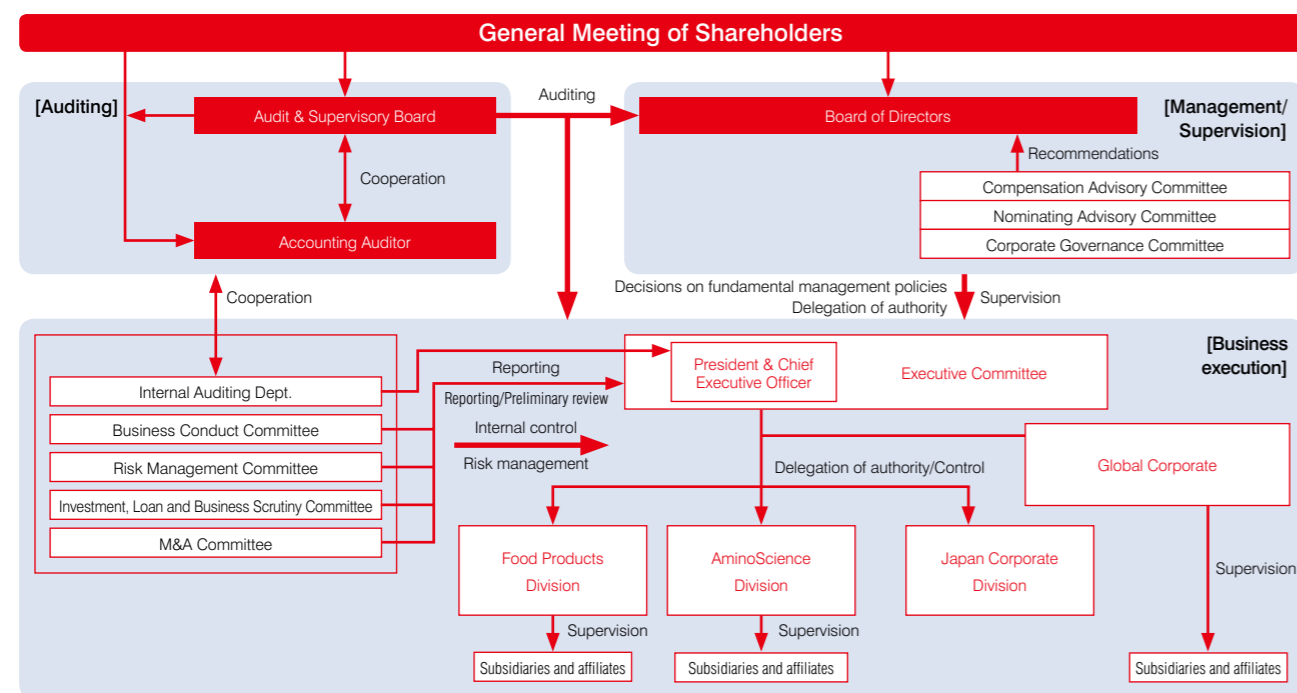


## Corporate Governance Framework



### Audit & Supervisory Board

The Audit & Supervisory Board members work together with the accounting auditor and Internal Auditing Department to conduct audits on the execution of duties by directors.

### Nominating Advisory Committee

The Nominating Advisory Committee consists of four directors, including three outside directors. The Committee receives inquiries from the Board of Directors and deliberates on such matters as director nominees and proposals for the election of directors with titles and representative directors. The results of these deliberations are reported to the Board of Directors.

### Board of Directors

The Board of Directors makes decisions on important business matters and supervises the execution of duties by directors and corporate executive officers.

### Compensation Advisory Committee

The Compensation Advisory Committee consists of four directors, including three outside directors, and one corporate vice president. The Committee receives inquiries from the Board of Directors and deliberates on proposals for director and corporate executive officer, etc. compensation. The results of these deliberations are reported to the Board of Directors.

### Executive Committee

The Executive Committee deliberates on basic company management policies and makes important decisions concerning business execution.

### Corporate Governance Committee

The Corporate Governance Committee consists of five directors, including three outside directors, and one Audit & Supervisory Board member (external). The Committee receives inquiries from the Board of Directors and holds discussions on matters related to governance. The results of these discussions are reported to the Board of Directors.

