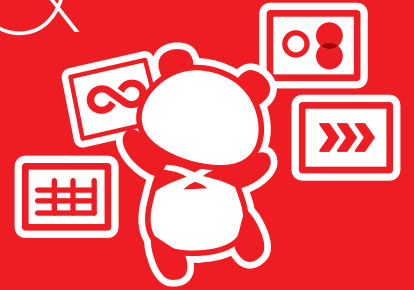




Part 2

Our Vision & Strategy



Path toward the 2030 Outcomes

Path toward the 2030 outcomes

The Ajinomoto Group is working to reduce environmental impacts and regenerate the environment as well as to promote better health and life. We will accomplish this using innovation and value co-creation with various partners by focusing management resources on core businesses, combining the power of amino acids with our ability to create new value, and expanding empathy toward our purpose to resolve food and health issues. In turn, we will increase customer value and seek to realize both outcomes of helping extend the healthy life expectancy of one billion people and reducing our environmental impact by 50% by 2030.

Purpose: Resolving food and health issues

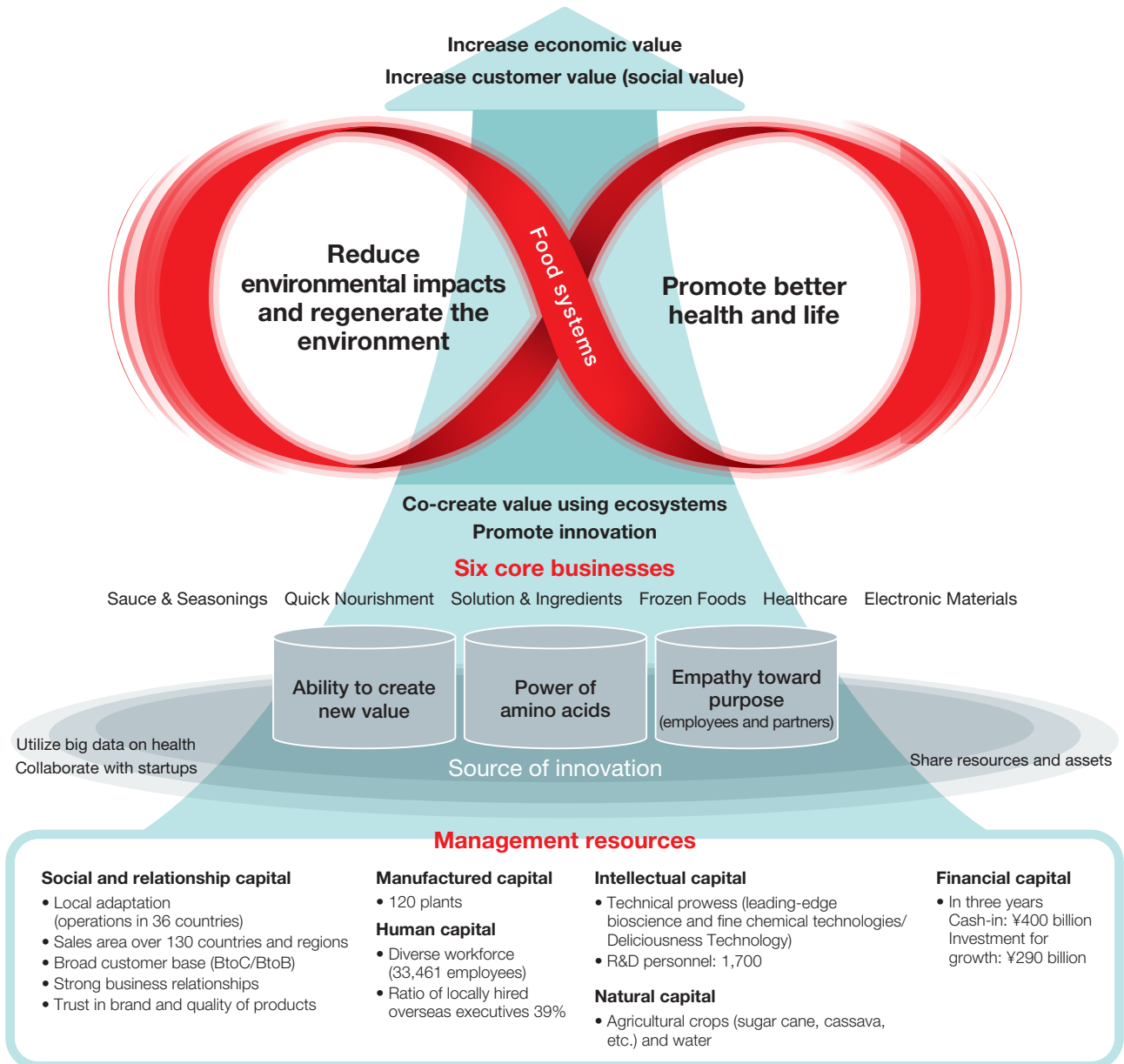
Eat Well, Live Well.

Contribution to greater wellness for people

By 2030

Help extend the healthy life expectancy of 1 billion people

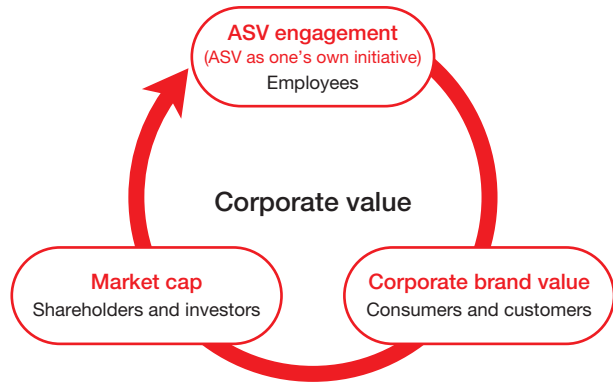
Reduce our environmental impact by 50%



Path toward the 2030 Outcomes

Cycle for increasing corporate value

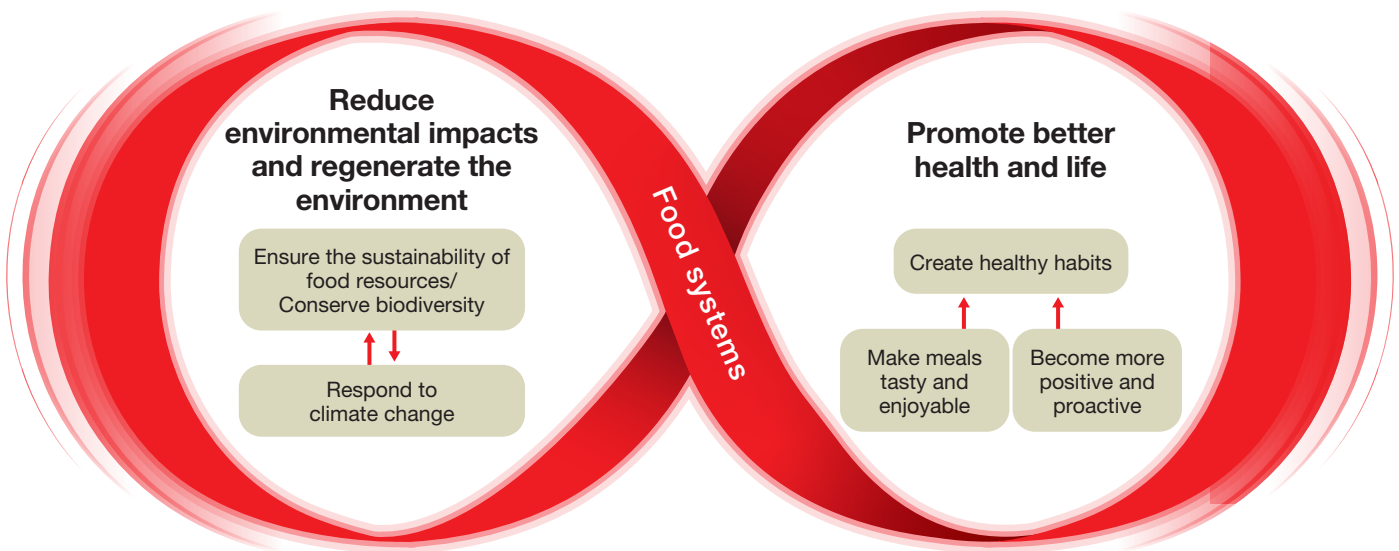
Similar to its creation of umami seasoning *AJI-NO-MOTO*® from efforts to discover what gave *kombu* (kelp) broth its distinctive taste, the Ajinomoto Group has expanded the possibilities with the power of amino acids while refining its ability to create new value, extending its business reach from foods into healthcare and electronic materials. Also, by fostering empathy toward our purpose, we have enhanced employees' ASV engagement and built ecosystems with diverse partners linking this purpose. Looking ahead, we will increase customer value using value co-creation driven by innovation and ecosystems, and sustainably enhance corporate value by continuously implementing the cycle for creating economic value.



