

## CEO MESSAGE

# I believe that now is the perfect opportunity to realize our vision.

I was appointed Executive Officer, President and CEO in April 2022. If we were to compare it to climbing Mt. Everest, I would say that we have reached base camp at the third station. There are still many challenges ahead, but these challenges represent the gap between our current state and our vision, and I see resolving them as an opportunity to realize our vision.

## Taro Fujie

Director,  
Representative Executive Officer,  
President and CEO

### What I want to communicate

1. We have made up our minds to reform and are now on a path to regrowth

We continue to evolve our mid-term ASV

2. management with “Purpose × Passion × Operational Excellence (OE)” and “Speed up × Scale up”

3. We contribute to the well-being of all human beings, our society and our planet with “AminoScience”

4. We are increasing our corporate value through steady cash flow generation, improved growth rate, and reduced capital costs

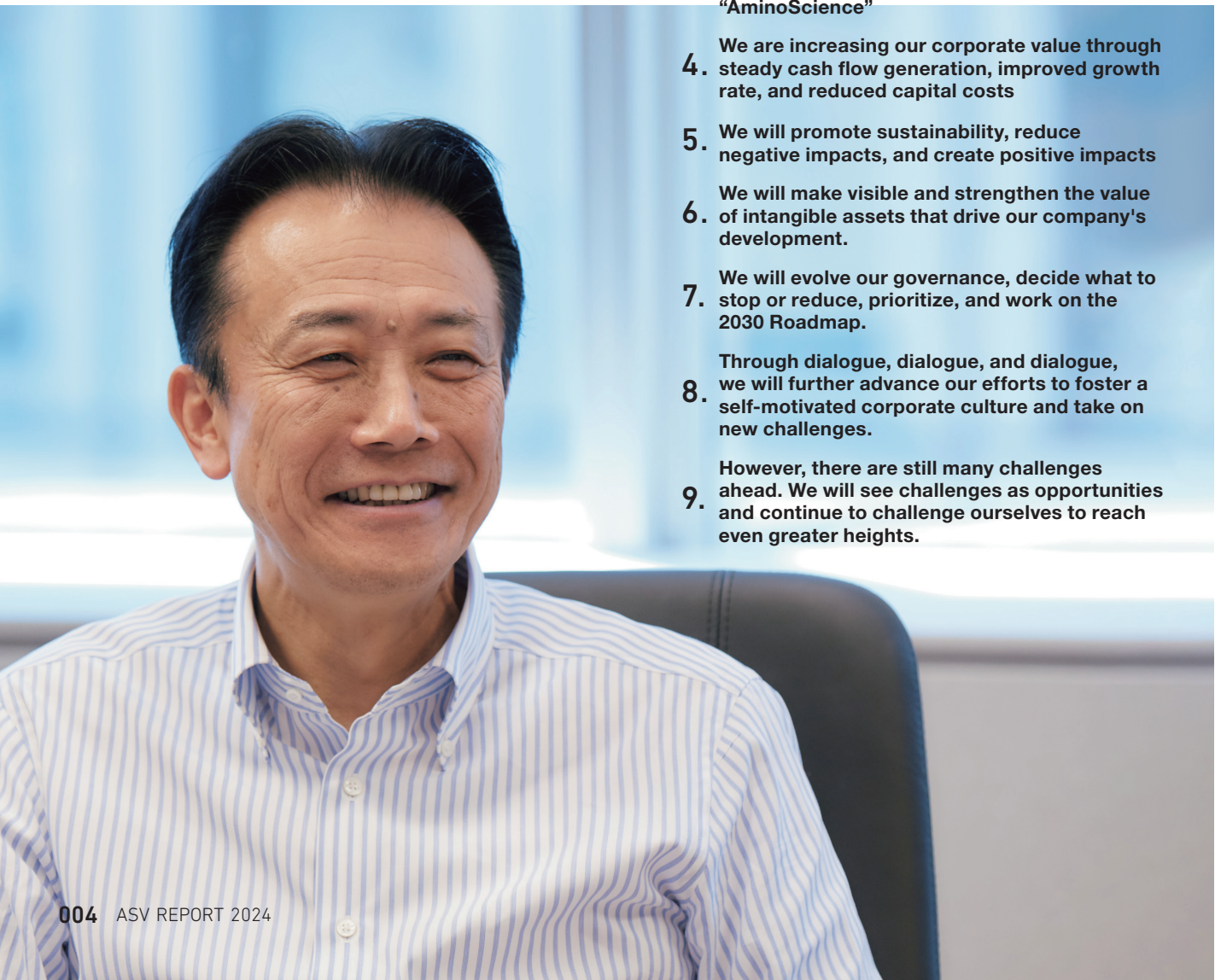
5. We will promote sustainability, reduce negative impacts, and create positive impacts

6. We will make visible and strengthen the value of intangible assets that drive our company's development.

7. We will evolve our governance, decide what to stop or reduce, prioritize, and work on the 2030 Roadmap.

8. Through dialogue, dialogue, and dialogue, we will further advance our efforts to foster a self-motivated corporate culture and take on new challenges.

