A taste of the future.

Ajinomoto Group Philosophy

Our philosophy is to contribute significant advances in Food and Health on a global basis and ultimately to create a better life for all.

Ajinomoto Group Basic Environmental Policy

Philosophy

Harmonizing the Company’s global activities with the global environment we will continually improve the environment, and consequently contribute to a better society.

The Ajinomoto Group operates its businesses in many countries and regions throughout the world in compliance with international rules, depending on products of agriculture, livestock, and fisheries as raw materials. We think and act together with regional people who live in diversified circumstances in terms of climate, politics, culture, religions, laws, and concept of values. We constantly strive for symbiosis or coexistence with nature in order to create a better environment.

Basic Environmental Policies

1. Be fully aware of global environmental movements and comply with them in an exact and timely manner. We will closely observe international standards and global frameworks as well as the environmental administration and regulations of each country. We will comply with those requirements in an exact and timely manner, adding our own voluntary standards and appropriately implementing our programs.

2. Reduce environmental burdens on the earth. We aim to reduce any environmental burden on the global environment caused by our business activities (for example: ozone layer depletion, global warming, acid rain, ocean pollution, desertification, endangered species, or others).

3. Save energy and resources through understanding the importance of natural resources. Manufacture of our main product AIJ-NO-MOTO and other amino acids is categorized as an energy-intensive industry. Our history of technical development in production processes represents our continuous efforts toward energy and resource conservation. We strive every day to curb consumption of energy and resources, emphasizing improvement in productivity and effective utilization of by-products.

4. Develop new technologies and systems for effective utilization of natural resources and environmental improvement. By reviewing the entire business process from product design to disposal, we will develop not only technologies for effective utilization of waste and by-products, but also production engineering and business systems that ensure higher productivity and less waste generation, and consequently less environmental burdens.

5. Implement education and training, to provide information, and to cooperate with outside organizations on environmental preservation. We will enhance communication with society by disclosing and providing information on our environmental preservation activities. We will also raise awareness of ecological issues among employees by establishing an efficient system for sharing information and for education across the Group.

Established in November 1997

Environmental Communication Policy

The basic policy of the Ajinomoto Group is to publish both our concepts and substantive efforts related to the environment, as well as major results, in a systematic, easy-to-understand manner. Moreover, beyond simply delivering information, we pay attention to comments and suggestions from a variety of stakeholders of the Ajinomoto Group to achieve genuine two-way communication. This enhances the transparency of the Group’s business and Group credibility, and raises awareness of ecological issues among Group employees. As a part of this effort, each year we release an environmental report that describes the status of environmental activities and results. In addition, an environmental report digest highlights the main points of environmental activities for the general public, and an environmental section at the Ajinomoto Group Web site provides a variety of detailed information. We also promote a broad range of environmental communications aimed at specific audiences and providing useful content; holding interactive events designed to open operation sites to local residents, issuing press releases for the timely disclosure of information, and circulating company newsletters for Group employees.

Web site for environmental preservation activities

“Our Environmental Activities” a digest version of our Environmental Report

2002 Edition Feedback

We received public comments and opinions through a questionnaire included in the 2002 edition and by e-mail, as well as feedback from various concerned parties, including environment specialists, environmental report evaluators, workers responsible for environmental issues at other companies, and employees of Ajinomoto Group companies. All these comments were taken into account in the preparation of the 2003 report.

Supportive comments

The report was easy to understand. It aids in the understanding of the close relationship between the business of the Ajinomoto Group and the environment.

• The Tokai Bird Sanctuary effort is excellent. I would like to visit the sanctuary. (many similar comments received from various parties)

Requested improvements

• Should provide information on food safety and assurance as a food company. Environmental information for products is desired. (consumer)

• No negative information was disclosed. Information for each site is desired. (specialist, citizen living near an operation site)

• Starting this year, a site report on the environmental activities of three Ajinomoto plants is presented. (employee)

• Third-party verification should be disclosed. (specialist)

• As a leader in the industry, Ajinomoto should be engaged in sustainability and corporate social responsibility (CSR) reporting activities. (specialist)

• Reports in other languages in addition to English would increase their usefulness. (stakeholder in a non-English speaking region)
Editorial Policy

Environmental Report 2003 is intended to introduce the Ajinomoto Group’s efforts for the environment based on the following editorial policy. The report also describes the Group’s social activities.

1. The target audience of this report is a diverse range of stakeholders, including customers, business partners, residents of neighboring communities surrounding our operation sites, shareholders, investors, environmental activists, non-governmental organizations (NGOs), students, and Group employees.

2. The editors referred to Environmental Reporting Guidelines set out by Japan’s Ministry of the Environment, and the GRI Guidelines, in preparing the content of this report to ensure greater inclusiveness of listed items. See [P46].

3. Charts are used to present the environmental load characteristics of the Ajinomoto Group in an easy-to-understand manner. In addition to clearly describing current issues, specific activities undertaken to address these issues are introduced.

4. Wherever changes have been made to the method or scope of environmental data collection, historic data required for year-to-year comparison has been recalculated and identified, as far as possible.

5. Site reports from major operation sites, including relevant environmental data, are presented.

6. In consideration of corporate social responsibilities, the overall content of the Social Activities section has been improved from Environmental Report 2002.

7. In order to encourage two-way communication, comments and opinions from a variety of stakeholders have been introduced into the report (VOICE column).

8. The entire report (both in Japanese and English) is available in PDF format from the Web site.

9. The report was first released in Japanese, with an English-language version subsequently issued for overseas audiences.

10. Although we understand the increasing requests for third-party verification to confirm overall reliability, such verification was not pursued for this report, pending a decision on the specific applicability of verification.

Scope of the Report

The Ajinomoto Group in this report refers to Ajinomoto Co., Inc., and those parts of its domestic and overseas consolidated subsidiaries that are subject to the Group’s environmental management. See [P46]. Those companies subject to the Group’s environmental management do not fully coincide with those of the Ajinomoto Group in terms of the consolidated accounting system, but represent approximately 79% of all Group companies and 75% of consolidated net sales and encompass all major business activities except cooperative ventures.

Activity Period

The report focuses on environmental activities and achievements for fiscal year 2002, April 1, 2002 through March 31, 2003, and includes a few significant events that occurred after March 31, 2003.

Issue Date

January 2004 (next issue is scheduled for October 2004) (The issue date for the original Japanese version was November 2003, with the next issue scheduled for September 2004.)

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Our Continuing Commitment to Environmental Issues Leads to Sustainable Business Growth

Ajinomoto Group Zero Emissions—Promoting the total elimination of environmental load in every aspect of business

For the Ajinomoto Group, operating in harmony with society as a good corporate citizen is one of the primary management objectives, and we engage in many activities toward achieving this goal. In recent years, our main focus has been on addressing environmental issues, a concern which everyone in the 21st century should share. The Ajinomoto Group, from its beginnings in Japan, aims to be a global corporation in food and amino acid products. We produce and sell a full line of products based on the natural blessings of ingredients from every region of the world. Consequently, coexisting with the global environment and confronting environmental issues is a fundamental prerequisite for sustainable business growth. Based on this concept, the entire Ajinomoto Group, including its overseas subsidiaries, simultaneously pursues environmental preservation activities and business development. For example, our amino acids fermentation production, which is one of our core businesses and commands the world’s top market share, has contributed for more than 20 years to the development of the global amino acids business by establishing a “Bio-cycle” system in many areas in the world, taking into account the complete circulation of resources, in partnership with the agricultural producers that supply our raw materials.

These operations convinced us that environmental protection efforts are essential for the ongoing development of our business and led to our decision to launch a new campaign, Ajinomoto Group Zero Emissions. In general, “zero emissions” is used to refer to the elimination of industrial waste into landfills. However, the Ajinomoto Group has established its own definition: to address the full range of environmental loads (wastewater, air pollution, and chemical emissions) generated in every aspect of business operations (business planning, research and development, production, sales, and logistics), not limited to waste generated in production activities, while simultaneously promoting the efficient use of input resources and energy.
We pursue sustainable growth as a socially responsible corporation through sincere efforts to improve the environment, achieving the higher goals of Ajinomoto Group Zero Emissions to preserve the environment and natural resources, and at the same time strengthening our business competitiveness. The Ajinomoto Group is determined to uphold this environmental commitment as our philosophy to contributing to a better society. Accordingly, we will periodically report on the specific activities and progress of Ajinomoto Group Zero Emissions.

Accelerating Group environmental management through ISO 14001 accreditation

In order to promote group-wide environmental activities, the Ajinomoto Group is focusing on ISO 14001 accreditation. Since our business fields encompass an extensive range, with operations spread around the world, we recognize and utilize ISO 14001 as a basic tool for environmental management across the Ajinomoto Group. We intend to acquire certification at approximately 100 major sites, both domestic and overseas, by March 2006 (nearly 40 of these sites have already been certified). As a part of this effort, in April 2003, 20 sites, including the headquarters and branch offices of Ajinomoto Co., Inc., acquired integrated certification. The certification of Ajinomoto’s headquarters, which controls decision-making within the Group, will accelerate Group-wide environmental management.

Globally, the level of social demand for corporate activities that contribute to environmental preservation, social fairness, as well as economic aspects such as profit, is expected to rise. The Ajinomoto Group listens to stakeholder requests and intends to embody the highest ideals of a global enterprise; that is, carefully balancing economic, environmental and social responsibilities while promoting continuous improvement in each of these areas.

Communication with stakeholders is very important, and we will maintain a strong focus on this area. In Environmental Report 2003, we primarily highlighted environmental aspects, while also reporting on economic and social aspects. We will continue to explore the most effective means of reporting on all three factors. We welcome your advice and comments.
Review of FY2002 and Plans for the Future

Promoting Activities in Accordance with the First Year of the Three-year Plan

The heart of the Ajinomoto Group Three-year Environment Preservation Plan (2002–2004) launched in FY2002 is to upgrade the environmental activities of the Ajinomoto Group, from environmental compliance to environmental preservation, and then advance from environmental preservation to environment-conscious management, firmly establishing enhanced environmental activities throughout the entire Group. Based on this approach, we implemented a variety of practices and achieved favorable results in FY2002, the first year of the plan. Major results are described on the facing page.

For FY2003, we will promote consistent environmental preservation activities within the entire Group by focusing on the ISO 14001 mechanism established by Ajinomoto Co., Inc. In particular, our primary focus is on promoting Ajinomoto Group Zero Emissions—promoting the total elimination (substantial minimization) of environmental load in every aspect of business. In order to achieve this goal, we will specify the main environmental load items in all business areas, such as production, sales, and logistics, and set specific targets and milestones to promote the measures that minimize environmental load. For example, in our production division, we intend to minimize all environmental loads generated in business activities by not only eliminating the disposal of industrial waste but also reducing the use of water resources, working to eliminate wastewater-related environmental load, and voluntarily minimizing Biochemical Oxygen Demand (BOD) and nitrogen emissions, in addition to complying with legal restrictions.


1. Construction of a mechanism for realizing Environment-Conscious Management, and its steady operation
2. Strict management for environmental preservation and reduced environmental burdens
3. Strengthening corporate brand power from the perspective of the environment

Ten-year Review of the Ajinomoto Group’s Environmental Activities

Reduction of CO2 emissions

The chart on the right compares the production quantity and energy-originated CO2 emission intensity between FY1990 and FY2002. While overall production of the Ajinomoto Group increased by approximately 2.6 times, CO2 emission intensity was reduced both domestically and overseas, by 16% overall. Furthermore, in Japan, the absolute volume of CO2 was also reduced, by 13%.

These achievements are the result of our consistent efforts over 10 years, including the development of an efficient production process that generates low environmental load utilizing fermentation processes and biotechnology of the Ajinomoto Group, and improving production technology to further conserve energy. We will continue our efforts to further reduce CO2 emissions.
## Results for FY2002

<table>
<thead>
<tr>
<th>Promotion System</th>
<th>Established Group Environmental Management System, which covers domestic and overseas Ajinomoto Group companies, after introducing an internal company system.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISO Certification Acquisition Status</td>
<td>Acquired ISO 14001 certification at all domestic sites of Ajinomoto Co., Inc. Approximately 40% of domestic and overseas Group companies have been certified (as of September 2003).</td>
</tr>
</tbody>
</table>
| Formulation of Voluntary Environmental Standards       | Established Group Global Minimum, a voluntary environmental standards for all companies in the Ajinomoto Group.  
• Prohibiting landfill disposal on company-owned property  
• Regulating total pollutant load of Chemical Oxygen Demand (COD) and nitrogen in wastewater |

### Goals for Future Activities
- Acquire ISO 14001 at approximately 100 domestic and overseas sites by FY 2005. 
- Further strengthen the Group Environmental Management System.

| Energy Conservation Activities                          | Total energy input: 30,200 TJ. Reduction in both input and unit energy consumption compared to previous year.  
Comparison with the previous year:  
• Total energy input reduced by 2.0%  
• Unit energy consumption* reduced by 7.0%  
*Measured against production volume |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Global Warming Prevention Activities                    | CO₂ emission volume: 2,270 thousand tons. Reduction in both volume and intensity of CO₂ emissions  
Comparison with the previous year:  
• CO₂ emissions reduced by 5%  
• CO₂ emission intensity* reduced by 10%  
*Measured against production volume |
| Waste-reduction Activities                              | Resource recovery ratio: 95.0%  
Comparison with the previous year:  
• Resource recovery ratio improved by 1.8%  
*Measured against production volume |
| Zero Waste Emissions Plant*                              | Plants achieving resource recovery ratio greater than 99.0%  
• Achieved at 9 plants (1 domestic and 8 overseas) |
| Soil Contamination Countermeasures                      | Completed soil contamination investigation in the Kawasaki Region. Construction countermeasures for soil contamination completed or in progress.  
*Measured against production volume |
| Logistics                                               | Modal shift rate: 18.1%  
Comparison with the previous year:  
• Modal shift rate improved by 1.6%  
*Measured against production volume |

### Goals for Future Activities
- Accomplish Ajinomoto Zero Emissions by eliminating all environmental loads.

| Improving Containers and Packaging                      | Awards given for two products in the 2003 Japan Packaging Contest:  
• Crushable Eco Bottle for cooking oil — received Japan Star Award  
(Japan Marketing Association Chairman’s Award)  
• “Let’s QUIQ” Pasta standing pouch — received Good Packaging Award (Food Packaging Division Award) |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Social Activities/Local Contributions                   | Ajinomoto Tokai Bird Sanctuary received two awards:  
• Ministry of the Environment’s Award for Wildlife Protection  
• Mie Prefecture’s Environmental Protection Award  
*Measured against production volume |

### Goals for Future Activities
- Complete activities aimed at carefully balancing economic, environmental and social imperatives in order to fulfill our corporate social responsibility (CSR).
Overview of Ajinomoto’s Environmental Load

Reduction of high-volume water and energy usage
Steam and water are required during the production of seasonings and amino acids through fermentation processes. Steam is used to sterilize raw materials and equipment, concentrate the processing solution, and isolate or refine crystals, while water is required for cooling and washing. Consequently, our high-volume usage of both energy and water makes energy conservation and the efficient use of water resources critical issues.

**INPUT**

- **Energy**
  - 30,200 T (Natural energy ratio: 8%)
  - Steam: 1,600 thousand tons
  - Oil: 245 million tons
  - Coal: 2,940 tons
  - Gas: 185 million m³
  - Other: 310 Mcaal

- **Raw Materials**
  - 2,830 thousand tons
  - Main materials
    - Agricultural and fisheries: 1,710 thousand tons
    - Other: 130 thousand tons
  - Sub-materials
    - Acids/Alkalis: 770 thousand tons
    - Plastics: 26 thousand tons
    - Glass: 2 thousand tons
    - Cans: 9 thousand tons
    - Paper, cardboard boxes: 53 thousand tons

- **Water**
  - 205,000 thousand tons
  - Tap water: 11,000 thousand tons
  - Industrial water: 43,000 thousand tons
  - River water and well water: 2,830 thousand tons

**Ajinomoto Group**

- Aggregation Scope: Ajinomoto Group companies, both domestic and overseas
- Aggregation Period: From April 1, 2002 to March 31, 2003

**CO₂ emission coefficient (electricity)** (kg CO₂/kWh)

<table>
<thead>
<tr>
<th>Country</th>
<th>CO₂ emission coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>0.384</td>
</tr>
<tr>
<td>U.S.</td>
<td>0.560</td>
</tr>
<tr>
<td>Brazil</td>
<td>0.043</td>
</tr>
<tr>
<td>France</td>
<td>0.063</td>
</tr>
<tr>
<td>Thailand</td>
<td>0.572</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.591</td>
</tr>
<tr>
<td>China</td>
<td>0.962</td>
</tr>
</tbody>
</table>

Remarks: The CO₂ emission coefficient of electricity for Japan is quoted from Environmental Activity Evaluation Program by the Environment Agency (1999), while the comparable figures for overseas countries are quoted from the data of JEMAI-L-CA Software. The sources are based on the standards for 1996 Global Energy Statistics Data.

