Notes: 1. This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
2. Pictures, graphs and reference matters in the Japanese original have been omitted from this translated document.
3. The date and time referred in this document is based on Japan Standard Time.

Stock Code: 2802

NOTICE OF CONVOCATION OF THE 143rd ORDINARY GENERAL MEETING OF SHAREHOLDERS

1. **Date: 10 a.m. (doors open at 9:00 a.m.), Wednesday, June 23, 2021**

2. **Place: Imperial Hotel Tokyo (Peacock Room, 2nd floor, main building)**
1-1, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo
* For the purpose of social distancing, seats inside the venue will be arranged with sufficient spacing, and depending on the level of congestion, attendees may be restricted from entering the secondary venue.

3. **Agenda of the Meeting:**

Matters to be Reported:

1. Report on contents of the Business Report, Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit & Supervisory Board on the Consolidated Financial Statements, for the 143rd Fiscal Year (from April 1, 2020 to March 31, 2021)

2. Report on contents of Non-Consolidated Financial Statements for the 143rd Fiscal Year (from April 1, 2020 to March 31, 2021)

Matters to be Resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Partial Changes to the Articles of Incorporation
Proposal 3: Election of 11 Directors

4. **Exercising Your Voting Rights When You are Unable to Attend the Meeting:**
If you are unable to attend the meeting, you may exercise your voting rights in writing (by the Exercise of Voting Rights Form) or by an electronic method (via Internet). In such case, please refer to the attached "Reference Documents for Shareholders' Meeting" and exercise your voting rights by 4:30 p.m., Tuesday June 22, 2021.

-If any changes are required in the Reference Documents for Shareholders' Meeting, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements, the changes will be immediately posted on the Company's website, located at: https://www.ajinomoto.com/jp/ir/event/meeting.html.

Our response to COVID-19
To prevent the spread of the novel coronavirus (COVID-19), we ask that you refrain from attending the Meeting this year and instead vote by mail or via the Internet.
Shareholders attending the Meeting are kindly requested to wear a mask and take measures to protect themselves and others from infection. Shareholders who have been in Japan for less than 14 days after returning from abroad or entering Japan are requested not to attend the meeting.
Our officers and staff at the Meeting venue will have checked their own physical condition and will wear masks.
As a further step to prevent the spread of infection, we will conduct temperature measurements and hand sterilization for the shareholders attending the Meeting. Shareholders who appear to be unwell may be requested by our staff to refrain from joining the Meeting. In addition, the proceedings of this Meeting will be shortened to help prevent the potential spread of infection.
We ask for your understanding and cooperation. If there is a major change in the holding of the General Meeting of Shareholders due to future circumstances, we will inform you via the website below.
https://www.ajinomoto.co.jp/company/jp/ir/event/meeting.html

Exercising Your Voting Rights:

-To vote in writing:

Please indicate on the enclosed Voting Form, your votes for or against the proposals, and return the Form. In the event that your votes, for or against the proposals are not indicated on the Form for each of the proposals, your votes will be deemed as in favor of the proposals.

Deadline for voting: delivery no later than 4:30 p.m., Tuesday, June 22, 2021

-To vote via internet:

Please refer to "Exercising Your Voting Rights Via Internet" (below) and cast your votes for or against the proposals.

Deadline for voting: no later than 4:30 p.m., Tuesday, June 22, 2021

-How to fill out the Voting Form:

Please indicate your votes for or against each proposal.
(If for or against a proposal is not indicated on the Voting Form, the votes will be deemed as in favor of the proposal.)

Proposal 1 and Proposal 2:

-For: Mark a circle in the box marked "賛".
-Against: Mark a circle in the box marked "否".

Proposal 3:

-For all candidates: Mark a circle in the box marked "賛".
-Against all candidates: Mark a circle in the box marked "否".
-Against some candidates: Mark a circle in the box marked "賛" and write the number of each candidate you wish to vote against.

Exercising Your Voting Rights Via Internet:

Voting Via Internet is available only in Japanese.

If you wish to exercise your voting rights via Internet, please refer to the following information before exercising your voting rights.

(1) By Scanning the QR Code
(Note: the following method of exercising voting rights is limited to a single use.)

1. Scan the QR Code
   Scan the "Login QR Code" on the bottom right of the Voting Form with your smartphone.
2. Indicate whether you are for or against proposals by following the instructions on the screen.

(2) By Entering your Login ID and Temporary Password

1. Please access the voting rights exercise website (https://evote.tr.mufg.jp/).
2. Enter the "Login ID" and "Temporary Password" on the bottom right of the Voting Form.
3. Enter both the "New Password" and "New Password (Confirmation)" fields.
4. Please indicate your votes for or against the proposals by following the instructions on the screen.
   * Deadline for exercising voting rights via Internet: no later than 4:30 p.m., Tuesday, June 22, 2021
   Please be informed that the website will not be accessible from 2:00 a.m. through 5:00 a.m., every day.
5. In the event that a voting right is exercised both by Voting Form and via internet, only the vote via internet shall be deemed as valid.
6. In the event that a voting right is exercised more than once via internet, only the last vote shall be deemed as valid.

Looking back on FY2020 and toward our pursuit of the Ajinomoto Group vision

To Our Shareholders

On behalf of the Ajinomoto Group, I would like to express our deepest sympathies to families and people who have been affected by the novel coronavirus disease (COVID-19) and those who have passed away.

COVID-19 global pandemic has serious implications for economies, societies and for our personal lifestyles and values. The outlook remains uncertain. While the entire world is facing new challenges due to this coronavirus calamity, new lifestyles and approaches are emerging that will allow us to adapt to the new environment and explore new possibilities. Even in this "new normal" environment, the Ajinomoto Group will continue to play a familiar role in our customers' lives through the information we provide that is useful in everyday living and the food products that we offer, as we strive to support a bright future.

Looking back on FY2020

Since January 2020 the COVID-19 pandemic has had a significant impact on the Ajinomoto Group as well as on people around the world. Thanks to the efforts of medical professionals and our partners all over the world, we could continue to deliver products and services for our customers without interruption, even under the harsh business environment, transforming ourselves into a "solution-providing company for food and health issues."

As a result, although sales in FY2020 generally increased for home-use Seasonings and Foods and Frozen Foods due to growing demand for home-cooked meals in our food business, sales of products for restaurant and industrial use declined due to restrictions on going out and other activities. Consolidated sales fell 2.6% year-on-year, or ¥28.5 billion, to ¥1,071.4 billion. Business profit increased 14.0% year-on-year, or ¥13.8 billion, to ¥113.1 billion, owing to a large increase in profit of specialty chemicals due to a large increase in revenue, the effect of an increase in revenue of home-use products, and an improved product mix in Seasonings and Foods and Frozen Foods, as well as the effect of recording impairment loss related to the trademark rights of Promasidor Holdings Limited ("PH") in the previous fiscal year. Profit attributable to owners of the parent company totaled ¥59.4 billion, up 215.4%, or ¥40.5 billion.

Although our rate of organic growth*[1] declined due to the effects of the COVID-19 pandemic, business profit was buoyed by our businesses in home-use foods, pharmaceutical amino acids, electronic materials and other areas. We recorded the highest level of business profits in our history. Although our food businesses with restaurants and other establishments suffered, our global opportunities in the area of household cooking increased. In addition, demand for pharmaceutical amino acids was firm. Having main products firmly involved in peoples' daily lives in many different countries helped support our business profits. Although many uncertainties regarding the business results for FY2021 remain, we expect them to slightly surpass the levels of FY2020 at present.

*1 Organic growth: Sales growth rate excluding the effects of non-continuous growth such as foreign exchange fluctuations, accounting changes, and M&A/ sales of businesses

Transitioning to a company with a Nomination Committee, etc.

We are transitioning to being a company with a Nomination Committee, etc. to enable the advancement of ASV (Ajinomoto Group Shared Value) management with a more effective corporate governance structure that reflects the opinions of multiple stakeholders and balances appropriate supervision and speedy business execution.

The redesign of our Board of Directors is the first step in our transformation. We are aiming for a clear separation between supervision and execution. First of all, Outside Directors will make up the majority of the Board of Directors (they will comprise 55% of the Board members). The Chairman of the Board of Directors will be an experienced Outside Director. Outside Directors will comprise the majority of members of each of our three committees (the Nomination Committee, the Compensation Committee, and the Audit Committee) and the chair of each committee will be an Outside Director. The Board of Directors will discuss and examine important management issues that will have a profound effect on our corporate value. By indicating the broad direction our Companies heading, the Board will encourage risk-taking while supervising the executive branch and applying appropriate restraint. The CEO, to whom the Board has delegated a significant level of authority, will play the central role in establishing an executive team that will transform our corporate culture and ensure a sustainable improvement of corporate value. Previously, Outside Officers accounted for 43% of the total of 14 Directors and Corporate Auditors. Under the new structure, we will have 11 Directors including the members of the Audit Committee. With the addition of Mr. Joji Nakayama, the former Daiichi Sankyo Co., Ltd. CEO who has extensive experience in the global healthcare business management, Outside Directors will make up the majority of members of the Board of Directors (55% of the Board will be Outside Directors). Furthermore, we will reduce the number of Corporate Executive Officers from 37 to around 20 Executive Officers, reducing the overlap of roles, clarifying responsibilities and rejuvenating the executive branch.

To make the transition to this new corporate structure, at this General Meeting, we will propose the amendment of our Articles of Incorporation and the appointment of Directors under this new structure. (Please refer to pages 6 through 27 for information about both of the proposals.)

Enhancing our sustainability-promotion framework

In April of this year we established the Sustainability Advisory Council to advise our Board of Directors. This was done to strengthen the system through which the Ajinomoto Group establishes important management policies to constantly pursue the improvement of corporate value from the perspective of sustainability. The Advisory Council will function as a system to advise the Board of Directors on a wide range of issues, approaches and positions that the Company can take regarding sustainability and Environmental, Social, and Governance (ESG). The Council members, drawn from experts both in Japan and overseas, take the long-term viewpoint to 2050 that includes the perspectives of emerging nations, millennials, ESG, impact investing and the media. The Council will strengthen systems to promote sustainability throughout our Company.

Pursuing the Ajinomoto Group vision

To contribute to our 2030 vision of "extending the healthy life expectancy of one billion people," the Ajinomoto Group values the attitude of "nutrition without compromise" that does not concede in the three aspects of food deliciousness, access to food, and local eating habits. The Ajinomoto Group is focusing on "Delicious Salt Reduction" and "Protein Intake Optimization" and is supporting delicious and nutritionally balanced diets.

At present we are focusing on the following three aspects: 1) clarifying the relationship between "diet (nutrition)," "physical health" and "mental health"; 2) classifying the various eating and lifestyle patterns that lead to lifestyle diseases; and 3) establishing an ecosystem (*2) of problem-solving activities. Currently, we are working on building two ecosystems.

The first is an ecosystem that is centered on academia. We are setting up a joint research course with Hirosaki University, which has health-related big data. The research theme is the extension of healthy life expectancy. We are analyzing the relationship between diet (nutrition) and physical and mental health, and we are attempting to construct a hypothesis that will lead to the extension of healthy life expectancy.

The second ecosystem is one that will create a food environment that can help to solve local health issues. Our "Smart Salt" project that we initiated in July 2020 involves our salt-reducing technology that utilizes amino acid functions. It is an initiative based on the concepts of "delicious, gentle, and your very own salt reduction" that utilizes *umami* and *dashi*. We will expand this project not only in Japan but also overseas.

By linking these ecosystems and collaborating with many companies that can share aspirations, the circle will be greatly expanded. We will expand this initiative from local regions to the whole of Japan and out into the world beyond. We are confident that these efforts will contribute to extending the healthy life expectancy of 1 billion people by 2030 and even more in the years to follow.

*2 Ecosystem: A collaboration with multiple companies and organizations in product development and business activities.

Yours sincerely,

Takaaki Nishii
Representative Director,
President & CEO
Ajinomoto Co., Inc.
15-1 Kyobashi 1-chome
Chuo-ku, Tokyo, Japan

Reference Documents for Shareholders' Meeting

Proposal 1	Appropriation of Surplus

As part of our 2020-2025 Medium-Term Management Plan, during Phase 1 (FY 2020-2022) of structural reforms, we seek to apply cash flow created by profit increase and asset reduction to investment for growth, and provide returns to our shareholders of over one hundred billion yen.

In the Medium-Term Management Plan for 2020 to 2022, we will raise our consolidated dividend payout ratio to 40% (previously 30%), and aim for a consolidated rate of return of 50% or greater, providing returns to our shareholders in a steady and sustainable manner.

In accordance with this policy, for the fiscal year under review we propose to provide a year-end dividend of ¥26 per share (which including an interim dividend of ¥16 per share, brings the annual dividend to ¥42 per share).

If this Proposal is approved, the consolidated dividend payout ratio for the period under review will be 38.8%. We will continue our efforts to effectively utilize shareholders' equity and will strive to meet the expectations of our shareholders.

1. Matters related to year-end dividend

    (1) Kind of dividend assets:

    Cash

    (2) Items relating to allocation of dividend assets to shareholders and total amount of the same:

    ¥26 per share of common stock / a total of ¥14,275,546,896

    (3) Effective date of payment of dividend from surplus:

    June 24, 2021

2. Other matters related to appropriation of surplus

    There are no applicable matters.

Proposal 2	Partial Changes to the Articles of Incorporation

1. Reasons for changes

We wish to transition to a company with a Nomination Committee, etc. The reasons for these changes are to accelerate the progress of ASV (Ajinomoto Group Shared Value)-based management; enable both "appropriate supervision of execution that reflects stakeholders' perspectives" and "agile implementation"; and achieve a more effective structure of corporate governance. Accompanying this transition, necessary changes will be made, such as the establishment of new provisions regarding the Nomination Committee, Compensation Committee, Audit Committee, and Executive Officers, and the deletion of provisions regarding Corporate Auditors and Board of Corporate Auditors.
To maintain the appropriate size of the Board of Directors overall, the number of directors under the Articles of Incorporation will be reduced. In addition, we will establish new provisions so that the Company may determine dividends of surplus and other matters listed in each item of Article 459, Paragraph 1 of the Companies Act, decided by a resolution of the Board of Directors, and flexibly implement capital policies and the return of profits to shareholders. Unless the Company determines that the holding of a General Meeting of Shareholders will be affected by the pandemic or natural disaster, the dividend of surplus at the end of the term will be resolved by the General Meeting of Shareholders even after the establishment of these new provisions.
In addition, other necessary changes such as changes in the number of Articles (due to each of the above changes) will be made.
The amendments to our Articles of Incorporation pertaining to this proposal shall take effect at the conclusion of this General Meeting of Shareholders.

2. Description of changes

The details of the changes are as follows.

(Changes are indicated by underlining.)

Current Articles of Incorporation	Proposed changes
CHAPTER I GENERAL PROVISIONS	CHAPTER I GENERAL PROVISIONS
Article 1 to Article 3 (Omitted)	Article 1 to Article 3 (No changes)
Article 4 (Establishment of Governing Bodies) The Company shall have a Board of Directors, <u>Corporate Auditors, a Board of Corporate Auditors</u>, and an Accounting Auditor, in addition to the General Meeting of Shareholders and Directors.	Article 4 (Establishment of Governing Bodies) The Company, as <u>a Company with Three Committees</u>, shall have a Board of Directors, <u>a Nomination Committee, a Compensation Committee, an Audit Committee, Executive Officers</u> and an Accounting Auditor, in addition to the General Meeting of Shareholders and Directors.
Article 5 (Omitted)	Article 5 (No changes)

Current Articles of Incorporation	Proposed changes
CHAPTER II SHARES	CHAPTER II SHARES
Article 6 to Article 9 (Omitted)	Article 6 to Article 9 (No changes)
Article 10 (Additional Purchase of Fractional Unit Shares) A shareholder of the Company may demand the Company to sell to such shareholder, such number of shares as may, together with such number of fractional unit shares held by the shareholder, constitute a share unit (hereinafter referred to as "additional purchase"), in accordance with the share handling regulations determined by the Board of Directors (hereinafter referred to as "the Share Handling Regulations").	Article 10 (Additional Purchase of Fractional Unit Shares) A shareholder of the Company may demand the Company to sell to such shareholder, such number of shares as may, together with such number of fractional unit shares held by the shareholder, constitute a share unit (hereinafter referred to as "additional purchase"), in accordance with the share handling regulations determined by the Board of Directors or by an Executive Officer delegated by the Board of Directors (hereinafter referred to as "the Share Handling Regulations").
Article 11 (Shareholder Registrar) 1. (Omitted) 2. The shareholder registrar and its place of business for handling of shares of the Company shall be determined by a resolution of the Board of Directors and public notice thereof shall be given. 3. (Omitted)	Article 11 (Shareholder Registrar) 1. (No changes) 2. The shareholder registrar and its place of business for handling of shares of the Company shall be determined by a resolution of the Board of Directors or by the decision of an Executive Officer delegated by resolution of the Board of Directors, and public notice thereof shall be given. 3. (No changes)
Article 12 (Record Date) 1. (Omitted) 2. In addition to the preceding paragraph, whenever necessary, the Company may with a prior public notice pursuant to a resolution of the Board of Directors, regard the shareholders or registered pledgees with respect to whom matters listed in each item of Article 148 of the Companies Act are recorded in the register of shareholders, hereinafter the same shall apply) recorded in the final register of shareholders as of a designated date to be the shareholders or registered pledgees entitled to exercise their rights.	Article 12 (Record Date) 1. (No changes) 2. In addition to the preceding paragraph, whenever necessary, the Company may with a prior public notice pursuant to a resolution by the Board of Directors or by the decision of an Executive Officer delegated by resolution of the Board of Directors, regard the shareholders or registered pledgees with respect to whom matters listed in each item of Article 148 of the Companies Act are recorded in the register of shareholders, hereinafter the same shall apply) recorded in the final register of shareholders as of a designated date to be the shareholders or registered pledgees entitled to exercise their rights.
Article 13 (Handling of Shares and Fees and Method of Exercise of Rights by Shareholders) The handling of shares and the fees therefor as well as the method of exercise of rights by shareholders shall be governed by the relevant laws and regulations, the provisions of these Articles of Incorporation, the Share Handling Regulations and other determinations by the Board of Directors.	Article 13 (Handling of Shares and Fees and Method of Exercise of Rights by Shareholders) The handling of shares and the fees therefor as well as the method of exercise of rights by shareholders shall be governed by the relevant laws and regulations, the provisions of these Articles of Incorporation, the Share Handling Regulations and other determinations by the Board of Directors or by an Executive Officer delegated by the Board of Directors.

Current Articles of Incorporation	Proposed changes
CHAPTER III GENERAL MEETING OF SHAREHOLDERS	CHAPTER III GENERAL MEETING OF SHAREHOLDERS
Article 14 (Convocation) 1. (Omitted) 2. The President and Director shall convene a General Meeting of Shareholders pursuant to a resolution of the Board of Directors. In case the President and Director is prevented from so acting, another Director shall act in his/her place in the order previously determined by a resolution of the Board of Directors. 3. (Omitted)	Article 14 (Convocation) 1. (No changes) 2. A Director previously determined by a resolution of the Board of Directors shall convene a General Meeting of Shareholders pursuant to a resolution of the Board of Directors. In case the Director is prevented from so acting, another Director shall act in his/her place in the order previously determined by a resolution of the Board of Directors. 3. (No changes)
Article 15 (Chairman) 1. The President and Director shall act as chairman of a General Meeting of Shareholders. In case the President and Director is prevented from so acting, another Director shall act in his/her place in the order previously determined by a resolution of the Board of Directors. 2. The chairman of the General Meeting of Shareholders shall perform duties pertaining to the preparation of the minutes of such General Meeting of Shareholders in accordance with relevant laws and regulations, and shall affix his/her name and seal or electronic signature to such minutes. If the President and Director is prevented from so acting, another Director shall act in his/her place in the order previously determined by a resolution of the Board of Directors.	Article 15 (Chairman) 1. A Director or an Executive Officer previously delegated by a resolution of the Board of Directors shall act as chairman of a General Meeting of Shareholders. In case the Director or the Executive Officer is prevented from so acting, another Director or Executive Officer shall act in his/her place in the order previously determined by a resolution of the Board of Directors. 2. The chairman of the General Meeting of Shareholders shall perform duties pertaining to the preparation of the minutes of such General Meeting of Shareholders in accordance with relevant laws and regulations, and shall affix his/her name and seal or electronic signature to such minutes. If the chairman of the General Meeting of Shareholders is prevented from so acting, another Director or Executive Officer shall act in his/her place in the order previously determined by a resolution of the Board of Directors.
Article 16 to Article 19 (Omitted)	Article 16 to Article 19 (No changes)
CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS	CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS
Article 20 (Number of Directors) The Company shall have not more than fifteen (15) Directors.	Article 20 (Number of Directors) The Company shall have not more than twelve (12) Directors.
Article 21 (Omitted)	Article 21 (No changes)
Article 22 (Term of Office) The term of office of Directors shall expire at the conclusion of the ordinary General Meeting of Shareholders relating to the last business term ending within two (2) years following their election. Provided, however, that, the term of office of Directors elected for an increase in the number of or to fill vacancies shall be for the remaining term of the incumbent Directors.	Article 22 (Term of Office) The term of office of Directors shall expire at the conclusion of the ordinary General Meeting of Shareholders relating to the last business term ending within one (1) year following their election. Provided, however, that, the term of office of Directors elected for an increase in the number of or to fill vacancies shall be for the remaining term of the incumbent Directors.

Current Articles of Incorporation	Proposed changes
Article 23 (Board of Directors) 1. In convening a meeting of the Board of Directors, notice shall be dispatched to each Director and each Corporate Auditor three (3) days prior to the date of the meeting. Provided, however, that, the period may be shortened in case of urgency. 2. Unless otherwise provided for in the relevant laws and regulations, the Chairman of the Board shall convene meetings of the Board of Directors and preside thereat. In case the Chairman of the Board is prevented from so acting, another Director shall act in his/her place in the order previously determined by a resolution of the Board of Directors. 3. (Omitted)	Article 23 (Board of Directors) 1. In convening a meeting of the Board of Directors, notice shall be dispatched to each Director three (3) days prior to the date of the meeting. Provided, however, that, the period may be shortened in case of urgency. 2. Unless otherwise provided for in the relevant laws and regulations, a Director previously delegated by a resolution of the Board of Directors shall convene meetings of the Board of Directors and preside thereat. In case the Director is prevented from so acting, another Director shall act in his/her place in the order previously determined by a resolution of the Board of Directors. 3. (No changes)
Article 24 (Regulations of the Company) Matters concerning the Board of Directors shall be governed by the relevant laws and regulations, the provisions of these Articles of Incorporation and Regulations of the Company established by the Board of Directors.	Article 24 (Internal Regulations of the Company Concerning the Board of Directors) Matters concerning the Board of Directors shall be governed by the relevant laws and regulations, the provisions of these Articles of Incorporation and the Internal Regulations of the Company Concerning the Board of Directors, established by the Board of Directors.
Article 25 (Directors with Titles) 1. The Company shall appoint one (1) President and Director, and may appoint one (1) Chairman of the Board by a resolution of the Board of Directors. 2. The President and Director shall represent the Company. Directors who represent the Company may be appointed in addition to the President and Director by a resolution of the Board of Directors. 3. The President and Director shall execute resolutions of the Board of Directors and supervise business of the Company. If the President and Director is prevented from so acting, another Representative Director shall act in his/her place in the order previously determined by a resolution of the Board of Directors.	(Omitted)
Article 26 (Remuneration, etc.) The remuneration, bonuses and other financial benefits to be received by Directors from the Company as compensation for performance of their duties shall be determined by a resolution of the General Meeting of Shareholders.	(Omitted)
Article 27 (Omitted)	Article 25 (No changes)
Article 28 (Omitted)	Article 26 (No changes)

Current Articles of Incorporation	Proposed changes
CHAPTER V CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS	(Omitted)
Article 29 (Number of Corporate Auditors) The Company shall have not more than five (5) Corporate Auditors.	(Omitted)
Article 30 (Election) A resolution to elect Corporate Auditors shall be adopted by a majority vote of the shareholders entitled to exercise voting rights present at a General Meeting of Shareholders holding not less than one third (1/3) of voting rights of shareholders entitled to exercise voting rights.	(Omitted)
Article 31 (Term of Office) The term of office of Corporate Auditors shall expire at the conclusion of the ordinary General Meeting of Shareholders relating to the last business term within four (4) years following their election. Provided, however, that, the term of office of a Corporate Auditor elected to fill a vacancy shall be for the remaining term of the predecessor Corporate Auditor.	(Omitted)
Article 32 (Convocation) In convening a meeting of the Board of Corporate Auditors, notice shall be dispatched to each Corporate Auditor by three (3) days prior to the date of the meeting. However, the period may be shortened in case of urgency.	(Omitted)
Article 33 (Regulations of the Board of Corporate Auditors) Matters concerning the Board of Corporate Auditors shall be governed by the relevant laws and regulations, the provisions of these Articles of Incorporation and the Regulations of the Board of Corporate Auditors established by the Board of Corporate Auditors.	(Omitted)
Article 34 (Full-Time Corporate Auditor and Senior Corporate Auditor) 1. The Board of Corporate Auditors shall appoint a Full- Time Corporate Auditor from among the Corporate Auditors. 2. The Board of Corporate Auditors may appoint a Senior Corporate Auditor from among the Corporate Auditors.	(Omitted)
Article 35 (Remuneration, etc.) The remuneration, bonuses and other financial benefits to be received by Corporate Auditors from the Company as a compensation for performance of their duties shall be determined by a resolution of the General Meeting of Shareholders.	(Omitted)

Current Articles of Incorporation	Proposed changes
Article 36 (Agreement on Limitation of Liability of Part - Time Outside Auditors) The Company may enter into an agreement with a Part-Time Outside Auditor to the effect that his/her liability to the Company be limited to the sum of the amounts set forth in the respective items of Article 425, paragraph 1 of the Companies Act if said Outside Auditor has acted in good faith and without gross negligence in performing his/her duties, with respect to liabilities of Outside Auditors under Article 423, paragraph 1 of the Companies Act.	(Omitted)
(Newly established)	CHAPTER V NOMINATION COMMITTEE, COMPENSATION COMMITTEE AND AUDIT COMMITTEE
(Newly established)	Article 27 (Selection) Members of the Company's Nomination Committee, Compensation Committee and Audit Committee shall be selected from among the Directors by a resolution of the Board of Directors.
(Newly established)	Article 28 (Internal Regulations of the Company Concerning Each Committee) Matters concerning the Nomination Committee, Compensation Committee and Audit Committee shall be governed by the relevant laws and regulations, the provisions of these Articles of Incorporation and the Internal Regulations of the Company concerning each Committee, established by the Board of Directors.
(Newly established)	CHAPTER VI EXECUTIVE OFFICERS
(Newly established)	Article 29 (Election) Executive Officers of the Company shall be elected by a resolution of the Board of Directors.
(Newly established)	Article 30 (Term of Office) The term of office of Executive Officers shall expire at the conclusion of the first meeting of the Board of Directors convened after the conclusion of the ordinary General Meeting of Shareholders for the last business term ending within one (1) year after their election.
(Newly established)	Article 31 (Representative Executive Officers and Executive Officers & President, Vice President, etc.) 1. The Company shall select its Representative Executive Officers from the Executive Officers by a resolution of the Board of Directors. 2. The Company shall select one (1) Representative Executive Officer and President by a resolution of the Board of Directors. The Company may also select other Executive Officers & President, Vice President, etc. by a resolution of the Board of Directors.