Social value created

The Ajinomoto Group's business is supported by the sustainability of food sources, such as main raw materials and ingredients that form the foundation of deliciousness and nutrition. Currently, we are approaching the planetary boundaries, requiring urgent countermeasures to regenerate the natural environment. Therefore, first we will work to make food systems that deliver foods to customers more resilient while reducing environmental impacts by responding to climate change among others. Through these efforts we will also contribute to the regeneration of the environment.

Making delicious food and selecting the right ingredients based on nutritional balance for someone special and enjoying time together over a meal—such daily repetition is said to extend healthy life expectancy. We will promote better health and life where healthy habits become second nature. We will accomplish this through the provision of such value as making meals tasty and enjoyable and helping people become more positive and proactive closely in tune with the daily living of consumers using initiatives under the basic stance of Nutrition Without Compromise.



The pages that follow contain recognition of the external environment surrounding the Ajinomoto Group, materiality items that have a substantial impact on our ability to create value through ASV, strength of our businesses, and approach to reducing environmental impacts and to nutrition.

Understanding of External Environment and Materiality

Materiality items that have a substantial impact on our ability to create value

The Ajinomoto Group has developed the following understanding of the macro environment that is deeply related to the creation of outcomes and realization of its vision. Using this understanding, we identified materiality items, which we continuously review based on the latest social conditions and the feedback and expectations of our stakeholders.

Macro environment surrounding the Ajinomoto Group

Growing world population*1

2019 2050
7.7 billion ▶ 9.7 billion

Food production needed by 2050 compared to 2012

+50%*²

- Rising demand for food, water, and energy

Global population aging

Population over 65*3

2020 2050
0.73 billion ▶ 1.5 billion

- Rising needs for extending healthy life expectancy
- Rising demand for healthcare

Climate change

Global average temperature by 2100*4

+4.8°C

- Accelerated decarbonization
- Physical damage from natural disasters
- Unstable materials sourcing
- Breakdown in supply chain

Transition to the new normal in the wake of the COVID-19 pandemic

- Changing consumer behavior (in-home consumption, reluctance to go out, increased delivery, etc.)
- Increased awareness of hygiene and health management
- Increased awareness of the stable supply of goods (trend toward local production for local consumption, etc.)
- Social fragmentation (polarization of rich and poor, increase in number of the poor and unemployed, etc.)
- Increase in occasion of eating alone
- Promotion of the green recovery

Accelerated use of digital technology

- Emergence of new business opportunities and competition
- Changes in the way information, products and services are provided (e.g., e-commerce)
- Increasing opportunities for direct communication with consumers
- Increase in the influence of Generation Z

*1 United Nations (UN), 2019 *2 Food and Agriculture Organization of the UN, 2017 *3 UN, 2020

*4 Intergovernmental Panel on Climate Change, 2013

Understanding of External Environment and Materiality

How we identify material issues

The Ajinomoto Group identifies materiality items that have a substantial impact on its ability to create value in the short, medium, and long term through ASV, taking into account changes in the macro environment. Once we identify opportunities and risks from materiality items, we define their orders of importance and priority, then reflect these matters in our business activities.

We conduct annual reviews of our materiality items, revising content based on the latest social conditions and the feedback and expectations of our stakeholders.

➤ For details, please see the Ajinomoto Group Sustainability Data Book 2021. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

➤ For details, please see Ajinomoto Group Materiality. https://www.ajinomoto.com/sustainability/pdf/2020/materiality_en_2106.pdf

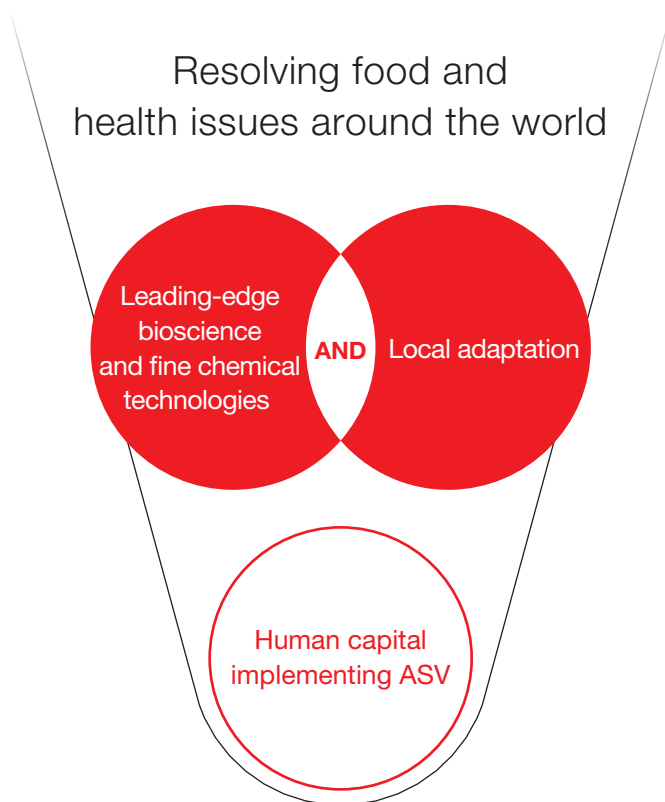
FY2015	Select/sort materiality items
FY2016	Conduct surveys of the SDGs experts (Survey conducted to review the Group's issues and approach taking into account the SDGs announced in 2015)
FY2017	Analyze the relationship between the SDGs and materiality Conduct dialogue with diverse stakeholders
FY2018-2019	Review and revise materiality (Narrowed materiality items from 26 to 11) • Interviews with outside experts • Verification by the Board of Directors
FY2020-	Conduct annual review of materiality

<h3>Materiality items and relevant SDGs</h3>	<h4>Contribution to solve food and health issues</h4> 	<h4>Rapid response to consumer lifestyle changes</h4> 
<h4>Assurance of product safety</h4> 	<h4>Diverse talent</h4> 	<h4>Climate change adaptation and mitigation</h4> 
<h4>Contribution to a circular economy</h4> 	<h4>Reduction of food loss and waste</h4> 	<h4>Sustainable materials sourcing</h4> 
<h4>Conservation of water resources</h4> 	<h4>Strong corporate governance</h4> 	<h4>Preparation for intense global competition</h4> 

Strengths of Our Businesses

Advanced technologies and local adaptation underpinned by ASV

Our core competencies are leading-edge bioscience and fine chemical technologies centered on amino acid research and local adaptation based on our deep understanding of countries and regions. Around 33,000 employees are working to implement ASV by combining and evolving these core competencies.



Leading-edge bioscience and fine chemical technologies

R&D personnel:

1,700

R&D investment:

approx. **¥87 billion**

(FY2020–2022)

We engage in the food products business, which leverages Deliciousness Technology born from our refinement of leading-edge bioscience and fine chemical technologies centered on amino acid research as well as the healthcare and electronic materials businesses utilizing the functions of amino acids and proprietary technologies (see pp.31–32). Today, we employ around 1,700 people in R&D positions at dozens of research hubs in 14 countries around the world. These specialists in the fields of foods, fermentation/biotechnology, chemistry, and engineering conduct R&D while working closely together with other regions to combine technologies cross-functionally.

Boosting competitive advantages

Following the reorganization of our R&D structure, in 2020, we renamed the R&D Planning Dept. to the Research & Business Planning Dept. These are to address an intensely changing market environment and diversifying customer and consumer needs.

The Research & Business Planning Dept. spearheads Group-wide efforts to establish research themes, allocate resources, develop human resources, and business operation during the market introduction period. We aim to initiate R&D from the perspective of what kind of value we will provide to what our customers want, not what we want to create, and we are developing open innovation in conjunction with our business.

