the Nomination Committee's officer evaluations in its deliberations, or the Nomination Committee could look at the Audit Committee's data when considering candidates. I also feel like the Board discussions have missed some areas, such as IT strategy. Deeper discussions are also needed for return on investment and security systems in the IT area.

Fujie I strongly agree that we need more discussion on IT governance. I also want to examine setting agenda items from the perspective of stakeholders, providing more training opportunities for internal directors, and strengthening the training programs for executive officers.

Iwata As the Chair of the Board, I will have to do everything in my ability to carefully narrow down the discussion points in each agenda to raise the quality of the discussions. The discussions are already quite animated, but I think we can make them better. We have begun holding preliminary briefings on the agenda with all directors where we can ask questions and confirm information, which is allowing for more focused discussions in the Board meetings. I think that is a good step forward.

Fujie We also need to improve the functioning of the Board meetings through steps like leveling the schedule to prevent agenda items from concentrating on the end of the fiscal year. The more we can recognize and implement improvements like these, the more effective the Board will be and the stronger we can make our governance. I want the supervisors and executives to continue taking a positive approach to issues and engaging in healthy discussion aimed at our mutual objectives.

The Sustainability Advisory Council reports to the Board of Directors based on various perspectives

The Sustainability Advisory Council (SAC) was established in April 2021 as a subordinate body of the Board of Directors. A majority of its members comprise outside experts representing various stakeholders in the fields of health and nutrition, well-being, emerging countries, next-generation, ESG and impact investment, among others. The SAC discusses the Ajinomoto Group’s materiality items and vision with an eye toward 2050.

Up until the second meeting of the SAC in November 2021, efforts were made to educate members about the Group’s history, identity, core capabilities (organizational skills), and long-term vision. During the first two meetings, we also listened to members’ expectations and requests of the Group from their own specialist fields and multistakeholder perspectives, with a constructive view toward the future. At the third meeting held in April 2022, we shifted the focus to opinion formation. At the fourth

and final meeting of the SAC to be held in October 2022, discussions will be further deepened, with the outcomes in terms of stakeholders’ expectations of the Group and the materiality items required for fruition of the Group’s strategy toward sustainable value creation, and other findings, to be reported to the Board of Directors.

➤ For details, please see Sustainability Advisory Committee. https://www.ajinomoto.com/sustainability/framework/advisory_council.php



Comments from SAC’s external members on its activities



The Ajinomoto Group has carefully planned and executed the process for identifying materiality items, establishing itself as a leader in the field of sustainability. However, the purpose of the SAC is to redefine sustainability for the future, which requires the creation of an all-new and original process. This is what the SAC is working toward.

Scott Davis (Chair)

Professor, College of Business, Rikkyo University



Initially, I had my doubts that the SAC would be successful with members from such different backgrounds. Typically, when setting up an advisory body, members tend to be selected within certain parameters, such as selecting a predetermined person in ESG. However, the SAC did not follow such tendencies, which has enabled it to generate synergies.

Mana Nakazora

Vice Chairperson, Global Markets, BNP Paribas Securities (Japan) Limited



In many ways, the SAC has been a venue for discovering new perspectives. Therefore, members have come to understand the importance of embracing perspectives that are different than their own. These differences should be respected and accepted, and ultimately used to broaden our horizons.

Yoshiki Ishikawa

Representative Director, Well-being for Planet Earth Foundation
Co-founder, Cancerscan Inc.



Issues facing the world today are very diverse and cannot be resolved by a single company. After participating in the SAC, I have learned that involving many stakeholders from the very root of discussions is effective toward finding solutions to these issues. This is something I'm putting into practice at my own company.

Yu Aoki

President and CEO, MATCHA Inc.



The great thing about the SAC is that there are no scripts. I have participated in a number of advisory bodies for government and other organizations. In each case scripts, or rough drafts, were prepared in advance explaining the desired direction of discussions or soliciting opinions. The SAC doesn't adopt this approach. Members can say whatever they want, which yields extremely free and dynamic discussions.

Takao Toda

Ex-Vice President for Global Health and Human Security, JICA



Since the SAC kicked off, the Ajinomoto Group has increased engagement with top brass and various levels of employees based on its existing ASV process and planning. This demonstrates the Company's strong and ongoing commitment to the pursuit of sustainability. Ultimately, I believe there is a need for greater value creation for business and society.

Kraisid Tontisirin

Professor, Institute of Nutrition, Mahidol University, Thailand



The SAC received information from deep dives into important domains carried out by various employees and officers of the Group over several months. The aim of this exercise was to identify key areas for the Group to focus on in the world it envisions in 2030 and 2050. Other companies may be conducting similar initiatives, but I cannot think of one that has carried out scenario testing and forecasting that explores its vision for 2030 and 2050 by examining not only external elements but also what's happening inside the company.

Naoko Kimura

Membership Director, Global Impact Investing Network (GIIN)



When thinking 10 years and 30 years ahead, discussions within the Company alone inevitably become narrow, and it is difficult to fully reflect a future vision in them. When it comes to the wide-reaching nature of the food industry, companies need to formulate the direction of business growth based on the premise of what diverse leaders of the society are looking for in the future, particularly the future needs of younger generations. I believe that the SAC is attempting exactly this.

George Nakayama

Outside Director, Ajinomoto Co., Inc.



The SAC's discussions about 2050 and its many elements of uncertainty have really helped me to understand today's shortfalls. Even on the execution side, discussions have been taking place on the Group's future incorporating perspectives outward toward 2050 beyond everyday operations. The SAC's discussions have had a positive impact on the execution side of the Sustainability Committee and others while ensuring independence. I think that the process by which the execution side and the Advisory Council under the Board of Directors makes the two ropes come together into one is truly unique.

Kimie Iwata

Outside Director, Ajinomoto Co., Inc.

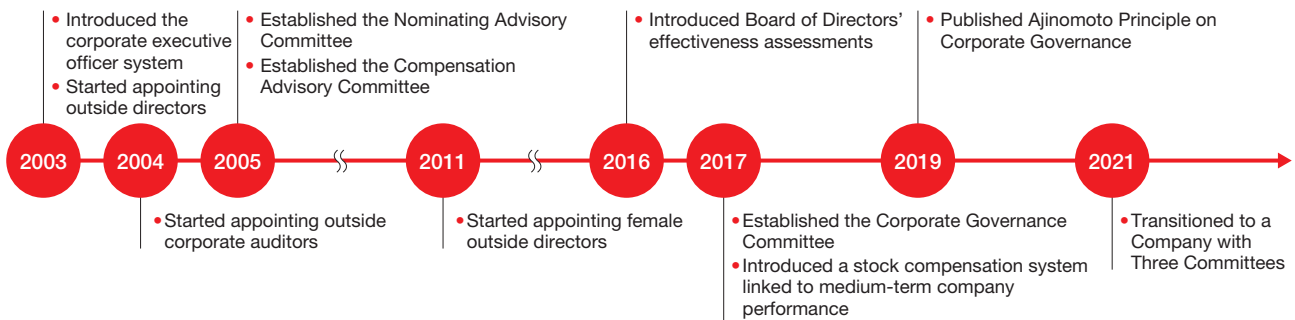
Basic approach to corporate governance

The Ajinomoto Group positions corporate governance as one of the most important aspects of its management foundation for strengthening ASV management and achieving the Group’s vision. In order to enhance the effectiveness of ASV management, we elected to become a Company with Three Committees that clearly separates supervision and execution by balancing “supervision of appropriate execution that reflects the opinions of stakeholders” and “business execution with a sense of speed.” The Board of Directors, which consists of a variety of Directors, discusses and examines important management matters that greatly affect corporate value, encourages risk-taking of execution by indicating major directions, verifies the validity of execution processes and results, and appropriately supervises execution.

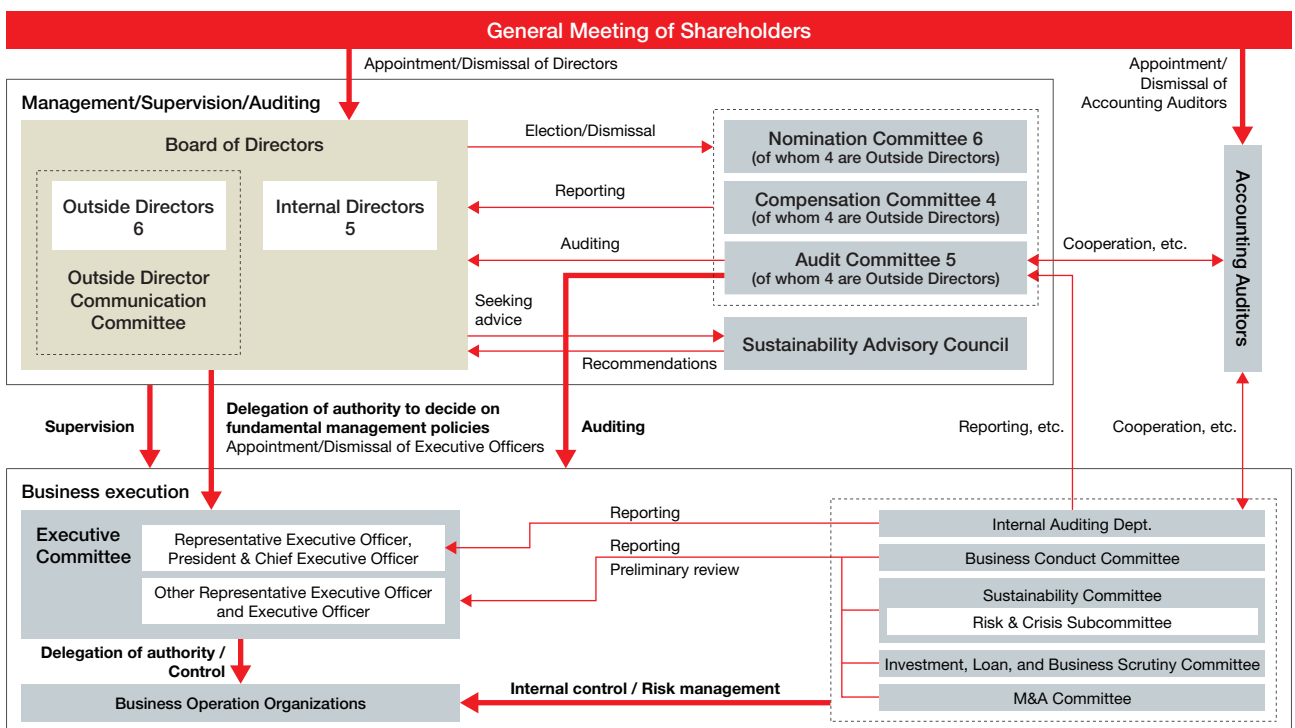
On the other hand, the CEO who has been granted wide-ranging authority from the Board of Directors, will take the lead in making decisions for important business execution at the Executive Committee level, and will realize sustainable enhancement of corporate value as one team. In order to closely communicate between the Board of Directors and the Executive Committee, governance rules are established based on the cycle for corporate value enhancement, 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.

➤ For details, please see “Ajinomoto Principle on Corporate Governance” and “Corporate Governance Report.”
https://www.ajinomoto.co.jp/company/en/ir/strategy/corp_gov.html

Initiatives to reinforce governance



Overview of corporate governance system



Management, supervision, and audits
Board of Directors

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, and supervises 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.

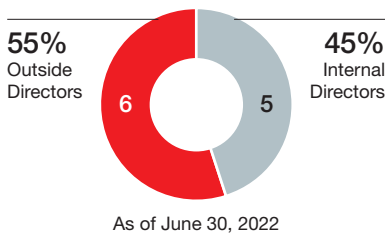
The Company has a basic policy which considers the number of members, the percentage of Internal Directors and Outside Directors, the percentage of persons who concurrently serve as Directors and Executive Officers, individual experiences, abilities, insights, internationality, gender, etc., for the 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 the CEO, and Internal Directors who are members of the Audit Committee (Standing). 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 an Outside Director.

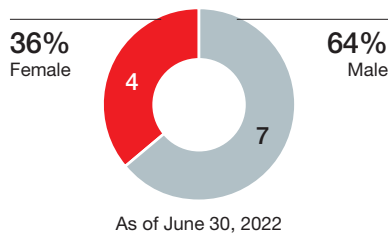
The Company established “deliberation” as a new management category of operations for indicating the major direction based on discussion and review of important management matters that greatly affect corporate value over the medium to long term. The Board of Directors selected seven themes as important management matters and incorporated agenda items on these themes into the annual schedule. The seven themes are: (1) corporate value; (2) capital policy, balance sheet optimization, shareholder returns; (3) decision-making process, governance system structure design, development, policy, operation; (4) management plan; (5) restructuring of business portfolio including exits; (6) large-scale M&A; and (7) large-scale investments.

