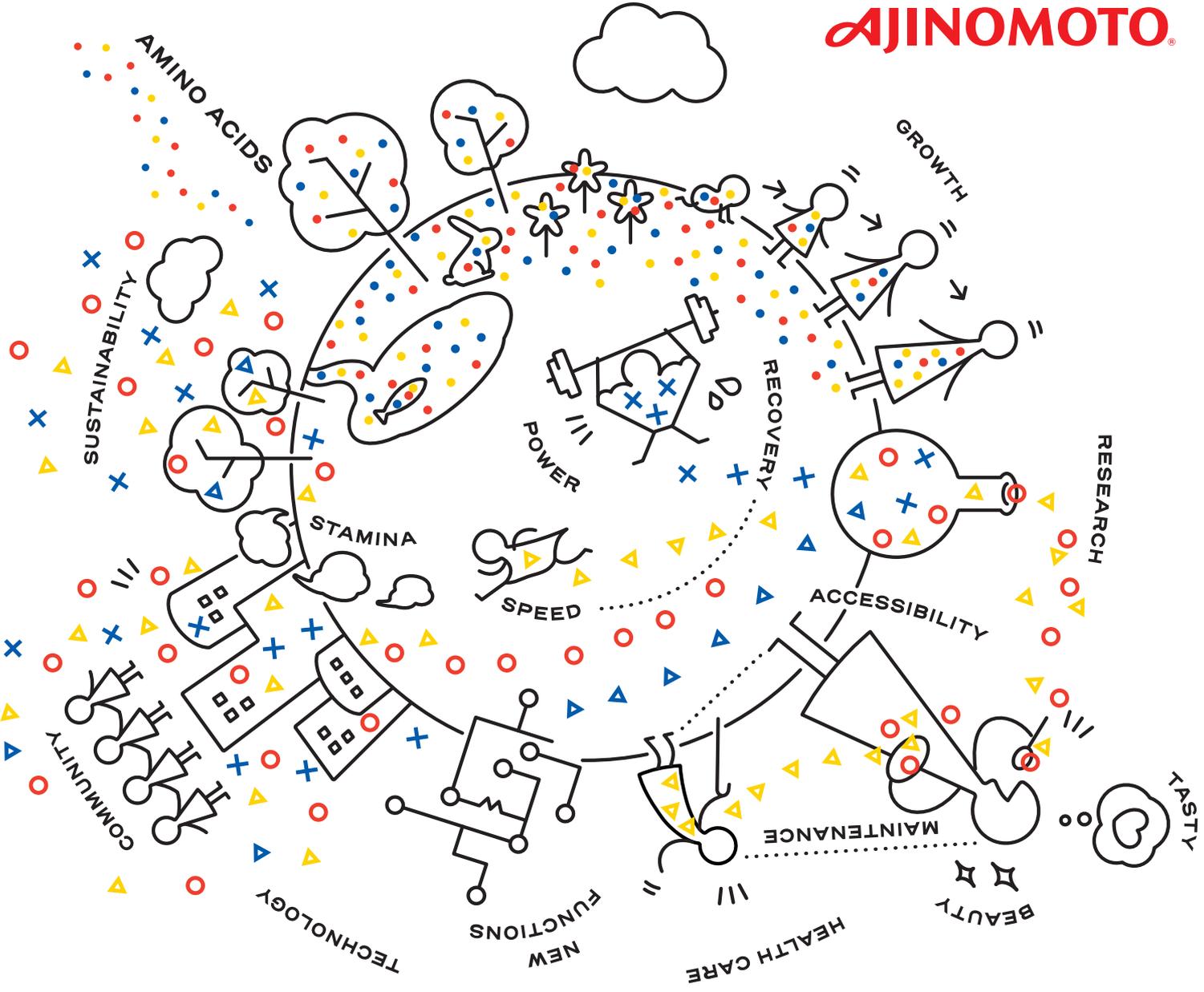


Eat Well, Live Well.

Ajinomoto Group  
ASV Report 2023

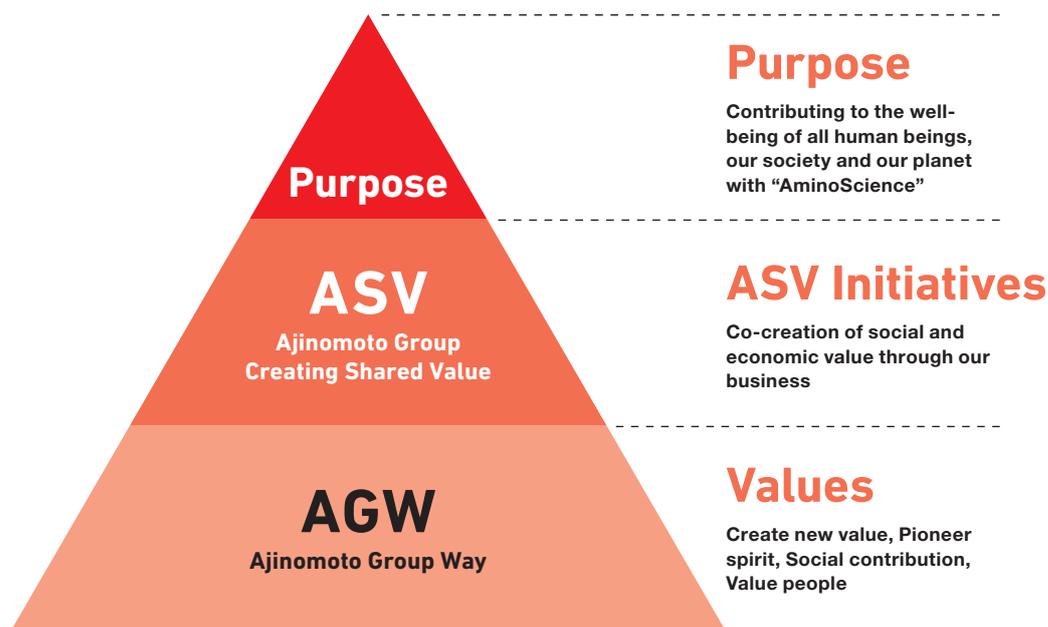
Integrated Report



# Picture of the 2030 Ajinomoto Group

**We will achieve “Eat Well, Live Well.”  
by going beyond resolving food and health issues,  
and contributing to the well-being of all human beings,  
our society and our planet with “AminoScience.”**

## Corporate Slogan **Eat Well, Live Well.**



### ■ Editorial policy

The Ajinomoto Group has advanced its Purpose and announced the Purpose-Driven Management by Medium-Term ASV Initiatives 2030 Roadmap in 2023. This ASV Report is intended to convey information in a way that will encourage reading, from the readers’ viewpoint. The contents are centered on “AminoScience,” which is our unique strength and the basis of value creation through ASV, as we seek to sustainably improve corporate value aimed at 2030 and beyond. We hope that this report will encourage dialogue and will help our shareholders, investors, and all other stakeholders to better understand and have empathy for our purpose.

### ■ 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, 2023). When comprehensive Group information is not available, the data parameters are explicitly defined.

### ■ Period covered by this report

Fiscal 2022 (April 1, 2022 to March 31, 2023)  
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.

**Eat Well, Live Well.**



# CONTENTS

## CHAPTER | 01

### Introduction

Advanced Ajinomoto Group Purpose	004
What is “AminoScience”?	006
The Story of our Founding	008
What ASV means to me	010
All about the Ajinomoto Group	012
What the Ajinomoto Group will be in 2030	016

## CHAPTER | 02

### Message from the President and CEO

Using “AminoScience” to accelerate our growth and progressing from structural reform to growth	020
--	-----

## CHAPTER | 03

### Materiality

Important issues (Materiality) for the Ajinomoto Group	030
--	-----

## CHAPTER | 04

### “AminoScience” in action

“AminoScience” in action	032
CIO dialogue	
The strength of the Ajinomoto Group based on “AminoScience” and establishing sustainable growth through innovation in the four growth areas	034
Connecting the core businesses to the four growth areas	038



### Healthcare

Strengths in the healthcare area	040
The AJIPHASE® breakthrough	042
Strength of the Ajinomoto Group in culture media for regenerative medicine	044



### Food & Wellness

Current strengths in the Food & Wellness area	046
D2C platform innovations that deliver the joy of personalized cuisine	048
From “Food” to “Meals” – A new business model based on the FaaS concept	050



### ICT

ABF: The semiconductor insulator film that has become a global standard	052
An image of the future in the ICT area	054



### Green

“AminoScience” that leads the “with Earth” Era	056
--	-----

## Picture of the 2030 Ajinomoto Group

## CHAPTER | 05

### Intangible assets

Intangible assets	060
Human assets	062
Customer assets	070
Technology assets	072

## CHAPTER | 06

### Sustainability

Sustainability	074
----------------	-----

## CHAPTER | 07

### Financial capital strategy

Financial capital strategy	084
----------------------------	-----

## CHAPTER | 08

### Corporate governance

Corporate governance	088
Auditing systems	090
Business execution	093
Initiatives to stimulate discussion at the Board of Directors	094
Compensation	098
Sustainability and Risk Management	100
Internal control system / compliance / principal risks	101
Directors and executive officers	102

## CHAPTER | 09

### Performance and corporate information

Review of financial results by segment	106
Ten-year summary of financial data	108
Performance data	110
Global network	112
Corporate data / stock information / stock performance	114
External evaluations / key communication materials	115

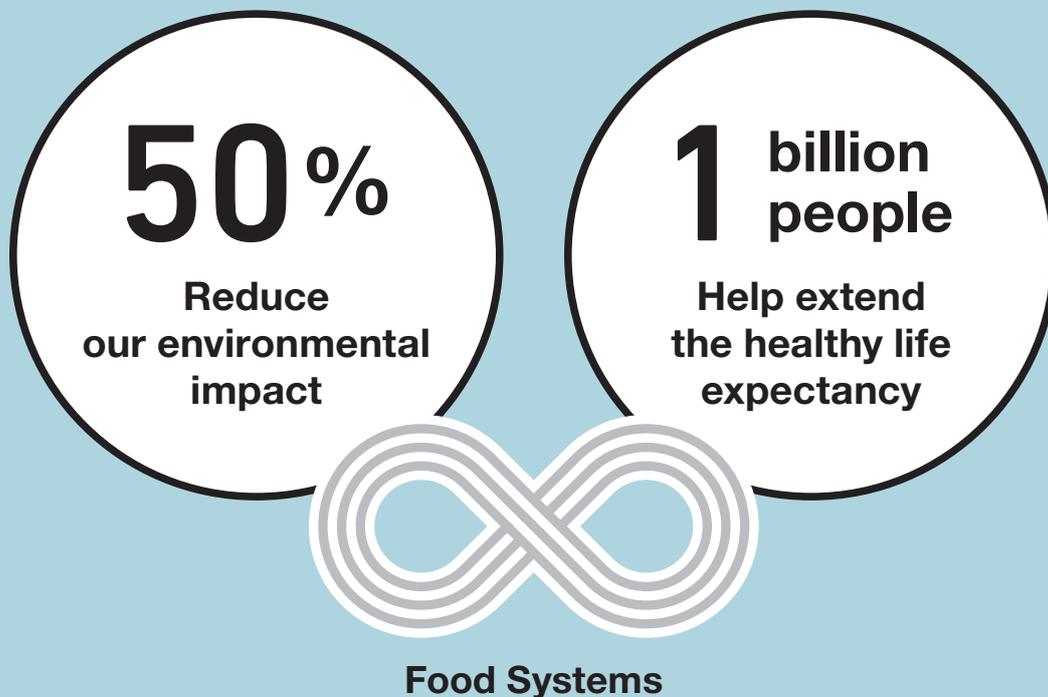
## COVER STORY

“AminoScience” is the source of the Ajinomoto Group’s unique strengths and competitiveness. Using an illustration inspired by “AminoScience” as a motif, we tried to express a world that co-creates greater social value and economic value.

# Advanced Ajinomoto Group Purpose Contributing to the well-being of all human beings, our society and our planet with “AminoScience”

The Ajinomoto Group has advanced its purpose from “Unlocking the power of amino acids to resolve the food and health issues” to “contributing to the well-being of all human beings, our society and our planet with ‘AminoScience’.”

We consider well-being to mean health and happiness.” Our advanced purpose therefore represents our commitment to achieving two outcomes by 2030 which are connected by food systems: to reduce our environmental impact by 50% and to help extend the healthy life expectancy of 1 billion people.

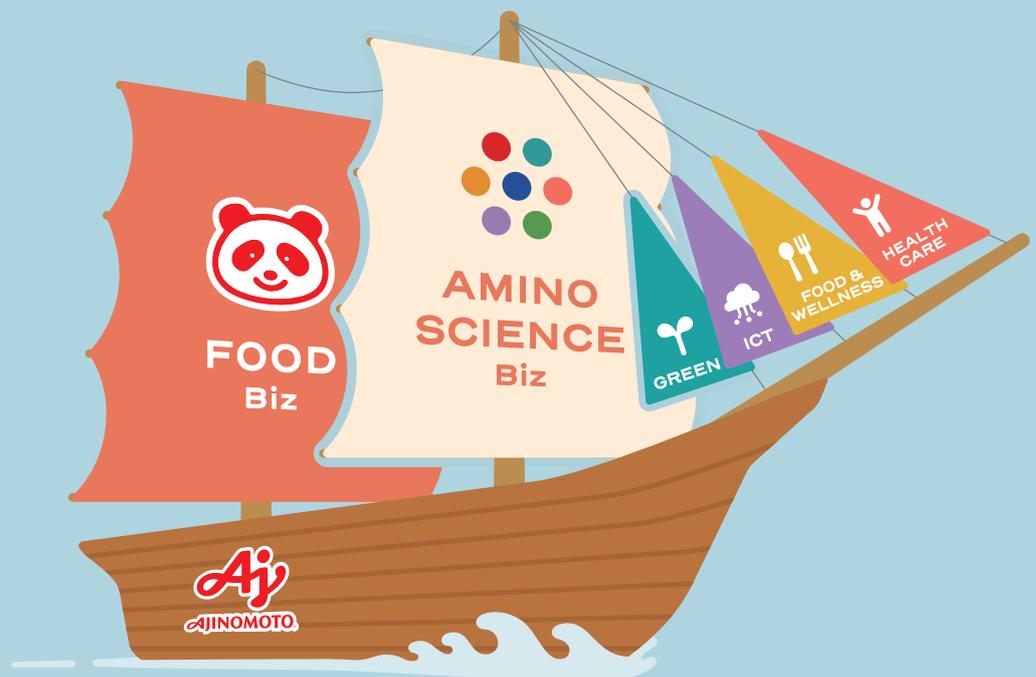


## “Health and happiness” for a more prosperous future

Fulfilling the Ajinomoto Group’s corporate slogan of “Eat Well, Live Well.” requires that we work with others to co-create social value and economic value through our business. We believe we can provide health and happiness for all human beings, our society and our planet and create a more prosperous future by repeating a cycle of “honing our co-creation capabilities, realizing well-being from the consumer’s perspective, and returning the value we create with our business activities.”

To achieve that, our employees each must take a leading

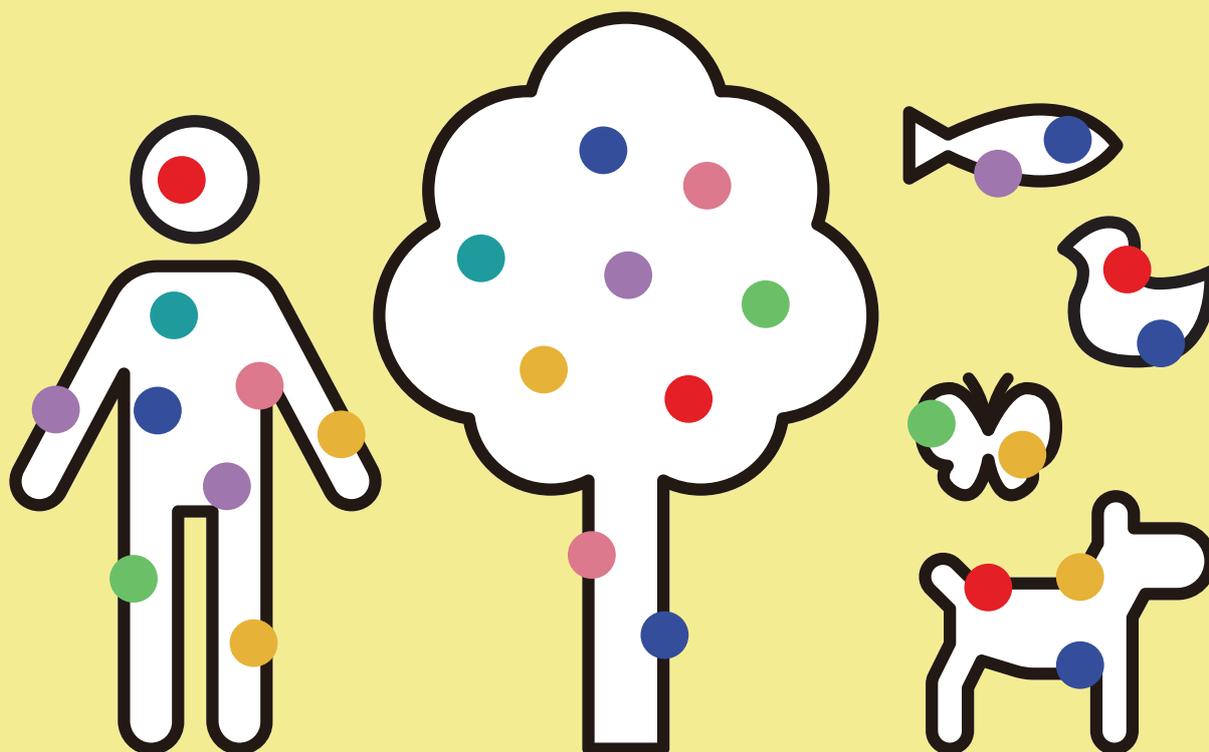
role with the driving forces being our employees’ passion for our Purpose and our stakeholders understanding of our mission. It’s essential that we have a corporate culture that is continually working to realize our vision of what we want to be. The Ajinomoto Group will continue its constant pursuit of the co-creation of social value and economic value as we look beyond resolving food and health issues and contribute to the well-being of all human beings, our society and our planet with “AminoScience.”



# What is “AminoScience”?

The Ajinomoto Group has been researching and applying the functions of amino acids for over 100 years and has created a vast variety of new materials, functions, technologies, and services. We have developed a unique scientific approach to maximizing our resources and to resolving social issues and contributing to people’s well-being.

The Ajinomoto Group refers to this overall scientific approach as “AminoScience.”



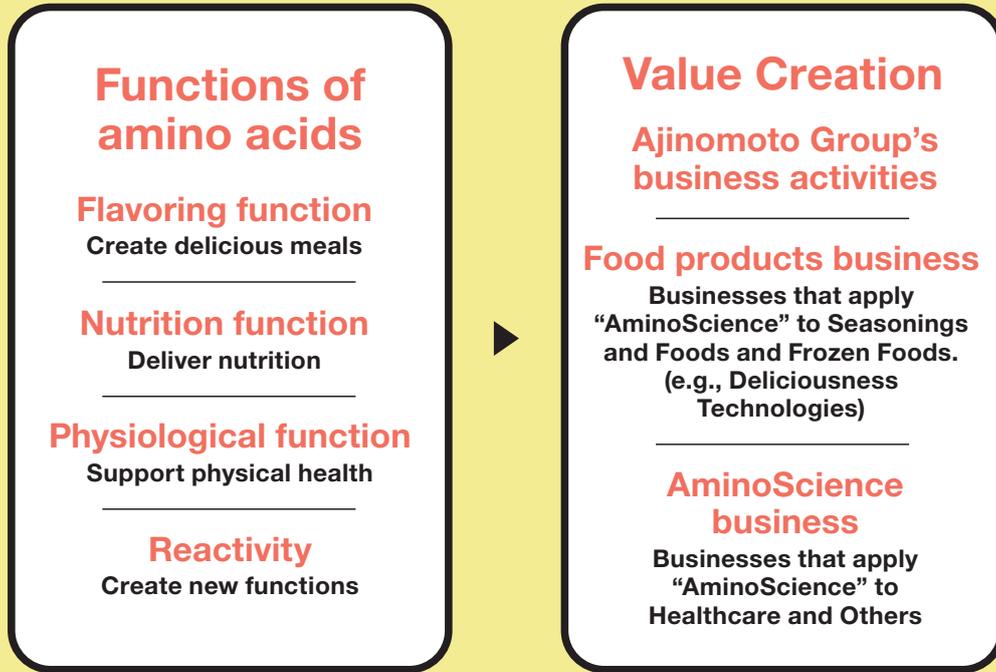
## The infinite potential in amino acids

Protein is the most important nutrient in forming the bodies of not just humans but all living organisms, and amino acids are the smallest components in protein. The Ajinomoto Group has been rigorously researching amino acids since its founding with a focus on the four functions of amino acids: 1) the flavoring function making foods delicious, 2) the nutrition function delivering nutrition to the body, 3) the physiological function promoting a healthy physical condition, and 4) the reactivity which leads to creating new functions. The value we have created from these functions

and developed into products and services range from food and medical products to electronic materials.

Our research and development in recent years has discovered that the capabilities of amino acids are far greater than we ever imagined and reach into such fields as medicine and semiconductors. The Ajinomoto Group’s strength is its ability to harness the functions of amino acids. The Group is proud to be a leader in amino acids, and we are committed to “AminoScience” and pursuing the expanding potential of amino acids.

## Business development based on “AminoScience”



# The Story of our Founding

## Eat Well, Live Well.

**The world now recognizes umami as the fifth fundamental taste. Umami was the result of the efforts of one scientist who aspired to improve the nutrition of Japanese people and one business person who bet on that aspiration.**

Dr. Kikunae Ikeda discovered in 1908 that glutamic acid is the component that gives the savory flavor (umami) to Japanese kombu dashi broth made from kelp. Dr. Ikeda's original research was actually not food. His area of specialty was catalysts. But when he was in Germany doing research on catalysis, he was intrigued by the strong physical qualities and good nutrition of the German people, which inspired him to find a way to improve the nutrition on Japanese people.

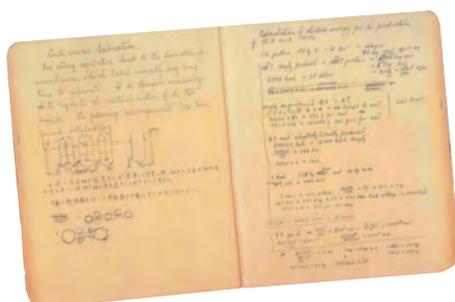
In 1907, he had returned to Japan and was conducting research as a professor at Tokyo Imperial University. One day, he noticed that the boiled tofu in kombu dashi had a deliciousness and realized the potential of researching seasonings that appeal to the palate. While continuing his research activities for the university, he set up a home laboratory and began researching seasonings. Through trial and error, in February of the following year he successfully crystallized the amino acids in kombu dashi. His initial efforts were able to extract just 30 grams of the amino acid from 12 kilograms of kelp.

Having ascertained that the amino acid was glutamic acid, Dr. Ikeda developed a manufacturing method using it as a raw material to create umami seasoning, which he patented in July. He had learned the importance of putting inventions into practical use from his teacher, Dr. Ostwald, who was his mentor while he was studying in Germany.

At the time, Saburosuke Suzuki II, who would later become the founder of the Ajinomoto Group, had fallen into debt when his business failed and was trying to make money in the rice market. His mother had started a business extracting iodine from kajime seaweed, and he was also helping her steadily grow the business. After he had reestablished his businesses and was exploring new business ventures, he made the acquaintance with Dr. Ikeda, who was still researching umami. They likely had an affinity for each other's research because kajime and kombu are both made from the same seaweed.

Suzuki understood and shared Dr. Ikeda's desire to use umami seasoning to increase the deliciousness of basic meals and improve the nutrition of Japanese people. In May 1909, Suzuki launched a business venture to begin selling AJI-NO-MOTO®, the world's first umami seasoning. The history of the Ajinomoto Group began as a collaboration of industry and academia. The Ajinomoto Group considers May 20, 1909 as the day of its founding because that's the day the first AJI-NO-MOTO®, was presented to the world. For over a century, the Group has been following its founding aspiration of "Eat Well, Live Well." by utilizing the functions of amino acids to pursue deliciousness and well-being, such as delicious salt reduction.

In 2000, nearly a century after Dr. Ikeda discovered the source of umami in his home research lab, it was scientifically proven that the tongue's taste buds have specific receptors for glutamate.





**Discoverer of  
the umami taste**  
**Dr. Kikunae Ikeda**

Kikunae Ikeda (1864–1936).  
Doctor of Science. Professor,  
Department of Chemistry, School  
of Science, Tokyo Imperial  
University. In 1985, the Japanese  
government selected him as one  
of the Ten Japanese Great  
Inventors.



**Ajinomoto Group founder**  
**Saburosuke Suzuki II**

Saburosuke Suzuki II (1868–  
1931). Business person.  
Posthumously awarded the  
Junior Fifth Grade Fourth Order  
of Merit by the Japanese  
government.

**“Making smiles with food.”**

Ajinomoto AGF, Inc.  
**Mutsumi Matsutani**

“When I hear clients saying things about the taste or quality of our products with comments like ‘Wow, this is good! Oh, it’s Ajinomoto Group product so of course it tastes good.’ or ‘People like this product.’ it encourages me and makes me proud.”

Ajinomoto Frozen Foods Co., Inc.  
**Gohei Nakamura**

“For me, ASV is creating an organization where employees can continue actively working to ‘resolve the food and health issues.’”

Global Human Resources Dept.  
**Yutong Qi**

“By reducing waste, we can decrease food loss and our environmental impact. That is my ASV.”

Food Production & Technology Administration Center  
**Fan Xiaohu**

# What ASV Means to Me

ASV stands for Ajinomoto Group Creating Shared Value, which means co-creating social value and economic value through our business.

This is the fundamental concept behind our mission to fulfill our Vision and our Purpose.

How do members of the Ajinomoto Group understand and work on this ASV on their own?

“Wastewater treatment problems in factories affect production and directly impact rivers and the environment. We are standardizing and automating our wastewater purification technology to accelerate the reduction of environmental impact and improve labor saving.”

Production & Technology Administration Center

**Kenzo Kawai**

**“To fulfill our responsibilities for patients”**

Tokai Plant

**Takuro Hattori**

“I greatly appreciate the nutrition knowledge I have gained from the company’s sessions and from being a member of the company’s ASV communication team. I believe we can contribute to social value and economic value by sharing that knowledge with people inside and outside the company.”

AJINOMOTO CO., (THAILAND) LTD.

**Papha Sinprom**

**“ASV has been integral to the success of our Indigo Collagen brand.”**

Ajinomoto Health & Nutrition North America, Inc.  
**Stephen Glass**

**"I believe that a society using co-products that would otherwise be discarded is a practical example of ASV that provides both business and social value."**

Kyushu Plant  
**Sho Sugawara**

**"When we refill office supplies, we always ask for environmentally friendly products. It's a small initiative, but I believe it will lead to ASV."**

AJINOMOTO CO., (THAILAND) LTD.  
**Rinlita Pitisartsophit**

**"ASV provides motivation to do my job the best that I can."**

Ajinomoto Health & Nutrition North America, Inc.  
**David Nwosu**

**"The Global Finance Department's mission is to help improve the quality of management and our dialogue with stakeholders by providing reliable financial information. I believe this will lead to realizing ASV."**

Global Finance Dept.  
**Kentaro Nakase**

**"We believe that the accumulation of each and every effort at the production site, combined with thorough confirmation, will lead to the reduction of food loss."**

Reducing food loss not only cuts costs but also contributes to the sustainability of the global environment, which in turn contributes to the sustainability of our production activities."

Ajinomoto Food Manufacturing Co., Ltd.  
**Takashi Nakazawa**

**"Thoroughly investigating all the details and testing the hypothesis"**

Kanto Branch  
**Kento Shimizu**

**"I want to help as many athletes as possible who are using sport to push the limits of human potential and also contribute to our business."**

Sports Nutrition Dept.  
**Masanao Taniyama**

**"Helping people get healthy by providing food that is safe and good for the body"**

Ajinomoto Frozen Foods Co., Inc.  
**Fumino Ishida**

**"I want to contribute to ASV through an outcome of providing a stable supply of amino acids that help people maintain and improve their health."**

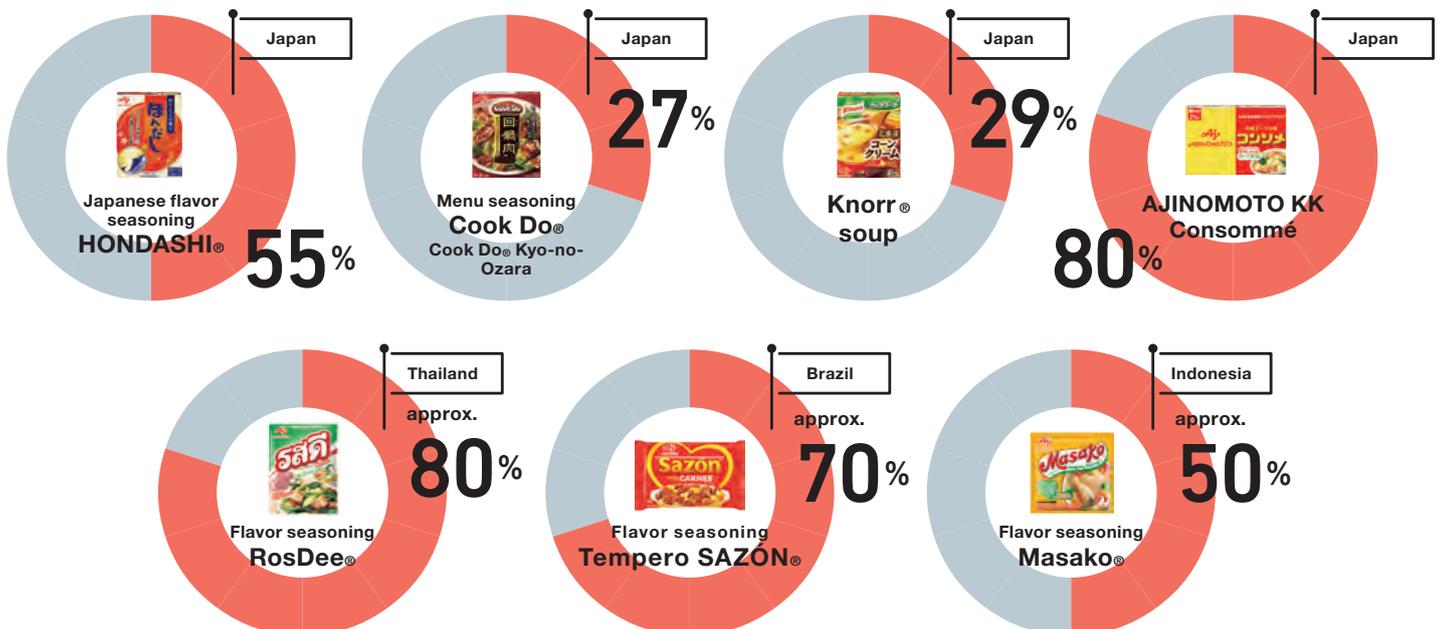
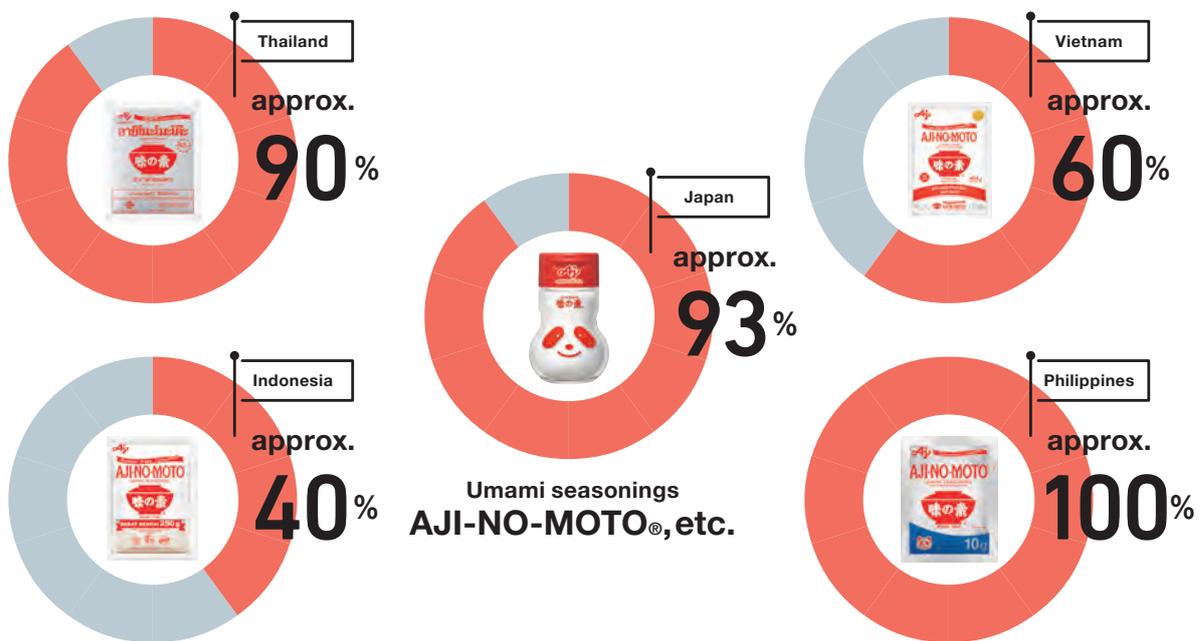
Kyushu Plant  
**Sachiko Washizaki**

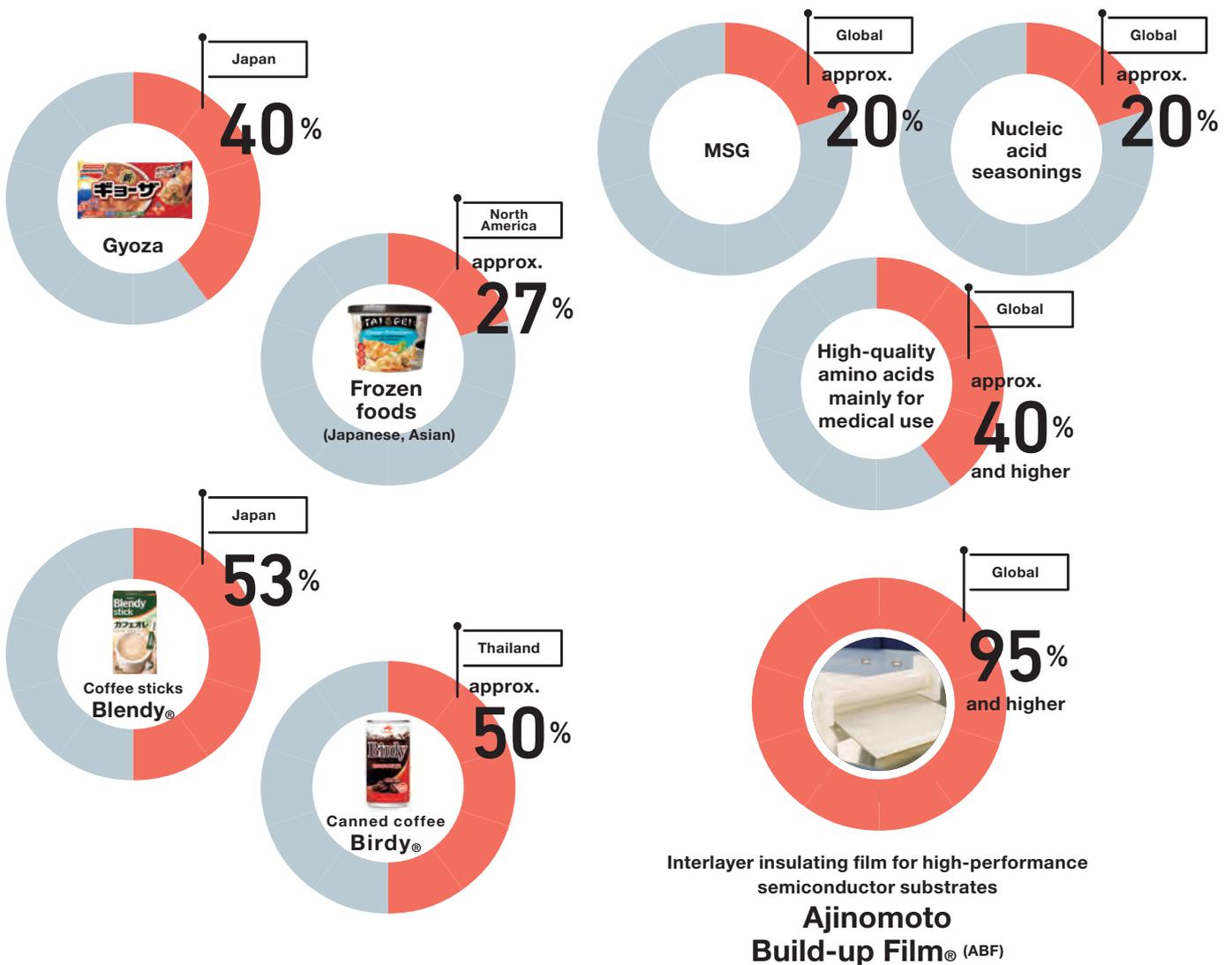
**"I see my job as contributing to ASV by making the Kawasaki Plant a highly profitable production base that contributes to the sustainable growth of our business."**

Kawasaki Plant  
**Yoko Matsugane**

# All about the Ajinomoto Group

Driven by our “AminoScience,” we have grown from our origin in amino acid research to holding an overwhelming share (as of fiscal 2022) of the seasonings market in Japan as well as in major Asian countries and South America. People around the world love the products that we develop to match to local food cultures in countries around the world.





## Ajinomoto Group products with high market share

A full understanding of the Ajinomoto Group requires both indicators for our future direction as well as indicators for our present performance. We have outstanding strength from product lines that command overwhelming market share. In this section, we introduce products that held high market share in Japan and overseas in fiscal 2022.

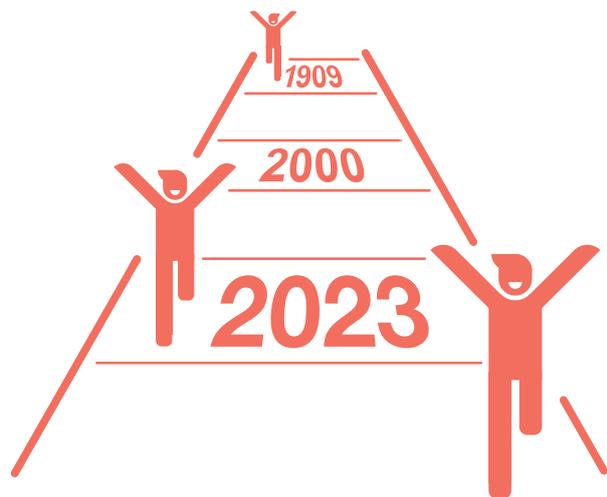
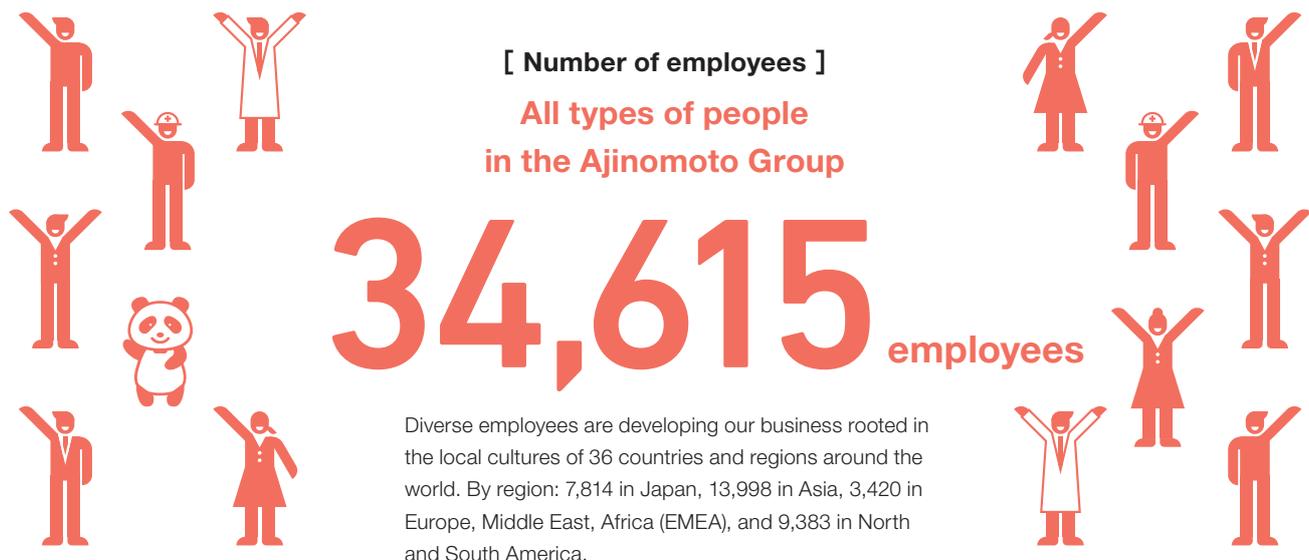
Our B2C products carry the brand power we have built over more than 100 years and are backed by our wealth of knowledge about the flavoring function of amino acids. This strength is reflected in the figures in the umami seasoning, which commands over 90% market share in Japan. Our Japanese flavor seasoning and consommé also hold over 50% of their respective market shares.

The products we market overseas were specifically designed from our understanding of each country's flavor

preferences and adapted to the local food cultures. This localization strategy is only possible because of our Group's unique product development of products that only the Ajinomoto Group can make that are closely matched to the preferences of the target consumers. Our flavor seasonings Tempero SAZÓN® (Brazil), Masako® (Indonesia), and RosDee® (Thailand) have become top brands that are widely used in home cooking in each country.

In B2B products, Ajinomoto Build-up Film® (ABF) boasts an overwhelming share in interlayer insulating film for high-performance semiconductor substrates market and superior quality, and amino acids for medical use also maintain their superiority through the stable global supply of high-quality products.

