

## Third-Party Opinion

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Mr. Adachi graduated from the Department of Economics at Hitotsubashi University, and joined the Japan Research Institute, Limited (JRI) in 1990. After working in the Management Strategy Research Department and the Technology Research Department, he is presently head of the ESG Research Center, and is conducting industrial surveys and corporate evaluations from the perspective of corporate social responsibility. Mr. Adachi is a member of the Japan Standards Association's ISO/SR National Committee, and is one of the Japanese experts in the ISO/SR Standardization Working Group. Mr. Adachi has contributed to major publications (in Japanese), including *CSR Management and SRI* (published by Kinzai), *Businesses Growing on Global Warming* (published by Toyo Keizai Inc.), and *Introduction to CSR for Company Employees* (published by Dai-ichi Hoki Co., Ltd.).



I offer a third party opinion on the CSR activities of the Ajinomoto Group as I understand them from reading this report, and as someone who provides corporate information to financial institutions for the purpose of socially responsible investment.

Recently, interest has been growing in financial markets regarding the contribution of CSR activities to maintaining and improving corporate value. Specifically, CSR activities are evaluated from three perspectives: (1) activities that reduce a company's business risks; (2) activities that lead to business opportunities for a company; and (3) activities that contribute to developing a healthy and sustainable society where companies can operate effectively.

With respect to point (1) above, I think the challenges for the Ajinomoto Group were raised in the stakeholder dialogue: namely, ensuring raw-material traceability, considering developing countries in procurement, procuring sustainable food resources, combating global warming, and realizing diversity in employment and working styles.

In this respect, the Ajinomoto Group sends a clear message that it regards ensuring food safety and combating global warming as particularly important issues.

However, the food safety efforts presented in the Feature 1 and 2 sections of this report cover only one topic. I think other issues should have been addressed, particularly regarding the scale of the group's upstream supply chain; whether the group pays due consideration to developing countries, the sustainability in its supply chain, and traceability; and its perspective on the rising production of biofuels, as well as the concept of local production for local consumption.

I also feel that other issues regarding global warming should have been presented, including the group's awareness that it has a relatively high rate of CO<sub>2</sub> density in the food industry, its downstream distribution, the status of its impact from total business operations including the sales stage, and strategies for achieving its goal of reducing total emissions.

Regarding the realization of diversity in employment and working styles, it is unfortunate that the report provides so

few examples of developing human resources outside Japan, given the fact that Japan accounts for only 45% of group employees. I hope the Ajinomoto Group will strengthen its disclosure of information relating to global employee satisfaction and labor-management relations.

In terms of point (2), my expectations were raised with respect to the possibilities presented by improving the efficiency of feed with amino acids and its effect on reducing N<sub>2</sub>O, as well as the group's business expansion into health-care food. I hope the group will continue disclosing information on the progress and results of these endeavors.

Turning to point (3) above, regarding the development of a healthy and sustainable society, I have only the highest praise for the AIN program, which is on the verge of celebrating its 10th year. The group's Cassava Project and lysine fortification efforts are also noteworthy. I would like to see the Ajinomoto Group continue its pursuit of the UN Millennium Development Goals, and win praise as the Japanese company most sensitive to problems in the developing world.

I think that the addition of Calpis Co., Ltd. to the Ajinomoto Group in October 2007 has greatly increased the possibilities for generating synergy benefits between the foundational technologies of the group's companies and Calpis' technology for using lactic acid bacteria and other microorganisms. I expect that in terms of CSR activities, especially from the perspective of creating business opportunities, initiatives that promote synergy between companies can produce positive results.

The comments above make no statements regarding the accuracy of data and calculations presented or omitted in this report, in accordance with generally accepted standards for preparing environmental reports.

## Response to Third-Party Opinion

### Creating a company whose members can speak of its mission with pride

#### Namio Terashi

Member of the Board & Corporate Vice President  
Ajinomoto Co., Inc.



Consumers are extremely interested in the important topic of food safety. As a food manufacturer, we must respond directly to consumers' concerns. In this CSR report, we have attempted to provide consumers with a better understanding of how the Ajinomoto Group is addressing the issue of food safety by introducing our activities at company-managed farms in Xiamen, China, and describing how vegetables grown at those farms are processed for shipment. The third-party opinion is quite right in pointing out that this section of the report covers only one topic. In addition, describing our production process for soybeans will not completely erase the consumer anxiety concerning last year's frozen *gyoza* problem. Of course, we are taking other initiatives besides those described in this section of the report in order to ensure safety throughout the entire supply chain, including establishing the Food Risk Subcommittee under the Quality Assurance Committee, which works to ensure food safety, establish rapid response capabilities, and disclose information. I felt that we must keep examining what initiatives the group should take for better food safety, and make more efforts to communicate information about these initiatives to customers. Obviously, we can never eliminate all of the problems that arise in life. Nevertheless, we will strive to establish mechanisms that minimize the risk of food-related problems, and create solid structures for dealing with the impact of any problems that arise despite our best efforts.

Although not discussed in this report, the Ajinomoto Group is proactively recruiting human resources globally and within each region. Ajinomoto Co., Inc., has three corporate executive officers of non-Japanese nationality, and the number of

non-Japanese staff members working at the head office has been increasing. The communication among these international employees and the Japanese staff are the seeds for a new corporate culture. As we promote recruitment locally at our subsidiaries outside Japan, we have started studying a personnel system that will further advance global recruitment.

I am grateful for the positive assessment of the social contribution possibilities of our amino acid businesses. I believe the company should continue developing these businesses with direct links to its CSR activities. At the same time, we must build good relationships with all stakeholders at each link of the value chain while fulfilling our responsibilities as a good corporate citizen.

Ultimately, CSR in the truest sense of the word is only possible when the company's employees can speak of its mission with pride. I would like to emphasize once again that the value of the group rests on the recognition that CSR initiatives elevate corporate value and lead to sound social and economic development. With our message that the Ajinomoto Group "Works for Life," I am sincerely determined to promote this recognition within the company and communicate its essence to stakeholders.

Regarding the feedback concerning the environment, we adopt two approaches for the reduction of greenhouse gases: increasing efficiency by improving work processes within the Ajinomoto Group, and reducing environmental impacts throughout the entire lifecycle of products. We will study measures that can maximize the strengths of the group's amino acid technologies to contribute to the goal of halving total global CO<sub>2</sub> emissions by 2050.

## How the Third-Party Opinion Was Requested

Experts are invited to provide third-party opinions on important themes presented in Ajinomoto Group CSR reports. The experts are requested to focus their feedback on subjects that are both important for Ajinomoto and of major concern to society. This year, Mr. Adachi was asked to provide his professional opinion on the group's overall CSR activities, focusing on the five paths Ajinomoto is taking to realize its CSR Vision while paying special attention to two items that the group considers especially important: food safety efforts and fighting global warming. Before requesting the submission of his third-party opinion, the editors met with Mr. Adachi and explained the editorial concept of the report as well as the group's CSR initiatives to date. Although a CSR report is prepared only once a year, requesting third-party opinions is an opportunity to check the progress made in CSR initiatives. The Ajinomoto Group intends to use this feedback as a reference for improving its corporate activities.

Editors