9. However, there are still many challenges ahead. We will see challenges as opportunities and continue to challenge ourselves to reach even greater heights.



# 1



## If we compare it to climbing Mt. Everest, we are still only at the third station.

Since assuming the position of President and CEO in April 2022, we have taken on the challenge of “speed up × scale up” by honing our capabilities as individuals and teams, while strengthening the “passion” of our 34,000 employees around the world toward our Purpose.

The 25 executive officers, to whom significant authority has been delegated by the Board of Directors, have also been working to improve corporate value by promoting dialogue with employees working on the front lines and collaboration with stakeholders.

In fiscal year 2023 we were able to reach record highs of 1,439.2 billion yen in sales (up 5.9% from the previous year) and 147.6 billion yen in business profit (up 9.1% from the previous year), and our stock price also reached a new high since our listing. Excluding the impact of our acquisition of Forge Biologics, a gene therapy CDMO (contract development and manufacturing organization), our results exceeded our initial forecast.

We owe this entirely to our stakeholders who share our Purpose, and we would like to express our sincere gratitude to them.

Looking back on the past, I can see that we have made progress in many ways, but we still have many

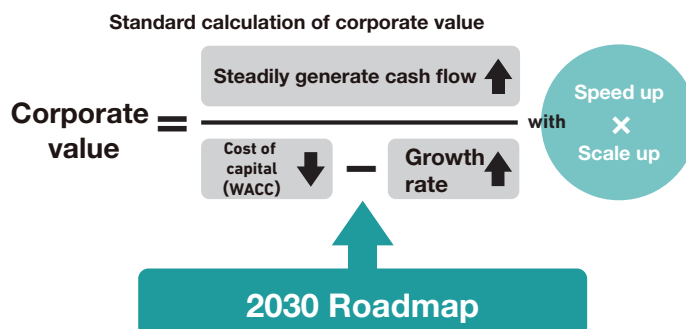
issues to address. These issues represent the gap between our current state and our vision, and resolving these gaps is also an opportunity to realize our vision.

If we compare this to climbing Mt. Everest, we can think of it as reaching base camp at the third station. I believe that the real climb is yet to come.

We will make the most of these opportunities and do our utmost to meet everyone's expectations. We appreciate your continued support.

### Around 2019, business performance was sluggish, the determination to reinvent the company

Around 2019, the Ajinomoto Group's performance declined, its corporate value, including its stock price, stagnated, and we received a lot of criticism both inside and outside the company. In light of this situation, former CEO Takaaki Nishii made a firm decision to declare his intention to reinvent the company and has been working on corporate transformation, including digital transformation. As a member of the Executive Committee at the time, I also felt a strong sense of responsibility for the decline of our performance, and I have vowed to



never again let employees and stakeholders experience the hardships and worries they experienced at that time. To achieve this, it is more important than anything else to face the essential issues head on and continue to persevere in fundamental efforts. I believe that this will lead to a sustained and dramatic improvement in the company's performance and value.

## How to eliminate silo management

I think there are various reasons why companies stagnate. I believe one of the fundamental issues is that vertical organizations employing silo management and “upward-looking, inward-looking, and backward-looking.” Top-down philosophies take priority, leading to partial optimization, which impairs overall optimization decisions and actions, and adhering to prior examples becomes the norm. This weakens the ability to take on new challenges, weakening the company's ability to respond to changes in customers and society, leading to a deterioration in corporate performance and a stagnation and decline in corporate value. I believe this is an instinct shared not only by our company, but by all human groups around the world. Darwin famously said, “It is not the strongest that survives, but those most capable of adaptation that survives.” I believe it is important to fully recognize this human characteristic and continue to take appropriate measures.

## How can we continue to change and evolve?

One way is to continue to change with strong leadership and top-down approach. For example, like the founder who built it in one generation, or as seen in some global companies, a capable leader demonstrates strong leadership and makes decisions for overall optimization to avoid partial optimization. No matter how silo managed a

company becomes, a capable and powerful leader can unite the staff and overcome the challenges. However, I have personally experienced through my work in China, the Philippines, and Brazil, and have learned from history that there are many cases where a company declines in one generation or where continuation becomes an issue.

## Creating new value with a pioneering spirit

So what do we want to do? What we want to do is to promote ASV (Ajinomoto Group Creating Shared Value) management, and to create a company where front-line members in the field demonstrate a pioneering spirit through “Purpose × Passion × OE” and “speed up × scale up” and continue to create new value. Rather than being forced to do something due to our Purpose, we will continue “polishing up” our execution capabilities through “passion” of our own volition. In light of the changes and evolution of society and consumers, we want to further refine the self-motivated corporate culture that the Ajinomoto Group has always possessed and continue to change and evolve quickly. Compared to companies with excellent top executives who demonstrate strong leadership, we may not be as good at “speed up × scale up” in the short term, but we believe that we can achieve sustainable expansion of corporate performance and improvement of corporate value in the medium to long term.