Current Articles of Incorporation	Proposed changes
(Newly established)	Article 32 (Internal Regulations of the Company Concerning Executive Officers) Matters concerning Executive Officers shall be governed by the relevant laws and regulations, the provisions of these Articles of Incorporation and the Internal Regulations of the Company Concerning Executive Officers, established by the Board of Directors.
CHAPTER VI ACCOUNTS	CHAPTER VII ACCOUNTS
Article 37 (Omitted)	Article 33 (No changes)
Article 38 (Year-End Dividends) By a resolution of the General Meeting of Shareholders, the Company shall pay a year-end dividend on surplus to shareholders or registered pledgees recorded in the final register of shareholders as of March 31 each year	(Omitted)
Article 39 (Interim Dividends) By a resolution of the Board of Directors, the Company may pay an interim dividend in accordance with the provision of Article 454, paragraph 5 of the Companies Act to shareholders or registered pledgees recorded in the final register of shareholders as of September 30 each year.	(Omitted)
(Newly established)	Article 34 (Dividends of Surplus and Other Matters) 1. Unless otherwise provided for in the relevant laws and regulations, the Company may determine dividends of surplus and other matters listed in each item of Article 459, Paragraph 1 of the Companies Act, decided by a resolution of the Board of Directors. 2. The Company may pay dividends of surplus to shareholders or registered pledgees recorded in the final register of shareholders as of March 31 or September 30 each year.
Article 40 (Omitted)	Article 35 (No changes)

Proposal 3	Election of 11 Directors

We will transition from a company with an Audit and Supervisory Board to a company with a Nomination Committee, etc. at the conclusion of this Ordinary General Meeting of Shareholders, subject to the approval of Proposal No. 2 "Partial Changes to the Articles of Incorporation". The terms of appointment of all 9 Directors and 5 Corporate Auditors will end. We request the appointment of 11 Directors, subject to the approval of Proposal No. 2 and its coming into effect. The 11 Director candidates are as follows.

Outside = Outside Officer
Independent = Independent Officer

No.	Name	Current position and responsibility in the Company	Board of Directors meeting attendance (FY2020)
1	Reappointment Male Takaaki Nishii	Representative Director, President and Chief Executive Officer (CEO)	100% (16 out of 16 meetings)
2	Reappointment Male Hiroshi Fukushi	Representative Director, Corporate Executive Deputy President and Chief Digital Officer (CDO)	100% (16 out of 16 meetings)
3	Reappointment Male Masaya Tochio	Representative Director, and Corporate Senior Vice President	100% (16 out of 16 meetings)
4	Reappointment Female Chiaki Nosaka	Member of the Board and Corporate Vice President In charge of diversity, HR	100% (16 out of 16 meetings)
5	New appointment Male Kaoru Kurashima	Corporate Senior Vice President Global Corporate Division Corporate Service Division	--
6	Reappointment Male Takashi Nawa Outside Independent	Outside Director	100% (16 out of 16 meetings)
7	Reappointment Female Kimie Iwata Outside Independent	Outside Director	100% (16 out of 16 meetings)
8	New appointment Male Atsushi Toki Outside Independent	Audit & Supervisory Board Member (External)	100% attendance as an Auditor (16 out of 16 meetings)
9	New appointment Male Hideki Amano Outside Independent	Audit & Supervisory Board Member (External)	100% attendance as an Auditor (16 out of 16 meetings)
10	New appointment Female Mami Indo Outside Independent	Audit & Supervisory Board Member (External)	100% attendance as an Auditor (10 out of 10 meetings)
11	New appointment Male Joji Nakayama Outside Independent	--	--

(Note) The record for Ms. Mami Indo indicates her attendance at meetings of the Board of Directors after her appointment on June 24, 2020.

1	Reappointment Male	**Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies**	
	Takaaki Nishii	April 1982	Joined Company
		July 2004	Director, Ajinomoto Frozen Foods Co., Inc.
		June 2007	Corporate Vice President, Ajinomoto Frozen Foods Co., Inc.
	Date of birth: December 27, 1959 Number of Company shares held: 57,100 shares Board of Directors meeting attendance: 100% (16 out of 16 meetings)	July 2009	General Manager, Human Resources Dept.
		June 2011	Corporate Executive Officer
		June 2013	Member of the Board & Corporate Vice President
		August 2013	President, Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda.
		June 2015	President & Chief Executive Officer (present post)
		June 2015	Representative Director (present post)

● Reasons for nomination as a candidate for Director:
Mr. Takaaki Nishii is driving changes in corporate culture change and sustainable improvement of corporate value with this strong leadership, based on the 2020-2025 Medium-Term Management Plan, towards our 2030 vision of becoming a "solution-providing company for food and health issues."
We re-nominate Mr. Nishii as a candidate for Director so that these transformational efforts may continue firmly. Upon his election as such, we envision for him to serve not only as a Director but also as Representative Executive Officer, President and CEO in the new structure.

2	Reappointment Male Hiroshi Fukushi	**Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies**
	Date of birth: April 25, 1958 Number of Company shares held: 36,600 shares Board of Directors meeting attendance: 100% (16 out of 16 meetings)	April 1984 Joined Company July 2009 General Manager, Amino Acids Dept., Amino Acids Company, Ajinomoto Co., Inc. June 2011 Corporate Executive Officer June 2013 Member of the Board & Corporate Vice President June 2013 General Manager, Bioscience Products & Fine Chemicals Division (currently General Manager, AminoScience Division) June 2015 Member of the Board & Corporate Senior Vice President June 2017 Representative Director (present post) June 2019 Director, Corporate Executive Deputy President (present post) (Current assignment in the Company) Chief Digital Officer (CDO)

● Reasons for nomination as a candidate for Director:
Mr. Hiroshi Fukushi, as Representative Director & Corporate Executive Deputy President, has not only strongly supported the transformational efforts centering on CEO Nishii, but as Chief Digital Officer (CDO) he has rapidly advanced the Ajinomoto Group’s overall digital transformation and has achieved specific results. For the above reasons, we re-nominate Mr. Fukushi as a candidate for Director. Upon his election as such, envision for him to serve in the new structure as a Director, Representative Executive Officer & Executive Vice President, and the CDO, where he will continue to lead a range of reforms.

3	Reappointment Male

Masaya Tochio

Date of birth:
August 8, 1959

Number of Company shares held:
34,471 shares

Board of Directors meeting attendance:
100% (16 out of 16 meetings)

Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies	
April 1983	Joined Company
July 2007	General Manager, Overseas Foods & Seasonings Dept., Food Products Company, Ajinomoto Co., Inc.
June 2011	Corporate Executive Officer
June 2011	General Manager, Corporate Planning Dept.
June 2013	Member of the Board & Corporate Vice President
June 2017	Member of the Board & Corporate Senior Vice President (present post)
April 2018	General Manager, Global Corporate Division
April 2018	General Manager, Corporate Service Division
June 2019	Representative Director (present post)

● Reasons for nomination as a candidate for Director:
Mr. Masaya Tochio, in addition to his experience in the food business in Japan and overseas, in recent years has overseen the entire Corporate Division and has strongly promoted the strengthening of the management base of the entire Group. For these reasons, we re-nominate Mr. Tochio as a candidate for Director. Under the new structure, we envision for him to become a full-time member of the Audit Committee as the only non-outside Director specializing in supervision who does not have an executive role.

4	Reappointment Female	**Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies**
	Chiaki Nosaka	April 1983 Joined Company July 2009 General Manager, Food Technology Development Center, Food Products Company, Ajinomoto Co., Inc. June 2011 Corporate Executive Officer June 2015 Corporate Vice President June 2015 General Manager, Institute of Food Sciences and Technologies, Food Products Division June 2015 Chairman, Shanghai Ajinomoto Food Research and Development Center Co., Ltd. June 2019 Member of the Board & Corporate Vice President (present post) (Current assignment in the Company) In charge of diversity and HR
	Date of birth: November 6, 1960 Number of Company shares held: 27,800 shares Board of Directors meeting attendance: 100% (16 out of 16 meetings)	

● Reasons for nomination as a candidate for Director:
Ms. Chiaki Nosaka, in addition to her wealth of experience in the field of food product development both in Japan and overseas, has been working on the active participation of diverse human resources and the promotion of innovation through them in her capacity as being in charge of diversity promotion. Since her appointment as a Director in June 2019, she has also been in charge of human resources, further expanding her range of activities. For the above reasons, we re-nominate Ms. Nosaka as a candidate for Director and, upon her re-election as such, envision for her to serve in the new structure as a Director in addition to being in charge of diversity and human resources. Further, Ms. Nosaka, responsible for human resources, will be appointed as a member of the Nomination Committee.

5	New appointment Male	**Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies**

Kaoru Kurashima

Date of birth:
May 5, 1960

Number of Company shares held:
16,569 shares

Board of Directors meeting attendance: --

April 1984	Joined Company
July 2011	President, Ajinomoto del Perú S.A.
July 2013	President, PT Ajinomoto Indonesia
June 2015	Corporate Executive Officer
June 2016	Corporate Vice President, General Manager, ASEAN Division
June 2016	President, Ajinomoto Co., (Thailand) Ltd.
June 2016	President, Ajinomoto SEA Regional Headquarters Co., Ltd.
June 2019	Corporate Senior Vice President (present post)
June 2019	General Manager, Food Products Division
April 2021	General Manager, Global Corporate Division (present post)
April 2021	General Manager, Corporate Service Division (present post)

(Current assignment in the Company)
Global Corporate Division, Corporate Service Division

(Important positions currently held in other companies)
Outside Director, Tokai Denpun Co., Ltd.
Outside Director, J-Oil Mills, Inc.

● Reasons for nomination as a candidate for Director:
Mr. Kaoru Kurashima has particularly abundant experience and a solid track record in managing business abroad. His experience includes his time as President of several local subsidiaries including the major overseas operations base of the Ajinomoto Group. Since June 2019 as Corporate Senior Vice President he has led the structural reform of business in the Food Products Division. In addition, Mr. Kurashima gained experience in the amino science business when he was the General Manager of the ASEAN Division. He is familiar with a wide range of Ajinomoto Group businesses. For the above reasons, we newly nominate Mr. Kurashima as a candidate for Director and, upon his election as such, envision for him to serve in the new structure as a Director in addition to being the General Manager of our Global Corporate Division and Corporate Service Division.

<table>
<tr><td>6</td><td>Reappointment Outside
Independent Male

Takashi Nawa</td><td rowspan="2">Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies
April 1980 Joined Mitsubishi Corporation
April 1991 Joined McKinsey & Company, Inc.
June 2010 Professor of The Graduate School of International Corporate Strategy (ICS), Hitotsubashi University (currently Hitotsubashi University Business School, School of International Corporate Strategy) (present post)
June 2011 Outside Director, NEC Capital Solutions Limited (present post)
November 2012 Outside Director, Fast Retailing Co., Ltd. (present post)
June 2014 Outside Director, Denso Corporation
June 2015 Outside Director, Ajinomoto Co., Inc. (present post)
June 2020 Outside Director, Sompo Holdings, Inc. (present post)

(Important positions currently held in other companies)
Professor of the School of International Corporate Strategy, Hitotsubashi University Business School
Representative Director, Genesys Partners, Ltd.
Outside Director, NEC Capital Solutions Limited
Outside Director, Fast Retailing Co., Ltd.
Outside Director, Sompo Holdings, Inc.</td></tr>
<tr><td></td><td>Date of birth:
June 8, 1957

Number of Company shares held:
0 shares

Board of Directors meeting attendance: 100% (16 out of 16 meetings)</td></tr>
</table>

● Special items relating to the candidate for Outside Director:
Mr. Takashi Nawa is a candidate for Outside Director under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. Mr. Nawa was appointed to be an Outside Director of the Company at the 137th Ordinary General Meeting of Shareholders held on June 26, 2015. As of the conclusion of this Ordinary General Meeting of Shareholders, his term as an Outside Director will have been for 6 years.

● Reasons for nomination as a candidate for Outside Director:
Using his great insight into international corporate management that he has developed both through being a Professor at a graduate school in the field of international corporate strategy and the wealth of work experience that he has gained at non-Japanese consulting companies, Mr. Nawa has contributed to the growth of the Ajinomoto Group. Since June 2015 he has been active as an Outside Director. In recent years Mr. Nawa has offered proposals in the formulation of the current Medium-Term Management Plan from a new perspective and novel way of thinking and has also supported our in-house training of managers. For these reasons, we re-nominate Mr. Nawa as a candidate for Outside Director. Under the new structure, we envision for him to become the Chair of the Nomination Committee and a member of the Compensation Committee.

● Special interests between the candidate and the Company
Genesys Partners, Ltd, of which Mr. Takashi Nawa is Representative Director, conducts transactions with the Company based on a training outsourcing contract, however the amount paid by the Company in the fiscal year under review was ¥3,200,000, and therefore Mr. Nawa satisfies the Company's criteria for independence as an Outside Director.

7	Reappointment Outside Independent Female	Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies
Kimie Iwata	Date of birth: April 6, 1947 Number of Company shares held: 1,000 shares Board of Directors meeting attendance: 100% (16 out of 16 meetings)	April 1971 Joined the Ministry of Labour (currently Ministry of Health, Labour and Welfare) January 2001 Director-General of Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare June 2004 Director, Corporate Officer, Shiseido Company, Limited April 2007 Director, Corporate Executive Officer, Shiseido Company, Limited April 2008 Director and Executive Vice President, Shiseido Company, Limited June 2008 Representative Director, Executive Vice President, Shiseido Company, Limited March 2012 Outside Audit & Supervisory Board Member, Kirin Holdings Company, Limited April 2012 Director, Shiseido Company, Limited July 2012 Outside Director, Japan Airlines Co., Ltd. October 2015 Audit and Inspection Commissioner, the Tokyo Metropolitan Government (present post) March 2016 Outside Director, Kirin Holdings Company, Limited June 2018 Outside Director, Sumitomo Corporation (present post) June 2019 Outside Director, Resona Holdings, Inc. (present post) June 2020 Outside Director, Ajinomoto Co., Inc. (present post) (Important positions currently held in other companies) Audit and Inspection Commissioner, the Tokyo Metropolitan Government Outside Director, Sumitomo Corporation Outside Director, Resona Holdings, Inc.

● Special items relating to the candidate for Outside Director:
Ms. Kimie Iwata is a candidate for Outside Director under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. Ms. Iwata was appointed to be an Outside Director of the Company at the 141st Ordinary General Meeting of Shareholders held on June 25, 2019. As of the conclusion of this Ordinary General Meeting of Shareholders, her term as an Outside Director will have been for 2 years.

● Reasons for nomination as a candidate for Outside Director:
Ms. Kimie Iwata has a high degree of insight into corporate management and corporate social responsibility, as well as a wealth of experience in supporting the active participation of women and promoting diversity. In June 2019 Ms. Iwata was appointed as an Outside Director with the expectation that she would utilize these skills to help decide important Company matters and to supervise the way business is carried out. Since her appointment, in addition to holding lively discussions on the Board of Directors and at other meetings, Ms. Iwata has demonstrated great leadership as the Chairman of the Nominating Advisory Committee. For these reasons, we re-nominate Ms. Iwata as a candidate for Outside Director. Under the new structure, we envision for her to become the Chair of the Board of Directors and to also play an active role as a member of the Nomination Committee and the Compensation Committee.
In September 2014, while Ms. Iwata was an outside director of Japan Airlines Co., Ltd., it was discovered that customer information had been leaked due to unauthorized access to the company's customer information system. Although Ms. Iwata was unaware of the incident until it was discovered, she was appointed as a Chair of a Verification Committee consisting of Independent Directors and established by the airline (in October of 2014) after the leak was uncovered, and worked on measures to prevent a recurrence.

8

New appointment Outside
Independent Male

Atsushi Toki

Date of birth:
May 19, 1955

Number of Company shares held:
5,400 shares

Board of Directors meeting attendance: 100% (16 out of 16 meetings)
Board of Corporate Auditors meeting attendance: 100% (14 out of 14 meetings)

Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies

April 1983	Registered as an attorney
April 1989	Partner, Okudaira Toki Law Office
April 1997	Representative, Meitetsu Sogo Law Office
December 2001	Outside Corporate Auditor, Maruyama Mfg Co., Inc.
May 2003	Outside Director, Parco Co., Ltd.
June 2003	Outside Corporate Auditor, Credit Saison Co., Ltd.
March 2008	Partner, Seiwa Meitetsu Law Office
December 2015	Outside Director / Audit and Supervisory Committee member, Maruyama Mfg Co., Inc. (present post)
June 2016	Outside Director, GEOSTR Corporation (present post)
June 2016	Audit & Supervisory Board Member (External), Ajinomoto Co., Inc. (present post)
September 2018	Representative, Meitetsu Sogo Law Office (present post)

(Important positions currently held in other companies)
Representative, Meitetsu Sogo Law Office (lawyer)
Outside Director / Audit and Supervisory Committee member, Maruyama Mfg Co., Inc.
Outside Director, GEOSTR Corporation

● Special items relating to the candidate for Outside Director:
Mr. Atsushi Toki is a candidate for Outside Director under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. Mr. Toki was appointed to be an Audit & Supervisory Board Member (External) of the Company at the 138th Ordinary General Meeting of Shareholders held on June 29, 2016. As of the conclusion of this Ordinary General Meeting of Shareholders, his term as an Audit & Supervisory Board Member (External) will have been for 5 years.

● Reasons for nomination as a candidate for Outside Director, and summary of the expected role:
Mr. Atsushi Toki has specialized knowledge as a lawyer and has a wealth of experience. Since his appointment in June 2016, Mr. Toki has utilized his extensive knowledge relating to corporate law to actively participate from his legal perspective in meetings of the Board of Directors. He makes a significant contribution to the strengthening of our Company in auditing functions and structures of corporate governance. For these reasons, we have selected Mr. Toki as a candidate for Outside Director. In the new structure, we expect him to play an active role as the Chair of the Audit Committee.

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9	New appointment Outside Independent Male	Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies
Hideki Amano	Date of birth: November 26, 1953 Number of Company shares held: 3,400 shares Board of Directors meeting attendance: 100% (16 out of 16 meetings) Board of Corporate Auditors meeting attendance: 100% (14 out of 14 meetings)	September 1980 Registered as a Certified Public Accountant September 1992 Representative Partner of Inoue Saito Eiwa Audit Corporation (presently KPMG AZSA LLC) September 2011 Vice President (audit management), KPMG AZSA LLC. Member of KPMG Global Audit Steering Group July 2015 Executive Senior Partner, KPMG AZSA LLC July 2016 Outside Director, TOPPAN FORMS CO., LTD. (present post) March 2017 Outside Audit & Supervisory Board Member, Kao Corporation (present post) June 2018 Audit & Supervisory Board Member (External), Ajinomoto Co., Inc. (present post) June 2019 Outside Corporate Auditor, Seiko Holdings Corporation (present post) (Important positions currently held in other companies) Certified Public Accountant Outside Director, TOPPAN FORMS CO., LTD. Outside Audit & Supervisory Board Member, Kao Corporation Outside Corporate Auditor, Seiko Holdings Corporation

● Special items relating to the candidate for Outside Director:
Mr. Hideki Amano is a candidate for Outside Director under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. Mr. Amano was appointed to be an Audit & Supervisory Board Member (External) of the Company at the 140th Ordinary General Meeting of Shareholders held on June 26, 2018. As of the conclusion of this Ordinary General Meeting of Shareholders, his term as an Audit & Supervisory Board Member (External) will have been for 3 years.

● Reasons for nomination as a candidate for Outside Director, and summary of the expected role:
Mr. Amano has specialized knowledge as a certified public accountant and has a wealth of experience both in Japan and overseas. In June 2018 he was appointed as an Audit & Supervisory Board Member (External) so that he could utilize his financial and accounting knowledge for our Company. Since taking office, he has been very active, especially in the fields of finance and accounting. For these reasons, we have selected Mr. Amano as a candidate for Outside Director. Under the new structure, we envision Mr. Amano will continue to work in the field of auditing, as a member of the Audit Committee.
Mr. Amano retired from KPMG AZSA LLC in June 2016, and since then has had no relationship with the firm.

10	New appointment Outside Independent Female	Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies
	Mami Indo	April 1985 Joined Daiwa Securities Co., Ltd. August 1989 Transferred to Daiwa Institute of Research Ltd. April 2004 Transferred to Daiwa Securities SMBC Co., Ltd. (currently Daiwa Securities Co. Ltd.) April 2006 External Director, Daiwa Investor Relations Co., Ltd. October 2007 Transferred to Daiwa Institute of Research Ltd. April 2009 Senior Managing Director, Executive Officer of Consulting Division, Daiwa Institute of Research Ltd. August 2010 Senior Managing Director, Executive Officer of First Consulting Division, Daiwa Institute of Research Ltd. April 2013 Executive Managing Director, Deputy Executive Officer of Research Division, Daiwa Institute of Research Ltd. April 2016 Senior Executive Director, Daiwa Institute of Research Ltd. December 2016 Commissioner, Securities and Exchange Surveillance Commission June 2020 Audit & Supervisory Board Member (External), Ajinomoto Co., Inc. (present post) June 2020 Outside Director, Tokyo Gas Co., Ltd. (present post) (Important positions currently held in other companies) Outside Director, Tokyo Gas Co., Ltd.
	Date of birth: November 6, 1962 Number of Company shares held: 400 shares Board of Directors meeting attendance: 100% (11 out of 11 meetings) Board of Corporate Auditors meeting attendance: 100% (10 out of 10 meetings)	

● Special items relating to the candidate for Outside Director:
Ms. Mami Indo is a candidate for Outside Director under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. Ms. Indo was appointed to be an Audit & Supervisory Board Member (External) of the Company at the 142nd Ordinary General Meeting of Shareholders held on June 24, 2020. As of the conclusion of this Ordinary General Meeting of Shareholders, her term as an Audit & Supervisory Board Member (External) will have been for 1 year.

● Reasons for nomination as a candidate for Outside Director, and summary of the expected role:
Ms. Mami Indo, in addition to many years of extensive experience working for securities companies and think tanks, has worked in the Securities and Exchange Surveillance Commission. Her achievements and insights are highly regarded both inside and outside of our Company. In June 2020 Ms. Indo was appointed as an Audit & Supervisory Board Member (External) so that she could use this knowledge at our Company. Since she took office, she has been active in her field and has made a great contribution, especially in the areas of governance and risk management. For these reasons, we have selected Ms. Indo as a candidate for Outside Director. Under the new structure, we envision for her to play an even more active role in the field of auditing as a member of the Audit Committee.

