

Ajinomoto Principle on Corporate Governance

~Aiming for Sustainable Growth through Value Creation via ASV~

Ajinomoto Co., Inc.

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※ The (CGC Rules X-Y) description of each item in this Principle indicates its correspondence with the Corporate Governance Code laid out by the Tokyo Stock Exchange (June 2018 Edition).

Chapter 1: Introduction

The Ajinomoto Group has passed down the commitment of its founding to improve people’s nutrition through umami seasonings that make simple foods taste better. We have achieved growth consistently since our founding through initiatives that create both social and economic value through our businesses. We call these initiatives Ajinomoto Group Shared Values (ASV), and going forward we will continue to strengthen corporate governance in order to achieve sustainable growth through unique value creation through these ASV initiatives. This Principle, which is the foundation of ASV's evolution, is intended to make it easy for stakeholders to understand the ongoing efforts to strengthen the Ajinomoto Group's corporate governance, central to deepening dialogue and collaboration, and published based on Board of Director's discussions.

Chapter 2: Basic Approach (CGC Rules 2-1, 2-2, 2-3 and 3-1)

The Ajinomoto Group positions corporate governance as one of the most important aspects of its management foundation for accelerating its ASV efforts and achieving its vision of becoming a “Genuine Global Specialty Company”. While continuously working to establish an effective corporate governance system that balances “supervising appropriate execution to reflect stakeholders' opinions” and “flexible decision making and execution,” the Ajinomoto Group sincerely maintains the “Ajinomoto Group Policy” (hereinafter referred to as “AGP”), which shows the behavior and way of thinking that Ajinomoto Group companies, their officers, and their employees should follow. The Ajinomoto Group believes that continuation to work on the establishment of internal control systems and their appropriate operation and to deepen dialogue and collaboration with stakeholders will lead to solve “issues that the society of 21st-century are facing” through our business, as well as to become the foundation of ASV which continuously enhance corporate value.

Chapter 3: Relationship with Shareholders and Stakeholders

1. General Meeting of Shareholders (CGC Rules 1-1 and 1-2)

(1) Positioning of the General Meeting of Shareholders

The General Meeting of Shareholders, as the highest decision making body of Ajinomoto Co., Inc. (hereinafter referred to as “Ajinomoto”), is responsible for decision making with matters that materially affect the interests of shareholders, such as the distribution of surplus as stipulated by laws and in the Articles of Association, the selection and dismissal of Directors and Audit & Supervisory Board members, and the changes in the Articles of Incorporation and reorganizations, etc. Ajinomoto has positioned the General Meeting of Shareholders as an opportunity for Directors to constructively interact with shareholders and strives to ensure sufficient time for necessary dialogue while giving easy-to-understand explanations to shareholders.

(2) Ajinomoto’s Initiatives

At the General Meeting of Shareholders, Ajinomoto makes the following efforts so that shareholders can appropriately exercise their voting rights and other rights.

- 1) The date of the General Meeting of Shareholders is decided with consideration to avoid dates when many other companies hold their General Meeting of Shareholders, ensuring the necessary time for closing operations and for auditing, and securing a venue where a large number of shareholders can attend.
- 2) The Convocation Notice of the Ordinary General Meeting of Shareholders is dispatched three weeks prior to the date of the Meeting and is disclosed on Ajinomoto's website prior to dispatch.
- 3) An opportunity to exercise voting rights via the Internet is provided to shareholders so as to improve the environment for shareholders to exercise their voting rights.
- 4) Ajinomoto participates in the electronic voting platform to improve the environment for institutional investors to exercise their voting rights.
- 5) An English summary of the Convocation Notice of the Ordinary General Meeting of Shareholders is available on Ajinomoto's website.

2. Dialogue with Shareholders and Investors (CGC Rules 5-1)

Ajinomoto developed the following procedures in order to promote constructive dialogue with shareholders and investors.