\* As of FY2022 (Ajinomoto Group estimates)



The Ajinomoto Group was established 114 years ago with the discovery of the umami taste. The founder's aspirations of a "pioneering spirit" and to "create new value" have been passed down to this day.

## The Ajinomoto Group today in numbers

A close look at the numbers for the Ajinomoto Group begins to give a picture of where the Group stands today. First, the Group has 34,615 employees. Every day in 36 countries and regions around the world, these employees are developing our business while immersed in their region's food culture. We are able to localize for each region because we have a corporate philosophy and a 114-year history of rigorous research into the functions of amino acids. In addition, our production network has grown to encompass 117 factories in 24 countries and regions worldwide. These numbers show that we have the ability to provide localization also from the manufacturing sites on the ground in each area.

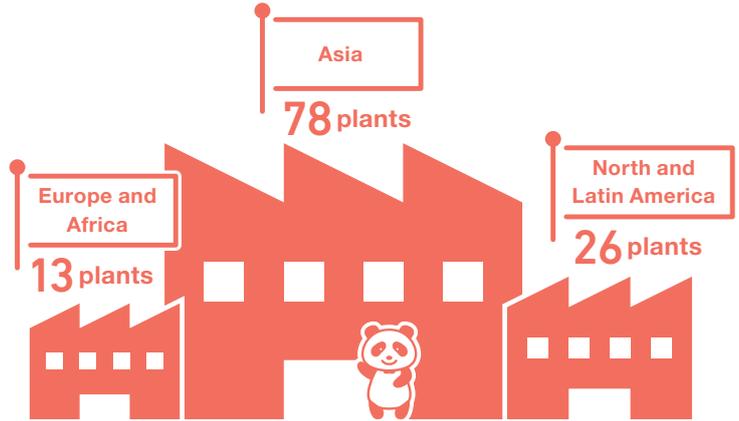
Moreover, we have over 1,700 dedicated R&D personnel. That is the reason that the global markets perceive us as a "technologically led food and amino acid company" and also why we have a corporate culture of "constantly creating new value." This structure enabled the Ajinomoto Group to garner ¥1,359.1 billion in sales in fiscal 2022. Note that the products that generated these sales ranged from seasonings and frozen foods to healthcare products. The Ajinomoto Group will continue to utilize "AminoScience" to expand its AminoScience business as well as the food products business to achieve growth.

**[ Number of production plants ]**

**Global production system**

**117** plants

The Kawasaki Plant celebrated its 100th anniversary in 2014. We currently have factories in 24 countries and regions delivering safe and reliable products to customers worldwide.



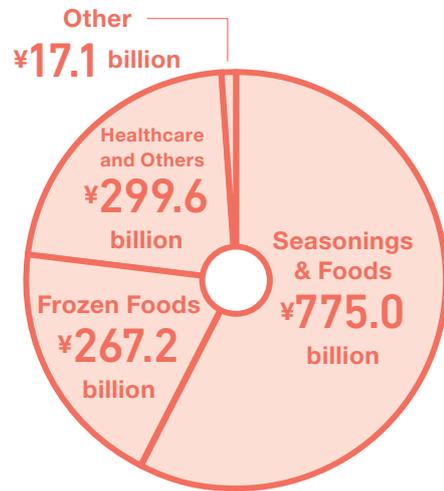
\* as of March, 2023

**[ Sales ]**

**A wide range of businesses**

**¥1,359.1** billion

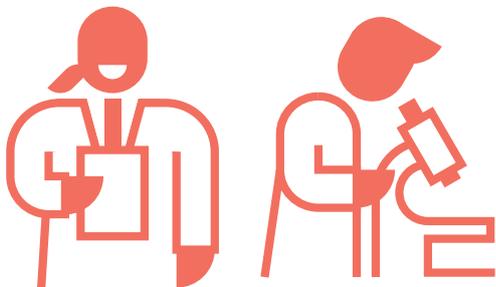
We operate businesses globally spanning food, healthcare, and electronic materials that contribute to the well-being of all human beings, our society and our planet with "AminoScience."



\* FY2022 results

**[ R&D personnel ]**

**Ajinomoto Group's unmatched advanced technological capabilities**



**1,700+**

The Ajinomoto Group launched its research and development activities in 1956 with 100 researchers, and the operation has rapidly expanded to encompass over 1,700 around the world. Our highly specialized human resources, of which about 10% hold Ph.Ds, are engaged in fields spanning food, fermentation, biotechnology, biology, chemistry, and engineering.

# What the Ajinomoto Group will be in 2030

The Ajinomoto Group has set up challenging ASV indicators and is adopting purpose-driven management by medium-term ASV initiatives that will enhance its business execution capabilities. We are revising the business models that drive the evolution and growth of our core businesses in order to build highly profitable, unique, and robust businesses applying “AminoScience” in the four growth areas of healthcare, food & wellness, ICT, and green.

## Focus on four growth areas



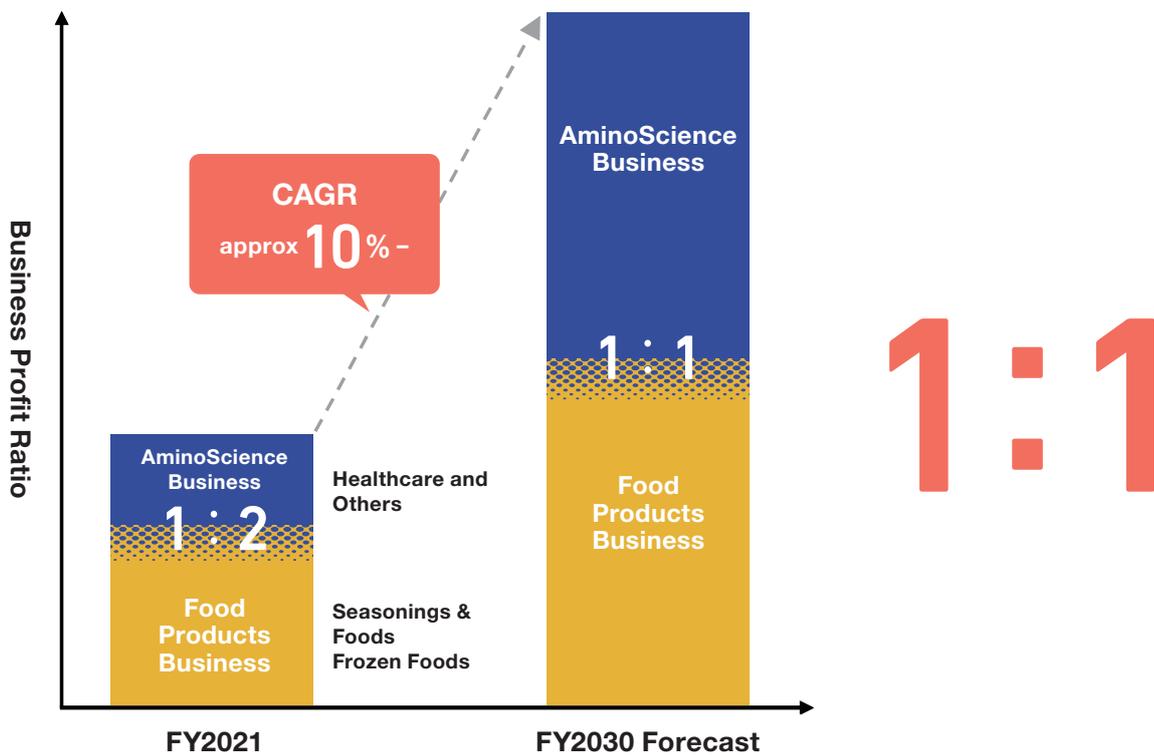
## Shifting from structural reform to growth

The Ajinomoto Group has positioned focusing on areas with high market growth potential and high social value as a basic policy of its growth strategy. We plan to leverage the unique strengths of “AminoScience” and generate dramatic growth in the four areas of healthcare, food & wellness, ICT, and green. We will also continue strengthening cash flow and improving costs of capital to establish a robust earnings structure that will form the foundation for growth.

We have a specific management target to shift the

business profit ratio of the food products business and AminoScience business from 2:1 in fiscal 2021 to 1:1 in 2030, and achieve a baseline CAGR of approximately 10% during that time.

These targets may appear extremely ambitious upon first glance, but the potential of “AminoScience” is not only widening but may well be unlimited. We look forward to your understanding as we implement a growth strategy that is unique to the Ajinomoto Group.



**[Improving economic value]**

**ROE**  
 approx. **20%**

**ROIC**  
 approx. **17%**

As economic value indicators for our ASV targets, we have set quantitative targets of ROE at approximately 20% and ROIC at approximately 17% in 2030, as well as to work to improve our profit margins.

**Earnings per share vs. FY2022**

approx. **3x**

We are aiming to approximately triple our current earnings per share by 2030.

**Organic sales growth**

**5%+**

We are planning for raise capital investment by 5% annually for a total of roughly ¥750 billion through 2030.

**EBITDA margin**

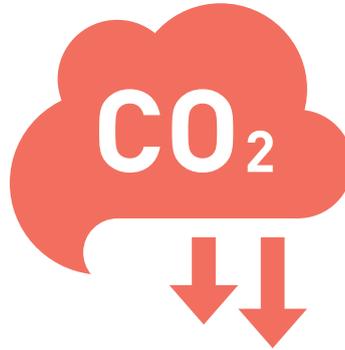
**19%**

We plan to improve our business efficiency with the aim of achieving an EBITDA margin of 19% by 2030.

## [Reduce environmental impact]

### Reduce greenhouse gas emissions (compared to FY2018)

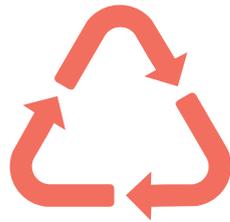
Scope 1 and 2 by **50%**  
Scope 3 by **24%**



\*Net zero by FY2050

We will reduce Scope 1 and 2 emissions by 50% by lowering fuel and electricity usage and other measures and decreasing supply chain Scope 3 emissions by 24%.

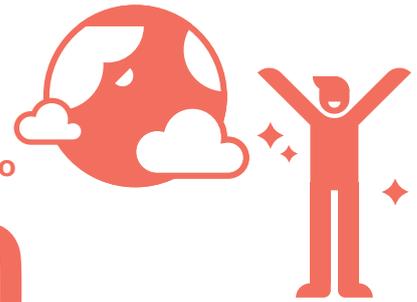
Achieve



**0** plastic waste

We will step up our activities in Japan and overseas with the aim of achieving zero plastic waste.

Sustainable procurement ratio



**100%**

Paper, palm oil, soybeans, beef, coffee beans, sugarcane, etc.

Food loss and waste reduction rate



**50%**

We aim to halve food loss and waste generating from the acceptance of raw materials to delivery of products to the customer by fiscal 2025 (vs. fiscal 2018).

Resource recovery rate



**99%+**

We will reduce waste by using raw materials as effectively as possible.

## [Nutrition commitment]

Percentage of products with improved nutritional value

60% 

We will increase the number of products with improved nutritional value with "AminoScience."

Nutrition education for employees

(cumulatively)  
100,000 employees

We will focus on providing thorough education on nutrition for our employees (FY2025 target).

Provision of products with improved nutritional value in "delicious salt reduction" and "protein intake optimization"

400 million people annually

We will utilize "AminoScience" to promote delicious salt reduction and improve protein intake.

Availability of products utilizing the physiological and nutritional functions of amino acids

2x 

We will work to double the utilization of physiological functions that condition the body and nutritional functions that deliver nutrients to the body.

## [Intangible assets]



Employee engagement score

Above 85%

We will deepen understanding of the ASV indicators, promote understanding of our goals, and strengthen our corporate culture of taking on challenges.



Corporate brand value

Baseline CAGR 7%

We will stimulate co-creation of innovation by using human resources to link our technology assets with customer assets.

Message from  
the President  
and CEO



## Using “AminoScience” to accelerate our growth and progressing from structural reform to growth

After I became CEO in April last year, we launched our 100-day plan to propel the Ajinomoto Group into a regrowth stage. Our plan is to integrate the various business strengths from our focus on the function of amino acids to establish an overwhelming presence for the Group.

### Taro Fujie

Director, Representative Executive Officer,  
President & Chief Executive Officer

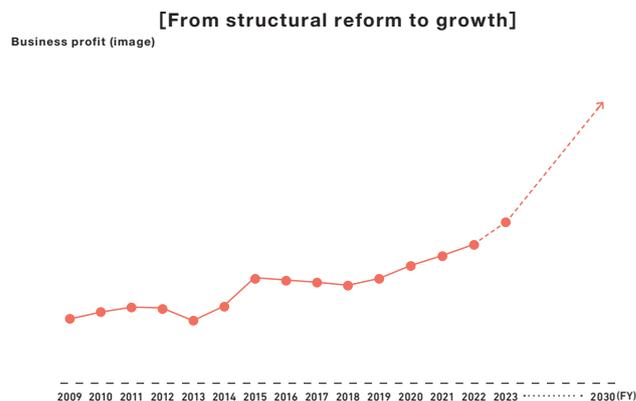
**Record-high profits as we entered our new growth stage a year earlier than expected**

In the year since April 2022 when I became the company CEO, we have been engaging in an all-out effort to reform our management systems. It was a tumultuous year with the COVID-19 pandemic, the conflict in Ukraine, high inflation, and sharply fluctuating foreign exchange rates. Nevertheless, we determinedly executed our 100-day plan (a detailed 100-day plan under the new execution structure) and the substantial progress we made developing the AminoScience business and reestablishing profitability for our food products business raised our sales by 18.2% year on year to ¥1,359.1 billion and business profit by 11.9% to a record-high ¥135.3 billion. The price of our stock also rose to a new high. Fiscal 2022 was the final year of Phase 1 of the 2020-2025 Medium-Term Management Plan. Although the focus of Phase 1 was structural reform, we view the results as marking the start of our regrowth stage Phase 2 one year ahead of schedule. We have also been lauded for the progress we made with our human resources, corporate brand, and other intangible assets as well as for our sustainability and digital transformation (DX) initiatives. I would like to express our sincere gratitude and appreciation to everyone's understanding and support for the Group as we continue to fulfill our Purpose.

**Not content with record profits**

My role is to always be looking toward the future. A company's current corporate value is determined by cash flow—not in the past and only to a certain extent in the short term, but primarily by expectations for cash flow in the long term. That is why I am not content with high profits or positive evaluations of the Company. I recognize that that there is a disparity between our Company and leading global companies in terms of growth potential and profitability is a major issue that we need to address. We are taking the positive approach that this means we have plenty of room to improve and grow. The Medium-Term ASV

Initiatives 2030 Roadmap we announced in February 2023 set ambitious targets, including raising business profit by over 10%. All of the Group companies are committed to working together as a team to achieve the targets.



**“AminoScience” added to our Purpose**

The first step we took was to update our Purpose statement to “Contributing to the well-being of all human beings, our society and our planet with ‘AminoScience’.” “AminoScience” is a term that we created. We take pride in being the best in the world as an organization of “amino acids x science x business” that is thoroughly committed to the functions of amino acids and develops business by adopting a scientific approach. We are integrating the strengths of our various businesses with the aim of establishing an overwhelming presence.

**Our roots and our strongest business models are our combination of amino acids, science, and business**

Our roots are in the combination of amino acids, science, and business. The Ajinomoto Group originated in 1909, when our founder business person Saburosuke Suzuki II met the scientist Dr. Kikunae Ikeda, the discoverer that the source of the umami taste is the amino acid glutamic acid. I am excited that it was a Japanese scientist who discovered one of the five basic tastes. The Japan Patent Office named



Dr. Ikeda as one of the Ten Japanese Great Inventors along with such illustrious figures as the discoverer of adrenaline Jokichi Takami, the creator of a human-powered loom (and founder of Toyota Industries) Sakichi Toyoda, and the discoverer of vitamin B1 Umetaro Suzuki. Dr. Ikeda and Suzuki set out with the purpose to make food delicious and healthy to help Japanese people develop the strong physiques that they observed in people of Europe and the United States. Their idea that they could make the biggest contribution by creating a successful business has been

| The essence of CEO Fujie\_1 |

## Q. What led to you joining the Ajinomoto Group?

One reason I joined the Ajinomoto Group is because it is a food company. I've enjoyed cooking since elementary school and have made meals for many people. Seeing people enjoying the meals and smiling always makes me feel happy too. The "essence of happiness" is such that the more happiness you give to others, the happier you feel. I still enjoy making appetizers every once in a while.

I was also excited to see that the Ajinomoto Group is more than a food company, that it is using its amino acids and fermentation (bioscience) technologies for businesses around the world. In fact, this is making me even more excited. I also felt extremely comfortable with the people I met during the interview process because everyone enjoyed engaging in dialogue and had strong character.

passed down through the generations and today is manifest in our ASV management of using our business to co-create social value.

Since becoming CEO, I have often talked about upscaling. For us to upscale, we need to turn our successes into business models that we can then build on to continue expanding. I believe our way of success from combining amino acids, science, and business is our strongest model and what sets the Ajinomoto Group apart from all other companies.

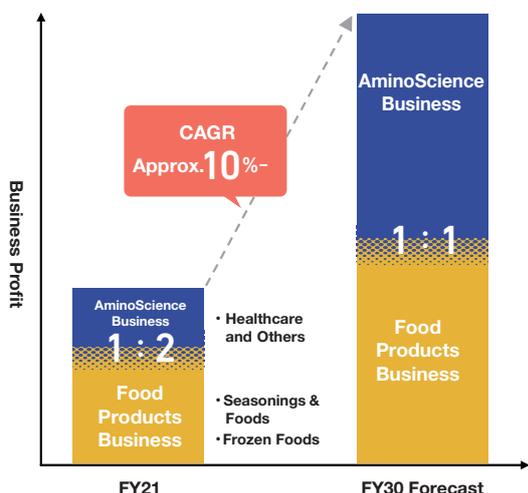
### **Making dialogue and understanding a business model and organizational strength**

The announcement that we revised our Purpose statement from "Unlocking the power of amino acids to resolve the food and health issues" to "Contributing to the well-being of all human beings, our society and our planet with 'AminoScience'." actually led to some misunderstanding within the Group. Many people may have thought that we were planning to shift our focus completely to AminoScience business. The new statement actually just recognizes that "AminoScience" has been the foundation of all of our businesses from the beginning. In the food products business, we have been using the power of "AminoScience" for flavor, nutrition, and physiological functions as a way to differentiate our products and grow our business. In other words, the new Purpose statement merely recognizes the higher concept of "AminoScience" that is in all of our business activities. The confusion comes from the word "AminoScience" being used as both a high-level concept and the name of the business, and we are looking into changing what we call the businesses.

Understanding of the meaning of "AminoScience" has deepened considerably since we announced new Medium-Term ASV Initiatives 2030 Roadmap with the revised Purpose, which was accompanied by an unprecedented number of messages and numerous conversations between employees, myself, and management. All of us are excited about the infinite possibilities for the amino acids×science×business combination, and I believe that everyone in the food products and other businesses is feeling more

motivated than ever. The reconceptualization of “AminoScience” will be a good reminder of the importance of the progressive cycle in which dialogue allows us to identify gaps in understanding and follow it up with more dialogue, mutual understanding, and deeper penetration of our Purpose, Vision, and strategies that then leads to increased engagement and powerful implementation. Altogether, this will become our foundation and enhance our organizational strength.

**Creating a 1:1 balance of the food products and AminoScience businesses**

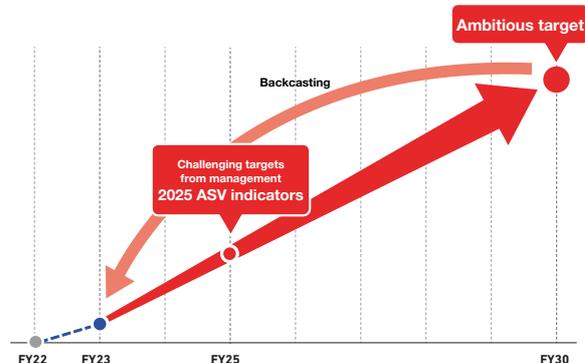


We have set a target for 2030 of attaining an even 1:1 ratio of business profit from the food products business and the AminoScience business. It was only a few years ago that the food products business dominated our earnings and the ratio was 9:1, but the AminoScience business has been gradually building and in 2021 the ratio reached a much more balanced 2:1. An important point in attaining the 1:1 ratio we are targeting for 2030 will be to grow both businesses because our goal is to make the Ajinomoto Group an organization that is not just a food company and not just an amino acid company—we want to be a unique entity on the world stage.

In the future, we will drive our growth by increasing our businesses that combine our food products business and AminoScience business. Because our food products and

AminoScience businesses had been structured vertically, last year we announced that we had appointed Mr. Yoshiteru Masai, whose background was in the AminoScience business, as the General Manager of the Food Products Division and Mr. Sumio Maeda from the food products business as the General Manager of the AminoScience Division. The positive benefits of making that switch are starting to show. For example, we had been focusing on the deliciousness of our products when we proposed new products to one of our food company clients. The company was especially receptive when we introduced a pet food product with an amino acid mix function for pet health, and told us that this is the one-of-a-kind product that we have been expecting from the Ajinomoto Group. This successful experience is now becoming a foundation that we will build on horizontally across our businesses.

**We are abandoning being bound by medium-term planning so we can all aim to scale Mt. Everest.**



As I mentioned in my message last year, we replaced our long-standing use of medium-term management plans with management that pursues ambitious targets that we set by backcasting from our long-term vision. With the rapid changes in society, this means moving past our habit of excessive planning and developing management that is constantly refining its approach to reflect the changing circumstances. In the future, I think we will look back at 2023 as a turning point for the Ajinomoto Group.

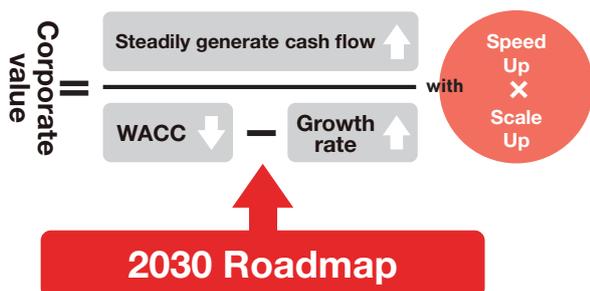
The mountain we aim to climb is not Mt. Fuji, it is Mt. Everest. With a certain amount of training, a person can climb Mt. Fuji on their own. Scaling Mt. Everest, however, requires careful planning for what kind of team you will assemble, which route to take, and what equipment will be needed to reach the summit. There is an African proverb that says, "If you want to go fast, go alone; and if you want to go far, go together." I will choose to go together and aim to climb high like Mt. Everest.

**We are aiming to achieve CAGR of 10% annual growth in business profit, raise ROIC to 17% and ROE to 20%, and triple our EPS.**

	FY25	FY30	
ROE	18%	Approx. 20%	<b>Ref. Targeting approx. 3x EPS</b> <small>(vs. FY2022)</small>
ROIC (>Capital Cost)	13%	Approx. 17%	
Organic sales growth	5% <small>(FY22-25)</small>	5%- <small>(FY25-30)</small>	
EBITDA margin	17%	19%	

Challenging targets from management

**Standard calculation of corporate value**



At the end of February this year, we released ASV indicators for economic value, social value, and intangible assets for 2030. We have set ambitious financial targets that include CAGR of 10% in business profit, raising ROIC to 17% and ROE to 20%, and tripling earnings per share (EPS). Climbing Mt. Everest is a challenge of a whole new dimension, but if we can refine our strengths, change our

corporate culture, make full use of our intangible assets, and unleash the power of "AminoScience," I believe we can make it to the top. For more information, please see our February 28, 2023, press release about our Medium-Term ASV Initiatives 2030 Roadmap.

I want us to growth in three ways by transforming management, updating our business portfolio, and by improving our intangible assets and the ROIC tree.

**We transformed management toward our vision for 2030.**

The first point of the 2030 Roadmap is transforming our management approach to "purpose-driven management by medium-term ASV initiatives." The roadmap represents our commitment to advancing these initiatives by providing and seeking to fulfill earnings forecasts for each fiscal year, transforming our business model, and earnestly engaging Ajinomoto Group Creating Shared Value (ASV) to continue advancing toward our ASV indicator targets. To reach our Group vision for 2030, management will backcast from our targets and create a roadmap of ambitious indicators to guide us in fulfilling our vision.

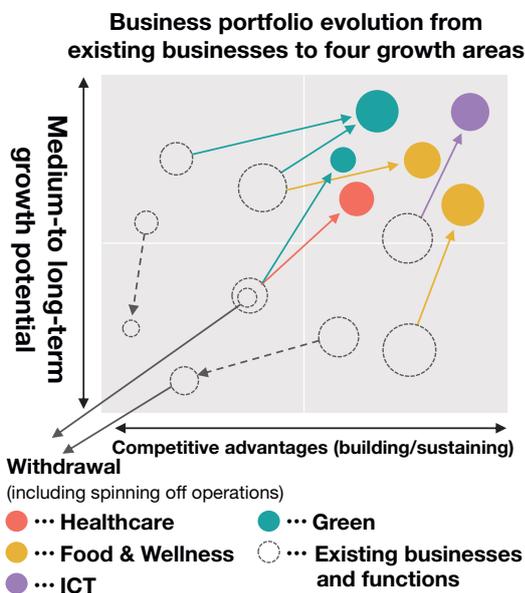
The ASV indicators show not only economic value but also social value that lead to economic value. The high targets will challenge all of us to continue doing our best to achieve growth, which will grow into a strong momentum that will continuously and dramatically boost our corporate value. To ensure we are making progress, we will set rolling monthly forecasts to measure what is working and what is not so we can take swift action when needed.

**We have fully revised our business portfolio management.**

We have revised our business portfolio management by recentering it on growth potential and efficiency, specifically by strongly emphasizing maintaining ROIC higher than WACC to improve efficiency and by prioritizing being asset light by reducing our asset holdings and operating on a lean financial structure. We will be more conscious about

developing our growth potential, while ROIC higher than WACC will be a prerequisite. Our new business portfolio management will be based on a concept with medium- and long-term growth potential on the vertical axis and building competitive advantages and sustainability on the horizontal axis. While concentrating management resources on growth areas and shifting to a highly profitable business structure, we will continuously evolve our business portfolio management while sowing seeds for the future and flexibly withdrawing from unprofitable areas.

Our present organizational structure is centered on products and services, but we will advance growth strategies for each value we provide, create new links that reach beyond the boundaries of our existing businesses and organizations, and fully activate both our tangible and intangible assets. We took a significant step in this direction in April 2023 by creating the new Marketing Design Center, Procurement Strategy Department, and Innovation Strategy Team.



**We are increasing investment in intangible assets, which are pre-financial assets, and incorporating them into the ROIC tree.**

The last point of the 2030 Roadmap is investing in

intangible assets. The image on the next page shows the connection between the four intangible assets –human, technology, customer, and organization. Our human resources are unique in that we have a purpose, are deeply connected to our customers and consumers, and use our world-leading “AminoScience” technology to co-create innovation. We value “purpose x passion x operational excellence” because we believe that human resources are essential intangible assets, and because we believe that the enthusiasm that employees have for their purpose is a company’s driving force.

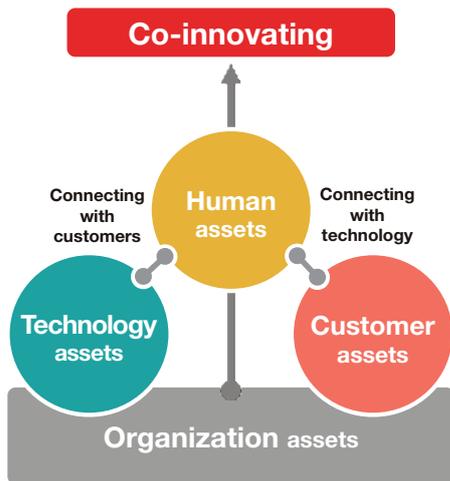
Our human resources are a source of pride for us. In addition to the world’s top 1,700 researchers in “AminoScience,” the reason the Group is a global food corporation with brands and products commanding top share in markets around the world is because we have people applying our Deliciousness Technologies to the dietary habits of each country, people exercising our brand

| The essence of CEO Fujie\_2 |

**Q. What has been your experience with the Company?**

I've had a number of experiences with the Company that have left an impression. When I was part of the labor union, I created relationships of trust through cross-organizational contacts with human resources from various departments who are working on front lines. That experience was invaluable because it helped me understand that human resources assets are the center of an organization. I was also a manager at subsidiaries in the Philippines, China, and other countries that were struggling quite badly, but the experiences were extremely valuable and have become part of the model for how I approach my work. From these experiences, I learned the importance of agile execution, communicating bad news, and maintaining a culture of thorough dialogue and problem-solving rather than precise planning in times of rapid change. I also learn as the value of making the decision to stop one activity so you can focus on doing the one you really want to do.

power and marketing methods utilizing DX, and people creating business by skillfully communicating the importance of uncompromising nutrition to customers ranging from large supermarkets to small stores.



What I would like to emphasize is that we believe that intangible assets are not non-financial assets, but pre-financial assets that will lead to financial growth in the future. The reason we invest more in intangible assets than tangible

asset is that we believe intangible assets are certain to produce financial value in the future. Since our tangible assets won't be increasing, ROIC will move upward while both the numerator and denominator become smaller. Based on that, we have started trying to find a way to put investment in intangible assets into the ROIC tree. We have only started to examine how to do that, but we believe that when we can visualize intangible assets like the correlation between employee engagement and business performance and corporate brand value assessment, we will be better able to use the intangible assets for value creation.

**We will make materiality a management axis.**

Before putting together the Medium-Term ASV Initiatives 2030 Roadmap, the Sustainability Advisory Council reorganized the key management issues that form our corporate materiality on a strategic framework from a long-term perspective. The Council, which is made up of people representing various stakeholders, engaged in dialogue with managers and directors for two years. The Ajinomoto Group does not use the standard list or matrix of important matters of materiality, we have our own way of illustrating them that shows their relationships and cycles. Our objective is to “hone our co-creation capabilities, realize well-being from the consumer’s perspective, and return the value we create with our business activities.”

It is clear that the global environment will collapse if mankind persists in its pursuit of material wealth. This can be avoided by changing the indicator of wealth to well-being, the state of being healthy and happy. To do this, we will need scientific innovation. I believe the Ajinomoto Group has huge potential to develop in this area. That is what we had in mind when we created our materiality. However, people inside and outside the Company have told us that it is a little difficult to understand, so we are talking to various people to find ways to make it simpler and to provide specific examples that will help make it easier to grasp.

In June 2023, we invited Professor Scott Davis of Rikkyo University, who was the chair of the Sustainability Advisory Council when we were formulating the new materiality

| The essence of CEO Fujie\_3 |

**Q. I heard that you were passionate about windsurfing when you were a student.**

In the CEO message, I quoted the story of Mt. Everest, but in fact, I myself was more of a sea person rather than a mountain person. When I was a student, I was so passionate about windsurfing that I went to Lake Biwa in Japan, the practice place, rather than the campus. Windsurfing is a sport where you compete to see where the wind is blowing. Even in a headwind, you can use lift to zigzag forward. How can we read the direction of the wind and increase the speed of the ship? And how do we conquer the tough race? As we head into 2030, the wind will change rapidly and there will be headwinds, so I would like to read the changes, speed up my growth, and use my experience to survive the tough competition.

framework, to be an outside director of the Company. We believe his presence will ensure that our materiality initiatives are not just some pie in the sky dream and that we have the structure to execute appropriate measures. I believe that sustainability initiatives help discover new business opportunities and reduce cost of capital.

**We will continuously strengthen shareholder returns to encourage investors to hold shares long term.**

We will actively distribute the gains from our business growth to shareholders who understand and support our operations. Top priority will be given to investment for growth, such as necessary equipment, intangible assets, and M&A, but when we have surplus operating cash flow, we will actively implement share buybacks as investments that exceed WACC. In addition, to ensure investors will feel secure in holding our shares and receiving dividends for the long term, we have a progressive dividend policy of not reducing dividend payments and ensuring we maintain or increase dividend payments. We also eliminate potential fluctuations due to irregular gains or losses, by determining the amount of dividend distribution from our business profits based on normalized EPS. Since we expanded our employee stock ownership program from management to all Group employees, the percentage of employees who own stock in the Group has grown from approximately 30% to 70%. In this way, our ASV management and 2030 Roadmap are adding to the economic value of our employees.

**Dialogue, dialogue, dialogue.**

As I mentioned earlier, we are engaging in active dialogue to ensure that the 2030 Roadmap does not become just a pie in the sky idea. Since we announced the 2030 Roadmap, the management members and myself have been talking to people in person, sending video messages, and participating in numerous small group conversations. Talking directly with people is important not only because it



deepens their understanding, but also because it allows me to discover new elements. Most Ajinomoto Group employees are also eager to engage in dialogue, and I believe that will expand the circle of understanding, increase each person's sense of ownership, and ultimately accelerate the roadmap's implementation. We are also emphasizing dialogue with shareholders, investors, and other stakeholders. We have started to be extremely proactive about sending out messages from management, sharing the content of our dialogue discussions, and providing information about Ajinomoto Group human resources and other intangible assets. I encourage you to view our website.



CEO Fujie's message at FY2023 Ajinomoto Group Management Policy Briefing



Dialogue with Group Employees (Japanese)



Ajinomoto Group Event for Customers, Announcement of Employee ASV Initiatives (Home use) (Japanese)

**In fiscal 2023, we will aim to boost sales and profits as well as address issues.**

The long-term and short-term are connected, so we will not neglect our short-term performance just because our management is focused on the long term. In fiscal 2023, we



will have various short-term and medium-term issues that we will need to address, including reestablishing growth for the domestic food products business, improving the profitability of the frozen food business in North America, and responding to the changes in the semiconductor market. As we address those areas, we also will be applying Speed Up x Scale Up with the aim of raising fiscal 2023 sales by approximately 8.8% year on year, business profit by roughly 11%, EPS by approximately ¥6.2, ROE to 12.4%, and increasing the dividend payout.

We will also be addressing many other issues, including improving employee engagement scores, which are already high but not at our target level, fostering a culture of self-driven work, improving our perception among young workers as a having a growth environment, and raising the participation of women in our workforce to the global standard. Based on my experience, I believe that creating visualization will contribute greatly to finding solutions for all of these matters. I am looking forward to openly discussing these issues in dialogue with people both inside and outside the Company.

**We believe that good health provides well-being and will deliver the “essence of happiness” around the world.**

In addition to the economic value indicators, we are also actively working to fulfill social value indicators set in the Medium-Term ASV Initiatives 2030 Roadmap, which are to help extend the healthy life expectancy of 1 billion people

and reduce our environmental impact by 50%. We have also added “AminoScience” and the word “well-being” to our Purpose. To me, well-being means being happy and healthy, which is exactly what our founding aspiration “Eat Well, Live Well.”

As stated in our updated Purpose, the Ajinomoto Group is using “AminoScience” to create a source of happiness for human beings, society, and the planet—the essence of happiness. We are already the world leader in the combined field of amino acids, science, and business, and we are integrating the strengths of our businesses to make our position and presence unassailable. We hope investors and stakeholders will share our excitement and Purpose so we can climb the Mt. Everest of creating long-term value together. I sincerely look forward to opportunities to engage in dialogue and hear your comments and opinions.

## Key short-term issues to address

**I will face the harsh reality head on and set high targets and dreams.**

**Reestablish growth for the domestic food products business**

**Improve the profitability of the frozen food business in North America**

**Minimize the impact from the adjustment in the semiconductor market, which has caused a temporary slump in the ABF business (recognized as a long-term growth business)**

**This report explains our strategies for each of these issues.**

## What I want to communicate

1. We will pursue ASV in earnest through “AminoScience,” adopt purpose-driven management by medium-term ASV initiatives, and improve our ability to execute.
2. We will use “AminoScience” to contribute to the well-being of human beings, our society, and our planet.
3. We will enhance corporate value by steadily generating cash flow, improving growth rates, and lowering the cost of capital.
4. We will achieve organic growth and shift growth to four areas.
5. We visualize and strengthen the value of intangible assets, which are the driving force for enhancing our corporate value.
6. We will clarify the path to creating social value and economic value and improve sustainability.
7. We will apply “purpose x passion x operational excellence” and Speed Up x Scale Up.



# Important issues (Materiality) for the Ajinomoto Group

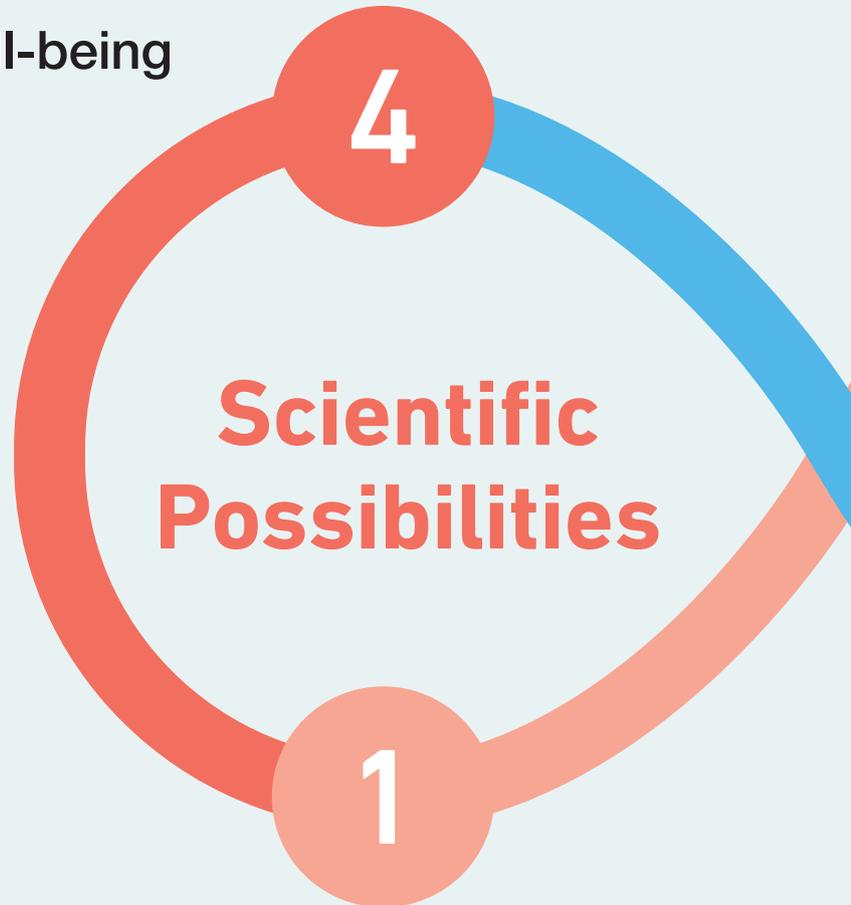
## “AminoScience” for Well-being

### 4. Shared value (ASV)

- 4.1 Living well
- 4.2 Co-wellbeing
- 4.3 Value creating solutions

### 1. Co-creation

- 1.1 Transformative innovation capability
- 1.2 Transparent & objective
- 1.3 Constructive engagement for co-creation



Important issues (Materiality) for the Ajinomoto Group are essential to the Group’s ability to continue co-creating social value and economic value over the long term.

The Group identifies important issues (Materiality) through a process that reflects the thoughts and ideas of management and employees and the expectations from external stakeholders.

The important issues (Materiality) are deeply embedded in our business strategies, our on-site operations, and our Purpose.

## What the materiality relation chart shows

This materiality relation chart illustrates our approach to sustainable growth as a cycle that connects the power and potential of “AminoScience” (Scientific Possibilities) with the power of stories (Story of Wellbeing) that contribute to the wellbeing of all human beings, society, and the planet. The cycle is (1) honing our co-creation

capabilities, (2) taking the seikatsusha perspective, (3) while achieving wellbeing, and (4) through our business activities return co-created shared value.

These follow an infinite loop continuously moving from (1) through (4), meaning that it will sustainably co-create social value and economic value.



## 2. Seikatsusha\* perspective

Holistic & inclusive perspective **2.1**

Local community perspective **2.2**

Future generation perspective **2.3**

## 3. Wellbeing

Human wellbeing **3.1**

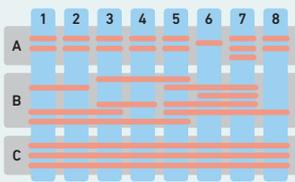
Community wellbeing **3.2**

Planetary wellbeing **3.3**

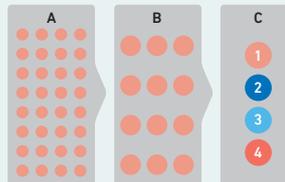
\* "Seikatsusha" is a unique Japanese concept that, unlike the partial concept of "consumer" used in business and "citizen" used in political science, seeks to define people holistically.

## Formulation process

### STEP 1 Identifying issues and opportunities



### STEP 2 Classifying issues and opportunities



### STEP 3 Organizing connections



Our executive management provided input to the Sustainability Advisory Council on the future of 2030 and beyond, and through feedback from the Council, we examined materiality from a long-term and multi-stakeholder perspective looking ahead to 2050. Comprised of representatives of key stakeholders, the Council identified important issues and opportunities

from the perspectives of various stakeholders. Each issue and opportunity were then organized to show how they are connected and give us insight to what we will need to do to continue to transform and innovate. This method not only provides structure for the issues, but also shows us how we can approach the issues from a long-term perspective.

For details about opportunities and risks related to important issues (Materiality) for the Ajinomoto Group, please see our Securities Report (in Japanese only) and Financial Report 2023. The Group's initiatives and their KPIs for addressing each materiality item are disclosed in the Sustainability Report 2023.

# “AminoScience” in action

“AminoScience” is one of the sources of our Group’s unique competitive advantage. In the four growth areas of Healthcare, Food & Wellness, ICT, and Green, we can co-create greater social value and economic value.