11	New appointment Outside Independent Male
	Joji Nakayama
	Date of birth: May 11, 1950 Number of Company shares held: 0 shares Board of Directors meeting attendance: --

Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies

April 1979	Joined Suntory Limited March 2000 Director, Suntory Limited December 2002 President, CEO, Daiichi Suntory Pharma Co., Ltd.
June 2003 Ltd. June 2010	Director, Daiichi Pharmaceutical Co., Representative Director, President, CEO, Daiichi Sankyo Co., Ltd April 2017 Representative Director, Chairman, CEO, Daiichi Sankyo Co., Ltd.
June 2019	Representative Director, Chairman, Daiichi Sankyo Co., Ltd.
June 2020	Full-time Advisor, Daiichi Sankyo Co., Ltd. (present post)

● Special items relating to the candidate for Outside Director:
Mr. Joji Nakayama is a candidate for Outside Director under Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.

● Reasons for nomination as a candidate for Outside Director, and summary of the expected role:
Mr. Joji Nakayama has served as president and chairman of a global healthcare company. He has extensive experience in corporate management and governance, and deep insights into healthcare businesses. We envisage that he will utilize this knowledge to participate in the decision-making of important management matters at the Board of Directors of the new structure. As such we newly nominate him as an Outside Director candidate. Under the new structure, we envision for him to become the Chair of the Compensation Committee and a member of the Nomination Committee. Although Mr. Nakayama has no experience as an Outside Director, we deem that for the reasons mentioned above, he will be able to faithfully carry out his duties.

Notes:
1. We have designated the following five people (Mr. Takashi Nawa, Ms. Kimie Iwata, Mr. Atsushi Toki, Mr. Hideki Amano, and Ms. Mami Indo) to be independent officers under the stipulations of the Tokyo Stock Exchange and have registered this decision with the Exchange. If the election of these five individuals is approved, we will continue to designate them to be independent officers. Upon the approval of the election of Mr. Joji Nakayama, we will designate him to be an independent officer under the stipulations of the Tokyo Stock Exchange and register this decision with the Exchange. For information on Company standards for determining the independence of outside officers, please refer to page 27.
2. The Company has entered into an agreement with five people (Mr. Takashi Nawa, Ms. Kimie Iwata, Mr. Atsushi Toki, Mr. Hideki Amano, and Ms. Mami Indo) to limit their liability for damages under Article 427, Paragraph 1 of the Companies Act. Financial limitations on liability for damages based on this Agreement shall be the aggregate amount as stipulated in the respective items of Article 425, Paragraph 1 of the Companies Act. If the election of these five individuals is approved, this agreement shall be continued. Upon the approval of the election of Mr. Joji Nakayama, we plan to newly conclude an agreement with him similar to that described above to limit his liability for damages.
3. The Company has concluded a liability insurance policy for officers, etc., with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, naming Mr. Takaaki Nishii, Mr. Hiroshi Fukushi, Mr. Masaya Tochio, Ms. Chiaki Nosaka, Mr. Kaoru Kurashima, Mr. Takashi Nawa, Ms. Kimie Iwata, Mr. Atsushi Toki, Mr. Hideki Amano, and Ms. Mami Indo as the insured. If a claim for damages is filed by a shareholder or a third party, those damages such as damages and dispute costs that the insured is to bear will be covered by the insurance policy. If the election of the ten candidates (Mr. Takaaki Nishii, Mr. Hiroshi Fukushi, Mr. Masaya Tochio, Ms. Chiaki Nosaka, Mr. Kaoru Kurashima, Mr. Takashi Nawa, Ms. Kimie Iwata, Mr. Atsushi Toki, Mr. Hideki Amano, and Ms. Mami Indo) is approved, they will continue to be covered by this policy. Upon the approval of the election of Mr. Joji Nakayama, we plan to newly cover him in this policy. The insurance policy will be renewed in September 2021.

(Remarks) Expected membership of Directors in the three committees
If this Proposal is approved, the composition of each committee will be as follows. (◎ = Committee Chair)

Candidate No.	Name	Nomination Committee	Compensation Committee	Audit Committee	Sustainability Advisory Council	Remarks
1	Takaaki Nishii	○			○	Representative Executive Officer, President & Chief Executive Officer (CEO)
2	Hiroshi Fukushi					Representative Executive Officer & Executive Vice President Chief Digital Officer (CDO)
3	Masaya Tochio			○		
4	Chiaki Nosaka	○				Executive Officer & Senior Vice President, In charge of diversity and HR
5	Kaoru Kurashima				○	Executive Officer & Senior Vice President, General Manager, Global Corporate Division and Corporate Service Division
6	Takashi Nawa	◎	○			
7	Kimie Iwata	○	○		○	Chair of the Board Lead Independent Outside Director
8	Atsushi Toki			◎		
9	Hideki Amano			○		

10	Mami Indo			○		
11	Joji Nakayama	○	◎		○	

(Note) The Sustainability Advisory Council was established in April 2021 and is chaired by Mr. David Scott, an outside expert.

(Reference) Standards for Determining the Independence of Outside Officers

An outside director or Audit & Supervisory Board Member (External) is deemed to be independent in cases in which none of the following criteria apply.

(1) Said person regards the Company as a key customer, or is an executive officer for such a party.
(2) Said person is a key customer of the Company, or is an executive officer for such a party.
(3) Said person is a consultant, accounting specialist or legal specialist who has received substantial monetary or other assets (other than director compensation) from the Company (if the person receiving said assets is a corporate entity, association, or other such organization, this stipulation extends to members of that organization).
(4) Said person who fell under criteria (1), (2), or (3) above at any time within a one-year period before the proposed appointment.
(5) Said person is a relative (a relative up through the second degree of kinship) of any person (other than those deemed unimportant) falling under criteria ①, ②, or ③ below.
   ① A person falling under criteria (1), (2), (3), or (4) above.
   ② A person who is an executive officer in a subsidiary of the Company (with regards to a proposed appointment of an Audit & Supervisory Board Member (External) to a position as an independent officer, this criterion also includes a director who is not an executive officer).
   ③ A person who fell under criterion above or who was an executive officer in the Company (with regards to a proposed appointment of an Audit & Supervisory Board Member (External) to a position as independent director, this criterion also includes a director or Audit & Supervisory Board Member auditor who is not an executive officer), at any time within a one-year period before the proposed appointment.

(Notes)
1. A person who "regards the Company as a key customer," refers to a person who, within the most recent business year, has received from the Company an amount corresponding to 2% of that party's annual consolidated sales or ¥100 million, whichever is higher.
2. A person who is "a key customer of the Company," refers to a person who, within the most recent business year, has paid to the Company an amount corresponding to 2% of our annual consolidated sales or ¥100 million, whichever is higher.
3. A person who "has received substantial monetary or other assets from the Company," refers to a person who, within the most recent business year, has received from the Company monies/property in an amount corresponding to 2% of that party's sales/total revenues or ¥10 million, whichever is higher.

End

(Attached Document)

Business Report (From April 1, 2020 to March 31, 2021)

I. Matters regarding the Current Status of the Ajinomoto Group

1. Progress of Operations and Operating Results

During the fiscal year ended March 31, 2021, the Company's consolidated sales fell 2.6% year-on-year, or ¥28.5 billion, to ¥1,071.4 billion. This was because there was a continued decline in sales of restaurant and industrial use products mainly in Seasonings and Foods and Frozen Foods due to the impact of lockdowns and other measures in conjunction with the COVID-19 global pandemic, even though a trend of recovery can be seen in demand for products for use in foodservice, while sales of home-use products increased due to the expansion in at-home dining demand.
Business profit increased 14.0% year-on-year, or ¥13.8 billion, to ¥113.1 billion, owing to a large increase in profit of specialty chemicals due to a large increase in revenue, the effect of an increase in revenue of home-use products, and an improved product mix in Seasonings and Foods and Frozen Foods, as well as the effect of recording impairment loss related to the trademark rights of Promasidor Holdings Limited ("PH") in the previous fiscal year.
Operating profit increased 107.3% year-on-year, or ¥52.3 billion, to ¥101.1 billion, due to recording significantly higher gain on sale of fixed assets in other operating income than in the previous fiscal year owing to the transfer of fixed assets (idle assets). In addition, in other operating expenses, even though impairment losses associated with the structural reform of the animal nutrition business in Europe and North America were recorded in the current fiscal year, significantly higher impairment losses were recorded in the previous fiscal year.
Profit attributable to owners of the parent totaled ¥59.4 billion, up 215.4%, or ¥40.5 billion.

Notes: 1. "Business profit" is defined as sales minus the cost of sales, selling expenses, research and development expenses, and general and administrative expenses, to which is then added share of profit of associates and joint ventures. Business profit does not include other operating income or other operating expenses.
2. In the 142nd fiscal year, the Ajinomoto Group classified the packaging business under discontinued operations. Together with the logistics business, which had previously been classified under discontinued operations, profit from discontinued operations in the consolidated statements is presented separately from the profit from continuing operations, and sales, business profit, and operating profit are amounts related to continuing operations.

Seasonings and Foods

In the Seasonings and Foods segment, sales fell 3.3% year-on-year, or ¥21.2 billion, to ¥620.5 billion, primarily because of the effect of currency translation and lower sales of products for restaurant use due to lower foodservice demand despite the increase in sales of home-use products due to higher home cooking demand. Segment business profit increased 6.3% year-on-year, or ¥5.1 billion, to ¥86.7 billion, owing to the effect of the increase in revenue of home-use products and an improved product mix as well as the effect of recording impairment loss related to the trademark rights of PH in the previous fiscal year, despite the effect of the decrease in revenue of products for restaurant use.

Main factors affecting segment sales

Sauce & Seasonings

Decrease in revenue due to the impacts of currency translation and decreased sales of foodservice-use products overseas from decreased demand for eating out, despite increased sales in home-use products accompanying increased at-home demand. In Japan, revenue increased due to strong sales of home-use products. Overseas, revenue decreased due to the impacts of currency translation and decreased sales of foodservice-use products, despite significantly increased revenue from menu-specific seasonings.

Quick Nourishment

Decrease in revenue due to decreased sales of restaurant and industrial-use coffee products and the impact of currency translation, despite higher year-on-year sales of home-use products in Japan because of increased at-home demand. In Japan, revenue decreased due to decreased sales of restaurant and industrial-use coffee products, despite higher year-on-year sales of home-use coffee and soup products. Overseas, revenue decreased due to the impact of currency translation.

Solution & Ingredients

Decrease in revenue due to decreased sales of foodservice-use products in Japan because of decreased demand for eating out and the impact of currency translation.

Main factors affecting segment profits

Sauce & Seasonings

Increase in profit due to the effects of increased revenue from home-use products and an improved product mix. In Japan, increase in profit due to the effect of increased revenue. Overseas, increase in profit due to the effect of an improved product mix, despite the impact of currency translation.

Quick Nourishment

Large increase in profit due to the recording of impairment loss on PH’s trademark rights in the previous year, and an improved product mix in Japan.

In Japan, increase in profit due to the effect of increased revenue from mainstay home-use coffee products and soup products. Overseas, a large increase in profit due to the recording of impairment loss on PH trademark rights in the previous year.

Solution & Ingredients

Decrease in profit primarily due to the impact of decreased revenue from foodservice-use products in Japan.

Frozen Foods

Frozen Foods segment sales decreased 6.1% year-on-year, or ¥12.9 billion, to ¥198.2 billion, as a result of a decline in sales of restaurant-use products due to lower foodservice demand despite increased sales of home-use products due to higher home cooking demand. Segment business profit increased significantly year-on-year by ¥2.2 billion, to ¥2.3 billion, as a result of a large increase in profit due to the effect of increased sales of home-use products and improvements in the product mix.

Main factors affecting segment sales

Decrease in revenue due to decreased sales of restaurant-use products because of decreased demand for eating out, despite increased sales of home-use products accompanying increased at home demand.

In Japan, revenue decreased due to decreased sales of restaurant use products, despite increased sales of mainstay home-use products, primarily *Gyoza*.

Overseas, revenue decreased due to decreased sales of restaurant use products and the impact of currency translation, despite increased sales of home-use products in North America.

Main factors affecting segment profits

Large increase in profit due to an increase in revenue from home-use products and an improved product mix.

In Japan, profits increased due to the effect of increased revenue from mainstay home-use products.

Overseas, profits increased significantly due to the effects of an increase in revenue from home-use products and an improved product mix, despite the impact of currency translation.

Healthcare and others

Healthcare and Others segment sales increased 3.4% year-on-year, or ¥7.8 billion, to ¥239.5 billion, owing to a significant increase in revenue of specialty chemicals. Segment business profit increased 34.6% year-on-year, or ¥6.7 billion, to ¥26.2 billion, accompanying a large increase in profit for specialty chemicals and animal nutrition even though there was a large decrease in profit for Bio-Pharma Services.

Main factors affecting segment sales

Amino Acids

Overall increase in revenue due to increased sales of amino acids for pharmaceuticals and foods, and the impact of currency translations in Bio-Pharma Services.

Specialty Chemicals

Large increase in revenue primarily due to strong sales of electronic materials.

Others

Decrease in revenue due to a decrease in demand for sports nutrition products and a decrease in sales volume of animal nutrition.

Main factors affecting segment profits

Amino Acids

Overall decrease in profit due to a significant decrease in profit from Bio-Pharma Services, despite a large increase in profit from amino acids for pharmaceuticals and foods.

Specialty Chemicals

Large increase in profit accompanying large increase in revenue.

Others

Large increase in profit due to increased unit sales prices in animal nutrition.

2. Assets and Income Status

	140th Fiscal Year (FY2017)	141st Fiscal Year (FY2018)	142nd Fiscal Year (FY2019)	143rd Fiscal Year (Fiscal Year Under Review) (FY2020)
Sales (Billions of yen)	1,114.7	1,114.3	1,100	1,071.4
Business profit (Billions of yen)	95.6	93.2	99.2	113.1
Profit attributable to owners of the parent company (Billions of yen)	60.1	29.6	18.8	59.4
Basic earnings per share (yen)	105.76	53.62	34.37	108.36
Total assets (Billions of yen)	1,426.2	1,393.8	1,353.6	1,431.2
Total equity (Billions of yen)	720.6	685.9	592.0	667.8
Equity per share (attributable to owners of the parent company) (Yen)	1,128.44	1,113.93	983.19	1,130.82
ROE Return on equity attributable to owners of the parent company (%)	9.6%	4.7%	3.3%	10.3%

Notes: 1. The Ajinomoto Group has adopted the International Financial Reporting. Standards (IFRS)
2. Basic earnings per share is calculated based on the average number of shares outstanding during the fiscal year less the average number of shares of treasury stock during the fiscal year.
3. Equity per share (attributable to owners of the parent company) is calculated based on the number of shares outstanding at the end of the fiscal year less the number of shares of treasury stock at the end of the fiscal year.
4. In the 142nd fiscal year, the Ajinomoto Group classified the packaging business under discontinued operations. Together with the logistics business, which had previously been classified under discontinued operations, profit from discontinued operations in the consolidated statements is presented separately from the profit from continuing operations, and sales, business profit, and operating profit in the above table are amounts related to continuing operations.

3. Capital Expenditures of the Ajinomoto Group

Capital expenditures of the Ajinomoto Group for the fiscal year ended March 31, 2021 amounted to a total of ¥91.8 billion, which was mainly for the following:

- Construction of production facilities (Vietnam) (completed in July 2020)
- Construction of seasonings etc. manufacturing and packaging facilities (Japan) (completed in September 2020)
- Construction of seasonings production facilities (Thailand) (Completed in March 2021)
- Construction of soup etc. manufacturing and packaging facilities (Japan) (scheduled for completion in September 2021)
- Relocation of food production facilities (Malaysia) (scheduled for completion in March 2022)
- Installation of a biomass combined heat and power system (Thailand) (scheduled for completion in April 2022)
- Renewal of core system (Japan) (scheduled for completion in March 2023)

4. Company Reorganization

There are no applicable matters.

On April 14, 2021, the Company concluded an agreement to transfer all shares of Ajinomoto Animal Nutrition Europe S.A.S., a European feed-use amino acid company wholly owned by the Company's subsidiary, Ajinomoto Animal Nutrition Group, Inc. ("AANG"), to METabolic EXplorer S.A. of France, and completed the transfer on April 28, 2021. In addition, on April 26, 2021, the Company entered into a simple absorption-type merger agreement with AANG, effective July 1, 2021.

5. Financing of the Ajinomoto Group

There are no applicable matters.

6. Employees of the Ajinomoto Group (as of March 31, 2021)

(1) Employees of the Company and its consolidated subsidiaries

Number of employees	Change from the previous fiscal year end
33,461	Increase by 952

Note: The number of employees indicates full-time employees, excluding temporary employees.

(2) Employees of the Company

Number of employees	Change from the previous fiscal year end
3,184	decrease by 217

Note: The number of employees indicates full-time employees, excluding temporary employees.

7. Important Subsidiaries and Affiliates (as of March 31, 2021)

The Company has 116 consolidated subsidiaries, including the 52 companies listed in "(1) Important Subsidiaries" below, and 16 affiliates accounted for by the equity method, including the 3 companies listed in "(2) Important Affiliates" below.

(1) Important Subsidiaries

Company name	Location	Capital stock	Ratio of voting rights (%)	Main business
Ajinomoto Frozen Foods Co., Inc.	Chuo-ku, Tokyo	JPY 9,537 million	100	Frozen foods
Ajinomoto Food Manufacturing Co., Ltd.	Kawasaki-ku, Kawasaki-shi	JPY 4,000 million	100	Flavor seasonings and processed foods
Ajinomoto AGF, Inc.	Shibuya-ku, Tokyo	JPY 3,862 million	100	Coffee, etc.
Ajinomoto Animal Nutrition Group, Inc.	Chuo-ku, Tokyo	JPY 1,334 million	100	Animal nutrition
Ace Bakery Corporation	Chuo-ku, Tokyo	JPY 400 million	100*	Flavor seasonings and processed foods
Ajinomoto Healthy Supply Co., Inc.	Chuo-ku, Tokyo	JPY 380 million	100	Amino acids
AJINOMOTO ENGINEERING CORPORATION	Ota-ku, Tokyo	JPY 324 million	100	Services, etc.
Ajinomoto Fine-Techno Co., Inc.	Kawasaki-ku, Kawasaki-shi	JPY 315 million	100	Chemicals
Ajinomoto Communications Corporation	Chuo-ku, Tokyo	JPY 295 million	100	Services, etc.
DELICA ACE Corporation	Ageo-shi, Saitama	JPY 200 million	100	Flavor seasonings and processed foods
Ajinomoto Financial Solutions, Inc.	Chuo-ku, Tokyo	JPY 100 million	100	Services, etc.
Ajinomoto Bakery, Inc.	Chuo-ku, Tokyo	JPY 100 million	100	Flavor seasonings and processed foods
GeneDesign, Inc.	Ibaraki-shi Osaka	JPY 59 million	100*	Amino acids
Saps ltd.	Chuo-ku, Tokyo	JPY 50 million	100	Flavor seasonings and processed foods
Ajinomoto Direct Corporation	Chuo-ku, Tokyo	JPY 10 million	100	Other (healthcare)
Ajinomoto Trading Co., Ltd.	Minato-ku, Tokyo	JPY 200 million	96.7	Services, etc.

Company name	Location	Capital stock		Ratio of voting rights (%)	Main business
Ajinomoto Digital Business Partners Co., Inc.	Chuo-ku, Tokyo	JPY	51 million	66.7	Services, etc.
Ajinomoto SEA Regional Headquarters Co., Ltd.	Thailand	THB	2,125,000 thousand	100	Services, etc.
Ajinomoto Co., (Thailand) Ltd.	Thailand	THB	796,362 thousand	99.6	Flavor seasonings and processed foods
AJINOMOTO SALES (THAILAND) COMPANY LIMITED	Thailand	THB	50,000 thousand	100*	Flavor seasonings and processed foods
AJITRADE (THAILAND) CO., LTD.	Thailand	THB	10,000 thousand	100*	Umami seasoning, amino acids, sweeteners and services, etc.
WAN THAI FOODS INDUSTRY CO., LTD.	Thailand	THB	60,000 thousand	60.0*	Flavor seasonings and processed foods
AJINOMOTO BETAGRO FROZEN FOODS (THAILAND) CO., LTD.	Thailand	THB	764,000 thousand	50.0*	Frozen foods
PT Ajinomoto Indonesia	Indonesia	USD	8,000 thousand	51.0	Flavor seasonings and processed foods
P.T. AJINOMOTO SALES INDONESIA	Indonesia	USD	250 thousand	100*	Flavor seasonings and processed foods
Ajinomoto Vietnam Co., Ltd.	Vietnam	USD	50,255 thousand	100	Flavor seasonings and processed foods
Ajinomoto (Malaysia) Berhad	Malaysia	MYR	65,102 thousand	50.4	Flavor seasonings and processed foods
AJINOMOTO PHILIPPINES CORPORATION	The Philippines	PHP	665,444 thousand	95.0	Flavor seasonings and processed foods
Ajinomoto (China) Co., Ltd.	China	USD	104,108 thousand	100	Animal nutrition
Shanghai Ajinomoto Seasoning Co., Ltd.	China	USD	27,827 thousand	100*	Flavor seasonings and processed foods
Shanghai Ajinomoto Trading Co., Ltd.	China	RMB	10,000 thousand	100*	Amino acids
AJINOMOTO (HONG KONG) CO., LTD.	Hong Kong	HKD	5,799 thousand	100	Umami seasoning and sweeteners, etc.
AJINOMOTO ANIMAL NUTRITION (SINGAPORE) PTE. LTD.	Singapore	USD	8,955 thousand	100*	Animal nutrition
AJINOMOTO (SINGAPORE) PRIVATE LTD.	Singapore	SGD	1,999 thousand	100	Flavor seasonings and processed foods
Ajinomoto (Cambodia) Co., Ltd.	Cambodia	USD	11,000 thousand	100	Flavor seasonings and processed foods
Ajinomoto Korea, Inc	Republic of Korea	KRW	1,000,000 thousand	70.0	Flavor seasonings and processed foods
AJINOMOTO TAIWAN INC.	Taiwan	NTD	250,000 thousand	100	Flavor seasonings and processed foods
Ajinomoto North America Holdings, Inc.	U.S.A.		-	100	Holding company
Ajinomoto Foods North America, Inc.	U.S.A.	USD	15,030 thousand	100*	Frozen foods, flavor seasonings and processed foods

Company name	Location	Capital stock	Ratio of voting rights (%)	Main business
Ajinomoto Health & Nutrition North America, Inc.	U.S.A.	USD 0	100*	Amino acids, umami seasoning, sweeteners, and chemicals, and animal nutrition
Ajinomoto Althea, Inc.	U.S.A.	USD 0	100	Amino acids
Ajinomoto Cambrooke, Inc.	U.S.A.	USD 34,280 thousand	100*	Medical food
More Than Gourmet Holdings, Inc.	U.S.A.	USD 21,908 thousand	50.1*	Liquid seasonings (broths, sauces, etc.)
Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda.	Brazil	BRL 913,298 thousand	100	Flavor seasonings, processed foods, umami seasoning, sweeteners, animal nutrition, and amino acids
Ajinomoto del Perú S.A.	Peru	PEN 45,282 thousand	99.6	Flavor seasonings and processed foods
AJINOMOTO FOODS EUROPE S.A.S.	France	EUR 35,000 thousand	100*	Umami seasoning and sweeteners
AJINOMOTO ANIMAL NUTRITION EUROPE S.A.S.	France	EUR 26,865 thousand	100*	Animal nutrition
S.A. Ajinomoto OmniChem N.V.	Belgium	EUR 21,320 thousand	100*	Amino acids
West African Seasoning Co., Ltd.	Nigeria	NGN 2,623,714 thousand	100	Flavor seasonings and processed foods
AJINOMOTO ISTANBUL FOOD INDUSTRY AND TRADE LTD. CO.	Turkey	TRY 51,949 thousand	100	Flavor seasonings and processed foods
AJINOMOTO POLAND SP Z.O.O.	Poland	PLN 39,510 thousand	100*	Flavor seasonings and processed foods
Agro2Agri, S.L.	Spain	EUR 2,027 thousand	85.0*	Amino acids

Notes: 1. Ace Bakery Corporation was dissolved as of March 2021 and has moved to liquidation proceedings.

2. In the fiscal year under review, Ajinomoto Financial Solutions, Inc., Ajinomoto Digital Business Partners Co., Inc., AJITRADE (THAILAND) CO., LTD., Shanghai Ajinomoto Trading Co., Ltd., and More Than Gourmet Holdings, Inc. were added to Important Subsidiaries.

3. The Company's ratio of voting rights in companies indicated with an * (asterisk) mark are calculated including the voting rights held by the Company's subsidiaries.

4. In the fiscal year under review, Ajinomoto Animal Nutrition North America, Inc. was removed from Important Subsidiaries.

