

For the Future of  
People and the Earth



Ajinomoto Group  
**Sustainability Report**  
2012



## On publication of the Ajinomoto Group Sustainability Report 2012

The Ajinomoto Group is committed to working for food, health, and life, as stated in its group philosophy. The Group recognizes that global sustainability, food resources, and healthy living are the challenges that humanity faces in the 21st century. Finding solutions to these issues and ensuring that its businesses contribute to the development of sustainable societies is the social responsibility of the Ajinomoto Group. The Group focuses on a variety of initiatives to achieve this.

Until 2011, the Ajinomoto Group reported on these activities in two separate reports, the CSR Report and the Environmental Report. From 2012 on, however, in order to more accurately reflect the Ajinomoto Group's unified approach to achieving sustainability, these two reports have been consolidated into a single Sustainability Report. In addition to the full report, which explains all sustainability-related activities in detail, a digest of the report will be published in printed form. The print edition focuses on the content in the first part of the report, with an introduction to the basic concepts behind the Group's activities and a summary of its main initiatives.

This report provides stakeholders with information on how the Ajinomoto Group is working to achieve a sustainable future for people and the earth and what needs to be done going forward. The report is one way in which the Group is working with everyone concerned to build a better future.



## Report Content and Available Formats

The Ajinomoto Group's approach to achieving sustainability



### Full Report (118 pages, PDF file, website download)

This report provides comprehensive information on all Ajinomoto Group activities designed to achieve sustainability. The report is available on the company's website for download.

### Print Edition (40 pages)

A shorter, summary report of the Group's fiscal 2011 activities, which focuses primarily on the first 32 pages of the full report, is available in printed form.

### Website

A downloadable PDF of the full report, as well as links to related pages and sites, are posted on the company's website.

<http://www.ajinomoto.com/en/activity/csr/>



### Organizational scope:

This report covers the Ajinomoto Group, comprised, in principle, of Ajinomoto Co., Inc. ("the company") and its 110 group companies (as of October 1, 2012) including consolidated subsidiaries and other group companies subject to reporting under the equity method. Where sufficient information for the entire Ajinomoto Group ("the Group") was unavailable, the limitation in scope is explicitly defined. The scope of reporting for the environmental section is defined on page 64.

### Period covered by this report:

Fiscal 2011 (April 1, 2011–March 31, 2012)  
When appropriate, however, exceptions to this general rule are made, as when citing past circumstances and data or using with recent examples for illustration purposes.

### Issue date:

PDF: March 2013 Print Edition: March 2013  
Next scheduled issue: December 2013  
Previous issues: November 2011 (CSR Report),  
November 2011 (Environmental Report)

## CONTENTS

<b>1</b>	<b>Editorial Policy</b>	_____
<b>2</b>	<b>Contents</b>	_____
<b>3</b>	<b>Message from the President</b>	_____
	Serving as a "Genuine Global Company" and Contributing to the Future of People and the Planet	
	<b>The Ajinomoto Group's Goals for the Future of Life</b>	_____
<b>5</b>	The Ajinomoto Group—Striving to Make a Difference, Worldwide	
<b>7</b>	Toward Resolving Issues for 21st Century Human Society	
<b>9</b>	<b>Special Features</b>	_____
	Achieving Sustainability	
<b>11</b>	<b>Special Feature 1</b>	_____
	Good Eating = Green Eating: Creating a Food-future Good for People, Good for the Earth	
<b>19</b>	<b>Special Feature 2</b>	_____
	Leveraging Technology and Knowledge to Build a Sustainable Future	
<b>23</b>	<b>Special Feature 3</b>	_____
	Working with Stakeholders to Build a Sustainable Future	
<b>27</b>	<b>Special Feature 4</b>	_____
	Overcoming Natural Disasters to Build a Sustainable Society	
	<b>Fiscal 2011 Activity Report</b>	_____
<b>33</b>	Taking Responsibility for Global Sustainability Issues	
<b>36</b>	<b>Organizational Governance</b> Increasing Corporate Value through Responsible Management	
<b>42</b>	<b>Fair Operating Practices</b> Ethical and Honest Practices	
<b>46</b>	<b>Human Rights</b> Respecting the Rights of Everyone Our Business Touches	
<b>50</b>	<b>Labor Practices</b> Building a Company Where Employees Can Reach Their Full Potential and Enjoy Job Satisfaction	
<b>64</b>	<b>The Environment</b> Ensuring the Planet's Sustainability, as the Foundation for All Life	
<b>90</b>	<b>Consumer Issues</b> Taking a Consumer-driven Approach to a More Sustainable World	
<b>100</b>	<b>Community</b> Growing with the People of Each Community	
<b>114</b>	Additional Sustainability Information	
<b>115</b>	Ajinomoto Group at a Glance	

A portrait of Masatoshi Ito, an elderly man with glasses, wearing a dark suit, white shirt, and a patterned tie. He is smiling and looking towards the camera. The background is a blurred office setting with a framed picture on the wall.

## Masatoshi Ito

Representative Director,  
President and CEO  
Ajinomoto Co., Inc.

# Serving as a “Genuine Global Company” and Contributing to the Future of People and the Planet

In 2009, on the occasion of the 100th anniversary of the founding of the Ajinomoto Group, we reflected on the 100 years ahead. We took this opportunity to declare our intention to find solutions through our businesses to the challenges that human society faces in the 21st century—namely, global sustainability, food resources, and healthy living.

The FY2011–2013 Medium-Term Management Plan launched in April 2011 is our timeframe for laying the foundation required to accomplish this. The entire Group is committed to becoming a “genuine global company” that contributes to the creation of a sustainable society. Our unique contribution lies with refining and developing our knowledge and technologies, which are so closely connected with life itself.

Each of the 30,000 Ajinomoto Group employees around the world is focused on working in their particular capacity with the people in their respective communities to discover and deliver new potential contributions to sustainability for people and the planet.

## Creating the future through “open & linked innovation”

Currently at seven billion, the world’s population is expected to reach nine billion by 2050. Lifestyle innovations will be essential to ensuring a healthy future for humanity in a sound global environment. At the Ajinomoto Group, we are confident in our ability to contribute to the creation of new sustainable lifestyles through our food and health-related businesses. The foundation of these businesses lies with the Group’s amino acid technologies.

These technologies can, for example, be used for more efficient consumption of resources and energy, and can also be

applied to biomass and other sources of renewable energy. By expanding the applications of feed-use amino acids, we can help reduce the impact of livestock farming on the environment. Amino acids can also help address food issues in specific regions by improving conditions that lead to both malnutrition and excessive nutritional intake. One way for the Group to enhance its sustainable value is by bringing innovation to its existing product line through initiatives of this type.

We are also focused on utilizing our expertise to deliver sustainable value in a broader range of fields. The key to achieving these results lies with what we call our “open & linked

innovation” approach, which involves incorporating ideas and technologies from outside of the company and working with diverse external partners to develop them.

As the world’s leading amino acid manufacturer, the Ajinomoto Group has developed cutting-edge biotechnologies that have already begun to generate new value for a sustainable future by, for instance, linking textiles and tires, two very different business sectors. Joint research with corporations in different industries that aims to make nylon and rubber from plant materials by using amino acid fermentation technology has the potential to conserve fossil fuels and other natural resources. The application of our amino acid technology and expertise to blood tests essential to medical checkups has helped with diagnosing patients and potential illness. Our service that tests a single blood sample for multiple types of cancer has been introduced at some 200 hospitals around Japan.

This sort of approach characterizes the essence of our aspiration at the Ajinomoto Group. Ajinomoto Co., Inc. was initially founded after the work of scientist Kikunae Ikeda, who discovered the source of the unique taste sensation umami in glutamate derived from kelp, came to the attention of Saburotsuke Suzuki, an entrepreneur who was producing iodine from seaweed. These two men began a collaboration leading to the mass production of monosodium glutamate, namely the umami seasoning *AJI-NO-MOTO*®. Nearly half of the new products the Ajinomoto Group has launched in the global market emerged when we more fully developed ideas brought to us by other people.

At the Ajinomoto Group, we are committed to upholding this 103-year-old tradition of “open & linked innovation” as we work to create a sustainable future.

### Developing global human resources for growth in the future

Approximately 30%, or more than 1,000, of all Ajinomoto Co., Inc. employees in Japan are researchers. No other food company in the world boasts so large a research division. As a global company operating in 26 countries and regions around the world, many of our researchers work outside of Japan. Some 100 researchers each, for example, are located in China and Russia, both of which are emerging economies. Extremely familiar with the needs of their societies, our researchers around the world bring a pioneering spirit to our research and development. We began with the discovery of umami, and today our taste-related patents number more than 180, with the Ajinomoto Group worldwide holding 4,500 patents in a full array of sectors. Our current medium-term management plan also focuses intently on the training of researchers who will create the new businesses of the future.

A global perspective on human resources is essential to developing the foundation necessary for growth as a “genuine global company.” In order to assemble a global group of capable and diversified talent able to help us fulfill our responsibility to the future, the Ajinomoto Group is focused on developing global human resources by hiring, training, and promoting diverse



employees regardless of nationality or race. The Group is taking the steps needed to prepare for globalization by ensuring that 10% of new hires in Japan are non-Japanese. In addition, we are working to upgrade our database that makes management personnel and posts visible across the Group, establishing a systematic training structure, formulating appropriate compensation policies, and creating standardized assessment systems. Our future goal is to raise the share of local hires in executive positions at group companies outside Japan to 50%.

### Taking on challenges for the future of people and the planet

More than a decade has already passed since the dawn of the 21st century, and we now find ourselves facing an array of emerging problems.

The United Nations Conference on Sustainable Development (Rio+20) was held in 2012 to address these issues. Discussions on the form that economies, societies, and the environment should take over the coming decade included such topics as sustainable development and moving to a green economy. At our booth at the conference’s Japan Pavilion, we discussed these issues with visitors from around the world, an experience that underlined just how much is expected of the Ajinomoto Group. We came away from the conference even more determined to work with all of our stakeholders around the world to resolve issues of sustainability.

At the Ajinomoto Group, we are working to do our part to achieve global sustainability, secure food resources, and help people live healthy lives. We are focused on refining and developing the knowledge and technologies we have gained through our businesses in food and health, which are so closely connected with life itself. It is this expertise that we bring to our collaborations with other members of society as we work to discover new possibilities that will lead to sustainability for people and the planet.

# Eat Well, Live Well.

To build a better world like only a “genuine global company” can

The Ajinomoto Group got its start 103 years ago with the discovery of the unique taste sensation of umami. Today, it is a global enterprise with businesses in many fields with strong connections to life, including foods, amino acids, bioscience and fine chemicals, pharmaceuticals and healthcare. The Ajinomoto Group is determined to ensure that its business operations contribute to the solution of problems faced by humankind in the 21st century.



Sales intries  
**130**  
countries



Operating  
in  
**26**  
countries  
and  
regions

## Ajinomoto Group Philosophy

We create better lives globally by contributing to significant advances in Food and Health and by working for Life.

## Ajinomoto Group Vision

We aim to be “a group of companies that contributes to human health globally” by continually creating unique value to benefit customers.



## Ajinomoto Group Way ————— The foundation of the Group’s businesses

### Create New Value

Create value with new ideas and continuous innovation based on unique technologies and science.

Product value creation bolstered by technology, new dietary proposals

### Pioneer Spirit

Continue to constantly take on the challenge of creating new businesses and markets.

Tenacity, wisdom and cumulative efforts at the on-site level; adapt to regional culture and market conditions in creating markets

### Social Contribution

Accommodate social requirements with humility and honesty, with the objective of maximizing value for society through business activities.

Resolve social issues; improve the global environment; security and safety; trustworthy production; fair, impartial, transparent and simple

### Value People

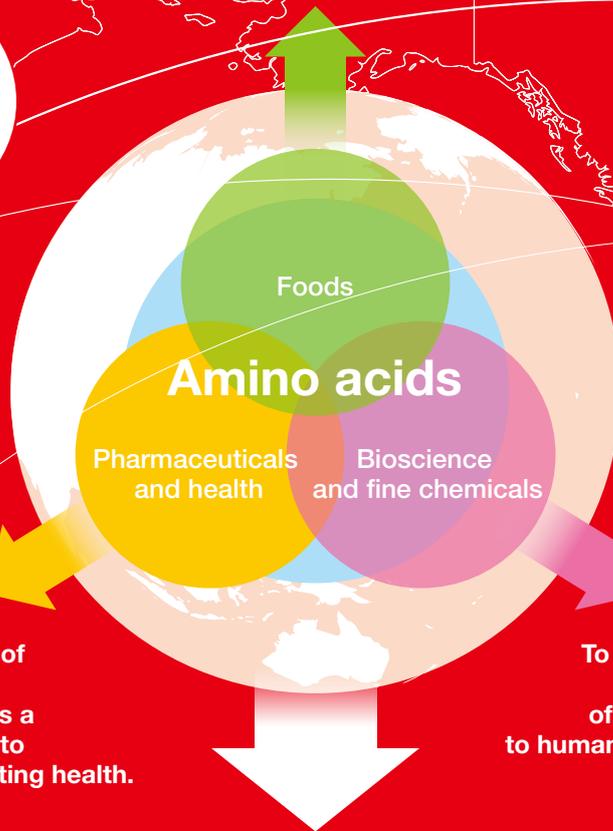
Respect the humanity of all the people involved in the Ajinomoto Group's businesses, and be an organization in which they can grow and display their abilities to the fullest extent.

Provide a workplace where people can flourish; career development, support and follow-up; fair performance evaluation; teamwork

To build on the world's leading seasoning business to become a global group of food companies

**105**  
plants

**28,245**  
employees



To become a group of health-promoting companies that takes a scientific approach to enhancing taste and supporting health.

To become a leading corporate group in the science of amino acids and contribute to humankind with cutting-edge technology.

**Using our businesses to help resolve the issues facing humankind in the 21st century**

Global sustainability	Food resources	Healthy living

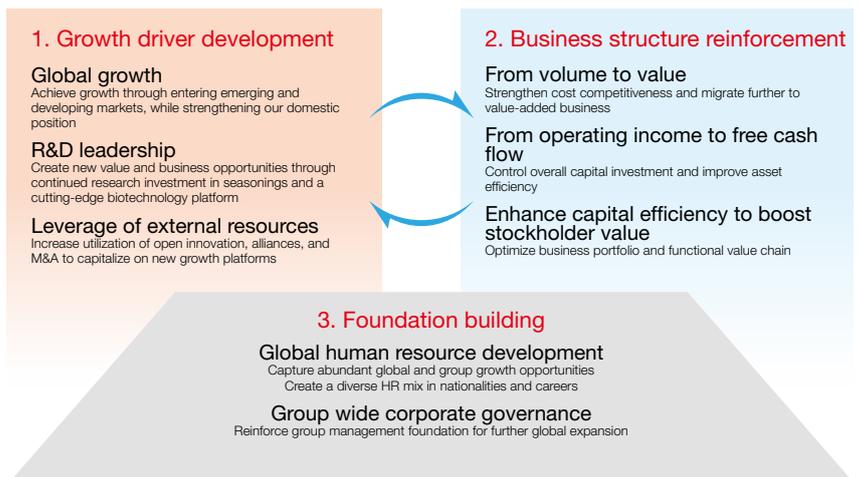
Note: Figures are as of March 31, 2012.

**FY2011–2013 Medium-Term Management Plan** – The three-year period starting in fiscal 2011 is the designated timeframe for the Group to lay the foundations for its emergence as a “genuine global company.”

The Ajinomoto Group's Goal

To become a “genuine global company” with worldwide growth

1. Contribute to the future progress of humanity
2. Possess our own industry leading technologies
3. Assemble a group of globally capable and diversified talent
4. Achieve the business and profit scale of a global company
5. Meet global efficiency standards to generate profit

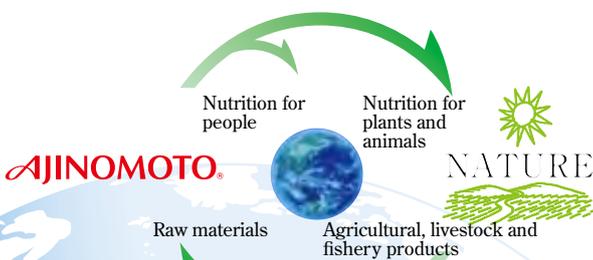


# For the Nine Billion People of 2050 Achieving a Healthy Future for People and the Earth

The population of the earth is projected to reach nine billion people by 2050. With so large a population, how will the diets and health of people around the world change? What effect will this have on agriculture, livestock farming, fisheries, resources, and the global environment? As a food manufacturer operating on a global scale, the Ajinomoto Group must consider many elements as it moves forward.

True to the Ajinomoto Group CSR Policy formulated in fiscal 2011, the Group is pursuing business ventures in areas that are meaningfully tied to life itself, aiming to help build a sustainable society.

The Group will continue to take on all the challenges related to this mission—for people everywhere who wish to live in good health, and for the earth that nurtures all life.



**Global Sustainability Issues**

Grave challenges threatening life on earth continue to emerge—abnormal weather conditions thought to be caused by climate change; the destruction of ecosystems and biodiversity through overfishing, overhunting and pollution; and increasing demand for water from growing populations.

<b>-60%</b>	<b>+40%</b>	<b>+4.0°C</b>
Percentage of ecosystem services that will be lost by the 22nd century <sup>1</sup>	Projected increase in global water demand by 2030, compared to current level of supply <sup>2</sup>	Projected increase in global mean surface temperature over roughly the next century, assuming global economic growth and dependence on fossil fuels continue on today's trends <sup>3</sup>

1 United Nations Millennium Ecosystem Assessment  
2 *Charting Our Water Future* (2030 Water Resources Group).  
3 Data taken from the "Working Group 1 Report" of the IPCC Fourth Assessment Report: Climate Change 2007 (Intergovernmental Panel on Climate Change).

For the future of people and the earth—the Ajinomoto Group not only creates delicious food using the gifts of nature but also works to nurture and make the best use of nature's blessings.

For a healthy future for people and the earth

**Nine billion**  
(Projected population in 2050)

The Ajinomoto Group continues to embrace the challenge of building a sustainable future.

### Contributing to healthy living through nutrition

- Provide functional food products to help prevent chronic illnesses associated with excessive nutritional intake
- Cooperate in the social sector to help alleviate malnutrition in developing countries
- Apply amino acid analysis technologies to contribute to the medical field
- Help solve nutrition-related problems in areas affected by natural disasters, etc.

### Improving food productivity

- Improve productivity in livestock farming and fisheries by using amino acids for feedstuff
- Increase yields of agricultural resources by utilizing amino acids and by-products, etc.

### Healthy living

Diet plays an incredibly important role in the ability of people to maintain healthy lives. The Ajinomoto Group conducts its business activities and implements social contribution activities to ensure that people around the world are able to attain proper nutrition and live healthily.

### Responding to the aging of society

- Improve the quality of life for elderly people through diet, etc.

### Food resources

It is vital that the developing imbalance in supply and demand for food be restored. The Ajinomoto Group is utilizing its technology and expertise to help improve food productivity and is pursuing initiatives that put valuable food resources to use without waste.

### Maximizing usage of food resources

- Promote efficient use of resources for agricultural, livestock, and fisheries products
- Upgrade technologies used by the Group to minimize impact on ecosystems
- Actively offer suggestions to consumers aimed at making the most of food products and ingredients, etc.

### Food resource issues

As the world's population grows, demand for food is increasing. When societies become more affluent, demand for meat rises, and more grain becomes necessary to feed livestock. The balance between food demand and supply is now beginning to collapse because yields in cultivated areas and per unit harvests cannot keep up with rising demand.

**+40%**

Projected increase in meat consumption in developing countries in 2030 compared to late 1990s levels<sup>4</sup>

**+70%**

Projected increase in food demand by 2050, compared to 2005<sup>5</sup>

### Issues for healthy living

A large number of people around the world face nutrition-related problems both in terms of starvation and obesity. As populations live longer in developed and developing economies alike, people increasingly have the need to live healthy, independent lives into their old age.

**1.5 billion**

Projected population aged 65 and older in 2050<sup>6</sup>

**1 billion**

World population suffering from undernourishment<sup>7</sup>

**1.5 billion**

Overweight adults, aged 20 and older, with a body mass index of over 25<sup>8</sup>

<sup>4</sup> World agriculture: towards 2015/2030 (FAO)  
<sup>5</sup> OECD-FAO Agricultural Outlook 2009-2018, (Organisation for Economic Co-operation and Development and UN Food and Agricultural Organization)

<sup>6</sup> World Population Prospects, the 2010 Revision (United Nations)  
<sup>7</sup> OECD-FAO Agricultural Outlook 2010-2019 (Organisation for Economic Co-operation and Development and UN Food and Agricultural Organization)  
<sup>8</sup> Fact Sheet No. 311 (World Health Organization)

A group of people in a meeting, with a large globe in the background. The scene is dimly lit, with the globe being the primary light source, casting soft shadows on the people's faces. The people are dressed in business attire, and their body language suggests an active discussion or presentation. The globe is positioned in the upper right quadrant, showing the Americas and parts of Europe and Africa.

Special Features

# Achieving Sustainability

How can a company contribute to achieving sustainability? The Ajinomoto Group is committed to utilizing the technology and expertise its companies have developed to tackle this issue.

As a food manufacturer with global business operations in the fields of food and health, the Group seeks to contribute to the sustainability of life in all its diversity.

There may well be limits to what the Ajinomoto Group can accomplish on its own. The Group firmly believes, however, that greater results can be generated when all of its stakeholders take part in an exchange of views and work together, combining their respective strengths.

It is in this spirit that the Group provides the following report on the activities currently being implemented and those that will be introduced in the future.



Special Feature 1

P11-18

## Good Eating = Green Eating: Creating a Food-future Good for People, Good for the Earth

Preparing for a world of nine billion people in 2050, the Ajinomoto Group seeks to change the way people eat in order to change the world. The key is delivering sustainably made and environmentally friendly products that improve people's lives. This special feature details the Ajinomoto Group's approach to ensuring that its global business activities help to build a sustainable future.



Special Feature 2

P19-22

## Leveraging Technology and Knowledge to Build a Sustainable Future

The Ajinomoto Group's concept of "open & linked innovation" drives its effort to discover vast new potential applications for the advanced fermentation method it uses to produce amino acids. This special feature introduces the Group's approach to research and development, which forms the basis of its businesses and is key to the resolution of social issues. It also presents the latest results of the Group's collaboration with various other organizations.



Special Feature 3

P23-26

## Working with Stakeholders to Build a Sustainable Future

The Ajinomoto Group wishes to work with all of its stakeholders to define sustainability and take the action needed to achieve it. This special feature presents the Group's various forms of communication and the events it holds to make this a reality.



Special Feature 4

P27-32

## Overcoming Natural Disasters to Build a Sustainable Society

Natural disasters such as the Great East Japan Earthquake that struck in 2011 are a considerable threat, both to human life and to the Ajinomoto Group's business activities. This special feature covers the steps the Group took when faced with an unavoidable disaster, as well as the actions it deems necessary for the future.

# Good Eating = Green Eating: Creating a Food-future Good for People, Good for the Earth

From production, to cooking, to eating — change the way people eat and the whole world will change. Food is not just about flavor, or balanced nutrition. If food products are improved, people and the planet can become healthier. This is the vision of the Ajinomoto Group for a better future through food.

## A world of nine billion people by 2050: Helping to solve issues for people and the earth through food

Given a burgeoning global population and today's global environmental issues, humanity's sustainability on this planet is threatened. The global population is now over seven billion, and it is expected to grow to nine billion by 2050.<sup>1</sup> Consequently, food sustainability is an issue that must be addressed on a global scale.

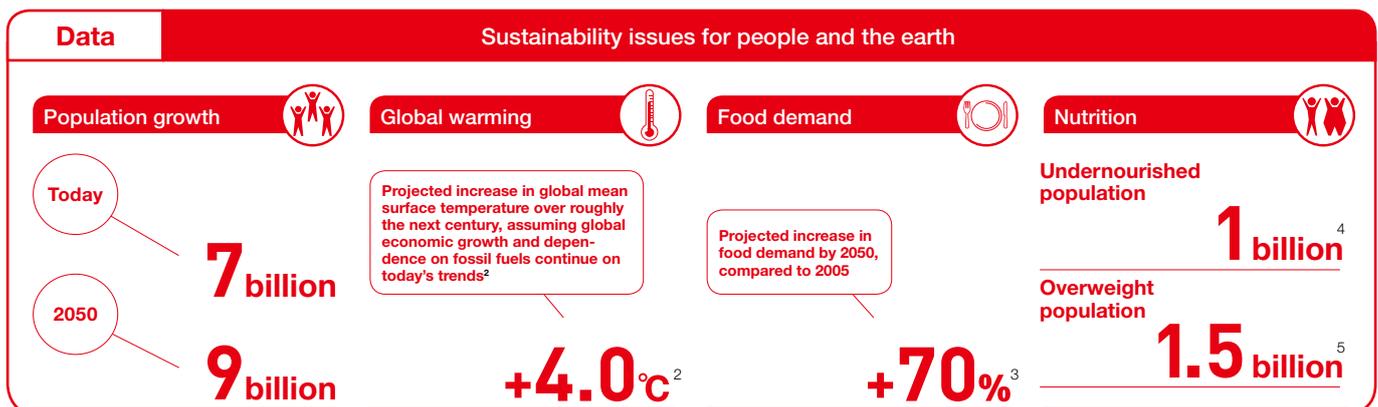
Since its founding, the Ajinomoto Group has been fully utilizing its raw materials while minimizing waste. It has established a business model that brings a steady supply of products to customers while adopting innovative ways to recycle resources and nurture the bounty of nature in each part of the world.

Looking ahead to 2050 and a world of nine billion people, the Group is promoting innovations in raw materials procurement

and manufacturing processes for a more sustainable planet, while also addressing issues such as poor nutrition and excessive nutritional intake. It will continue to provide products that support human life worldwide, and will consider the most sustainable eating habits together with people around the world.

By changing the way everyone eats, the whole world can be changed. Nine billion smiling faces gathered around the world's dining table—this idea inspires the Ajinomoto Group to work for the sustainability of the planet and society.

1 World Population Prospects: The 2010 Revision (United Nations)



2 IPCC Fourth Assessment Report: Climate Change 2007 (IPCC) 3 OECD-FAO Agricultural Outlook 2009-2018 (OECD and FAO) 4 OECD-FAO Agricultural Outlook 2010-2019 (OECD and FAO) 5 Fact Sheet No. 311 (WHO)



## Announcing initiatives to build a better future through food at the Rio+20 Conference

In June 2012, the United Nations Conference on Sustainable Development (Rio+20)<sup>6</sup> was held in Rio de Janeiro, Brazil. There, about 50,000 participants from around the world discussed sustainable development of the global economy and community from an environmental standpoint.

As a global food products company headquartered in Japan, the Ajinomoto Group exhibited at the Japan Pavilion set up at the conference. The Group showed visitors its vision for a better future through food, under the slogan of “Good eating = Green eating.” The exhibit conveyed past and present business activities and approaches of the Group, based on these themes:

(1) protecting and nurturing natural resources; (2) making the

best use of resources and recycling; (3) achieving low-carbon business and society; and (4) providing a sustainable lifestyle. Exhibit staff discussed the future of food with various stakeholders, including NPO/NGO representatives, experts on environmental and social issues, as well as government officials from around the world. The visitors expressed great expectations for the initiatives of the Ajinomoto Group, and the staff renewed their determination to contribute to ensure that the Group’s business activities contribute to a sustainable future for food.

6 A conference for world leaders held every decade to discuss paths towards the sustainable development of economies, societies, and the environment. Marking the third such meeting since the first in 1992, Rio+20 was held June 20–22, 2012, in Rio de Janeiro, Brazil. Discussions were held on the green economy in the context of poverty eradication and sustainable development, as well as on institutional frameworks for sustainable development.

# Our Solution for the Future We Want

## Good eating = Green eating

### Creating a food-future good for people, good for the earth.

Food isn’t just about flavor, or balanced nutrition. By changing how we eat, we can make people—and the planet—healthy. This is our vision for a new food-future. It’s why we believe **Good eating = Green eating.**

From production, to cooking, to eating. Change how seven billion people eat, and the whole world changes.

It is time to move from a model of food as a resource unilaterally taken from the earth, to one that involves giving back to nature that in turn rewards us with even greater bounty.

Over the 103 years since Ajinomoto Co., Inc. was launched with the discovery of umami, we have accumulated wide-ranging expertise and technologies involving food and amino acids, the building blocks of life. With our expertise, we can create a circle of life where people and other living creatures on the earth support each other, contributing to global sustainability, stable food resources and healthy living.

This is the Green Economy the Ajinomoto Group is working to achieve.



### Participating in Rio+20

At Rio+20, a global commitment was expressed for the building of a green economy. It underlined the fact that sustainable development is the only way forward for companies.

I believe that changing the way people eat can transform the world. This is why I am so determined to help realize a better future through food, together with the 30,000 employees of the Ajinomoto Group, and everyone else worldwide.

**Yutaka Kunimoto**  
Representative Director, Member of the Board and Corporate Executive Deputy President



# Continuing to Produce, Together with the Earth

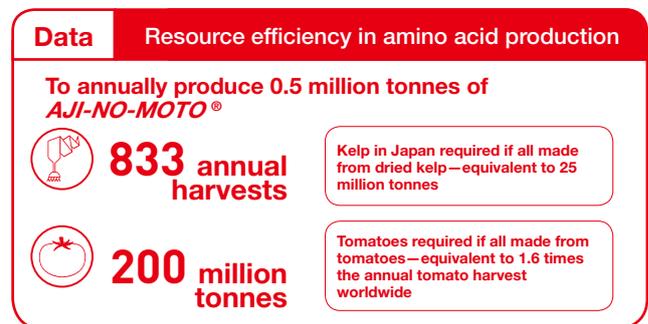
In order to ensure a continual supply of products, it is essential to make the best use of the bounty of nature without any waste, and to carry out production with minimal environmental impact. At all its production sites, the Ajinomoto Group is committed to the goal of building a business that works together with the earth.

## Making the best use of nature's bounty without waste

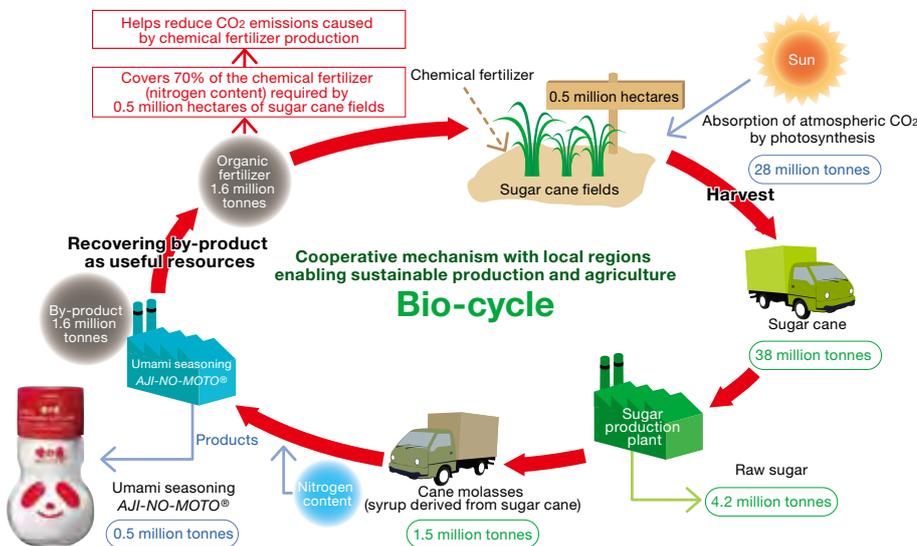
Glutamate, an ingredient responsible for the savory taste called umami, is found in foods such as kelp and tomatoes. However, if one tried to use these raw materials to extract enough glutamate to meet the demand for seasoning products, the resources would soon be depleted. This is what makes the Ajinomoto Group's efficient methods of producing amino acids so important.

Currently, the Group has amino acid production facilities in nine countries. Amino acids are made by fermenting agricultural products such as cassava and sugarcane, which are easy to obtain locally. The by-products of this manufacturing process are, in turn, utilized to support farming, livestock, and aquaculture industries as fertilizer and feed. The Group calls this recycling of resources in the production process a bio-cycle, and has

been using it for over 30 years. Today, similar efforts for making the most of resources are being made across all of the Group's businesses.



### Bio-cycle created by the resource-recycling process for amino acid production



The chart assumes worldwide annual production of approximately 0.5 million tonnes of the umami seasoning AJI-NO-MOTO® by the Ajinomoto Group using only sugar cane. The values for sugar cane grown and sugar production are commonly used global figures, and the values for resources used for producing AJI-NO-MOTO® and values for by-products are based on actual Ajinomoto Group statistics.

### Promoting next-generation amino acid manufacturing: Lower resource fermentation technology

The Ajinomoto Group is promoting R&D for the introduction of lower resource fermentation technology as a new way to manufacture amino acids. This will help ensure the sustainability of food resources and the planet, by reducing CO<sub>2</sub> emissions and the amount of sub raw materials used in amino acid

fermentation, through even more efficient utilization of resources without waste.

Since fiscal 2011, various technologies have been progressively introduced at amino acid production sites worldwide.

#### Examples of lower resource fermentation technologies

- Technologies to internally produce part of the main materials and to make effective use of by-products as a biomass energy source (Production of MSG<sup>1</sup> and I+G<sup>2</sup>) (See p. 14 for details)
- Technology to use non-food resources as materials (Production of feed-use lysine)
- Biotechnology to reduce the use of main and sub raw materials and energy (Production of feed-use lysine, amino acid-based sweeteners, MSG, etc.)

<sup>1</sup> MSG: Monosodium L-glutamate <sup>2</sup> I+G: Disodium 5'-ribonucleotides

## Using carbon-neutral energy from biomass



In order to reduce CO<sub>2</sub> emissions from energy used in manufacturing, the Ajinomoto Group is introducing technology for the utilization of carbon-neutral biomass as an energy source.

The Kamphaeng Phet Factory of Ajinomoto Co., (Thailand) Ltd. installed a biomass boiler in December 2008. It generates energy using rice husks, which until now were unused local resources, as carbon-neutral fuel. Then in fiscal 2011, as part of an initiative for in-house production of cassava starch, a raw material for amino acid fermentation, the factory began to use the methane biogas generated by the starch-making process as a fuel. In fiscal 2013, the facility plans to cover 10% of its steam energy requirement with this methane gas.

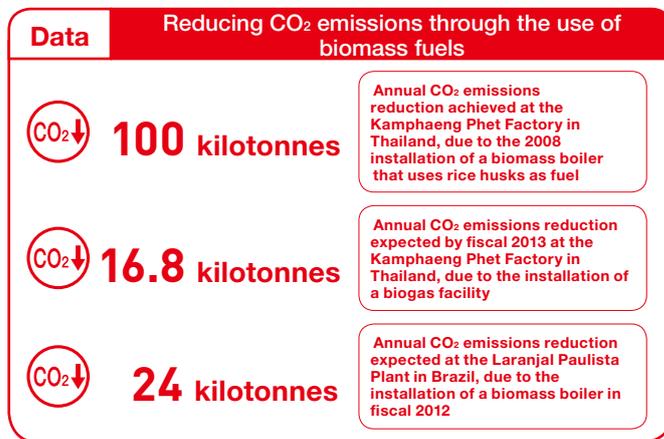
In June 2012, the Laranjal Paulista Plant of Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda. installed a biomass boiler that operates using wood chips as well as sugarcane fiber (bagasse) left over from the amino acid fermentation process. Independent initiatives like these are being undertaken at group sites around the world.



Biogas recovery facility at the Kamphaeng Phet Factory



Biomass boiler at the Laranjal Paulista Plant



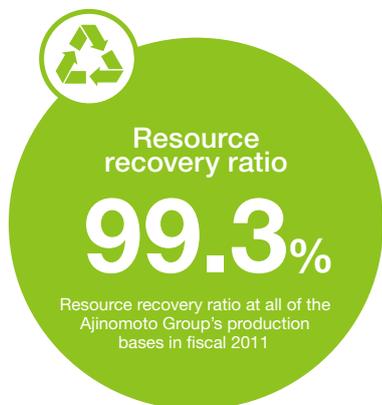
## Pursuing zero-emissions manufacturing processes



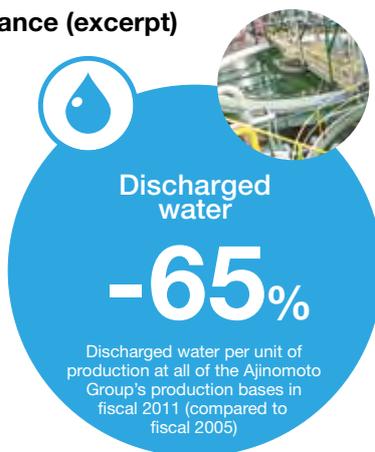
In fiscal 2005, the Ajinomoto Group Zero Emissions Plan was introduced to minimize environmental impact generated in all business operations. The plan sets strict numeral targets for the reduction of CO<sub>2</sub> emissions, discharged water and waste, while requiring management of plan performance. The Group is united in its efforts to fulfill the plan, and substantial results have been achieved.

With the recent launch of the 2011–2013 Ajinomoto Group Zero Emissions Plan, further initiatives are being promoted to minimize environmental impact, and the target numbers and scope are being revised as necessary.

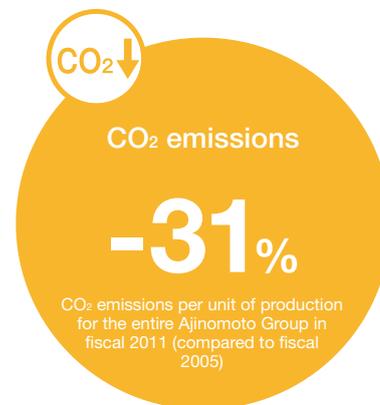
### Fiscal 2011 zero emissions performance (excerpt)



The Group is working to control the generation of waste to ensure optimum use of limited resources and is committed to making full use of waste generated. To this end, the Group is fostering the recycling of by-products as co-products and introducing new technologies to improve the efficiency of amino acid production.



In order to reduce the high concentration of nitrogen and high BOD levels in wastewater from its amino acid production bases, the Group is implementing measures to control pollutant sources and develop advanced treatment technologies. In addition, the Group is striving to reduce the use of water by developing water-saving processes.



Among the many environmental issues related to global sustainability, climate change resulting from global warming presents some of the most dire challenges for people around the world. The Group is working to reduce greenhouse gas emissions not just in the production process but across its business activities.

Reference See "Ajinomoto Group Zero Emissions Plan and Fiscal 2011 Results" on p. 70.

# Promoting the Bounty of Nature, and Realizing Sustainable Agricultural, Livestock and Fishery Products

The business activities of the Ajinomoto Group begin with the rich bounty of nature, including agricultural, livestock and fishery products. Across its global business, the Group is committed to finding creative ways to use valuable natural resources without waste while preserving nature's local blessings and fostering healthy living.



## Co-products foster bounty in the fields

Once amino acids are removed from the fermentation liquid in the amino acid production process, the remaining liquid still contains a wealth of nutritional ingredients. As an additional product, or "co-product," this valuable gift of nature is subsequently used to make value-added products. The recycling rate for by-products of the Group's amino acid fermentation is 100%. The co-products produced by 18 amino acid fermentation plants

in nine countries are used to make fertilizers, which help grow vegetables, sugarcane, corn, coffee, oranges, pineapples, rubber and more. Co-products are also used as feed for the livestock and aquaculture industries. This bio-cycle avoids depletion of natural resources.



New co-products: AMIHEART and Hayane Hayaoki, launched in Japan in April 2011 and October 2012, respectively

Initiatives

## Co-products used around the world



**France**  
Cattle feed



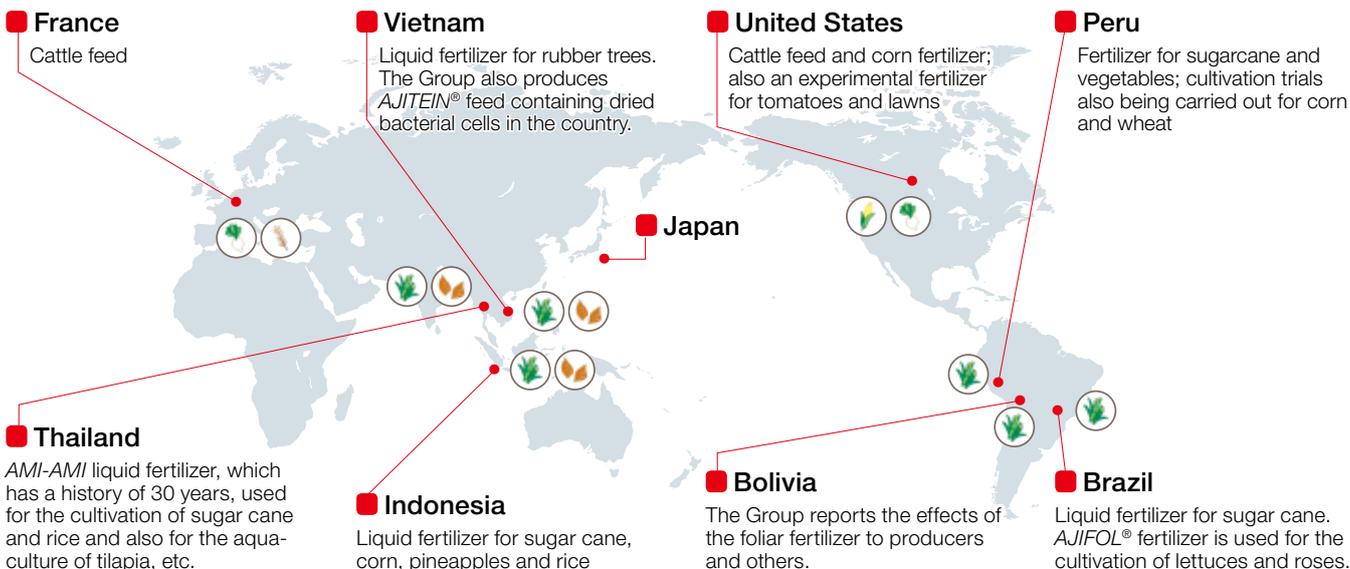
**Vietnam**  
Liquid fertilizer for rubber trees. The Group also produces AJITEIN® feed containing dried bacterial cells in the country.



**United States**  
Cattle feed and corn fertilizer; also an experimental fertilizer for tomatoes and lawns



**Peru**  
Fertilizer for sugarcane and vegetables; cultivation trials also being carried out for corn and wheat



**Thailand**  
AMI-AMI liquid fertilizer, which has a history of 30 years, used for the cultivation of sugar cane and rice and also for the aquaculture of tilapia, etc.

**Indonesia**  
Liquid fertilizer for sugar cane, corn, pineapples and rice

**Bolivia**  
The Group reports the effects of the foliar fertilizer to producers and others.

**Brazil**  
Liquid fertilizer for sugar cane. AJIFOL® fertilizer is used for the cultivation of lettuces and roses.



Reference See "Co-products that yield agricultural bounty" on p. 76

## Feed-use amino acids foster environmentally friendly livestock farming



The Ajinomoto Group has been cultivating worldwide markets for feed-use amino acids for more than 40 years. With lysine, threonine, and tryptophan as its main feed-use amino acids, the Group has long been a leader in the markets for these products.

Feeds with a good balance of amino acids help to reduce impact on soil and water from livestock waste and greatly reduce greenhouse gas emissions. They also help to reduce the amount of land required for feed crop cultivation. The Ajinomoto Group's feed products are gaining worldwide attention.

Typical livestock feed is a combination of soybean meal and energy-giving grains like corn and wheat. However, it contains more of certain amino acids than can be effectively used by the animal's body. As a result, amino acids are excreted as nitrogen compounds. In addition to having a negative impact on soil and water quality, part of this nitrogen is released into the atmosphere as N<sub>2</sub>O, which promotes global warming. The greenhouse gas effect of N<sub>2</sub>O is 300 times greater than that of CO<sub>2</sub>. By giving low-protein feed fortified with feed-use amino acids to livestock, it is possible to reduce the amount of nitrogen in the

animal waste by 30% for example, which helps to curtail the greenhouse gas effect.

In order to further expand environmentally friendly livestock farming based on the utilization of feed-use amino acids, the Ajinomoto Group is promoting the quantification of their environmental benefits using carbon footprint (CFP) assessment. In fiscal 2011, the CFP value of feed-use amino acids was certified under the CFP Program in Japan. Along with preparations for displaying the CFP logo mark on products in that country, the Group will continue to promote environmentally friendly livestock farming by developing similar measures worldwide. The Group is determined to deliver products that help put meat products with high environmental value on tables worldwide.



Lysine for dairy cattle, a product launched in the US in 2011

Reference

See "Feed-use amino acids for livestock farming that is friendly to the planet" on p. 75.

## Protecting and fostering sea life

Initiative

### Helping to protect skipjack through a tagging survey

Ajinomoto Co., Inc. is working to help understand and conserve skipjack, an important ingredient in *HON-DASHI*<sup>®</sup>, one of its main products in Japan. Since fiscal 2009, the company has been involved in the Joint Tagging Survey into Pacific Coast Skipjack together with the National Research Institute of Far Seas Fisheries of Japan's Fisheries Research Agency (NRIFSF). So far the project has tagged and released about 7,500 skipjack.

In 2012, the latest electronic recording tags (archival tags) were adopted to obtain even more detailed data. In February and April, archival tags were attached to 169 skipjack off Yonaguni Island. By October, seven of those tags had been recovered. They contained detailed data on the movement of skipjack over about 500 days, representing the first survey of its kind in this ocean area off Japan. Information on skipjack migratory routes, water depths and temperatures was obtained. Through analysis of this data and the acquisition of new scientific knowledge, the researchers expect to get a better understanding of skipjack stocks and ecology, which will assist international skipjack resource management.



Archival tag

Reference

See "Joint Tagging Survey into Pacific Coast Skipjack" on p. 73.

Initiative

### Improving marine ecosystems with Environment Vitalizing Concrete

Marine ecosystems around Japan face various problems including pollution and depletion of seawater nutrients and algae. At the bottom of the food chain, microalgae are essential to aquatic ecosystems. Seeing an opportunity, Ajinomoto Co., Inc. developed Environment Vitalizing Concrete, which slowly releases amino acids into the water.

Experiments show that Environment Vitalizing Concrete promotes microalgae growth and increased the number of fish and shellfish nearby. With local cooperation, the new concrete had been tried in about 30 river and ocean locations around Japan by October 2012.



Trial artificial reef creates a habitat for fish and shellfish.



Abalone and turban shellfish eat algae growing on the concrete.



Ayu fish are attracted to the Environment Vitalizing Concrete (left).

Reference

See "Joint development of Environment Vitalizing Concrete to help promote marine ecosystems" on p. 77.

# Helping People Lead Healthier Lives

Founded on the discovery of the unique taste sensation of umami, the Ajinomoto Group has been expanding its business globally in areas that have deep ties with food, health, and life. The Group aims to support everyone who wants to lead a healthy life, not only with its food products, but also with its various pharmaceutical and health products—all of which are driven by the Group's expertise in amino acids.

## Promoting healthier lifestyles worldwide through food

Food is the basis of life for all people. The Ajinomoto Group currently delivers a wide range of food products in about 100 different countries. These include seasonings, processed and frozen foods, and beverages, all prepared for each particular food culture. Through these products, the Group is striving to generate smiles at dinner tables everywhere. This includes Africa, the Middle East and South Asia, as food forms the basis of a healthy life in every part of the globe.

However, the world is still facing various issues relating to food and nutrition including malnutrition and excessive nutritional intake.

Approximately one billion of the world's seven billion people are going hungry, as they cannot get the minimum number of calories required daily. Approximately two billion people are suffering from serious health problems resulting from micronutrient deficiencies, meaning a lack of vitamins and minerals. On

the other side of the equation, some 1.5 billion people worldwide are eating too much, putting them at risk of lifestyle-related diseases.

The Ajinomoto Group is making the most of its seasoning and amino acid technologies to address the major global food issues of hunger and obesity. The Group's goal is to help people everywhere lead healthier, happier lives.



Reference See "Using amino acid expertise to promote healthy lifestyles" on p. 22.

Reference See "Bringing delicious flavor to more of the world" on p. 101.

## Reducing malnutrition through international cooperation programs

In Ghana, the traditional weaning food is porridge, but it is not nutritionally balanced, so it causes stunted growth among children in the country. Utilizing its expertise and technologies for food product processing and amino acid nutrition, the Ajinomoto Group has been developing food products that can improve nutrition in children. The Ghana Nutrition Improvement Project was undertaken by the Group with various partners including government entities such as the Ghana Health Service, the Japan International Cooperation Agency (JICA), the United States Agency for International Development (USAID), University of Ghana, and international NGOs. The project is now aiming to set up local production of a nutritional supplement for porridge and to establish a social business model for nutritional improvement.

Through the Ajinomoto International Cooperation Network for Nutrition and Health (AIN) program, the Group solicits project applications from NGOs and NPOs. The approved projects not only receive funds, but also support for nutritional education and other activities from group companies in the countries concerned.



Sampling porridge made with the nutritional supplement, *KOKO Plus*



School meals in Bangladesh supported through the AIN program (Photos courtesy of the Japan Bangladesh Cultural Exchange Association)

Reference See "Growing with the People of Each Community" on p. 100.

## Helping to curb excessive nutritional intake

Excessive nutritional intake leads to obesity and chronic diseases and is found in both developed and emerging countries. The Ajinomoto Group is developing products with less salt, sugar, and fat that still taste great and satisfy hunger. The Group is also doing research with the US Department of Agriculture on how the satiation generated by umami seasoning can help people avoid eating too much. With initiatives like this, the Group will continue to develop delicious foods that can help people be healthier.



PAL SWEET® Calorie Zero, a zero calorie sweetener with no sugar



Low Salt HON-DASHI®, with 30% less salt and all the flavor



## Improving health through products for medical treatment and sport

Today, amino acids play an indispensable role as ingredients for pharmaceuticals and for patient nutritional support. Using its expertise and technologies relating to food and amino acids, the Ajinomoto Group is using amino acids to develop drugs that control the digestion and absorption of food and nutrition, as well as metabolism and excretion. Based on clinical nutrition products such as infusions and dialysis solutions, as well as liquid medical foods, the Group provides unique products specially made for gastrointestinal and metabolic diseases. It will continue to help improve health and quality of life for all people suffering from illness.

