

Ajinomoto to Issue Group's First SDG Bonds

Funding Use Linked to ESG, Clarification of Efforts to Resolve Food and Health Issues

TOKYO, September 28, 2021 -- Ajinomoto Co., Inc. ("Ajinomoto Co.") has formulated a sustainable finance^{*1} framework based on the four core components set out in the Green Bond Principles and Social Bond Principles of the International Capital Market Association (ICMA), namely (1) Use of Proceeds, (2) Process for Project Selection and Evaluation, (3) Management of Proceeds, and (4) Reporting. Based on this framework, we plan to issue sustainability bonds (unsecured straight bonds) as the Ajinomoto Group's first Sustainable Development Goals (SDG) Bonds in October in a public offering format in the Japanese domestic market, with an amended shelf registration statement for this issue submitted today to the Kanto Local Finance Bureau.

Our 2020-2025 Medium-Term Management Plan (MTP) identifies the key principle of focusing all our management resources on resolving food and health issues as laid out in our vision for 2030. In accordance with that principle, we believe that reading the business environment surrounding our Group and working to resolve social challenges in response to changes occurring in that environment will help to boost our corporate value.

The proceeds raised from our SDG Bonds will be allocated to projects designed to realize two outcomes contributing to the resolution of food and health issues, namely helping extend the healthy life expectancy of one billion people and reducing our environmental impact by 50%. We believe that the framework formulated for our SDG Bonds aligns with the significance of engaging in sustainable finance and will have a positive impact on society. Issuing these sustainability bonds as noted below will further accelerate our efforts to realize a sustainable society.

Overview of Sustainability Bonds

Issuer	Ajinomoto Co., Inc.
Issue period	7 years (planned)
Issuance amount	JPY10 billion (planned)
Time of issuance	Around October this year (planned)
Lead managing securities companies	Mizuho Securities Co., Ltd., Nomura Securities Co., Ltd., and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Structuring agent ^{*2}	Mizuho Securities Co., Ltd.

List of Target and Eligible Projects

Eligible projects	Project overview
Acquisition of shares in Nualtra Ltd. (Ireland)	<ul style="list-style-type: none"> ● Funding for the acquisition of shares in Nualtra Ltd. (Ireland), a company that develops oral nutrition supplement (ONS) products—a high-energy, high-protein medical food—and sells them in the United Kingdom and Ireland. ● Contribute to improving user QOL by solving the issues (taste, variety, etc.) of ONS products by applying to Nualtra’s the “deliciousness design technologies” and application technologies cultivated in our Food and AminoScience Businesses, as well as knowledge related to the physiological functions of amino acids. ● Utilize our network to spread ONS products worldwide.
Introduction of biomass cogeneration facilities at the Kamphaeng Phet Plant of AJINOMOTO CO., (THAILAND) LTD.	<ul style="list-style-type: none"> ● Introduce cogeneration facilities using rice husks as biomass fuel to reduce electricity and steam energy. ● We recognize that curbing increase in CO2 emissions in Southeast Asia, where economic growth has been particularly rapid and where business growth is expected to continue, is a key issue for our Group. Reduce environmental impact by making effective use of the huge volume of rice husks generated at rice milling plants in Thailand.
Investment in Tsubame BHB Co., Ltd. (on-site ammonia production technology R&D)	<ul style="list-style-type: none"> ● We and Professor Hideo Hosono of the Tokyo Institute of Technology and Universal Materials Incubator Co., Ltd. established Tsubame BHB Co., Ltd., the first company in the world to commercialize in-house ammonia production technologies. ● We have invested a total of JPY700 million in this company, including approx. JPY200 million at the time of establishment in 2017 and approx. JPY500 million at the time of capital increase in 2019. ● Reduce transportation-related CO2 by producing ammonia on-site.

Please refer to the second opinion published by third-party organization^{*3} Rating and Investment Information, Inc. (<https://www.r-i.co.jp/en/rating/esg/sustainabilityfinance/index.html>).

Reference

Ajinomoto Co., Inc. Sustainable Finance Framework

http://www.ajinomoto.co.jp/company/jp/top/pdf/2021_09_28en.pdf

*1 Sustainable finance comprises financing that has both social and green aspects, using the proceeds to help resolve social issues and to improve the environment.

*2 A structuring agent is a party who assists in the implementation of sustainable finance through, among other things, the formulation of a sustainable finance framework and advice on obtaining a second opinion.

*3 The third-party organization checks compliance with the four core components set out in the ICMA’s Green Bond Principles and Social Bond Principles, which are (1) Use of Proceeds, (2) Process for Project Selection and Evaluation, (3) Management of Proceeds, and (4) Reporting.

As food and health professionals, we are committed to creating value that consistently stays one jump ahead. Through our business activities, we will use the value which we are uniquely positioned to create to help resolve social issues.

Reference

Press Release dated December 15, 2020:

“The Ajinomoto Group Enters into its First ESG Finance Agreement in Malaysia”

https://www.ajinomoto.com/cms_wp_ajmnt_global/wp-content/uploads/pdf/2020_12_15.pdf

Press Release dated December 21, 2020:

“Ajinomoto Co., Inc. Makes a Supplements Company in Ireland a Wholly Owned Subsidiary”

https://www.ajinomoto.com/cms_wp_ajmnt_global/wp-content/uploads/pdf/Ajinomoto-Co.-Inc.-Makes-a-Supplements-Company-in-Ireland-a-Wholly-Owned-Subsidiary-2.pdf

Press Release date April 27, 2017:

“Ajinomoto Co., Inc., UMI, and Tokyo Institute of Technology Professors Establish a New Company to Commercialize the World’s First On-site Ammonia Production”

https://www.ajinomoto.co.jp/company/jp/presscenter/press/detail/2017_04_27_02.html [Japanese only]

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

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 2020, sales were JPY 1.0714 trillion (USD 10.1 billion). To learn more, visit www.ajinomoto.com.

For further information, please contact: [HERE](#)