5. Ajinomoto North America Holdings, Inc. capital stock amount is not shown because it transferred all capital stock to capital surplus.

(2) Important Affiliates

Company name	Capital stock	Ratio of voting rights (%)	Main business
EA Pharma Co., Ltd.	JPY 9,145 million	40.0	Manufacture and sale of pharmaceuticals, etc.
J-OIL MILLS, INC.	JPY 10,000 million	27.3	Manufacture and sale of edible oils, etc.
Promasidor Holdings Limited	USD 0 thousand	33.3	Manufacture and sale of processed foods etc.

8. Our Tasks Ahead

Striving to achieve our ideal of "Eat Well, Live Well" by providing solutions to food and health issues

The Ajinomoto Management Philosophy and Vision

Face the reality of a harsh world with the spirit of AND (reconciliation) rather than the spirit of OR (division)

Since January 2020 the COVID-19 pandemic has had a great impact on the Ajinomoto Group as well as on people around the world. Over the long term, it will probably significantly change people's values. Given these circumstances, our Company is strongly aware of the importance of reconciliation (AND) instead of division (OR). There are many kinds of disparities among the people of the world, due to nationality, race, affluence, and other factors. Over the last few years, these gaps have widened and the degree of division and conflict has become more prominent. To face this harsh reality head-on and work to overcome it, one needs the spirit of "AND"; not an oppositional "OR" approach that fuels division and conflict.

Since our establishment in 1909, the Ajinomoto Group has been an "AND" company. The Ajinomoto Group began with a meeting between Professor Kikunae Ikeda (who was the first in the world to discover that amino acid monosodium glutamate was the main component of umami) and Saburo Suzuki II, a businessman. This was a union in which the aspiration of a researcher who wanted to improve the nutritional conditions of Japanese people could coexist with the entrepreneurial spirit. We have inherited this spirit of balancing social value and economic value (AND) as the ASV (Ajinomoto Group Shared Value). Our two founders had a clear "AND" vision in which both delicious food AND nutrition were important, not an "OR" vision or having either delicious food OR nutrition. Their thoughts are the foundation of our important ideal of "Eat Well, Live Well" which is also the reason for our existence. We are striving to offer solutions to food and health issues in the spirit of "AND" and we are playing our part to create a bright future of affluent society.

Once again, we declare our commitment to the progress of ASV (Ajinomoto Group Shared Value)-based management -- The function of amino acids and the setting up of ecosystems*1

ASV (Ajinomoto Group Shared Value)-based management is a management style that aims to balance social value AND economic value (AND) through business. In 2020, the Ajinomoto Group declared its commitment to "the progress of ASV management" both inside and outside the company, and stated that it would be "reborn as a "'solution-providing company for food and health issues'" by 2030. We also declared our additional goals to achieve by 2030 as "extending the healthy life expectancy of one billion people" and "reducing our environmental burden by 50%."

On the environmental front, we are placing great importance on "climate change adaptation and mitigation," "creating a resource-recycling society," and "achieving sustainable procurement*2," with the aim to coexist with community and the earth. We have set goals and measures for each and are promoting them.

To achieve these objectives, collaboration (AND) is essential not only among the Ajinomoto Group but also among the various stakeholders. Based on this idea, the Ajinomoto Group is focusing on the following three aspects: 1) clarifying the relationship between "diet (nutrition)," "physical health" and "mental health"; 2) classifying the various eating and lifestyle patterns that lead to lifestyle diseases; and 3) establishing an ecosystem of problem-solving activities. Currently, we are working on building two ecosystems.

The first is an ecosystem that is centered on academia. In April 2020 we set up a joint research course with Hirosaki University in which the study theme was the extension of healthy life expectancy. The "Iwaki Health Promotion Project" conducted by Hirosaki City in Aomori Prefecture has run continuously since 2005. Researchers have continuously gathered health-related big data from 1,000 residents, covering 2,000 to 3,000 data items. Through this joint research project, by combining the analysis of health big data (which is unprecedented in the world) with our technology, we will analyze the relationship between diet (nutrition) and physical and mental health, and will attempt to construct a hypothesis that will lead to the extension of healthy life expectancy.

In the second, we plan to create an ecosystem to help solve health issues. An example is our “Iwate Salt Reduction Project” that we have carried out since 2014 in collaboration with local governments. We are increasing opportunities for practice through collaboration with local governments, the media and distributors, and are working through a cycle of analysis, hypothesis construction, practice, and verification. In July 2020 we initiated our “Smart Salt” project using our salt-reducing technology, based on the concepts of “delicious, gentle, and your very own salt reduction” that utilizes umami and dashi. We will expand the project not only through Japan but also to Vietnam. As revealed in the “Iwate Salt Reduction Project”, increasing sales of high-value-added low-salt products also contribute to higher unit prices. We can expect long-term growth for the Ajinomoto Group through this process.

We are confident that by coordinating and linking (AND) the paths of these two ecosystems and by collaborating (AND) with many businesses with whom we share aspirations, we can expand our target area out into the world, thus contributing to extending the healthy life expectancy of one billion people by 2030 and even more after that.

*1 Ecosystem: a collaboration with multiple companies and organizations in product development and business activities.
*2 Sustainable procurement: the procurement of raw materials/fuel with careful consideration of environmental and social sustainability.

Looking Back on the Progress of the Medium-term Management Plan

Picking up the pace of doing what we should be doing; considering the outcomes and issues of the first year of the plan

More than a year has passed since we began our 2020-2025 Medium-Term Management Plan that we created by looking back on the present from our vision of 2030. In our Medium-Term Management Plan, we set out to improve capital efficiency and return to organic growth. We announced five key financial and non-financial KPIs: ROIC (Return on Invested Capital), organic growth rate (sales growth rate excluding the effects of non-continuous growth), core business sales ratio, employee engagement score, and unit price growth (weight unit price growth rate, overseas consumer products). We are speeding up a range of reforms related to these KPIs and are aiming to exceed the figures targeted for FY2022. Our FY2020 business results and FY2021 forecasts are as follows.

			20-22 Phase 1 Structual Reform			23-25 Phase 2 Regrowth	2030 Goal
		FY19 (Result)	FY20 (Result)	FY21 (Target)	FY22 (Target as of the Plan)	FY25 (Target as of the Plan)	
Efficiency	ROIC (1) (>Capital cost)	3.0%	6.9%	7.0%	8%	10-11%	13%
Growth	Organic growth rate (2) (YoY)	0.3%	▲0.6%	Approx. 6%	4%	5%	5%
Priority KPIs	Core business sales ratio (3)	66.5%	66.6%	70%	70%	80%	80%~
Priority KPIs	Employee engagement score (“Adoption of the ASV approach at the individual level”) (4)	55%	64%	—	70%	80%	85%~
Priority KPIs	Unit price growth (YoY) (5) (Overseas consumer products)	Approx. 5%	2.8%	Approx. 2%	2.5%	3%	3%

(1) “Return on Invested Capital” : An indicator of how much profit a company has made from the capital it has invested in its business
(2) Sales growth rate excluding the effects of non-continuous growth such as foreign exchange, accounting changes and M&A / sales of businesses
(3) Indicates seasonings, quick nourishment, frozen foods, ingredients seasonings, healthcare, and electronic materials
(4) The proportion of employees who feel that they are contributing to the realization of ASV (Ajinomoto Shared Value) = job satisfaction
(5) For overseas consumer products, this is an index that shows the unit price growth rate from the previous year by country and by category as a weighted average by sales

Looking back on the first year of the Plan, there are times when things went faster than planned, and times when challenges became apparent. We are making good progress in selecting businesses and sharing the Ajinomoto Group Vision with our employees. We are also transitioning to being a company with a Nomination Committee, etc., and have established the Sustainability Advisory Council. We are thus promoting the strengthening of our corporate governance system that forms the basis of management, as well as our sustainability promotion framework. On the other hand, although the Ajinomoto Group’s overall digital transformation (DX) to drive our overall operational reform and the reform of our business models is making steady progress, the execution of these plans and the reaping of the results will not occur until after FY 2021.

There can be no reforms without a digital revolution

The power of digital systems is essential to drive forward our Medium-Term Management Plan. For example, we are changing our management policy on business profit from one of short-term profit-and-loss management to one emphasizing the importance of ROIC (Return on Invested Capital) and achieving organic growth. If all operations show the path leading to ROIC improvement as an ROIC tree, and the KPI performance for each business can be visualized and measured in real-time through the power of digital systems, then the time spent on counting, tabulating, and analyzing numbers can instead be used for value creation and problem-solving. The visualization of results is expected to improve job motivation, leading to improved productivity and greater employee engagement. In addition, if anyone can see where the heart of the problem lies, it will speed up the process of gathering knowledge and taking appropriate steps.

At present, we are focusing on developing human resources skilled in digital technology while promoting in-house implementation step by step. Examples include the standardization of management accounting, the establishment of operational guidelines, and the spread of operational excellence (OE)* as a business management method common to all group companies.

*Continuous improvement and reform based on the ideas and methods of refining all operations to solve customer-oriented problems and to create added value while fostering the mutual growth of individuals and teams to create a competitive advantage.

Promoting a transformation of our corporate culture

A year has passed since we began our 2020-2025 Medium-Term Management Plan. We are pushing ahead with the following five management reforms in the plan. The first is “Review our vision”. We have decided to transform ourselves into a “solution-providing company for food and health issues”. The second reform is to “Redefine corporate value”. We have redefined “corporate value” to be the cycle in which increases the value of employees and creates new value for customers, which in turn leads to economic value. The third is “Reform our human resources training and development and our organizational management”. We have introduced a new system that allows employees to contribute to the enhancement of corporate value through the improvement of customer value. The fourth is “Change our management policy towards business profit”. We are stepping away from our previous corporate culture that emphasized short-term profit, and have shifted to management that emphasizes organic growth from a long-term perspective. The fifth is “Transform the process of creating business strategy”. Once we formulate a plan, we think it important to have a cycle of improving it rather than putting up with it unchanged for three years in a row. We have decided to transform ourselves through these five management points so that we can become a “solution-providing company for food and health issues”.

The Pioneer Spirit and Sustainability Management

The biggest challenge is to regain the pioneering spirit

About a year after we embarked on the reform of our corporate culture, we found that regaining the pioneer spirit (like the one when our Company was established) was the biggest challenge. Our Plan stated that the Ajinomoto Group will extend the healthy life expectancy of one billion people by the year 2030, but the Ajinomoto Group itself must also extend its own healthy life expectancy as a company. For us to continue to grow without being threatened by start-up companies, we must have a pioneering spirit that breaks the obsession with precedent and is similar to the mindset at the time of original corporate establishment.

As one example of a specific policy to achieve this and to incorporate the power of new ventures into the Ajinomoto Group, in fiscal 2020 we started the program “A-STARTERS” to identify and train in-house entrepreneurs. Furthermore, we have established a Corporate Venture Capital (CVC) arm, which invests in domestic and overseas ventures, and have begun to seek new collaboration (AND) by appointing specialized human resources from outside the company. We invested in a fund created by global food technology venture capital firm AgFunder Inc. We collaborated (AND) with Japanese food tech startup Base Food, Inc. We moved ahead with a capital and business alliance (AND) with DAIZ Inc. of Japan, which develops, produces, and sells plant-based meat. By engaging in these activities with appropriate speed and scale, we will move forward with an “AND” in our research and development, “deepening” our existing businesses while “exploring (evolving)” new fields in parallel.

A schedule for our 50% reduction in environmental burden

Reducing our environmental burden by 50% is an important issue not only concerning the direct emissions from the Ajinomoto Group's business activities but also for reducing the environmental burden of the entire supply chain. Raw materials account for half of all the direct and indirect greenhouse gas emissions of the Ajinomoto Group. From the perspective of sustainable food production, we are promoting efforts to reduce greenhouse gases by utilizing renewable energy, conserving food resources by reducing food loss, upholding human rights, and protecting the natural environment.

On the topic of plastic waste, the Ajinomoto Group overall uses some 70,000 tons of plastic each year. We have already switched over to using recyclable materials for some 30,000 tons of this. In the future, all the plastic we use will be recyclable, and we will contribute to making collection, sorting, and recycling a common social practice. It is difficult for the Ajinomoto Group alone to overcome these issues. Collaboration with nations, regions, local communities, societies, academia, and industry are the key.

Towards FY2021

The COVID-19 global pandemic has serious implications for economies, societies, and our lifestyles and values. The outlook remains uncertain. While the entire world is facing new challenges due to this coronavirus calamity, new lifestyles and approaches are emerging that will allow us to adapt to the new environment and explore new possibilities. The pursuit of sustainability is like a journey without an end. Even in this “new normal” environment, the Ajinomoto Group will continue to play a familiar role in our customers’ lives through the information we provide that is useful in everyday living and the food products that we offer, as we strive to support a bright future.

II. Matters regarding Shares of the Company (as of March 31, 2021)

(1) Number of shares authorized to be issued by the Company: 1,000,000,000 shares

(2) Number of shares issued: 549,163,354 shares

(3) Number of shareholders: 138,221

(decreased by 6,432 compared with the end of the previous fiscal year)

(4) Major shareholders

Shareholder	Number of shares held (thousand shares)	Ownership interest (%)
The Master Trust Bank of Japan, Ltd. (trust account)	69,071	12.58
Custody Bank of Japan, Ltd. (trust account)	34,244	6.24
The Dai-ichi Life Insurance Company, Limited	26,199	4.77
NIPPON LIFE INSURANCE COMPANY	25,706	4.68
MUFG Bank, Ltd.	14,574	2.65
Meiji Yasuda Life Insurance Company	11,362	2.07
Custody Bank of Japan, Ltd. (trust account 7)	9,155	1.67
STATE STREET BANK WEST CLIENT – TREATY 505234	8,495	1.55
Mitsubishi UFJ Trust and Banking Corporation	8,083	1.47
Custody Bank of Japan, Ltd. (trust account 5)	7,319	1.33

Notes: 1. Ownership interests are calculated after deduction of treasury stock (103 thousand shares).
2. The number of shares held by The Dai-ichi Life Insurance Company, Limited does not include 2,000 thousand shares of the Company contributed as a trust asset for a retirement benefit trust of The Dai-ichi Life Insurance Company, Limited. The Dai-ichi Life Insurance Company, Limited holds voting rights in respect of these shares.

(5) Shares issued to corporate officers as compensation for the execution of their duties during the fiscal year under review

Details of stock-based compensation granted during the fiscal year under review are as follows

	Number of shares	Number of recipients
Directors (excluding outside directors)	39,900	6
Outside Directors	0	0
Audit & Supervisory Board Members	0	0

Note: The number of shares represents the number of shares delivered as medium-term company performance-linked stock compensation after the end of the final fiscal year of the 2017-2019 (for 2020) Medium-Term Management Plan.

(6) Other important matters regarding shares

Based on the resolution made at a Board of Directors meeting held on May 10, 2021, the Company will repurchase its stock as follows, for the purpose of increasing the level of shareholder returns and improving capital efficiency.

Total number of shares to be repurchased	25 million (maximum) shares of common stock
Total amount to be paid for repurchase	¥40 billion (maximum)
Period of share repurchase	May 11, 2021 to January 31, 2022

(7) Cross-shareholdings

(1) The Company's policy regarding cross-shareholdings

The Company will decrease its holdings of cross-shareholdings gradually to the minimum amount necessary. The Company carefully scrutinizes each individual cross-shareholding in terms of whether the purpose of holding them is appropriate and whether the benefits and risks of holding them are commensurate with the capital costs. Every year, the Company reviews the propriety of holding shares through the Board of Directors and discloses the results of these reviews. Those shares judged as inappropriate to hold will be sold once the detailed plan for selling is determined.

(2) Standard for the exercise of voting rights

The Company will exercise voting rights of cross-shareholdings so as to contribute to improving long-term corporate value. The Company will vote against instances where shareholder value is significantly impaired due to organizational restructuring or other factors, or cases where serious concerns arise with regard to corporate governance for reasons such as social scandals.

(3) Total number of shares and balance sheet amount of cross-shareholdings

Category		FY2017	FY2018	FY2019	FY2020
Number of shares (shares)	Listed	62	50	42	36
	Non-listed	69	67	67	69
	Total	131	117	109	105
Total Balance sheet amount (¥ million)	Listed	46,044	39,703	24,755	28,220
	Non-listed	2,324	3,355	3,177	3,156
	Total	48,369	43,059	27,932	31,376

III. Corporate Governance and Matters Regarding the Corporate Officers of the Company (as of March 31, 2021)

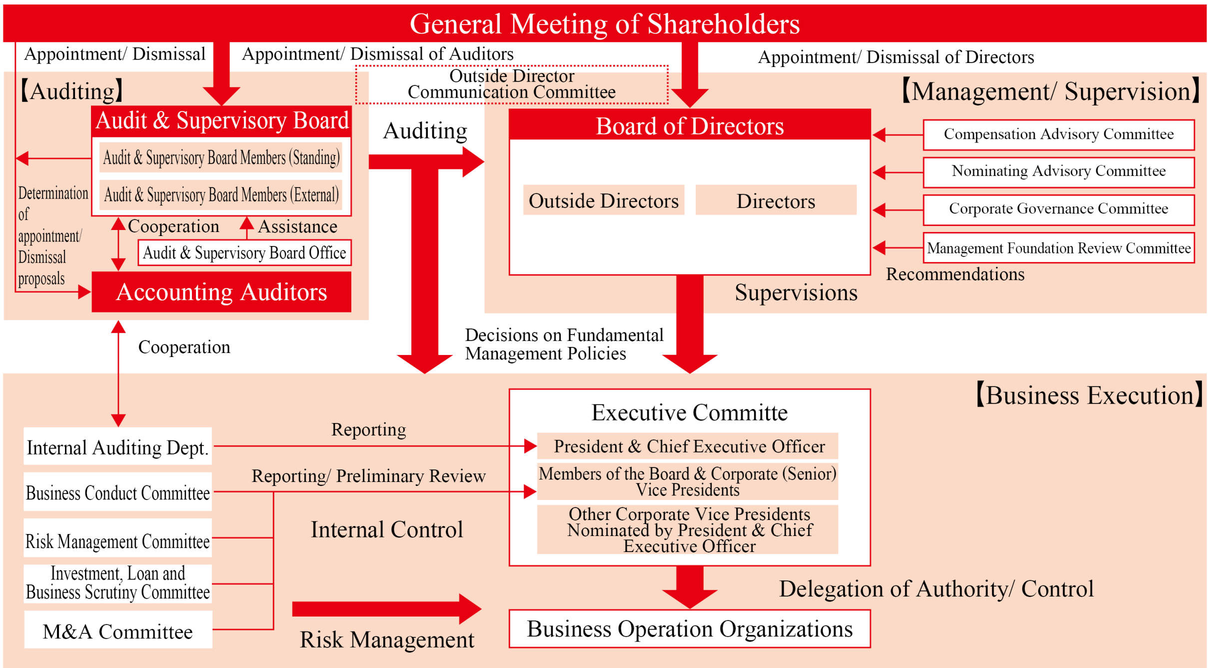
1. Matters Regarding Corporate Governance

(1) Basic Approach to Corporate Governance

The Ajinomoto Group positions corporate governance as one of the most important aspects of its management base for accelerating its ASV (Ajinomoto Group Shared Value) and becoming a "solution-providing company for food and health issues." We shall continue implementing initiatives to build effective corporate governance systems that balance "appropriate supervision of execution that reflects stakeholders' perspectives" and "agile decision-making and implementation," while also faithfully observing the "Ajinomoto Group Policies," which lay out the principles that illustrate the beliefs and behaviors which the companies in the Ajinomoto Group and each officer and employee who works there should comply with, continuing to focus on developing and properly implementing its internal control systems, and through engagement and collaboration with stakeholders. We believe that such initiatives will help us solve the issues that are faced by 21st-century society through our businesses and that they will serve as the foundation for ASV, which sustainably enhances corporate value.

(2) Organizational Structure of the Corporate Governance System

The organizational structure of our corporate governance system is as follows.



(Voluntary Committees of the Board of Directors)

・Nominating Advisory Committee

Consisting of 3 Outside Directors and 2 Internal Directors (a total of 5 members), one of the Outside Directors is the chair of the Committee. The Committee discusses proposals such as for the nomination of Director candidates, and selection and removal proposals for Chairman of the Board and President, in addition to selection and removal proposals for Representative Directors, based on inquiries from the Board of Directors and reports the outcomes of its deliberations to the Board.

・Compensation Advisory Committee

Consisting of 3 Outside Directors and 2 Internal Directors (a total of 5 members), one of the Outside Directors is the chair of the Committee. The Committee discusses compensation for Directors, Corporate Executive Officers and others, based on inquiries from the Board of Directors, and reports the outcomes of its deliberations to the Board.

・Corporate Governance Committee

Consisting of 3 Outside Directors, 2 Internal Directors and 1 Audit & Supervisory Board Member (External) (a total of 6 members), one of the Outside Directors is the chair of the Committee. The Committee discusses important matters related to the creation, maintenance, and implementation of the corporate governance system, based on inquiries from the Board of Directors, and reports the outcomes of its deliberations to the Board.

・Management Foundation Review Committee

Consisting of 4 Internal Directors, the President is the chair of the Committee. The Committee determines the strategic direction for Group management and strengthens the foundation of the cross-Group management function, and reports the outcomes of its deliberations to the Board.

・Outside Director Communication Committee and Lead Independent Outside Director

Outside Director Communication Committee aim to improve the quality of supervision of business execution through an exchange of information between the Outside Directors and the Audit & Supervisory Board Member (External), by mutually complementing specializations. In addition, a Lead Independent Outside Director is mutually selected by the independent Outside Directors so as to respond to stakeholders and provide effective advice to executive Directors.

(Internal control and risk management)

・Business Conduct Committee

The Business Conduct Committee works to ensure that the Ajinomoto Group Polices (AGP) are thoroughly understood. It checks whether management and corporate activities are conducted in accordance with the AGP or not, and it responds to issues arising, in addition to creating manuals, making organizations carrying out business operations create business continuity plans, and holding crisis management drills, etc., and thereby identifying and inspecting the status of preparations to respond to any risks other than at the company-wide management level and crises that materialize.

・Management Risk Committee

The Management Risk Committee selects and identifies risks at the company-wide management level from among the various risks that the Ajinomoto Group faces as it accelerates its global development, and formulates measures for responding to these risks.

・Investment, Loan and Business Scrutiny Committee

The Committee considers various aspects surrounding investments and loans, and the regeneration of or withdrawal from unprofitable businesses, prior to deliberations by the Management Committee.

・M&A Inquiry Commission

The Commission considers various aspects surrounding mergers and acquisitions, prior to deliberations by the Management Committee.

(3) Reasons for Selection of the Current Corporate Governance System

The Company has selected the current corporate governance system because it believes that its double-checking system ensures appropriate business operations. The Board of Directors is consisted of 9 Directors (including 3 Outside Directors), and supervises important business decisions and the work conduct of the Directors and Corporate Executive Officers. The 5 Audit & Supervisory Board Members (including 3 Audit & Supervisory Board Member (External)) maintain their independence from those supervising business execution and collaborate with the accounting auditors and the Company's Internal Auditing Dept. to audit the actions of Directors.

In addition, the Company will reflect the opinions of multi-stakeholders and evolve ASV (Ajinomoto Group Shared Value) management with a more effective corporate governance system that combines appropriate supervision of execution with speedy business execution.

(4) Views on the Abilities and Diversity of the Board of Directors as a Whole

The Company’s basic policy is to ensure that the Board of Directors is composed of Internal Directors who are responsible for business execution, including the Chief Executive Officer, Internal Directors who are not responsible for business execution and who supervise business execution based on their deep understanding of the Company’s businesses, and several independent Outside Directors who can objectively supervise the execution of business operations from an independent perspective, taking into consideration skill requirements centered on the “ability to realize ASV,” the size of the Board of Directors, the proportion of Internal/ Outside Directors, the proportion of executive and non-executive Directors, and diversity with regard to individual Directors’ experience, capabilities, expertise, international background, gender, etc.