Utilizing the effectiveness of amino acids and natural ingredients, the Ajinomoto Group is working to alleviate various health issues prevalent today in everyone from teenagers to the elderly. It is doing this by offering fundamental foods and sports nutrition products based on scientific evidence.

<sup>1</sup> amino VITAL® Pro, amino VITAL®, amino VITAL® Amino Protein, and amino VITAL® GOLD are official licensed products of the Japanese Olympic Committee.



SOLITA®-T No.3 (electrolyte solution)  
Pharmaceutical

ELENAL® (elemental diet)  
Pharmaceutical

amino VITAL® Pro<sup>1</sup> sports supplement with 3,600 mg of amino acids

MEDIF® PUSH CARE® 2.5 (semisolid high dense liquid diets with 2.5 kcal/g)

Glyna® supplement made from an amino acid called glycine, which can help to improve quality of rest

## Supporting eco-lifestyles starting from the dining table

While delivering ecological food products with environmentally friendly packaging to consumers, the Ajinomoto Group is also supporting green lifestyles at home with handy recipes and ideas for eliminating food waste. In Japan, the Group holds eco-cooking classes for parents and children and sponsors an environmental

diary contest for elementary school students. Consumers can also view and share energy saving ideas and recipes on the company's website. The desire is to continue promoting these kinds of activities worldwide.

### Providing "Eco-Uma" Recipes

In order to encourage consumers to begin their own eco-lifestyles, Ajinomoto Co., Inc. has launched an "Eco-Uma Recipe" campaign. By offering everyday recipes and ideas for delicious dishes that are also environmentally friendly, the company is encouraging green lifestyles that begin at the dining table. Through this campaign, consumers can get information on a selection of environmentally considerate materials and seasonings. They can also learn how to use, cook and preserve food materials, while sharing kitchen tips and tricks at special events, online, and by other means.



"Eco-Uma Recipe" website (in Japanese only)

### Supporting an environmental diary contest for children

As part of the "Green Lane" environmental diary contest conducted by Green Cross Japan, the Ajinomoto Shoku-Eco Kids Prize is awarded to youngsters that perform and write down their fun, outstanding environmental activities relating to food. The goal is to encourage children, the leaders of tomorrow, to enjoy food in an environmentally friendly way.

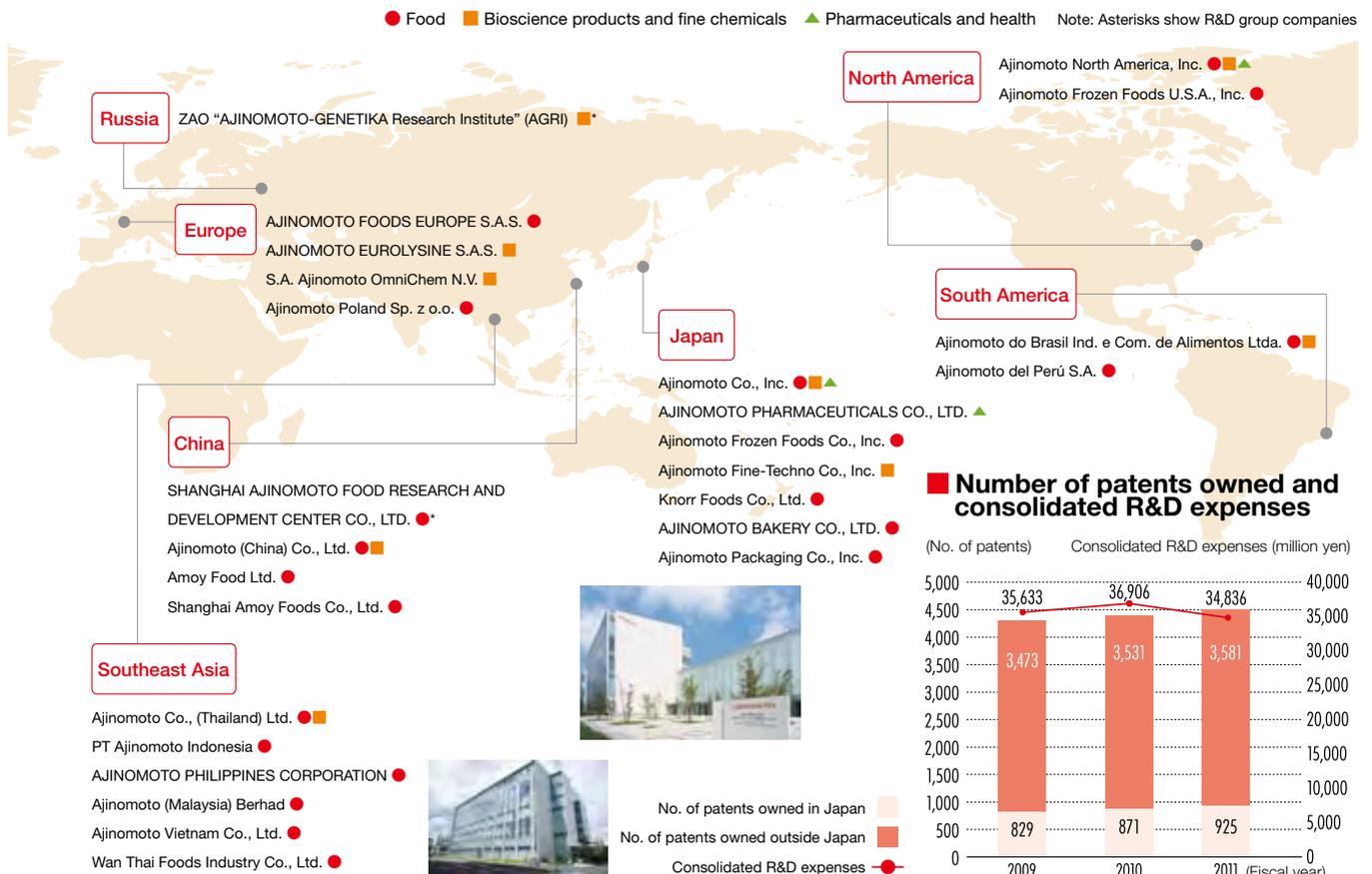


Reference See "Proposing Sustainable Lifestyles, Starting with the Dinner Table" on p. 98.

# Leveraging Technology and Knowledge to Build a Sustainable Future

With over 1,000 researchers worldwide, the Ajinomoto Group is committed to research and technology development as the driver of business growth. Making the most of the technology, knowledge and connections it has in businesses such as food, bioscience products and fine chemicals, and pharmaceuticals and health, the Group is determined to help find solutions to the challenges that human society faces in the 21st century in order to create a sustainable future.

## Ajinomoto Group's major research and development centers across the world



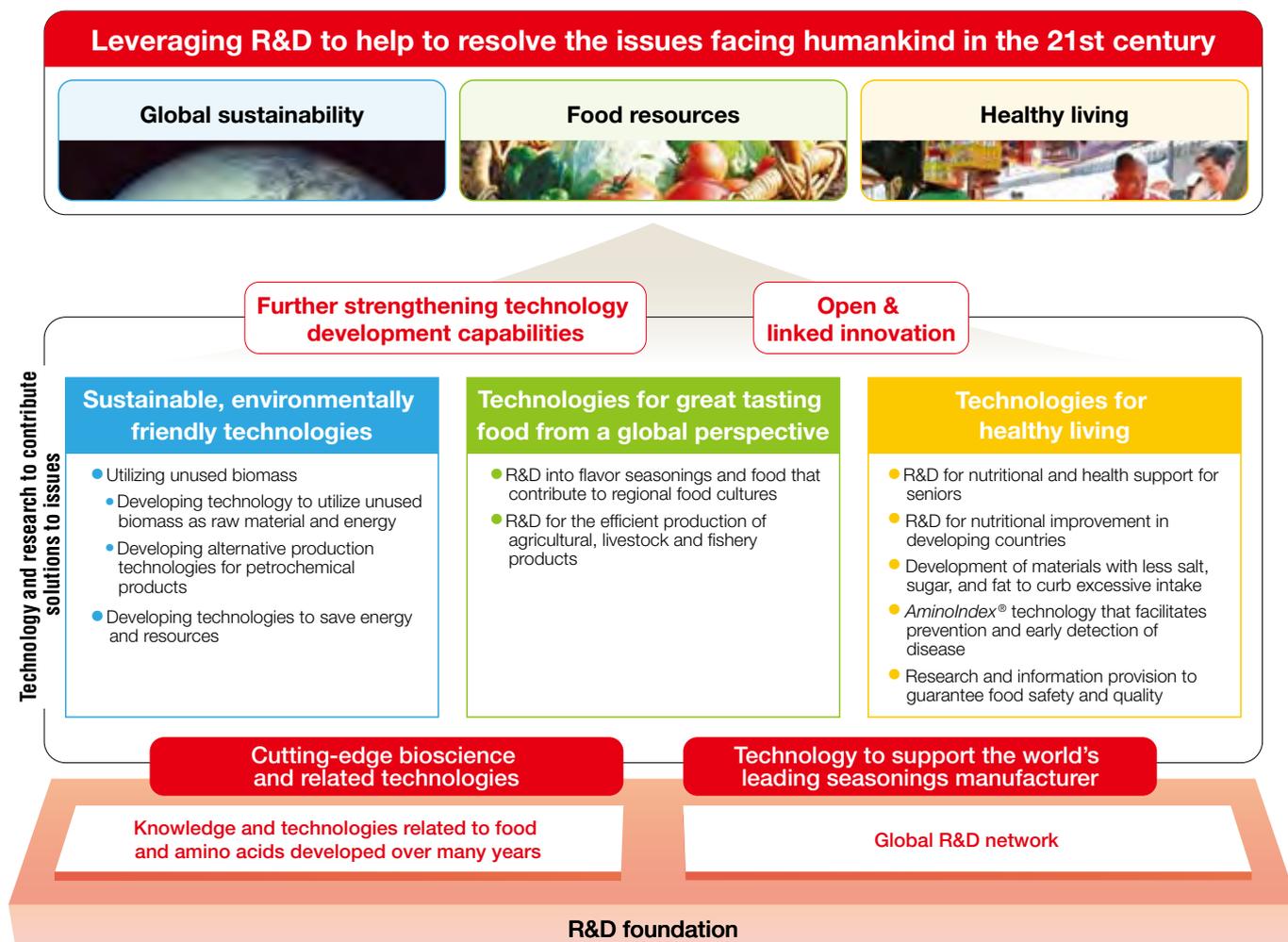


## The role of research and development

Amino acids are not only the starting point for the business of the Ajinomoto Group; they are also the starting point for life. Some of the many nutritional and physiological functions of amino acids were discovered in the R&D process that led to the commercialization of umami seasoning. This enabled the Group to expand its business into areas outside of food products. Results of this included the development of fertilizers and feeds made from the co-products of the amino acid fermentation

process, as well as feed-use amino acids. The Group has also developed its own technologies related to bioscience, chemical synthesis, bioassay, and food product processing and analysis.

Based on this solid base of original technology and knowledge, the Ajinomoto Group is confident that it can provide new value and help solve the challenges that human society faces in the 21st century.



### Highlight ZAO "AJINOMOTO-GENETIKA Research Institute" (AGRI) wins award from Russian government

AGRI, a research and development company in the Ajinomoto Group, received the 2011 Russian Federation Government Prize in Science and Technology for the development of an innovative biotechnology process for producing amino acids. This is one of Russia's most prestigious honors. It also marked the first time this award has gone to a Japanese-owned company.

The prize recognized AGRI for its amino acid technologies, which are currently being commercialized around the world, and its contribution to many facets of the Russian economy, including agriculture. AGRI was also recognized for its research achievements, which over the 12 years since its establishment have significantly contributed to the development of Russian science and technology.



AGRI building



Widely covered in local newspapers



Receiving the award

# Creating the Future with “Open & Linked Innovation”

The Ajinomoto Group’s “open & linked innovation” approach is designed to accelerate results in research and technology development. In fiscal 2011 and 2012, it began to pay off with new technologies for fostering sustainability, and major steps were taken toward further research and future commercialization.

## Developing sustainable materials with cutting-edge bioscience technology

### Working with Bridgestone Corporation to develop synthetic rubber from biomass

The two main types of rubber are natural rubber extracted from rubber trees (*hevea brasiliensis*) and synthetic rubber produced from crude oil. Demand for natural rubber has been rising in tandem with automobile ownership worldwide, but it is difficult to raise production of this raw material. Synthetic polyisoprene can partially replace natural rubber in tires, but petroleum-based isoprene, an intermediate raw material for synthetic polyisoprene, is also in limited supply.

Addressing this challenge, Ajinomoto Co., Inc. and Bridgestone Corporation signed a joint research agreement in June 2011 and began development of a new rubber raw material and its application for synthetic rubber. In May 2012, using bio-based isoprene made by Ajinomoto Co., Inc. in an experimental process for fermenting plant-derived sugars, Bridgestone employed its polymerization catalyst technology and succeeded in the trial manufacture of synthetic rubber (polyisoprene).

Ajinomoto Co., Inc. has been making this product through fermentation for over 50 years, since 1957. Today, as the world’s leading amino acid manufacturer, the company produces in the range of 1 million tons of amino acids per year, and has state-of-the-art fermentation technologies. On the other hand, Bridgestone is the world’s largest supplier of tires. It not only has production sites in countries worldwide, but also possesses formidable capabilities in polymer synthesis thanks to its cutting-edge technology in the polymerization catalyst field.

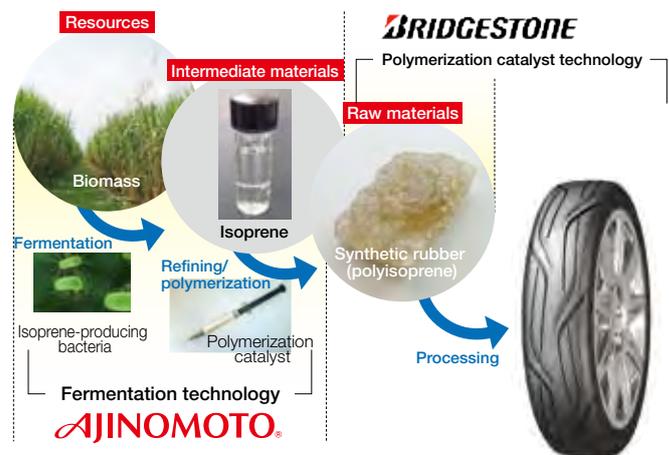
The two companies plan to continue putting their advantages to the best use to develop synthetic rubber from biomass, thereby ensuring the stable production of synthetic rubber from sustainable resources and helping diversify rubber resources.

### Ajinomoto Co., Inc. and Toray Industries, Inc. conduct joint research on bio-based nylon

In February 2012, Ajinomoto Co., Inc. and Toray Industries, Inc. agreed to begin joint research into bio-based nylon.

Nylon is produced by polymerizing raw materials derived from petrochemicals. On the other hand, bio-based nylon is made using plant materials for part or all of the materials used in nylon polymerization. There are two main ingredients in nylon, one of which is 1,5-pentanediamine (1,5-PD). The joint research seeks to develop an alternative to 1,5-PD manufactured using an amino acid, lysine, produced by Ajinomoto Co., Inc. through fermentation of plant material. This will enable

### Developing synthetic rubber from biomass



The joint development of bio-based isoprene rubber is a prime example of our R&D effort to ensure sustainability on Earth. By utilizing the two companies’ respective strengths in joint development, we created an end product that would have been impossible for either company on its own. If this product can be commercialized, it will help promote a low-carbon, recycling-oriented society that is sustainable.

**Junichiro Kojima**  
Associate General Manager, R&D Planning Department,  
Ajinomoto Co., Inc.



Reference Press Releases  
[http://www.ajinomoto.com/about/press/g2012\\_05\\_31\\_2.html](http://www.ajinomoto.com/about/press/g2012_05_31_2.html)

about half of the raw materials for nylon to come from plants.

As it contains 1,5-PD made from plant material, bio-based nylon fiber is not only renewable, it also has the same strength and heat resistance as conventional nylon fiber made from petrochemicals. Moreover, with absorbency that approximates cotton and a soft feel on the skin, bio-based nylon is expected to be used for clothing. The two companies have already succeeded in trial manufacture of this product, and are now developing a manufacturing process while carrying out usage assessment, for the commercialization of bio-based nylon.



Reference Press Releases  
[http://www.ajinomoto.com/en/presscenter/press/detail/g2012\\_02\\_13.html](http://www.ajinomoto.com/en/presscenter/press/detail/g2012_02_13.html)

## Using amino acid expertise to promote healthy lifestyles

### Supporting good health through *AminoIndex*<sup>®</sup> technology

Ajinomoto Co., Inc. developed *AminoIndex*<sup>®</sup> for the healthcare field by applying its vast knowledge of amino acids and its world-leading amino acid technology. *AminoIndex*<sup>®</sup> is a testing service which can reveal a person's health condition and aid in the early detection of various diseases by analyzing the change in concentration of up to 40 types of amino acids found in blood.

### Quick testing for multiple cancers from a single blood draw

In order to commercialize *AminoIndex*<sup>®</sup> as an aid for cancer screening, in April 2011 the company collaborated with the clinical testing provider SRL, Inc., and launched the world's first *AminoIndex*<sup>®</sup> Cancer Screening (AICS) service.

In regular cancer screening, various tests are employed, including X-rays, a fecal occult blood test, and mammography, depending on the type of cancer. As these tests are quite burdensome for the people being screened, it can hinder efforts to increase screening participation rates.

With AICS, however, using a single blood draw, screening for the risk of gastric, lung, and colon cancers can be carried out simultaneously, along with screening for prostate cancer in men,

AICS provides a new approach to cancer screening that is completely different from existing methods and might help to detect cancer earlier. As current gynecological cancer screening methods are burdensome both mentally and physically, screening participation rates have ended up low. I believe that AICS could become a revolutionary cancer screening test that can reduce medical expenses and mortality by identifying more early stage cancers.



**Minoru Yamakado**  
Special Advisor of the Center of Multiphasic Health Testing and Services, Mitsui Memorial Hospital

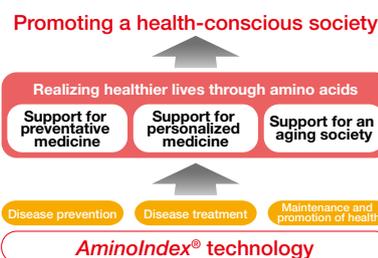
and breast, endocervical, endometrial, and ovarian cancers in women. The widespread adoption of AICS is expected to help increase cancer screening participation rates.



The *AminoIndex*<sup>®</sup> logo represents a person with arms outstretched (the "O" represents the head), seeking to support everyone's health.

Research is also being carried out for application of *AminoIndex*<sup>®</sup> technology to determine visceral fat obesity, which could help with early detection of metabolic syndrome. In order to support healthy living, the company will keep striving to develop new applications for *AminoIndex*<sup>®</sup> technology.

### Helping to build a health-conscious society using amino acid technology



By measuring amino acid levels in the body, we can now become aware of a person's health condition and detect various diseases based on metabolic changes that are not indicated by DNA or protein analysis. Dedicated to contributing to the health and well-being of the whole family by helping to prevent diseases and promoting good health, we will keep working to develop the *AminoIndex*<sup>®</sup> enterprise.

**Ryota Yoshimoto**  
General Manager, AminoIndex Department, Ajinomoto Co., Inc.



### Partnering with Kao Corporation in the health solutions business

As society ages, people are becoming more concerned about their lifelong health. At the same time, there has been increasing focus on the prevention and improvement of metabolic syndrome and the decreased locomotive functions with aging. Promoting a society with active seniors who lead active lives regardless of age can also help reduce healthcare costs for companies and national governments.

In order to help realize this kind of society, in May 2012, Ajinomoto Co., Inc. and Kao Corporation signed an alliance agreement in the health solutions business, based on the technologies, products, and services of the respective companies. Ajinomoto Co., Inc. acquired a 33.4% equity interest in Healthcare Committee, Inc. (HCC), previously a wholly owned subsidiary of Kao Corporation. Directors appointed by Ajinomoto Co., Inc. are now part of the management team at HCC.

Currently, HCC is operating a lifestyle improvement program service, QUPiO, for health insurance associations in Japan. The service uses medical checkup results to provide association members with information on the risk of lifestyle-related diseases, along with support for lifestyle improvement. In the future, the service may offer metabolic syndrome screening using the *AminoIndex*<sup>®</sup> technology of Ajinomoto Co., Inc., accompanied by the appropriate meal plan information based on the idea of a lifelong health portal program.



HCC website (in Japanese only)



## Working with Stakeholders to Build a Sustainable Future

The Ajinomoto Group seeks to contribute to society through its businesses and understands how important stakeholder communication is. The Group actively pursues input, studies it and incorporates it into business activities as appropriate. The Group highly values stakeholder engagement, believing that the global issues the world now faces can only be resolved when all stakeholders act together.

### Dialogue with sustainability expert Lester R. Brown

#### What needs to be done to resolve sustainability issues through business?

In February 2012, Ajinomoto Co., Inc. had the honor of a visit from Lester R. Brown, one of the world's leading experts on food and the environment. Brown offered a range of suggestions regarding the action that the Ajinomoto Group can and should take as a corporation with global business operations in the fields of food and health.

#### Extensive knowledge of food and amino acids helps solve social issues

**Chieko Ishijima:** The Ajinomoto Group views global sustainability, food resources, and healthy lifestyles as the most challenging issues facing humanity in the 21st century. We believe that the technologies related to food, nutrition, and amino acids that we have developed over many years can be helpful in trying to solve these problems. Human activity is rapidly becoming a burden on the planet, and food and national security are being threatened. We are eager to hear your opinion on how the Ajinomoto Group can and should try to make a difference through its global

food business.

**Lester R. Brown:** As I look at the world today, I see two nutrition problems: one is a lifestyle characterized by a lack of sufficient exercise and an excessive intake of

calories, and the second is under-nutrition, people not getting the nutrients needed for a healthy lifestyle. Interestingly, the number of people affected by these two problems are roughly the same—1 to 1.5 billion people in each category. So, anything that can help with these problems is a major act. Amino acid fortification is an important part of food relief. The Ajinomoto Group is ideally positioned to advance public thinking on the importance of this issue to help people in positions of responsibility in governments and international assistance agencies to understand amino acid fortification and its importance in food aid projects. One way to accomplish this would be research on amino acid intake among populations around the world to identify the amino acids of which people are not getting enough.

**Ishijima:** Using amino acids to address the problem of nutrition has been one of the Ajinomoto Group's missions since its founding, and we are actively working on it still. Amino acids are one of the building blocks of life itself. We believe that, with our extensive understanding and proper application of amino acids, we can continue to provide new technologies that will help not only with nutrition for humankind, but support all life on Earth.

**Brown:** The Ajinomoto Group talks about the importance of ecosystems, and that is certainly important for agriculture and food production. We see very clearly that we are overusing Earth's natural systems. We are over-pumping aquifers, over-plowing land, destroying forests, overfishing, eroding the land,



**Chieko Ishijima**  
General Manager,  
Environment & Safety  
Department,  
Ajinomoto Co., Inc.

We are now faced with saving not just the natural environment, but saving civilization itself. We are going to have to begin, as individuals and as corporations, to engage the big issues in a major way if we are to win this battle.



**Lester R. Brown**

Founder and president of the Earth Policy Institute. Born in New Jersey in 1934, Brown graduated from Rutgers University, earned a master's degree in agriculture and public administration from Harvard University, and served as director of the U.S. Department of Agriculture's Foreign Agricultural Service. He coined the groundbreaking term "environmentally sustainable development" some 30 years ago and was dubbed by the *Washington Post* to be "one of the most influential thinkers in the world." His latest book, *World on the Edge: How to Prevent Environmental and Economic Collapse*, has also been published in Japanese by Diamond Inc.

and discharging carbon into the atmosphere. All of these things are undermining our economic future.

We used to talk about saving the planet, but we are now faced with saving civilization itself. We cannot afford to lose this battle. We are not going to save civilization unless we as individuals and as corporations take a strong stance on solving these issues on a global scale and push our governments to do so.

**Ishijima:** We pride ourselves on the fact that, as a company closely connected with the daily lives of people, we can help to transform food cultures into something more sustainable. We have the technology and expertise to do this. We hope to make a contribution as part of the greater social system by sharing this know-how across the planet.

**Readdressing how individuals and corporations tackle global problems**

**Brown:** It sounds to me as though the Ajinomoto Group is taking some very good steps—in Thailand, for example, using boilers that burn rice straw as fuel to effectively use the by-products that the company generates. But what I have not heard anything about is the extent to which the Group has a policy of developing solar or geothermal or wind or other renewable energy for its own operations. I have not heard any references to a corporate policy of becoming carbon neutral, for example. I would suggest that the Group's stance on this sort of an effort and the details of how it will develop in this area need to be made clear.

**Ishijima:** You are absolutely correct. Having gone through the Great East Japan Earthquake and ensuing nuclear accident,

Japan is now at a major turning point with regard to the way the country uses energy. What message do you have for us on this point?

**Brown:** What happened in Fukushima has changed energy policies in countries all over the world. When we think about what might happen on the climate front, we must fundamentally re-think our future. We are clearly seeing more and more extreme climate events like hurricanes, flooding, and tidal waves recently that are causing major damage around the world. Things are changing, and the question is, "How do we respond to these changes? How do we translate this into energy policy?" We must rethink these issues.

**Ishijima:** Thank you very much for your suggestions. You bring such a wealth of knowledge to the subject and play such an active role in so many areas. You are having such an impact on the future, and at the Ajinomoto Group we hope to do the same through our business activities.

**Brown:** It has been fun meeting with a company that is even older than I am. I am pleased to see the Ajinomoto Group incorporating a basic understanding of the environment into its day-to-day operations. We have to ask ourselves what is our role as individuals and as companies like the Ajinomoto Group in changing the perception and understanding of global issues. How do we change things at the global level?

What can we do at the corporate level to change world climate policy? This is the true question for our generation. I am pleased to have had the opportunity to talk about these issues today.

**Dialogue with CSR expert Malini Mehra (March 2012)**

**Highlights**

**The optimal approach to sustainability for global corporations operating in new emerging economies**

In addition to supplying products designed to support sustainability, global corporations must help with efforts to transform consumer attitudes and behavior. Collaboration with NPOs is critical to these efforts. Corporations must also be clear about the outcomes that they expect from such collaboration.

**The Ajinomoto Group's business and human rights**

Nutritional improvement and food security are critical and basic human rights issues that are directly linked to the business of the Ajinomoto Group.

**Malini Mehra**

An Indian national, Malini Mehra, founder and CEO of the Centre for Social Markets an NPO in India, has worked on sustainability and human rights issues across the world as a campaigner, educator, writer, strategist and policy maker for more than 25 years. Presently she advises major corporations such as Unilever, Kimberly-Clark and BHP Billiton, and serves on the board of directors of the Global Reporting Initiative and Chinadialogue.net. She has worked in the United Nations, including as an adviser to the Secretary-General on UN-civil society relations, and was the architect of the United Kingdom government's Sustainable Development Dialogues with China, India, Brazil, Mexico and South Africa.



# Involving All Stakeholders in Discussion on Sustainability

The Ajinomoto Group believes that a sustainable future can only be achieved in collaboration with all members of society. The Group highly prioritizes dialogue on how to build the most desirable future. To encourage this type of communication, the Group creates a variety of opportunities for dialogue about what every one of us can do.

## Discussions on a Sustainable Future

### First Ajinomoto Group Sustainability Forum

March 6, 2012 at the Ajinomoto Group Takanawa Training Center

The Ajinomoto Group held its first Ajinomoto Group Sustainability Forum to provide a venue for discussing issues of sustainability and exploring the idea of a sustainable future. Some 300 participants, mostly members of the general public, came together to consider the relationship between the planet and life and discuss the sort of actions that begin at the dinner table that can support this relationship. The second forum was held in December 2012 at Eco-Products 2012.



#### Keynote Address

**From Carbon to Nitrogen**—The Age of Dynamic Equilibrium between People and the Planet



Shin-Ichi Fukuoka  
Biologist

Citing the latest research, Shin-Ichi Fukuoka spoke about “dynamic equilibrium,” defining it like this: “The cells in any living organism are constantly being replaced. On a material level, the ‘me’ of yesterday and the ‘me’ of today are different, but I still continue to be myself. Life is dynamic, and yet it is constantly in balance.” Expanding, Fukuoka remarked, “Life, the environment, and nature are all continuously rejuvenated in pursuit of equilibrium. On a material level, carbon gets the attention, as demonstrated by the focus on carbon dioxide emissions. But we overlook the nitrogen cycle. Nitrogen is an essential component of protein, and the global balance of it is collapsing. We need to restore the nitrogen cycle in order to restore the dynamic equilibrium of the planet as a whole.”

#### Panel Discussion

**My Lifestyle within the Global Cycle**—On a Sustainable Future That Starts at the Dinner Table

The five-member panel facilitated by TV presenter and news anchor Mitsuyo Kusano reexamined the relationship between food, lifestyles and the planet. The discussion incorporated audience members’ hopes and desires with regard to the future of food, which were submitted in advance, as well as the panelists’ views on what individuals can do to protect life for the future.



Mitsuyo Kusano  
TV presenter and news anchor



Manabu Akaike  
President, Universal Design Intelligence, Inc.

With the democratization of information through social media, blogs, and other channels, a trend is emerging where individuals plan and act on their own for a sustainable order. This is likely to push the world toward a more autonomous social order. Passing through this phase, we are expected to enter a new one of naturalized societies into which natural systems have been integrated. Consumers will need to change their purchasing styles, as well. We should contribute to the creation of viable business models by actively investing in positive initiatives.



Aiko Yamauchi  
Marine Programme Fishery Officer, World Wide Fund for Nature Japan

Once upon a time, sustainable use of the planet’s resources was the norm, but modern lifestyles mean that we are borrowing half of the resources we use from future generations. Fisheries in particular are increasing their stock, and fish breeding is impacting the environment. Consumer behavior is equally important. When purchasing fish, consumers need to choose seasonal catches, know the origin of the fish or the fishery, and buy only the amount of fish they need and at a reasonable price. We need to think about whether the seafood we buy is actually sustainable.



Yoko Maki  
Director, Environment Bureau, City of Kawasaki

In the 1950s and 60s, Kawasaki was a city of considerable pollution. In the ensuing years, environmental technologies developed, and both residents and businesses worked hard to address the oil crisis, waste, and other problems. Today, Kawasaki seeks to be a leader in the environment and life sciences. The city has a number of power plants fueled by renewable energy, has set up recycling displays and venues for companies to present their CSR activities, and promotes eco-cooking among residents. All of these initiatives emphasize ecological practices in a modern, industrialized city.



Chieko Ishijima  
General Manager, Environment & Safety Department, Ajinomoto Co., Inc.

A food manufacturer’s business depends on agriculture, livestock farming, and fisheries. We must consider the sustainability of society and the planet while minimizing our impact on the environment. This cannot be accomplished with a single-minded focus on business. At the Ajinomoto Group, we consult with consumers in providing guidance on how to select environmentally friendly products. We think an ecological lifestyle starts at the dinner table. We hope to involve everyone in a virtuous cycle.

## Suggestions for ecological lifestyle

### Eco-Products 2011

December 15–17, 2011 at Tokyo Big Sight

The Eco-Products 2011 exhibition is the largest environmental expo in Japan, attracting more than 180,000 visitors over three days. The Ajinomoto Group set up a booth featuring its eco-products. The booth also introduced ideas for an ecological lifestyle that begins at the dinner table, encouraging visitors to take part in the fun with quizzes and food samples.



## Dialogue with investors

### Ajinomoto Group ESG Small Group Meeting

July 5, 2012, Tokyo

The Ajinomoto Group held an Environment, Social, Governance (ESG) Small Group Meeting for investors. Following a presentation on the Group's approach to sustainability, the 12 invited investors and analysts took part in a lively discussion on a range of topics that included business and food resources in newly emerging economies.



## International cooperation events

### Global Festa Japan 2011

October 1–2, 2011 in Hibiya Park, Tokyo

The largest international cooperation event in Japan, Global Festa Japan, features some 300 participating groups. Ajinomoto Co., Inc. featured panels in its booth introducing its initiatives around the world and participated in workshops and panel discussions. The company outlined its Ghana Nutrition Improvement Project and other international cooperation projects, as well as the support that it has provided the recovery efforts in the wake of the Great East Japan Earthquake. The event was a good opportunity to engage in dynamic discussions with a variety of stakeholders interested in international cooperation, including NGOs, UN agencies, and students.



More than 1,000 people visited the booth, and the discussions were lively.



The panel discussion featured the AIN program, a corporate effort involving international cooperation.



Workshop presentation with CARE International Japan and Plan Japan on the project in Ghana

## Participating in international discussions

### Japan Pavilion at Rio+20

June 13–24, 2012 in Rio de Janeiro, Brazil

The Japan Pavilion at the UN Conference on Sustainable Development (Rio+20) was developed in close cooperation between the public and private sectors to address the theme, "Japan's Green Innovation: Power of Recovery and Kizuna with the World." As a global food company originating in Japan, the Ajinomoto Group was one of the exhibitors at the pavilion. The Group's booth focused on discussions of sustainability, as well as tips on food resource sustainability around the world and the sustainable use of natural capital.



Visitors from around the world asked questions and offered their impressions of the Group's products and activities.





# Overcoming Natural Disasters to Build a Sustainable Society

Natural disasters are a tragic part of life. In March 2011, Japan experienced an earthquake of unprecedented magnitude, which has left a mark on the people and communities of the nation to this day. The Ajinomoto Group has integrated what it experienced and learned during the disaster, as well as in the days and months that followed, into its preparations for future natural disasters.

## Lifestyles that suit local conditions, preparing for business continuity worldwide

The first years of the 21st century have brought many record-breaking natural disasters around the world. Japan, too, has been hit with torrential rains, tornados, and other uncharacteristic weather conditions.

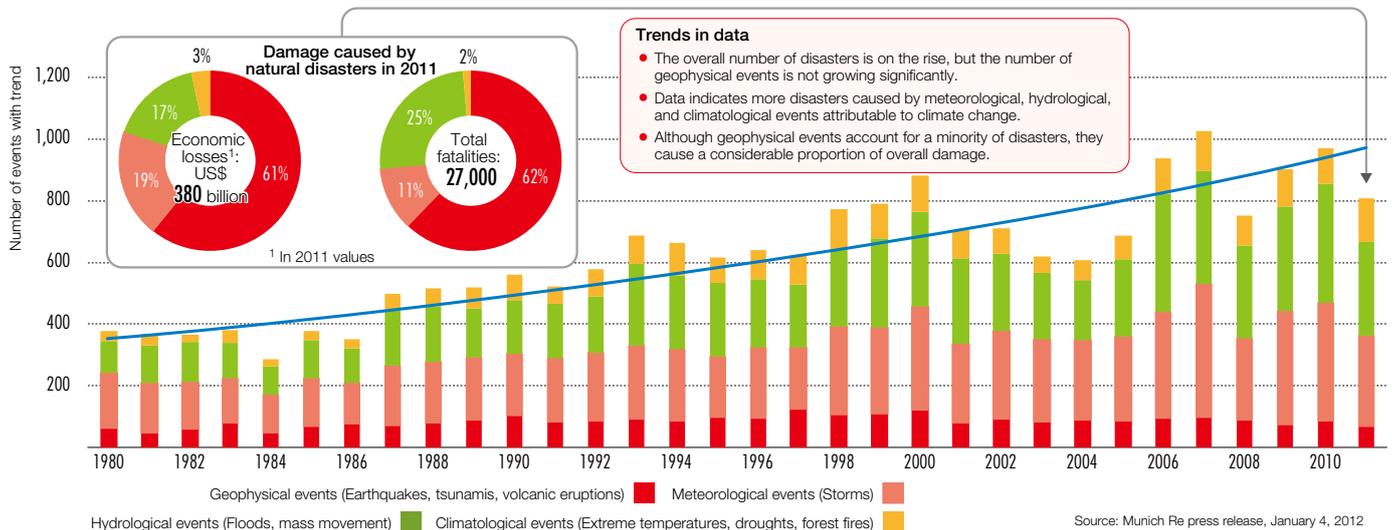
Each of these disasters is caused by different factors, but they are all thought to be manifestations of climate change. It may therefore be possible to reduce the damage caused by natural disasters by curbing global warming.

In the case of disasters that are hard to predict and cause massive damage, like earthquakes, it is vital to be prepared for the moment they strike and the action required in their aftermath.

Natural disasters on a global scale wield a tremendous amount of energy, and humankind is not capable of preventing the damage they cause. It is, however, possible for us to be ready, minimize the damage, and take the right steps afterwards.

The Ajinomoto Group took a variety of actions to cope with the Great East Japan Earthquake and the flooding in Thailand, both of which took place in fiscal 2011. Both in its business activities and its social contribution initiatives, the Ajinomoto Group always seeks to do what it can to protect lives and local communities when disaster strikes.

### Worldwide Natural Disasters 1980-2011



## During and after the Great East Japan Earthquake

Learning about proper corporate response to an unprecedented disaster

The Great East Japan Earthquake in March 2011 damaged a number of distribution and production bases belonging to the Ajinomoto Group. The Group lost no time in scrambling to resume operations and restore stable product supplies.

Determined never to forget the lessons learned from this earthquake, the Ajinomoto Group is preparing for other unforeseeable natural disasters. Its enterprise continuity plans are designed to minimize damage and ensure that operations resume as quickly as possible.

### Data

#### Damage Caused by Great East Japan Earthquake and Tsunami

##### Human casualties

Fatalities: 15,868; missing persons: 2,848

##### Structural damage (number of buildings)

Completely destroyed: 129,316; partially destroyed: 263,845; partially damaged: 725,760

##### Total estimated disaster waste in disaster area

(As of July 2012)

Disaster waste: 31.2 million tonnes; tsunami sediment: 9.59 million tonnes

Source: *Reconstruction Status and Initiatives* (Reconstruction Agency, August 15, 2012)

## Safeguarding Business Continuity

### Developing enterprise continuity plans

Following the disaster, the Ajinomoto Group revised its business continuity plan (BCP) and reintroduced it as an even more comprehensive enterprise continuity plan (ECP). Seeking to ensure that Group operations are not interrupted in the event of a disaster, the ECP is broader in scope and includes lifesaving measures and support for local communities.

The ECP prioritizes disaster response: (1) person; (2) society; and (3) business. It lays out plans for three stages of disaster: the human safety stage, the support and recovery stage, and the business recovery stage. In fiscal 2012, the Group compiled and introduced concrete measures to be taken when the plan goes into effect.

### Ajinomoto Group Emergency Response Priorities

#### 1. Person

We give the highest priority to human life, and ensure the safety of oneself, one's family and colleagues.

#### 2. Society

We provide support for local community and society, on the basis of saving human life.

#### 3. Business

We make an effort for early restoration of business activities in order to fulfill our business responsibility, as the Ajinomoto Group that is working for Life.

### Improving the food product supply chain in Japan

The Group's ECP focuses on strengthening the food product supply chain in Japan. The plan adds decentralized operations and supplemental systems to ensure a stable product supply to the emphasis on focused and efficient operations already in place.

**Raw materials:** Sharing ingredients across product formulas, simplifying product formulas, developing alternative manufacturing process, and securing alternative supply channels

**Production:** Developing redundant and decentralized production bases, instituting backup systems, and formulating plans to ensure necessary production personnel

**Distribution:** Decentralizing inventory, establishing multiple distribution routes, designing flexible information systems, and looking into the potential for redundant distribution centers

### Damage sustained by the Ajinomoto Group in the Great East Japan Earthquake

#### Safety of employees and their families

The safety of all group employees was confirmed. Sadly, however, some employees' family members and relatives lost their lives.

#### Damage to production and distribution facilities

##### Kawasaki Plant, Ajinomoto Co., Inc.

Production facilities sustained only minor damage. However, production and shipments were delayed owing to damage to an automated warehouse which stores and ships major retail products and key raw materials. As a result, supply problems were experienced by a large number of purchasers across the country. Operations were resumed completely at the center in May 2011.

##### Sendai Distribution Center, AJINOMOTO LOGISTICS CORPORATION

The center was severely damaged by the tsunami. In response, distribution facilities in the greater Tokyo region began making deliveries on March 22, 2011 to the northeastern Tohoku region. The center resumed some operations in May 2011 and is now back to normal.

### Energy saving initiatives

#### Kawasaki Administration & Coordination Office, Ajinomoto Co., Inc.

This office meets 100% of its energy needs with the in-house generation of electricity from natural gas. Since the disaster, employees have made great efforts to save power, enabling the office to supply approximately half of its total electricity production to Tokyo Electric Power Co., Inc. (TEPCO), since just after the disaster through September 2011. The office continues to supply a portion of its surplus electricity to power companies other than TEPCO.

#### Plants in the greater Tokyo and Tohoku electric power service areas

The 27 production plants in the relevant service areas have taken measures to reduce electricity consumption by 15% during peak service hours on weekdays. Two of these plants have also installed new in-house power generation equipment.

#### Ajinomoto Co., Inc.

Ajinomoto Co., Inc. has introduced Smart Energy Measures designed to enforce the appropriate and intelligent use of electric power. In fiscal 2011, the company took steps to reduce its use of electric power by introducing an extended summer break, moving work hours earlier by an hour, and using less lighting. In 2012, the company distributed the *Smart Energy Handbook* to all employees to serve as the basis for the initiatives that the company continues to implement.





# Applying lessons learned in the earthquake— Reconstruction at a group plant in Fukushima

AJINOMOTO PHARMACEUTICALS CO., LTD. delivers products that sustain life. Situated some 150 km from the earthquake's epicenter, the company's Fukushima Plant was unable to avoid damage from the earthquake.

Committed to fulfilling the company's responsibility to deliver products to patients, employees at the Fukushima Plant worked together diligently and recovered production in 20 days. The plant is determined to ensure that the lessons learned from this experience are not forgotten and are built into future emergency responses.

The earthquake struck at 2:46 pm on March 11, 2011. In Shirakawa City in Fukushima Prefecture, where the Fukushima Plant is located, the earthquake registered higher than six on the Japanese seismic scale. The city sustained massive damage with landslides, liquefaction, the destruction of buildings and houses, and interruption of utilities.

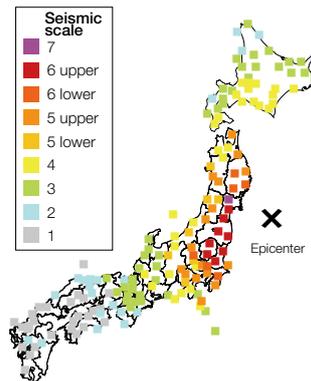
Fortunately, all employees and visitors at the Fukushima Plant were able to evacuate to safety, unharmed. There was, however, extensive damage to the plant, including product manufacturing equipment, warehouses, and the building itself.

The power went out at the plant. As soon as the tremors settled down, workers on all production lines were instructed to evacuate the building. Employees, as they had practiced in previous drills, gathered at a temporary shelter and held a roll call. No one was missing.

Following the Emergency Response Manual, which had been compiled in response to the Great Hanshin Earthquake in 1995 and the Chuetsu Earthquake in 2004, employees worked as a team in the aftermath of the earthquake to implement the ECP. On April 1, the plant resumed operations, and by the middle of May, all production lines were running. The Fukushima Plant continuously reviews and improves its ECP, incorporating the lessons learned from past disasters.

In order to help with emergency preparedness at the entire Ajinomoto Group, as well as in society at large, AJINOMOTO PHARMACEUTICALS CO., LTD. is actively sharing the lessons it learned and its experience with people both in and outside of the Ajinomoto Group.

## Area struck by Great East Japan Earthquake



Source: Breaking News: Earthquake and Tsunami, 2011, Great East Japan Earthquake, Japan Meteorological Agency



### Fukushima Plant overview

**Location:** Shirakawa City, Fukushima Prefecture  
**Total site area:** 67,000 m<sup>2</sup>  
**Total floor area:** 24,000 m<sup>2</sup>  
**Employees:** Approx. 250

The plant manufactures 17 original products and 12 OEM products, including 1 billion pills and 2,000 tonnes of powders, granules, ointments, and suppositories annually.

## Sharing experience from the disaster



Left: Lecture outside the company (June 2012)  
 Right: Discussion after the lecture.



Disaster prevention lecture held for group employees (August 2012)

### Support for local community

The company worked with local governments and other organizations to deliver drinking water, food, liquid foods and other relief supplies.

#### Excerpt from a thank you letter

"In the beginning, we could only manage to give out bread and rice balls at the evacuation center. But thanks to your donation of relief supplies, we were then able to get senior citizens and acute gastroenteritis patients the rice gruel and other liquid foods they needed."

## Our obligation to deliver life-sustaining products: Using past experience to better prepare for the future

Amid the frequent repeat aftershocks, we had no idea when we would be able to resume operations. I nearly lost heart a number of times. In moments like these, I gained strength from the thank you postcards we had received from patients taking *ELENTAL*<sup>®</sup>, an elemental diet product manufactured at our plant. I would remind myself that some patients get almost all of their nutrition from *ELENTAL*<sup>®</sup> and that we had an obligation to get back to production as quickly as we could for their sake.



An enlarged image of a postcard from a patient is displayed at the plant.

Employees from other sites rushed in and gave 120% in their efforts to help us. For this, I am extremely grateful.

We were very fortunate that we had introduced the Emergency Response Manual before the earthquake. Still, we learned a lot from the actual disaster, and we continue to update our measures for ensuring safety. We regularly review evacuation routes and employee safety verification systems, and we prepare to prevent injury and damage by updating layouts and utility shutdown lists. We stay ready to resume operations quickly by prioritizing recovery themes and working with the local community and government. Our goal is to be even more prepared for large-scale disasters in the future.



**Shinji Oshiguchi**  
 GM of Fukushima Plant,  
 AJINOMOTO PHARMACEUTICALS CO., LTD.

**Column Working to resume operations as quickly as possible: Timeline of Fukushima Plant action**

**March 11, 2011 (Day of the earthquake)**

**Employees evacuate safely during blackout**

Following procedures from the company's Emergency Response Manual as practiced in emergency drills and training, everyone at the plant was able to evacuate to safety. The temperature outside was cold with a light snow falling. People shivered and wished they had warmer clothing.

**Emergency Response Manual**

**1. Ensure safety**

Prepare for orderly evacuation, stock water and emergency food

**2. Ensure uninterrupted supply of pharmaceuticals**

Stock products and materials for priority pharmaceuticals; support system for orders and delivery

**3. Curtail earthquake damage**

Test structural earthquake resistance; secure equipment to prevent toppling

**March 12 and after**

**Basic recovery policy puts safety and family first**

Work to resume operations began as aftershocks continued to rock the area and a clearer picture of the damage in each region emerged. The plant placed the highest priority on employee and family safety in its recovery work, to enable employees whose homes had been damaged to bring the necessary physical and mental energy to plant recovery work.

**Basic Principles of Plant Recovery Work (Compiled on March 12, 2011)**

**Safety first**

- Working alone and/or at night is prohibited.
- Do not approach dangerous areas.
- In the event of a major aftershock, employees are to evacuate immediately, conduct a roll call, and confirm safety.
- Wear full protective gear.

**Family first**

- Take care of family needs first.
- Work only if able and available.



**Preparations for future large-scale disasters**

Lessons learned from this experience must be integrated in plant emergency response procedures.

**Ensure safety**

- Secure evacuation routes (multiple routes and exits for various weather and power condition scenarios)
- First aid (for injuries, burns, hyperventilation, first-aid training)
- Stock emergency cell phones, compile commuting route information

**Prevent damage**

- Test and improve installation of equipment, shelves in high-ceiling warehouses, furniture, fixtures, pipes
- Automatically suspend certain machinery and equipment when earthquake is detected
- Update layout and safety shutdown list for gas, electricity, and other utilities

**Resume operations quickly**

- Prepare for orderly evacuation, stock water and emergency food
- Compile list of priorities
- Clarify objectives and delegate responsibilities
- Cooperate with other organizations by providing goods and information and promoting regular communication

2:46 pm

Earthquake strikes, personnel evacuate



Production floor: Water leaks, distortion in walls and ceiling, walls damaged

3:10 pm

- Massive earthquake confirmed
- Part-time staff sent home
- Employees gather at cafeteria, where an emergency response HQ is set up

Strong aftershocks continue



Machine room: Pipes damaged, metal fittings damaged and fallen

4:00 pm

- Employees other than emergency response HQ staff sent home
- Utilities (LPG, electric power, plumbing system, etc.) shut down



Back-office area: Water leaks, ceiling collapsed, pillars and walls damaged

**Recovery process**

**March 12-13, 2011**

- Confirmed safety of employees
- Secured plant safety: tested for gas leaks, cordoned off restricted areas, logged employee entries and exits from premises, evacuated and conducted roll calls during aftershocks
- Gathered information on plant damage and on the accident at the nearby nuclear power plant
- Secured utilities, food, and items required to make repairs
- Provided information on damage and necessary support, coordinated delegation of responsibilities with head office

**Step 1**

**Test safety of structure and secure infrastructure for repair work**

- Structural safety test
- Stock gasoline and food
- Secure utilities needed for repair work
- Secure accommodation for support workers

March 18, 2011 Structure declared safe

**Step 2**

**Damage assessment and recovery plan**

- Highest priority assigned to products for which patients have no alternative
- Determine priorities based on product inventory and marketing plans

Developed schedule for recovery

By end of March 2011 Restore tap water, compressed air, and purified water, and repair plant infrastructure

**Step 3**

**Temporary repairs, resume production**

- Restore production environment (air conditioning, water for manufacturing, building repairs, etc.)

April 1, 2011 and beyond

Resumed production in successive stages

April 25 Restriction on supplies of ELENAL® lifted

May Production lines restarted one at a time, resumed production on all lines by May 15

**Step 4**

**Repairs complete**

July 19-August 31, 2011

Restrictions on supplies of all products lifted

Final repair work finished during extended summer vacation

# Supporting recovery in disaster areas through food and healthcare

Food, an essential component for all life, is inevitably scarce in areas hit by disaster. The Ajinomoto Group set up the Great East Japan Earthquake Reconstruction Support Project to conduct activities in the disaster-stricken area designed to help with recovery by delivering this most essential form of aid. Through its expertise in food and healthcare businesses, the Group will continue to support these local communities as they get on a steady track to recovery.

## Initial support

### Delivering food to evacuation centers and temporary housings



Employees serve meals to evacuees.



Evacuees receive boxes of products.

