



# The Management Foundation Supporting ASV

Corporate Governance, human resource development and initiatives to reduce the environmental footprint are the foundation of ASV, and also support its evolution.

To achieve sustainable growth through ASV, the Group implements management with due consideration for ESG.



## Basic Approach to Corporate Governance

The Ajinomoto Group positions corporate governance as one of the most important aspects of its management foundation for accelerating its ASV efforts and achieving its vision of becoming a Genuine Global Specialty Company. While continuously working to establish an effective corporate governance system that balances “supervising appropriate execution to reflect stakeholders’ opinions” and “flexible decision making and execution,” the Group

sincerely maintains the Ajinomoto Group Policy, which shows the behavior and way of thinking that each Group company, officer, and employee should follow. The Group believes that continuing to work on the establishment of internal control systems and their appropriate operation, and deepening dialogue and collaboration with stakeholders will become the foundation of ASV, continuously enhancing corporate value.

► For details, please see the Ajinomoto Principle on Corporate Governance and the Corporate Governance Report.  
[https://www.ajinomoto.com/en/ir/strategy/corp\\_gov.html](https://www.ajinomoto.com/en/ir/strategy/corp_gov.html)

### Initiatives to reinforce governance

#### 2003

- Introduction of executive officer system
- Decrease in the number of directors (from 30 to 12)
- Appointment of an outside director (one out of 12 directors)

#### 2004

- Appointment of outside corporate auditors (three)

#### 2005

- Establishment of Nominating Advisory Committee
- Establishment of Compensation Advisory Committee

#### 2009

- Increase in the number of outside directors (two out of 15 directors)

#### 2011

- Appointment of a female outside director (one out of 15 directors)

#### 2015

- Increase in the number of outside directors (three out of 14 directors)

#### 2016

- Introduction of evaluation of the Board of Directors’ effectiveness
- Introduction of the Global Governance Policy

#### 2017

- Decrease in the number of internal directors (from 10 to 6)
- Establishment of Corporate Governance Committee
- Introduction of a medium-term company performance-linked stock compensation system

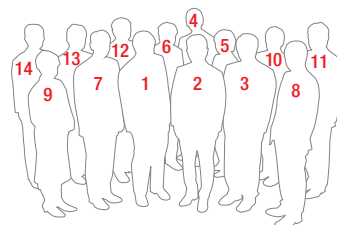
### Overview of the corporate governance structure

Main Items	Current Status
Type of system	Company with Audit & Supervisory Board
Number of directors (including outside directors)	9 (3)
Number of Audit & Supervisory Board members (including Audit & Supervisory Board members [external])	5 (3)
Number of Board of Directors’ meetings held (FY2018) (Average attendance rate of outside directors) (Average attendance rate of Audit & Supervisory Board members [external])	17 (98%) (96%)
Number of Audit & Supervisory Board meetings held (FY2018) (Average attendance rate of Audit & Supervisory Board members [external])	17 (96%)
Directors’ term of office	2 years
Adoption of corporate executive officer system	Yes
Voluntary committees, etc. of the Board of Directors	Nominating Advisory Committee, Compensation Advisory Committee, Corporate Governance Committee, Management Foundation Review Committee
Compensation systems for officers, etc.*	(1) Monthly compensation (2) Short-term company performance-linked compensation (3) Medium-term company performance-linked stock compensation (See p52)
Accounting auditor	Ernst & Young ShinNihon LLC

\* Outside directors and outside Audit & Supervisory Board members only receive (1).



## Management Team



**1** Masatoshi Ito  
Chairman of the Board

**2** Takaaki Nishii  
Representative Director,  
President & Chief Executive Officer

**3** Hiroshi Fukushi  
Representative Director,  
Member of the Board &  
Corporate Executive Deputy  
President

**4** Masaya Tochio  
Representative Director,  
Member of the Board &  
Corporate Senior Vice President

**5** Chiaki Nosaka  
Member of the Board &  
Corporate Vice President

**6** Etsuhiro Takato  
Member of the Board

**7** Yasuo Saito  
Outside Director

**8** Takashi Nawa  
Outside Director

**9** Kimie Iwata  
Outside Director

**10** Yoichiro Togashi  
Audit & Supervisory Board Member  
(Standing)

**11** Shizuo Tanaka  
Audit & Supervisory Board Member  
(Standing)

**12** Atsushi Toki  
Audit & Supervisory Board Member  
(External),  
Attorney-at-law

**13** Hiroshi Murakami  
Audit & Supervisory Board Member  
(External)

**14** Hideki Amano  
Audit & Supervisory Board Member  
(External),  
Certified Public Accountant

► For more information on officers, please see below.  
<https://www.ajinomoto.com/en/aboutus/data/officers.html>

## Message from the Chairman of the Board



## Developing a management and governance structure to respond flexibly to environmental changes

**Masatoshi Ito**

Chairman of the Board

### All chairs of advisory bodies are Outside Directors, in order to ensure independence and stimulate debate.

The business environment surrounding the Ajinomoto Group is undergoing dramatic change. This includes slowing growth in the Japanese market due to the declining birth rate and aging society, ever more diverse and personalized patterns of consumption in conjunction with the evolution of digital technologies, and the reorganization of sales channels. To accurately identify these changes and realize sustained growth by creating value through ASV, the Group strives to implement decision-making and business execution swiftly and appropriately. At the same time, the Group is working continually to develop and enhance its corporate governance system, which monitors business transparency and fairness as well as the effectiveness and efficiency of business execution.

From June 2019, all three committees that report directly to the Board of Directors – Nominating Advisory Committee, Compensation Advisory Committee and Corporate Governance Committee – are chaired by outside Directors. This ensures the objectivity and independence of each committee, while at the same time drawing on the expertise of the outside Directors, as well as their extensive knowledge and experience, to stimulate debate at committee meetings. This will further enhance their effectiveness as advisory bodies to the Board of Directors.

### Addition of Non-Executive Internal Director to strengthen Group cross-organizational management and supervisory functions

Under the new structure, which launched in June 2019, we appointed one additional Non-Executive Internal Director to enhance the effectiveness of the Group cross-organizational supervisory function. The Group has numerous consolidated subsidiaries, both in Japan and

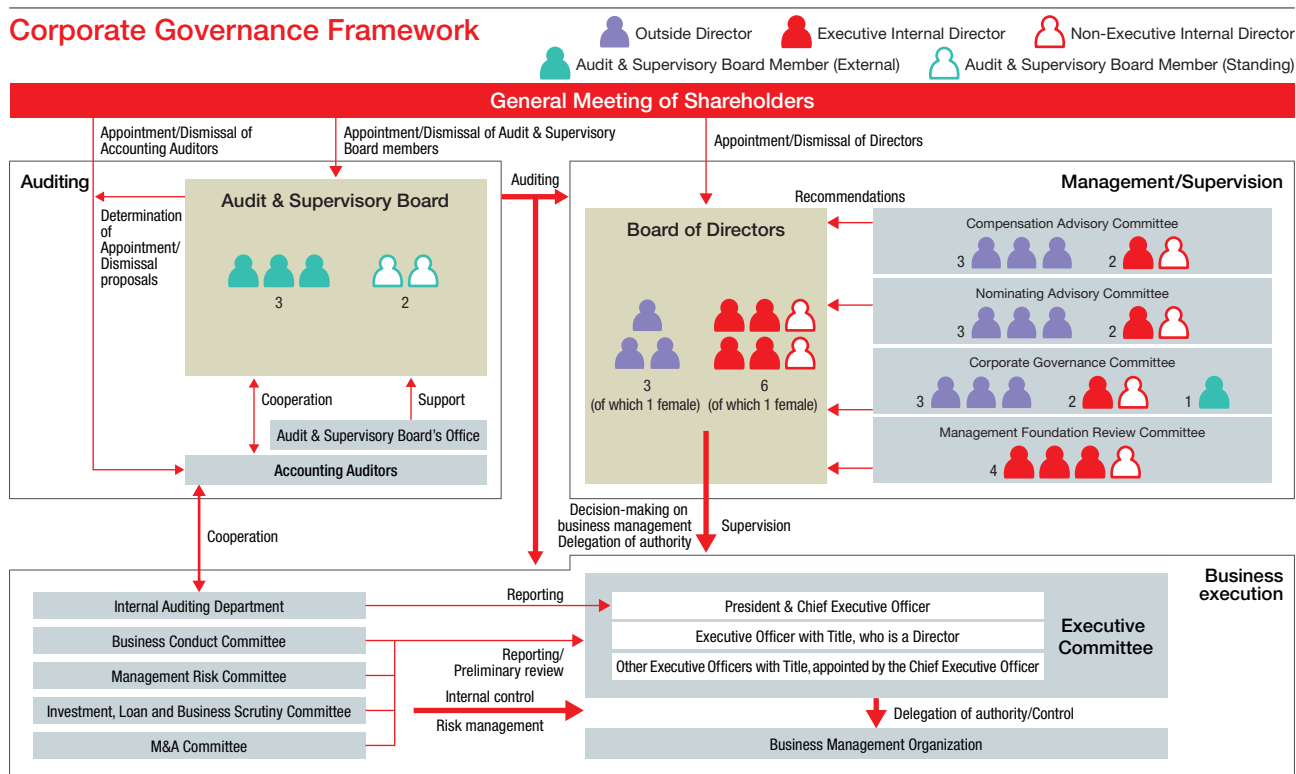
overseas, and we took this decision as we felt a full-time non-executive internal Director, who has deep knowledge and experience of the Group's operations, would be well qualified to closely supervise their management and business execution. The Non-Executive Internal Director appointed on this occasion will supervise a total of five companies, including subsidiaries that have a significant impact on consolidated earnings and recently acquired important subsidiaries.