# 2



## Creating a team culture that enhances “passion” in our Purpose

After thorough discussions involving not only executives and leaders but also young employees, we evolved our Purpose to “contributing to the well-being of all human beings, our society and the planet with ‘AminoScience’” in February 2023. I feel that this Purpose has been well received both inside and outside the company as a first impression. However, there are still many voices saying that “AminoScience” is difficult to understand, and we need to work on making our coined terminology easier to understand. We will strive to help people understand “AminoScience” through this ASV Report, and we will also create videos and other materials to help spread awareness.

In addition, there are still employees who feel the Purpose is far removed from their work, while they are in favor of the Purpose itself. How to continue evolving this situation remains a challenge. Overall, I feel that there are many cases where employees’ “passion” for our Purpose has increased. One example is when we held a customer appreciation gathering in Japan in February last year, where Riho Sato, who was in her third year at the company and working in the Sales Strategy Department (at the time), said, “When I was six years old, I saw a TV program that made me aware of the food and health disparities caused by poverty. As a student, I spent a year at an orphanage in the Philippines and an impoverished neighborhood in Brazil to provide support. In order to continue and expand support, it is important to create economic value as well. I joined Ajinomoto Co. because I sympathized with ASV, and now I work with a passion to contribute in the form of business.” Similarly, at the appreciation gathering in February this year, Nana Shibuta, who is in her third year at the company and working at the Kyushu



Riho Sato



Nana Shibuta

Customer  
appreciation  
gathering  
(Japanese only)



Riho Sato



Nana Shibuta



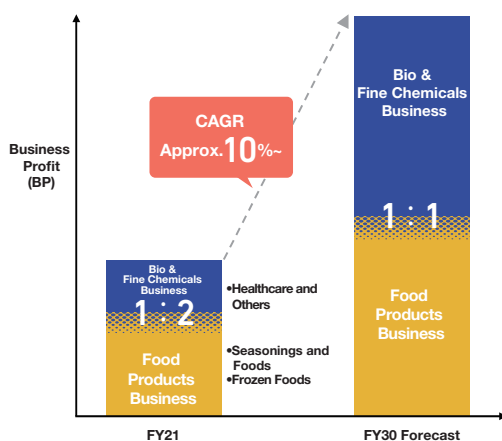
branch, gave a presentation saying, “The future we want to realize in 2030 is to create a place where the deliciousness of food brings a smile to everyone’s face.” This kind of employee “passion” for our Purpose touched the hearts of not only our customers but also many event participants, including myself.

### Let’s find the overlap

Because the Ajinomoto Group’s Purpose is a relatively broad concept, it is easy to find overlaps

with “purpose” in each employee’s own life, and particularly where there is such overlap, it is believed that “passion” for the Purpose will naturally increase. Furthermore, we are making progress with our efforts to “find overlaps.” First, we conducted a “My Purpose” workshops for all 25 executive officers. This initiative was not something I instructed but was thought up by members of the Corporate Planning Department and other departments. I was asked to participate, so I did, and at first I was skeptical, wondering what kind of workshop it would be, but I was able to understand my own values and strengths and weaknesses that I had not been aware of, and above all, I was able to understand each executive officer’s “purpose” that each person holds dear that could not be seen through their work alone. By sharing the hardships and joys of childhood, as well as the private aspects that we currently value, communication was naturally born, and as a result, I feel that trust and teamwork have been strengthened. It has also led to the creation of a culture of one team where people can speak frankly.

## From Plan-Plan-Plan-Plan to polishing our execution capabilities



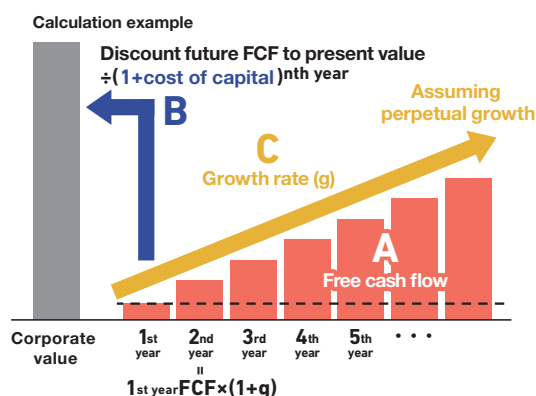
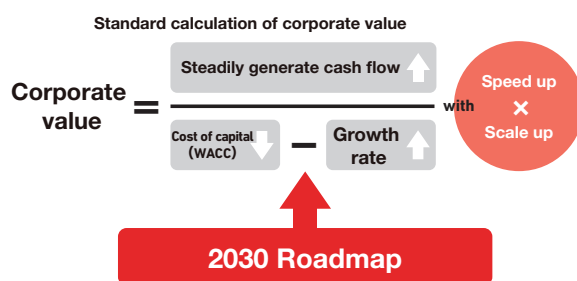
The Ajinomoto Group has abandoned the long-standing three-year mid-term plan and is evolving from intensive planning based on PPPP (Plan-Plan-Plan-Plan) to a management style that continues “polishing” our execution capabilities. This has been

well received both inside and outside the company, and we are working to achieve our vision of a 1:1 profit ratio of the Food Products business to the Bio & Fine Chemicals business by 2030, while continuing to grow the Food Products business and working to significantly expand the Bio & Fine Chemicals business.