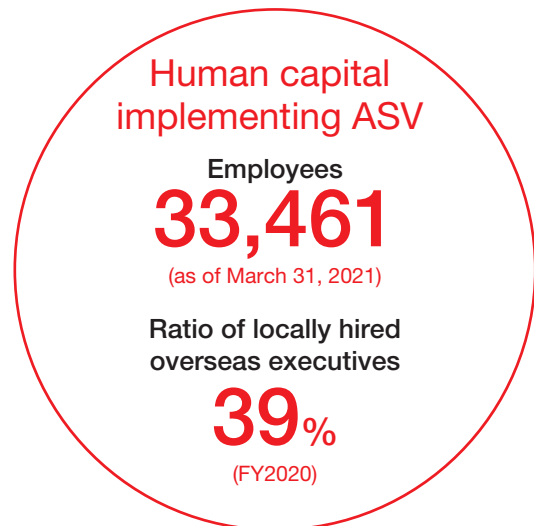
> See pp.31–32 "Our leading-edge bioscience and fine chemical technologies."

Strengths of Our Businesses



We supply the right products and services tailored to each market based on in-depth understanding and analysis of customer and consumer needs in each country and region. Capitalizing on our strengths of localized sales and marketing capabilities, in the food products business, for instance, we supply seasonings, quick nourishment, and frozen foods contributing to the increased deliciousness and improved nutrition tailored to the local food preferences in more than 130 countries and regions spanning the globe. We have captured the top global market share in the dry savory segment.

* Umami seasonings and flavor seasonings



To realize ASV and grow sustainably, it is essential that our diverse workforce can contribute their skills in the most appropriate role suited to their abilities. We are now working to foster an innovative corporate culture through promoting ASV as one's own initiative, skills development, along with diversity and inclusion. We are also working to create a workplace environment where employees with differing strengths can contribute their skills while feeling highly engaged in their work.

Boosting competitive advantages

In recent years, the diversification of consumer lifestyles and values has changed people's eating habits as well. With these changes in mind, we are stepping up development and sales of seasonings that can reduce cooking time and products considerate of health and nutritional needs. We are also strengthening collaboration with local distributors and other stakeholders. This will help us to better penetrate localized products based on a deeper understanding of consumer needs as well as improve our future marketing and sales strategies.

Boosting competitive advantages

During fiscal 2020–2022, we plan to increase investment in our people by around 2.5 times compared to fiscal 2017–2019, and we have adopted productivity per employee as a KPI for monitoring the outcome of our investments. Also, we are stepping up skills development to increase employee literacy including digitalization, nutrition, and the environment in order to increase the issue-solving abilities of each and every employee. The promotion of diversity and inclusion is positioned as an important management strategy, and we are establishing systems to achieve diverse work styles and diverse career paths.

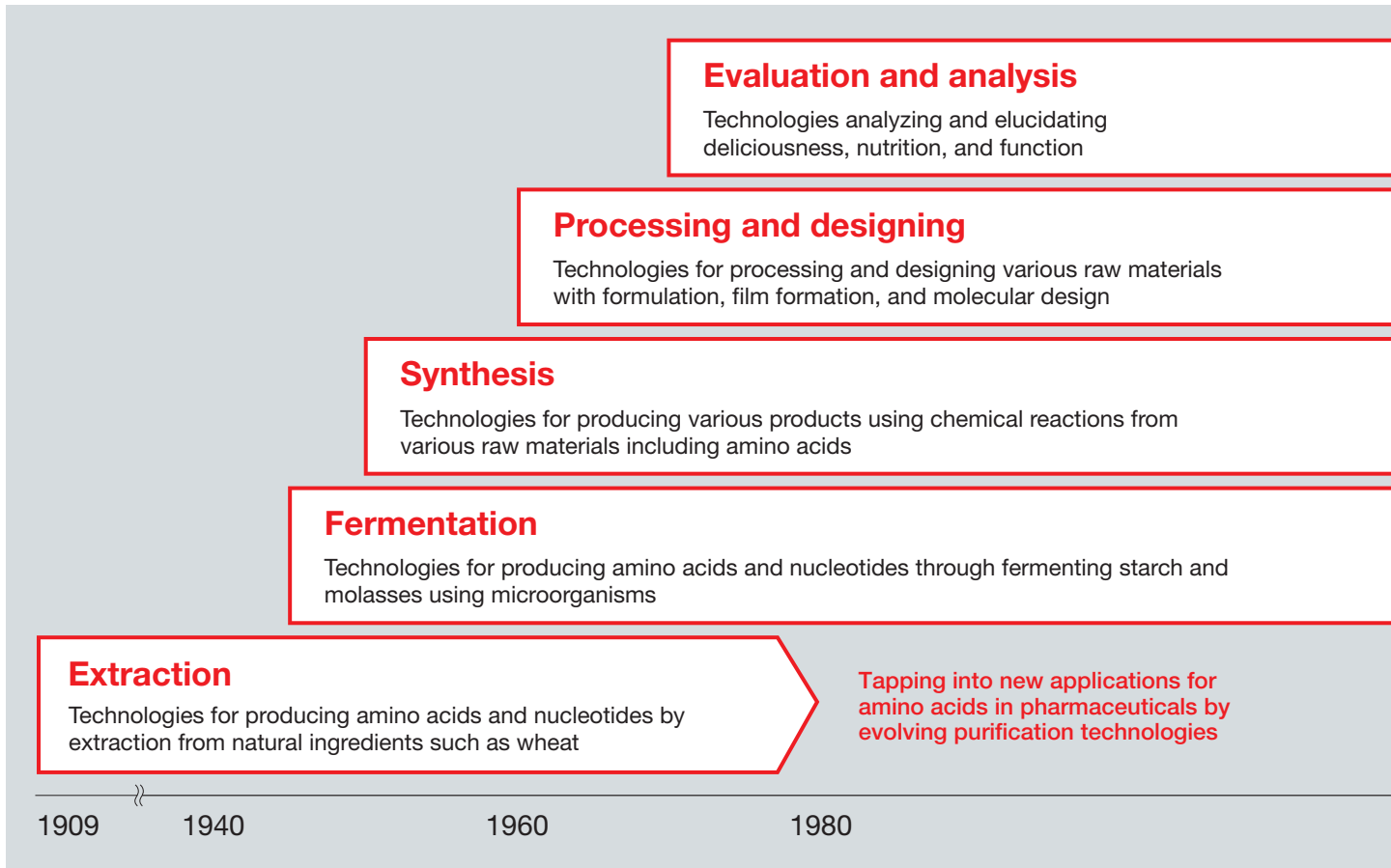
➤ See pp.57–60 "Transform Management of Human Resources and Organization."

Strengths of Our Businesses

Our leading-edge bioscience and fine chemical technologies

Glutamic acid, an amino acid, represents the essence of umami. The Ajinomoto Group has carried out research centered on amino acids for more than a century since its founding, thereby cultivating and enhancing leading-edge bioscience and fine chemical technologies. In turn, these technologies gave rise to our proprietary Deliciousness Technology. Looking ahead, we will continue to address customer needs leveraging our unique key ingredients and technical prowess.

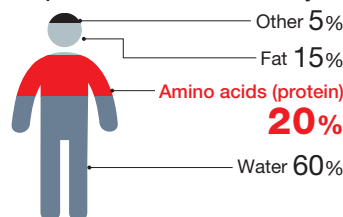
Development of amino acid-related technologies



The power of amino acids

About 20% of the human body is made up of amino acids, which are essential to all living things. Amino acids function to create delicious meals, promote growth, and support physical health, etc. We are looking to deliver new value by pursuing these functions scientifically, and using our proprietary technologies and ingredients.