In addition, we have launched a Management Foundation Review Committee, which reports directly to the Board of Directors, in order to strengthen the foundation of the cross-Group management function. It is composed of three Representative Directors and the abovementioned Non-Executive Internal Director, making a total of four members, including the President who serves as the chair. The Management Foundation Review Committee conducts discussions on strengthening internal control of each group company, and on the portfolio of group assets in relation to the strategic direction of Group management, and provides feedback on these discussions to the Board. Its role is to further deepen Board discussion while supporting Group cross-organizational business decision-making.

We also seek to build a management and governance structure that enables us to respond flexibly to environmental change and diversifying values. We will do this by actively appointing Directors (internal and outside) with high-level expertise from a wide range of backgrounds, regardless of gender or nationality, so as to increase diversity.

Masatoshi Ito  
Chairman of the Board

## Corporate Governance Framework

**Audit & Supervisory Board**

The Audit & Supervisory Board members work together with the accounting auditor and Internal Auditing Department to conduct audits on the execution of duties by Directors and Corporate Executive Officers, etc.

**Nominating Advisory Committee**

The Nominating Advisory Committee consists of five Directors, including three Outside Directors. The Committee deliberates on such matters as Director nominees and proposals for the election of Directors and a successor plan of future Chief Executive Officer, and reports on these deliberations to the Board of Directors.

**Management Foundation Review Committee**

The Management Foundation Review Committee consists of three Representative Directors including the President and one Non-Executive Internal Director (total of four). The committee determines the strategic direction for Group management and strengthens the foundation of the cross-Group management function. It reports on its deliberations to the Board of Directors.

**Board of Directors**

The Board of Directors oversees the business execution of Directors and Corporate Executive Officers, and makes important business execution decisions as management's highest decision-making body.

**Compensation Advisory Committee**

The Compensation Advisory Committee consists of five Directors, including three Outside Directors. The Committee deliberates on proposals for compensation of Directors and Corporate Executive Officers, etc., and reports on these deliberations to the Board of Directors.

**Executive Committee**

The Executive Committee deliberates on company management policies and plans, and makes important decisions concerning business execution.

**Corporate Governance Committee**

The Corporate Governance Committee consists of five Directors, including three Outside Directors, and one Audit & Supervisory Board member (External). The Committee holds discussions on matters related to corporate governance, and reports on these discussions to the Board of Directors.

### I will help the Corporate Governance Committee perform its function while improving corporate governance.

When analyzing the soundness of the Company's corporate governance and exploring how to improve it in the future, it is extremely important to accurately understand the roles of the function of the Audit & Supervisory Board and its members. For that reason, I believe it is significant that an external member of the Audit & Supervisory Board sits on the Corporate Governance Committee and provides impartial information and analyses. As that member at present, I express opinions and analyze issues concerning the Company's corporate governance system from a legal standpoint while comparing it to the systems of other companies. In that process, I make use of my experience as an outside director at several companies and my expertise as a lawyer specializing in corporate legal affairs. I also intend to propose ideas for the corporate governance system while reflecting the opinions of outside directors on the committee as much as possible within the framework of current laws. I look forward to helping the committee fully perform its function as an advisory body.

**Atsushi Toki**

External member of the Audit & Supervisory Board and member of the Corporate Governance Committee

## Succession Plan

For selection of Directors and top management candidates, including Chief Executive Officer, the following competence requirements, etc., are determined by the Board of Directors, based on discussions of the Nominating Advisory Committee.

1. Ability to achieve ASV
2. Ability to achieve global top 10 class company
3. Ability to create markets
4. Ability to achieve sustainable growth

Based on these competence requirements, etc., the Nominating Advisory Committee reports to the Board of Directors about candidates for future Chief Executive Officer, develops a successor plan, and confirms and advises on its operation.

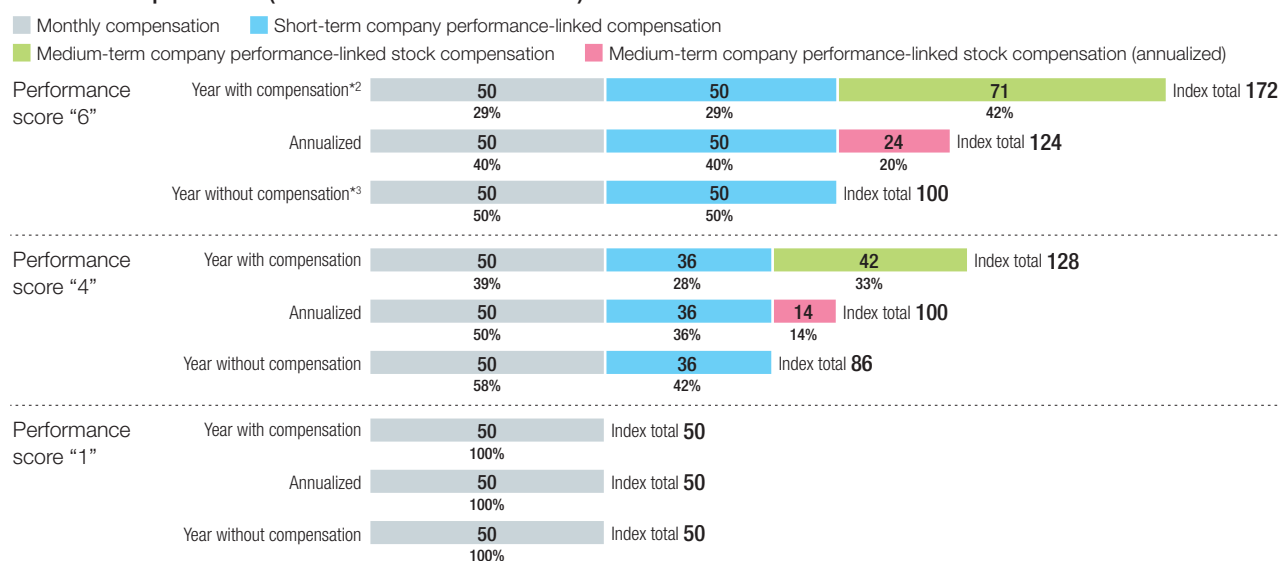
## Compensation Systems for Officers, etc.

Compensation for Directors (excluding outside Directors) comprises (1) monthly compensation; (2) short-term company performance-linked compensation; and (3) medium-term company performance-linked stock compensation. The details and evaluation indicators are shown below.