## Ongoing support

### Health and Nutrition Seminar to help temporary housing residents stay healthy (Ongoing from October 2011)

#### Nutrition and health problems faced by temporary housing residents

1. Increased risk of diabetes, kidney disease, and heart trouble
2. Vitamin and mineral deficiency caused by lack of vegetables
3. Difficulty cooking, so residents cook less often and have less variety in meals
4. Breakdown of community ties leave residents with few opportunities to talk with others
5. Risk of alcohol dependency

Temporary housing residents find it difficult to eat properly, which leads to health and nutrition problems. To address these issues, the Ajinomoto Group introduced Health and Nutrition Seminars. These seminars provide temporary housing residents with a place to join others in conversation as they share the cooking and pleasure of a delicious meal. Dedicated staff and employee volunteers from the Group take part in these seminars with various local partners.

#### Cooking together, eating together, sharing conversation

1. Coordinated with government offices, local social welfare councils, dietetic associations, and other groups
2. Use special portable kitchen equipment provided by the Ajinomoto Group
3. Structured around a simple, familiar menu made by all participants



Portable kitchen



A total of 420 employee volunteers have taken part in these seminars to date.



Cooking together brings conversation and smiles to residents.



**180**  
seminars with  
approx.  
**3,000**  
participants  
(As of October 2012)



Volunteers learn how to cook local dishes from residents.



The pleasure of cooking, eating, and talking together

The Group also conducts "Cooking School for Men" seminars.



These seminars are something that we simply could not do on our own. It is thanks to help from everyone at the Ajinomoto Group, Miyagi Gakuin Women's University, and local dietitians that we have been able to accomplish what we have. We hope that these activities will give local residents the pleasure of working together constructively to return to life as it was before the disaster.

**Sumiko Seino**  
Chairperson, Council on Improving Eating Habits  
Watari-cho, Miyagi Prefecture

The Ajinomoto Group will continue to stand by and with the local residents in this region as we work with local government offices and staff to do everything we can to provide the support that is needed.

**Seichiro Maehara**  
Recovery Support Manager stationed at the Tohoku Branch, CSR Department, Ajinomoto Co., Inc.



**Supporting recovery in partnership with customers**    **Proceeds used to aid recovery**

The Ajinomoto Group donates proceeds from the sales of certain products to give customers a chance to support disaster recovery.

**Assistance for farmers**

(November 2011–February 2012 deliveries)



Tohoku support campaign logo



Donations through the Nippon Foundation assist a strawberry farm in Miyagi Prefecture. In July 2012, employee volunteers helped renovate a strawberry greenhouse.

During this period, Ajinomoto Frozen Foods Co., Inc. donated one yen from the sale of each of its *gyoza* dumpling products (photo below) to three aid groups assisting with agricultural recovery efforts in the Tohoku region (total donation: 21,257,000 yen).



**Assistance for restaurants**

(March–April 2012)



Tohoku support campaign logo (top) and HON-DASHI® package



Ajinomoto Co., Inc. donated one yen from the sale of each box of *HON-DASHI*® to relief funds. The proceeds were used to finance the Kamaishi Kitchen Car Project, a project to help damaged restaurants along the coast of Iwate Prefecture restart their businesses by loaning them mobile kitchen equipment (photo above).

**Assistance for potters**

(March–October 2012)



Blendy Tohoku support campaign logo (top) and the refill package



Ajinomoto General Foods, Inc. donated part of the proceeds from the sale of *Blendy* instant coffee to help repair three pottery facilities in Tohoku that were damaged. Purchasers also had a chance to win a coffee cup made by one of these potteries.



We launched this project because we believed that the best way to help our customers support the Tohoku region is through sales of our *gyoza*, the best selling item in our line of frozen food. The campaign is still ongoing, with updates on the local situation posted on our website.

**Tetsushi Tateno**  
Section Manager, Sales Planning Group, Retail Products Department, Marketing Division, Ajinomoto Frozen Foods Co., Inc.

**Highlight**    **Facing floods in Thailand**

Thailand suffered widespread, serious damage in the major flooding that occurred October–November 2011. Five production sites of the Ajinomoto Group suffered major damage. While working to recommence production quickly, the Group also supported flood victims in the recovery process by implementing assistance programs with various local partners.

**8000 packs of relief goods for evacuation centers**

The Ajinomoto Foundation in Thailand set up the “Heart to Heart...for Flood Sufferers” project, delivering 8,000 packs of relief goods filled with 11 items including products made by the Ajinomoto Group, hygiene products and T-shirts to evacuation centers. The Foundation also contributed about 24 million baht in direct relief funds. Some 600 employees of the Ajinomoto Group in Thailand helped to pack and distribute the relief goods together with Thai royal officials, students, and the mass media. The Foundation continues to provide assistance that suits the needs of Thailand’s society and people.



On behalf of the recovery assistance working team, as well as all employees affected by the flooding, I would like to express our deep appreciation for the support from Ajinomoto Co., Inc. and Ajinomoto Co., (Thailand) Ltd. I believe that this support has really enhanced the recovery for people in the affected areas.

**Amornrat Kotawong**, Ajinomoto Foundation





## Fiscal 2011 Activity Report

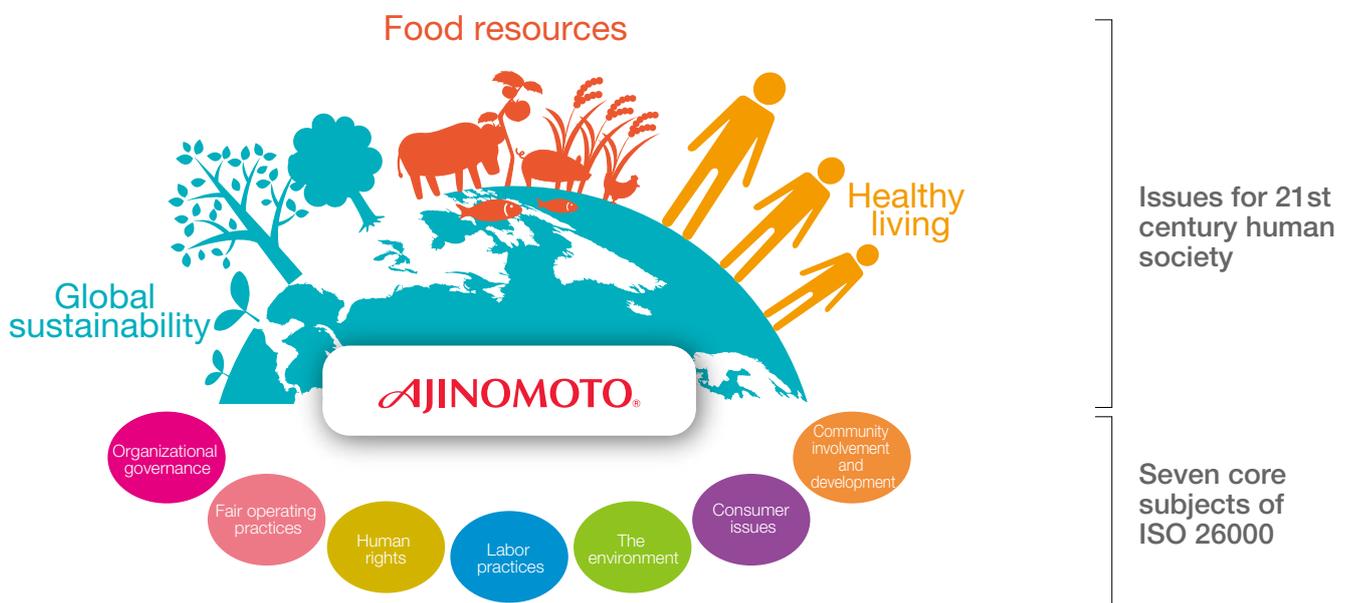
# Taking Responsibility for Global Sustainability Issues

The Ajinomoto Group recognizes that it has a corporate social responsibility to help build a more sustainable world. The Ajinomoto Group Philosophy guides the Group's efforts to help solve three issues facing 21st century human society: global sustainability, food resources, and healthy living.

The business activities of the Ajinomoto Group naturally involve solving various challenges confronting customers, business partners, communities, the global community, and the ecosystems without which none of these could exist. Meeting these social expectations is a vital element of the Group's corporate responsibility.

Across all of its business activities, the Ajinomoto Group is determined to contribute solutions to various social challenges, doing its part in building a sustainable future for people and the planet.

Since fiscal 2011, the Ajinomoto Group has been utilizing the ISO 26000 guidance standard on social responsibility as a tool for assessing its sustainability initiatives and identifying further issues to address.



## Contents

This section of the report describes the Ajinomoto Group's fiscal 2011 activities under the seven core subjects of ISO 26000.

### Organizational Governance

#### Increasing Corporate Value through Responsible Management

- P37 Strengthening and Instilling Corporate Governance
- P38 Compliance Framework
- P41 CSR Management

### Fair Operating Practices

#### Ethical and Honest Practices

- P43 Pursuing CSR Procurement
- P45 Ensuring Fair Competition
- P45 Painsstaking Anti-corruption Measures
- P45 Protecting and Properly Using Intellectual Property

### Human Rights

#### Respecting the Rights of Everyone Our Business Touches

- P47 Basic Initiatives for Human Rights Protection
- P48 Further Strengthening and Expanding Initiatives

### Labor Practices

#### Building a Company Where Employees Can Reach Their Full Potential and Enjoy Job Satisfaction

- P51 Developing and Promoting Diverse Human Resources from a Global Perspective
- P54 Labor-Management Relations
- P55 Improving Work-Life Balance
- P57 Ensuring Employee Health and Safety

### The Environment

#### Ensuring the Planet's Sustainability, as the Foundation for All Life

- P65 The Ajinomoto Group Environmental Philosophy and Basic Environmental Policies
- P67 The Ecological Business Model of the Ajinomoto Group
- P68 Environmental Initiatives through the Entire Product Lifecycle
- P69 Ajinomoto Group Medium-Term Environmental Plan and Fiscal 2011 Results
- P70 Ajinomoto Group Zero Emissions Plan and Fiscal 2011 Results
- P71 Fiscal 2011 Input and Output Balance
- P72 Conserving Ecosystems and Biodiversity
- P74 Developing Technologies and Products that Contribute to Global Sustainability
- P78 Development of Environmentally Friendly Packaging
- P82 Reduction of Greenhouse Gas Emissions
- P84 Conserving Water Resources
- P85 Reducing Waste
- P86 Initiatives in Logistics
- P87 Environmental Management
- P89 Providing Environmental Education and Fostering Awareness

### Consumer Issues

#### Taking a Consumer-driven Approach to a More Sustainable World

- P91 Delivering Reliable Quality
- P96 Communicating with Customers
- P98 Proposing Sustainable Lifestyles, Starting with the Dinner Table

### Community

#### Growing with the People of Each Community

- P101 Delivering Delicious Foods That Enhance Local Dietary Culture
- P104 Collaborating with Diverse Partners to Build a Better World

# Sharing a United Approach to Sustainability

With the revision of the Ajinomoto Group Philosophy to mark the Group's 100th anniversary in 2009, the Ajinomoto Group Way and the Ajinomoto Group Vision were established and the Ajinomoto Group Standards of Business Conduct were revised. Today, all of these are being implemented under the name, "Ajinomoto Group Principles."

The Ajinomoto Group Principles not only clarify management objectives, but also guide the Group's efforts to make a unique, even broader contribution to the three issues of global sustainability, food resources, and healthy living. They also represent the Group's public commitment to making a real difference in all three areas.

**Reference** See "Compliance Framework" on p. 38.

**Link** Corporate Philosophy / Vision  
<http://www.ajinomoto.com/en/aboutus/vision/>

## Ajinomoto Group Philosophy

We create better lives globally by contributing to significant advances in Food and Health and by working for Life.

## Ajinomoto Group Way

### Create New Value

Create value with new ideas and continuous innovation based on unique technologies and science.

### Pioneer Spirit

Continue to constantly take on the challenge of creating new businesses and markets.

### Social Contribution

Accommodate social requirements with humility and honesty, with the objective of maximizing value for society through business activities.

### Value People

Respect the humanity of all the people involved in the Ajinomoto Group's businesses, and be an organization in which they can grow and display their abilities to the fullest extent.

## Ajinomoto Group Standards of Business Conduct (excerpt)

### Purposes

The Ajinomoto Group Standards of Business Conduct (hereafter the "Standards of Conduct") show the conduct that each of us must understand and endeavor to practice every day in order to implement the Ajinomoto Group Philosophy in accordance with the Ajinomoto Group Way. The Ajinomoto Group companies pledge to use their efforts to implement and comply with the Standards of Conduct.

#### 1. For Customers

In order to put our customers first and create better lives globally by contributing to significant advances in Food and Health and by working for Life, Ajinomoto Group companies seek to develop and provide safe, high-quality products and services.

In order to establish and maintain the trust and expectations of our customers and ensure their satisfaction, we endeavor to provide appropriate information about our products and services and deal honestly with inquiries.

#### 2. For Society

In addition to contributing to society through our business activities as part of healthy local communities, we strive to enhance our communication with society and to contribute to the economic, cultural and educational development of each community where we conduct our business.

As a part of healthy local communities, Ajinomoto Group companies encourage each officer or employee to participate in social contribution activities.

#### 3. For the Global Environment

We endeavor to contribute to the realization of a sustainable society where all people of future generations can enjoy an abundant natural environment and better living.

We understand that our business activities are built upon the blessings of nature. We seek to reduce our negative impact on the global environment and ecosystems and to promote recycling-oriented business activities that use resources and energy more effectively.

#### 4. For Employees

Ajinomoto Group companies endeavor to respect the diversity, character and individuality of employees and to ensure a safe and favorable work environment in order to realize a fulfilling work-life balance for each employee.

Ajinomoto Group companies attempt to provide opportunities for employment and for the development and expression of skills, and to encourage employees to place importance on teamwork from a global point of view, demonstrate creativity and work to contribute to the Ajinomoto Group's development.

Ajinomoto Group companies strive to conduct honest interaction with employees, either directly or through representatives, and to create a free and lively corporate culture with a pioneer spirit by pursuing new ideas and continuous innovation.

Each employee is expected to establish and maintain a positive workplace in which people respect each other's humanity, without discrimination or harassment, and which promotes open communication.

#### 5. For Shareholders and Investors

Ajinomoto Group companies shall use their best efforts to conduct sound management practice, to return appropriate profits to shareholders and to increase corporate value.

The Ajinomoto Group will use its best efforts to disclose information having a substantial effect on corporate performance and other operations in a timely and proper manner in order to allow shareholders and investors to make informed decisions. In addition, the Ajinomoto Group seeks to deal fairly and honestly with shareholders and investors.

We handle non-public information obtained in the course of business carefully. We do not engage in insider trading, which is the buying or selling of corporate shares or other securities using such information for one's own benefit or the benefit of a third party.

#### 6. Fair and Transparent Transactions

We constantly strive to dedicate ourselves to fairness and transparency in all our transactions and maintain fair business practices, recognizing our counterparties as business partners.

We endeavor to recognize fully and comply with laws and regulations concerning competition in all countries in which we operate as part of the globally active Ajinomoto Group.

We make decisions on business partners by fairly comparing and evaluating terms such as price, quality and service when selecting subcontractors and suppliers of raw materials, products or services.

We attempt, together with our subcontractors and suppliers of raw materials, products and services, to fulfill our social responsibilities including environmental preservation and protection of human rights.

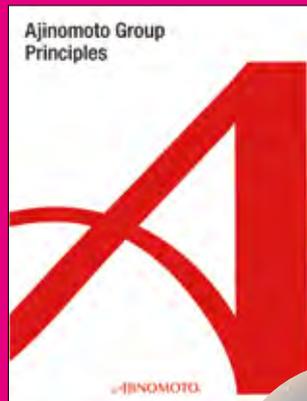
We comply with all laws prohibiting illegal political contribution or inappropriate payments or gifts to public servants and we work to maintain sound and normal relations with politics and government.

We endeavor not to have relationships with any anti-social influence or organization that poses a threat to the order or safety of civil society.

#### 7. Protection and Management of Company Assets and Information

We seek to protect strictly and manage confidential information and tangible and intangible company assets, including intellectual property rights.

We endeavor to respect the legitimate intellectual property rights of third parties.



## Increasing Corporate Value through Responsible Management



Corporate governance is a vital element of business management. It ensures that organizations are held responsible for their decisions and the impact of their activities and helps them to integrate social responsibility into everything they do.

Corporate governance is the bedrock of the Ajinomoto Group's efforts to help build a more sustainable world. The Group has built a robust corporate governance system and pursues ethical, responsible management with great transparency. It understands that strong, careful corporate governance improves corporate value. Group companies worldwide not only comply with all applicable laws and regulations, but also follow the Ajinomoto Group Standards of Business Conduct.

The Ajinomoto Group has spelled out the essence of its social responsibility in the Ajinomoto Group Philosophy. Determined to deliver, the Group is keenly focused on social contribution, one of the four commitments of the Ajinomoto Group Way (see pages 5 and 35).

The Ajinomoto Group also stays in constant dialogue with internal and external stakeholders, ensuring that its initiatives are precisely targeted to meet the expectations of society.

### Contents

- P37** Strengthening and Instilling Corporate Governance
  - Corporate governance system
  - Managing risk and creating a new enterprise continuity plan
- P38** Compliance Framework
  - Adhering to the Ajinomoto Group Standards of Business Conduct
  - Business Conduct Committee promotes compliance
  - Compliance education for employees
  - Information security
- P41** CSR Management
  - CSR implementation structure
  - Systematically examining CSR materiality

# Strengthening and Instilling Corporate Governance

For Ajinomoto Co., Inc., strong corporate governance is a top priority, both for improving competitiveness and for establishing a positive presence in society. The company is creating an effective system of business execution and supervision that incorporates global best practices and retains the positive aspects of Japanese-style management. Emphasizing group-wide management and efforts to strengthen business competitiveness, this system is strategically designed to increase corporate value.

## Corporate governance system

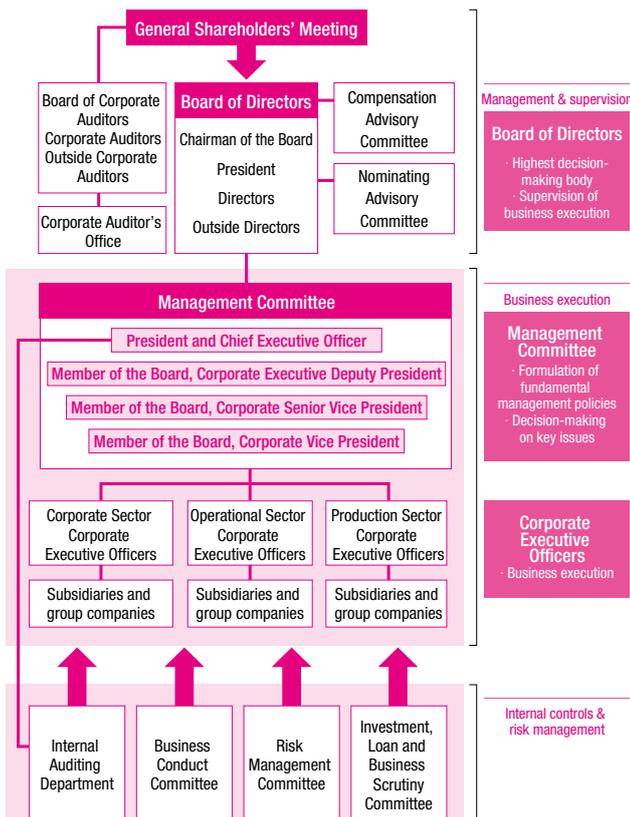
### Board of Directors and Management Committee

The Board of Directors of Ajinomoto Co., Inc. is the highest decision-making body within the management structure. The board makes decisions on matters relating to laws and ordinances and the company's by-laws as well as other important matters, and supervises the work of the directors and corporate executive officers.

The Management Committee is comprised of senior executive officers who are also directors. The committee deliberates on basic policies regarding management of the company and makes decisions on important matters regarding business execution.

The business management organizations are divided into corporate, operational, and production groups. Each group is under the direction and supervision of a responsible executive officer and focused on its particular area of operations.

### Corporate governance organization



### Auditing and supervision

Outside directors have been appointed to supervise business execution from a neutral, independent standpoint. In addition, the Internal Auditing Department follows internal auditing rules and implements planned operational audits of the company as well as the management and operation of group companies.

Corporate audits are conducted by five appointed corporate auditors, three of whom are outside auditors. The Board of Corporate Auditors conducts a preliminary review of the agenda of the Board of Directors, in addition to discussing and sharing its opinions on the status and results of the activities of each corporate auditor.

### Nominations and compensation

Ajinomoto Co., Inc. has established advisory committees on executive appointments and compensation to strengthen transparency and objectivity. Each committee, composed of several directors including outside directors, discusses and advises the Board of Directors on appointment plans and compensation of candidates.

### Internal controls

Ajinomoto Co., Inc. has established a group-wide internal control system for financial reporting in accordance with Japan's Financial Instruments and Exchange Act and regularly reviews and seeks to improve its performance. The company identifies potential risks by analyzing business processes and establishes internal controls for each critical risk. Continuous monitoring helps the company to maintain a sound internal control system.

Using this system, the company has been assessing the effectiveness of its internal controls through operating tests, mainly conducted by the Internal Control Assessment Group of the Internal Auditing Department, which is independent from the company's day-to-day operations. These assessments of internal controls were also audited by Ernst & Young ShinNihon LLC.

The assessments conducted in fiscal 2011 verified the effectiveness of the Ajinomoto Group's internal controls as of the end of the fiscal year.

These activities demonstrate the company's commitment to fulfilling its corporate social responsibility to maintain effective internal controls and ensure the reliability of financial reporting.

Link Corporate Governance/Management [http://www.ajinomoto.com/en/ir/about/corp\\_gov.html](http://www.ajinomoto.com/en/ir/about/corp_gov.html)

## Managing risk and creating a new enterprise continuity plan

The Ajinomoto Group established its Risk Management Committee in 2002 to carry out comprehensive risk management. The committee plans crisis response measures and identifies risks in advance in order to avert a crisis.

After the Great East Japan Earthquake, the Ajinomoto Group revised its group-wide business continuity plan (BCP), reintroducing it as an even more comprehensive enterprise continuity plan (ECP). Under the new ECP, the response priorities in an emergency are: (1) person; (2) society; and (3) business. It includes plans for three disaster stages: the human safety stage, the support and recovery stage, and the business recovery stage.

In fiscal 2011, a plan for the human safety stage and a new disaster management manual were prepared. Plant equipment was seismically reinforced based on the ECP, and the Shizuoka Sales Office of Ajinomoto Co., Inc. was relocated due to the likelihood of a major Tokai earthquake in the future. The Group also started looking into the decentralization of logistics bases. In fiscal 2012, more specific measures are to be established for dealing with a major earthquake in Japan, and in fiscal 2013, the Group will start expanding its pandemic response plan to include sites outside Japan.

**Reference** See "During and after the Great East Japan Earthquake" on p. 28 and "Initiatives for disaster management" on p. 62.

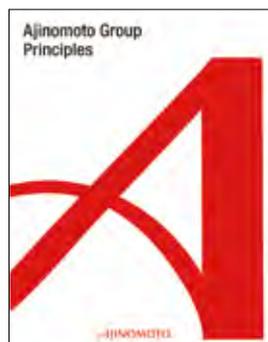
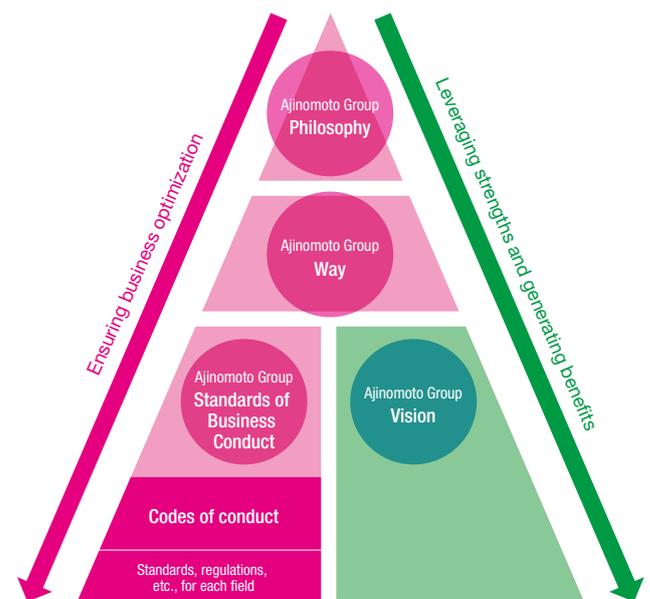
## Compliance Framework

For the Ajinomoto Group, compliance means not only following the law, but also adhering to the Ajinomoto Group Standards of Business Conduct. With the aim of becoming a "genuine global company," the Group will work to consolidate the framework which undergirds all of its compliance efforts.

## Adhering to the Ajinomoto Group Standards of Business Conduct

The Ajinomoto Group Standards of Business Conduct define model conduct for all employees and describe how to practice it on the job. The standards are in keeping with the shared values set out in the Ajinomoto Group Way and support the realization of the Ajinomoto Group Philosophy. The Group is working to ensure full awareness of the standards among employees and managers at group companies both in and outside Japan. The Business Conduct Committee also checks various initiatives and corporate activities.

### Ajinomoto Group Principles and the Group Vision



Brochure on the Ajinomoto Group Principles

**Link** Ajinomoto Group Standards of Business Conduct <http://www.ajinomoto.com/en/aboutus/vision/group/>

**Reference** See "Ajinomoto Group Standards of Business Conduct" on p. 35.

## Business Conduct Committee promotes compliance

In May 1997, Ajinomoto Co., Inc. established the Business Conduct Committee, giving it the tasks of ensuring that all personnel are well informed of the Ajinomoto Group Standards of Business Conduct and verifying that business activities are compliant with the standards. The committee plays a central role in promoting compliance-related activities.

Members of the Business Conduct Committee attend review meetings at worksites and exchange views on relevant topics. For example, the committee continues to discuss workplace issues relating to information security, which has become

increasingly important in recent years, while also listening to opinions and discussing problems concerning harassment and a diversifying workforce.

The main group companies in and outside of Japan have now also set up business conduct committees focusing on their own unique issues. They are taking steps to increase employee awareness of the Ajinomoto Group Standards of Business Conduct as well as their own codes of conduct, which are formulated with respect for the culture and characteristics of each particular country.

### Role of the Business Conduct Committee



### Whistleblower hotline

Ajinomoto Co., Inc. has established a whistleblower hotline, an important means of ensuring compliance among all employees. The hotline enables employees to make reports or seek advice on possible compliance violations at the company, using telephone, e-mail, facsimile, letters and other communication

methods. The Hotline Operation Rules clearly state that the privacy of personnel using the hotline is guaranteed and that users will not be subject to any form of adverse treatment as a result of their reports.

## Compliance education for employees

The Ajinomoto Group is improving its education and training to ensure that employees are thoroughly aware of the Ajinomoto Group Standards of Business Conduct. Information is distributed through manuals, posters, and the Group's intranet. These standards were initially available in ten languages including Japanese, English, French, and Chinese. In fiscal 2011, they were also made available in Arabic, Turkish, Bengali, and Khmer to match the Group's recent expansion into emerging markets.

Group companies in Japan regularly monitor the status of compliance with the standards, using questionnaires and review

meetings in the workplace to identify potential issues. Each company works to resolve any problems through its own business conduct committee, general affairs and risk management departments, legal department, and other relevant departments. Outside of Japan, each group company formulates its own code of conduct and promotes understanding and practice of the Ajinomoto Group Standards of Business Conduct.

Compliance training in fiscal 2011

Training	Participants	Content
Risk management and compliance training	384 line managers in the corporate sector at group companies	Risk management and compliance relating to labor, legal affairs, quality and information management, and intellectual property (6 sessions)
Legal compliance training	518 sales staff from 18 sales organizations of Ajinomoto Co., Inc. in Japan	Personal information protection law and consumer campaigns
Ajinomoto Group labor seminar	44 human resources staff from Ajinomoto Co., Inc. and group companies in Japan	Labor risk management and compliance, labor management, legal background (basic and advanced training)
Risk management and compliance training	All managers at Ajinomoto Vietnam Co., Ltd.	Ajinomoto Group Principles



Employee startup screens show conduct reminders.

Poster to promote awareness of the Ajinomoto Group Standards of Business Conduct

Information security

Guided by the Ajinomoto Group Information Security Policy, the Ajinomoto Group ensures information security by providing employee education to foster full knowledge of regulations and standards. The Group also restricts equipment use to prevent leaks of company data, keeps records of company database access, and monitors for attempts at unauthorized access from the outside. A system has also been implemented to quickly detect and shut down any external attacks on the Group's websites.

Seeking to make its information security measures even more effective, the Ajinomoto Group revised its Information

Management Regulations and Information Management Guidebook and distributed them to all employees in fiscal 2011. Information security training sessions were held six times for a total of 384 managers from group companies. An information security comprehension test was also given to all employees of Ajinomoto Co., Inc., using its e-learning platform.

Addressing the increased personal and business use of social media sites such as Facebook and Twitter, the Group formulated its Guideline on Social Media in October 2011. The Group is working to ensure employees are familiar with these guidelines, which define the proper conduct when using social media.

Link The Ajinomoto Group Information Security Policy <http://www.ajinomoto.com/en/aboutus/vision/securitypolicy/index.html>

# CSR Management

The Ajinomoto Group sees realizing the Ajinomoto Group Philosophy as a key part of its responsibility to society. By adding the concept “working for life” to the Ajinomoto Group Philosophy in 2009, the Group declared its aspiration to respect all living creatures, and the environment of the planet that supports them, and is unified in its efforts to realize this philosophy.

## CSR implementation structure

The Ajinomoto Group has spelled out the essence of its social responsibility in the Ajinomoto Group Philosophy. Determined to deliver, the Group is keenly focused on social contribution, one of the four commitments of the Ajinomoto Group Way. The Group’s FY2011–2013 Medium-Term Management Plan declares a focus on three issues for 21st century human society: global sustainability, food resources, and healthy living. With its business closely related to these fields, the Ajinomoto Group is uniquely positioned to make a significant social contribution by addressing these challenges through its business activities.

Overseeing the Group’s efforts, the CSR Department at Ajinomoto Co., Inc. provides information on the Group’s CSR initiatives and offers support for specific initiatives by individual organizations. With respect to the core CSR priorities of environment, safety, and quality, the company has implemented various

management systems, including ISO and the occupational health and safety assessment series (OHSAS). Its efforts are based on the company’s Environmental Regulations, Disaster Prevention and Safety Management Regulations, and Quality Assurance Regulations. The Ajinomoto Group maintains systems like these and seeks to integrate their operations.

In fiscal 2011, CSR staff from the main group companies in Japan began holding liaison meetings to ensure coordinated reconstruction assistance activities after the Great East Japan Earthquake and to address other issues. The Ajinomoto Group is now even more united in its effort to promote CSR activities. Cross-organizational monthly meetings are also held to promote active communication in and outside the company, concerning the Group’s CSR initiatives.

## Systematically examining CSR materiality

Seeking to identify targeted initiatives to ensure that the Group’s business activities help solve the three issues of global sustainability, food resources and healthy living, in 2010 relevant staff from the business and R&D divisions gathered for an interdepartmental workshop to consider the Group’s future course. The course of action that emerged from the meeting was included in the Ajinomoto Group CSR Policy after dialogue with outside experts.

The Group had already implemented ISO 9001 and ISO 14001 management systems as well as the Ajinomoto Group Standards of Business Conduct to ensure business optimization and contribution to sustainability. Looking to confirm whether its steps were meeting the requirements of the global community, the Group reexamined its initiatives against ISO 26000, issued in 2010, which highlighted some new opportunities for improvement.

While continuing to use its existing management systems, the Group will also utilize ISO 26000 in a complementary fashion. Relevant departments will consider which matters and social issues need to be addressed in light of ISO 26000. The Group will also hold theme-based dialogues with stakeholders to deepen its understanding of what society expects.

### Working with stakeholders to create a sustainable future

The Ajinomoto Group recognizes the importance of hearing diverse opinions, providing information at events, and engaging in direct dialogue with stakeholders. Dialogue enables the Group to adjust its course to better meet the expectations of society. It is so important that it has been built into the decision-making process for CSR implementation.

The Ajinomoto Group Standards of Business Conduct also mandate that every stakeholder group be treated with respect. Accordingly, the Group has a basic policy for managing and providing appropriate information to customers, the public, as well as investors and shareholders.



1st Ajinomoto Group Sustainability Forum



Small meeting with investors focusing on environmental, social, and governance issues

Reference

See Special Feature 3, “Working with Stakeholders to Build a Sustainable Future” on p. 23.



## Fair Operating Practices

# Ethical and Honest Practices



The prerequisite for a stable, sustainable world is ethical conduct in every business relationship and a commitment to transparency. The Ajinomoto Group, which conducts transactions worldwide in a vast value chain, takes these responsibilities seriously.

For the Ajinomoto Group, fair business practices means more than just complying with the applicable laws worldwide. The Ajinomoto Group Standards of Business Conduct incorporate the principles of the UN Global Compact as their basic approach. Based on these standards, group companies around the world have also established their own codes of conduct, which provide examples of model conduct for the circumstances of each country.

The Ajinomoto Group uses this two-tiered system to ensure fair business practices in all of its activities worldwide, pursuing CSR procurement, complete anti-corruption measures, fair competition, and respect for intellectual property rights.

## Contents

- P43** Pursuing CSR Procurement
  - Cooperating with suppliers on CSR initiatives
  - Ensuring sustainable procurement of critical raw materials
- P45** Ensuring Fair Competition
- P45** Painstaking Anti-corruption Measures
- P45** Protecting and Properly Using Intellectual Property

### Ajinomoto Codes of Conduct (excerpt)

#### 6. Code of conduct concerning fair and transparent transactions

- 6.1 Compliance with antitrust laws, etc. ▶ P45
- 6.2 Fair purchasing transactions
- 6.3 Social responsibilities in purchasing transactions
- 6.4 Reasonable socialization and courtesies with internal and external affiliated parties and business partners ▶ P45
- 6.5 Prohibition of inappropriate payments or gifts to public servants ▶ P45
- 6.6 Elimination of relations with anti-social forces
- 6.7 Management of exports and imports

#### 7. Code of conduct concerning protection and management of company assets and information

- 7.1 Management of company assets
- 7.2 Management of information
- 7.3 Protection of intellectual property rights

Note: The Ajinomoto Codes of Conduct has been established in line with the Ajinomoto Group Standards of Business Conduct. Likewise, the group companies have established their own codes of conduct and follow both the group standards and their own code.

# Pursuing CSR Procurement

The business activities of the Ajinomoto Group are supported by a wide range of business partners, not to mention ecosystem services and various natural assets including agriculture, livestock, and fisheries. The Ajinomoto Group takes the approach of CSR procurement based on consideration of quality, the environment, human rights, occupational safety, and anti-corruption, throughout its supply chain.

## Cooperating with suppliers on CSR initiatives

The Ajinomoto Group Basic Purchasing Policy was established in fiscal 2006. It calls for CSR to be practiced as part of transactions, and requires suppliers and other business partners to take their own CSR measures.

With the aim of building awareness of the Ajinomoto Group Basic Purchasing Policy, group companies outside Japan were surveyed in fiscal 2010, to determine whether human rights and labor standards were being respected. The Group continues to monitor to ensure no child or forced labor is being practiced.

From a quality perspective, the Group regularly carries out quality audits to increase supplier understanding of the quality requirements of the Ajinomoto System of Quality Assurance (ASQUA). In the Supplier Partnership Program (SSP), which was launched with the aim of strengthening relationships with business partners, audits are not just conducted on traditional quality assurance points; information is also shared with suppliers from a CSR perspective, in areas such as the environment, safety, and food defense.<sup>1</sup> Ajinomoto Frozen Foods Co., Inc. conducted audits with a special focus on food defense.

In fiscal 2012, the Group further detailed sections on “Requests to Suppliers and Other Business Partners” and “Practice of Corporate Social Responsibility (CSR) in

Purchasing,” from the Ajinomoto Group Basic Purchasing Policy, working to create new CSR procurement guidelines. The new guidelines, when complete, will guide the Group’s efforts with suppliers to implement CSR procurement.

### Formulating CSR procurement guidelines

In order to strengthen CSR implementation throughout the supply chain, the Ajinomoto Group plans to establish CSR procurement guidelines in fiscal 2012. These guidelines will provide more detail on the CSR-related points from the Ajinomoto Group Basic Purchasing Policy. They will be made up of codes of conduct covering the entire supply chain including the Group, and procurement guidelines for each type of raw material. For particularly important raw materials, procurement guidelines and actions plans will be established, and the Group will carry out CSR procurement that includes upstream surveys in the supply chain.

1 Measures to prevent the intentional introduction of foreign matter into food products. Monitoring is carried out in every stage from raw material procurement to product sales, in order to prevent anyone from adding poisons or other substances to food products.

#### Ajinomoto Group Basic Purchasing Policy (excerpt)

##### 4. Requests to Suppliers and Other Business Partners

- The Ajinomoto Group requests suppliers and other business partners to understand the Ajinomoto Group Basic Purchasing Policy and cooperate as members of the supply chain.
- The Ajinomoto Group requests suppliers and other business partners to comply with laws and regulations, and issues especially strict cautions with regard to such acts as inhibiting free competition by fixing prices, etc.
- The Ajinomoto Group requests suppliers and other business partners to make efforts to suggest economically reasonable rationalization and other ideas.
- The Ajinomoto Group requests suppliers and other business partners to understand CSR-based management and to cooperate in the quality and safety assurance of raw materials, green procurement and protection of human rights.

Reference See “Rigorous supplier audits and quality control” on p. 92.

Link [Ajinomoto Group Basic Purchasing Policy  
http://www.ajinomoto.com/en/aboutus/vision/purchase/](http://www.ajinomoto.com/en/aboutus/vision/purchase/)

## Ensuring sustainable procurement of critical raw materials

The business of the Ajinomoto Group is supported by a variety of natural assets. Particularly important raw materials include palm oil, shrimp, skipjack, and raw materials for fermentation. The Group conducts surveys and confirms information in order to ensure a stable supply of these materials.

In July 2012, the Group surveyed agricultural sites and processing plants outside Japan that produce cassava and tapioca (a starch extracted from cassava), which are used as raw materials for amino acid fermentation. In this way, the Group initiated steps for ascertaining the entire situation surrounding this crop, including economic, environmental, and social aspects such as labor conditions.

The entire Group is also studying the sustainable procurement and use of palm oil. The group company, J-OIL MILLS, INC., has been participating in the Roundtable on Sustainable Palm Oil (RSPO)<sup>2</sup> since November 2011. Ajinomoto Co., Inc. also became a member of RSPO in August 2012.

Regarding the procurement of shrimp, one of the main raw materials used by Ajinomoto Frozen Foods Co., Inc., the company has been introducing requirements for ecosystem consideration in its procurement procedures.

Skipjack is one of the most important raw materials for Ajinomoto Co., Inc. Together with the National Research Institute of Far Seas Fisheries (NRIFSF) of the Fisheries Research Agency, the company has been conducting an ongoing skipjack tagging survey since fiscal 2009. This survey not only monitors the routes that skipjack travel in the ocean, but also

enables new understanding of where and how deep they swim, and the corresponding water temperatures. By analyzing the data obtained and amassing scientific knowledge, the Group is helping to improve international skipjack fisheries management.

The entire Ajinomoto Group will continue to promote worldwide initiatives to ensure the sustainable procurement of vital raw materials.



Tagging and release survey to track skipjack movement

<sup>2</sup> A non-profit organization whose purpose is to promote the production and use of sustainable palm oil by developing certification standards that are trusted globally and ensuring the participation of stakeholders. It is operated cooperatively by the seven groups involved in the palm oil industry: growers, processors and traders, consumer goods manufacturers, retailers, banks/investors, environmental NGOs, and social NGOs.

Reference See "Conserving Ecosystems and Biodiversity" on p. 72.

### Highlight

#### Participating in the RSPO to help ensure sustainable procurement of palm oil

Palm oil is used for various purposes such as food and specialty chemical products. With a global annual production of more than 50 million tonnes, it is the world's most abundantly produced vegetable oil. Production of this oil has been increasing year by year to meet food demand from the growing global population, and as an alternative to fossil fuel resources such as petroleum. As the oil palm is a tropical plant, about 85% of the world's production comes from Indonesia and Malaysia. While the importance of palm oil expands globally, environmental and social problems arising from its production have also emerged. These include the cutting down of tropical rainforests and the loss of wetland ecosystems to make room for new oil palm plantations, the reduction of wildlife habitat, the creation of severe working conditions, infringement of human rights and impact on traditional lifestyles.

The RSPO was established to address these issues, and is promoting the sustainable production and use of palm oil by providing certification standards that are trusted globally. Palm oil that meets the RSPO standards is called Certified Sustainable Palm Oil (CSPO). Although the production of CSPO is growing slowly, it still only accounts for 10–15% of total global production. Proactive measures need to be taken by all stakeholders involved in the production and use of palm oil.

The Ajinomoto Group also procures and uses palm oil for the production of food and specialty chemical products. Although Ajinomoto Co., Inc. uses approximately 3,000 tonnes of palm oil and related raw materials each year, the company had not procured CSPO in the past. However, with the aim of participating in the global movement to mainstream CSPO, the company joined the RSPO in August 2012. A group company, J-OIL MILLS, INC., has been a member of the RSPO since November 2011. Working closely with other RSPO members and supply chain participants, the Group plans to complete the switch to CSPO by 2015.

The 9th Annual Roundtable Meeting on Sustainable Palm Oil held in November 2011. Attended by representatives of Ajinomoto Co., Inc. and J-OIL MILLS, INC.



## Ensuring Fair Competition

The Ajinomoto Group Standards of Business Conduct were established to ensure that business transactions are fair and transparent, and to require employees worldwide to recognize fully and comply with laws and regulations concerning competition. The group companies have established their own specific Codes of Conduct based on these standards. In Japan, the Group has also implemented guidelines for compliance with antitrust law, which are based on its Standards of Business Conduct and Codes of Conduct.

Under the Ajinomoto Group Basic Purchasing Policy, the Group requests suppliers and other business partners to comply with laws and regulations, and issues especially strict cautions with regard to such acts as inhibiting free competition by fixing prices, etc.

### Raising employee awareness

Group companies regularly conduct training on antitrust law. In fiscal 2011, training sessions on local competition law were held in Brazil, Peru, and Indonesia. As an e-learning activity, a test on comprehension of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade was also given to about 6,000 employees at the company and eight group companies in Japan.

#### Ajinomoto Codes of Conduct (excerpt)

##### 6.1 Compliance with antitrust laws, etc.

- 6.1.1. The company endeavors to comply with antitrust laws, competition laws and other laws and ordinances intended to ensure fair competition in each country in which the company transacts business, as well as the related internal guidelines, and to promote free and fair business activities.
- 6.1.2. The company pursues policies to ensure it does not jointly arrange prices or sales/production volume, etc., with competitors or engage in behavior to limit competition (including participating in cartels) or bid-rigging.
- 6.1.3. The company pursues policies to ensure it does not use unfair means, either alone or with other parties, to eliminate competitors from or block their entry into the market.

## Painstaking Anti-corruption Measures

Bribery and corruption not only erode trust in a company, but can also hinder the development of a region by inviting human rights violations, poverty, and environmental destruction. These behaviors cannot be tolerated. The Ajinomoto Group strives to prevent bribery and corruption by implementing the Ajinomoto Group Standards of Business Conduct and the codes of conduct of each group company.

#### Ajinomoto Codes of Conduct (excerpt)

##### 6.4 Reasonable socialization and courtesies with internal and external affiliated parties and business partners

- 6.4.1. The company encourages its officers and employees to act with good judgment regarding gifts, entertainment and other business-related customs and courtesies.
- 6.4.2. The company pursues policies prohibiting officers and employees from engaging in conduct such as offering inappropriate gifts, entertainment or money to customers or suppliers for the purpose of building or maintaining business relationships.
- 6.4.3. The company pursues policies prohibiting officers and employees from engaging in conduct such as asking suppliers for gifts, entertainment or money for our personal benefit.

##### 6.5 Prohibition of inappropriate payments or gifts to public servants

- 6.5.1. The company pursues policies to prohibit its officers and employees from providing gifts, entertainment, money or other benefits that could be considered bribes to public or quasi-public officials.
- 6.5.2. The company pursues policies to prohibit its officers and employees from providing gifts, entertainment, money or other benefits to foreign public or quasi-public officials in order to obtain unfair business advantages related to international commercial transactions.

Reference See "Ajinomoto Group Standards of Business Conduct" on p. 35.

## Protecting and Properly Using Intellectual Property

The Ajinomoto Group recognizes that intellectual property is an important asset. Along with ensuring its proper use, the Group takes special care not to infringe upon the intellectual property rights of others. The Group has also established an invention compensation program that rewards employee inventors.

### Compensation for inventions

Ajinomoto Co., Inc. and its group companies strive to contribute to human health globally by continually creating unique value that benefits customers. The company is working to protect and effectively utilize intellectual property rights, including original technologies, content, and brands, in order to strengthen its technological expertise. The company pays compensation for patent

applications when employee inventions are transferred to the company, and for patent registrations when inventions are registered. It also pays performance-based compensation when inventions are implemented by the company. Most group companies that produce inventions have implemented similar programs.



## Respecting the Rights of Everyone Our Business Touches

Although it is widely recognized that companies have a responsibility to respect the basic human rights of all people, in 2011 the United Nations endorsed the Guiding Principles on Business and Human Rights,<sup>1</sup> renewing awareness of the issue. In response, the Ajinomoto Group is stepping up its efforts to ensure that it is in no way infringing on human rights, even indirectly or unintentionally.

“Working for life,” which is the aim of the Ajinomoto Group Philosophy, and “valuing people,” part of the Ajinomoto Group Way, are both based on the Group’s concept that respect for human rights must be the foundation of its corporate activities. The Group also supports freedom of association and collective bargaining, the elimination of discrimination, forced or compulsory labor, and child labor per the International Labour Organization (ILO) and the Universal Declaration of Human Rights. In the Ajinomoto Group Standards of Business Conduct, the Group declares its support for the UN Global Compact. Each group company also has a code of conduct calling for compliance with the laws and regulations of that specific country or region and respect for the local cultures and customs. Discrimination on the basis of race, ethnicity, nationality, religion, creed, place of origin, sex, age, or physical disability

is prohibited.

At the same time, the Ajinomoto Group recognizes that it must make further efforts in ascertaining its situation with regard to a wide range of human rights issues of social concern, and its specific response activities. The world is faced with the issues of climate change, biodiversity, natural disasters, and other challenges relating to global sustainability. There are also food resource shortages due to drought, and the worsening of health issues due to poverty. Threats to the basic human right to life may also be on the rise. The Ajinomoto Group recognizes these as social challenges facing humankind in the 21st century. By helping to resolve these issues through its business activities, the Group can also help protect human rights.

In order to help solve various human rights issues, the Ajinomoto Group intends to stay in dialogue with stakeholders in and outside the company. It will pursue initiatives based on their suggestions for addressing human rights issues from an even broader perspective.

1 Prepared by John Ruggie, Special Representative of the United Nations Secretary-General on business and human rights

## Contents

- P47** Basic Initiatives for Human Rights Protection
  - Human rights in employment
  - Increasing employee awareness of human rights
- P48** Further Strengthening and Expanding Initiatives
  - Understanding the issues through dialogue with experts
  - Improving assessment tools
  - Establishing CSR procurement guidelines

## Basic Initiatives for Human Rights Protection

The Ajinomoto Group strives to “value people” as stated in the Ajinomoto Group Way, while “working for life,” part of the Ajinomoto Group Philosophy. The Group also works to protect human rights based on the Ajinomoto Group Standards of Business Conduct and codes of conduct of each group company.

### Human rights in employment

The Ajinomoto Group respects the values and abilities of each individual as mandated by the Ajinomoto Group Standards of Business Conduct. While striving to treat all people fairly, the Group actively hires human resources around the world who feel an affinity for the values of the Ajinomoto Group Way: create new value, pioneer spirit, social contribution, and value people.

#### Reemployment system for retiring human resources

Each group company in Japan has introduced its own reemployment system for retiring employees, and is providing career support after the mandatory age of retirement.

Ajinomoto Co., Inc. has been providing a reemployment system for retiring human resources since April 2006. The system is open to all staff and managers, including seconded employees, who desire to be reemployed after reaching the mandatory retirement age of 60. The only condition is that the employee be healthy in both mind and body and fit for work. Among employees who have met this condition, 90% applied for reemployment at the company in fiscal 2011, and they continue to work enthusiastically under the system.

#### Expanded employment for persons with disabilities

At 29 major group companies in Japan, the average workforce rate for persons with disabilities was 1.7% in fiscal 2011. Six of the companies achieved a workforce rate that met or exceeded the Japanese government’s mandated rate of 1.8%.

In anticipation of a revision to the mandated rate in fiscal 2013, the Ajinomoto Group respects the principle of normalization, and will prioritize initiatives for hiring persons with disabilities, including recruitment and creating accessible workplace environments.

#### Ajinomoto Codes of Conduct (excerpt)

##### 4.1 Provision of equal employment opportunities

- 4.1.1. The company accepts and develops the human resources that support the future of the Ajinomoto Group across national and regional boundaries.
- 4.1.2. The company provides independent, growth-oriented individuals with equal opportunities to develop and deploy their skills.

### Increasing employee awareness of human rights

The Ajinomoto Group carries out activities at each group company worldwide to promote understanding of the Ajinomoto Group Standards of Business Conduct and individual companies’ codes of conduct, both of which prohibit any form of discrimination or harassment. As a part of initiatives, the Group provides awareness trainings on human rights for employees, introducing the latest human rights topics and seeking to raise sensitivity to human rights issues. In fiscal 2011, this training was provided to all new hires at Ajinomoto Co., Inc.

The company carries out an annual survey on workplace harassment for all employees. This year, the results of the survey were compiled with opinions and cases reported in previous surveys and distributed to all employees.

Prior to Human Rights Week each December, the Group holds an annual event encouraging employees and their families

to submit slogans for increasing human-rights awareness. In fiscal 2011, 4,207 entries were received from 2,570 people.

In fiscal 2012, with the aim of fostering employees with an even deeper awareness of human rights across the Group, the Ajinomoto Group will continue to offer various kinds of human rights training along with the slogan competition.

#### Slogans chosen for honorable mention by the Industrial Federation for Human Rights, Tokyo

Protecting human rights protects you too

Masayoshi Miyatake  
Shikoku Plant, Ajinomoto Frozen Foods Co., Inc.