Composition of the human body



The four functions of amino acids

- Flavoring function**
 - Create delicious meals
- Nutrition**
 - Promote growth
 - Development and recovery
- Physiological function**
 - Support physical health
- Reactivity**
 - Create new functions

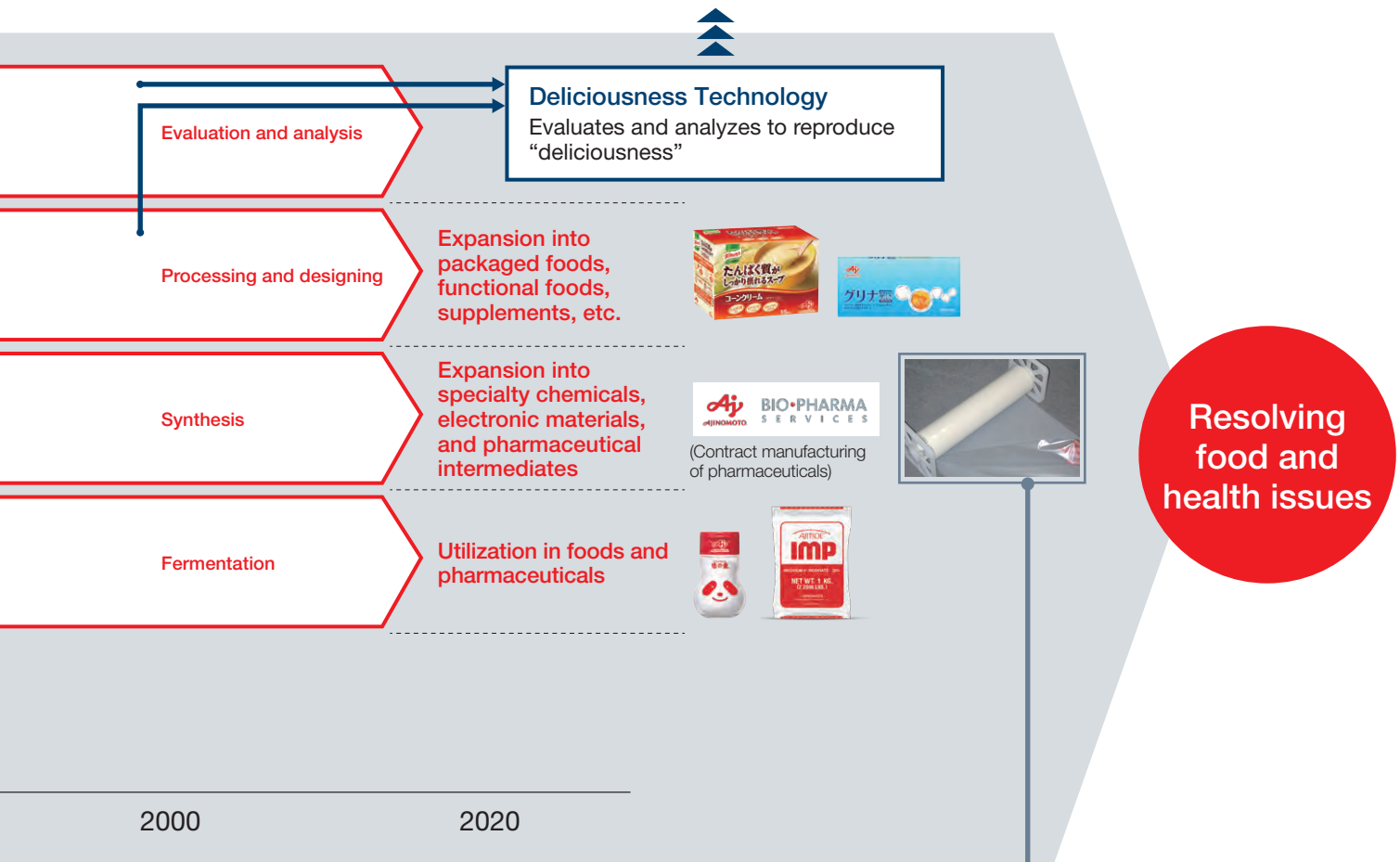
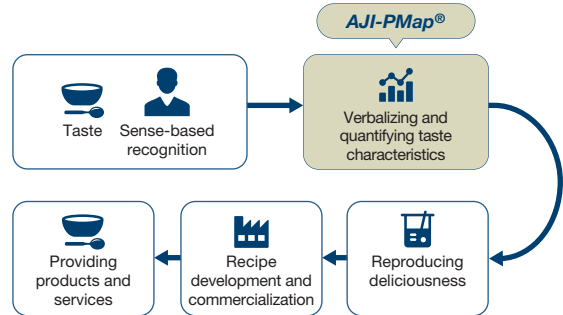
Strengths of Our Businesses

Latest example

Verbalizing the sense of deliciousness with AJI-PMap®

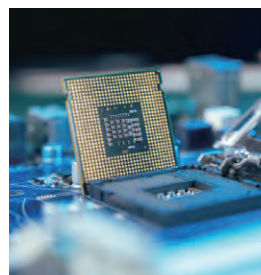
When we eat, we determine whether a food is delicious using our five senses of sight, hearing, smell, touch, and taste. The Group has developed a proprietary technology called *AJI-PMap®* that verbalizes and quantifies the characteristics for maximizing the sense of deliciousness using statistical analysis technology. *AJI-PMap®* can increase the speed of recipe development for products by reproducing deliciousness based on taste characteristics that has been verbalized and quantified. Recently, we developed *AJI-EMap*, a technology that predicts the psychological elements behind purchase motivation, which we are utilizing in customer engagement initiatives.

Speeding up commercialization by AJI-PMap®



Why a food company provides electronic materials?

We were the first in the world to successfully develop a film produced from liquid resin called *Ajinomoto Build-up Film® (ABF)* based on the technologies gained through our production of amino acids. *ABF* is used as an interlayer insulating material for semiconductor packages for high-performance central processing units (CPUs), considered the brain of PCs.



Approach to Reducing Environmental Impacts and to Nutrition

Initiatives aimed at realizing our outcomes

Our business operations are supported by sound food systems based on stable food resources and the vibrant natural environment. We have set medium- to long-term targets and KPIs for both reducing our environmental impact by 50% and helping extend the healthy life expectancy of one billion people. We are steadily moving forward with various initiatives while utilizing our strengths.

Approach to reducing our environmental impact by 50%

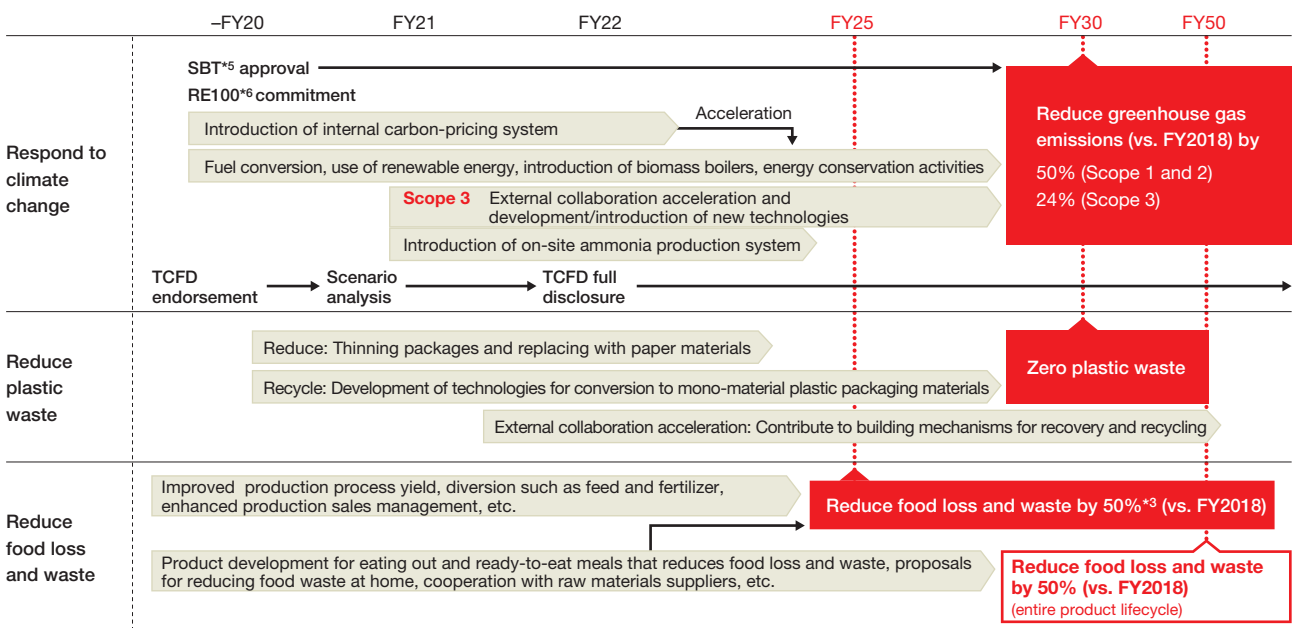
Today, when we are reaching the planetary boundaries, implementing countermeasures to help regenerate the environment is an urgent task for the Ajinomoto Group. We believe that we can only implement initiatives aimed at extending healthy life expectancy in a sustainable manner by reducing our environmental impact, such as responding to climate change, ensuring sustainability of food resources, and conservation of biodiversity. The

2020-2025 Medium-Term Management Plan contains the targets outlined in the table below. In particular, we are focusing efforts on response to climate change, reducing plastic waste, and reducing food loss and waste. For each of these, we have set targets not just for our own activities but also encompassing the entire lifecycle. We aim to achieve them through increased collaboration with outside partners.