From the perspective of “OE,” we are implementing the rolling forecast that began in the ASEAN region in 2020 to the entire company, and conducting it monthly in all business divisions and major corporations from fiscal 2023. By conducting it monthly, we can polish our execution capabilities by learning what the cause of the difference is between forecasts and actual results, and how to understand and resolve it. My own ability to forecast our company’s performance and to grasp issues has also improved, as has that of the Executive Committee members. This is one of the efforts to “patternize” our operations, and we are “scaling up” these efforts globally. In addition, as we promote DX, the promotion of OE is also an important effort to polish our operations.

We are also working to make visible the changes in global raw material and fuel costs and their impact on the entire group. We have compiled a list of price increase (value pricing) initiatives in each business and corporation to see whether appropriate responses are being made, and by making the overall response to price increases visible not only to the person in charge of the relevant department but also to other departments, we are contributing to mutual learning between businesses and corporations and accelerating responses. We are also moving forward with the “patternization” of turnarounds for companies and businesses that have to struggle. For North American frozen foods and Vietnamese seasonings, whose performance declined in fiscal 2021-22, we are moving forward with revitalization efforts that are supported not only by the companies in question but also by the head office, Executive Committee members, and regional headquarters, and in terms of “visualization,” we are also moving forward with the “patternization” of efforts to improve TDC margins, yields, and quality. As a result, the performance of the North American

frozen foods business and Ajinomoto Vietnam Co., Ltd. has improved significantly, making a significant contribution to improving the Group's performance in fiscal 2023. Mr. Takeshi Saito, who was a member of the Value Creation Advisory Board (VCAB), has joined Ajinomoto Co. and is serving as Executive Vice President and Chief Transformation Officer (CXO). He is utilizing his experience in business revitalization and corporate transformation to "patternize" businesses and corporations that are in distress in collaboration with those involved in the business to revitalize them, and to "scale up" through horizontal expansion. In April of this year, we established the Corporate Transformation Department to enable this intangible asset to take root and be utilized in both human resources and the organization.



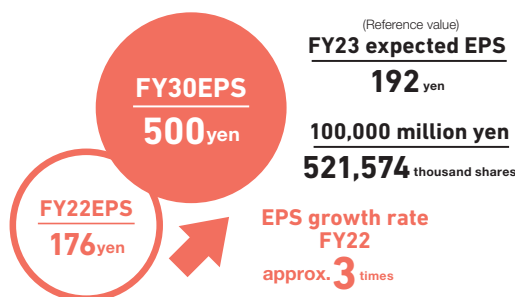
Items for Corporate Value Improvement	Initiative Examples
Generation of steady cash flow	<ul style="list-style-type: none"> <li>•Promote ROIC management</li> <li>•Promote supply chain management, reduce costs by expanding shared services</li> </ul>
Reduce capital costs (WACC)	<ul style="list-style-type: none"> <li>•Optimizing capital structure through D/E ratio management</li> <li>•Strengthening shareholder return measures such as dividends based on normalized EPS</li> <li>•Utilizing sustainable finance bonds</li> </ul>
Increase growth rate	<ul style="list-style-type: none"> <li>•Evolution of business portfolio via concentrating on the strategic 4 growth areas</li> </ul>
Speed up	<ul style="list-style-type: none"> <li>•Thorough discernment and progress confirmation (North American frozen food TDC margin, etc.)</li> <li>•Collaboration with external parties (Aji Pro@-L, etc.)</li> <li>•Improving the effectiveness of the board of directors (especially encouraging risk-taking in execution)</li> </ul>
Scale up	<ul style="list-style-type: none"> <li>•Horizontal expansion of high-speed development system through "patternization" development. (Gyoza in South America, etc.)</li> <li>•Expansion of exports to East Asia and Southeast Asia and consideration of releasing products from each country in Japan.</li> </ul>

## "Polishing" ourselves into our vision

We have a formula for calculating corporate value, as shown here, and our 2030 Roadmap sets out what we will work on for each item.

To generate steady cash flow, which is the numerator, we are working on organic growth, improving business profit margins, and streamlining various costs, etc.; to reduce capital costs, we are working on utilizing sustainability finance through the promotion of sustainability, strengthening risk management, and stabilizing performance by promoting rolling forecasts, etc.; and to improve growth rate, we are working on achieving

sustainable growth through ASV management and the promotion of sustainability, focusing on four strategic growth areas, and evolving our business portfolio, etc., which have led to concrete results such as reaching new record highs in sales, business profits, and market capitalization. We also hold study sessions at Executive Committee, five of which last year were 60-90 minutes long, and are holding similar sessions this year. For example, regarding improving EPS, we share our thoughts using materials like the one below, and consider measures to achieve this, such as share buybacks, improving corporate performance, improving current profits, and optimizing the effective tax rate. This makes the roadmap to triple EPS clear, although it is a challenge.