---

- *1 Conversion of heat value
- *2 Fossil fuels are converted using higher heating values.
- *3 Electricity is converted using 3,600 MJ/MWh, which is different from the general conversion ratio of 9,380 MJ/MWh (the Law Concerning the Rational Use of Energy, revised on December 27, 2002.)
- *4 Natural energy ratio
- *5 Ratio of natural energy power, such as water power generation, as well as energy originated from biomass and biogas, divided by the total energy used
- *6 Calculation of CO₂ volume (from fossil fuels)
- *8 Electricity CO₂ emission coefficient (in the table on the right) per country is used for electricity.
Effectively using by-products and reducing wastewater load and waste disposal

Effective utilization of liquor by-product (the liquid remaining after the main products are extracted from fermented broth) generated in large volume at fermentation plants is an important issue. The liquid by-product is currently being processed and sold as organic nitrogen fertilizer. As for wastewater load and waste disposal, we comply with wastewater regulations by appropriately treating and disposing of wastewater and transforming by-products into reusable resources at a high rate of recovery. Nevertheless, we are continually seeking to further reduce waste.

### OUTPUT

<table>
<thead>
<tr>
<th>Products</th>
<th>1,310 thousand tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective use</td>
<td>1,619 thousand tons</td>
</tr>
<tr>
<td>Resource recovery ratio</td>
<td>95.0%</td>
</tr>
<tr>
<td>Waste</td>
<td>105 thousand tons</td>
</tr>
</tbody>
</table>

#### By-products

**Waste**

- Effective use
  - Commercialized By-products: Fertilizers, soil-improving agents, livestock feed, etc.
  - Resource Recovery: Recycling, thermal recycling, Material recycling, reuse, etc.
- Resource recovery ratio: 95.0%

#### Discharge/Disposal

**To Air**

- CO₂...2,270 thousand t-CO₂
- NOx...610 tons (in Japan only)
- SOx...1,000 tons (in Japan only)

**Water**

- 201,000 thousand tons
  - Discharged to:
    - Public waters (discharged after treatment, etc.)...35,000 thousand tons
    - Public waters (indirect cooling water, etc.)...163,000 thousand tons
    - Public sewerage...3,000 thousand tons
  - Wastewater load (discharged after treatment, etc.): 900t
  - Nitrogen...1,700t
  - Phosphorus...50t

**Waste and Other**

- 90 thousand tons
  - Internal disposal...41 thousand tons
  - External disposal...49 thousand tons

### Incoming and outgoing materials based on the Food Recycling Law*5

<table>
<thead>
<tr>
<th>Production</th>
<th>Products</th>
<th>519 thousand tons</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unusable products</td>
<td>3,284 tons</td>
</tr>
<tr>
<td></td>
<td>Waste generated during the process</td>
<td>16,682 tons</td>
</tr>
<tr>
<td></td>
<td>Waste for food recycling</td>
<td>19,966 tons</td>
</tr>
<tr>
<td></td>
<td>Resource recovery</td>
<td>15,356 tons</td>
</tr>
<tr>
<td></td>
<td>External disposal</td>
<td>4,610 tons</td>
</tr>
</tbody>
</table>

Amino Acids-Related Business

Critical Tasks: Energy and resource conservation and waste control

As the leader with the top share in the amino acids industry, Ajinomoto Group’s amino acids business is expanding into a variety of fields, providing such products as AJI-NO-MOTO or monosodium glutamate, pharmaceutical intermediates, infusions, nutritional foods, and animal feed.

The specific environmental loads generated by the fermentation business include high-volume use of raw materials, energy, and water resources (river and industrial water) as well as the large-scale generation of by-products and wastewater. Therefore, resource and energy conservation, control of the generation of by-products, and developing technology for the effective utilization of by-products, are vital issues.

Improving the production process to promote resource conservation, minimized environmental load, and energy conservation

Fermentation production requires large volumes of water and energy. For example, the amount of water used by the Ajinomoto Group to produce 500,000 tons of AJI-NO-MOTO is equivalent to approximately 1/350 of annual city water usage in Japan, while the amount of energy used is roughly equivalent to 1/1,300 of annual energy consumption in Japan. A large volume of wastewater and CO2 is generated during the process. Therefore, the Ajinomoto Group is creating microorganisms with high fermentation capability, developing a highly efficient production process, and improving the thermal efficiency of boilers to conserve resources and energy while lowering environmental load. As a result, energy consumption for producing fermentation-related products containing amino acids in 2002 against production volume improved by approximately 31%, compared with FY1990.

Establishing Bio-cycle: from farm to AJI-NO-MOTO to farm

Amino acids are produced by fermenting cane molasses (sugar syrup), and corn or cassava starch, then isolating and purifying the fermented liquid. By-products such as liquid concentrated during the process contains a large quantity of nitrogen and minerals and is therefore converted into fertilizer or animal feed, and then reused for cultivating the sugar cane required as a raw material for AJI-NO-MOTO. The Ajinomoto Group established this Bio-cycle system in which by-products generated during the production process are returned to the field for growing raw materials, and has operated this cycle around the world for more than 20 years. As a result, 97% of by-products generated during amino acids fermentation processes are recovered as useful resources.

Thus, the Ajinomoto Group not only complies with national and regional regulations, but also promotes voluntary activities to reduce environmental load. Nevertheless, the absolute volume of environmental load generated from the fermentation business remains significant. Our overall aim continues to be the elimination of such impacts as far as possible.

The above chart assumes worldwide annual production of approximately 500,000 tons of AJI-NO-MOTO produced by the Ajinomoto Group using only sugar cane. The values for growing sugar cane and sugar production represent average global use, while the values for resources used for producing AJI-NO-MOTO and values for waste are based on Ajinomoto Group results for FY2002.
Food Business

Critical Tasks: Minimizing food, container and packaging waste

The Ajinomoto Group’s food businesses continue to provide a variety of products worldwide, such as soups, frozen foods, and seasonings, under a brand originating in Japan. The most significant environmental loads associated with the food business are food, containers and packaging waste generated during the production, distribution and consumption processes. This waste must be reduced or recovered as useful resources.

Reducing waste through improved efficiencies, from production to distribution

Waste generated during the food production process includes residue and sludge. Residual food and container packaging materials can be minimized through the design, development and management of efficient processes to limit waste and loss. Waste generated during the distribution process includes returned products, the amount of which can be lessened by generating more accurate planning estimates at the sales division level. The Ajinomoto Group strengthened collaboration between the sales and production divisions, with priority on planning and implementation of the most efficient production and sales plans. The sales division also systematically works to reduce sales promotion materials such as POPs. Moreover, we promote the recycling and recovery of unavoidable waste, converting it into useful resources. As a result, the recovery rate for waste food and plastics is approximately 77% and 70%, respectively, while the recovery rate for container waste, such as glass bottles and cans, is nearly 100%.

Promoting post-use recycling through increased consumer understanding and cooperation

The use of products by consumers generates such waste as packaging and leftover food. This imposed another critical task for the Ajinomoto Group. We have been implementing environmentally sound container and packaging assessments based on the Eco-Index for the Containers and Packaging, which has four categories: efficient use of resources, recycle adaptability, disposal suitability, and labeling. The Group also promotes the improvement of container packaging by confirming that identification marks and material labels comply with the law. Moreover, we pay consignment fees for recycling based on the Container and Packaging Recycling Law. However, in order to promote the collection and recycling of containers and packaging, it is essential to expand consumer cooperation and understanding of garbage separation, in addition to the Group performing its own activities. The Ajinomoto Group is actively engaged in disseminating information and strengthening consumer awareness.

The above chart presents a model for approximately 380 thousand tons of household commercial products (processed foods) produced and sold by the Ajinomoto Group in Japan. The values for container packaging materials are based on results in compliance with the Container and Packaging Recycling Law.
Corporate Outline

Ajinomoto Co., Inc.
Head Office: 15-1, Kyobashi, 1-chome, Chuo-ku, Tokyo 104-8315, Japan
Tel: +81-3-5250-8111
Fax: +81-3-5250-8314
URL: http://www.ajinomoto.com

Established: May 20, 1909
Number of Employees: 24,406 (consolidated basis)
3,549 (non-consolidated basis)
(As of March 31, 2003)
Date of Settlement: March 31

Summary of Financial Results

Consolidated

<table>
<thead>
<tr>
<th>Net Sales</th>
<th>Operating Income, Ordinary Income</th>
<th>Net Income(Loss), Return on Equity</th>
<th>Net Income(Loss) per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Billions of yen)</td>
<td>(Billions of yen)</td>
<td>(Billions of yen)</td>
<td>(FY)</td>
</tr>
<tr>
<td>1,000</td>
<td>800</td>
<td>600</td>
<td>400</td>
</tr>
<tr>
<td>70</td>
<td>60</td>
<td>50</td>
<td>40</td>
</tr>
<tr>
<td>50</td>
<td>40</td>
<td>30</td>
<td>20</td>
</tr>
</tbody>
</table>

Notes:
- Net income, return on equity (ROE), and net income per share show negative figures due to a special loss generated mainly by lump-sum amortization during FY2000 relating to a difference in accounting standards concerning allowance for retirement benefits.
- Figures in FY2003 are all predicted values.

Composition of Net Sales by Business

- Pharmaceuticals: 62.7 (6.3%)
- Amino Acids: 135.9 (13.8%)
- Overseas Food Products: 139.2 (14.1%)
- Domestic Food Products: 583.2 (59.0%)
- Other: 66.6 (6.7%)

Composition of Net Sales by Region

- The Americas: 52.2 (5.3%)
- Europe: 88.6 (9.0%)
- Asia: 88.7 (9.0%)
- Japan: 758.3 (76.8%)

Main Products by Business Segments

- Domestic Food Products: AJI-NO-MOTO, Hon-Dashi, Cook Do, soup, mayonnaise, Pal Sweet, Amino-Vital, Aji-Eki, frozen-food, coffee, beverages, dairy products, distribution of food products, etc.
- Overseas Food Products: AJI-NO-MOTO, nucleic acid-based products, instant noodles, beverages, services, etc.
- Amino Acids: Amino acids, Aspartame, specialty chemicals, etc.
- Pharmaceuticals: Pharmaceutical products, medical foods
- Other: Distribution, various services, etc.
Global Network

Promoting global business activities sensitively tailored to 22 countries and regions around the world

Focusing business operations on local lifestyles and cultures is at the heart of the Ajinomoto Group’s worldwide operations, with sites in 22 countries and regions. We address the effective use of natural resources in the context of the specific natural environment and characteristics in addition to employing local staff and developing products specially suited to the people in each particular region. By establishing a resource recycling-oriented production process, the Ajinomoto Group aims for coexistence with the global environment.

Subsidiaries, affiliates and offices of Ajinomoto Co., Inc.

- Seasonings Plant
- Amino Acids and Specialty Chemicals Plant
- Processed Foods Plant
- Pharmaceutical Plant
- Other Plants

(Manufacturing plants include packaging plants)

Environmental Policy, by country
An invaluable environmental asset passes on community heritage—Ajinomoto Tokai Bird Sanctuary

Ajinomoto Tokai Bird Sanctuary is located on the Ajinomoto Co., Inc., Tokai Plant Site in Yokkaichi, Mie Prefecture, one of Japan’s major industrial regions. The sanctuary occupies 10,000m² of green zone, which includes a naturally occurring lake offering limited access, even for employees, and is preserved in its natural state as an area designated for protecting wild birds.

The Tokai Plant site includes a naturally occurring lake; rarely seen in urban areas of Japan. In the past, employees used the lake as a recreation site for boating, fishing, and hiking. However, the lake fell into disuse years ago following the construction of indoor exercise facilities.

The fact that people no longer frequented the lake resulted in an undisturbed natural habit, allowing for the return of wildlife and providing a refuge for birds, especially those on their migratory routes, as well as for rare insects such as chotombo (a type of dragonfly that flies like a butterfly). Ajinomoto Tokai Site secured this naturally occurring lake by constructing a hedge-lined promenade upon which people could stroll without disturbing the wildlife, thereby establishing a genuine bird sanctuary for protecting wild birds and to which Ajinomoto employees have limited access.

Ajinomoto Tokai Bird Sanctuary is located on the Ajinomoto Co., Inc., Tokai Plant Site in Yokkaichi, Mie Prefecture, one of Japan’s major industrial regions. The sanctuary occupies 10,000m² of green zone, which includes a naturally occurring lake offering limited access, even for employees, and is preserved in its natural state as an area designated for protecting wild birds.

Providing breathing space for wildlife

The bird sanctuary not only preserves a precious natural environment as a resting place for wild birds, but also presents a place for communication with local residents. For example, a local history seminar was held for elementary school students. The effort produced dramatic results by transforming previously idle property into an invaluable environmental asset and demonstrating the value of preserving the Tokai Bird Sanctuary as a local legacy.

Looking ahead, we will further exercise our stewardship over this local environmental asset, valuing it as a social treasure that will serve to improve the coexistence of society and nature by moving beyond one company’s effort to preserve the environment.

URL: http://www.ajinomoto.co.jp/company/index.html (content in Japanese only)

2003 Award for Wildlife Protection

The Award for Wildlife Protection is presented by the Ministry of the Environment and Japanese Society for Preservation Birds to individuals and organizations that provide distinguished services by performing environmental preservation activities, investigation and research, or conservation activities, for the protection of wildlife. Ajinomoto Co., Inc., Tokai Plant was the only private enterprise to receive this award.

2003 Mie Prefecture’s Environmental Protection Award

The Mie Prefecture’s Environmental Protection Award recognizes individuals and organizations that are actively contributing to the health and wellbeing of the environment, and preserving the environment for the next generation. Eight individuals and organizations received this award this year, and Ajinomoto Co., Inc., Tokai Plant was the only corporate enterprise to be honored.
The Ajinomoto Group, in concert with each Group company around the world, promotes environmental activities. In FY2002, in order to further accelerate these efforts, 20 operation sites, including the Headquarters and branch offices of Ajinomoto Co., Inc., which play key roles in the Group's environmental activities, acquired integrated ISO 14001 certification. Furthermore, the Group has established Group Global Minimum, a set of voluntary environmental standards for the Group, along with other initiatives, including a stronger environmental audit system, employee training, and strengthened development of environmental preservation technologies. This section describes our environmental management operations.
Environmental Management

The Ajinomoto Group designed its environmental management system in compliance with ISO 14001 in order to fulfill environmental regulations based on the Ajinomoto Group Basic Environmental Policy. In FY 2002, the Group worked to obtain ISO 14001 certification at the Headquarters and branch offices as part of introducing an internal company system, while at the same time revamping the organizational structure and operating rules, and instituting the Group’s own voluntary standards. Through implementation of these processes, we have been successfully carrying out unified, group-wide environmental activities.

Organizational Structure

Updating the organizational structure to facilitate an environmental management system in line with the introduction of an internal company system

Reflecting the introduction of an internal company system starting in April 2002, the organizational structure was updated to promote environmental management. In the new structure, a chief environmental administrator is appointed as the person responsible at each internal company of the Group to act as a member of the Environmental Committee, the Group’s highest level decision-making body for environmental activities, to ground the decisions of the Committee and to exercise control over the implementation of environmental activities at each company of the Group.

The Committee meets twice a year (in May and November) to formulate environmental strategies and define goals for the fiscal year. It also examines and approves Environmental Preservation Promotional Plans and other related policies from each internal company.

Ajinomoto Co., Inc. acquired integrated certification of ISO 14001 at 20 operation sites, including its Headquarters and branch offices.

In order to promote group-wide environmental activities with consistent quality and effectiveness, Ajinomoto Co., Inc. began working in May 2002 to acquire integrated certification of ISO 14001 at 20 operation sites including its Headquarters and branch offices nationwide, representing the decision-making centers of the Group, and acquired certification in April 2003. As a result, all domestic organizations of Ajinomoto Co., Inc., including domestic manufacturing plants and R&D divisions that had already obtained certification, have acquired ISO 14001 certification. See [P17].

The acquisition of ISO 14001 integrated certification reflects the Group’s intention to implement enterprise-wide environmental activities with a common sense of focus within the Ajinomoto Group as it operates in diverse business fields worldwide.

We will take further steps to strengthen our Group environmental management system.

Revising operating rules including extensive reworking of Environmental Regulations

In addition to the overall restructuring to promote environmental management in line with the introduction of the internal company system and the acquisition of ISO 14001 integrated certification at Headquarters and branch offices, we extensively revised our Environmental Regulations and the Bylaws of the Environmental Regulations for dealing with environmental issues. In the revised Environmental Regulations, the scope of environmental activities that previously covered only manufacturing and research now extends into all business activities. Environmental assessment is applied to a wider range of business activities, including the launching of new businesses as well as the acquisition, sales and purchase of real estate. Furthermore, the Bylaws require an Environmental Assessment Summary to be attached to every proposed decision. See [P21].