Compensation	Details	Evaluation Indicator
Monthly compensation	Set with reference to the results of a survey by an external organization	–
Short-term company performance-linked compensation	Paid according to companywide and divisional performance for the fiscal year	Sales, business profit, profit attributable to owners of parent company, ROE (all on a consolidated basis)
Medium-term company performance-linked stock compensation	Shares of the Company and an amount of cash equivalent to the conversion value of Company shares are provided according to performance in the final fiscal year of the MTP	Business profit and ROA in the final fiscal year of the MTP (both on a consolidated basis)

The payment ratio of “monthly compensation,” “short-term company performance-linked compensation,” and “medium-term company performance-linked stock compensation” is approximately 50:36:14 (annualized\*1) when the performance target criteria are achieved (performance score of “4” out of 6 levels). This ratio varies depending on performance. Taking the total compensation (annualized) when the performance score is “4” as 100, the index for total compensation and the ratios of each type of compensation for the highest performance score “6” and the lowest performance score “1,” are shown below.

### Ratio of compensation (in the case of the President)



\*1 The amount that would have been paid each year after equalizing the medium-term company performance-linked stock compensation provided after the three-year period of MTP

\*2 The amount paid in a year with medium-term company performance-linked stock compensation

\*3 The amount paid in a year without medium-term company performance-linked stock compensation



## Messages from Outside Directors

**“ It is essential to clearly explain the need for asset-light management.**

The Group has set a goal in the next medium-term management plan to bolster its competitiveness and achieve sustainable growth through asset-light management and digital transformation. I fully expect that management will stay focused on this vision while recognizing that the means are not ends in themselves. Therefore, management should clarify its approach and clearly explain the reasons and goals of asset-light management and impart this information to employees and investors. At the same time, I will constructively examine management's efforts to demonstrate how ASV initiatives and work-style innovation will lead to the growth of the Ajinomoto Group.

**Yasuo Saito** Outside Director**“ We need to clarify our short- and long-term goals and do everything necessary to achieve them.**

Today's world is changing rapidly, so it is important to have a clear roadmap to follow over the long term from 2030 through to 2050. Accordingly, we need to start envisioning that path through concrete discussions and then do everything necessary to move forward. Over the short term, the Ajinomoto Group's management tasks are to shift to an asset-light business model and step up the pace and scale of productivity improvements. Over the long term, we must create the Group's own growth algorithm, and for that purpose, it will be vital to develop and attract a new generation of management talent. I believe it is especially important to actively recruit talent from outside the Group into its management.

**Takashi Nawa** Outside Director**“ I will draw on my experience in administrative affairs and corporate management to help enhance corporate value.**

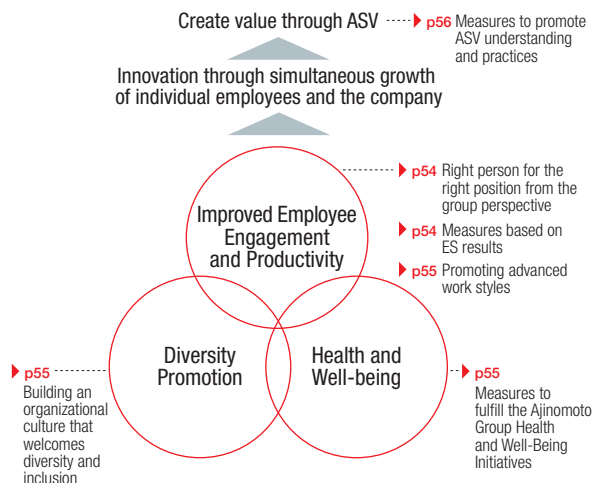
Having been newly appointed as an outside director in June 2019, I hope to contribute to enhancing corporate value going forward by making the most of my experience in administrative affairs, corporate management, and non-profit organizations, while also drawing from my perspective as a female consumer. To help supervise management from a standpoint independent of business execution, I intend to learn as much as possible about the Ajinomoto Group so I can actively contribute in deliberations by the Board of Directors and offer alternative ideas if there are any issues I oppose. I also hope to play a useful role in providing advice to management by applying the experience I have gained in promoting diversity, work-style innovation, and creating shared value management.

**Kimie Iwata** Outside Director

## Approach to Human Resource Development

The Ajinomoto Group understands that a diverse staff of world-class employees is absolutely essential to creating value through ASV. Employees are the very source of innovation, and the Group believes the way to stimulate innovation is to provide a work environment in which every employee feels engaged in their work and is motivated to apply and demonstrate their skills.

### Approach to human resource development and initiatives in FY2018



## Right Person for the Right Position from the Group Perspective

The Group is preparing a group common rule for international employee transfers to place the right person for the right position from the group perspective. The Group provides opportunities for employees of any nationality, race, gender, age, or background to globally demonstrate their abilities. The Group believes the career opportunities will further motivate employees to energetically pursue their career goals.



## Measures Based on Engagement Survey Results

In FY2017, the Group conducted its first Engagement Survey (ES) with the aim of forming a quantitative framework for assessing each employee's engagement in their work. The survey findings showed high scores in categories about ASV, including employee understanding and appreciation, but relatively low scores in categories related to diversity and communication. The survey also revealed mixed results between organizations in the areas

of the quality and frequency of communication between superiors and subordinates as well as about the penetration of the corporate vision and strategies.

In FY2018, each organization set specific targets to address issues based on their individual survey results and implemented tailored action plans. The Group plans to conduct ES every other year and to apply the PDCA cycle.

### Improving employee engagement

#### Social value KPI

Percentage of employees feeling highly engaged in their work\*

FY2017: **79%**

FY2020 target: **80%+**

\*Percentage of employees that support the goals and targets of the company and feel engaged as they work toward the sustainable growth of the company as measured by the ES of all Group employees.

### Examples of measures

#### S.A. Ajinomoto OmniChem N.V., Belgium

##### Top executives shared the issues

- Issue 1 Need to further enhance talent management and performance management
- Issue 2 Need to improve the quality of communication

##### Held group discussions and set a specific action plan

- Measure 1 All 160 managers discussed and launched newsletters to deliver messages regularly
- Measure 2 Set up digital communication platform (planned)



## Building an Organizational Culture that Welcomes Diversity and Inclusion

The Ajinomoto Group is formulating an organizational structure in which each person can advance their career and a culture that welcomes and thrives on diversity.

The Group is aware that Japan is behind the rest of the world in creating structures to accommodate diversity in its human resources. The Group is taking steps to rise to international standards. In FY2018, Ajinomoto Co., Inc. introduced a workshop on innovation and diversity, a mentor program to provide training and promote the

appointment of female employees, unconscious bias training for HR personnel, and diversity training for the sales department. An online course on LGBT awareness, which explains the necessity to create a work environment where everyone can work happily, was also disseminated to 25 group companies in Japan. In addition, Ajinomoto Foods North America, Inc. set up an Ethics Hotline for confidential reporting of issues related to sexual harassment, compliance, discrimination, and other issues.

## Promoting Advanced Work Styles

Ajinomoto Co., Inc. is implementing management-led measures for work-style innovation and in FY2018 advanced the work style by introducing hot-desking. Following the penetration of efficient work style to a certain extent, the Company is now shifting its focus to raising work style quality and creativity.

Average annual work hours of Group companies in Japan (Target)

From FY2020 **1,800** hours

### Roadmap of Ajinomoto Co., Inc.

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY19
Minimum daily work hours	7 hrs 35 min	7 hrs 35 min	7 hrs 15 min	7 hrs 15 min	7 hrs 15 min
Average annual work hours	1,976	1,916	1,842	1,820	1,800 (Target)
Productivity*	-	-	107.5%	109.8%	-

\*Ratio of total sales per employee per hour vs. FY2016

## Measures to Fulfill the Ajinomoto Group Health and Well-Being Initiatives

The Group issued the Ajinomoto Group Health and Well-Being Initiatives in May 2018 as part of its commitment to create an environment enabling employees to maintain and improve their health and well-being. Group companies have launched various measures to create a health-promoting environment.

### Examples of health-related measures

#### Group companies in Japan

- The *AminoIndex™* risk screening to help with early detection of cancer and diabetes risk was added as an option in regular medical checkups for employees aged 35 or older.
- Measures for no smoking during business hours and no smoking in the office were implemented.

#### Ajinomoto Foods North America, Inc.

- A telemedicine program was initiated enabling employees to converse with doctors via telephone or videophone.

#### AJINOMOTO PHILIPPINES CORPORATION

- A newsletter was launched to promote healthy eating and maintain healthy lifestyle to its employees.

## Measures to Promote ASV Understanding and Practices

The Ajinomoto Group engages in various ASV disseminating initiatives designed so every employee feels they are directly or indirectly contributing to realizing ASV through their daily work.

