

Undertaking transformation to change the way we think and act

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1985 Joined Ajinomoto Co., Inc.
2006 Assigned to Ajinomoto (China) Co., Ltd.
2011 President of AJINOMOTO PHILIPPINES CORPORATION
2015 General Manager, Latin America Division
2017 Corporate Vice President

Tackling the challenge of corporate culture transformation under our new vision

This year the Ajinomoto Group established the new vision of “Contribute to greater wellness for people worldwide, unlocking the power of amino acids to resolve the food and health issues associated with dietary habits and aging.” This vision describes our purpose in society and the path to fulfilling it. It forms the very foundation of all of our business activities and operations. We must now foster understanding and sympathy among our employees regarding what needs to be done to achieve this vision, encourage them to take ownership of ASV, and help in enhancing the execution capabilities of the entire organization.

Our roots can be traced back to a commitment to improve the nutrition of Japanese people and to achieve its philosophy of “Eat Well, Live Well.” However, a business climate where we could sell products as long as we made them continued for some time, resulting in a

corporate culture overly focused on products, the scale of sales, and the short-term profits of each division. As a result, in the past management plans, our numerical targets were mainly centered on sales and business profit. Under the 2020-2025 MTP, we will transition to a form of management that emphasizes the efficiency of invested capital (time, things, and money) and organic growth to resolve food and health issues, and escape from our previous mindset (change emphasis from P/L to ROIC over WACC). This is more than just changing our management indicators; it expresses our determination to transform our corporate culture and return to our roots of resolving social issues.

The Companywide Operational Transformation Task Force, which I lead, is responsible for building the platform and systems needed for this transition.

Roadmap for companywide operational transformation

	FY2020	FY2021	FY2022	FY2023-2025
Foundation for transformation (standard implementation of OE*)	Launch OE at all departments	Continually refine OE and undertake operational transformation		
ASV engagement	Strengthen ASV management through OE			
	Synchronize ASV engagement and individual skills development			
Common management indicators across the Group	Penetrate ROIC tree	Promote utilization of ROIC tree	Utilize ROIC tree in all operations	Continue refinement
	Penetrate managerial accounting standardization		Standardize managerial accounting	
	Foster data analysts	Increase data analysts	Continue refinement	

* Continuous improvement and reform activities based on the concept and methods of thoroughly refining all operations from the customers’ point of view while individuals and teams grow in a synchronized manner in order to create a competitive advantage.

Establishing a system to increase the ASV engagement of every employee

ASV engagement involves the passion and excitement of each and every employee as they work to provide “solutions for food and health issues.” It also means that employees are keenly aware of their contributions to the realization of this vision.

Here, I would like to share one concrete example. “Pair cooking” is an activity proposed by a group of young employees. This activity involves fostering closer bonds between family members by going shopping, cooking and eating together with a loved one. With lifestyles changing, this activity was born from the desire to support people’s mental health with the joy of eating together.

The Companywide Operational Transformation Task Force will establish a management cycle as a system to elevate this passion and drive of our people. By

penetrating this across the entire Ajinomoto Group, we will be able to increase ASV engagement and develop the skills of individuals in tandem.

An important aspect of ASV is to go beyond just creating social value to generate new economic value, too. By re-investing economic value (profits) obtained from the creation of social value back into our business, we will be able to generate new value and resolve even greater social issues. Therefore, we have introduced common management indicators for the Group and will establish a positive cycle where all employees can enjoy a keen sense of contributing to resolving food and health issues, by visualizing KPI, such as ROIC improvement and involvement to ASV, in all of our duties.

Management cycle that increases ASV engagement



▶ For details, see pp.57–60 “Enhancing Human Capital.”

▶ For details, please see the Ajinomoto Group Sustainability Data Book 2020. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Foundation for promoting Group-wide transformation

We will introduce OE as a standard at all of our Group companies to serve as a platform for ushering in transformation across the entire Group. OE represents the foundation for the Ajinomoto Group’s DX. Our starting point is what customers and society require. All Group companies and organizations specify customers and customer value, based on which we set organizational and personal goals by cascading the companywide goals down. In turn, we will create a situation where improvement and reforms can be sustained via data-driven management.

In addition, the Companywide Operational Transformation Task Force is working to improve supply chain management, reduce costs from direct and indirect materials, and push ahead the efficiency improvement of service functions at Corporate Division. Going forward, under the leadership of the CEO, in my role as CXO I will work with the CIO and CDO as promoters to drive close collaboration between the executors of the Food Products Division, AminoScience Division and Corporate Division, powerfully promoting corporate culture transformation aimed at achieving our vision as One Team in sync.