## Outside Directors and Audit & Supervisory Board Members (External)

Ajinomoto Co., Inc.'s outside directors and Audit & Supervisory Board members (external) have been registered as independent directors/auditors with the Tokyo Stock Exchange.

The standards of independence used by Ajinomoto Co., Inc. for outside officers (listed in the Corporate Governance Policies)  
[https://www.ajinomoto.com/en/ir/strategy/corp\\_gov.html](https://www.ajinomoto.com/en/ir/strategy/corp_gov.html)

	Name	Reasons for Appointment	Attendance	
			Board of Directors	Audit & Supervisory Board
Outside Directors	Sakie T. Fukushima	To capitalize on her in-depth knowledge and experience concerning international corporate management and advanced understanding of human resources with a global mindset, and her experience as an outside director at other prominent listed companies	17 out of 18 times (94%)	—
	Yasuo Saito	To capitalize on his in-depth knowledge and experience internationally as a diplomat for the management of Ajinomoto Co., Inc.	18 out of 18 times (100%)	—
	Takashi Nawa	To capitalize on his advanced understanding of international business management developed from his wealth of real-world experience in consulting for non-Japanese companies, etc., and in-depth knowledge as a professor with the Graduate School of International Corporate Strategy at Hitotsubashi University	15 out of 18 times (83%)	—
Audit & Supervisory Board members (external)	Masami Hashimoto	To capitalize on his professional knowledge and wealth of experience as a certified public accountant both in Japan and internationally, and his expertise in finance and accounting in the execution of his duties	13 out of 13 times (100%)	10 out of 10 times (100%)
	Atsushi Toki	To capitalize on his professional knowledge and wealth of experience as an attorney, and his particularly in-depth knowledge of the Companies Act, which can be utilized in the execution of his duties	13 out of 13 times (100%)	10 out of 10 times (100%)
	Hiroshi Murakami	To capitalize on his extensive experience in corporate management both in Japan and internationally, and his knowledge as the head of a legal department, both of which can be utilized in the execution of his duties	13 out of 13 times (100%)	10 out of 10 times (100%)

## Evaluation of Board of Directors' Effectiveness

The Company aims to have a Board of Directors that can execute appropriate and agile decision making as well as carry out its role of supervising the execution of duties in a way that befits a "Genuine Global Specialty Company." Since fiscal 2015, directors and audit & supervisory board members have been asked to take self-evaluation surveys, while analysis by outside lawyers is also conducted, with the results being examined at a Board of Directors' meeting. In the self-evaluation survey carried out in fiscal 2016, the Board of Directors' effectiveness was evaluated highly overall, and substantial improvement was seen in the following three items.

1. Discussion of the direction of corporate strategy and medium- to long-term policies increased
2. The effectiveness of discussions improved
3. Opportunities for outside directors to obtain Company information increased

On the other hand, the following items were recognized as improvements to be made, and the Company will continue to examine the most appropriate model for the Board of Directors going forward.

1. Sufficient provision of information on deliberations by the advisory committees to the Board of Directors
2. Increase in the number of remarks by directors
3. Further review of matters to be resolved and matters reported
4. Follow-up and feedback on past matters resolved by the Board of Directors
5. Earlier distribution of materials
6. Improvement of the content of materials