As stated earlier, in the FY2017 Engagement Survey, the Group achieved high scores for the understanding and appreciation of ASV.



Workshop using an ASV engagement material

### The ASV Awards

Since FY2016, the Group has been awarding ASV initiatives that are creating both social value and economic value. The award committee, which includes experts from outside the Group, selects initiatives exhibiting outstanding innovativeness and ingenuity.

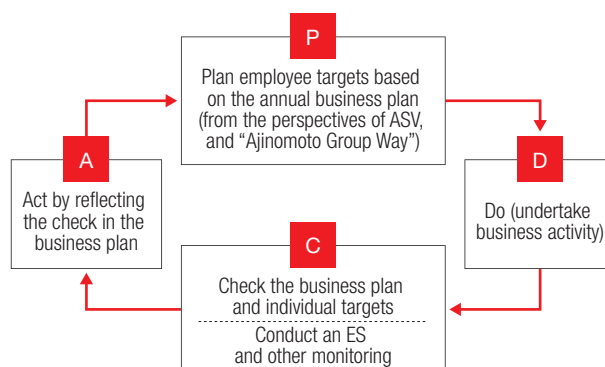
In FY2018, the ASV Awards Grand Prize was presented to the initiative of *Cook Do*® business in Japan, which has been constantly pursuing new values (nutrition, smart cooking, eating together, etc.) throughout the value chain since its launch 40 years ago.



ASV Awards ceremony

### Incorporating ASV into business processes

At Ajinomoto Co., Inc., business plans and individual employee targets are set from the perspective of the ASV and "Ajinomoto Group Way" and in line with the group-wide Medium-Term Management Plan. Each employee uses the PDCA cycle to continue advancing toward their targets.



### Sharing good cases through dedicated ASV site

The Group is stepping up measures to accelerate the penetration of ASV. One example is the Our ASV website that all employees can access anytime and from anywhere

to see good cases of ASV initiatives. The website also has engagement materials designed depending on understanding and practicing level of ASV.

## Identifying Critical Raw Materials

The Ajinomoto Group identifies critical raw materials by conducting a comprehensive assessment of raw materials used in its operations and analyzes its findings in consultation with the associated departments and external experts.

Materials are deemed critical based on an overall judgment of their degree of importance in such terms as the reliance on the material, the availability of alternative materials, and relevance to global environmental sustainability. Recognizing that deforestation has a substantial impact on climate change, biodiversity, and also human rights issues, the Group has stepped up measures related to palm oil, paper, and other agriculture and forestry resources. The Group also set a target to procure 100% sustainable palm oil and paper by FY2020 (see p62).

## Procuring Sustainable Palm Oil

The Group products that use palm oil or palm kernel oil range from processed food products, like cup soup, instant noodles, and coffee creamers, to specialty chemicals made in regions spanning Japan, Southeast Asia, Europe, and South America. Because some products use palm kernel oil, for which it is difficult to procure certified products, and because the supply of certified palm oil is limited in some regions, the Group defines palm oil that is either certified by the Roundtable on Sustainable Palm Oil (RSPO) or that is traceable to sustainable sources as sustainable. In FY2018, the Group used 36,700 tons of palm oil, 25% of which was certified. The Group is currently gathering usage data on palm oil for which it has confirmed the traceability.



## Promoting Use of Sustainable Paper

The Group is promoting procurement of paper containers and packaging based on its Paper Procurement Guidelines.

The guidelines define paper that is sustainable as paper that is not derived from deforestation in areas of high conservation value and paper that is procured from providers that produce it through proper procedures in accordance with laws and regulations of the production areas and with international human rights standards. Sustainable paper includes paper certified by the Forest Stewardship Council® (FSC®) as well as recycled paper and paper made from FSC® Controlled Wood.

In FY2018, 95% of the Group's paper containers and packaging in Japan was sustainable. The Group is summarizing overseas usage data.

► For details, please see the Ajinomoto Group Sustainability Data Book 2019.  
<https://www.ajinomoto.com/en/activity/>



## Endorsement of the TCFD Recommendations

The Ajinomoto Group views climate change at the management level as both a risk and an opportunity. To track and improve the Group's environmental performance, the Management Risk Committee and Environmental Committee under the Executive Committee monitor the Group's progress toward attaining target indicators and consider necessary measures.

In May 2019, the Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board\*. The Group follows the international framework in fortifying its governance systems and reflecting climate-related risks and opportunities in its business strategies.

\*International organization of representatives of central banks, financial supervisory agencies, and finance ministries

## Scenario Analysis for Southeast Asia

The Group's business domain of products ranges from seasonings and coffee to frozen foods and its business activities extend into Life Support and Healthcare. The geographic range of its operations spans the globe. Climate change can impact the Group's operations in many ways, such as a major natural disaster halting its business activities, affecting its ability to procure raw materials and fuel, and altering consumption of its products.

In FY2018, the Group conducted a scenario analysis of the potential impact from climate change in Southeast Asia on umami seasoning *AJI-NO-MOTO*®, a core product of the Group. The Group determined that a 2°C rise in the average temperature would have a relatively small impact on the main raw materials and on demand for the product, and therefore would not seriously affect the Group's profit. However, profit would likely be pressured by higher energy costs and increased taxes on carbon accompanying efforts to create a low-carbon society. The findings reconfirmed the need to continue converting to renewable energy sources and increase the Group's corporate resilience.

The Group plans to conduct global scenario analysis for *AJI-NO-MOTO*® in FY2019 and similar analysis for other seasonings and products.

## Governance structure related to climate change



► For details, please see the Ajinomoto Group Sustainability Data Book 2019.  
<https://www.ajinomoto.com/en/activity/>

## Aiming for Zero Plastic Waste

Plastic is an important packaging material that helps ensure food is protected and safe to eat. However, its use has become so pervasive that plastic and microplastic pollution in our oceans has become critical around the world. The Ajinomoto Group's annual amount of plastic use was approximately 70 thousand tons in FY2018. While reducing the amount of plastic use, the Group is also developing new recyclable plastic materials and technologies to avoid waste altogether with the aim of achieving zero plastic waste by FY2030.

## Initiatives to Reduce Plastic Waste

### ● Continuing to reduce plastic usage

The Group is constantly improving and developing new materials for its product packaging to make them more eco-friendly. In FY2017, the Group converted some of the stick-shaped packaging of its flavor seasoning *HON-DASHI*® to paper, which reduced annual plastic use by some 11 tons. The Group also designed more compact packaging for its coffee product *Blendy*®, which cut annual plastic consumption by an additional 25 tons.

In addition to reducing the use of plastic in packaging, the Group considers new alternative materials becoming available as technology advances.

### ● Creating recyclable materials & systems

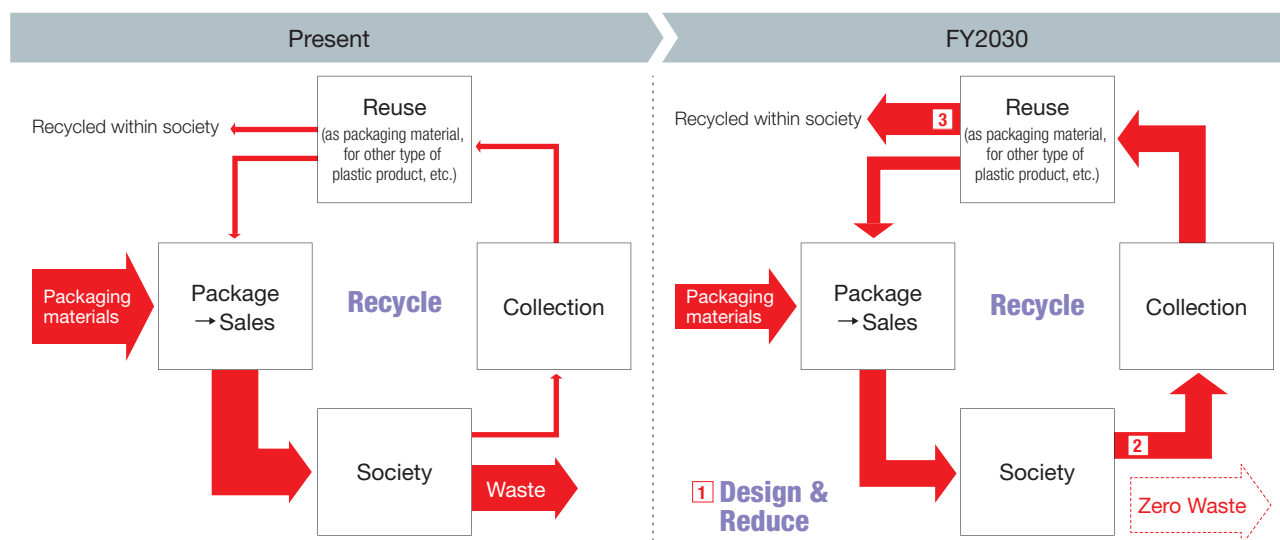
#### 1. Develop packaging materials geared to recycling

The Group develops mono-material plastic packaging and alternative recyclable packaging materials.

