

The Ajinomoto Group is carrying out digital transformation to raise corporate value to new heights.

Through digital transformation the Ajinomoto Group is becoming more innovative and operationally efficient. This is essential to becoming a Global Top 10 Class Food Company. Appointed to the new position of Chief Digital Officer (CDO) in June 2019, Hiroshi Fukushi explains the Group's digital strategy and goals.

Changing to Stay Ahead of the Market

As digital technology makes ever more astonishing progress, expectations from customers and other stakeholders are rising and diversifying. In this context, continuing to be a company that is expected to deliver results and respected by stakeholders requires transforming quickly enough to stay ahead of market demands. To that end, we will dramatically raise corporate value by making full use of the latest digital technology and accelerating the creation of new values unique to the Group.



Hiroshi Fukushi

Representative Director,
Corporate Executive Deputy President & Chief Digital Officer

Chief Digital Officer — Function of the CDO

As CDO, my function is to advance the Group's digital transformation. I apply digital technology to boost productivity and competitiveness based on the gathered information on stakeholders' real needs. This process drives new growth for the Group to become a global top

10 class food company. To realize this mid- to long-term DX vision, the Group has formulated a DX Policy and formed a DX Committee. Steps are also being taken to implement a network linking outside entities to the Group.

Two Platforms for Transformation — Business and Operations

Separate platforms support business transformation and operations transformation.

1) Business transformation platform

Transforming the entire enterprise is the ultimate aim of this platform, as it employs digital technology to add non-traditional functions and strengthen weak ones. The point is to use digital technology and systems to accelerate transformation that endows the business structure and organization with the agility to respond rapidly to changing customer trends.

Key elements of transformation are a focus on core businesses, global business management, e-commerce promotion, small mass-marketing, personalization, and the like. For each, consideration must be given to which digital technologies and systems are most appropriate to the business environment, local region, and other variables. Progress in transformation will be achieved through a stage-gate process. Clearing the transformational goals and performance goals of each stage will advance the Group toward becoming a global top 10 class food company.

2) Operations transformation platform

In contrast to the business platform's goal of transformation in business organization, this platform is about transforming operations, that is, ways of working.

Operations differ in each region and in each function — corporate, marketing, research, manufacturing, sales, and so on. The Group formulates sharable transformation KPIs (ROA and productivity per person, for example) and aims to achieve the KPIs established for each function and



region.

The first stage is implementing the operational excellence (OE) program, a strategy for raising productivity. Upon the OE foundation of global best practices in operations, DX proceeds by introducing IoT, AI, Big Data utilization, and other digital technologies and systems, while synchronizing business transformation and operations transformation.

The Ajinomoto Group's Competitive Advantage Lies in Shared Growth of Individuals, the Organization, and the Business.

The competitiveness of the Group is not in the ability to develop digital technology per se, but rather in the integrated knowledge created by individuals interacting with the organization. Integration of knowledge results from sharing personal and organizational goals and accomplishments through presentations and discussions.

Individuals help the organization grow, and the organization helps individuals grow. The resulting business growth, in turn, brings with it fresh opportunities for

personal and organizational growth. This shared-growth model — for individuals, the organization, and the enterprise — will be adopted across the Group, worldwide.

By implementing advanced, digital technology to share this integrated knowledge and combine it with outside data, the Group's digital transformation has the capability to raise corporate value to new heights, in my confident opinion.