

A Discussion with
the President

Masatoshi Ito + Peter David Pedersen

President and CEO,
Ajinomoto Co., Inc.

Chief Executive,
E-Square Inc.



The Ajinomoto Group Helps the World “Eat Well and Live Well”

The year 2009 marks the 100th anniversary since the founding of Ajinomoto Co., Inc. Marking this milestone, the group revised the Ajinomoto Group Philosophy and laid out a vision for group-wide management that will underpin business growth over the next century. Newly appointed president of the company Masatoshi Ito discussed initiatives aimed at supporting the next 100 years of the Ajinomoto Group with Peter David Pedersen, the chief executive of E-Square Inc. on May 8, 2009.

Basis for the Ajinomoto Group Way

Pedersen: This year commemorates the 100th anniversary of the founding of Ajinomoto, but it is also a year when the group is facing a worldwide economic recession. In becoming president at this difficult time, could you start by talking about your current mindset?

Ito: It is true that I became president during a challenging period. And at this time, we need to look closely at our past and ask how we should progress from here. I also feel that the timing is opportune for us to consider the relationship between the Ajinomoto Group and the rest of the world.

Pedersen: I examined the Ajinomoto Group Way, published in January 2009, to help me think about the group's next 100 years. It is filled with the basic CSR spirit of the Ajinomoto Group, including the creation of new value based on unique technologies and science, and the commitment to the ongoing challenge of creating new businesses and markets. What was the purpose and background of establishing the Ajinomoto Group Way?

Ito: The Ajinomoto Group Way developed out of a review of the past 100 years and a reflection on how Ajinomoto persevered over that time. Our company has strived to contribute to people's dietary lives, and to widen our

Peter David Pedersen

Born in Denmark in 1967, Mr. Pedersen graduated from the Department of Anthropology, University of Copenhagen. After setting up his career as an environmental consultant, Mr. Pedersen also worked as a newscaster. In 2000, he established E-Square Inc. and became its chief executive. He continues to be active in environmental and CSR consulting for businesses. Mr. Pedersen's published works include *People with Visions in a Country without a Vision* (written and edited by Pedersen in Japanese; published by Kaizosha), *Dictionary of Environmental Management and Strategy* (written by Pedersen in Japanese; published by the Industrial Research Center of Japan), and *Life in LOHAS* (written by Pedersen in Japanese; published by Business-sha).

contributions over the next 100 years, we reaffirmed the unique approach that guides our business—the creation of new value, a pioneer spirit, social contribution, and a value for people—and set it as the cornerstone of the entire Ajinomoto Group. The Ajinomoto Group Way represents the values, fundamental thinking and attitude shared throughout the Group.



Pedersen: In other words, you are not

limiting these principles to CSR, but extending them to all corporate activities. Is that right?

Ito: Precisely. Moreover, the principles express the ambitions of the company's founder, Saburosuke Suzuki, and the discoverer of the chemical basis of umami, Dr. Kikunae Ikeda, both of whom strongly wished to enrich the poor diet in Japan at that time. Although the company was concerned with Japan when it was founded, we want their dream to inspire global contributions over the next 100 years.

Pedersen: I am certain that companies in the 21st century will be compelled to align their business interests with global issues. In the 1990s, some 850 million people worldwide suffered from malnutrition. In 2009, that number rose to more than one billion as a result of population increase and the economic recession. Helping to improve the living standards of these people will be an important mission for the Ajinomoto Group from here on.

Ito: Food is essential for people to carry on with their lives. We need to think of what can be done to ensure that all people of the world can eat everyday.

The Meaning of the Japanese Word *Inochi*

Pedersen: It seems to me that the Ajinomoto Group Way combines the group's determination to achieve sustainable growth with its pursuit of sustainability on a global scale. In this regard, I would like to focus on the new Ajinomoto Group Philosophy. In particular, I find its incorporation of the word *inochi*, which means "life," to be very meaningful.

Ito: Food provides the fundamental functions of maintaining life and preventing disease. Our philosophy of "contributing to significant advances in Food and Health" sums up what is fundamental to life. When people are healthy, communities become better places. As a result, life is sustained into the future. On top of that, if people can live in harmony with nature, we can protect life on Earth.

Pedersen: In Japanese, the word *inochi* has a deep reverence and subtle nuances. It implies a universal perspective and worldview. We lose the richness of the word by directly translating it as "life" in English. I hope that someday its full meaning becomes understood internationally.

Ito: It would be wonderful if a single English word could convey the richness of *inochi*—its worldview, ethical implications, and inherent ideas.

Pedersen: I believe that 20th-century capitalism was an economic system that did not foster life. For about 10 years now, I have been thinking of "life enhancing" as a key concept, and have come to see it as the ultimate expression of CSR.