2. Matters regarding Corporate Officers

(1) Names, Positions and Assignment in the Company and Important Positions Currently Held in Other Companies, etc. of Directors and Audit & Supervisory Board Members

Position	Name	Assignment in the Company and Important Positions Currently Held in Other Companies, etc.
Chairman of the Board	Masatoshi Ito	(Important Positions Currently Held in Other Companies) Outside Director, Japan Airlines Co., Ltd. Outside Director, NEC Corporation
Director, President & Chief Executive Officer *1	Takaaki Nishii	
Director Corporate Executive Deputy President *1	Hiroshi Fukushi	Chief Digital Officer (CDO)
Director Corporate Senior Vice President *1	Masaya Tochio	(Assignment in the Company) Global Corporate Division, Corporate Service Division
Director Corporate Vice President	Chiaki Nosaka	(Assignment in the Company) In charge of diversity and HR
Director	Etsuhiro Takato	
Outside Director (Independent Officer)	Yasuo Saito	
Outside Director (Independent Officer)	Takashi Nawa	(Important Positions Currently Held in Other Companies) Professor, Graduate School of International Corporate Strategy, Hitotsubashi University Business School Representative Director, Genesys Partners, Ltd. Outside Director, NEC Capital Solutions Limited Outside Director, Fast Retailing Co., Ltd. Outside Director, Sompo Holdings, Inc.
Outside Director (Independent Officer)	Kimie Iwata	(Important Positions Currently Held in Other Companies) Audit and Inspection Commissioner, the Tokyo Metropolitan Government Outside Director, Sumitomo Corporation Outside Director, Resona Holdings, Inc.
Audit & Supervisory Board Member (Standing)	Yoichiro Togashi	
Audit & Supervisory Board Member (Standing)	Shizuo Tanaka	
Audit & Supervisory Board Member (External) (Independent Officer)	Atsushi Toki	(Important Positions Currently Held in Other Companies) Representative, Meitetsu Sogo Law Office (lawyer) Outside Director / Audit and Supervisory Committee member, Maruyama Mfg Co., Inc. Outside Director, GEOSTR Corporation
Audit & Supervisory Board Member (External) (Independent Officer)	Hideki Amano	(Important Positions Currently Held in Other Companies) Certified Public Accountant Outside Director, TOPPAN FORMS CO., LTD. Outside Audit & Supervisory Board Member, Kao Corporation Outside Corporate Auditor, Seiko Holdings Corporation

Audit & Supervisory Board Member (External) (Independent Officer)	Mami Indo	(Important Positions Currently Held in Other Companies) Outside Director, Tokyo Gas Co., Ltd.

Notes: 1.“*1” designates Representative Director.

2. There are transactions between the Company and Genesys Partners where Outside Director Takashi Nawa holds the position of Representative Director, based on a training outsourcing contract. However, Takashi Nawa meets the Company’s standards for determining the independence of Outside Officers, because the payment from the Company during the fiscal year under review was ¥3.2 million.
3. Other than the above, there are no significant transactions and/or other special relationships between the Company and the other companies at which the Outside Directors or Audit & Supervisory Board Members (External) hold important positions.
4. All Outside Directors and Audit & Supervisory Board Members (External) are designated as Independent Officers as specified by the Tokyo Stock Exchange and the Company has registered them at the Tokyo Stock Exchange.
5. Standing Audit & Supervisory Board Member Shizuo Tanaka has previously worked as General Manager, Financial Affairs, Finance Dept., and possesses a respectable degree of knowledge of finance and accounting.
6. Audit & Supervisory Board Member (External) Hideki Amano is qualified as a certified public accountant and possesses a respectable degree of knowledge of finance and accounting.
7. Directors and Audit & Supervisory Board Members who changed positions during the period are as follows.

Name	New Position	Former Position	Date of Change
Mami Indo	Audit & Supervisory Board Member (External)	(New Appointment)	June 24, 2020
Hiroshi Murakami	(Retirement)	Audit & Supervisory Board Member (External)	June 24, 2020

(2) Amounts of Compensation, etc. Paid to Directors and Audit & Supervisory Board Members in the Fiscal Year under Review

(1) Policy and process taken to decide the compensation paid to Directors

The Company’s basic policy regarding compensation paid to Directors is resolved by the Board of Directors following the receipt of reports from the Compensation Advisory Committee.

Below is an overview of the policy.

1) Basic policy regarding compensation paid to Directors

(a) In line with Ajinomoto Group Policy (AGP), it will lead to medium- to long-term expansion of corporate value

(b) The level of compensation is sufficiently competitive with the market level

(c) Compensation will be determined through a transparent process that is accountable to stakeholders

2) Overview of the system of compensation of Directors

(a) Policy on level of compensation

The level of compensation of Directors (excluding Outside Directors) is based on the 75th percentile (top 25% level) of compensation levels for executives of major Japanese companies based on the results of surveys conducted by external organizations.

(b) Compensation of Directors (excluding Outside Directors)

The compensation of Directors (excluding Outside Directors) comprises monthly compensation, short-term performance-based compensation, and medium-term performance-based compensation. Following the receipt of reports from the Compensation Advisory Committee, the compensation is paid according to a resolution by the Board of Directors, pursuant to the payment standard resolved by the Board of Directors.

(i) Monthly compensation

Monthly compensation is compensation in cash that is paid to encourage individuals to demonstrate their qualities and capabilities to drive corporate growth, and which also reflects their responsibilities. The amount of compensation is set individually for each job position (with reference to the results of surveys conducted by external organizations) and is paid monthly in fixed amounts.

(ii) Short-term performance-linked compensation

Short-term performance-linked compensation is an incentive to encourage appropriate management and the steady achievement of single-year performance targets. It is compensation in cash that is paid annually at the end of June. The evaluation indicators are sales, business profit, and profit attributable to the owners of the parent company (all on a consolidated basis), which are the main management indicators for the fiscal year.

Short-term performance-linked compensation evaluation indicators and evaluation weightings are as follows.

	Evaluation indicators	Weighting in evaluation
1	Sales	30%
2	Business profit	50%
3	Profit for the business year attributable to the owners of the parent company	20%

(iii) Medium-term company performance-linked stock compensation

Medium-term company performance-linked stock compensation seeks to enhance the sustainable business performance of the Ajinomoto Group in the medium to long term and to increase corporate value. The Company has set an ROIC (return on invested capital) of 13% from the viewpoint of efficiency and an organic growth rate of 5% from the viewpoint of growth potential by 2030 to be the structural targets. In Phase 1 of the Medium-Term Management Plan from FY2020 to FY2022, we have set an ROIC target of 8%. We use the sales ratio of core businesses, employee engagement, and ESG targets as evaluation indices, and the relative TSR (Total Shareholder Return) as the evaluation index from the viewpoint of shareholder return.

Therefore, after the completion of Phase 1 of the Medium-Term Management Plan, evaluations will be made using the evaluation indicators listed in the table below, and the Company's shares and the amount equivalent to the conversion and disposal of the Company's shares will be paid as medium-term company performance-linked stock compensation.

The number of the Company's shares, etc. to be used for payment of compensation is obtained as follows. Each evaluation index (calculated from the target achievement rate and evaluation weight for each evaluation index) is multiplied by the preset medium-term performance-linked compensation amount for each job position. The total number obtained is then divided by the closing price (2,010.5 yen) of the Company's shares on March 31, 2020, to yield the number of shares to be used for payment of compensation. Half of the compensation will be delivered in the form of Company shares, and the remaining 50% will be used for payment of income tax, etc., therefore the stock-granting trust (hereinafter "Trust") will convert this to cash by selling the shares on the market and then paying the amount equivalent to the conversion and disposal of the Company's shares.

	Evaluation indicators	Target	Weighting in evaluation
1	ROIC (Return on Invested Capital) Achievement rate (Notes. 1)	8.0%	60%
2	Proportion of core businesses sales achievement rate (Notes. 2)	70%	20%
3	Relative TSR (Total Shareholders' Return) (Notes. 3)	1	10%
4	Employee engagement (Notes. 4)	-	5%
5	ESG target (Notes. 5)	-	5%

Notes: 1. Weighted average value of target achievement rate in each financial year of the Period
(Weighted average weight: 25% in FY2020, 25% in FY2021, 50% in FY2022)
ROIC (Return on Invested Capital) is calculated using the method shown below (all values are on a consolidated basis).
.: ROIC = (Operating income after tax for the fiscal year) ÷ [(Capital invested in that fiscal year) + (Capital invested in the previous fiscal year) ÷ 2]
* Invested capital = Shareholders' equity attributable to the owners of the parent company + interest-bearing debt
2. Rate of achievement of FY2022 targets
The proportion of high-priority business sales is calculated using the method shown below (all values are on a consolidated basis).
.: Proportion of core business sales = (Core business sales in FY2022) ÷ (Consolidated sales in FY2022)
3. Rate of achievement of FY2022 targets

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

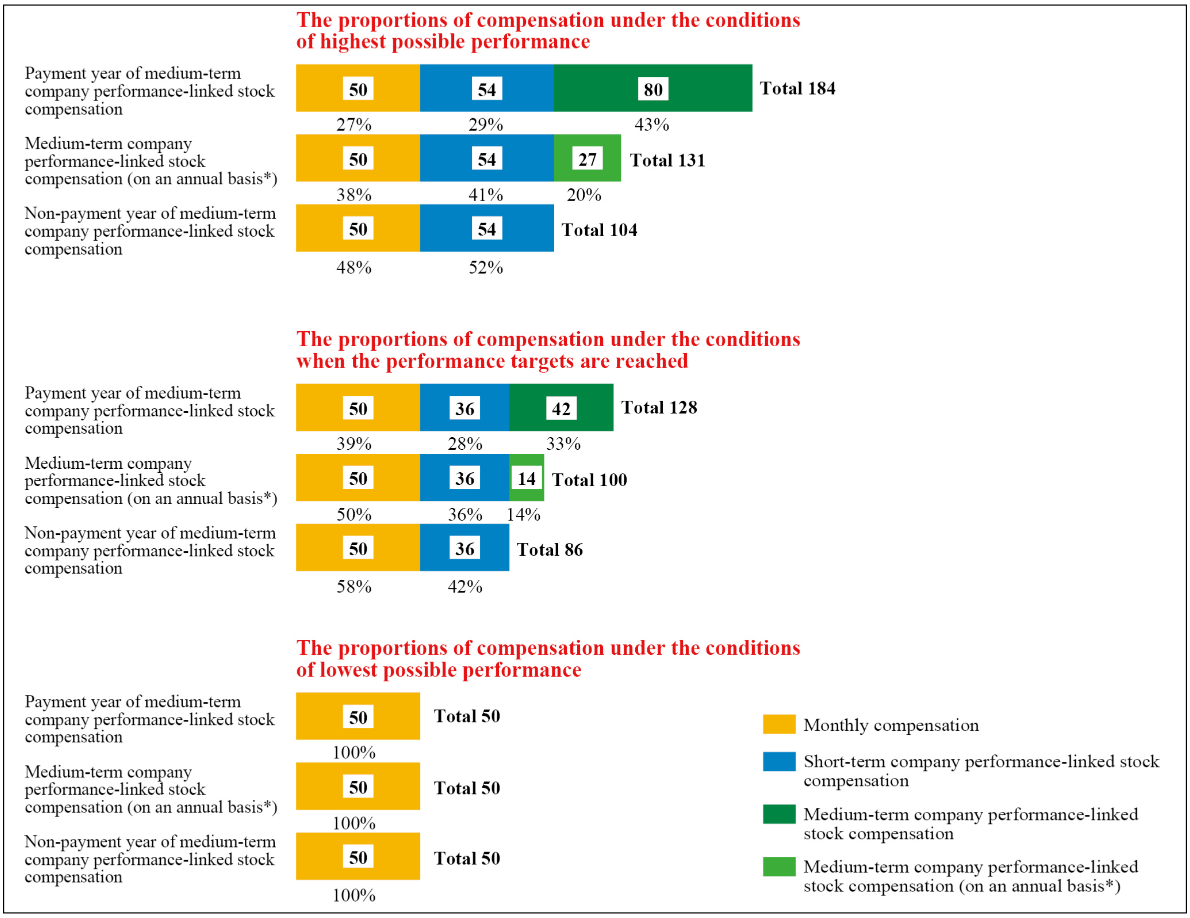
4. Self-evaluation of the results of the employee engagement survey, and the initiatives stated in the new Medium-Term Management Plan and the degree of achievement of these initiatives
5. Self-evaluation of the initiatives taken towards the ESG targets in the New Medium-Term Management Plan and the degree of achievement of these initiatives

(c) Compensation paid to Outside Directors
Compensation to Outside Directors is resolved by the Board of Directors on an individual basis. Only monthly compensation is paid.

3) Policy regarding the determination of performance-based compensation of Directors (excluding Outside Directors) and the proportion of compensation other than performance-based compensation

The proportions of monthly compensation, short-term performance-linked compensation, and medium-term company performance-linked stock compensation paid to Directors (excluding Outside Directors) will be approximately 50:36:14 (on an annual basis *) when the performance targets are achieved (i.e., a “4” in a 6-level performance evaluation). The amount varies as follows depending on business performance.

a) In fiscal years when medium-term company performance-linked stock compensation is paid, short-term company performance-linked compensation and medium-term company performance-linked stock compensation (monetary value conversion at the time of contribution to the Trust) account for a minimum of 0% and a maximum of around 72% of total compensation.
b) Short-term company performance-linked compensation accounts for between 0% and 52% of total compensation in fiscal years when medium-term company performance-linked stock compensation is not paid.
c) If the total compensation at the time of a standard evaluation (on an annual basis *) when the performance targets are reached is assigned an index of 100, then the indices of total compensation under the conditions of highest possible performance and of lowest possible performance, as well as the proportions of each type of compensation in total compensation are as follows.



* “On an annual basis” means when the medium-term company performance-linked stock compensation to be paid after the end of Phase 1 of the Medium-Term Management Plan is leveled and paid annually.

4) Reasons why the Board of Directors has determined that the details of individual compensation, etc. of Directors follow the decision policy regarding the content of individual compensation, etc. of Directors

As individual remunerations, etc. of Directors is paid in accordance with the compensation standard based on the decision policy established by the Board of Directors, the details of individual compensation for Directors is in line with the decision policy.

(2) Overview of the system of compensation, etc. of Audit & Supervisory Board Members

Compensation of Audit & Supervisory Board Members is set based on the decision of the Audit & Supervisory Board. Only monthly compensation is paid.

(3) Amounts of compensation, etc. paid to Directors and Audit & Supervisory Board Members

Category	Number of persons to whom compensation, etc. was paid	Total compensation, etc., by category (million yen)			Total compensation, etc. (million yen)
		Fixed compensation	Performance-linked compensation		
		Cash compensation		Non-cash compensation	
		Monthly compensation	Short-term performance-linked compensation	Medium-term company performance-linked stock compensation	
Directors (excluding Outside Directors)	6	292	252	55	600
Audit & Supervisory Board Members (Excluding Audit & Supervisory Board Members (External))	2	82	-	-	82
Outside Directors	3	45	-	-	45
Audit & Supervisory Board Members (External)	4	45	-	-	45

Notes: 1. Officers paid include one Outside Auditor who retired during the period.

2. The amounts of compensation, etc., listed above are amounts based on International Financial Reporting Standards (IFRS).

3. The difference between a) the expected payment amount and the total amount of short-term performance-linked compensation paid in June 2020 and b) the expected payment amount (disclosed in the business report for the previous fiscal year) is included in the short-term company performance-linked compensation.

4. The actual results for the current fiscal year regarding the evaluation indicators for short-term company performance-linked compensation are as follows.

	Evaluation indicators	Actual results for the fiscal year under review
1	Sales	¥1,071.4 billion
2	Business profit	¥113.1 billion
3	Profit for the business year attributable to the owners of the parent company	¥59.4 billion

5. The difference between a) the total amount of reserves for the current fiscal year and medium-term performance-linked stock compensation paid in October 2020 and b) the expected payment amount disclosed in the business report for the previous fiscal year is included in the medium-term company performance-linked compensation. In addition, 50% of medium-term performance-linked stock compensation is in the form of Company shares, and the remaining 50% is an amount equivalent to the conversion of the Company's shares sold on the market.

6. The actual results for the current fiscal year regarding the evaluation indicators for medium-term company performance-linked stock compensation are as follows.

	Evaluation indicators	Actual results for the fiscal year under review
1	Achievement rate of ROIC (Return on Invested Capital)	6.9%
2	Proportion of achievement rate of sales ratio of core businesses sales achievement rate	66.6%
3	Relative TSR (Total Shareholders' Return)	—
4	Employee engagement	64%
5	ESG target	—

7. Aggregate compensation to Directors of the Company was limited to the total amount of ¥1.2 billion per year (excluding employee salaries to be paid to the Directors who concurrently serve as employees), and aggregate compensation to Outside Directors is limited to the total amount of ¥50 million per year, by the resolution of the 129th Ordinary General Meeting of Shareholders held on June 28, 2007. After the conclusion of this Ordinary General Meeting of Shareholders, the number of Directors excluding Outside Directors will be 12, and the number of Outside Directors will be 1.
8. At the 142nd Ordinary General Meeting of Shareholders held on June 24, 2020, it was resolved that the system (hereafter referred to as "the System") to pay medium-term company performance-linked stock compensation (the introduction of which was resolved at the 139th Ordinary General Meeting of Shareholders held on June 27, 2017) would continue during the 3rd fiscal year that began on April 1, 2020. The System operates as follows. The Company contributes money up to a maximum amount of ¥2.2 billion to a stock ownership trust (hereafter referred to as "the Trust"). The Trust acquires Company shares. At the end of the three-year trust period, the Trust will provide the persons entitled to the System with the Company's shares and the amount equivalent to the conversion and disposal of the Company's shares according to the degree of achievement of the Phase 1 targets of the Medium-Term Management Plan. The persons entitled to the System are the Directors (excluding Outside Directors), Executive Officers, and Corporate Fellows. The total number of Company shares given to the persons entitled to the System will be no more than 1.1 million shares. After the conclusion of the Ordinary General Meeting of Shareholders, the number of entitled persons were 59, of whom 6 will be Directors.
9. Aggregate compensation to Audit & Supervisory Board Members is limited to the total amount of ¥190 million per year by the resolution of the 129th Ordinary General Meeting of Shareholders held on June 28, 2007. After the conclusion of the Ordinary General Meeting of Shareholders, the number of Audit & Supervisory Board Members were 5.

(3) Main Activities of Outside Directors and Audit & Supervisory Board Members (External) in the Fiscal Year under Review

Position	Name	Attendance of meetings of the Board of Directors (attendance rate)	Attendance of meetings of Audit & Supervisory Board (attendance rate)	Comments at meetings of Board of Directors and Audit & Supervisory Board
Outside Director	Yasuo Saito	16 out of 16 meetings (100%)	—	Appropriately made comments based on his experience and knowledge as a diplomat
	Takashi Nawa	16 out of 16 meetings (100%)	—	Appropriately made comments based on his knowledge of international corporate management
	Kimie Iwata	16 out of 16 meetings (100%)	—	Appropriately made comments based on her knowledge of corporate management and corporate social responsibility
Audit & Supervisory Board Members (External)	Atsushi Toki	16 out of 16 meetings (100%)	14 out of 14 meetings (100%)	Appropriately made comments principally from his expert perspective as an attorney-at-law
	Hideki Amano	16 out of 16 meetings (100%)	14 out of 14 meetings (100%)	Appropriately made comments principally from his expert perspective as a certified public accountant
	Mami Indo	11 out of 11 meetings (100%)	10 out of 10 meetings (100%)	Appropriately made comments based on her knowledge of governance and risk management

(Note) The attendance rate for Audit & Supervisory Board Members (External) Ms. Mami Indo indicates her attendance at meetings of the Board of Directors and Audit & Supervisory Board after her appointment on June 24, 2020.

(4) Summary of limited liability agreements

The Company has entered into an agreement with Outside Directors and Audit & Supervisory Board Members (External) to limit their liability for damages under Article 427, Paragraph 1 of the Companies Act. Financial limitations on liability for damage based on this Agreement shall be the aggregate amount as stipulated in the respective items of Article 425, Paragraph 1 of the Companies Act.

(5) Summary of limited liability agreements for officers, etc.

The Company has concluded a liability insurance policy for officers, etc., with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If a claim for damages is filed by a shareholder or a third party, those damages such as damages and dispute costs that the insured is to bear will be covered by the insurance policy. The persons insured by the liability policy are the Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and the Company's subsidiaries. The Company will bear all premium payments for the insurance policy. The insurance policy will be renewed in September 2021.

(6) Summary of duties performed by Outside Directors in their expected roles

Mr. Yasuo Saito, as the Lead Independent Outside Director, convened meetings of the Outside Director Communication Committee four times in FY2020, comprising Outside Directors and Audit & Supervisory Board Members (External). At these meetings he led the exchange of information and the mutual complementation of specialized fields, with the objective of enhancing supervision of the execution of duties. In addition, as Chair of the Compensation Advisory Committee, Mr. Saito led discussion for formulating a policy for determination of officers' compensation as we transition to being a company with a Nomination Committee, etc.

Mr. Takashi Nawa, as the Chair of the Corporate Governance Committee, led discussions aimed at building an effective corporate governance system that balances appropriate execution supervision that reflects the opinions of stakeholders and prompt decision-making and execution, in wider discussions of changes to our institutional design as we become a company with a Nomination Committee, etc.

Ms. Kimie Iwata, as Chair of the Nominating Advisory Committee, led evaluation and discussions of the reappointment of CEO, nominating candidates for Directors and changes in the executive structure as we transition to being a company with a Nomination Committee, etc.

(7) Evaluation of the Effectiveness of the Board of Directors

(1) Method of implementation

Between February and April 2021, an anonymous survey was conducted for all Directors and Audit & Supervisory Board Members and, following analysis by external lawyers, the results were discussed at a meeting of the Board of Directors, and the effectiveness of the Board of Directors was thereby evaluated.

(2) Results of the evaluation of the effectiveness of the Board of Directors

The results of the survey showed a generally high evaluation of the effectiveness of the Board of Directors. Several items are more highly evaluated in FY2020 than they were in FY2019. The Company considers this is the result of having implemented reforms to enhance the effectiveness of the Board of Directors over the past year. In particular, improvements were seen in the following four items:

(1) Discussions on corporate strategy and medium- to long-term policies have become more comprehensive.
(2) More comments by Internal Directors were provided actively.
(3) The diversity of Outside Director candidates is increasing.
(4) Reporting of the deliberation process and outcomes at each advisory body has become more comprehensive.

On the other hand, the Company is aware that the following points for improvement remain:

(1) The diversity of the Board of Directors
(2) Comments by Internal Directors
(3) Training of Internal Directors
(4) Management team training programs
(5) Further solution to the reporting of the deliberation process of advisory bodies
(6) The provision of information before meetings of the Nominating Advisory Committee

(3) Initiatives taking into account the results of the previous survey

In the survey for FY2019, issues were identified concerning the following: making discussions on corporate strategy and medium- to long-term policies more comprehensive, the comments made by Internal Directors, the selection of Outside Director candidates, the deliberation process of advisory bodies, and other matters. As a result, we conducted the following reforms of the Board of Directors in FY2020:

(1) Enhanced discussions on corporate strategy and medium- to long-term policies

Further solutions were implemented to increase the time spent deliberating on important matters (including enhancing the sharing of opinions on management themes, and sufficient prior explanation to Outside Directors regarding important matters), agenda items were appropriately selected, and sufficient deliberation time was secured for important matters.

(2) Comments by Internal Directors
As the opportunities for comments by Internal Directors increase, the attitude of actively participating in discussions has become even stronger.

(3) Selection of Outside Director candidates
At the Nominating Advisory Committee, candidates were selected with ample consideration given to specialization and diversity. We are also planning to invite Outside Directors from the industry sector.

(4) The deliberation process of advisory bodies
The results of deliberations by the advisory bodies based on consultations with the Board of Directors were regularly reported to the Board of Directors, and further improvements to the reporting of the content of the deliberations were made.

In this evaluation of the effectiveness of the Board of Directors, the results of the above initiatives were verified, and it was confirmed that they had contributed to enhancing deliberations by the Board of Directors and strengthening supervisory functions. However, it was also confirmed that there is room for further improvement.

(4) Responding to future issues

For FY2021 in addition to continuing the work carried out in FY2020 and also taking into account our transition to being a company with a Nomination Committee, etc., we have decided to further promote the following initiatives as a result of discussions of this evaluation of the effectiveness by the Board of Directors.

(1) Selection of members of the Board of Directors that takes into account diversity and specialization
(2) Comments by Internal Directors from a company-wide perspective
(3) Further enhancement of training of Internal Directors
(4) Further enhancement of management team training programs
(5) Improvements in reporting the deliberation process of each committee to the Board of Directors
(6) Improvements in the provision of information before meetings of the Nomination Committee
(7) Improvements to the effectiveness of the operation of the Board of Directors, considering our transition to being a company with a Nomination Committee, etc.

3. Matters regarding Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

Note: The Company's Accounting Auditor, Ernst & Young ShinNihon LLC has retired due to newly elected KPMG AZSA LLC as the Company's Accounting Auditor at the 142nd Ordinary General Meeting of Shareholders held on June 24, 2020.

(2) Amount of compensation, etc. to be paid to the accounting auditor regarding the fiscal year ended March 31, 2021

Description	Amount of fees to be paid for audit and attestation services (Millions of yen)	Amount of fees to be paid for non-audit services (Millions of yen)
The Company	200	--
The consolidated subsidiaries	105	30
Total	305	30

Notes: 1. The audit engagement agreement entered into by the accounting auditor and the Company does not clearly make a distinction between compensation, etc. for audit under the Companies Act and compensation, etc. for audit under the Financial Instruments and Exchange Act, and both are also substantially indistinguishable. Accordingly, the total amount is stated in the amount of fees to be paid for audit and attestation services.

