

Ajinomoto Co., Inc. Announces Its Transition to a Company with a Nominating Committee, etc. and the Establishment of a Sustainability Advisory Council

TOKYO, November 26, 2020 – Ajinomoto Co., Inc. (“Ajinomoto Co.”) has resolved, at a meeting of its Board of Directors held on November 26, 2020, to transition its form of corporate organization from a company with an Audit & Supervisory Board to a company with a Nominating Committee, etc., subject to proposal for approval at Ajinomoto Co.’s 143rd General Meeting of Shareholders scheduled to be held in June 2021. The Board of Directors also resolved to establish ahead of such date on April 1, 2021 a Sustainability Advisory Council as an organization subordinate to the Board of Directors. Details are as follows.

1. Transition to a Company with a Nominating Committee, etc.

(1) Background and purpose of transition

1) Earning stakeholder trust through sustainable improvement of corporate value

Ajinomoto Co. intends to create a more effective corporate governance structure that accelerates the evolution of ASV (Ajinomoto Group Creating Shared Value) management and balances “appropriate supervision of execution that reflects stakeholders’ opinions” and “flexible decision-making and execution.”

In addition, with a Board of Directors, a majority of which will be outside directors, that discusses and considers important management matters with a significant impact on corporate value to set an overall direction, and a CEO, who is delegated substantial authority by the Board of Directors, that mainly leads prompt execution, Ajinomoto Co. will meet the expectations of its stakeholders by sustainably improving corporate value as a “solution-providing group of companies for food and health issues.”

2) Transition to an objective, transparent and highly effective form of corporate organization

The Board of Directors will be composed of diverse directors, mainly outside directors, to stimulate discussion, and supervision will be conducted with high-level monitoring that includes a Nominating Committee to clarify the processes for nomination and dismissal of the CEO and selection of candidates for director, a Compensation Committee composed solely of outside directors to make objective decisions on officer compensation, and an Audit Committee to conduct highly effective auditing in cooperation with the Internal Auditing Department.

In addition, unified management centered on the CEO will be responsible for prompt execution based on the overall direction set by the Board of Directors while taking the lead in innovations to achieve the Ajinomoto Group’s Vision for 2030. At the same time, it will independently make proposals on important management matters to the Board of Directors and implement appropriate internal controls.

(2) Effectiveness of the management supervisory function

To further enhance the effectiveness of the management supervisory function of the Board of Directors, outside directors will comprise a majority of the Board of Directors, and the Chairperson of the Board is scheduled to be an outside director. In addition, the Nominating Committee, Compensation Committee and Audit Committee, each of which will consist of a majority of Outside Directors, are also scheduled to be chaired by outside directors.

(3) Timing of transition

Ajinomoto Co. plans to transition to a company with a Nominating Committee, etc. upon approval of the necessary amendments to the Articles of Incorporation at the 143rd General Meeting of Shareholders scheduled to be held in June 2021.

2. Establishment of a Sustainability Advisory Council

(1) Background and purpose of establishment

In anticipation of the transition to a company with a Nominating Committee, etc. in June 2021, the Board of Directors of Ajinomoto Co. will strengthen its structure for setting important management policies so

that the Ajinomoto Group can constantly seek to improve corporate value from the perspective of sustainability. To that end, it will establish a new structure for making recommendations to the Board of Directors from a multi-stakeholder perspective on the ideal state of Ajinomoto Co. with regard to sustainability and ESG.

(2) Composition

1) Chairperson

Dr. Scott Trevor Davis will be appointed as a chairperson of the council.

*Professor, Department of Global Business, College of Business, RIKKYO UNIVERSITY,
Outside Director of SOMPO holdings Inc., Outside Director of Bridgestone Corporation

2) Members

Ajinomoto Co. plans for the council to be composed of external experts (including chairperson), outside directors and internal members including the President. In addition, Ajinomoto Co. plans to select external stakeholders representing fields such as academia, individuals with emerging country perspectives, individuals with millennial and Generation Z perspectives, and ESG and impact investors, as members of the council.

