

Announcement of Decisions on Ajinomoto to Price Sustainability-linked Bonds

TOKYO, June 9, 2023 -- Ajinomoto Co., Inc. (President: Taro Fujie; Head Office: Chuo-ku, Tokyo) priced the public issue of sustainability-linked bonds*¹, notified on May 19, 2023, as follows.

1. Bonds Overview

Name	Ajinomoto Co., Inc. 28th Unsecured Corporate Bonds (With special limited inter-bond pari passu clause) (Sustainability-linked Bonds)	Ajinomoto Co., Inc. 29th Unsecured Corporate Bonds (With special limited inter-bond pari passu clause) (Sustainability-linked Bonds)																									
Issue period	5 years	10 years																									
Issuance amount	JPY 10bn	JPY 20bn																									
Interest rate	0.320%	0.770%																									
Pricing date	Friday, June 9, 2023																										
Time of issuance	Thursday, June 15, 2023																										
Redemption date	Thursday, June 15, 2028	Wednesday, June 15, 2033																									
KPIs	KPI1 : Reduction of Scope 1 and 2 GHG emissions (%) KPI2 : Reduction of Scope 3 GHG emissions intensity (%)																										
SPTs* ²	<p>The Bond will employ the following two SPTs:</p> <p>SPT1 : Reduce absolute scope 1 and 2 GHG emissions by 50% by FY2030 from FY2018 baseline</p> <p>SPT2 : Reduce scope 3 GHG emissions intensity by 24% by FY2030 from FY2018 baseline</p> <p><5 years bond></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">SPTs</th> <th style="width: 25%;">GHG emissions reduction (%) (vs. FY2018)</th> <th style="width: 25%;">Reference period</th> <th style="width: 25%;">Target observation date</th> </tr> </thead> <tbody> <tr> <td>SPT1 (Absolute emissions)</td> <td>36%</td> <td>Apr. 1, 2026 - Mar. 31, 2027</td> <td>Nov. 1, 2027</td> </tr> <tr> <td>SPT2 (Emissions intensity)</td> <td>10%</td> <td>Apr. 1, 2026 - Mar. 31, 2027</td> <td>Nov. 1, 2027</td> </tr> </tbody> </table> <p><10 years bond></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">SPTs</th> <th style="width: 25%;">GHG emissions reduction (%) (vs. FY2018)</th> <th style="width: 25%;">Reference period</th> <th style="width: 25%;">Target observation date</th> </tr> </thead> <tbody> <tr> <td>SPT1 (Absolute emissions)</td> <td>50%</td> <td>Apr. 1, 2030 - Mar. 31, 2031</td> <td>Oct. 31, 2031</td> </tr> <tr> <td>SPT2 (Emissions intensity)</td> <td>24%</td> <td>Apr. 1, 2030 - Mar. 31, 2031</td> <td>Oct. 31, 2031</td> </tr> </tbody> </table>			SPTs	GHG emissions reduction (%) (vs. FY2018)	Reference period	Target observation date	SPT1 (Absolute emissions)	36%	Apr. 1, 2026 - Mar. 31, 2027	Nov. 1, 2027	SPT2 (Emissions intensity)	10%	Apr. 1, 2026 - Mar. 31, 2027	Nov. 1, 2027	SPTs	GHG emissions reduction (%) (vs. FY2018)	Reference period	Target observation date	SPT1 (Absolute emissions)	50%	Apr. 1, 2030 - Mar. 31, 2031	Oct. 31, 2031	SPT2 (Emissions intensity)	24%	Apr. 1, 2030 - Mar. 31, 2031	Oct. 31, 2031
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Bond characteristics	<p>In the event that Ajinomoto Co. fails to achieve either of its SPTs, or is unable to ascertain on the target observation date whether the SPTs have been met*, the Company will purchase a certain amount of emission credits (credits/certificates of CO2 reduction value) on or prior to the Bond's redemption date, which will be an amount equivalent to 0.05% of the issue amount for failure to attain SPT1, and an amount equivalent to 0.05% of the issue amount for failure to attain SPT2.</p> <p>Only when purchase of emission credits is selected but could not be executed due</p>																										

	<p>to the market condition, the Company may switch to donations equivalent to the amount of pre-defined purchase amount of emission credits.</p> <p>Ajinomoto Co., Inc. will donate to those public-interest incorporated associations/foundations, international organizations, and municipality-accredited nonprofit organizations which aim to engage in environmental conservation activities and contributing the solutions to the crucial social issues, local governments, or other similar entities. The recipients of the donation, including the Ajinomoto Foundation which conducts programs related to “nutritional improvement through food”, will be mainly narrowed down based on the Ajinomoto Group’s social contribution activity policy and will be decided after institutional authorization required.</p> <p>*This is to be understood such as a failure of acquiring verification assurance certificate on annual KPI performance provided by the independent auditor, and failure by the company to publish the relevant SPT within the time limit as prescribed by the terms and conditions of the notes.</p>	
Lead managing securities companies	<p>Nomura Securities Co., Ltd.</p> <p>Mizuho Securities Co., Ltd.</p> <p>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</p> <p>Daiwa Securities Group Inc.</p>	<p>Nomura Securities Co., Ltd.</p> <p>Mizuho Securities Co., Ltd.</p> <p>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</p> <p>SMBC Nikko Securities Inc.</p>
Structuring agent*3	<p>Nomura Securities Co., Ltd.</p>	

<Reference>

Ajinomoto Sustainability-Linked Financing Framework

https://topics.ajinomoto.co.jp/files/20230519/Framework_English.pdf

Sustainalytics second-party opinion

[https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/ajinomoto-co-inc-sustainability-linked-financing-framework-second-party-opinion-\(2023\)_revised_14jul2023.pdf?sfvrsn=badcbe67_1](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/ajinomoto-co-inc-sustainability-linked-financing-framework-second-party-opinion-(2023)_revised_14jul2023.pdf?sfvrsn=badcbe67_1) (revised on July 25, 2023)

- *1) Sustainability-linked bonds refer, collectively, to bonds whose terms are variable according to the issuer’s performance against its predetermined sustainability / ESG targets.
- *2) Sustainability Performance Targets (SPTs) are targets that determine the terms and conditions of the sustainability-linked bond issue, and are based on the issuer’s business strategy.
- *3) Structuring agents are organizations that assist the execution of sustainability-linked financing, through services such as advising on the formulation of sustainability-linked financing frameworks or on the obtainment of second-party opinions.