#### 2. Help establish recycling-oriented social systems

The Group establishes recycling-oriented social systems, particularly in developing countries and regions where systems are still in the early stages.

## Vision for FY2030



With the exception of some regions and countries, including Japan, most of the plastic packaging materials used in the home currently become waste that is collected in landfills or goes directly into the oceans. Only a relatively small percentage of the plastic that is collected is recycled for secondary use.

The vision for FY2030 is a society with zero plastic waste. The Group is advancing the following initiatives to realize that goal.

- 1 Reduce plastic use as much as possible, and reduce the amount to be collected and recycled
- 2 Assist in establishing the social structures for collecting plastic waste
- 3 Recycle and reuse the collected plastic

The Group knows it would be virtually impossible for one company to realize this vision on its own, so it is gathering more stakeholders to achieve the objective.

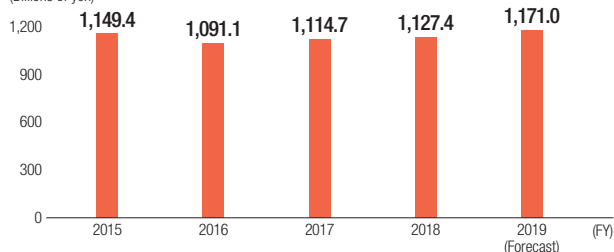
\*Arrow size represents volume of plastic.

## Performance Data

### Financial Data under IFRS (Economic Value)

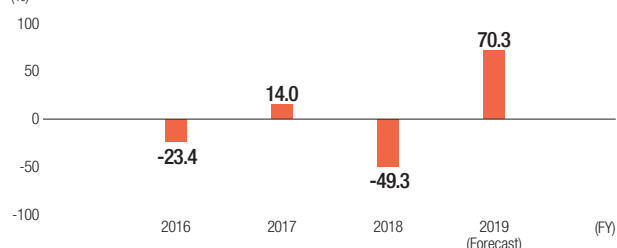
#### Sales

(Billions of yen)



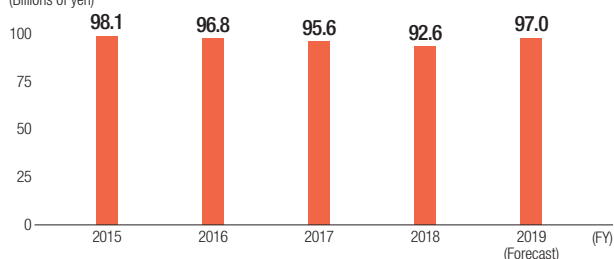
#### EPS growth rate (annual growth)

(%)



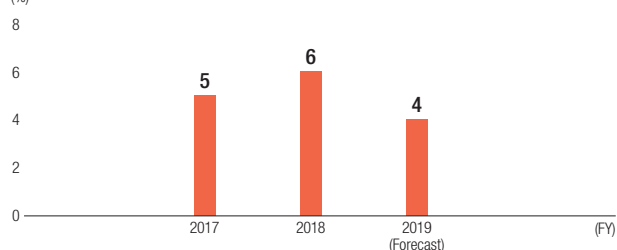
#### Business profit

(Billions of yen)



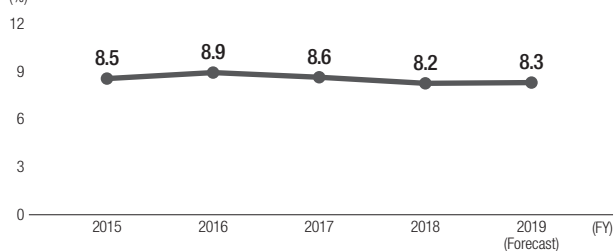
#### International consumer foods sales growth rate\*3 (annual growth)

(%)



#### Business profit margin

(%)



#### Sales volume increase (vs. FY2015)

##### Umami seasonings

FY2017 +20 k tons → FY2018 +20 k tons → FY2020 Target +100 k tons

##### Flavor seasonings

FY2017 +30 k tons → FY2018 +30 k tons → FY2020 Target +90 k tons

##### Amino acids

FY2017 ±0 tons → FY2018 -90 k tons → FY2020 Target +80 k tons

##### Frozen foods\*4

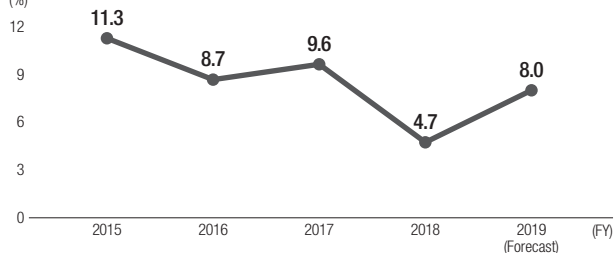
FY2017 +10 million packages → FY2018 ±0 packages → FY2020 Target +30 million packages

##### Soups\*5

FY2017 +60 million servings → FY2018 +50 million servings → FY2020 Target +100 million servings

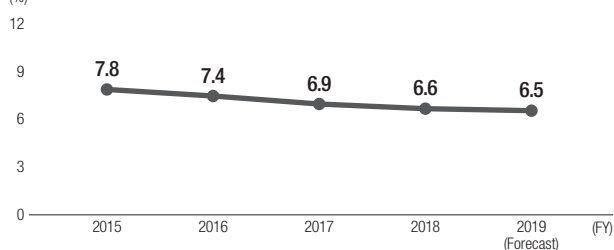
#### ROE\*1

(%)



#### ROA\*2

(%)



#### Cost reduction (vs. FY2016)

FY2018 -¥4.1 billion → FY2019 Target -¥10.0 billion

\*1 Return on equity = Profit attributable to owners of the parent company / Average equity attributable to owners of the parent company

\*2 Ratio of business profit to total assets = Business profit / Total assets \*3 Local currency basis including frozen foods

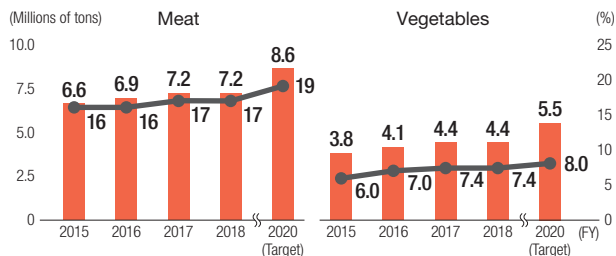
\*4 Counting only products for household consumers in Japan \*5 Counting only cup soup products in Japan



## Non-Financial Data (Social Value)

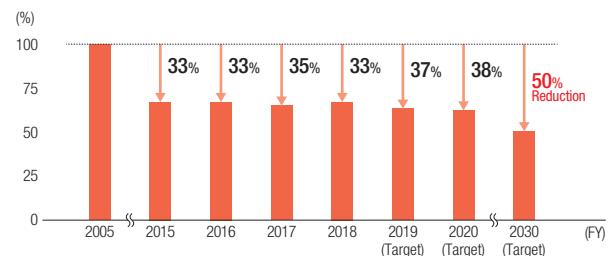
### Volume of meat and vegetable consumption through the Group's products (Japan and Five Stars\*1)