In fiscal 2021, deliberations were held on the themes of business portfolio strategy, R&D investment strategy, marketing investment policy, and human resource strategy, with discussions taking place among Directors. The details of these discussions are shared with members of the Executive Committee immediately thereafter to be reflected in planning and execution of specific measures on the business execution side.

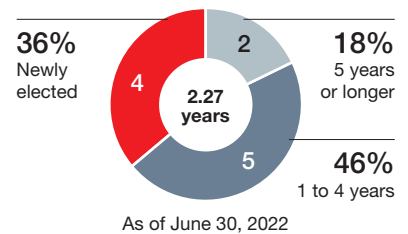
Ratio of Outside Directors



Ratio of female Directors



Average tenure of Directors



Skills matrix for each Director

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

Nomination Committee

The Nomination Committee deliberates on validity of the evaluation and reappointment of Directors, on validity of the evaluation and reappointment of the 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 the draft for selection of the Representative Executive Officer & President, etc.

The Nomination Committee consists of six members, including four Outside Directors and two Internal Directors, with an Outside Director serving as chair.

Compensation Committee

The Compensation 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.

The Compensation Committee consists of four members who are all Outside Directors, with an Outside Director serving as chair.

Audit Committee

The Audit Committee plays an important role in the function of “supervision of business execution” by the Board of Directors by auditing the legality and appropriateness of Executive Officers’ and Directors’ business execution.

The Audit Committee consists of five members, including four Outside Directors and one Internal Director,

with an Outside Director serving as chair.

The Audit Committee’s Secretariat is assigned to the Internal Auditing Dept. The Executive Officer and staff, who have the appropriate knowledge and ability to assist the Audit Committee, are assigned. Appropriate collaboration between the Audit Committee and the Internal Auditing Dept. enhances the effectiveness of audit duties by the Audit Committee.

Sustainability Advisory Council

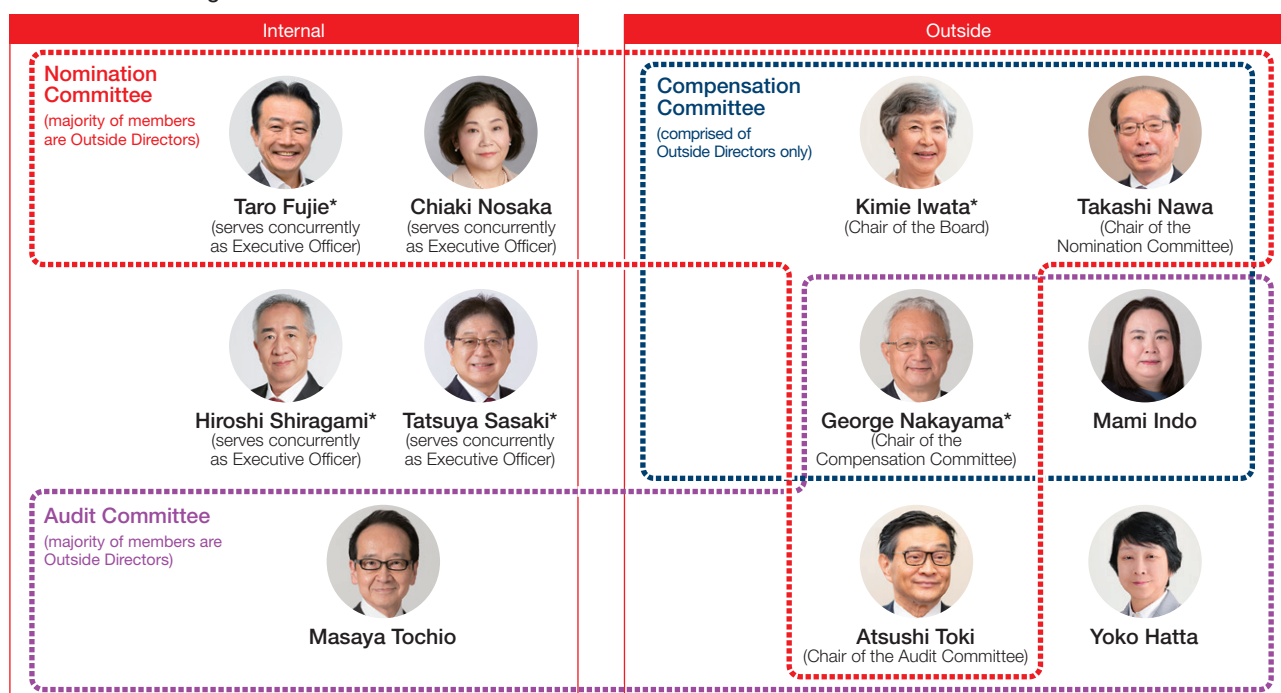
In order to pursue the enhancement of the corporate value of the Ajinomoto Group from the perspective of sustainability, the Company has established the Sustainability Advisory Council as a subordinate organization of the Board of Directors with the aim of proposing the Company’s approach to sustainability from the perspective of multistakeholders.

The Sustainability Advisory Council reviews matters related to sustainability themes and matters consulted by the Board of Directors, including consideration of materiality setting from a long-term perspective, confirmation of environmental changes (risks and opportunities) related to materiality, and examination of response policies. The details of deliberations and the results are reported to the Board of Directors promptly.

The Sustainability Advisory Council consists of 12 members, including seven outside experts, two Outside Directors and three Internal Directors including the Representative Executive Officer & President, with an outside expert serving as chair.

➤ Please see p.77 “Activities of the Sustainability Advisory Council.”

Directors and serving committees



* Sustainability Advisory Council member

Outside Director Communication Committee and Lead Independent Outside Director

The Company established the Outside Director Communication Committee in order to increase the quality supervision of business execution through information exchanges between Outside Directors and mutual supplementation of specialist fields. In addition, the Chair of the Board of Directors shall be the Lead Independent Outside Director for the purpose of responding to stakeholders and effectively advising Directors who concurrently serve as Executive Officers and other Executive Officers.

Business execution Executive Committee

The Executive Committee will realize prompt and appropriate business execution as a team led by the CEO

based on the 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 include the Representative Executive Officer & President, and other Executive Officers nominated by the Representative Executive Officer & President (excluding the Executive Officer in charge of Internal Control), and are approved by the Board of Directors.

Members of the Executive Committee



- 1 Taro Fujie**
Director, Representative Executive Officer, President & Chief Executive Officer
- 3 Chiaki Nosaka**
Director, Executive Officer & Senior Vice President, In charge of Diversity and HR
- 5 Yoshiteru Masai**
Executive Officer & Senior Vice President, General Manager, Food Products Division
- 7 Tetsuya Nakano**
Executive Officer & Vice President, In charge of Finance & Investor Relations
- 9 Junichiro Kojima**
Executive Officer & Vice President, General Manager, Institute of Food Sciences and Technologies

- 2 Hiroshi Shiragami**
Director, Representative Executive Officer & Executive Vice President, Chief Innovation Officer (CIO), Supervision of R&D
- 4 Tatsuya Sasaki**
Director, Executive Officer & Senior Vice President, General Manager, Global Corporate Division and Corporate Service Division
- 6 Takayuki Koda**
Executive Officer & Senior Vice President, Chief Digital Officer (CDO), Chief Transformation Officer (CXO)
- 8 Sumio Maeda**
Executive Officer & Vice President, General Manager, AminoScience Division

Business operation organizations

The business operation organizations include the Global Corporate Division, Corporate Service Division, Food Products Division, and AminoScience Division. Each business operation organization carries out its prescribed operations according to the directions and supervision of the Executive Officer responsible.

In order to execute business strategically in specific functions across the business operation organizations,

we have appointed a Chief Digital Officer, who oversees the Company's digital transformation as the head of digital technology, Chief Transformation Officer, who oversees the improvement of organizational strengths through operational transformation as the head of companywide operational transformation; and Chief Innovation Officer, who oversees new business model creation as the head of business model transformation, to head up these respective functions.

Evaluation of the Board's effectiveness

Every year, the Company evaluates the effectiveness of the Board of Directors. In fiscal 2021, following the transition to a Company with Three Committees, the Company revised its approach to evaluating the Board's effectiveness, switching to both self-evaluation questionnaires conducted with all directors and interviews of main directors, with the Board of Directors analyzing and evaluating the results. The self-evaluation questionnaire and interviews resulted in generally high praise for the Board's effectiveness, which is believed to be as a result of the transition to a Company with Three Committees and initiatives for increasing the Board's effectiveness following this change in governance structure. Regarding the effectiveness of initiatives to address the following issues identified in the self-evaluation questionnaire for fiscal 2020, the above results confirmed that contributions were made to the Board of Directors' deliberations and strengthening oversight functions, while there is still room for improvement in certain items in fiscal 2022.

- (1) Diversity of members of the Board of Directors
- (2) Comments by Internal Directors
- (3) Training of Internal Directors
- (4) Development program of the Executive Officers
- (5) Further ingenuity for review process of the advisory committees
- (6) Provision of information in advance at the Nominating Advisory Committee (the Nomination Committee after transition to a Company with Three Committees)
- (7) Effective operation of the Board of Directors based on the transition to a company with a Nomination Committee, etc.

Discussions by the Board of Directors on its effectiveness evaluation for fiscal 2021 resulted in the decision to continue implementing the initiatives of fiscal 2021 and further promoting the following initiatives.

- (1) Further enhancement of deliberations on seven important management issues (see p.80)
- (2) Enhancing discussions and developing policies on the effectiveness of IT governance and information system structure
- (3) Improving the operation of the Board of Directors (e.g., scheduling Board items evenly, improving the quality of materials)
- (4) Enhancing the Nomination Committee's operating structure and improving the report to the Board of Directors
- (5) Further enhancement of training opportunities for Internal Directors
- (6) Further enhancement of training programs for Executive Officers

➤ For details, please see Summary of the Evaluation of the Effectiveness of the Ajinomoto Co., Inc. Board of Directors.
https://www.ajinomoto.co.jp/company/en/ir/strategy/corp_gov.html

Messages from the Outside Directors

Bringing in global, top management, and long-term investor perspectives are crucial

Takashi Nawa

Outside Director
Chair of the Nomination Committee
Member of the Compensation Committee



In the year since adopting the new form of corporate organization, my sense is that the Board of Directors and the three committees have been very open to trying new initiatives. They've made an acceptable start, but my overall impression is that they have still just taken the first steps. During the year, the Nomination Committee, which I chair, fulfilled the major responsibility of deciding on a new CEO. Since the Company is still in the process of transformation, I think selecting a candidate from inside the Company was a good decision at this time. In the future, I believe we will need to broaden our scope to include candidates from outside the Company and to begin preparing and implementing a succession plan earlier in the process.

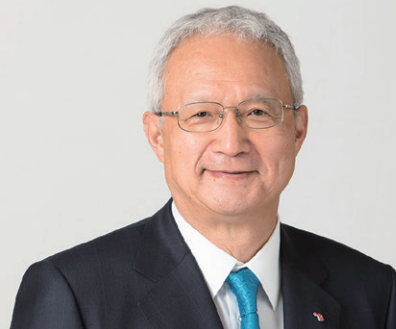
The first order of business is to establish the value

creation and "purpose" that President Fujie is advocating. We are closely monitoring management's efforts and progress, including the hiring and development of human resources and steps to transform the corporate culture. In addition, to improve the effectiveness of the Board of Directors, the Company needs to better incorporate three perspectives of global operations, experienced top management, and long-term investors. These perspectives are crucial because without them, no matter how much thought the Board may give to creating value, that value will not be fully recognized and accepted outside the Company. I believe the Company still has a "Japanese view of the world" and needs to improve its global perspective by adding more non-Japanese people to the Board of Directors.

Providing my experience as a biopharma CEO to help improve the Company's long-term growth potential

George Nakayama

Outside Director
Chair of the Compensation Committee
Member of the Nomination Committee
Member of the Audit Committee



Following the substantial changes to the governance structure in fiscal 2021, I believe the new structure is working well and effectively as we planned. During the year, the Chair of the Board of Directors led efficient and in-depth meeting discussions. The outside directors eagerly participated and the internal directors became more active in the discussions. The Compensation Committee, which I chair, had a few major issues during the year, and each issue was diligently discussed and we came to reasonable conclusions, I believe.

Some areas do need to be improved. One is prior information sharing regarding the important issues in the Board of Directors' meeting agenda. Several times I was only briefed on the materials right before the meetings. We

could participate more deeply and effectively in the discussions if we had more information and time to prepare. A second area to be improved is the sharing of information between the Audit, Compensation, and Nomination committees. We have had situations where not enough information was shared between the Audit Committee and the other two committees. Steps have already been taken, so it should not be a problem in fiscal 2022. As an outside director, I am drawing from my background as a biopharma CEO to observe and assist in the Company's medium- and long-term growth strategies. At the same time, I will especially focus on verifying and strengthening the functioning of the compliance system, which I believe is the foundation of the Company's long-term growth.