In order to promote Group environmental management based on ISO 14001, EMS Promotion Secretariat Meetings have been held every month since May 2003.

Establishment of Group Global Minimum as voluntary environmental standards

Several countries and regions in which the Ajinomoto Group operates do not have sufficient laws and regulations related to protecting the environment. The Ajinomoto Group established Group Global Minimum as voluntary environmental standards with which every Group company, even those located in such countries and regions, must comply. These standards impose obligations on all Group companies in Japan and abroad to prohibit the disposal of industrial waste in landfills located on their own property and to control the concentrations of COD and nitrogen in wastewater.

November 2002

Extensive revision of Environmental Regulations

The scope of environmental activities extends into all business activities.

March 2003

Establishment of Group Global Minimum

April 2003

Acquisition of integrated certification of ISO 14001 at Headquarters and branch offices

Establishment of Bylaws of the Environmental Regulations

May 2003

Foundation of EMS Promotion Secretariat Meetings
Activities for ISO 14001 Certification

All domestic organizations of Ajinomoto Co., Inc. have acquired the ISO 14001 certification

Six operation sites of the Ajinomoto Group acquired ISO 14001 certification in FY2002 in addition to the 10 operation sites, including 3 plants of Ajinomoto Co., Inc., that were accredited by FY2001. In April 2003, 20 operation sites of Ajinomoto Co., Inc., including Headquarters and branch offices across Japan, obtained the integrated ISO certification. As of September 2003, a total of 39 operation sites have qualified for ISO 14001 certification: 24 operation sites (plants, Headquarters and branch offices) of Ajinomoto Co., Inc. and 15 manufacturing subsidiaries both in Japan (7 subsidiaries) and abroad (8 subsidiaries). In our plan, as revised in 2003, we accelerated the schedule to acquire certification for approximately 100 domestic and overseas operation sites by 2005.

ISO 14001 Certification Acquisition Plan

<table>
<thead>
<tr>
<th>Number of sites</th>
<th>100</th>
<th>90</th>
<th>80</th>
<th>70</th>
<th>60</th>
<th>50</th>
<th>40</th>
<th>30</th>
<th>20</th>
<th>10</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquired FY2005</td>
<td>8</td>
<td>24</td>
<td>36</td>
<td>38</td>
<td>48**</td>
<td>98**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sites certified as of September 2003</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>**Ajinomoto Co., Inc. and all consolidated subsidiaries engaged in manufacturing, packaging, logistics, and engineering</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| ***Ajinomoto Co., Inc. acquired integrated certification of ISO 14001 at 20 operation sites in April 2003 and thereafter spun off one of the operation sites.

Operation Sites and Group Companies that have Acquired ISO Certification

<table>
<thead>
<tr>
<th>Operation Sites and Group Companies</th>
<th>Acquisition Date</th>
<th>Certifying Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY1998 Ajinomoto Co., Inc., Kyushu Plant</td>
<td>1998.7.24</td>
<td>JQA</td>
</tr>
<tr>
<td>FY1999 Ajinomoto Co., Inc., Tokai Plant</td>
<td>1999.11.22</td>
<td>SGS</td>
</tr>
<tr>
<td>FY1999 Ajinomoto Frozen Foods Co., Inc., Chubu Plant</td>
<td>2000.2.9</td>
<td>JQA</td>
</tr>
<tr>
<td>FY2000 Malaysia Packaging Industry Berhad</td>
<td>2000.9.22</td>
<td>SIRIM QAS</td>
</tr>
<tr>
<td>FY2000 Ajinomoto Vietnam Co., Ltd.</td>
<td>2001.3.26</td>
<td>BVQI</td>
</tr>
<tr>
<td>FY2000 Ajinomoto Co., Inc., Kawasaki Plant</td>
<td>2001.3.26</td>
<td>JQA</td>
</tr>
<tr>
<td>FY2001 Lianyungang Ajinomoto Frozen Foods Co., Ltd.</td>
<td>2002.2.13</td>
<td>SGS Switzerland</td>
</tr>
<tr>
<td>FY2001 Lianyungang Ajinomoto Frozen Foods Co., Ltd.</td>
<td>2002.2.13</td>
<td>SGS Switzerland</td>
</tr>
<tr>
<td>FY2002 Tokai Koor Foods Co., Ltd.</td>
<td>2002.8.2</td>
<td>JQA</td>
</tr>
<tr>
<td>FY2002 Chubu Koor Foods Co., Ltd.</td>
<td>2002.11.2</td>
<td>JQA</td>
</tr>
<tr>
<td>FY2002 Ajinomoto Engineering Co., Ltd.</td>
<td>2003.3.14</td>
<td>JQA</td>
</tr>
<tr>
<td>FY2002 Ajinomoto Co., Inc., research laboratories and centers</td>
<td>2003.3.27</td>
<td>LRQA</td>
</tr>
<tr>
<td>FY2003 Ajinomoto Fine-Tecnic Co., Inc., headquarters</td>
<td>2003.4.16</td>
<td>SGS</td>
</tr>
<tr>
<td>FY2003 Ajinomoto Co., Inc., Headquarters and branch offices (20 sites)</td>
<td>2003.4.18</td>
<td>LRQA</td>
</tr>
<tr>
<td>FY2003 Knorr Foods Co., Ltd.,</td>
<td>2003.7.14</td>
<td>TECO</td>
</tr>
</tbody>
</table>

Strict environmental management and inspections are implemented in accordance with the Ajinomoto Group Environmental Policy

The Ajinomoto Group extends the scope of its environmental management to its contract manufacturers and requests those manufacturers to base their operations on the Ajinomoto Group Environmental Policy and voluntary environmental standards to ensure complete alignment of environmental activities with those of the Group. These activities are incorporated into risk management to maintain the integrity of Ajinomoto’s brand among customers by preventing the occurrence of environmental problems at contract manufacturers. These activities also reflect our intention to continually enhance every aspect of the Group’s environmental activities. We have carefully detailed the Ajinomoto Group’s environmental stance and policies to contract manufacturers, including environmental assessment methods, and have requested their overall cooperation. Group staff is dispatched to conduct periodic inspections for particularly challenging issues.

Example of Environmental Inspections

Ajinomoto Frozen Foods Co., Inc. dispatched staff to conduct environmental inspections with about 30 contract manufacturers across the nation, from Hokkaido to Kyushu. Inspections focused on items closely associated with food manufacturing, including:

1. Regulatory compliance and appropriate waste disposal (management of contracts and manifests)
2. Wastewater management

We encourage the Ajinomoto Group to continue maintaining and enhancing its highly regarded environmental management systems

The key features of Ajinomoto’s environmental management systems can be briefly described as follows: (1) The Group’s Headquarters: core management formulates the environmental management policies of the entire Group and drives the overall environmental management system. (2) The entire Group, including the Central Research Laboratories and sales divisions, attends to risk management and reduces inefficiencies, waste, and non-standard practices through the identification of problems found in each primary business. (3) The entire Group focuses on streamlining operations toward reducing costs. Efforts to tackle environmental issues closely associated with primary businesses have steadily yielded satisfactory results, such as reductions in both the volume of waste and costs, thereby enhancing Ajinomoto’s credibility among customers.

A variety of actions are in progress to acquire ISO 14001 certification

The EMS Promotion Secretariat oversaw a variety of actions to acquire ISO 14001 certification at the Headquarters and branch offices. These included formulating employee activities with specific goals and releasing guideline documents to inform employees of the progress toward achieving ISO certification. The secretariat also shared model case studies of activities across the entire Group, prepares study materials for office meetings in remote branches where it is difficult to have frequent communication, and distributes videotapes portraying actual instances of product waste, including scenes of returned products in warehouses and products being incinerated at disposal sites.

We have already begun to observe results. For example, the returned product rule has been consistently reviewed, and the management of sales promotion materials and samples has been centralized. We intend to step up our efforts to assist operation sites in improving their environmental activities.

Voice

We encourage the Ajinomoto Group to continue maintaining and enhancing its highly regarded environmental management systems

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Lloyd’s Register
Quality Assurance Limited
Noriyuki Hoshino (right)

Kazuhiro Uozumi (center)
Environmental Audit

The Ajinomoto Group monitors the progress in implementing the Basic Environmental Policy and targets as well as compliance with laws and regulations, with an Internal Environmental Audit as the central pillar of its environmental management system supported by Group Environmental Audits and third-party Environmental Audits. Starting in FY2003, the Audit Department in charge of operations and accounting audits has conducted environmental audits at operation sites not included in the scope of Group Environmental Audits.

Group Environmental Audit

Auditing 43 domestic and overseas sites in 79 person-days
Group Environmental Audits are conducted to test the progress of implementing the Basic Environmental Policy and targets, and compliance with laws and regulations as well as the environmental performance at Ajinomoto Co., Inc. and its operation sites and domestic and overseas subsidiaries mainly related to production or logistics. Audits are performed by qualified professionals of the Environment Department and other departments under the supervision of a director in charge of environmental management, and outcomes are reported to the chairman of the Environmental Committee (Vice President), heads of internal companies and spin-offs, and the chief environmental administrator. During FY2002, audits were conducted at 43 sites, including domestic and overseas Group companies and operation sites, at a 79 person-day commitment of resources. In the course of the audits, issues requiring improvement were identified at several sites and countermeasures were implemented. The FY2003 audit addresses the following four major themes to uniformly strengthen environmental management within the Group, thereby improving the Group Environmental Audits.

1. Environmental activities standard (self-assessment sheet)
2. Thorough understanding of Group targets
3. Study of surrounding environment; risk management and risk avoidance
4. Expanded scope of audits and increased number of auditors

Environmental Assessment

The procedures and methods for assessing the environmental impact of production and R&D activities have undergone restructuring since FY2001. Reflecting the extensive revision of Environmental Regulations in FY2002, the scope of required environmental assessment was extended to all business activities. Furthermore, every new project requiring authorization must include an Environmental Assessment Summary prepared by the Ajinomoto Co., Inc. department advancing the proposal and be approved by the Environment Department before final authorization. In this way, the environmental assessment system is strengthened and firmly established to prevent the occurrence of environmental problems and ensure the effectiveness of environmental activities.

Major Issues

- Plants, research laboratories, etc.
- Contracts for outsourcing operations for industrial waste and the management of manifests need to be improved.
- Sales and logistics
- Contracts for outsourcing operations for industrial waste and the management of manifests need to be improved.
- Environmental management system needs to be upgraded at branch offices.
- Contracts for outsourcing operations for industrial waste and the management of manifests need to be improved.
- Risk management and identification of applicable laws need to be improved.
- Communication of Group targets and activities must be improved.
- Identification and secure operation within boundaries of applicable laws need to be pursued in China.

Audited Operation Sites

<table>
<thead>
<tr>
<th>Month</th>
<th>Domestic</th>
<th>Overseas</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2002</td>
<td>0</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>August 2002</td>
<td>4</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>September 2002</td>
<td>6</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>October 2002</td>
<td>3</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>November 2002</td>
<td>9</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>December 2002</td>
<td>2</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>January 2003</td>
<td>4</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>February 2003</td>
<td>4</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>11</td>
<td>79</td>
</tr>
</tbody>
</table>
**Operational Conditions and Achievements**

**Improved level of assessment and greater number of assessment projects as a result of training and the introduction of a new system**

The number of projects assessed during the term rose dramatically from 29 in FY2001 to 68 in FY2002 as a result of establishing a new assessment system and providing thorough education. These results followed the increased number of projects related to the disposal of products and raw materials, sales and purchase of real estate, and the sales of new products (containers and packaging), in addition to conventional assessment projects such as plant equipment investment. Environmental assessment training and self-assessment by the departments advancing the proposal brought about positive operational impacts such as prevention of environmental problems associated with waste disposal methods.

*The number represents projects requiring corporate authorization. Many other environmental assessments were carried out at the operation site level.*

**Environmental Training**

The Ajinomoto Group incorporates information on global environmental issues and corporate social responsibilities into the standard orientation sessions for new recruits and staff assigned overseas. Employees at each plant are provided with special training related to environmental risks and worker safety, and periodic emergency training.

In addition, the Group recently stepped up its efforts to increase by 2004 the number of internal auditors to 500 by training internal auditors to be responsible for auditing operation sites for the purpose of upgrading environmental activities of the entire Group.

**Examples of Environmental Education**

<table>
<thead>
<tr>
<th>Target</th>
<th>Execution Period</th>
<th>Time</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>New recruits</td>
<td>April</td>
<td>1 hour</td>
<td>Introductory education about comprehensive global environmental problems, corporate social responsibilities, and environmental management of Ajinomoto Co., Inc.</td>
</tr>
<tr>
<td>New cadres</td>
<td>August or September</td>
<td>2 hours</td>
<td>Education in environmental management</td>
</tr>
<tr>
<td>Staff assigned to overseas work (prior to being dispatched)</td>
<td>June</td>
<td>3 hours</td>
<td>Training including workshops about Group environmental management and risk management</td>
</tr>
<tr>
<td>Cadres of overseas corporations and local staff</td>
<td>Twice a year</td>
<td>1 hour lecture + half-day on-site training</td>
<td>Ajinomoto Group management philosophy and environmental policy, Group environmental management, on-site training for environmental preservation of facilities and technologies</td>
</tr>
</tbody>
</table>

**Internal Auditor Training**

| Number of employees who completed the formal EMS Auditor Training Course | As of July 2003 | 20 |
| Number of trainees who completed the Internal Auditor Training Course | 343 |
| Number of trainees who completed the Internal Auditor Training Course | 500 |

**Internal Auditor Training**

**Strengthening internal auditor training through enhanced learning opportunities**

To maintain and strengthen its environmental management system, the Ajinomoto Group continually expands the competencies of its internal auditors through enhanced learning opportunities, including various study meetings with both internal and external lecturers. For example, a two-day Internal Environmental Auditor Training Course is periodically conducted for employees in domestic Group companies by the Environment Department, and includes practical reviews that highlight the actual state of the Group’s activities against its targets, thereby improving course quality. This training course was held five times in FY2002 and attended by a total of 143 employees.

**Development of Environmental Assessment Operations**

<table>
<thead>
<tr>
<th>Date</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1998</td>
<td>Establishment of Procedures for Assessing the Environmental Impact of Production and Research</td>
</tr>
<tr>
<td>April 2001</td>
<td>Partial revision of Procedures for Assessing the Environmental Impact of Production and Research</td>
</tr>
<tr>
<td>July 2002</td>
<td>Extensive revision of Environmental Regulations, and establishment of Bylaws of the Environmental Regulations</td>
</tr>
</tbody>
</table>

**Establishment of Procedures for Business-related Environmental Assessments**

The scope of environmental activities extends to all business activities. The operational scope and responsibility of the environment assessment is expanded. An Environmental Assessment Summary must be attached to project authorization requests.

**Voice**

**Senior management should clearly demonstrate its commitment to environmental management**

During training courses for internal environmental auditors designed for Ajinomoto Group companies, we conduct unique programs representing a wide range of issues relating not only to specific global environmental issues and the ISO 14001 standard, but also to other diverse management approaches such as Corporate Social Responsibility (CSR). I was often surprised by the strong environmental awareness of training participants as reflected in their discussions of serious issues during training exercises. They talked about a variety of subjects, including the relationship between the organization and the environment or the stance of management. To my chagrin, I often heard participants at the conclusion of training comment that department staff and management should also receive this training. I think these comments reflect the fact that, despite the significant effort already made to improve environmental management, the depth of the company’s commitment is not well communicated to employees. I also hope that strong senior management will recognize the importance of this commitment by employees throughout the Group and do everything they can to encourage and support it.

**Director, Consulting Manager, Knowledge Management Research & Institute**

Mikio Sasai
Environmental Management

Research and Technology Development

The Ajinomoto Group seeks to expand and create new businesses through research and development efforts drawing upon the close cooperation of internal company laboratories with various areas of specialization, Corporate research centers that exploit high-tech industries, and the sharing of basic technologies across the Group by technology and engineering centers. With the recent globalization of our business, we have positioned research, technology and engineering centers throughout the world and have actively pursued technological development in the context of specific regional or national perspectives.

Amid all these activities, environmental preservation has been clearly identified as a major R&D focus. We have actively pursued the development of efficient, environment-conscious production processes based in the Group’s fermentation processes and biotechnology. With the objective of reducing waste and conserving energy, we have sought to continually improve production technologies. We also promote the development of recycling technology for industrial waste and by-products generated by production operations.

Through these various research and technological development activities, the Group seeks to achieve Ajinomoto Group Zero Emissions—promoting the total elimination (substantial minimizations) of environmental load in every aspect of business.

Achievements in FY2002

Institute of Life Sciences

“Basic Technologies for Controlling the Process of Material Production of Plants”—producing industrial raw materials from vegetation (Joint project with NEDO)

The New Energy and Industrial Technology Development Organization (NEDO) was established in 1980 as a key government-affiliated technology development organization. NEDO, in conjunction with corporations, private research institutions and universities, now addresses a wide range of research issues, including the development and promotion of new energy sources and energy conservation, as well as the development of technologies for new industries and the global environment-related industry. The Institute of Life Sciences has participated in a NEDO project since 2002 to jointly develop “Basic Technologies for Controlling the Process of Material Production of Plants.”