- 1) The executive officer in charge of IR has responsibility for overall dialogue with shareholders, assisted by the general managers of the Corporate Planning Dept., Public Communications Dept., Legal Dept., and Finance & Accounting Dept., as well as the head of the IR Group in the Global Finance Dept.
- 2) Persons in charge of Corporate Planning Dept., Public Communications Dept., and IR hold an information liaison meeting monthly for sharing future plans and the status of preparations of presentations, so that to ensure that matters requiring public disclosure are announced appropriately without delay. .
- 3) As well as holding financial results briefings, medium-term management plan briefings, business briefings, ESG briefings, and other briefings, facility tours for individual shareholders and IR seminars for individual investors are held in order to deepen their understanding of the Ajinomoto Group.
- 4) The IR Group of the Global Finance Dept. holds dialogues not only with shareholders but also with institutional investors. The opinions and concerns of shareholders and institutional investors obtained throughout the dialogues are shared with top management and with persons in charge of Corporate Planning Dept. and Public Communications Dept. as monthly report by the IR Group.
- 5) Training is held for persons in charge of dialogue with shareholders and investors with regard to the management of insider information. Additionally, in cases where executive officers and employees are involved with projects that correspond to important undisclosed information, the relevant executive officers and employees are asked in advance to submit a confidentiality agreement for each applicable case.

3. Capital Policy and Shareholder Return Policy (CGC Rules 1-3 and 5-2)

The Ajinomoto Group promotes a capital policy that allocates generated cash flow to growth investment and the expansion of shareholder returns while working to improve ROE and maximize operating cash flow for sustainable improvement of shareholder value through ASV.

In addition, interest-bearing debt is provisioned on the basis of managing the net D/E ratio at an appropriate level and aiming for an optimal capital/liability structure that takes into account capital efficiency and capital costs.

4. Cross-Shareholdings (CGC Rules 1-4)

(1) Holding Policy and Reviews

Ajinomoto Co., Inc. decrease its holdings of cross-shareholdings gradually to the minimum amount necessary. We carefully scrutinize each individual cross-shareholding in terms of whether the purpose of holding them is appropriate and whether the benefits and risks of holding them are commensurate with the capital costs. Every year, we review the propriety of holding shares through the Board of Directors and disclose the results of these reviews. Additionally, those shares judged as inappropriate to hold will be sold once the detailed plan for selling is determined.

(2) Exercise of Voting Rights

Ajinomoto exercise the voting rights of cross-shareholdings so as to contribute to improving long-term corporate value. Ajinomoto vote against instances where shareholder value is significantly impaired due to organizational restructuring or other factors, or cases where serious concerns arise with regard to corporate governance for reasons like social scandals.

(3) Cross-Holding Shareholders

Ajinomoto do not imply a reduction in transactions and do not prevent sales, etc., if a company holding Ajinomoto's shares as a cross-shareholding expresses an intention to sell its shares, etc.

5. Application of IFRS

Ajinomoto uses IFRS (International Financial Reporting Standards) as its financial reporting standard but defines AGAP-I (Ajinomoto Group Accounting Policy with IFRS base) and applies it to the entire Ajinomoto Group, and at the same time works to improve the efficiency of business operations and governance by establishing the "Group Shared Policy on Accounting" as the policy regarding accounting.

6. Related Party Transactions (CGC Rules 1-7)

When a Company Director who serves concurrently as the president, etc., of another company or organization, etc., (excluding wholly-owned subsidiaries) is the counterparty in a transaction with Ajinomoto and other similar instances, the transaction with regard to competition or conflict of interest involving the Director shall be approved by the Board of Directors by presenting the details of such transactions.

Additionally, Ajinomoto carries out transaction with major shareholders in accordance with "Fair and Transparent Transactions" and the "Group Shared Policy on Procurement" as defined in the AGP.

7. Disclosure of Information (CGC Rules 3-1)

(1) Disclosure of Financial Information

Ajinomoto discloses financial information such as financial status and business performance, management strategies and management issues, and non-financial information such as ESG and risk management information in accordance with laws and regulations. Furthermore, we proactively provide information so that all stakeholders, including shareholders and investors can understand the path towards increased corporate value through ASV with the aim of becoming a “Genuine Global Specialty Company”.

(2) Prompt and Fair Disclosure

Ajinomoto discloses information in a prompt and fair manner, in accordance with the Financial Instruments and Exchange Law, other laws and regulations, and the rules for timely disclosure stipulated by the Financial Instruments Exchange which lists our securities. In addition, based on Ajinomoto's timely disclosure rules, Ajinomoto also deems information that may affect the investment decisions of investors, even if such information is not applicable to timely disclosure rules, as important company information, and Ajinomoto will make efforts to disclose this information in a timely and fair manner.