## Healthcare

Contributing to advance treatment and prevention and to help extend healthy life expectancy

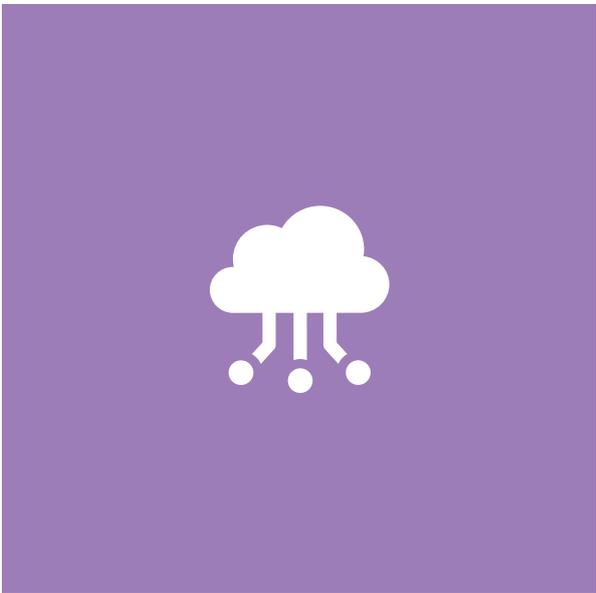
We are using “AminoScience” to deeply understand the human body and create therapeutic modalities that will advance medical treatment and prevention and contribute to longer, healthier lives.



## Food & Wellness

Contributing to well-being and self-fulfillment through food

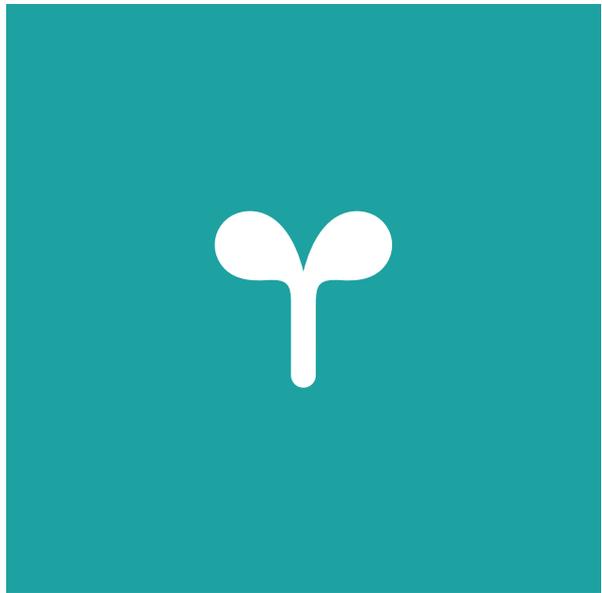
With a new business model utilizing “AminoScience,” we can connect with all consumers to offer delicious foods and services. Our aim is to provide products and services that promote health, nutritional value, and well-being.



## ICT

**Contributing to advance semiconductors for a smart society**

We are applying “AminoScience” to innovate faster semiconductors with lower environmental impact, and to improve the well-being of consumers in a smart society.



## Green

**Creating new food standards and transitioning to recycling-based biocycles**

We are creating new food standards for future generations and reducing our environmental impact. We are applying “AminoScience” to realize a sustainable society and planet through the transition to recycling-based biocycles with less environmental impact.

## CIO Dialogue

# The strength of the Ajinomoto Group based on “AminoScience” and establishing sustainable growth through innovation in the four growth areas

CIO Shiragami on advancing “AminoScience” to pursue innovation—“We will dramatically increase the Ajinomoto Group’s corporate value with our human resources’ passion toward our Purpose and the power of ‘AminoScience’.”



## Hiroshi Shiragami

**Director, Representative Executive Officer & Executive Vice President  
Chief Innovation Officer (CIO),  
Supervision of Research and Development**

**Interviewer: ASV Report Editorial Team**

## Q1

### What is the Ajinomoto Group’s “AminoScience”?



As stated in the Ajinomoto Group’s Purpose “Contributing to the well-being of all human beings, our society and our planet with ‘AminoScience’,” I believe that “AminoScience” is the starting point where all employees play their part in creating value.

“AminoScience” is the source for the Ajinomoto Group’s unique strengths and competitiveness of the businesses we have developed from our pursuit of the function of amino acids and from our dedication to co-creating social value and economic value since our founding over a century ago. “AminoScience” is a collective term for the various materials, functions, technologies, and services derived from research and implementation processes with a rigorous focus on the functions of amino acids. It also refers to the Group’s unique scientific approach to connect these findings and services to help resolve social issues and contribute to well-being.

Everyone in the Ajinomoto Group is actively working to

refine and apply “AminoScience” to help resolve social issues and provide social value, as we are passionate about creating ASV. Our various business operations around the world are working to create substantial social value by offering products matched to local food cultures and co-creating innovation with diverse partners.

Through pursuing innovation with “AminoScience” in the four growth areas of Healthcare, Food & Wellness, ICT, and Green based on future social value, we can co-create even greater social value and economic value for the future.

The bodies of all living beings are made of protein, and protein are made of amino acids. Amino acids play an essential role in maintaining the biological functions of living things. By exploring the functions of amino acids, “AminoScience” can contribute to the well-being of all human beings, our society and our planet. I believe that the value “AminoScience” can provide is virtually unlimited.

The food products business is the Group’s core operation, and it will continue using “AminoScience” to drive the development of its operations and achieve steady growth.

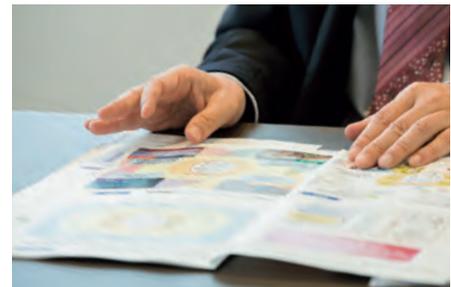
The AminoScience business has expanded their amino acids and specialty chemicals businesses by engaging in all types of amino acid production and developing applications by utilizing physiological, nutrition, and reactivity functions of amino acids. We are using our existing businesses as a base for recognizing innovation ahead of time and co-creating new value with our ecosystem partners in the medical and semiconductor markets. Through this, we will continue to develop “AminoScience” and our business models to set the foundation for the Ajinomoto Group to undergo an unmatched business model transformation. In the 10 years since 2011, the business fields that have implemented this business model generated an average CAGR of roughly 18% in business profits.

## Q2

### What has been the role of “AminoScience” in the growth of the Ajinomoto Group?



“AminoScience” has been our source for the innovation that has enabled us to diversify our operations and expand our businesses worldwide for over 100 years. The two main drivers for the global expansion of the B2B and B2C operations of the food products business have been our Deliciousness Technologies and our local approach to marketing in each country. In all of our activities from the worldwide fermentation production of the AJI-NO-MOTO® umami seasoning and nucleotide seasonings to the development and sale of unique services and products, the Ajinomoto Group’s employees work closely with communities in each country to provide deliciousness adapted to local food cultures and customs. Consumers in each country love the seasonings, processed foods, and beverages we have created using “AminoScience.”



## Q3

### How were the four growth areas decided upon?



The goal for our “purpose-driven management by medium-term ASV initiatives” is to dramatically expand our business. To achieve this goal, we set four growth areas where we will follow a basic policy of applying “AminoScience” and focus on high-growth markets

where we can create high social value. We formed a roadmap for the Group by backcasting to ensure we would make tangible progress toward our vision for 2030. The first step was to talk with next-generation employees and key managers to create a Picture of the Future of human beings, society, and the planet. The next step is to identify social issues in the four growth areas where we can apply “AminoScience” to create social value.

The four growth areas are areas where the Ajinomoto Group can use the unique value creation of its businesses to help resolve social issues and contribute to well-being and apply the Ajinomoto Group Creating Shared Value (ASV) to enhance its corporate value and fulfill our Purpose.

## Q4

### What are the basic growth strategies in the four growth areas?



“AminoScience” is the primary source of our market competitiveness, and it will be important to reconsider it from the perspective of the whole Group. Put simply, we need to integrate food products business and AminoScience business. Our management strategy is currently especially focused on advancing initiatives to bring together our four intangible assets – human, technology, customer, and organizations. These initiatives include interchanging personnel and organizational structures across the food products business and AminoScience business, integrating our technologies of both businesses, connecting customer data to product and service value, and interlinking the B2B and B2C businesses. We are also developing business models of BMX in four growth areas, that transform business models based on our existing businesses.

## Q5

### What are the specific strategies for the four growth areas?



We have specific growth strategies for each of the four growth areas.

In the Healthcare area, we are applying “AminoScience” to gain a deeper understanding of the human body that will enable us to further advance health-related treatment and prevention and contribute to extending healthy life expectancy. We are looking ahead to advances in medical modalities and are developing “AminoScience” and business models to make them a reality. In the current pharmaceutical amino acid business, we will transform the business model to support expansion into nucleic acid drugs and other biopharma services as well as biopharmaceutical and regenerative medicine media, and to further expand the medical food business. We are also laying the groundwork for gene and cell therapy as future fields where “AminoScience” will drive next-generation businesses.

In the Food & Wellness area, the foundation for sustainable growth is the food products business, which maintains strong brand trust worldwide and is steadily growing from its close contacts with local communities. To add to our growth potential, we will expand our business frontiers by continuing to provide deliciousness catered to local food cultures. We established the Marketing Design Center in Japan to develop new market fields, revitalize business by developing appealing new products and resolving challenges, and create locally successful products for global markets. By improving the sophistication of our marketing and continuing to develop AJINOMOTO Park, which connects to 10 million unique users per month, we will develop products attuned better to consumer preferences, provide direct-to-consumer solutions, and build new Food as a Service (FaaS) businesses. We will use digital technology to connect with consumers and gain a deeper understanding of their

expectations and issues, and apply “AminoScience” to provide delicious food products and services that enhance personal health, nutritional value, and well-being based on each consumer’s own personality.

The ICT area will contribute to advances in semiconductors and the creation of a smart society. We created Ajinomoto Build-up Film® (ABF) with “AminoScience” as a support business for the sustainable production of commercial AJI-NO-MOTO® and nucleotide seasonings, and then built it into a business of its own. ABF has become an essential material for semiconductor substrates, and our ongoing development is generating growing demand for ABF with advances in semiconductors for PCs, servers, data centers, generative AI and graphics processing units (GPUs). We will continue actively co-creating with our ecosystem partners in the semiconductor field to form businesses in new areas and seize opportunities to pursue new business opportunities in next-generation semiconductor systems, such as optoelectronic co-packaging. Our ICT activities connect to our other growth areas by helping to improve consumer well-being with food products and services, and to extend healthy life expectancy in a smart society.

In the Green area, we will build the next pillar of our food products business by creating a new food standard named “with Earth” food which focuses on sustainable, delicious, and healthy food products with low environmental impact for future generations. We are approaching the challenge to establish sustainability as an opportunity to use “AminoScience” for innovation. Our objective is to construct a complete social ecosystem that is sustainable and planet friendly by converting our fermentation production biocycle into a zero environmental burden process. We are also developing solutions for improving the quality of plant-based food products, and advancing development of precision fermentation, regenerative agriculture, and other areas.



## Q6

### Lastly, what will be the key to achieving the growth that the 2030 Roadmap aims for?



To achieve the growth we are aiming for, we must pursue current opportunities and issues facing our businesses and turn them into business growth, and we must continue developing business models by taking an overall view of our Group’s core strengths anticipating changes in consumers, society, and the market. Our fundamental strength arises from the tangible and intangible assets in our current food products and AminoScience businesses. One of the most important keys to fulfilling the 2030 Roadmap will be to further develop our business models by integrating and fully using our human, technology, customer, and other intangible assets. The 2030 Roadmap interlinks our business departments and provides a framework for examining and promoting strategies in the four growth areas.

We are also strengthening our strategy for discontinuous growth. We have innovation strategy teams around the world that are gathering information on global innovations and potential partner candidates among startups, leading-edge companies, and collaborative partners. In addition, we are constantly updating our comprehensive growth strategies, including discontinuous corporate venture capital, joint ventures, and M&A strategies, in each business and domain.

And, human resources are vital as the most important element. From strategy conception to execution, a highly dedicated Ajinomoto Group workforce that approaches our targets as one’s own initiative is essential to fulfilling the 2030 Roadmap. We have and will continue to engage in management and employee dialogue to share our Purpose, stake passion, and enhance our ability to execute.

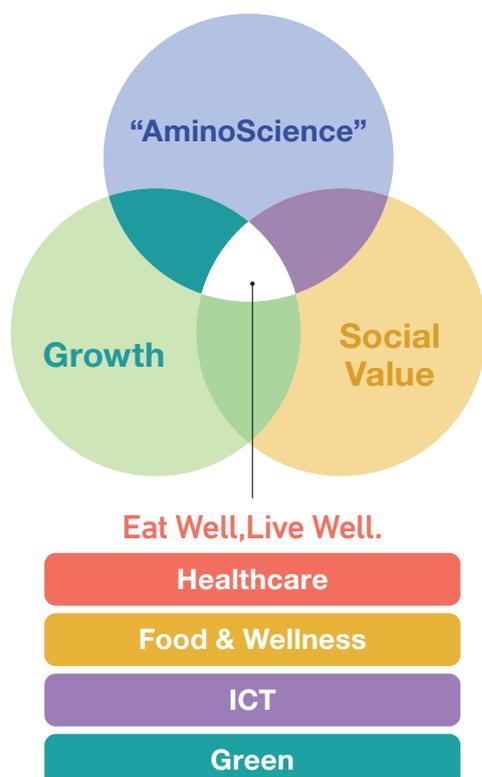
# Connecting the core businesses to the four growth areas

Our current core businesses will be the foundations for growth in the four areas to bring us to our vision for 2030.

We will further hone and activate our strength in “AminoScience” to achieve dramatic growth.

## Current business of the Ajinomoto Group

The Ajinomoto Group operates a wide range of businesses around the world centered on our food products business and AminoScience business. The food products business encompasses Sauce & Seasonings, Quick Nourishment, Frozen Foods, and Solution & Ingredients. The AminoScience business includes Bio-Pharma Services & Ingredients and Functional Materials. Each of these businesses are built around the Group's product and service strengths. While emphasizing these strengths, we are shifting our focus to four specific growth areas to take us to our vision for 2030.



### Ajinomoto Group's Business Activities

#### Food products business

Businesses that apply “AminoScience” to Seasonings & Foods, and Frozen Foods

#### AminoScience business

Businesses that apply “AminoScience” to Healthcare and Others

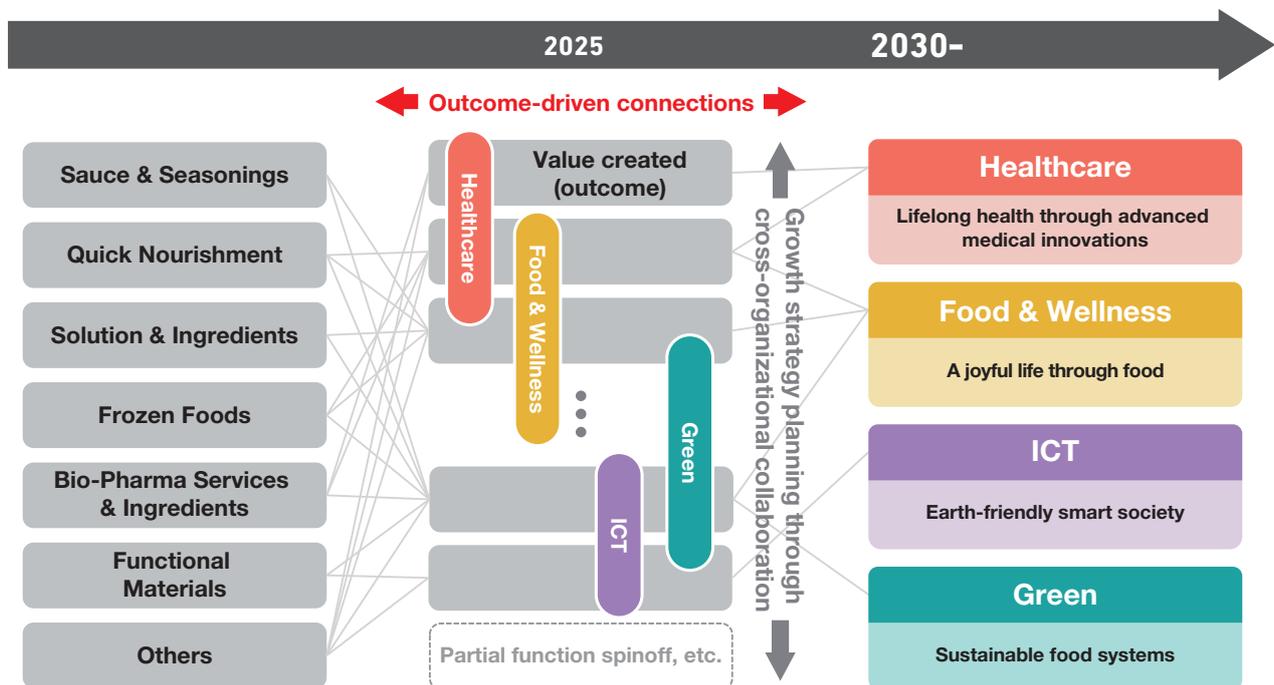
## The four growth areas

The Ajinomoto Group is aiming to fulfill its vision for 2030 and beyond by directing its current food products and AminoScience businesses toward four growth areas where we expect ongoing long-term market growth, where we can create attractive social value, and where we can fully leverage our “AminoScience.” We are refocusing our business target areas and concentrating the investment of the Ajinomoto Group management resources into the four growth areas of Healthcare, Food & Wellness, ICT, and Green.

## Leveraging “AminoScience” to drive dramatic growth in four growth areas

We will progress toward our vision for 2030 by following the growth strategies to deliver value in the four growth areas and by interconnecting the tangible and intangible assets across the conventional businesses and organizational lines of the food products and AminoScience businesses.

Many of our businesses are already leveraging the strength of “AminoScience,” but we will further refine and apply it to develop businesses that further that enhance the value we provide in the four growth areas and drive dramatic growth for the Ajinomoto Group.





Healthcare

# Strengths in Healthcare area and the development of “AminoScience” and business

The Ajinomoto Group has been developing businesses in the healthcare field, which utilizes the functions of amino acids, since around the time of its founding.

The accumulation of scientific knowledge also bears fruit in the healthcare field.

## History of the Ajinomoto Group Healthcare Area

1910s

B2B materials business begins with the Company’s founding

1956

Pharmaceutical amino acid business started, supplying essential amino acids for infusion solution

1981

Pharmaceutical enteral nutrition business using amino acids launched

1987

Japan’s first serum-free culture medium introduced

1989

S.A. OmniChem N.V., a contract manufacturer of small molecule drugs in Belgium, acquired (currently S.A. Ajinomoto OmniChem N.V.)

2012

Joint venture Ajinomoto Genexin Co., Ltd. established in South Korea to develop and manufacture biopharmaceutical culture media

2013

Althea Technologies, Inc., a biopharmaceutical contract developer and manufacturer in the United States, acquired (currently Ajinomoto Althea, Inc.)

2016

GeneDesign, Inc., a CDMO for nucleic acid drugs in Japan, acquired

2018

Cambrooke Therapeutics, Inc. acquired, entry into the medical food business supplying products for people with PKU

Ajinomoto Kohjin Bio Co., Ltd. established to manufacture culture media for regenerative medicine

2020

Nualtra Limited, a medical food provider in Ireland, acquired





## Taking on the challenge of innovation is one of our strengths in the healthcare field.

The Ajinomoto Group also uses the function of amino acids to develop business in the healthcare field, and launched its first B2B materials business in 1909, the year of the Group's founding. In 1956, we began selling amino acids for medicinal use, and our amino acids were also used in the world's first amino acid infusion solution.

In the 1980s, we developed and launched our own pharmaceutical enteral nutrition and used amino acids as a protein source with excellent digestion and absorption. In addition, we supply amino acids for various pharmaceutical products such as glutamine for gastric ulcer drugs and valine, leucine, isoleucine, and arginine for liver disease treatments. We also introduced animal cell culture medium and Japan's first serum-free culture medium.

We have been especially active in biopharmaceutical and regenerative medicine research in recent years where we are developing applications for "AminoScience." We made a full-scale entry into the production and sales of biopharmaceutical manufacturing media in 2012 with the establishment of a joint venture with Genexine Inc., of South Korea (acquired sole proprietorship in 2023). In 2014, we developed culture media for iPS and ES cells, which are attracting attention in regenerative medicine, and in 2017 we established a joint venture with Kohjin Bio, of Japan, to strengthen our capabilities in regenerative medicine culture media. As with our abilities to develop food and other products, we intend to use our growing knowledge and expertise in scientific research in amino acids to produce products for the healthcare field.

In the bio-pharma service field, we expanded our pharmaceutical contract manufacturing business in 1989 by acquiring the Belgian company S.A. OmniChem N.V., which facilitated joint development and co-creation with customer global pharmaceutical manufacturers.

We strengthened our ability to produce protein drugs and other products for the biopharmaceuticals market by acquiring Althea Technologies, Inc. of the United States, in 2013, and established a contract manufacturing service to cover all volumes from small-lot to mass production of oligonucleotide products by acquiring GeneDesign, Inc. of Japan, in 2016. We have enhanced the structure to provide solutions and services meeting all of our client's needs by effectively utilizing these tangible assets and expanding our unique technologies and services, including AJIPHASE®, an intangible asset of the Ajinomoto Group.

In addition to pharmaceuticals, we will also expand our customer base to the medical food field. We entered the medical food market in 2018 by acquiring U.S. medical food company Cambrooke Therapeutics, Inc. to provide products to patients with the amino acid metabolism disorder phenylketonuria (PKU). Although the number of PKU patients is relatively small, our products address their deepest concerns. In 2020, we added the Irish supplement company Nualtra Limited into the Group. Nualtra offers products to improve the quality of life of people with dietary restrictions due to illness and seniors with nutritional deficiencies due to aging by offering medical foods that efficiently deliver nutrients with minimal burden on the body. By deepening our relationships and engaging in close dialogue with pharmaceutical firms and other companies, research institutions in related fields, and customers using our products, we are continuing to develop and hone the strengths of "AminoScience." We are building out our portfolio of companies and our range of expertise to pursue innovation and prime our ability to address future issues in the healthcare field.



Healthcare

# Contract oligonucleotide therapeutics business

## The AJIPHASE® breakthrough

The Medium-Term ASV Initiatives 2030 Roadmap aims for the AminoScience business to be generating business profits at the same level as the food products business by 2030.

The Bio-Pharma Services business will play a key role in our growth strategy for the AminoScience business.

### Why the Ajinomoto Group is positioned to contribute to a new era of medical care

The Bio-Pharma Services business has been attracting attention in recent years as a rapidly growing business utilizing “AminoScience,” which is being led by our AJIPHASE®. Our Bio-Pharma Services manufacture oligonucleotide compounds that pharmaceutical manufacturers use to produce oligonucleotide therapeutics.

Broadly speaking, there are three types of drugs: small, medium, and large molecule drugs. Most conventional medicinal therapeutics are small molecule drugs with low molecular weight. Large molecule drugs, or biologics, are composed of proteins with large molecular weight. Antibody therapeutics, such as the Opdivo cancer therapy, are a type

of large molecule drug. Currently, medium molecule drugs are receiving attention. The oligonucleotide compounds that the Ajinomoto Group manufactures are gaining recognition as a promising third type of medical modality. The oligonucleotide compounds that are the main component of oligonucleotide therapeutics can be produced through chemical synthesis, which reduces manufacturing cost, and offer high target specificity, therefore causing minimal side effects. Oligonucleotide therapeutics are being used to treat hereditary and cardiovascular diseases, which have been particularly difficult to treat, and offer new avenues for treating cancer and viral infections.

### AJIPHASE®—the world’s only combined solid- and liquid-phase synthesis technology

The oligonucleotide therapeutic market is currently growing at an annual pace of around 11% and is expected to reach a market size of ¥450 billion by 2030 (see Oligonucleotide compounds CDMO market). Markets with such growth promise usually lead to intense pricing competition that reduces profit margins. However, our AJIPHASE® contract manufacturing service for oligonucleotide compounds uses a unique liquid-phase synthesis method which will allow us to offer price competitive services while maintaining a high profit margin.

The most common method used to produce oligonucleotide compounds is solid-phase synthesis. Although used

#### Features of oligonucleotide therapeutics

	Small molecule drugs	Nucleic acid drugs	Large molecule drugs
Manufacturing method (cost)	○ Chemical synthesis (low)	○ Chemical synthesis (low)	○ Biofabrication (high)
Intracellular targeting	○ Yes	○ Yes	○ No
Intracellular RNA targeting	○ No	○ Yes	○ No
Target molecule specificity	○ Low	◎ Even higher	○ High
Side effects	○ Many	○ Few	○ Few
Medicinal efficacy	○ Low	○ High	○ High

Partially processed by our company based on “The World Middle Molecule Drug Market” (TPS)

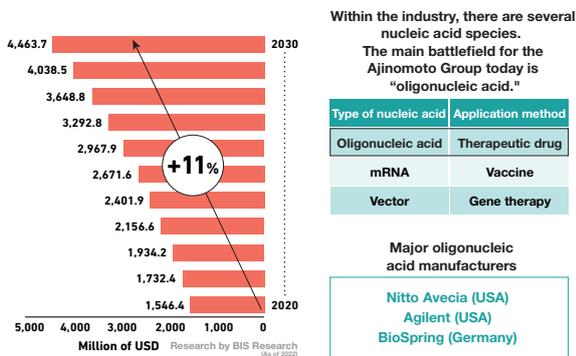
Market environment change from 2016 to 2022

Number of approved nucleic acid drugs: **5 ▶ 16 (3 times)**

Number of clinical trials of nucleic acid drugs: Approx. **300 ▶ Approx. 700 (2 times)**

A comparison of the features of small, medium, and large molecule drugs for oligonucleotide therapeutics. Oligonucleotide therapeutics are characterized by higher specificity for target molecules and fewer side effects compared to conventional small molecule drugs.

## Nucleic acid drug CDMO market



The nucleic acid drug industry is in an overall growth stage, and the CDMO market for nucleic acid drugs is expected to grow to ¥450 billion in 2030. / Manufacturing contracts tend to go to the small number of leading CDMOs. Key to competitiveness will be unique strengths and differentiation.

worldwide, the method requires an expensive dedicated synthesizer and uses a large volume of organic solvents and raw materials to produce only a relatively small amount of deliverables. Although the process is relatively short, it can only synthesize small amounts at one time. This makes solid-phase synthesis adequate for small-lot synthesis for reagent products but not suitable for mass production of final products.

The liquid-phase synthesis method developed by the Ajinomoto Group has essentially the opposite characteristics. Liquid-phase synthesis uses less organic solvents and raw materials and the process speed is slower but industrial-scale mass production is possible with a single synthesis. In addition, the process allows for quality analysis to be performed during synthesis, which enables the formulation of high-quality processes. The most efficient manufacturing process would therefore be a combination that takes advantage of both processes—solid-phase synthesis to produce small volumes at the reagent step followed by liquid-state synthesis for mass production of the finalized product. The Ajinomoto Group provides the world's only oligonucleic compound contract manufacturing service that combines solid- and liquid-phase synthesis, and our manufacturing structure enables us to handle any level of volume from micrograms to tons.

In addition to reducing manufacturing costs, AJIPHASE® also allows companies to use its standard small molecule synthesis facilities with minimal capital investment. The Tokai

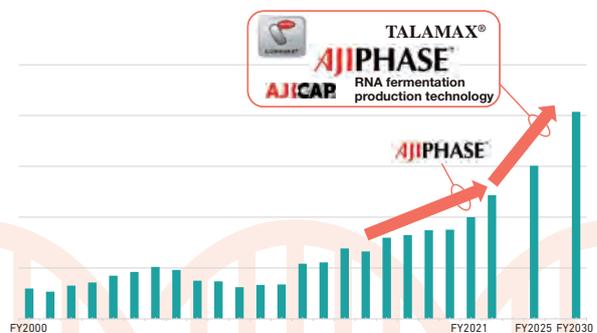
Plant has converted from manufacturing small molecule active pharmaceutical ingredients (APIs) to liquid-phase manufacturing of medium molecule APIs. Another advantage of liquid-phase synthesis is that it allows for collaboration among companies, and we have already started working with new partner companies. We are also tightening our collaboration with YMC Co., Ltd. for purification.

## We are strengthening our production structure using the liquid-phase synthesis method to develop it into a CDMO business.

Our primary method for fortifying our infrastructure has been through capital investment, such as with the acquisition of GeneDesign or by improving our business sites. As we work toward our objectives for 2030, we will now be focusing on enhancing the high-value-added services unique to the Ajinomoto Group to fortify the advantages we have over rival firms. One major aspect of this will be transforming from a contract manufacturing organization (CMO) to a contract development and manufacturing organization (CDMO).

We are continuing to develop the AJIPHASE® technology for the new era of nucleic acid medicine and steadily growing market demand by expanding our manufacturing capacity, introducing new technologies such as hybrid manufacturing methods using enzymes, and creating a unified global marketing team to strengthen our marketing structure.

## Image of sales expansion of the Bio-Pharma Services business



The progress made in the expansion of the Bio-Pharma Services business is remarkable. We will strengthen our AJIPHASE® and other unique manufacturing technologies and solution capabilities to boost sales and accelerate our profit growth.



Healthcare

# Strength of the Ajinomoto Group in culture media for regenerative medicine

Regenerative medicine is anticipated to become a groundbreaking area of medical treatment in the 21st century, with research and development of culture media being one of the most important issues in this field.

The Ajinomoto Group contributes to this research and development.



## Two leading medical experts in cutting-edge cardiac regenerative medicine talk about contribution of the Ajinomoto Group and their expectations for the future

Dr. Keiichi Fukuda is CEO and Representative Director of Heartseed, Inc., a company whose mission is to open the door to the treatment of heart disease through regenerative medicine. He began research into myocardial regeneration in 1995 while working at Keio University Hospital. During his research, Dr. Fukuda successfully differentiated cardiac muscle cells from bone marrow, going on to achieve further success by creating cardiomyocytes from iPS cells, and focusing on the potential of medical culture media (cell culturing media), he presented his findings at an academic conference. “Mr. Okamoto, a researcher from the Ajinomoto Group, attended that conference, and was interested in my work. Cell culture medium contains a great many amino acids, and the Ajinomoto Group had a wealth of knowledge gained from research in this area. Discussions with Mr. Okamoto convinced me that it would be possible to promote growth at every stage of cultivation of cardiomyocytes from iPS cells by putting careful thought into the culture medium, and I decided to move ahead with my research in concert with the Ajinomoto Group.” (Fukuda)

At the time, almost all of the cell culture media used in research and development in regenerative medicine was general material, and no attention was paid to its composition. Dr. Fukuda and the Ajinomoto Group began research and development on cell culture media. “The great thing about the Ajinomoto Group is its ability to analyze the composition of cell culture media. For example, analyzing compositional changes in the culture medium before and after cell culture was an extremely effective way of finding an optimal solution. I was also impressed by the Ajinomoto Group’s deep understanding of research in areas that require a high level of safety, such as myocardial regeneration, and by the generosity they showed by not being willing to settle for overly quick results.

Dr. Fukuda established Heartseed, Inc., in 2015, and is dedicated to research and development intended to improve efficiency and lower the cost of cardiomyocytes derived from iPS cells.

## The current status of cardiac regenerative medicine, and our contribution to the development of culture media

Dr. Shugo Tohyama led the research and development of culture media for many years under Dr. Fukuda and has now taken up the mantle of research into cardiac regenerative medicine. “We have been working with the Ajinomoto Group since 2011 to develop culture media, in order to use this media in clinical applications. Thanks to the Company’s huge library of amino acids, we were able to develop a deeper understanding of cellular metabolic characteristics and greatly accelerate our efforts. I’m certain that had we been working on our own, we would have been lagging far behind the stage we have now reached.

Here is an example of joint development of a purification process, which had proved to be a difficult task when creating cardiomyocytes from iPS cells. To create cardiomyocytes from iPS cells, we proliferate large numbers of undifferentiated iPS cells, which are then differentiated to create cardiomyocytes. These cardiomyocytes are then purified and matured to create cardiomyocytes for transplantation. The difficult part of this process was purification. This requires elimination of any iPS cells that do not become cardiac myocytes after differentiation. After searching for difference in amino acids that these two types of cells like to eat, we identified glutamine. We then found that although iPS cells die in a short time if glutamine and glucose are removed from the culture medium, the cardiomyocytes would survive and produce energy if lactic acid was added. “When we were developing this method of purification, the Ajinomoto Group contributed a great deal by providing a variety of culture media with certain types of amino acids removed and by analyzing the culture media itself. “In the course of developing multiple different types of culture media, we had discussions with the researchers at the Company

almost every month on which elements could be adjusted to create even better media. We would sometimes make requests, or the Company might offer suggestions; it was a two-way dialogue that was extremely useful in research and development.” (Tohyama)

Research and development in culture media development is still in its infancy. There must be culture media that are perfect for other organ cells than cardiomyocytes, so this is a field with great hidden potential.

### Phases of cardiomyocytes

#### Proliferation

Proliferation of iPS cells in an undifferentiated state. Adding the amino acid tryptophan to the culture improves efficiency.



#### Induction of differentiation

iPS cells differentiate to form cardiomyocytes. This is difficult because even slight environmental changes may induce errors in reproducibility. Content not released.



#### Purification

Elimination of iPS cells that were unable to differentiate. Work to bring cardiomyocyte purity as close to 100% as possible.



#### Maturation

The cardiomyocytes created are in the same state as that of a newborn infant. Culture medium to promote maturation in development.

### The people we talked to



#### Keiichi Fukuda

CEO and Representative Director of Heartseed, Inc.

M.D., PhD. Engaged in research in cardiac regeneration from the 1990s, and in 1999 was the first person in the world to create cardiomyocytes from adult stem cells. In 2015, established Heartseed, Inc., a leading company in regenerative medicine.



#### Shugo Tohyama

Assistant Professor, Department of Cardiology, Keio University School of Medicine / Principal Investigator, Kanagawa Institute of Industrial Science and Technology (KISTEC)

M.D., PhD. Began research into cardiac regenerative medicine under Dr. Fukuda. Developed the world’s first myocardial sorting method using culture medium and has published many articles on technical development in regenerative medicine.



Food &amp; Wellness

# Current strengths in Food & Wellness

**The Ajinomoto Group has grown by applying its Deliciousness Technologies to scientifically analyze food cultures and offer products matched to local cultures worldwide. Driving our growth is our high-level approach to the pursuit of deliciousness around the world.**

The Ajinomoto Group has grown its business by taking a scientific approach to examining local food cultures and using Deliciousness Technologies supported by "AminoScience." Our Deliciousness Technologies are at their best with seasonings products and are a key element to our strength in the markets of Southeast Asia, Latin America, and West Africa. By closely tracking the changes in food preferences as these markets have developed economically, our main product offerings have evolved from umami seasonings to flavor seasonings and menu-specific seasonings. Every product was created from a deep understanding of local dietary habits and taste preferences and applying our Deliciousness Technologies. This business model has the potential to further expand its frontiers, and we see much promise in Cambodia, Laos, and Bangladesh.

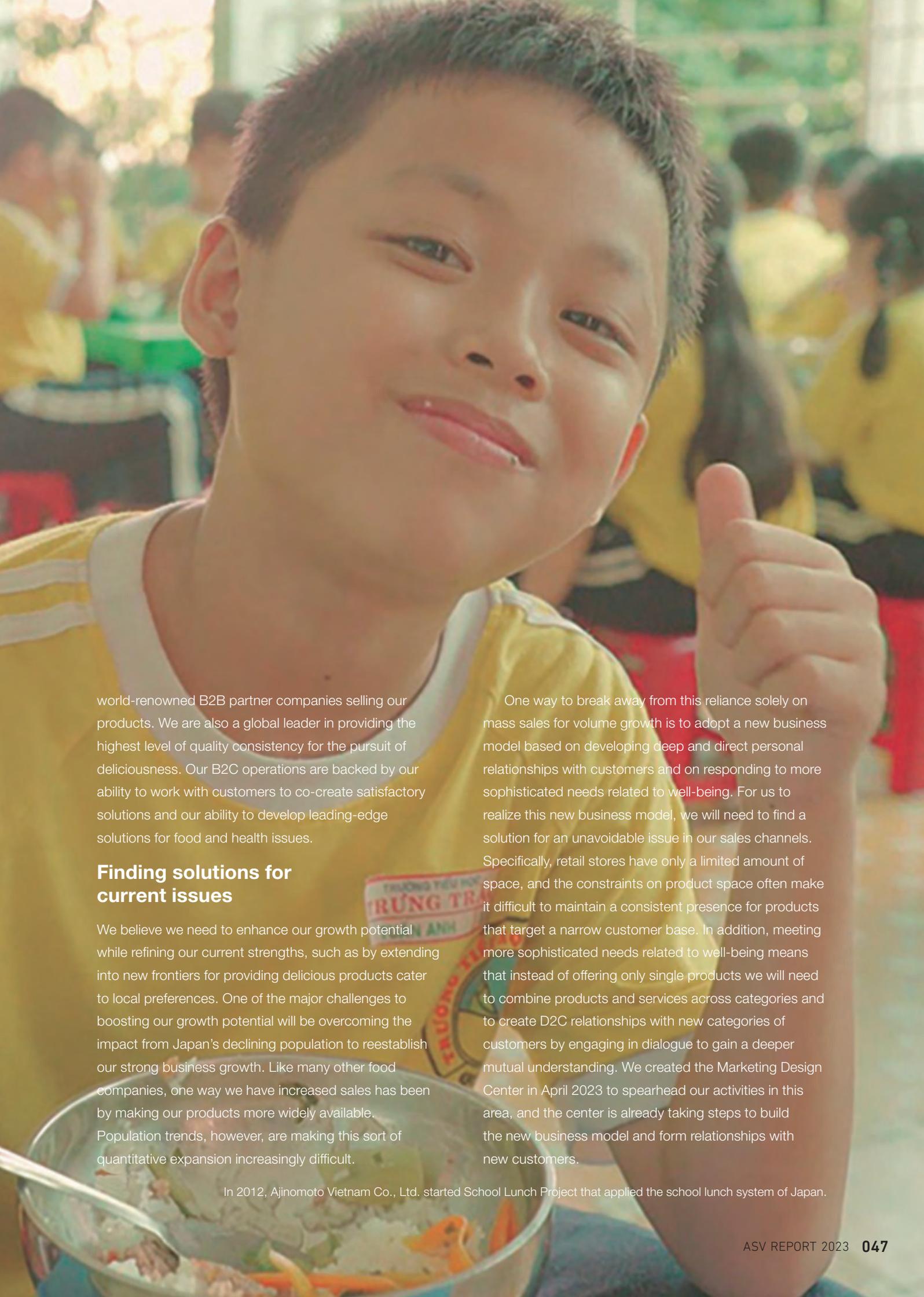
Some regions have different growth models. In North America and Europe, for example, where the food cultures and eating habits are already very mature, we are developing the market for frozen foods led by Asian frozen foods, such as Gyoza, where we are applying

"AminoScience" to scientifically analyze food ingredients and preparation methods. We then use our taste, ingredient, and preparation technologies to find solutions to reproduce the delicious flavors and identify issues in the preparation methods. Access to worldwide information via the internet and tourism from Asia are helping drive market penetration of both Japanese and Asian frozen foods, which even have growth potential in various Asian countries.

## Strength the double pillars of B2C and B2B businesses

One of our strengths is that we are one of only a small number of companies with sales surpassing ¥1 trillion whose B2B operations (including the AminoScience business) generate more than 30% of our overall sales. This strength reflects the many advances in the elements of deliciousness—taste, aroma, and texture—we have made with "AminoScience" to create unique and superior ingredients.

Another of our strengths is our global network of



world-renowned B2B partner companies selling our products. We are also a global leader in providing the highest level of quality consistency for the pursuit of deliciousness. Our B2C operations are backed by our ability to work with customers to co-create satisfactory solutions and our ability to develop leading-edge solutions for food and health issues.

### **Finding solutions for current issues**

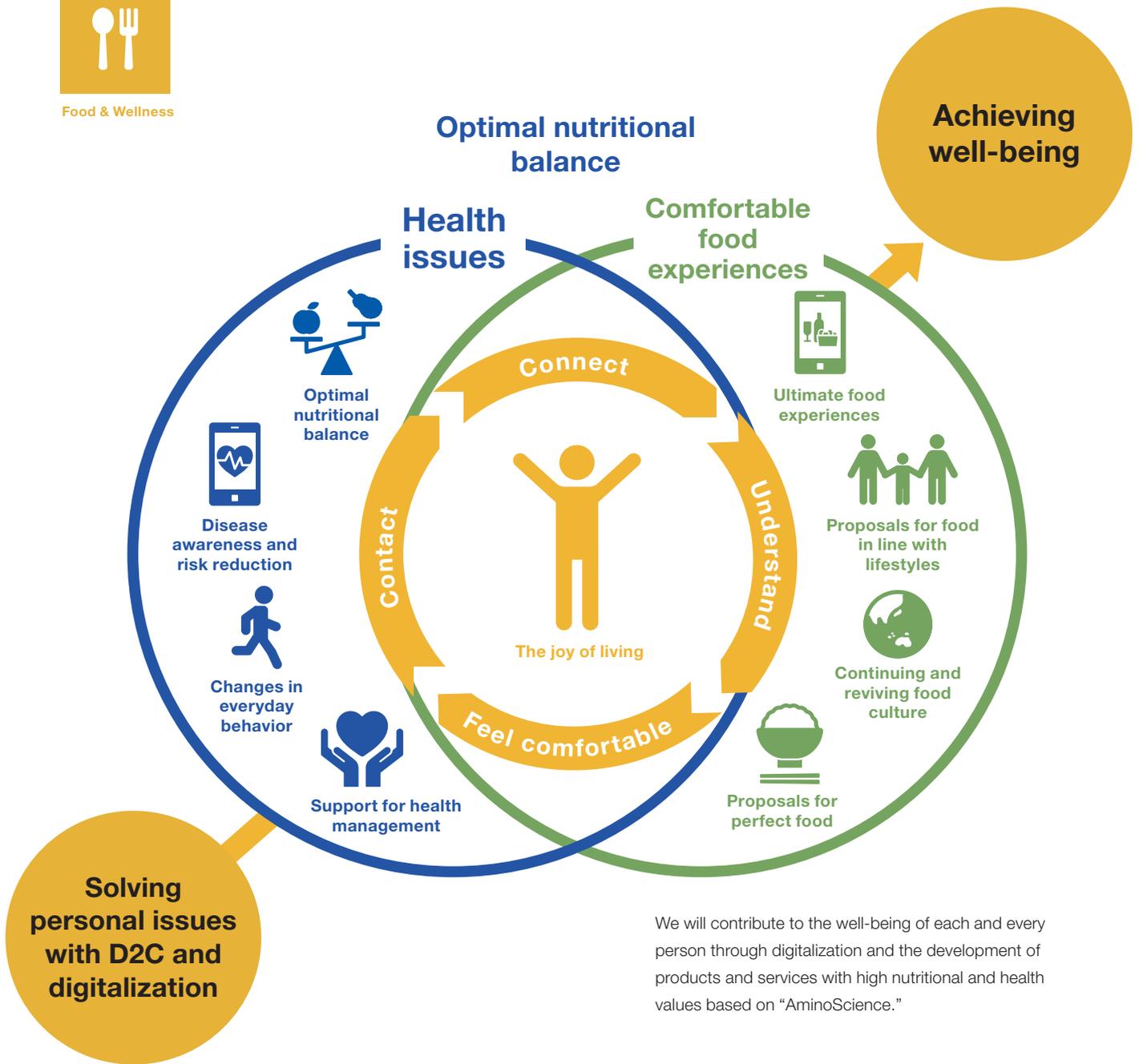
We believe we need to enhance our growth potential while refining our current strengths, such as by extending into new frontiers for providing delicious products cater to local preferences. One of the major challenges to boosting our growth potential will be overcoming the impact from Japan's declining population to reestablish our strong business growth. Like many other food companies, one way we have increased sales has been by making our products more widely available. Population trends, however, are making this sort of quantitative expansion increasingly difficult.