A smile is a universal language beyond words

Family of Tsutomu Ishizaka, Gunma Plant, Ajinomoto Fine-Techno Co., Inc.

## Ajinomoto Codes of Conduct (excerpt)

**4.3. Prohibition of discrimination and harassment**

- 4.3.1. The company attempts to, and encourages its officers and employees to, respect the laws and culture of each region, and pursues policies to prohibit discrimination against anyone on the basis of race, ethnic group, nationality, religion, belief, birthplace, gender, age, disability, or for any other reason.
- 4.3.2. The company pursues policies which prohibit its officers and employees from engaging in sexually suggestive language or behavior toward any person in the workplace which negatively impacts his or her work environment.
- 4.3.3. The company pursues policies which prohibit its officers and employees from using job positions to abuse the human rights of others in the workplace.
- 4.3.4. The victims of discrimination or harassment, or any person who sees or hears any discrimination or harassment, are encouraged to report such behavior to their superior, the human resources department or other liaison designated by the company. The company pursues policies to ensure such persons are not given unfavorable treatment for having filed the report.

**A hotline for early detection of compliance issues**

The Ajinomoto Group has established a whistleblower hotline for employees in Japan, and is striving for the early detection of problems related to human rights and other compliance issues. The hotline enables employees to make reports or seek advice on possible compliance violations at the company by way of telephone, e-mail, facsimile, letter, or other means. User privacy is protected and users are not subject to any form of adverse treatment as a result of their use.

**Reference** See "Whistleblower hotline" on p. 39.

## Further Strengthening and Expanding Initiatives

In recent years, there has been a clarification of the wide range of human rights issues that society expects global companies to address. New initiatives have also been undertaken by the Ajinomoto Group, such as human rights dialogues and the upcoming establishment of CSR procurement guidelines, in order to better meet social expectations.

### Understanding the issues through dialogue with experts

The Ajinomoto Group pursues wide-ranging dialogue with external experts, seeking to better understand global perspectives on human rights and then enhance its own initiatives.

In October 2011, Ajinomoto Co., Inc. arranged a meeting with John Ruggie, Special Representative of the United Nations Secretary-General on business and human rights, to ask his input on key human rights expectations for corporations. Another topic of the conversation was human rights due diligence, which has been endorsed by Ruggie and approved by the

UN as a means for corporations to ensure their business operations fully respect human rights. In July 2012, the company also met with a senior advisor from the Danish Institute for Human Rights (DIHR), an organization that supports corporations in their efforts to tackle human rights issues.

The Ajinomoto Group is leveraging the knowledge it gains through conversations like these to identify the specific human rights issues that the Group is expected to address. The Group continues to assess and enhance its human rights initiatives.

#### Highlight

#### Identifying global human rights issues through dialogue

Ajinomoto Co., Inc. arranged a dialogue with DIHR in July 2012, seeking to gain a clearer picture of the human rights issues that face global corporations. The company assessed its human rights initiatives using tools created by DIHR, and used the results to seek specific advice on human rights issues and risks that the Ajinomoto Group faces in doing business in developing nations and other countries. DIHR stressed how important it is for the Ajinomoto Group, as a food business, to be aware of human rights issues related to the use of land, including agricultural land, the use of water, labor conditions and the supply chain.

The Ajinomoto Group will continue to seek advice from DIHR on the global-level human rights issues that it should specifically address. This will help set the direction for the Group's human rights initiatives—all part of its efforts to address human rights comprehensively through social dialogue.

Staff from the CSR Department, Group Procurement Center, and Human Resources Department of Ajinomoto Co., Inc. meet with DIHR advisor.



Frank Seier,  
Senior Advisor, DIHR



## Improving assessment tools

The Ajinomoto Group has been carrying out quality, environmental and various other assessments when constructing a new plant or office, and when launching a new product or business. Human rights have been taken into consideration by evaluating the impact on people and the local community. In the future, the

Group will pursue even more proactive approaches by further incorporating human rights issues into its various assessment tools, as the issues which a global company must address are clarified in human rights dialogues.

## Establishing CSR procurement guidelines

The Ajinomoto Group not only watches the impact of its own business activities, but also recognizes the importance of protecting human rights throughout the supply chain.

The Ajinomoto Group Basic Purchasing Policy states that the Group “confirms that the products it purchases directly are free of any connection to the violation of human rights, including child labor and illegal employment, during either production or distribution.” Accordingly, the Group has required its suppliers to cooperate in the effort to protect human rights.

The Group is now formulating CSR procurement guidelines in order to further clarify the social responsibilities of its suppliers including the protection of human rights. The new guidelines are expected to take effect in fiscal 2013. Starting in fiscal 2012, the Group began conducting surveys of its principal raw material suppliers covering social issues such as labor conditions in addition to economic and environmental issues.

Reference See “Pursuing CSR Procurement” on p. 43.

### Highlight

#### The Ghana Nutrition Improvement Project implements efficacy study while respecting children’s rights

Children around the world have the right to receive proper nutrition and healthcare. In developing countries, however, many children lose their lives to various diseases caused by poor nutrition. The aim of the Ghana Nutrition Improvement Project, now being promoted by the Ajinomoto Group, is to protect the rights of these children and use the power of business to deliver the needed nutrition to them.

Extreme care needs to be taken in the areas of culture, society, and human rights in particular when developing products in regions where a company is doing business for the first time. The Ajinomoto Group plans to launch a new product in Ghana, namely, *KOKO Plus*, a nutritional supplement for children during the weaning period. An efficacy study is being conducted for the product, checking its nutritional benefits for children there. In addition to ensuring the safety of the product trial, ethics committee meetings were held at the Ghana Food & Drug Board, a government agency, at the Ghana Health Service, which is in charge of the country’s public health centers, and at the University of Ghana. A thorough impact evaluation was conducted concerning the product ingredients and the testing method. The Ajinomoto Group is also striving to respect human rights and local communities by providing careful explanations of the trial to mothers who will use the product.

Reference See “The Ghana Nutrition Improvement Project” on p. 103.



Participants taste-testing the nutritional supplement *KOKO Plus*

# Building a Company Where Employees Can Reach Their Full Potential and Enjoy Job Satisfaction



The Ajinomoto Group employs about 30,000 people worldwide. The Group prioritizes initiatives to ensure the health and safety of employees, and also offers helpful career development, HR development, and work-life balance programs throughout the Group. The Group aims to ensure that its business activities make a positive difference in the world. One of the keys to this is ensuring that all employees enjoy job satisfaction, are able to lead fulfilling lives, and maintain good physical and mental health.

Aiming to build a corporate group that contributes to human health globally, as called for by the Ajinomoto Group Vision, the Group believes that people are its most important management resource. That is why the Group sees human resources management as a vital element of management strategy. This belief is also put into practice using the principle of valuing people found in the Ajinomoto Group Way.<sup>1</sup>

In 2009, the Group expressed its support for the UN Global Compact, reflecting its components in the basic approach of the Ajinomoto Group Standards of Business Conduct. The entire Group strives to thoroughly implement the compact's principles relating to labor worldwide, based on global standards.

1 The Ajinomoto Group's basic approach to work, outlined as common values shared throughout the Group: create new value, pioneer spirit, social contribution, and value people.

## Contents

- P51** Developing and Promoting Diverse Human Resources from a Global Perspective
  - Ajinomoto Group HR Platform for optimal personnel assignment globally
  - Various initiatives for global HR development
  - HR development in Japan
- P54** Labor-Management Relations
  - Ajinomoto Group initiatives in Japan
- P55** Improving Work-Life Balance
  - Development and utilization of related programs
- P57** Ensuring Employee Health and Safety
  - Promoting a medium-term plan from fiscal 2011 to fiscal 2013 for disaster prevention and occupational health and safety
  - Fiscal 2011 occupational health and safety initiatives
  - Occupational health and safety management
  - Occupational health and safety education for employees
  - Initiatives for disaster management
  - Supporting the physical and mental health of employees
  - External evaluation of occupational health and safety activities

### Main results for fiscal 2011

Share of workforce outside Japan: **60%**

Share of local hires in executive positions at group companies outside Japan: Approx. 40%

▶ P54

Training for all **28,425** employees

Started providing Ajinomoto Group Way Sessions for all employees

▶ P52

Up about **20%** from previous year (fiscal 2011)

Number of employees that take the childcare leave and use the childcare short-time work systems

▶ P56

# Developing and Promoting Diverse Human Resources from a Global Perspective

To become a “genuine global company,” an objective stated in the Group’s FY2011–2013 Medium-Term Management Plan, the Ajinomoto Group strives to realize world-class talent diversity and profit-generating efficiency. The Group encourages all employees to implement the Ajinomoto Group Way, while developing and promoting diverse human resources regardless of nationality or career track.

## Ajinomoto Group HR Platform for optimal personnel assignment globally

The Ajinomoto Group has established a platform for human resources management designed to enable the recruiting and development of diverse leaders from group companies worldwide and to put the right people in the right jobs. The platform is made up of mechanisms to make management personnel and posts visible, along with systematic HR development programs, and compensation policy.

In fiscal 2011, a core resources database called A-Talent was made available to top management and HR executives at main group companies outside Japan. In fiscal 2012, the listing of job descriptions is to be completed, and will then be used for individual career development. The Group also plans to establish a new compensation policy along with procedures and rules for international personnel transfers.

## Various initiatives for global HR development

### Training for leaders

The Ajinomoto Group has been carrying out five types of training for developing leaders corresponding to job grades. The training is based on the Group’s three fundamentals for global human resources: the Ajinomoto Group Way, the Ajinomoto Global Leadership Competencies, and a global mindset.

### Job grades



### Training for developing leaders

Training	Participants	Frequency and number of participants	Content
Executive Coaching	Group Executive Manager	—	Personalized training on top management execution
Ajinomoto Global & Group Leader Seminar (GGLS)	Job Grade 1	Once a year; approx. 25 people	Action learning about global issues faced by the Group, presentations to the HR Committee
Ajinomoto Global Future Leader Seminar (AGFLS)	Job Grade 2	Once a year; approx. 25 people	Lectures by top management, lectures on cross-cultural communication, planning of strategic scenarios using internal case studies
Ajinomoto Group Leader Seminar (AGLS)	Managers in Japan	Once a year; 20 to 30 people	Self-assessment, review of a leader’s role in an organization, planning of individual objectives as a leader
Ajinomoto Regional Leader Seminar (ARLS)	Job Grade 3	Once a year at each regional division; approx. 30 people	Self-assessment, training on coaching and cross-cultural communication



Ajinomoto Group Leader Seminar



Participants at Ajinomoto Regional Leader Seminar

## Developing human resources through global conferences and training

The Ajinomoto Group is providing human resources development for group employees working worldwide, through regular global conferences and training for each function.

The Group also conducts various types of division-specific training worldwide.

### Examples of global conferences and training

	Name	Details	Participants
Conference	Ajinomoto Group Global Procurement Conference	Knowledge sharing using case studies and group discussions on procurement issues	18 people from 15 companies in 11 countries
	Ajinomoto Group Safety Convention	Presentations on initiatives for preventing occupational accidents and safety activities and solutions	224 people from 6 countries
	Ajinomoto Group Management and Technical Conference on Quality	Lectures on management trends including the latest quality assurance measures, and presentation and information sharing on quality-related technologies	398 people from 5 countries
	Ajinomoto Group Global HR Meeting	Target sharing for the realization of global HR management objectives, and acquisition of the necessary skills and knowledge for target achievement	43 people from 18 companies
	Regional IT Managers Meeting	Knowledge sharing relating to IT systems and discussions	20 people from Europe, North America, South America, ASEAN, and China
	Ajinomoto Global PR Conference	Lectures on PR from a global standpoint, case study presentations, and group work	18 people from 11 countries
	Global Meeting for Accounting Personnel	Knowledge sharing using case studies and discussions on various accounting issues	44 people from 14 countries
Training	Ajinomoto Marketing Training Program (Basic Course)	Introductory training for marketers with limited experience	31 people from 2 companies in Brazil and Peru
	Ajinomoto Marketing Training Program (Intermediate Course)	Advanced training for brand and product managers	19 people from 12 companies in Asia and South America



Ajinomoto Group Safety Convention



Ajinomoto Marketing Training Program (Intermediate Course)

### Highlight

## Holding Ajinomoto Group Way Sessions to raise awareness of the Group's shared values

Ajinomoto Co., Inc. has been holding sessions on the Ajinomoto Group Way since fiscal 2011. These sessions take place during leadership and grade-specific training and involve video education and group work. The aim is to promote deeper awareness of the Ajinomoto Group Way, which forms the basis for human resources development in the Group and is a required element for global employees. Many participants reacted favorably after attending sessions.

Starting in fiscal 2012, sessions on the Ajinomoto Group Way are also planned for group companies worldwide. The goal is to have all managers at Ajinomoto Co., Inc. attend a session by the end of fiscal 2012, and all group employees (approx. 28,000 people) to attend a session by the end of fiscal 2014.



Viewing a DVD on the Ajinomoto Group Way



A session on the Ajinomoto Group Way, including group discussions on how employees can implement the Ajinomoto Group Way in their daily work

## HR development in Japan

Ajinomoto Co., Inc. is actively developing and supporting employees that undertake challenging goals. This is based on the concepts that the growth of individual employees forms the basis of corporate growth, and that everyone is the actor in their own personal development. The company has implemented various training programs so that employees can achieve the careers they envision for themselves.

### Career Development Guide supports the growth of individual employees

Listed in a Career Development Guide on the company's intranet, Ajinomoto Co., Inc. has training programs for each stage of an employee's growth. The programs fall into three main areas: grade-specific programs (new managers' training, follow-up training, new employee training, etc.), elective programs (e-learning/correspondence courses, a logical thinking course), and global programs (internal training for developing leaders, external programs). In addition, the company offers a variety of specialized training provided by individual sites and divisions.

### HR development programs at Ajinomoto Co., Inc.



### Highlight

#### Fourth most attractive employer in Japan

In May 2012, Ajinomoto Co., Inc. was ranked No. 4 overall, and No. 1 in the food industry, by the Randstad Award Japan 2012.<sup>1</sup> This survey ranks companies in terms of their attractiveness as a place to work. The company received especially high marks in the areas of pleasant working environment, long-term job security, and financial health. The company will continue to implement the principle of valuing people, specified in the Ajinomoto Group Way, in order to maintain its position as a trusted company that attracts the very best people.

1 The survey was begun in Belgium in 1999 by Randstad Holding NV of the Netherlands, a multinational human resource consulting firm. The recent survey in Japan was the first of its kind and was conducted by Randstad Japan. The survey asked 8,004 participants aged 18 to 65 to evaluate 170 companies in terms of recognition and their desire to work for the company. The rankings were then adjusted using a ten-point employer branding index applied by Randstad worldwide. This resulted in a comprehensive ranking of companies according to their employer brand and corporate attractiveness.



Award ceremony held on May 28, 2012

#### Ten points of the employer brand index and questionnaire items

- Opportunities for career advancement
- Pleasant and stimulating working environment
- Long-term job security
- Good work-life balance
- Financial health
- Interesting job content
- Good training opportunities
- Strong management
- Progressive policies concerning the environment and society (CSR)
- Competitive salaries and employee benefits

# Labor-Management Relations

The Ajinomoto Group endeavors to create a stimulating and rewarding work environment for its employees. The Group maintains direct dialogue and good-faith consultation with employees and their representatives, based on the applicable laws and circumstances in each country.

## Ajinomoto Group initiatives in Japan

The Ajinomoto Group in Japan has established a labor-management council where management policies are regularly discussed as well as a labor condition assessment committee.

In fiscal 2011, top management met with labor union representatives at each group company for a lively exchange of views on progress made on the FY2011–2013 Medium-Term Management Plan and the future outlook. At Ajinomoto Co., Inc., labor and management have been working together on a Work-Life Balance Improvement Project since 2008.

### Main initiatives of fiscal 2011 (Ajinomoto Co., Inc.)

#### Spring labor-management negotiations

Labor-management consultations were carried out based on union requests regarding specific initiatives for achieving the Medium-Term Management Plan, while responding to changes in the business environment.

### Labor-management consultations

Eight meetings of the central labor-management councils

### Main labor-management consultation themes

Theme	Details
Bonuses	Agreement on a new bonus calculation formula, valid for three years starting in the first half of 2012
Company housing system	Review and agreement on revisions to the company housing system
HR programs	Review of the current status of programs and future joint review plans for comprehensive improvement
Expatriate work issues	Review on systems and scope of the hardship allowance for employees posted outside Japan and health management leave
Introduction of defined contribution pension plans	Agreement to investigate the introduction of defined contribution pension plans

Reference See "Improving Work-Life Balance" on p. 55.

## Employee Data (As of March 31, 2012)

### Number of employees

	Full-time employees			Temporary staff
	Male	Female	Total	
Ajinomoto Co., Inc.	2,355	945	3,300	338
Group companies in Japan	5,985	1,908	7,893	6,274
Group companies outside Japan	12,278	4,774	17,052	7,233
Total	20,618	7,627	28,245	13,845

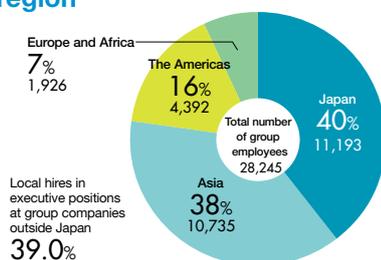
### Number of new hires (incl. new graduates) in year

	Total
Ajinomoto Co., Inc.	98
Group companies in Japan	289

### Number of personnel with disabilities

	Total	Percent of workforce rate
Ajinomoto Co., Inc.	78	1.73%
Group companies in Japan	184	1.63%

### Group employees by region



### Number of managers<sup>2</sup>

		Male	Female	Total
Japan	Ajinomoto Co., Inc.	840	59	899
	Group companies	1,642	63	1,705
Asia		896	410	1,306
Europe and Africa		220	73	293
The Americas		363	89	452
Total		3,961	694	4,655

<sup>2</sup> Managers: Employees in the position of section manager, a position equivalent to section manager, or a position higher than section manager (excluding executives)

### Full-time employees

	Average age	Average years of employment	Average annual working hours	Paid leave utilization rate <sup>3</sup>	Employment turnover rate
Ajinomoto Co., Inc.	40.6	17.3	1,988	72.5%	0.9%
Group companies outside Japan	33.6	8.2			

<sup>3</sup> Including managers' utilization rates.

### Number of retirees and re-employed persons in year

	Number of retirees		Re-employed after retirement <sup>5</sup>	
	Retired	Resigned for personal reasons <sup>4</sup>	After retirement	After resigning for personal reasons
Ajinomoto Co., Inc.	39	31	35	0
Group companies in Japan	140	171	161	-

<sup>4</sup> Contract staff not included in this category.

<sup>5</sup> Re-employed from retirees and personnel resigned for personal reasons such as job transfer of spouse.

# Improving Work-Life Balance

The Ajinomoto Group is working to realize the Ajinomoto Group Work-Life Balance Vision. Its aim is to contribute to the prosperity of society and the realization of fulfilling lives for its employees by supporting both the growth of every employee and the further development of the company.

Ajinomoto Co., Inc. has launched the Work-Life Balance Improvement Project, a joint labor and management initiative. The company is steadily improving its work environments and helping employees to gain more appreciation for work-life balance and change the way they work. In fiscal 2012, it articulated three objectives in the area of work-life balance and four initiative themes for joint labor-management implementation. Discussions were held at each workplace to raise awareness of work-life

balance and to prepare for implementation. The initiatives will be gradually undertaken, and regular review is part of the plan.



Discussion to raise awareness of work-life balance in the workplace

## Ajinomoto Group Work-Life Balance Vision

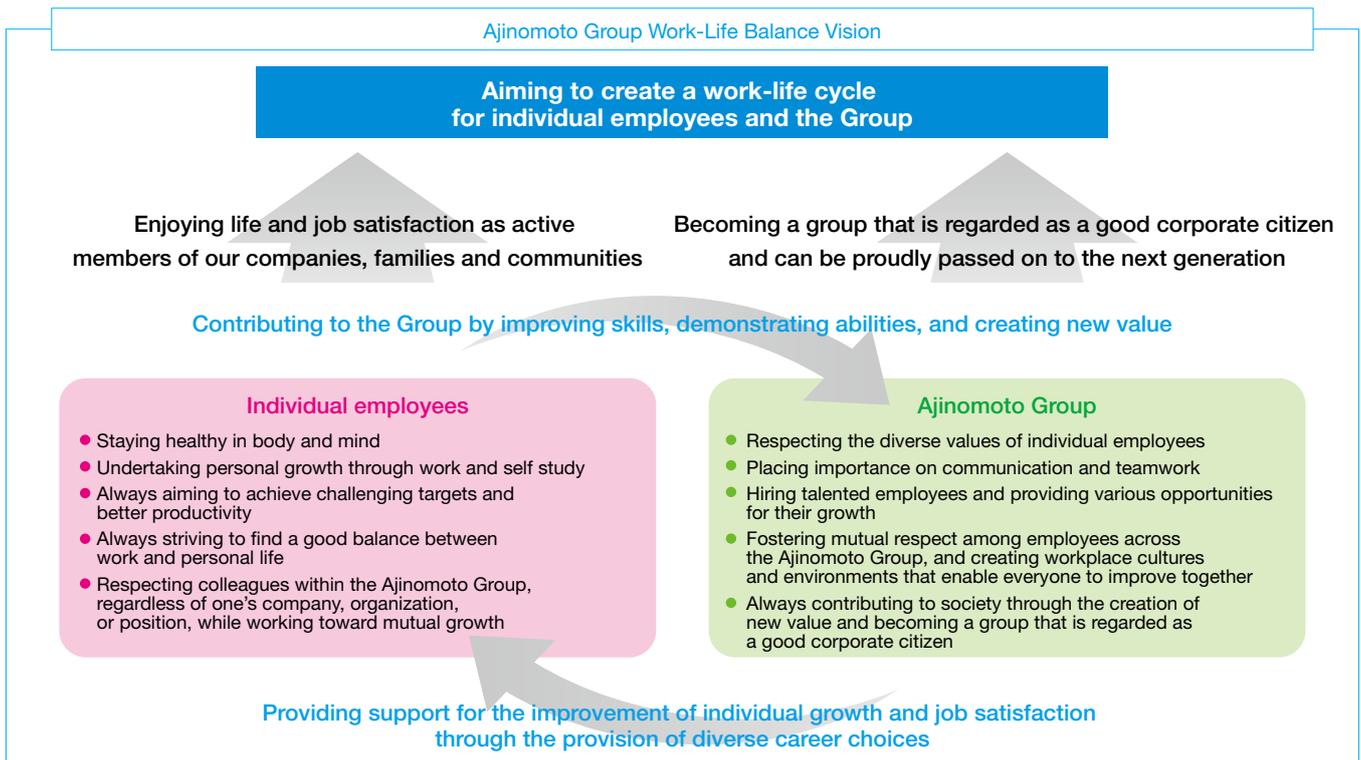
### Slogan

Contribute to the prosperity of society and the realization of fulfilling lives through the growth of every employee in the Ajinomoto Group and the ongoing development of the company

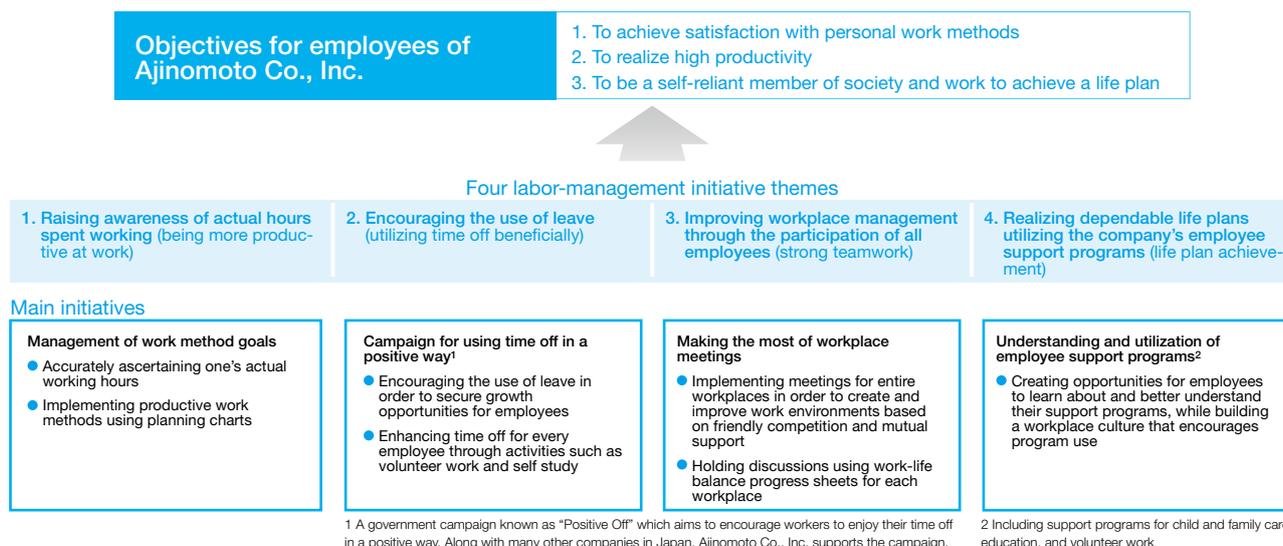
Creating a corporate group with stimulating and rewarding work environments

### Aiming to Realize Work-Life Balance at the Ajinomoto Group

The Ajinomoto Group supports employees in pursuing rewarding lives, and strives to create a positive environment enabling employees to work to the best of their abilities and skills. These efforts facilitate the mutual and sustainable development of employees and the company.



**FY2012–2013 initiatives at Ajinomoto Co., Inc.**



**Development and utilization of related programs**

Ajinomoto Co., Inc. is developing and implementing creative programs to make workplaces as supportive and rewarding as possible. Fiscal 2011 saw about 20% more employees take parenting leave and use the part-time parenting and work program than the previous year. The company continues to encourage more employees to take advantage of programs like these.



The Kurumin Mark certification for companies complying with childcare support standards was acquired for a second term on October 27, 2009. It acknowledges the target achievements of the company's action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children, and actions taken along other guidelines.

**Employee usage programs offered by Ajinomoto Co., Inc. related to work-life balance in fiscal 2011**

Program or initiative	Details	Employees who have used the program
Parenting Leave	Leave can be taken until the last day of April following the child's 1st birthday (can legally be extended for 6 months). A total of 15 days paid leave from the first day of leave is provided.	130 (including 11 male employees)
Part-Time Parenting and Work	Part-time work is allowed until the child enters the 4th grade of elementary school. Leave can be taken up to 2 hours and 30 minutes per day.	124
Childcare Leave	Employees with children who have not yet entered junior high school can take up to 10 days of childcare leave per fiscal year per child. Leave can be taken in half-day units.	47
Family Care Leave	Absences or suspension of work can be taken to care for a spouse, parents, or family within the second degree of kinship whom the employee supports. Leave can be taken up to 1 year.	0
Part-Time Family Care and Work	Part-time work is allowed when certain family members are in need of nursing care. Leave can be taken up to 2 hours and 30 minutes per day until the family member no longer needs care.	2
Accumulated Paid Leave	A maximum of 40 days of accumulated paid leave can be taken in half-day units to care for or visit in hospital family members within 2nd-degree of kinship who are suffering from a non-work-related illness or injury, or who need care due to temporary school closure.	88
Rejuvenation Leave	Rejuvenation leave can be taken once during each age category (25–32, 33–40, 41–48, 49–56) for the specified number of days from 9 to 30 days, and can be combined with paid leave and weekends.	150
Volunteer Leave	Up to 8 days of volunteer leave can be taken per fiscal year by qualified employees. Eligible volunteer work includes helping people with disabilities, providing nursing care of seniors, helping children, protecting the environment, providing disaster relief, and donating bone-marrow.	20
Re-employment system	Employee may register for re-employment in the event that retirement was unavoidable due to childbirth and newborn care, family and child care, or relocation because of marriage or spouse's job transfer.	29 (Number of employees registered as of April 1, 2012)
Initiative to reduce working hours	Holding no-overtime days at business sites.	—
Initiative to improve rate of taking paid leave	Implementation of paid leave usage campaign at business sites.	—
Financial assistance for babysitter hire	Provides employees with 1,500 yen each occasion a babysitter is hired.	10

# Ensuring Employee Health and Safety

The Ajinomoto Group “Disaster Prevention” and “Occupational Health and Safety” Philosophy and Policies set out the Group’s conviction that disaster prevention and occupational health and safety are among its most important responsibilities. Accordingly, the Group takes great care to create environments where employees can work with confidence.

## Ajinomoto Group “Disaster Prevention” and “Occupational Health and Safety” Philosophy

We, Ajinomoto Group companies respect each person and act on the recognition that “disaster prevention and occupational health and safety” are one of the most important components of corporate activities.

## Ajinomoto Group “Disaster Prevention” and “Occupational Health and Safety” Policies (Established April 1, 2011)

The Ajinomoto Group:

1. Identify and evaluate potential risks, and take preventive actions using management resources, under the Occupational Safety and Health Management System, in order to achieve the complete elimination of disaster and incident.
2. Take initiatives to continually improve occupational health and safety activities by thoroughly complying with public regulations and in-house rules and encouraging mutual efforts to do so.
3. Strengthen the corporate system and facilitate quick response to minimize damage in the event of an emergency and/or disaster.
4. Proactively provide support for each employee so they work safely and in good health.

## Ajinomoto Group Health and Safety Slogan<sup>1</sup>

“Be brave enough to ‘Stop.’ ‘Check’ first whenever you are not sure.” (Fiscal 2011–2013)

<sup>1</sup> Selected from submissions by group employees

## Promoting a medium-term plan from fiscal 2011 to fiscal 2013 for disaster prevention and occupational health and safety

Each day, the 30,000 employees of the Ajinomoto Group perform various operations around the world. Every moment of every day poses the risk of natural disasters, health hazards, traffic accidents, and occupational accidents such as falls, burns, and being caught in machinery.

Based on the Ajinomoto Group “Disaster Prevention” and “Occupational Health and Safety” Philosophy and Policies, the Group is working on the identification, evaluation, reduction, and elimination of these risks. The aim is to reduce the number of occupational accidents to zero, ensuring that all employees and other people working on the Group’s premises can return home

safely at the end of each day. In order to steadily realize this philosophy, a three-year Ajinomoto Group Occupational Accident Prevention Plan has been established, and the Group is working to achieve the medium-term targets of the plan from fiscal 2011 to fiscal 2013. This plan clarifies the current issues relating to occupational accidents, and activities are being promoted that focus on these issues.

Unifying and streamlining the Group’s targets worldwide has also made it easier to cooperate and exchange information globally while implementing and improving initiatives.

## Occupational health and safety management system in fiscal 2011



<sup>2</sup> Removed from the system in April 2012 due to business changes  
<sup>3</sup> Removed from the system in October 2012 due to business changes

## Fiscal 2011 occupational health and safety initiatives

Falling and getting caught/trapped are the two most common occupational accidents in the Ajinomoto Group. Consequently, the Group places priority on the elimination of these accidents, as shown by the aims of the fiscal 2011–2013 Ajinomoto Group Occupational Accident Prevention Plan.

As a result of these efforts, in fiscal 2011 serious accidents caused by getting caught/trapped were reduced by 92% compared to the previous fiscal year. This dramatic improvement has been attributed to thorough hands-on safety training and safety measures for packing equipment, mainly at group companies outside Japan.

Unfortunately, however, falling accidents doubled in fiscal 2011 compared to the previous year. The Group is redoubling its efforts to keep walking surfaces dry and free of ice, since slips are the major cause of falling.

The Ajinomoto Group will continue to strengthen its group-wide cooperation and accelerate its initiatives to eliminate the two most common types of occupational accidents. At the same time, the Group will also keep working on health and safety education, legal compliance, and preventing traffic accidents at work.

### Examples of activities to prevent accidents involving getting caught/trapped

Hands-on safety training using a “dummy hand”



Malaysia



Vietnam

### Examples of activities to prevent falling

Adoption of slip-resistant footwear



Slip-resistant sole (left) and conventional sole

Anti-slip coating applied to floors



Before improvement



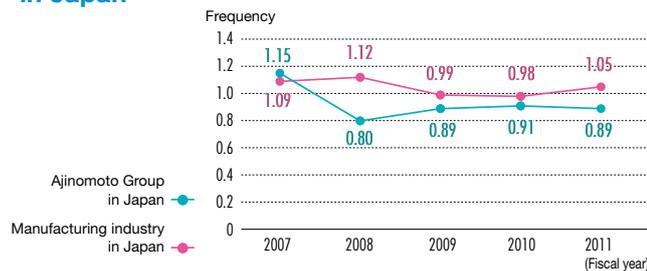
After improvement

Coated part

Non-coated part

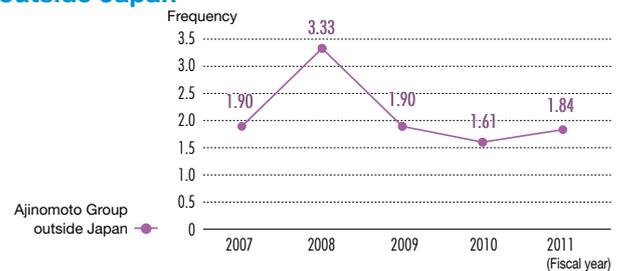
## Data for accidents resulting in time off work in the Ajinomoto Group (as of March 31, 2012)

### Frequency of accidents resulting in time off work in Japan

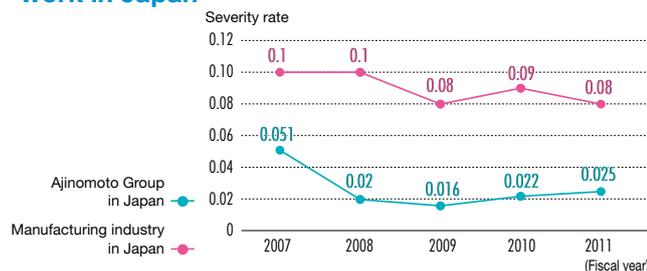


Note: Frequency rate (accident occurrence rate) = Number of occupational accident victims who required time off work of one day or more / Total actual operating hours x 1,000,000

### Frequency of accidents resulting in time off work outside Japan

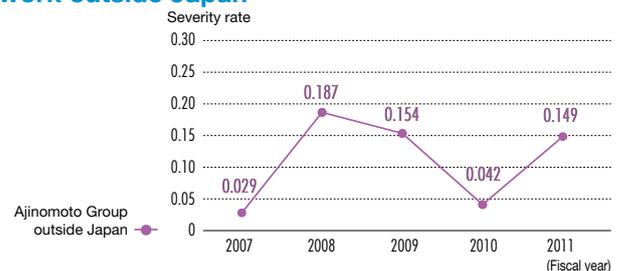


### Severity rate of accidents resulting in time off work in Japan



Note: Severity rate (accident severity) = Total lost working hours / Total actual operating hours x 1,000

### Severity rate of accidents resulting in time off work outside Japan



## Occupational health and safety management

During the many activities performed at work every day, there is always the risk that a moment of inattention could lead to a serious accident. Prevention is the key. The Ajinomoto Group carries out assessments whenever a plant is constructed or equipment is installed or modified. In the event of a major accident, emergency safety checks are performed in order to determine the causes and prevent any similar accidents in the future.

### ■ Safety assessments

The Ajinomoto Group performs safety assessments to prevent occupational accidents. The assessments are mainly performed in the planning stage for new product manufacturing, production increases, manufacturing process changes, new substance development, and for the construction or removal of buildings, structures, and equipment. In addition to confirmation based on legal requirements or lessons learned from previous major accidents,

preliminary checks are carried out for actual worker positioning and traffic flow.

### ■ Safety checks and audits

In the event of a major accident, the Ajinomoto Group performs on-site emergency safety checks, in order to confirm the causes of the accident, determine remediation measures, and prevent similar accidents from happening again.

In fiscal 2011, the Group established a system for detecting potential major accidents, which involves performing safety checks whenever smaller incidents occur. In order for safety staff to learn from a large number of safety activity examples, reciprocal safety audits are carried out with the participation of safety staff from different sites. This creates opportunities for them to learn about good practices and differences between regions and operations.

## Occupational health and safety education for employees

In order to ensure the safety of every employee, it is essential to provide routine education and training tailored to various employee grades.

The Ajinomoto Group provides occupational health and safety training designed specifically for each job. This includes health and safety seminars for upper management, and hazard prediction for manufacturing floor supervisors. In addition, each group company provides a wide array of safety education activities to suit its operations. These include hands-on safety training on each piece of equipment used in manufacturing, packaging or transportation. Group companies also provide safety education to new hires using their own safety videos.

Ajinomoto Co., Inc. provides four hazard prediction examples every month in the form of educational materials, so that trainers at each group company can deliver specific instruction in each workplace.

This kind of educational activity is also being implemented at group companies worldwide in an all-out effort to prevent occupational accidents.

In fiscal 2008, the first Safety School was held by Ajinomoto (China) Co., Ltd. for employees of group companies in that country. Instructors from Ajinomoto Co., Inc. in Japan also participated in the training. At group companies in Thailand, Brazil, Peru, Vietnam, and Nigeria, basic education on hazard prediction is being provided, along with hands-on safety training. Trainees from the group companies outside Japan were welcomed to Japan recently, and education on construction safety was also carried out in Japan and Thailand. Although attitudes and approaches to occupational health and safety vary by country and region, employees throughout the Ajinomoto Group, including those outside Japan, are learning the importance of occupational safety. The aim is for every employee to return safe and sound to their families at the end of each work day.

### Education provided at all group companies in Japan

Name of training	Purpose
Hazard prediction training	Basic training in leading safety activities, given to manufacturing floor supervisors and employees to be posted outside Japan (held three times a year)
Occupational health and safety seminar for top management	Education focused on safety, given to top managers at group companies in Japan (once a year)
Training for human error prevention	Training on types of human error and basic prevention measures (once a year)
Training for new internal auditors for OHSAS	Basic education for checking Plan-Do-Check-Act (PDCA) cycles for the occupational health and management system and making recommendations for improvement (four times a year)
Level-up seminar for OHSAS internal auditors	Education to improve internal auditors' abilities to focus on significant problem points and make recommendations (once a year)



Hazard prediction training

### Education at packaging group companies outside Japan

Name of training	Purpose
Hands-on safety training	Education for machine operators simulating potential dangers posed by equipment (first provided by Ajinomoto Co., Inc., later conducted by each group company)
Safety School (China)	Specialized education for employees at group companies in China, for preventing occupational accidents (Held once a year based on a different theme—introduction of practices, mutual safety patrols, etc.)
Education support for group companies outside Japan	Instructors dispatched from Japan to actively support safety education upon request from a group company outside Japan



The 4th Safety School (China)

**Site-developed educational materials used for hazard prediction training**  
**E.g. Hazard prediction for packing lines**

Hazard Prediction Training Sheet

**Situation**

You are handling a package of raw materials on Line A



● **What are the hidden hazards?**

● “Factors of hazard + consequences”

● **What would you do?**

●

**Situation**

You are handling a package of raw materials on Line A



● **Example: Potential dangers**

● Since you did not signal the forklift operator by raising your hand, you were surprised when it almost hit you.

● Since you did not signal the forklift operator by raising your hand, the pallet got lowered onto your foot.

● Since you walked backwards without looking behind, you hit your foot on the pallet.



Risk identification at a Zero Accident Community meeting



Traffic safety seminar (Tokyo Branch, Ajinomoto Co., Inc.)



Management system meeting (West African Seasoning Co., Ltd.)



Safety School (Ajinomoto (China) Co., Ltd.)

**Highlight**

**The 2nd Ajinomoto Group Safety Convention**  
**Further improving safety initiatives worldwide**

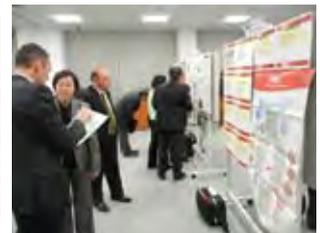
To foster a culture of safety throughout the Ajinomoto Group, the Group seeks to address issues through occupational health and safety activities and make efficient progress at each site. Toward this end, the Ajinomoto Group Safety Convention is held once every two years to create solutions by sharing information on successes and failures at various sites.

At the 2nd Ajinomoto Group Safety Convention held in October 2011, there were 224 participants from six countries. With the aim of achieving the targets of the Ajinomoto Group Occupational Accident Prevention Plan, the participants shared many ideas for resolving issues with safety activities. They also shared examples of initiatives to eliminate accidents involving falling and getting caught/trapped. The convention was able to further deepen cooperation within the Group.

Among the presentations made by 13 participating sites, two were especially well received. Representatives from the Osaka plant of Komec Co., Ltd. discussed the differences in awareness between those that provide and those that receive safety education. Meanwhile, employees from Ajinomoto Vietnam Co., Ltd. gave a presentation on hands-on safety training for subcontractor construction workers. Earning very positive feedback from participants, the daylong convention resulted in a new determination to protect employee safety group-wide, and will be held regularly in the future as one of the Group's safety activities.



Safety Convention



Poster Session during the second part



Presentation by Ajinomoto Vietnam Co., Ltd.



Report on the Safety Convention presentations, for distribution group-wide



**Highlight**

**Preventing construction accidents: Safety training for construction work at group companies outside Japan**

“Proactively providing support for each employee so they work safely and in good health” is part of the Ajinomoto Group “Disaster Prevention” and “Occupational Health and Safety” Policies.

In fiscal 2011 however, some employees of construction subcontractors suffered accidents on the premises of the Group. In late May 2012, Ajinomoto Co., Inc. held training sessions for construction safety personnel in both Japan and Thailand, looking to prevent similar construction accidents.

Construction safety staff from Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda. and PT Ajinomoto Indonesia (two members from each company) also participated in the training and learned about construction safety methods they could use in their own countries.



Reviewing items for hazard prediction at the construction site



Participants from PT Ajinomoto Indonesia



Listening intently at a lecture

**Making construction safer after the training: Initiatives at the Mojokerto Factory of PT Ajinomoto Indonesia**

After attending the training for construction safety staff, the two participants from PT Ajinomoto Indonesia returned and immediately began implementing construction safety initiatives.

They started in August 2012 with the morning meetings. Every morning, a total of about 300 construction employees of the Mojokerto Factory and subcontractors gather in the factory yard for a morning safety meeting. Once a month, top management participates in the meeting to provide safety instruction. Safety awareness is being further improved through work demonstrations by construction staff and awards for outstanding safety activities.

In order to make the numerous, complex construction safety manuals easier to understand, the Mojokerto Factory is also working to make safety rules more visible. For example, safety signs have been posted throughout construction sites, tailored to location and operation. These signs make it easy to recognize the applicable safety rules at a glance. The factory has made a big step in preventing construction accidents on company premises.



Morning meeting



Construction task demonstration



Signs convey information at a glance for each type of construction



Signs indicating construction rules



## Initiatives for disaster management

In accordance with its Disaster Management Basic Policies, the Ajinomoto Group considers measures to deal with natural disasters and implements the necessary training.

### Disaster Management Basic Policies

- We set priorities as 1. Person, 2. Society, and 3. Business:
1. We give the highest priority to human life, and ensure the safety of oneself, one's family and colleagues.
  2. We provide support for local community and society, on the basis of saving human life.
  3. We make an effort for early restoration of business activities in order to fulfill our business responsibility, as the Ajinomoto Group that is working for Life.

### Disaster prevention drills

The Ajinomoto Group carries out group-wide disaster prevention drills every September. The Group's General Headquarters gathers information on employee safety and site damage conditions

from each group company and site and gives instructions as needed. In addition, training on employee safety confirmation, evacuation, and first aid are also carried out at each group company and site, along with first-response fire fighting training.

Since the Great East Japan Earthquake, each group company and site has been revising its emergency procedure manuals, while updating and improving training. This process included a review of the expected seismic impact area of a future major earthquake, as well as revision of communication and evacuation instructions for the time of a tsunami warning after an earthquake. The Group also plans to implement training based on the assumption of secondary disasters following a major earthquake.



Group-wide disaster prevention drill

### Highlight

#### Report after the Great East Japan Earthquake: A disaster prevention lecture

A disaster prevention lecture to improve the awareness of employees has been held every year since fiscal 2008. In fiscal 2011, the 4th one was held at the Kawasaki Plant of Ajinomoto Co., Inc., given by the general manager of the company's Tohoku Branch. Commenting on lessons learned from the Great East Japan Earthquake, the speaker talked about the situation in Tohoku after the disaster struck, the recovery and support activities, and the importance of emergency preparedness. About 150 group employees, including disaster prevention staff, attended the event. A similar lecture was also given at the Tokai Plant of Ajinomoto Co., Inc. to further improve disaster prevention awareness. The lecture impressed the participants by communicating the gravity of the matter and renewing their sense of urgency about constant preparedness. Lectures will be held again in fiscal 2012 and onward.

Disaster prevention lecture



#### Reference

See Special Feature 4, "Overcoming Natural Disasters to Build a Sustainable Society" on p. 27.

## Supporting the physical and mental health of employees

Ajinomoto Co., Inc. is promoting employee health initiatives with a focus on the importance of good self-care. Since new hires, mid-career employees, and managers face different health issues, industrial physicians offer training for each kind of employee. New managers and mid-career employees not only learn about health management, but also about specific ways to identify signs of health problems among subordinates and colleagues.

Once or more a year, industrial physicians, nurses and hygienists provide guidance on physical and mental health maintenance to all employees of group companies in Japan via interviews, based on their results of health checkups. In 2010 and 2011, mental health training sessions were held for the general manager of the Wellness Promotion Center and industrial physicians from all ten sites of Ajinomoto Co., Inc. in Japan. The participants learned how to detect signs of mental health issues in employees, and deepened their understanding of how to deal with these issues. Employees posted outside Japan also receive annual checkups, and the results are checked by medical staff in

Japan. In addition to follow-up interviews for health maintenance, the system enables these employees to receive health-related advice pertaining to immediate family members living with them overseas.

The Group is also looking into the potential for area-based integrated health management systems that would include regular checkups and health management measures for group companies in Japan. Starting in fiscal 2012, some group companies will begin trial joint implementation of annual checkups in the Kyushu region.<sup>1</sup>

<sup>1</sup> Group companies participating in the joint initiative in the Kyushu region: Ajinomoto Co., Inc., AJINOMOTO PHARMACEUTICALS CO., LTD., Ajinomoto Frozen Foods Co., Inc., GABAN Co., Ltd., AJINOMOTO NUTRITION FOODS Co., Ltd., Ajinomoto Engineering Corporation

#### Health promotion system at Ajinomoto Co., Inc.

8 industrial physicians, 11 medical staff members (nurses and hygienists), a Wellness Promotion Center general manager, and 9 staff members

## External evaluation of occupational health and safety activities

Employees at sites in the Ajinomoto Group have received a lot of external recognition for the health and safety activities that they carry out on a daily basis. With a constant focus on a culture of safety, accident records at each site continue to improve, and results can also be seen in the efforts of individual employees.

Each year, a number of group employees win awards in competitions sponsored by local governments to create occupational health and safety slogans. In fiscal 2011, Minoru Meguro of the Kawasaki Plant of Knorr Foods Co., Ltd. and Kumiko Sato of the Kawasaki Plant of Ajinomoto Co., Inc. each won awards in a Kawasaki City slogan competition to help prevent occupational

accidents. The winning slogans were distributed to companies in that city, and were used as part of city-wide activities to prevent occupational accidents.

Yoshikazu Endo of the Environment & Safety Department at Ajinomoto Co., Inc. also received an award from the Director of the Chuo Labor Standards Inspection Office in Tokyo, for contribution to the community as a coach for occupational accident prevention activities.

The Ajinomoto Group will continue its initiatives to eliminate occupational accidents and work to foster a culture of safety among employees and local communities.

### Main awards received in 2011 and 2012 for disaster prevention and occupational health and safety activities

	Recipient	Award name	Details
Fiscal 2011	Site Kansai Plant, Ajinomoto Packaging Co., Inc.	Takatsuki City Fire Prevention Association outstanding site award	Recognition for comprehensive disaster preparedness drills, with no accidents or violations for five years or more
	Site Kansai Plant, Ajinomoto Packaging Co., Inc.	Ibaraki Labor Standards Association outstanding safety activities award	Recognition for record of zero accidents resulting in four or more days off work
	Site Kawasaki Plant, Ajinomoto Co., Inc.	Japan Industrial Safety & Health Association (JISHA) zero accident commendation	Recognition for many years of employee safety education with the aim of achieving zero accidents
	Individual Yoshikazu Endo, Environment & Safety Department, Ajinomoto Co., Inc.	Chuo Labor Standards Inspection Office Director's award	Recognition for contribution to the community as an occupational accident prevention leader in Chuo-ku, Tokyo for many years
	Individual Kimiharu Eto, Kawasaki Plant, Knorr Foods Co., Ltd.	Kanagawa labor health and safety achievement award	Recognition for many years of meritorious service in the field of occupational health and safety
	Individual Minoru Meguro, Kawasaki Plant, Knorr Foods Co., Ltd.	Kawasaki City occupational accident prevention slogan competition, grand prize	Recognition of the best accident prevention slogan
Fiscal 2012	Individual Kumiko Sato, Kawasaki Administration & Coordination Office, Ajinomoto Co., Inc.	Kawasaki City occupational accident prevention slogan competition, excellence prize	Recognition for an outstanding accident prevention slogan
	Site Kansai Plant, Ajinomoto Packaging Co., Inc.	Osaka Labor Bureau Director's award	Recognition for four-year record of zero occupational accidents resulting in four or more days off work with active participation of part-time employees
	Site Higashi-Ogishima Refrigerated Transport Office, Chuo Ace Logistics Corporation	Kawasaki City Rinko Fire Chief's award	Recognition for employee teamwork that halted the spread of a nearby fire
	Site Sekijuku Refrigerated Transport Office, Chuo Ace Logistics Corporation	Chiba Labor Bureau Director's award	Recognition for five-year accident-free record due to active initiatives to prevent forklift and traffic accidents
	Site Kanto Plant, GABAN Co., Ltd.	Tochigi Labor Bureau Director's award	Honored for six-year record of zero accidents resulting in four or more days off work since its launch



Kumiko Sato (left) and Minoru Meguro (right) received awards from Kawasaki City.



General Manager Yoshimi Nagano receives the commendation from JISHA.



The Kansai Plant of Ajinomoto Packaging Co., Inc. received multiple awards.