2020-2025 Medium-Term Management Plan Targets

Challenges	KPIs	Targets	FY2020 (Result)
Respond to climate change	Greenhouse gas Greenhouse gas emission reduction rate (total of Scope 1 and 2)	FY2025: Reduce by 30% (vs. FY2018) FY2030: Reduce by 50% (vs. FY2018)	14% reduction
	Water risk Water use reduction rate*1 Recharge rate of drinking water into forest	FY2030: Reduce by 80% (vs. FY2005) FY2025: 100%+	78% reduction 107%
	Plastic waste Plastic waste	FY2030: Achieve "Zero"*2	—
Create a resource recycling society	Food loss and waste Food loss and waste reduction rate*3	FY2025: Reduce by 50% (vs. FY2018)	11% increase
	Realize sustainable procurement	Sustainable procurement ratio	Paper
Palm oil			84%
Soybeans			68%*4
Coffee beans, beef			Start of risk evaluation

Roadmap for reducing our environmental impact by 50%



*1 Percentage reduction per production volume unit *2 Eliminating plastics that are released into the environment without being recycled or reused

*3 From the acceptance of raw materials to delivery to customers *4 Procured for businesses in Japan

*5 Science Based Targets: The greenhouse gas reduction goals based on scientific evidence and aligned with the levels set out in the Paris Agreement

*6 An international initiative pursuing the goal of procuring and using 100% renewable energy in business operations

Approach to Reducing Environmental Impacts and to Nutrition

Initiatives and progress of response to climate change

The Ajinomoto Group's greenhouse gas emissions in fiscal 2020 totaled around 1.91 million t-CO₂ for Scope 1*¹ and Scope 2*², which marks a reduction of 14% compared to the base year of fiscal 2018. Scope 3*³ emissions totaled around 11.79 million t-CO₂ for a 1% reduction. This was because some of our plants reduced production volume due to the fallout from the COVID-19 pandemic. In fiscal 2021, we plan to draw up and begin executing a detailed plan for cutting our greenhouse gas emissions in half. Additionally, we plan to formulate decarbonization promotion measures using our internal carbon-pricing system*⁴ and to draw up a plan for working collaboratively with raw materials suppliers on Scope 3 emissions.

As for the scenario analysis based on the TCFD*⁵ recommendations, in fiscal 2019, we conducted analysis

using *AJI-NO-MOTO*[®] of the potential impact of climate change in fiscal 2050 under the assumption that the average temperature will rise by 2°C by 2100. Following this, in fiscal 2020, we expanded this analysis to cover other mainstay products such as foods and specialty chemicals and analyzed the impacts in fiscal 2030 in the events that the average temperature rises by 2°C and 4°C, respectively, by 2100. In fiscal 2021, we plan to conduct scenario analysis on the impacts in fiscal 2050 using the same assumptions as fiscal 2020.

*1 Direct greenhouse gas emissions from sources that are owned or controlled by the organization

*2 Indirect emissions from the generation of purchased electricity, heat, or steam consumed by the company

*3 Other indirect emissions (product use and disposal and transport, employee commuting and business travel, investment, etc.)

*4 A system in which companies set their own internal carbon price to promote low-carbon investment and countermeasures

*5 Task Force on Climate-related Financial Disclosures

Main risks identified from scenario analysis and response measures

	Risks	Measures
Financial impact due to rising carbon taxes	FY2030: about 20 billion yen FY2040: about 30 billion yen	<ul style="list-style-type: none"> • Introduction of internal carbon-pricing system • Fuel conversion • Use of renewable energy
Raw materials procurement	<ul style="list-style-type: none"> • Instable procurement of agricultural and livestock products due to water stress and increasing occurrence of infectious diseases in livestock • Rising raw materials costs 	<ul style="list-style-type: none"> • Supply stabilization survey and strengthening of management systems • Diversification of procurement partners • Identification of substitute raw materials and reduction of food loss and waste
Markets	<ul style="list-style-type: none"> • Market contraction in Japan due to declining and aging population • Weaker demand for warm meals and drinks due to global warming 	<ul style="list-style-type: none"> • Product development that seizes opportunities

➤ For details, please see the Ajinomoto Group Sustainability Data Book 2021. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Measures and progress on reducing plastic waste

We are undertaking Group-wide strategic measures in aiming to reduce plastics that are released into the environment without being reused or recycled to zero by fiscal 2030.

Goals for fiscal 2030

- Choose to use plastic in the minimum quantity and purpose required for product safety and quality (reduce)
- Switch to using only plastic packaging made of mono-material or recyclable products (recycle)
- Support and contribute to measures for social implementation of collection, sorting, and recycling in countries and regions where our products are manufactured and sold

In order to achieve zero plastic waste, we aim to complete our reduction efforts by fiscal 2025 while developing technologies for converting to mono-material packaging materials; finally switching over to exclusively recyclable materials by fiscal 2030.

The amount of plastic used by the Group in fiscal 2020 totaled 69,000 tons, of which over 90% was used for product packaging. Of this, we have already incorporated mono-materials or paper packaging for approximately 30,000 tons. As for the remaining 40,000 tons, we have started developing technologies for mono-material packaging materials and implementing reuse measures in fiscal 2020. We are working with Japan Clean Ocean Material Alliance (CLOMA), a platform established to accelerate innovation through closer collaboration among concerned parties across multiple industries, as well as participating in and implementing activities as a partner in global recycling startup TerraCycle's "Loop" initiative that recycles and reuses containers.

We will further consider our theme for technological development and our involvement in the development of plastic recycling systems in each country and region in fiscal 2021.

➤ For details, please see the Ajinomoto Group Sustainability Data Book 2021. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Approach to Reducing Environmental Impacts and to Nutrition

Measures and progress of reducing food loss and waste

The Ajinomoto Group has set out a long-term vision of reducing food loss and waste by 50% across the entire product lifecycle by fiscal 2050 compared to fiscal 2018. We aim to cut food loss and waste in half between acceptance of raw materials and the delivery of products to customers by fiscal 2025 relative to fiscal 2018.

In fiscal 2020, despite measures being implemented to reduce food loss and waste at many of our plants, due partly to the loss incurred at the time of launching new

products and lines at our frozen foods plant in the United States, the amount of food loss and waste increased by 11% relative to the base year of fiscal 2018.

In fiscal 2021, we will promote yield improvement and incident reduction at each plant as well as examine measuring methods, establishing KPIs and working collaboratively with raw materials suppliers aimed at food loss and waste reduction throughout the lifecycle of our products.

