

**Toward a Stronger Base for  
Revenues and Earnings**

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**“Our philosophy is to contribute to significant advances in food and health on a global basis and ultimately to create a better life for all.”**



**“A unique and distinctive company trusted by people around the world”**

**Basic Strategies**

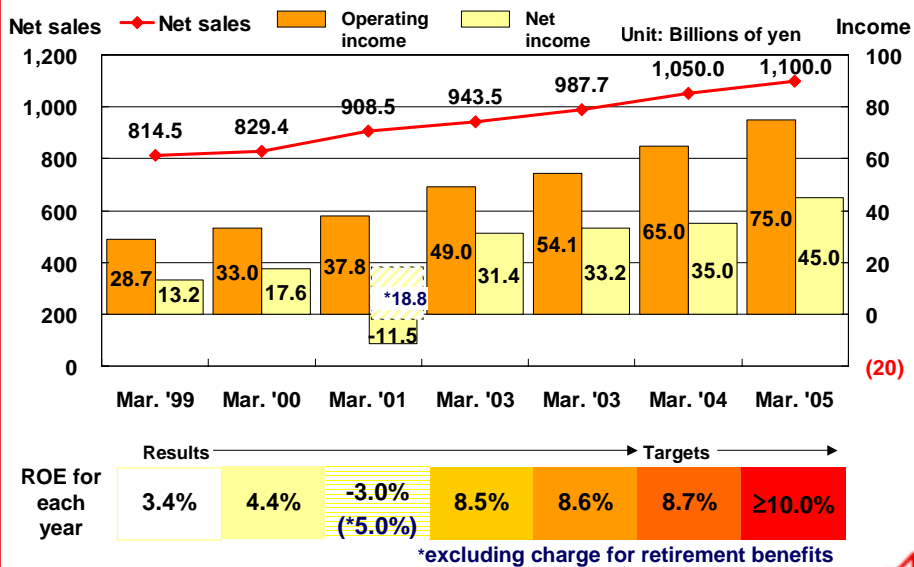
1. Expand business in growth sectors
2. Shift toward a high-earnings structure
3. Strengthen corporate governance
4. Nurture personnel capable of working in the global arena
5. Operate in harmony with society as a good corporate citizen

**Numerical Target**

**Targets for the year ending March 31, 2005**

|                  |                |
|------------------|----------------|
| Net sales        | ¥1,100 billion |
| Operating income | ¥75 billion    |
| Net income       | ¥45 billion    |
| ROE              | ≥ 10%          |

## AJINOMOTO II-2. Sales and Income (Results and Targets)



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## AJINOMOTO III. Selection, Concentration and Expansion Performance in the Year ended March 2003

|                        | Acquisitions                      | Sales/Dissolutions   | Alliances/New Companies  |
|------------------------|-----------------------------------|--|--|
| Domestic Food Products | Frec Corporation                  | Asahi Yushi Co., Ltd.  | GABAN ASAOKA Co., Ltd<br>J-OIL MILLS, INC.                         |
| Overseas Food Products | Orsan SA<br>(under consideration) | CPC/AJI<br>(7 Companies)   | Ajinomoto Korea, Inc.  |
| Pharmaceuticals        | Shimizu Pharmaceutical Co., Ltd.  |  |  |
| Other                  |                                   | Acepackage Co., Ltd.<br>Ajitsu Corporation<br>Takara-Daimi Co., Ltd.<br>Chiyoda Bussan Co., Ltd. | Japan Foodstuff Planning Co., Ltd.<br>Hokkaido Ajinomoto Co., Ltd. |

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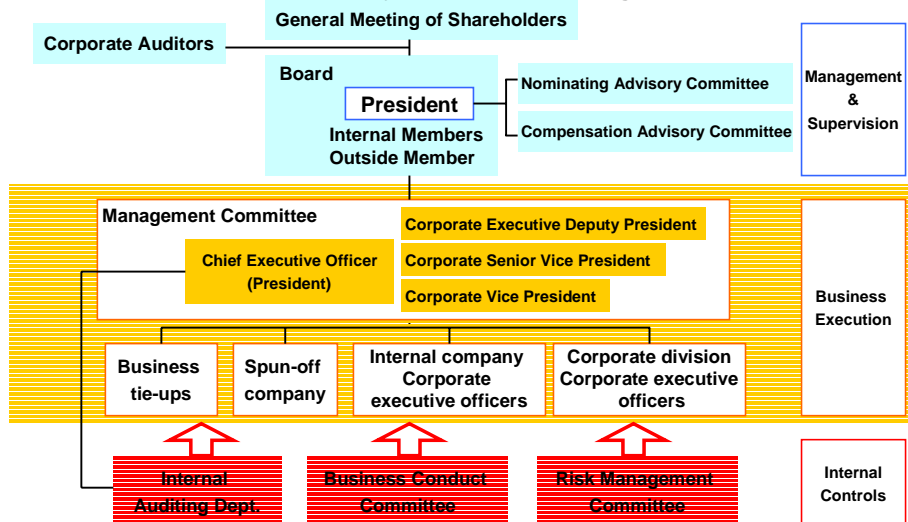
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## AJINOMOTO IV-1. Strengthening Corporate Governance

1. Reduce the number of Board members from 30 to 12
2. Appoint an outside Board member  
1 Board member (out of 12) from outside the company
3. Adopt a corporate executive officer system
4. Establish a Nominating Advisory Committee and a Compensation Advisory Committee

## AJINOMOTO IV-2. Strengthening Corporate Governance

<Structure to be approved by the General Meeting of Shareholders>



## AJINOMOTO V-1. Basic Policy on the Distribution of Profits

**Profit distribution that takes into account  
progress toward medium-term  
management plan goals and  
consolidated performance for each period**

- Emphasize the dividend payout ratio
- Ensure stable and sustainable dividend payments
- Establish a weighted average dividend payout ratio target for each three-year plan (aiming for more than 20% for the 2002-2004 plan)

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## AJINOMOTO V-2. Basic Policy on the Distribution of Profits

<Sample calculations of profit distribution>

Consolidated net income X20% (target dividend payout ratio)

FY2004

¥45,000 million  
x 20%

FY2003

¥35,000 million  
x 20%

FY2002

¥33,178 million  
x 20%

Three-year total: ¥22,635 million



FY2003+FY2004

Dividends: two-year total  
(ex.)

¥24-¥25 per share

Total = ¥16,000 million  
(payout ratio = 20.0%)

FY2002 dividend

¥11 per share

Total = ¥7,135 million  
(payout ratio = 21.5%)

Number of shares issued and outstanding at end of  
period (consolidated) 648,655 thousands shares  
\*excluding treasury stock

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## **AJINOMOTO** VI. Pursuit of Security and Safety

### **1. Safeguards**

- 1) Establish Ajinomoto Group Standards of Business Conduct  
10 items including "Provision of safe, high-quality products and services" and "Fair and free transactions"
- 2) Further Strengthen Quality Assurance (QA)  
Cross-Group quality audits  
Establish traceability system

### **2. Risk Countermeasures**

- 1) Provide information swiftly to top management
- 2) Top management themselves perform risk management
- 3) Set up SARS countermeasures team at Corporate Division

### **3. Active Environmental Measures**

Implement basic environmental policy Groupwide/globally  
ISO 14001 certification for Ajinomoto Co., Inc. (mid-May)  
Expand certification Groupwide/globally

### **4. Social Responsibility Activities**



A taste of the future.  
**AJINOMOTO**