2. After obtaining necessary information on the status of the execution of duties in the previous fiscal year, etc., and taking into consideration the "Practical Guidelines Related to Coordination with Accounting Auditors" announced by the Japan Audit & Supervisory Board Members Association, the Audit & Supervisory Board has considered the validity of the content of the auditing plan of the accounting auditor, the calculation basis for the estimated amount of compensation, etc., and has judged that the aforementioned amount of fees to be paid for audit and attestation services at the Company (excluding the amount that can be clearly distinguished as pertaining to audit under the Companies Act) is justifiable and has given its consent, as provided for in Article 399, Paragraph 1 of the Companies Act.

(3) Matters related to audits of subsidiaries

Among the Company's important consolidated subsidiaries, 23 subsidiaries are audited (limited to those according to the provisions of the Companies Act or the Financial Instruments and Exchange Act (or overseas laws and ordinances equivalent to these laws)) by Certified Public Accountants or audit firms (including those with equivalent overseas qualifications) other than the accounting auditor of the Company.

(4) Policy for decisions on dismissal or non re-appointment of the accounting auditor

In the event that the accounting auditor is recognized to have fallen under any of the items in Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board shall dismiss the accounting auditor, based on the consent of all Audit & Supervisory Board Members. In this case, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board shall report the fact that the accounting auditor was dismissed and the reasons for the dismissal at the first General Meeting of Shareholders convened after the dismissal.

In addition, if the Audit & Supervisory Board recognizes that it is necessary to change the accounting auditor, such as cases when it conducts a comprehensive evaluation in accordance with evaluation indicators related to the accounting auditor's qualifications, independence from the Company, expertise, and other criteria, and finds that there are issues preventing the accounting auditor from executing its duties, then it shall determine the content of a proposal related to the dismissal or non-reappointment of the accounting auditor to be submitted at the General Meeting of Shareholders.

Ends

Reference: Percentages and per-share figures stated in this Business Report are rounded off to the indicated units. All other figures stated in this Business Report are truncated to the indicated units.

(Attached Document)

Consolidated Financial Statements (prepared in accordance with IFRS)

Consolidated Statements of Financial Position

(As of March 31, 2021)

(Millions of yen)

Assets			Liabilities		
	FY ended March 31, 2021 (as of March 31, 2021)	**FY ended March 31, 2020** (Reference: as of March 31, 2020)		**FY ended March 31, 2021** (as of March 31, 2021)	**FY ended March 31, 2020** (Reference: as of March 31, 2020)
Assets			**Liabilities**		
Current assets			**Current liabilities**		
Cash and cash equivalents	181,609	141,701	Trade and other payables	188,452	178,583
Trade and other receivables	162,104	184,739	Short-term borrowings	10,820	8,043
Other financial assets	12,078	8,946	Commercial papers	30,000	40,000
Inventories	188,664	178,636	Current portion of bonds	—	19,995
Income taxes receivable	7,459	8,653	Current portion of long-term borrowings	18,085	15,191
Others	18,746	16,225	Other financial liabilities	11,603	5,401
Sub total	570,662	538,901	Short-term employee benefits	38,288	41,588
Assets of disposal groups classified as held for sale	14,506	—	Provisions	4,343	5,272
Total current assets	**585,169**	**538,901**	Income taxes payable	10,770	12,517
			Others	11,371	8,972
			Sub total	323,736	335,566
			Liabilities of disposal groups classified as held for sale	12,603	—
Non-current assets			**Total current liabilities**	**336,339**	**335,566**
Property, plant and equipment	486,443	454,357	**Non-current liabilities**		
Intangible assets	72,201	69,245	Corporate bonds	149,608	149,550
Goodwill	96,024	89,964	Long-term borrowings	141,911	124,135
Investments in associates and joint ventures	112,246	116,280	Other financial liabilities	69,381	72,738
Long-term financial assets	53,576	50,132	Long-term employee benefits	43,487	66,659
Deferred tax assets	14,537	17,781	Provisions	4,704	7,264
Others	11,090	16,952	Deferred tax liabilities	16,240	4,503
Total non-current assets	**846,119**	**814,714**	Others	1,770	1,127
			Total non-current liabilities	**427,103**	**425,978**
			Total liabilities	**763,443**	**761,545**
			Equity		
			Common stock	79,863	79,863
			Capital surplus	—	—
			Treasury stock	(1,464)	(2,160)
			Retained earnings	608,031	574,287
			Other components of equity	(65,454)	(113,015)
			Disposal groups classified as held for sale	(718)	—
			Equity attributable to owners of the parent company	620,257	538,975
			Non-controlling interests	47,589	53,095
			Total equity	**667,846**	**592,070**
Total assets	**1,431,289**	**1,353,616**	**Total liabilities and equity**	**1,431,289**	**1,353,616**

(Attached Document)

Consolidated Statements of Income

(From April 1, 2020 to March 31, 2021)

(Millions of yen)

	FY ended March 31, 2021	FY ended March 31, 2020 (reference)
Continuing operations		
Sales	1,071,453	1,100,039
Cost of sales	(665,234)	(696,166)
Gross profit	406,219	403,873
Share of profit of associates and joint ventures	1,317	(2,444)
Selling expenses	(160,646)	(172,079)
Research and development expenses	(25,900)	(27,596)
General and administrative expenses	(107,853)	(102,516)
Business profit	113,136	99,236
Other operating income	24,436	7,572
Other operating expenses	(36,450)	(58,035)
Operating profit	101,121	48,773
Financial income	3,900	8,030
Financial expenses	(6,701)	(8,009)
Profit before income taxes	98,320	48,795
Income taxes	(32,040)	(20,384)
Profit from continuing operations	66,280	28,410
Profit from discontinued operations	—	558
Profit	66,280	28,969
Attributable to:		
Owners of the parent company	59,416	18,837
Non-controlling interests	6,864	10,132
Profit from continuing operations attributable to owners of the parent company	59,416	18,643
Profit from discontinued operations attributable to owners of the parent company	—	193
Profit attributable to owners of the parent company	59,416	18,837

(Attached Document)

Consolidated Statements of Changes in Equity

(From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Equity attributable to owners of the parent company							
					Other components of equity			
	Common stock	Capital surplus	Treasury stock	Retained earnings	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasure-ments of defined benefit pension plans	Cash flow hedges	Cost of hedging surplus
Balance as of April 1, 2020	79,863	—	(2,160)	574,287	12,472	(34,411)	(2,764)	(441)
Profit				59,416				
Other comprehensive income					3,405	18,044	423	154
Comprehensive income	—	—	—	59,416	3,405	18,044	423	154
Purchase of treasury stock			(7)					
Disposal of treasury stock		(0)	0					
Dividends				(17,544)				
Changes in transactions with non-controlling interests		1,439						
Changes in ownership interests in subsidiaries that do not result in loss of control		(9,454)						
Transfer from other components of equity to retained earnings				328	(412)			
Transfer of negative balance of other capital surplus		8,458		(8,458)				
Transfer to non-financial assets							26	
Share-based compensation		(443)	702					
Disposal groups classified as held for sale								
Others				1				
Total net changes in transactions with owners of the parent company	—	—	695	(25,671)	(412)	—	26	—
Balance as of March 31, 2021	79,863	—	(1,464)	608,031	15,465	(16,367)	(2,314)	(286)

	Equity attributable to owners of the parent company					Non-controlling interests	Total
	Other components of equity			Disposal groups classified as held for sale	Total		
	Exchange differences on translating foreign operations	Share of other comprehensive income (loss) of associates and joint ventures	Total				
Balance as of April 1, 2020	(87,611)	(258)	(113,015)	—	538,975	53,095	592,070
Profit			-		59,416	6,864	66,280
Other comprehensive income	25,325	(209)	47,144		47,144	4,337	51,482
Comprehensive income	25,325	(209)	47,144	—	106,560	11,202	117,762
Purchase of treasury stock			—		(7)		(7)
Disposal of treasury stock			—		0		0
Dividends			—		(17,544)	(3,721)	(21,265)
Changes in transactions with non-controlling interests			—		1,439		1,439
Changes in ownership interests in subsidiaries that do not result in loss of control			—		(9,454)	(13,338)	(22,793)
Transfer from other components of equity to retained earnings		83	(328)		—		—
Transfer of negative balance of other capital surplus			—		—		—
Transfer to non-financial assets			26		26		26
Stock-based compensation transaction			—		259		259
Disposal groups classified as held for sale	718		718	(718)	—		—
Others			—		1	352	353
Total net changes in transactions with owners of the parent company	718	83	416	(718)	(25,278)	(16,708)	(41,987)
Balance as of March 31, 2021	(61,567)	(384)	(65,454)	(718)	620,257	47,589	667,846

Notes to the Consolidated Financial Statements

Notes regarding Significant Items for the Preparation of Consolidated Financial Statements

1. Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (hereinafter the “Ajinomoto Group”) have been prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) pursuant to the provisions under Article 120, Paragraph 1 of the Rules of Corporate Accounting. Pursuant to the provisions of the second sentence of the above Paragraph, certain disclosure items required under IFRS are omitted.

2. Scope of consolidation

Number of consolidated subsidiaries:

116 companies

Names of main companies:

Ajinomoto Frozen Foods Co., Inc., Ajinomoto Food Manufacturing Co., Ltd., Ajinomoto AGF, Inc., Ajinomoto Co., (Thailand) Ltd., and Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda.

3. Scope of application of the equity method

Number of associates and joint ventures accounted for using equity method:

16 companies

Names of main companies:

EA Pharma Co., Ltd., J-OIL MILLS, INC., and PROMASIDOR HOLDINGS LIMITED

4. Fiscal year, etc. of consolidated subsidiaries

The fiscal year-end for Ajinomoto Lakson Pakistan (Private) Limited is June 30, the fiscal year end for Myanmar Ajinomoto Foods CO., LTD. and one other consolidated subsidiary is September 30, and the fiscal year-end for 22 consolidated subsidiaries including Ajinomoto del Peru S.A., is December 31, but all prepare financial statements as of March 31 for consolidation purposes.

5. Accounting policies

(1) Valuation standards and methods for significant assets

1) Financial assets

Financial assets are classified into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss at initial recognition. The Ajinomoto Group initially recognizes financial assets on the transaction date when it becomes a contracting party to the financial asset. Financial assets measured at fair value through profit or loss are initially measured at fair value, while other financial assets are measured at fair value plus transaction costs that are directly attributable to the financial asset.

The Ajinomoto Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset.

(a) Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- Assets are held in accordance with a business model whose objective is to hold assets to collect contractual cash flows, and
- Cash flows that are solely payments of principal and interest on the outstanding balance of the principal are generated on a specific date.

They are subsequently measured at amortized cost using the effective interest method.

(b) Financial assets measured at fair value through other comprehensive income (debt instruments)

Financial assets held by the Ajinomoto Group that meet both of the following conditions are classified as debt instrument measured at fair value through other comprehensive income:

- They are held in accordance with a business model whose objective is achieved by both the collection of contractual cash flows and the sales of assets, and
- Under the contractual terms, cash flows that are solely payments of principal and interest on the outstanding balance of the principal are generated on a specific date.

After initial recognition, they are measured at fair value, with subsequent changes recognized in other comprehensive income. Upon disposal, any cumulative gains or losses recognized through other comprehensive income are reclassified from other components of equity to profit or loss as a reclassification adjustment.

(c) Financial assets measured at fair value through other comprehensive income (equity instruments)

For investments in equity instruments, the Ajinomoto Group has made an irrevocable election to recognize subsequent changes in fair value in other comprehensive income, and classifies them as equity instruments measured at fair value through other comprehensive income.

After the initial recognition, they are measured at fair value, with subsequent changes in fair value recognized in other comprehensive income. Upon disposal, any cumulative gains or losses recognized through other comprehensive income are reclassified from other components of equity to retained earnings.

Dividends from financial assets measured at fair value through other comprehensive income are recognized in profit or loss as financial income.

(d) Financial assets measured at fair value through profit or loss

Financial assets other than financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income described above are classified as financial assets measured at fair value through profit or loss. There are no financial assets that the Group has made an irrevocable designation as financial assets measured at fair value through profit or loss at initial recognition.

After initial recognition, subsequent changes in fair value are recognized in profit or loss.

2) Impairment of financial assets

A loss allowance is recognized for expected credit losses on financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income (debt instruments). Addition to the loss allowances for expected credit loss on financial assets is recognized in profit or loss. Should the balance of the loss allowance be decreased, the reversal of the loss allowance is recognized in profit or loss.

3) Financial liabilities

Financial liabilities are classified as financial liabilities measured at amortized cost and financial liabilities measured at fair value through profit or loss at initial recognition. The Ajinomoto Group initially recognizes financial liabilities on the transaction date when it becomes a party to the contractual provisions of a financial liability. Financial liabilities measured at amortized cost are initially measured at fair value less transaction costs directly attributable to the issue of the financial liabilities, and financial liabilities measured at fair value through profit or loss are initially measured at fair value.

Financial liabilities are derecognized when they are extinguished, that is, when the obligation in the contract is discharged, cancelled or expires.

(a) Financial liabilities measured at amortized cost

After initial recognition, financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method.

(b) Financial liabilities measured at fair value through profit or loss

After initial recognition, financial liabilities measured at fair value through profit and loss are measured at fair value, with subsequent changes in fair value recognized in profit or loss.

4) Derivatives and hedge accounting

The Ajinomoto Group uses derivatives, including foreign exchange forward contracts and interest rate swaps, in order to hedge exposures to foreign exchange rate and interest rate fluctuations.

In applying hedge accounting, at the inception of a transaction, the Ajinomoto Group makes a formal designation and prepares documentation of the hedging relationship, the risk management objective and the strategy for undertaking the hedge. The documentation includes the identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and the method of assessing the effectiveness of hedging instrument in offsetting exposures to fair value or cash flow fluctuations of hedged items arising from the hedged risk. An ongoing assessment of hedge effectiveness is performed at the end of each fiscal year or upon a significant change in circumstances affecting the hedge effectiveness, whichever comes first.

Derivatives are initially recognized at fair value. After initial recognition, the fair value measurement is continuously applied, with subsequent changes in fair value accounted for as follows:

(a) Fair value hedges

Changes in the fair value of a derivative classified as a hedging instrument are recognized in profit or loss. Changes in the fair value of the underlying hedged item are recognized in profit or loss by adjusting the carrying value of the hedged item.

(b) Cash flow hedges

The effective portion of changes in the fair value of a derivative classified as a hedging instrument is recognized in other comprehensive income. The ineffective portion of fair value changes is recognized in profit or loss.

For cash flow hedging relationships that hedge foreign exchange risk, the Group designates only changes in the fair value of the direct component of the hedging instrument. Changes in the fair value of the forward component are accounted for separately as a cost of the hedge.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or liability, or a hedged forecast transaction for a non-financial asset or liability becomes a firm commitment for which fair value hedge accounting is applied, the initial carrying amount of the non-financial asset or liability is adjusted for the amount recognized in other comprehensive income.

Cash flow hedges other than those mentioned above are reclassified from other components of equity to profit or loss in the accounting period or periods during which the hedged future cash flows affect profit or loss. Notwithstanding, if a loss is recognized and the recoverability of all or a portion of that loss in one or more future periods is doubtful, the unrecoverable amount is transferred immediately to profit or loss.

Hedge accounting is discontinued prospectively when a hedging instrument expires or is sold, cancelled or exercised, the hedge does not meet the conditions for hedge accounting. If a forecast transaction is no longer expected to occur, the amount recognized in other comprehensive income is reclassified immediately from other components of equity to profit or loss.

(c) Derivatives not designated as hedges

Changes in the fair value of derivatives not designated as hedges are recognized in profit or loss.

5) Put options on shares of subsidiaries granted to owners of non-controlling interests

The Group initially recognizes the present value of the redemption amount of put options on the shares of subsidiaries granted to the owners of noncontrolling interests as other financial liabilities and reduces the same amount from capital surplus. After initial recognition, the put options are measured at amortized cost using the effective interest method, and changes after initial recognition are recognized as financial income or financial expenses in the consolidated statements of income. When such put options expire, "Other financial liabilities" is transferred to "Capital surplus".

6) Inventories

The cost of inventories comprises the purchase cost, the processing cost and all other costs incurred in bringing the inventories to their present location and condition. The Ajinomoto Group's main cost formula is the weighted average method. The cost of inventories that are not ordinarily interchangeable and used for goods or services for specific projects are determined by using specific identification of their individual costs.

Inventories are measured at the lower of cost or net realizable value. Net realizable value is determined at the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

7) Impairment of non-financial assets

At the end of fiscal year, the Ajinomoto Group assesses whether there is any indication that a non-financial asset may be impaired. If an indication of impairment exists, the recoverable amount of the asset or cash-generating unit is estimated. Goodwill, intangible assets with indefinite useful lives and intangible assets currently not available for use are tested for impairment every year and whenever there is an indication of impairment. Goodwill is allocated to a cash-generating unit (minimum unit or unit group), which is expected to earn cash flows from the synergy of the business combination.

The recoverable amount is the higher of the fair value less costs of disposal or the value in use of an asset or a cash-generating unit. When the recoverable amount of an asset or a cash-generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the difference is recognized in profit or loss as an impairment loss. An impairment loss recognized is first allocated to reduce the carrying amount of the goodwill allocated to the cash-generating unit and then to reduce the carrying amount of other assets in the cash-generating unit, excluding the goodwill, on a pro rata basis.

At the end of fiscal year, the Ajinomoto Group assesses whether there is an indication that the impairment loss recognized in prior periods for an asset, excluding goodwill, or cash-generating unit may no longer exist or may have decreased. If such indication exists, the Ajinomoto Group estimates the recoverable amount, and reverses the impairment loss by increasing the carrying amount of the asset or cash-generating unit. The increase in the carrying amount of an asset or cash-generating unit attributable to a reversal of an impairment loss should not exceed the carrying amount, which would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. Impairment losses recognized on goodwill are not reversed in subsequent periods.

(2) Depreciation and amortization of significant depreciable assets

1) Property, plant and equipment (excluding right-of-use assets)

Property, plant and equipment are measured at cost on initial recognition. The cost of property, plant and equipment comprises the acquisition price, costs directly attributable to the acquisition, costs of dismantling, removing of assets and restoring the site to the original condition and borrowing costs.

After initial recognition, the Ajinomoto Group applies the cost model for measurement and carries the asset at cost less accumulated depreciation and accumulated impairment losses.

Except for non-depreciable assets, such as land, property, plant and equipment are depreciated on a straight-line basis over their useful lives.

The useful lives of major classes of property, plant and equipment are as follows:

- Buildings and structures:	3 to 50 years
- Machinery and vehicles:	2 to 20 years
- Tools, furniture and fixtures:	2 to 20 years

Residual values, useful lives, and depreciation methods are reviewed at the end of each fiscal year. Changes in residual value, useful lives or depreciation methods are accounted for as a change in accounting estimate.

2) Intangible assets (excluding right-of-use assets)

(a) Goodwill

The Group recognizes goodwill as of the acquisition date measured as the excess of (a) over (b) as described below:

(a) the aggregate of the consideration transferred and the amount of non-controlling interest in the acquiree

(b) the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed

After initial recognition, goodwill is measured at acquisition cost less accumulated impairment losses, and not subject to amortization.

Goodwill is derecognized when an asset in the cash-generating unit (or its disposal group) is disposed of. In determining gain or loss on disposal, the goodwill related to the operation to be disposed of is included in the carrying value of the operation.

(b) Intangible assets (excluding right-of-use assets)

Intangible assets are initially measured at cost. The acquisition cost of an intangible asset acquired in a business combination is measured at fair value as of the acquisition date. Expenditures for internally generated intangible assets are recognized as an expense as incurred, except for development expenditures that qualify for capitalization.

For measurement after initial recognition, the cost model is applied and the intangible asset is carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with definite useful lives are amortized on a straight-line basis over their useful lives.

The useful lives of major classes of intangible assets with definite useful lives are as follows:

- Software:	3 to 5 years
- Trademarks:	up to 20 years
- Patents:	up to 10 years
- Customer relationships:	6 to 15 years

Useful lives and amortization methods for intangible assets with definite useful lives are reviewed at the end of each fiscal year. If there is a change in the useful life or amortization method, it is accounted for as a change in accounting estimate. The residual value is deemed to be zero.

Intangible assets with indefinite useful lives or that are not yet available for use are not amortized. For intangible assets with indefinite useful lives, the Ajinomoto Group reviews at the end of each fiscal year, whether an event or condition, which led to the conclusion that an asset has no definite life, continues to exist.

(c) Leases

As a lessee, the Group recognizes right-of-use assets and lease liabilities at the commencement date of the lease transaction. Lease liability is measured at the present value of the total lease payments payable, and right-of-use assets are measured based on the initial direct cost incurred by the lessee and the terms and conditions of the lease, such as lease payments made before the commencement date, and the acquisition cost adjusted for costs such as the obligation to restore to original condition.

After initial recognition, the right-of-use asset is depreciated using the straight-line method over the shorter of its useful life or the lease period.

Lease fees are allocated to financial expense and repayments on lease liabilities based on the effective interest rate method, and interest costs are recognized in the consolidated income statement.

However, for short-term leases with a lease term of 12 months or less and leases with a small underlying asset amount, the right-of-use asset and lease liability are not recognized, and the lease payments are recognized as expenses over the lease term using the straight-line method.

(3) Provisions

Provisions are recognized when the Ajinomoto Group has a present obligation (legal or constructive) as a result of past events, an outflow of resources embodying economic benefits required to settle the obligation is highly probable and the amount of the obligation can be reliably estimated.

Where the effect of the time value of money is material, the present value of the expenditures expected to be required to settle the obligation is used for the amount of provision. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(4) Post-employment benefits

The Ajinomoto Group sponsors defined benefit plans and defined contribution plans as post-employment benefit plans.

For defined benefit plans, the determination of the present value of the defined benefit obligations and the related current service cost and past service cost are based on the projected unit credit method. The discount rate is mainly determined based on the high quality corporate bond market yields at the end of the fiscal year, corresponding to the estimated benefit payments. The retirement benefit liability or asset is presented by netting the fair value of plan assets and the present value of the defined benefit obligation. Net interest on the retirement benefit liability or asset is recognized in profit or loss as financial expenses or income.

Remeasurements of the net defined benefit obligations and plan assets are recognized in other comprehensive income, and not reclassified to profit or loss in subsequent periods. Past service cost is recognized as an expense in the period in which it arises.

(5) Foreign currencies translation

1) Functional currency

Each company in the Ajinomoto Group prepares separate financial statements using its functional currency. Most of these companies use the local currency as their functional currency, but where a business environment in which they operate uses currency other than the local currency, they use that currency as the functional currency.

The consolidated financial statements of the Ajinomoto Group are presented in the millions of Japanese yen, which is the functional currency of the Company.

2) Translation of foreign-currency denominated transactions

Foreign-currency transactions are recorded in a functional currency using the spot exchange rate or the rate that approximates the exchange rate at the transaction date. Subsequently, monetary items denominated in foreign currencies are translated using the spot exchange rates as of the end of the fiscal year. Foreign currency-denominated non-monetary items measured at fair value are translated using the spot exchange rates at the fair value measurement date. Foreign currency-denominated non-monetary items measured at historical cost are continuously translated using the spot exchange rate at the transaction date or the rate that approximates that exchange rate.

Translation differences arising from the translation or settlement of foreign currency transactions are recognized in profit or loss; provided that translation differences arising from financial assets measured at fair value through other comprehensive income and cash flow hedges are included in other comprehensive income.

3) Translation of financial statements of foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen using the spot exchange rate at the end of the fiscal year, and revenues and expenses are translated using the spot exchange rate at the transaction date or the rate that approximates the spot exchange rate, respectively. Translation differences are recognized in other comprehensive income. In case of disposing of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified to profit or loss in the period of disposal.

(6) Revenue recognition

IFRS15 requires the Group to recognize revenue, excluding interest and dividend income recognized in accordance with IFRS 9 and insurance revenue recognized in accordance with IFRS 4, upon transfer of promised goods or services to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services based on the following five-step approach:

Step 1: Identify the contracts with customers
Step 2: Identify the performance obligations in each contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

(7) Other significant items for the preparation of consolidated financial statements

1) Accounting for consumption taxes

Transactions of the Company and domestic consolidated subsidiaries subject to consumption tax and/or regional consumption tax are recorded at amounts exclusive of the consumption tax. Consumption taxes receivable is included in “Current assets – Others”, while consumption taxes payable is included in “Current liabilities – Others.”

2) Adoption of consolidated tax accounting system

The Company and some of its consolidated subsidiaries adopt the consolidated taxation system, with Ajinomoto Co., Inc. as the consolidated taxable parent company.

3) Presentation of amounts

Amounts less than one million yen are rounded down.

Notes on Changes in Accounting Policies

(Impact of Applying New Accounting Policies)

The Group has applied the following accounting standards from the first quarter of the fiscal year ended March 31, 2021.

IFRS		Overview of new standards or amendments
IFRS 7 IFRS 9	Financial Instruments: Disclosure Financial Instruments	Partial amendments to hedge accounting requirements in response to IBOR reform

At present, the adoption of this accounting standard has no impact on the consolidated financial statements.