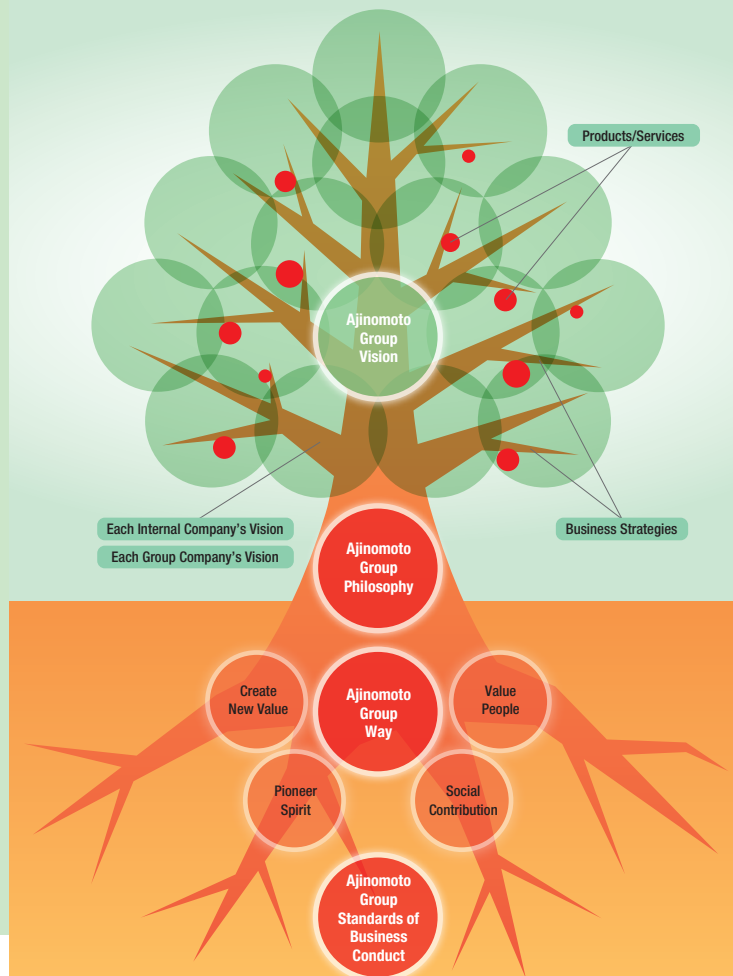
Ito: Yes, I can see what you mean by "enhancing."

Pedersen: Today, the world is faced with global environmental problems and the important issue of ensuring biodiversity, yet we can witness malnourishment and overeating within the same societies. In this context, isn't life enhancement exactly what the world should be

Ajinomoto Group Philosophy

We create better lives globally by contributing to significant advances in Food and Health and by working for Life.

The Ajinomoto Group ideal for business activities



demanding from the capitalist system?

Ito: Preparing food and eating come naturally to people. Nowadays, however, we give priority to fast, convenient and uncomplicated food. It appears as if our survival instincts are gradually weakening.

Pedersen: Apt words from a man who enjoys cooking! But seriously, even the Ajinomoto Group is subject to market demands for readily available and convenient products. How do you respond as the head of the group?

Ito: In short, I think people expect us to provide information on the techniques needed to make full use of our products, not merely preparation instructions for individual items. We want to communicate to people the enjoyment of home cooking, the pleasure of eating meals made with a variety of ingredients and products, and the techniques for doing so.

Pedersen: Getting that message out should also be a part of CSR activities.

Facing Global Issues

Pedersen: The world population is rising rapidly, and the most recent figures show that it increased by some 79 million in 2008 alone. While we need to secure the calories to feed those people, developed countries are experiencing the problem of increasing rates of overeating. This is the contradiction we face when attempting to solve this issue. What initiatives do you think the Ajinomoto Group is capable of taking in this regard?

Ito: We can look at how the capacity to supply food can be improved, and how the Ajinomoto Group can contribute to this. In other words, how can the technology of the Ajinomoto Group be applied to improve the efficiency of food production? We can minimize the amounts of sugar cane, cassavas, and other raw materials needed for fermentation. On the issue of health, given the simultaneous existence of overnutrition and malnutrition, we have to identify measures to eliminate this imbalance.

Pedersen: What, specifically, can be done?

Ito: The Ajinomoto Group has been undertaking activities to improve nutrition in developing countries by using the essential amino acid lysine to fight malnutrition. Recently our field test conducted in Ghana in western Africa demonstrated improvements in nutrition and health, so we will move ahead to the next stage. This is the kind of initiative that characterizes the Ajinomoto Group.

The Origin of the Group's CSR—Creation of the Umami Seasoning AJI-NO-MOTO®

Pedersen: The business of the Ajinomoto Group is rooted in Asian food culture. To contribute globally, I think the issue of communication will be important. I say so because many people in the West still regard industrially processed monosodium glutamate, or MSG, as

worthless and natural umami substances as fine. There is no difference in the composition of either, yet this misunderstanding persists. I think the Ajinomoto Group cannot avoid this issue when envisioning its next 100 years.

Ito: We have started initiatives designed to promote understanding of monosodium glutamate mainly among scholars, nutritionists, and chefs. In general, studies show that people in Asian countries tend to have comparatively lower body mass index (BMI) scores. People from these countries are also more likely to make skillful use of umami, which improves their health. From a resource perspective, if we attempted to produce the current output of glutamate, which is what underlies the umami taste, from the seaweed *kombu* as was done at the time Dr. Kikunae Ikeda discovered it, we would consume Japan's total production of it in just a few days. Besides, *kombu* is too expensive for everyone to buy. The very fact that Dr. Ikeda and Saburosuke Suzuki decided to industrialize the umami component so that everybody could have access to good tasting food ended up protecting food resources. Therefore, their idea is sustainable in terms of protecting the global environment. At the company, we are firm in our assertion of this point.

Pedersen: I think we need to see more of the group's efforts. Of course there may be criticism, but you should take that criticism seriously. That kind of open posture will help foster meaningful communication with stakeholders.

Ito: I feel exactly the same way. Having people learn the truth, gaining their support if possible, and making improvements in response to criticisms is the most important cycle in our business and CSR. Put another way, ideally the group's CSR should follow the lead of stakeholders.

Pedersen: On that point, many companies hesitate to take a step forward. In contrast, I have high expectations for the Ajinomoto Group, all the more so since, as a company involved in food, it has many assets that can be applied to contribute to a broad range of issues.

Ito: The Ajinomoto Group has scientifically investigated the essence of amino acids, and I am determined to see the group draw from its reservoir of technology and expertise for the benefit of humanity, and to aspire to be not only a food manufacturer but also a company that contributes to human health globally.