On the other hand, there are also issues from the perspective of “polishing.” For example, the amino acid business and other businesses saw sluggish performance in fiscal 2023 due to inventory adjustments at customers. The issue was that we had weak ability to grasp customer inventory for amino acids for pharmaceuticals and foods. Another issue was our ability to grasp customer inventory for electronic materials. We should have improved our inventory adjustment capabilities as soon as possible, “made visible” the issues so inventory would not exceed safety stock even during the COVID-19 pandemic, and improved our ability to communicate with customers. We have fully reflected on this issue and have already taken counter-measures, and our ability to grasp inventory has improved, but we need to further improve our ability to discover issues and the speed of taking the first step in response. The current situation is that

there are still issues, but the issue is the difference between our vision and our current state (the gap), and we believe that if we clarify and solve the issues without running away from them, we will be able to reach our vision.

## Swing the Bat A swing and a miss is fine

“Swing the Bat,” in baseball terms, we are trying to evolve from a 100-point approach to one that continues to take agile action. One of the efforts to speed up is the creation of mechanisms and initiatives that encourage trying. At the Marketing Design Center, which was launched in April 2023, we discussed what the essential issues are in the Japanese Seasoning and Food business, given the current situation in which no new products or services worth over 1 billion yen have been released in the past seven years. The phrase that emerged from this was “Swing the Bat.” It is an effort to step up to the plate and take a solid swing of the bat, boldly take on challenges, and create products and services that are well-reasoned. Fortunately, the Ajinomoto Group has a consumer database, including Ajinomoto Park, which boasts 8.6 million unique users per month. Based on this data, we are working with development staff from the business division to maximize the use of digital technology to get closer to consumer insights. For example, Cook Do® PREMIUM Kiwami Mala Mapo Tofu, an authentic Chinese menu seasoning that is both spicy and tongue-numbing, has been very well received, even at twice the price of regular Cook Do®. We also launched the frozen bento-box, “Aete,” which we are offering for home delivery. It only took about a year from the start of specific planning to launch the product, and we will continue to improve it while listening to customer feedback. Thanks to our customers, it has been well received and is off to a good start.

## No more creating lists of anticipated questions and answers.

The top management has also been encouraging decluttering, and I feel that it has helped speed

things up. For example, when submitting a report to an Executive Committee, a considerable amount of preparation is required in advance, and many of the staff who are busy dealing with it are left exhausted. Therefore, in order to reduce the amount of preparation required for the meetings, we decided to have practical people from the businesses join the Executive Committee online so that they could answer questions on the spot. In the past, there was a list of 1,400 anticipated questions and answers for the general shareholders' meeting, and when I saw it, I immediately thought, "I can't read all that." I also thought that shareholders who take the trouble to attend the general shareholders' meeting are interested in management's actions in trying to increase the company's value, their methods, and their thoughts expressed in their own words, so I stopped having lists of anticipated questions for the general shareholders' meeting created. I create my own list of anticipated questions and answers of about 100 questions and speak in my own words.

### Speed Up Examples

- The effectiveness of the board of directors has been defined as (1) "supervising and auditing execution," (2) "deciding major management policies," and (3) "supporting execution risk-taking," with particular focus on (2) and (3) to speed up execution.
- Developing the next growth driver: oligonucleotide CDMO, medical food, agribusiness such as biostimulants, etc.
- Sowing the seeds of the next growth driver: gene therapy CDMO, GYOZA-X expansion (in addition to Japan, Europe, and the US, Brazil, Southeast Asia, etc.), the green area, etc.
- "Patternization" and horizontal expansion of corporations and revitalization for struggling businesses: North American frozen foods, Vietnamese flavor seasonings, etc.
- "Making visible" and sharing of raw fuel costs, and speeding up price optimization
- Regarding "stopping and reducing," 43 themes have been extracted and are being implemented under the leadership of executives
- Simplification of the approval process through OE (Operational Excellence) (in progress)
- Promoting sustainability, reducing negative impacts, and accelerating the creation of positive impacts

### Scale Up Examples

- Currently scaling up by "patternization" of the high-speed development system horizontally: South American businesses (seasonings, dumplings, etc.)
- Asia Wind: Expanding exports to East Asia and Southeast Asia. Considering launching products from each country in Japan.
- Currently sharing the best initiatives of each group company and scaling up globally: ASEAN EC, rolling forecast, etc.
- In the Japanese Seasonings and Foods business, where there has not been a hit product of over 1 billion yen for about seven years, we are launching new products such as "Cook Do®" PREMIUM Kiwami Mala Mapo Tofu, Pasta Cube™, and "Aete," which have good potential to reach billions of yen in sales.
- Scaling up intellectual property: Increase in number of patents and license revenue
- Significant leap from 90th place in the Food and Agriculture Benchmark of the World Benchmarking Alliance in 2021 to 13th place in 2023
- Significant increase in corporate brand value to US\$1,625 million in 2023 (17% increase from the previous year)
- Organization (including staff placement) for scaling up agribusiness (especially biostimulants) at a global level
- Scaling up with a companion company for EC expansion in ASEAN

## The 3 definitions of governance

In terms of governance, we transitioned to a company with a nominating committee, etc. in June 2021, and defined the effectiveness of the Board of Directors in fiscal 2023 from three perspectives. While we have focused on 1. "supervising and auditing execution," we feel that 2. "major management policy decisions" and 3. "supporting execution risk-taking" in particular have contributed to accelerating execution.