More detailed briefing sessions will enable deeper Board of Directors' meeting discussions

Atsushi Toki

Outside Director
Chair of the Audit Committee
Member of the Nomination Committee



The Ajinomoto Board of Directors includes six outside directors with different fields of specialization who actively express their opinions on each agenda item. Compared to the previous organization with a Board of Corporate Auditors, rather than focusing mainly on business execution, even the inside directors are engaging in more discussion from the perspective of the Group as a whole. The discussions are also no longer limited to a basic view of inside versus outside the Group. A system with a preliminary briefing session is in place that allows us to concentrate on the meeting agenda on the day of the Board of Directors' meeting. However, I believe the meeting discussions could be more meaningful if the preliminary briefings provided more information. The Board meetings could focus more closely on specific discussion points, if we could ask questions for fact-checking and, if the answers weren't immediately available, then if the

secretariat could provide responses or propose changes to the meeting agenda before the Board meeting. I also think that, rather than just issuing decisions and not following their implementation, the Group will function more effectively if at each Board meeting the directors were to receive progress reports on matters that have been assigned to the executive departments and committees.

The primary function of the Audit Committee, which I chair, is to supervise corporate audits. However, the Company uses a "hybrid auditing method" in which the committee members also participate in the audits of the head office's operations departments and the Group subsidiaries. In fiscal 2021, the first year under the new organizational structure, the COVID-19 pandemic prevented us from performing on-site audits of some departments and subsidiaries, but we believe the remote audits that we were able to conduct were as effective and thorough as on-site audits.

Monitor employee understanding and execution of executive decisions

Mami Indo

Outside Director
Member of the Compensation Committee
Member of the Audit Committee



As an outside director, my most pressing issue is monitoring IT governance. In carrying forward DX activity, cybersecurity measures, promotion of various IT projects, and operational excellence (OE) activities at each site, we are implementing measures in parallels, but we do not have an adequate system for overseeing all of these activities. I think it is necessary to establish IT governance in order to make full use of IT as a tool to advance the business strategy.

To further enhance the effectiveness of the Board of Directors, including IT governance, the understanding and practice of employees is crucial. It is necessary to have employees in the Company and at the Group companies understand and feel comfortable with the decisions made

by the Board of Directors and executive officers. In order to promote the integration of the food products and AminoScience businesses, cooperation across organizational and divisional lines will particularly be needed. Monitoring the explanation of their executive decisions and two-way engagements is crucial. It is important for the Board of Directors to keep that in mind as well. From a medium- to long-term perspective, we always evaluate the relationship between the Group's business activities and the initiatives for a sustainable society from a multistakeholder perspective. We also believe that it is important to continue monitoring events so executives can respond flexibly and agilely toward the realization of ASV.

Message from the new Outside Director

Responding to the increasingly rapid changes in society and the environment

Yoko Hatta

Outside Director
Member of the Audit Committee



My career includes serving as a partner at KPMG LLP and KPMG Tax Corporation in the United States, where I worked in the highly specialized fields of U.S. corporate taxes and transfer pricing taxes. The many years I spent managing client accounts gave me innumerable opportunities to talk with them and learn their perspectives, and providing transfer pricing services helped me gain a bird's-eye view of their businesses. I believe I can make a valuable contribution to the Group from my experience seeing the problems that our clients' overseas subsidiaries faced, particularly the struggles that Japanese companies have dealing with foreign tax systems.

To continue growing, the Group must be able to respond to extremely rapid changes in society

and the environment. Climate change measures in particular must be implemented with greater urgency. In addition, a global business encounters different conditions at each business site, making it even more important that management respond to constantly changing business environments at a higher level and on a broader scale. Doing so will require a structure that can constantly and flexibly incorporate new ideas and diverse perspectives. The value of outside directors is their ability to provide input to a company from an objective point of view. As the Group builds on its unique strengths, I believe that input from outside directors that helps it be sensitive and quickly respond to changes in the world can be a catalyst for change and transformation.

Compensation of Directors and Executive Officers (Executive Officers, etc.)

The Compensation Committee determines matters concerning the determination policy for details of remuneration paid to individual Executive Officers, etc.

Basic approach regarding compensation paid to Executive Officers, etc.

- In line with the Ajinomoto Group Policies (AGP), compensation will lead to medium- to long-term expansion of corporate value
- The level of compensation is sufficiently competitive with the market level
- Compensation will be determined through a transparent process that is accountable to stakeholders

Executive Compensation

Compensation for Executive Officers (including Executive Officers serving concurrently as Director) comprises base compensation, short-term company performance-linked compensation, and medium-term company performance linked stock compensation, as described below.

- Base compensation
Fixed amount paid monthly
- Short-term company performance-linked compensation
Paid based on an assessment of the Company's overall and each division's earnings performance for a fiscal year.
- Medium-term company performance-linked stock compensation
Paid in the Company's shares and cash in the amount equivalent to the conversion value of the Company's shares after the end of the third fiscal year beginning from April 1, 2020, based on an evaluation using predetermined KPI.

Compensation paid to Outside Directors and Internal Directors who are members of the Audit Committee

Compensation paid to Outside Directors and Internal Directors who are members of the Audit Committee comprises base compensation only, which is paid in cash monthly according to a fixed amount.

Determination of individual compensation amounts

Setting of compensation amount

Compensation is set for each Executive Officer based on their responsibilities for supervision and business execution.

Determination of compensation level

- Internal Directors and Executive Officers excluding those of foreign nationality
The 50th to 75th percentile (top 25 to 50%) of approximately 50 major Japanese corporations similar in size and business lines as the Company based on the survey results of an external institution
- Officers of foreign nationality
The 50th to 75th percentile (top 25 to 50%) of a group of corporations similar in size and business lines as the Company in the country or region with the closest ties to the officer of foreign nationality based on the survey results of an external institution
- Outside Directors
The 50th to 75th percentile (top 25 to 50%) of

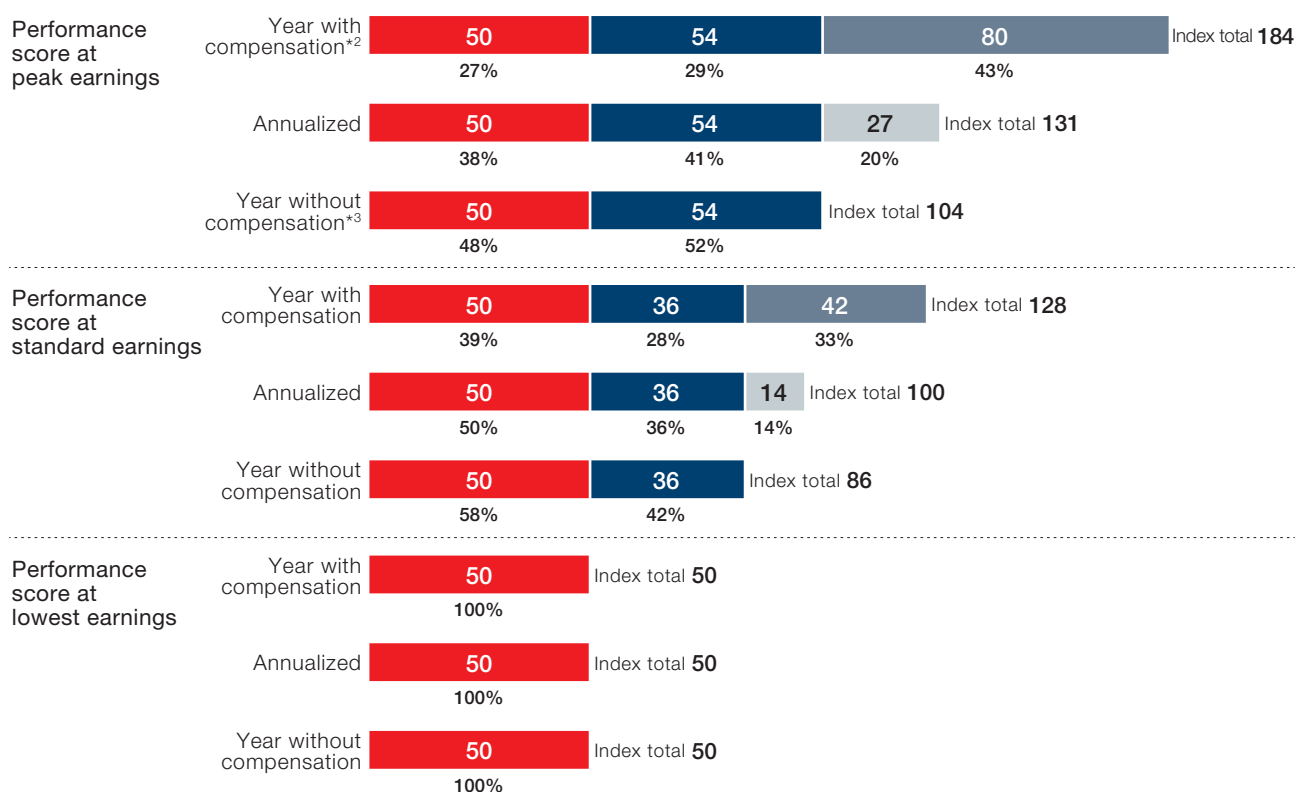
approximately 50 major Japanese corporations similar in size and business lines as the Company based on the survey results of an external institution

Determination of ratio of compensation paid

The proportions of base compensation, short-term company performance-linked compensation, and medium-term company performance-linked stock compensation paid to Executive Officers (including Executive Officers serving concurrently as Director) is approximately 50:36:14 (47:40:13 for some positions) on an annual basis*1 when the performance targets are achieved. 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.

Ratio of compensation paid

■ Base compensation ■ Short-term company performance-linked compensation
■ Medium-term company performance-linked stock compensation ■ Medium-term company performance-linked stock compensation (annualized)



*1 The amount of medium-term company performance-linked stock compensation that would be paid after the three-year Medium-Term Management Plan period is completed, divided into equal amounts for each year

*2 The amount paid in a year with medium-term company performance-linked stock compensation

*3 The amount paid in a year without medium-term company performance-linked stock compensation

KPI for performance-linked compensation

Short-term company performance-linked compensation

Compensation paid to Executive Officers who serve concurrently as Director and the Executive Officer & Chairman of Company is determined based on an evaluation of the Company's overall earnings performance only.

The compensation paid to all other Executive Officers is determined based on an evaluation of the Company's overall and each division's earnings performance using a weighting of 1:1.

- Formula used to determine the Company's overall earnings performance

Short-term company performance-linked compensation = Base amount per position × KPI*1

*1 Calculated based on the total for the following three elements. The maximum achievement rate for each KPI is set at 1.25.
(Achievement rate of consolidated sales × 2 - 1) × 30%
(Achievement rate of consolidated business profit × 2 - 1) × 50%
(Achievement rate of consolidated net income × 2 - 1) × 20%

- Each division's earnings performance

Determined based on a pre-approved compensation table after a performance evaluation of the division, organization, and subsidiary each Executive Officer is responsible for.

Medium-term company performance-linked stock compensation

Assessment criteria	Performance target	Assessment weighting
ROIC achievement rate*2	8.0%	60%
Core business sales ratio achievement rate*3	70%	20%
Relative total shareholder return*4	1	10%
Employee engagement*5	–	5%
ESG targets*6	–	5%

*2 Weighted average value of target achievement rate for each fiscal year in the period (weighted average: 25% in fiscal 2020, 25% in fiscal 2021, 50% in fiscal 2022)

ROIC is calculated based on the following formula. All figures are consolidated amounts.

Net operating profit less adjusted taxes for the fiscal year ÷ ((Invested capital for the fiscal year + Invested capital for the previous fiscal year) ÷ 2)
Invested capital = Shareholders' equity attributable to owners of the parent company + Interest-bearing debt

*3 Target achievement rates for fiscal 2022

Core business sales ratio achievement rate is calculated based on the following formula. All figures are consolidated amounts.

Core business sales for fiscal 2022 ÷ Consolidated sales for fiscal 2022

*4 Target achievement rates for fiscal 2022

Relative total shareholder return is calculated based on the following formula.

Total Company shareholder return at the final day of fiscal 2022 ÷ Total TOPIX shareholder return including dividends for the corresponding period used to calculate total Company shareholder return

*5 Self-assessment of employee engagement survey results, the initiatives started in the Medium-Term Management Plan, and achievement of these initiatives

*6 Self-assessment of the initiatives and achievement of the ESG targets in the Medium-Term Management Plan

* In the case of foreign executive officers, in addition to the amount based on the above evaluation index, medium-term company performance-linked stock compensation using a different evaluation index may be included

Total amount of consolidated compensation paid to officers in fiscal 2021

The total amount of compensation paid to officers in the fiscal year under review is as follows.