(3) Disclosure Method

Ajinomoto discloses important Company information in timely disclosure information transmission systems (TDnet), etc., provided by the Tokyo Stock Exchange, etc., and in press releases, and ensures that such information is communicated to shareholders and investors via Ajinomoto's website and email distribution.

Chapter 4: Board of Directors and Committees, etc.

1. Board of Directors

(1) Role of the Board of Directors (CGC Rules 4-1 and 4-5)

Ajinomoto's Board of Directors oversees the business execution of Directors and executive officers, etc., and makes important business execution decisions as management's highest decision-making body. Additionally, through the corporate activities of the Ajinomoto Group centered on ASV, Ajinomoto works with stakeholders and others to resolve social issues, contributes to the realization of a sustainable society, and takes responsibility for sustainable enhancement of corporate value.

(2) Composition and Diversity of the Board of Directors (CGC Rules 4-6, 4-7, 4-8 and 4-11)

Ajinomoto has the basic policy for the Board of Directors composed of internal Directors in charge of business execution, including the CEO, internal Directors who supervise business execution based on their deep understanding of Ajinomoto's business without being in charge of business execution (hereinafter referred to as "Non-Executive Internal Director"), and multiple independent outside Directors who can objectively supervise business execution from an independent standpoint, taking into account the Competence Requirements, etc. centered on "Ability to achieve ASV," and considers numbers, ratio of internal and external individuals, ratio of executives and non-executives, and the diversity of individual experiences, abilities, insights, internationalities, gender, and so on.

In addition, non-executive Directors account for a majority of the Board of Directors and independent outside Directors account for one-third or more of the Board of Directors so as to promote the separation

of supervision and execution, and so as to enhance the effectiveness of supervision by the Board of Directors.

The Chair of the Board of Directors is the Chairman of the Board of Directors (*Torishimariyaku-Kaicho*) who is Non-Executive Internal Director.

2. Nominating Advisory Committee (CGC Rules 4-10)

Ajinomoto established a Nominating Advisory Committee as a voluntary committee of the Board of Directors so as to fairly and appropriately carry out nominations for Director candidates, select and dismiss the Chairman of the Board of Directors and the President, and select and dismiss the Representative Director.

The Committee consists of four to seven members who are appointed from among the Directors by resolution of the Board of Directors.

The majority of the members of the Committee are outside Directors and the Chair is also selected from amongst the outside Directors. The Committee Chair promptly reports to the Board of Directors on the contents and results of the Committee's deliberations.

3. Compensation Advisory Committee (CGC Rules 4-10)

Ajinomoto established a Compensation Advisory Committee as a voluntary committee of the Board of Directors so as to fairly and appropriately determine the compensation of Directors, corporate executive officers, and corporate fellows, etc.

The Committee consists of four to seven members who are appointed from among the Directors by resolution of the Board of Directors.

The majority of the members of the Committee are outside Directors and the Chair is also selected from amongst the outside Directors. The Committee Chair promptly reports to the Board of Directors on the contents and results of the Committee's deliberations.

4. Corporate Governance Committee

Ajinomoto established a Corporate Governance Committee as a voluntary committee of the Board of Directors so as to maintain and improve the soundness of management and corporate governance.

The Committee consists of four to seven members who are appointed from among the Directors or Audit & Supervisory Board members by resolution of the Board of Directors.

The majority of the members of the Committee are outside Directors or Audit & Supervisory Board members and the Chair is also selected from amongst the outside Directors or Audit & Supervisory Board members. The Committee Chair promptly reports to the Board of Directors on the contents and results of the Committee's deliberations.

5. Management Foundation Review Committee

Ajinomoto established a Management Foundation Review Committee as a subordinate body of the Board of Directors so as to establish a strategic direction for Group management and strengthen the foundation of the cross-Group management function.

The Committee consists of three Representative Directors, including the President, and one Non-Executive Internal Director, and the Chair is the President. The Committee Chair reports to the Board of Directors on the contents of their examination.