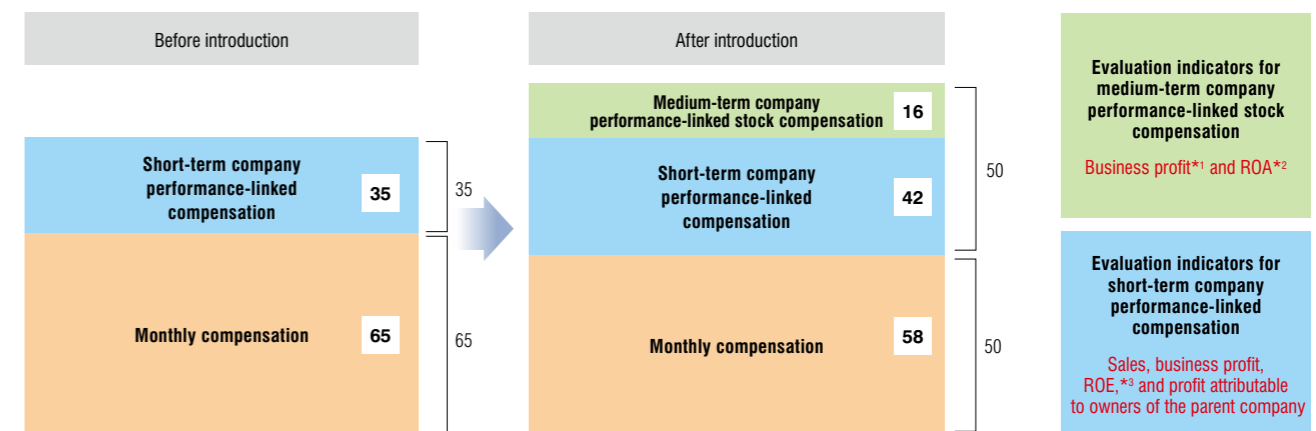


Overview of Evaluation of Effectiveness of the Board of Directors of Ajinomoto Co., Inc.  
[https://www.ajinomoto.com/en/ir/strategy/corp\\_gov/main/00/teaserItems1/0/linkList/01/link/2016\\_evaluation\\_E.pdf](https://www.ajinomoto.com/en/ir/strategy/corp_gov/main/00/teaserItems1/0/linkList/01/link/2016_evaluation_E.pdf)

## Compensation Systems for Officers, etc.

For the purpose of boosting officer motivation to contribute toward the fulfillment of the FY2017-2019 (for FY2020) Medium-Term Management Plan (hereinafter, FY17-19 MTP) as well as the improvement of the Ajinomoto Group's medium- to long-term business performance and enhancement of its corporate value, the Company introduced a medium-term company performance-linked stock compensation system targeted at directors (excluding outside directors), corporate executive officers, and corporate fellows (excluding nonresidents of Japan) (hereinafter, the officers, etc.). Going forward, compensation of officers, etc. will comprise (1) monthly compensation, (2) short-term company performance-linked compensation, and (3) medium-term company performance-linked stock compensation. In addition, the annual ratio of company performance-linked compensation, including short-term and medium-term, to overall compensation has been increased from approximately 35% in fiscal 2016 to approximately 50%.

### Ratio of Company Performance-Linked Compensation to Monthly Compensation When Performance Targets Are Reached (Annualized)



\*1 An original profit KPI adopted by the Group following the voluntary application of International Financial Reporting Standards (IFRS) for management purposes. The KPI is defined as follows: Sales - Cost of sales - Selling expenses, Research & development expenses, and General & administrative expenses + Share of profit of associates and joint ventures  
\*2 Business profit basis \*3 Profit attributable to owners of the parent company basis

Also, for the medium-term company performance-linked stock compensation, the Company has created a stock-granting trust (hereinafter, the Trust) with a trust period of roughly three years. The maximum amount the Company can contribute to the Trust is set at ¥2.2 billion. The Trust will use the contributed money to acquire a maximum of 1.1 million Company shares. Upon completion of the FY17-19 MTP, Company shares acquired by the Trust and the amount of cash equivalent to the conversion value of Company shares will be delivered to the officers, etc. in accordance with the amount of business profit in the FY17-19 MTP's final year and their respective job positions.

## Global Policy Matrix

To enhance its global governance, the Ajinomoto Group has established the Global Policy Matrix, thereby putting into place important policies and procedures. In July 2017, the Group newly formulated the Nutrition Policy, the Food Safety Policy, and the Package Description Policy.

Business Code of Conduct	Legal	Fiscal, Trade & Purchasing	General & Administration	Accounting & Treasury	Others
Compliance with Antitrust and Other Laws Bribery Prevention Policy	Prevention of Insider Trading	Global Tax Policy	Risk Management Basic Policy	Accounting Policy	Nutrition Policy See P20
	Trade Secret Management				Food Safety Policy See below
	Group Intellectual Property Exploitation Policy	Basic Purchasing Policy	Business Continuity	Foreign Exchange Risk Management Policy	Package Description Policy See below
	Corporate Brand Logotype				Security Policy
				Basic Policy on Fund Procurement	Environmental Policy
					Quality Policy
					Occupational Safety and Health Policy
					Internal Audit
					Investment Profitability Assessment Criteria

### Food Safety Policy

Since the Ajinomoto Group's establishment, while putting our customer first, we have continued our efforts for food safety.