The purpose of this technology is to establish the basic biotechnology for production processes in order to move industrial raw material production systems from their high dependence on fossil fuels to an eco-friendly circulating industrial system that facilitates the conservation of resources and energy conservation while reducing environmental load.

The role of Ajinomoto Co., Inc. in this joint venture is to develop new technology for generating specific amino acids from plants utilizing our proven expertise in amino acid fermentation technology and to implement basic technologies for efficiently producing useful nitrogenous compounds from plants.

“Technology for Metabolic Control of Vegetation”—cultivation using small quantities of nitrogen fertilizer (Project subsidized by the Ministry of Agriculture, Forestry, and Fisheries)

A large amount of nitrogen fertilizers including organic fertilizer are applied to improve crop yield and quality. It is reported, however, that repeated use of excessive nitrogen fertilizers adversely impacts soil and water, leading to the call to develop alternative fertilizers and reduce the amounts of nitrogen fertilizers. In response, the Institute of Life Sciences is conducting research, with funding from the Ministry of Agriculture, Forestry, and Fisheries, to develop innovative biotechnology for controlling a series of metabolic processes. The technology has attracted high expectations from those concerned because once it is established and brought into practical use, agricultural production can proceed with minimal use of nitrogen, with dramatically reduced burden on the environment in the 21st century.
Development of succinic acid derived from vegetation as the raw material for biodegradable plastic in partnership with Mitsubishi Chemical Corporation

We are jointly developing with Mitsubishi Chemical Corporation a process for producing succinic acid derived from vegetation that can be used as raw material for biodegradable plastic in Mitsubishi’s plants. In April 2003, Mitsubishi Chemical began producing polybutylene succinate (PBS), a petroleum-based biodegradable plastic, in their plant, which boasts a production capacity of 6,000 tons. The company, however, decided to switch by 2006 raw materials for PBS to succinic acid derived from vegetation in response to the environmental concern shifting from biodegradability to vegetative origin. Mitsubishi Chemical plans to manufacture PBS using succinic acid by technologies co-developed by Mitsubishi Chemical and Ajinomoto Co., Inc., applying Ajinomoto’s amino acids production technology. Mitsubishi Chemical intends to reduce product price and expand the scale of its PBS business to 30,000 tons per year, toward a domestic production of 300,000 tons within ten years.

Completely recycling all solid by-products through appropriate local applications (Thai Plant)

Our Thai Plant is selling gypsum and activated carbon as raw materials to local fertilizer manufacturers, since this gypsum contains ample potassium and activated carbon as well as organic nitrogen. The plant also successfully produced soil conditioners using these by-products by adjusting the amount of nitrogen and pH levels, thereby achieving the complete recycling of all solid by-products. Similarly, liquid by-products are utilized as liquid fertilizer or raw materials for fertilizer. At the same time, new technology is being developed to add value to liquid by-products while examining their potential for use in fish culturing or as supplementary materials for animal feed in light of the soil conditions contained in liquid by-products as well as phosphate by-products, which are believed to have an effect on vegetation and soil.

Development of silage additives through the use of amino acid liquor by-products

Silage that is produced by the lactic fermentation of green forage stored in airtight silos is widely used in North America, European countries and Japan as feed during low-yield forage-crop seasons. In 2001, the International Production & Technology Center in a joint venture with Professor Goto at Mie University, began developing silage additives using amino acid liquor by-products. Upon completion of the project a patent application was filed in Japan.

The silage additive has attracted the attention of the dairy farm because it facilitates lactic fermentation, suppresses secondary fermentation after the silo has been opened, and improves digestion. We are planning to file patent applications overseas including France, England, and the U.S.

I expect a company to contribute both socially and through sustainable economic growth.

I believe that a corporation contributes to society through its business efforts and that sustainable economic activities in themselves are important social contributions. By sustainable economic activities I am referring to corporate action that maintains the foundation for production and consumption for generations to come. The foundation for production and consumption is a holistic enterprise comprising the people who are directly involved in producing and consuming, their daily activities and the entire environment that surrounds people and their actions. In light of this understanding, every corporation must address environmental concerns.

I have been engaged in a number of projects including the improvement of crop yield using liquor by-products of Ajinomoto Co., Inc., upgrading farming methods in ash-covered areas near the Pinatubo volcano (Bio-cycle Project), and providing training. I am impressed by the genuine commitment of Ajinomoto staff to bringing prosperity to the regions in which they are working and developing solid partnerships with local people in sustainable corporate activities. These efforts, however, would not have had the desired effects if the activities had not been thoroughly integrated into corporate management strategies. I am convinced that more of these kinds of strategic actions are essential for greater impact.
Environmental Accounting

Aggregation scope: All operation sites of Ajinomoto Co., Inc.
Aggregation period: April 1, 2002 to March 31, 2003

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Item</th>
<th>Major Purpose</th>
<th>Total Cost</th>
<th>Investment</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business area costs</td>
<td>Environmental conservation cost to curb environmental impact caused by production and service activities</td>
<td>Maintenance for environmental facilities, environmental survey cost (soil, fley)</td>
<td>300,890</td>
<td>4,220,948</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1) Pollution prevention cost</td>
<td>Activated sludge treatment equipment</td>
<td>257,414</td>
<td>2,007,828</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2) Global environmental conservation cost</td>
<td></td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3) Resource circulation cost</td>
<td>Incinerator, boiler, and other</td>
<td>43,475</td>
<td>2,213,120</td>
<td></td>
</tr>
<tr>
<td>Upstream /downstream costs</td>
<td>Cost to curb environmental impacts caused by production and service activities both upstream and downstream</td>
<td>Cost for compliance with the Container and Packaging Recycling Law, waste products logistics cost, eco-friendly goods purchasing, cost incurred in department responsible for environmental preservation.</td>
<td>0</td>
<td>271,222</td>
<td></td>
</tr>
<tr>
<td>Management activity costs</td>
<td>Environmental conservation cost in management activities</td>
<td>Cost for construction of EMS for the Headquarters and research laboratories, and ISO accreditation activities</td>
<td>614,968</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R&amp;D costs</td>
<td>Environmental conservation cost in R&amp;D activities</td>
<td>By-products treatment, packaging material development, manufacturing process development</td>
<td>527,174</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social activity costs</td>
<td>Environmental conservation cost in social activities</td>
<td>Cost for environmental events and nature conservation</td>
<td>4,650</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental damage costs</td>
<td>Cost caused by environmental damage</td>
<td>Cost for soil pollution countermeasures</td>
<td>707,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Major Purpose</th>
<th>Total Cost</th>
<th>Investment</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of waste products</td>
<td>Total cost of products that were disposed of due to return or damage</td>
<td>2,060,061</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Investment and R&D cost

<table>
<thead>
<tr>
<th>Item</th>
<th>Details</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount of investment during the term</td>
<td>Investment in FY2002</td>
<td>16,062,470</td>
</tr>
<tr>
<td>Total amount of R&amp;D cost during the term</td>
<td>R&amp;D cost in FY2002</td>
<td>22,779,000</td>
</tr>
</tbody>
</table>

Economic Benefit Accompanying Environmental Preservation Measures

<table>
<thead>
<tr>
<th>Impact of Various Efforts</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from recycling</td>
<td>130,367</td>
</tr>
<tr>
<td>Cost reduction from energy conservation</td>
<td>52,358</td>
</tr>
<tr>
<td>Cost reduction from recycling waste</td>
<td>0</td>
</tr>
</tbody>
</table>

Major Effects

<table>
<thead>
<tr>
<th>Category</th>
<th>Item</th>
<th>Unit</th>
<th>FY2001</th>
<th>FY2002</th>
<th>Year-on-Year Increase/Decrease</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy conservation activities</td>
<td>Total consumed calories</td>
<td>TJ</td>
<td>5462</td>
<td>5224</td>
<td>238 TJ lower</td>
<td>Production amount increased 0.2% compared to FY2001</td>
</tr>
<tr>
<td></td>
<td>Unit energy consumption</td>
<td>GJ/ Production amount (tons)</td>
<td>25.72</td>
<td>24.55</td>
<td>4.57% lower</td>
<td></td>
</tr>
<tr>
<td>Prevention of air pollution</td>
<td>NOx emissions</td>
<td>t</td>
<td>362</td>
<td>281</td>
<td>100 t lower</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SOx emissions</td>
<td>t</td>
<td>1126</td>
<td>906</td>
<td>220 t lower</td>
<td></td>
</tr>
<tr>
<td>Prevention of global warming</td>
<td>CO2 emissions</td>
<td>1,000t</td>
<td>334</td>
<td>317</td>
<td>17,000 t lower</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CO2 emission intensity</td>
<td>t/Production amount (tons)</td>
<td>1.57</td>
<td>1.49</td>
<td>5.37% lower</td>
<td></td>
</tr>
<tr>
<td>Reduction in industrial waste</td>
<td>Waste generation</td>
<td>1,000t</td>
<td>120</td>
<td>100</td>
<td>20,000 t lower</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Resource recovery rate</td>
<td>%</td>
<td>88.84</td>
<td>89.42</td>
<td>0.66% higher</td>
<td></td>
</tr>
<tr>
<td>Reduction in waste products</td>
<td>Amount of waste products</td>
<td>100 million yen</td>
<td>27.00</td>
<td>20.60</td>
<td>640 million yen lower</td>
<td>Based on shipment value</td>
</tr>
<tr>
<td></td>
<td>Weight of waste products</td>
<td>t</td>
<td>4,851</td>
<td>4,581</td>
<td>270 t lower</td>
<td></td>
</tr>
</tbody>
</table>

Other Relevant Issues

| ISO 14001 Certification | Following ISO 14001 accreditation at research laboratories in FY2002, 20 operation sites, including the Headquarters and branch offices, acquired certification in April 2003, completing certification by all domestic sites of Ajinomoto Co., Inc. |
| Soil Pollution Countermeasures | Soil pollution inspection was conducted at seven operation sites at the Kawasaki Plant Site and one site at the Tokai Plant Site. Locations with problems were identified at the Kawasaki operation site. Interactive events were held for employees and neighboring residents. Inspection results and countermeasures were disclosed on the Company Web site. |
| Social Activities | Bird Sanctuary on the Tokai Plant Site received the Ministry of the Environment’s Award for Wildlife Protection in May 2003, and Mie Prefecture’s Environmental Protection Award in July 2003. |

Basic Policy of Environmental Accounting

The costs and effects of environmental operation are accounted for using the Environmental Accounting Guidelines 2002 edition published by Japan’s Ministry of the Environment. However, the economic benefit, which is internally controlled by us, is limited to actual, measurable performance. “The deemed or incidental effects” based on estimation, therefore, are not considered.

Accounting method

1. Only the costs of the operation departments that are directly associated with environmental conservation activities, the general affairs departments and departments providing environmental technological support are taken into consideration.
2. Including investments solely for environmental purposes.
3. Depreciation of the financial accounting was adopted.
4. Including the total amount of green purchasing.
5. Accounting for actual savings from energy conservation.
6. “Other Cost” is provided in addition to environmental conservation-related items to indicate the cost of waste products.

1,343,123 6,345,963
For the Ajinomoto Group, which produces and sells products that depend upon raw materials drawn from the blessings of nature, reducing the environmental loads generated by our business activities is critical for ensuring sustainable business growth. With this understanding, we have committed ourselves to a bold policy we have titled, "Ajinomoto Group Zero Emissions."

Our approach to zero emissions extends beyond the conventional scope of the term, which generally refers to the elimination of landfills for industrial waste, to encompass every type of environmental load. Based on this commitment, this section reports on our FY2002 environmental activities and results.
Activities Addressing Global Warming

The Ajinomoto Group takes action to reduce CO₂ emissions toward preventing global warming. Since significant amounts of energy are consumed in our production operations, including fermentation-related products such as amino acids, the Group promotes energy-saving measures, particularly emphasizing productivity improvements related to amino acids. As a result, the total energy input of Group domestic and overseas companies was 30,200 TJ, approximately 2% less than in the previous fiscal year. Moreover, CO₂ total emissions were reduced approximately 5% from the previous year to 2,270 thousand t-CO₂.

Energy Conservation Activities

Promoting sound energy conservation efforts focusing on the production of energy-intensive fermentation-related products

Of the total energy input of the Ajinomoto Group in FY2002, approximately 80% was directed to the production of fermentation-related products, including amino acids. The Ajinomoto Group identified this source of environmental load early in its business development and for more than 30 years applied biotechnologies to improve the production process of fermentation-related products. As a result, we have realized steady results, including a 31% reduction in unit energy consumption (against production volume) used for the production of fermentation-related products, compared to FY1990 levels, by our overseas Group companies.

CO₂ Emissions Reduction Activities

Reduced total CO₂ emissions by 5% compared to the previous year through steadfast efforts across the entire Group

Total CO₂ emissions of the Ajinomoto Group in FY2002 were 2,270 thousand t-CO₂, approximately 5% less than the previous year. This reduction is attributed to the successful implementation of process improvements by the entire Ajinomoto Group, along with a reduction in coal consumption, primarily used in China. Furthermore, the Ajinomoto U.S.A., Inc. North Carolina Plant, which has been participating in a project to collect methane gas generated from local garbage landfills and utilize it as a fuel, meets all its own factory steam requirements using the collected methane gas. A detailed report of this project appeared on the Web site of the Environmental Protection Agency (EPA) of the United States as a best practice in energy conservation.

CO₂ Emissions, by Source

<table>
<thead>
<tr>
<th>Source</th>
<th>FY2001: 2,380 thousand t-CO₂</th>
<th>FY2002: 2,270 thousand t-CO₂</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel oil</td>
<td>32%</td>
<td>31%</td>
</tr>
<tr>
<td>Gas</td>
<td>19%</td>
<td>21%</td>
</tr>
<tr>
<td>Coal</td>
<td>20%</td>
<td>18%</td>
</tr>
<tr>
<td>Purchased electricity</td>
<td>29%</td>
<td>30%</td>
</tr>
</tbody>
</table>

*Primarily used in Japan, Southeast Asia and South America
*Primarily used in Japan, Europe and the U.S.
*Primarily used in China

Reduced by 5%

URL: [http://www.epa.gov/landfill/products/ajinomoto.html](http://www.epa.gov/landfill/products/ajinomoto.html)
The basic goal of the Ajinomoto Group is to reduce external disposal of waste to the furthest extent possible by fully utilizing by-products and waste generated through business activities. In addition, in order to quantitatively monitor and evaluate the progress toward achieving our goal, we have concentrated on increasing the resource recovery ratio by setting our own, more demanding goals. The resource recovery ratio in FY2002 was 95.0%, a 1.8% increase from the previous fiscal year. We plan to further increase the resource recovery ratio in order to increase the number of Group “Zero Emissions Plants” (plants with a resource recovery ratio of 99.0% or greater).

Established Bio-cycle system through a 20-year effort to effectively utilize by-products
Of the total 1,815 thousand tons of by-products generated by the Ajinomoto Group in FY2002, 1,695 thousand tons, or 93%, were related to the manufacture of fermentation-related products, including amino acids. Starting more than 20 years ago, the Ajinomoto Group has been working to develop technologies to effectively utilize by-products of fermentation-related products, and in our overseas plants, the Group also has established “Bio-cycle” in which by-products of fermentation are applied in the cultivation of raw materials such as sugarcane used to produce AJI-NO-MOTO. As a result of those activities, the resource recovery ratio of wastes generated during production of fermentation-related products has reached 96.6%. At the same time, we have attained an 83.8% resource recovery ratio in our domestic food production plants, despite the diverse and sometimes difficult-to-recycle nature of the waste generated.

Resource Recovery Ratio Improvement Activities

Nine plants designated as Zero Waste Emissions Plants
Even as the Ajinomoto Group has attained a 95.0% resource recovery ratio across the entire Group, one domestic plant and eight overseas plants have become Zero Waste Emissions Plants; that is, achieving a resource recovery ratio greater than 99.0%. Furthermore, we are currently working to raise the resource recovery ratio to ensure all Group companies operate Zero Waste Emissions Plants.

Attained zero ocean dumping
Previously, some portion of by-products from the Peru Plant had been dumped into the sea. We no longer carry out this practice. The entire quantity of such by-products is now sold as fertilizers, thereby achieving a “zero” ocean dumping ratio for all domestic and overseas Ajinomoto Group companies.

Reduction of landfills on corporate property
Overseas plants that have maintained waste landfills on their property have been focusing on reducing waste. In FY2002, in addition to the success of the Philippines Plant to completely eliminate this source of waste, the Indonesia Plant significantly reduced the volume of its onsite landfill dumping. In addition, the Ajinomoto Group has been accelerating the improvement of the group-wide resource recovery rate by setting our own voluntary standards, Group Global Minimum, in April 2003 toward reducing the environmental burden of the entire Group, which includes a requirement to discontinue waste landfills on corporate property.