One way to break away from this reliance solely on mass sales for volume growth is to adopt a new business model based on developing deep and direct personal relationships with customers and on responding to more sophisticated needs related to well-being. For us to realize this new business model, we will need to find a solution for an unavoidable issue in our sales channels. Specifically, retail stores have only a limited amount of space, and the constraints on product space often make it difficult to maintain a consistent presence for products that target a narrow customer base. In addition, meeting more sophisticated needs related to well-being means that instead of offering only single products we will need to combine products and services across categories and to create D2C relationships with new categories of customers by engaging in dialogue to gain a deeper mutual understanding. We created the Marketing Design Center in April 2023 to spearhead our activities in this area, and the center is already taking steps to build the new business model and form relationships with new customers.

In 2012, Ajinomoto Vietnam Co., Ltd. started School Lunch Project that applied the school lunch system of Japan.



Food & Wellness



We will contribute to the well-being of each and every person through digitalization and the development of products and services with high nutritional and health values based on “AminoScience.”

# D2C platform innovations that deliver the joy of personalized cuisine

In the changing society of today, we must promote food and wellness digitally. We will resolve health issues by forming deep connections with consumers, contributing to their well-being through comfortable food experiences.

## POND concept for the Marketing Design Center and AJINOMOTO PARK

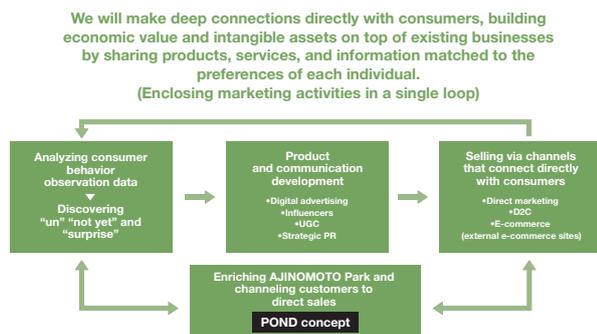
### Organizational concept for the Marketing Design Center



How can we connect with our customers, how do we gain an in-depth understanding of them, and how can we create products? To offer the joy of personalized meals, we must have a deep understanding of consumers. We connect directly with our customers, communicating in a manner suited to each to address their health issues, and providing them with satisfying experiences with food. This is the “Food and Wellness” concept that the Ajinomoto Group wants to achieve through digital technology. We therefore established the Marketing Design Center in April 2023, and will work to achieve this transformation.

Specifically, we will focus on upgrading our existing owned media, AJINOMOTO PARK. Currently boasting 10 million unique users per month, this site mainly provides recipe information, with many users simply browsing for recipes and then leaving. We hope to make this site an attractive “POND,” enhancing it with fun, useful content that will make it enjoyable for users coming in from the outside to navigate around. We also hope to learn about the values and lifestyles of each of our customers as users navigate the site, forming deep connections through two-way communications with each user.

### The activity cycle of the D2C platform we are aiming to create



## Developing appealing content and collecting customer data

We analyze the wealth of customer data gained by making deep connections with each user and combine the results with the Ajinomoto Group’s prized Deliciousness Technologies, allowing us to develop products and services suited to each person’s biometric information, preferences, and lifestyle patterns. We also work to co-create value with our customers by asking members to try out prototypes before we commercialize them, asking for their opinions on these items. Sharing these opinions universally throughout the Company makes it more likely that existing business departments will develop hit products.

We also guide users to sites where they can purchase products, which leads to the D2C business. Although our D2C products are currently centered on supplements, we plan to expand this to include other food products immediately.

Moving away from our previous business model of directing communications to the needs of the mass target with the largest common denominator, we will work to ensure that we offer the joy of personalized meals to a narrower band of core customers by connecting directly with them and engaging in dialogue. The Ajinomoto Group possesses data on 1.5 million customers, which sets us apart from other companies in the food industry and is a significant advantage in moving ahead with this D2C innovation.

### What is “Future Menu” that allows people to live an enjoyable life with delicious food?



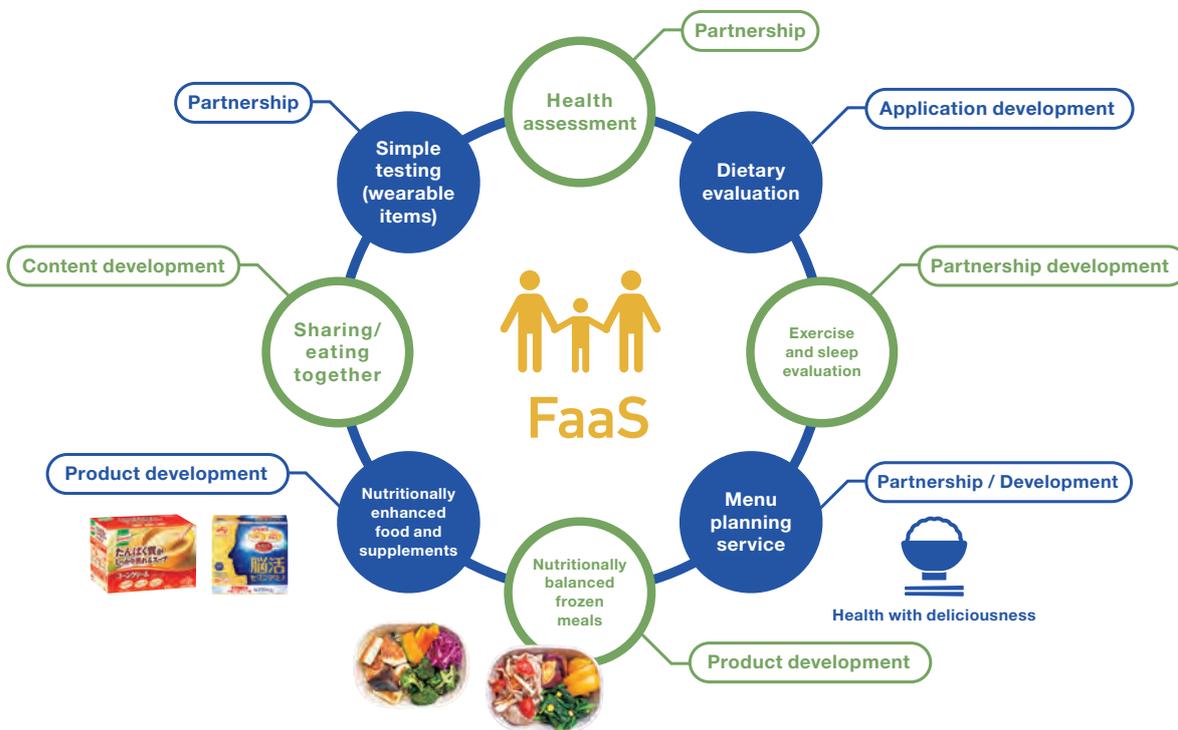
Unlike conventional recipe sites, “Future Menu” provides a delicious and enjoyable food experience while maintaining a nutritional balance for daily meals and extraordinary meals such as eating out and home parties with close friends and family. We conducted test marketing for members only from April to May in 2023.



Food & Wellness

# From “Food” to “Meals” A new business model based on the FaaS concept

Transitioning from a business model that provides goods to large numbers of people to one that provides personal value to small and medium-sized groups. What is the FaaS concept of services with a greater focus on food and health?



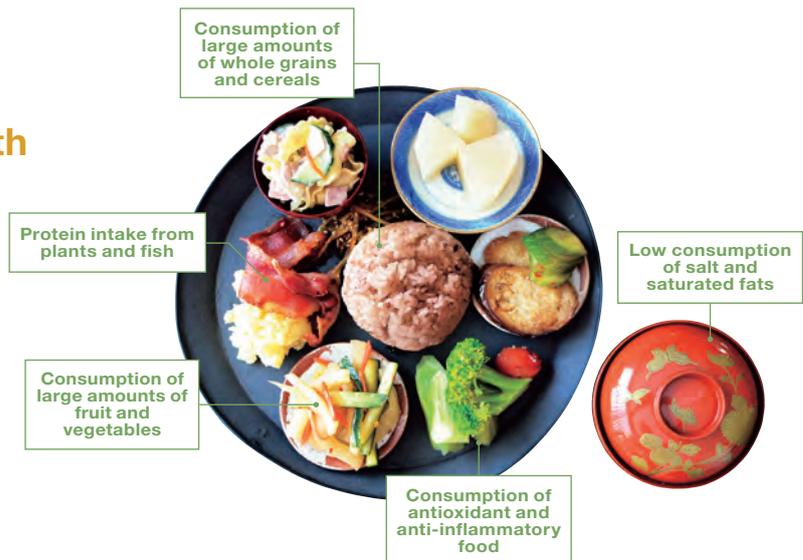
## What is the FaaS concept?

There is a growing trend toward the number of patients with so-called lifestyle-related disease such as hypertension and diabetes to increase every year. It is said that while these may not impede everyday life immediately, they can lead to serious ailments such as heart disease and kidney failure. There is a range of data showing that diet is particularly important, and since many of those with lifestyle-related disease are in their forties and fifties, behavioral changes must be made by those in their twenties and thirties to prevent this. However, people with lifestyle-related disease or pre-morbidities are engaged in work and child-rearing at a busy time of their lives, which makes it difficult for them to pay attention to nutritional

balance in what they eat. That has inspired the Ajinomoto Group to create the FaaS concept.

“FaaS” stands for “Food as a Service.” Although Ajinomoto has only offered products such as low-salt seasonings, low-calorie sweetener, and protein-enriched foods to date, our goal is to take things a step further, making a commitment to helping people achieve nutritional balance throughout their diets, and offering a comprehensive service that takes data from health checks into consideration. In addition to our existing food business model aimed at addressing the broad-ranging needs of more people (large groups), we will partner with external organizations to create new business models targeting specific health-related needs (medium to small groups).

## Issues with food and health



Including those with pre-morbidities, approximately 20 to 30 million people are frail or suffer from lifestyle-related disease. The primary causative factors in terms of food are excessive salt, sugar, and fat, and protein deficiency. To address these, we must do more than offer suggestions for products that turn specific nutrients on and off; looking to the future, we must propose and provide meals tailored to each individual.

Specifically, the Ajinomoto Group will develop and provide a meal assessment application that checks whether everyday meals are nutritionally balanced, and work with Oishi Kenko Inc., to develop and offer frozen meals that meet health needs and are both healthy and delicious. We will offer meal programs that combine products and services that address lifestyle-related disease to hospitals, clinics, health

management businesses, municipalities, and insurance companies.

In addition, we will provide a complete lineup of nutritionally enriched processed foods and supplements that offer a variety of choices that address the health needs of the individual, and which supplement diets that are deficient in protein or amino acids. Looking to the future, we will cater to a broader range of health needs. For example, we hope to offer the nutrition children need during development through daycare centers and after-school study facilities, and provide nutrition tailored to those who want to maintain or increase muscle strength through fitness gyms and sports-related businesses, as well as to provide nutrition for older people who want to address issues such as frailty and dementia through local governments and care facilities.

## Approach to pre-morbidities—Providing menus based on the logic of finding the factors common to areas where people live long lives



People become concerned about their health, even though they may not be unwell. They want to stay young and healthy forever. The Ajinomoto Group is also creating an approach to such pre-morbidities. To date our nutritional theory has only taken account of aspects such as salt, sugar, and protein volume, but we are evolving this to create a unique logic that sheds light on the quality of protein, carbohydrates, and fats, based

on the latest “AminoScience” research. This is an approach to nutrients that only the Ajinomoto Group can offer, thanks to our many years of “AminoScience” research.

Using the Deliciousness Technologies of which the Ajinomoto Group is so proud, we are working to make it possible to offer meal programs that do not sacrifice satisfaction or flavor.

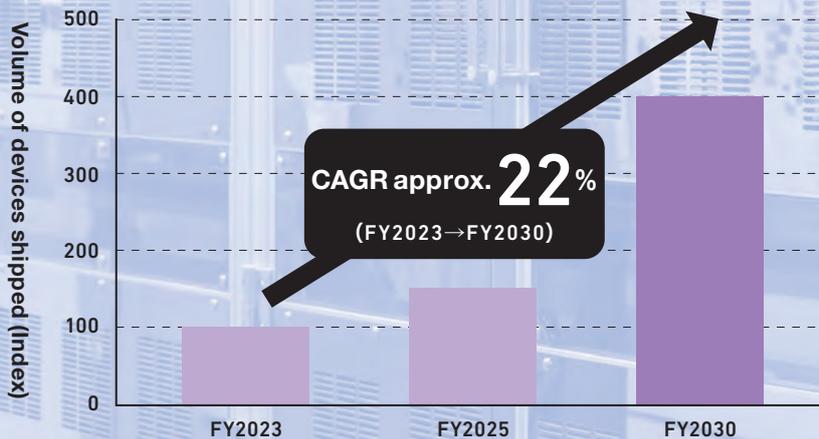


ICT

# ABF: The semiconductor insulator film that has become a global standard

Ajinomoto Build-up Film® (ABF) continues to achieve high levels of growth as the de facto standard in the semiconductor market, which is anticipated to reach ¥100 trillion in 2030. What is the secret behind its overwhelming dominance?

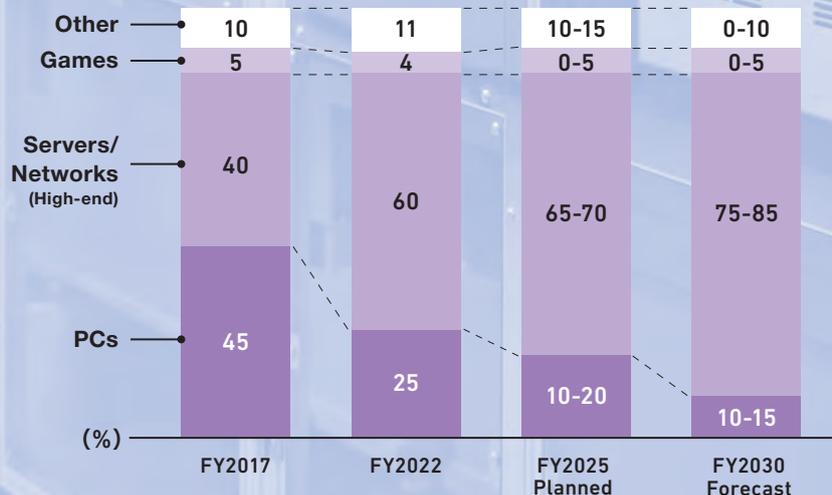
[Growth of the HPC\* market (devices)]



Source: Fuji Chimera Research Institute, Semiconductor packages/Module substrates In-depth analysis of related markets 2022 Edition

\* High-performance computing

[Trends in volume by ABF application]



\* Ajinomoto Group estimates



## What strengths have led to the continued use of ABF in the semiconductor industry for so many years?

The semiconductor market is expected to reach ¥100 trillion in 2030, with digital technologies centering around semiconductors forming a foundation for our everyday lives, as well as being essential to achieving progress and building a technologically advanced future. Against this backdrop, Ajinomoto Build-up Film® (ABF) continues to achieve high levels of growth as the de facto standard in the semiconductor market. ABF from Ajinomoto Fine-Techno Co., Inc., has won acclaim as an essential insulation material for the high-performance CPU packages that are the heart of today's PCs.

While it may seem somewhat incongruous that the Ajinomoto Group makes materials that form part of a semiconductor package, these materials were created based on "AminoScience," which is the result of our research on amino acids. The Group first turned its attention to curing agents for epoxy resins and associated functionality in the 1970s, using our knowledge of amino acid technology, and has continued with research at the fundamental level. The need for new types of insulating materials grew in the 1990s as CPUs became increasingly highly integrated, and major semiconductor manufacturers adopted ABF as the Group took on the difficult task of switching from ink-based insulation material to film. That switch saw ABF gain instant access to the market.

The strength of ABF lies in its ability to handle the

constant increase in CPU capabilities, and in the Group's ability to rapidly develop products that meet the needs of our customers. Another strength of the Group lies in our ability to enter the development and manufacturing sites of our customers, allowing us to maintain our position as a partner in the creation of new value.

Going forward, the IoT<sup>1</sup> is expected to facilitate the high-speed exchange of large volumes of information between both people and things, helping the formation of a highly advanced information-based society, and creating new value. Accordingly, the markets for both semiconductors and semiconductor packaging are expected to grow even further, and the manufacturing processes and materials supporting them are also expected to grow more sophisticated.

The Ajinomoto Group has based its development of ABF on a strongly held vision of contributing to the growth of a smart society. Looking to the future, we will continue to work as a member of an ecosystem that is essential to the industry, helping create the technologies our customers need. The Group is actively engaged in working in other new domains in addition to ABF. We hope that you will continue to watch us as a leading innovator in this industry.

### Cross-sectional image of a package substrate



<sup>1</sup> Performing automatic recognition, control, and remote measurement, etc. by connecting various objects to the Internet or communicating with each other by using communication functions



ICT

# An image of the future in the ICT area

**Future society will be supported by highly developed ICT. We will contribute to the realization of a future society using the wealth of knowledge that the Ajinomoto Group has cultivated through ABF development, etc., based on "AminoScience."**

It is predicted that the society of 2030 and beyond will be a smart society, in which people and things are interconnected, supported by highly developed ICT, a society in which people are freed from physical handicaps and limitations. In order to acquire the technologies needed to bring that future to reality, such as the optical waveguide technologies that enable low power consumption and high-speed communications, advanced technologies such as bioelectronics that link living organisms to devices, and advanced semiconductor packaging materials that make low

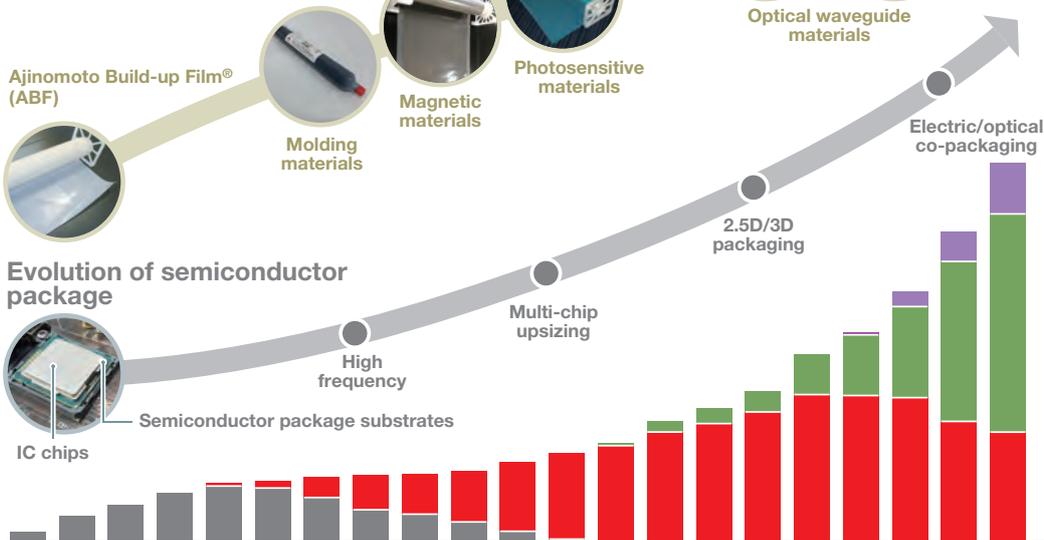
transmission loss possible, the Ajinomoto Group will work in close cooperation with leading companies and participate in academia and consortiums, leveraging its unique network to create customer value quickly.

In the future, we will continue to use our development co-creation ecosystem to provide key materials based on "AminoScience," helping to bring to reality a future with a decarbonized society, and 6G next-generation communications networks along with smart cities and self-driving vehicles that make use of them.

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

■ 3G ■ 4G ■ 5G ■ Next-G

### Ajinomoto Group electronic materials product lineup



### Future society

High-speed communications

Smart cities

Self-driving vehicles

---

## Why is the technology of the Ajinomoto Group needed in an era of intense competition for semiconductors?

### Tadashi Kamewada

**U.S.-based semiconductor consultant  
AZ Supply Chain Solutions**

After joining the Japanese subsidiary of a major U.S. semiconductor manufacturer, moved to the company's U.S. headquarters in 1997, where he managed supply chains for package substrates, back-end materials, and other equipment. He is currently active as a business consultant in the semiconductor industry.



Boasting a market share of close to 100% worldwide, Ajinomoto Build-up Film® (ABF) continues to achieve high levels of growth as the de facto standard in the semiconductor market. How did ABF achieve this dominance so quickly? We asked semiconductor consultant Tadashi Kamewada about the strengths and future potential of this material.

**Q What were your initial impressions on the potential of the switch to film from ink-based insulation material?**

“With the intensifying competition in the mid-1990s, insulating films were groundbreaking because of the reliability of the products using them, as well as the cost reductions, manufacturing process efficiencies, and miniaturization they offered. I first encountered the Ajinomoto Group in 1998, when I was working for a major U.S. semiconductor manufacturer. When I was introduced to them, I was surprised that the Group was making semiconductor materials. We evaluated the material thoroughly over three years before deciding to adopt it, and all of the employees involved in its development were outstandingly patient and responsive.”

**Q What points allowed ABF to revolutionize the market so quickly?**

“In the semiconductor world things are only on or off. Once the decision has been made to adopt ABF, it is used in all CPUs of that generation. Even major competitors are wary of entering this niche market. Although it was a late starter, there was no substitute for ABF, and it immediately captured the market.”

**Q What are the merits of the rapid development capabilities of the Ajinomoto Group?**

“Although it’s the norm today for semiconductor manufacturers to team up with materials suppliers and substrate makers, ABF pioneered this approach, offering greater ability to address issues during manufacturing development, and ultimately allowing rapid development

of CPUs. Once good team relationships have been established it is difficult to gain entry later. There is also the benefit of being able to keep pace with clients over the long term.”

**Q How do you feel about innovative technology at the Ajinomoto Group?**

“In the semiconductor industry we are constantly holding technology meetings with our business partners based on a roadmap for the future. In my view, when making next-generation products, the Ajinomoto Group offers timely provision of parts and materials that meet the needs of our customers, and also adds high performance and flexible processing.”

**Q What was your impression of the Ajinomoto Group as a business partner?**

“The Ajinomoto Group, including its engineers and sales personnel, is very good at building relationships for co-creation. What’s more, they appear to have accumulated a great deal of knowledge related to materials development. Semiconductors feature a range of materials, and thus complex adjustment is needed to ensure that the component materials are compatible with each other and provide acceptable performance. To that end, the Ajinomoto Group possesses a library of accumulated knowledge that allows prompt handling of complex adjustment. The extensive expertise they have acquired through ABF development is truly amazing.”

**Q Looking to the future, what role do you think the Ajinomoto Group will shoulder in the semiconductor industry?**

“The current focus of the industry on back-end packaging should make ABF even more important as a core substrate material. The increasing sophistication of semiconductors brings with it a growing need for ABF, which will make it even more influential in the future.”

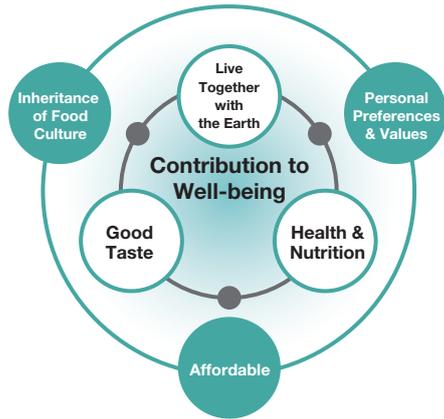


Green

## “AminoScience” that leads the “with Earth” Era

Under the circumstances of food shortages due to climate change and population growth, we aim to contribute to the spread of “with Earth” food and the promotion of carbon recycling by leveraging the strengths of “AminoScience,” and to update the standard for a new type of food that will allow us to “Live together with the Earth” into the future.





**Great Taste, Green Future.**  
 “with Earth” Food Initiative

**A new type for food,  
 “with Earth” food  
 Great Taste, Green Future.**

The Ajinomoto Group does not want people to endure the pleasure of eating, while taking proper care of the environment and their bodies. That is why “with Earth” food, the new type of food we are aiming for, is sustainable, good-tasting, and healthy. While respecting local food culture, we will respond to the diversifying tastes, values, and lifestyles of consumers, and propose a new type of food that people can use in their daily lives by designing not only substitutes, but also the taste, nutrition, and texture of the ingredients themselves.

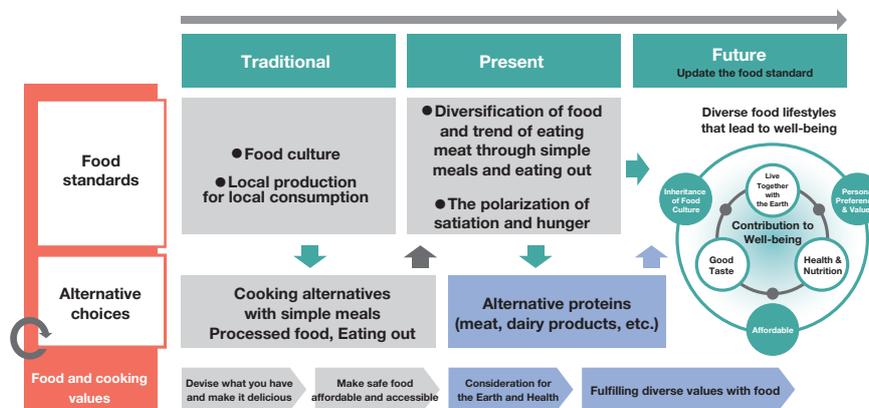


# 1. What is the new food standard?

The world is home to diverse food cultures rooted in rich climates, people's spirituality, and history. In recent years, economic growth has led to the development of various food-related industries, which, combined with the advancement of women in society, has led to the expansion of convenient options that support shorter cooking times and alternatives. People have updated their food standard (daily food) by wisely incorporating them into their daily lives. Today, the issue of global sustainability is becoming more serious. As the world's population grows, the amount of

food and energy required is also increasing, and environmental considerations are becoming essential for the sustainability of human society. The plant-based food market has expanded to a scale approaching ¥500 billion, mainly in Europe and the United States, but is currently stagnant or shrinking due to issues related to taste and nutrition in spite of high prices. The Ajinomoto Group is leveraging "AminoScience" to solve these issues and provide "with Earth" foods that are tastier and healthier, updating the food standard for the future.

**We will create a new food standard that balances good-taste, health & nutrition, and live together with the earth.**



# 2. The spread of "with Earth" food

In order to achieve carbon neutrality (or negativity) in the future and meet the need for protein brought about by the increasing human population, it is important to wisely incorporate plant-based foods and other environmentally friendly ingredients and foods into our daily diet.

The Ajinomoto Group has "AminoScience" as its strength to efficiently produce large quantities of environmentally friendly food ingredients and deliver them to consumers as more delicious and healthier foods. There are three areas where "AminoScience" can be utilized. The first is plant-based foods or plant-derived proteins. To address the lack of taste, texture, and nutritional value that has been an issue with conventional plant-based foods, we will promote the provision of "Plant-Based with Nutrition," which designs optimal nutritional balance including protein for each application by utilizing our Deliciousness Technologies and Nutrition Design Technology. As part of that, we are

strengthening our "Plant Answer®" model, which provides optimal solutions for each customer in our B2B business. As an example, we have invested in DAIZ Inc., a startup company that develops and manufactures "Miracle Meat" derived from sprouted soybeans, offering a solution using our Deliciousness Technologies. As a new challenge, "2Protein" (powder type and tablet), a plant-based protein for which we supported product development, was launched in July 2023 as a new product by Japanese startup company TWO Inc. Leveraging "AminoScience," this product contains the ideal balance of essential amino acids needed to support body building through training. The regrowth of the market for plant-based foods is vital to the spread of "with Earth" food, and the Ajinomoto Group will promote active investment and cooperation through B2B and B2C businesses. The second area is cultured meat. In this area we make extensive use of the cutting-edge research that the

Ajinomoto Group has pursued in the medical field at its Research Institute for Bioscience & Fine Chemicals. We are engaged in joint research into meat culturing technologies with Super Meat, an Israeli company in which we have invested. In addition, we will contribute to sustainability and protein crisis countermeasures in cooperation with related ministries and agencies by sponsoring the Cellular Agriculture Research Institute for the purpose of acquiring a license and commercialization in Japan. The third area is the use of microbial protein “Solein®,” which uses CO<sub>2</sub> as a source of nutrients. Ajinomoto has entered into a strategic alliance with Solar Foods, a Finnish food tech company, to develop products using Solein® developed by Solar Foods, and will begin marketability testing in Singapore in 2024.

The Ajinomoto Group’s “AminoScience” has garnered attention from startups around the world, and we have received offers of cooperation from many businesses.

### What are alternative proteins?

#### Plant-based food

A generic term for foods made using plant-derived ingredients as substitutes for animal protein. Such as soy meat instead of meat or oats milk instead of cow’s milk.

#### Cultured meat

Meat made by placing cells extracted from animals into a culturing medium containing amino acids and other nutrients for culturing. Cultured meat also has low GHG emissions.

#### “Solein®”, microbial protein

Developed by Solar Foods. Protein with a similar amino acid makeup to meat, created in a unique bioprocess that supplies CO<sub>2</sub>, hydrogen, oxygen, and small amounts of nutrients to microorganisms.

## 3. Promoting carbon neutrality

Rearing livestock for meat requires a great deal of water and land for raising livestock and growing their feed, and consequently involves huge volumes of GHGs. If the livestock industry continues to expand in response to the growing world population and the normalization of meat-eating in developing countries, it will place a large burden on the global environment.

As the following table shows, GHG emissions from plant-based food are about one-tenth those of conventional meat. The manufacture of plant-based food, cultured meat, and microbial proteins also requires far less water and land.

The “with Earth” food initiative will help resolve future food crises and help coexistence with the Earth, and is the area in which the Ajinomoto Group is concentrating on most as a growth area of the Geen area. Additionally, the Ajinomoto Group has set a goal of achieving net zero greenhouse gas emissions by 2050 and hopes to contribute to the construction of a sustainable food system. In April 2023, the Group concluded a joint research and development agreement with Logomix Inc., a biology-oriented start-up company possessing the technology for large-scale genome construction. The Group intends to combine its amino acid fermentation techniques and expertise with this technology to promote the development of sustainable amino acid production methods that will reduce the impact that the

fermentation process places on the environment through factors such as CO<sub>2</sub> emissions, seeking to produce green amino acids through innovation in the amino acid production biocycle. The ability to contribute to the well-being of humanity and the Earth through the action of amino acids is a significant strength of the Ajinomoto Group.

We believe that the Ajinomoto Group’s “AminoScience” will lead the “with Earth” era.

### Alternative proteins have a low environmental impact!

		Conventional (Beef)	Plant-based food	Cultured meat	Microbial proteins
Environmental impact	GHG emissions	100	11	2.4	0.5
	Water usage	100	13	21	0.2
	Land area usage	100	4.0	5.1	0.5

Comparison of environmental impacts of conventional livestock meat and plant-based foods, cultured meat and microbial proteins. The environmental impact of cultured meat and microbial proteins with new technologies are overwhelmingly small, and carbon negative can also be achievable.

# INTANGIBLE ASSETS

## Focusing investments on intangible assets to realize ASV which lies just beyond

We categorize our intangible assets, a source of strength, into human assets, technology assets, customer assets and organization assets.

We are now focusing investments on these four intangible assets while visualizing these four assets in order to further refine our strengths.

First, human assets are the most important of our intangible assets.

The Ajinomoto Group's strengths can be found in our human assets with the passion and drive to achieve our Purpose, who produce innovation by matching our technologies with customer issues, and who maintain close connections with the people and cultures of the world. Going forward, we will secure and develop human assets who can create more diverse value that contributes to the well-being of all human beings, our society and our planet.

Our technology assets include advanced technologies (e.g., Deliciousness Technologies and leading-edge bioscience and fine chemical technologies), proprietary materials using the functions of amino acids, and intellectual properties developed and maintained strategically. Customer assets represent a strength because of our B2C and B2B businesses, operations in a wide range of sectors and areas, and relationships with customers globally. We continue to refine "AminoScience" by working to identify and resolve cutting-edge issues faced by customers around the world and other future issues through co-creation with customers.

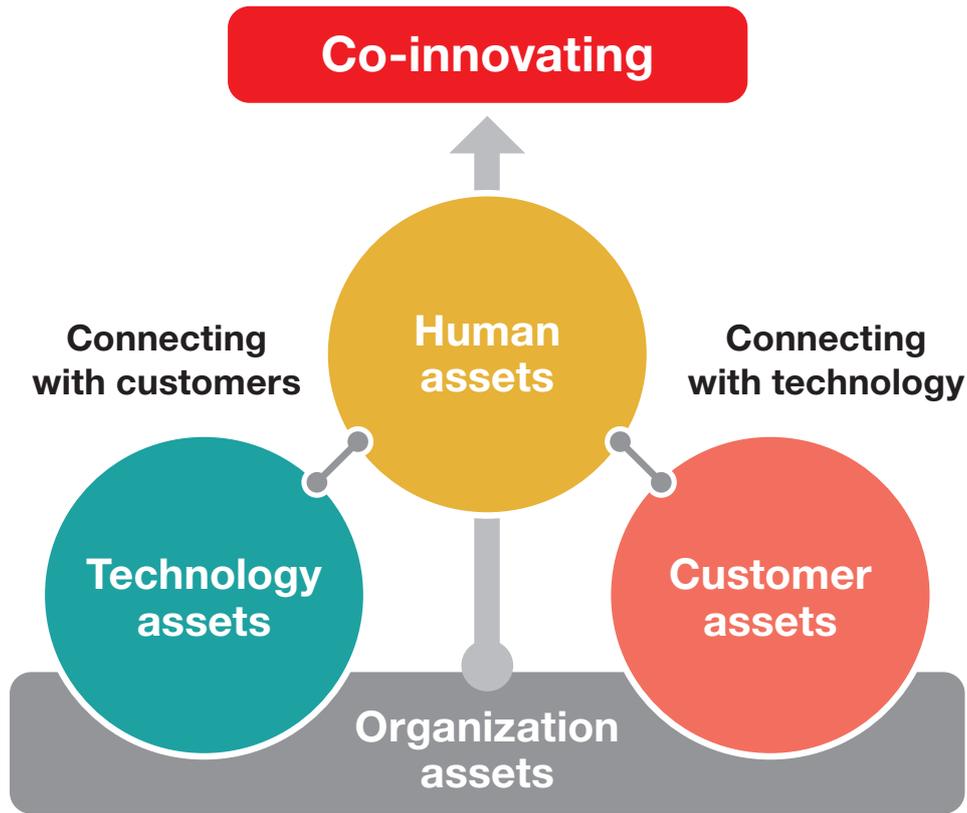
Finally, organization assets represent the strength of the entire organization. The Ajinomoto Group's organization assets include our Purpose for creating passion in our people, ASV management for co-creating social value and economic value through business, the Ajinomoto Group Way (AGW) presenting our basic values, approach and stance for employees, and corporate value created thanks to the support of stakeholders.

To achieve our vision for 2030, we need to Speed Up x Scale Up our innovation starting with our local operations and our frontline workers.

Toward this end, we are stepping up investment in intangible assets while paying close attention to their links with financial value.

Additionally, we are monitoring employee engagement scores with the understanding that bolstering intangible assets correlates to ASV.

Looking ahead, we will continuously enhance corporate value while confirming the effects of these investments and advancing the ASV realization process.



### Ajinomoto Group strengths

### Points to improve



Technology Assets

- “AminoScience” e.g., Deliciousness technologies, leading-edge bioscience and fine chemical technologies
- Strategic IP

- Strengthening innovation for creating next-generation businesses
- Digital capabilities to better meet individual needs



Human Assets

- Human resources connecting technology/customer assets and innovating
- Sharing our Purpose
- Closeness with site/field

- Acquiring and developing human resources capable of pivoting to diverse value regardless of domain
- Human resources supporting inorganic growth



Customer Assets

- Diverse and global stakeholders
- Having both B2C and B2B

- Holistic approach with other industries and government (Building ecosystems)
- Directly connected seikatsusha (consumers) through digital channels



Organization Assets

- Purpose
- “Ajinomoto Group Way”
- Brand
- Respecting local culture

- Non-uniform perspectives to create innovation
- Systems quickly linking each area with headquarters functions
- A culture of challenge
- Sophistication of marketing

# Human Assets

## Our vision for 2030: To be a workplace where all employees endeavor for purpose which one works

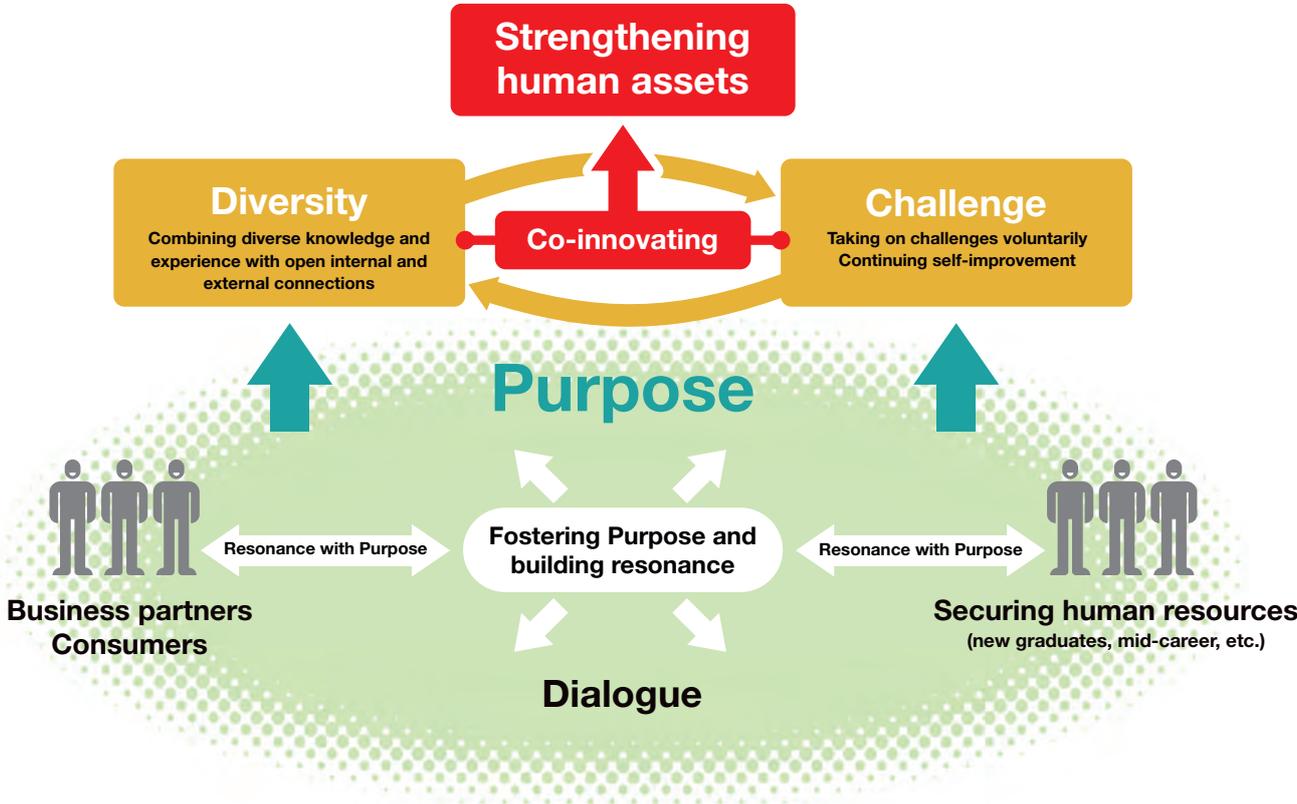
We aim to realize ASV by gathering diverse individuals inside and outside the Company who have empathy for our Purpose and our organizations leveraging

the strength of individuals to create innovation and achieve co-growth and continuously create value for the future.