● % of annual consumption per person

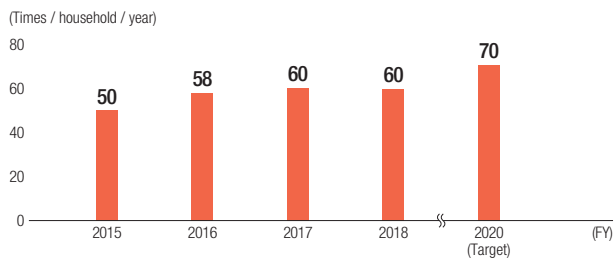


### Reduce greenhouse gases

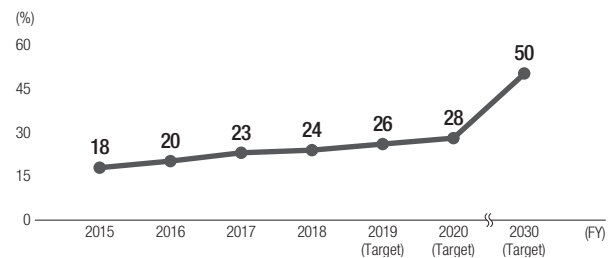
- Reduction rate of greenhouse gas emission volume vs. emission intensity (vs. FY2005)



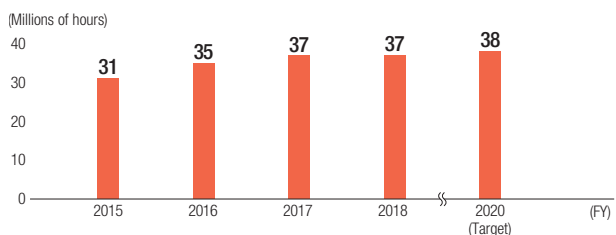
### Contribution to people eating together through the Group's products (Japan and Five Stars)



- Renewable energy use ratio



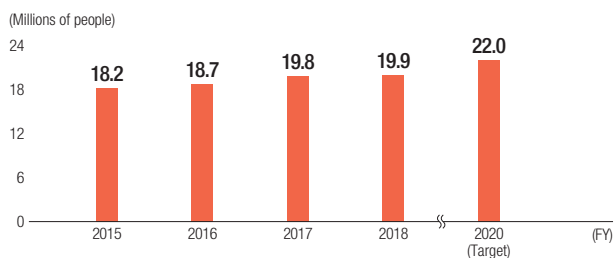
### Spare time created through the Group's products (Japan)



- Fluorocarbon elimination

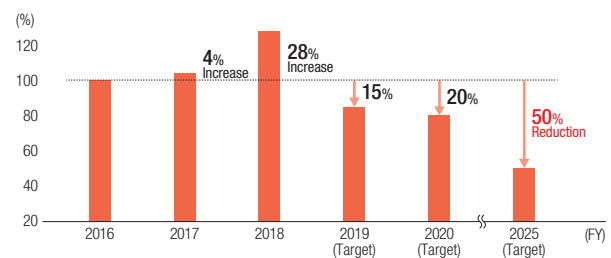


### Contribution to comfortable lifestyles through amino acid products (AminoScience)



### Reduce food loss

- Reduction rate of food loss from receipt of ingredients through to customer delivery (vs. FY2016)



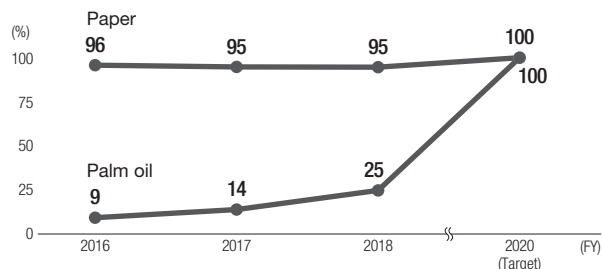
\*1 Thailand, Brazil, Indonesia, Vietnam, the Philippines \*2 Hydrofluorocarbons

## Performance Data

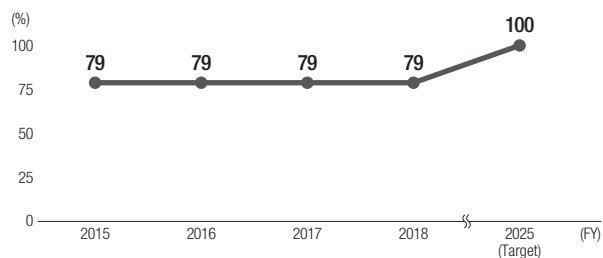
### Non-Financial Data (Social Value)

#### Secure food resources and protect natural environment, including ecosystems and biodiversity

- Sustainable procurement

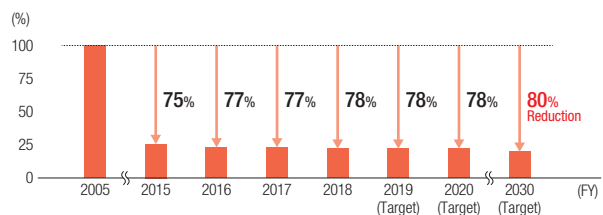


- Ratio of factories installing resource-saving fermentation technologies



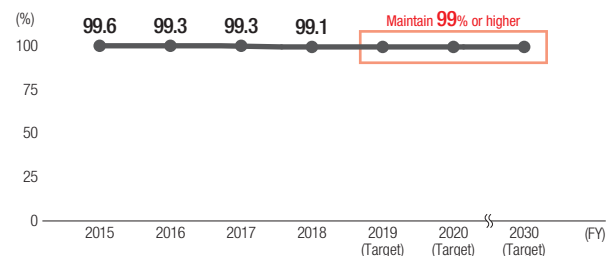
#### Conservation of water resources

- Reduction rate of water usage vs. production volume unit (vs. FY2005)