The chairperson of the Board of Directors is an outside director, and six of the 11 directors, a majority of the seats, are outside directors. The Nomination Committee and the Compensation Committee are also all made up of outside directors.



The Audit Committee has one non-executive internal director who is familiar with the company's internal affairs and can therefore enhance the audit function. In this way, we are making great progress in our efforts to utilize outside knowledge in strengthening governance and management. Immediately after I became CEO, I prepared a CEO succession plan and presented it to the Nomination Committee. We have formulated short-term and medium-term plans to be implemented in the event I'm in an accident, etc. These plans consist of the overall policy, human resource requirements, the talent pool for the next CEO candidate, the training and assessment of candidates, and the process for selecting the candidate. These plans are reviewed annually following discussions by the Nomination Committee. Considering how we can improve our corporate value in the future, we would like to strengthen our corporate culture of taking initiative by running each section at full speed like in the Hakone Ekiden, relay marathon race, and passing the baton to the next generation. At the same time, we would like to aim for a management style that will result in continuous and dramatic growth in corporate value by having our employees and related parties on the front lines, who are closest to consumers and customers, have high "passion" for our Purpose and continue "polishing" their execution capabilities every day.

## The "Speed Up" is halfway there

We are only halfway through the speed up process, but in addition to our current growth drivers such as overseas seasonings and electronic materials, we have established the next growth drivers, such as oligonucleotide CDMO, medical foods, and biostimulants, and we feel that we are speeding up. As the next growth drivers, we are promoting the global expansion of Asian frozen foods, mainly gyoza, the gene therapy field that we have strengthened at Forge Biologics, and several green fields, but we believe that we need to speed up the sowing seeds of success.

In addition, the employee engagement survey also shows that there are still challenges for the Group as a whole, such as the large number of approvals

required when making decisions, and we will address these issues thoroughly.

## "Patternization" and expansion of the success model

The Ajinomoto Group has been successful in many businesses and continues to develop them. For example, we have a model for developing and selling seasonings and foods that are closely tied to the region, mainly in Southeast Asia. I served as president of AJINOMOTO PHILIPPINES CORPORATION for four years from 2011, and at the time, the Philippines had many people of low-income, so we sold small bags of seasonings, that cost about 5 yen each, directly to small grocery stores called sari-sari stores for cash. This model, which began in the 1960s, has evolved with the times and spread throughout Southeast Asia and Africa. In addition to the above, we have "patternized" our EC business and started expanding into major countries in the ASEAN region, taking into account the rapid digitalization that is also advancing in the ASEAN region.

We have also "patternized" our high-speed development system for electronic materials, which is our current growth driver, and have held study sessions to expand this model to other countries and other businesses.

## Issues facing the scale up

There are still many challenges ahead, and it is important for us to scale up our next growth driver and speed up our global horizontal expansion, as well as sow further seeds for the next growth driver after that.

In addition, while we are about 90% done with asset reduction, we need to continue to "make visible" our asset utilization status, focusing on ROIC, in light of the changing times and the business environment, and continue our never-ending journey of asset reduction as needed.

# 3



## We will make our path to regrowth unwavering

In fiscal 2024, we will continue to set new records, including increased sales and profits, and solidify our path to regrowth.

We have set the following lofty goals for 2030 and are working toward them, but we will also focus on our performance each year and aim for continuous business growth. Specifically, in fiscal 2024, we aim for sales of 1,527 billion yen (up 6.1% from the previous year), business profit of 158 billion yen (up 7.0% from the previous year), EPS of 188.1 yen, ROE of approximately 12%, ROIC of approximately 9%, organic sales growth of 7.4%, EBITDA margin of approximately 16%, and increased dividends. However, one of the main reasons for the sluggish performance around 2019 was the tendency to postpone advertising expenses, which are actually necessary brand investments, and to minimize making other necessary investments near the end of the fiscal year in order to secure performance in a single fiscal year. Even if we are able to secure performance in a single fiscal year, it can hinder medium- to long-term performance and business growth. In order to avoid this happening again, we will take the utmost care to make the necessary investments in a planned manner and continue to realize a cycle of improving performance and corporate value by improving our execution capabilities.

