

Ajinomoto to Issue Sustainability-linked Bonds*¹

Enhancing Efforts to Realize a Sustainable Society Through Sustainable Finance

TOKYO, May 19, 2023 – Ajinomoto Co., Inc. (“Ajinomoto Co.”) filed an Amended Shelf Registration Statement with the head of the Kanto Local Finance Bureau to execute a public issue of its first-ever sustainability-linked bonds (the “Bonds”) in the Japanese market in June of this year or later. The Bonds will be issued on the alignment with the Company’s Sustainability-Linked Financing Framework (the “Framework”) in accordance with the *Sustainability-Linked Bond Principles (SLBP) 2020*, as administered by the International Capital Market Association and *Sustainability Linked Loan Principles (SLLP) 2023*, as administered by the Loan Market Association, Asia Pacific Loan Market Association, and the Loan Syndications and Trading Association, and their five core components are: 1) Selection of Key Performance Indicators (KPIs), 2) Calibration of Sustainability Performance Targets (SPTs)², 3) Financial Characteristics, 4) Reporting, and 5) External Verification.

Ajinomoto Co.’s “Purpose-Driven Management by Medium-Term ASV Management 2030 Roadmap,” (“2030 Roadmap”) released in February 2023, presents the Company’s purpose: “contributing to the well-being of all human beings, our society and our planet with AminoScience®.”

The business of Ajinomoto Co. is supported by sound food systems based on stable food resources and their supporting vibrant natural environment. To promote sustainability, we aim to achieve two outcomes by 2030: one is to reduce our environmental impact by 50% through reduction of greenhouse gas (GHG) emissions, plastic waste, and food loss & waste, and through sustainable procurement. The other is to help extend healthy life expectancy of one billion people through “delicious salt reduction” foods, protein intake optimization, and workforce nutrition improvement. Ajinomoto is also aiming for carbon neutrality, with net zero GHG emissions by fiscal 2050. The Bonds demonstrate Ajinomoto’s stance toward resolving critical environmental and social issues. Ajinomoto will further promote efforts for sustainability going forward.

Bonds Overview

Issuer	Ajinomoto Co., Inc.	
Issue period	5 years (planned)	10 years (planned)
Issuance amount	JPY 30bn (planned)	
Time of issuance	June 2023 or later (planned)	
KPIs	<p>As it pursues the corporate purpose laid out in its 2030 Roadmap, Ajinomoto Co. believes that it will need to achieve two outcomes: reducing our environmental impact by 50% and helping to extend the healthy life expectancy of one billion people. To make these outcomes a reality within that timeframe, the Company established a set of medium- and long-term goals and identified the KPIs it will use to evaluate its success. A variety of endeavors are steadily underway, as the group brings its strengths to bear to advance them.</p> <p>The Ajinomoto Group’s progress towards the reduction of its environmental impact, a key pillar of our sustainability efforts, will be measured using the following two KPIs:</p> <p>KPI1 : Reduction of Scope 1 and 2 GHG emissions (%)</p> <p>KPI2 : Reduction of Scope 3 GHG emissions intensity (%)</p>	