### Human resources strategy for creating future innovations

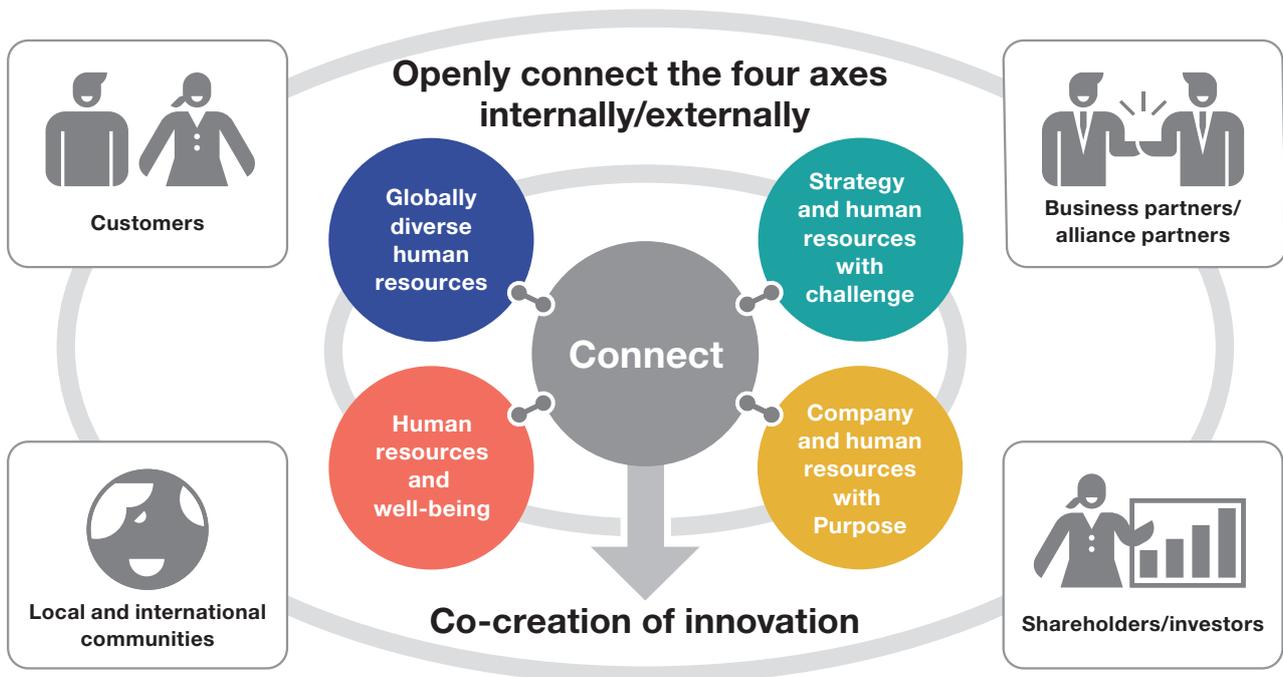
The Group recognizes that its four types of intangible assets (technology, human, customer, and organization) play an important role in achieving its management strategy. We continue working to bolster our human assets that create innovation by matching technologies with customers since these assets represent a source for

elevating the value of all intangible assets. Additionally, employee well-being represents a foundation underpinning the strength of human assets, and for this reason, we are working to enhance employee well-being from various angles, such as health advancement and asset formation.



# Four connecting strategies

The Ajinomoto Group is implementing human resources strategies by connecting the four axes of “diversity,” “challenge,” “well-being,” and “Purpose” for achieving our vision.



## 1. Diversity

### Connect globally diverse human resources

Diversity, equity, and inclusion in the organization serves to accelerate innovation and realize value co-creation while also fostering a corporate culture that encourages autonomous actions because it respects the diverse experiences and expertise of individuals regardless of gender, age, or nationality, etc., and embraces diverse viewpoints.

In order to connect diverse human resources globally, we will increase the connectivity of various measures and accelerate the assignment of the right person to the right position globally. These measures include expanding the human resources pipeline by speeding up the succession

plan globally, having candidates selected as part of succession planning participate in selective leadership training, and strategically appointing them to new duties. We are now working to achieve the following indicators by 2030.

Additionally, we are promoting ways to collaborate with and acquire diverse talent from outside the Company. This includes expanding mid-career recruitment of human resources with advanced skills and knowledge of new business development (plan for fiscal 2023–2024: approx. 50% of newly hired employees at Ajinomoto Co., Inc.) and personnel exchanges with alliance partners.

• **Leadership: diversity ratio of 30% (21% as of July 2023)**

• **Female managers: Groupwide 40% (27% as of end of March 2023) / Ajinomoto Co., Inc. 30% (13% as of end of March 2023)<sup>\*3</sup>**

<sup>\*1</sup> Executive officers, business division managers, organizational managers, and other important positions equivalent to them

<sup>\*2</sup> Gender, nationality, affiliation, etc., are the axis of diversity

<sup>\*3</sup> Participant in the 30% Club Japan since 2019

## 2. Challenge : Connect business strategy and human resources using “challenges”

We will introduce a personnel system that assigns human resources contributing to strategy execution, regardless of whether they are non-manager or manager, to the right position with the right amount of workload and time commitment, along with mechanisms for speeding up the revitalization of our organizations led by diverse

talent. The Ajinomoto Group believes that maximizing the skills of each individual of its diverse workforce and empowering them to tackle challenges autonomously for achieving our Purpose are indispensable actions for growing both the organization and individuals. We are now moving ahead with the following initiatives.

- Speeding up voluntary department-level transfers and participation in cross-functional projects spanning multiple departments. Enabled transfers using the internal recruitment system starting from fiscal 2022.
- Fostering a volunteer culture where employees take the initiative, while also basing decisions on business situation, etc.
- Dispatching employees to alliance partners, external research institutions, MBA programs, and specialized master's degree programs, etc.
- Emphasizing 1on1 dialogue to support employees to achieve our Purpose and tackle challenges. Holding career interviews with supervisors annually (around one hour) and feedback sessions (around one hour) semiannually since the 1980s to assist employees in achieving their career aspirations.
- Providing coaching training to all managers (training plan for fiscal 2023: Ajinomoto Co., Inc. only)
- Expanding training programs (professional development, leadership development, experiential learning, etc.)

## 3. Well-being : Connect human resources to improvement of well-being

The Ajinomoto Group believes that employee well-being forms the foundation of its human assets. In addition to well-being attained through growth of each individual

tackling challenges and from contributions to society through our business, we encourage improved well-being from such perspectives as health and asset formation.

- **Health:** Once every year, all of our employees working in Japan meet individually with an industrial physician and healthcare staff to receive health guidance based on the results of their health exam or stress check. Also, we have introduced a mental health recovery plan tailored to the individual needs of employees on leave to provide ongoing support from the start of leave until their return to the workplace.
- **Asset formation:** Working with an outside professional, we provide employees with an asset literacy and education program throughout the year based on our own systems and policies (approx. 2,800 participants). Employees are also given the opportunity to meet with a financial planner free of charge for additional advice (voluntary) as a way to help them build their own asset portfolio. Employees are encouraged to join the employee stock ownership plan to raise awareness about their participation in the enhancement of corporate value over the medium to long term and for their own asset formation purposes (enrollment rate among Ajinomoto Co., Inc. and its domestic Group companies (20 companies in total): 71%\*).

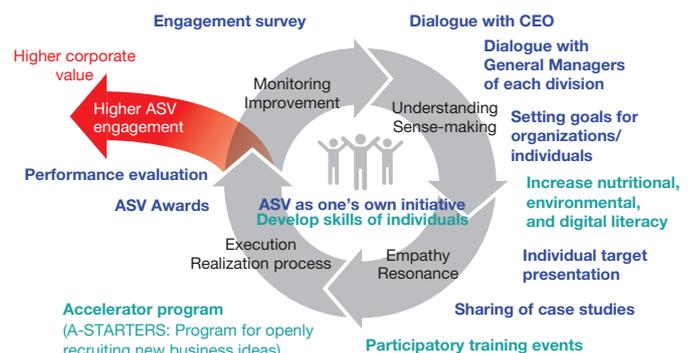
\* As of May 2023

## 4. Purpose : Connect the purposes of the Company and its human resources

We have standardized the management cycle for realizing our Purpose of contributing to the well-being of all human beings, our society and our planet with “AminoScience.” We are now promoting initiatives for fostering empathy for this Purpose and increasing engagement in an organized manner. We began disclosing the correlation between engagement and performance in fiscal 2022 and introduced our approach to the ASV realization process in fiscal 2023. In turn, we are speeding up the visualization of opportunities and issues from the scores of individual questions of the engagement survey, assigning persons in charge of analyzing the results of the engagement survey within each organization, and promoting autonomous utilization in each

organization through workshops (beginner and advanced) and other educational opportunities.

### [ Management cycle for ASV results creation ]



# Examples of initiatives “connecting” our purposes

## Individual target presentation

As part of our efforts to foster empathy for our Purpose and increase engagement, we have been holding individual target presentations at all of Ajinomoto Co., Inc.'s organizations and at 28 Group companies inside and outside of Japan since fiscal 2021.

For example, AJINOMOTO CO., (THAILAND) LTD. held its individual target presentations across all of its organizations in 2023, with a total of 1,800 employees taking part (100% participation rate). AJINOMOTO CO., (THAILAND) LTD. is comprised of various organizations including research, production, business, and corporate departments. At these individual target presentations, employees first prepared targets broken down according to the goals of AJINOMOTO CO., (THAILAND) LTD. and individual organizations, regardless of which department the employee belongs to. Next, employees clarified the customers and value provided in their own targets based on an understanding of the business' value chain, while also using their own words to describe how their job leads to ASV, which

culminated in a presentation in front of their colleagues. Through this process, we are promoting ASV as one's own initiative and elevate ASV engagement. In 2023, individual target presentations were mainly held in person because COVID-19 restrictions were largely eased or eliminated. This allowed for even more active discussions, including Q&A sessions among participants. This will lead to an organization where members recognize each other's targets and empower one another to tackle new challenges.



Individual target presentations held at AJINOMOTO CO., (THAILAND) LTD.

## ASV Awards

The ASV Awards commend particularly excellent initiatives that embody ASV. In fiscal 2022, an initiative that contributes to GHG reduction implemented by a global team from the MSG and nucleic acid business took home the Gold Award. This initiative focused on the theme of tackling the challenge of Speed Up x Scale Up by maximizing intangible asset value (contribution to well-being of the planet). To achieve ASV in the MSG and nucleic acid business, the initiative launched the BRIDGE project, a cross-functional effort involving the value chain and overseas subsidiaries. “BRIDGE members are achieving ASV with a smile,” says Kohei Ishikawa of the S&I Dept. “ASV represents my behavioral guideline at the Company. Whenever I face challenges at work, I always return to the concept of ASV in my decision making.” As

a result of this project, we have greatly reduced GHG emissions from the manufacturing of MSG and nucleic acid over a short period of time. Through this initiative, the results and joy we created are helping to deepen understanding of ASV.



Left: Kohei Ishikawa of the S&I Dept. (at the time of the Award)  
Right: Team members

# Correlation between employee engagement and business performance

## Human resources investment and visualization of efficacy

To create ASV, we actively invest in human resources with a focus on acceleration of diversity and challenge and fostering empathy for our Purpose. In fiscal 2022, we made investments<sup>\*1</sup> of approximately ¥10 billion, and going forward we plan to continue expanding this spending, reaching a total of more than ¥100 billion for the period from 2023 to 2030. By connecting each

initiative with the employee engagement score, we will also be able to increase employee engagement.

From fiscal 2023, we will change the method of measuring employee engagement scores from one question of “ASV as its own initiative” to the average value of question items in the “ASV realization process” that allows us to better grasp the actual situation.

\*1 Amount including opportunity costs

### [ Main initiatives for human resources investments ]

Diversity		(1) Diversity <sup>*2</sup> in leadership <sup>*3</sup> : 30% (FY2030) (2) Groupwide ratio of female managers: 40% (FY2030) (3) Securing and strengthening of human resources necessary for business growth (innovative HR [including acquisition through M&A], etc.)
Challenge		(4) Volunteering for challenges / participating in networking work styles / accelerating self-improvement, etc. (Job transfer / Group cross-functional projects / Collaborative projects / MBA dispatch / Others)
Purpose	Fostering	(5) Conducting president/general manager dialogues and individual target presentations
	Building resonance	(6) Expanding external ASV-related communications (7) Improving quality of 1on1 interviews (goals/career) (8) Expanding scope of mentoring to young people, women, and candidates for management positions

\*2 Gender, nationality, affiliation, etc., are the axis of diversity

\*3 Executive officers, business division managers, organizational managers, and other important positions equivalent to them

Linked



### [ Employee engagement ]

(Average value of ASV realization process question items from FY23)

ASV realization process	Related items (examples)
1. Empathy for our Purpose	(5) (6)
2. Customer focus	(3) (4)
3. ASV as one's own initiative	(5)
4. Encouragement for new opportunities	(4) (5) (7)
5. Co-creation through inclusion	(1) (2) (4)
6. Enhancement of productivity	All items
7. Innovation creation	(1) (2) (3)
8. Creation of social and economic value	All items

**ASV indicators (75% in FY22): Increase employee engagement of 80% (FY25) and 85% (FY30)**

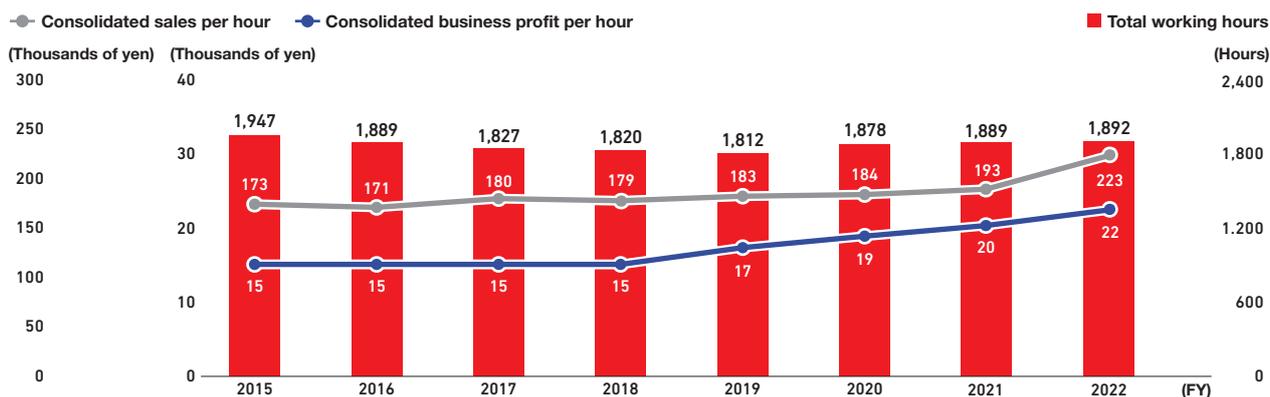
## Efficacy monitoring

As for productivity, which is an outcome of human resource investment, in conjunction with our management policy to emphasize growth and efficiency, we are monitoring consolidated sales per hour<sup>\*4</sup> and consolidated business profit per hour<sup>\*5</sup>.

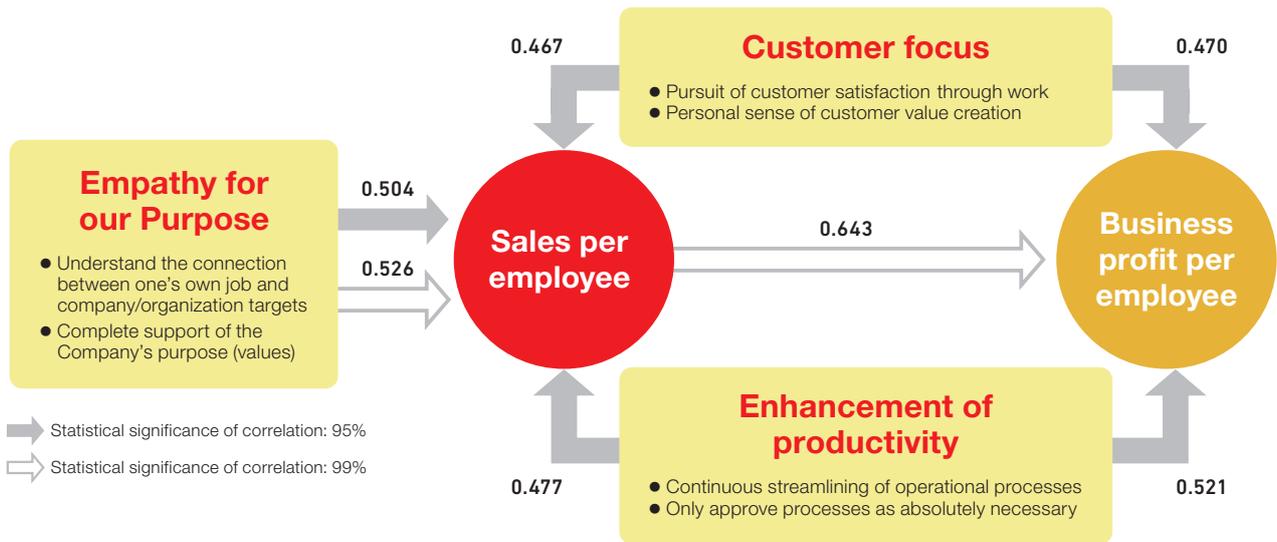
In fiscal 2022, consolidated sales per hour and consolidated business profit per hour grew steadily, totaling ¥223 thousand and ¥22 thousand, respectively.

\*4 Consolidated sales / (Ajinomoto Co., Inc. employees x Total working hours) \*5 Consolidated business profit / (Ajinomoto Co., Inc. employees x Total working hours)

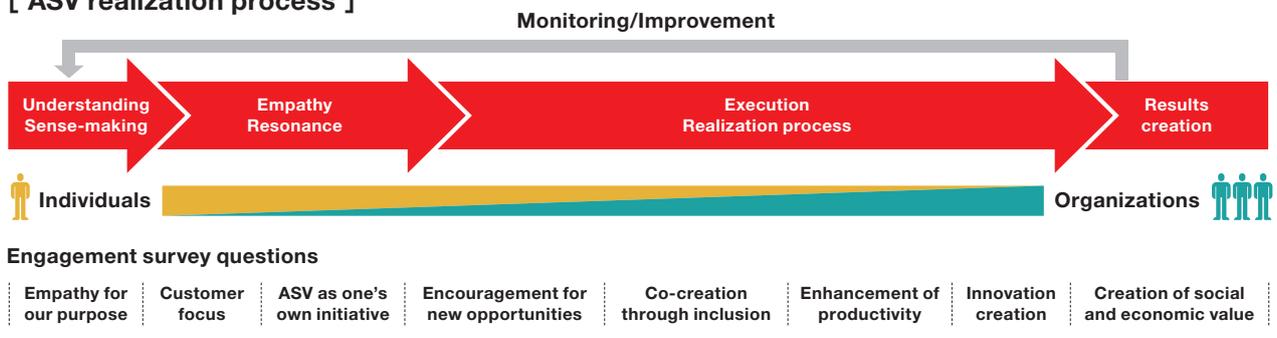
### [ Consolidated sales/Consolidated business profit per hour ]



[ Correlation analysis of employee engagement and business performance ]



[ ASV realization process ]



## Better understanding the opportunities and issues to promote ASV

The Ajinomoto Group updates the results of its engagement survey every year to analyze the correlation with business performance. The results of the previous four surveys showed a correlation between “empathy for our Purpose,” “customer focus,” and “enhancement of productivity” and both sales and business profit per employee. In addition, we conducted a time lag analysis of the engagement survey results for fiscal 2019 and fiscal 2020 and of changes in business performance in fiscal 2020 and fiscal 2021, which indicated “enhancement of productivity” correlates to sales per employee.

Starting in fiscal 2022, we began a new initiative for monitoring the progress of ASV realization using the engagement survey to visualize the process up to ASV realization (ASV realization process). In this process, we utilize the results of correlative analysis with business performance to define each step from ASV understanding and acceptance by individuals to the creation of results by

each organization and to develop related questions for the engagement survey.

From fiscal 2023, we changed the measurement method for employee engagement score, one component of bolstering intangible assets, from one question on “ASV as one’s own initiative” to the average score for question items on “ASV realization process” for greater clarity of the actual situation. Better understanding the opportunities and issues cross-functionally across Ajinomoto Group companies and organizations based on scores for ASV realization process-related questions will make it possible to take more effective action. For example, for enhancement of productivity, we are working to address the “large number of approval processes,” which was found to be a companywide issue. This approach increases our ability to promote ASV realization from the perspectives of both companywide actions and autonomous actions at the organization level.

# Using the engagement survey to strengthen the connection between the Company and employees

**AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA. (below, “ABR”) has a high level of employee engagement.**

**This success has been attributed to its utilization of the engagement survey.**



**Shino Kayahara**

Executive Officer in charge of Diversity and HR

Joined Ajinomoto Co., Inc. in 1990. After serving as General Manager of the Public Relations Dept. from 2018, she became the General Manager of the Kyushu Branch in July 2020, and was assigned her current position in April 2023.



**Fabio Luiz Ceregatto**

Corporate Executive HR Director & Associate Member of Executive Committee, AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA.

Joined ABR in 2005. After serving as HR Department Manager at the Limeira Plant, from 2009 he became Corporate HR Department Manager at the São Paulo Head Office. He was appointed as ABR's Corporate HR Operational Director in 2014 and was assigned his current position in 2022.

## Tool for achieving ASV by finding common ground between the Company and individual purposes

**Kayahara** The engagement survey is a tool for expressing the level of trust and connection between the company and employees. It demonstrates whether the company's measures are aligned with employees' vision and purpose. Since it's a survey, the results are available in an easy-to-understand format, but people tend to focus on the numbers. The key is not to focus on improving scores, but rather to foster the shared awareness that the engagement survey is merely a tool to transform organizational culture.

I would like to ask about ABR's approach since it has some of the best practices within the Ajinomoto Group.

**Ceregatto** ABR has been utilizing the engagement survey since 2008. Initially, some employees were embarrassed or afraid of reprisals from superiors, but today everyone trusts the survey. Thanks to this, ABR's response rate is extremely high—98% in 2022.

**Kayahara** That's a really high response rate.

**Ceregatto** Each and every employee is encouraged regularly to take part in the engagement survey because it's quick and easy. We also issue a reminder shortly before the deadline. Our responsibility as management is to encourage employee's participation and follow up on the engagement

survey's responses.

**Kayahara** Does ABR make any other efforts in order to foster trust in the engagement survey and ensure employee participation?

**Ceregatto** Yes, leaders show with their own action.

**Kayahara** What do you mean by that?

**Ceregatto** Leaders show with their own action that they are not king, but rather just a part of the organization.

They visit the front line of our manufacturing and business operations in person to know firsthand what is going on.

Employees first trust our leaders after they see them walking

the front line. The presence of trustworthy leaders is why

employees are also able to buy in to the engagement survey.

That's the secret. It's also important for top management to

share its intentions with employees using words that make

sense to them. The President of ABR sends a clear message

to all employees that the engagement survey can be trusted,

and we work on fostering communication through

engagement survey workshops.

**Kayahara** Can you tell me more about these engagement survey workshops?

**Ceregatto** Last year, we held a total of 90 workshops at ABR's five business locations. HR training specialists who



The engagement survey is a tool for measuring the crossroads of the Company and individual purposes. Working toward the greater growth of the company and employees by gathering the true voice of employees through the engagement survey.

have undergone facilitator training head to each business site to lead the workshops, which last about one hour. Our manufacturing departments operate 24 hours a day using a shift system. Nevertheless, these workshops are also held for night shift workers. While it is difficult to get into contact with employees in sales who are constantly traveling throughout Brazil, they are given the opportunity to view the learning materials and transcript online. Roughly two months are spent collecting the views of employees, which makes it possible to understand the thinking of a wide swathe of employees. Although it takes a lot of work to hold training in advance and write speeches, these efforts are really making a difference in improving our corporate culture.

**Kayahara** Do you take any extra steps so that employees can share their candid opinions?

**Ceregatto** Workshops are held individually for managerial staff, middle management (assistant managers), employees in specific ranks in manufacturing and sales, and each department. The jargon and challenges faced differ for each rank and department, so it's important to select the right person to lead the workshop. This is why we choose someone who understands the views of each rank and department and someone who won't make the employees too nervous, someone that makes the employees comfortable to exchange opinions freely. How do you analyze and utilize the engagement survey in Japan?

**Kayahara** In Japan, each organization selects a leader to analyze the engagement survey, such as the person in charge of personnel. Workshops are then held with a consultant to analyze the results of the survey and provide hints on how to utilize these findings at the organizational level. Then, each leader who has undergone training analyzes the results of the engagement survey for their own organization together with managers to create an action plan that contains organizational targets for the next fiscal year.

Can you share any examples of where ABR further utilizes the engagement survey based on previous findings?

**Ceregatto** For example, in the engagement survey we have specific fields where the employee can write down their opinions (rather than multiple choice). We have also established questions unique to ABR that allow employees to share opinions considering the local company reality. These responses often result in specific requests, such as improving the breakroom. This may seem like something small, but small improvements when sustained will lead to further improvements in the organizational culture.

**Kayahara** ABR is really getting the most out of the engagement survey as a verification tool. Do you see any challenges in further evolving your utilization?

**Ceregatto** Leadership training is important. Members change due to personnel transfers, but we still need to pass down our DNA regardless of who is in charge. We also need to speed up the decision-making process and further promote work-style reform. We will empower individual employees as appropriate and allow them to choose their own working hours. By doing so, I believe we can further grow as a company and as individuals. Empowerment is the key!

**Kayahara** Through today's dialogue, I reaffirmed the importance of holding workshops based on the results of the engagement survey. Some of our managers believe that the engagement survey results are a report card, and while I understand this feeling, it's meaningful and important to read between the lines from the results and think together about how to improve our organizational management and culture. In Japan, the engagement survey has shed light on young employees' concerns about career development and other issues such as the gender gap. These are areas that we are now working to improve.

Thank you for sharing ABR's approaches to utilizing the engagement survey, which are helpful for all of us.

## Customer Assets



### Engaging in a direct dialogue with global consumers, and building relationships together with customers

For the Ajinomoto Group, customer assets are derived through an ongoing process of carefully gathering feedback from consumers and customers around the world about their expectations regarding excellent taste and nutrition, quality, function, peace of mind, and safety, and then working to achieve these together with our customers.

With a broad-ranging business portfolio in food products business and AminoScience business, 70% of sales in the Ajinomoto Group are achieved in the B2C domain, and 30% in B2B. International sales account for 60% of total sales, and sales in Japan 40%. Through this diverse range of businesses, Ajinomoto Group employees around the world communicate directly with consumers in each

country, engaging in dialogue with client businesses on a daily basis to address issues.

Moreover, when offering value to our customers, we believe that building ecosystems with partners outside the Company, such as businesses in other domains in a manner that allows us to take an integrated approach to the desires of our customers is also an important aspect to the customer assets of the Ajinomoto Group. Looking to the future, we will use digital technologies to connect directly with many of our consumers, engaging in two-way communication that lets us learn about their lifestyles and personal values, and then create relationships that allow us to make proposals based on this knowledge, further strengthening our customer assets.

# Ajinomoto Vietnam – How we build our customer assets



Left: Street-level selling conducted in red uniforms. Center: Face-to-face sales activities build trust. Right: Display hangers used by sales staff.

## The trust created by traditional trade direct sales system

Established in 1991, Ajinomoto Vietnam Co., Ltd. is a comparative latecomer in the ASEAN region. Even so, it has become so well established in the daily lives of Vietnamese people that nowadays they will call out “AJINOMOTO” when they see a Japanese person. This could be said to be proof that the Ajinomoto Group has built up its customer assets using sales activities leveraging the proprietary Traditional Trade (TT) direct sales system of the Ajinomoto Group.

A TT direct sales system is a system in which sales personnel visit stores on street corners or in markets to deliver and display products, receiving payment on the spot. In addition to Vietnam, the Ajinomoto Group has used this style of sales for many years in a host of different countries. Ajinomoto Vietnam currently deals with approximately 110,000 privately owned stores throughout Vietnam and employs roughly 600 Vietnamese salespeople who work in teams to visit stores around once every two weeks.

Although privately-owned stores usually display products that sell well in prominent locations, consigning other products to the corners, Ajinomoto Vietnam provides stores with hangers that allow them to display each product where customers can see them easily, especially the top-selling AJI-NO-MOTO® brand seasonings. This means that Ajinomoto Vietnam’s products can be displayed today in a highly visible location. The fact that we are able to make such an imposition on even small stores is thanks to the ongoing effort we put into our sales activities every day. The salespeople who visit the stores wipe dirt off packaging, check product expiration dates, and replace expired products, building trust with store owners.

One of the hit products that has emerged from these steady sales efforts with the TT direct sales system is Aji-mayo®. On its initial release in 2005, mayonnaise could

hardly have been said to be a feature of the Vietnamese diet, but in 2011 we changed the product name to Aji-mayo®, which saw it gain popularity, and today it is a hit product next in popularity to AJI-NO-MOTO® umami seasoning and Aji-ngo® flavor seasoning.

Looking to the future, Vietnam may see evolution in logistics systems against a background of economic growth, but Ajinomoto Vietnam will adapt to using smarter TT systems, making good use of technologies such as social networking services and GPS. Adding digital capabilities to the customer assets and sales capabilities that the company has built up means that there is still a great deal of potential for TT direct sales systems in Vietnam.

## Local Voice

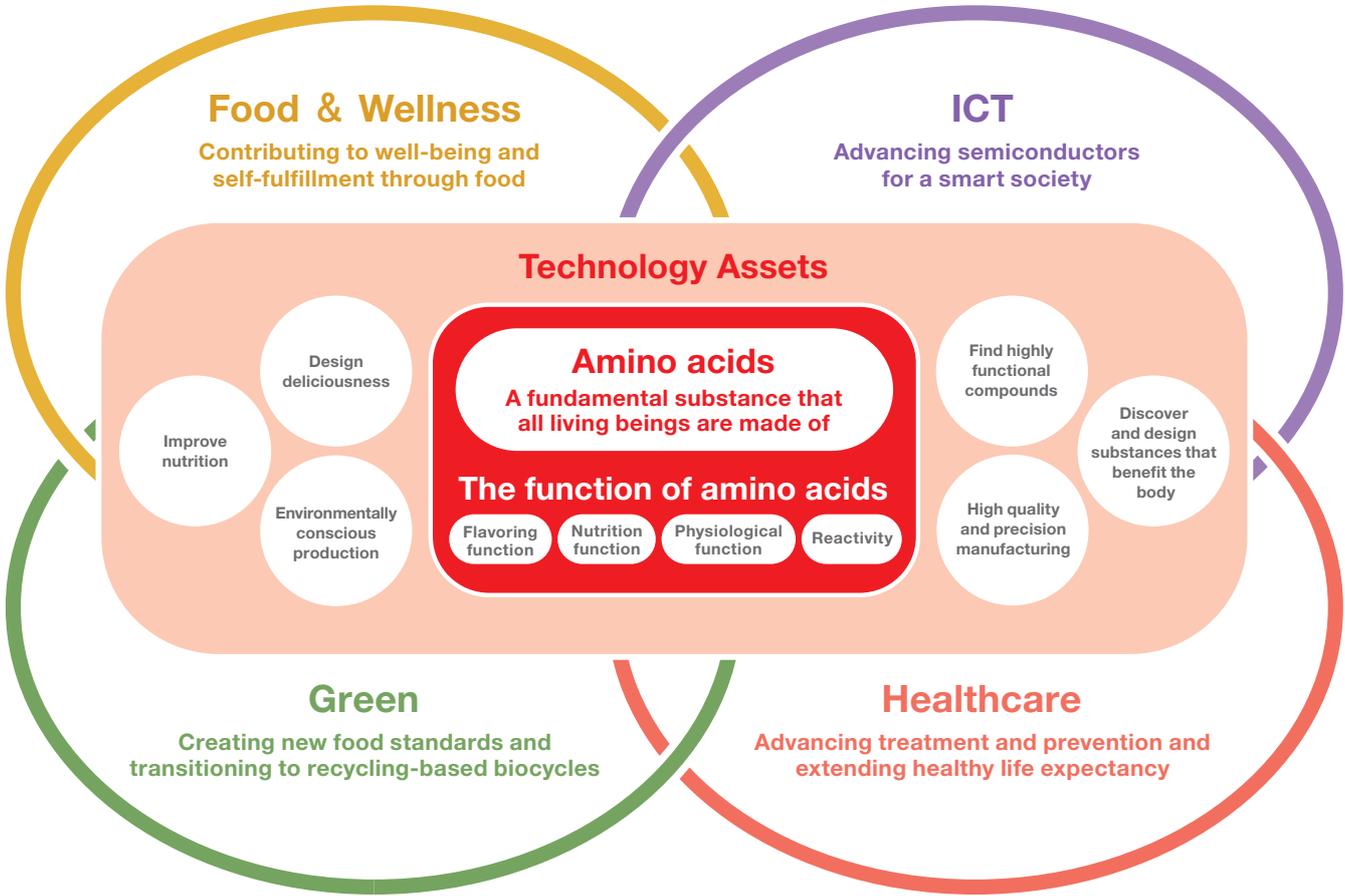
### A solid grounding in the fundamentals and use of DX with an eye to the future



Pham Cong Vuong

The greatest assets of Ajinomoto Vietnam are the sales activities it engages in every day. The steadfast dedication of the sales team allows them to deliver consistently high-quality products to every corner of Vietnam. This plays a vital role in driving business growth and achieving our goals. We also employ the latest technologies and applications to allow us to meet evolving demands. We have introduced tablet terminals to shorten order activity time and improve communication with customers, and deployed innovative tools such as the eMobizMap system which links to GPS, streamlining operations and making them more efficient. Through our fundamental activities and the utilization of DX, we intend to contribute to the well-being of society and the people of Vietnam.

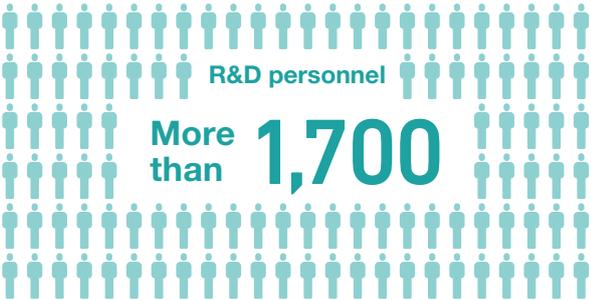
# Technology Assets



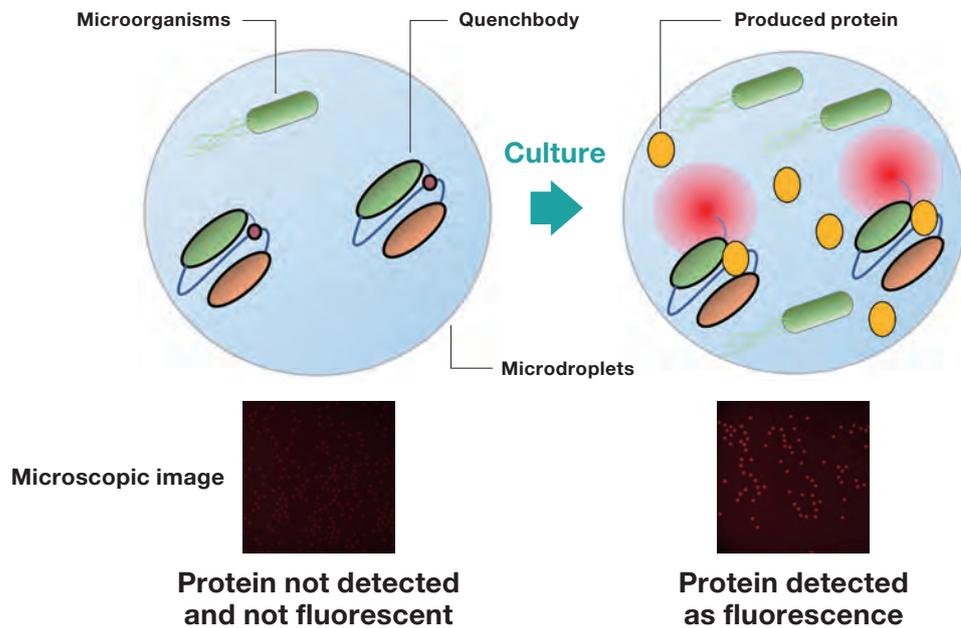
## Creation of social value through unique technology assets

Since its founding, the Ajinomoto Group has evolved its diverse and unique technology assets by exploring the function of amino acids. Our technologies for designing deliciousness, high quality and precision manufacturing, environmentally conscious production, and creating

substances that benefit the body have created social value through various businesses. Going forward, we will grow our businesses in the four growth areas by continuing to evolve the technology asset that is “AminoScience.”



# Droplet screening technology aimed at speeding up strain development



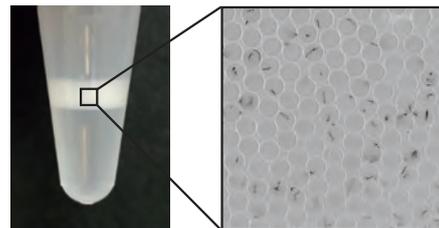
The diagram shows droplet screening theory (case of protein production bacteria). The produced protein emits fluorescence when combined with Quenchbody. By selecting droplets with high fluorescence, strains with improved protein secretion can be obtained.

## Our new technology expands the possibilities of the Green area and the Healthcare area.

The Ajinomoto Group is building a global production system and developing strains that produce proteins and various other substances centered on amino acids. In particular, strains with improved production performance up to the commercialization level represent a critical technology asset supporting the competitiveness of our business operations. The key to strain development is the ability to establish methods for selecting the targeted strains in a short period of time from among the tens of thousands of candidates (screening methods). In recent years, automation of testing work previously conducted manually by researchers using robots has sped up this process by more than 10-fold compared to conventional methods. Nevertheless, the evaluation of tens of thousands of strains still requires a development period spanning over one year, while market needs are changing rapidly and becoming more fragmented, which requires new high-speed screening methods that can address these changes in the external environment.

Through joint research with universities, we successfully developed a droplet screening technology (see figure to the right) that combines technology for detecting and selecting target substances as a fluorescent signal with

technology that ferments and produces target substances by culturing microorganisms inside microdroplets with a diameter of tens of micrometers. As a result, this large-scale (tens of thousands) culturing and evaluation is possible in the space of a week. By further promoting the development of this technology, we will contribute to the growth of both business domains through refinement of production bacteria development and launching new products in the Green area and the Healthcare area at an early stage. The verification results of this method were highly praised and published in the influential scientific journal *Small*.



Culturing microorganisms encapsulated in microdroplets. There are about 10 million microscopic droplets in the cloudy upper layer.

# SUSTAINABILITY

## Two outcomes leading to healthier, better living

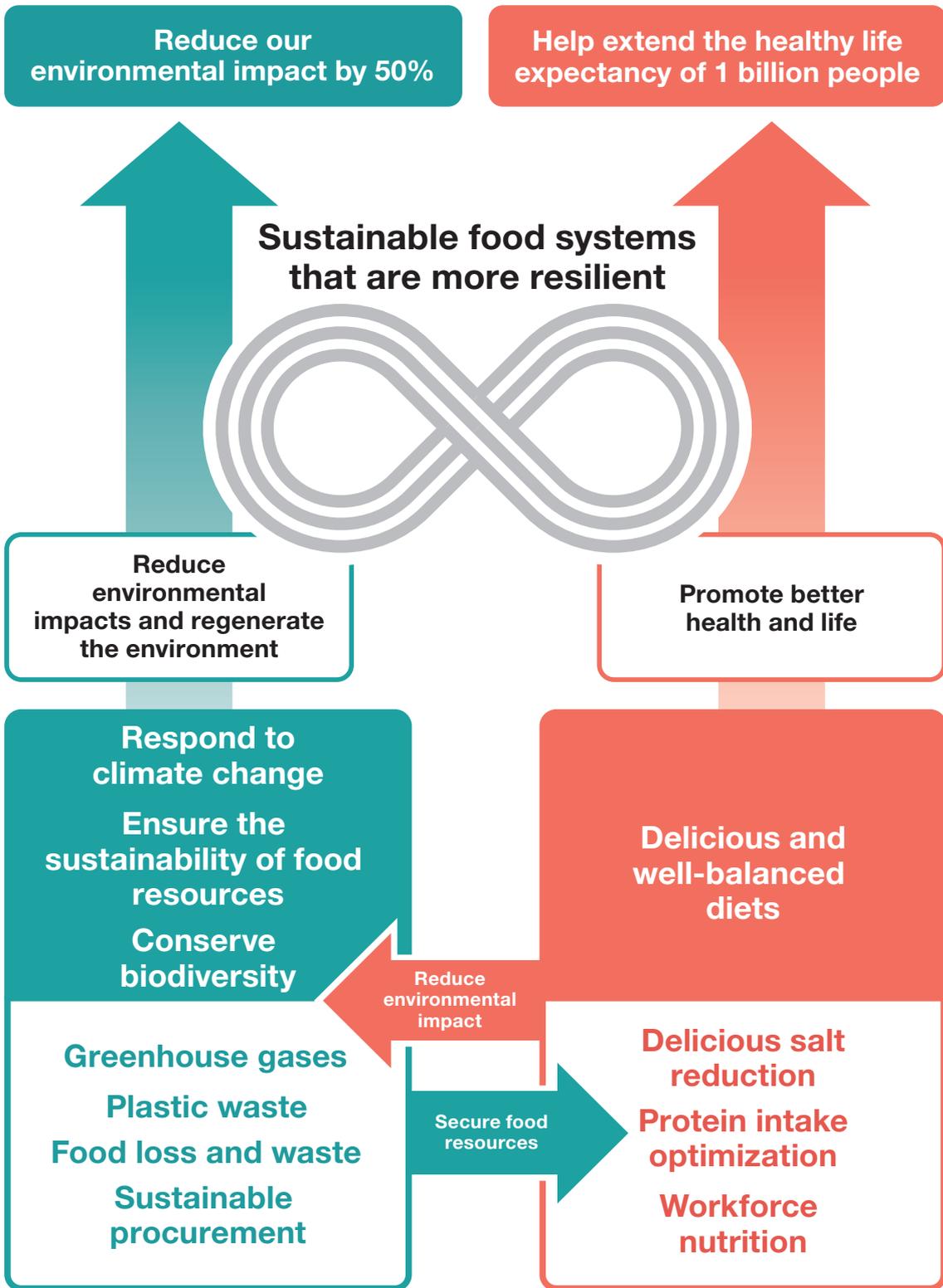
Our goal as the Ajinomoto Group is contributing to the well-being of all human beings, our society and our planet with “AminoScience.” To this end, we believe it is necessary to achieve two outcomes by 2030: “help extend the healthy life expectancy of 1 billion people” and “reduce our environmental impact by 50%” connected by food systems<sup>\*1</sup>. The business of the Ajinomoto Group is supported by sound food systems; or in other words, stable access to food resources and a verdant natural environment supporting these resources.

At the same time, our business operations also have a major impact on the environment. Today, as the planet’s environment is reaching a tipping point, our ability to take action to regenerate the environment is an urgent issue for the continuity of the Group’s business operations. By addressing climate change, ensuring the sustainability of food resources, and conserving biodiversity to reduce our environmental impacts, and by regenerating the planet’s environment through the realization of a circular economy, we can sustainably execute initiatives for healthier, better living aimed at extending healthy life expectancy.