Yoshikazu Endo receives the award.

Note: Sites or individual employees of the Ajinomoto Group in Japan

### Highlight

#### Chuo Ace Logistics office receives Kawasaki City Rinko Fire Chief's award

Around 12:30 p.m. on August 2, 2012, Yoshitake Katakura was on his way to work, when he saw smoke rising from a field nearby a sales office of Chuo Ace Logistics Corporation. Initially, he thought it might be a controlled burn to clear vegetation, but he promptly reported it to his fellow employees in the office break room.

Upon hearing the story, Section Chief Masaki Iijima thought it strange and went to have a look. Since the office had received no prior notice of a controlled burn, he decided that it was in fact a fire. As a result, seven employees from the office gathered up some buckets and set out to extinguish it.

Soon, the fire appeared to be out, but about 50 minutes later, another employee noticed that flames were rising from about the same location, so they began fighting the fire using an outdoor fire hydrant. The Rinko Fire Station was called, and the firefighters succeeded in extinguishing the fire. Although the fire had burned about 20 square meters, its spread was effectively halted thanks to the efforts of 12 employees.

On August 29, 2012, the office received a certificate of commendation from the Kawasaki City Rinko Fire Station, for promptly reporting the fire and taking the proper initial steps to help extinguish it.

#### Message from Mitsuhiro Ichijo, Office Manager

We always work as a team, and we try to foster a culture where we come together to solve problems. If it hadn't been for the sharp eyes of our staff, we wouldn't have been able to catch the fire in the early stages.

By taking the initial steps to fight this fire, I was reminded of our regular training. I think it is very significant that we joined forces to help minimize the fire. It also made me realize that it is extremely difficult to completely put out a fire with just buckets of water, or even a fire extinguisher. In addition to planning joint training with the fire department, we will continue to properly manage our fire protection equipment, and do our best to remain vigilant on a daily basis.



(Left) After the fire was out.



(Right) Office Manager Ichijo (left) and Section Manager Iijima (right) attribute their success to teamwork and regular training.



Site where the fire was halted, now overgrown again with grass

## Ensuring the Planet's Sustainability, as the Foundation for All Life



### Contents

- |   |  |
|---|--|
| <p><b>P65</b> The Ajinomoto Group Environmental Philosophy and Basic Environmental Policies</p> <p><b>P67</b> The Ecological Business Model of the Ajinomoto Group<br/>Helping to resolve the issues of the 21st century based on a partnership with the earth and society</p> <p><b>P68</b> Environmental Initiatives through the Entire Product Lifecycle</p> <p><b>P69</b> Ajinomoto Group Medium-Term Environmental Plan and Fiscal 2011 Results</p> <p><b>P70</b> Ajinomoto Group Zero Emissions Plan and Fiscal 2011 Results<br/>2011–2013 Ajinomoto Zero Emissions Plan and performance on targets in fiscal 2011</p> <p><b>P71</b> Fiscal 2011 Input and Output Balance</p> <p><b>P72</b> Conserving Ecosystems and Biodiversity<br/>Initiatives with external stakeholders<br/>Column<br/>• Joint Tagging Survey into Pacific Coast Skipjack</p> <p><b>P74</b> Developing Technologies and Products That Contribute to Global Sustainability<br/>Creating businesses that contribute to the environment<br/>Assessing the environmental impact of the entire product lifecycle<br/>Columns<br/>• Feed-use amino acids for livestock farming that is friendly to the planet<br/>• Co-products that yield agricultural bounty<br/>• Joint development of Environment Vitalizing Concrete to help promote marine ecosystems</p> | <p><b>P78</b> Development of Environmentally Friendly Packaging<br/>Fiscal 2011 performance overview<br/>System for promoting environmentally friendly containers and packaging<br/>Cooperation with outside organizations<br/>Development of environmentally friendly packaging<br/>Promoting “Aji-na-Eco” mark products with environmental packaging</p> <p><b>P82</b> Reduction of Greenhouse Gas Emissions<br/>Fiscal 2011 performance overview<br/>Initiatives at production sites and offices in Japan<br/>Switching to clean energy<br/>Management of fluorocarbons</p> <p><b>P84</b> Conserving Water Resources<br/>Fiscal 2011 performance overview</p> <p><b>P85</b> Reducing Waste<br/>Fiscal 2011 performance overview</p> <p><b>P86</b> Initiatives in Logistics<br/>Initiatives as a consignor<br/>Initiatives of the ALC Group</p> <p><b>P87</b> Environmental Management<br/>Group-wide environmental management<br/>Group-wide environmental management activities<br/>Implementing environmental assessments<br/>Disaster prevention systems and response to environmental accidents</p> <p><b>P89</b> Providing Environmental Education and Fostering Awareness<br/>Education and awareness-raising activities<br/>Specialized education and training</p> |
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### Scope of the environmental report

This section of the report covers the environmental initiatives of the 112 companies subject to the Ajinomoto Group Environmental Management Measures as defined in the company's Environmental Regulations (101 companies are fully subject to the regulations, and 11 are partially subject, as of March 2012). These companies include Ajinomoto Co., Inc., its consolidated subsidiaries, and other group companies that play a considerable role in the Group's environmental management. Performance statistics are for the 112 major business sites (the number of sites has increased by two since last year's report, following site reorganization as well as plant dissolution and new construction), which substantially represent the environmental performance of the entire Ajinomoto Group<sup>1</sup> under the consolidated financial accounting system.

<sup>1</sup> The Ajinomoto Group refers to Ajinomoto Co., Inc. and its consolidated subsidiaries and group companies subject to financial reporting under the equity method.

# The Ajinomoto Group Environmental Philosophy and Basic Environmental Policies

The Ajinomoto Group Environmental Philosophy and Basic Environmental Policies were revised in 2006 in light of trends in compliance and efforts to minimize the environmental impact of business activities. They express the Group's commitment to contributing to a sustainable society as a responsible global company.

Since the revision, issues concerning the sustainability of the global environment and human societies have become even more serious. It is clear that the expectations of the Ajinomoto Group are higher, amid significant changes in the circumstances and structures surrounding corporate activities.

On its centenary in 2009, the Ajinomoto Group pledged to work for life. In order to further articulate this pledge and state even more explicitly its determination to ensure that its business activities help to build a sustainable global society, the Ajinomoto Group Environmental Philosophy and Basic Environmental Policies were revised again in April 2011. In addition, the Group established the Ajinomoto Group Biodiversity Policy and Action Agenda in February 2012.

Link

Ajinomoto Group Environmental Philosophy and Basic Environmental Policies  
<http://www.ajinomoto.com/en/activity/environment/e-philosophy/>

## Ajinomoto Group Environmental Philosophy and Basic Environmental Policies

### Environmental Philosophy

#### Preamble

The business activities of the Ajinomoto Group are sustained by the trust<sup>1</sup> of international society and people in each region of the world, and rely upon a healthy global environment<sup>2</sup> and people living in peace and prosperity.<sup>3</sup> Health and prosperity are closely related to the local diversity of ecosystems and society.

Modern society, however, continues to expand beyond the limits of what our planet can sustain—in terms of the use of resources and energy, as well as environmental impacts and emissions such as greenhouse gases, waste, and chemical substances. Human activities are threatening biodiversity, causing climate change, and increasing the scale of natural disasters, water shortages, food shortages and other problems. These threats are leading to a crisis for all life, and they affect human daily life. Rapid economic development in developing countries is also escalating the seriousness of global environmental issues.<sup>4</sup> The world needs models of economic development that do not diminish local diversity.<sup>5</sup>

The business activities of the Ajinomoto Group also have impacts and are affected by those impacts. We strongly hope that society will continue to need what the Ajinomoto Group can offer. For that to occur, we believe it is necessary to conduct business activities that contribute to the transformation of modern society into a low-carbon, resource-recycling society in harmony with nature.

#### Main Text

The Ajinomoto Group works to benefit all life (hence our slogan "Work for Life") and contributes to the realization of sustainable society.

We conduct our business activities and grow together with society, while aiming to sustain the interrelationships between the functioning of unique and diverse forms of life in each region on Earth, and to ensure that all people, including future generations, are able to enjoy a better life in a healthy global environment.

### Basic Environmental Policies

#### Understanding Interdependence and Impacts

At both the global and local levels, we ascertain and evaluate in a timely manner the state of the global environment and society upon which the Ajinomoto Group's business activities depend. We also ascertain and evaluate, both quantitatively and systematically, the impacts that the Ajinomoto Group's business activities have on them.

#### Minimizing Impacts

We fully comply with environmental regulations in each country and region, and adhere carefully to international standards and codes. We also establish our own voluntary standards to challenge and achieve,<sup>6</sup> and seek to minimize the impacts on the environment and ecosystems that arise from all business activities<sup>7</sup> of the Ajinomoto Group.

We strive to achieve optimal efficiency in the use of resources and procure natural resources in amounts and with methods that conserve biodiversity and ecosystems.<sup>8</sup>

#### Providing Value

We offer products and services and propose technologies and systems that contribute to the

lives of people, and to life on Earth, by preserving and nurturing food sustainability and ecosystems, aiming for the transformation of modern society into a low-carbon, resource-recycling society in harmony with nature. We do this by making use of the knowledge, technologies, capacities, and assets of the Ajinomoto Group.<sup>9</sup>

#### Cooperating with Others

We work to have a positive impact on the global environment and society through our business activities with related parties in the supply chain, including customers, suppliers, and others.<sup>10</sup> At the global and local levels, we promote meaningful collaboration and cooperation with a variety of stakeholders, such as non-governmental organizations, specialized institutions, local communities, and more. We contribute actively to dialogue and consensus-building in our society by offering proposals on the creation of new societal frameworks.<sup>11</sup>

#### Providing Information

We systematically summarize and regularly report on the approaches, programs and achievements of the Ajinomoto Group. We engage in dialogue

with stakeholders, and through this dialogue verify whether the self-evaluations of our activities are accurate, and consider necessary improvements and new initiatives.

We make an effort to ensure that each of our facilities seeks to see things from the local community perspective and has an open attitude to the public.

#### Managing Our Group

In order to conduct these activities effectively, systematically, and sustainably, and to make greater contributions, the Ajinomoto Group makes use of environmental management systems in all of its member organizations. We integrate these environmental management systems with other management systems and work to make continuous improvements.

We engage in systematic education and awareness-raising activities so that each member of the Ajinomoto Group understands his or her role and required competence, and this understanding leads to concrete action.

Revised in April 2011

- 1 Society's license that permits corporations to exist, operate and grow.
- 2 The ecological (environmental) resources needed to continue operating. These include the essential raw materials, energy, and genetic resources necessary for the productive activities of the Ajinomoto Group, and also the very basis of life on Earth that provides diverse and abundant ecosystem services so essential for human life. Healthy ecosystems support and maintain biodiversity.
- 3 The social and economic resources needed to continue operating. The business segments of the Ajinomoto Group—including food, bioscience and fine chemicals, and health and pharmaceutical products—are in markets that have an important role in human lives.
- 4 Developing countries have ecosystems that play important roles within the total Earth system. Developed countries have already followed a path that places an excessive burden on ecosystems. If rapid economic development in developing countries follows the same path, the result will lead to risks to the fragile local ecosystems and the local communities that depend upon them, and ultimately, to global risks.
- 5 When pursuing efficiencies at the global level, the challenge is to avoid losing diversity at the local level as one of the negative impacts of economic globalization.
- 6 The entire scope of our businesses, including supply chains and the lifecycles of our products and services.
- 7 Example:
  - Ajinomoto Group Zero Emissions Plan

- 8 Under the Aichi Targets—the new strategic plan adopted by the 10th Conference of the Parties to the Convention on Biological Diversity in October 2010—one strategic target agreed through international consensus was to keep the impacts of the use of natural resources well within safe ecological limits by 2020, at the latest.
- 9 Examples:
  - Making greater richness of taste possible and bringing greater happiness to society, even with less consumption of food resources
  - Contributing to the recovery and restoration of ecosystems and ecosystem services
  - Providing and proposing useful products, services, technologies, and systems that when used will result in significant reductions (i.e., substantially positive impacts) that can offset the use of resources and energy due to our business activities (i.e., substantially negative impacts). Ideally, the net effect of all impacts will be positive (i.e., "net positive").
  - The development of products and technologies that use life sciences knowledge and technologies to utilize the functions of ecosystems and biological resources.
- 10 Examples:
  - Support to secure safe and sustainable food resources for primary producers of agricultural, livestock, and fishery products
  - Proposing environmentally friendly options for consumers

- 11 Examples:
  - Policy proposals
  - Participating in international conferences, being involved in the establishment of international codes, standards, guidelines, etc.
  - Demonstrating initiative (leadership) through cross-sectoral voluntary activities
  - Participating in the initiatives of international, expert, non-governmental, and non-profit organizations, etc.

## Ajinomoto Group Biodiversity Policy and Action Agenda

The business activities of the Ajinomoto Group are hugely reliant on natural blessings such as agricultural, livestock, fisheries resources and genetic resources. These natural blessings are brought by ecosystems and biodiversity, which are formed and supported by diverse creatures and their mutual interactions. Biodiversity is one of the most essential elements for the continuation and development of our business, therefore, it can be said that biodiversity serves as the "basis of business activities." Biodiversity is also the "basis of all life on Earth" which supports human life and living. In recent years, however, biodiversity is being lost at an unprecedented rate, and biodiversity conservation becomes one of the most urgent global issues.

In the Ajinomoto Group Environmental Philosophy, we, the Ajinomoto Group, pledge to work to benefit all life. We wish to make a contribution to realizing the sustainable society in which people can lead healthy and prosperous lives in peace, and wish to meet the expectations of society and our customers now and in the future. To do this we recognize that it is one of the most important tasks for the Group to undertake initiatives in biodiversity. We will tackle the challenges of biodiversity conservation and sustainable use of biological resources, since biodiversity is the "basis of business activities" and "basis of all life on Earth."

We define hereby the Biodiversity Action Agenda as follows:

### Biodiversity Action Agenda

#### [Addressing biodiversity issues]

1. Issues of biodiversity are closely bound up with other environmental issues such as climate change, dwindling water resources, and waste treatment. They are interconnected and cannot be considered separately. With the recognition of the interrelations, we take initiatives to address the issues: conservation of biodiversity and sustainable use of biological resources, reduction of green gas emissions, efficient use of resources, waste reduction and reduction of other environmental impacts, so that the result of our activities can produce multiple beneficial effects.
2. We ascertain the relationship between the business activities of the Group and biodiversity. In other words we will have a clear grasp of how the activities are dependent on and what impacts they have on ecosystems and ecosystem services.
3. On the basis of this understanding, we strive to reduce impacts of the business activities on biodiversity, and improve the activities to be conducted both within the reproduction capacity of ecosystems and the capacity of material cycle. We recognize that impacts of the business activities can become net positive<sup>12</sup> and aim to contribute to restoration of ecosystems.
4. We comply with international rules and regulations concerning biodiversity.

#### [Managing supply chains]

5. We promote the use of raw material that is produced with consideration for ecosystems and biodiversity.
  - We comprehend the situation of regions supplying raw material.
  - We avoid procurement from sources or supply chains that involve the destruction of ecosystems or biodiversity.
  - We contribute to stock assessment and management of natural fishery resources and others.
6. We apply transportation methods to conserve ecosystems and biodiversity.
  - Bearing in mind the issues of invasive alien species, we give consideration to selecting transportation methods not to disrupt local ecosystems by bringing non-native species through transportation of raw material or products.

#### [Providing value]

7. We develop products, services, technologies and systems, which contribute to life of people and life on Earth with minimal impact on ecosystems and biodiversity.

#### [Managing premises]

8. We create our business sites that are harmonious with local ecosystems and communities in terms of the environment.

- With the aim of the improvement both on the basic functions of business sites and their surrounding ecosystems, we design, construct and manage landscapes, flora and fauna in the premises.
- We manage the use of water resources including water withdrawal, consumption and discharge, with the consideration of regional water cycle.

#### [Cooperating with others]

9. We promote initiatives for biodiversity conservation in cooperation with the society.
  - We disclose our activities and the situation concerning biodiversity conservation and sustainable use of biological resources, and make use of the feedback from the society to improve our activities.
  - We cooperate with governments, specialists, NGOs, local communities, other companies, etc., in order to develop our initiatives for biodiversity conservation more efficiently.
10. We contribute to promoting the understanding of biodiversity not only amongst our employees but also at all levels of the society, through educational activities and other means.

Established in February 2012

<sup>12</sup> Having a positive impact after considering all the positive and all the negative factors

# The Ecological Business Model of the Ajinomoto Group

The job of the Ajinomoto Group is to add extra value to the nourishing gifts of nature and deliver them to customers. The greater the scale of this job, the more the Group can contribute to the creation of a healthier global environment and more prosperous world community. The ecological business model of the Ajinomoto Group aims to ensure that the Group's business activities help to resolve the issues facing 21st-century human society.

Helping to resolve the issues of the 21st century based on a partnership with the earth and society

The Ajinomoto Group is promoting environmental initiatives for the entire product lifecycle, based on a partnership with the earth and a partnership with society.

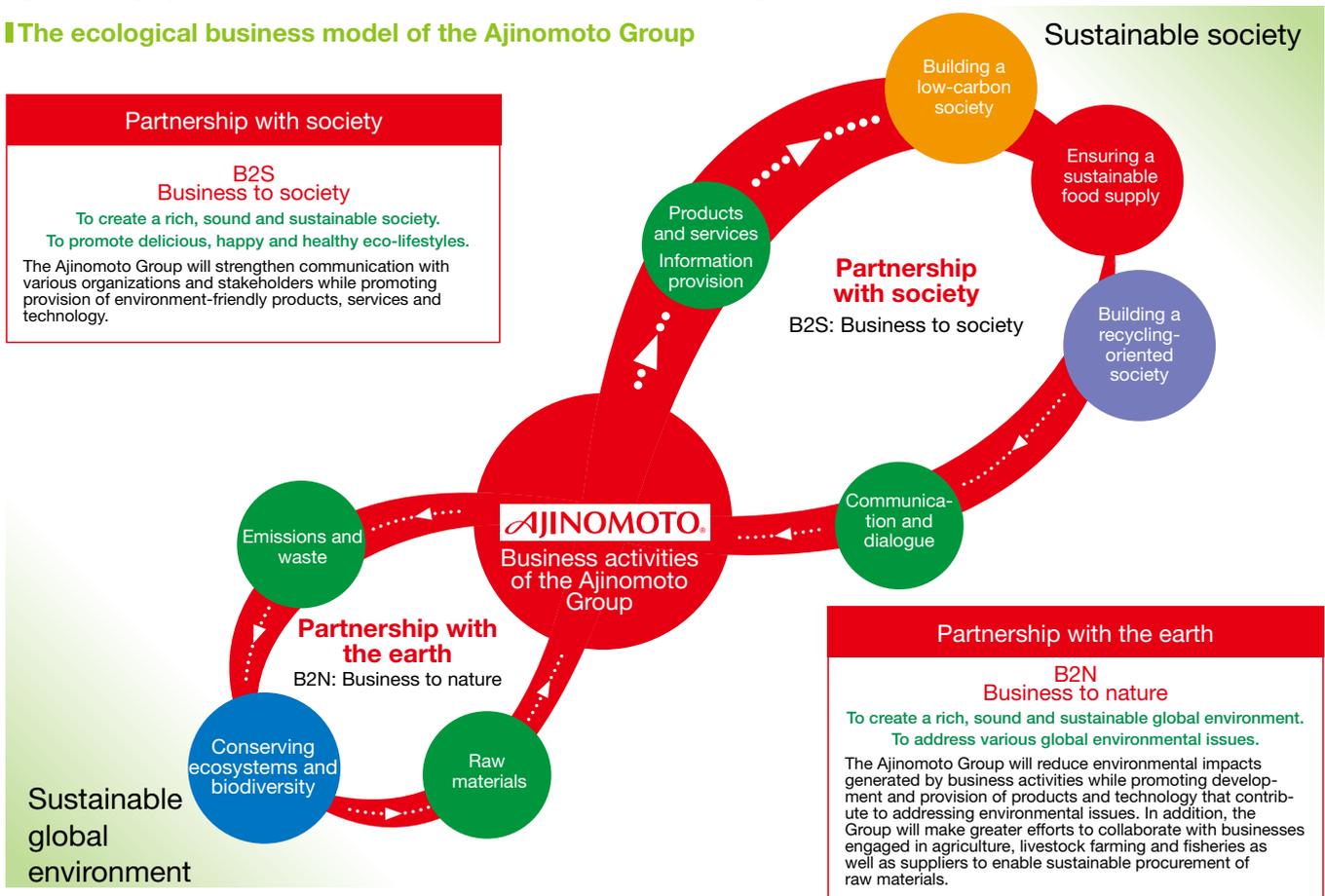
In aiming to make an environmental contribution through its business activities, the Ajinomoto Group is actively involved in helping to create a sustainable global environment and society. This means that the Group's efforts are not limited to its own business operations, but broadly focused to include upstream and downstream parts of the supply chain.

In the past, the manufacturing industry saw resources and raw materials that come from the planet and its ecosystems merely as something to be purchased. However, in order to promote a healthy and sustainable global environment, the Ajinomoto Group believes it is important to strengthen cooperation with primary industries such as agriculture, livestock, and fisheries, making the most of its technologies and other advantages for this purpose.

While being aware of the need to promote sustainable societies, the Ajinomoto Group seeks to learn from the broader society and make a positive impact. While utilizing opinions and outstanding mechanisms from various social organizations and companies, the Group strives to increase the environmental value of existing products and services, and to create new environmental value to ensure its core business is socially useful. The Group also helps to promote ecological business practices and eco-lifestyles in various ways, including advertising and in-store promotions.

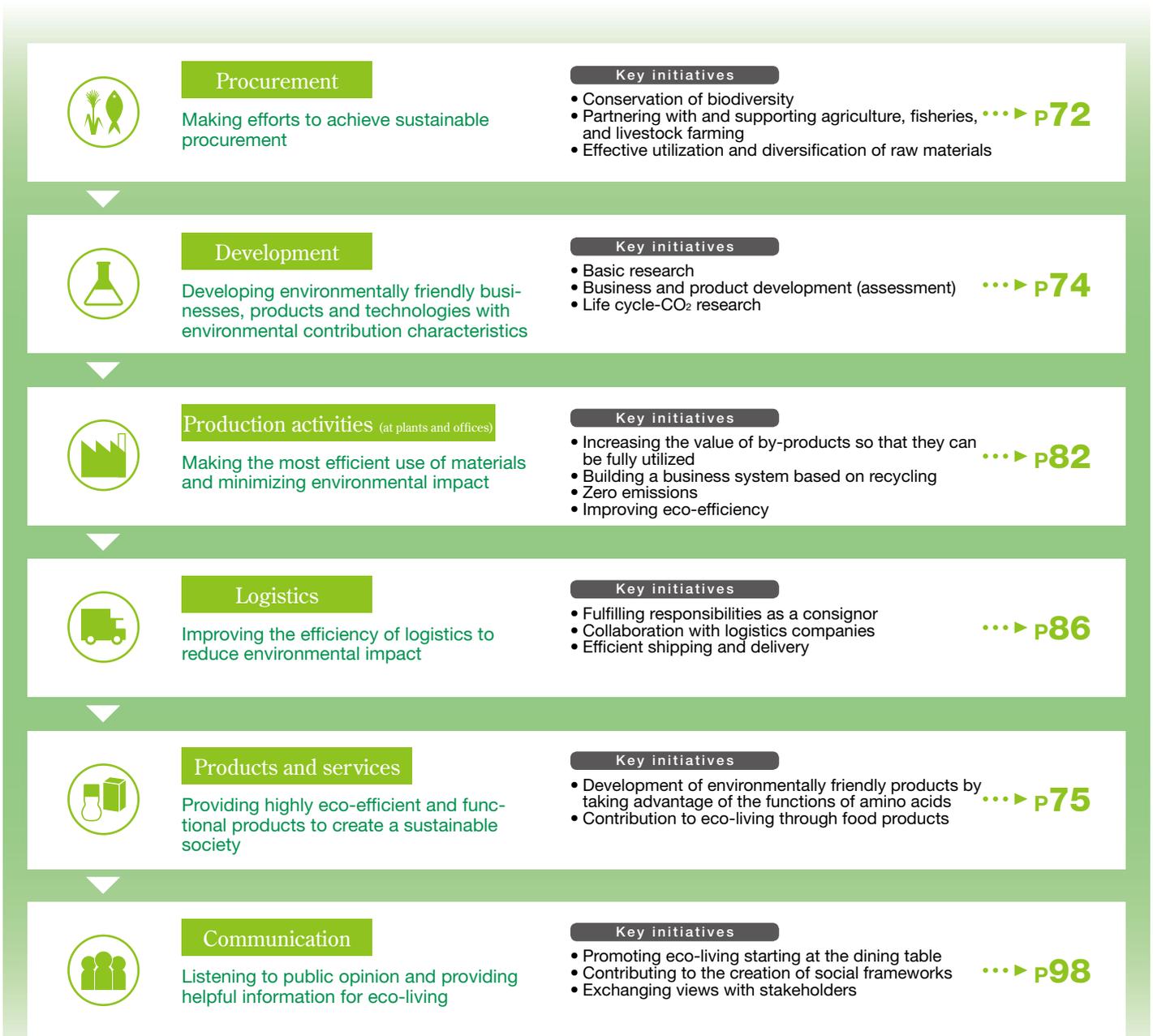
Based on a partnership with the earth and a partnership with society, the Ajinomoto Group is working to help realize a sustainable future for people and the planet. It will do this by increasing its own environmental efficiency and value, while minimizing its environmental impact and maximizing its social and environmental contributions. This is the definition of the Ajinomoto Group's ecological business model.

## The ecological business model of the Ajinomoto Group



# Environmental Initiatives through the Entire Product Lifecycle

Rather than limiting efforts to its immediate business operations, the Ajinomoto Group is promoting environmental initiatives throughout the product lifecycle, from the procurement of raw materials, to transport, production, sales, consumer use, and disposal. With an eye on environmental impact and contribution value for all its business activities, the Group is cooperating with various external stakeholders to pursue even more diverse initiatives.



# Ajinomoto Group Medium-Term Environmental Plan and Fiscal 2011 Results



The Ajinomoto Group Medium-Term Environmental Plan is re-established every three years, and forms the basis for the Group's environmental initiatives. Activities are currently being promoted based on the plan for 2011–2013.

## How the Ajinomoto Group should be

The Ajinomoto Group contributes to issues of human society—global sustainability and food resources—and fosters the pursuit of healthy lives through its business.

## 2011–2013 Ajinomoto Group Medium-Term Environmental Plan

Main objective	Priority points	Fiscal 2011 results and future challenges
<b>Business to nature: Partnership with the earth</b>		
Minimize emissions generated by business activities, and promote the Zero Emissions Plan	Each organization/company incorporates the 2011–2013 Zero Emissions Plan into its own three-year plan for implementation	Initiatives for the 2011–2013 Ajinomoto Group Zero Emissions Plan progressed steadily throughout the Group, except CO <sub>2</sub> emissions reduction per unit of production lagged due to the nuclear plant accident in Japan. It will be important to secure a stable supply of energy with low environmental impact, such as natural gas.
	Encourage acquisition of CO <sub>2</sub> emissions credits (such as CDM) in anticipation of the emissions trading scheme	
Conserve biodiversity and use sustainable ecosystem services	Assess products and their entire lifecycles based on carbon footprint (CFP) and utilize such assessment	Product category rules (PCR) were officially established for amino acids. Based on this, CFP values were certified for 9 items in 2012.
	Develop energy saving processes	Progress made according to plan at each site for the introduction of fermentation processes with low environmental impact.
	Apply the Corporate Ecosystem Services Review (ESR) to vital raw materials <ul style="list-style-type: none"> <li>New program on aquatic resources such as skipjack</li> </ul>	Electronic tagging survey of skipjack in cooperation with the fishery industry was conducted according to plan. <ul style="list-style-type: none"> <li>Established the Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper and the Biodiversity Policy and Action Agenda.</li> <li>Sustainable palm oil: Ajinomoto Co., Inc. joined RSPO in October 2012.</li> <li>Sustainable land use: Began assessing the situation using monitoring tools.</li> </ul>
	Develop lower resource fermentation process (utilization of inedible raw material, etc.)	Progress made according to plan on use of inedible raw material in fermentation.
<b>Business to society: Partnership with society—contribution to environmental issues</b>		
Contribute to the environment through business activities, products, and services	Each organization/company considers ways to contribute to the environment through business activities, products, and services, and incorporates the ideas into business policies/plans for implementation <ul style="list-style-type: none"> <li>Environmental contribution using amino acids</li> <li>Development of products/services to help reduce consumers' "eco-concern" and more eco-friendly packaging</li> <li>Establish networks for promoting harmony with local communities</li> </ul>	<ul style="list-style-type: none"> <li>Environmental contribution using amino acids: Low-protein feed fortified with feed-use amino acids was certified by the CO<sub>2</sub> credit scheme of Japan's Ministry of Economy, Trade and Industry, after certification under the Ministry of Environment's J-VER scheme. Use limited to pig feed. Challenge is now to expand use to poultry.</li> <li>Eco-friendly packaging: Prepared the 3R plan including indicators (refill containers, stickers easy to remove, and introduction of new materials) with the aim of improving value for consumers.</li> </ul>
	Foster cooperation between R&D departments and divisions to develop products that contribute to the environment and save resources, in order to achieve new growth	
Promote information provision as well as communication and collaboration with society	Disclose as necessary information on business contribution to food resources and global sustainability, and reduction of environmental impact through business activities; implement mechanisms for incorporating external feedback into operations	<ul style="list-style-type: none"> <li>The <i>Environmental Report 2011</i> received the Green Reporting Award Third Prize at the 15th Green Reporting Award, as well as the Sustainability Report Award Grand Prize at the Environmental Communication Awards. Since fiscal 2006, the <i>Environmental Report</i> has won awards for 6 consecutive years.</li> <li>Environmental and CSR advertisements received the Japanese Environment Minister's Award at the Nikkei Advertising Award.</li> <li>Participated in Japan-China Green Expo in Beijing (June 2012).</li> <li>Joint exhibit by 5 group companies at Eco-Products 2011 (Dec.).</li> <li>Exhibited at the Rio+20 Conference in Rio de Janeiro (June 2012), to promote dialogue with the international community. The Group will continue dialogue from an environmental and CSR perspective.</li> </ul>
	As a leading food company, the Group understands the importance of environmental impact reduction and contribution through food. It strives to take the initiative and provide support in these areas.	<ul style="list-style-type: none"> <li>1st Ajinomoto Group Sustainability Forum was held: 300 participants and the panelists explored ways to involve consumers in achieving a sustainable future under the theme of food.</li> <li>Increased number of products with the "Aji na Eco" mark to 110, as of April 2012 (an increase of 31 products compared to the previous fiscal year).</li> </ul>
	Activities for eco-living starting at the dining table: Promoting "Eco Uma" Recipes and encouraging environmental awareness	<ul style="list-style-type: none"> <li>Expanded publicity activities for "Eco Uma" Recipes from websites, email magazines, and magazines to include magazine-books, local newspapers, and satellite TV programs.</li> </ul>
<b>Steady management</b>		
Strengthen compliance with laws and regulations	Strengthen systems to ensure each division/department complies with laws and regulations, based on ISO 14001	Acquired information on law revision developments and shared it with relevant divisions.
Steady implementation of EMS group-wide	Establish EMS networks on a business, operational, or regional basis	Began cooperation on waste disposal in the Tokai and North Kanto regions.
	Encourage integrated management of safety, quality, and environmental targets	Standardized target forms and operation units; also consolidated reviews.
Make improvements and evaluations based on indicators	Establish EMS so that environmental issues and risks are visible to the Group and top management	Raised the level of environmental accounting, and developed databases.
Maintain capacity to promote EMS	<ul style="list-style-type: none"> <li>Promote education and awareness throughout the Group including top management</li> <li>For EMS activities outside Japan, local staff are expected to take the lead in providing education and practice opportunities under the guidance of managers posted from Japan</li> </ul>	<ul style="list-style-type: none"> <li>Provided education for new environmental administrators and staff, showed environmental education videos, and carried out other activities according to plan.</li> <li>Conducted education and training at each group company outside Japan, according to plan.</li> </ul>

# Ajinomoto Group Zero Emissions Plan and Fiscal 2011 Results



With the aim of minimizing environmental impact arising from its various business operations, the entire Group is now implementing the 2011–2013 Ajinomoto Group Zero Emissions Plan. While checking progress via a performance review every six months, the Group also revises the scope and targets whenever the plan is updated in order to further reduce impact.

## 2011-2013 Ajinomoto Group Zero Emissions Plan and performance on targets in fiscal 2011

The 2011–2013 Ajinomoto Group Zero Emissions Plan is being implemented as part of the 2011–2013 Ajinomoto Group Medium-Term Environmental Plan. While maintaining the framework of the previous 2008–2010 plan, the current Zero Emissions Plan contains new targets for emissions reduction.

For example, in the area of water resource conservation, in addition to the previous targets for wastewater emissions, targets for water consumption reduction were added. In the area of waste reduction, new targets were added to include non-production sites.

In the first fiscal year of the 2011–2013 Zero Emissions Plan, targets for total CO<sub>2</sub> emissions in Japan and resource recovery ratios were achieved, just like in the previous year. Targets were also mostly achieved for water consumed per unit of production and discharged water per unit of production. On the other hand, progress slowed on the targets of CO<sub>2</sub> emissions per unit of production, and waste per unit of production. The Group will continue working to achieve all the targets by the final year of the plan, fiscal 2013.

### Environmental award system for excellent business sites

The Ajinomoto Group is united in its efforts to further reduce environmental impact in all business areas. In order to provide additional incentive for such activities, business sites that have made the biggest contribution to achievement of the 2011–2013 Ajinomoto Group Zero Emissions Plan are honored as “excellent business sites.”

Based on the criteria of establishing a roadmap and steadily promoting it, as well as achieving numeral targets, the Group honored ten sites that had saved energy in their offices or logistics operations in fiscal 2011.



Plaque presented to the excellent business sites

#### Excellent Business Sites (Office Division)

Kanto Low Temp. Main Office, AJINOMOTO LOGISTICS CORPORATION  
Tohoku Main Office, AJINOMOTO LOGISTICS CORPORATION  
Chubu Main Office, AJINOMOTO LOGISTICS CORPORATION  
West Japan Main Office, AJINOMOTO LOGISTICS CORPORATION  
Head Office, AJINOMOTO PHARMACEUTICALS CO., LTD.  
Health Insurance Center, Ajinomoto Health Insurance Society (Kawasaki)  
Kawasaki Plant (laboratories), Ajinomoto Co., Inc.  
Logistics Planning Dept., Ajinomoto Co., Inc.

#### Excellent Business Sites (Logistics Division)

Logistics Controlling Dept., AJINOMOTO PHARMACEUTICALS CO., LTD.  
AJINOMOTO LOGISTICS CORPORATION

## Key targets and results for the 2011–2013 Ajinomoto Group Zero Emissions Plan

	Item	Scope	Targets to be achieved	Fiscal 2011 results	Fiscal 2010 results
Water resources	Concentration of pollutants in discharged water: BOD and total nitrogen (TN)	All production sites of the Group	BOD ≤ 10 ppm, TN ≤ 5 ppm	Target achieved at 24 sites out of 39 sites	Target achieved at 20 sites out of 39 sites
	Water consumed per unit of production	All production sites of the Group	Reduce by at least 70% (compared to fiscal 2005)	65% reduction	64% reduction
	Discharged water per unit of production	All production sites of the Group	Reduce by at least 70% (compared to fiscal 2005)	69% reduction	65% reduction
CO <sub>2</sub> emissions	CO <sub>2</sub> emissions per unit of production	Entire Group (production sites + non-production sites)	Reduce by at least 35% (compared to fiscal 2005)	31% reduction	32% reduction
	Total CO <sub>2</sub> emissions	All production sites in Japan	≤ 493 kt (reduce by 7% compared to fiscal 1990 and by 8% compared to fiscal 2005)	433 kt	427 kt
3Rs of waste	Resource recovery ratio (waste + by-products)	Entire Group (production sites + non-production sites)	≥ 99%	99.3%	99.1%
	Waste per unit of production	Entire Group (production sites + non-production sites)	Reduce by at least 20% (compared to fiscal 2006)	10.3% reduction	11.9% reduction

# Fiscal 2011 Input and Output Balance



The Ajinomoto Group is working to minimize its impact on the environment, based on its Medium-Term Environmental Plan and Ajinomoto Group Zero Emissions Plan. It always pursues the most efficient use of the resources needed for its business activities, including raw materials, energy, and water.

## Input and output balance

### Scope of reporting:

The 112 business sites including Ajinomoto Co., Inc. and consolidated subsidiaries that play a significant role in the Ajinomoto Group's environmental management. Increased by two business sites compared to fiscal 2010, due to the consolidation of business sites and other reasons.

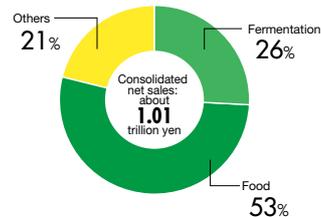
### Reporting period:

April 1, 2011 to March 31, 2012

### Reported data:

Estimated values are included. The sum of all values in a graph may not equal the total due to the effect of rounding.

### Consolidated net sales (reference)

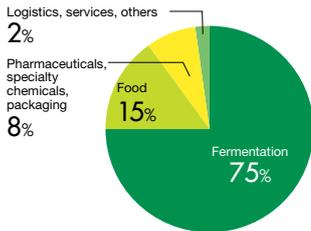


The Ajinomoto Group's business segments are categorized according to the characteristics of the environmental impact incurred by the various manufacturing methods, excluding cooperative ventures, such as edible oils and coffee products. These categories are different from the business segments based on consolidated financial accounting. Their scope of reporting is different from the scope applied to the input and output balance.

## Ajinomoto Group input and output balance

### Input: energy, water, raw material

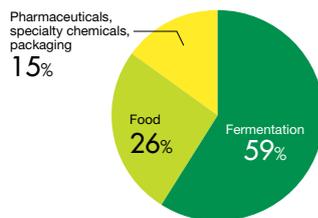
#### Input of energy 36,456 TJ<sup>1</sup>



Purchased electricity	2.07 million MWh (7,447 TJ)
Purchased steam	1,140 kilotonnes (3,081 TJ)
Gas	402 million m <sup>3</sup> (17,933 TJ)
Oil	111 million liters (4,390 TJ)
Coal	69,106 tonnes (2,052 TJ)
Biomass	1,553 TJ

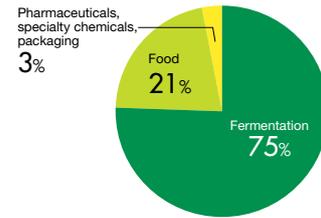
<sup>1</sup> TJ: terajoule, T (tera) = 10<sup>12</sup>

#### Water consumption 109,882 kilotonnes



River water	44,197 kilotonnes
Industrial water	39,338 kilotonnes
Well water	21,120 kilotonnes
Tap water, municipal water	5,224 kilotonnes
Others (rainwater, etc.)	2,592 tonnes

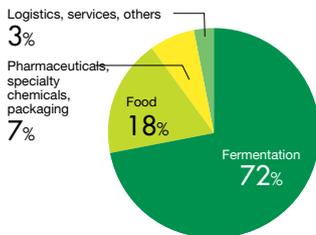
#### Raw material consumption 4,551 kilotonnes



<b>Raw material</b>	
Main raw material	2,150 kilotonnes
Sub raw material	1,822 kilotonnes
Acids/alkalis	653 kilotonnes
Other	1,169 kilotonnes
<b>Packaging material</b>	
Plastic	82 kilotonnes
Paper, cardboard	119 kilotonnes
Other	298 kilotonnes

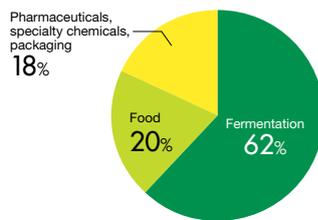
### Output: release to atmosphere, discharged water, waste

#### CO<sub>2</sub> emissions 2,301 kilotonnes



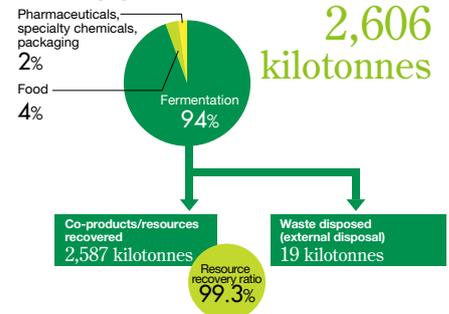
<b>CO<sub>2</sub></b>	
Combustion	1,399 kilotonnes
Purchased energy	876 kilotonnes
Vehicle fuel	26 kilotonnes
NO <sub>x</sub>	2,294 tonnes
SO <sub>x</sub>	1,924 tonnes
Soot and dust	2,478 tonnes
CFCs	10.8 tonnes

#### Discharged water 90,801 kilotonnes



<b>Discharged to:</b>	
Public waterways (indirect cooling water, etc.)	45,478 kilotonnes
Public waterways (discharged after treatment, etc.)	28,158 kilotonnes
Public sewerage	14,542 kilotonnes
Water for irrigation use	2,622 kilotonnes
BOD	872 tonnes
Nitrogen	822 tonnes

#### By-products/waste emissions 2,606 kilotonnes



#### Volume of production 2,571 kilotonnes





# Conserving Ecosystems and Biodiversity

The business activities of the Ajinomoto Group involve a deep relationship with the bounty of nature, and they influence ecosystems and biodiversity in a variety of ways. The Group is promoting initiatives to “monitor life and foster life,” in order to conserve biodiversity and realize sustainable procurement of ecosystem services.

## Fiscal 2011 results of the Ajinomoto Group

### Joint Tagging Survey into Pacific Coast Skipjack

**Using electronic tagging (archival tags), the survey has succeeded in generating detailed records of the geographical coordinates (longitude and latitude) and swimming behavior of skipjack by every thirty seconds, over a period of about 500 days.<sup>2</sup>**

Reference P73

2 As of October 2012

## Initiatives with external stakeholders

In order to promote a business model that can utilize biological resources in a sustainable way, the Ajinomoto Group is undertaking initiatives according to its 2011–2013 Medium-Term Environmental Plan. Efforts are focused on the following priority themes: (1) developing systems for sustainable procurement of raw materials; (2) avoiding risks associated with the destruction of forest ecosystems; and (3) promoting sustainable land use.

In order to maintain stable operations and grow the business, it is crucial to understand the specific connection between business activities and ecosystem services, as well as changes in these services, and then strategically incorporate this understanding into business plans. Using the Corporate Ecosystem Services Review (ESR) method, in fiscal 2010, the Ajinomoto Group began identifying the relationships between all of its main business areas and ecosystem services, and has selected priority initiatives based on this effort. To better understand and analyze the relationship between its business activities and ecosystem services, the Group brought together various stakeholders not only from the environment sector, but also other external experts, researchers and NPOs. A great deal of time was spent interviewing staff engaged in practical operations and holding strategic planning workshops in order to develop an objective awareness of the actual situation.

As fisheries and forests are so important to ecosystems and its business, the Group places special focus on procurement initiatives related to these resources.

In the area of aquatic resources, the Group promotes initiatives such as ecosystem protection measures at shrimp cultivation and processing sites, and a skipjack tagging survey carried out with the National Research Institute of Far Seas Fisheries (NRIFSF) of Japan's Fisheries Research Agency (FRA).

In the area of forest resources, the Group is developing procurement methods that help conserve ecosystems. The Group has investigated paper procurement guidelines with the WWF Japan. In November 2011, group company J-OIL MILLS, INC.,

joined the Roundtable on Sustainable Palm Oil (RSPO), followed by Ajinomoto Co., Inc. in August 2012.

With the aim of ensuring that its business sites develop in tandem with local communities and ecosystems, the Group has also begun to consider how it should best use the land on which its business sites are located, including participation in the Japan Business Initiative for Biodiversity (JBIB). The Ajinomoto Group is developing biodiversity conservation initiatives with an even more global reach, through cooperation with external stakeholders.



JBIB Guidelines for Sustainable Business Sites



Scientific Committee of the Western and Central Pacific Fisheries Commission (WCPFC)

Reference

See “Ensuring sustainable procurement of critical raw materials” on p. 44 and “Ajinomoto Group Biodiversity Policy and Action Agenda” on p. 66.

Column



## Joint Tagging Survey into Pacific Coast Skipjack

As the essential ingredient for making *dashi* soup stock, skipjack is an intrinsic part of the Japanese diet. However, the ecology of this fish still remains largely unknown. In order to monitor skipjack as it migrates through the vast Pacific Ocean and maintain this important resource, it is necessary to get a deeper understanding of its ecology.

Since 2009, Ajinomoto Co., Inc. has been part of a Joint Tagging Survey into Pacific Coast Skipjack. The study aims to track the movement of skipjack as they follow the Kuroshio Current, which flows north from the southwest islands up the west coast of Japan. Based on a plan covering 2011 and 2012, this large-scale tagging survey is being carried out using electronic archival tags. It is a challenging endeavor and the first trial of its kind in the waters of the Kuroshio Current.

In February and April of 2012, about 3,000 skipjack were tagged offshore Yonaguni Island, the southwestern extremity of Japan located near Taiwan. Of these, 169 fish were given the latest archival tags, which record data including daily geographical position, water depth, water temperature, and body temperature every 30 seconds. The devices can operate for a year, and only recently have they become small enough to be attached to skipjack. Likely the first time that this technology has ever been used for still small skipjack anywhere, there has never been this kind of large-scale electronic tagging of skipjack in the waters of southwestern Japan.

Seven tagged skipjack were recovered by October 2012. Once the data has been analyzed, researchers expect to have a lot of valuable new information. Naturally, the project has generated a lot of interest among academics and fisheries stakeholders.

### Outline of the survey

- The purpose is to clarify the routes that skipjack take in Japanese waters, and the migratory characteristics.
- So far 1,000 to 3,000 skipjack have been tagged and released each year, mainly in the southwest islands.
- Introduced the latest electronic archival tags in 2012. In February and April, 169 skipjack were tagged offshore Yonaguni Island, and seven were subsequently recovered.

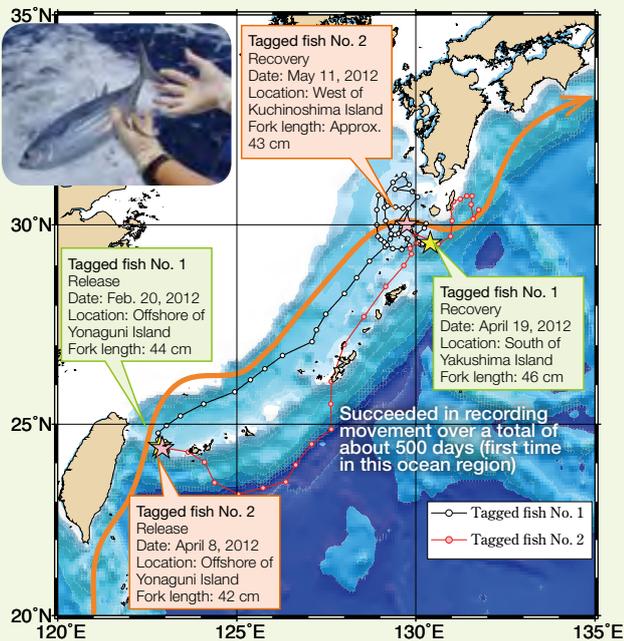
### Electronic archival tag

Fingertip-size recording device



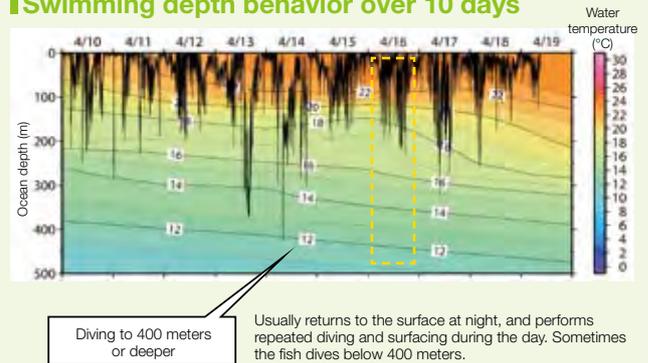
The attached tag can measure daily geographical position, water depth and temperature, and body temperature every 30 seconds for a year or more, enabling a detailed understanding of skipjack migration.

### Successful recovery of seven skipjack with electronic archival tags

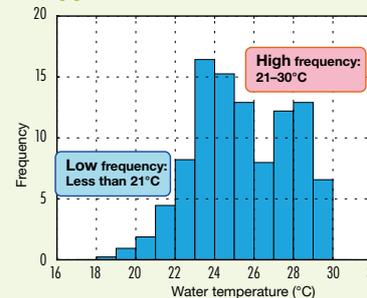


Note: The map shows probable migratory routes, since there is a large margin of error when estimating positions from data.

### Swimming depth behavior over 10 days



### Surface temperatures in waters where skipjack travel

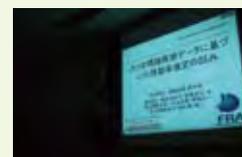


Discovered that skipjack usually stay in waters with a temperature of 21-25°C

### Posters and t-shirts to raise awareness of the project among fishery stakeholders



### Release of survey data



By releasing the data to international fisheries management organizations and academic societies, the survey will contribute to the sustainable use of skipjack resources.



# Developing Technologies and Products That Contribute to Global Sustainability

The Ajinomoto Group is promoting research and technology development to enhance the environmental value of its products and business activities. In addition to ascertaining environmental impact throughout product lifecycles, the Group is using its knowledge to create new businesses that contribute towards global sustainability.

## Creating businesses that contribute to the environment

While pursuing R&D to reduce the environmental impact of existing business activities, the Ajinomoto Group also strives to provide new environmental value. The Group has established priority research themes for new business areas, including environmental technologies and more effective use of resources.

Making the most of its own knowledge and technologies, the Group is also incorporating outside ideas and technologies in order to develop new products and materials that can contribute to global sustainability. It calls its effort to achieve fast results “open & linked innovation,” and often pursues joint development.

Starting with the early results of joint research into the manufacture of synthetic rubber and nylon from sustainable plant materials, the Ajinomoto Group is still pursuing a variety of technologies that have the potential to contribute to global sustainability by leveraging the Group’s extensive expertise in amino acids and food products as well as related fermentation technologies.

Reference See “Creating the Future with ‘Open & Linked Innovation’” on pp. 21–22.

