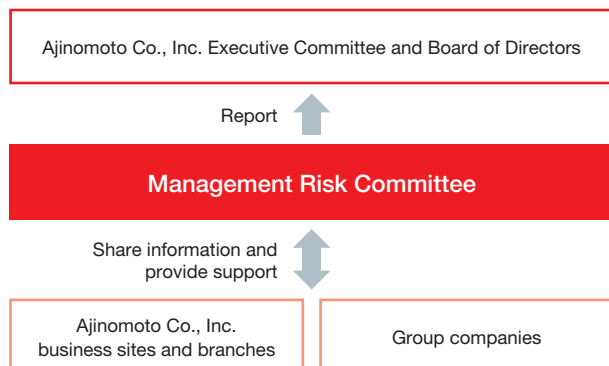


The Ajinomoto Group conducts strategic risk management linked to its management strategy and each business strategy, with the aim of increasing corporate value, following the Group Shared Policy on Risk Management.

Risk management framework

The Ajinomoto Group conducts an annual review of the materiality items which have a substantial impact on our ability to create value through ASV. Here, we identify the risks and opportunities associated with each materiality item. The Management Risk Committee, which has been formed under the Executive Committee, develops responses to risks and opportunities that have a groupwide impact. The Management Risk Committee evaluates and manages important risks and opportunities cross-functionally, including those pertaining to climate change, social issues, and technological innovation. This framework allows us to respond to crises in a timely and appropriate manner. Matters deliberated in the Management Risk Committee are reported to the Executive Committee and Board of Directors annually. For highly urgent themes, the Committee organizes separate working groups to work on formulating policies and project planning.

Risk management framework



The Group encourages independent risk management within each organizational unit. Further, each organizational unit performs an annual review of risk items and their degree of impact, reporting to the Management Risk Committee. The Business Conduct Committee, which is also under the Executive Committee, prepares manuals and other documents to address emerging crises. Following these, each organizational unit creates their own business continuity plan. We ascertain and inspect the status of preparations using crisis management training and other means.

Principal risks

Identified risks and opportunities associated with each materiality item along with the Group's key initiatives in response are available on the Company's website.

▶ For details, please see the Ajinomoto Group Materiality.
https://www.ajinomoto.com/sustainability/pdf/2020/materiality_en.pdf

Financial risks and opportunities in particular are as follows.

Financial risks	Related risks and opportunities (●Risk ○Opportunity)
Impairment loss	<ul style="list-style-type: none"> ● Failure of acquired subsidiaries, etc., to fulfill business plan ● Sharp increase in interest rates
Capital procurement	<ul style="list-style-type: none"> ● Depletion of capital due to financial crisis ● Ratings downgrade ● Additional capital procurement and worsening of rating arising from failure to fulfill plans due to various risk factors
Bankruptcy of customers	<ul style="list-style-type: none"> ● Unforeseen bankruptcies of customers including overseas customers
Fluctuation in exchange and interest rates	<ul style="list-style-type: none"> ● Slowdown in overseas business activity ● Impact on yen translation of business results of overseas subsidiaries
Country risk	<ul style="list-style-type: none"> ● Expropriation risk ● Risk of outbreak of war, conflict, etc.
Tax system change	<ul style="list-style-type: none"> ● Increase in business operational costs due to system reform (e.g., value-added tax in Brazil) ○ Lower future tax burden through system reform (e.g., reform of U.S. tax system)
Tax effect change	<ul style="list-style-type: none"> ●○ Higher/Lower tax expenses due to change in estimates of future taxable income, etc.

▶ For details, please see our Securities Report (Japanese only) and Financial Report 2020.
<https://www.ajinomoto.co.jp/company/jp/ir/library/securities.html>
<https://www.ajinomoto.co.jp/company/en/ir/library/report.html>