Activities of the Knorr Group
The four Knorr Group companies have been working to recycle waste using various methods, and have attained a resource recovery ratio of 98%. Tokai Knorr Co., Ltd., in particular, has become a Zero Waste Emissions Plant. Hokkaido Knorr Foods Co., Ltd., a producer of sweet corn powder as the main ingredient of corn soup, is reusing sweet corn leftovers generated by production processes as organic fertilizers and cattle feed.

Corn used for products is grown by 250 contract farms in a town which strictly controls fertilizers and the spraying of agricultural chemicals, yielding a reliable, safe and hygienic system.
Activities to Reduce Environmental Load Caused by Wastewater

Wastewater from manufacture of fermentation-related products such as AJI-NO-MOTO and amino acids includes high concentrations of BOD and nitrogen. Therefore, the Ajinomoto Group has been working to reduce the environmental load from wastewater in various ways, including appropriate treatment of these substances along with the development and introduction of wastewater treatment technologies. Beyond simply complying with the effluent regulations of various nations and regions through these efforts, in March 2003, we formulated our own voluntary standards for wastewater environmental load that all Group companies worldwide are required to observe in order to more aggressively reduce wastewater, even in nations and regions with inadequate legal or regulatory safeguards. The entire Group has been making every effort to meet these voluntary standards.

In addition, the nature of the manufacturing process for fermentation-related products requires large quantities of water resources, such as cooling water and water used for washing. Therefore, we have been implementing measures to effectively utilize water, for example, through the recycling of water resources.

Adequate Wastewater Treatment

Undertaking a variety of measures to reduce environmental loads using accumulated technological expertise

The Ajinomoto Group adequately treats waste in various forms to reduce environmental loads associated with wastewater. For example, high-performance, large-capacity activated sludge treatment equipment is used to treat wastewater before the newly cleaned water is released into rivers.

For example, the Kawasaki and Kyushu Plants of Ajinomoto Co., Inc. recovered BOD, nitrogen, and phosphorus from wastewater and solidified the waste into excess sludge to be sold as raw material for fertilizers, while the Tokai Plant incinerated these waste materials. In addition, a lysine plant in Thailand introduced a biological denitrification (BDN) treatment method that can efficiently remove BOD and nitrogen components from discharged wastewater, such as water used for washing. This method has already been introduced to several amino acids manufacturing plants of the Ajinomoto Group and is demonstrating solid results. The expertise accumulated through this experience will be shared with other plants.

Measures Against Soil Pollution

The Ajinomoto Group has established basic policies concerning soil pollution and conducts soil surveys centering on plants both in Japan and overseas in accordance with these policies. Whenever the surveys uncover issues at our operation sites, we report the results to related authorities, disclose them to the public, and take the necessary actions to resolve them.

Basic policies to prevent and reduce soil pollution
1. We will comply with laws and regulations concerning soil pollution.
2. We will manage soil quality so that it has no impact on public health or the surrounding environment.
3. We will disclose necessary information on soil pollution to our company’s stakeholders.
4. We will prevent soil pollution from occurring.

Results of Soil Survey at the Kawasaki Plant and Subsequent Measures

The Ajinomoto Group has been making every effort to meet these voluntary standards.

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Results of Soil Survey at the Kawasaki Plant and Subsequent Measures

<table>
<thead>
<tr>
<th>Place/ name of construction project</th>
<th>Area (m²)</th>
<th>Pollution status</th>
<th>Details of anti-pollution construction</th>
<th>Date reported to the city</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kawasaki Dashih Station Square</td>
<td>1,773</td>
<td>Total mercury 126</td>
<td>Removal by excavation completed</td>
<td>September 10, 2002</td>
</tr>
<tr>
<td>Trans-Kawasaki Route Construction Site</td>
<td>1,250</td>
<td>Total mercury 50</td>
<td>Removal by excavation completed</td>
<td>February 12, 2003</td>
</tr>
<tr>
<td>Facilities, gates, and site for parking lot of the Institute of Life Sciences</td>
<td>1,985</td>
<td>Total mercury 19</td>
<td>Removal by excavation completed</td>
<td>April 7, 2003</td>
</tr>
<tr>
<td>Countermepures for surface soil contamination at the plant (1)</td>
<td>8,000</td>
<td>Total mercury 76</td>
<td>Removal by excavation and containment completed</td>
<td>April 23, 2003</td>
</tr>
<tr>
<td>Countermepures for groundwater contamination at the plant (1)</td>
<td>747</td>
<td>Total mercury 174</td>
<td>Under construction for removal by excavation</td>
<td>July 9, 2003</td>
</tr>
<tr>
<td>Countermepures for groundwater contamination at the plant (2)</td>
<td>344</td>
<td>Total mercury 2</td>
<td>Under construction for removal by excavation</td>
<td>July 24, 2003</td>
</tr>
</tbody>
</table>

We submitted Environmental Survey Report (voluntary survey) for the entire Kawasaki Plant Site to Kawasaki City on December 10, 2002. Countermepures for disposing of excess soil generated in association with in-plant construction have been properly taken, including reports to Kawasaki City, as needed. Detailed data and survey results of other operation sites are published on the Web site.

http://www.ajinomoto.co.jp/ (content in Japanese only)
Chemical Substances Control

### PCB Control

Thoroughly implementing stringent inspection and control, and reporting storage conditions to appropriate authorities

Ajinomoto Co., Inc. possesses 79 units of equipment and components using PCBs to be disposed, while domestic subsidiaries own 59 units. These items are placed into leak-proof containers and stored in special locked warehouses. We are performing proper control and security of these items and periodically report to the appropriate authorities in accordance with the PCB Special Measures Law, effective July 2001.

### PRTR Substances Control

Continuously reducing designated substances based on precise evaluation.

The PRTR Law requires that annual treatment of designated chemical substances exceeding one ton* be reported; a total of 25 of these substances were used in the Ajinomoto Group companies in Japan this year. The released volume of substances by destination are as shown in the graph at the right. These substances were used mainly in the production of specialty chemicals. By more precisely evaluating the actual situations, we continue to strive to reduce the use of these substances.

*For specific class 1 designated chemical substances, those used in amounts exceeding 100 kg/year, and PCBs are subject to control.

<table>
<thead>
<tr>
<th>PRTR Substances and Volumes Released</th>
<th>Unit: kg/year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substance Name</td>
<td>Volume</td>
</tr>
<tr>
<td>NN-1-dimethylformamidine</td>
<td>286,005</td>
</tr>
<tr>
<td>Acetonitrile</td>
<td>97,337</td>
</tr>
<tr>
<td>Antimony and its compounds&lt;as antimony&gt;</td>
<td>95,000</td>
</tr>
<tr>
<td>Polymer of 4,4’-isopropylidenephenol and 1-chloro-2,3-epoxypropene  (liquid); bisphenol A type epoxy resin (liquid)</td>
<td>82,000</td>
</tr>
<tr>
<td>Pyrocatechol</td>
<td>74,900</td>
</tr>
<tr>
<td>Toluene</td>
<td>66,850</td>
</tr>
<tr>
<td>Formaldehyde</td>
<td>55,100</td>
</tr>
<tr>
<td>m-phenylenediamine</td>
<td>30,000</td>
</tr>
<tr>
<td>Xylene</td>
<td>22,503</td>
</tr>
<tr>
<td>Dichloromethane</td>
<td>19,670</td>
</tr>
<tr>
<td>Thiourea</td>
<td>18,320</td>
</tr>
<tr>
<td>Chlorodifluoromethane</td>
<td>10,670</td>
</tr>
<tr>
<td>Decabromodiphenylether</td>
<td>8,000</td>
</tr>
<tr>
<td>4,4’-isopropylidenephenol; bisphenol A</td>
<td>7,400</td>
</tr>
<tr>
<td>linear alkylbenzenesulfonic acid</td>
<td>2,872</td>
</tr>
<tr>
<td>Bis(2-ethylhexyl) phthalate</td>
<td>2,600</td>
</tr>
<tr>
<td>Manganese and compounds</td>
<td>1,526</td>
</tr>
<tr>
<td>2,2-Dichloro-1,1,1-trifluoromethane</td>
<td>1,500</td>
</tr>
<tr>
<td>1,3,5-trimethylbenzene</td>
<td>1,500</td>
</tr>
<tr>
<td>Cyclohexylamine</td>
<td>1,230</td>
</tr>
<tr>
<td>Piperazine</td>
<td>1,100</td>
</tr>
<tr>
<td>Tri(dimethylphenyl) phosphate</td>
<td>1,086</td>
</tr>
<tr>
<td>Phenol</td>
<td>1,000</td>
</tr>
<tr>
<td>Specific class 1 designated chemical substances</td>
<td>442</td>
</tr>
<tr>
<td>Benzene</td>
<td>1,29</td>
</tr>
<tr>
<td>Dichloro(4,4'-methyleneglycol); bisphenol A</td>
<td>570</td>
</tr>
<tr>
<td>Total</td>
<td>888,613</td>
</tr>
</tbody>
</table>

### Violations of Environmental Laws, Environmental Accidents and Complaints

#### Serious Violations of Environmental Laws

Observing various laws and regulations, and disclosing the status of compliance to administrative authorities as needed

There were no serious violations of environmental laws, prosecutions, penalties/non-penal fines, or accidents that seriously impacted the environment, associated with Ajinomoto Group companies in Japan in FY2002. Although we initiated administrative guidance in six cases in which standard emission and drainage levels had been temporarily exceeded, we immediately implemented corrective actions in each case.

#### Complaints

The Ajinomoto Group responds promptly to complaints from neighboring residents and takes necessary measures for improvement.

The Ajinomoto Group companies in Japan recorded 24 incidents of complaints to our plants from neighboring residents in FY2002. The type of complaints included noise (12 cases), odor (7 cases), vibration (2 cases), water quality (1 case), and others (2 cases). We responded immediately and took necessary actions in each case. We will make every effort to prevent future inconvenience to neighboring residents.

The following three plants of the Ajinomoto Co., Inc. willingly accept plant tours. For more information, contact:

**Plant Tour Inquiries**

- **Kawasaki Plant:** General Affairs and Human Resources Group  
  Tel: +81-44-222-1114
- **Tokai Plant:** General Affairs Group  
  Tel: +81-593-46-0111
- **Kyushu Plant:** General Affairs Group  
  Tel: +81-952-47-2211

Plant tours are usually conducted in Japanese only.
Containers and Packaging Activities

The primary functions of containers and packaging are to preserve the quality of the goods contained and to encourage consumers to purchase based on brand recognition. The Ajinomoto Group advocates the improvement of containers and packaging that is essential for products, as a vital aspect of environmental responsibility. Specifically, we assess the environmental compliance of containers and packaging using the Eco-Index for Containers and Packaging as part of our Quality Assessment for Newly Developed Products. We have been working on assessment and improvement from the perspective of LC-CO₂ by partly revising assessment items and newly adding Prevention of Global Warming as of September 2003.

The Eco-Index for Containers and Packaging

<table>
<thead>
<tr>
<th>Evaluation</th>
<th>Item</th>
<th>Evaluation Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficient use of resources</td>
<td>Whether a product is excessively packaged. How many layers of packaging used.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Volume of disposed packaging materials</td>
<td>Weight ratio of a disposed container to the product content.</td>
</tr>
<tr>
<td></td>
<td>Use-by date and availability of refill products</td>
<td>Length of the period between opening and disposal of a container. Whether a refill product has a reusable container.</td>
</tr>
<tr>
<td>Recycle adaptability</td>
<td>Usage of recycled materials</td>
<td>Amount of recycled materials used for packaging.</td>
</tr>
<tr>
<td>Disposal suitability</td>
<td>Adaptability to recycling systems</td>
<td>Whether materials are adaptable to the existing or planned recycling systems.</td>
</tr>
<tr>
<td></td>
<td>Adaptability to separate waste collection</td>
<td>Whether recyclable portions can be easily segregated for separate waste collection.</td>
</tr>
<tr>
<td></td>
<td>Reduction in volume for disposal</td>
<td>Whether the volume of a container and packaging can be reduced after use for easy collection.</td>
</tr>
<tr>
<td>Prevention of global warming</td>
<td>CO₂ emissions</td>
<td>Rate of reduction in CO₂ emissions (LC-CO₂) discharged in global environment across the entire life cycle from material procurement to disposal and recycling.</td>
</tr>
<tr>
<td>Labeling and others</td>
<td>Environmental labeling</td>
<td>Whether useful information for environmental preservation is offered in addition to the standard display required by laws.</td>
</tr>
<tr>
<td></td>
<td>Improvement efforts to differentiate products</td>
<td>Whether environmental compliance is improved and whether it is superior to that of the previous types or goods of competitors.</td>
</tr>
<tr>
<td>Special assessment item</td>
<td>Whether any efforts other than those mentioned above have been made to exhibit corporate attitudes concerning environmental protection activities.</td>
<td></td>
</tr>
<tr>
<td>Other comments</td>
<td>Whether a container or packaging is really superior in other functions when the assessment point is low.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Whether additional measures should be taken.</td>
<td></td>
</tr>
</tbody>
</table>

Major Activities in FY2002

Achievements in environmentally sound containers and packaging assessment

<table>
<thead>
<tr>
<th>Number of Items Assessed</th>
<th>Products for household use</th>
<th>Products for industrial use</th>
</tr>
</thead>
<tbody>
<tr>
<td>74</td>
<td>22</td>
<td></td>
</tr>
</tbody>
</table>

The rates of reduction in the weight of materials for containers and packaging of new products and products associated with the revision of containers and packaging were 14% for household use and 6% for industrial use. However, annual consumption of containers and packaging has been increasing due to growth in sales quantities and rising demand for products packaged in small portions. We will promote environmentally sound containers and packaging in the future through steadily reducing the weight of packaging materials for individual products and adopting materials with lower environmental loads. see [P29]

Compliance with Container and Packaging Recycling Law

Systems and services essential for recycling containers and packaging such as separate disposal, collection, and reuse in other products are increasingly entering into public use by consumers and local communities. The Ajinomoto Group is tackling the issue of container and packaging recycling by bearing the expense for outsourcing recycling services calculated in accordance with the material and volume of containers and packaging.

![Diagram: Environmentally Sound Containers and Packaging Assessment](Image)

![Diagram: Volume of Materials for Containers and Packaging for Household Products](Image)

![Diagram: Expenses for Outsourcing Recycling Services](Image)
Container and packaging improvements reflect a variety of concerns, including conserving resources and reducing LC-CO₂ loads. The Ajinomoto Group strives to reduce environmental loads from various standpoints based on the Eco-Index for Containers and Packaging. Here is a summary of how we incorporated the reduction of LC-CO₂ load as a new assessment item in September 2003.

### What is LC-CO₂?

In general, the method for calculating environmental loads generated across the entire product life cycle from raw materials production to processing, packaging, logistics, sales and disposal of postconsumption waste, as well as the assessment of environmental impact, is called Life Cycle Assessment (LCA). LC-CO₂ is a method for estimating the total amount of CO₂ derived from fossil fuels which is emitted throughout the entire life cycle based on LCA. The Ajinomoto Group strives to identify and reduce CO₂ emissions throughout the entire life cycle of packaging materials while incorporating LC-CO₂ load as an assessment item for Eco-Index for Containers and Packaging.

### Examples of Improved Containers and Packaging

#### Container and packaging improvements

- **Reduction in volume of material used**
- **Reduction in CO₂ emissions**

#### AJI-NO-MOTO® 75g bottle

- **Volume of glass used**: Reduced by 36 tons per year
- **CO₂ emissions**: Reduced by 41 tons per year

#### Aji-Shio® 110g bottle

- **Volume of glass used**: Reduced by 67 tons per year
- **CO₂ emissions**: Reduced by 76 tons per year

#### Amino Vital® Water Charge® 500 ml PET bottle

- **Volume of PET used**: Reduced by 85 tons per year
- **CO₂ emissions**: Reduced by 563 tons per year

#### Cook Do® Oyster Sauce 130 g bottle

- **Volume of glass used**: Reduced by 120 tons per year
- **CO₂ emissions**: Reduced by 135 tons per year

#### Hon-Dashi® Katsuodashi for gifts

- **Volume of container material used**: Reduced by 240 tons per year
- **CO₂ emissions**: Reduced by 545 tons per year

#### Three popular Knorr® Cup Soup items

- **Volume of plastic used**: Reduced by 124 tons per year
- **CO₂ emissions**: Reduced by 470 tons per year

#### Knorr® Vegetable Potage series

- **Volume of paper used**: Reduced by 55 tons per year
- **CO₂ emissions**: Reduced by 48 tons per year

### TOPICS

**Two products won awards in the Japan Packaging Contest for FY2003**

Ajinomoto brand products have been highly evaluated as environmentally sound products. The Eco-Pouch for Salad Oil received the Japan Star Award (Ministry of International Trade and Industry Award) in the Japan Packaging Contest, and the World Star Award in the World Packaging Contest. The following two products received awards in FY2003.