- Directors (excluding Outside Directors)
¥494 million (¥275 million of monthly compensation, ¥167 million of short-term company performance-linked compensation and ¥51 million of medium-term company performance-linked stock compensation) was paid to seven Directors.
- Audit & Supervisory Board Members (excluding External)
¥20 million (monthly compensation only) was paid to two Audit & Supervisory Board Members (excluding External).
- Executive Officers
¥1,068 million (¥389 million of monthly compensation, ¥447 million of short-term company performance-linked compensation, and ¥231 million of medium-term company performance-linked stock compensation) was paid to 15 Executive Officers.
- Outside Directors
¥90 million (monthly compensation only) was paid to seven Outside Directors.
- Audit & Supervisory Board Members (External)
¥11 million (monthly compensation only) was paid to three Audit & Supervisory Board Members (External).

The officers who were paid ¥100 million or more in total consolidated compensation in the fiscal year under review are as follows.

Name	Takaaki Nishii	Hiroshi Fukushi	Gwinnett Bompas	
Officer category	Director	Director	Director	
Company category	The Company	The Company	The Company	
Amount of compensation by type (Millions of yen)	Monthly compensation	74	50	121*7
	Short-term company performance-linked compensation	62	42	133
	Medium-term company performance-linked stock compensation	18	12	120
Total amount of compensation (Millions of yen)	155	104	375	

*7 Gwinnett Bompas' basic remuneration includes expenses related to partial compensation of income taxes and rent fee while living in Japan etc.

➤ For details, please see the Policy for determining individual compensation for Directors and Executive Officers.
https://www.ajinomoto.co.jp/company/en/ir/strategy/corp_gov.html

Sustainability and risk management

Recently, the business environment has changed dramatically due to the prolonged COVID-19 crisis, and more comprehensive risk management is important than ever. We honestly comply with the Ajinomoto Group Policies (AGP) that show 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. The Board of Directors will establish a system to recommend the Company's sustainability and ESG approach from a multistakeholder perspective. In addition, the Executive Committee selects and extracts "risks and opportunities at the Companywide management level," evaluates the degree of impact, defines responses as risk management, establishes each committee, and strengthens internal control and risk management. In promoting digital transformation (DX), we are implementing measures to prevent loss of data and information leaks as well as to strengthen cybersecurity by using a zero-trust network architecture.

Sustainability Advisory Council

▶ Please see p.77 "Activities of the Sustainability Advisory Council."

Sustainability Committee

In order to promote sustainability management, the Company established the Sustainability Committee as a subcommittee of the Executive Committee. In accordance with materiality, the Sustainability Committee formulates measures, proposes them to the Executive Committee, and manages progress. In addition, the Sustainability Committee formulates risk countermeasures for Companywide 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 based on the Ajinomoto Group Crisis Management Regulations. The Risk & Crisis Subcommittee established under the Sustainability Committee is responsible for matters related to crisis management.

Investment, Loan, and Business Scrutiny Committee

The Investment, Loan, and Business Scrutiny Committee carries out multifaceted reviews of investment and loan decisions, revitalization of special attention 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.

Internal control system

The Company's Board of Directors passed a resolution approving the Basic Policy on the Internal Control System. This policy is comprised of matters concerning the system to ensure that the execution of duties by Executive Officers and employees complies with laws and regulations as well as the Articles of Incorporation, matters concerning the system for the management of risk of losses of the Company, matters concerning the system to ensure the appropriate operation of Group companies, and matters concerning the system to ensure that the audit by the Audit Committee is conducted effectively. Every year, the Board of Directors confirms the operating status of the internal control system and monitors its effectiveness.

▶ For details, please see the Basic Policy on the Internal Control System. https://www.ajinomoto.co.jp/company/en/ir/strategy/corp_gov.html

Compliance

The Ajinomoto Group believes that compliance is complying with laws and AGP, as well as meeting the social demands behind laws and AGP, and works to raise compliance awareness and foster an open corporate culture.

Business Conduct Committee

The aim is to strengthen the 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 disseminates AGP, determines and implements various measures to respond promptly and appropriately to crises, etc., disseminates information to raise compliance awareness, grasps trends and responds from the viewpoint of compliance, and implements smooth and prompt responses and appropriate resolutions.

Principal risks

Every year the Group reviews materiality items that have substantial impact on its ability to create value in the short, medium, and long term through ASV. Opportunities and risks are identified for each materiality item, with business activities executed after clarifying the importance and priority level of materiality. Details of opportunities and risks related to materiality, and key initiatives by the Group can be found in Ajinomoto Group Materiality and the Ajinomoto Group Sustainability Data Book 2022, and financial opportunities and risks in our Securities Report for the 144th fiscal year.

Opportunities and risks related to materiality

Materiality items	Related opportunities and risks (○ Opportunity ● Risk)
Contribution to solve food and health issues	<ul style="list-style-type: none"> ○ Revised lifestyle habits, including diet and exercise, due to increasing seriousness and diversity of health issues ○ Brand trust ○ Stronger laws and rules related to health and nutrition (sugar tax, nutrition labeling) ○ Involvement of food and nutrition in predictive prevention ○ Development of regenerative medicine technology, antibody drugs, and oligonucleotide therapeutics ● Rising competition in the health and nutrition field
Rapid response to consumer lifestyle changes	<ul style="list-style-type: none"> ○ Enhancing corporate reputation by offering the joy of eating together ○ New value creation using digital technologies ● Loss of growth opportunities due to delayed response to consumer lifestyle changes or diversifying values
Assurance of product safety	<ul style="list-style-type: none"> ○ Brand trust gained by increasing customer satisfaction ○ Trust gained through fair disclosure to stakeholders ● Impact on business of growing negative rumors regarding umami and MSG ● Lower customer confidence due to product quality complaints or incidents
Diverse talent	<ul style="list-style-type: none"> ○ Company growth by improving employee engagement ○ Creation of an innovative environment ○ Increase in the number of channels for recruiting and promote human resources of diverse backgrounds ● Rising costs due to intense competition for human resources, and loss of corporate reputation in the event of a failure to attract diverse human resources
Climate change adaptation and mitigation	<ul style="list-style-type: none"> ○ Initiatives toward net-zero GHG emissions, and cost competitiveness ensured through reduced carbon tax burden ○ Collaboration with outside organizations on decarbonization ● Failure to procure raw materials due to climate change ● Damaged corporate value due to delayed response to climate change
Contribution to a circular economy	<ul style="list-style-type: none"> ○ Gaining market share through the development of environmentally conscious materials ● Damaged corporate value due to delays in waste reduction or recycling efforts ● Loss of business opportunities due to delays in complying with plastic waste regulations, etc.
Reduction of food loss and waste	<ul style="list-style-type: none"> ○ Cost reduction through efforts to improve yield in the production process, reduce product returns and waste ● Damage to corporate value due to delays in addressing food loss and waste
Sustainable materials sourcing	<ul style="list-style-type: none"> ○ Creating business opportunities by developing products in consideration of resource recycling and biodiversity ● Failure to procure raw materials, product recalls due to quality issues in the supply chain ● Failure to procure raw materials and damage to corporate value due to delays in addressing social and environmental issues in the supply chain ● Supply chain disruptions due to natural disasters, pandemics, or delays in responding to export restrictions in certain regions ● Failure to procure raw materials due to food resource depletion
Conservation of water resources	<ul style="list-style-type: none"> ○ Stable procurement of raw materials and stable supply of products by reducing water risk ● Production stagnation due to droughts, floods, or water quality deterioration ● Damage to corporate value due to delays in addressing water resource conservation
Strong corporate governance	<ul style="list-style-type: none"> ○ Appropriate risk-taking ● Business continuity risk or other unexpected losses due to failures in corporate governance or internal controls ● Lack of appropriate information disclosure resulting in a loss of investor confidence ● Decreased competitiveness due to vulnerabilities in IT management structure ● Delay or suspension of operations due to a combination of natural disasters, diseases, and pandemics ● Disruptions to organizational operations and decline in business profitability due to changes in macroeconomic conditions ● Impact of intellectual property risks on business ● Impact of sudden foreign exchange and interest rate fluctuations on business ● Higher tax burden due to changes in tax and tax effect
Preparation for intense global competition	<ul style="list-style-type: none"> ○ Business foundation reform through digital disruption ○ Value creation from external collaboration ○ Specialty creation through technological innovation ○ Establishment of competitive advantage by forecasting future changes ● Opportunity loss and loss of competitive ability due to neglect of IT investment ● Emergence of multiple competitors due to an inability to erect strong barriers to entry

› For details, please see Ajinomoto Group Materiality. https://www.ajinomoto.com/sustainability/pdf/2020/materiality_en.pdf

› For details, please see the Ajinomoto Group Sustainability Data Book 2022. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Finance-related opportunities and risks

Financial risks	Related opportunities and risks (○ Opportunity ● Risk)
Impairment loss	<ul style="list-style-type: none"> ● Failure of acquired subsidiaries, etc., to fulfill business plan ● Sharp increase in interest rates
Capital procurement	<ul style="list-style-type: none"> ● Depletion of capital due to financial crisis ● Ratings downgrade ● Additional capital procurement and worsening of rating arising from failure to fulfill plans due to various risk factors
Bankruptcy of customers	<ul style="list-style-type: none"> ● Unforeseen bankruptcies of customers including overseas customers
Fluctuation in exchange and interest rates	<ul style="list-style-type: none"> ● Impact on business revenue due to sharp fluctuations in exchange and interest rates (Slowdown in overseas business activity, impact on yen translation of business results of overseas subsidiaries)
Inflation	<ul style="list-style-type: none"> ● Worsening of revenue due to increase in cost of raw materials and fuel ○ Improvement in revenue through optimization of product prices
Country risk	<ul style="list-style-type: none"> ● Expropriation risk ● Risk of outbreak of war, conflict, etc.
Fluctuations in tax system and in deferred tax assets/liabilities	<ul style="list-style-type: none"> ●○ Fluctuations in tax burden due to fluctuations in tax system and in deferred tax assets/liabilities

> For details, please see our Securities Report (in Japanese only) and Financial Report 2022.
<https://www.ajinomoto.co.jp/company/jp/ir/library/securities.html>
<https://www.ajinomoto.co.jp/company/en/ir/library/report.html>

Directors and Executive Officers

Directors



Taro Fujie

Director, Representative Executive Officer, President & Chief Executive Officer
Member of the Nomination Committee

Number of Company shares held: 21,400
Meeting attendance (FY2021)

Career summary:

- 1985 Joined Company
- 2011 President, AJINOMOTO PHILIPPINES CORPORATION
- 2015 President, AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA.
- 2021 Executive Officer & Senior Vice President, General Manager, Food Products Division
- 2022 Appointed to Representative Executive Officer, President & Chief Executive Officer in April (current position), and Director in June (current position)



Hiroshi Shiragami

Director, Representative Executive Officer & Executive Vice President
Chief Innovation Officer (CIO)
Supervision of R&D

Number of Company shares held: 14,315
Meeting attendance (FY2021)

Career summary:

- 1986 Joined Company
- 2013 Board Chairman & Managing Director, Ajinomoto Althea, Inc.
- 2019 General Manager, Research Institute for Bioscience Products & Fine Chemicals, AminoScience Division
- 2021 Executive Officer & Senior Vice President, Chief Innovation Officer (CIO), Supervision of R&D
- 2022 Appointed to Representative Executive Officer & Executive Vice President in April (current position), and Director in June (current position)



Chiaki Nosaka

Director, Executive Officer & Senior Vice President
In charge of Diversity and HR
Member of the Nomination Committee

Number of Company shares held: 28,200
Meeting attendance (FY2021)

Board of Directors: 100% (17/17) / Nomination Committee: 100% (9/9)

Career summary:

- 1983 Joined Company
- 2005 General Manager, SHANGHAI AJINOMOTO FOOD RESEARCH AND DEVELOPMENT CENTER CO., LTD.
- 2009 General Manager, Food Technology Development Center, Food Products Company
- 2015 Corporate Vice President, General Manager, Institute of Food Sciences and Technologies
- 2019 Member of the Board & Corporate Vice President
- 2021 Appointed to Director, Executive Officer & Senior Vice President in June (current position)



Tatsuya Sasaki

Director, Executive Officer & Senior Vice President
General Manager, Global Corporate Division and Corporate Service Division

Number of Company shares held: 6,437
Meeting attendance (FY2021)

Career summary:

- 1986 Joined Company
- 2013 General Manager, Corporate Planning Dept.
- 2019 President, AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA.
- 2022 Appointed to Executive Officer & Senior Vice President, and General Manager, Global Corporate Division and Corporate Service Division in April (current position), and Director in June (current position)



Masaya Tochio

Director
Member of the Audit Committee

Number of Company shares held: 39,571
Meeting attendance (FY2021)

Board of Directors: 100% (17/17) / Audit Committee: 100% (10/10)

Career summary:

- 1983 Joined Company
- 2007 General Manager, Overseas Foods & Seasonings Dept.
- 2011 General Manager, Corporate Planning Dept.
- 2013 Member of the Board & Corporate Vice President
- 2018 General Manager, Global Corporate Division and Corporate Service Division
- 2019 Representative Director
- 2021 Appointed to Director in June (current position)

Directors



Kimie Iwata

Outside Director
Chair of the Board
Member of the
Nomination Committee and
the Compensation Committee

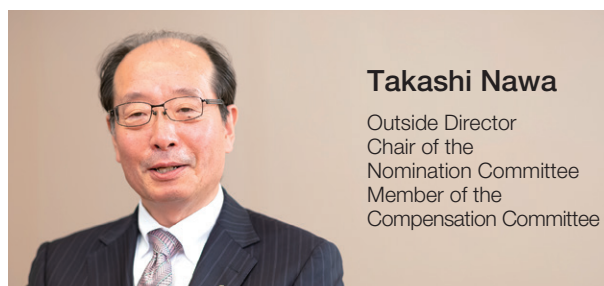
Number of Company shares held: 1,400

Meeting attendance (FY2021)

Board of Directors: 100% (17/17) / Nomination Committee: 89% (8/9) /
Compensation Committee: 86% (6/7)

Reasons for appointment:

Ms. 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. Since her appointment as an Outside Director in June 2019, in addition to holding lively discussions on the Board of Directors and at other meetings, she has demonstrated great leadership as the Chair of the Board since June, 2021.