	FY25	FY30	
ROE	18%	Approx. 20%	<b>[Reference] Targeting Approx. 3x EPS</b> <small>(FY30 vs. FY22)</small>
ROIC (> Capital Cost)	13%	Approx. 17%	
Organic sales growth	5% <small>(FY22-25)</small>	5% or more <small>(FY25-30)</small>	
EBITDA margin	17%	19%	
Challenging targets from management			

## Promoting sustainability

Promoting sustainability is at the core of ASV management, and we have formulated key themes and specific initiatives based on the important issues (materiality) of the Ajinomoto Group, which were reported two years after the Sustainability Advisory Council was launched in April 2021. We have also been able to clarify several paths to creating impact.

In particular, in terms of reducing GHG (greenhouse gas) emissions, including a 50% reduction in environmental impact, which is set as our 2030 outcome, it has become clear that our technology, know-how, products, and services can contribute significantly to the positive impact on our customers and society, in addition to reducing the negative impact in our Scope 1, 2, and 3. For example, in a collaborative effort with a major dairy company, we have found that by using our feed-use lysine for ruminants "Ajipro®-L," it is possible to reduce CO<sub>2</sub> emissions by one ton per cow per year, and that by using our biostimulants, it is possible to create a significant positive impact.

At COP28 held in December last year, agriculture and food systems were highlighted as an important issue, and it is expected that KPIs will be decided at COP30 to be held in Brazil next year. If that happens, we believe that the above initiatives that we have already started will attract even more attention, and we will work hard to further evolve our ASV by creating an ecosystem with our customers and stakeholders to build barriers to entry and actively participating in the formation of global opinions. Taking advantage of the discussions at the second

Sustainability Advisory Council, we will also evolve and conjoin our efforts to implement important issues for the Ajinomoto Group (materiality) to our initiatives and KPIs (implementation), build relationships with stakeholders (partnership), disclose information, and engage in dialogue with stakeholders (communication).

We are also working with Wataru Baba (former Executive Officer and Vice President of Panasonic Corporation North America), a member of the VCAB and a leading expert on creating positive impacts in sustainability, to convert positive impacts into significant economic value and to meet the further expectations of impact investors.

We are working to clarify materiality, which is an important issue for the Ajinomoto Group, specific measures to address it, and the path to creating an impact, and we are beginning to be able to “make visible” some easy-to-understand examples, but our challenge is to speed up the expansion of these efforts to the entire Ajinomoto Group.

## Speeding up decision making by digital technology

It is an important management issue for the Ajinomoto Group to speed up data-driven decision-making. To that end, we are building the Ajinomoto Data Management system (ADAMS) and working to integrate and utilize SCM data from Japan's food business across business sites and countries. As the world undergoes a major “digital transformation,” we will continue to work to speed up and improve the quality of our management.

## Initiatives for strengthening a self-motivated corporate culture

As mentioned above, one of the fundamental issues that impedes the improvement of corporate value is vertical organization (silo management).

To overcome this, we would like to work on strengthening a self-motivated corporate culture in which frontline members demonstrate a pioneering spirit with “Purpose × Passion × OE” and create a company that continues to create new value. Of the four intangible assets that the Ajinomoto Group

considers important, this corresponds to organizational assets, and requires long-term, continuous efforts, but it has been shown in many scientific papers at the global level that it contributes to improving corporate value in the medium to long term. In our company, a positive correlation between organizational culture and business performance has also been proven, and we will further strengthen our efforts to foster a self-motivated corporate culture while further “making visible” the value of intangible assets.

A culture that enjoys dialogue is one of our intangible assets. I feel that by creating an atmosphere where members of the Executive Committee and leaders can speak naturally, discussions are progressing. I myself have had over 110 dialogues both in Japan and overseas since taking up my position, and I think we are now in a state of psychological safety. As a result of encouraging employees to feel free to email or chat with me at the end of each dialogue, rather than just discussing the topic, I have now received direct emails from a considerable number of employees. Many of these perspectives are unique to the workplace, and have led to various initiatives.

Our company launched the concept of ASV in 2014, but it wasn't well understood or widely adopted at first. Now, about 10 years later, the results of our engagement survey show that many employees are sympathetic to ASV. I look forward to seeing this project, which persistently seeks to find common “purpose” and increase “passion” throughout the entire group, gradually bear fruit.

Contents introducing initiatives to create self-motivated corporate culture



“Stories”



“Flags”

## Aiming for a 70% of transfers through open recruitment, etc.

Promoting diversity, equity and inclusion (DE&I) is also important, and we are increasing the number of non-Japanese corporate presidents, with 12\*

currently in office. In addition to transfers between Japan and other countries, we will also actively promote human resource exchanges between other countries beyond Japan, such as from Brazil to Thailand.

In terms of gender, the promotion of women in Japan is an issue, so we work on measures to promote women's participation, such as the "AjiPanna Academy." 55% of the participants in the selective training in fiscal 2020 have already been promoted to managers. We will of course comply with the statutory employment rate for people with disabilities, and will focus on creating a workplace where both people with disabilities and able-bodied people can work with enthusiasm and motivation, not only at our specified subsidiary Ajinomoto Mirai Co., Ltd., but also at all workplaces. I also engage in dialogue with people with disabilities, and I have learned a lot from their diverse perspectives and suggestions.