- The only competition in Japan that recognizes excellence in packaging and technologies that meet current societal expectations for general containers and packaging. (Sponsored by the Japan Packaging Institute and supported by the Ministry of Economy, Trade and Industry, The Japan Chamber of Commerce and Industry, etc.)

**Compressible Eco-Bottle for cooking oil**

- **Japanese Star Award (Japan Marketing Association Chairman’s Award)**

- **The bottle is easily compressible to half of the original size for disposal after use. In addition, the plastic weight has been reduced by 20% compared to conventional bottles.**

**“Let’s QUIQ” pasta, standing pouch**

- **Good Packaging Award (Food Packaging Section Award)**

- **The package was downsized by making inner plastic package thinner.**

**First in Japan! An environmentally sound biodegradable shrink film**

An environmentally sound biodegradable shrink film will be adopted for AJI-NO-MOTO® 30g bottles. (Transition started in late November 2003.) This is the first time a processed food manufacturer in Japan has applied this technology for the cap seal of packaging materials. It will also be adopted for 75g bottles.

#### What is biodegradable shrink film?

1. Its major ingredient is polyactic acid (PLA) made from corn starch.
2. It ultimately decomposes, in a natural process, into water and carbon dioxide by microbial activity, while retaining the same level of functionality as conventional plastic materials. Since its combustion temperature is as low as that of paper, the film does not cause the damage to incinerators that conventional plastics do. In addition, carbon dioxide emissions are not derived from fossil fuels but are produced from natural vegetation sources, and therefore do not cause global warming.

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**Topics**

- **Social Activities**
- **Environmental Performance**
- **Environmental Management**
- **Environmental Report 2003**

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**Ajinomoto Group’s Relationship with the Environment**

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**Environmental Report 2003**

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**Ajinomoto.** 29
Activities for Changes in Logistics Modalities

**Past results and current conditions**

In FY1995, the Ajinomoto Group introduced railway containers for product transport, and in FY2000, we introduced railway containers for the mainline transport of frozen foods, for the first time in the food industry. These examples illustrate our efforts to improve the selection and application of logistics modalities. As a result, the rate of modal shift in FY2002 was 18.1% (on a tonnage-kilometer basis), a 1.6% increase from the previous year’s levels. The CO2 emissions by domestic products transportation in FY2002 were 50,860 t-CO2, while the CO2 emission intensity (per tonnage-kilometer) was 146 g-CO2/tonnage-kilometer. We will continue to aggressively promote changes in logistics modalities and work on reducing CO2 emissions in product transportation.

**Introduction of 31-foot Wing Rail Freight Containers**

In September 2003, we introduced a large 31-foot Wing Rail Freight Container for product transportation in the Kanto-Kansai and Kanto-Kyushu routes, which represent major mainline sections, in cooperation with Japan Freight Railway Company and express companies. The introduction of this container is expected to reduce CO2 emissions from product transportation by approximately 1,400 tons per year. While the 12-foot container units currently prevalent in room-temperature railroad containers provide a good supply system as general-purpose containers, most are used for non-palletized bulk loading, which limits efficiency. On the other hand, while the 31-foot container has a loading capacity equivalent to a 10-ton truck and supports palletized shipments, the supply system has not been able to accommodate its use as a general-purpose container, and the container has currently been limited to the private shipments of leading logistics companies. The recent successful introduction of the 31-foot Wing Rail Freight Container was realized as a result of the agreement based on Ajinomoto’s strategy for reducing CO2 emissions through changes in logistics modalities and JR Freight’s plan to increase the volume of cargo handling by changes in logistics modalities, and on agreement that the development of 31-foot containers for general purposes would be matched with Ajinomoto’s provision of stable cargo volume to JR Freight. We will also confirm transportation quality as a result of this effort and explore the possibility of introducing the 31-foot container to medium- and long-distance transportation routes.

We are determined to continue pursuing the compatibility of simultaneously reducing logistics costs and environmental load by advancing a variety of policies, including changes in logistics modalities.

**Periodic Convening of Study Meetings on Environmental Logistics**

Starting in FY2002, the Ajinomoto Group, through the Logistics Planning Department of the Seasonings & Food Products Company, has periodically convened Study Meetings for Environmentally Friendly Logistics with the support of JR Freight, toward further reducing logistics-related environmental loads. Environmental impacts generated by logistics activities are identified and analyzed, enabling the development of solutions for reducing environmental loads in our future activities. An extensive contribution has been made to reduce CO2 emissions by changes in logistics modalities for mainline transportation; subsequently, this transportation system will be expanded.

**Activities**

**Emissions by Domestic Product Transportation**

<table>
<thead>
<tr>
<th>Category</th>
<th>Emissions (t-CO2)</th>
<th>CO2 Emissions Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts</td>
<td>21,306</td>
<td>50,860</td>
</tr>
<tr>
<td>Frozen foods</td>
<td>80,766</td>
<td>141%</td>
</tr>
<tr>
<td>Dry foods</td>
<td>11,280</td>
<td>26.4%</td>
</tr>
<tr>
<td>Edible oils</td>
<td>4,900</td>
<td>21.3%</td>
</tr>
</tbody>
</table>

**Calculation Method for CO2 Emissions in Changes in Logistics Modalities**

1. Unit energy consumption (per tonnage-kilometer) = 146 g-C/tonnage-kilometer
2. Calculation of CO2 emissions: CO2 = (Weight x Molecular weight of C x Molecular ratio) / 22.4
3. Percentage of CO2 emissions reduced: (Current emissions - Reduced emissions) / Current emissions x 100%
Exhaust Gas Control Compliance

The Ajinomoto Group promotes compliance with exhaust gas controls enforced in October 2003.

Ajinomoto Logistics Corporation, which oversees the general logistics operations of the Ajinomoto Group, has been steadily advancing compliance with the diesel vehicle emission gas controls enforced in Tokyo, Saitama Prefecture, Chiba Prefecture, and Kanagawa Prefecture since October 2003. This regulation is a cooperative, self-regulated effort involving municipalities of one metropolis and three prefectures of the Tokyo metropolitan area, and is intended to prevent air pollution by mandating vehicles of certain age to be equipped with exhaust gas removal equipment.

Ajinomoto Logistics Corporation has been equipping vehicles that fall under the controls for particulate matter (PM) reduction systems and replacing vehicles to ensure full compliance. Furthermore, the company has been working to prevent air pollution by having some vehicles use natural gas fuel systems.

Cooperative Distribution Activities

The Ajinomoto Group promotes compatibility between reducing NOx and SOx emissions and bringing down costs.

The Ajinomoto Group improves the efficiency of logistics operations by changing from transporting small cargo volumes between bases to cooperative distribution with other companies. We are promoting compatibility between environmental preservation, including reduction of NOx and SOx, and cost reduction by decreasing the number of transport trucks required, through cooperative distribution. The Group has been pushing to select partners for cooperative distribution and negotiating with them under the leadership of Ajinomoto Logistics Corporation. We intend to further expand these activities.

Field Trial of Food Recycling by a Special-Purpose Vehicle

Pursuing the potential of more efficient distribution

Ajinomoto Logistics Corporation conducted a field trial of a special-purpose vehicle to integrate food distribution and the collection of recyclable and discarded material. In the trial, conducted from February 3 to March 20, 2003, a modified food delivery vehicle collected vegetable matter discarded as waste generated at delivery points, mixed it, and delivered it to the Sendai Logistics Center for initial processing. Ajinomoto Logistics Corporation will continue to pursue development of logistics operations through a variety of methods, with full consideration of the environment.

Activities at Logistics Centers

The Ajinomoto Group uses reusable rubber bands to stabilize cargo and reduce material used to secure cargo stacks.

The Ajinomoto Group uses large quantities of shrink wrap to secure cargo stacks and prevent them from collapsing in the course of shipment. However, since such material becomes industrial waste after use, logistics centers are faced with the challenge of minimizing the use of such materials.

In order to address this problem, Higashi-Ougishima Logistic Center is experimenting with the application of reusable rubber bands to prevent the collapse of stacked cargo. While some cargo is difficult to stabilize using a rubber band, and there is the challenge of collecting the rubber bands, the method is already demonstrating the potential for replacing a significant volume of conventional shrink wrap, and is well worth pursuing.

Considering the surrounding environment, and thorough controls for preventing all types of pollution

Logistics centers have been working not only on comprehensive “safety first” practices, but also to thoroughly control noise and light pollution, prevent soil and water pollution from oil leakage, and manage the storage of inflammable materials to ensure the safety and comfort of neighboring communities. In addition, logistics centers have been particularly focused on strengthening the adequate disposal of waste, with full awareness of their responsibility for handling the property of shippers.
Environmental Performance

Administrative and Sales Department Activities

Major environmental loads generated from administrative and sales departments include the consumption of energy, such as electricity and gas, as well as the associated CO₂ emissions, the use of tap water, and discarded paper and rubbish. Although these environmental loads are at a much smaller scale than those generated from the production department, they are nevertheless far from negligible when factoring in the accumulated environmental loads across all offices employing many workers. From this perspective, the Ajinomoto Group has been working to identify the environmental loads of administrative and sales departments and making steady progress in reducing such loads. We are also cutting back on discarded products and sales promotion materials.

Performing various immediate activities

The Tokyo Headquarters area, with approximately 700 personnel, emits 1,700 t-CO₂ (LC-CO₂ equivalent) each year. These emissions correspond to the volume of CO₂ emitted by 280 average households in Japan. The Ajinomoto Group reduces environmental loads by the accumulated effect of small efforts, such as diligently turning off room lights, energy-conscious use of office automation equipment (such as employees shutting down personal computers when leaving their desks for extended periods of time), encouraging the use of stairs instead of elevators, and separating trash.

Varying the lunch hour to reduce electricity consumption

Administrative departments of Ajinomoto Co., Inc. in the Kyushu area change their lunch break hours from 12:00–13:00 to 13:00–14:00 in the summer months from July to September to reduce electricity consumption during peak hours (13:00–16:00).

Efforts Related to Sales Activities

Reducing the amount of discarded products

It is important to minimize the quantity of products that are discarded without having been delivered to or used by consumers, such as returned goods or old inventory. Ajinomoto Co., Inc. has sought to do so through such efforts as strengthening the management of production and sales with the understanding and cooperation of customers.

Reducing the volume of sales promotion materials

Since materials used to promote product sales, such as POPs, posters, and storefront displays are ultimately discarded, we have been continually working to reduce unnecessary sales promotion materials as much as possible. We expect this effort will contribute to reducing costs as well as the amount of waste.

Office environment patrol

In the Kyushu Branch office, the Branch General Manager, the Deputy General Manager, and the Chief of the General Affairs Group conduct periodic patrols within the branch for the purpose of environmental improvement. In addition, the Headquarters and every sales branch carry out improvement activities to reduce environmental loads through a variety of means.
Kyushu Plant Site

Biotechnology Plant for amino acids and seasonings that leads the fermentation production of the Ajinomoto Group

- Location
  Morodomi-Cho, Saga-gun, Saga Prefecture
- Main products
  Various amino acids
- Date ISO 14001 certification acquired
  July 24, 1998

Plant Tour Inquiries: General Affairs Group Tel: +81-952-47-2211

Environmental Report 2003 AJINOMOTO.
Wildlife in the Ajinomoto Tokai Bird Sanctuary

The Ajinomoto Tokai Bird Sanctuary, where natural wetlands habitat remains intact. Here are some of the wildlife species typically found in the Bird Sanctuary, including wild birds and insects, particularly dragonflies.

Black-Backed Wagtail
A wild bird found primarily in Japan; reportedly inhabits chiefly natural areas such as undeveloped rivers.

Chotombo Dragonfly
Named for its unique method of flying; softly like a butterfly, alternately flapping its fore and hind wings, which are a beautiful blue metallic or dark blue.

Gray Heron and Great Egret
The gray heron is largest heron in Japan. It nests in the Bird Sanctuary, where it is among the most easily observed wildlife. The great egret is the largest species of the egret family.

White Wagtail
Inhabits rivers and surrounding cultivated lands and urban areas, where it has proven to be more readily adaptive than the black-backed wagtail.

URL: http://www.ajinomoto.co.jp/company/index.html (content in Japanese only)
In order to contribute to sustainable development, a corporate citizen must establish partnerships and build trust with a broad range of stakeholders. The Ajinomoto Group recognizes this principle as the foundation upon which our business operations can continuously fulfill these corporate social responsibilities, determine future directions, and take action. This section reports on the Ajinomoto Group’s social activities from the following three points of view: our customers, who are closest to us; our employees who operate our business; and the communities in which we operate.
The Ajinomoto Group has established systematic principles for practically fulfilling its responsibilities as a corporate citizen.

In 2000, the Ajinomoto Group established the Ajinomoto Group Principles—Philosophy, Management Policies, Standards of Business Conduct, (AGP) as the cornerstone of its consolidated management. AGP states our basic Group philosophy and guidelines toward confidently meeting responsibilities as a good corporate citizen, while taking the challenges of unlimited possibilities and carving out our future.

Since its founding, the Ajinomoto Group has steadfastly cultivated its current strengths by developing distinctive products, establishing innovative production technology, and developing global operations through active exploration of new markets. The driving force behind this development has been our sincere desire to meet the expectations of customers and stakeholders as well as our determination to fulfill responsibilities as a social citizen. These principles are compiled in a booklet and carried by all employees as guidelines for daily activities. In addition, the Business Conduct Committee was launched as a specialized organization to promote thorough compliance with AGP. The Committee conducts seminars and discussions at every Group company and operation site. Approximately 500 employees from across the entire Group participated these events in FY2002 as a result of the penetration of AGP throughout the Group.
Based on our principles, we report on our activities from the following three perspectives:

**Customer Relations**  
We pursue genuine customer satisfaction in principle and in practice. The motto of the Ajinomoto Group is to provide services and safe, high-quality products from the customer’s point of view. We offer a variety of opportunities and systems for receiving customer feedback and incorporate it into our business activities.

**Employee Relations**  
We create environments that promote employee self-fulfillment. The Ajinomoto Group strives to establish better employee relationships through employment and training workshops. We also encourage each employee to participate in social activities as a responsible citizen, thereby expanding the scope of our social contribution.

**Community Relations**  
We perceive social activities from a global perspective. Throughout its business operations in a total of 22 countries and regions, the Ajinomoto Group engages in a variety of social activities based on the specific characteristics and needs of each community. In FY2002, we participated in activities related to food, nutrition, and health. We also supported educational programs and conducted a number of interactive community events.
Customer Relations

A Consumer Service Center that Responds to the Voices of Our Customers

The approximately 60,000 customer inquiries and requests received annually are reflected in product and service improvements. Dedicated to quick, accurate and caring services, our Customer Service Center fields approximately 60,000 customer inquiries and requests every year. Customer feedback is treated seriously and directed to related business departments, where we can learn to better meet customers’ needs and determine the best means for incorporating these recommendations into future products and services. The Center plays an important role in discerning social trends by analyzing what our customers say about the environment, safety, and quality assurance, and it supports our individual business departments in addressing these concerns.

What Our Customers Said During FY2002

By category, 18% of all inquiries received by the Center concerned raw materials and manufacturing processes, while 11% were about safety, influenced by the incidence of agricultural chemical residues on Chinese vegetables and the issue of food flavors not approved in Japan. While inquiries about the environment represented only 1% of all feedback, we received 599 such inquiries, a 43% increase from the previous year, reflecting growing environmental concerns among customers. There were also many inquiries about methods of separate disposal of waste and opinions on resource savings.

Example of Product Development and Improvement Based on Customer Feedback

We reduced the package size of four Knorr® Cup Soup vegetable potage series

Customers complained that the individual packaging was too big for four varieties of our Knorr® Cup Soup vegetable potage, not only wasting resources but also taking up too much space in shopping bags. In response, we began reducing the size of the boxes for four varieties in August 2003.

Knorr® Cup Soup

Before Improvement

Knorr® Soup Pasta (in a cup)

After Improvement

Knorr® Soup Pasta (containing 2 packets)

We released packet-size portions of Knorr® Soup Pasta

Previously Knorr® Soup Pasta was only available in disposable cups. In response to customer feedback that the cups represented a waste of resources and that the product should also be offered in packets, we launched three flavors of soup pasta in packets in August 2003.

Information Management

Thorough compliance with the Group’s voluntary regulations by all employees

The Ajinomoto Group stipulates its information management regulations in the Ajinomoto Group Principles (AGP) and the Ajinomoto Group Information System Security Policy. These regulations and procedures are accessible from the corporate Intranet. We set up a management organization to ensure thorough compliance with the regulations, along with appointment of staff in each department exclusively focused on compliance. In addition, the Ajinomoto Group issued the Guidebook for Company Information Management, and offers training sessions for the appointed staff and both domestic and overseas Group employees. The Ajinomoto Group endeavors to improve the quality of information management that encompasses contract-based companies.
Communication with Customers

Promoting interaction with customers through corporate Web site
The Ajinomoto Group’s Web site offers several sections devoted to customer communication and the constant improvement in the quality of products and services. For example, “Customer’s Square” facilitates interactions with customers, “Amino Acids Encyclopedia” provides information on amino acids, and “Recipes Encyclopedia” offers easy-to-prepare recipes for nutritious meals. Club Ajinomoto is a members-only Web site, where members can collect points that can be exchanged for the purchase of Ajinomoto products and receive online magazines.