6. Outside Director Communication Committee and Lead Independent Outside Director

Ajinomoto established an Outside Director Communication Committee with the aim of improving the quality of supervision of business execution through the exchange of information between the outside Directors and the outside Audit & Supervisory Board members and through the mutual complementation of specializations.

In addition, a lead independent outside Director is mutually selected by the independent outside Directors so as to respond to stakeholders and provide effective advice to executive Directors.

7. Support System for Board of Directors and Committees, etc. (CGC Rules 4-13)

In order to ensure the efficient and effective management of the Board of Directors and various committees, the Secretariats consisting of the Corporate Planning Dept., Legal Dept., Secretarial Dept., and Human Resources Dept., etc., supports surveys, preparation of materials, and schedule coordination. In addition, the Secretariats cooperate with each other so as to promote timely and appropriate information sharing.

8. Evaluation of Effectiveness of the Board of Directors (CGC Rules 4-11)

Ajinomoto aims for the Board of Directors capable of appropriate and flexible decision making and supervision of business execution, and analysis and evaluation of the effectiveness of the Board of Directors based on the results of self-evaluation surveys from all Directors and all Audit & Supervisory Board members, analysis by external lawyers, and verification of results at the Board of Directors.

In addition, based on the results of the effectiveness evaluations, the Board of Directors discusses, formulates and implements measures to improve issues that were discovered. Through these efforts, Ajinomoto strives to improve the effectiveness of the Board of Directors and further strengthen corporate governance.

Chapter 5: Directors

1. Selection and Dismissal of Directors (CGC Rules 3-1 and 4-3)

(1) Procedures for the Selection of Directors

Ajinomoto's Directors are nominated by the Board of Directors based on the recommendations of the Nominating Advisory Committee and are selected by a resolution of the General Meeting of Shareholders. The selection of the Chairman of the Board of Directors, President, and Representative Director is made by a resolution of the Board of Directors, based on the recommendations of the Nominating Advisory Committee.

(2) Competence Requirements for Director and Top Management Candidates

For selection of Directors and top management candidates, including Chief Executive Officer, the following competence requirements, etc., (hereinafter referred to as "Competence Requirements centered

on 'Ability to achieve ASV') are determined by the Board of Directors, based on discussions of the Nominating Advisory Committee.

- ① Ability to achieve ASV
- ② Ability to achieve global top 10 class company
- ③ Ability to create markets
- ④ Ability to achieve sustainable growth

(3) Reelection and Dismissal of Directors

In reelecting Directors, the Nominating Advisory Committee conducts substantial discussions reflecting performance evaluation, etc., in addition to the Competence Requirements centered on "Ability to achieve ASV."

In addition, when considering resolutions for dismissal of Directors and the dismissal of top management positions, the Board of Directors makes a comprehensive decision based on the deliberations of the Nominating Advisory Committee or an investigation by a Third-Party Committee, etc., if necessary.

(4) Succession Plan (CGC Rules 4-1)

Based on the request from the Board of Director's, the Nominating Advisory Committee reports to the Board of Directors about candidates for future Chief Executive Officer, develops a successor plan, and confirms and advises on its operation.

2. Compensation (CGC Rules 3-1 and 4-2)

(1) Basic Policy Regarding Director Compensation

The basic policy on compensation for Ajinomoto's Directors is as follows.

- 1) It leads to medium and long-term expansion of corporate value in line with AGP
- 2) The compensation level is sufficiently competitive compared to the market level.3) Decisions are made

through a transparent process and their content can be described to stakeholders

(2) Details of Director Compensation

1) Content of Director compensation, excluding outside Directors

The compensation of Directors, excluding outside Directors, comprises monthly compensation, short-term company performance-linked compensation, and medium-term company performance-linked stock compensation, as described below.

(a) Monthly compensation

Monthly compensation is paid in cash as a basic compensation in line with job responsibilities and to sufficiently demonstrate the qualities and capabilities to drive corporate growth, and the amount of compensation for each position is set in reference to the results of a survey by an external organization.

(b) Short-term company performance-linked compensation

Short-term company performance-linked compensation is monetary compensation that is paid according to company-wide and divisional performance evaluations at the end of the fiscal year as

an incentive to encourage steady achievement of single-year performance goals and appropriate management.