➤ For details, please see the Ajinomoto Group Sustainability Data Book 2021. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Our approach to nutrition

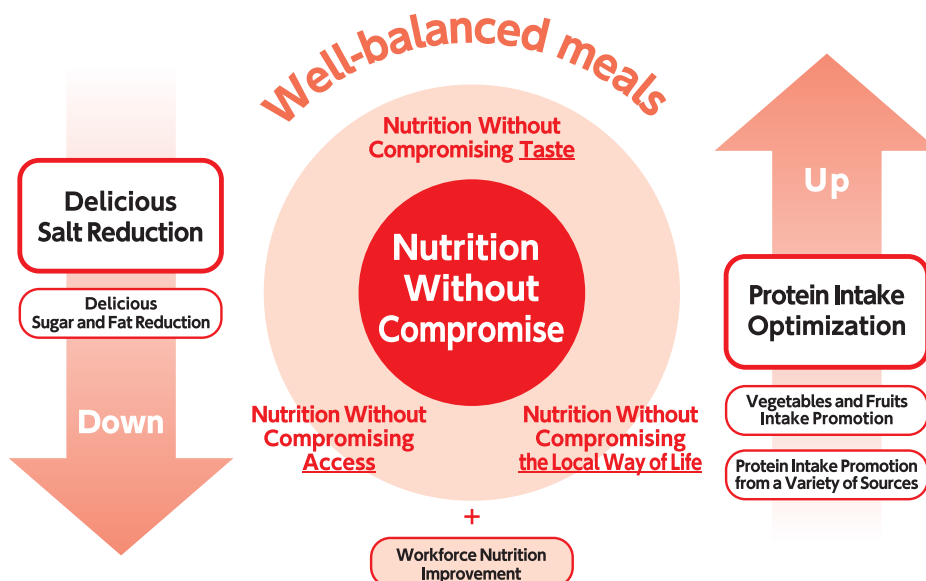
Health issues attributed to diet and lifestyle are growing around the world. These include increasing risk of high blood pressure and heart disease due to excess salt intake, along with frailty in the aged caused by malnutrition. Resolving these issues requires improving nutritional balance in our everyday diet. As a food company closely involved in people’s eating, the Ajinomoto Group is promoting initiatives following the basic policy of Nutrition Without Compromise based on three pillars. The first is “taste,” where we will use our founding technology to unlock the power of amino acids to provide health value, such as with reduced salt, as well as deliciousness. The second pillar is “access.” Aware that food availability is an issue for many people around the world, we will strive to ensure that everyone has access to healthy and nutritious foods through measures ranging from offering quality products and ingredients to improving

distribution and convenience. Finally, we will focus on “the local way of life.” We will adapt our operating models to respect the customs, food preferences, resources, ingredients, and stakeholders of each local market. We will also emphasize addressing social issues and creating individualized responses to diverse values related to food. When nutritious foods taste good, are convenient and easily accessible, and respect local eating habits and preferences, we are able to promote the long-term intake of well-balanced meals by consumers.

Aimed at extending the healthy life expectancy of one billion people worldwide by 2030, in 2021 we formulated a commitment that presents a roadmap to improving people’s nutrition and relevant KPIs. Going forward, we will continue to promote activities for improving nutrition while closely monitoring the progress of this commitment.

➤ For details, please see the Ajinomoto Group Sustainability Data Book 2021. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Ajinomoto Group’s approach to nutrition



Approach to Reducing Environmental Impacts and to Nutrition

Commitment to Nutrition

By 2030, we will help extend the healthy life expectancy of one billion people by increasing the current reach to 700 million consumers and providing products and information that support consumers in enjoying nutritious and delicious foods with Nutrition Without Compromise as basic policy on our approach to nutrition.

- **Support practice of “delicious salt reduction” using umami**
 - We will leverage our current reach to 700 million consumers to raise general awareness of salt reduction using umami, and support more people to achieve salt reduction without compromising taste.
- **Provide nutritious products to contribute to people’s wellness**
 - By fiscal 2030, 60% of our products will have high nutritional value while maintaining good taste. We will use the Ajinomoto Group Nutrient Profiling System (ANPS) to guide product development and reformulation.
 - Among the nutritious products, we will provide products that promote “delicious salt reduction” and “protein intake optimization” to 400 million people a year by fiscal 2030.
 - By utilizing the physiological and nutritional functions of amino acids, by fiscal 2030, we will double the availability of such products that contribute to health, compared to fiscal 2020.
- **Support consciousness/behavior change of consumers by providing information that supports health and nutrition improvement**
 - We will provide consumers with information to help them improve their health and nutrition, as well as easy recipes and menus both on product packaging and our website that support delicious and well-balanced meals and healthy lifestyles.
- **Improve nutrition literacy of Group employees**
 - We will help our employees improve and maintain their health by providing healthy meals in the workplace, nutrition education, health checkups, and maternity leave.
 - By fiscal 2025, we will provide nutrition education to sum total of 100,000 employees.

Initiatives and progress for improving nutrition

In 2020, the Ajinomoto Group became the first Japanese company to introduce a nutrient profiling system called Ajinomoto Group Nutrient Profiling System (ANPS) as a platform for visualizing the nutritional value of our products and enabling continuous improvement. As of March 2021, ANPS has been introduced for around 500 products at nine of our group companies in seven countries.

We are aiming to accelerate social implementation of “delicious salt reduction” using umami to enhance the flavor of food while decreasing the intake of salt with a focus on issue of excess salt intake. Under the U20 Healthy Umami Research Project, which is scientifically exploring, disseminating, and appealing the benefits and public hygiene value of umami, we work with academia to estimate hidden potential at the country and global level to reduce salt intake without compromising deliciousness. The first outcome was obtained in Japan that the average salt intake per Japanese person can be reduced between 12% and 21% (1.3 g to 2.2 g/day) when incorporating umami into Japanese dietary patterns. With this approach, we will steadily explore the possible

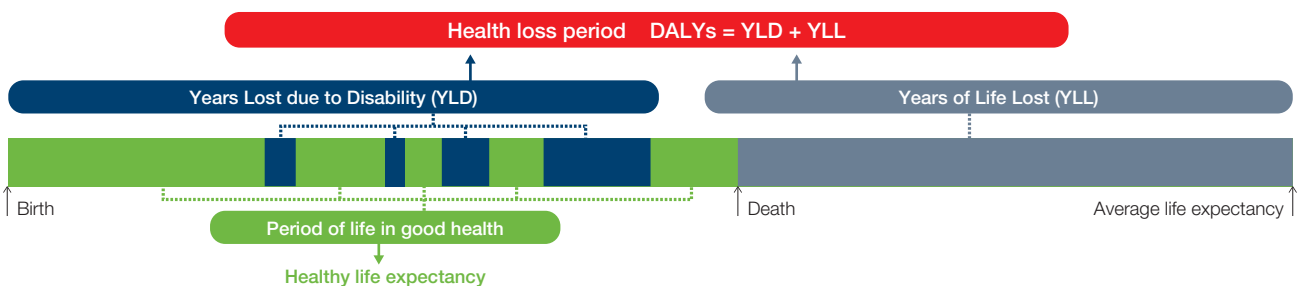
contribution of umami on salt reduction without compromising deliciousness in the main countries where we operate, and also work on forecasting impacts on DALYs (disability-adjusted life year)*.

Going forward, with an eye toward more sophisticated initiatives for improving nutrition, we will elucidate the relationship between food, health, and well-being together with our partners in academia and utilize the knowledge gained through our products and services. At the same time, we will work collaboratively with multi-stakeholders committed to building ecosystems for improving social nutrition, health, and well-being that encourage changes in consumer behaviors.

* DALY is the number of years of life a person might be expected to lose when adjusted for a disease or health condition and the severity of the disability. DALY is the sum of Years of Life Lost (YLLs) and Years Lost due to Disability (YLDs). Developed in the early 1990s by Harvard University Professor Christopher Murray, the DALY metric quantifies the overall burden of disease and health conditions. DALY is used by the WHO and the World Bank as an overall health outcome indicator that provides a different perspective than standard life expectancy, and is increasingly being used around the world as a complementary indicator to healthy life expectancy.

➤ For details, please see the Ajinomoto Group Sustainability Data Book 2021. <https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Relationship between healthy life expectancy and DALYs



Core Businesses and Solutions for Social Issues

Contributing to solutions to consumer issues through our businesses

We are contributing to solutions to social and environmental issues through our broad international business portfolio spanning food and healthcare while addressing the diversification of consumer lifestyles and values as well as changes in their preferences.

Six core businesses

Sauce & Seasonings

We provide a variety of products including *AJI-NO-MOTO*[®], flavor seasonings for home-made dishes, and menu-specific seasonings to support smart cooking to more than 130 countries and regions around the world. Through our products, the business helps to deliver deliciousness that suits the local consumer preferences as well as to improve nutrition of consumers.

Quick Nourishment

We provide foods that respond to the needs for ready-to-eat meals, individual meals, and healthy meals, such as soups, beverages and instant noodles, and products that supplement nutrition including those for medical institutions. The business contributes to consumers' health and well-being by addressing globally changing lifestyles.

Solution & Ingredients

We supply products and services globally to our customers (consumer foods industry and food service) to solve their challenges from the consumers' point of view. The business provides Integrated Food Solutions comprising from our taste/flavor/texture technology based on specialty ingredients.