Quality Assurance

Ensuring product safety and security through the Group’s quality assurance policy
The Ajinomoto Group Management policies state that by always putting customers first, synergizing our vast pool of creative resources, and employing only superior technologies, we offer innovative products and services of the highest standards and quality. Based on this philosophy, the Ajinomoto Group established the Ajinomoto Group Quality Policies, and conducts rigorous quality control utilizing the Ajinomoto System of Quality Assurance (ASQUA), our unique quality assurance system. ASQUA comprises requirements that meet ISO 9000 series*, and HACCP**, as well as the Company’s own requirements. Top management at each Ajinomoto Group company not only bears direct responsibility for maintaining product quality, but also takes responsibility for quality control within their supply chain.

* What is the ISO 9000 series?
ISO 9000 is an international standard for quality management systems, stipulating standards for suppliers’ quality control and assurance. It was established by the ISO (International Organization for Standardization) in 1987 with the aim of facilitating international trade, and as a quality assurance model shared worldwide.

** What is HACCP?
HACCP is an acronym for Hazard Analysis Critical Control Point and is a hygiene control method for food safety.

Ajinomoto Group Quality Policies

<table>
<thead>
<tr>
<th>Philosophy</th>
<th>Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>We contribute to a better life for all throughout the world by providing safe and high-quality products and services.</td>
<td>1. We pay full attention to the requests of our customers, and provide products and services meeting with their satisfaction.</td>
</tr>
<tr>
<td></td>
<td>2. We actively provide appropriate information to our customers and continue to improve our trustworthiness.</td>
</tr>
<tr>
<td></td>
<td>3. We make no compromises with regard to safety, conducting surveys and research as thoroughly as possible, faithfully complying with applicable laws and regulations, and always delivering products and services of uniform quality.</td>
</tr>
<tr>
<td></td>
<td>4. We assure quality through the Ajinomoto System of Quality Assurance (ASQUA*), based on the concepts outlined in the international ISO standards.</td>
</tr>
<tr>
<td></td>
<td>5. Under the leadership of our management, each one of our company’s employees makes the greatest effort to provide safe and high-quality products and services through work at all levels, from research and development to production, distribution, sales and services.</td>
</tr>
</tbody>
</table>

ASQUA: Ajinomoto System of Quality Assurance

Quality Assurance Structure

What is ASQUA, Ajinomoto System of Quality Assurance?
The key concept of ASQUA is centered around responding to the requests, proposals and inquiries of our customers by providing safety, reliability and satisfaction. Customers are now able to send their claims, proposals and inquiries to the Consumer Communication Center. Together with such advice being reflected in product improvements, including changes in product labels or packages, Ajinomoto provides feedback to customers through proactive information disclosure.
Employee Relations

Employment of Women and Disabled Workers

We offer equal employment opportunities and regularly hire disabled workers

As of July 1, 2003, the total number of workers of Ajinomoto Co., Inc. was 4,331, of which 978 are women (22.6% of all workers), including 28 cadres (management-level employees; 2.2% of all cadres).

Of the 4,982 employees (including directly employed part-time workers) as of July 1, 2002, 87, or 1.75% were disabled workers. As of July 1, 2003, there were 81 disabled workers out of a total of 4,546 employees (including full-time and part-time workers), a the ratio of 1.78%.

Training World-Class Personnel

We have set up a variety of training programs based on clearly identified human resource requirements

To survive amid severe global competition, the Ajinomoto Group established the cultivation of world-class Personnel as one of our management strategies. We are committed to the training of business professionals in all fields.

Business professionals must develop core capabilities, such as independence, critical judgment, and interpersonal skills, while also acquiring business-specific abilities, such as knowledge, technique, and skills. The Ajinomoto Group appreciates the value of continuing to strengthen our human resources, including an emphasis on originality, a global perspective, and willingness to work cooperatively.

In line with this understanding of cultivating human resources, the Ajinomoto Group has established a variety of training programs and strongly encourages the active participation of employees.

5 Fundamental Aspects of Career Development Guide 2003

1. Offering training programs for employees to understand and experience the values required for Ajinomoto Group members and to apply these values as a reference for future actions
2. Further expanding group training sessions to cultivate business professionals
3. Starting a new leadership training program targeting employees who desire to join cadres
4. Introducing a line-management improvement program for cadres with junior staff
5. Operating each program more efficiently through the synergistic action of the Corporate Human Resources Department, operation sites, and each internal company

Concept of Required Human Resources

Human resources possessing fundamental values and continually supplementing their core capabilities and business skills, while enhancing their self-development and constantly pursuing new levels of achievement

The Model

Business skills
- Knowledge
- Technique and skills

Core capabilities
- Critical judgment
- Independence
- Interpersonal skills

Human resources values
- Emphasis on originality
- Global perspective
- Willingness to work cooperatively

Business skills: Knowledge, technique, and skills required in business
Core capabilities: Abilities required to utilize business skills
Top Management Web site, “C.E.Online”

C.E.Online keeps the entire Group up to date with top management policies, strategies, and basic initiatives.

In line with the general trend toward strengthened group management across industries, the Ajinomoto Group is advancing programs toward strengthening Group competitiveness, including splitting corporations or introducing internal company systems. In view of these changing business environments, we launched the Top Management Web site “C.E.Online” in January 2002, to directly inform employees of policies, strategies, and basic initiatives of top management. Once or twice a month, we update Web site articles, which include comments shared by the President and Vice President, with individuals from either in-house or outside the Company, as well as their views on the latest topics, along with recent newspaper articles. The network is programmed to allow employees to exchange views with co-workers using the Web. With about 8,000 hits every month, the system has become well established among employees of the Ajinomoto Group.

Occupational Safety and Health

Inaugurating the Group management system in April 2002

The Ajinomoto Group holds annual disaster prevention meetings focused on safety with the CEOs of Corporate, internal Companies, and spin-off companies. The meeting reports on performance related to fire safety and occupational safety and health of the entire Group, and formulates an activity plan for the next year. Based on Group management discussions, we implemented a Group emergency drill for possible Tokai earthquakes, in FY2003. We also created a site on the corporate Intranet providing information on actual disasters to raise awareness of disaster safety among employees.

In addition, for more than 30 years, the Ajinomoto Group has been making steady progress in occupational safety and health, including the collection of data and analysis of minor incidents and promotion of disaster prediction training.

As a result of these efforts, the Kyushu Plant of Ajinomoto Co., Inc. received a Safety Promotion Award from the Prime Minister of Japan in July 2002, and maintains a no-accident record.

The Ajinomoto Group’s Objectives for Disaster Prevention, Safety, and Health for FY2003

<table>
<thead>
<tr>
<th>Basic philosophy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ajinomoto Co., Inc. and its Group companies maintain a fundamental respect for human life and recognize disaster prevention, safety and health as essential components of corporate activities.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ajinomoto Co., Inc. and its Group companies:</td>
</tr>
<tr>
<td>1. relentlessly identify and evaluate potential risks and act to diminish and/or eliminate risks in order to prevent disasters and accidents.</td>
</tr>
<tr>
<td>2. take initiative in continually improving safety and health activities by thoroughly complying with regulations and encouraging mutual efforts to do so.</td>
</tr>
<tr>
<td>3. strengthen the corporate system and facilitate quick responsiveness to minimize damage in the event of an emergency.</td>
</tr>
<tr>
<td>4. proactively provide support for each employee to participate in activities related to bettering their own health as well as improving the safety of work environments.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>No serious occupational accidents*.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Specific Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Establishing the disaster prevention control system of the Ajinomoto Group.</td>
</tr>
<tr>
<td>2. Improving the occupational safety level by strengthening Group synergy;</td>
</tr>
<tr>
<td>- Sharing information on past accidents and near miss accidents and promoting prevention in each work environment;</td>
</tr>
<tr>
<td>- Conducting safety inspections.</td>
</tr>
<tr>
<td>3. Conducting training programs to practice responses to emergency situations;</td>
</tr>
<tr>
<td>- Implementing comprehensive disaster prevention training programs for possible Tokai earthquakes;</td>
</tr>
<tr>
<td>- Conducting various disaster prevention training drills on a daily basis.</td>
</tr>
</tbody>
</table>

* Serious occupational accidents within the Ajinomoto Group are defined as “fatal accidents and accidents that lead to leave from service (for 4 days or more), and/or accidents that inflict such injuries as amputated fingers or arms (Grade 14 and higher according to the standard stipulated by the Ministry of Health, Labor, and Welfare).”

Accidents in 2002 (January to December)

<table>
<thead>
<tr>
<th></th>
<th>Accidents resulting in leave from service</th>
<th>Accidents not requiring leave from service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Frequency</td>
</tr>
<tr>
<td>In Japan</td>
<td>14</td>
<td>0.65</td>
</tr>
<tr>
<td>Overseas</td>
<td>183</td>
<td>7.81</td>
</tr>
</tbody>
</table>

* The number of deaths and injuries = total actual working time x 1,000,000
** The number of lost work days = total actual working time x 1,000
Social Activities

Employee Volunteerism

- **Ajinomoto Group Citizenship Day**

  The Ajinomoto Group conducts campaigns to provide opportunities for employees and their families to voluntarily interact with the community and recognize their social roles and responsibilities. The Ajinomoto Group Citizenship Day campaign encourages employees and their families to participate in social activities for one day during the three-month period between June and August. In FY2003, Group companies, operation sites, and employees and their families in Japan and overseas, engaged in innovative social activities in line with the campaign philosophy, such as neighborhood clean-ups, fund-raising activities, visiting children’s institutions, and holding computer classes. Details on these activities are compiled in reports and shared throughout the Ajinomoto Group. We will continue these activities in the future and encourage all employees of the Ajinomoto Group across the world to engage with society as responsible members of communities and participate in more community-based activities.

- **Society Volunteerism Award Commendation System**

  In 2001, we established the Social Volunteerism Award to recognize employees who have been participating in social activities as exemplary corporate citizens. The Ajinomoto Social Activity Promotion Committee annually nominates award recipients after careful deliberation. The recipients are given commemorative gifts and their names are announced in the Group newsletter. In FY2003, three domestic and two overseas employees received the award.

- **Awardees’ Activities**
  - Fixing toys and consulting with children at a toy hospital
  - Coaching sports teams (ski, baseball, and volleyball)
  - Refereeing for adult baseball games and coaching a little league baseball team
  - Providing first aid instruction at the Red Cross
  - Participating in local community revitalization
  - Supporting a music concert at a memorial for the Great Hanshin Earthquake
  - A member of Bike Rescue Society-Japan, aiding in rescue activities after disasters
  - A member of Youth Rehabilitation and Probation Association, engaging in probation activities
  - A senior member of Japan Tennis Association, toward popularizing tennis
  - Working as a natural park supervisor for the Ministry of the Environment
  - Participating in activities of the disaster prevention department of a local association
  - Supporting children’s institutions
  - Volunteering for Boy Scouts
  - Involved in Preserving Wall Paintings of Public Baths
  - Working as a staff worker at a social welfare organization
  - Serving as a volunteer firefighter
  - Working as a staff at a local environmental project
  - Participating in public relations activities regarding social and cultural services in the local community as a radio broadcaster

- **Paid Leave System for Volunteer Activities**

  A paid leave system is available to employees who voluntarily engage in socially responsible activities. Those who apply for leaves under this system are eligible for 8 paid leaves per year for social activity purposes. Since its implementation in FY1999, 36 employees (for a cumulative total of 136 days) have taken paid leaves to participate in volunteer activities.

- **Volunteer Activities**
  - Providing instruction in the methods for constructing emergency medical radio networks
  - Working as a welfare commissioner for a children’s council
  - Assisting Boy Scout leaders
  - Supporting overseas orphanages
  - Overseas tree planting
  - Registered and evaluated as a prospective bone marrow donor
  - Providing instruction at workshops for elementary school children
### Community Relations

#### Global Program

Socially responsible activities across the globe focusing on food, nutrition, and health

The Ajinomoto Group supports programs addressing a variety of issues related to food, nutrition, and health, in order to improve the quality of life. Following review by Ajinomoto International Cooperation Network for Nutrition and Health (AIN®), these support activities are implemented in cooperation with NPOs and NGOs in each community area, governmental organizations, and educational and research institutions.

*Ajinomoto International Cooperation Network for Nutrition and Health*  
Ajinomoto Group’s organization, founded in 1999, to promote international cooperation with external experts

<table>
<thead>
<tr>
<th>Country</th>
<th>Project Name (Partner)</th>
<th>Focus</th>
<th>Main Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Philippines</td>
<td>Philippines Integrated Project—Improving Reproductive Health and Nutrition (Japanese Organization for International Cooperation in Family Planning (JOICFP))</td>
<td>Training volunteer health workers and developing educational materials for the improvement of reproductive health and the state of nutrition.</td>
<td>Supporting human resource training and information exchange activities</td>
</tr>
<tr>
<td></td>
<td>Philippines Care Project—Citizen Initiative for Improving Reproductive Health and Nutrition (Japanese Organization for International Cooperation in Family Planning (JOICFP))</td>
<td>This is the second phase of the Philippines Integrated Project emphasizing the enhancement of local government capability, technology for the improvement of reproductive health and for nutrition service providers, and expansion of subject areas.</td>
<td>Supporting the development and provision of educational materials for improving reproductive health and nutrition.</td>
</tr>
<tr>
<td></td>
<td>Nutrition Improvement Project (Lingap Para as Kalusugan ng Sambayanan (LIKAS), a local NGO)</td>
<td>Provides a systemized program for building child care centers and providing meals for malnourished children.</td>
<td>Supporting technology research and development</td>
</tr>
<tr>
<td></td>
<td>Research and Development for a Community-based Nutrition Education Model (Food and Nutrition Research Institute (FNRI), a local governmental organization)</td>
<td>Develops models for nutrition education programs, investigates needs, and reviews nutrition education strategies and materials.</td>
<td>Supporting research and development of technologies related to food, nutrition, and health.</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Primary School-based Nutrition Improvement Program (Yayasan Kusuma Buana (YKB), a local NGO)</td>
<td>Focuses on primary schools in the Jakarta area. Activities include developing educational materials, introducing campus-based stores, distributing iron supplement tablets, and holding workshops for parents.</td>
<td>Supporting human resource training and information exchange activities</td>
</tr>
<tr>
<td></td>
<td>Life Environment Improvement Project (Organization for Industrial, Spiritual and Cultural Advancement (OISCA))</td>
<td>Supports the construction of a local development women’s center for better food and hygiene conditions, and trains instructors in cooking and hygiene.</td>
<td>Supporting the development and provision of educational materials.</td>
</tr>
<tr>
<td></td>
<td>Community-based Nutrition Improvement Program (The Indonesian Planned Parenthood Association (PPA), a local NGO)</td>
<td>Offers community-based nutrition improvement programs in West Sumatra. Activities include conducting and evaluating workshops for program planning.</td>
<td>Supporting the development and provision of educational materials.</td>
</tr>
<tr>
<td>Cambodia</td>
<td>Nutrition Improvement Program through Household Gardening (Japan International Volunteer Center, an NPO)</td>
<td>Helps to expand household gardening that produces crop anytime of the year. Activities include training sessions on cultivating vegetables and fruit for better nutrition in rural areas.</td>
<td>Supporting human resource training and information exchange activities</td>
</tr>
<tr>
<td>Peru</td>
<td>Nutrition Improvement Project through Fortification of Selected Foods with Micronutrients (Universidad Panamá Cayetano Heredia (UPCH), a local university)</td>
<td>Focuses on the highland and jungle regions to popularize the addition of vitamin A and iron as nutritional supplements in locally produced foods like palm oil and banana powder.</td>
<td>Supporting the development and provision of educational materials.</td>
</tr>
<tr>
<td></td>
<td>Nutrition Improvement Project for Chronically Malnourished Children (Association Benefica PRISMA (PRISMA), a local NGO)</td>
<td>Targets chronically malnourished children under 2 years old. Activities include conducting training sessions for health workers and providing information for mothers.</td>
<td>Supporting technology research and development</td>
</tr>
</tbody>
</table>

**The Philippines**  
Philippines Integration Project (Photo: JOICFP)  
Session for providing nutritious meals for malnourished children  
Measuring children’s weight

**Indonesia**  
Primary School-based Nutrition Improvement Program (Photo: YKB)  
Nutrition education for parents  
Distributing iron supplement tablets to children

**Cambodia**  
Nutrition Improvement Program through Household Gardening (Photo: JVC)  
Children weeding around fruit saplings  
Training in growing vegetables

**Peru**  
Nutrition Improvement Project for Chronically Malnourished Children (Photo: PRISMA)  
Health worker providing home-based counseling on family nutrition and health  
Health education using hand puppets
Social Activities

Local Programs

Socially responsible activities by each company and plant of the Ajinomoto Group based on community needs

The Ajinomoto Group participates in a variety of social activities to contribute to meeting the needs of local communities. Across the world, we conduct unique activities in each region, primarily focusing on food and health, education, welfare, community information exchanges, and the environment.

