

PRESS RELEASE

Ajinomoto Co., Inc.
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The Ajinomoto Group Enters into its First ESG Finance Agreement in Malaysia

AJINOMOTO (MALAYSIA) BERHAD Carries Out Capital Procurement Through “Sustainability-Linked Finance”

TOKYO, December 15, 2020 – Ajinomoto Co., Inc. (“Ajinomoto Co.”) has decided that its consolidated subsidiary AJINOMOTO (MALAYSIA) BERHAD (“AMB”) will employ an ESG finance scheme with preferential contract terms according to the degree of achievement of a preset environmental target. The terms will be applied for a portion of AMB’s capital procurement in connection with its relocation and construction of a new plant. The scheme, a type of ESG finance called a sustainability-linked finance (“SLF”), is being provided by MUFG Bank (Malaysia) Berhad (“MUFG Bank (Malaysia)”), a Malaysian subsidiary of Mitsubishi UFJ Financial Group, Inc. The contract for MYR 100 million (approximately JPY 2.5 billion¹) was executed today, making AMB the first company in the Ajinomoto Group to enter into an ESG finance agreement.

1. MYR 1 = JPY 25.54 (exchange rate as of November 30, 2020)

Since the adoption of the Sustainable Development Goals (SDGs) at the United Nations Sustainable Development Summit in September 2015, interest has been growing in ESG investment as a contribution by companies toward achieving the SDGs.² ESG investment takes into account non-financial indicators such as the environment (E), society (S) and governance (G) in corporate decision-making on investments. In addition, as an initiative for the sustainability of society and the Earth in its FY2020-2025 Medium-Term Management Plan, the Ajinomoto Group has set targets for reducing financial risks by reducing greenhouse gas emissions 30% by fiscal 2025 and 50% by fiscal 2030, both compared with fiscal 2018.

2. As of August 2020, the worldwide balance of ESG-integrated investment assets under management (AUM) was USD 103.4 trillion and 3,332 companies were signatories to the Principles for Responsible Investment (PRI), which advocate incorporating ESG issues into the investment analysis and decision-making process. Both these figures have roughly doubled since 2015. (Source for AUM balance and number of signatories: PRI)

With this background, Ajinomoto Co. consented to AMB entering into the ESG finance scheme of MUFG Bank (Malaysia) as a way to show AMB’s commitment to achieving environmental targets as well as to facilitate the progress of the company’s planned relocation and new plant construction. To qualify for the SLF, AMB aims to meet the fiscal 2025 environmental target set by the Ajinomoto Group for greenhouse gas emissions reduction. Another condition of the SLF is to maintain an ESG Index³ recognized by Bursa Malaysia, the stock exchange where AMB is listed. Compliance with these conditions will be evaluated annually by MUFG Bank (Malaysia), which will provide preferential contract terms dependent on the results.

3. Complies with the standards for selection as a constituent stock set by FTSE Russell, a subsidiary of the London Stock Exchange Group.

In its FY2020-2025 Medium-Term Management Plan, the Ajinomoto Group has set forth a roadmap for transformation into a business structure that enables sustainable growth. Through an aggressive rollout of business to neighboring countries centered on Malaysia and the ASEAN countries, the Ajinomoto Group aims to make a greater contribution to market growth, driven by emerging economies, and to achieve the organic growth that will underpin this roadmap.

Reference

Overview of AJINOMOTO (MALAYSIA) BERHAD

- (1) Location: Kuala Lumpur, Malaysia
- (2) Establishment: 1961
- (3) Representative: Tomoharu Abe, Managing Director/Chief Executive Officer
- (4) Sales: MYR 462 million (approximately JPY 11.6 billion) (Fiscal 2019)
- (5) Number of employees: Approximately 600 (as of June 2020)
- (6) Business description: Manufacture and sale of seasonings (umami seasoning *AJI-NO-MOTO*[®], flavor seasoning *TUMIX*[®]) and other products
- (7) Capital: Approximately MYR 65 million (approximately JPY 1.6 billion)

Press release dated August 19, 2019

Ajinomoto Co., Inc to Build a New Plant at AJINOMOTO (MALAYSIA) BERHAD

https://www.ajinomoto.com/cms_wp_ajmnt_global/wp-content/uploads/pdf/g2019_08_19.pdf

Overview of MUFG Bank (Malaysia) Berhad

- (1) Location: Level 9 & 10, Menara IMC, No. 8 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
- (2) Establishment: 1957
- (3) Representative: Fumio Takamatsu, CEO/President and Executive Director
- (4) Operating revenue: MYR 450 million (approximately JPY 11.5 billion) (Fiscal 2018)
- (5) Number of employees: 419 (as of March 31, 2020)
- (6) Business description: Provision of financial services to corporations and individuals
- (7) Capital: MYR 200 million (approximately JPY 5.1 billion)

The Ajinomoto Group, using the power of amino acids, aims to provide food and health-related solutions that improve dietary habits and support aging populations, and create greater wellness for people all around the world.

Based on the corporate message "Eat Well, Live Well.", we have been scientifically pursuing the possibilities of amino acids to aim for future growth by creating new value through sustainable and innovative solutions for communities and society.

The Ajinomoto Group has offices in 35 countries and regions, and sells products in more than 130 countries and regions. In fiscal 2019, sales were 1.1000 trillion yen (10.1 billion U.S. dollars). To learn more, visit www.ajinomoto.com.

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