Notes to Accounting Estimates

Accounting estimates are reasonable estimates based on information available at the time of preparation of the consolidated financial statements. Of the amounts recorded in the consolidated financial statements for the fiscal year under review that are based on accounting estimates, the following items have the risk of having a material impact on the consolidated financial statements for the following fiscal year.

(1) Whether to recognize impairment losses on goodwill and intangible assets with indefinite lives

1) Amount recognized in the consolidated financial statements for the fiscal year under review

The consolidated financial statements for the fiscal year under review include goodwill of ¥35,606 million arising from the acquisition of Ajinomoto Foods North America, Inc., goodwill of ¥30,906 million and intangible assets with indefinite lives of ¥25,907 million arising from the acquisition of Ajinomoto AGF, Inc., and goodwill of ¥17,545 million related to pharmaceutical bio-pharma services.

2) Other information that helps users of the consolidated financial statements understand the content of accounting estimates

Goodwill and intangible assets with indefinite useful lives are required to be tested for impairment on an annual basis. In the impairment test, the higher of either the value in use of each cash-generating unit or the fair value less costs to dispose of the asset, is used to determine the recoverable amount, and if the recoverable amount is less than the carrying amount, an impairment loss is recognized.

The estimated recoverable amount of the cash-generating unit of Ajinomoto Foods North America, Inc. is calculated using the discounted cash flow method and the comparable companies method, and the estimated recoverable amount of Ajinomoto AGF, Inc. and pharmaceutical bio-pharma services is calculated using the discounted cash flow method.

The key assumptions used in the calculation of such recoverable amounts include the sales and operating profit margins in the business plans underlying the future cash flows, the growth rates used to extend the future cash flows, and the discount rates applied to the future cash flows. Those assumptions are subject to management's judgment and may affect the financial position and financial performance in the following fiscal year.

Notes to Consolidated Statements of Financial Position

1. **Accumulated depreciation of property, plant and equipment**

¥712,603 million

2. **Loss allowance directly deducted from assets**

(Millions of yen)

Trade and other receivables	972
Long-term financial assets	84

Notes to Consolidated Statements of Income

1. **Impairment losses**

Non-financial assets for which impairment losses are recognized are as follows:

(1) Impairment losses recognized by asset type

The Ajinomoto Group recognized impairment losses of ¥18,536 million for the fiscal year ended March 31, 2021. These impairment losses were recorded in "Other operating expenses" in the consolidated statement of income.

(Millions of yen)

	Fiscal year ended March 31, 2021
Buildings and structures	3,502
Machinery and vehicles	11,134
Tools, furniture and fixtures	162
Land	297
Construction in progress	2,831
Software	550
Others	56
Total	18,536

(2) Details of major assets for which impairment losses were recognized

(1) Healthcare and others Segment

As part of its business restructuring, the Company resolved at a meeting of its Board of Directors on February 26, 2021, to transfer all shares of Ajinomoto Animal Nutrition Europe S.A.S. ("AANE"), a European feed-use amino acid company wholly owned by the Company's subsidiary, Ajinomoto Animal Nutrition Group, Inc. ("AANG"), to METabolic EXplorer S.A. ("METEX") of France. On the same day, the Company concluded a put-option agreement under which it can request METEX to acquire the shares of AANE. The Company is also considering the restructuring of its feed-use amino acid production facilities in North America.

As a result the carrying amount of both European and North American feed-use amino acid production facilities have been reduced to the recoverable amount, and impairment losses of ¥7,775 million and ¥7,960 million respectively have been recorded in "Other operating expenses".

The breakdown of the impairment loss is as follows.

(Units: Millions of yen)

Location	Cash-generating unit	Type	Amount
France	Feed-use Amino acid production facility	Buildings and structures	1,277
		Machinery and vehicles	4,647
		Others	1,851
		Total	7,775

For measurement of recoverable amount, please refer to "Notes on disposal group classified as held for sale".

(Units: Millions of yen)

Location	Cash-generating unit	Type	Amount
USA	Feed-use Amino acid production facility	Buildings and structures	1,816
		Machinery and vehicles	4,709
		Others	1,433
		Total	7,960

The recoverable amount related to non-current assets of ¥4,050 million was measured based on the value in use and calculated by discounting its future cash flows to present value using the pre-tax discount rate of 16.0%.

2. **Gain on sale of fixed assets**

The Group recorded a gain on sale of fixed assets of ¥15,803 million for the fiscal year under review. This was mainly due to the transfer of some of the fixed assets (idle assets) owned by the Company.

Notes on Revenue Recognition

Revenue recognized from contracts with customers is presented as sales. The details of goods and services are as follows:

1. **Seasonings and Foods**

Seasonings and Foods segment of the Group earns revenues mainly from sales of seasonings, nutritional and processed foods, to general consumers, and the provision of services to restaurants and the food processing industry.

In these sales contracts with customers, the Company has obligations to deliver ordered products. The Company typically satisfies its performance obligations upon delivery. The payment due date depends on individual contracts, but is consistent with market conventions, and the promised amount of consideration does not have a significant financial component.

Rebates are deducted from sales only to the extent that it is highly probable that a significant reversal in revenue recognized will not occur. In Japan, rebates are calculated by multiplying the actual sales volume for a certain period by the rebate rate expected to be achieved, based on the contract with the customer. Overseas, the rebate is calculated by estimating the sales volume for a certain period and multiplying it by the rebate rate in line with actual sales results.

2. **Frozen Foods**

Frozen Foods segment of the Group earns revenues mainly from sales of frozen foods.

In these sales contracts with customers, the Company has obligations to deliver ordered products. The Company typically satisfies its performance obligations upon delivery. The payment due date depends on individual contracts, but is consistent with market conventions, and the promised amount of consideration does not have a significant financial component.

Rebates are deducted from sales only to the extent that it is highly probable that a significant reversal in revenue recognized will not occur. Rebates are estimated by multiplying the actual sales performance for a certain period by the rebate rate expected to be achieved, based on the contract with the customer.

3. **Healthcare and others**

Healthcare and others segment of the Group earns revenues mainly from provision of amino acids for pharmaceuticals and foods, biopharmaceutical services, and the sale of specialty chemicals.

“Amino Acids for pharmaceuticals and foods” business sells pharmaceutical and food ingredients, where the Company has obligations to deliver ordered products. “Specialty chemicals” business sells electronic materials and other products for domestic and overseas customers, where the Company has obligations to deliver ordered products. The Company typically satisfies its performance obligations upon delivery. The payment due date depends on individual contracts, but is consistent with market conventions, and the promised amount of consideration does not have a significant financial component.

Rebates are deducted from sales only to the extent that it is highly probable that a significant reversal in revenue recognized will not occur. The amount of rebates is estimated by multiplying actual sales results for a certain period by a rebate rate expected to be reached based on contracts with customers.

“Pharmaceutical bio-pharma services” business engages in manufacturing and developing pharmaceutical intermediates and active ingredients. The Company satisfies its performance obligations when the manufacture and development are considered complete. The payment due date depends on individual contracts, but is consistent with market conventions, and the promised amount of consideration does not have a significant financial component.

“Other” business mainly sells feed-use amino acids, health foods and supplements for athletes.

Notes to Consolidated Statements of Changes in Equity

1. Types and total number of shares issued at end of the fiscal year

Type of shares issued:	Common stock
Total number of shares issued at the end of the fiscal year:	549,163,354 shares

2. Matters regarding dividends

(1) Amount of dividends paid

The following was resolved at the Ordinary General Meeting of Shareholders on June 24, 2020.

Matters regarding common stock:

Total amount of dividends:	¥8,785 million
Dividends per share:	¥16
Record date:	March 31, 2020
Effective date:	June 25, 2020

The above total amount of year-end dividends includes ¥13 million of dividends for the Company's shares owned by the Directors' Remuneration BIP Trust.

The following was resolved at the meeting of the Board of Directors held on November 4, 2020.

Matters regarding common stock:

Total amount of dividends:	¥8,784 million
Dividends per share:	¥16
Record date:	September 30, 2020
Effective date:	December 4, 2020

The above total amount of year-end dividends includes ¥11 million of dividends for the Company's shares owned by the Directors' Remuneration BIP Trust.

(2) Dividends for which the record date falls in the fiscal year ended March 31, 2021 and the effective date falls in the following fiscal year

The following proposal will be submitted at the Ordinary General Meeting of Shareholders to be held on June 23, 2021.

Matters regarding common stock:

Total amount of dividends:	¥14,275 million
Dividends per share:	¥26
Record date:	March 31, 2021
Effective date:	June 24, 2021

Notes to Financial Instruments

1. Status of financial instruments

(1) Credit risk management (risks of our business partners failing to honor contracts, etc.)

For trade and other receivables, each business or sales management division of the Company periodically monitors the credit status of major customers. By monitoring due dates and outstanding balances per customer, the risk of collectability may be early detected and minimized, and deposits are required, when deemed necessary. The same system of risk management is also applied to subsidiaries.

The Ajinomoto Group is exposed to the counterparty risk in relation to derivative transactions. To minimize this risk, derivative transactions are permitted, in principle, only with financial institutions with high credit ratings.

The Ajinomoto Group's maximum exposure to the credit risk is the carrying amounts of the financial assets recognized in the consolidated statements of financial position.

(2) Market risk management (risk of changes in exchange rates, interest rates, etc.)

The Ajinomoto Group conducts its business globally and, therefore, is exposed to the currency risk. The risk arises from receivables and payables and forecast transactions denominated in foreign currencies.

For receivables and payables denominated in foreign currencies, the currency fluctuation risk per currency and per month is hedged mainly using forward foreign exchange contracts. For forecast transactions denominated in foreign currencies, forward foreign exchange contracts may be used depending on the market conditions. Forward foreign exchange contracts are permitted only to the extent the settlement date comes within six months, with an upper limit of 50% of the monthly forecast transaction amounts, as a basic rule.

The Ajinomoto Group also conducts financing through interest-bearing debts. The Ajinomoto Group is exposed to interest rate risk from variable interest rates on some of these interest-bearing debts. Interest rate swaps are used to hedge the interest rate risk from such interest-bearing debts.

Furthermore, the Ajinomoto Group holds equity instruments issued mainly by its trade partners and, accordingly, is exposed to the market fluctuation risk. No equity instruments are held for short-term trading purposes. These equity instruments are periodically assessed with respect to fair value and the financial status of the issuing entity.

The finance division carries out derivative transactions in accordance with internal rules that specify authorization and transaction amount limits, and periodically reports the results of transactions to the executive officers in charge of finance and the Management Committee. The Company's consolidated subsidiaries also manage their derivative transactions in accordance with the Company's rules.

(3) Funding procurement liquidity risk management (risk of failure to meet payment deadlines)

The Ajinomoto Group is exposed to liquidity risk, by which financing may not be available in the necessary amount at the appropriate time. Confusion or disruption in the financial markets, the Company's credit rating lowered by credit rating agencies, and changes in policies and investment decisions by financial institutions all affect the Ajinomoto Group's financing capabilities by increasing the financing cost and reducing liquidity. To minimize such risk, the Company and its principal consolidated subsidiaries use a cash management system and internal loans in an attempt to reduce consolidated interest-bearing debt and mitigate liquidity risk. Liquidity risk is managed by maintaining liquidity at hand at a certain level and continuously setting commitment lines.

2. Fair value of financial instruments

The carrying amounts of financial assets and liabilities as of the end of the fiscal year are as follows. The fair values of financial assets and liabilities settled in the short term are equal to or approximate their carrying amounts and are therefore not disclosed.

(Millions of yen)

	Amounts in consolidated statement of financial position	Fair value
Assets		
Debt instruments	10,732	11,123
Total assets	10,732	11,123
Liabilities		
Corporate bonds	149,608	152,171
Long-term borrowings	141,911	146,455
Total liabilities	291,519	298,626

Fair value measurement methods of each financial instrument are as follows:

Debt instruments

Fair values are determined based on the present value of the sum of the redemption amount at maturity and interest income discounted by the expected interest rate used when a similar new debt instrument is purchased.

Corporate bonds

Fair values are determined based on the market prices.

Long-term borrowings

For long-term borrowings with fixed interest rates, the fair values are determined based on the present value of the sum of the principal and interests discounted by the rate reflecting the credit risk deemed applicable if a similar borrowing was newly made. For long-term borrowings with variable interest rates, the fair values are measured at their carrying amounts, because the borrowings with variable interest rates reflect the current market rates in the short term and the Ajinomoto Group's credit standing has not significantly changed since the initial borrowing, and thus considered to approximate the carrying amounts.

In addition, the Company recorded a liability of ¥4,548 million for put options on sales related to non-controlling interests as of the end of the fiscal year under review. The carrying amount and fair value of these put options are equal, as they are valued at the present value of the amount that may be required to be paid to the counterparty. Upon initial recognition, the amount is reduced from capital surplus, and changes after initial recognition are recognized in financial income or financial expenses in the consolidated statement of income. The valuation model uses unobservable inputs such as contractual EBITDA multiples, the valuation of which is expected to vary depending on the business plan and interest rates at each point in time.

Notes regarding Per Share Information

Equity per share (attributable to owners of the parent company):	¥1,130.82
Basic earnings per share:	¥108.36
Diluted earnings per share:	¥108.32

Notes on a Disposal Group Classified as Held for Sale As described in "Notes to Consolidated Statements of Income: 1. Impairment losses", the Company resolved at a meeting of its Board of Directors on February 26, 2021, to transfer all shares of AANE, wholly owned by the Company's subsidiary, AANG, to METEX of France. On the same day, the Company concluded a put-option agreement under which it can request METEX to acquire the shares of AANE.

As a result, the possibility of losing control of AANE in the next consolidated fiscal year has increased, and the assets and liabilities of AANE have been classified as a disposal group classified as held for sale at the end of the fiscal year under review.

On April 14, 2021, AANG entered into an agreement to transfer all shares of AANE to METEX, and the transfer was completed on April 28, 2021.

The breakdown of the disposal group classified as held for sale is as follows:

(Millions of yen)

	Fiscal year ended March 31, 2021
Assets related to disposal group classified as held for sale	
Cash and cash equivalents	2,999
Trade and other receivables	5,767
Inventories	5,503
Income taxes receivable	64
Other current assets	171
Total assets	14,506
Liabilities related to disposal group classified as held for sale	
Trade and other payables	3,241
Short-term borrowings	1,655
Current portion of long-term borrowings	144
Other financial liabilities (current)	489
Short-term employee benefits	622
Provisions (current)	4,970
Other financial liabilities (non-current)	533
Long-term employee benefits	945
Total liabilities	12,603

This disposal group classified as held for sale is measured at fair value less costs to sell because the fair value less costs to sell is lower than the carrying amount. The fair value was determined based on the estimated selling price in the option agreement with METEX.

As a result, for the fiscal year under review, the Company recorded an impairment loss of ¥7,775 million for the entire carrying amount of the feed-use amino acid production facility owned by AANE, and a provision for loss on contracts of ¥5,089 million for the difference between the carrying amount and the fair value less costs to sell, which exceeded the carrying amount of the production facility. Both were recorded in “Other operating expenses” in the consolidated statement of income.

As of the end of the fiscal year under review, other components of equity related to assets held for sale amounted to (¥718 million) (net of tax).

Subsequent events

(Acquisition of treasury stock)

At a meeting of the Board of Directors held on May 10, 2021, the Company passed a resolution on matters related to the acquisition of treasury stock in accordance with the provisions of Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of the same act.

1. Reason for acquisition of treasury stock

The purpose of the acquisition is to improve the level of shareholder returns and capital efficiency.

2. Details of matters related to the acquisition

(1) Type of shares to be acquired	Common stock
(2) Total number of shares to be acquired	25 million shares (upper limit) (4.55% of the total number of shares issued (excluding treasury stock))
(3) Total amount of shares to be acquired	¥40 billion (upper limit)
(4) Acquisition period	From May 11, 2021 to January 31, 2022
(5) Acquisition method	Market purchase on the Tokyo Stock Exchange
(6) Other	All of the treasury stock acquired through this acquisition will be retired by resolution of the Board of Directors in accordance with the provisions of Article 178 of the Companies Act

Additional Information

(The impact of the Novel Coronavirus (COVID-19))

COVID-19 is causing widespread impact on the needs of the market, the lifestyles of consumers, and economic activities around the world. As it is difficult to predict how the virus will spread or when it will dissipate, based on external information and analysis of market trends in each country, the Company assumes that the impact will continue for a certain period of the next consolidated fiscal year, and is currently is currently considering possible impacts including whether or not there are any indications that any non-financial assets may be impaired.

(Attached Document)

Non-Consolidated Financial Statements (prepared in accordance with Japanese-GAAP)

Non-Consolidated Balance Sheet

(As of March 31, 2021)

(Millions of yen)

	FY ended March 31, 2021 (as of March 31, 2021	**FY ended March 31, 2020** (Reference: as of March 31, 2020)
Assets		
I Current assets	**262,529**	**273,665**
Cash on hand and in banks	47,005	54,101
Notes receivable	4,181	4,236
Accounts receivable	86,093	105,024
Goods and products	36,274	32,083
Goods in process	462	543
Raw materials and supplies	3,565	3,529
Prepaid expenses	6,391	7,482
Short-term loans receivable	32,722	27,551
Receivables	41,937	34,536
Corporate tax receivable	2,034	3,231
Others	4,499	2,908
Allowance for doubtful accounts	(2,638)	(1,563)
II Fixed assets	**721,845**	**702,178**
1. Tangible fixed assets	**96,580**	**92,675**
Buildings	119,016	112,006
Structures	16,933	17,174
Machinery and equipment	115,523	115,316
Vehicles and transporting equipment	159	155
Tools, furniture and fixtures	36,258	36,010
Land	16,543	17,687
Leased assets	59	59
Construction in progress	6,252	8,911
Accumulated depreciation and accumulated impairment losses	(214,165)	(214,645)
2. Intangible fixed assets	**41,542**	**39,640**
Patents	34	42
Leaseholds	2,680	2,691
Trademark	20,443	21,758
Software	7,397	7,918
Software in progress	10,980	7,216
Others	6	12
3. Investments and other assets	**583,722**	**569,861**

	FY ended March 31, 2021 (as of March 31, 2021)	**FY ended March 31, 2020** (Reference: as of March 31, 2020)
Liabilities		
I Current liabilities	**360,701**	**397,444**
Accounts payable	83,816	88,726
Short-term borrowings	180,864	188,142
Commercial papers	30,000	40,000
Current portion of bonds	—	19,999
Current portion of long-term borrowings	11,399	12,399
Lease liabilities	9	6
Other payables	24,539	18,482
Accrued expenses	26,925	26,251
Accrued income taxes	347	218
Accrued bonuses for directors and corporate executive officers	250	176
Provision for shareholder benefit program	344	278
Provision for directors' stock benefits	288	767
Provision for environmental measures	108	378
Provision for contract loss	208	1,117
Others	1,599	499
II Long-term liabilities	**299,754**	**278,189**
Corporate bonds	150,000	150,000
Long-term borrowings	126,899	108,299
Deferred tax liabilities	3,149	-
Lease liabilities	22	35
Accrued retirement benefits for employees	2,687	1,087
Accrued retirement benefits for directors and others	24	24
Provision for directors' stock benefits	192	-
Provision for environmental measures	408	530
Provision for contract loss	2,008	3,251
Asset retirement obligations	40	44
Guarantee deposits received	11,508	11,440
Others	2,811	3,474
Total Liabilities	**660,456**	**675,633**
Net Assets		
I Shareholders' equity	**314,409**	**293,662**
1. Common stock	**79,863**	**79,863**
2. Capital surplus	**4,274**	**4,274**
Additional paid-in capital	4,274	4,274
3. Retained earnings	**231,735**	**211,683**
(1) Legal reserve	**16,119**	**16,119**
(2) Other retained earnings	215,616	195,564

Investments in securities	31,375	28,178			
Investments in stock of subsidiaries and affiliates	480,160	468,540	Reserve for advanced depreciation of fixed assets	5,294	5,569
Investments in capital	38	38	Retained earnings brought forward	210,322	189,994
Investments in capital of subsidiaries and affiliates	70,507	70,779			
Long-term loans receivable	925	1,049	**4. Treasury stock**	**(1,464)**	**(2,160)**
Deferred tax assets	ー	635	**II Valuation, translation adjustments and others**	**9,508**	**6,548**
Others	760	685	**1. Unrealized holding gain on securities**	**10,279**	**7,282**
Allowance for doubtful accounts	(46)	(46)	**2. Unrealized gain (loss) from hedge instruments**	**(770)**	**(733)**
			Total Net Assets	**323,918**	**300,210**
Total Assets	**984,374**	**975,844**	**Total Liabilities & Net Assets**	**984,374**	**975,844**

(Attached Document)

Non-Consolidated Statement of Income

(From April 1, 2020 to March 31, 2021)

(Millions of yen)

		FY ended March 31, 2021	FY ended March 31, 2020 (reference)
I	**Net sales**	**250,350**	**261,582**
II	**Cost of sales**	**138,439**	**144,447**
	Gross profit	**111,911**	**117,135**
III	**Selling, general and administrative expenses**	**122,127**	**124,563**
	Operating income (loss)	**(10,216)**	**(7,427)**
IV	**Non-operating income**	**55,850**	**53,262**
	Interest income	109	134
	Securities interest	–	19
	Dividend income	52,904	49,062
	Others	2,837	4,046
V	**Non-operating expenses**	**9,381**	**9,261**
	Interest expense	4,496	4,042
	Cost of lease revenue	1,954	2,037
	Allowance for doubtful accounts	1,227	208
	Litigation related expenses	188	313
	Others	1,515	2,658
	Ordinary income	**36,253**	**36,573**
VI	**Extraordinary gains**	**19,967**	**12,176**
	Gain on sale of fixed assets	14,388	1
	Gain from stocks of subsidiaries and affiliates	2,087	–
	Gain on reversal of allowance for contract loss	1,703	1,111
	Gain on sale of investment securities	716	6,434
	Gain on exchange from dividend in kind	–	4,169
	Subsidy income	–	254
	Others	1,071	206
VII	**Extraordinary losses**	**17,392**	**42,932**
	Loss on valuation of stocks of subsidiaries and affiliates	14,238	17,193
	Loss on disposal of fixed assets	2,076	2,268
	Loss on valuation of investments in capital of subsidiaries and affiliates	271	12,142
	Fees related to special second career program	42	6,525
	Provision for environmental measures	32	440
	Others	730	4,361
	Net income before income taxes	**38,828**	**5,817**
	Income taxes--current	(1,159)	(899)
	Income taxes--deferred	2,365	(1,773)
	Net income	**37,622**	**8,491**

(Attached Document)

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity									Valuation, translation adjustments and others			Total net assets
		Capital surplus			Retained earnings								
	Common stock	Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings (*Note)	Total retained earnings	Treasury stock	Total shareholders' equity	Unrealized holding gain on securities	Unrealized gain (loss) from hedge instruments	Total valuation, translation adjustments and others	
Beginning balance	**79,863**	**4,274**	**-**	**4,274**	**16,119**	**195,564**	**211,683**	**(2,160)**	**293,662**	**7,282**	**(733)**	**6,548**	**300,210**
Changes in fiscal year ended March 31, 2021													
Dividends from retained earnings						**(17,569)**	**(17,569)**		**(17,569)**				**(17,569)**
Net income						**37,622**	**37,622**		**37,622**				**37,622**
Purchase of treasury stock								**(7)**	**(7)**				**(7)**
Disposal of treasury stock			**(0)**	**(0)**				**703**	**703**				**703**
Transfer of negative amount of other capital surplus			**0**	**0**		**(0)**	**(0)**		**-**				**-**
Net changes in items other than those in shareholders' equity										**2,996**	**(36)**	**2,960**	**2,960**
Total changes in fiscal year ended March 31, 2021	**-**	**-**	**-**	**-**	**-**	**20,052**	**20,052**	**695**	**20,747**	**2,996**	**(36)**	**2,960**	**23,707**
Ending balance	**79,863**	**4,274**	**-**	**4,274**	**16,119**	**215,616**	**231,735**	**(1,464)**	**314,409**	**10,279**	**(770)**	**9,508**	**323,918**

Note: Details of other retained earnings:

(Millions of yen)

	Reserve for advanced depreciation of fixed assets	Retained earnings brought forward	Total
Beginning balance	5,569	189,994	195,564
Changes in fiscal year ended March 31, 2021			
Dividends from retained earnings		(17,569)	(17,569)
Reversal of other retained earnings	(275)	275	-
Net income		37,622	37,622
Transfer of negative amount of other capital surplus		(0)	(0)
Total changes in fiscal year ended March 31, 2021	(275)	20,327	20,052
Ending balance	5,294	210,322	215,616

Notes to the Non-Consolidated Financial Statements

Significant accounting policies

1. Valuation standards and methods for securities

(1) Stocks of subsidiaries and affiliated companies are stated at cost determined by the moving-average method.