Company-wide performance uses sales amount, business profit, profit attributable to owners of the parent company and ROE (both on a consolidated basis) as evaluation criteria. Departmental performance uses the performance of the department, organization, and corporation overseen by that Director as evaluation criteria.

(c) Medium-term company performance-linked stock compensation

Medium-term company performance-linked stock compensation, with the goals of increasing corporate value and sustainably improving the Ajinomoto Group's performance across the medium and long-term, uses business profit and ROA (both on a consolidated basis) in the final fiscal year of the Medium-Term Management Plan as evaluation criteria.

2) Details of Outside Director Compensation

Compensation for outside Directors is only monthly compensation and the amount of compensation is decided individually by the Board of Directors based on the recommendations of the Compensation Advisory Committee.

(3) Policy Regarding the Determination of Payment Ratio, etc., for Company Performance-Linked Compensation and Non-Company Performance-Linked Compensation

1) Compensation Level Policy

The compensation level and ratio of total compensation amount for Directors, excluding outside Directors, is based on the 75th percentile (the top 25%) of the compensation level for executives at major Japanese companies, based on the survey results of external organizations.

2) Payment Ratio for Company Performance-Linked Compensation and Non-Company Performance-Linked Compensation, etc.

The payment ratio of monthly compensation, short-term company performance-linked compensation, and medium-term company performance-linked stock compensation is approximately 50:36:14 (annualized) when the performance target standards are achieved, but will change as follows depending on performance. The higher the position, the greater the amount of compensation depending on performance.

(a) The payment ratio of short-term company performance-linked compensation as a percentage of the total compensation amount varies between a minimum of approx. 0% to a maximum of approx. 50% in fiscal years which do not have medium-term company performance-linked stock compensation.

(b) The payment ratio of short-term company performance-linked compensation and medium-term company performance-linked stock compensation as a percentage of the total compensation amount varies between a minimum of approx. 0% to a maximum of approx. 70% in fiscal years which have medium-term company performance-linked stock compensation.

(4) Procedures for Determination of Director Compensation

Upon receiving the recommendations of the Compensation Advisory Committee on policy, compensation amount, standards, the enactment or revision of internal compensation rules, and performance evaluations,

etc., regarding Director compensation, Ajinomoto's Board of Directors determines the amount of compensation for each Director.

3. Training (CGC Rules 4-14)

Ajinomoto provides the necessary support for self-improvement by internal Directors. In addition to inviting outside experts every year to exchange opinions, mandatory executive officer training is held for all Directors and Corporate Executive Officers, management themes are presented and management problems are shared, and solutions are addressed.

Each department of Ajinomoto explains the details, etc., of its business and duties and provides an opportunity to inspect its main business sites so that outside Directors gain a better understanding of the Ajinomoto Group.

4. Independence Standards (CGC Rules 4-9)

Ajinomoto Co., Inc.'s outside Directors or Audit & Supervisory Board members (external) must not fall under any of the following categories in order to be considered independent.

- 1) An individual or executive officer that undertakes major transactions with Ajinomoto Co., Inc.
- 2) A main business partner of Ajinomoto Co., Inc. or its executive officer
- 3) A consultant, accounting professional, or legal professional who receives large sums of monetary or other compensation from Ajinomoto Co., Ltd. in addition to the compensation received as an officer (if the entity receiving the said compensation is a corporation, association, or other organization, an individual that belongs to said organization)
- 4) An individual who corresponded to any of 1) through 3) in the past year
- 5) A family member within the second degree of an individual who corresponds to any of (a) through (b) below (excluding non-important individuals)
 - (a) An individual who corresponds to 1) through 4) above
 - (b) An executive officer of a subsidiary of Ajinomoto Co., Inc. (including non-executive Directors in cases where an Audit & Supervisory Board member (external) is designated as an independent Director)
 - (c) An individual who corresponded to (b) or was a corporate executive officer of Ajinomoto Co., Inc. during the past year (including non-executive Directors in cases where an Audit & Supervisory Board member (external) is designated as an independent Director)

(Notes) 1. "An individual that undertakes major transactions with Ajinomoto Co., Inc." is defined as someone who received payments from Ajinomoto Co., Ltd. during the most recent fiscal year that was either 2% of the individual's total annual consolidated net sales or 100 million yen, whichever is higher.