(3) Role

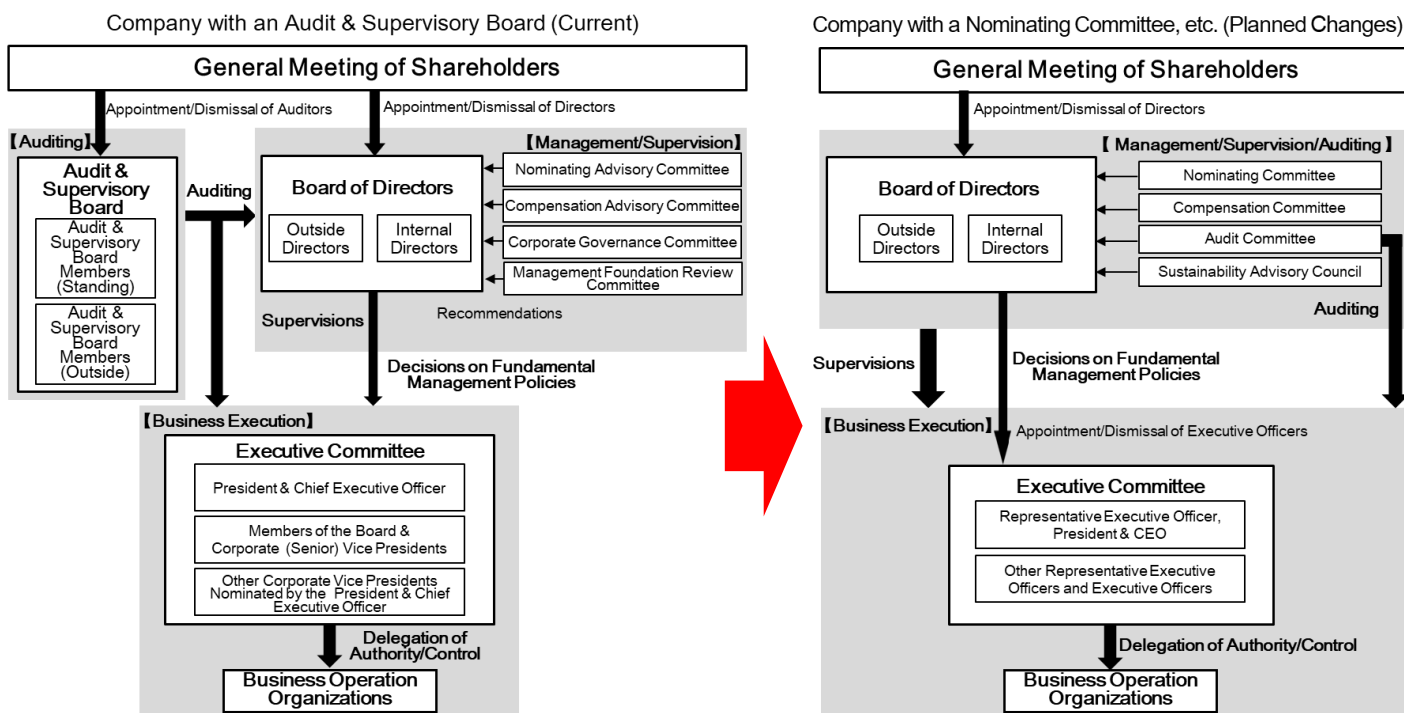
Ajinomoto Co. plans for the council to propose materiality settings from the perspective of long-term sustainability and to consider policies for addressing environmental changes (risks and opportunities) associated with materiality.

(4) Date of establishment

April 1, 2021

Reference

Overview of Changes in Corporate Governance Structure due to Transition to a Company with a Nominating Committee, etc.



The Ajinomoto Group, unlocking the power of amino acids, aims to resolve food and health issues associated with dietary habits and aging, and contribute to greater wellness for people worldwide.

Based on the corporate message “Eat Well, Live Well.”, we have been scientifically pursuing the possibilities of amino acids to aim for future growth by creating new value through sustainable and innovative solutions for communities and society.

The Ajinomoto Group has offices in 35 countries and regions, and sells products in more than 130 countries and regions. In fiscal 2019, sales were 1.1000 trillion yen (10.1 billion U.S. dollars). To learn more, visit www.ajinomoto.com.

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