### Principal research and technology development areas for contributing to global sustainability

#### Sustainable, environmentally friendly technologies

- Utilizing unused biomass
  - Developing technology to utilize unused biomass as raw material and energy
  - Developing alternative production technologies for petrochemical products
- Developing technologies to save energy and resources

#### Effective use of resources

- Adding value to by-products from the amino acid fermentation process Reference P76

#### Reduction of greenhouse gas emissions

- Carbon footprint assessment of emissions throughout the business and product lifecycles (LC-CO<sub>2</sub>) Reference P74
- More energy savings Reference P83
- Utilizing unused biomass resources Reference P14

#### Reduction of the environmental impact of discharged water

- Saving water by developing highly efficient amino acid fermentation technologies
- Developing advanced wastewater treatment technologies (such as biological denitrification) Reference P84

#### Eco-friendly designs for containers and packages

- Design based on the 3Rs (reduce, reuse, and recycle)
- Using sustainable materials
- Utilizing unused biomass resources Reference P78–81

## Assessing the environmental impact of the entire product lifecycle

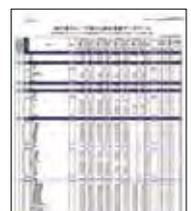
In order to reduce the environmental impact of products while increasing their environmental value, a company must understand not only the impact during the production process, but also the impact throughout the product’s entire lifecycle. This extends from the extraction of raw materials and their processing at factories, to the distribution of the product, and consumption and disposal by the consumer. The Ajinomoto Group has been carrying out lifecycle assessments (LCA) for many years, and is actively taking part in related research.

One of the keys to achieving a low-carbon society is monitoring total CO<sub>2</sub> emissions during the product lifecycle (LC-CO<sub>2</sub>). Ajinomoto Co., Inc. has become a member of the Food Study Group run by the Institute of Life Cycle Assessment Japan to study LC-CO<sub>2</sub>.

The study led to development of the Ajinomoto Group LC-CO<sub>2</sub> Emissions Factor Database for Food-related Materials, which has been on the company’s public website since April 2007. The latest version, released in October 2010, is compatible

with the 1990, 1995, 2000, and 2005 edition of the Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables (3EID). This database, which covers basic LC-CO<sub>2</sub> data regarding food materials and ingredients, is used by and highly rated by industrial, academic and government organizations and researchers.

The Ajinomoto Group began carbon footprint (CFP) assessment of its products early on. For nine amino acid-based products including feed-use lysine, the Group finished acquiring certification of its CFP calculation standards and CFP values under the Carbon Footprint Program of the Japan Environmental Management Association for Industry in May 2012. The Group has also introduced LC-CO<sub>2</sub> assessment as a standard for environmental assessment of product containers and packaging.



Reference See “Container and packaging environmental assessment” (chart) on p. 79.

Column

## Feed-use amino acids for livestock farming that is friendly to the planet

Feed-use amino acids are gaining attention worldwide as a way to ensure amino acid balance during feeding. In addition to greatly reducing greenhouse gas emissions and lowering the impact of livestock waste on soil and water, these amino acids reduce the amount of land needed for feed crop cultivation. The Ajinomoto Group is working to assess the environmental benefits of these products and new products under development, in order to promote environmentally friendly livestock farming worldwide.



### Contributing to the environment with feed-use amino acids

Amino acids are essential nutrients for living things. In particular, amino acids that cannot be synthesized within the body—known as essential amino acids—must be obtained through diet. Conventional livestock feeds given to pigs and chickens are usually comprised of corn and wheat for energy, and soybean meal for protein. However, since the amino acid balance is not optimal for the growth of these animals, it is difficult to maximize the health and growth of livestock only by using these feeds. Such conventional feeds contain excess amino acids and nitrogen.

Feed-use amino acids, represented by lysine, threonine, and tryptophan, are used to compensate for these deficiencies in raw materials. By adding these amino acids to ensure the amino-acid balance of conventional feeds, other amino acids that previously went to waste when metabolized can now be more effectively used by the animal. This will contribute to the solution of food and environmental problems.

### Expanding use of newly developed lysine product for dairy cattle feed

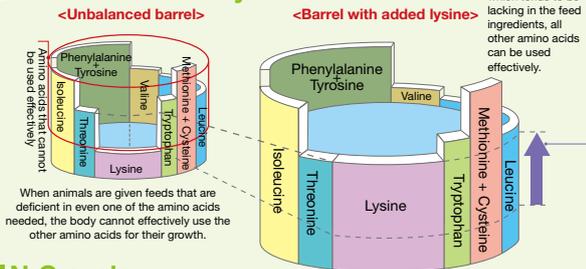
In April 2011 Ajinomoto Heartland, Inc., which conducts the feed-use amino acid business in the United States, began selling *AjiPro*<sup>®</sup>-L developed for cows.



The Ajinomoto Group had developed feed-use amino acids mainly for pigs and chickens. Ajinomoto Heartland, Inc. was the first group company to sell a product for cows. Cows have four stomachs and when they consume conventional feed-use lysine, it is broken down in the rumen and not absorbed as lysine. Ajinomoto Heartland sought to create a product that would enable enough lysine to be absorbed for protein synthesis. It came up with a technology that enables the bovine small intestine to absorb lysine. The new product is now becoming more popular.

There are nine million cows in the United States alone, and the product is believed to have great potential both in terms of business and environmental performance.

### The "Barrel Theory" of amino acids

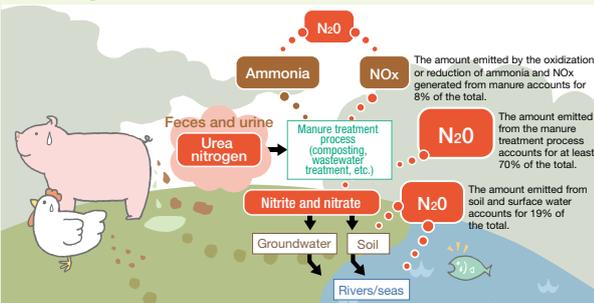


### Assessing carbon footprint to verify environmental benefits of feed-use amino acids

To popularize environmentally friendly livestock farming, livestock farmers will have to be informed about how greenhouse gas emissions can be reduced by using feed-use amino acids. The farmers who use feed-use amino acids will also have to benefit in some way from the emission reductions they achieve.

The Ajinomoto Group took on the challenge of assessing the carbon footprint benefits of feed-use amino acids and establishing an emission offsetting credit scheme to encourage livestock farmers to use feed-use amino acids. In Japan, the Group made great progress with regard to the scheme in fiscal 2010 and 2011. Based on the encouraging results, the Group believes it is possible to establish a global system that is similar to the one promoted in Japan, thereby achieving great benefits. Currently, the Group is participating in a project to analyze environmental contribution of feed additives in the livestock industry being driven by the International Food Industry Federation (IFIF). The Group is providing data on the environmental benefits of feed-use amino acids it has gathered in Japan.

### N<sub>2</sub>O cycle



#### Reducing the impact caused by livestock waste to soil and water quality

A deficiency of just one amino acid reduces the effectiveness of all the other amino acids for growth, and they end up being excreted as nitrogen compounds, which might burden soil and damage water quality. Supplementing the deficient amino acids with feed-use amino acids helps to improve the nutrition balance of the feed and decrease the excretion of nitrogen, thereby reducing the environmental impact caused by livestock waste.

#### Helping to suppress greenhouse gas emissions

Nitrogen compounds from animal waste are oxidized or reduced in soil and air, with some nitrogen being released into the atmosphere as nitrous oxide (N<sub>2</sub>O). The greenhouse effect of N<sub>2</sub>O is about 300 times that of CO<sub>2</sub>. The use of feed-use amino acids can contribute to the fight against global warming by reducing the amount of nitrogen contained in animal waste, which causes the generation of N<sub>2</sub>O.



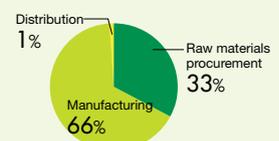
Presentation at the IFIF

#### Visualizing the N<sub>2</sub>O reduction effect of using low-protein feed fortified with feed-use amino acids

- July 2010: Certified by the Offsetting Credit (J-VER) Scheme of the Ministry of the Environment (Japan)
- March 2011: Certified as a project under the domestic credit system of the Ministry of Economy, Trade and Industry (Japan)
- September 2011: CFP values certified for feed-use lysine under the CFP Pilot Project of the Ministry of Economy, Trade and Industry (Japan)



#### CO<sub>2</sub> emissions at each stage of the lifecycle for feed-use amino acids (L-lysine)



Link

CFP Program of the Japan Environmental Management Association for Industry  
<http://www.cfp-japan.jp/english/>

Column

## Co-products that yield agricultural bounty

The Ajinomoto Group manufactures “co-products” such as fertilizers and feed using nutrient-rich by-products generated from the fermentation process in the manufacturing of amino acids and nucleic acids and then adding value to them. The Group’s business seeks to utilize nature’s local blessings as materials and tries to make the most efficient use of them in the agricultural, livestock, and fishing industries.



### Developing valued-added co-products

The Ajinomoto Group has been making amino acid products for over 30 years, based on bio-cycle mechanisms that fully utilize food resources and return by-products to the agricultural sector in the form of co-products. About 90% of by-products are transformed into co-product fertilizer, which is mainly used in farming. In order to meet the various needs of each agricultural region based on their natural environments and crop characteristics, the Group has been researching co-product usage methods that are suitable for the crops and agricultural practices of each region, and has been investigating their benefits.

In fiscal 2010 the Group named its agricultural material related project that focuses on the use of co-products the A-Link project. To add more value to co-products, it is accumulating more knowledge and expertise, including methods to make more effective use of co-products in each region and for each crop, while promoting the global use of amino acids and nucleic acids in the field of nutrients for plants and animals. Several value-added co-products have already been created, and the business is expanding worldwide.

For example, by-products generated from the fermentation process have been used in a foliar spray. The minerals and amino acids in this co-product not only help grow healthy crops and increase yields, but they also protect crops from disease, based on the unique ingredients.



Tanks (left) to store AMI-AMI liquid fertilizer, and delivery truck (right)

### Global product development of AJIFOL® foliar fertilizer

AJIFOL® foliar fertilizer enables plants to effectively absorb nutrients through their leaves, and is a prime example of a value-added co-product. Originating in Brazil, AJIFOL® has been on the market since 1988, and is currently used for crops such as soybeans, corn, fruit trees, and cotton. Since 2007, the business was expanded to Peru, Thailand, China, Indonesia, Vietnam, and the US, and manufacturing and sales also began in Japan in fiscal 2012. Small amounts of the product enable plants to absorb nutrients effectively, and there are also reports that it is effective in raising resistance to disease. Further investigation is being carried out concerning ingredients and spraying methods, to meet the needs of different crops and regions.



Spraying grape leaves



Grapes grown using AJIFOL®



AJIFOL® sold in Brazil



Used for various crops in different regions including sugar cane, vegetables, fruit, and coffee

### Full-scale sales of value-added co-products in Japan

Development and sales of new co-products are also advancing in Japan. The liquid fertilizer AMIHEART, which was developed at the Kyushu Plant of Ajinomoto Co., Inc. using by-product liquid derived in the process of fermenting starch into nucleic acids using *natto* bacteria. The fertilizer is rich in nucleic acids and has proven effective in fostering the rooting of plants, increasing crop yields, and shortening time required for growth. AMIHEART began to be sold in June 2011 for use in growing melons, strawberries, tomatoes, bell peppers, eggplants and tea.

Ajinomoto Co., Inc. also developed a horticultural

fertilizer for home use, with its group company J-OIL MILLS, INC. It uses by-product rapeseed oil cakes from J-OIL MILLS, INC. with AMIHEART absorbed into them. The cakes increase the effect of fertilization ingredients contained in AMIHEART. This product was released in the spring of 2012.

In October 2012, the Ajinomoto Group released the Hayane Hayaoki root stimulator jointly developed with Berg Earth Co., Ltd., a firm with the highest output of vegetable grafted seedlings in Japan. More new products are on the way.



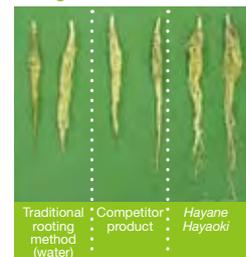
AMIHEART



Hayane Hayaoki root stimulator



Lettuce seedling root growth



Traditional rooting method (water) | Competitor product | Hayane Hayaoki

Pamphlet for agricultural material exhibition



Column

## Joint development of Environment Vitalizing Concrete to help promote marine ecosystems

Ajinomoto Co., Inc., which has profound expertise in amino acids, began conducting research to develop concrete in which the amino acid arginine is mixed to foster the growth of algae, believing that the use of the acids would contribute to the revitalization of marine ecosystems. Since 2009, the

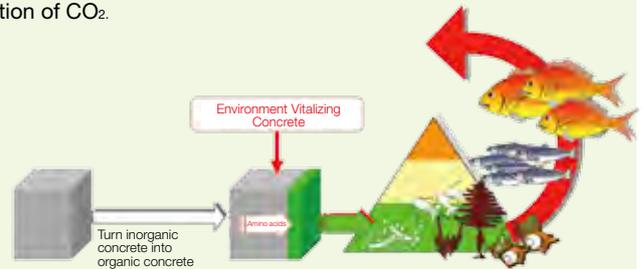
company has been developing Environment Vitalizing Concrete jointly with Nikken Kogaku Co., Ltd., a leader in wave dissipation blocks, and the University of Tokushima's Department of Ecosystem Design (headed by Professor Yasunori Kouzuki).

### “Organic concrete” improves the compatibility of natural and manmade objects

In recent years the pollution of rivers and seas, the oligotrophication (or nutrient depletion) of seawater and the desertification of coasts due to global warming, a phenomenon in which algae become depleted, have become serious problems, especially in Japan. Since microalgae are one of the keystones of the food chain, encouraging their growth will lead to the vitalization of the seas and rivers. Amino acid-mixed Environment Vitalizing Concrete releases amino acids slowly into water. Experiments have shown that arginine is the best amino acid to mix with concrete and that it fosters the growth of microalgae, which are one of the keystones of the food chain, by five to ten times the usual growth level. In the experiments, Environment Vitalizing Concrete attracted ayu fish and eels in the rivers and abalone and sea cucumbers in the sea.

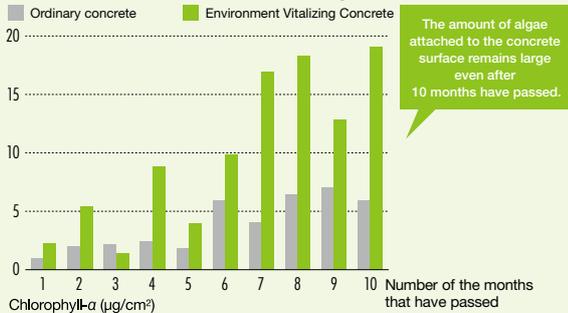
By turning the inorganic concrete used in seas and rivers into an organic material, the hope is to improve the compatibility of natural and manmade objects and help to support the food chain and ecosystem. The use of this concrete is also expected to contribute to the absorption and fixation of CO<sub>2</sub>.

- Shift the focus from shape to material
- Turn inorganic concrete into organic concrete
- Make manmade objects and nature/ecosystems interface in a more harmonious manner
- Create an environment in which microalgae, which represent a keystone of the food chain, can grow easily by providing them with a steady stream of nutrients
- Support the creation of the food chain and ecosystems
- Organic concrete is expected to foster the absorption and fixation of CO<sub>2</sub>.



### Comparison results for algae growth

Amount of chlorophyll-*a*, which serves as an indicator for the amount of algae



### Joint research based on collaboration between different industries

Environment Vitalizing Concrete has been developed through joint research between Nikken Kogaku Co., Ltd., Ajinomoto Co., Inc. and the University of Tokushima

日建工学株式会社  
Nikken Kogaku Co., Ltd.  
Development of environmentally compatible materials and products

Environment Vitalizing Concrete

Experimentation and evaluation of the environment recovery functions of the seas  
徳島大学  
The University of Tokushima

Contribution to the environment and food resources through the provision of amino acids  
おいしさ、そして、いのちへ。  
Eat Well, Live Well.  
AJINOMOTO®

### Experiments are under way in 30 water areas across Japan

As part of the joint research, experiments are being conducted to check the effect of the Environment Vitalizing Concrete on the growth of algae and the attraction of fish and shellfish in a total of 30 sea and river areas across Japan as of October 2012, receiving cooperation from local communities and fisheries cooperatives. For the practical use of the concrete in a range of water environments, the joint development team is also asking external experts to conduct tests on the durability of the concrete as a construction material, while evaluating the mechanism and speed of releasing the amino acid. The team aims to spread the use of this innovative concrete, which will be effective for both disaster prevention and revitalization of water environments, across Japan and beyond.

### Project implemented off the coast of Ito, Shizuoka Prefecture (from July 2011)

In recent years, the number of places where fish and shellfish can hide has been decreasing due to the expansion of sandy areas on the sea floor and decreases in seaweed beds in adjacent waters. The joint development team began to implement a project to provide fish and shellfish with an artificial fish reef.



An artificial fish reef made from the Environment Vitalizing Concrete was installed on the sea bottom, which was eight meters deep, about one kilometer off the port of Ito in Shizuoka Prefecture.



Fish such as surfperch, bottom perch, stripey, and damselfish, and also abalone and turban shellfish, are attracted to the artificial fish reef. On the wall of the structure, microalgae are growing and eaten by visiting fish and shellfish.

# Development of Environmentally Friendly Packaging



Unlike transport packaging, whose role is finished as soon as the product is delivered, food containers and packaging have a very important role in preserving and protecting their contents from the moment the customer purchases the product until the contents are consumed. In recognition of their importance, the Ajinomoto Group began to pursue environmentally friendly designs for containers and packaging early on, seeking to minimize their environmental footprint. The Group is taking the initiative to disclose information about packaging materials to stakeholders and cooperate in this area with industry organizations.

## Fiscal 2011 results for Ajinomoto Co., Inc.

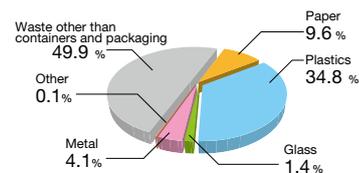
### Paper use

Increase of about **5.5%**  
per unit of production

### Plastic use

Decrease of about **0.2%**  
per unit of production

## Breakdown of container and packaging types in household garbage



Survey on Containers and Packaging Waste (volume comparison) by Ministry of the Environment (fiscal 2010)

## Fiscal 2011 performance overview

Total plastic and paper use reduction up to fiscal 2010 far exceeded the targets in weight under the fiscal 2005–2010 Containers and Packaging 3R Promotion Plan of Ajinomoto Co., Inc. Although the target for paper reduction per unit of production was also met, the same target for plastic was not achieved, as there was an increase of 6%.

Consequently, the second Containers and Packaging 3R Promotion Plan (fiscal 2011–2015) was introduced. In addition to just setting reduction targets, Ajinomoto Co., Inc. surveyed consumers on packaging in order to have them better understand its 3R promotion activities for containers and packaging, as well as

resource recycling initiatives. The respondent preferences were summarized as follows: packaging for less waste, packaging that is easy to separate, packaging that can be refilled, and packaging that is ecological while ensuring that products are reasonable, convenient and delicious. Based on the idea that all these needs can be met, Ajinomoto Co., Inc. has begun under taking the second Containers and Packaging 3R Promotion Plan. Communication will also be promoted to ensure that customers get a sense of the environmental value that is being provided through the new initiatives, and to help alleviate ecological concerns in cooking and make it easier to recycle.

## Major goals and results of the second Containers and Packaging 3R Promotion Plan (fiscal 2011–2015; base year fiscal 2010)

### Reduction target

Reduce plastic and paper use per unit of production by 2% and 5%, respectively, by fiscal 2015

#### Results

- **Paper use per unit of production (g/kg)**  
Increased from 58.1 g/kg in fiscal 2010<sup>1</sup> to 61.3 g/kg (up 5.5%) in fiscal 2011<sup>2</sup>
- **Plastic use per unit of production (g/kg)**  
Decreased from 55.9 g/kg in fiscal 2010<sup>1</sup> to 55.8 g/kg (down 0.2%) in fiscal 2011<sup>2</sup>

### Reuse target

Popularization of refill containers

#### Results

Enhanced for seasoning products, such as *AJI-NO-MOTO*<sup>®</sup>, *HON-DASHI*<sup>®</sup>, and *Ajinomoto KK Consommé*

### Recycling target

Packaging materials that can be easily separated for sorting and recycling

#### Results

Promotion of smaller box design with perforations

### Introduction of new materials and technologies

#### Results

- **Polyethylene made from sugarcane**  
Fiscal 2011: Used in part of the cap for the umami seasoning *AJI-NO-MOTO*<sup>®</sup> (prototype for the Eco-Products Exhibition)  
Fiscal 2012: Used for part of a new plastic bottle of *CALPIS*<sup>®</sup>
- **Shrink film made partly from polylactic acid, derived from corn**  
Already used with the *AJIPANDA*<sup>®</sup> jar for the umami seasoning *AJI-NO-MOTO*<sup>®</sup>  
Fiscal 2012: Use with containers of *PAL SWEET*<sup>®</sup> Calorie Zero liquid type, *AJI-SHIO*<sup>®</sup> salt (60 g and 110 g), *YASASHIO* salt (90 g), *Seto no Honjio* salt (100 g)

### Providing information to consumers

Providing information to encourage consumers to choose products that contribute to the 3Rs and waste separation

#### Results

"*Aji na Eco*" mark<sup>3</sup> labeling (for 128 products as of the end of October 2012), events, lectures, presenting the company's best practices

<sup>1</sup> Differs from the figure determined in fiscal 2010 due to matching with fiscal 2010 product line. (Fiscal 2010 determined figures from the previous 3R plan: Plastic use per unit of production: 55.4 g/kg; paper use per unit of production: 58.3 g/kg)

<sup>2</sup> Fiscal 2011 figure is preliminary.

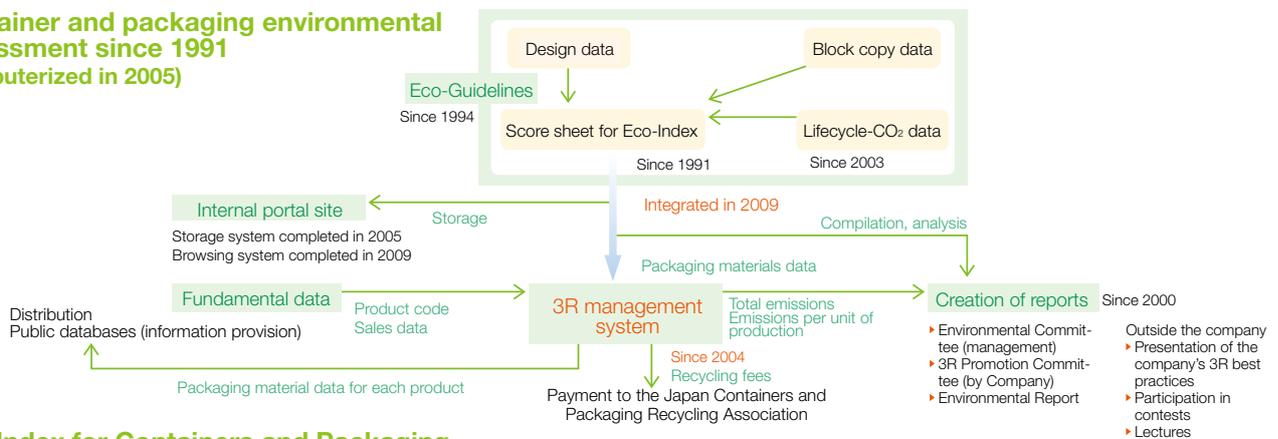
<sup>3</sup> The Japanese term for "*Aji na Eco*" is a registered trademark of Ajinomoto Co., Inc.

## System for promoting environmentally friendly containers and packaging

Before a product is released under the Ajinomoto brand, the product is required to undergo a quality assessment, which includes an evaluation of containers and packaging. The assessment is implemented according to the Eco-Index for Containers and Packaging, the company's original set of assessment standards. Under these standards, each product is checked from four perspectives—(1) Reduction in weight of packaging materials, (2) Selection of materials, (3) Recyclability, and (4) Labeling (and extra information for customers)—to promote eco-friendly design of containers and packaging.

In addition, by integrating this containers and packaging assessment system with the 3R management system, the company can now: (1) use the data on the weight of used packaging materials indicated in the Eco-Index for the calculation of recycling fees; (2) disclose data on the internal portal site; and (3) update data on the weight of used packaging materials every month. This integration of the systems has not only resulted in facilitating the calculation of recycling fees and the promotion of 3Rs at the company, but also in making it possible to implement reporting within and outside the company and provide accurate data to distributors and recycling organizations on a real-time basis.

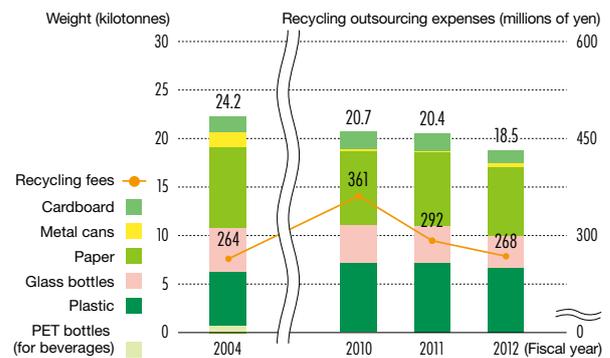
### Container and packaging environmental assessment since 1991 (computerized in 2005)



### Eco-Index for Containers and Packaging (Household edition ver. 8 and business edition ver. 4)

Purpose		Evaluation item	
Reduction of environmental impact	Efficient use of resources	Reduction in weight of packaging materials	Weight of disposed packaging materials
			Weight reduction ratio
	Combating global warming	Reduction in lifecycle-CO <sub>2</sub> emissions	Degree of over-packing
			Availability of refill products
Contributing to a recycling-oriented society	Promotion of recycling	Recyclability	Transport efficiency
			Reduction in lifecycle-CO <sub>2</sub> emissions
			Use of materials derived from plants
			Use of environmentally friendly materials
	External promotion	Labeling	Utilization ratio of recycled products
			Environmental labeling
			Adaptability to separated-waste collection
			Adaptability to recycling systems
			Reduction in volume for recycling and disposal
			Availability of environmental labeling (Availability of environmentally conscious labeling)

### Recycling outsourcing expenses and weight of containers and packaging by material type for products



## Cooperation with outside organizations

Nowadays, it is difficult for consumers to tell which type of packaging is environmentally friendly, given the diverse materials and forms of containers and packaging on the market. In order to address environmental problems relating to packaging across our entire society, it is important that consumers choose environmentally friendly products based on an understanding of the functions and roles of packaging. Ajinomoto Co., Inc. is actively taking opportunities to promote 3R activities in cooperation with the industry organizations.

#### Lecture

- Gravure Research Group, Japanese Society of Printing Science and Technology

#### Journal contribution

- *Journal of Printing Science and Technology*, Japanese Society of Printing Science and Technology

#### Presentations

- Containers and Packaging Diet Declaration in Nine Municipalities
- Presentation of 3R best practices to recycling promotion organizations
- Eco-Products Exhibition
- 5th Appreciation Day at the AJINOMOTO STADIUM
- Minato Ward 3R Action Conference

## Development of environmentally friendly packaging

### Reduce: Making packaging lighter

Since the Ajinomoto Group uses many forms of packaging formats, it is working to make them lighter using various means. The Group seeks to use lighter packaging for everything from jars, plastic film, and plastic bottles to cardboard and paper boxes for products.

### Reuse: Offering more refillable products

The Ajinomoto Group offers a wide range of refillable products including the *HON-DASHI*<sup>®</sup> and *Ajinomoto KK Chuka Aji* seasonings, as well as the umami seasoning *AJI-NO-MOTO*<sup>®</sup>.

### Recycle: Making packaging easier to separate for recycling

The Group is developing packaging that is easy for the customer to separate and recycle. In fiscal 2012, labels were introduced that are easy to peel off, and they have already been adopted for *Ajinomoto KK Chuka Aji* and *Ajinomoto KK Marudori Gara Soup*.

### Main developments in fiscal 2011

Product	Initiative	Year-on-year reduction
<i>HON-DASHI</i> <i>Nimono-Jozu</i>	Jar weight reduction	Glass: 9.8 t
<i>SLIM UP SUGAR</i> (sticks)	Upgraded and redesigned packaging, inner box, and cardboard	Plastics: 7.3 t Paper: 6.1 t
<i>Cook Do</i> <sup>®</sup> (Chinese stir-fry sauce)	Reduced width of pouch seal	Plastics: 10 t
<i>CALPIS Water</i> <sup>®</sup>	500 ml and 900 ml: Plastic bottle weight reduced 1.5 L: Lighter shrink film	PET Plastic: 172 t Plastics: 9 t
<i>CALPIS SODA</i> <sup>®</sup>	Reduced weight of corrugated cardboard boxes for 1.5 L ribbed plastic bottles	Cardboard: 19 t



*SLIM UP SUGAR*

At the time of product redesign, the packaging was also revised from an environmental standpoint. For instance, the shape was changed from a gusseted pouch to a standing pouch, along with the materials. This resulted in a reduction in usage of about 7.3 tonnes annually. Also, through the redesign of the inner and outer boxes to match the smaller pouch size, paper use was also reduced by about 6.1 tonnes per year.

## Highlight

### Utilizing plant-derived bio-plastics for packaging Now used in containers of 24 household products

In September 2012, Ajinomoto Co., Inc. launched an initiative to replace heat shrink labels and cap shrink wrapping used on containers for food products and sweeteners. The conventional petrochemical-derived plastic is being replaced with carbon-neutral polylactic acid (PLA) derived from biomass.

The company plans to use the PLA film for all 24 of its household products by the end of fiscal 2013, starting with the *AJIPANDA*<sup>®</sup> 75 gram jar for the umami seasoning *AJI-NO-MOTO*<sup>®</sup>, as well as *PAL SWEET*<sup>®</sup>.

#### The world's thinnest PLA labels

As the newly adopted PLA film contains over 25% (by weight) material derived from feed-use corn, it has yielded the world's thinnest<sup>1</sup> PLA labels at 35 micrometers (μm). In addition to introducing the world's thinnest PLA labels as the first such trial in the industry<sup>1</sup> for seasoning and sweetener packaging, the simultaneous switch to PLA labels for a company's entire product line is unprecedented in Japan.<sup>1</sup> As such, it represents a very progressive and significant initiative for contributing to a recycling oriented society.

Repeated testing was carried out to facilitate the switch from the old petrochemical-derived labels (40 to 60 μm in thickness). The company succeeded in discovering the optimal conditions for PLA label mounting and heat treatment processes, enabling the first initiative of its kind in the industry.

#### New *AJI-NO-MOTO*<sup>®</sup> jar made with only eco-friendly packaging

Along with PLA labels, in fiscal 2012, Ajinomoto Co., Inc. also plans to use eco-friendly plastic for the cap of the *AJIPANDA*<sup>®</sup> jar (75 g) of the umami seasoning *AJI-NO-MOTO*<sup>®</sup>. The plastic for this purpose contains biomass polyethylene made from sugarcane. Along with glass containing a high percentage of recycled material, this step will enable packaging that is completely environmental. In order to make the improvement easier for everyone to recognize, the company plans to launch a limited-edition design of green caps<sup>2</sup> before full-scale production.



Prototype containers get a positive reaction from visitors at the Eco-Products Exhibition in December 2011.

#### Adoption of carbon neutral packaging materials contributes to CO<sub>2</sub> emissions reduction

Use of PLA labels and biomass-plastic caps is expected to reduce annual CO<sub>2</sub> emissions by 100 tonnes<sup>3</sup> and 55 tonnes,<sup>3</sup> respectively, leading to a total reduction of 50% or more compared to the previous year.

By introducing the world's thinnest PLA labels for all products, there will be an average 24% reduction in plastic packaging weight. After switching to environmental plastic for all 24 targeted products, a total weight reduction of over 10 tonnes per year<sup>3</sup> is expected.

The company's own "*Aji-na-Eco*" mark will also be displayed on packaging to make it easier for consumers in stores to recognize the environmental contribution being made by these everyday products. The aim is to help raise environmental awareness in daily life, while promoting green purchasing and the use of ecological products.

<sup>1</sup> Survey by Ajinomoto Co., Inc. as of August 31, 2012.

<sup>2</sup> Limited release began in December 2012.

<sup>3</sup> Calculated by Ajinomoto Co., Inc. using a formula based on fiscal 2011 sales volume (compared to the previous year).

## Promoting "Aji-na-Eco" mark products with environmental packaging

Modern product packages are already small and thin, so it is often difficult for customers to notice changes made in package weight, thickness, and size and materials used. However, when the enormous sales volume of products is taken into account, these efforts can result in significant environmental benefits.

Today's consumers want to purchase the most environmentally friendly products, so the Ajinomoto Group introduced its unique "Aji-na-Eco"<sup>1</sup> mark in autumn 2010 to show the eco-friendliness of its product packages. Details are now being added alongside the mark, indicating features such as refillable, recycled paper used, no tray, reduced packaging, and plant-based tray. As of October 31, 2012, there are a total of six different types of "Aji-na-Eco" logo marks. Five types to indicate different

environmental features of the packaging, and one to show an environmental feature of the product (self-defrosting frozen food). The marks are now shown on 128 products, an increase of 49 compared to the same period last year.

<sup>1</sup> The Japanese term for "Aji na Eco" is a registered trademark of Ajinomoto Co., Inc.



味なエコ  
eco

**What is "Aji na Eco"?**

"Aji na Eco" is a term describing the smart and ecological products or information provided by the Ajinomoto Group, and the logo mark evokes the image of our green planet, the pleasure of eating, and a global environment made even better through food.

Number of "Aji na Eco" mark products

**128**

As of the end of October 2012 (Ajinomoto Group)

**Refillable**

By using refillable products, the glass container can be used for a long time, thereby reducing CO<sub>2</sub> emissions.



**No tray**

These frozen food products are packaged in a large bag without a tray inside. It reduces the amount of waste, thereby lowering CO<sub>2</sub> emissions by about 20% to 50%.



**Recycled paper**

Recycled paper is used in the boxes of these products. For gift package products, the lid contains 80% waste paper, and the cardboard does not contain any coating agents. Ecological for both the gift giver and recipient.



**Reduced packaging**

The outer packing box is environmentally friendly and does not contain any partitions. By eliminating these partitions, CO<sub>2</sub> emissions are lowered by 30% annually. Box strength was enhanced by making it octagonal at the corners.



**Plant-based tray**

By using a product tray made from plant material, this packaging reduces petroleum consumption and CO<sub>2</sub> emissions.

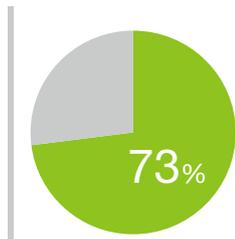




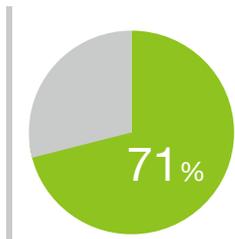
## Survey on environmental consciousness of customers

Ajinomoto Co., Inc. conducted a survey to gauge consumers' daily dietary behaviors and environmental consciousness. The survey found that many consumers feel guilty about generating waste or buying something that has an ill effect on the environment.

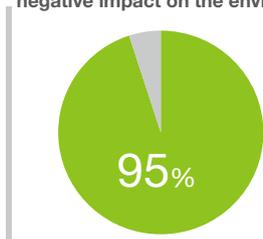
I sometimes feel that our household waste is too much.



I feel stressed when I dispose of garbage.



I feel that excessive packaging is leading to increased garbage, thereby having a negative impact on the environment.



Examples of individual opinions

- Garbage becomes bulky.
- I'm concerned that too much incombustible garbage is being generated.
- Unnecessary packaging is often used for gift products, which I think is not eco-friendly.

Outline of the survey → Respondents: Homemakers in their 20s to 50s; survey area: nationwide; sample size: 300; method: web survey; period: November 6-8, 2010; research organization: Dentsu Research Inc.



# Reduction of Greenhouse Gas Emissions

Among the many environmental issues related to global sustainability, global warming and climate change present some of the most important challenges for people around the world. The Ajinomoto Group is working to reduce greenhouse gas emissions not just in the production process but across its business activities.



## Fiscal 2011 performance overview

Out of all the greenhouse gases, the 2011–2013 Ajinomoto Group Zero Emissions Plan places particular focus on CO<sub>2</sub> from fossil fuels and aims to achieve 35% reduction of CO<sub>2</sub> emissions per unit of production compared to fiscal 2005 for the entire Ajinomoto Group. In addition, production sites in Japan are also required to reduce their total CO<sub>2</sub> emissions by 7% compared to fiscal 1990 levels to 493 kilotonnes or less. This includes an extra 1% per year added to Japan's target of a 6% reduction compared to 1990 by 2012, the final year of the first commitment period of the Kyoto Protocol.

In fiscal 2011, CO<sub>2</sub> emissions per unit of production for the entire Group were almost flat compared to fiscal 2010. Also, total emissions from production sites in Japan were about 60 kilotonnes above the reduction target, and reduced by 18% compared to fiscal 1990. Progress was made on achieving the reduction targets of the Kyoto Protocol by 2012.

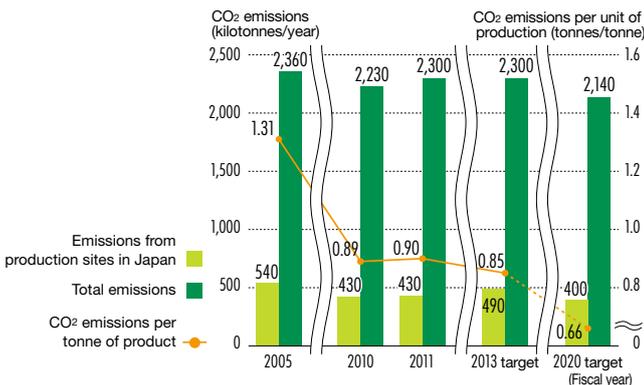
Looking at the energy consumption of the worldwide Ajinomoto Group, there was an increase of 2.9% compared to the previous year. However, energy consumption per unit of production was 1.3% lower, despite production volume reaching 2,570

kilotonnes, up roughly 2.5% compared to the previous year. Meanwhile, total CO<sub>2</sub> emissions were 2,300 kilotonnes, up about 65 kilotonnes compared to the previous year. CO<sub>2</sub> emissions per unit of production remained largely unchanged from the previous year.

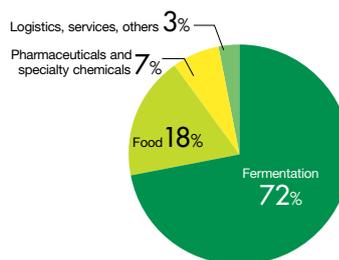
Several factors prevented reduction in total CO<sub>2</sub> emissions, including the following. While factories in Indonesia and Brazil have been promoting a transition to energy sources with low environmental impact, there was insufficient supply of natural gas and biomass-derived energy in fiscal 2011. Also, the Kyushu Plant of Ajinomoto Co., Inc. had to operate a generator to deal with the electrical shortage caused by the shutdown of the Genkai Nuclear Power Plant. This resulted in increased use of fuels such as heavy oil that have higher CO<sub>2</sub> emission factors.

In order to achieve future targets, the fermentation-related divisions in particular, which account for about 70% of the Group's CO<sub>2</sub> output, will continue to work on process improvements for better yield and productivity. Additional efforts will be made to ensure stable supplies of energy sources with low environmental impact.

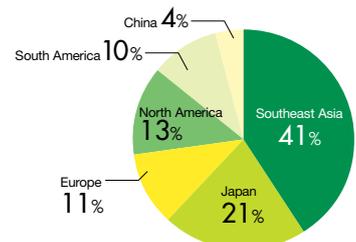
### Total CO<sub>2</sub> emissions and CO<sub>2</sub> emissions per unit of production



### CO<sub>2</sub> emissions by business (fiscal 2011)



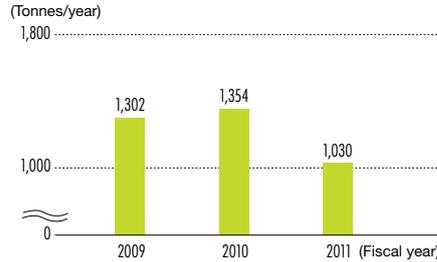
### CO<sub>2</sub> emissions by region (fiscal 2011)



## Initiatives at production sites and offices in Japan

In light of the current energy situation, the Ajinomoto Group in Japan continued to implement its Smart Energy Measures in fiscal 2011. This effort is based on appropriate and intelligent use of energy in order to contribute to society while properly carrying out business activities. In accordance with an overall policy for the Ajinomoto Group in Japan, concrete measures were taken throughout the year at each group company and site there, and even greater efforts were made in the summer months from July to September.

### CO<sub>2</sub> emissions at the Head Office of Ajinomoto Co., Inc.



### Overall policy for Smart Energy Measures at the Ajinomoto Group in Japan

1. When taking concrete measures based on this policy, priority will be placed on ensuring systems for securing employee health and fulfilling product supply responsibilities.
2. Energy-saving measures will be proactively taken with employees throughout the year by optimizing the overall balance of electricity and other energy usage. Shifting the focus from electricity to all forms of energy, and from summer to the entire year. Smart living involves the smart use of energy.
3. During the summer months of July to September, when energy consumption is highest, the Group and employees will make extra efforts to save energy.
4. Efforts will include daily steps to maximize the reduction of energy use.

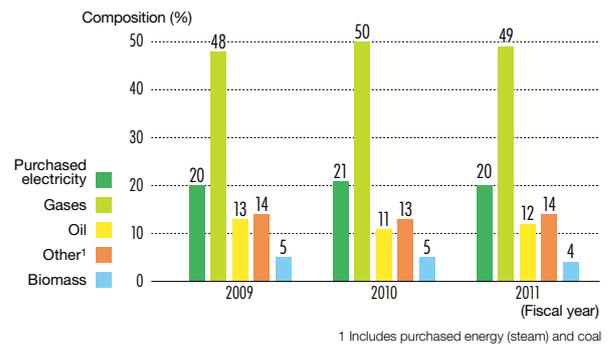
## Switching to clean energy

The Ajinomoto Group has long been committed to using clean energy, including switching the fuel used at its plants from heavy oil, which generates comparatively high CO<sub>2</sub> emissions, to natural gas. In fiscal 2011, the percent of petroleum of total energy used was about 12%, up 1 percentage point compared to the previous year. The ratio for biomass-derived energy was 4% (down 1 point year on year), and the percent of gas of total energy used was 49% (down 1 point year on year).

All of the Group's plants will continue to strive to secure stable supplies of energy sources with low environmental impact, while ensuring reliable production. Further steps will also be taken to develop and implement processes that save energy and resources. The Kamphaeng Phet factories of Ajinomoto Co., (Thailand) Ltd. continue to carry out stable operation of biomass boilers, and have now slashed about 100 kilotonnes of CO<sub>2</sub> emissions per year compared to the year before the adoption. The North Carolina Plant of Ajinomoto North America, Inc.

continues to recover methane gas from a city landfill and is using it as a fuel. Plants in France have launched an ESCO project for biomass cogeneration with a view to starting operation in 2013. These and other efforts will be continued in the future.

### Energy composition of the Ajinomoto Group



## Management of fluorocarbons

The Ajinomoto Group uses fluorocarbons as refrigerants for refrigeration equipment. The 2011–2013 Ajinomoto Group Zero Emissions Plan sets goals for discontinuing the use of CFCs<sup>2</sup> and replacing refrigeration equipment that use HCFCs<sup>3</sup> and HFCs<sup>4</sup> with models that use natural refrigerants.

The use of CFCs has already been discontinued in Japan. Some sites outside Japan that still have CFC equipment plan to discontinue their use by 2013 in line with local laws and regulations. Nine group plants in Japan including the four plants of

Ajinomoto Frozen Foods Co., Inc. aim to switch over to non-fluorocarbon equipment by 2020, and 11 such units are already introduced. In addition, the Ajinomoto Group has become an industry pioneer with the adoption of a new technology combining two refrigerants: ammonia and CO<sub>2</sub>.

2 CFC: Chlorofluorocarbon. Manufacture of CFCs, which are ozone-depleting substances, was banned in developed countries in 1996 under the Montreal Protocol. Also sometimes referred to as "specified fluorocarbons."

3 HCFC: Hydrochlorofluorocarbon. Manufacture of HCFCs, which are ozone-depleting substances, will be phased out in developed countries under the Montreal Protocol by 2020. Also sometimes referred to as "designated fluorocarbons."

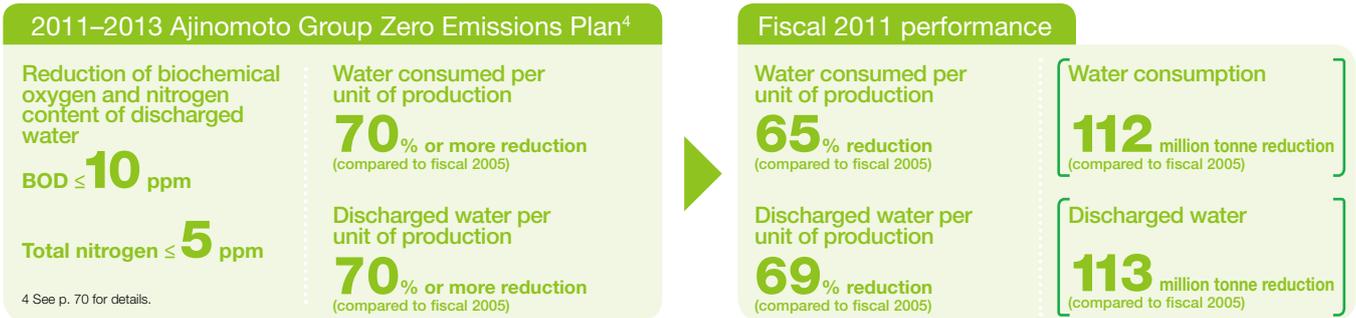
4 HFC: Hydrofluorocarbon. HFCs do not destroy the ozone layer and are known CFC alternatives. Due to their global warming potential that is thousands of times higher than CO<sub>2</sub>, reduction of HFC emissions is included in the Kyoto Protocol targets.



# Conserving Water Resources

To reduce the high concentration of nitrogen and high levels of biochemical oxygen demand (BOD) in process effluent from the production of amino acid fermentation-related products, the Ajinomoto Group has implemented measures to control pollutant sources and developed advanced treatment technologies best suited to the quality of effluent water at each site.

In addition, the production of fermentation-related products requires large quantities of water—about 50 times the weight of the products. The Group's production plants are located in areas with rich water resources, but based on its belief that it is vital to minimize water usage, the Group is committed to developing water-saving processes.



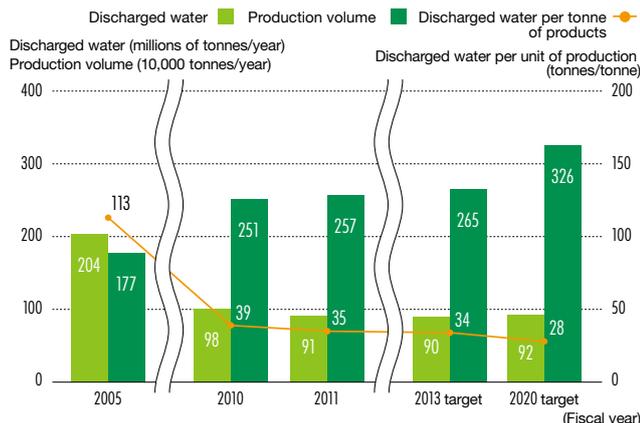
## Fiscal 2011 performance overview

Water consumption was reduced by about 50%, and water consumed per unit of production was reduced by approximately 65%, compared to the base year of fiscal 2005. Discharged water also decreased by about 55% and wastewater volume per unit of production declined by approximately 69%. As a result, progress was made according to plan. In the fermentation-related divisions, water usage for indirect cooling was 45 million tonnes, which is less than one third of the water used for that purpose in fiscal 2005.

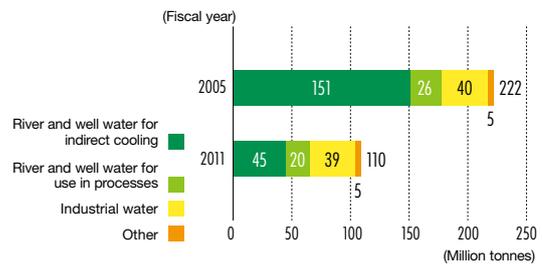
At the Kawasaki Plant of Ajinomoto Co., Inc., trial operation began at a new wastewater treatment facility in January 2012. The plant expects to achieve the Group's zero emission target for discharged water pollution load in fiscal 2012.



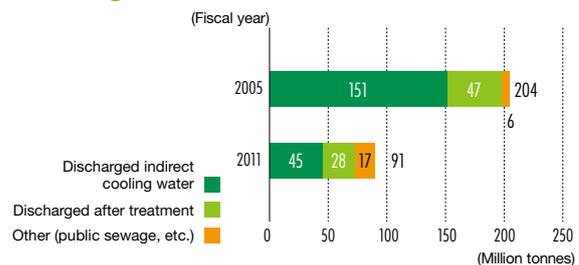
### Wastewater performance



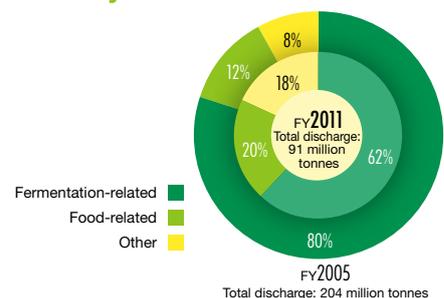
### Water consumption



### Discharged water



### Discharged water by business



# Reducing Waste



The Ajinomoto Group is working to minimize waste to ensure optimal use of all resources. Meanwhile, the Group is also committed to effectively utilizing waste and by-products, with the aim of recovering 99% of it as resources. In amino acid production, the Group utilizes by-products as resources and seeks to improve production efficiency by introducing new technologies. In food production, it is also making a range of efforts, such as improving the precision of sales forecasts and conducting fine-tuned procurement, to minimize wasted raw materials and the amount of packaging materials used.