Core products



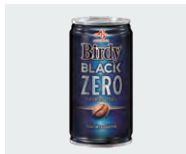
Umami seasonings:
AJI-NO-MOTO[®]



Flavor seasonings:
Ros Dee[®]



Soups:
Knorr[®] protein-rich
soup



Coffee: *Birdy*[®] Black
Zero Sugar



Texture improver:
Ajinomoto KK
Seasoning for Juicier
Kara-Age and Meat



Savory seasoning:
SALT ANSWER[™] *KEM*

Actual solutions for social issues

- Contribute to solutions to dietary issues in Japan through *Smart Salt* initiative for delicious reduced-salt food using umami and *dashi* broth



- Work to solve dietary issues internationally, including launching reduced-salt products in Thailand, Brazil, and Turkey, providing low-sodium recipe ideas, and organizing cooking classes
- Expand the *Kachimeshi*[®]* program to general consumers to help improve nutrition, utilizing our knowledge gained from supporting top athletes

* A nutrition program based on many years of research of Ajinomoto Co., Inc. that utilizes the power of amino acids to improve the physical condition of the body with three well-balanced meals a day and snacks, helping people to achieve their various goals.

- Contribute to solutions to health issues caused by food and lifestyle from children to adults through providing products with reduced salt yet delicious in taste and nutrients such as protein to markets around the world
- Expand the lineup of *Birdy*[®], the number one canned coffee brand in Thailand, to include reduced-sugar and no-sugar products in response to the growing health consciousness of consumers due to the COVID-19 pandemic and their changing preferences

- Contribute to changes in the tastes of consumers worldwide, diversification of food, and the effective utilization of food resources through the provision of solutions for the improved taste/flavor/texture of foods in a collaborative effort with startups and others
- Improve soil fertility and productivity of agriculture by supplying highly nutritional fertilizers made from by-products of amino acid production



Core Businesses and Solutions for Social Issues

Frozen Foods

We provide products mainly in the Asian food category such as gyoza and fried rice to markets in Japan, North America, and Europe. With a focus on deliciousness, the business meets consumers' needs for quick and easy cooking and healthy frozen foods.

Healthcare

We provide amino acids and amino acid-based products and services to customers globally in a broad range of industries including pharmaceuticals, foods, and cosmetics. The business helps to improve consumers' quality of life and support comfortable lifestyles utilizing the nutritional, physiological, and flavoring functions of amino acids.

Electronic Materials

We supply products globally centered on *Ajinomoto Build-up Film® (ABF)*, an interlayer insulating material for semiconductor packages. These products are mainly used in PCs, servers for data centers, and communications network applications, playing a key role in providing more comfortable lifestyles to consumers together with our customers.

Core products



Gyoza



Fried rice: TAI PEI®



Fundamental foods: Glyna®



Contracted pharmaceuticals manufacturing service



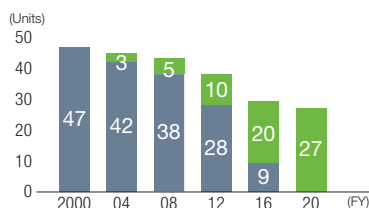
Ajinomoto Build-up Film® (ABF)

Actual solutions for social issues

- Contribute to solutions to issues of consumer health and well-being, and labor shortages at restaurants by providing the basic values of deliciousness, easy-to-prepare and time saving, and fair prices
- Eliminated the use of fluorocarbons in freezers at all seven of our plants in Japan, lowering volume by about 70 tons, which is equivalent to the annual CO₂ emissions of 42,000 households

Switching to fluorocarbon-free freezers in Japan

■ Fluorocarbons ■ Natural refrigerant

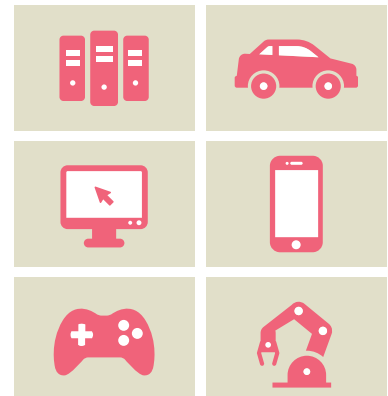


- Provided a stable supply for multiple orders of the main ingredient (oligonucleotides) in PCR test kits for COVID-19
- Provide advice based on the results of *AminoIndex® Risk Screening (AIRS®)*^{*1} and other information and tools to support lifestyle improvement by our smartphone app, *aminoSTEP™*
- Ajinomoto Cambrooke, Inc. acquired Nualtra Limited of Ireland, helping to improve the quality of life of users by harnessing our technologies and know-how on oral nutritional supplements^{*2}



Products of Nualtra Limited

- Contribute to a safer, more convenient society by addressing growing worldwide demand for ABF amid the digitalization of business and our everyday lives under the new normal brought about by the COVID-19 pandemic



*1 A service that assesses disease risk based on the balance of amino acid concentration in blood

*2 A type of high-energy and high-protein medical food for seniors with dietary restrictions due to illness or with nutritional deficiency due to aging

Ajinomoto Group Supply Chain

Initiatives for a sustainable society

The Ajinomoto Group operates our businesses while interacting with various stakeholders engaged in every process of our global supply chain. We have identified social issues, concerns, and risks closely related to each process as described below. We aim to resolve social and environmental issues through steady efforts and responses in collaboration with related parties.

Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Biodiversity • Water resources • Raw materials loss
- Labor shortages in agriculture, securing sufficient farmland
- Animal welfare
- Occupational safety and health
- Respect for workers' rights

Risks

- Failure to procure raw materials due to food resource and water resource depletion
- Insufficient procurement of raw materials due to delays in addressing animal welfare, land hoarding, and deforestation
- Increased losses during the transportation and storage of raw materials
- Occupational accidents
- Potential human rights violation risks

Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Product quality and safety
- Food loss and waste
- Water resources
- Occupational safety and health
- Respect for workers' rights

Risks

- Loss of trust due to intentional contamination by mixing in foreign substances
- Environmental impact, cost increase, or production stagnation due to delay in decarbonization
- Production stagnation due to droughts, floods, and deterioration of water quality
- Occupational accidents
- Potential human rights violation risks



💡 Group initiatives

- Procure environmentally friendly raw materials
- Contribute to sustainable agriculture by using co-products*; reduce raw material losses
- Strengthen supply chain CSR audits and collaborate to resolve issues
- Thorough quality assurance based on the Ajinomoto System of Quality Assurance (ASQUA)

* Nutrient-rich by-products of amino acid production

💡 Group initiatives

- Reduce greenhouse gas emissions by shifting to renewable energy sources
- Reduce food loss and waste at production sites
- Engage in recycling through water treatment
- Strengthen supply chain CSR audits and collaborate to resolve issues
- Occupational safety and health management
- Thorough quality assurance based on ASQUA

Ajinomoto Group Supply Chain

Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Labor shortages and aging demographics in the logistics industry
- Increase in logistics volume due to increase in e-commerce
- Occupational safety and health
- Respect for workers' rights

Risks

- Environmental impact and cost increase due to delay in decarbonization
- Logistics delays due to labor shortages
- Occupational accidents
- Potential human rights violation risks

Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Fair competition
- Responsible marketing
- Food loss and waste
- Protect customer privacy
- Occupational safety and health
- Respect for workers' rights

Risks

- Legal risks, including antitrust law violations, competition laws, and food safety and labeling laws
- Loss of trust due to inappropriate advertising and marketing
- Loss of trust due to insufficient consideration of personal information protection and privacy
- Occupational accidents
- Potential human rights violation risks

Social issues and concerns

- Transition to a decarbonized society (response to climate change)
- Product quality and safety
- Waste (plastics)
- Food loss and waste
- Information overload

Risks

- Erroneous use of products and health hazards
- Environmental impact due to increased waste and food loss
- Lack of understanding of correct information on food and health



Distribution



Sales



Consumers

💡 Group initiatives

- Promote modal shifts
- Increase the ratio of renewable energy use
- Collaborate with other companies to reduce energy consumption during transportation
- Thorough quality assurance based on ASQUA

💡 Group initiatives

- Education regarding related laws and regulations including antitrust laws, and anti-bribery
- Implement appropriate methods of delivering products, services, and information to customers
- Reduce product returns and product disposals by extending best-before date, improving supply chain management accuracy, etc.
- Enhance information security
- Thorough quality assurance based on ASQUA






💡 Group initiatives

- Reflect customer feedback on developing and improving products and services
- Provide appropriate information on packaging and via the internet
- Use environmentally friendly packaging materials
- Thorough quality assurance based on ASQUA






Stakeholder Engagement

Ongoing dialogue with stakeholders

The Ajinomoto Group engages in ongoing dialogue with all of its stakeholders across a diverse range of forums. We reflect the opinions obtained through these dialogues in our corporate activities, leading to value creation toward solving food and health issues. We also leverage these opinions in our actions to achieve sustainability in society and the global environment.