Takashi Nawa

Outside Director
Chair of the
Nomination Committee
Member of the
Compensation Committee

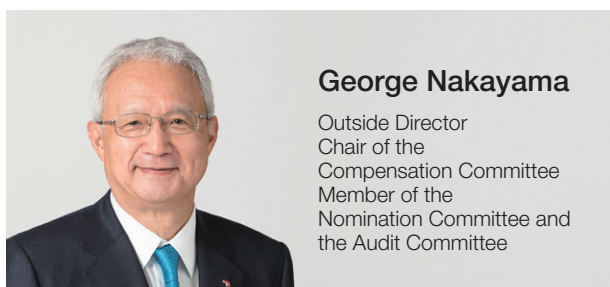
Number of Company shares held: 0

Meeting attendance (FY2021)

Board of Directors: 100% (17/17) / Nomination Committee: 100% (9/9) /
Compensation Committee: 100% (7/7)

Reasons for appointment:

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 been active as an Outside Director since June 2015. He has offered proposals in the formulation of the current Medium-Term Management Plan from a new perspective and novel way of thinking and has also supported our in-house training of managers.



George Nakayama

Outside Director
Chair of the
Compensation Committee
Member of the
Nomination Committee and
the Audit Committee

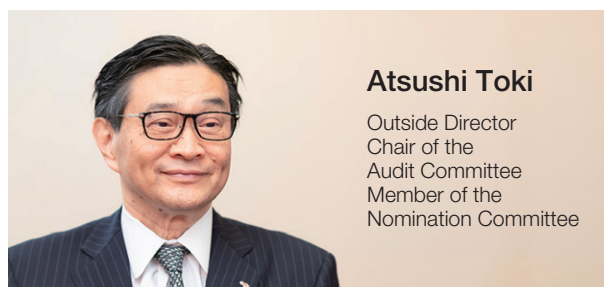
Number of Company shares held: 300

Meeting attendance (FY2021)

Board of Directors: 100% (12/12) / Nomination Committee: 100% (9/9) /
Compensation Committee: 100% (7/7)

Reasons for appointment:

Mr. 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 healthcare businesses. Utilizing this knowledge, he has contributed to important managerial decisions at the Board of Directors' and supervision of the way business is carried out.



Atsushi Toki

Outside Director
Chair of the
Audit Committee
Member of the
Nomination Committee

Number of Company shares held: 5,400

Meeting attendance (FY2021)

Board of Directors: 94% (16/17) / Audit Committee: 100% (10/10)

Reasons for appointment:

Mr. Toki has specialized knowledge as an attorney at law and has a wealth of experience. Since his appointment in June 2016 as an Audit & Supervisory Board Member (External), he has utilized his extensive knowledge relating to corporate law to actively participate from his legal perspective in the Board of Directors and other meetings. He makes a significant contribution to the strengthening of our Company in auditing functions and structures of corporate governance.



Mami Indo

Outside Director
Member of the
Compensation Committee and
the Audit Committee

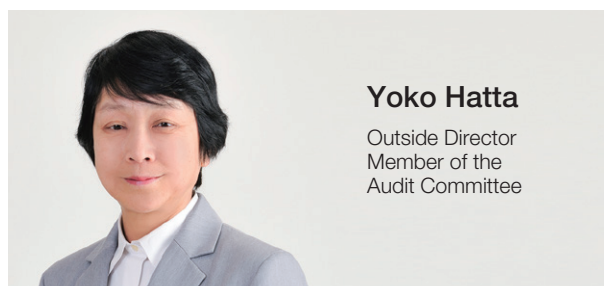
Number of Company shares held: 800

Meeting attendance (FY2021)

Board of Directors: 100% (17/17) / Audit Committee: 100% (10/10)

Reasons for appointment:

Ms. Indo, in addition to many years of experience working for securities companies and think tanks, has worked in the Securities and Exchange Surveillance Commission, gaining broad insight and a wealth of experience. Her achievements and insights are highly regarded both inside and outside of our Company. Since being appointed as an Audit & Supervisory Board Member (External) in June 2020, she has been active in her field and has made a great contribution, especially in the areas of governance and risk management.



Yoko Hatta

Outside Director
Member of the
Audit Committee

Number of Company shares held: 0

Meeting attendance (FY2021)

—

Reasons for appointment:

Ms. Hatta has extensive experience at international accounting firms and great insight into international taxation and other matters. The Company expects her to utilize this knowledge for the appropriate supervision of the operations of the Board of Directors.

Executive Officers



Taro Fujie

Representative
Executive Officer,
President &
Chief Executive Officer



Hiroshi Shiragami

Representative
Executive Officer &
Executive Vice President
Chief Innovation Officer (CIO)
Supervision of R&D



Chiaki Nosaka

Executive Officer &
Senior Vice President
In charge of Diversity and HR



Tatsuya Sasaki

Executive Officer &
Senior Vice President
General Manager,
Global Corporate Division and
Corporate Service Division



Yoshiteru Masai

Executive Officer &
Senior Vice President
General Manager,
Food Products Division



Takayuki Koda

Executive Officer &
Senior Vice President
Chief Digital Officer (CDO)
Chief Transformation Officer
(CXO)



Tetsuya Nakano

Executive Officer &
Vice President
In charge of Finance &
Investor Relations



Sumio Maeda

Executive Officer &
Vice President
General Manager,
AminoScience Division



Junichiro Kojima

Executive Officer &
Vice President
General Manager,
Institute of Food Sciences
and Technologies



Ikuo Kira

Executive Officer &
Vice President
General Manager,
Research Institute for
Bioscience Products &
Fine Chemicals

Executive Officers



Narutoshi Fukase

Executive Officer &
Vice President
Supervision of
Food Products Sales



Jiro Sakamoto

Executive Officer &
Vice President
General Manager,
North America Division



Ichiro Sakakura

Executive Officer &
Vice President
General Manager,
ASEAN Division



**Masami
Kashiwakura**

Executive Officer &
Vice President
General Manager,
Europe & Africa Division



Shigeo Nakamura

Executive Officer &
Vice President
General Manager,
Latin America Division



Tatsuya Okamoto

Executive Officer &
Vice President
In charge of
Marketing Strategy



Hideaki Kawana

Executive Officer &
Vice President
Supervision of Frozen Foods



Chika Morishima

Executive Officer
In charge of Sustainability
and Communications



Masaki Kashihara

Executive Officer
In charge of
Business Model
Transformation



Takumi Matsuzawa




Executive Officer
In charge of Internal Control
and Audit Committee







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Ongoing dialogue with stakeholders

The Ajinomoto Group engages in ongoing dialogue with all of its stakeholders across a diverse range of forums. We reflect the opinions obtained through these dialogues in our corporate activities, leading to value creation toward resolving the food and health issues. We also leverage these opinions in our actions to achieve sustainability in society and the global environment.

Principal stakeholders	Customers and consumers 	Shareholders and investors 	Business partners 
Concerns/ expectations of stakeholders	<ul style="list-style-type: none"> • Product safety and security • Resolving the food and health issues 	<ul style="list-style-type: none"> • Fair and highly transparent management • Sustainable business growth • Constructive dialogue and stronger governance • Timely and appropriate disclosures 	<ul style="list-style-type: none"> • Promotion of initiatives toward a sustainable supply chain • Fair business practices
Engagement channel	<ul style="list-style-type: none"> • Customer call center • Website • Factory tour • Information sharing and/or discussions with consumers during events and presentations • Market research 	<ul style="list-style-type: none"> • General meeting of shareholders • Financial results briefings, IR Day, and business briefings • Dialogue with institutional investors • Company briefings for individual investors 	<ul style="list-style-type: none"> • Procurement policy briefings, supplier audits • Briefings on Sedex, a platform for sharing corporate ethics data • Dialogue with business partners (distribution/logistics)
Results and impacts	<ul style="list-style-type: none"> • Product improvements using the voice of customers • Proposals to resolve issues facing consumers in terms of food and health (salt reduction, promotion of vegetable consumption, etc.) 	<ul style="list-style-type: none"> • Publication of video of presentations on our website including Q&A sessions • Reflection of the voice of investors in management and improvements to IR activities (explanation of the Group's strengths through IR Day and business briefings, etc.) 	<ul style="list-style-type: none"> • Sharing of changes in dietary habits and mindset in Japan following COVID-19 • Proposals on menu and store improvements for restaurants and retail stores • Promotion of environmentally conscious packaging materials through dialogue with suppliers

Principal stakeholders	Employees 	Local communities 	Outside experts, NPOs, NGOs, and business associations 
Concerns/ expectations of stakeholders	<ul style="list-style-type: none"> • Human resource development • Career development • Diversity and inclusion • Improved employee engagement • Compensation and employee benefits • Occupational safety and health 	<ul style="list-style-type: none"> • Local safety and environmental conservation • Sustainable development of communities 	<ul style="list-style-type: none"> • Honest dialogue and linked activities
Engagement channel	<ul style="list-style-type: none"> • Various skills development and training • Dialogue with the CEO and General Managers of business or corporate divisions • Personal goal presentation • ASV Awards • Social media platform to connect employees globally • Ajinomoto Group Policies (AGP) workplace reviews • Hotlines (whistleblower reporting system) • Harassment hotline 	<ul style="list-style-type: none"> • Dialogue with residents living near our plants • Participation in and sponsorship of community events • Activities to support the recovery of communities impacted by natural disasters • Supports through foundations (three countries) 	<ul style="list-style-type: none"> • Dialogue with outside experts, NPOs, NGOs, and business associations • Dialogue with consumer goods manufacturers and global retailers at the Consumer Goods Forum (CGF) • The AIN program supporting NPOs and NGOs active in the fields of food and nutrition (through foundation)
Results and impacts	<ul style="list-style-type: none"> • Promotion of mutual understanding of work environment, such as occupational safety and health, salary and employee benefits, through dialogue between management and employees • Workplace improvements through hotline consultations and other available programs 	<ul style="list-style-type: none"> • Initiatives for identifying and resolving health and nutrition issues in communities (proposals at retailers on ways to increase vegetable consumption using local specialty vegetables, school lunch projects in Vietnam, nutrition seminars for midwives in Indonesia, etc.) 	<ul style="list-style-type: none"> • Revisions to Group Shared Policies, guidelines, and approaches • Promotion of efforts to improve the logistics efficiency and work environment of processed food distribution in Japan in collaboration with business associations involved in manufacturing, sales, and distribution along with the relevant government • Participation in the Workforce Nutrition Alliance and advancing improvements in workplace nutrition 

➤ For details, please see the Ajinomoto Group Sustainability Data Book 2022.
<https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Initiatives for a sustainable society

The Ajinomoto Group operates its businesses while interacting with various stakeholders engaged in every process of its global supply chain. We have identified social issues, concerns, and risks closely related to each process as described below. We aim to resolve social and environmental issues through steady efforts and responses in collaboration with related parties.

Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Biodiversity
- Water and soil conservation, pollution prevention
- Raw materials loss
- Labor shortages in agriculture, securing sufficient farmland
- Animal welfare
- Occupational safety and health
- Respect for workers' rights

Risks

- Failure to procure raw materials due to food resource and water resource depletion
- Insufficient procurement of raw materials due to delays in addressing animal welfare, land hoarding, and deforestation
- Increased losses during the transportation and storage of raw materials
- Occupational accidents
- Potential human rights violation risks

Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Product quality and safety
- Food loss and waste
- Water and soil conservation, pollution prevention
- Occupational safety and health
- Respect for workers' rights

Risks

- Loss of trust due to intentional contamination by mixing in foreign substances
- Environmental impact, cost increases, or production stagnation due to delay in decarbonization
- Production stagnation due to droughts, floods, or water quality deterioration
- Occupational accidents
- Potential human rights violation risks



Raw materials procurement



Production



Group initiatives

- Responsible sourcing of raw materials (conduct human rights and environmental due diligence)
- Contribute to sustainable agriculture by using co-products* and reduce raw material losses
- Establish traceability and purchase certified products
- Comprehensive quality assurance activities

* Nutrient-rich by-products generated during amino acid production

Group initiatives

- Reduce greenhouse gas emissions by converting to fuels having lower greenhouse gas emission factors
- Reduce food loss and waste in the production process
- Engage in recycling through water treatment
- Strengthen social and environmental audits of suppliers, collaborate to resolve issues
- Occupational safety and health management
- Comprehensive quality assurance activities

Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Labor shortages and aging demographics in the logistics industry
- Increase in logistics volume due to increase in e-commerce
- Occupational safety and health
- Respect for workers' rights

Risks

- Environmental impact and cost increase due to delay in decarbonization
- Logistics delays due to labor shortages, increased work hour restrictions
- Occupational accidents
- Potential human rights violation risks

Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Fair competition
- Responsible marketing
- Food loss and waste
- Protect customer privacy
- Occupational safety and health
- Respect for workers' rights

Risks

- Legal risks, including antitrust law violations, competition laws, and food safety and labeling laws
- Loss of trust due to inappropriate advertising and marketing
- Loss of trust due to insufficient consideration of personal information protection and privacy
- Occupational accidents
- Potential human rights violation risks

Social issues and concerns

- Environmental issues (climate change, plastic waste, food loss and waste, etc.)
- Product quality and safety
- Health and nutrition issues
- Information overload

Risks

- Erroneous use of products and health hazards
- Environmental impact due to increased waste and food loss
- Lack of understanding of correct information on food and health



Distribution



Sales



Consumers

 **Group initiatives**

- Promote modal shifts
- Increase the ratio of renewable energy use
- Collaborate with other companies and government agencies to achieve smart logistics (improve operational efficiencies and work environments using digital technologies)
- Comprehensive quality assurance activities

 **Group initiatives**

- Education regarding related laws and regulations including antitrust laws, and anti-bribery
- Implement appropriate methods of delivering products, services, and information to customers
- Reduce product returns and product disposals by extending best-before dates, improving supply chain management accuracy, etc.
- Enhance information security
- Comprehensive quality assurance activities

 **Group initiatives**

- Reflect customer feedback on developing and improving products and services
- Provide appropriate information on packaging and via the internet
- Use environmentally conscious packaging materials
- Comprehensive quality assurance activities
- Products and services that are useful for improving nutrition

Ten-Year Summary of Financial Data

(Millions of yen)

Japanese GAAP	FY2012	FY2013	FY2014	FY2015
For the year:				
Net sales	948,705	951,359	1,006,630	1,184,100
Cost of sales	(600,630)	(635,594)	(659,509)	(769,230)
Gross profit	348,076	315,765	347,121	414,870
Selling, general and administrative expenses	(276,844)	(253,957)	(272,601)	(323,989)
Operating income	71,232	61,807	74,519	90,880
Non-operating income (expenses), Extraordinary gains (losses)	29,595	10,754	4,529	9,272
Net income before taxes	100,828	72,561	79,049	100,153
Profit attributable to owners of parent	48,373	42,159	46,495	63,427
Capital expenditures	61,590	50,602	50,927	58,867
Depreciation and amortization	42,463	45,746	43,376	50,920
At year-end:				
Total assets	1,091,741	1,093,165	1,255,090	1,262,113
Shareholders' equity	635,287	594,950	669,576	619,872
Interest-bearing debt (net)	(67,187)	10,538	43,299	43,462
Per share (Yen):				
Earnings (EPS)	¥74.40	¥68.70	¥78.50	¥107.90
Book value (BPS)	1,004.4	1,002.3	1,131.4	1,066.8
Dividends	18.0	20.0	24.0	28.0
Liquidity ratios:				
Debt-equity ratio*1	(0.03)	0.07	0.13	0.16
Interest coverage ratio (Times)	45.0	31.0	50.4	57.1
Investment indicators:				
Price/earnings ratio (PER) (Times)	19.0	21.2	33.5	23.5
Price/book value ratio (PBR) (Times)	1.4	1.5	2.3	2.4
Profitability indicators:				
Return on assets (ROA) (%) ^{*2}	4.4	3.9	4.0	5.0
Return on equity (ROE) (%) ^{*3}	7.8	7.1	7.4	9.8
Efficiency indicators:				
Asset turnover (Times) ^{*4}	0.89	0.87	0.87	0.86

*1 Debt (Net debt)-equity ratio = Interest-bearing debt ÷ Shareholders' equity (Net debt is interest-bearing debt – Cash and cash equivalents × 75%)

*2 ROA = Net income (or loss) ÷ Average total assets

*3 ROE = Net income (or loss) ÷ Average total shareholders' equity

*4 Asset turnover = Net sales ÷ Average total assets

(Millions of yen)

IFRS	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
For the year:							
Sales	1,149,427	1,091,195	1,114,784	1,114,308	1,100,039	1,071,453	1,149,370
Cost of sales	(757,135)	(704,177)	(720,118)	(719,299)	(696,166)	(665,234)	(723,472)
Gross profit	392,291	387,018	394,666	395,008	403,873	406,219	425,897
Selling, R&D, G&A expenses	(295,315)	(292,701)	(302,959)	(301,253)	(302,191)	(294,399)	(305,966)
Business profit*1	98,144	96,852	95,672	93,237	99,236	113,136	120,915
Operating profit	99,678	83,617	78,706	53,642	48,773	101,121	124,572
Profit before income taxes	98,778	86,684	80,819	54,698	48,795	98,320	122,472
Profit attributable to owners of the parent company	71,292	53,065	60,124	29,698	18,837	59,416	75,725
Capital expenditures	58,459	89,677	79,417	79,632	83,666	91,834	74,102
Depreciation and amortization	50,852	46,273	51,783	52,485	61,986	63,045	66,234
At year-end:							
Total assets	1,273,893	1,350,105	1,426,230	1,393,869	1,353,616	1,431,289	1,457,060
Equity attributable to owners of the parent company	609,486	616,315	640,833	610,543	538,975	620,257	686,909
Interest-bearing debt (net)	64,089	149,980	156,337	183,297	272,031	225,213	212,508
Per share (Yen):							
Earnings (EPS)	¥121.23	¥92.81	¥105.76	¥53.62	¥34.37	¥108.36	¥139.42
Book value (BPS)	1,048.96	1,082.90	1,128.44	1,113.93	983.19	1,130.82	1,280.50
Dividends	28.0	30.0	32.0	32.0	32.0	42.0	52.0
Liquidity ratios:							
Net debt-equity ratio*2	0.19	0.31	0.32	0.36	0.57	0.44	0.36
Interest coverage ratio (Times)	58.8	44.0	43.3	38.1	32.6	49.2	45.0
Investment indicators:							
Price/earnings ratio (PER) (Times)	20.9	23.7	18.0	33.0	58.5	20.9	24.9
Price/book value ratio (PBR) (Times)	2.4	2.0	1.7	1.6	2.0	2.0	2.7
Profitability indicators:							
Ratio of business profit to total assets (ROA) (%)*3	7.8	7.4	6.9	6.6	7.2	8.1	8.4
Return on equity (ROE) (%)*4	11.3	8.7	9.6	4.7	3.3	10.3	11.6
ROIC	–	–	–	3.8	3.0	6.9	7.9
Efficiency indicators:							
Asset turnover (Times)*5	0.91	0.83	0.80	0.80	0.80	0.77	0.80

*1 Business profit = Sales – Cost of sales – Selling expenses, Research & development expenses, and General & administrative expenses + Share of profit of associates and joint ventures

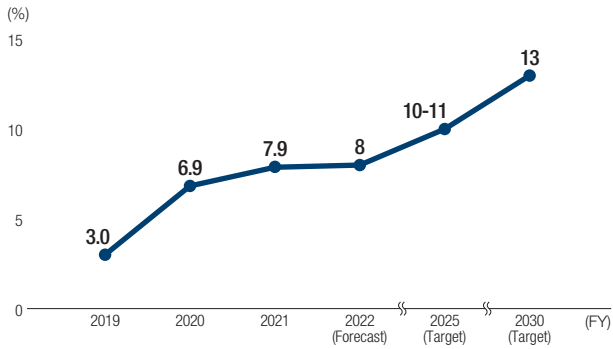
*2 Net debt-equity ratio = Interest-bearing debt ÷ Equity attributable to owners of the parent company
(Net debt is interest-bearing debt – Cash and cash equivalents × 75%)

*3 ROA = Business profit ÷ Average total assets

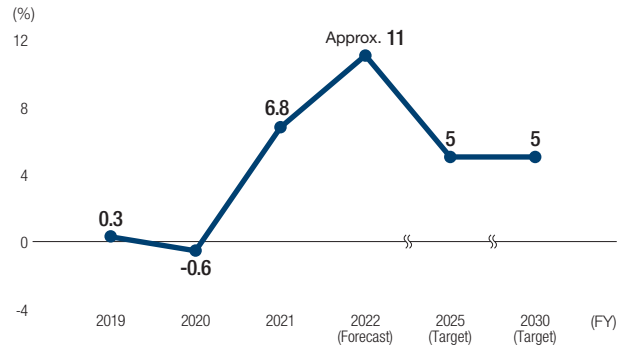
*4 ROE = Profit attributable to owners of the parent company ÷ Average equity attributable to owners of the parent company

*5 Asset turnover = Sales ÷ Average total assets

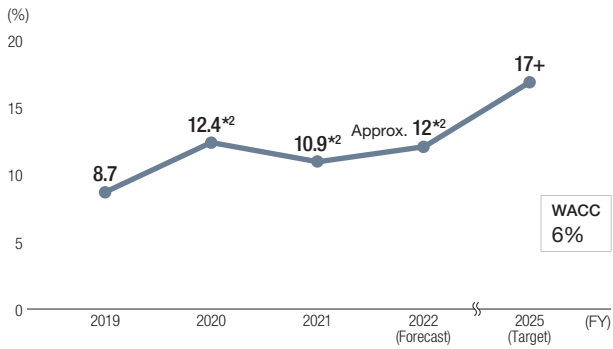
ROIC*1



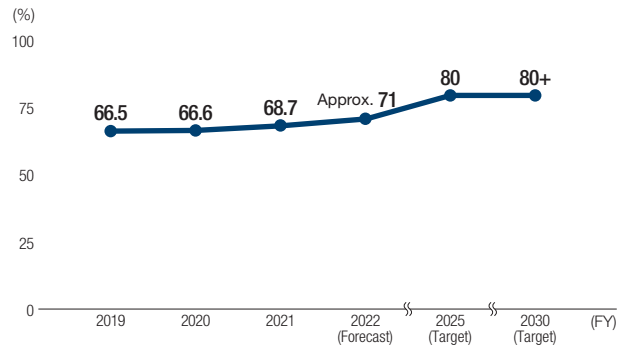
Organic sales growth*1 (vs. previous fiscal year)



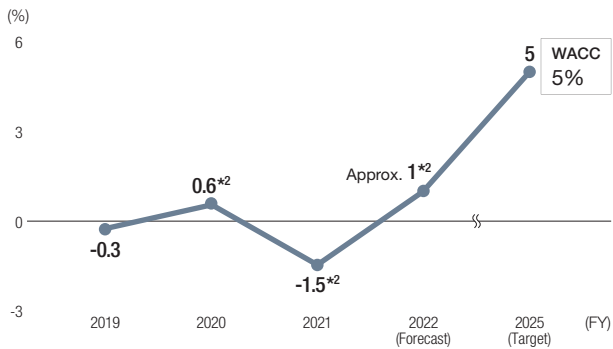
ROIC and WACC: Seasonings & Foods segment