#### Reduce, reuse, recycle (3Rs) for waste material

- Resource recovery ratio of waste generated by business activities



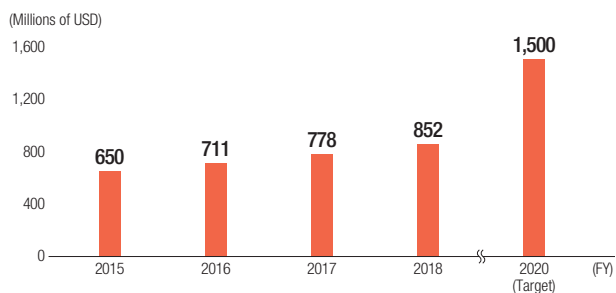
- Reduction in plastic waste

**Targeting zero plastic waste**  
by the Group in FY2030

#### Percentage of employees feeling highly engaged in their work

FY2017 **79%** → FY2020 Target **80%+**

### Corporate Brand Value\*

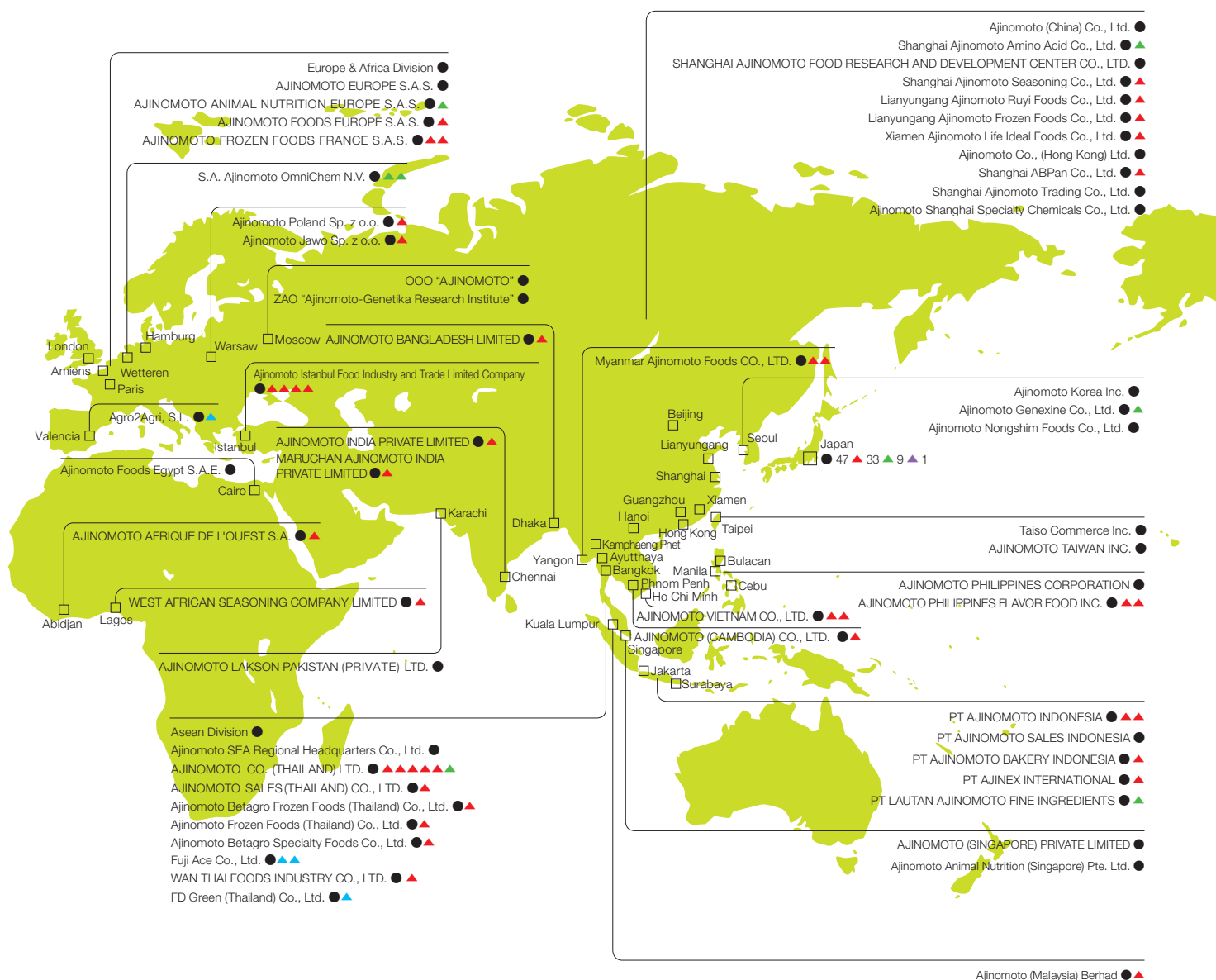


\* Evaluated by Interbrand, "Japan's Best Global Brands"

## Global Network

### Global Network (As of April 1, 2019)

The Ajinomoto Group is globally expanding in a wide range of business fields, with operations spanning 35 countries and regions.



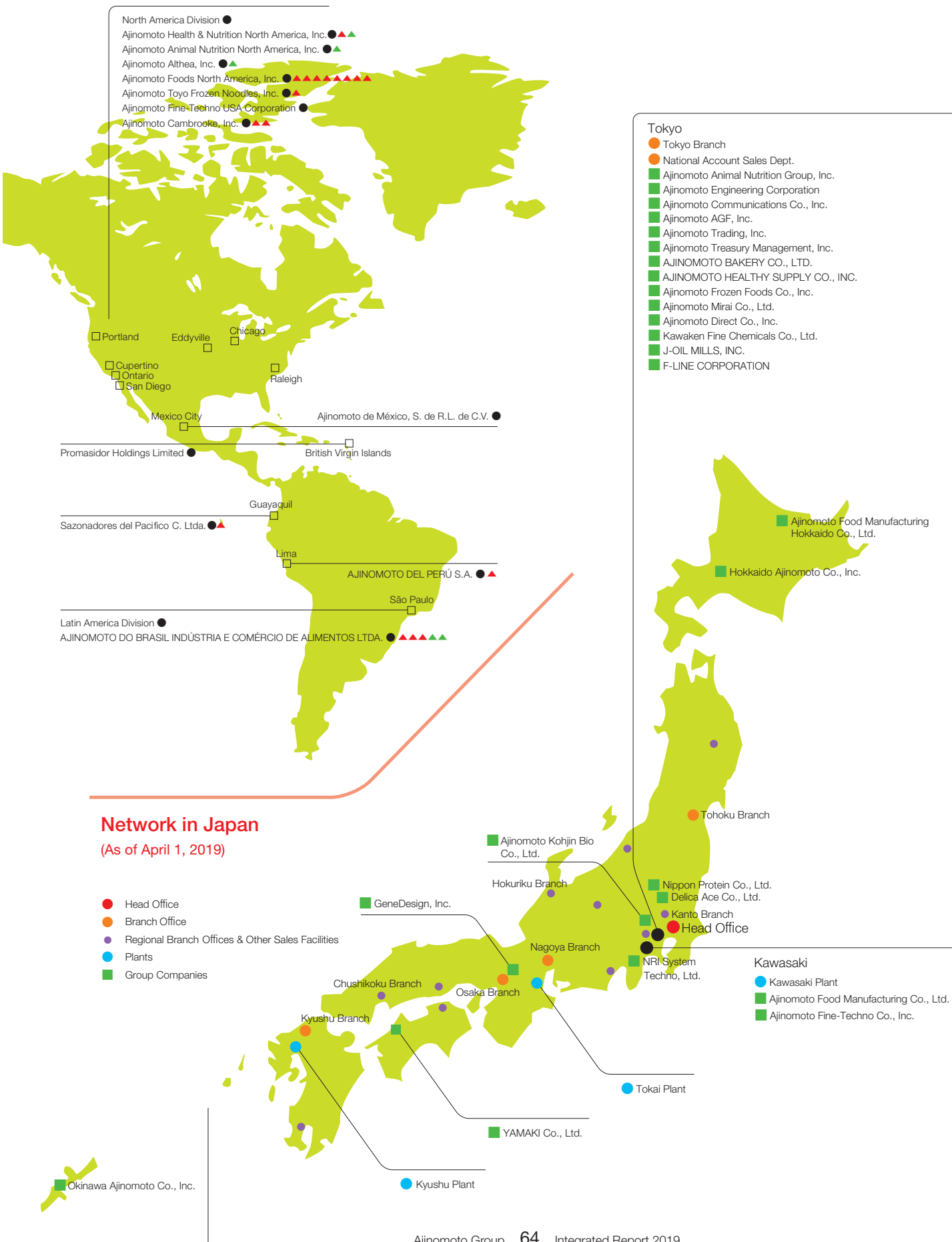
Global network: 35 countries and regions  
(including 121 plants in 24 countries and regions)  
(Japan: 43; Other Countries: 78)

● Subsidiaries, Affiliates and Offices of Ajinomoto Co., Inc.	
▲ Foods Plants	93
▲ Amino Acids and Specialty Chemicals Plants	22
▲ Pharmaceuticals Plants	1
▲ Other Plants	5

Note: 1 Plants include packaging plants.  
2 Not all plants are displayed on the map.  
3 Divisions are regional headquarters.



## Global Network



**Company Name:** Ajinomoto Co., Inc.

**Founding:** May 20, 1909

**Paid-in Capital:** 79,863 million yen

**Number of Employees:** 34,504 (consolidated)  
3,494 (non-consolidated)

**Fiscal Year-end:** March 31  
(General Meeting of Shareholders: June)

**Head Office:** 15-1, Kyobashi 1-chome, Chuo-ku,  
Tokyo 104-8315, Japan  
Tel: +81-3-5250-8111  
<https://www.ajinomoto.com/en/>

**Common Stock Authorized:** 1,000,000,000 shares

**Issued:** 549,163,354 shares

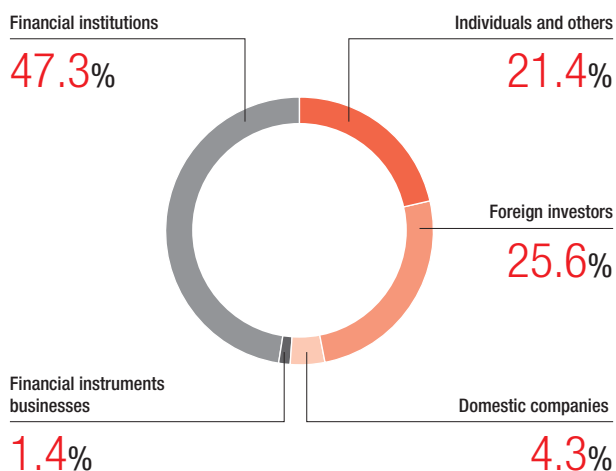
**Number of Shareholders:** 146,527 (YoY increase of 11,859)