Principal stakeholders	Customers and consumers 	Shareholders and investors 	Business partners 
Concerns/ expectations of stakeholders	<ul style="list-style-type: none"> Product safety and security Solving food and health issues 	<ul style="list-style-type: none"> Fair and highly transparent management Sustainable business growth Constructive dialogue and stronger governance Timely and appropriate disclosures 	<ul style="list-style-type: none"> Promotion of initiatives toward a sustainable supply chain Fair business practices
Engagement channel	<ul style="list-style-type: none"> Customer call center Website Factory tour Information sharing and/or discussions with consumers during events and presentations Market research 	<ul style="list-style-type: none"> General meeting of shareholders Financial results briefings, IR Day, and business briefings Dialogue with institutional investors Company briefings for individual investors 	<ul style="list-style-type: none"> Procurement policy briefings Food defense briefings and food defense audits Briefings on Sedex, a platform for sharing corporate ethics data Dialogue with customers (retailers)
Results and impacts	<ul style="list-style-type: none"> Product improvements using the voice of customers Proposals to resolve issues facing consumers in terms of food and health (salt reduction, promotion of vegetable consumption, etc.) 	<ul style="list-style-type: none"> Publication of video of presentations on our website including Q&A sessions Reflection of the voice of investors in management and improvements to IR activities (explanation of the Group's strengths through IR Day and business briefings, etc.) 	<ul style="list-style-type: none"> Sharing of changes in dietary habits and mindset in Japan following COVID-19 Provision of menus in retail stores for improving immunity Provision of local meals from around Japan in retail stores Food poisoning preventive measures at restaurants Proposals of take-out menus for restaurants

Stakeholder Engagement

Principal stakeholders	Employees 	Local communities 	Outside experts, NPOs, NGOs, and business associations 
Concerns/ expectations of stakeholders	<ul style="list-style-type: none"> • Human resources development • Career development • Diversity and inclusion • Improved employee engagement • Compensation and employee benefits • Occupational safety and health 	<ul style="list-style-type: none"> • Local safety and environmental conservation • Sustainable development of communities 	<ul style="list-style-type: none"> • Honest dialogue and linked activities
Engagement channel	<ul style="list-style-type: none"> • Various skills development and training • Dialogue with the CEO and General Managers of business or corporate divisions • Personal goal presentation • ASV Awards • Social media platform to connect employees globally • Ajinomoto Group Policies (AGP) workplace reviews • Hotlines (whistleblower reporting system) • Harassment hotline 	<ul style="list-style-type: none"> • Dialogue with residents living near our plants • Participation in and sponsorship of community events • Activities to support the recovery of communities impacted by natural disasters • Supports through foundations (three countries) 	<ul style="list-style-type: none"> • Dialogue with outside experts • Dialogue with NPOs and NGOs • Roundtables on Better Animal Welfare (held on eight occasions from February 2020) • Dialogue with consumer goods manufacturers and global retailers at the Consumer Goods Forum (CGF) • Supports through foundations
Results and impacts	<ul style="list-style-type: none"> • Improved FY2020 survey score for “ASV as one’s own initiative” • Promotion of mutual understanding of work environment, such as occupational safety and health and salary and employee benefits, through dialogue between management and employees 	<ul style="list-style-type: none"> • Initiatives for identifying and resolving health and nutrition issues in communities (proposals at retailers on ways to increase vegetable consumption using local specialty vegetables, school lunch projects in Vietnam, nutrition seminars for midwives in Indonesia, etc.) 	<ul style="list-style-type: none"> • Revisions to Group Shared Policies, guidelines, and approaches • Involvement in activities to resolve social issues through international organizations and industry-government-academia collaboration, such as the IP Open Access Declaration Against COVID-19 • Participation in the Japan Platform for Migrant Workers toward a Responsible and Inclusive Society • Commencement of reduced salt-intake promotional activities for residents of Chiba City through a tie-up with AEON Co., Ltd. and Chiba City • Ongoing implementation of the AIN program supporting NPOs and NGOs active in the fields of food and nutrition (through foundation)

➤ For details, please see the Ajinomoto Group Sustainability Data Book 2021.
<https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

Stakeholder Engagement

Initiatives for improving nutrition around the world

The Ajinomoto Group actively discusses and works collaboratively with international industry organizations, NGOs, and other stakeholders on food and nutrition with the aim of resolving various nutrition issues around the world.

Collaboration with stakeholders ahead of the UN Food Systems Summit and the Tokyo Nutrition for Growth Summit

Even today more than 720 million people in the world go hungry*¹. In recent years, many countries around the world are also faced with the double burden of malnutrition, involving both undernutrition and overnutrition. This requires responses to the spread of lifestyle-related diseases and frailty from super-aging societies. In 2021, two major international conferences covering these issues are scheduled to take place. The Group is participating in discussions ahead of both.

In September 2021, the UN Food Systems Summit will be held to discuss the sustainability of food systems as a worldwide issue. Our President & CEO participated in CEO consultation, a preparatory meeting soliciting recommendations on food systems from various CEOs from around the world. During this meeting, which featured active dialogue, our President & CEO delivered a presentation on our own initiatives for contributing to a recycling-oriented society and sustainability in procurement.

In December 2021, the Tokyo Nutrition for Growth (N4G) Summit organized by the Japanese government will take place. The N4G Summit was first held in 2013 following the London Olympics and has since been held in Rio de Janeiro and now it will take place in Tokyo. The Summit will see various stakeholders confirm the current state and issues in regard to improving nutrition around the world, with discussions slated to take place on international initiatives aimed at resolving these issues. The Ajinomoto Group was the only Japanese company to participate in the first Summit meeting. Based on this experience, we will demonstrate our commitment on improving nutrition at the upcoming Summit meeting.

Official website of the UN Food Systems Summit

<https://www.un.org/en/food-systems-summit/about>



Official website of the Tokyo N4G Summit

<https://nutritionforgrowth.org/events/>



Additionally, we are stepping up engagement with stakeholders in the field of nutrition, including Access to Nutrition Foundation (ATNF)*², Scaling Up Nutrition (SUN)*³, and the Global Alliance for Improved Nutrition (GAIN)*⁴. For example, the Consumer Goods Forum (CGF), an international industry group for consumer goods, and GAIN, an NGO working to improve nutrition internationally, plan to make commitments at the Tokyo N4G Summit. These organizations jointly established The Workforce Nutrition Alliance promoting ways to improve nutrition in the workplace. The Ajinomoto Group recognizes that employees' health is one of the most important elements of its management foundation. Given our focus on improving workforce nutrition and efforts to increase employees' nutrition literacy, we are holding talks with both organizations upon the launch of this alliance.

We are also participating in the Nutrition Japan Public Private Platform (NJPPP), a platform for promoting businesses that improve nutrition through tie-ups between Japanese companies and academia, among other players. Together with NJPPP members, we plan to demonstrate the approaches to improving nutrition that are uniquely Japanese at the Tokyo N4G Summit. We also plan to actively make recommendations together with other NJPPP members in response to the commitment set to be made by the Japanese government at the meeting.

The Ajinomoto Group, which aims to help extend healthy life expectancy of one billion people by 2030, will continue to capitalize on various opportunities to disseminate information not only about its own activities but also the unique situation in Asia and the strengths of Japanese companies.

Our goal is to help improve people's nutrition around the world while working collaboratively with various stakeholders.



Our President & CEO participating in the Pre-Summit of the UN Food Systems Summit

*1 Source: *The State of Food Security and Nutrition in the World 2021* by the FAO and others

*2 An organization that compiles the Access to Nutrition Index

*3 A worldwide framework involving governments, people, the UN, aid organizations, business, and academia working to resolve nutrition issues in developing countries

*4 An NGO established by the UN in 2002