## Fiscal 2011 performance overview

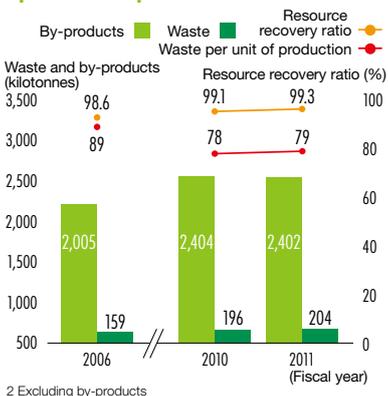
In the 2011–2013 Ajinomoto Group Zero Emissions Plan, new target values have been established for waste per unit of production for the entire Ajinomoto Group. The aim is to reduce waste as much as possible in production activities group-wide. The effort includes waste generated by all operations, including production and non-production sites. The base year for these targets is fiscal 2006, when detailed waste data first started to be gathered worldwide.

In fiscal 2011, the Group achieved a 99.3% recycling rate. Waste generated was 204 kilotonnes, and by-product emissions were 2.4 million tonnes, for a total of 2.6 million tonnes. While waste increased by about 28% compared to the base year, production also rose by 2.5%. As a result, waste per tonne of product was 0.79 tonnes, representing a decrease of roughly 10% compared to the base year.

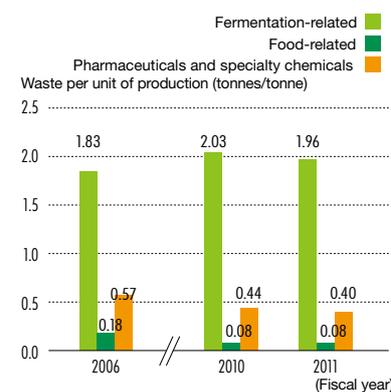
Looking at the results by business field, in foods, pharmaceuticals, and specialty chemicals, where minimal by-products are produced, there was an improvement in waste per unit of production. The fermentation-related divisions, where initiatives have been focused on transforming by-products into co-products, generate a comparatively small amount of by-products, and waste that cannot be turned into co-products is increasing on a per-unit-of-production basis.

A new initiative to decrease waste per unit of production began in fiscal 2012. Each site will ascertain its waste situation, and devise and execute business plans with an awareness of the need for waste control. The Ajinomoto Group will also carry out steady process management to minimize wasted product and promote initiatives in each area to achieve targets.

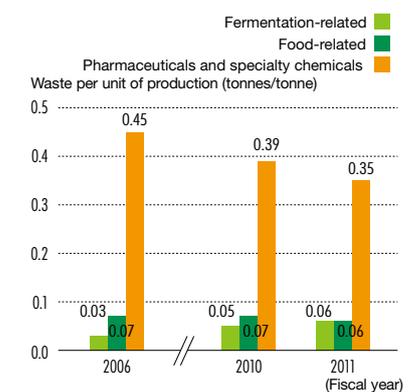
**Volume of waste and by-products, resource recovery ratio, and waste<sup>2</sup> per unit of production**



**Waste and by-products per unit of production, by business**



**Waste (excluding by-products) per unit of production, by business**





## Initiatives in Logistics

The Ajinomoto Group has been working hard to reduce environmental impacts that occur in logistics, from the procurement of raw materials to the delivery of products to customers. With regard to the reduction of transport-related CO<sub>2</sub> emissions in particular, the Group is taking proactive measures, including establishing a more efficient delivery system and pursuing modal shift and eco-driving.

### Fiscal 2011 performance

As a consignor: Performance of Ajinomoto Co., Inc.

CO<sub>2</sub> emissions per unit of sales during transport and delivery

**0.7% increase**  
(compared to fiscal 2010)

Modal shift percentage<sup>3</sup>

**31.38%**

<sup>3</sup> The percent of total transport volume accomplished using modes of transport with low environmental impact. Ajinomoto Co., Inc. began in earnest in fiscal 1995 to introduce the use of railway container shipments, which produce only one eighth of the CO<sub>2</sub> emissions of truck shipments.



AJINOMOTO LOGISTICS CORPORATION

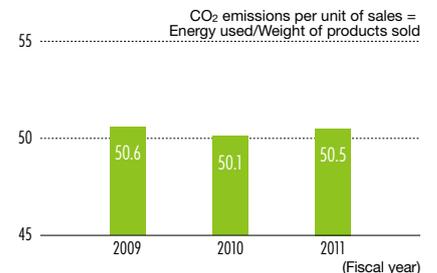
## Initiatives as a consignor

Japan's revised Act on the Rational Use of Energy enforced in April 2006 obliges specified consignors to reduce CO<sub>2</sub> emissions incurred through transport and delivery associated with their business activities by at least 5% on a per-unit basis within five years from fiscal 2006, and report the results to the government. This requirement applies to Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., AJINOMOTO PHARMACEUTICALS CO., LTD., and Calpis Co., Ltd.

By the end of fiscal 2010, Ajinomoto Co., Inc. had reduced the emissions by 5.9%, which greatly exceeded the legal requirement for specified consignors. This is attributable to the consolidation of delivery centers and joint deliveries with group companies and other food manufacturers, as well as modal shift, which the company has been advancing since 1995.

In fiscal 2011, however, emissions increased by 0.7%. The disastrous earthquake on March 11, 2011, caused damage to the Group's logistics division in the Tohoku area and to product warehouses in the Kawasaki area. Logistics efficiency fell as a result of ad-hoc distribution measures taken to supply products. The specified consignors in the Group will continue to promote efforts to fulfill their responsibility for annual emissions reductions of 1%.

### CO<sub>2</sub> emissions per unit of sales



## Initiatives of the ALC Group

To fulfill the reporting obligation required by the revised Act on the Rational Use of Energy, AJINOMOTO LOGISTICS CORPORATION (ALC) and its group companies provide energy use data to the group's customer consignors. In 2010, the ALC Group introduced a calculation method based on distance transported and fuel economy of the transport vehicles and applied the method to direct delivery services from the ALC Group's distribution centers. The ALC Group held seminars on ISO standards and relevant laws and regulations for its employees to

ensure understanding of the environmental management system across all levels of the Group.

The Ace Logistics Corporations, which are consolidated subsidiaries of the ALC Group, equipped their entire fleet with driving recorders to monitor the driver's eco-driving performance, such as cutting out unnecessary idling. The equipment has proved effective in reducing accidents while driving, and curbing sudden starts, acceleration, and stops.

### Instilling eco-driving habits

Chuo Ace Logistics Corporation, which handles refrigerated transport for the Ajinomoto Group in the Kanto region, has been working to instill environmentally friendly driving habits in all its employees. In addition to training drivers on the road, the company is striving to raise the awareness of employees through efforts such as quantifying and posting daily fuel consumption improvement targets for each vehicle. This ongoing initiative has been well received, and in fiscal 2011 the company was honored with an award in the Eco Drive Contest, organized by the Ministry of the Environment.



Eco Drive Contest award certificate and related article



# Environmental Management

The Ajinomoto Group has introduced an ISO 14001-compliant environmental management system (EMS) at most of its sites in and outside Japan to meet environmental laws and regulations and prevent environmental problems, and to ensure that further efforts will continue to be made at each site to conserve the environment.

## Fiscal 2011 performance

### Environmental management

ISO 14001 certification had been acquired

at **123** sites, or **92%** of all target sites  
(As of March 2012)



## Group-wide environmental management

The Ajinomoto Group has established an environmental management structure headed up by the Management Committee to ensure that measures are implemented uniformly across the Group. This management structure forms the base for a range of environmental management activities, such as the formulation of environmental plans (three-year medium-term plan and annual plan), implementation of environmental assessments and

environmental audits, and collection of environmental data. Pledging to “work for life” on its centenary anniversary in 2009, the Group revised the Ajinomoto Group Environmental Philosophy and Basic Policies in April 2011 as a statement of its determination to promote business activities and products that contribute to the environment and to stay in dialogue with society.

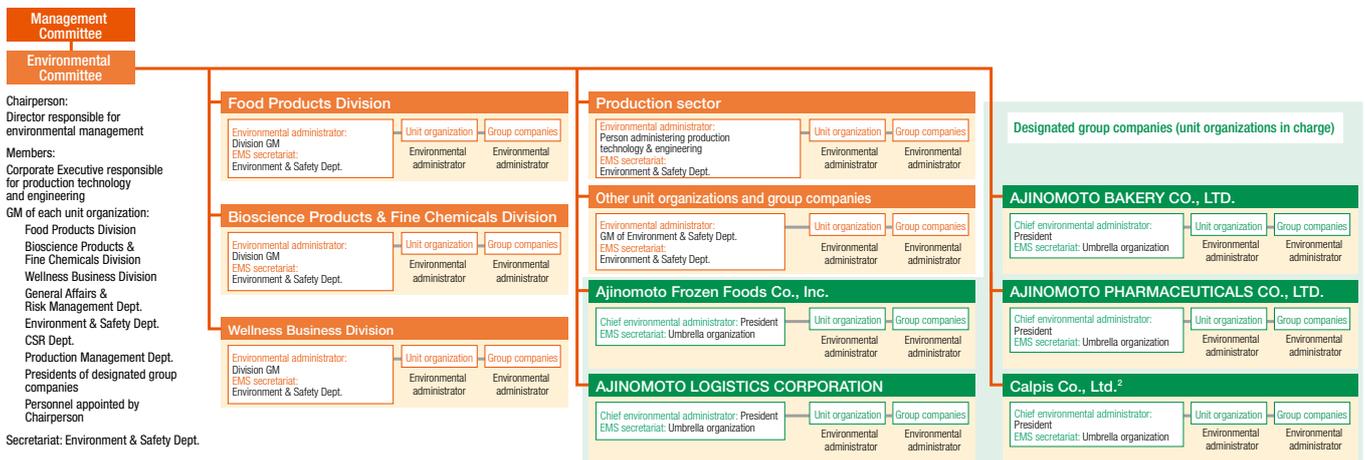
## Group-wide environmental management activities

As of fiscal 2011, 123 out of 133 target sites have acquired ISO 14001 certification. Consistent efforts are now being made by the remaining sites to acquire certification.

In promoting group-wide environmental management, it is important to have a way to quantitatively identify both environmental impact and contribution. The Ajinomoto Group has developed the Ajinomoto System for Reporting of Environmental

Performance (ASREP) to efficiently collect environmental data on CO<sub>2</sub> emissions, waste, discharged water and other items from all its sites. Collected data is utilized in compiling the Group's environmental performance statistics, in progress control of the Zero Emissions Plan, and in developing information to be disclosed through the Carbon Disclosure Project.

## Ajinomoto Group EMS organization (As of September 30, 2012)



\* Excluded since October 2012

## Implementing environmental assessments

When the Ajinomoto Group launches new products and businesses or changes the use of conventional raw materials in production processes, it assesses the environmental impact of business plans before they are implemented and takes necessary measures to minimize future environmental risks and impacts.

Environmental assessments are performed by departments responsible for the proposed plans, and their results are reviewed by the Environment & Safety Department before final approval by management. In April 2010, the authority to conduct environmental assessments was partially delegated to some business sites outside Japan to allow assessments to reflect the local environmental circumstances more appropriately.

With regard to business performance evaluation, environmental items are included in the Ajinomoto Group's business performance evaluation for each business unit. These items, allocated 5%, are evaluated according to the achievement level of the environmental targets. This arrangement is clear proof that the Group prioritizes the environment.

### Environmental assessment items

Seven types of typical pollution	Air pollution, water pollution, noise, offensive odor, soil contamination, oscillation and ground subsidence
Waste disposal	Proper waste disposal, responsibilities of waste generator, etc.
Global environmental issues	Global warming, biodiversity conservation, acid rain, etc.
Management of hazardous substances	Substances subject to PRTR, asbestos, new chemical substances, etc.
Creation of a recycling-oriented society	3Rs, resource and energy conservation, control of waste generation, etc.
Effects of buildings	Right to light, radio disturbance, etc.
Purchase and sale of real estate	Soil contamination, accountability, guarantee against defects, etc.
New science and technology	Chemical and microbial contamination, etc.
Corporate social responsibility	Action guidelines, information disclosure, communication with the community, etc.
Product development	Eco-design, raw materials procurement, logistics, life cycle assessment, etc.

## Disaster prevention systems and response to environmental accidents

The Ajinomoto Group seeks to open its sites to neighborhood residents while developing joint disaster prevention systems with local communities. The Kawasaki Plant has launched Environmental Monitor Meetings, in which community residents notify the company immediately upon experiencing something unusual, such as a strange odor. In May 2010, these efforts to maintain close communication with local residents were recognized by the Kanagawa Environmental Conservation Association. Plants outside Japan, such as those belonging to Ajinomoto Co., (Thailand) Ltd. and Ajinomoto Vietnam Co., Ltd., conduct plant tours for community residents.

The Group has established a system for prompt implementation of measures needed to address violations of environmental laws, and environmental accidents and incidents. The list on the right shows the legal violations that occurred in fiscal 2011. All of them were reported to the governments, and countermeasures were taken to prevent reoccurrence. Serious incidents included ammonia leakage from refrigeration equipment at Xiamen Ajinomoto Life Ideal Foods Co., Ltd. and at the Kyushu Plant of

Ajinomoto Frozen Foods Co., Inc. There was also discharge of untreated wastewater into a river by the Shimizu Plant of AJINOMOTO PHARMACEUTICALS CO., LTD. Aside from these three serious incidents, five other accidents and incidents were reported in and outside Japan, but none of these had a serious impact on the environment. The Group investigates the causes of problems and "close calls,"<sup>3</sup> in order to prevent recurrence.

<sup>3</sup> Close call (near miss): Finding of an incident that did not lead to a serious disaster or accident, but was one step short of such a situation. For example, an accident in which processing solution which has leaked from a storage tank is prevented from spreading from the vicinity by a secondary containment facility or emergency shutdown system.

### Legal violations in fiscal 2011

- Omission of status report on manifest issuing for industrial waste treatment at Ajinomoto Co., Inc.
- Manifest loss at FFA International Co., Ltd.
- Transporting industrial waste across prefectural boundaries after a validity period agreed with local authorities in advance by the Kawasaki Plant of Ajinomoto Co., Inc. and the Osaka Plant of Komec Co., Ltd.
- Failing to conduct an advance consultation with government authorities necessary for transporting industrial waste across prefectural boundaries by AJINOMOTO BAKERY CO., LTD.
- Failing to carry out the duty of rainwater drainage monitoring by Ajinomoto Frozen Foods U.S.A., Inc.

### Steady efforts worldwide based on ISO 14001



Bulletin board at FD Green (Thailand) Co., Ltd.



Tour of deodorizing equipment

### Serious incidents in fiscal 2011

	Japan	Outside Japan
Air pollution	0	0
Water pollution	1	4
Waste	2	0
Noise, oscillation	0	0
Offensive odor	0	1
Other	0	0
<b>Total</b>	<b>3</b>	<b>5</b>

### Number of complaints (fiscal 2011)

	Japan	Outside Japan
Air pollution	0	0
Water pollution	0	1
Waste	0	0
Noise, oscillation	21	3
Offensive odor	1	3
Other	3	2
<b>Total</b>	<b>25</b>	<b>9</b>

# Providing Environmental Education and Fostering Awareness



Ensuring that every employee has a strong environmental awareness is the starting point of all environmental protection efforts at the Ajinomoto Group. The Group provides its employees around the world with various opportunities for systematic environmental education and fosters better awareness to encourage them to take specific action in their respective workplaces.

## Education and awareness-raising activities

For years, employees of the Ajinomoto Group have been asked to obtain the environmental knowledge needed for their specialties and job functions. In fiscal 2011, the Group began renewing its required environmental education programs for each employee grade. The goal is for all employees to be aware of the challenges involved in building a society that values sustainable development while overcoming problems facing humanity.

A new education program was created in fiscal 2012 to improve environmental risk management. It was added to the existing compliance education for managers organized by the general affairs and risk management departments. The Group provides grade-specific environmental education, linked with the education offered by the Human Resources Dept. of Ajinomoto Co., Inc.

In order to ensure that the Environmental Philosophy and Basic Environmental Policies and all plans and goals are communicated across the Group, environmental education videos are produced and distributed every year. The theme was global sustainability in fiscal 2012, to reflect the Rio+20 Conference. Every year since fiscal 2007, the Group has conducted a campaign to foster greater environmental awareness. Each group company plans and carries out its own activities as part of it.



Reference See "Smile Earth! Global Citizenship Activities for the Future" on p. 105.

## Specialized education and training

It is vital for employees to acquire more technical and practical knowledge and improve their skills so they can take the right environmental actions in their workplaces. The Ajinomoto Group provides the ongoing education needed for employees to perform their jobs. This includes education for environmental managers and staff in each organization, as well as environmental assessment training for members of each division and research department in charge of developing new businesses and products. Training to become an internal environmental auditor is also provided.

In recent decades, environmental concerns have evolved from conventional pollution control measures, to protection of the global environment. This has led to many legal changes. The Ajinomoto Group must remain continually up-to-date with these developments and steadily implement response measures.

The Group offered environmental law basic training in fiscal 2011 to provide relevant employees with specialized knowledge on environmental laws. The Group is also enhancing its practical education on compliance in the area of chemical substance management.

### Basic training on environmental law

The first session was held in March 2012. The theme was waste management, which has particular significance for the Group's business. It was attended by relevant personnel from each group company in Japan, who enthusiastically participated in lectures and exercises concerning legal obligations for waste management and changes to applicable laws. Future trainings will have different themes.

### Structure and programs of environmental education

General education		Specialized education
<p><b>Group-wide</b></p> <ul style="list-style-type: none"> <li>Environmental education video</li> <li>Campaign for fostering environmental awareness</li> </ul>	<p><b>Ajinomoto Co., Inc.</b></p> <ul style="list-style-type: none"> <li><b>When hiring</b>: Training for new recruits, Mid-career hires training</li> <li><b>Management level</b>: Training for newly appointed managers, Compliance training</li> <li><b>Other</b>: Training for Japanese staff to be posted outside Japan</li> </ul>	<ul style="list-style-type: none"> <li><b>EMS personnel</b>: Training for new environmental managers and staff, Internal environmental auditor lecture</li> <li><b>Staff in each area</b>: Environmental assessment seminar, Chemical management seminar, Environmental law training</li> <li><b>Site and factory</b>: Seminar and qualification training for environmental conservation, Skills improvement training, etc.</li> </ul>
Environmental education policies, plans and goals		



# Taking a Consumer-driven Approach to a More Sustainable World

The Ajinomoto Group strives to meet the diverse needs and expectations of consumers with the products and services it provides. The Group believes that taking the consumer’s perspective is the key to building a more sustainable world.

Painstaking quality assurance is the top priority for a company that provides food products; nothing is more important to the Ajinomoto Group than ensuring that consumers can enjoy its products with confidence and peace of mind. In addition to thorough quality management in the raw materials procurement and manufacturing processes, the Group is working to improve safety and quality throughout the product lifecycle. These efforts include providing better information on packages and on the web, as well as product designs that make it easier for customers to use products correctly.

To drive the continual improvement of these initiatives, a Customer Service Center has been established at Ajinomoto Co., Inc. to ensure optimum communication with customers. The valuable customer feedback obtained here is used on a daily basis to help improve the company’s products and services.

By 2050, there will be more than 9 billion people living on Earth, which could require a 70% increase in the production of food. Unless sufficient steps are taken to expand the food supply, serious food shortages may occur. This is why the Ajinomoto Group is promoting “sustainable lifestyles, starting with the dinner table” to consumers. By influencing consumer behavior as well as creating and applying its own unique measures for food sustainability, the

Group seeks to help solve the issues of global sustainability and food resources.

Striving to change the future of food, by changing the way 9 billion people will eat—the Ajinomoto Group will continue to work with food to build a more sustainable world.

## Contents

- P91** Delivering Reliable Quality
  - Quality assurance system of the Ajinomoto Group
  - Human resources development to raise quality assurance levels
  - Providing information related to quality
- P96** Communicating with Customers
  - Listening to and learning from customers
  - Rigorous management of personal information
- P98** Proposing Sustainable Lifestyles, Starting with the Dinner Table
  - Featuring products with the “Aji na Eco” mark
  - Providing “Eco-Uma” Recipes
  - Helpful advertising

# Delivering Reliable Quality

It is only natural that food product companies are held responsible for the safety and quality of their products. The Ajinomoto Group applies its own quality assurance system, the Ajinomoto System of Quality Assurance (ASQUA), to all of its products and services. This ensures strict quality assurance from raw materials procurement to product sales.

## Ajinomoto Group Quality Policies

We contribute to a better life for all throughout the world by providing safe and high-quality products and services.

### Policies

1. We pay full attention to the request of our customers, and provide products and services meeting with their satisfaction.
2. We actively provide appropriate information to our customers and continue to improve our trustworthiness.
3. We make no compromises with regard to safety, conducting surveys and research as thoroughly as possible, faithfully complying with applicable laws and regulations, and always delivering products and services of uniform quality.
4. We assure quality through the Ajinomoto System of Quality Assurance (ASQUA), based on the concepts outlined in the international ISO standard.
5. Under the leadership of our management, each one of our company's employees makes the greatest effort to provide safe and high-quality products and services through work at all levels, from research and development to production, distribution, sales and services.

## Quality assurance system of the Ajinomoto Group

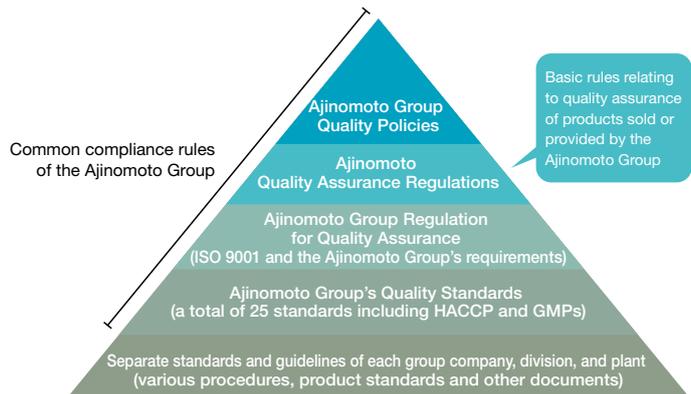
### Ajinomoto System of Quality Assurance (ASQUA)

Established in 1997, ASQUA is the Ajinomoto Group's own quality assurance system. It is based on ISO 9001, the international quality management system standard, as well as manufacturing management standards like Hazard Analysis and Critical Control Points (HACCP), a food hygiene management standard, and good manufacturing practices (GMPs). The system also incorporates the Ajinomoto Group's Quality Policies, Quality Assurance Regulations, Regulation for Quality Assurance, Quality Standards, and other rules and requirements established by the Group or each internal organization. With ASQUA, the Group carries out painstaking quality assurance activities worldwide, from the procurement of raw materials to the sale of products, always pursuing even higher quality manufacturing. Customer requests and expectations are also promptly utilized to improve products, services and business operations.

### ASQUA framework



### ASQUA components



### Ajinomoto Group's Quality Standards

The Ajinomoto Group's Quality Standards are designed to ensure that products meet the level of quality expected of the Ajinomoto Group's brand. The Group has also set 25 strict

standards covering a wide range of areas including training, labeling, packaging, and traceability and so on.

Ajinomoto Group's Quality Standards (examples from among the 25 standards)		
<ul style="list-style-type: none"> <li>Standard for Quality Assessment</li> <li>Standard for Educational Training on Quality</li> <li>Standard for Halal<sup>1</sup> Control</li> <li>Standard for Kosher<sup>2</sup> Control</li> <li>Standard for Product Labeling</li> <li>Standard for Quality Control of Raw Ingredients</li> </ul>	<ul style="list-style-type: none"> <li>Standard for Safety and Sanitation of Food Packaging Materials</li> <li>Standard for Food GMP<sup>3</sup></li> <li>GMP Standard for Pharmaceutical Drug Products</li> <li>Standard for HACCP</li> <li>Standard for Quality Control of Subcontracted and Procured Products</li> </ul>	<ul style="list-style-type: none"> <li>Standard for Responding to Complaints</li> <li>Standard for Determination of Responding to Quality Emergencies</li> <li>Standard for Food Defense<sup>4</sup></li> <li>Standard for Traceability</li> </ul>

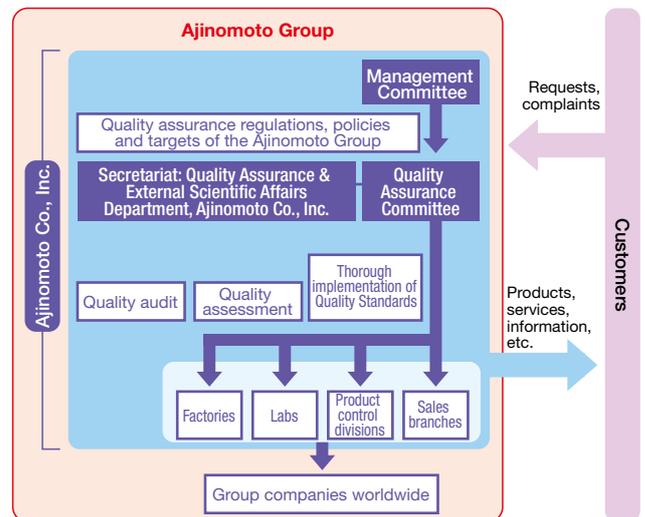
1 Foods permissible to eat under Islamic dietary restrictions.  
 2 Foods permissible to eat under Jewish dietary restrictions.  
 3 Good Manufacturing Practices: Standards relating to manufacturing management, which have been adopted for products sold by the Ajinomoto Group.  
 4 Measures to prevent the intentional introduction of foreign matter into food products. Monitoring is carried out in every stage from raw material procurement to product sales, in order to prevent anyone from adding poisons or other substances to food products.

### Organizational framework for ASQUA implementation

Comprised of members of senior management and reporting to the Management Committee, the Quality Assurance Committee is the highest body for quality assurance in the Ajinomoto Group. Considering customer feedback, it drafts basic policies and plans relating to the Group's quality assurance, and after approval by the Management Committee, promotes their implementation at group companies worldwide. Every six months, the Quality Assurance Committee reviews the status of policy and plans implementation throughout the Group.

This framework ensures that everyone—from top management to frontline employees working in production and sales—maintains a strong awareness of product quality and a total commitment to providing safe products that are worthy of consumer trust.

### ASQUA implementation system



### Rigorous supplier audits and quality control

The Ajinomoto Group conducts a wide range of transactions with business partners in and outside of Japan, including the outsourcing of production, purchase of goods, and the purchase of raw materials. The Group manages its suppliers based on the ASQUA standards, just like its own manufacturing sites.

The Group requires all suppliers to establish quality control standards and quality requirements in accordance with ASQUA, and performs regular evaluations and quality audits of these suppliers.

The Ajinomoto Group has established a worldwide system called Global Supplier Management<sup>5</sup> (GSM) for carrying out joint quality audits at companies outside Japan. By training and appointing over 60 GSM auditors around the world, the Group is further strengthening quality management.

### Quality audits of raw material suppliers in fiscal 2011

Department conducting the audit	Audited items	Number of audits	Notes
Group Procurement Center, Ajinomoto Co., Inc.	Raw material related items	54	29 audits of food items and 25 audits of bioscience products and fine chemicals
	Packaging materials	25	
Ajinomoto Frozen Foods Co., Ltd.	GSM <sup>5</sup>	8	Joint audits of suppliers outside Japan 230 audits were undertaken onsite by the Purchasing Department and plants.
	Raw material related items	230	
AJINOMOTO PHARMACEUTICALS CO., LTD.	Raw material related items	17	
	Products manufactured by subcontractors	3	
Calpis Co., Ltd.	Raw material related items	10	
	Packaging materials	10	

<sup>5</sup> A joint auditing system covering suppliers of the Ajinomoto Group worldwide.

**Addressing customer complaints and reducing quality issues**

The supply of safe products to customers is the most vital mission for the Ajinomoto Group. The Group carries out measures designed to reduce quality-related problems in every operational process, from product design and materials procurement through production and sales.

In fiscal 2011, the Ajinomoto Group improved its framework for assessing quality at the product design and development

stages in new business areas. Exhaustive investigations were conducted on the underlying causes for each complaint received, and product improvements and other relevant countermeasures were implemented to prevent recurrence of similar complaints. As a result, the number of complaints received throughout fiscal 2011 trended from 5% to 10% lower than the previous year.

**Product recalls**

In fiscal 2011, two voluntary product recalls were carried out by the Ajinomoto Group. In August 2011, it was discovered that frozen vegetable *gyoza* (dumpling) packaging was mistakenly used for frozen seafood *gyoza* made and sold by Ajinomoto Frozen Foods U.S.A., Inc. About 700 cases of the product were publicly recalled<sup>1</sup> in that country. Since the problem was caused by insufficient confirmation at the time of packaging switchover, management of this process has since been strengthened.

In March 2012, liquid separation due to mold contamination (identified as a strain with minimal affect on the human body) was discovered in *CALPIS Lacto* drink sold by Ajinomoto Sales (Thailand) Co., Ltd., and about 20,000 cases of the product were recovered from wholesalers and retailers. The cause was identified as a problem with the container cleaning process at a contract manufacturer (outsourcing due to the impact of the flooding in Thailand on the company's own manufacturing facilities). The product was discontinued thereafter.

<sup>1</sup> Product recall was publicized using company announcements and press releases.

**Human resources development to raise quality assurance levels**

The Ajinomoto Group leverages its human resources development programs to improve quality worldwide.

In fiscal 2011, the Group held its annual top management study session on quality, addressing group-wide quality assurance activities and the Medium-Term Quality Assurance Plan covering fiscal 2011 to 2013. It was attended by division heads of Ajinomoto Co., Inc. and presidents of group companies. The Group also held the 32nd Ajinomoto Management and Technical Conference on Quality. A total of 398 employees participated in the conference, discussing the latest initiatives and reaffirming the importance of quality assurance activities.

The Ajinomoto Group is also focusing on training employees of its companies outside Japan. The 11th Quality Management System (QMS) Training Course was held in fiscal 2011. Five

managers were invited from Brazil, the Philippines and Taiwan to spend two weeks studying a wide range of topics related to quality assurance and participate in opinion exchanges among managers. The Group also carried out training on quality assurance in the ASEAN region, South America, China and Africa, and provided the ASQUA School<sup>2</sup> training program in each region. Designed to improve quality assurance levels at group companies, sessions were held in Indonesia for 29 employees from 12 subsidiaries in five ASEAN countries; in Brazil for 38 employees from that country as well as Peru; in Shanghai, China, for 29 employees from 13 subsidiaries in the country and Taiwan; and in Nigeria for 17 employees from Africa and Europe.

<sup>2</sup> Training for the purpose of improving knowledge and sharing expertise relating to quality assurance, with a focus on the Ajinomoto System of Quality Assurance (ASQUA).

**Quality assurance education system and program examples**

General training	Specialized education		
<p><b>Group-wide</b></p> <ul style="list-style-type: none"> <li>Ajinomoto Management and Technical Conference on Quality</li> </ul> <p><b>Ajinomoto Co., Inc.</b></p> <ul style="list-style-type: none"> <li>Training for Japanese staff posted overseas (ASQUA standards)</li> <li>Training for new hires (customer satisfaction education)</li> <li>Compliance training (quality assurance activities)</li> </ul>	<p><b>Group-wide worldwide</b></p> <ul style="list-style-type: none"> <li>QMS Training Course</li> <li>ASQUA School</li> </ul> <p><b>Ajinomoto Co., Inc.</b></p> <ul style="list-style-type: none"> <li>Quality assessment study session</li> <li>Basic course for understanding ASQUA, etc.</li> </ul>	<p><b>Group-wide in Japan</b></p> <ul style="list-style-type: none"> <li>Top management study session on quality</li> <li>Customer satisfaction training program</li> <li>ISO 9001 internal auditor education (acquisition of new qualifications)</li> <li>Quality audit seminar</li> <li>Study session on food product labeling</li> <li>Briefing on trends in government initiatives on food product labeling</li> </ul>	<p><b>Individual sites</b></p> <p>Implementing a variety of education programs relating to quality in areas including ISO 9001 standards, and various types of GMP</p>

## Providing information related to quality

The Ajinomoto Group has been increasing its emphasis on public relations concerning matters of quality assurance since fiscal 2008. This initiative aims to strengthen awareness of the quality of the Group's products in order to promote consumer confidence and better meet their needs. The Group is also striving to provide comprehensive information on matters such as its approach, policies and ongoing activities, aiming to ensure consumers are well informed about its commitment to providing products of exceptional quality.

Under this PR initiative on quality, liaison meetings on general consumer products are held twice a year among the Ajinomoto Group's companies in Japan, based on the Group's guidelines on provision of retail product information. At these meetings, participants discuss the current situation and issues with the provision of quality information on packages and on the web, seeking to further improve the quality of information provided to customers.

### Sharing a wide range of quality information online

The Ajinomoto Group has been working to improve the content of its website on quality assurance initiatives (currently in Japanese only), aiming to provide more relevant information to consumers. This includes sections on safety topics of public concern in Japan, including: the company's efforts to produce safe and reliable products at every stage of operations, including raw material management, product development, and production; food allergies and food additives, with explanations by independent experts; and advice on understanding product package labeling.

The website also provides information on the unique approaches and initiatives of the Ajinomoto Group in areas that are of particularly high interest to consumers. A sampling of the content is provided below.

This quality assurance website has been recognized as an outstanding site in the corporate information and IR category of the 5th Japan Web Grandprix, which is judged by corporate website administrators. The site was praised for providing quality information that is easy to understand and plenty of other useful information.



Web page on Quality Assurance Initiatives of the Ajinomoto Group

Link

Quality Assurance Initiatives of the Ajinomoto Group (Japanese only)  
<http://www.ajinomoto.co.jp/products/anzen/>

### Sample content

#### Approach to food additives and GMOs

The Ajinomoto Group conducts strict checks on the safety, usefulness and legality of food additives and genetically modified organisms (GMOs), and takes a firm stance against irresponsible labeling using these terms. In recent years, the number of processed foods companies label as "Additive XX-free" or "No XX" on the market has increased.

#### Use of food additives

Food additives not only enhance dietary lifestyles by improving the taste, aroma, nutritional content, and storage stability of food; they also play an important role in the distribution and effective utilization of food resources. They are subject to stringent testing under the supervision of governments to confirm their safety. The Ajinomoto Group

As a manufacturer of food products, Ajinomoto Co., Inc. strives to avoid labeling methods that may give consumers doubts about GMOs and food additives recognized as safe based on government standards and scientific research. The Ajinomoto Group believes that inviting unnecessary confusion is not beneficial for the consumer.

selects appropriate food additives for use in product development and production based on the latest research findings on safety and other relevant issues. The Group is also committed to clear and accurate labeling of food additives on its product packaging, in accordance with standards stipulated in relevant laws.

### Use of GMOs

GMO technology is expected to play an important role in the alleviation of environmental problems and food shortages. For instance, crops genetically modified for insect resistance may not need as much pesticide. At this time, it is also important to thoroughly confirm the safety of GMO foods. In Japan, stringent safety assessment of GMOs is conducted by the Food Safety Commission of the Cabinet

Office and the Ministry of Health, Labour, and Welfare. Labeling standards have been established in order to provide necessary information to consumers, and Ajinomoto Co., Inc. faithfully complies with them. The Ajinomoto Group also uses its own detection technology to prevent inadvertent contamination with unapproved GMOs.

### Radioactive contamination

The Ajinomoto Group works to ensure strict quality assurance from raw material procurement through product sales, based on its Quality Policies. In Japan today, the safety of manufactured foods is being confirmed through continuous monitoring for radiation by government agencies, as well as

an initiative to prevent distribution of food products that exceed regulation values. Going one step further, the Group uses measurement equipment and reputable analytical techniques to check, if necessary, for radioactive materials, especially in raw materials.

### Traceability

The Ajinomoto Group has created a traceability system for the history of raw materials and products. In each stage of production, processing, and distribution, information is recorded and stored concerning raw material and/or product suppliers, delivery destination, and product manufacturing so that the movement of all raw materials and products can be traced. The Group also carries out proper supplier

management, which is essential for obtaining accurate raw material information.

This dependable traceability system facilitates the rapid handling of customer inquiries and any incidents that may arise, allowing consumers to purchase products with confidence.

### Allergens

In order to protect people with certain allergies, the Ministry of Health, Labour and Welfare requires food products in Japan to display information on whether they contain seven common allergens: wheat, milk, peanuts, eggs, buckwheat, shrimp and crab. It also recommends disclosure of 18 other

allergens. The Ajinomoto Group in Japan not only labels the mandated seven allergens, but also lists all 18 others on all of its products for household use. Following government guidance, it is also working to establish analysis and verification systems which use the legally mandated analytical methods.

### Pesticide residue

Pesticides play a vital role in the cultivation of healthy vegetables by preventing pests and diseases and by controlling growth of plants. Pesticide usage standards define the quantity, timing, method, and maximum number of applications. When these usage standards are followed, crops will not contain pesticides exceeding the maximum residue level.

Still, depending on the usage method, in rare cases some pesticide may remain on harvested crops.

In order to ensure the safety of the vegetables it uses as raw materials, the Ajinomoto Group implements careful management of cultivated fields, including pesticide management.

# Communicating with Customers

The Ajinomoto Group strives to put the customer first by offering excellent service and providing innovative, high-quality products that are always safe. Ajinomoto Co., Inc. created its Customer Satisfaction Promotion Policy and Customer Satisfaction Code of Conduct based on ISO 10002<sup>1</sup> to guide its efforts to deliver customer delight. The Ajinomoto Group is committed to delivering products and services that more than satisfy all of its customers.

<sup>1</sup> International guidelines for a complaint management system which set requirements for an organization to meet in responding appropriately and promptly to customer complaints in order to improve customer satisfaction.

Customer Satisfaction Promotion Policy
To ensure that we continue to provide products and services that satisfy our customers, we will listen to customers, see problems from their point of view, and focus all of our resources on creating the solutions customers need. Above all, our aim is to be an honest company that customers can trust.
Customer Satisfaction Code of Conduct
<ol style="list-style-type: none"> <li>1. We provide safe and reliable products and services to our customers.</li> <li>2. We respond to complaints, requests and inquiries from our customers precisely, promptly and politely.</li> <li>3. We respect the voice of the customer, and strive to use all input to add value to our products and services.</li> <li>4. We actively disclose appropriate information to our customers.</li> <li>5. We comply with regulations and voluntary in-house standards related to protecting the rights of our customers.</li> </ol>

## Listening to and learning from customers

The Customer Service Center of Ajinomoto Co., Inc. strives to deliver superior customer satisfaction by responding precisely, promptly and politely to inquiries. The center also records and analyzes customer feedback and inquiries daily. Customer opinions are shared with business divisions and product development departments to spur the development of better products and services. Ajinomoto Co., Inc. understands how important every communication opportunity is. The company works constantly to improve customer relations and raise satisfaction, not only when providing products and services, but across all of its other business activities.

Comments and inquiries received from customers are distributed throughout the company, including to top management. Business divisions, quality assurance departments, and production sites cooperate to provide the informative responses needed to give customers peace of mind. The Ajinomoto Group is also strengthening cooperation among the divisions in charge of customer service at group companies in Japan and taking steps to raise the quality of customer service efforts group-wide.

### Main initiatives of the Customer Service Center of Ajinomoto Co., Inc.

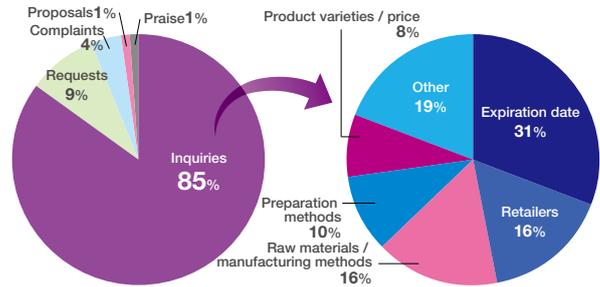
Main initiative	Details
1 Employee education program for improved customer service quality	Ongoing education and training to enhance communication skills and improve customer service quality
2 Improvements for sharing customer feedback	<ul style="list-style-type: none"> <li>Timely sharing of feedback in meetings and reports to improve products and services</li> <li>Internal sharing of all improvements; disclosure of selected cases on the website</li> <li>Product evaluations based on feedback in assessment meetings at the product development stage to identify and eliminate possible customer dissatisfaction</li> </ul>
3 Improving responses to customer feedback	<ul style="list-style-type: none"> <li>When feedback is received about a product, the company investigates the matter and reports findings to the customer. A satisfaction questionnaire is also included with the company's written response.</li> <li>Results of the satisfaction questionnaire are used to improve customer service and future reports back to customers.</li> </ul>
4 In-house training on customer satisfaction	<p>Appropriate programs for departments and services are provided:</p> <ol style="list-style-type: none"> <li>(1) Lectures on customer perception</li> <li>(2) One-day training on answering customer calls</li> <li>(3) Workshops on customer feedback analysis</li> <li>(4) Workshops on use of the customer feedback portal</li> <li>(5) Sales department customer service training</li> </ol>
5 Improving cooperation among group companies in Japan	Lectures featuring external speakers and regular review meetings enable group companies to share their initiatives, to increase customer satisfaction group-wide.

### Customer feedback in fiscal 2011

In fiscal 2011, a total of about 44,000 customer contacts were received, representing an increase of 16% compared to the previous year. This included about 9,000 inquiries about manufacturing dates and raw materials contained in products due to concerns over radioactive contamination following the nuclear accident caused by the Great East Japan Earthquake.

Although there was a slight decrease in regular contacts, elderly customers continued to report concerns with single-use products such as *Cook Do*<sup>®</sup>. Many asked for a smaller package suited for a person living alone. The Customer Service Center forwarded the feedback to relevant company departments, which will use the information for future improvements.

### Customer feedback in fiscal 2011 (Approx. 44,000 contacts from customers)



#### Customer call centers connect customers directly with the Ajinomoto Group (Calls from Japan only)

##### Customer Service Center at Ajinomoto Co., Inc.

Seasonings, processed food products, gift products, other ..... ☎ 0120-688181

Sweeteners, sports nutrition, amino acid supplements ..... ☎ 0120-160505

Nutrition care food products (*Medimeal*<sup>®</sup>, *Aminocare*<sup>®</sup>, etc.) ..... ☎ 0120-814222

Medical food products (*MEDIF*<sup>®</sup>, *PEM Vest*<sup>®</sup>, *AQUASOLITA*<sup>®</sup>, etc.) ..... ☎ 0120-814127

■ AJINOMOTO PHARMACEUTICALS CO., LTD. .... ☎ 0120-917719

■ Ajinomoto General Foods, Inc. .... ☎ 0120-178651

■ Ajinomoto Frozen Foods Co., Inc. .... ☎ 0120-303010

##### ■ J-OIL MILLS, INC.

Household cooking oil ..... ☎ 0120-211228

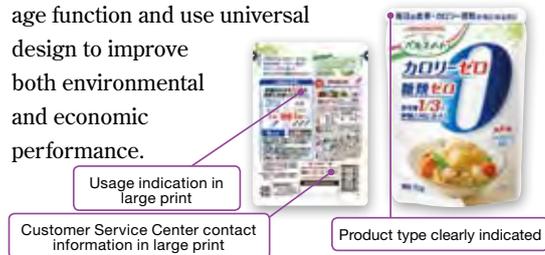
Household margarine ..... ☎ 0120-936734

■ YAMAKI Co., Ltd. .... ☎ 0120-552226

### Universal design initiatives

The Ajinomoto Group respects the principles of universal design. Every group company is working with universal design to create product packaging that is easy for anyone to use.

Ajinomoto Co., Inc. has established universal design guidelines that cover topics including use of color to distinguish product varieties and ways to improve readability of print. In recent years, the company has been focusing on creating designs that make information as easy to understand as possible. The company identifies the information of particular interest to the people who use each product and then carefully creates package design elements addressing the purchase, usage, and disposal phases. The result is packaging that is attractive and accessible for an even wider range of people. Going forward, the company will go beyond enhancing basic package function and use universal design to improve both environmental and economic performance.



## Rigorous management of personal information

The Ajinomoto Group's information management rules clearly define which customer and other personal information is subject to management. The Group then implements consistent, systematic management of this information.

The responsibilities for managing personal information are specified in the Information Management Regulations, which are based on Japan's Act on the Protection of Personal Information and other related laws. Specific procedures are outlined in the Personal Information Management Guidelines.<sup>1</sup> Operation and maintenance rules for the handling of personal information are based on the ISO 27001 (information security management) approach. Human error is also managed by ensuring that key personal information operations are done by two people supervising each other. When personal information handling is outsourced,

prior confirmation is made to ensure that the contractor has equally high management standards. A personal information management database is used to register and manage all personal information. In December 2011, a comprehensive inspection of the database management conditions was completed.

In March 2011, an inspection of the Ajinomoto Group's personal information management system was performed by an external information security consultancy. It included inspection of operational risks, management practices, and IT technology risks. All issues revealed by the inspection have been completely addressed. The Group will continue to pursue even better management and protection of personal information.

<sup>1</sup> The Personal Information Management Guidelines provide clear rules for operation, based on the operational knowledge gained since the relevant laws and regulations came into force.

## Proposing Sustainable Lifestyles, Starting with the Dinner Table

As a food manufacturer, the Ajinomoto Group not only has the responsibility to deliver delicious and healthy foods; it also has the opportunity to help people embrace more eco-friendly lifestyles. Truly good nutrition is wholesome not only for families, but also for the earth. The Ajinomoto Group aspires to nothing less and has made this a central pursuit. The Group will continue to develop eco-friendly products and propose environmentally considerate recipes and tips, aiming to popularize eco-lifestyles—starting right at the family dinner table.

### Data

#### Food losses in Japan

Japan generates about 19 million tonnes of food waste each year. Food waste from households accounts for 11 million tonnes. Of this, 2 to 4 million tonnes are said to be edible—leftovers, edible parts of ingredients excessively removed during preparation and cooking, food simply thrown away. To minimize these food losses in households, it is important to help individuals respect the value of food and enjoy meals enough to finish them.



## Featuring products with the “Aji na Eco” mark

Modern product packages are already small and thin, so it is often difficult for customers to notice changes made in package weight, thickness, and size and materials used. However, when the enormous sales volume of products is taken into account, these efforts can result in significant environmental benefits.

Modern consumers want to purchase the most environmentally friendly products, so the Ajinomoto Group introduced its unique “Aji na Eco”<sup>1</sup> mark in autumn 2010 to display the eco-friendliness of its product packages.

1 The Japanese term for “Aji na Eco” is a registered trademark of Ajinomoto Co., Inc.



#### What is “Aji na Eco”?

“Aji na Eco” is a term describing the smart and ecological products or information provided by the Ajinomoto Group, and the logo mark evokes the image of our green planet, the pleasure of eating, and a global environment made even better through food.

Number of “Aji na Eco” mark products  
**128**

As of the end of October 2012 (Ajinomoto Group)

#### Reference

See “Promoting ‘Aji-na-Eco’ mark products with environmental packaging” on p. 81.

## Providing “Eco-Uma” Recipes

Everyday cooking is actually a chance to start eco-living at home, today. This is why Ajinomoto Co., Inc. has launched activities to spread environmentally friendly, delicious and smart “Eco-Uma”<sup>2</sup> ideas and recipes for everyday cooking.

The company is offering consumers information on a selection of environmentally considerate materials and seasonings, and how to use, cook and preserve food materials, as well as sharing tips and tricks used by customers via events, the Internet, and other means.

2 The Japanese terms for “Eco-Uma” and “Eco-Uma Recipe” are registered trademarks of Ajinomoto Co., Inc.



An awareness campaign underway at the Head Office cafeteria at Ajinomoto Co., Inc.



Cooking demonstration at the Ajinomoto Group’s booth during the Eco-Products Exhibition



“Eco-Uma Recipe” website (in Japanese only)

## Helpful advertising

The Ajinomoto Group also conveys its positive message about eco-lifestyles by proposing various new ideas via corporate advertisements, events, and many other occasions.



■“EDO Period, ECO ideas”

■“Mottainai (Don't Waste)”



Awards received include: Minister of Economy, Trade and Industry Prize and Best Partner Prize in the Magazine Advertisement Category of the Advertisements Beneficial to Consumers Contest



■“Recycle newspapers for more delicious meals”

Showing the traditional wisdom of using old newspapers to keep vegetables fresh



Advertisements are used to make recommendations and give hints about eco-lifestyles, covering various situations such as shopping, menus, cooking, and eating.

### Highlight

#### Corporate advertising of the Ajinomoto Group

In fiscal 2010, the Ajinomoto Group started to use print media, including newspapers and magazines, to communicate how its environmental and CSR initiatives are helping to bring environmentally friendly products to the dinner table. The goal is to increase public understanding of the Group's efforts.

Newspaper advertisements introduced the Group's seven major initiatives, aiming to give a diverse readership a chance to appreciate the extensive efforts of the Ajinomoto Group to build a more sustainable world.



Newspaper ad Presenting environmental and social initiatives for sustainable living

Link The activity for sustainability <http://www.ajinomoto.com/en/activity/sustainability/>



# Growing with the People of Each Community

The Ajinomoto Group seeks to form close relationships with the communities where it operates and always pursues mutual prosperity. The Group's employees around the world—roughly 30,000 of them—are involved in a variety of ways in the communities in which they live both through their business activities and as citizens of the local area.

In the 103 years since its founding, the Ajinomoto Group has grown to operate business units in 26 countries and regions, providing a variety of products that enhance the lives of people in 130 countries around the world.

The Group presently markets food products that are essential to daily life in about 100 of those countries and, when developing products, always seeks to respect the unique and diverse dietary customs in each area. The Ajinomoto Group delivers products that make local cuisines even more delicious. The Group's products are developed and produced in the countries where they are sold through local channels. With business activities closely tied to local communities from production through distribution, the Ajinomoto Group supports the farmers who produce the raw materials, boosts local economies by creating jobs, and helps local distributors realize a profit by supplying merchandise. As it continues to grow globally, the Ajinomoto Group will remain

committed to community-oriented business practices and will ensure that its products contribute to local communities.

The Ajinomoto Group strives to be very knowledgeable about social issues such as diet and nutrition in the communities where it operates. In addition to finding solutions to these issues through its own business activities, the Group participates in many social action programs. It partners with local communities, NGOs, and others to help improve nutrition in developing and newly emerging economies.

The Ajinomoto Group will continue to forge close relationships with local communities to ensure mutual prosperity everywhere it operates.