**Listing:** Tokyo Stock Exchange  
(Ticker Code: 2802)

**Shareholder Registrar:** Mitsubishi UFJ Trust and Banking Corporation

**Independent Auditor:** Ernst & Young ShinNihon LLC

### Distribution of shareholders



### Major shareholders

Name of Shareholders	Number of Shares (thousands)	Equity Position (%)
The Master Trust Bank of Japan, Ltd. (trust account)	57,598	10.49
Japan Trustee Services Bank, Ltd. (trust account)	29,143	5.31
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	12,624	2.30
Japan Trustee Services Bank, Ltd. (trust account 5)	8,698	1.58
STATE STREET BANK WEST CLIENT – TREATY 505234	8,584	1.56
Mitsubishi UFJ Trust and Banking Corporation	8,083	1.47
Sompo Japan Nipponkoa Insurance Inc.	7,853	1.43

### Inclusion in SRI indices

#### Dow Jones Sustainability World Index

Consecutive inclusion since 2014



#### FTSE4Good Global Index

Consecutive inclusion since 2004



#### MSCI Global SRI Indexes

Consecutive inclusion since 2011



#### MSCI ESG Leaders Indexes

Consecutive inclusion since 2010

### Main evaluations and awards relating to Ajinomoto Group business activities

- Ranked 14th in 2018 Access to Nutrition Index (ATNI)
- Nadeshiko Brand 2019



- 2018 Telework Promotion Award "Excellence Award"
- 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)
- 2019 Health & Productivity Stock Selection

### Main evaluations of Integrated Report 2018

- Sixth Annual WICI Japan Award for Excellence in Integrated Reporting
- "Excellent Integrated Reports" as selected by GPIF's asset managers entrusted with domestic equity investment
- 22nd Environmental Communication Awards by the Ministry of the Environment and Global Environmental Forum Award of Excellence for Sustainability Reports from the Minister of Environment

#### Public Awards and Feedback

<https://www.ajinomoto.com/en/ir/esg/sri/2018.html>

## Stock Performance

### Stock performance (TSR) (annualized rate)\*1

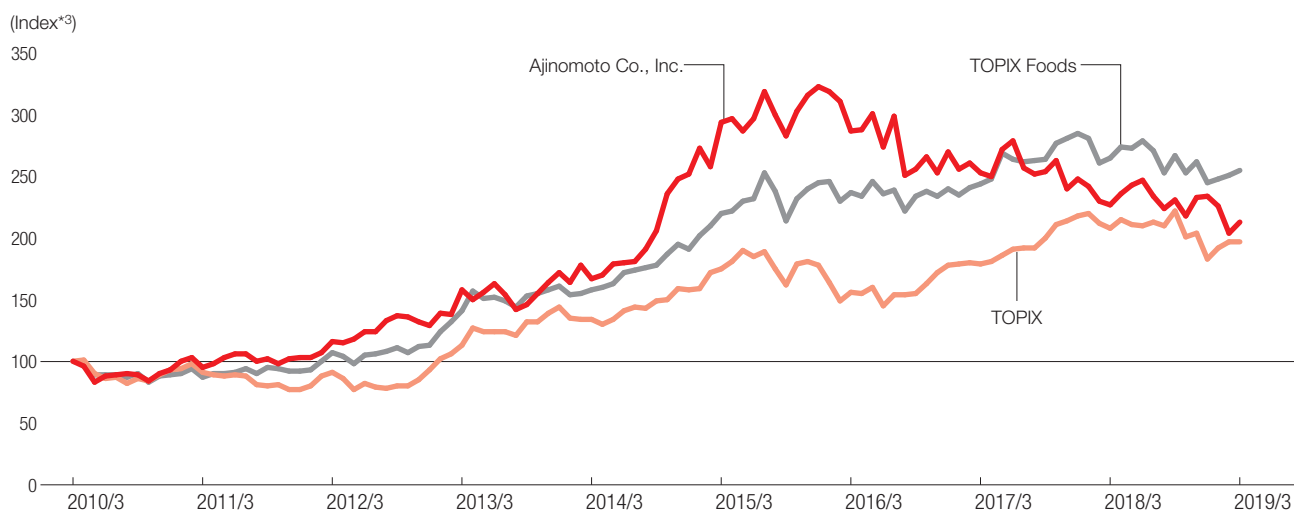
	1 year	3 years	5 years	10 years
Ajinomoto Co., Inc.	93.6%	90.2%	105.4%	111.2%
TOPIX	95.0%	108.1%	108.0%	109.7%
TOPIX Foods	96.4%	102.5%	110.1%	112.4%

\*1 Total shareholder return: Return on investment assuming that dividends are reinvested  
Source: Bloomberg

### Stock price by fiscal year

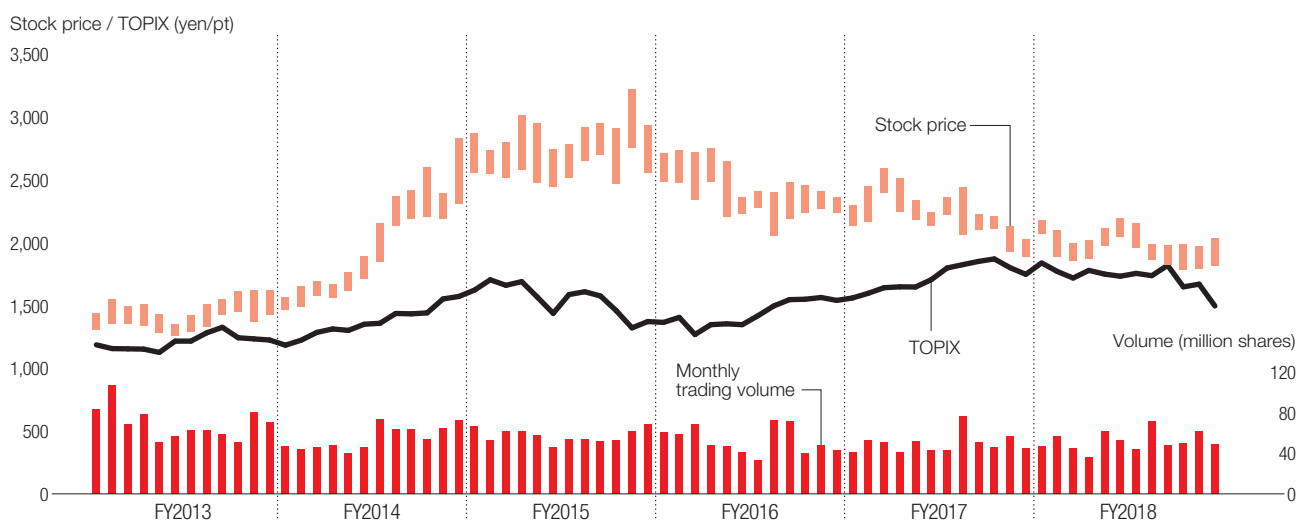
Fiscal Year	High (Yen)	Low (Yen)	FY end (Yen)	Volatility*2
2009	969	680	926	26.8%
2010	953	729	867	26.9%
2011	1,047	847	1,038	26.2%
2012	1,416	1,018	1,415	20.0%
2013	1,594	1,236	1,475	28.2%
2014	2,782.50	1,443.00	2,634.50	26.2%
2015	3,161.00	2,404.00	2,539.50	33.6%
2016	2,702.50	2,020.00	2,196.50	28.2%
2017	2,543.50	1,853.00	1,925.00	19.2%
2018	2,188.00	1,624.50	1,769.00	25.4%

\*2 Expressed in standard deviations



\*3 Trend in dividend-inclusive stock indices. Closing price on March 31, 2010 = 100

### Monthly stock price range and monthly trading volume



Eat Well, Live Well.



## Ajinomoto Group Integrated Report 2019

### Front Cover

The front cover reflects how the Ajinomoto Group is sustainably growing through ongoing innovation and investment in its six core businesses.



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### Inquiries

Ajinomoto Co., Inc.  
Address: 15-1, Kyobashi 1-chome, Chuo-ku,  
Tokyo 104-8315, Japan

Global Communications Department  
E-mail: [csr\\_info@ajinomoto.com](mailto:csr_info@ajinomoto.com)  
URL: <https://www.ajinomoto.com/en/activity/>

Investor Relations, Global Finance Department  
E-mail: [investor\\_relations@ajinomoto.com](mailto:investor_relations@ajinomoto.com)  
URL: <https://www.ajinomoto.com/en/ir/>



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