Through our business activities, we provide products and services that are tasty, nutritionally balanced, and of benefit for people’s dietary habits, and that further promote a reduced environmental impact caused by GHGs, plastic waste, and food loss and waste. Also, through our resource recycling-based amino acid fermentation process (a biocycle), we will promote initiatives with a positive impact on natural capital and society and contribute to sustainable food systems that are more resilient and to regeneration of the global environment.

Furthermore, we will maximally leverage our strength in “AminoScience,” and transform food systems through innovation and building ecosystems.

<sup>\*1</sup> Series of processes related to food production, processing, transport, and consumption



# Reduce our Environmental Impact

## Approach to reducing our environmental impact by 50%

The Ajinomoto Group continues working to achieve the outcome of a 50% reduction of its environmental impact by 2030 and also achieving net zero GHG emissions by 2050. As we head toward 2030, we will carry on with our

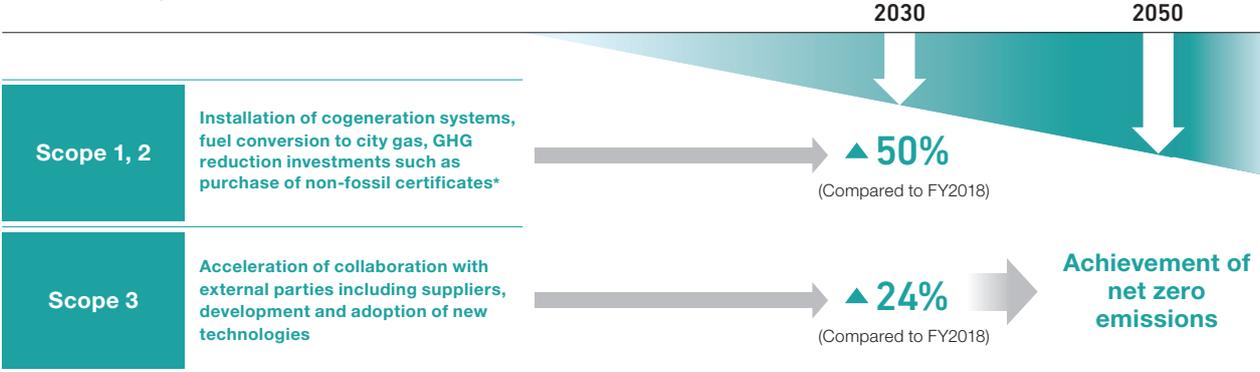
targets and initiatives covering the key themes of reducing GHGs, plastic waste, and food loss and waste as well as realizing sustainable procurement.

## Reduction of GHGs

In fiscal 2022, our Scope 1 and Scope 2 GHG emissions in total has reduced by 19%, and Scope 3 (basic unit) has reduced by 3% compared to the base year of fiscal

2018, accordingly. We commenced discussions with suppliers on reducing Scope 3 emissions beginning with MSG raw materials in Thailand.

### [ Our strategy for GHG reduction ]



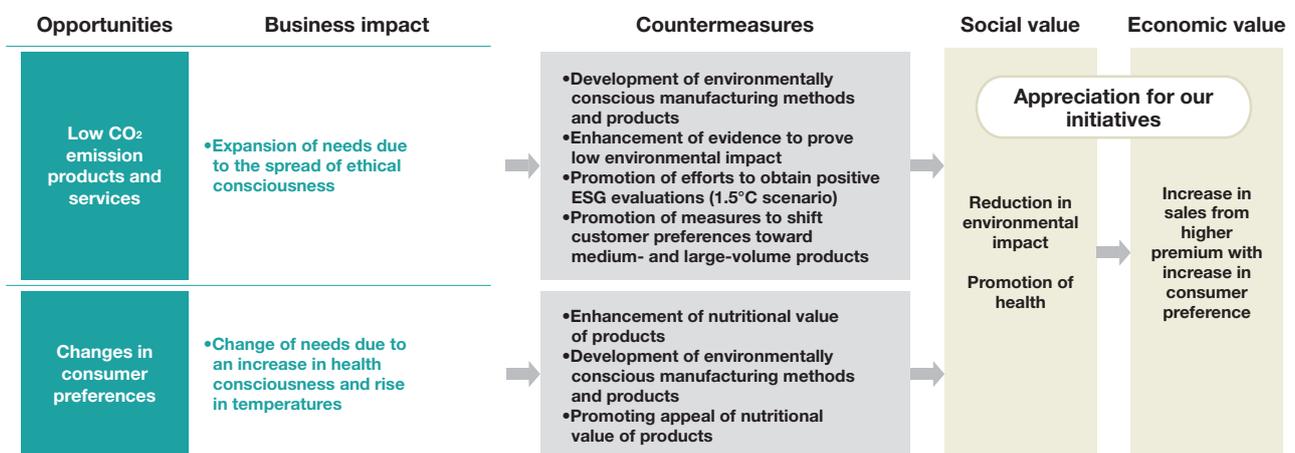
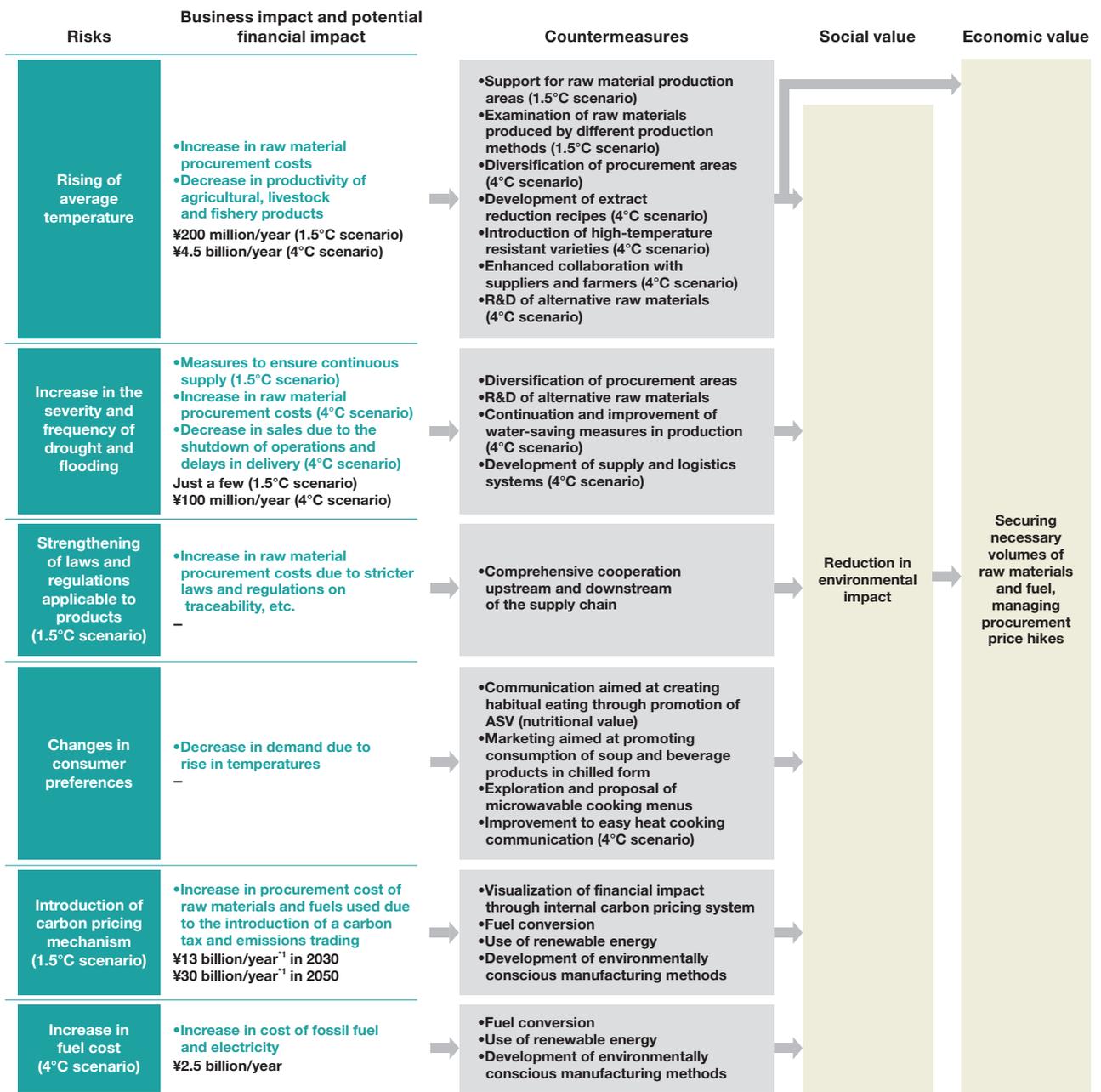
\* We are considering further investments to reduce GHG emissions, and will disclose the details as soon as they are determined.

## Focus on the biocycle for amino acid fermentation

The Ajinomoto Group is building a proprietary biocycle for amino acid fermentation that spans the globe from Thailand, Vietnam, and Indonesia to Brazil. We produce amino acids using fermentation methods fed by agricultural produce easily accessible in each country and region as the main ingredient. At the same time,

nearly 100% of the highly nutritious co-products after amino acid extraction are utilized in fertilizers and feed. We refer to this cyclical amino acid fermentation process as a biocycle. This approach allows us to reduce GHG emissions associated with the production of traditional chemical fertilizers and support sustainable agriculture.

[ Summary of scenario analysis results ]



\*1 The 4°C scenario is the status quo and assumes no additional or increased carbon taxes or emissions trading.

## Plastic waste

**0** Zero by 2030



Products with reduced plastic usage in packages

The Ajinomoto Group will transition all plastics that it uses to recyclable materials after carefully selecting plastics in the minimum amount and use required for product safety and quality by 2030. At the same time, we also support the establishment of recycling systems in each country and region.

The amount of plastic used in fiscal 2022 was 69,000

tons, of which 48%<sup>\*1</sup> was suitable for recycling. We reduced the amount used by approximately 800 t/year by using thinner packaging materials, and changed roughly 900 t/year of the packaging design to make it easier to recycle. In addition, efforts to collect waste have begun in Indonesia and other countries.

<sup>\*1</sup> We have revised the definition of recyclable packaging materials.

## Reduce food loss and waste by

**50** %

by FY2025 compared to FY2018



Brand for reducing food loss and waste "TOO GOOD TO WASTE"

### [Reduction in food loss and waste (per production volume unit)]

Food loss and waste reduction from the acceptance of raw materials to delivery to customers <sup>*2</sup> (vs. FY18)	FY20 (Result)	FY21 (Result)	FY22 (Result)	FY25 (Target)
	13% reduction	23% reduction	39% reduction	50% reduction

<sup>\*2</sup> Measured with reference to Food Loss & Waste Accounting and Reporting Standard. (Measurement methods may differ by the organization.)

The Ajinomoto Group has established a target to halve food loss and waste generating from the acceptance of raw materials to delivery of products to the customer by fiscal 2025 compared to fiscal 2018. As the efforts on reducing generation and promoting utilization of food loss and waste as feed and fertilizer have made much progress, we expect to achieve this target by

fiscal 2025. Our long-term vision is to halve food loss and waste occurring throughout the entire product life cycle by 2050. In 2022, we created the brand "TOO GOOD TO WASTE" to help promote our food loss and waste initiatives. We intend to further promote efforts across our entire food supply chain.

## Sustainable procurement of materials

**100** %

by FY2030



On-site inspection of raw material procurement

We are visualizing issues in the supply chain, conducting human rights impact assessments, and promoting animal welfare in order to build a responsible supply chain. Additionally, we aim to source 100% of our primary raw materials, including palm oil, paper, soybeans, coffee beans, beef, and sugar cane, from sustainable sources

by fiscal 2030. Toward this end, we are working to ascertain the current procurement situation as well as establish traceability systems and promote procurement of products certified as sustainable.

In fiscal 2022, we procured 99% of palm oil and 98% of paper from sustainable sources.

## Importance of protecting biodiversity

The Ajinomoto Group recognizes the importance of protecting the natural environment as well as mitigating impacts on biodiversity while ensuring the continuity of business operations.

In June 2023, we established guidelines on biodiversity in addition to those matters already defined in the Ajinomoto Group Policies (AGP).

Additionally, following the LEAP approach<sup>\*1</sup> framework of the Taskforce on Nature-related Finance Disclosures

(TNFD), we conducted reviews on the three items of MSG, coffee, and HONDASHI® as model cases. Going forward, we will expand these reviews to include other products and businesses and analyze our dependence and impacts on nature in priority regions and products regarding these three items in detail.

We will aim to ensure that our business activities have net positive<sup>\*2</sup> impacts by reducing our effects on biodiversity and helping to restore and revitalize biodiversity.

<sup>\*1</sup> Guidance with the objective to support the evaluation of risks and opportunities related to nature internally within companies and financial institutions.

The guidance encourages companies to assess risks and opportunities and prepare for disclosures in line with the framework autonomously.

LEAP stands for locate, evaluate, assess, and prepare.

<sup>\*2</sup> Taking actions that avoid and mitigate impacts caused by business operations as well as restore and revitalize biodiversity that result in net positive effects.

## Contribution to the well-being of consumers around the world through agricultural materials

The Ajinomoto Group has been using co-products with high nutritional value generated during the amino acid production process as fertilizer for more than four decades. Today, at our overseas business locations in Thailand, Vietnam, and Brazil, we sell these co-products as finished products that are used by local farmers, helping to increase agricultural productivity.

The Ajinomoto Group's Agro2Agri S.L. subsidiary in Spain mainly manufactures and sells biostimulants<sup>\*3</sup> made from amino acids. The company has both a B2B business that supplies raw materials to pesticide and fertilizer manufacturers and a B2C business that sells and provides services for agricultural materials tailored to

farmer needs. The company has operations in more than 50 countries around the world harnessing its strength in product development based on "AminoScience."

The company's biostimulants can increase the yield and quality of agricultural produce and contribute to sustainable agriculture with reduced use of water, fertilizer, and fuel. Furthermore, studies have shown that biostimulants increase the nutrient absorption of agricultural produce and effectively increase protein and vitamin content. Going forward, we will continue to contribute to the well-being of human beings, society, and the planet in terms of both the environment and nutrition.

<sup>\*3</sup> Agricultural materials that promote the natural immunity of plants and plant growth with ingredients derived from fermented microorganisms such as amino acids and natural materials such as natural extracts.



Left: Argentinean cherry farmer using Agro2Agri products Right: Colombian cocoa farmer using Agro2Agri products

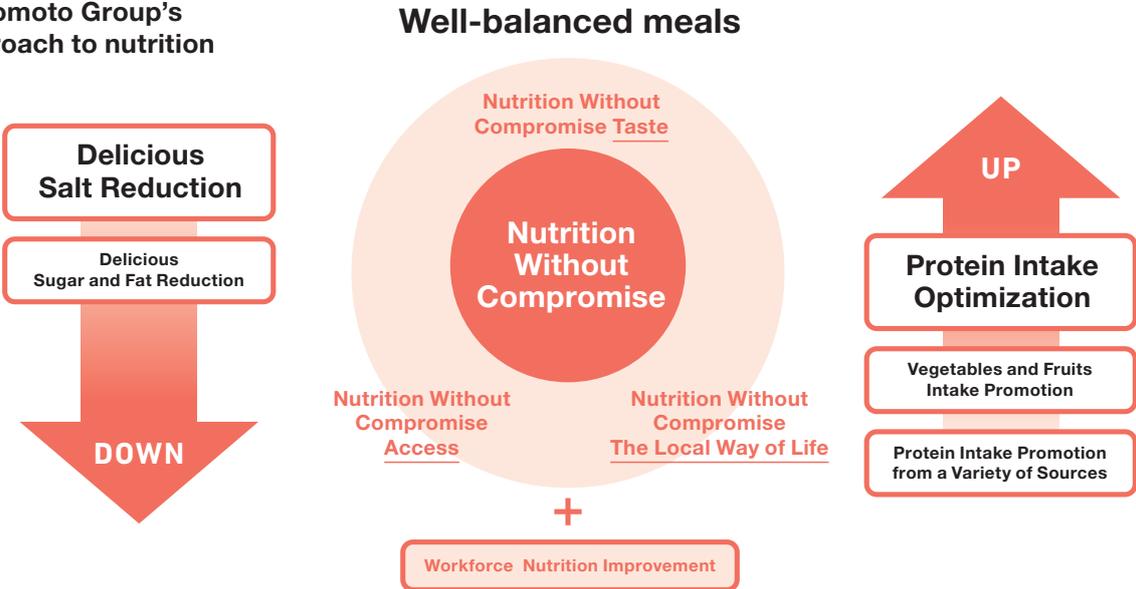
# Help Extend the Healthy Life Expectancy

## Four commitments for Nutrition Without Compromise

The Ajinomoto Group is committed to help extend the healthy life expectancy of one billion people using its approach of “Nutrition Without Compromise.” This entails proposing and providing nutritionally balanced meals by promoting low salt, sugar, fat solutions, along with appropriate intake of protein, vegetables, and fruits, without compromising taste, access, and the local way

of life that the Ajinomoto Group emphasizes. Through our Commitment to Nutrition announced in fiscal 2021, our specific targets involve increasing opportunities to supply products with improved nutritional value and increasing the nutritional literacy of employees as our closest stakeholder in an effort to have positive impacts.

### Ajinomoto Group’s approach to nutrition



#### Nutrition Commitment 1 Delicious salt reduction

##### Quantification of salt reduction effect by umami

In fiscal 2022, we implemented salt reduction initiatives using umami together with 12 local governments in Japan and in 10 countries worldwide. Also, through the U20 Healthy Umami Research Project, we attempted the quantification of salt reduction effects of umami through tie-ups with academia, and released papers on the results.

#### Nutrition Commitment 2 Provide nutritious products

##### Nutrient profiling in 13 countries

In 2020, we commenced operations of the Ajinomoto Group Nutrient Profiling System, called ANPS-Product. As of March 2023, this system has been introduced at 16 of our subsidiaries across 13 countries and used to evaluate over 800 products. We are also promoting product development geared toward wellness using “AminoScience.”

#### Nutrition Commitment 3 Provide information, recipes, and menus

##### Disseminating information through the internet

We are looking to provide consumers with recipes and information on delicious salt reduction sourced from owned media on social media so that more people can eat healthy. We are also strengthening information dissemination, such as collaboration with influencers.

#### Nutrition Commitment 4 Workforce nutrition improvement

##### Improving employee nutritional literacy

The Ajinomoto Group is focusing on workforce nutrition improvement as a part of ASV management, particularly by increasing nutritional literacy among employees. From fiscal 2020 to fiscal 2022, we provided nutrition education to a total of 56,000 employees.

## Roadmap to one billion people

The Ajinomoto Group is promoting initiatives for nutrition improvement aimed at realizing the outcome “Help extend the healthy life expectancy of one billion people” by 2030. In fiscal 2022, the total number of people we provide with products that contribute to improving nutrition reached 0.54 billion for umami seasonings and 0.34 billion for salt reduction products or products useful for protein intake, for a total of 0.88 billion. As for umami seasonings, we are promoting activities for delicious salt reduction using umami in countries around the world as well as evolving and expanding our contact points from deliciousness to include deliciousness and wellness. We have commenced a review on how to broaden our reach

in terms of “contributing to the well-being of all human beings, our society and our planet with ‘AminoScience’.”, in addition to helping to extend the healthy life expectancy of one billion people and reducing our environmental impact by 50%.

Number of people provided with umami seasonings	Number of people provided with salt reduction products or products useful for protein intake	Total
0.54 billion	0.34 billion	0.88 billion

## Initiatives to establish and promote an NPS originated from Asia

The Ajinomoto Group is engaging with various stakeholders to promote meals with a good nutritional balance. Most nutrition profiling systems (NPS)—used to evaluate the healthiness of food—have been developed for evaluating prepackaged food products consumed as such. However, a person’s diet does not only include individual ready-to-eat foods. Food habits vary widely from country to country and region to region. Considering this situation, we developed Nutrition Profiling System (ANPS-Dish<sup>\*1</sup>) in order to assess the overall nutritional value of dishes and menus.

Taking advantage of our expertise, we hosted a symposium titled “Healthy Eating and Nutrient Profiling in Asia” as a satellite event of the Prince Mahidol Award Conference (PMAC) 2023 held in Bangkok, Thailand in partnership with the Institute of Nutrition of Mahidol University and Nature Research Custom Media. At the symposium, we discussed with panelists the importance of developing an NPS, with consideration to nutritional issues and eating habits in Asia.

Furthermore, the Ajinomoto Group took part in a stakeholders meeting held by ATNF<sup>\*2</sup> in Japan in December 2022 as a private-sector representative. We shared our views that it is essential to take measures to improve nutrition taking into account the nutritional

issues and dietary conditions of local communities, and proposed that a spotlight index to evaluate the efforts of Japanese companies should be studied jointly by industry, government, and academia. The Group will collaborate with key stakeholders around the world to promote healthy meals with a good nutritional balance as well as establish a system to assess nutrient profile and inform consumers.

\*1 In the Ajinomoto Group Sustainability Data Book 2022, it was described as “ANPS-M” (for Menu), but we renamed to ANPS-Dish.

\*2 A non-profit organization based in the Netherlands whose mission is to objectively assess and improve private-sector contributions to worldwide nutrition issues.



©Thomas De Cian

“Healthy Eating and Nutrient Profiling in Asia” symposium

# PT AJINOMOTO INDONESIA – Progress of “Health Provider” activities



Left: School Lunch Project Middle: Fertilizer using co-products Right: Plastic garbage collection station

## Improving nutritional literacy and three initiatives for environmental conservation

PT AJINOMOTO INDONESIA (PTA) is implementing ASV activities that convey to consumers its employee-led initiatives for sustainability through its business operations, such as those covering the areas of health, nutrition and reducing environmental impacts. This includes its own initiative called “Health Provider” activities. These activities are driven by two social issues facing Indonesia. First is the average life expectancy in the country is short—just 70.1 years for men and 74.6 years for women—with the prevalence of high blood pressure-related ailments viewed as an issue. Second is serious marine pollution, which if left unchecked and worsens, carries the risk that the country could face difficulty in securing marine food resources in the future.

To resolve these issues, PTA is focusing on nutritional literacy education inside and outside the company. In 2018, it launched the School Lunch Project (SLP) together with IPB University. SLP provides nutritionally balanced lunches and nutrition education to schools in order to change behaviors and improve nutrition. Working with the Ministry of Religious Affairs, SLP introduced six boarding schools in fiscal 2021 and another 12 in fiscal 2022. Additionally, PTA is working to improve literacy using nutrition education targeting employees and to increase the rate of A-grade results on the company’s employee health exams. In fiscal 2023, the company will introduce a commendation program tied to these efforts to increase nutritional literacy.

PTA’s approach to environmental issues is largely broken down into three initiatives. First, it is transitioning from coal to biomass. While capable of greatly reducing CO<sub>2</sub> emissions, this change also presents the new challenges

of rising costs and stable procurement of fuel. PTA is now working to address these challenges by using coconut husks and shells, wood pellets, and unused agricultural pesticides. Second, it is collecting and recycling plastic garbage. Working with local startup Rekosistem, the company has set up waste collection stations in traditional markets and begun buying non-organic garbage including multilayered laminated packaging materials. With the support and cooperation of many stakeholders inside and outside the company, this initiative made its way to commercialization within the short span of just six months from concept. This new ecosystem benefits all participating stakeholders and represents the first step in building a circular economy. Finally, third, it is pursuing the co-products business using the by-products of MSG fermentation as the main raw material. In addition to AJIFOL® and others, it is exploring the introduction of co-products (fertilizer) that further elevate product value with the power of amino acids. The company hopes this will contribute to increased agricultural produce yields and higher incomes for farmers through shorter growing and harvest cycles.

PTA created a video that is shared on social media in order to inform consumers about these activities. The company is working to raise the visibility of its “Health Provider” activities and enhance its corporate image in Indonesia. Today, the term “Health Provider” has become a slogan uniting everyone working at PTA. The concept behind ASV of co-creating social value and economic value has been absorbed by everyone at the company and sustainability activities have become firmly imbedded in its business operations.

# Principal initiatives for reducing environmental impact and for improving nutrition

We have set medium- to long-term targets and KPIs, closely relevant to the following 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.

Main initiatives	Main measures	KPIs/Targets
<b>Pursuit of well-balanced meals</b>		
Practical support for delicious salt reduction	<ul style="list-style-type: none"> <li>Global expansion of the Smart Salt project</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of products with improved nutritional value/Raise to 60% by FY2030</li> <li>Among our nutritious products, provide products that promote delicious salt reduction and protein intake optimization/400 million people annually by FY2030</li> <li>Opportunities to use products that utilize the nutritional and physiological functions of amino acids/Double by FY2030 (vs. FY2020)</li> <li>Nutrition education for employees/ Cumulative total of 100,000 employees by FY2025</li> </ul>
Protein intake optimization	<ul style="list-style-type: none"> <li>Sales of protein-rich products</li> <li>Proposal of high-protein options</li> </ul>	
Supporting the practice of delicious sugar and fat reduction	<ul style="list-style-type: none"> <li>Sales of high-intensity sweeteners and ingredients that impart a sense of fat and oil; sales of low-fat products</li> </ul>	
Vegetables and fruits intake promotion	<ul style="list-style-type: none"> <li>Develop the Love Vege project to promote vegetable intake (Japan)</li> <li>Introduce recipes that encourage high vegetable intake</li> </ul>	
Protein intake promotion from a variety of sources	<ul style="list-style-type: none"> <li>Developing technology for delicious plant-derived alternative proteins</li> </ul>	
Provide products that are beneficial to health	<ul style="list-style-type: none"> <li>Utilize the Ajinomoto Group Nutrient Profiling System (ANPS) to visualize nutritional value</li> <li>Engage in product development that takes advantage of the functions of amino acids</li> </ul>	
Workforce nutrition improvement	<ul style="list-style-type: none"> <li>Improve nutritional literacy of Group employees</li> <li>Join the Workforce Nutrition Alliance (WNA) and use the WNA Scorecard to monitor workplace conditions and pursue activities</li> </ul>	
Reducing GHG emissions	<ul style="list-style-type: none"> <li>Convert to fuels with lower GHG emission factors</li> <li>Adopt electricity from renewable energy sources</li> <li>Pursue energy conservation</li> </ul>	(Targets approved by SBTi) <ul style="list-style-type: none"> <li>Reduce GHG emissions (vs.FY2018)/Reduce Scope 1 and 2 by 50%, and reduce Scope 3 by 24% by FY2030</li> <li>Achieve net zero GHG emissions by FY2050</li> </ul>
	<ul style="list-style-type: none"> <li>Adopt electricity from renewable energy sources</li> </ul>	(RE100 Targets) <ul style="list-style-type: none"> <li>Convert electricity to renewable energy sources/ Achieve 100% by FY2050</li> </ul>
Transition to zero plastic waste	<ul style="list-style-type: none"> <li>Reduce plastic usage and convert to mono-material packaging materials that are easy to recycle</li> <li>Contribute to social implementation of recycling in countries and regions where we do business</li> </ul>	<ul style="list-style-type: none"> <li>Plastic waste/Zero plastic waste by FY2030</li> </ul>
Food loss and waste reductions in the supply chain	<ul style="list-style-type: none"> <li>Reduce losses in the production process</li> <li>Optimize supply-demand/supply/sales balance; extend best-before dates</li> <li>Pursue greater usefulness and efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Food loss and waste reduction rate from the acceptance of raw materials to delivery to customers (vs. FY2018)/Reduce 50% by FY2025</li> </ul>
	<ul style="list-style-type: none"> <li>Collaborate with suppliers, retailers, and distributors</li> <li>Develop products useful in reducing waste</li> <li>Engage in activities to reduce loss among consumers</li> </ul>	<ul style="list-style-type: none"> <li>Reduce food loss and waste rate throughout the product lifecycle (vs. FY2018)/Reduce 50% by FY2050</li> </ul>
Responsible sourcing of raw materials	<ul style="list-style-type: none"> <li>Visualize issues in the supply chain, conduct human rights impact assessments, and pursue animal welfare</li> <li>Establish traceability and promote purchasing certified products</li> </ul>	<ul style="list-style-type: none"> <li>Ensure human rights and environmental due diligence</li> <li>Sustainable procurement ratio of key raw materials*/Achieve 100% by FY2030</li> </ul> <p>*Palm oil, paper, soybeans, coffee beans, beef, and sugarcane</p>
Reducing water consumption in production processes	<ul style="list-style-type: none"> <li>Optimize production processes</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the rate of water consumption (vs. reduction rate per unit of production volume)/Reduce 80% by FY2030 (vs. FY2005)</li> </ul>

# Financial Capital Strategy in Line with Our Pivot from Structural Reforms to Improving Growth Ability

**Eiichi Mizutani**

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



## Financial strategy for improving growth ability

We have focused on increasing return on invested capital (ROIC), steadily achieving organic growth, concentrating on core businesses, and promoting asset-light operations, positioning the period from fiscal 2020 to fiscal 2022 as a structural reform phase aimed at regrowth.

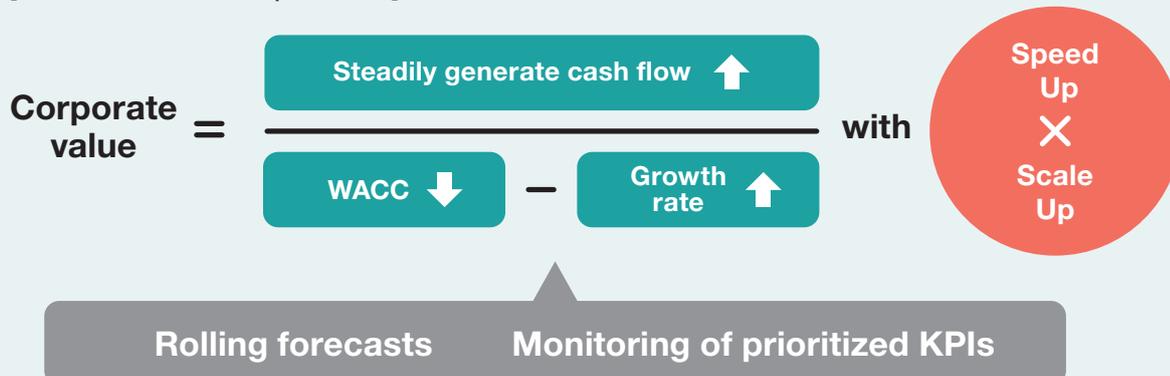
With the aim of increasing ROIC in excess of the weighted average cost of capital (WACC), the Ajinomoto Group's executive management and frontline operations have worked together to allocate management resources optimally across the two axes of "growth" and "efficiency," continuously

improving profitability and achieving more efficient utilization of current assets. In addition, by focusing on core businesses and promoting asset-light operations, we have reduced business assets by approximately ¥130 billion, and reallocated resources and sold off cross-shareholdings totally by roughly ¥80 billion. As a result, we have realized the targeted asset-light by fiscal 2025 ahead of schedule and will now transition to a financial strategy focused on improving growth ability.

### Three policies to achieve our vision for 2030

- 1 Cash allocation policy for maximizing corporate value using appropriate business and capital strategies
- 2 Management policy for continuously enhancing shareholder value
- 3 Policy for continuously strengthening shareholder returns

[Standard calculation of corporate value]



# 1. Cash allocation policy for maximizing corporate value using appropriate business and capital strategies

## Prioritizing investments in growth and M&A

In terms of cash allocation, we will prioritize investments that enhance the organic growth ability of core businesses as investments that exceed WACC. Additionally, we will concentrate on investments that accelerate growth in the four growth areas (Healthcare, Food & Wellness, ICT, and Green)

as we pivot toward business model transformation (BMX), and will increase the growth potential of the entire Ajinomoto Group. Furthermore, we will actively explore and execute M&A deals for generating inorganic growth of existing businesses and creating new businesses.

## Flexible and agile shareholder returns within a range of net debt\*-equity ratio of 30% to 50%

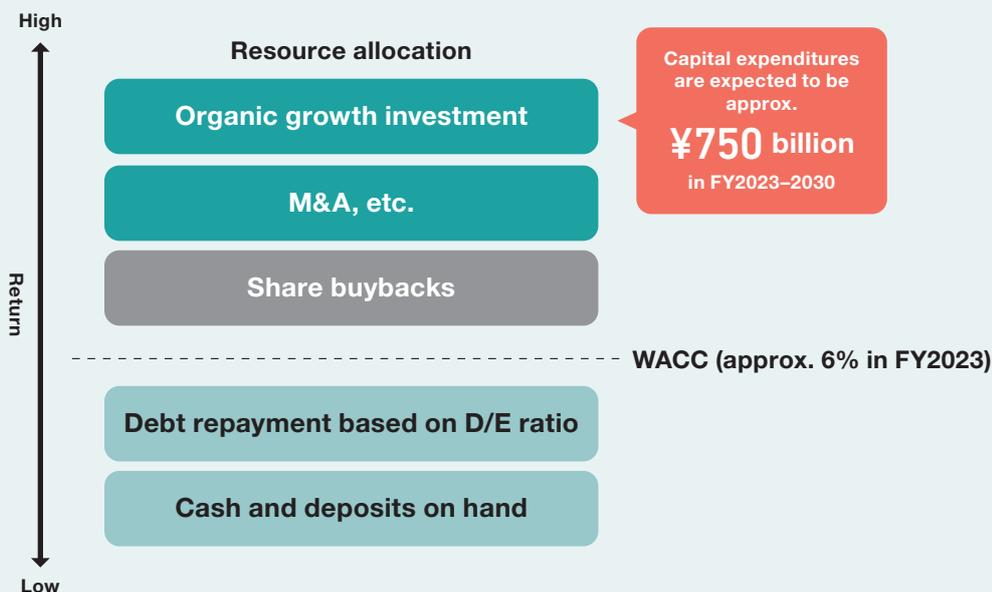
\* Net debt: Interest-bearing debt - Cash on hand and in banks x 75%

When there is surplus operating cash flow after executing investments necessary for increasing business growth ability, we will provide shareholder returns in a flexible and agile manner according to a new policy within a range of net debt-equity ratio of 30% to 50% (see page 87). Our most recent net debt-equity ratio is trending in the lower bound of this range. Over the medium term, we will increase it to the upper bound, and maintain our credit rating after further increasing profitability and increasing our ability to generate cash flows.

[Trend in net debt-equity ratio]



[Approach to cash allocation]



# 2. Management policy for continuously enhancing shareholder value

## Using rolling forecasts to achieve continuous and reliable business growth

We will achieve continuous business growth in a reliable manner through rolling forecasts, which involves the processes from timely updating of business forecasts to review of actions based on performance trends and confirmation of effects. In addition, we have established KPIs in line with the business environment, including strengthening

monitoring of the TDC\* margin in response to the performance risks posed by soaring raw material and logistics costs. In order to instill and internalize these initiatives among our employees, we are taking steps to increase employee literacy regarding our financial results and share price formation.

\*TDC = Total Delivered Cost

## Policy for managing effective tax rate

The Ajinomoto Group has set its standard tax rate at 27% (fiscal 2023) based on a holistic examination of the statutory effective tax rate mix in each country where it operates and the tax burden associated with dividends. Additionally, we will work to lower the effective tax rate using global tax risk monitoring and utilization of tax incentives for sustainability investments and as such.

## Increasing capital and asset efficiency

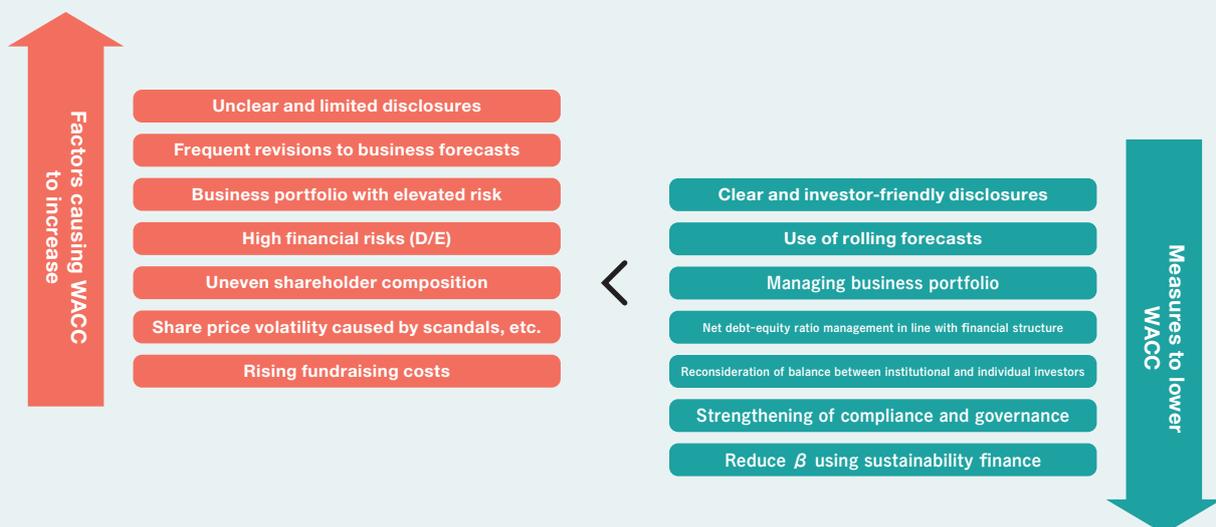
In pursuing flexible and agile share repurchases, we will continuously reduce the number of shares outstanding, used as the denominator for earnings per share (EPS), and increase ROIC, and as an extension, achieve return on equity (ROE) attributable to owners of parent company in excess of ROIC. Running parallel to this, we will minimize the level of cash on hand and in banks and utilize surplus funds for growth investments and shareholder returns.

## Lowering WACC

We are implementing a number of measures to lower WACC, a crucial element of the Ajinomoto Group's formula for calculating corporate value. Specifically, these include stabilizing performance by way of rolling forecasts, lowering financing costs using sustainable finance, increasing the

upper bound of the net debt-equity ratio range, and stabilizing share price relatively by increasing the ratio of individual shareholders. As a point of reference, the WACC for the entire Company is approximately 6% in fiscal 2023.

[Factors behind rising WACC and measures to lower it]



# 3 Policy for continuously strengthening shareholder returns

## Introduction of progressive dividend policy

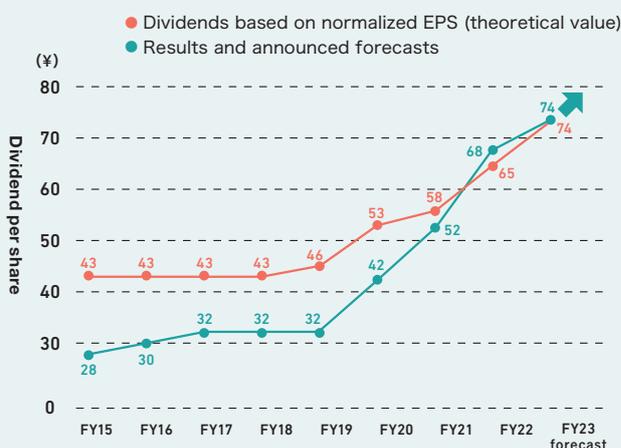
A progressive dividend means maintaining the current dividend per share even when business performance weakens temporarily. Our policy is to either increase or

maintain the dividend—never decrease it—every year starting in fiscal 2023.

## Introduction of dividends based on normalized EPS

We have introduced an approach where business profit, which is less susceptible to unsteady profit fluctuations such as impairment losses, is used as the basis for calculating dividends. We have decided to call this approach “dividends based on normalized EPS\*.” This new dividend formula applies a profit return coefficient of 35% to business profit considering the Ajinomoto Group’s standard tax rate of 27% (fiscal 2023). Comparing the theoretical dividend of previous fiscal years calculated using this formula and the actual dividend amount shows that dividends will be stronger and more attractive. We will steadily increase business profit and seek to further increase dividends going forward.

[Comparison of theoretical value of dividends based on normalized EPS and actual dividends]



\* We have defined dividends based on normalized EPS as follows:

$$\text{Dividends based on normalized EPS} = \frac{\text{BP} \times (1 - \text{Ajinomoto Group standard tax rate})}{\text{Outstanding shares}} \times 35\% \text{ Return coefficient}$$

## Continuing with flexible and agile share repurchases and maintaining a total return ratio of 50% or higher

We will continue to achieve a total return ratio of 50% or higher (versus net income attributable to owners of the parent company). Looking at share repurchases, we will increase

EPS in a flexible and proactive manner taking into account such factors as business environment, financial environment, capital efficiency and share price.

## Setting policy for holding treasury shares

We will speed up investments in the four growth areas and pivot toward growth, but in order to maintain the diversity of investment funding sources, and when considering share-

based remuneration for employees intended to increase corporate value sustainably, we plan to hold treasury shares up to a maximum of around 1% of shares outstanding.