2. "A main business partner of Ajinomoto Co., Inc." is defined as someone who made payments to Ajinomoto Co., Ltd. during the most recent fiscal year that was either 2% of the total annual consolidated net sales of Ajinomoto Co., Inc. or 100 million yen, whichever is higher.

3. "Receives large sums of monetary or other compensation from Ajinomoto Co., Ltd. in addition to the compensation received as an officer" refers to receiving from Ajinomoto Co., Inc. an

amount or other compensation that was either 2% of the individual's net sales or gross income, excluding compensation as an officer, or 10 million yen, whichever is higher, during the most recent fiscal year.

Chapter 6: Audit & Supervisory Board Members, Audit & Supervisory Board, and Accounting Auditor

1. Audit & Supervisory Board Members and Audit & Supervisory Board (CGC Rules 4-4)

(1) Role of the Audit & Supervisory Board Members and Audit & Supervisory Board

Ajinomoto's Audit & Supervisory Board members and Audit & Supervisory Board recognize the trustee responsibility to the shareholders and conduct business and accounting audits, including audits of Director's performance of duties from an independent and objective position, for the shared benefit of Ajinomoto and the shareholders as well.

(2) Composition of the Audit & Supervisory Board Members and Audit & Supervisory Board

In accordance with the Articles of Association, Ajinomoto's number of Audit & Supervisory Board Members and Audit & Supervisory Boards, including people with considerable financial and accounting knowledge, do not exceed five.

(3) Procedures for the Selection of Audit & Supervisory Board Members

The selection of the Audit & Supervisory Board member candidates is carried out by the Audit & Supervisory Board under a basic policy to ensure the sound and sustained growth of the Ajinomoto Group and to establish a high-quality corporate governance system that can stand up to the trust placed in Ajinomoto by society. Shareholder meeting proposals for the selection of the Audit & Supervisory Board members are submitted at the request of the Audit & Supervisory Board.

At least one of the Audit & Supervisory Board member candidates must be an individual with considerable knowledge of finance and accounting, and three candidates for Audit & Supervisory Board members (external) are selected, while each must possess advanced expertise in laws or accounting or have advanced knowledge of corporate management.

(4) Audit & Supervisory Board Members' Audit

Ajinomoto's Audit & Supervisory Board Members carry out audits of each Company department in order to fulfill their roles and responsibilities, deepening their awareness of management problems from the standpoint of general management, communicating regularly with and collecting information from Directors and senior management, and working closely with the Internal Audit Dept. and accounting auditor. Additionally, target companies are selected from the Group's domestic and international companies based on their importance and risk approach. Furthermore, Audit & Supervisory Board members conduct audits of the management of Group companies through collaboration with the auditors of Group companies and the Group's Standing Audit & Supervisory Board, composed of standing corporate auditors from domestic Group companies.

(5) Operation of the Audit & Supervisory Board

Ajinomoto's Audit & Supervisory Board, as stipulated in laws, regulations, the Articles of Association, and the Audit & Supervisory Board regulations, discusses and decides important matters related to audits such as audit policy, audit plans, division of duties, preparation of the Audit & Supervisory Board's audit reports, etc., and as necessary receives reports from each Audit & Supervisory Board member, Directors, and employees. In addition, in order to properly carry out their duties, the Audit & Supervisory Board fosters communication with Directors and senior management to collect information and to create an environment for auditing.

(6) Audit & Supervisory Board Member Staff

Ajinomoto's Audit & Supervisory Board established the Audit & Supervisory Office as an organization that assists the Audit & Supervisory Board members in their duties and assigns full-time staff with appropriate knowledge and skills to enhance their effectiveness. With regards to personnel evaluations, transfers, and disciplinary actions, etc., for the staff concerned, the consent of the Audit & Supervisory Board members is obtained, independence from the Directors is heightened, and the effectiveness of the Audit & Supervisory Board members' instructions is ensured.