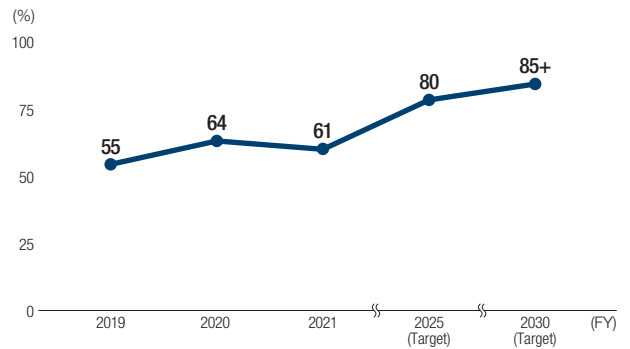
Core business sales ratio*1



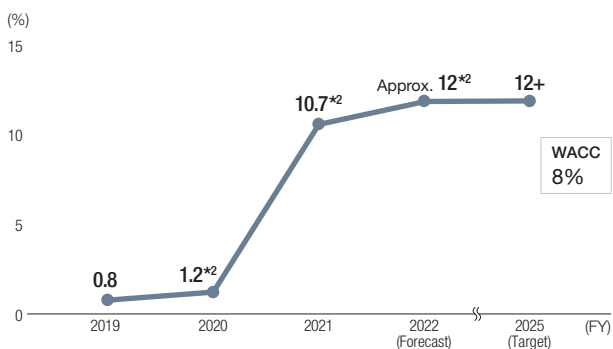
ROIC and WACC: Frozen Foods segment



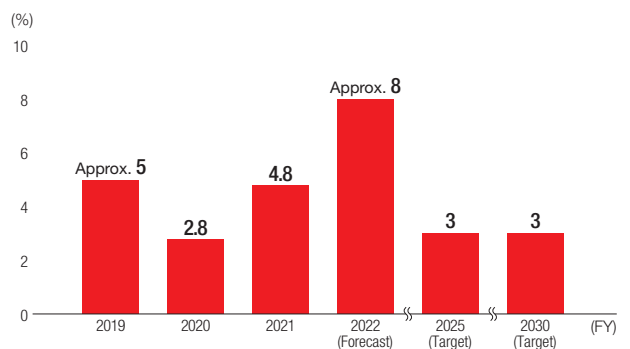
Employee engagement score*1



ROIC and WACC: Healthcare and Others segment



Unit price growth*1 (vs. previous fiscal year)

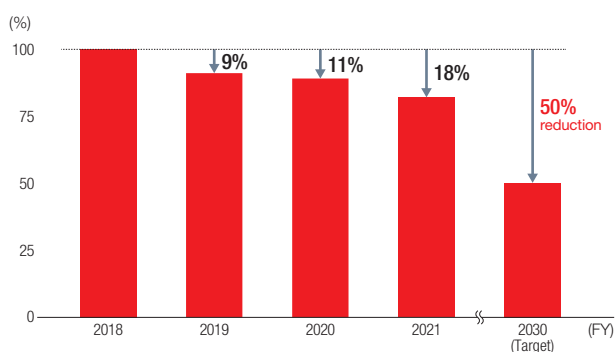


*1 Please see pp.109-110 "Glossary" *2 Excludes structural reform expenses

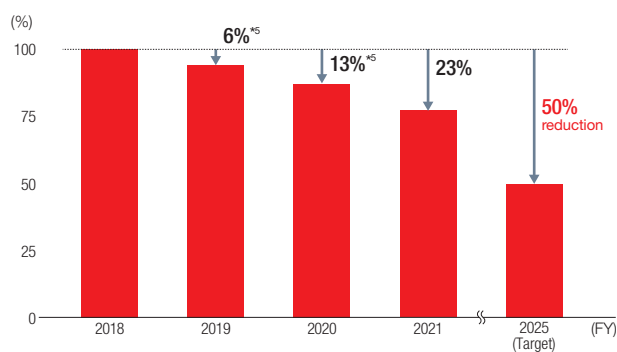
Nutrition commitment quantitative KPIs

	FY20 (Results)	FY21 (Results)	FY25 (Targets)	FY30 (Targets)
Percentage of products with improved nutritional value*1	40%*2	50%	–	60%
Provision of products with improved nutritional value in “delicious salt reduction” and “protein intake optimization”	280 million people per year	320 million people per year	–	400 million people per year
Availability of products utilizing the physiological and nutritional functions of amino acids	(Base year)	1.09 times	–	2 times
Nutrition education for employees	460	26,000	Cumulatively 100,000	–

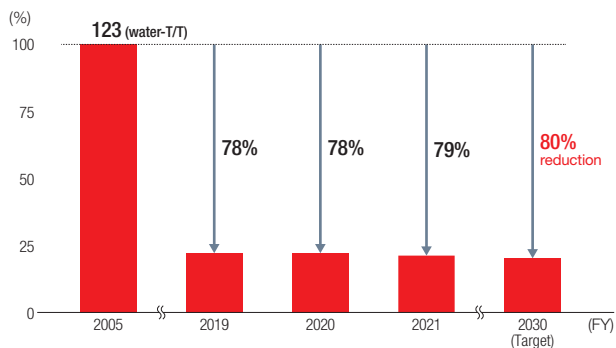
Greenhouse gas emission reduction rate (vs. FY2018)*3



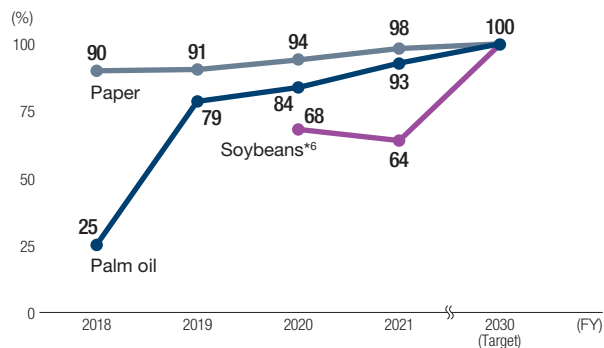
Food loss and waste reduction rate per production volume unit*4 (vs. FY2018)



Reduction rate of water consumption per production volume unit (vs. FY2005)



Sustainable procurement ratio

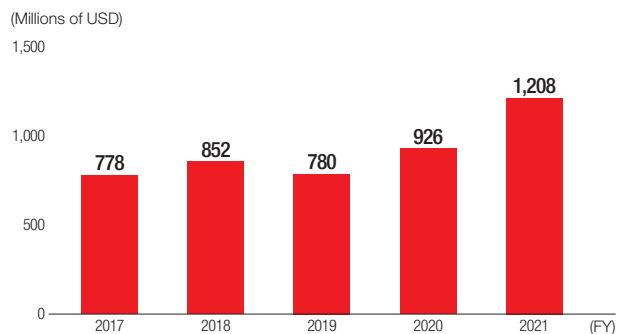


- FY2030 target of coffee beans and beef: 100%

Plastic waste

FY2030 target: **Achieve “Zero”**

Corporate brand value*7



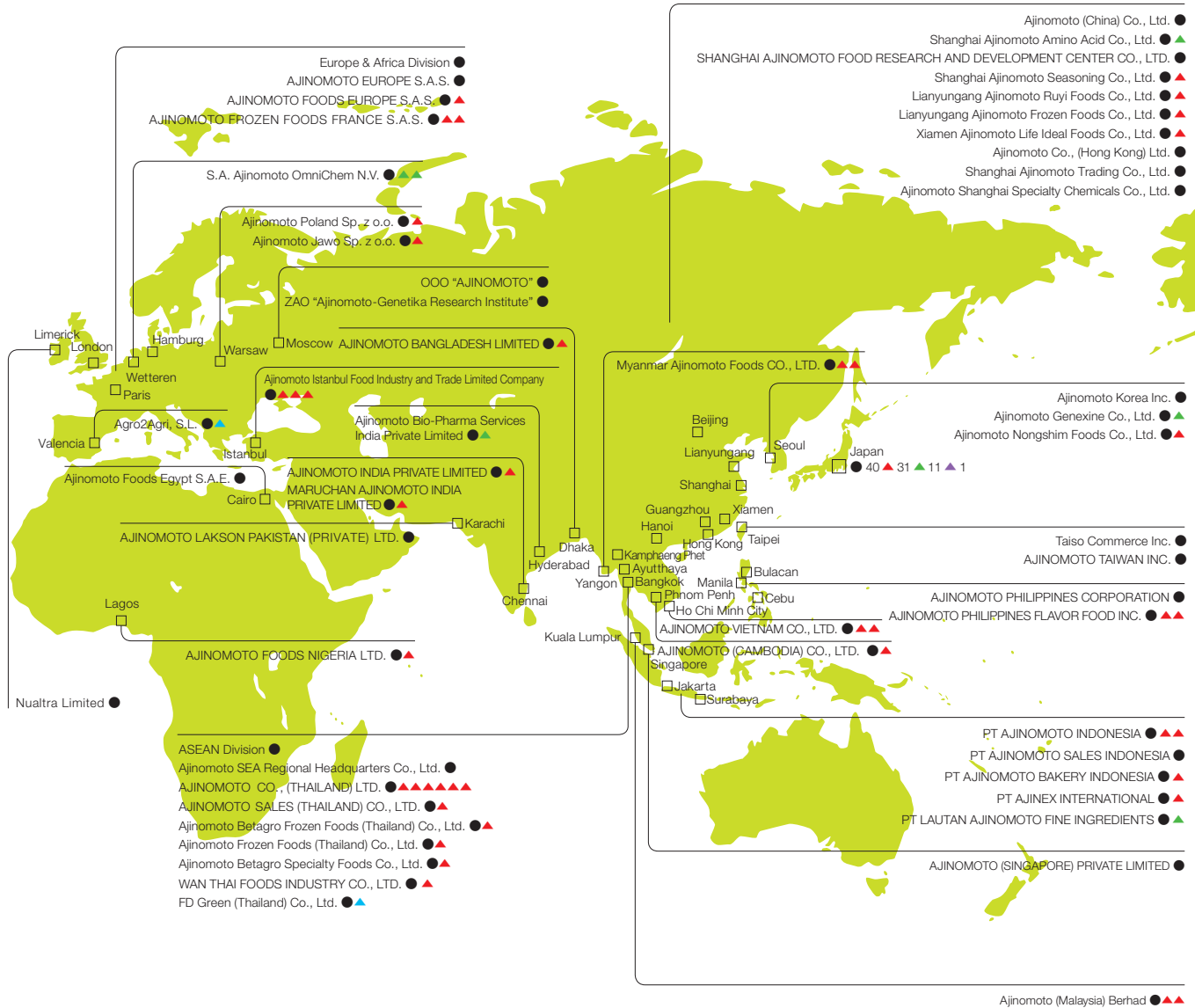
*1 Products with improved nutritional value means the products that meet our criteria and contribute to the intake of improved nutrition from an international public health perspective.

*2 The value was corrected because the additional applicable products were identified by more accurate collection of data.

*3 Performance vs. SBTi targets *4 From the acceptance of raw materials to delivery to customers

*5 Correction has been made as a result of a review of totals. *6 Procured for businesses in Japan *7 Evaluated by Interbrand, “Best Japan Brands”

The Ajinomoto Group is globally expanding in a wide range of business fields, with operations spanning 36 countries and regions as of April 1, 2022.



Global network: 36 countries and regions
 (including 120 plants in 24 countries and regions)
 (Japan: 43; Other countries: 77)

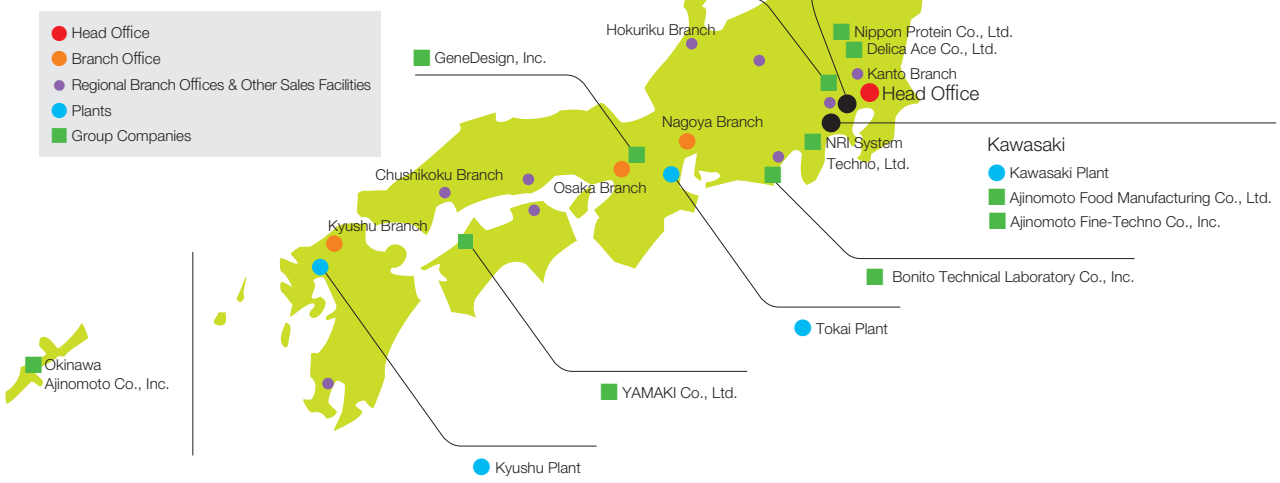
- Subsidiaries, Affiliates, and Offices of Ajinomoto Co., Inc.
- ▲ Foods Plants 92
- ▲ Amino Acids and Specialty Chemicals Plants 23
- ▲ Pharmaceuticals Plants 1
- ▲ Other Plants 4

* Plants include packaging plants.
 * Not all plants are displayed on the map.
 * Divisions are regional headquarters.