In order to foster a self-motivated corporate culture, we will continue to promote initiatives that encourage employees to "raise their hand." We are strengthening personnel transfers through open recruitment, including projects, workshops, and trainings that involve raising their hand, both in Japan and overseas, globally. The number of applications for open recruitment, which was around 20 per year until fiscal 2021, increased to approximately 140 in both fiscal 2022 and 2023. We have set a challenging goal of making transfers by open recruitment and by other career plans to 70% by 2030. By raising your hand of your own volition, rather than being forced to do so, you will naturally find overlaps between your own "purpose" and that of the Ajinomoto Group. On the other hand, the open recruitment system also poses challenges, such as temporary staffing shortages in organizations that provide human resources, but we have been evolving to improve this issue since fiscal 2023.

## The Ajinomoto Group's roots lie in the pioneering spirit.

We would also like to further promote initiatives that praise taking on challenges so that the

aforementioned "Swing the Bat" can spread throughout the group. The creation of new value and pioneering spirit are at the roots of the Ajinomoto Group and are part of the Ajinomoto Group Way. We would also like to further enhance opportunities for participants in dialogues to raise their hands voluntarily, to further highlight employees who continue to take on challenges, and to be inspired by other employees. We will also utilize the individual goal presentations that have already been rolled out globally, and strengthen efforts to encourage employees to raise their hands and take on challenges, rather than having management or the company direct them to do so.

In addition, as the executive officers have already done, we will start global workshops to think about one's "purpose" (the My Purpose initiative) as an opportunity to find overlaps between one's own "purpose" and the Ajinomoto Group's Purpose.

### Topic 1

#### Linking IR-PR-SusR-ER (Investor/ Public/Sustainability/ Employee Relations)

Efforts to make internal and external public relations more active are underway all over the world.

Recently, I have been conscious of the concept of IR-PR-SusR-ER linkages. I have realized that having various IR, PR, and SusR initiatives published in external media, and having employees directly participate in events and be interviewed, strongly contribute to increasing employee "passion" and engagement, as well as enhancing the corporate brand.

In last year's webinar for individual investors, I invited employees from three other countries to appear and present their "purpose" and the specific efforts they are making to achieve it. For example, Tomoe Izumi from Ajinomoto Co., (Thailand) Ltd. introduced the company's business operations and its efforts to promote well-being through support for cassava farmers, the raw material for the umami seasoning "AJI-NO-MOTO®", and gave a passionate presentation that was well received.

[https://www.youtube.com/embed/jRBsSiwF\\_zE](https://www.youtube.com/embed/jRBsSiwF_zE)  
(Japanese only)



# 4



## Contributing to the well-being of all human beings, our society and our planet with “AminoScience.”

The Ajinomoto Group has been working on transformation with determination, improving its corporate performance and value. Currently, there are many serious social issues, but we will continue to work hard for the well-being of all human beings, our society and our planet with “AminoScience”, which we have been committed to and refined for many years since our founding in 1909. We would like to use the economic value generated from these efforts to help solve even bigger problems. To achieve the challenging and ambitious goal of the 2030 ASV Indicators, we will “speed up × scale up” our efforts by having our employees and stakeholders empathize with our Purpose, increasing our “passion,”

and “polishing” the capabilities of each individual and team. I look forward to the opportunity to have dialogue with you all and to your continued support.

CEO's video message



### Topic 2

#### Openness of management

I feel that the speed of communication of decisions and the start of their implementation has increased. The key to this is the openness of management. For example, in addition to the members of the Executive Committee, the person in charge of the practical aspects is also present, and related parties can observe the meetings via the web, and the flow of discussions and how decisions were made are open to the public. Similarly, we hope to increase understanding, consent, and empathy by directly participating in labor-management discussions with the labor union, such as by streaming them via video. We also invite members of the VCAB to participate in Executive Committee. Partner at Value Create Inc., Akira Sato, discusses about the perspective of investors and efforts to enrich intangible assets, and Wataru Baba discusses about promoting sustainability and using it for creating innovation. Interbrand Japan's President Masahito Namiki actively participates in discussions about improving corporate brand value and strengthening employee engagement. We are often made aware of things through their comments, and we believe that they have made a significant contribution to improving our corporate value.



## Issues facing realization of our vision

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1. Vertical organizations with silo management
2. Efforts to make our company's thinking easier to understand, such as "AminoScience"
3. Linking IR-PR-SusR-ER (Investor/Public/Sustainability/Employee Relations)
4. Had weak ability to grasp customer inventory of amino acids for pharmaceuticals and foods and electronic materials
5. Ability to discover issues and speed of the first step in response
6. No new products or services of worth exceeding 1 billion yen have been released in the Japanese Seasonings and Foods business for the past seven years
7. Speediness in establishing the next growth driver
8. Speeding up global horizontal expansion of the "patternization" of scale-up
9. Clarifying impact paths, and speeding up their expansion into group-wide efforts
10. DE&I (promotion of women in Japan, etc.)
11. Still many approvals needed in decision processes