(2) Other securities for which market value is available are stated at market value at the fiscal year end and the changes in market value, net of applicable income taxes, are directly charged or credited to net assets. The cost of such securities sold is determined by the moving-average method. Other securities for which market value is not available are stated at cost determined by the moving-average method.

2. Derivative instruments

Derivative instruments are carried out at fair value. However, special treatment is applied with respect to interest rate swaps, in cases where criteria for special treatment are met. If interest rate and currency swap contracts are used as a hedge and meet certain hedging criteria, the interest rate and currency swap contracts are not stated at fair value, and instead the amount to be received under the interest rate and currency swap contracts is added to or deducted from the interest on the liabilities for which the swap contracts are executed, and the liabilities denominated in foreign currencies, for which the interest rate and currency swap contracts are executed, are translated at the contracted rate (integral accounting).

3. Inventories

Inventories are stated at cost determined by the average method (in cases where the profitability has declined, the book value is reduced accordingly).

4. Depreciation method of fixed assets

(1) Tangible fixed assets (excluding leased assets)
The depreciation of tangible fixed assets is computed by the straight-line method. The range of useful life is 7 to 50 years for buildings and 4 to 15 years for machinery and equipment.

(2) Intangible fixed assets (excluding leased assets)
The amortization of intangible fixed assets is computed by the straight-line method. Software is amortized by the straight-line method over the estimated internal useful life (5 years). Trademarks are in principle amortized by the straight-line method over the period of its validity (20 years).

(3) Leased assets
The straight-line method is applied with the useful life of the asset being the lease period and the residual value being zero.

5. Reserves

(1) Allowance for doubtful accounts:
Allowance for doubtful accounts is recorded for possible bad debts at the amount estimated based on historical bad debts experience for general receivables and by reference to the individual collectability of specific doubtful receivables.

(2) Accrued bonuses for directors and corporate executive officers
In preparation for the payment of bonuses to directors and corporate executive officers, the Company has provided an allowance for expected payment for services during the fiscal year.

(3) Provision for shareholder benefit program
In preparation for payment relating to the shareholder benefit program, a provision for the shareholder benefit program has been recorded for the amount estimated based on past results, which shall be paid during and after the following fiscal year.

(4) Accrued retirement benefits for employees
Accrued retirement benefits for employees are provided based on the projected benefit obligations and fair value of pension plan assets at the end of the fiscal year in order to prepare for payment of retirement benefits.

Prior service cost is amortized by the straight-line method over a period within the average remaining service years of employees (10 years) at the time of recognition.

Actuarial gain or loss is amortized by the straight-line method over a period within the average remaining service years of employees (10 years) at the time of recognition, from the respective fiscal year following the fiscal year of recognition.

(5) Accrued retirement benefits for directors and others
Accrued retirement benefits for directors and corporate executive officers are recorded at the amount required to be paid in accordance with internal rules in order to prepare for payment of retirement benefits to those directors and others.

The Company abolished the system of payment of severance benefits to directors and corporate executive officers in June 2007, and has decided to pay severance benefits at the time of retirement with respect to the period in which the system was applied.

(6) Provision for share-based compensation
In preparation for delivery of the Company's shares to directors and others as part of the Company's share-based compensation program, the Company has recorded an allowance for the expected amount of obligations at the end of the fiscal year in accordance with internal rules.

(7) Allowance for environmental measures
In preparation for payment for environmental measures, an allowance for the amount of costs expected to be incurred has been recorded.

(8) Provision for contract loss
In preparation for losses relating to the fulfillment of contracts, a provision for loss on contracts has been recorded for the estimated amount of losses expected.

6. Translation of assets and liabilities denominated in foreign currencies into yen

Monetary receivables and payables denominated in foreign currencies are translated into yen at the rate of foreign exchange in effect at the balance sheet date. The resulting exchange gain or loss is recognized in profit or loss.

7. Hedge accounting

(1) Hedge accounting policy
The Company adopts deferred hedge accounting.
Derivative instruments are carried out at fair value. However, special treatment is, in principle, applied with respect to interest rate swaps, in cases where criteria for special treatment are met. If interest rate and currency swap contracts are used as a hedge and meet certain hedging criteria, the interest rate and currency swap contracts are not stated at fair value, and instead the amount to be received under the interest rate and currency swap contracts is added to or deducted from the interest on the liabilities for which the swap contracts are executed, and the liabilities denominated in foreign currencies, for which the interest rate and currency swap contracts are executed, are translated at the contracted rate (integral accounting).

(2) Hedging instruments and hedged items

Hedging instruments	Hedged items
Interest rate swaps	Interest on corporate bonds and borrowings
Interest rate and currency swaps	Foreign currency borrowings, interest paid on borrowings

(3) Hedging policy
The Company hedges foreign exchange rate risk and interest rate risk for certain transactions that are significant and that can be recognized individually, based on internal rules for derivative transactions.

(4) Assessment of hedge effectiveness
An assessment of hedge effectiveness is not undertaken for forward exchange contracts, as the conditions pertaining to the hedging instruments and the hedged items are equivalent. Interest rate swaps for which special treatment is applied, or interest rate and currency swaps for which integral treatment is applied, evaluation of effectiveness is not conducted.

8. Accounting for consumption taxes

Transactions subject to subject to consumption tax and/or regional consumption tax are recorded at amounts exclusive of consumption taxes.

9. Adoption of consolidated tax accounting system

The Company, as the taxable parent company, has adopted the consolidated taxation system.

10. Application of tax effect accounting for transition from Consolidated Taxation System to the Group Tax Sharing System

Regarding the items for which the stand-alone tax regulations were revised in line with the transition to the Group Tax Sharing System, established under the “Act Partially Amending the Income Tax Act (Act No.8 of 2020)”, the Company recorded deferred tax assets and liabilities as of March 31, 2020 based on the provisions of the income tax act before the revisions and not applying clause 44 of the “Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, February 16, 2018)”. This treatment is in accordance with clause 3 of the “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (ASBJ PITF No.39; March 31,2020)”.

11. Accounting for retirement benefits

Accounting methods for unrecognized actuarial gains and losses and unrecognized prior service costs related to retirement benefits differ from those applied in the consolidated financial statements.

Changes in presentation method

(Notes to statement of income)

Allowance for doubtful accounts (¥208 million in the previous fiscal year), which was previously included in "Others" under non-operating expenses in the statement of income, is presented as a separate line item from the current fiscal year because its materiality has increased.

(Adoption of “Accounting Standard for Disclosure of Accounting Estimates”)

The Company has adopted “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31, March 31, 2020) in the presentation of financial statements for the end of the fiscal year under review, and has presented notes on significant accounting estimates.

Notes to accounting estimates

Accounting estimates are reasonable estimates based on information available at the time of preparation of the consolidated financial statements. Of the amounts recorded in the consolidated financial statements for the fiscal year under review that are based on accounting estimates, the following items have the risk of having a material impact on the consolidated financial statements for the following fiscal year.

1．Valuation of shares in subsidiaries and affiliates

(1) Amounts recorded in the financial statements of the fiscal year under review

Shares in subsidiaries and affiliates for which the fair value is deemed to be extremely difficult to determine	¥480,160 million

(2) Other information relevant to the use of accounting estimates in the financial statements

If the substantive value of shares in subsidiaries and affiliates declines significantly due to deterioration in their financial position, a write-down is recognized unless the possibility of recovery is supported by sufficient evidence. The substantive value is calculated based on the net asset values obtained from subsidiaries and affiliates, also considering differences from the market value of assets, etc. The calculation of actual value and the determination of recoverability are mainly influenced by management's judgment regarding the rationality of the business plan of the applicable companies, which involves future uncertainties that may impact the financial position and financial performance of the following fiscal year.

Notes to Balance Sheet

1. Monetary receivables and payables to subsidiaries and affiliated companies

Short-term monetary receivables	¥101,354 million
Long-term monetary receivables	¥65 million
Short-term monetary payables	¥253,372 million
Long-term monetary payables	¥140 million

Notes to Statement of Income

1. Transactions with subsidiaries and affiliated companies

Transaction amount with respect to operating transactions	
Sales	¥83,331 million
Purchasing	¥131,437 million
Transaction amount with respect to non-operating transactions	¥58,945 million

2. Gain on sale of fixed assets

Gain on sale of fixed assets is recorded mainly due to the sale of land and buildings.

3. Loss on valuation of stocks of subsidiaries and affiliates

Loss on valuation of stocks of subsidiaries and affiliates is recorded mainly due to a significant decline in real value of shares in AANG, Inc.

Notes to Statements of Changes in Net Assets

Types and total number of treasury stock at the end of the fiscal year:

Type of treasury stock:	Common stock
Total number of treasury stock at the end of the fiscal year:	663,058 shares

Notes on Securities

Stocks of subsidiaries and affiliated companies

(Millions of yen)

Category	Book value	Fair value	Variance
Stock of subsidiaries	1,420	12,965	11,545
Stock of affiliated companies	8,239	9,031	792
Total	9,659	21,996	12,337

Note: Stocks of subsidiaries and affiliated companies whose fair value is extremely difficult to determine

Category	Book value
Stock of subsidiaries	393,287
Stock of affiliated companies	77,213

These items have no market price and it is extremely difficult to determine the fair value. Therefore, their fair value is not disclosed.

Notes on Deferred Tax Accounting

The significant components of deferred tax assets and liabilities as of March 31, 2021 were as follows:

	(Millions of yen)
Deferred tax assets:	
Loss on valuation of investment securities	24,013
Tax losses carried forward	3,198
Foreign tax credit carried forward	2,518
Accrued bonuses	2,169
Accrued retirement benefits for employees, etc.	1,694
Impairment losses	1,484
Period expense	1,239
Depreciable assets, etc.	893
Allowance for doubtful accounts	821
Provision for contract loss	678
Accrued business taxes, etc.	137
Loss from inventory revaluation	89
Others	202
Gross deferred tax assets	39,142
Valuation allowance for loss carried forward	(3,198)
Valuation allowance for deductible temporary differences, etc.	(31,273)
Gross valuation allowance	(34,471)
Total deferred tax assets	4,670
Deferred tax liabilities:	
Reserve for advanced depreciation of fixed assets	(3,196)
Unrealized holding gain on securities	(4,504)
Others	(119)
Total deferred tax liabilities	(7,820)
Net deferred tax liabilities	(3,149)

Notes regarding Related Party Transactions

Subsidiaries, affiliated companies, etc.

Attribution	Name of Company, etc.	Percentage of voting rights held	Relationship with related party	Details of transaction	Transaction amount (millions of yen)	Item	Year-end balance (millions of yen)
Subsidiary	Ajinomoto Food Manufacturing Co., Ltd.	100% (directly)	Purchase and sale of said company's products by the Company; joint purchase and provision of raw materials to said company	Purchase of products, etc.[1]	84,003	Accounts payable	8,189
				Fee-based supply of raw materials, etc.[2]	50,661	Receivables	14,976
	Ajinomoto Frozen Foods Co., Inc.	100% (directly)	Purchase and sale of said company's products by the Company; joint purchase and provision of raw materials to said company; concurrent holding of corporate officer positions	Purchase of products, etc.[3]	831	Accounts payable	16,294
	Ajinomoto Engineering Corporation	100% (directly)	Subcontracting of operations to said company by the Company	Purchase of tangible fixed assets, etc.[4]	19,376	Other payables	11,197
	Ajinomoto Fine-Techno Co., Inc.	100% (directly)	Purchase of said company's products by the Company; subcontracting of said company's operations by the Company	Borrowing of funds[5]	-	Short-term borrowings	20,106
	Ajinomoto AGF, Inc.	100% (directly)	Purchase and sale of said company's products by the Company; concurrent holding of corporate officer positions	Purchase of products, etc.[3]	1,360	Accounts payable	19,053
				Fee-based supply of raw materials, etc.[2]	35,371	Receivables	11,398
	Ajinomoto Animal Nutrition Group, Inc.	100% (directly)	-	Receipt of in-kind dividends[6]	12,643	-	-
	Ajinomoto Co., (Thailand) Ltd.	99.63% (directly)	Purchase and sale of said company's products by the Company; purchase and sale of the Company's products by said company	Borrowing of funds[7]	180,030	Short-term borrowings	90,015
				Repayment of funds[7]	180,030		
	Ajinomoto Sales (Thailand) Co., Ltd.	100% (indirectly)	Purchase and sale of said company's products by the Company	Borrowing of funds[7]	100,000	Short-term borrowings	50,000
				Repayment of funds[7]	110,000		
	Ajinomoto North America Holdings, Inc.	100% (directly)	-	Investment in kind[6]	12,643	-	-

(Transaction conditions, policy for deciding said conditions and others)

1. The purchase price of the products is determined by contract with consideration given to the manufacturing cost of Ajinomoto Food Manufacturing Co., Ltd. and the sales price to third parties.
2. For the fee-based supply of raw materials, the price is determined by reference to contract, with consideration given to market prices.
3. The Company is the sole agent and the price is determined by reference to contract, with the final selling price serving as the basis. These sole agent sales are recorded by netting sales and cost of goods sold, and therefore the disclosed amount is commission.
4. With respect to the purchase of tangible fixed assets, the price is determined by reference to contract, with consideration given to the purchase price of Ajinomoto Engineering Corporation and market prices.
5. As the Company has a cash management system to facilitate unified cash management within the Ajinomoto Group and borrowing and lending between participating companies is conducted on a daily basis, transaction amounts are not disclosed. Interest rates are decided in consideration of market rates.
6. As a result of internal reorganization within the group, the company received an affiliated company's shares as a dividend in kind and subsequently made an investment in kind, with the transaction price calculated based on corporate value.
7. With respect to borrowing of funds, interest rates are determined by reference to market interest rates.

Transaction amounts do not include consumption taxes, etc. Year-end balances include consumption taxes, etc.

Notes regarding Per Share Information

Net assets per share:	¥590.55
Net income per share:	¥68.61
Diluted net income per share:	¥68.59

Subsequent events

(Absorption-type merger of consolidated subsidiary)

At a meeting of the Board of Directors held on April 26, 2021, the Company resolved to conduct an absorption-type merger of its wholly-owned subsidiary Ajinomoto Animal Nutrition Group, Inc. and concluded the merger agreement on the same day.

1．Summary of the merger

(1) Purpose

Ajinomoto Animal Nutrition Group Inc. was established in 2011 with the aim of accomplishing structural reinforcement by integrating global business management through asset-light management and business specialty enhancement. Having fulfilled its purpose, it was determined that it is no longer necessary to maintain its corporate status and could be subjected to an absorption-type merger.

(2) Name of merging company and business description

Merging company name: Ajinomoto Animal Nutrition Group, Inc.

Business description: Animal nutrition

(3) Date of merger

July 1, 2021 (planned)

(4) Legal structure of merger

Absorption-type merger with Ajinomoto Co., Inc. as the surviving company and Ajinomoto Animal Nutrition Group Inc. as the absorbed and dissolved company.

(5) Name of post-merger company

Ajinomoto Co., Inc.

2．Outline of accounting treatment applied

Based on the "Accounting Standards for Business Combination" and the "Application Guidelines for Business Combination Accounting" and "Accounting Standards for Business Separation, etc." the merger will be treated as a common control transaction.

(Acquisition of treasury stock)

At a meeting of the Board of Directors held on May 10, 2021, the Company passed a resolution on matters related to the acquisition of treasury stock in accordance with the provisions of Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of the same act.

1. Reason for acquisition of treasury stock

The purpose of the acquisition is to improve the level of shareholder returns and capital efficiency.

2. Details of matters related to the acquisition

(1) Type of shares to be acquired	Common stock
(2) Total number of shares to be acquired	25 million shares (upper limit) (4.55% of the total number of shares issued (excluding treasury stock))
(3) Total amount of shares to be acquired	¥40 billion (upper limit)
(4) Acquisition period	From May 11, 2021 to January 31, 2022
(5) Acquisition method	Market purchase on the Tokyo Stock Exchange
(6) Other	All of the treasury stock acquired through this acquisition will be retired by resolution of the Board of Directors in accordance with the provisions of Article 178 of the Companies Act

Additional Information

(Share-based Compensation of Executive Officers Based on the Company's Medium-term Earnings Performance)

1. Overview of transactions

The Company has introduced a share-based compensation for executive officers based on the Company's medium-term earnings performance (hereinafter the "System") for the purpose of boosting the motivation of Directors, Corporate Executive Officers and Corporate Fellows (hereinafter collectively the "Officers,") to contribute towards the improvement of the Ajinomoto Group's medium- and long-term business performance and enhancement of its corporate value.

The System was introduced for a trust period of three years covering the first years of the FY2020-2025 Medium-Term Management Plan that commenced on April 1, 2020 (the "Period") using a stock-granting trust created by the Company as the trustor, using funds provided by the Company to acquire Company shares, and at the end of the Period grant or make payment to Officers, etc. of Company shares and cash in the amount equivalent to the conversion value of Company shares depending on their job positions and the level of achievement of the performance targets.

Persons eligible for the System are Directors (excluding Outside Directors), Corporate Executive Officers or Corporate Fellows of the Company (excluding those who are nonresidents of Japan throughout the Period and those retired by June 30, 2020) during the Period.

2．Company shares held by the Trust

Shares held by the Trust are recorded as treasury shares under net assets, based on the Trust's book value (excluding expenses). At the end of the financial year under review, the book value and total number of such treasury shares was ¥1,249 million and 559,200 shares respectively.

(The impact of the Novel Coronavirus (COVID-19))

COVID-19 is causing widespread impact on the needs of the market, the lifestyles of consumers, and economic activities around the world. As it is difficult to predict how the virus will spread or when it will dissipate, based on external information and analysis of market trends in each country, the Company assumes that the impact will continue for a certain period of the next fiscal year, and is currently is currently considering possible impacts including whether or not there are any indications that any non-financial assets may be impaired.

Audit Report

Copy of Report of Accounting Auditor Regarding Consolidated Financial Statements

Independent Auditor's Report

May 12, 2021

Mr. Takaaki Nishii, President
Ajinomoto Co., Inc.

KPMG AZSA LLC
Tokyo Office, Japan

Designated and Engagement Partner, Certified Public Accountant: Takuji Kanai (seal)
Designated and Engagement Partner, Certified Public Accountant: Hirotaka Tanaka (seal)
Designated and Engagement Partner, Certified Public Accountant: Hiroto Kawase (seal)

Opinion

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Ajinomoto Co., Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2021 and for the year from April 1, 2020 to March 31, 2021 in accordance with Article 444-4 of the Companies Act.

In our opinion, the above consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS) with certain omissions of disclosure items pursuant to the latter part of Paragraph 1, Article 120 of the Rules of Corporate Accounting, are based on Ajinomoto Co., Inc. and its consolidated subsidiaries, and we acknowledge that the status of assets and profits and losses for the period pertaining to the consolidated financial statements are fairly presented in all material respects.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit & Supervisory Board and the Audit & Supervisory Board Members for the Consolidated Financial Statements

Management's responsibility is to prepare and fairly present the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) with certain omissions of disclosure items pursuant to the latter part of Paragraph 1, Article 120 of the Rules of Corporate Accounting. This includes the establishment and operation of an internal control system that Company management has decided is necessary to ensure that consolidated financial statements are prepared without any material misstatements due to fraud or error and are presented fairly.

In preparing the consolidated financial statements, management is responsible for using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so, disclosing, as applicable, matters related to going concern in accordance with International Financial Reporting Standards (IFRS) with certain omissions of disclosure items pursuant to the latter part of Paragraph 1, Article 120 of the Rules of Corporate Accounting.

The Audit & Supervisory Board and the Audit & Supervisory Board Members are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's

internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with International Financial Reporting Standards (IFRS) with certain omissions of disclosure items pursuant to the latter part of Paragraph 1, Article 120 of the Rules of Corporate Accounting, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board and the Audit & Supervisory Board Members regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Board and the Audit & Supervisory Board Members with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

Copy of Report of Accounting Auditor Regarding Non-Consolidated Financial Statements

Independent Auditor's Report

May 12, 2021

Mr. Takaaki Nishii, President
Ajinomoto Co., Inc.

KPMG AZSA LLC
Tokyo Office, Japan

Designated and Engagement Partner, Certified Public Accountant: Takuji Kanai (seal)
Designated and Engagement Partner, Certified Public Accountant: Hirotaka Tanaka (seal)
Designated and Engagement Partner, Certified Public Accountant: Hiroto Kawase (seal)

Opinion

We have audited the financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the notes to the non-consolidated financial statements, and the supplemental schedules of non-consolidated financial statements ("the financial statements and the supplementary schedules") of Ajinomoto Co., Inc. ("the Company") as at March 31, 2021 and for the year from April 1, 2020 to March 31, 2021 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and the supplementary schedules section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit & Supervisory Board and the Audit & Supervisory Board Members for the Financial Statements and the Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Board and the Audit & Supervisory Board Members are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on

the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit & Supervisory Board and the Audit & Supervisory Board Members regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Board and the Audit & Supervisory Board Members with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

Notes to the Reader of Independent Auditor's Report:

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Copy of the Audit & Supervisory Board Audit Report

Audit Report

Regarding the performance of duties by the Directors for the 143rd fiscal year beginning April 1, 2020 and ending March 31, 2021, the Audit & Supervisory Board hereby submits this audit report, as a unanimous communication of all Audit & Supervisory Board Members which has been prepared through discussions based on reports from the respective Audit & Supervisory Board Members concerning the performance of duties by the Directors.

1. Overview of Auditing Methods Employed by Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) At its meeting on July 28, 2020, the Audit & Supervisory Board passed a resolution on the auditing policies, auditing plans and division assignment of duties of each Audit & Supervisory Board Member. The Audit & Supervisory Board held its regular meetings on a monthly basis, reviewed the agendas of the meetings of the Board of Directors in advance, and exchanged and shared information about the situation and the results of each Audit & Supervisory Board Member's auditing activity.

(2) Each Audit & Supervisory Board Member communicated with the Directors, the Corporate Executive Officers, the Internal Auditing Division, and other employees and made efforts to gather information and maintain audit environments in accordance with the auditing standards of Audit & Supervisory Board Members established by the Audit & Supervisory Board, and conducted the audit as follows:

1) The Audit & Supervisory Board Members attended the meetings of the Board of Directors, the Management Committee, and other important meetings. Moreover, the Audit & Supervisory Board Members investigated as necessary the operations and finances of headquarters and other major offices and plants. Concerning domestic and overseas subsidiaries, the Audit & Supervisory Board Members communicated and conducted information exchanges with the directors and audit & supervisory board members, etc. of such subsidiaries, and conducted on-site audits of these locations as deemed necessary.

2) The Audit & Supervisory Board Members monitored and examined the status of implementation of the “basic policies on internal control systems” resolved by the Board of Directors, receiving reports from Directors, Corporate Executive Officers, and employees concerning its development and operation.

3) The Audit & Supervisory Board Members received reports from the Internal Auditing Division of the audit results after each audit, and every three months received and exchanged opinions on reports on the audit results and evaluation reports on internal control systems relating to financial reports.

4) The Corporate Auditors received a prior explanation of auditing plans from the Accounting Auditor, and in addition to carrying out discussions, received reports of the audit results. Furthermore, in addition to monitoring and examining whether the Accounting Auditor maintained an independent stance, as well as implementing fair audits, the Audit & Supervisory Board Members received reports from the Accounting Auditor to the effect that systems had been put in place to ensure that their duties are appropriately performed.

Based on the aforementioned methods, we examined the Business Report and the supplementary schedules for the fiscal year in question, along with the financial statements (the Balance Sheet, the Statement of Income, the Statements of Changes in Net Assets along with the Notes to the Non-Consolidated Financial Statements) and the supplementary schedules, the consolidated financial statements (the Consolidated Statements of Financial Position, the Consolidated Statements of Income, the Consolidated Statements of Changes in Equity and the Notes to the Consolidated Financial Statements).

2. Audit Results

(1) Result of Audit of Business Report, etc.

1) In our opinion, the Business Report and the supplementary schedules fairly represent the Company’s affairs in accordance with the applicable laws and regulations and the Articles of Incorporation.
2) With regard to the execution of duties by the Directors, we have found no evidence of wrongful action or material violation of laws and regulations, or of the Articles of Incorporation.
3) In our opinion, the contents of the resolution of the Board of Directors with regard to the internal control systems are appropriate. We confirm that continuous improvements are being made with respect to the development and operation of the internal control systems. With regard to details of these internal control systems reported in the Business Report we have found no matters on which to remark.

(2) Auditing result of the financial statements and the supplementary schedules

In our opinion, the methods and results employed and rendered by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

(3) Auditing result of the consolidated financial statements
In our opinion, the methods and results employed and rendered by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

May 14, 2021

Audit & Supervisory Board of Ajinomoto Co., Inc.
Yoichiro Togashi, Audit & Supervisory Board Member (Standing) (seal)
Shizuo Tanaka, Audit & Supervisory Board Member (Standing) (seal)
Atsushi Toki, Audit & Supervisory Board Member (External) (seal)
Hideki Amano, Audit & Supervisory Board Member (External) (seal)
Mami Indo, Audit & Supervisory Board Member (External) (seal)

End