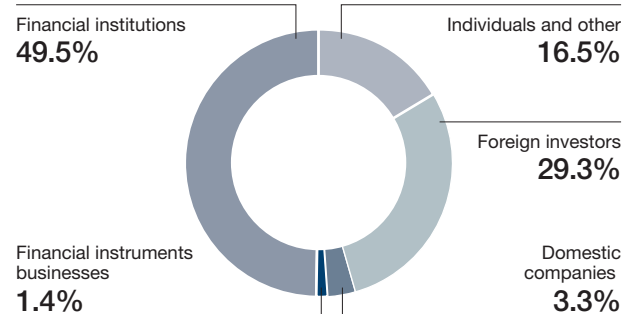
- Tokyo**
- Tokyo Branch
 - National Account Sales Dept.
 - Ajinomoto Engineering Corporation
 - Ajinomoto Communications Co., Inc.
 - Ajinomoto Digital Business Partners Co., Inc.
 - Ajinomoto AGF, Inc.
 - Ajinomoto Trading, Inc.
 - Ajinomoto Financial Solutions, Inc.
 - AJINOMOTO BAKERY CO., LTD.
 - AJINOMOTO HEALTHY SUPPLY CO., INC.
 - Ajinomoto Frozen Foods Co., Inc.
 - Ajinomoto Mirai Co., Ltd.
 - Ajinomoto Direct Co., Inc.
 - Kawaken Fine Chemicals Co., Ltd.
 - J-OIL MILLS, INC.
 - F-LINE CORPORATION

Network in Japan



Company name:	Ajinomoto Co., Inc.
Founding:	May 20, 1909
Paid-in capital:	¥79,863 million
Number of employees:	34,198 (consolidated) 3,252 (non-consolidated)
Fiscal year-end:	March 31 (General Meeting of Shareholders: June)
Head office:	15-1, Kyobashi 1-chome, Chuo-ku Tokyo 104-8315, Japan Tel: +81-3-5250-8111 https://www.ajinomoto.com/
Common stock authorized:	1,000,000,000 shares
Shares issued:	536,996,254 shares
Shares with voting rights:	(Treasury shares, etc.) 116,400 shares (Other) 536,370,500 shares
Shares less than one unit:	509,354 shares
Number of shareholders:	120,621 (YoY decrease of 17,600)
Listed stock exchange:	Tokyo Stock Exchange (Stock code: 2802)
Shareholder registrar:	Mitsubishi UFJ Trust and Banking Corporation
Accounting auditor:	KPMG AZSA LLC

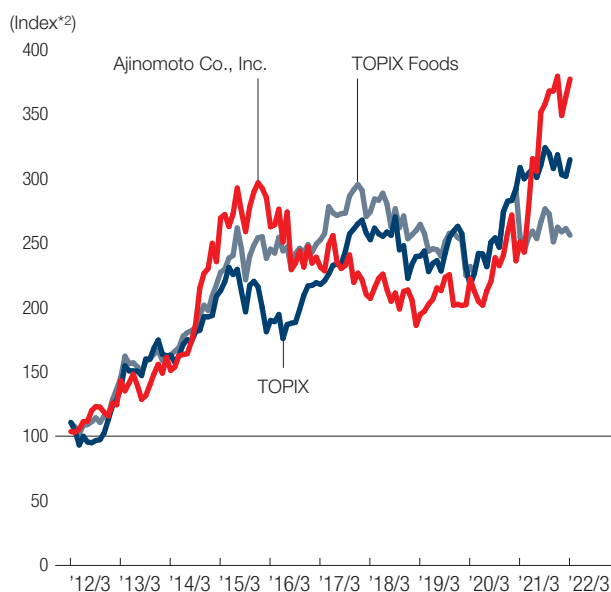
Distribution of shareholders



Major shareholders

Shareholder	Shares held (Thousands)	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. (securities investment trust account)	8,297	1.55
Sompo Japan Insurance Inc.	6,282	1.17
JP MORGAN CHASE BANK 385781	6,272	1.17

Stock price performance (10 years)



*2 Trend in dividend-inclusive stock indices. Closing price on March 31, 2012 = 100

Stock trend by year

Fiscal year	High (Yen)	Low (Yen)	FY-end (Yen)	Volatility*3
2011	1,047	847	1,038	26.2%
2012	1,416	1,018	1,415	20.0%
2013	1,594	1,236	1,475	28.2%
2014	2,782.50	1,443.00	2,634.50	26.2%
2015	3,161.00	2,404.00	2,539.50	33.6%
2016	2,702.50	2,020.00	2,196.50	28.2%
2017	2,543.50	1,853.00	1,925.00	19.2%
2018	2,188.00	1,624.50	1,769.00	25.4%
2019	2,088.00	1,626.00	2,010.50	26.1%
2020	2,527.50	1,694.00	2,265.50	28.9%
2021	3,656.00	2,135.00	3,475.00	24.9%

*3 Expressed in standard deviations

Inclusion in SRI indices

> Inclusion in SRI indexes <https://www.ajinomoto.co.jp/company/en/ir/esg/evaluation.html>

Dow Jones Sustainability World Index
Consecutive inclusion since 2014

FTSE4Good Global Index
Consecutive inclusion since 2004

MSCI Global SRI Indexes
Consecutive inclusion since 2011

Member of

**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA



FTSE4Good

MSCI ESG Leaders Indexes
Consecutive inclusion since 2010



Main evaluations and awards

> Public awards and feedback <https://www.ajinomoto.co.jp/company/en/ir/esg/sri/2021.html>

CDP “A List
(highest evaluation) for
tackling Climate Change”



The Third ESG Finance
Awards Japan
“Environmental Sustainable
Enterprise” Category
Gold Award



“Excellent Integrated Report” Selected by
GPIF's Asset Managers

“Excellent Corporate Governance Report”
Selected by GPIF's Asset Managers
Entrusted with Japanese Equity Investment

“Excellent TCFD Disclosure” Selected by
GPIF's Asset Managers Entrusted with
Japanese Equity Investment

Best IR Award 2021

2022 Certified Health and
Productivity Management
Organization Recognition
(“White 500” of Large
Enterprise Category)



2022
Nadeshiko Brand

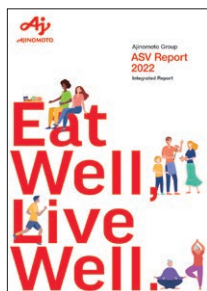


Key communication materials

Primary communication materials

ASV Report

<https://www.ajinomoto.com/sustainability/ir/>
Date of publication: End of August 2022



Secondary communication materials

Sustainability Data Book

<https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>
Date of publication: End of September 2022

IR Data Book

<https://www.ajinomoto.co.jp/company/en/ir/library/guide.html>
Date of publication: End of June 2022

Financial Report

<https://www.ajinomoto.co.jp/company/en/ir/library/report.html>
Date of publication: End of July 2022

Ajinomoto Principle on Corporate Governance

https://www.ajinomoto.co.jp/company/en/ir/strategy/corp_gov/main/0/teaserItems1/03/linkList/03/link/principle_E.pdf
Last update: July 29, 2022

Corporate Governance Report

https://www.ajinomoto.co.jp/company/en/ir/strategy/corp_gov/main/0/teaserItems1/03/linkList/00/link/Governance2021_E.pdf
Date of publication: End of June 2022

Medium-Term Management Plan

https://www.ajinomoto.co.jp/company/en/ir/event/medium_term.html
Date of release: February 19, 2020

Asset-light measures	The reduction of business assets intended to increase capital efficiency being promoted under 2020-2025 Medium-Term Management Plan. Through this process, investment will be concentrated on core businesses to shrink the ratio of non-core businesses and allocate management resources in an optimal manner.
ASV	The Ajinomoto Group Creating Shared Value (ASV) represents our unchanging commitment: With our stakeholders and businesses, we help resolve society's issues, leading to the creation of economic value.
ASV engagement score (ASV as one's own initiative)	The percentage of employees who talk about how they implement ASV through their own work with their family and friends is measured using the engagement survey for the Group employees.
Bio-Pharma Services	A service that undertakes contracts to manufacture pharmaceuticals. The Group has a coherent global drug development and manufacturing contract system for pharmaceuticals from small-molecule drugs to biopharmaceuticals and oligonucleic acids.
Business profit	Business profit = Sales – Cost of sales – Selling expenses, Research & development expenses, and General & administrative expenses + Share of profit of associates and joint ventures It does not include "Other operating income" or "Other operating expenses."
Company with Three Committees	A form of corporate organization used by Japanese corporations in which there are three committees; namely, a Nomination Committee, Compensation Committee, and Audit Committee
Core businesses	Six businesses of Sauce & Seasonings, Quick Nourishment, Solution & Ingredients, Frozen Foods, Healthcare, and Electronic Materials
DX	Digital transformation (DX) involves the transformation of products, services, and business models based on the needs of customers and society using data and digital technologies in response to intense changes occurring in the business environment. DX also involves establishing competitive advantages by transforming operations, organizations, processes, and corporate culture.
Ecosystem	A direct or indirect relationship of companies and organizations collaborating, dividing labor, and working together to provide value in products, services, or other ways
Marketing mix modeling (MMM)	A method of statistical analysis for estimating and quantifying the impact of advertising or other form of marketing

Materiality	Key issues/factors that have a significant impact on the Group's ability to create value through ASV over the short, medium, and long term
Medical modality	The method of application of a therapeutic treatment (drug discovery technology or method). Advanced medical care modalities currently attracting attention include cell therapy, protein therapy, antibody-drug conjugates, and regenerative medicine.
Menu-specific seasonings	A seasoning mix prepared for a specific menu, where a dish can be easily prepared by simply cooking with the ingredients
MSG	Monosodium glutamate (MSG) is the sodium salt of glutamic acid, one of the most common naturally occurring amino acids and the main component of umami found in <i>kombu</i> (kelp) and other sources. The Group produces MSG by fermenting starch and molasses found in natural ingredients such as sugarcane.
OE	Operational excellence (OE) is continuous improvement and reform activities based on the philosophy and methods of thoroughly refining all operations to solve problems and to add value from the customer's point of view while individuals and teams grow in a synchronized manner in order to create a competitive advantage
Organic sales growth	Sales growth rate excluding the effects of discontinuous growth such as exchange rates, changes in accounting practices, and M&A/business sell-offs
Personalized nutrition	A business that provides services (food, advice, etc.) that help reduce health risk by evaluating the risks associated with dietary habits and lifestyles of individual consumers
ROIC	Return on invested capital* An indicator of how much profit a company has made from investment in its business activities. ROIC = Net operating profit less adjusted taxes for the fiscal year ÷ ((Invested capital for the fiscal year + Invested capital for the previous fiscal year) ÷ 2) * Invested capital = Shareholders' equity attributable to owners of the parent company + Interest-bearing debt
Unit price growth	Growth in the unit price by weight
WACC	Weighted average cost of capital WACC = {Interest-bearing debt ÷ (Interest-bearing debt + Shareholders' equity) × Debt capital cost × (1 – Effective tax rate)} + {Shareholders' equity ÷ (Interest-bearing debt + Shareholders' equity) × Shareholders' equity cost}

Ajinomoto Group ASV Report 2022 (Integrated Report)

Eat Well, Live Well.



Cover Story

The image concept of people enjoying themselves as they prepare and eat food and engage in exercise shows the outcomes that the Ajinomoto Group is aiming for by providing the "essence of happiness" to the world. We believe that pursuing our purpose of "unlocking the power of amino acids to resolve the food and health issues" and promoting health and healthy lifestyles conveys our message of "Eat Well, Live Well."

Inquiries

Ajinomoto Co., Inc.
15-1, Kyobashi 1-chome, Chuo-ku, Tokyo
104-8315, Japan

Global Communications Department

E-mail: integrated_reports@asv.ajinomoto.com
URL: <https://www.ajinomoto.com>

Investor Relations, Global Finance Department

E-mail: investor_relations@asv.ajinomoto.com
URL: <https://www.ajinomoto.co.jp/company/en/ir/>



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global ambassador
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