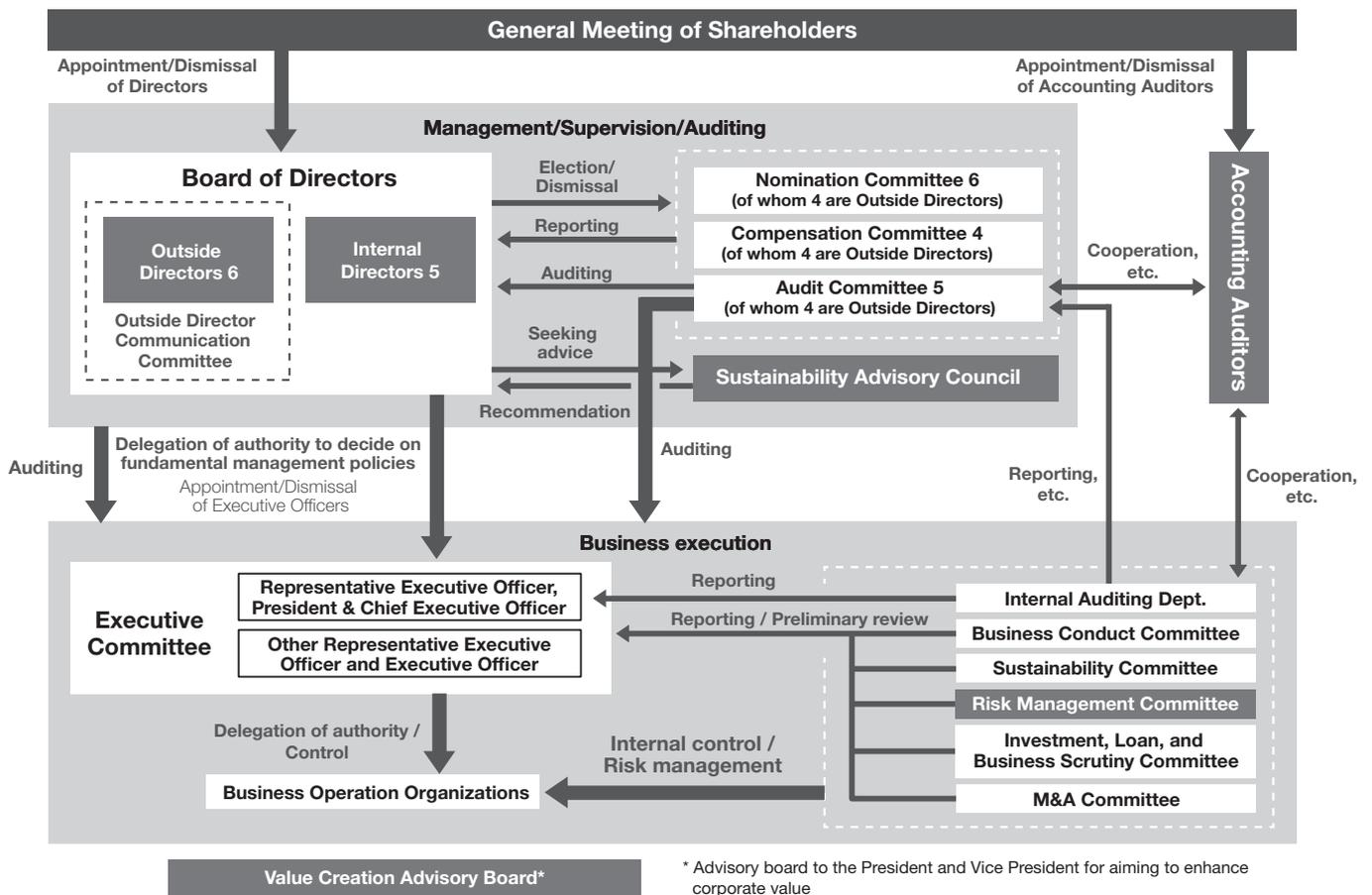
# CORPORATE GOVERNANCE

## Balancing appropriate supervision of business execution and speed of operations

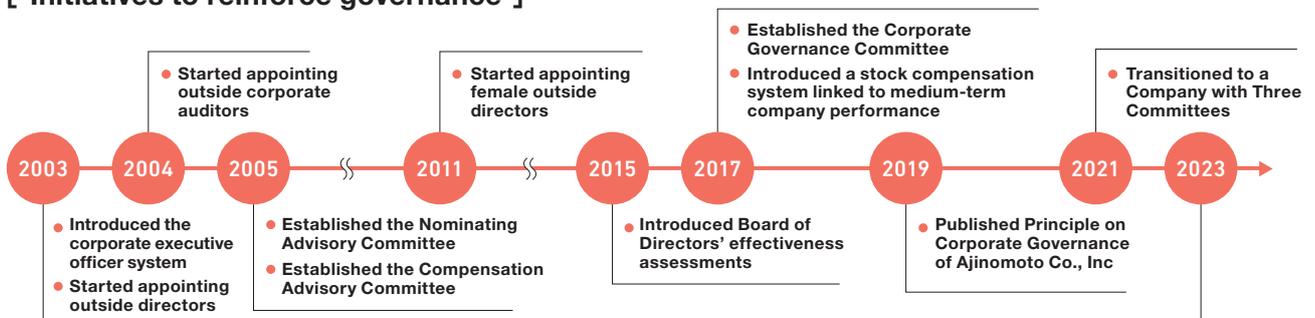
The Ajinomoto Group positions corporate governance as one of the most important aspects of its management foundation for strengthening ASV management and achieving the Group's vision for 2030. Furthermore, in order to enhance the effectiveness of ASV management, we elected to become a Company with Three 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 diverse 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 ensure close communication 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.

At a time when the external environment is undergoing rapid change, comprehensive risk management is more important than ever. We will strictly adhere to the Ajinomoto Group Policies (AGP), which sets out the actions and attitudes that all Ajinomoto Group companies and their officers and employees must observe and continue to work to develop and appropriately operate internal control systems. Furthermore, we will enhance our systems to allow us to view sustainability as proactive risk-taking, and continuously improve business value.

## [ Corporate governance system ]



## [ Initiatives to reinforce governance ]



### Points for reinforcement in fiscal 2023

#### ● Establishment of the Risk Management Committee

Until the previous fiscal year, we had in place a Risk & Crisis Subcommittee as a subcommittee attached to the Sustainability Committee. However, beginning in fiscal 2023 we instituted the Risk Executive Committee to operate in parallel with the Sustainability Committee subordinate to the Management Committee. This committee identifies risks that management should take the initiative in addressing, evaluates their impact on the Ajinomoto Group, and proposes countermeasures.

#### ● Sustainability Advisory Council Second Phase

Inaugurated in fiscal 2021, the Sustainability Advisory Council will continue its activities as the Sustainability Advisory Council Second Phase from April 2023. Comprising four external experts—mainly specialists in the investment and financial markets—this council, on the advice of the Board of Directors, evaluates materiality implementation, disclosure and dialogue on its implementation, and the building of relationships with stakeholders through these, with a view to strengthening monitoring of the Board. The council reports its findings to the Board.

# Auditing Systems

## Offensive and defensive governance

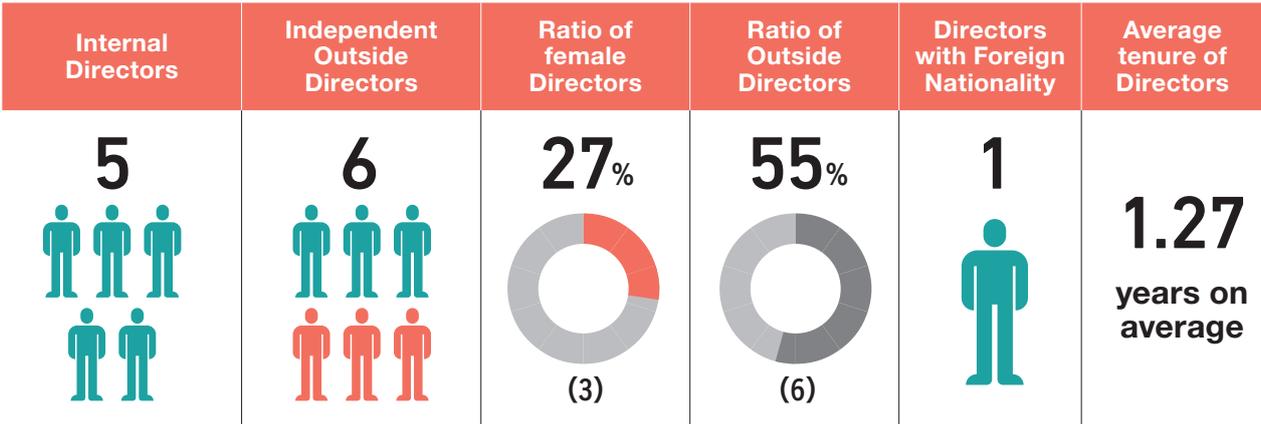
### ► Board of Directors

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 help resolve social issues, contributes to the realization of a sustainable society, and takes responsibility for sustainable enhancement of corporate value.

### Structure of the Board of Directors

The Company has a basic policy which considers the number of members, the percentage of Internal Directors and Independent Outside Directors, the percentage of persons who concurrently serve as Directors and Executive Officers, individual experiences, abilities, insights, internationality, gender, race, ethnicity, nationality, country of origin, cultural background, etc., for the Board. The Board is comprised 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). Additionally, 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 Independent Outside Directors shall occupy a majority, and the Chair of the Board shall be an Independent Outside Director.



Green figures represent men, Orange figures represent women

### ► 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 Independent Outside Directors and two Internal Directors, with an Independent 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 Independent Outside Directors, with an Independent Outside Director serving as chair.

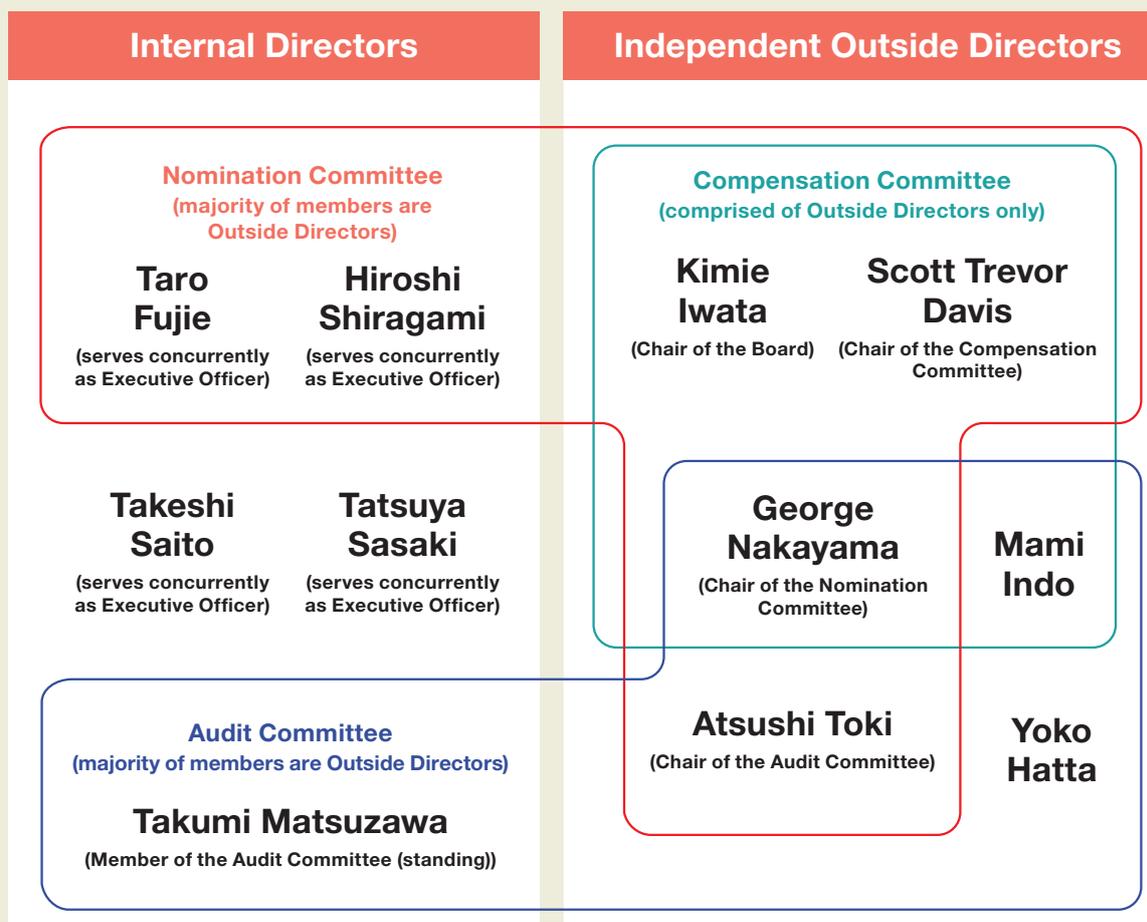
## ▶ Audit Committee

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. Resolutions and deliberations of the Audit Committee are reported to the Board in an appropriate, timely manner. The Audit Committee consists of five members, including four Independent Outside Directors and one Internal Director, with an Outside Director serving as chair.

## ▶ Sustainability Advisory Committee

The Sustainability Advisory Committee has been established as a subordinate organization to the Board of Directors with the aim of making recommendations on how the Ajinomoto Group should address sustainability in order to enhance the brand value of the Group from a sustainability-based standpoint. The committee will evaluate the establishment of materiality, monitoring of sustainability-related activities and dialogues with stakeholders that are associated with materiality, and other matters related to sustainability-related themes. It will also consider other matters on which the Board is consulted.

### Directors and the committees to which they belong



# The skills matrix of the Director

## Management Strategy

Skills to realize enhancement of corporate value through sustainable growth by gaining thorough knowledge of business, and through supervising and promoting an appropriate strategy that is conscious of capital markets.

Reasons for selection: As a solution-providing group of companies for food and health issues, these skills are essential to dramatically increase the corporate value of the Ajinomoto Group through the promotion of Ajinomoto Group Creating Shared Value (ASV) management,

## Global

Skills to supervise and promote appropriate strategies for global business development based on diverse values and cultures.

Reason for selection: These skills are essential for appropriate supervision and promotion of business execution based on understanding of diverse values and cultures for the sustainable global expansion of business domains.

## Sustainability

Skills to supervise and promote appropriate strategies for resolving social issues through business to realize a sustainable society

Reason for selection: These skills are essential to achieve "the extension of healthy life expectancy for 1 billion people" and "the reduction of our environmental footprint by 50%" through ASV management that achieves both social value and economic value.

## Digital

Skills to supervise and promote appropriate strategies for innovation and improvement of productivity, etc., by making full use of IT and digital technologies.

Reason for selection: These skills are essential for transforming the company into a solution-providing group of companies for food and health issues while enhancing our corporate value by raising our competitiveness, efficiency, and productivity through DX.

## R&D/Production

Skills to supervise and promote appropriate strategies for constantly pursuing innovative R&D as well as safe and secure products and services.

Reason for selection: These skills are essential to achieve "the extension of healthy life expectancy for 1 billion people" and "the reduction of our environmental footprint by 50%" through innovation based on the pursuit of "unlocking the power of amino acids."

## Sales/Marketing

Skills to supervise and promote appropriate strategies to enhance brand value to accelerate growth in key businesses.

Reason for selection: These skills are essential for growth through brand management that meets the values of the market and consumers and "Speed Up x Scale Up."

## Finance/Accounting

Skills to supervise and promote appropriate strategies based on advanced expertise in finance, accounting, and tax matters.

Reason for selection: These skills are essential to maximize corporate value through ASV management, to formulate and promote strategies that realize both investment for growth and shareholder returns, and to ensure appropriate supervision of business execution.

## HR /HR Development

Skills to supervise and promote appropriate strategies for each and every diverse human resource to develop and maximize their abilities.

Reason for selection: These skills are essential to evolve ASV management by strengthening human assets, which are the driving force for the enhancement of the value of all intangible assets, through the co-growth of individuals and organizations.

## Legal Affairs/ Risk Management

Skills to supervise and promote appropriate strategies to realize sustainable enhancement of corporate value through legal compliance, corporate governance and risk management.

Reason for selection: These skills are essential to steadily and stably promote ASV management by realizing sustainable enhancement of corporate value through penetration and implementation of Ajinomoto Group Policies (AGP).

## The skills matrix of the Director

Up to four skills of each member are listed. It does not represent all of their skills.

Name	Skill	Management Strategy	Global	Sustainability	Digital	R&D/ Production	Sales/ Marketing	Finance/ Accounting	HR/HR Development	Legal Affairs/Risk Management
Kimie Iwata		○		○					○	
George Nakayama		○	○			○			○	
Atsushi Toki										○
Mami Indo		○						○		○
Yoko Hatta			○					○		○
Scott Trevor Davis		○	○	○					○	
Taro Fujie		○	○				○		○	
Hiroshi Shiragami		○	○		○	○				
Tatsuya Sasaki		○	○	○			○			
Takeshi Saito		○			○	○		○		
Takumi Matsuzawa			○						○	○

## Business Execution

## Toward reliable execution

Executive officers are chosen based on their ability to create new value and demonstrate leadership in optimizing the entire Company, and the Company utilizes a system intended to allow us to evolve into a company that realizes our Purpose by promoting the Medium-Term ASV Initiatives toward the Vision for 2030. Furthermore,

we will also prioritize DE&I. To that end, in April 2023 we will appoint two women, two non-Japanese nationals, and one external professional person with the goal of achieving sustainable improvements to corporate value through both “Purpose × Passion × OE” and “Speed Up × Scale Up.”

### ▶ Executive Committee (ExCom)

The ExCom 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. 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 ExCom. In addition, proposals and reports to the Board are conducted in accordance with the Regulations and the Minor Regulations on Board of Directors, and close communication is made so that the agenda of the Board can be set systematically and effectively. Members of the ExCom 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.

### ▶ Business execution

The business operation organizations include the Corporate Division, Food Products Div. and AminoScience Div. 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 CDO, who oversees the Company’s digital transformation as the head of digital technology, CXO, who oversees the improvement of organizational strengths through operational transformation as the head of companywide operational transformation; and CIO, who oversees new business model creation as the head of business model transformation, to head up these respective functions.

### ▶ Value Creation Advisory Board

An advisory board to the President and Vice President, intended to improve corporate value. Leading professional people from outside the Company are invited with the goal of improving corporate value.

## CEO Succession Plan

The Nomination Committee defines human resource requirements for the position of CEO. The Committee chooses several possible candidates based on those requirements, engages in deliberation on their evaluation, and selects a candidate for the next CEO.

### PROCESS

#### 1 Development and evaluation of candidates

Candidates are executive officers\*. Development is the responsibility of the executive side, with evaluation performed by the Nomination Committee.

#### 2 Selection of new CEO

Performed based on “Requirements for Human Resources to be CEO”

#### 3 Evaluation of current CEO

Performed annually based on internal and external information

#### 4 Decision on resignation of current CEO

Decision made based on evaluation of whether to reappoint current CEO

\* Not excluding human resources outside the Company

## Board of Directors

# Initiatives to Stimulate Discussion at the Board of Directors

The Ajinomoto Board of Directors engages in a range of initiatives aimed at stimulating discussion to enhance corporate value in a sustainable manner. We will also report on evaluation of the effectiveness of the Board of Directors as well as some of the Board discussions.



# Points on stimulating discussion

## Point 1

### Stimulating discussion

At the Ajinomoto Group, (1) the Board of Directors provides overall direction on important managerial issues, delegating authority to the executive side, (2) the executive side, spearheaded by the CEO, conducts operations quickly under the authority delegated and makes proposals and reports to the Board in a timely manner, (3) and the Board oversees said execution. In this cycle, the Board and the executive side conduct an in-depth exchange of information, and work continuously to enhance corporate value by fulfilling their roles in a tense relationship of trust.

## Point 2

### Board member diversity

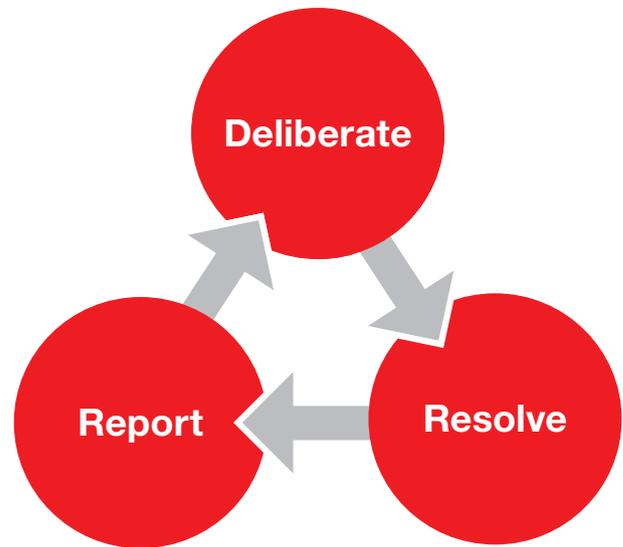
To enhance corporate value in the medium to long term, we must work to enhance corporate value by encouraging risk-taking on the executive side while avoiding the loss of corporate value due to compliance violations or errors of judgment by management. Accordingly, we are diversifying the makeup of the Board of Directors with the goal of encouraging deliberation from a variety of angles and make optimal managerial decisions based on a broad range of information, specialist knowledge, and values.

## Point 3

### Enhancing discussion on “Seven Important Management Matters”

As described above, the Board of Directors engages in in-depth deliberations at length on each item of the agenda, formulating meeting schedules for the year taking into account the schedules for important meetings of the executive side and the sequence of the theme for deliberation, in order to provide overall direction with regard to the “Seven Important Management Matters” that the Ajinomoto Group believes will have a significant impact on business value in the medium to long term. Please refer to the table at right for details on the “Seven Important Management Matters.”

[ Flow of discussion on the “Seven Important Management Matters” ]



[ “Seven Important Management Matters” ]

- 1 **Corporate value (ASV value creation cycle starting from intangible assets)**
- 2 **Capital policy, balance sheet optimization, shareholder returns**
- 3 **Decision making process, governance system structure design, development, policy, operation**
- 4 **Management plans such as Medium-term ASV Initiatives road map, etc.**
- 5 **Restructuring of business portfolio including exits**
- 6 **Large-scale M&A**
- 7 **Large-scale investments**

## ► Evaluation of the Board’s effectiveness

The Ajinomoto Group defines the “effectiveness” of the Board of Directors as, “How appropriately the Board of Directors fulfills its objective of properly supervising execution by examining the appropriateness of the execution process and results, as well as encouraging execution risk-taking by discussing and examining important management matters that greatly influence corporate value and showing a major direction.”

To achieve sustainable growth through unique value creation using ASV initiatives, we are implementing a range of initiatives aimed at achieving a highly effective

Board of Directors. As part of these efforts, the effectiveness of the Board of Directors is evaluated every year.

The method of evaluation is revised every year. In fiscal 2022, we conducted a survey of all Directors that included an expanded number of participants over that of fiscal 2021, when it was inaugurated. As a result, issues requiring improvement that were difficult to identify through a survey alone were identified, and the Board of Directors deliberated countermeasures and created a roadmap for resolution.

### [ Details of Evaluation Process in FY2022 ]

#### ● Survey

Subjects: All Directors Method: Named Item assessed (Summary):  
 a: Seven Important Management Matters (\*)  
 b: Operation of the Board of Directors  
 c: Effectiveness of performing responsibilities  
 d: Three Statutory Committees and other important committees  
 e: Regarding the issues pointed out last year

#### ● Interview

Interviewer: Board Secretariat  
 Persons Interviewed: Chairman of the Board of Directors, all other Independent Outside Directors, and the President and CEO (7 persons in total) (Expansion of persons interviewed)  
 Interview items: Based on the results of the survey and comments, the Chairman and the Board Secretariat selected items that were not highly evaluated by Directors, items that were dispersed in the survey, and items that were pointed out as issues of concern.

\*The following seven themes which are defined by the Company as the matters that the Board of Directors deliberates and indicate a major direction to the executive side: (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.

## Results of evaluation

The results of surveys and interviews showed that the effectiveness of the Board of Directors is generally highly evaluated, and we believe that this is due to ongoing efforts to improve this effectiveness. Working to address the issues identified in the fiscal 2021 Board effectiveness evaluation, in fiscal 2022 we engaged in the following initiatives to further improve this effectiveness and confirmed that these efforts have helped deepen Board deliberations and strengthen the Board’s supervisory function. However, we have also confirmed that there is room for further improvement in some areas. Based on deliberations of the Board of Directors about the evaluation results, we will promote initiatives to improve the Board’s effectiveness, as described below.

### Initiatives to Improve Effectiveness in FY2022

#### 1 Further Enhancement of Deliberations on Seven Important Management Matters

This year, the Board’s deliberations centered on the themes described below. Emphasis was given to the “Medium-Term ASV Initiatives 2030 Roadmap.” Some of the discussions are shown on the following pages.

- Purpose-Driven Management by Medium-Term ASV Initiatives 2030 Roadmap
- Capital Strategy including shareholder structure in 2030
- Human Resources Strategy for realization of human assets in 2030
- Initiatives for the transformation of the Ajinomoto Group’s corporate culture

#### 2 Strengthen discussions and formulate policies on the effectiveness of IT governance and information system structure

#### 3 Improving the operation of the Board of Directors (scheduling Board items evenly, improving the quality of materials, etc.)

#### 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

### Efforts to Improve Effectiveness in FY2023

#### 1 Further encouragement of appropriate risk-taking

#### 2 Efforts to ensure that the opinions of stakeholders are more reflected

#### 3 Enhance deliberations on M&A and IT governance

#### 4 Further Enhancement of Measures to Improve Literacy of Directors

#### 5 Further use of the Outside Director Communication Committee and the Outside Director Study Sessions

## ▶ Part of the discussions on Medium-Term ASV Initiatives

Throughout this year, the Board of Directors has engaged in discussions that placed a particular emphasis on the Medium-Term ASV Initiatives Roadmap that is to

be newly formulated. The following is a summary of deliberation related to Medium-Term ASV initiatives and improvement of corporate value.

### Discussions on transforming to Medium-Term ASV initiatives from a backcast perspective

---

- The Ajinomoto Group is skilled at setting achievable goals and working steadily to attain them but needs to work toward more challenging objectives.
- Overall, the way of thinking seems to be an extension of the current situation. We must create new concepts and make the gap between those and the status quo clear.
- We must clarify and communicate the differences between previous medium-term management plans and backcast-based Medium-Term ASV Initiatives.
- We must introduce methods to set high goals, define KPIs to measure their achievement, and track and reevaluate these frequently. The transition from a business-specific accumulation model represents a significant challenge, and as such the introduction of such methods is key to breaking away from accumulation-based models.

### Discussions of encouraging executive side risk-taking with regard to Medium-Term ASV initiatives

---

- It is essential that “risks” be recognized and explained on the executive side, and that proposals be made for their implementation. Conversely, the evaluation of both by the Board of Directors is vital.
- The executive side has set its sights high with challenging risk-taking in the 2030 Roadmap. We hope to see whether risk-taking is exercised in the execution phase, and if measures to respond to the materialization of risks are being firmly considered.
- In formulating 2030 Roadmap, I feel that the Board of Directors had encouraged executive side’s challenge. We executive side would like to take on this challenge of 2030 Roadmap.
- The range of choices available in approaching challenges is important. The availability of other choices than those proposed allows for a comprehensive discussion of risk. It is essential to expand the range of options for approaching an objective.

# Compensation

Matters related to policies on the content of compensation, etc., for individual Directors and Executive Officers are decided by the Compensation Committee

## Basic Policy on Determining Officer Compensation

- Compensation must conform to the Ajinomoto Group Policies (AGP), and lead to medium- to long-term expansion of the corporate value.
- Compensation must be at a level that is sufficiently competitive compared to market standards.
- Details on compensation must be explainable to stakeholders and be decided in a transparent process

### ► Compensation for Executive Officers

Compensation for executive officers (including those serving concurrently as members of the Board of Directors) comprises basic compensation, short-term incentives, and medium-term stock-based incentives.

**Basic compensation:** Fixed monthly amount in cash

**Short-term incentives:** Incentive to encourage appropriate management and steady achievement of performance targets over a single fiscal year

**Medium-term stock-based incentives:** Incentives aimed at increasing corporate value and achieving sustainable improvements to performance in the medium term at the Ajinomoto Group

### ► Determination of ratio of compensation paid

The proportions of basic compensation, short-term incentives, and medium-term stock-based incentives paid to the Representative Executive Officer, President & Chief Executive Officer who serve concurrently as Director is approximately 30:25:45, and 50:30:20 for Executive Officers on an annual basis\* 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.

\* When medium-term stock-based incentives are paid annually on a flat basis.

### ► Setting of Individual Compensation

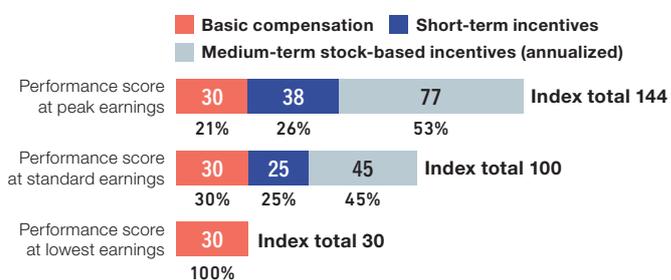
Compensation for individual directors or officers is set based on the supervisory and executive duties of the person concerned. The level of compensations is sufficiently competitive with the market level.

### ► Compensation of Outside Directors and Internal Directors Serving on the Audit Committee

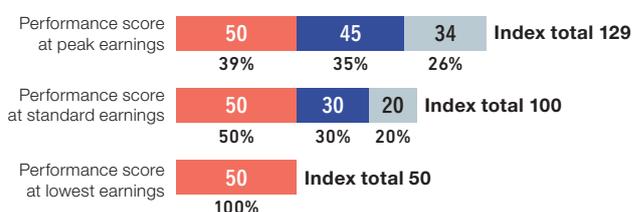
Only basic compensation will be paid for outside directors and for internal directors serving on the Audit Committee.

For more information, see the Policy for determining individual compensation for Directors and Executive Officers.  
[https://www.ajinomoto.co.jp/company/en/ir/strategy/corp\\_gov/main/0/teaserItems1/03/linkList/01/link/individual%20compensation\\_E.pdf](https://www.ajinomoto.co.jp/company/en/ir/strategy/corp_gov/main/0/teaserItems1/03/linkList/01/link/individual%20compensation_E.pdf)

#### [ Representative Director, President & Chief Executive Officer ]



#### [ Executive Officer ]



## ► Performance Indicators for Company Performance-linked Compensation

### [ Short-term incentives ]

Evaluated based on companywide and individual performance, with evaluation of these weighted at approximately 1:1. However, executive officers serving concurrently on the Board of Directors are evaluated only on companywide performance.

### [ Individual performance ]

Individual performance-linked compensation is determined by the Compensation Committee evaluating individual performance, and then setting compensation according to a predetermined compensation table.

### [ Medium-term stock-based incentives ]

Evaluation indices, targets, and evaluation weightings for medium-term performance-linked stock compensation are as follows.

Assessment criteria		Performance target	Assessment weighting
Economic value indicators	ROIC (Return on Invested Capital) <sup>3,4</sup>	FY2023: 9.5% FY2024: 10.0% FY2025: 11.0%	40%
	Relative TSR (Comparison to TOPIX) <sup>5</sup>	1	20%
Social value indicators	GHG emission reduction rate	Scope 1,2: 30% reduction Scope 3: 14% reduction	10%
	Headcount of extending the healthy life expectancy	850m	10%
Strengthening intangible assets indicators	Employee engagement score <sup>6</sup>	80%	10%
	Percentage of female line managers	35%	5%
	Corporate brand value <sup>7</sup>	USD1,484m	5%

### [ Company-wide performance ]

Companywide performance-linked compensation = Position-specific base amount<sup>1</sup> × Evaluation index<sup>2</sup>

\*1 A standard amount predetermined by the Compensation Committee

\*2 The evaluation index is calculated based on the sum of the following three elements. However, if the achievement ratio of each evaluation index exceeds 1.25, the maximum index shall be set as 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%

\*3 ROIC (Return on Invested Capital) is calculated using the method shown below (all values are on a consolidated basis).

∴ ROIC = (Operating income after tax for the fiscal year) ÷ [(Capital invested in that fiscal year) + (Capital invested in the previous fiscal year) ÷ 2] \* Invested capital = Shareholders' equity attributable to the owners of the parent company + interest-bearing debt

\*4 Weighted average value of target achievement rate in each fiscal year of the Period  
(Weighted average weight: 25% in FY2023, 25% in FY2024, 50% in FY2025)

\*5 Rate of achievement of FY2025 targets Relative TSR is calculated using the method shown below.  
Relative TSR = (Total shareholder return on the last day of the most recent fiscal year) ÷ (TOPIX total shareholder return including dividends for the period corresponding to the Company's total shareholder yield calculation period)

\*6 The Employee engagement score is determined by the average value of the nine questions about "the ASV achievement process" in the engagement survey by the Company.

\*7 The Corporate brand value is evaluated by using the "Best Japan Brands" published by Interbrand.

## ► Total amount of consolidated compensation paid to officers in fiscal 2022

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

### [ Directors (excluding Outside Directors) ]

¥504 million (¥298 million of monthly compensation, ¥115 million of short-term incentives and ¥91 million of medium-term stock-based incentives) was paid to eight Directors.

### [ Executive Officers ]

¥878 million (¥429 million of monthly compensation, ¥253 million of short-term incentives, and ¥195 million of medium-term stock-based incentives) was paid to 18 Executive Officers.

### [ Outside Directors ]

¥106 million (monthly compensation only) was paid to seven Outside Directors.

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

Name	Executive classification	Company classification	Total amount of compensation, etc. by type (millions of yen)			Total amount of compensation, etc., (millions of yen)
			Basic compensation	Short-term incentives	Medium-term stock-based incentives	
Taro Fujie	Director	Ajinomoto Co., Inc.	74	55	28	158
Hiroshi Shiragami	Director	Ajinomoto Co., Inc.	50	35	23	109
Jiro Sakamoto <sup>8</sup>	Executive Officer	Ajinomoto Co., Inc.	23	14	10	111
	Director	Ajinomoto Health & Nutrition North America, Inc.	49	13	—	

\*8 Jiro Sakamoto is serving concurrently as the president of a Group company overseas, and receives compensation adjusted for the amount equivalent to the value of the income taxes that would be imposed if he were working in Japan. Additionally, the total amount of compensation, etc., also includes allowances provided in accordance with assignment overseas, and compensation for the amount equivalent to income taxes levied in Japan and in the country where Mr. Sakamoto is assigned.

# Sustainability and Risk Management

The Ajinomoto Group faithfully complies with the Ajinomoto Group Policies (AGP), which lays out the actions and attitudes to be observed by each Group Company and its officers and employees, and will work continuously to deploy and appropriately operate internal control systems, while strengthening systems to treat sustainability as proactive risk-taking and improve our corporate value in a sustainable manner.

We will strengthen sustainability promotion systems in order to continuously improve corporate value from the standpoint of sustainability. The Group’s systems intended to promote sustainability are as follows.

The Board of Directors will construct systems to offer recommendations on the state of the Ajinomoto Group

with regard to sustainability and ESG from a multi-stakeholder perspective, as exemplified by the establishment of the Sustainability Advisory Council Second Phase. It will determine important issues (materiality) for the Ajinomoto Group that will serve as a guide for ASV management, and supervise the execution of initiatives and efforts directed toward sustainability.

The Executive Committee has established the Sustainability Committee as a subordinate organization, identifies and selects risks and opportunities at a companywide management level, and is constructing systems to evaluate their level of impact, formulate measures to address them, and manage progress.

## Governance Systems Associated with Sustainability



## ► Sustainability Advisory Council Second Phase

From April 2003, the Sustainability Advisory Council Second Phase will continue activities intended to improve the corporate value of the Ajinomoto Group from a sustainability standpoint.

The Sustainability Advisory Council Second Phase comprises four external specialists, mainly from the investment and financial markets, and is chaired by an outside expert. Working in consultation with the Board of

Directors with the goal of strengthening the monitoring of the Board, it examines the implementation of materiality and associated disclosure and dialogue regarding the progress of this implementation, in doing so building relationships with stakeholders.

For more information refer to the Sustainability Advisory Council Second Phase. [https://www.ajinomoto.com/sustainability/framework/advisory\\_council.php](https://www.ajinomoto.com/sustainability/framework/advisory_council.php)

## ► Sustainability Committee

To promote sustainable management, the Sustainability Committee formulates measures, offers proposals to the ExCom, and manages the progress of sustainability measures in accordance with materiality. Additionally, it also formulates measures to address risks associated with companywide management issues based on materiality, and engages in activities related to managing the progress of these, while creating sustainability strategies for the Group, promoting themes (nutritional, environmental, and social) based on these strategies, offers recommendation and support for business plans from a sustainability standpoint, and compiles in-house information on ESG.

## Internal Control System

The Group positions internal control as an essential issue for management. The Board of Directors passed the Basic Policy on the Internal Control System, and the Group is striving to develop and enhance the Internal Control System. The operational status and effectiveness of the Internal Control System are verified at an annual Internal Controls Effectiveness Verification Committee, and the results reported to the Board.

For more information, see "Basic policy on the Internal Control System"

## 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

We will 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 the AGP. In addition, the Business Conduct Committee thoroughly disseminates the 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.

## ► Risk Management Committee

The Risk Management Committee has been established in parallel with the Sustainability Committee as a subordinate organization to the ExCom. It identifies risks that management should take the initiative in addressing, evaluates their impact on the Group, and formulates measures to address them. If the Risk Management Committee determines that the risks identified can be more effectively handled by the Sustainability Committee, it will work in close cooperation with the Sustainability Committee, to which it may delegate handling of these risks.

For more information, see, "Sustainability Approach and Structure"

## Principal Risks

The Group has established important issues (materiality) that are important to the Group with a view to achieving the Group's vision and improving corporate value in the long term. Risks and opportunities associated with materiality issues are detailed on the Annual Securities Report. Risks and opportunities associated with finance are also detailed on the Annual Securities Report.

For more information, see "145th Annual Securities Report (in Japanese only)"

## ► Whistle-blowing System

The Group has instituted the "Group Shared Policy on Whistle-blowing" and established a system for internal reporting, as well as a hotline for both internal and external use as a point of contact for internal reporting, in order to prevent, detect, and correct misconduct at an early stage. We investigate the veracity of internal reports and requests for advice received, formulate corrective measures and countermeasures which we implement (after consultation with the Business Conduct Committee if necessary), and report the results of these actions to the Business Conduct Committee. Additionally, we have established an Audit Committee Hotline as a dedicated point of contact for use in cases where the involvement of officers of our affiliates is suspected, with members of the Audit Committee, including outside directors, responding in such cases.

# 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: 22,100  
Meeting attendance (FY2022)  
Board of Directors: 100% (13/13)  
Nomination Committee: 100% (7/7)

#### [ Career summary ]

1985 Joined the 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 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  
Member of the Nomination Committee



Number of Company shares held: 14,715  
Meeting attendance (FY2022)  
Board of Directors: 100% (13/13)

#### [ Career summary ]

1986 Joined the 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 Representative Executive Officer & Executive Vice President in April (current position), and Director in June (current position)

### Tatsuya Sasaki

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



Number of Company shares held: 7,837  
Meeting attendance (FY2022)  
Board of Directors: 100% (13/13)

#### [ Career summary ]

1986 Joined the Company  
2013 General Manager, Corporate Planning Dept.  
2019 President, AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA.  
2022 Appointed Executive Officer & Senior Vice President (current position), and General Manager, Global Corporate Division and Corporate Service Division in April, and Director in June (current position)  
2023 General Manager, Corporate Division (current position)

### Takeshi Saito

Director  
Executive Officer & Vice President  
Chief Transformation Officer (CXO)



Number of Company shares held: 5,900  
Meeting attendance (FY2022) —

#### [ Career summary ]

1992 Joined Corporate Directions, Inc.  
2005 Managing Director, Industrial Revitalization Corporation of Japan  
2019 Chief Development Officer, Misaki Capital, Inc.  
2021 Advisor and Assistant to CXO, Ajinomoto Co., Inc.  
2023 Executive Officer & Vice President (current position) and Chief Transformation Officer (CXO) (current position) in April, and Director (current position) in June

### Takumi Matsuzawa

Director  
Member of the Audit Committee (Standing)



Number of Company shares held: 15,470  
Meeting attendance (FY2022) —

#### [ Career summary ]

1987 Joined the Company  
2018 General Manager, Human Resources Dept.  
2021 Executive Officer, and General Manager, Internal Auditing Dept.  
2023 Executive Officer & Vice President in April, and Director in June (current position)

## ► Directors

### Kimie Iwata

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



**Number of Company shares held: 1,700**  
**Meeting attendance (FY2022)**  
**Board of Directors: 100% (18/18)**  
**Nomination Committee: 90% (9/10)**  
**Compensation Committee: 92% (12/13)**

#### [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 other meetings, she has demonstrated great leadership as the Chair of the Board since June 2021.

### George Nakayama

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



**Number of Company shares held: 600**  
**Meeting attendance (FY2022)**  
**Board of Directors: 100% (18/18)**  
**Nomination Committee: 100% (10/10)**  
**Compensation Committee: 100% (13/13)**  
**Audit Committee 100% (10/10)**

#### [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 Board of Directors' meetings and supervision of the way business is carried out.

### Atsushi Toki

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



**Number of Company shares held: 5,400**  
**Meeting attendance (FY2022)**  
**Board of Directors: 94% (17/18)**  
**Nomination Committee: 100% (7/7)**  
**Audit Committee: 100% (15/15)**

#### [Reasons for appointment]

Mr. Toki has specialized knowledge as an attorney at law and has a wealth of experience. Since assuming the position of external auditor in June 2016, he has utilized his extensive knowledge relating to corporate law to actively participate from his legal perspective at 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

**Independent Outside Director**  
**Member of the Compensation**  
**Committee and the Audit Committee**



**Number of Company shares held: 1,100**  
**Meeting attendance (FY2022)**  
**Board of Directors: 100% (18/18)**  
**Compensation Committee: 100% (8/8)**  
**Audit Committee: 100% (15/15)**

#### [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 the Company. Since being appointed as an Audit & Supervisory Board member (External) in June 2020, she has made a great contribution, especially in the areas of governance and risk management.

### Yoko Hatta

**Independent Outside Director**  
**Member of the Audit Committee**



**Number of Company shares held: 0**  
**Meeting attendance (FY2022)**  
**Board of Directors: 100% (13/13)**  
**Audit Committee: 100% (10/10)**

#### [Reasons for appointment]

Ms. Hatta has extensive experience at international accounting firms and great insight into international taxation and other matters, areas in which her insights have won acclaim both inside and outside the Company. She has made substantial contributions to the Ajinomoto Group, especially in the areas of finance and accounting since her appointment as an outside director in June 2022.

### Scott Trevor Davis

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



**Number of Company shares held: 0**  
**Meeting attendance (FY2022) —**

#### [Reasons for appointment]

Mr. Scott Trevor Davis is a professor in the Department of Global Business, College of Business, Rikkyo University. He has a high level of academic knowledge regarding the theory and practice of social value creation through management strategies, as well as extensive insight into CSR and sustainability. From April 2021 to March 2023, he chaired the Company's Sustainability Advisory Committee, providing suitable traction for reports to the Board of Directors on Materiality.

