

Message from the Chairman of the Board



Developing a management and governance structure to respond flexibly to environmental changes

Masatoshi Ito

Chairman of the Board

All chairs of advisory bodies are Outside Directors, in order to ensure independence and stimulate debate.

The business environment surrounding the Ajinomoto Group is undergoing dramatic change. This includes slowing growth in the Japanese market due to the declining birth rate and aging society, ever more diverse and personalized patterns of consumption in conjunction with the evolution of digital technologies, and the reorganization of sales channels. To accurately identify these changes and realize sustained growth by creating value through ASV, the Group strives to implement decision-making and business execution swiftly and appropriately. At the same time, the Group is working continually to develop and enhance its corporate governance system, which monitors business transparency and fairness as well as the effectiveness and efficiency of business execution.

From June 2019, all three committees that report directly to the Board of Directors – Nominating Advisory Committee, Compensation Advisory Committee and Corporate Governance Committee – are chaired by outside Directors. This ensures the objectivity and independence of each committee, while at the same time drawing on the expertise of the outside Directors, as well as their extensive knowledge and experience, to stimulate debate at committee meetings. This will further enhance their effectiveness as advisory bodies to the Board of Directors.

Addition of Non-Executive Internal Director to strengthen Group cross-organizational management and supervisory functions

Under the new structure, which launched in June 2019, we appointed one additional Non-Executive Internal Director to enhance the effectiveness of the Group cross-organizational supervisory function. The Group has numerous consolidated subsidiaries, both in Japan and

overseas, and we took this decision as we felt a full-time non-executive internal Director, who has deep knowledge and experience of the Group's operations, would be well qualified to closely supervise their management and business execution. The Non-Executive Internal Director appointed on this occasion will supervise a total of five companies, including subsidiaries that have a significant impact on consolidated earnings and recently acquired important subsidiaries.

In addition, we have launched a Management Foundation Review Committee, which reports directly to the Board of Directors, in order to strengthen the foundation of the cross-Group management function. It is composed of three Representative Directors and the abovementioned Non-Executive Internal Director, making a total of four members, including the President who serves as the chair. The Management Foundation Review Committee conducts discussions on strengthening internal control of each group company, and on the portfolio of group assets in relation to the strategic direction of Group management, and provides feedback on these discussions to the Board. Its role is to further deepen Board discussion while supporting Group cross-organizational business decision-making.

We also seek to build a management and governance structure that enables us to respond flexibly to environmental change and diversifying values. We will do this by actively appointing Directors (internal and outside) with high-level expertise from a wide range of backgrounds, regardless of gender or nationality, so as to increase diversity.

Masatoshi Ito
Chairman of the Board