In so doing, we have earned recognition as a conscientious enterprise carrying out thorough initiatives for food safety by our customers, and "Ajinomoto Brand" has gained the faith for safety of the products.

We will continue with our efforts in contributing to the better lives of our customers all over the world.

- 1 We pay full attention to the requests of our customers, and provide safe products and services meeting with their satisfaction.
- 2 We actively provide appropriate information on food safety to our customers and continue to improve our trustworthiness.
- 3 We make no compromise with regard to safety, conducting surveys and research as thoroughly as possible and faithfully complying with applicable laws and regulations.
- 4 We assure food safety through the Ajinomoto System of Quality Assurance (ASQUA), based on the concepts outlined in the international ISO standard.
- 5 Under the leadership of our management, each one of our company's employees makes the greatest effort to provide safe products and services through work at all levels, from research and development to production, distribution, sales and services.

### Package Description Policy

The Ajinomoto Group is committed to deliver accurate and responsible information on descriptions in the product package, in order to contribute to the world's food and wellness, and to better lives for the future.

This policy is applied to all product package descriptions which directly and indirectly states, suggests or implies that a product produced and sold by the Ajinomoto Group or sold under the brand names of the Ajinomoto Group has particular characteristics.

To fulfill the above commitment, the Ajinomoto Group ensures that:

- 1 Package descriptions comply with applicable laws and regulations in the countries where the Ajinomoto Group makes the product available for sale.
- 2 Information on the product package is accurate.
- 3 Package descriptions are not misleading, are easily understood, and gives valuable information to consumers.
- 4 We are responsible for package descriptions, and that package descriptions have a sound basis.

## Message from an Outside Director

**Drawing on my experience as a diplomat, I will contribute to realizing the Ajinomoto Group's aim of becoming a "global top 10 class food company."**



**Yasuo Saito**  
Outside Director

### Further Enhancing the Effectiveness of the Board of Directors

I have accumulated a wealth of international experience working as a diplomat for over 40 years. As a member of the Board of Directors, I recognize that the Company expects me to voice opinions and make judgments based on my knowledge and experience. The Company's Board of Directors has an atmosphere that makes it easy to hold discussions thanks to the consideration given by Chairman Ito. Additionally, the Company makes sure to provide the outside directors with explanations on agenda items in advance, which allows us to actively participate in Board meetings. While I do not have experience in corporate management, I provide proposals and opinions from a global perspective based on my experience as a diplomat. In doing so, I am making concerted efforts to oversee the management of the Ajinomoto Group amid its aim to become a global top 10 class food company. Also, significant progress has been made over the past few years in such areas as in-house information gathering by the outside directors. With that said, to further enhance the understanding and decision-making capabilities of the outside directors going forward, I would like to promote initiatives to strengthen the pipeline, such as creating opportunities to candidly exchange opinions with various divisions on a regular basis.

### Aiming for an Environment in Which a Diverse Group of Talent Can Play an Active Role

Based on its Global Governance Policy, the Ajinomoto Group has clearly defined the roles of the "Governing HQ" (its headquarters) and the "Delegated Front" (the worksite level), and I believe that the Group's governance is excellent in that regard. However, the issue of cultivating a global, diverse group

of talent to allow the "Governing HQ" to be active on a global scale still remains. While the Company is working to establish an environment in which a diverse group of talent can play an active role globally, there is still a need to secure that kind of talent through such an environment and enhance communication capabilities that transcend age, race, and gender. Communication is a basic part of one's profession, and the importance of communication will not change no matter how far technological innovations progress. I am convinced that it is difficult for a company to grow if it is not leveraging its communication functions effectively.

### Promoting ASV by Appropriately Responding to Risks

To realize the goals adopted under the FY2017-2019 Medium-Term Management Plan, it is essential to ascertain where risks lie and to appropriately respond to them should they occur. Through food and health, the Ajinomoto Group is a company that is concerned with the lives of people and the existence of humankind itself. As such a company, we naturally take close precautions even within the minutiae of our day-to-day activities. However, amid international demands for sustainability showcased by the Sustainable Development Goals (SDGs) and other initiatives as well as heightened social expectations for the resolution of nutrition-related issues, the Company will actively take risks while promoting ASV going forward. As such, I believe that the mission of the outside directors is to gather as much relevant information as we can on a routine basis and use such information to minimize risks to the greatest extent possible.