2. Accounting Auditor (CGC Rules 3-2)

Ajinomoto's Audit & Supervisory Board appropriately evaluates the accounting auditor by using the independence and expertise of the accounting auditor and the appropriateness and relevance of the accounting auditor's audit activity as evaluation criteria and based on reports from management and executive departments, communication with the accounting auditor and listening to audit plans and audit result reports and appropriately selects accounting auditor candidates.

The audit work by the accounting auditor is carried out by an executive employee who is a certified public accountant and other assistants.

Ajinomoto recognizes that the accounting auditor has an important role in ensuring the credibility and transparency of Ajinomoto's management for shareholders by conducting audits of financial statements, etc., and works together with the accounting auditor to ensure proper audits.

Chapter 7: Risk Management (CGC Rules 4-3)

1. Basic Approach

Ajinomoto defines risk management as selecting and extracting "Corporate management-level risks and opportunities," evaluating the degree of impact, and responding. The Committees described in section 3 are established under the Executive Committee and works on strengthening internal controls and risk management.

"Corporate management-level risks and opportunities" are factors that may affect the Ajinomoto Group's business activities, business strategies, products, assets, and credit, including those judged to have a significant impact on the Ajinomoto Group even if it relates to individuals such as executives and employees, that may seriously damage the lives and bodies of executives and employees, or that may have an impact on corporate value of the Ajinomoto Group. Among those factors that have not yet emerged, but

which management should take the initiative to address, are climate change, social issues, and technological innovation.

2. Internal Controls

Ajinomoto regards internal controls as an important task of corporate management, the Board of Directors passed the "Ajinomoto Principle on Internal Control Systems," and Ajinomoto is striving to develop and enhance internal control systems. The operational status of internal control systems and their effectiveness are verified each year by the Internal Controls Effectiveness Verification Committee and the results of the verification are reported to the Board of Directors.

3. Committees under the Executive Committee

Ajinomoto establishes the following Committees under the Executive Committee.

1) Business Conduct Committee

The Business Conduct Committee works to make the AGP known to all and checks to make sure that management and corporate activities are carried out in compliance with these principles. It also carries out measures that address issues. In addition, it also organizes manuals, has business management organizations draft business continuity plans, and determines and inspects their state of readiness via crisis management drills and the like in order to handle risks outside those at the corporate management-level and actualized crises.

2) Management Risk Committee

The Management Risk Committee selects and extracts corporate management-level risks and opportunities from among the various risks and opportunities facing the Ajinomoto Group as our global expansion accelerates and formulates response measures for them.

3) Investment, Loan, and Business Scrutiny Committee

The Investment, Loan, and Business Scrutiny Committee carries out multifaceted reviews of investment and loan decisions, revitalization of unprofitable businesses, and exits from unprofitable businesses, prior to deliberations by the Executive Committee.

4) M&A Committee

The M&A Committee carries out multifaceted reviews of M&A deals prior to deliberations by the Executive Committee.

Chapter 8: Compliance (CGC Rules 4-3)

1. Basic Approach

The Ajinomoto Group believes that compliance is complying with laws and AGP, as well as meeting the social demands behind laws and AGP, and the Business Conduct Committee was established to foster an open corporate culture and raise compliance awareness. The Committee, each time it holds its quarterly Committee meeting, reports the contents of its deliberations and the status of its activities to the Executive Committee.

2. Whistle-blowing System (CGC Rules 2-5)

The Ajinomoto Group stipulates the "Group Shared Policy on Whistle-blowing" for the purpose of ensuring compliance management, maintains a system for internal reporting in order to prevent misconduct before it happens and facilitate early detection and correction, and established an internal/external hotline as an internal reporting desk. The manager of the General Affairs & Risk Management Dept. instructs relevant parties to investigate the facts of internal reports and consultations that are received, formulates countermeasures such as corrective steps, carries out these measures after deliberation with the Business Conduct Committee as necessary, and reports the results to the Business Conduct Committee.

Chapter 9: Diversity Promotion (CGC Rules 2-4)

The Ajinomoto Group strives to improve diversity by respecting the diversity of attributes and values of human resources so that every person working in the world can grow and be active regardless of race, nationality, gender, culture, or customs, etc. The Group appoints a Director in charge of diversity and human resources. Additionally, as part of diversity promotion, the Group carries out awareness training to create a more comfortable working environment.

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