## ▶ Executive Officers



### 1 Taro Fujie

Director, Representative Executive Officer,  
President & Chief Executive Officer

### 2 Hiroshi Shiragami

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

### 3 Junichiro Kojima

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

### 4 Yoshiteru Masai

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

### 5 Takayuki Koda

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

### 6 Takeshi Saito

Director  
Executive Officer & Vice President  
Chief Transformation Officer (CXO)

### 7 Sumio Maeda

Executive Officer &  
Vice President, General Manager,  
AminoScience Division

### 8 Eiichi Mizutani

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

### 9 Chika Morishima

Executive Officer & Vice President  
In charge of Sustainability and  
Communications

### 10 Tatsuya Sasaki

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

### 11 Smriga Miroslav

Executive Officer  
In charge of Quality Assurance

## ▶ Value Creation Advisory Board

### Akira Sato

Partner, Value Create Inc.



#### [ Career summary ]

Highly evaluated as chosen for first place in the general corporate category of analyst rankings. Took part in launching an asset management company for long-term and engagement investment. Currently involved in value creation for numerous companies based on the theme of combining intangible assets and corporate value.

#### [ Perspectives expected from Mr. Sato ]

Providing perspectives and information on corporate value creation, and dialogues with management members on this subject. Advice on investor relations and capital policy, etc., from an investor's perspective. Proposals on different perspectives to the management meeting.

### Masahito Namiki

CEO, Interbrand Japan, Inc.



#### [ Career summary ]

Consulting with many corporate managers and engagement with top media regarding brands as management assets that create corporate value. Particularly focused on taking branding concepts to the next level, centered on the identity of brands for managers, and new approaches to branding.

#### [ Perspectives expected from Mr. Namiki ]

Proposals for improving branding and new approaches to branding initiatives as a source for corporate value creation. Provision of information based on leading branding methodologies. Support for improving brand strength in overseas operations.

### Wataru Baba

CEO, Mononaware Inc.



#### [ Career summary ]

Active as a hands-on advisor, incorporating the ability to create a positive impact through innovation into strategies for corporate growth. At Panasonic, he developed the Group's medium- to long-term strategy, centering on the ability to address climate change issues.

#### [ Perspectives expected from Mr. Baba ]

Proposals for approaching innovation and sustainability from a global viewpoint to enhance corporate value. Provision of information on the latest trends in sustainability and innovation.

## ▶ Executive Officers

---

### Taro Fujie

Representative Executive Officer,  
President &  
Chief Executive Officer

### Hiroshi Shiragami

Representative Executive Officer &  
Executive Vice President  
Chief Innovation Officer (CIO), and  
Supervision of Research and  
Development

### Tatsuya Sasaki

Executive Officer &  
Senior Vice President  
General Manager, Corporate Division

### Yoshiteru Masai

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

### Takayuki Koda

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

### Sumio Maeda

Executive Officer & Vice President  
General Manager,  
AminoScience Division

### Junichiro Kojima

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

### Chika Morishima

Executive Officer &  
Vice President,  
In charge of Sustainability  
and Communications

### Takeshi Saito

Executive Officer &  
Vice President,  
Chief Transformation Officer (CXO)

### Eiichi Mizutani

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

### Smriga Miroslav

Executive Officer  
In charge of Quality Assurance

### Ikuo Kira

Executive Officer & Vice President  
Deputy General Manager,  
AminoScience Division,  
and General Manager,  
Research Institute for  
Bioscience Products &  
Fine Chemicals,  
and General Manager, Kawasaki  
Administration &  
Coordination Office

### Ichiro Sakakura

Executive Officer & Vice President  
General Manager,  
ASEAN Division

### Jiro Sakamoto

Executive Officer & Vice President  
General Manager,  
North America Division

### Tatsuya Okamoto

Executive Officer & Vice President  
Deputy General Manager,  
Food Products Division, General Manager,  
Marketing Design Center

### Masami Kashiwakura

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

### Hideaki Kawana

Executive Officer & Vice President  
Supervision of Frozen Foods

### Shigeo Nakamura

Executive Officer & Vice President  
General Manager,  
Latin America Division

### Takayuki Tahara

Executive Officer & Vice President  
Deputy General Manager,  
Food Products Division,  
and Supervision of  
Food Products Sales

### Masaki Kashihara

Executive Officer  
In charge of Business Model  
Transformation

### Takaaki Arashida

Executive Officer  
In charge of Corporate Planning

### Shino Kayahara

Executive Officer  
In charge of Diversity and HR

### Maiko Mori

Executive Officer  
Deputy General Manager,  
Food Products Division  
General Manager,  
Quick Nourishment Dept.

### Michael Lish

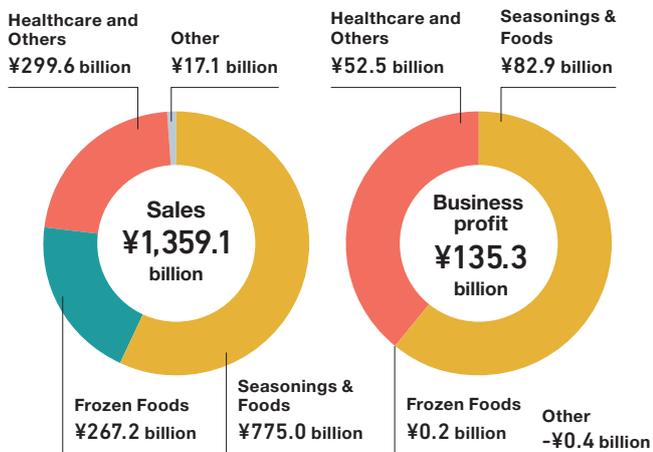
Executive Officer  
Deputy General Manager,  
AminoScience Division  
General Manager,  
Amino Acids Dept.

### Shuhei Takehara

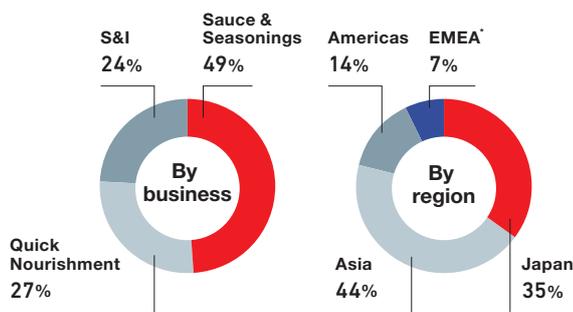
Executive Officer  
In charge of Internal Control  
and Audit Committee

Review of Financial Results by Segment

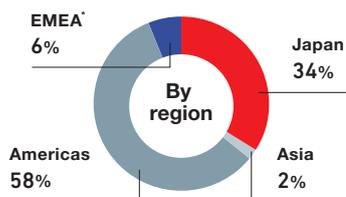
[ Fiscal 2022 sales and business profit ]



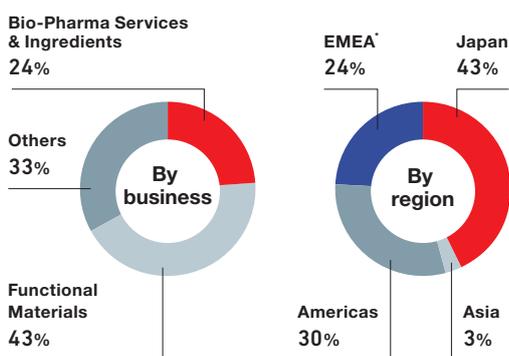
[ Sales composition of Seasonings & Foods ]



[ Sales composition of Frozen Foods ]



[ Sales composition of Healthcare and Others ]



\* Europe, the Middle East, and Africa

Seasonings & Foods

Major businesses included in this segment

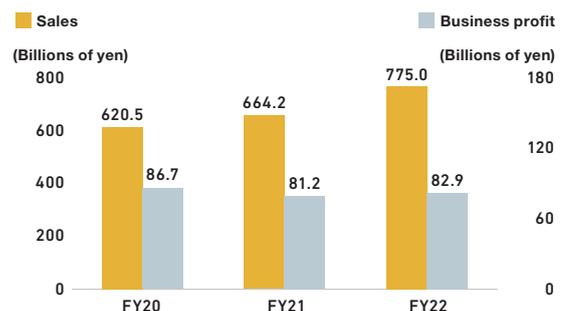
- Sauce & Seasonings
- Quick Nourishment
- Solution & Ingredients (S&I)

Fiscal 2022 results

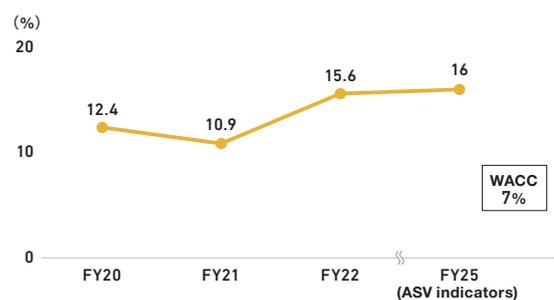
Sales and profit increased overall.

Sales increased year on year due to higher unit prices and sales volumes overseas, as well as to the effect of currency translation. Business profit exceeded that of the previous fiscal year due to currency translation effects and increased sales, in spite of the increased cost of raw materials and other items.

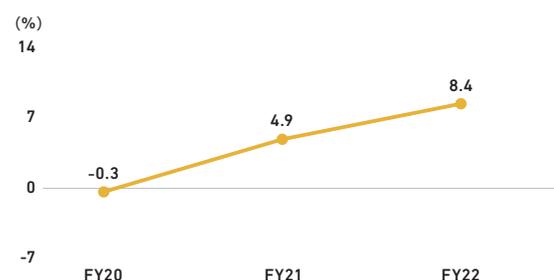
[ Sales and business profit ]



[ ROIC ]



[ Organic sales growth ]



## Frozen Foods

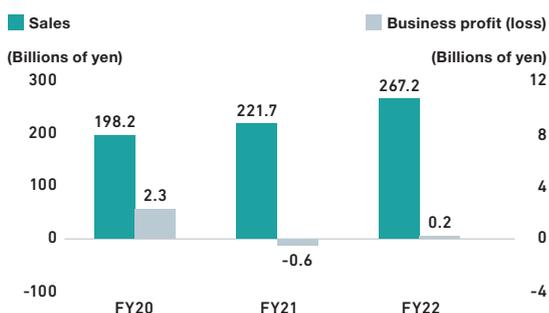
### Fiscal 2022 results

Sales and profit increased overall.

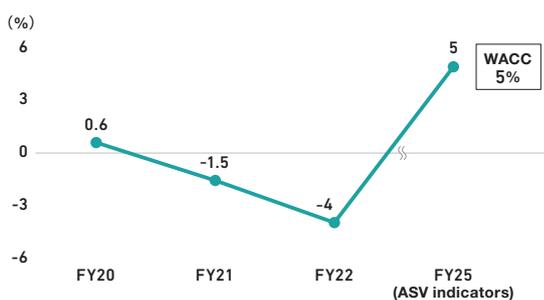
Sales increased year on year due to the effect of currency translation and increased unit prices.

Business profit exceeded that of the previous fiscal year due to increased sales and effects of currency translation, in spite of the increased cost of raw materials and other items.

#### [ Sales and business profit (loss) ]



#### [ ROIC ]



#### [ Organic sales growth ]



## Healthcare and Others

### Major businesses included in this segment

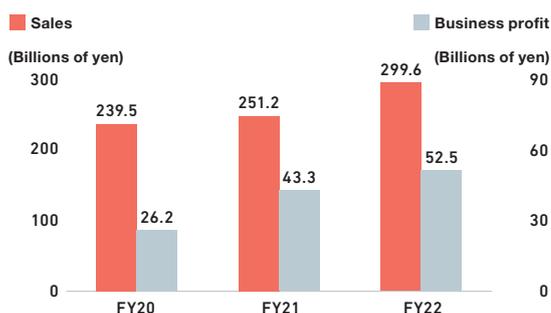
- Bio-Pharma Services & Ingredients
- Functional Materials (Electronic Materials, etc.)

### Fiscal 2022 results

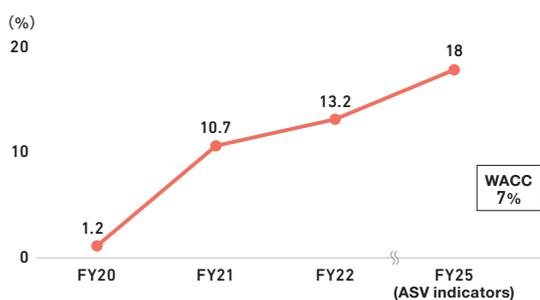
Sales and profit increased overall.

Sales increases year on year due to increased sales of Bio-Pharma Services & Ingredients, Functional Materials, and other items, as well as to the effect of currency translation. Business profit exceeded that of the previous fiscal year due to increased sales and effects of currency translation.

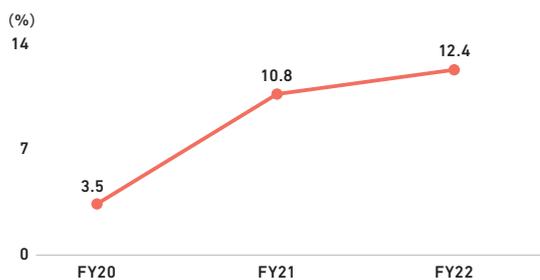
#### [ Sales and business profit ]



#### [ ROIC ]



#### [ Organic sales growth ]



## Ten-Year Summary of Financial Data

(Millions of yen)

Japanese GAAP	FY2013	FY2014	FY2015
For the year:			
Net sales	951,359	1,006,630	1,184,100
Cost of sales	(635,594)	(659,509)	(769,230)
Gross profit	315,765	347,121	414,870
Selling, general and administrative expenses	(253,957)	(272,601)	(323,989)
Operating income	61,807	74,519	90,880
Non-operating income (expenses), Extraordinary gains (losses)	10,754	4,529	9,272
Net income before taxes	72,561	79,049	100,153
Profit attributable to owners of parent	42,159	46,495	63,427
Capital expenditures	50,602	50,927	58,867
Depreciation and amortization	45,746	43,376	50,920
At year-end:			
Total assets	1,093,165	1,255,090	1,262,113
Shareholders' equity	594,950	669,576	619,872
Interest-bearing debt (net)	10,538	43,299	43,462
Per share (Yen):			
Earnings (EPS)	¥68.70	¥78.50	¥107.90
Book value (BPS)	1,002.3	1,131.4	1,066.8
Dividends	20.0	24.0	28.0
Liquidity ratios:			
Debt-equity ratio <sup>1</sup>	0.07	0.13	0.16
Interest coverage ratio (Times)	31.0	50.4	57.1
Investment indicators:			
Price/earnings ratio (PER) (Times)	21.2	33.5	23.5
Price/book value ratio (PBR) (Times)	1.5	2.3	2.4
Profitability indicators:			
Return on assets (ROA) (%) <sup>2</sup>	3.9	4.0	5.0
Return on equity (ROE) (%) <sup>3</sup>	7.1	7.4	9.8
Efficiency indicators:			
Asset turnover (Times) <sup>4</sup>	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	FY2022
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	1,359,115
Cost of sales	(757,135)	(704,177)	(720,118)	(719,299)	(696,166)	(665,234)	(723,472)	(888,727)
Gross profit	392,291	387,018	394,666	395,008	403,873	406,219	425,897	470,387
Selling, R&D, G&A expenses	(295,315)	(292,701)	(302,959)	(301,253)	(302,191)	(294,399)	(305,966)	(339,372)
Business profit <sup>1</sup>	98,144	96,852	95,672	93,237	99,236	113,136	120,915	135,341
Operating profit	99,678	83,617	78,706	53,642	48,773	101,121	124,572	148,928
Profit before income taxes	98,778	86,684	80,819	54,698	48,795	98,320	122,472	140,033
Profit attributable to owners of the parent company	71,292	53,065	60,124	29,698	18,837	59,416	75,725	94,065
Capital expenditures	58,459	89,677	79,417	79,632	83,666	91,834	74,102	69,850
Depreciation and amortization	50,852	46,273	51,783	52,485	61,986	63,045	66,234	71,820
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	1,511,734
Equity attributable to owners of the parent company	609,486	616,315	640,833	610,543	538,975	620,257	686,909	768,676
Interest-bearing debt (net)	64,089	149,980	156,337	183,297	272,031	225,213	212,508	203,722
Per share (Yen):								
Earnings (EPS)	¥121.23	¥92.81	¥105.76	¥53.62	¥34.37	¥108.36	¥139.42	¥175.97
Book value (BPS)	1,048.96	1,082.90	1,128.44	1,113.93	983.19	1,130.82	1,280.50	1,452.24
Dividends	28.0	30.0	32.0	32.0	32.0	42.0	52.0	68.0
Liquidity ratios:								
Net debt-equity ratio <sup>2</sup>	0.19	0.31	0.32	0.36	0.57	0.44	0.36	0.31
Interest coverage ratio (Times)	58.8	44.0	43.3	38.1	32.6	49.2	45.0	31.4
Investment indicators:								
Price/earnings ratio (PER) (Times)	20.9	23.7	18.0	33.0	58.5	20.9	24.9	26.2
Price/book value ratio (PBR) (Times)	2.4	2.0	1.7	1.6	2.0	2.0	2.7	3.2
Profitability indicators:								
Ratio of business profit to total assets (ROA) (%) <sup>3</sup>	7.8	7.4	6.9	6.6	7.2	8.1	8.4	9.1
Return on equity (ROE) (%) <sup>4</sup>	11.3	8.7	9.6	4.7	3.3	10.3	11.6	12.9
Return on invested capital (ROIC) <sup>5</sup>	–	–	–	3.8	3.0	6.9	7.9	9.9
EBITDA margin (%) <sup>6</sup>	–	–	–	–	–	–	–	15.2
Efficiency indicators:								
Asset turnover (Times) <sup>7</sup>	0.91	0.83	0.80	0.80	0.80	0.77	0.80	0.92

\*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 Return On Invested Capital (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

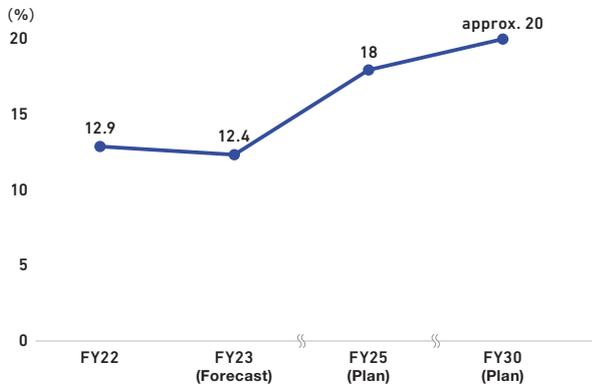
Invested capital = Shareholders' equity attributable to owners of the parent company + Interest-bearing debt

\*6 Margin of earnings before interest taxes depreciation and amortization (EBITDA margin) = (Business profit + Depreciation and amortization) ÷ Sales

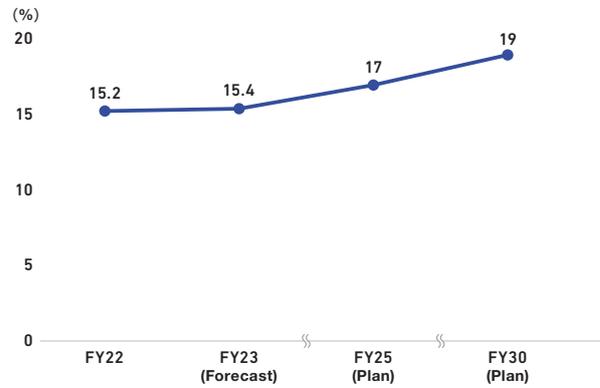
\*7 Asset turnover = Sales ÷ Average total assets

## Performance Data

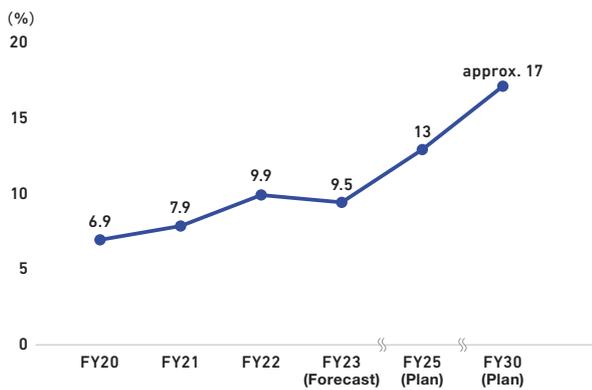
### [ ROE ]



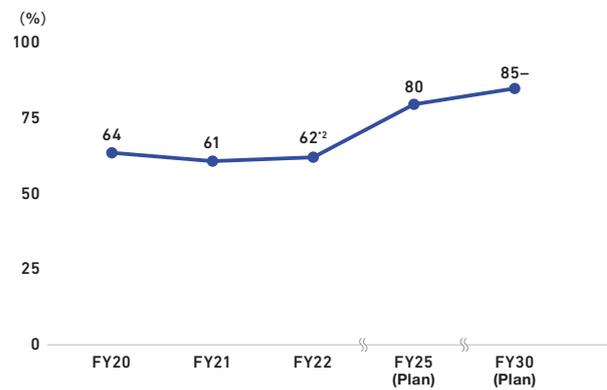
### [ EBITDA margin ]



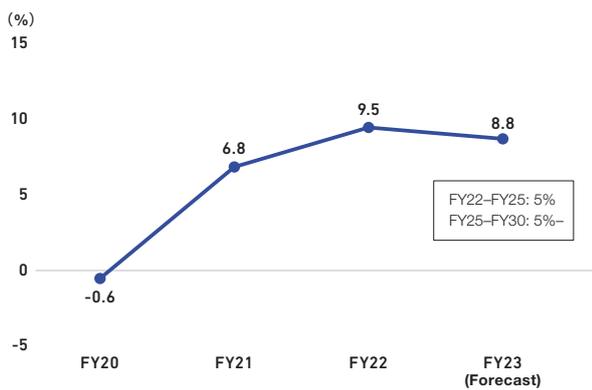
### [ ROIC (>capital cost) ]



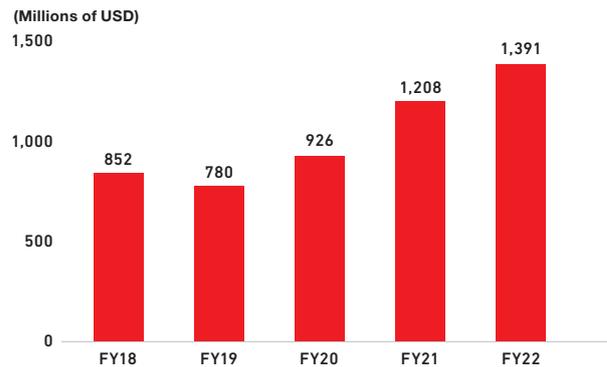
### [ Employee engagement score\*1 ]



### [ Organic sales growth (vs. previous fiscal year) ]



### [ Corporate brand value\*3 ]



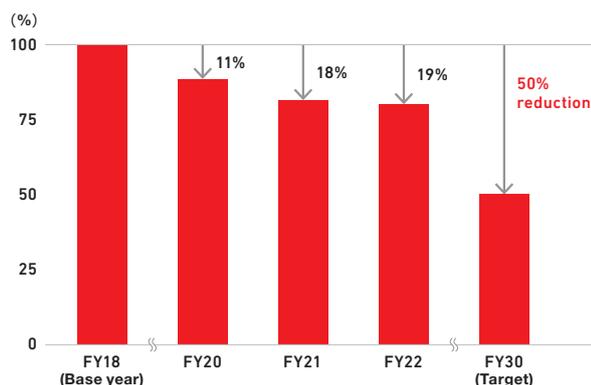
Target: 7% CAGR vs. FY19

\*1 From fiscal 2023, measurement method will be changed from one question of "ASV as one's own initiative" to the average score of question items of the "ASV realization process" that can better grasp the actual situation.

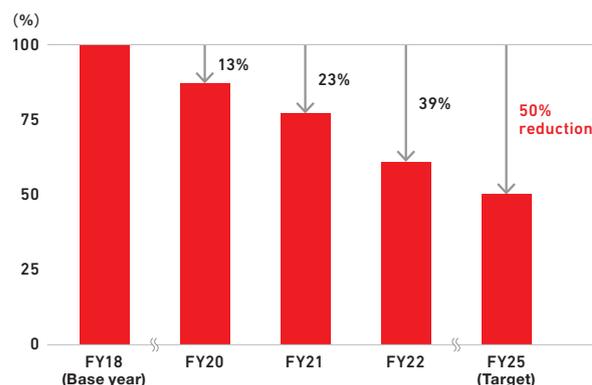
\*2 75% based on revised calculation method.

\*3 Evaluated by Interbrand, "Best Japan Brands"

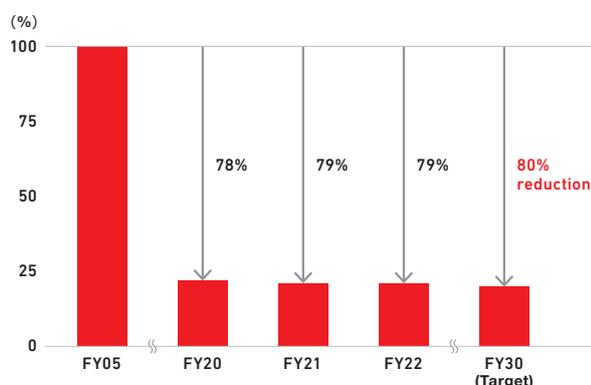
**[ Greenhouse gas emission reduction rate (Scope 1, 2 emissions in total vs. FY2018)<sup>\*1</sup> ]**



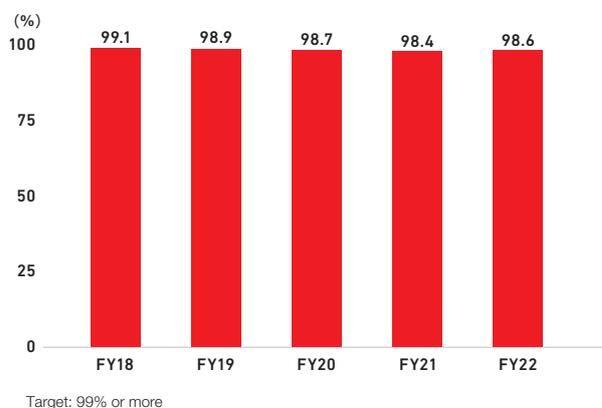
**[ Food loss and waste reduction rate per production volume unit\*<sup>3</sup> (vs. FY2018) ]**



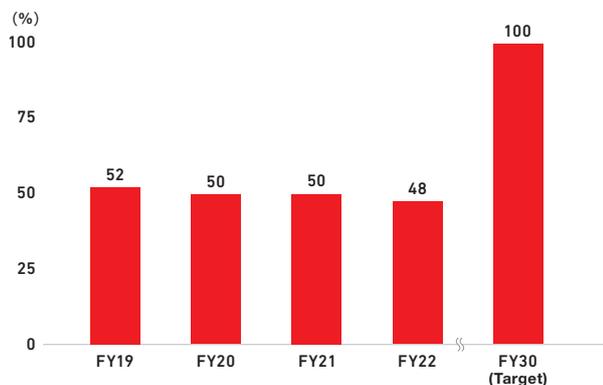
**[ Reduction rate of water consumption per production volume unit (vs. FY2005) ]**



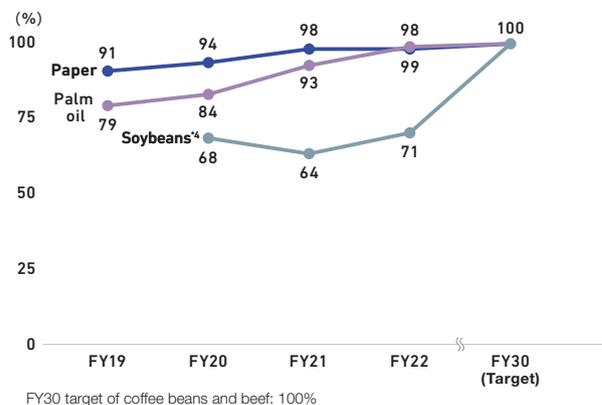
**[ Resource recovery ratio ]**



**[ Recyclable plastic<sup>\*2</sup> ratio ]**



**[ Sustainable procurement ratio ]**



**[ Nutrition commitment quantitative KPIs ]**

	FY20 (Results)	FY21 (Results)	FY22 (Results)	FY25 (Targets)	FY30 (Targets)
Percentage of products with improved nutritional value* <sup>5</sup>	40%	50%	56%	—	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	340 million people per year	—	400 million people per year
Availability of products utilizing the physiological and nutritional functions of amino acids	(Base year)	1.07 times* <sup>6</sup>	1.10 times	—	2 times
Nutrition education for employees	460	26,000	56,000	Cumulatively 100,000	—

\*1 Performance vs. SBTi targets \*2 Plastics that are technically recyclable. Conducted total amount survey in 2019. The recyclable ratio for 2020 and beyond has been updated only for major organizations in Japan. \*3 From the acceptance of raw materials to delivery to customers \*4 Procured for businesses in Japan \*5 Products that meet our criteria and contribute to the intake of improved nutrition from an international public health perspective \*6 Correction has been made as a result of recalculation

# EUROPE & AFRICA

## France

■ Europe & Africa Division  
 AJINOMOTO EUROPE S.A.S.  
 AJINOMOTO FOODS EUROPE S.A.S.  
 AJINOMOTO FROZEN FOODS  
 FRANCE S.A.S.

## Spain

Agro2Agri, S.L.

## Ireland

Nualtra Limited

## Belgium

S.A. Ajinomoto OmniChem N.V.

## Poland

Ajinomoto Poland Sp. z o.o.  
 Ajinomoto Jawo Sp. z o.o.

## Russia

OOO "AJINOMOTO"  
 ZAO "Ajinomoto-Genetika Research Institute"

## Nigeria

AJINOMOTO FOODS NIGERIA LTD.

## British Virgin Islands

Promasidor Holdings Limited

## Turkey

Ajinomoto Istanbul Food Industry and  
 Trade Limited Company

■ Paris

● Tokyo

■ Bangkok

# ASIA

## Japan

● Ajinomoto Co., Inc.  
 Ajinomoto Food Manufacturing Hokkaido Co., Ltd.  
 Hokkaido Ajinomoto Co., Inc.  
 Nippon Protein Co., Ltd.  
 Delica Ace Co., Ltd.  
 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  
 NRI System Techno, Ltd.  
 Ajinomoto Food Manufacturing Co., Ltd.  
 Ajinomoto Fine-Techno Co., Inc.  
 Ajinomoto Kohjin Bio Co., Ltd.  
 Bonito Technical Laboratory Co., Inc.  
 GeneDesign, Inc.  
 YAMAKI Co., Ltd.  
 AJINOMOTO KOUNAI SERVICE CORPORATION  
 Okinawa Ajinomoto Co., Inc.

## China

Ajinomoto (China) Co., Ltd.  
 Shanghai Ajinomoto Amino Acid Co., Ltd.

SHANGHAI AJINOMOTO FOOD RESEARCH AND  
 DEVELOPMENT CENTER CO., LTD.

Shanghai Ajinomoto Seasoning Co., Ltd.  
 Lianyungang Ajinomoto Ruyi Foods Co., Ltd.  
 Lianyungang Ajinomoto Frozen Foods Co., Ltd.  
 Xiamen Ajinomoto Life Ideal Foods Co., Ltd.  
 Ajinomoto Co., (Hong Kong) Ltd.  
 Shanghai Ajinomoto Trading Co., Ltd.  
 Ajinomoto Shanghai Specialty Chemicals Co., Ltd.

## Korea

Ajinomoto Korea Inc.  
 Ajinomoto Genexine Co., Ltd.  
 Ajinomoto Nongshim Foods Co., Ltd.

## Taiwan

Taiso Commerce Inc.  
 AJINOMOTO TAIWAN INC.

## Philippines

AJINOMOTO PHILIPPINES CORPORATION  
 AJINOMOTO PHILIPPINES FLAVOR FOOD INC.

## Thailand

■ ASEAN Division  
 Ajinomoto SEA Regional Headquarters Co., Ltd.  
 AJINOMOTO CO., (THAILAND) LTD.  
 AJINOMOTO SALES (THAILAND) CO., LTD.  
 Ajinomoto Betagro Frozen Foods (Thailand) Co., Ltd.  
 Ajinomoto Frozen Foods (Thailand) Co., Ltd.  
 Ajinomoto Betagro Specialty Foods Co., Ltd.  
 WAN THAI FOODS INDUSTRY CO., LTD.  
 FD Green (Thailand) Co., Ltd.

## Indonesia

PT AJINOMOTO INDONESIA  
 PT AJINOMOTO SALES INDONESIA  
 PT AJINEX INTERNATIONAL  
 PT LAUTAN AJINOMOTO FINE INGREDIENTS

## Vietnam

AJINOMOTO VIETNAM CO., LTD.

## Cambodia

AJINOMOTO (CAMBODIA) CO., LTD.

## Malaysia

Ajinomoto (Malaysia) Berhad

## Singapore

AJINOMOTO (SINGAPORE) PRIVATE LIMITED

## Myanmar

Myanmar Ajinomoto Foods CO., LTD.

## Bangladesh

AJINOMOTO BANGLADESH LIMITED

## India

AJINOMOTO BIOPHARMA SERVICE INDIA PRIVATE LIMITED  
 AJINOMOTO INDIA PRIVATE LIMITED  
 MARUCHAN AJINOMOTO INDIA PRIVATE LIMITED

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

As of April 1, 2023.



**NORTH AMERICA**

- U.S.A.**
  - North America Division
  - Ajinomoto Health & Nutrition North America, Inc.
  - Ajinomoto Althea, Inc.
  - Ajinomoto Foods North America, Inc.
  - Ajinomoto Toyo Frozen Noodles, Inc.
  - Ajinomoto Fine-Techno USA Corporation
  - Ajinomoto Cambrooke, Inc.
  - More Than Gourmet, Inc.

- Canada**
- Kenney & Ross Limited

**LATIN AMERICA**

- Brazil**
  - Latin America Division
  - AJINOMOTO DO BRASIL INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA.

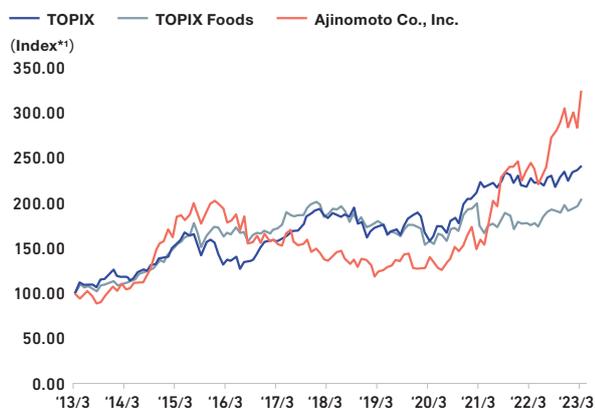
- Mexico**
- Ajinomoto de México, S. de R.L. de C.V.

- Peru**
- AJINOMOTO DEL PERÚ S.A.

- Ecuador**
- Sazonadores del Pacifico C. Ltda.

<b>Company name</b>	Ajinomoto Co., Inc.
<b>Founding</b>	May 20, 1909
<b>Paid-in capital</b>	¥79,863 million
<b>Number of employees</b>	34,615 (consolidated) 3,335 (non-consolidated)
<b>Fiscal year-end</b>	March 31 (General Meeting of Shareholders: June)
<b>Head office</b>	15-1, Kyobashi 1-chome, Chuo-ku, Tokyo 104-8315, Japan Tel: +81-3-5250-8111
<b>Common stock authorized</b>	1,000,000,000 shares
<b>Shares issued</b>	529,798,154 shares
<b>Number of shareholders</b>	118,147 (YoY decrease of 2,474)
<b>Listed stock exchange</b>	Tokyo Stock Exchange (Stock code: 2802)
<b>Shareholder registrar</b>	Mitsubishi UFJ Trust and Banking Corporation
<b>Accounting auditor</b>	KPMG AZSA LLC

### [ Stock price performance (10 years) ]



\*1 Trend in dividend-inclusive stock indices. Closing price on March 31, 2013 = 100

### [ Total shareholder return ]

	1 year	3 years		5 years		10 years	
	Cumulative/ annual rate	Cumulative	Annual rate	Cumulative	Annual rate	Cumulative	Annual rate
<b>Ajinomoto Co., Inc.</b>	34.5%	137.2%	33.4%	151.0%	20.2%	251.0%	13.4%
<b>TOPIX</b>	5.8%	53.4%	15.3%	31.8%	5.7%	142.1%	9.2%
<b>TOPIX Foods</b>	16.9%	29.1%	8.9%	9.1%	1.8%	105.2%	7.5%

### [ Distribution of shareholders ]

<b>Financial institutions</b>	48.6%
<b>Individuals and other</b>	15.9%
<b>Foreign investors</b>	30.6%
<b>Domestic companies</b>	3.1%
<b>Financial instruments businesses</b>	1.7%

### [ Major shareholders ]

Shareholder	Shares held (Thousands)	Ownership interest (%)
<b>The Master Trust Bank of Japan, Ltd. (trust account)</b>	100,279	18.93
<b>Custody Bank of Japan, Ltd. (trust account)</b>	42,182	7.96
<b>JP MORGAN CHASE BANK 385632</b>	28,022	5.29
<b>The Dai-ichi Life Insurance Company, Limited</b>	26,199	4.95
<b>NIPPON LIFE INSURANCE COMPANY</b>	25,706	4.85
<b>Meiji Yasuda Life Insurance Company</b>	11,362	2.15
<b>STATE STREET BANK WEST CLIENT- TREATY 505234</b>	8,257	1.56
<b>MUFG Bank, Ltd.</b>	8,162	1.54
<b>JP MORGAN CHASE BANK 385781</b>	6,363	1.20
<b>Sompo Japan Insurance Inc.</b>	6,282	1.19

### [ Stock trend by year ]

FY	High (Yen)	Low (Yen)	FY-end (Yen)	Volatility <sup>2</sup>
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%
2022	4,634.00	2,879.00	4,606.00	25.9%

\*2 Expressed in standard deviations

## External Evaluations / Key Communication Materials

### [ 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
- MSCI Global 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/2022.html>

- CDP “A List 2022 (highest evaluation) for tackling Climate Change”
- Best IR Award 2022
- 2023 Certified Health and Productivity Management Organization Recognition (“White 500” of Large Enterprise Category)
- PRIDE Index 2022 (Gold)
- The Fourth ESG Finance Awards Japan “Environmental Sustainable Enterprise” Category Gold Award
- Securities Analysts’ Selection of Best Disclosure Companies “Companies with Remarkable Improvement in Disclosure” in the Food Sector, and “Best Companies for Disclosure in the Information Provision for Individual Investors” Category
- 2023 Nadeshiko Brand
- “Excellent Integrated Report” Selected by GPIF’s Asset Managers Entrusted with Japanese Equity Investment
- DX Stocks 2023



### [ Key communication materials ]

### [ Related material system ]

**ASV Report 2023** (Date of publication: End of August 2023)  
<https://www.ajinomoto.co.jp/company/en/ir/library/annual.html>



#### ASV Report Editorial Team

Ajinomoto Co., Inc.: Corporate Planning Dept., Global Finance Dept., Global Communications Dept.  
Magazine House Ltd., nendo, Inc., Value Create Inc., Brain Center Inc.

**Sustainability Report** (Date of publication: End of September 2023)  
<https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

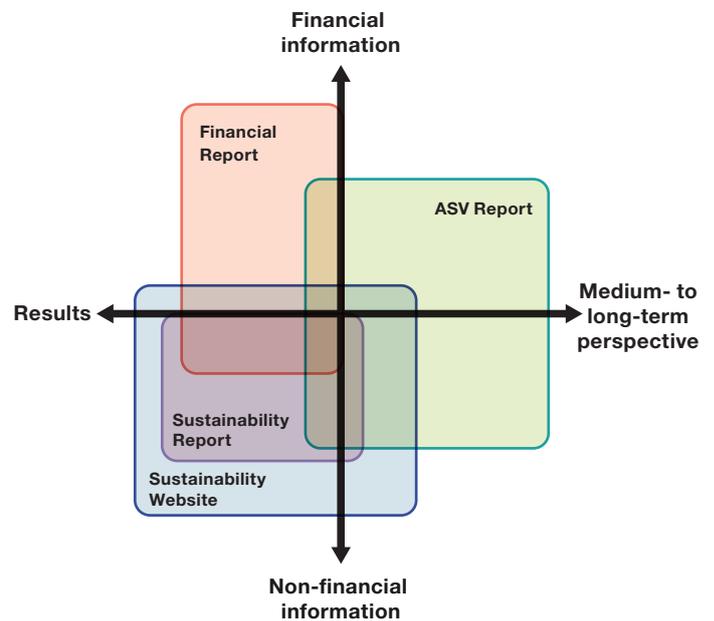
**IR Data Book** (Date of publication: End of June 2023)  
<https://www.ajinomoto.co.jp/company/en/ir/library/guide.html>

**Financial Report** (Date of publication: End of July 2023)  
<https://www.ajinomoto.co.jp/company/en/ir/library/report.html>

**Ajinomoto Principle on Corporate Governance**  
(Last update: End of June, 2023)  
[https://www.ajinomoto.co.jp/company/en/ir/strategy/corp\\_gov/main/0/teaserItems1/03/linkList/03/link/principle\\_E.pdf](https://www.ajinomoto.co.jp/company/en/ir/strategy/corp_gov/main/0/teaserItems1/03/linkList/03/link/principle_E.pdf)

**Corporate Governance Report** (Date of publication: End of June 2023)  
[https://www.ajinomoto.co.jp/company/en/ir/strategy/corp\\_gov/main/0/teaserItems1/03/linkList/03/link/principle\\_E.pdf](https://www.ajinomoto.co.jp/company/en/ir/strategy/corp_gov/main/0/teaserItems1/03/linkList/03/link/principle_E.pdf)

**Purpose-Driven Management by Medium-Term ASV Initiatives 2030 Roadmap** (Date of publication: February 28, 2023)  
[https://www.ajinomoto.co.jp/company/en/ir/event/medium\\_term.html](https://www.ajinomoto.co.jp/company/en/ir/event/medium_term.html)



# Ajinomoto Group ASV Report 2023

Integrated Report

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](mailto:integrated_reports@asv.ajinomoto.com)  
URL: <https://www.ajinomoto.com>

### **Investor Relations, Global Finance Department**

E-mail: [investor\\_relations@asv.ajinomoto.com](mailto:investor_relations@asv.ajinomoto.com)  
URL: <https://https://www.ajinomoto.co.jp/company/en/ir/>