SPTs	<p>The Bonds will employ the following two SPTs: SPT1 : Reduce absolute scope 1 and 2 GHG emissions by 50% by FY2030 from FY2018 baseline SPT2 : Reduce scope 3 GHG emissions intensity by 24% by FY2030 from FY2018 baseline</p> <p><5 years bond></p> <table border="1" data-bbox="453 331 1436 589"> <thead> <tr> <th>SPTs</th> <th>GHG emissions reduction (%) (vs. FY2018)</th> <th>Reference period</th> <th>Target observation date</th> </tr> </thead> <tbody> <tr> <td>SPT1 (Absolute emissions)</td> <td>36%</td> <td>Apr. 1, 2026 - Mar. 31, 2027</td> <td>Nov. 1, 2027</td> </tr> <tr> <td>SPT2 (Emissions intensity)</td> <td>10%</td> <td>Apr. 1, 2026 - Mar. 31, 2027</td> <td>Nov. 1, 2027</td> </tr> </tbody> </table> <p><10 years bond></p> <table border="1" data-bbox="453 663 1404 920"> <thead> <tr> <th>SPTs</th> <th>GHG emissions reduction (%) (vs. FY2018)</th> <th>Reference period</th> <th>Target observation date</th> </tr> </thead> <tbody> <tr> <td>SPT1 (Absolute emissions)</td> <td>50%</td> <td>Apr. 1, 2030 - Mar. 31, 2031</td> <td>Oct. 31, 2031</td> </tr> <tr> <td>SPT2 (Emissions intensity)</td> <td>24%</td> <td>Apr. 1, 2030 - Mar. 31, 2031</td> <td>Oct. 31, 2031</td> </tr> </tbody> </table>		SPTs	GHG emissions reduction (%) (vs. FY2018)	Reference period	Target observation date	SPT1 (Absolute emissions)	36%	Apr. 1, 2026 - Mar. 31, 2027	Nov. 1, 2027	SPT2 (Emissions intensity)	10%	Apr. 1, 2026 - Mar. 31, 2027	Nov. 1, 2027	SPTs	GHG emissions reduction (%) (vs. FY2018)	Reference period	Target observation date	SPT1 (Absolute emissions)	50%	Apr. 1, 2030 - Mar. 31, 2031	Oct. 31, 2031	SPT2 (Emissions intensity)	24%	Apr. 1, 2030 - Mar. 31, 2031	Oct. 31, 2031
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Bond characteristics	<p>In the event that Ajinomoto Co. fails to achieve either of its SPTs, or is unable to ascertain on the target observation date whether the SPTs have been met*, the Company will purchase a certain amount of emission credits (credits/certificates of CO2 reduction value) on or prior to the Bond's redemption date, which will be an amount equivalent to 0.05% of the issue amount for failure to attain SPT1, and an amount equivalent to 0.05% of the issue amount for failure to attain SPT2. Only when purchase of emission credits is selected but could not be executed due to the market condition, the Company may switch to donations equivalent to the amount of pre-defined purchase amount of emission credits. Ajinomoto Co. will donate to those public-interest incorporated associations/foundations, international organizations, and municipality-accredited nonprofit organizations which aim to engage in environmental conservation activities and contributing the solutions to the crucial social issues, local governments, or other similar entities. The recipients of the donation, including the Ajinomoto Foundation which conducts programs related to "nutritional improvement through food", will be mainly narrowed down based on the Ajinomoto Group's social contribution activity policy and will be decided after institutional authorization required.</p> <p>*This is to be understood such as a failure of acquiring verification assurance certificate on annual KPI performance provided by the independent auditor, and failure by the company to publish the relevant SPT within the time limit as prescribed by the terms and conditions of the notes.</p>																									
Lead managing securities companies	Nomura Securities Co., Ltd. Mizuho Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Daiwa Securities Group Inc.	Nomura Securities Co., Ltd. Mizuho Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. SMBC Nikko Securities Inc.																								
Structuring agent ^{*3}	Nomura Securities Co., Ltd.																									

Overview of the Framework

KPIs	KPI1 : Reduction of Scope 1 and 2 GHG emissions (%) KPI2 : Reduction of Scope 3 GHG emissions intensity (%)
SPTs	SPT1: Reduce absolute scope 1 and 2 GHG emissions by 50% by FY2030 from FY2018 baseline SPT2: Reduce scope 3 GHG emissions intensity by 24% by FY2030 from FY2018 baseline
Financial Characteristics	Depending on the KPI performance versus the applicable SPT as per the Target Observation Date the characteristics of Sustainability-Linked Financing will change. We will show their details in statutory disclosure documents or contract documents formulated at each time of financing. Such details include an interest rate increase (step-up)/decrease (step-down), the execution of donations to those public-interest incorporated associations/foundations, international organizations, and municipality-accredited nonprofit organizations which aim to engage in environmental conservation activities, and local governments, or similar organizations or purchase of emission credits.

The Framework has been subject to a second-party opinion provided by Sustainalytics, an independent third party.

[https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/ajinomoto-co-inc-sustainability-linked-financing-framework-second-party-opinion-\(2023\).pdf?sfvrsn=bb5d882b_1](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/ajinomoto-co-inc-sustainability-linked-financing-framework-second-party-opinion-(2023).pdf?sfvrsn=bb5d882b_1)

[https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/ajinomoto-co-inc-sustainability-linked-financing-framework-second-party-opinion-\(2023\)_revised_14jul2023.pdf?sfvrsn=badcbe67_1](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/ajinomoto-co-inc-sustainability-linked-financing-framework-second-party-opinion-(2023)_revised_14jul2023.pdf?sfvrsn=badcbe67_1) (revised on July 25, 2023)

Reference

Ajinomoto Sustainability-Linked Financing Framework

https://topics.ajinomoto.co.jp/files/20230519/Framework_English.pdf

- *1) Sustainability-linked bonds refer, collectively, to bonds whose terms are variable according to the issuer's performance against its predetermined sustainability / ESG targets.
- *2) Sustainability Performance Targets (SPTs) are targets that determine the terms and conditions of the sustainability-linked bond issue, and are based on the issuer's business strategy.
- *3) Structuring agents are organizations that assist the execution of sustainability-linked financing, through services such as advising on the formulation of sustainability-linked financing framework or on the obtainment of a second-party opinion.

The Ajinomoto Group will contribute to the well-being of all human beings, our society and our planet with "AminoScience" based on the corporate slogan "Eat Well, Live Well.". The Ajinomoto Group has offices in 36 countries and regions, and sells products in more than 130 countries and regions. In fiscal 2022, sales were 1.3591 trillion yen (10.0 billion U.S. dollars). To learn more, visit www.ajinomoto.com.

For further information, please contact: [Pr_media](#)