Food and Health

- Providing box lunches to children (Ajinomoto (Malaysia) Berhad)
- Donating goods to the Nutrition Month celebration of the National Nutrition Council (Ajinomoto Philippines Corporation)
- Products offered on the National & International Meals on Wheels Day (Ajinomoto Co., Inc.,)
- Other

- Supporting the “Walking for Your Health” charity event at the Hong Kong Early Childhood Education Conference (Ajinomoto Co., (Hong Kong) Ltd.)

Education

- The “Discover the World through Food” program to advance international understanding (Ajinomoto Co., Inc.)
- Donating goods at the Hong Kong Early Childhood Education Conference events (Ajinomoto Co., (Hong Kong) Ltd.)
- Constructing a new building for Oquendo Elementary School (Ajinomoto del Perú S.A.)

Welfare

- “Let’s learn about nursing care for those in wheelchairs, and volunteer efforts” (Ajinomoto Co., Inc.)
- Blood donation project (Ajinomoto Co., (Thailand) Ltd.)
- Supporting food victims in Jakarta (P.T. Ajinomoto Indonesia)
- Donations to people living in poverty (Ajinomoto Vietnam Co., Ltd.)

Community Information Exchange

- Organizing plant tours for consumers, students, retailers, and industrial users (Ajinomoto Co., Inc.; Knorr Food Co., Ltd.; and Ajinomoto Frozen Foods Co., Inc.)
- “Fureai Festa” local communication event at a plant, with nearby communities and neighbors in attendance (Ajinomoto Co., Inc. Kyusyu Plant Site)
- Cooking demonstration for local residents (Ajinomoto Philippines Corporation)

Other

- School-to-work training in a corporate setting for junior and senior high school students and teachers (Ajinomoto Co., Inc. Headquarters and Kyushu Plant; Ajinomoto Packaging Inc. Kansai Plant; Nippon Protein Co., Ltd. Yokohama Plant and Ashikaga Plant; and Ajinomoto Frozen Foods)
Social Activities of Our Foundations

Five foundations across the world promote unique, socially responsible activities

The Ajinomoto Group also focuses on activities through our foundations to contribute to society in the various countries and regions in which we do business. Currently, our foundations are actively providing such assistance in five countries: Japan, Thailand, Indonesia, Brazil, and Peru. In line with their specific objectives, the foundations promote community-based activities thoroughly grounded in the local culture, lifestyles, and needs of each country.

AJINOMOTO FOUNDATION (Thailand)

The Thai Ajinomoto Foundation was established in 1976 with financial support from Ajinomoto Co., (Thailand) Ltd., and has the longest history of activities of any foundation in the Ajinomoto Group.

[Main Projects]
- Education support
- School building projects
- School meal programs
- Scholarship grants (elementary school to university)
- Donation of glasses for the visually impaired
- Social welfare
- Donation to charity (orphans, people with disabilities, and the aged)
- Support for flood victims

INSTITUTO ASSISTENCIAL AJINOMOTO (Brazil)

The foundation was established in 1999 supported by Ajinomoto Interamericana Indústria e Comércio Ltda. Its activities include community-based educational and social welfare activities.

[Main Projects]
- Education support
- Improvement of education facilities (particularly at food processing facilities)
- Social welfare
- Improvement of local facilities, such as community centers and hospitals
- Volunteer activities by employees

AJINOMOTO FOUNDATION FOR DIETARY CULTURE (Japan)

The foundation was established in 1989, as one of the projects marking the eightieth anniversary of Ajinomoto Co., Inc., to provide support for dietary culture study and the broad distribution of findings.

[Main Projects]
- Operating a public library specifically for dietary information
- Organizing the Dietary Culture Forum
- Organizing dietary symposiums and lectures
- Financially supporting dietary culture research
- Publishing

FUNDACIÓN AJINOMOTO PARA EL DESARROLLO DE LA COMUNIDAD (Peru)

Founded in 2003, this is our newest foundation, focusing on research support for nutrition, food, and health education.

[Main Projects]
- Education and research support
- Research and distribution of findings, including publications on food, health, and education
- Social Welfare

YAYASAN AJI DHARMA BHAKTI (Indonesia)

With financial support from PT Ajinomoto Indonesia, this Indonesian foundation was established in 1979. Its unique activities include scholarship grants for graduate school students in master’s degree programs.

[Main Projects]
- Educational support
- Scholarship grants for students in master’s degree programs
- Nutrition education programs

Public forum symposium

Supporting school building construction (Opening ceremony)

Scholarship award ceremony

Renovated college classrooms

Publication of “Food Nutrition Science”
Reference to Guidelines

In the preparation of this report, reference was made to the Environmental Reporting Guidelines (FY2000 Version) published by the Ministry of the Environment, and the GRI Guidelines. Corresponding sections are as follows.

- **Environmental Reporting Guidelines (FY2000 Version) published by the Ministry of the Environment**
  1. Basic Headings
  2. Summary of Policies, Targets, and Achievements in Environmental Conservation
  3. State of Environmental Management
  4. State of Activities for Reduction of Environmental Burden
  5. State of environmental burdens at the downstream (providing products/services), and mitigation measures
  6. State of environmental burdens from transportation, and mitigation measures
  7. State of environmental burdens from cumulative soil contamination, land utilization and other environmental risks, and mitigation measures

- **GRI Guidelines (Social indicators):** Only required indicators are listed

Scope of the Ajinomoto Group Report

The Ajinomoto Group in this report refers to Ajinomoto Co., Inc. and those parts of its domestic and overseas consolidated subsidiaries that are subject to the Group’s environmental management. Those companies subject to the Group’s environmental management do not fully coincide with those of the Ajinomoto Group in terms of the consolidated accounting system (Ajinomoto Co., Inc., its consolidated subsidiaries, and affiliated companies), but 79% of those companies, encompassing all major business activities, are covered. The scope for the accumulation of track-record information, such as data on environmental burdens, covers major production-related and distribution-related operation sites of the entire Ajinomoto Co., Inc., as well as domestic and overseas consolidated subsidiaries. The 2003 report also covers, although only partially, articles related to companies beyond the scope of the Group’s environmental management.

**Companies Subject to Group Environmental Management**

- **[Ajinomoto Co., Inc.]**
  Corporate, Seasonings & Food Products Company, Global Foods & Amino Acids Company, Pharmaceutical Company
- **[Consolidated subsidiaries]**
  Consolidated subsidiaries pertaining to Corporate
  Ajinomoto Engineering Co., Ltd.; Ajinomoto Logistics Corporation; and its 8 logistics subsidiary companies, etc.
  Consolidated subsidiaries pertaining to Seasonings & Food Products Company
  Knorr Foods Co., Ltd., and its 5 subsidiaries: Ajinomoto Packaging Inc.; Delica Ace Co., Ltd., and its subsidiary manufacturing company; etc.
  Consolidated subsidiaries pertaining to Global Foods & Amino Acids Company
  Consolidated subsidiaries pertaining to Pharmaceutical Company
  Ajinomoto Pharma Co., Ltd.; Shimizu Pharmaceutical Co., Ltd.; and its 3 overseas subsidiaries
  Consolidated subsidiaries pertaining to Frozen Foods Spin-off Company
  Ajinomoto Frozen Foods Co., Inc., and its 3 overseas subsidiary manufacturing companies
  Consolidated subsidiaries pertaining to Frozen Foods Spin-off Company
  AJINOMOTO BAKERY PRODUT CO., LTD. and its subsidiary manufacturing company
# A History of Environmental Activities

## Ajinomoto Co., Inc. and Ajinomoto Group

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
<th>Society</th>
</tr>
</thead>
<tbody>
<tr>
<td>1909</td>
<td>Production of AJI-NO-MOTO from gluten flour by an extraction method.</td>
<td></td>
</tr>
<tr>
<td>1917</td>
<td>Founded S. Suzuki and Co., Ltd. (Anniversary of founding: June 17).</td>
<td></td>
</tr>
<tr>
<td>1932</td>
<td>Established Environmental Laboratory at the Tokyo head office.</td>
<td></td>
</tr>
<tr>
<td>1941</td>
<td>Established Environmental Research Laboratories and Kawasaki Plant.</td>
<td></td>
</tr>
<tr>
<td>1942</td>
<td>Introduced Eco-Index System for Containers and Packaging.</td>
<td></td>
</tr>
<tr>
<td>1944</td>
<td>Launched Environmental Meeting chaired by Vice President (Headquarters).</td>
<td></td>
</tr>
<tr>
<td>1945</td>
<td>Completed activated sludge processing equipment and exhaust gas desulfurization facility (Kawasaki Plant).</td>
<td></td>
</tr>
<tr>
<td>1946</td>
<td>Diversified into Coffee Business.</td>
<td></td>
</tr>
<tr>
<td>1947</td>
<td>Completed change in electrolysis process (from mercury method to diaphragm method) and waste incinerator completed (Kawasaki Plant).</td>
<td></td>
</tr>
<tr>
<td>1949</td>
<td>Launched energy conservation project &quot;KEEP.&quot;</td>
<td></td>
</tr>
<tr>
<td>1950</td>
<td>Started production of fertilizer from by-product liquid (Kyushu Plant).</td>
<td></td>
</tr>
<tr>
<td>1951</td>
<td>Diversified into Beverage Business.</td>
<td></td>
</tr>
<tr>
<td>1952</td>
<td>Diversified into Dairy Products Business and Pharmaceuticals Business.</td>
<td></td>
</tr>
<tr>
<td>1953</td>
<td>Diversified into Sweetener Business</td>
<td></td>
</tr>
<tr>
<td>1954</td>
<td>Fined for a breach of Water Pollution Control Law (Kyushu Plant).</td>
<td></td>
</tr>
<tr>
<td>1955</td>
<td>Change of boiler fuel from heavy oil to LNG (Kawasaki Plant).</td>
<td></td>
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<tr>
<td>1956</td>
<td>Launched Environmental Meeting chaired by Vice President (Headquarters).</td>
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<td>1973</td>
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<td>1975</td>
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Glossary

CFCs and CFC substitutes
Various chlorofluorocarbons (CFCs), formerly used for a wide range of equipment, such as car air conditioners and the like, were found to react with ultraviolet rays from the sun. This led to a depletion of the ozone layer, which is responsible for absorbing most of the toxic ultraviolet rays in the atmosphere. Five CFCs with strong ozone-depleting impact were specifically designated for regulation of their production and usage. As a result, CFC substitutes that have comparatively less ozone-depleting potential are used instead of CFCs, although they are also regulated.

Dioxins
Chlorinated organic compounds as defined by the Law Concerning Special Measures against Dioxins, promulgated in July 1999. Dioxin policlural polychlorinated biphenyl (Coplanar PCB) is well known. Dioxins indeliberately generated during incineration, are acutely toxic, carcinogenic, and teratogenetic.

Environmental Accounting
A method of quantitatively evaluating and analyzing the costs and benefits of corporate environmental operations in business activities, and disclosing the results. The objective of environmental accounting is to promote environmental conservation activities effectively and efficiently and continue sustainable development, while maintaining a favorable relationship with the community.

Environmental Reporting Guidelines of the Ministry of the Environment
These guidelines, issued by the Ministry of the Environment, identify required items and define preparation procedures to ensure that all environmental reports share common information.

Expense for Outsourcing Recycling Services
This term is used in the Container and Packaging Recycling Law. Recycling is a process that begins when paper or plastic container and packaging waste is collected according to the type of material, by municipal governments or other organizations; and is then processed as resources for reuse. Packaging manufacturers and other related corporations are liable for recycling a certain volume of container and packaging waste according to a calculation method set by the government. The cost incurred by outsourcing recycling services to a designated waste-processing dealer is called an Expense for Outsourcing Recycling Services.

Global Warming
A rise in the average temperature of the earth due to a greenhouse effect caused by an increase in the amount of greenhouse gases in the air, such as carbon dioxide and methane. Global warming has advanced at a rapid rate due to the industrial production activities since the Industrial Revolution.

Green Purchasing
A method of purchasing goods or services considering not only price and quality, but also environmental impact. Under the Green Purchasing Promotion Law, effective since April 2001, the national and municipal governments are obligated to purchase goods that have less impact on the environment, to the fullest extent possible. Private companies and individuals are also required to comply with the law as much as they are able.

GRI Sustainability Reporting Guidelines
Released by the Global Reporting Initiative (GRI), an international NGO encompassing the United Nations Environment Programme, national environmental organizations, institutional investors, associations of certified public accountants, and private corporations. These guidelines require every corporation to prepare a “Sustainability Report” integrating social, economical, and environmental aspects.

ISO 14001
ISO represents International Organization for Standardization. Since 1996, ISO 14001 has been the international standard for environmental management systems. The system promotes continuous improvement of environmental management by setting definite targets and repeating four cyclical processes: Plan, Do, Check, and Act; then Plan again.

Manifest
A control voucher for industrial waste. Each business party that discharges industrial waste has to fill in a legally designated form, including information about the type, quantity, and handling precautions of the waste. Information is added to the form at each stage after discharge: collection, intermediate disposal, and final disposal. The party that discharged the waste then collects the final disposal report to confirm its proper treatment.

Pollutant Release and Transfer Register (PRTR) Law
Under this legislation, each business, such as a plant, is obligated to conduct surveys on the release and transfer (including release into the air, into a river or ocean or outsourcing to a waste-disposal dealer) of about 400 government-designated hazardous chemical substances, including dioxins, and then report to the national government through the municipal government. The national government will publicly announce the compiled results.

Polychlorinated Biphenyl (PCB)
A highly toxic and stable substance that resists decomposition and destruction. This chlorinated organic compound was used widely for various purposes including insulation oil. In 1972, production was prohibited by law, due to its strong toxicity. Without an effective disposal method, PCB waste had been stored at each company. The PCB Special Measures Law, enacted in April 2001, has provided a plan for its systematic disposal.

Soil Contamination Control Law
This law was enacted May 29, 2002, to deal with measures against soil pollution. It includes a clear grasp of the factors leading to this condition as well as measures to protect public health. The law requires landowners who have specific facilities that use identified hazardous substances on their land to survey the level of soil pollution when such facilities are terminated. Prefectural governors may order a landowner to remove soil contaminants when the public health is at risk.

Sustainable Development
The thesis proposed in a report entitled “Our Common Future,” which was submitted by the World Commission on Environment and Development to the United Nations in 1987, has become the focus point to environmental issues. It represents the belief that development without damaging the environment leads to sustainable growth.

Zero Emissions Activities
These activities promote the recycling of waste generated during business activities in an effort to totally eliminate the volume of waste disposal. The Ajinomoto Group promotes Ajinomoto Group Zero Emissions, toward eliminating not only waste but also environmental load across all areas of business operations.
Editor's Postscript

This is the fourth issue of our Environmental Report. Since its inauguration, we have published a greater diversity of articles and increased the scope of aggregated data describing our efforts and achievements. As in earlier editions, this report is the result of the cooperation of many people, including domestic and overseas Group employees, as well as stakeholders. We regret that the publication of this issue was delayed. We pledge to step up efforts to ensure that the next report will be released earlier.

Corporate Social Responsibility (CSR) - originated mainly in Europe and the United States - embodies the notion of the Triple Bottom-Line that not only takes into consideration financial and economic aspects but also environmental and social aspects, and is rapidly spreading in Japan as well. Responding to these social expectations, the Ajinomoto Group worked toward improving the content of its social activities, in collaboration with relevant Corporate departments, including Corporate Planning, Human Resources, General Affairs and Risk Management, and Socially Responsible Activities. The specific meaning of CSR in Japan, however, is still being explored and clarified. We will continue to review content and demonstrate the Ajinomoto Way in regard to CSR, aiming to be a global corporation in food and amino acid products, from its beginnings in Japan.

Our lives are sometimes compared to an egg held in one’s hand. The yolk of the egg is the economy, the white portion is society, and the eggshell is the environment, all grasped in the hand of humankind. From this image, we can see that the economy is supported by a sound society, in which both the economy and society itself are protected by the environment, while the “egg” is entrusted to the hand of human beings. We introduced this metaphor in our environmental report last year to indicate that we must protect the environment for a sound society and stable economic growth, under the guiding principle of the Triple Bottom-Line.

Humbly acknowledging this truth, we will continue to seriously address environmental activities and issues. Your comments and recommendations are important to us for the ongoing improvement of the content and structure of this report.

The Ajinomoto Group Environmental Report 2003
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