## Contents

- P101** Delivering Delicious Foods That Enhance Local Dietary Culture
  - From the umami seasoning *AJI-NO-MOTO*® to food product businesses specific to each region
  - Products available at the right size and price for everyone
  - Local production using local materials, working with local people
- Column
  - The Ghana Nutrition Improvement Project
- P104** Collaborating with Diverse Partners to Build a Better World
  - Smile Earth! Global Citizenship Activities for the Future
  - Ajinomoto International Cooperation Network for Nutrition and Health (AIN) program
  - Initiatives in individual countries

### Main results for fiscal 2011

Products delivered to **130** countries worldwide

**100** countries worldwide  
**10** billion packets

Annual sales reach and volume for the umami seasoning *AJI-NO-MOTO*®

**59** projects in **12** countries with **80,000** beneficiaries

Support for AIN program (1999–April 2012)

**208** business sites with participation of **8,000** Group employees

Worldwide clean-up activities around business facilities under the Smile Earth! Global Citizenship Activities for the Future campaign

# Delivering Delicious Foods That Enhance Local Dietary Culture

Dietary cultures and customs vary greatly by country and region. The Ajinomoto Group develops food products and seasonings by gathering specifics on the ingredients, tastes, and recipes of the local area. This philosophy ensures that the Group brings just the right foods and seasonings to tables all around the world.

From the umami seasoning *AJI-NO-MOTO*<sup>®</sup> to food product businesses specific to each region

The cornerstone of the Ajinomoto Group at its founding, the umami seasoning *AJI-NO-MOTO*<sup>®</sup>, was born 103 years ago out of a desire to improve the nutritional intake of Japanese people at that time. Umami is the Japanese word for a delicious component of taste that people everywhere recognize and enjoy. The Group has introduced its products worldwide with the intention of improving nutritional intake by enhancing the flavor of traditional dietary lifestyles worldwide. Today, *AJI-NO-MOTO*<sup>®</sup> is an indispensable seasoning not only in Japan, but in kitchens around the world. No matter where it goes, it makes traditional dishes taste even better. The Group now delivers some 10 billion packets a year to approximately 100 countries.

The Group has expanded its food product business beyond its umami seasoning to produce other seasonings and processed foods, as well. Its food products are currently available in about 100 countries, and this business is expected to expand even more in the future. In fiscal 2011, the Group established new business facilities in Bangladesh, Turkey, Egypt, and Côte d'Ivoire and launched its products on these markets.

To achieve its goal of bringing smiles to even more faces at mealtime, the Group plans to expand sales into new areas in Africa, the Middle East, and South Asia, further enhancing the flavor of local dishes in these regions.

## Bringing delicious flavor to more of the world

### Principles of Global Business Development under the Ajinomoto Group FY2011–2013 Medium-Term Management Plan



### Examples of region-specific products

<p><b>Flavor seasoning</b> <i>Masako</i><sup>®</sup></p>  <p>Indonesia</p>	<p><b>Menu-specific seasoning</b> <i>CRISPY FRY</i><sup>®</sup></p>  <p>The Philippines</p>	<p><b>Menu-specific seasoning</b> <i>Ros Dee</i><sup>®</sup> Menu</p>  <p>Thailand</p>	<p><b>Instant noodles</b> <i>SAMSMARK</i><sup>®</sup></p>  <p>Poland</p>	<p><b>Frozen foods</b> <i>Gyoza</i></p>  <p>United States</p>	<p><b>Sugarless powdered carbonated drink</b> <i>FIT</i><sup>®</sup></p>  <p>Brazil</p>
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## Products available at the right size and price for everyone

The Ajinomoto Group ensures that its products are true to these three principles: easily affordable for anyone, always available in any shop, and ready to enhance the flavor of any kind of cooking. Thanks to product development by local employees and region-specific packaging and sales methods, the Group offers just the right products to people in every region.

Due to distribution challenges, many rural areas in developing and newly emerging economies have less access to products and services than in urban areas. Most shops in these areas are small retailers selling mainly locally made products. The Ajinomoto Group employs a distribution structure that delivers

its products to both rural and urban areas by creating unique networks in these regions, with local employees delivering products to individual shops. Getting products to shops in this way also helps these retailers generate more profits.

In these regions, the Group concentrates on small, inexpensive, single-use packets. In Nigeria, for example, 10-gram packets of the umami seasoning *AJI-NO-MOTO*<sup>®</sup> sell for 10 naira (US\$0.06). These small packets were first introduced in the Philippines in the 1970s and are still sold in many parts of the world, with slight variations in packaging that take into account regional differences.



Local employee makes delivery to retailer.



Small packets on sale in India



Market in Côte d'Ivoire



Market in Nigeria



10-gram packet of *AJI-NO-MOTO*<sup>®</sup> sold in Nigeria



5-gram packet of *MaDish* flavor seasoning sold in Nigeria

## Local production using local materials, working with local people

The basic philosophy of the Ajinomoto Group is to manufacture products in the country where they will be used. It is important that locally hired people using local materials make the products that will meet the needs of the people in the local community.

For example, since the umami seasoning *AJI-NO-MOTO*<sup>®</sup> can be made from abundantly available local crops such as sugar cane, cassava, or corn, it can be manufactured locally at plants in many different countries. The Ajinomoto Group takes as its mission the creation of local jobs by building plants in the area and

using local crops in manufacturing, as well as boosting the incomes of local farmers and other primary producers by procuring materials from the area.

The Group also supplies local farmers with nutritionally rich by-products from the amino acid fermentation process at a low cost. This practice improves farmers' incomes by significantly improving crop yield and contributes to sustainable farming, as well.



*AJIFOL*<sup>®</sup> foliar fertilizers made from by-products

Reference See pp. 13, 15, and 76 for more information on by-product applications.

Column

## The Ghana Nutrition Improvement Project Working to end malnutrition among children in Ghana

The Ghana Nutrition Improvement Project was conceived as a social business to end malnutrition in weaning babies, which is a serious social issue that plagues developing countries. Under the project, the Ajinomoto Group's strengths in food product technology and amino acid nutritional expertise will be used to develop and provide supplements that help end malnutrition.

In Ghana, the traditional food fed to weaning infants is a porridge made with fermented corn, called *koko*. Unfortunately, *koko* is deficient in energy, protein and micronutrients and is one of the causes of stunted growth among children in the country. Recognizing the need to improve nutritional intake as a way to resolve this problem, the Ajinomoto Group developed *KOKO Plus*, a nutritional supplement to be added to traditional *koko*.

### Forging an array of partnerships

The Ghana Nutrition Improvement Project is a program officially recognized by the Ghanaian government. The project began in 2009 through collaboration between Ajinomoto Co., Inc., the University of Ghana, and the Nevin Scrimshaw International Nutrition Foundation, a non-profit organization in the United States.

The Ghana Nutrition Improvement Project also engages in a variety of other partnerships. In 2011, a memorandum

of understanding was signed with the Ghana Health Service to cooperate in efficacy studies on products, providing education on nutrition, and other activities. Agreements were also made with two international NGOs, CARE International Japan and Plan Japan, and the Swiss foundation Global Alliance for Improved Nutrition (GAIN) to collaborate on efficacy studies and marketing. Then, in May 2012, a memorandum of understanding was signed with the United States Agency for International Development (USAID) and the Japan International Cooperation Agency (JICA) to forge a private-public sector alliance among the three organizations to work on improving nutrition among weaning infants in Ghana.



KOKO Plus

Reference See "Helping People Lead Healthier Lives" on p. 17.

Reference See "The Ghana Nutrition Improvement Project implements efficacy study while respecting children's rights" on p. 49.

### Fiscal 2009–2010 (Phase 1)

- Develop nutrient-fortified food for weaning children, and complete prototype products
- Carry out market surveys
- Conduct consumer tests

### Fiscal 2011–2013 (Phase 2)

- Build full-scale production structure
- Conduct efficacy study
- Conduct effectiveness study

### From Fiscal 2014 (Phase 3)

- Implement full-scale sales and marketing
- Examine feasibility of expansion to other West African countries such as Nigeria

### Progress of project

The Ghana Nutrition Improvement Project has moved into Phase 2. The construction of a dedicated building for the project was completed at Yedent AgroProcessing Venture Ltd., the company contracted to carry out production, which began in June 2012. Preparations for the following two types of studies are currently underway.

#### 1. Efficacy study

Nutritional supplements will be added for one year to food given to weaning infants aged 6–24 months and the benefits (for growth, health, and other factors) will be measured. In October 2011, the Ghanaian government granted the project permission for product testing. In collaboration with the Ghana Health Service, villages were selected for the efficacy study, and surveys were conducted. In May 2012, the study was approved as ethical and safe by the Institutional Review Board of the Ghanaian government.

#### 2. Effectiveness study

The effectiveness study is designed to assess the feasibility of the project as a business capable of effectively improving nutrition. The study is also looking at the possibility of collaboration with international NGOs and other organizations that help women in rural communities become self-supporting to build a sales system to set women in these areas up as sales agents. The study will be conducted with technical and financial support from GAIN, as well as collaboration from USAID on developing an effective marketing framework.

The project aims to build additional partnerships with various organizations, establishing sustainable businesses that will improve nutritional intake among children in Africa.



MOU signing with USAID and JICA



Porridge made with the nutritional supplement KOKO Plus



Taste-testing in Ghana



Training at the manufacturing plant

# Collaborating with Diverse Partners to Build a Better World

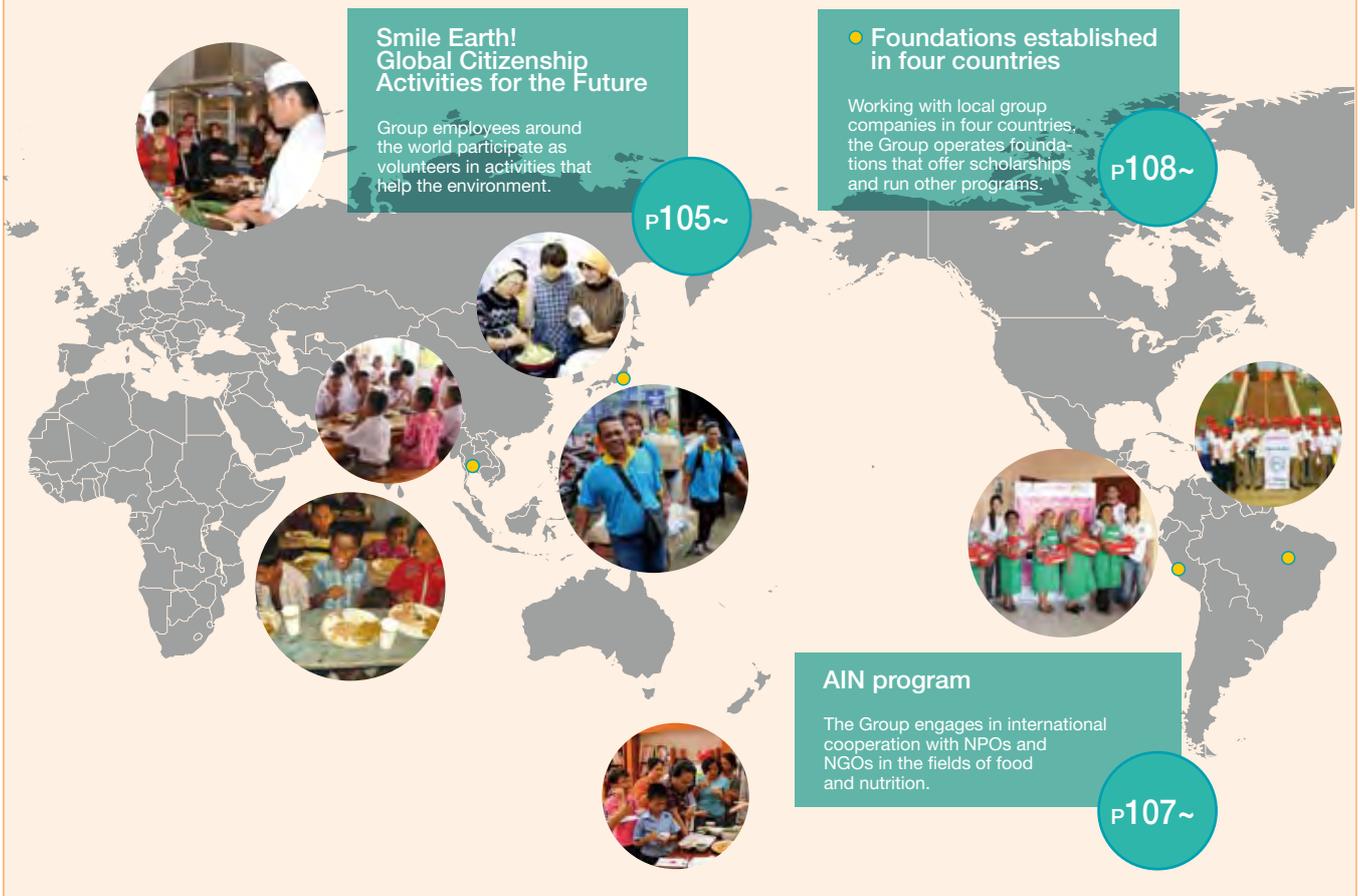
The Ajinomoto Group pursues good corporate citizenship in all the countries and regions where it operates. The Group aims to grow together with these communities as a total team player, and it collaborates with government bodies, universities, NGOs, NPOs, and other partners on social action.

## Ajinomoto Group Corporate Citizenship Activities Mission

In cooperation with its diverse stakeholders, the Ajinomoto Group carries out food- and nutrition-centered initiatives around the world to contribute to the healthiness and vitality of societies.

## Being a good corporate citizen, worldwide

In addition to the globally implemented Ajinomoto International Cooperation Network for Nutrition and Health (AIN) program, the companies of the Ajinomoto Group also work to help solve issues in local communities around the world. Individual group companies develop their own social programs and their employees also participate in the joint corporate citizenship program, Smile Earth! Global Citizenship Activities for the Future. Working with group companies, the Ajinomoto Group has also established foundations in Japan and three other countries that award scholarships and engage in other initiatives tailored to the local culture and lifestyle, seeking to meet the specific needs of each country.



## Smile Earth! Global Citizenship Activities for the Future

The employee volunteer program, Smile Earth! Global Citizenship Activities for the Future, has been underway since 2007. Group employees around the world take part in food- or environment-related social action in their local communities to help build more sustainable societies. Through the program, employees engage with issues affecting their communities and the larger global environment.

### 1. Worldwide clean-up activities around business facilities

Employees around the world help clean up the areas around their business facilities on a certain date each year. In fiscal 2011, this campaign took place on October 20 with some 8,000 group employees at 208 business facilities throughout the world participating in the clean-up program.

#### Ajinomoto Co., Inc. Head Office

About 250 employees not only engaged in the usual trash collection, but also swept, wiped, and weeded in the nearby area.



#### AJINOMOTO PHILIPPINES CORPORATION

Some 110 employees worked together to collect trash and sweep the premises and surroundings, building stronger ties and raising awareness of the environment and local community.



#### Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.

This company began taking part in the clean-up campaign in fiscal 2011 with all other group companies in Brazil.



#### Ajinomoto (Cambodia) Co., Ltd.

About 375 people, including employees, council members, junior high school teachers and students help clean up and weed around the business facility and local schools.

#### Group-wide campaigns

1. Worldwide clean-up activities around business facilities
2. The Eco Action Campaign
3. The Mottainai (What a waste!) Campaign



#### Ajinomoto Co., (Thailand) Ltd.

Roughly 650 employees worked as volunteers to refurbish a local temple in Ayuthaya where this company operates.



#### AJINOMOTO LOGISTICS CORPORATION

This company has participated in clean up activities since 2009. This year, employees from Tohoku Ace Logistics Corporation, which sustained damage in the Great East Japan Earthquake, also took part.



#### Ajinomoto del Perú S.A.

Some 400 kg of trash was collected in the vicinity of the plant by 110 employees.



#### Ajinomoto Bangladesh Ltd.

In June 2012, all 26 employees and temporary staff of the Tongi Plant cleaned up the area around the facility. This plant plans to hold clean-up activities twice a month.



## 2. Eco Action Campaign

Under this campaign, local events and programs to raise awareness about environmental issues are independently planned and implemented by individual workplaces around the world. A total of 16 facilities worldwide participated in the campaign in fiscal 2011, providing lectures on global environmental issues, recycling campaigns, volunteer clean-ups, art contests, and campaigns to reduce leftovers at meals.

### Ajinomoto del Perú S.A., Lima office and plant

- **Environmental protection art contest for children**

This company held an art contest to educate employees about the importance of protecting the environment. Art works made by 22 children of group employees were featured on company Christmas cards this year.



### Ajinomoto Heartland LLC, Eddyville Plant and Ajinomoto Food Ingredients LLC, Iowa Plant

- **Electronics recycling**

Employees brought unwanted electronics (a total of 2,567 kg) from their workplaces and homes to be recycled.



## 3. Mottainai (What a waste!) Campaign

In place since 2007, the *Mottainai* (What a waste!) Campaign aims to put old books, stamps, coins, paper currency, and other materials stored away unused in employee homes and workplaces to practical use. In 2011, 59 business sites around the world participated in the campaign. Materials collected from group companies in Japan were donated to relief organizations working to help areas stricken by the Great East Japan Earthquake.

### Ajinomoto (Cambodia) Co., Ltd.

Employees brought in shirts, pants, shoes, and other clothing that they no longer use to be donated to residents of Kantork Kahang Thong village in Kandal Province.



### PT Ajinomoto Indonesia

Employees donated clothing, used textbooks, and other items to relief organizations working with street children.

### Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.

- **Clean Dish Campaign**

This annual campaign started in 2007 and is run in cooperation with a lunch service company. Every time an employee eats everything on his or her plate, 40 grams of food is donated to orphanages and other institutions.



### Gaban Spice Manufacturing (M) SDN.BHD.

- **River clean-up campaign**

This company participated in the Cleaner Greener Penang Campaign in Penang, Malaysia. As part of the campaign, volunteers made some 25,000 balls of mud containing enzymes, rice husks, and other ingredients used to purify river water.

### Ajinomoto Co., Inc.

- Provided "Eco-Uma" lunch menus in employee cafeteria.
- Organized environmental exhibitions and lectures.



### Ajinomoto del Perú S.A.

Employees organized a garage sale of unwanted items to raise money for a charity organization.

### Ajinomoto Group in Japan

Unwanted items collected at group companies in Japan (including postcards, prepaid cards, stamps, and books) were donated to help with recovery efforts for victims of the Great East Japan Earthquake.



### Comment from an NGO

The donation from the Ajinomoto Group this year will go a long way toward helping a nursery center that was washed away by the tsunami following the Great East Japan Earthquake, in Kamaishi City, Iwate Prefecture. The fund will be used to provide mental health care to children and construct a new building. We sincerely appreciate your kind generosity and support.

**Yoshiyuki Igota**  
Secretary, Terra People  
ACT Kanagawa



Ajinomoto International Cooperation Network for Nutrition and Health (AIN) program AIN program

As a group of companies that contributes to human health globally, the Ajinomoto Group considers the improvement of nutrition in developing countries an important mission. This is why it launched the AIN program in 1999, the 90th anniversary of the company's founding.

The AIN program solicits project applications from NGOs and NPOs around the world, and then determines which projects to give development assistance to based on investigations by experts and onsite inspections by employees of the Ajinomoto Group. After a project commences, one of the Ajinomoto Group's companies in the same country provides various kinds of local support, including education on nutrition, with the aim of raising the level of the project's activities.

Results (1999–April, 2012)



Projects supported under the AIN program in fiscal 2011

Project name	Implementing organization	Target group (no. of persons)	Country	Period of support from the Ajinomoto Group
Agriculture for School Lunch Project and Dissemination of Nutrition Education	THE EDUCATION FOR DEVELOPMENT FOUNDATION (EDF)	Teachers and students (1,475)	Thailand	2011–2012
Nutrition Improvement Project through Construction of a Nutrition Education/Meal Service Center and Development of Vegetable Gardens	Peoples' HOPE Japan	Midwives and health-care volunteers (4,050)	Indonesia	2010–2011
Empowering Women through Home Gardening and Home Industry	OISCA International	Women in rural communities (250)	Indonesia	2011–2013
Helping Indigenous Orang Asli Women Improve the Health and Nutrition of Infants and Young Children	Universiti Putra Malaysia (UPM)	Women and local residents (1,000)	Malaysia	2011–2013
School-based Nutritional Intervention to Promote Healthy Eating and Physical Activity to Prevent Non-communicable Chronic Disease in Primary School Pupils	Ho Chi Minh City Nutrition Center	Students (2,500)	Vietnam	2011–2013
Food Education through School Lunches and Organic Vegetable Gardens	LOOB JAPAN	Teachers and students (2,200)	Philippines	2010–2011
Ragi—To Support Indian Farmers and Dalit Children	Team Peace Challenger	Students (680)	India	2011
Promotional Program for Health and Nutrition in Kalimpong	Miyazaki International Volunteer Center	Local residents (5,000)	India	2011–2012
Creating a System for Sustainable School Lunch—A Model for Local People's Participation and Cooperation	Japan Bangladesh Cultural Exchange Association	Students (300)	Bangladesh	2010–2011
“Shokuiku” (Food and Nutrition Education) Program for Improvement of Nutritional Status of Mothers and Infants in Poor Rural Areas	Hunger Free World	Local residents (200)	Bangladesh	2010–2012
Promotion of Healthy Dietary Habits in Populations of High Social Vulnerability—East and South Regions of São Paulo	SALUS ASSOCIACAO PARA ASAUDE NUCLEO SALUS PAULISTA (CREN)	Local residents (300)	Brazil	2011–2012
Project for Network Development and Community Empowerment for Promotion of Good Practices in Nutrition	AMDA-MINDS	Mothers and children (1,840)	Peru	2009–2011
Improving Nutrition Balance via Family Garden to Reduce Anemic Children in Peru	ADRA Japan	Local residents (1,250)	Peru	2011

## Initiatives in individual countries

The Ajinomoto Group is committed to making social contributions all around the world. The Group's AIN Program and other efforts focus on the fields of food and nutrition.

### Thailand

#### Building 50 canteens at 50 schools

In 2010, the Ajinomoto Foundation in Thailand launched a project to build canteens at 50 schools to mark the 50th anniversary of Ajinomoto Co., (Thailand) Ltd. This is an initiative to help make children healthy by building 50 canteens at 50 schools over five years to provide a hygienic dining environment. In the two years from fiscal 2010 to fiscal 2011, 20 school canteens in 13 provinces were completed in partnership with Thailand's Ministry of Education, local boards of education, local governments and NGOs. About 2,100 students are already using the canteens.

The Ajinomoto Foundation plans to build canteens at a further ten schools in fiscal 2012, the third year of the project. Through its support for better diet and health among children, the project is putting into practice the concept on which Ajinomoto Co., (Thailand) Ltd. is based: "Ajinomoto always grows with Thais."



Students enjoying lunch at a newly built canteen



Twenty school canteens in 13 provinces completed by fiscal 2011

I really feel that this program is doing more than just building canteens, and that providing a hygienic and healthy dining environment for children actually contributes to improved quality of life. I feel proud to be a member of the project every time I see the children's happy faces.



Piyawan Unakorn,  
Ajinomoto Foundation in Thailand

#### Main activities of the Ajinomoto Foundation (Established in Thailand in 1976)

- Runs a project to build canteens at 50 schools to mark the 50th anniversary of Ajinomoto Co., (Thailand) Ltd.
- Provides support (scholarships) for students majoring in science, technology and engineering
- Offers assistance for the construction of educational facilities to schools
- Provides support for natural disaster relief and social welfare (600 employee volunteers took part in flood relief in 2011)

### Malaysia

#### Improving nutrition among indigenous people AIN Program

There are concerns about the health of Malaysia's indigenous people (Orang Asli), particularly women and children, due to poverty and lack of knowledge about diet and nutrition. To address this, since 2009 Ajinomoto (Malaysia) Berhad, working through the AIN program, has been supporting a project run by Universiti Putra Malaysia to improve the nutritional status of the Orang Asli. So far, with the cooperation of local governments and authorities, the project has trained Orang Asli women as local community volunteers and improved awareness of health and nutrition issues.

In March 2012, the company renovated two unused vacant houses in the Orang Asli village for the use as centers for provision of information on nutrition and health to the Oran Asli people. Forty employee volunteers took part in this activity. In addition, the employees also donated clothing, toys and books for the community that day.



Employee volunteers help renovate a vacant house.



An Orang Asli child with clothing donated by employees

## Indonesia

### Ajinomoto IPB Nutrition Project to improve nutrition among children

In 2011, PT Ajinomoto Indonesia commenced a three-year project in cooperation with Bogor Agricultural University (Institut Pertanian Bogor or IPB) to provide support for growing children in eating safe and nutritionally sound meals. In fiscal 2011, a basic survey of nutrition among students at the target elementary school found that girls, in particular, had serious vitamin and mineral deficiencies.

In fiscal 2012, the project started providing students, teachers, parents and guardians with information about great-tasting food that is safe and highly nutritious, and then began educational activities on leading a healthy lifestyle. Employees of PT Ajinomoto Indonesia are taking part in lectures for children as volunteers with university staff to assist in the teaching of subjects such as nutrition and hygiene.



Children learn about nutrition and hygiene.

### Cassava High-Yield Cultivation Project

PT Ajinomoto Indonesia and Ajinomoto Co., Inc. ran the Cassava High-Yield Cultivation Project in the Indonesian province of Lampung from 2005. The project aims to improve the livelihoods of cassava farmers and to spread high-yield cultivation techniques for sustainable community development. Cassava is a major food resource in South-east Asia as well as being one of the fermentation raw materials used to make the umami seasoning *AJI-NO-MOTO*<sup>®</sup>. The two firms have worked with the Lampung Bureau of Agriculture and community development specialists to provide working funds for the project, cassava cultivation techniques and community development know-how. As a result, production per unit of land increased 2.5 times over five years, and the incomes of farmers also rose significantly.

The project ended in fiscal 2010. However, another onsite visit was conducted in May 2012 to check on the sustainable effects of the project. The number of members of the farmers' cooperative, known locally as *koperasi*, which stood at about 200 at the end of the project, has increased to 465. The *koperasi* helped farmers to reduce costs through the joint purchase of fertilizer and the joint distribution of harvested cassava, and also provided farmers with up-to-date price information to help them determine the best timing for sales. This confirms that the project resulted in an independent and sustainable system led by local farmers.



Cassava



Members of the *koperasi* farmers' cooperative

### Received CSR Award

PT Ajinomoto Indonesia placed in the top three in the 2nd CSR Award held by Seputar Indonesia National Newspaper, Indonesia's biggest newspaper company. The award is given in appreciation of companies that are involved in socially and environmentally conscious activities. PT Ajinomoto Indonesia was highly rated for such initiatives as its Ajinomoto IPB Nutrition Project and the plant Zero Emission Project.



At the awards



CSR Award plaque

## Vietnam

### School Meal Project

In fiscal 2012, Ajinomoto Vietnam Co., Ltd. began a five-year School Meal Project, starting in Ho Chi Minh City. The project aims to make school meals available throughout Vietnam by 2016 in partnership with Vietnam's Ministry of Education and Training. Among the challenges in Vietnam, there are some regions where school meals are not provided. Even at primary boarding schools in urban areas where school meals are provided, it is difficult to develop a variety of menus that are suitable for the age of the students and meet the monthly fees for school meals. There also is an issue with lack of adequate information about nutrition and importance of daily food intake among students.

The project develops school meal menus and nutrition education tools for students and will also provide school meal facilities and canteens, using Japan as a model, aiming to improve the diet and nutrition of students by increasing the provision of school meals and enhancing their content. As a preparation for launching the project, nutrition and health education seminars were held in fiscal 2011 to train school meal supervisors, chefs, teachers, and students' parents.



Students try menus developed by the project members.

### Establishment of endowed training course for Vietnam's first dietitians and nutritionists

In August 2012, Ajinomoto Co., Inc. concluded an agreement with Vietnam's Hanoi Medical University and the National Institute of Nutrition to endow a training course<sup>1</sup> at Hanoi Medical University for the purpose of training dietitians and nutritionists such as nutritional researchers in Vietnam.

Formerly, with no national training programs, Vietnam had no qualification system for dietitians and therefore lacked these professionals. Under this endowment agreement, Ajinomoto Co., Inc. donated funds to support training courses which begun in October 2012. Going forward, the training course will support the establishment of a nutrition department offering a four-year bachelors degree in dietetic science and nutrition at Hanoi Medical University. In September 2013, the dietetic science and nutrition bachelor course with a four-year course of study will start to enroll the first students at Hanoi Medical University with the aim of producing about 40 dietitians annually.

This will result in a national qualification system with an educational framework to help develop professional dietitians in areas such as hospital nutrition management and school meal programs.



The signing ceremony

<sup>1</sup> Ajinomoto Co., Inc. has worked with the Vietnam National Institute of Nutrition and the Japan Dietetic Association on preparations for the commencement of the endowed courses.

## China

### Recovery support for earthquake-stricken mountain village in Sichuan Province

In response to the Great Sichuan Earthquake that struck in May 2008, group companies in China joined with the NGO Grassroots Community to provide recovery support for an earthquake-stricken mountain village called Longchi in 2009. Entering its third year in 2011, the multifaceted project encompasses economic, cultural, and educational activities. It has helped local residents to get back on their feet, while also attracting support from volunteer student groups from universities in Sichuan Province.

A total of 17 employees of group companies in China have participated in local volunteer programs during their extended leave. Each year the area has seen major upheaval, such as additional damage in the stricken area caused by mudslides and victims having to move from temporary to permanent housing. To ensure economic recovery, local residents started growing tea and kiwi, and recently added embroidered craft production to their activities. The project officially ended in 2011, but group companies will continue to provide support through the Grassroots Community organization.



Employee volunteers plant trees.

## India

### ■ Educating on health and nutrition in mountain villages AIN Program

In fiscal 2011, the AIN Program initiated support for a health and nutrition project designed to educate people in rural communities along the steep slopes of the mountainous area of West Bengal, where elevations are as high as 2,000 meters.

Leaders from 12 villages (a total of 48 people) were selected to take part in training aimed at helping residents cultivate healthy dietary lifestyles on their own. In addition, 650 residents of these villages participated in nutritional training at clinics and activities, learning about nutritional meals made from vegetables and grains grown in family gardens. Working with local self-help organizations, the project also developed training programs and textbooks on nutrition to raise awareness among residents about nutritional balance and health. The AIN Program will continue to support these activities in fiscal 2012.



Village residents listen to a talk on nutrition. (Photo courtesy of the Miyazaki International Volunteer Center)

## Bangladesh

### ■ Building a system for sustainable school lunch—a model of citizen participation and cooperation AIN Program

The AIN Program supported this project, which promoted school lunches throughout Bangladesh for two years starting in 2010.

Factors such as poverty and the lack of a broad-based system for providing school lunches make malnutrition among children a major issue in Bangladesh. To address this problem, the project worked with local government offices in a particular rural area of the country to set up a model program to provide nutritionally balanced school lunches, hold seminars on nutrition for teachers and parents, develop a food bank system for a continuous supply of food from donations by local residents, and create school gardens at two local elementary schools (300 students). The project boosted attendance among students, and at the same time, reduced the number of malnourished students by about 80%.

The project came to a close in fiscal 2011, but the activities remain in place with the ultimate goal of introducing school lunches throughout Bangladesh.



Children enjoying school lunches (Photo courtesy of the Japan Bangladesh Cultural Exchange Association)

## France

### ■ Seminars on Japanese cuisine spotlight Japanese food culture

Since 2007, Ajinomoto Europe S.A.S. has regularly held seminars on Japanese cuisine designed to showcase Japanese food culture at Maison de la Culture du Japon à Paris, the largest Japanese cultural institute in Europe.

When the institute first installed kitchen equipment for the purpose of bringing authentic Japanese food culture to the people of France, itself a proud culinary culture, certain imitation Japanese foods were becoming popular in the country. Ajinomoto Europe S.A.S. held its first event in 2007 to present the basic concepts and techniques of authentic Japanese cuisine. Since then, the company has held more than 20 seminars and demonstrations on key points of the cultural background of the Japanese diet, ways of using *dashi* and Japanese seasonings, and cooking methods that bring out the umami of Japanese ingredients.

These seminars and demonstrations are attended by a broad spectrum of people—from beginners interested in Japan to professional French chefs who wish to bring Japanese culinary skills to their French cuisine. The events provide a venue for Japanese-French cultural exchange through the world of food.



Demonstration at the seminar

## Brazil

### ■ Nutrition Education Project for children and young people

In fiscal 2011, INSTITUTO AJINOMOTO in Brazil began a Nutrition Education Project in partnership with the local NGO Aldejas Infantis S.O.S. The project provides support for people who are involved with nutrition education and activities related to diet and nutrition aimed at improving quality of life for about 700 children and young people aged from 0 to 17.

In fiscal 2011, lectures and workshops were held for people involved in food preparation such as cooks, nurses, social workers and volunteers, economical recipes that use ingredients without waste were developed, and kitchen equipment, ingredients, and medical scales were provided. In fiscal 2012, the project is reviewing changes in the health and nutrition status of the participating children and young people in order to evaluate the nutritional effect of the recipes that had been developed.



Participants in lectures and workshops on nutrition

The project took advantage of the expertise and resources of the Ajinomoto Group to inform local people about the importance of nutrition, and I feel that it has been extremely worthwhile. I would like to work with a variety of partners involved with diet and nutrition in the future to help improve quality of life for many people.

**Evelyn Tribuci**

Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.



#### Main activities of INSTITUTO AJINOMOTO (Established in Brazil in 1989)

- Operates Nutrition Education Project in partnership with NGO
- Implements activities to contribute to the local community (Provides support for establishment of facilities related to food and health; donates school supplies to public schools)
- Provides support (scholarships) for students majoring in food chemistry and dietetics
- Provides support for disaster relief and rehabilitation

## Peru

### ■ Improving the nutrition of residents of fishing villages using local seafood AIN Program

Ajinomoto del Perú S.A. supported a project to improve the nutrition of residents of Supe Puerto district by evaluating and reintroducing locally available food. The project, operated by the Environmental Sustainability Center of Cayetano Heredia University, was supported for one year starting in April 2011.

The project aimed to improve the diet and nutrition of fishing village residents in Supe Puerto district, an under-resourced area. It provided education on nutrition and cooking lessons enabling women to prepare meals focused on promoting the uptake of local seafood, particularly anchovies, which are cheap and packed with nutrients. Ajinomoto del Perú S.A. cooperated in activities such as the production of a recipe book that uses seafood and seasonal ingredients based on recipes from local residents. The recipe book included photos of dishes prepared by well-known Peruvian chefs.

The mayor of Supe Puerto stated, "This project has been extremely significant, since different social institutions like a private company, a university, and the community were able to work in partnership to improve health."



Local women take part in nutrition workshop.



Top chefs from Japan and Peru participate in the Umami Charity Dinner.

### ■ Umami Charity Dinner

In December 2011, Ajinomoto del Perú S.A. and the Umami Information Center hosted the Umami Charity Dinner at Lima's United Nations House, with the support of the FUNDACION AJINOMOTO PARA EL DESARROLLO DE LA COMUNIDAD. The event featured Peru's top chefs along with Nobuyuki Matsuhisa, and Yoshihiro Murata, chef and owner of Kikunoi, a traditional Japanese restaurant in Kyoto.

About US\$29,000 was collected from over 250 participants and donated to the United Nations World Food Programme to support a nutrition and education project in a rural area which aims to prevent malnutrition in children by promoting use of locally available food.

#### Main activities of FUNDACIÓN AJINOMOTO PARA EL DESARROLLO DE LA COMUNIDAD (Established in Peru in 2003)

- Hosts Umami Charity Dinner
- Holds Health and Nutrition workshops and lectures (172 symposiums in fiscal 2011, with approx 3,800 participants in total)
- Provides economic support (scholarships) for students majoring in dietetics
- Promotes and supports social welfare activities

## Japan

### Table for Two + Tohoku: Supporting Great East Japan Earthquake recovery efforts

A social contribution project originating in Japan, the Table for Two program provides school lunches to children in developing countries by donating 20 yen, the cost of a school lunch in these countries, for each healthy meal served at cafeterias.

The Ajinomoto Co., Inc. Head Office and the Kawasaki Administration & Coordination Office have adopted the Table for Two + Tohoku program at their cafeterias, which directs 10 yen of each 20-yen donation to food assistance for three earthquake-stricken Tohoku prefectures. In fiscal 2011, the program raised 347,020 yen by serving 17,351 meals. Ajinomoto Co., Inc. is committed to developing similar programs at other offices and group companies in the future.



Table for Two poster at Ajinomoto Co., Inc. Head Office

### School Tour of Education on Eating

Since 2006, Ajinomoto Co., Inc. has organized the School Tour of Education on Eating to get children more interested in food and teach them more about Japanese cuisine, the traditional uses of *dashi*, and the excellence of umami. The tour involves visits to elementary schools by company employees who give students lessons on delicious taste, the secrets of flavor, and the importance of *dashi* and umami in Japanese food, as well as firsthand experience making dried bonito shavings.

In fiscal 2011, the school tour included 381 visits to schools across Japan, with some 10,400 students participating. The program now has 1,000 employees, including executives, enrolled as lecturers. Ajinomoto Co., Inc. plans to continue the program to enable even more children to discover the wonders of *dashi* and umami and the joy of good food.



Children learn how to make dried bonito shavings.

## Foundation initiatives

### Ajinomoto Foundation for Dietary Culture Established in Japan in 1989

#### Main activities

- Operates the Dietary Culture Library
- Plans and runs food culture forums
- Holds public symposiums and public lectures
- Publishes and distributes *vesta*®, a magazine on food culture, and other materials
- Collects information, and exhibits material related to food culture

The Ajinomoto Foundation for Dietary Culture focuses on activities that enhance understanding of food culture. It aims to enrich food culture by supporting academic research into food and publicizing the results.

In fiscal 2011, the foundation published issues 82 through 85 of the food culture magazine, *vesta*®. It also held the Food Culture Exhibition featuring the theme, “Sumo and Food.” Exploring food culture from the perspective of sumo wrestling, this unique exhibit attracted 3,000 viewers over the three-month period of the exhibition. The foundation also holds regular public symposiums that encourage discussions on food culture with the general public.



*vesta*® issue 85  
(February 2012  
issue)

“What Will We Eat in the Future?” lecture at the 2011 Food Culture Symposium (November 2011)



### Ajinomoto Scholarship Foundation Established in 2005 (Forerunner Suzuki Scholarship Foundation established in 1957)

#### Main activities

- Provides educational support
  - Awards scholarships to international students from ASEAN and other countries to study in Japan
  - Grants scholarships and student loans

Among its other social contributions, the Ajinomoto Group seeks to support the development of global human resources. One element of this effort is the Ajinomoto Scholarship Foundation, which has been granting scholarships to international students from ASEAN countries since 2010.

The scholarship program grants funds for a total of three years of study (one year as a research student and two years as a master’s student) at the University of Tokyo Graduate School of Science to students from five ASEAN countries. These countries—Indonesia, Malaysia, the Philippines, Thailand, and Vietnam—are seeing remarkable growth, and the region as a whole is important to the Ajinomoto Group’s business outside Japan. In April 2012, a total of five students—one from each of these countries—enrolled at the University of Tokyo with scholarships from the foundation, now in its third year.



Welcoming new scholarship students in 2012

# Additional Sustainability Information

The sustainability initiatives of the Ajinomoto Group are presented in a variety of formats, aside from this report. Visit these websites to discover a wealth of additional information.

## Corporate social responsibility



This website provides detailed information on the many ways the Ajinomoto Group is helping to realize a sustainable future for people and the earth.

Link <http://www.ajinomoto.com/en/activity/csr/>

## Ajinomoto Movie Channel



Watch video clips on the corporate activities of the Ajinomoto Group, the science of amino acids, and other information.

Link <http://www.ajinomoto.com/features/movie/>

## Ajinomoto Group's activities for sustainability



Easy-to-understand information on the Group's activities relating to food and its initiatives for fostering ecosystems and minimizing waste while utilizing the bounty of nature.

Link <http://www.ajinomoto.com/en/activity/sustainability/>

## Advertising



A gallery of the Ajinomoto Group's ads featuring various messages concerning eating, food education, and environmental activities.

Link <http://www.ajinomoto.co.jp/kfb/cm/> (Japanese only)

## Environmental conservation



Reports and other information on the various initiatives of the Group designed to help resolve global environmental issues.

Link <http://www.ajinomoto.com/en/activity/environment/>

## Eco-lifestyles starting with the everyday dining table



"Eco-Uma" Recipes and other tips to help consumers adopt green lifestyles starting at home with the dining table.

Link <http://www.ajinomoto.com/jp/activity/environment/eco/index.html> (Japanese only)

## Corporate citizenship activities



A website featuring the Group's corporate citizenship activities that contribute to "food, health, and life" around the world.

Link <http://www.ajinomoto.com/en/activity/citizenship/>

## Quality assurance initiatives



Detailed information on initiatives for product quality assurance that give top priority to consumer safety.

Link <http://www.ajinomoto.com/en/activity/csr/customer/>

## Research and development initiatives



This site presents information on the Ajinomoto Group's R&D strategy and organizational structure, as well as its research fields.

Link <http://www.ajinomoto.com/en/rd/>

## Customer Service Center

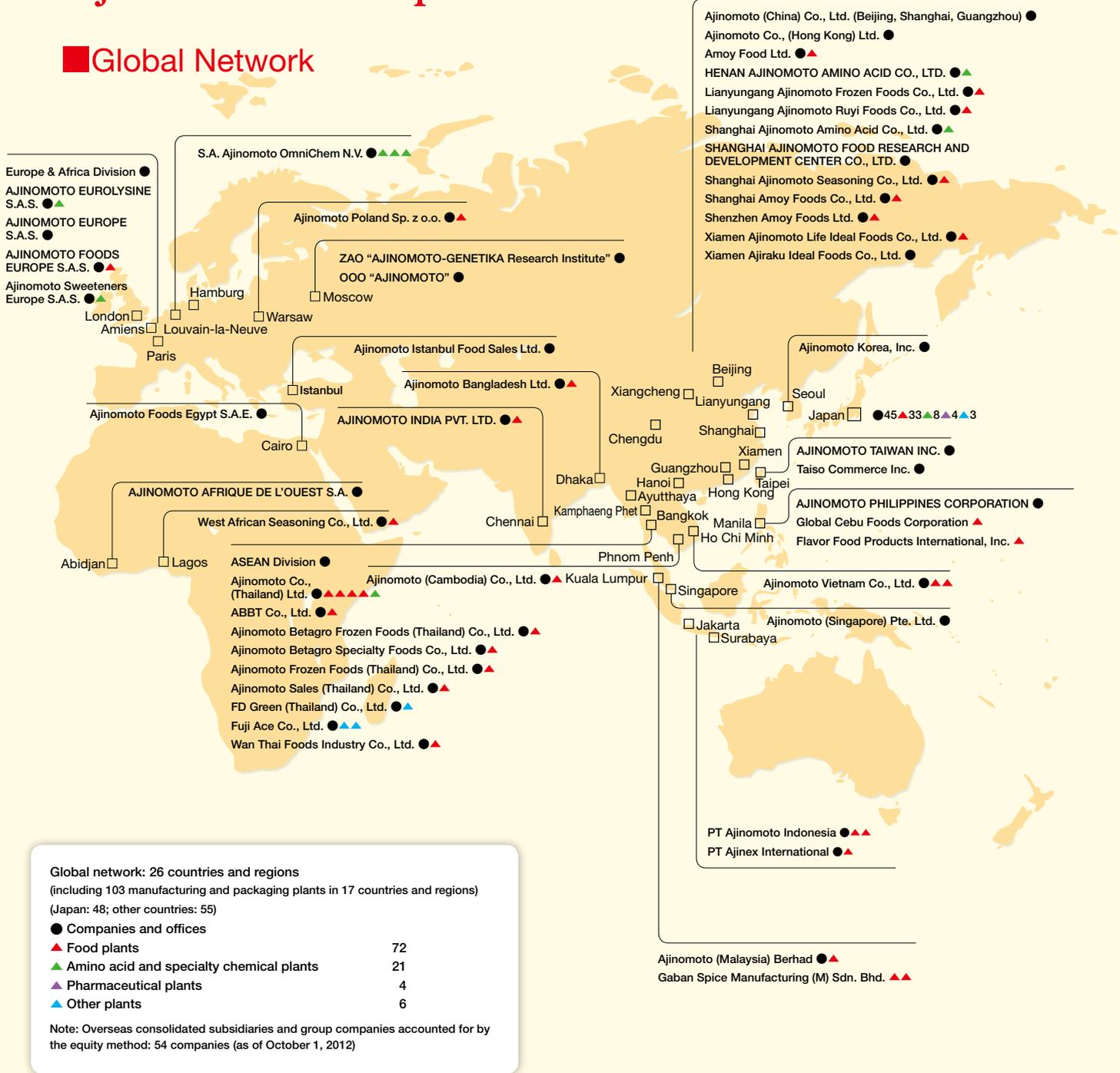


Answers to commonly asked questions, and customer contact information.

Link <http://www.ajinomoto.co.jp/question/okyakusama/> (Japanese only)

# Ajinomoto Group at a Glance

## Global Network



## Company profile

- Company name — Ajinomoto Co., Inc.
- Head office — 15-1, Kyobashi 1-chome, Chuo-ku, Tokyo 104-8315, Japan
- Tel — +81-3-5250-8111
- URL — <http://www.ajinomoto.com/en/>
- Foundation — May 20, 1909
- Establishment — December 17, 1925
- Paid-in capital — 79,863 million yen (as of March 31, 2012)
- Number of employees — 3,300 (non-consolidated), 28,245 (consolidated) (as of March 31, 2012)
- Fiscal year-end — March 31

## Business segments

- Food products sold in Japan** — AJI-NO-MOTO®, HON-DASHI®, Cook Do®, soups, mayonnaise and mayonnaise-type dressings, frozen foods, beverages, etc.
- Food products sold outside Japan** — AJI-NO-MOTO®, flavor seasonings, soups, instant noodles, beverages, umami seasonings for processed food manufacturers, nucleotides, etc.
- Bioscience products & fine chemicals** — Aspartame, PAL SWEET®, specialty chemicals, amino acids for feed-use, pharmaceutical-use, food-use, etc.
- Pharmaceuticals** — Pharmaceuticals, medical foods
- Business tie-ups** — Edible oils, coffee products
- Others** — amino VITAL®, distribution, various services, etc.

## Network in Japan

- North America Division ●
- Ajinomoto Frozen Foods U.S.A., Inc. ●▲
  - Ajinomoto Heartland, Inc. ●▲
  - Ajinomoto North America, Inc. ●▲▲
  - Amoy North America, Inc. ●

Portland □ Eddyville □ Chicago □ New Jersey □  
Los Angeles □ Raleigh □

Mexico City □  
Ajinomoto de México, S. de R.L. de C.V. ●

Ajinomoto del Perú S.A. ●▲

- Latin America Division ●
- Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda. ●▲▲▲▲
  - Nissin-Ajinomoto Alimentos Ltda. ●▲

Lima □

São Paulo □



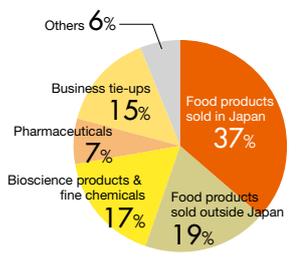
- Tokyo
- Tokyo Branch
  - National Account Sales Dept.
  - Ajinomoto Animal Nutrition Group, Inc.
  - AJINOMOTO BAKERY CO., LTD.
  - Ajinomoto Communications, Inc.
  - Ajinomoto Engineering Corporation
  - Ajinomoto Frozen Foods Co., Inc.
  - Ajinomoto General Foods, Inc.
  - AJINOMOTO HEALTHY SUPPLY CO., INC.
  - AJINOMOTO LOGISTICS CORPORATION
  - AJINOMOTO PHARMACEUTICALS CO., LTD.
  - Ajinomoto Trading, Inc.
  - Ajinomoto Treasury Management, Inc.
  - GABAN Co., Ltd.
  - JINO Co., Inc.
  - J-OIL MILLS, INC.
  - Kawaken Fine Chemicals Co., Ltd.

- Kawasaki
- Kawasaki Administration & Coordination Office
  - Ajinomoto Fine-Techno Co., Inc.
  - Ajinomoto Packaging Co., Inc.
  - Knorr Foods Co., Ltd.

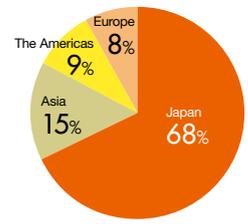
- Ajinomoto Co., Inc.
- Head Office
  - Branch offices
  - Regional branch offices & other sales facilities
  - Administration, coordination office & plants

■ Group companies

### Net sales by business

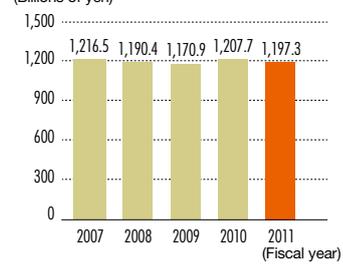


### Net sales by region

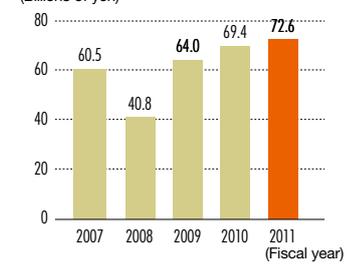


### Consolidated financial highlights

#### Net sales



#### Operating income





# AJINOMOTO®

**Inquiries: CSR Department, Ajinomoto Co., Inc.**

Address: 15-1, Kyobashi 1-chome, Chuo-ku, Tokyo 104-8315, Japan

Tel: +81-3-5250-8165 Fax: +81-3-5250-8314

E-mail: [csr\\_info@ajinomoto.com](mailto:csr_info@ajinomoto.com)

URL: <http://www.ajinomoto.com/en/activity/csr/>

**Inquiries related to environmental activities:**

**Environment & Safety Department, Ajinomoto Co., Inc.**

Tel: +81-3-5250-8169 Fax: +81-3-5250-8943

E-mail: [en\\_soshiki@ajinomoto.com](mailto:en_soshiki@ajinomoto.com)

URL: <http://www.ajinomoto.com/en/activity/environment/>

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This report is printed on Forest Stewardship Council™ (FSC™) certified paper, which is made from trees grown in responsibly managed forests.



Vegetable-based ink derived from vegetable oil and non-VOC ink were used in the printing of this publication, in order to reduce the emissions of volatile organic compounds (VOCs), a cause of air pollution.