Governance

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Risk management

Approach to risk management

Strategy

The Ajinomoto Group complies with the Ajinomoto Group Policies (AGP), which outlines the concepts and actions to be observed by each Group company, officers, and employees. We continue to maintain and properly operate our internal control systems, while also strengthening a framework that views sustainability as a form of proactive risk-taking. Through these efforts, we consistently enhance our corporate value over the long term.

Risk management framework

Governance

The Ajinomoto Co., Inc. Board of Directors determines important issues (Materiality) for the Ajinomoto Group that serve as guidelines for ASV management and supervises the execution of initiatives related to sustainability. The Executive Committee selects and extracts risks and opportunities based on important issues (Materiality) for the Ajinomoto Group, assesses the degree of impact, formulates measures, and manages progress. Under the Group Shared Policy on Risk Management, we engage in a risk management process centered on effective communications and an autonomous PDCA cycle. We determine activity guidelines to strengthen our capacity to respond to major risks, and pursue autonomous risk management within every organization.

■ Sustainability Advisory Council

The council makes recommendations to enhance the corporate value of the Ajinomoto Group from the viewpoint of sustainability as a subordinate body of the Board of Directors. The Second Term Sustainability Advisory Council began in April 2023 and consists of four external experts, including investors and well-being specialists. An eternal expert also serves as council chair. The council meets at least twice a year to assess the efforts of the Board of Directors in the areas of materiality implementation, communication on implementation and information disclosure, and partnership building with stakeholders. The council submitted their final report to the Board of Directors in March 2025.

■ Sustainability Committee

The Sustainability Committee works with the Risk Management Committee to select and identify risks and opportunities based on important issues (Materiality) as well as assess their impact on the Ajinomoto Group, making proposals to the Executive Committee. The Sustainability Committee then formulates countermeasures for sustainability risks and opportunities and manage the progress of sustainability measures.

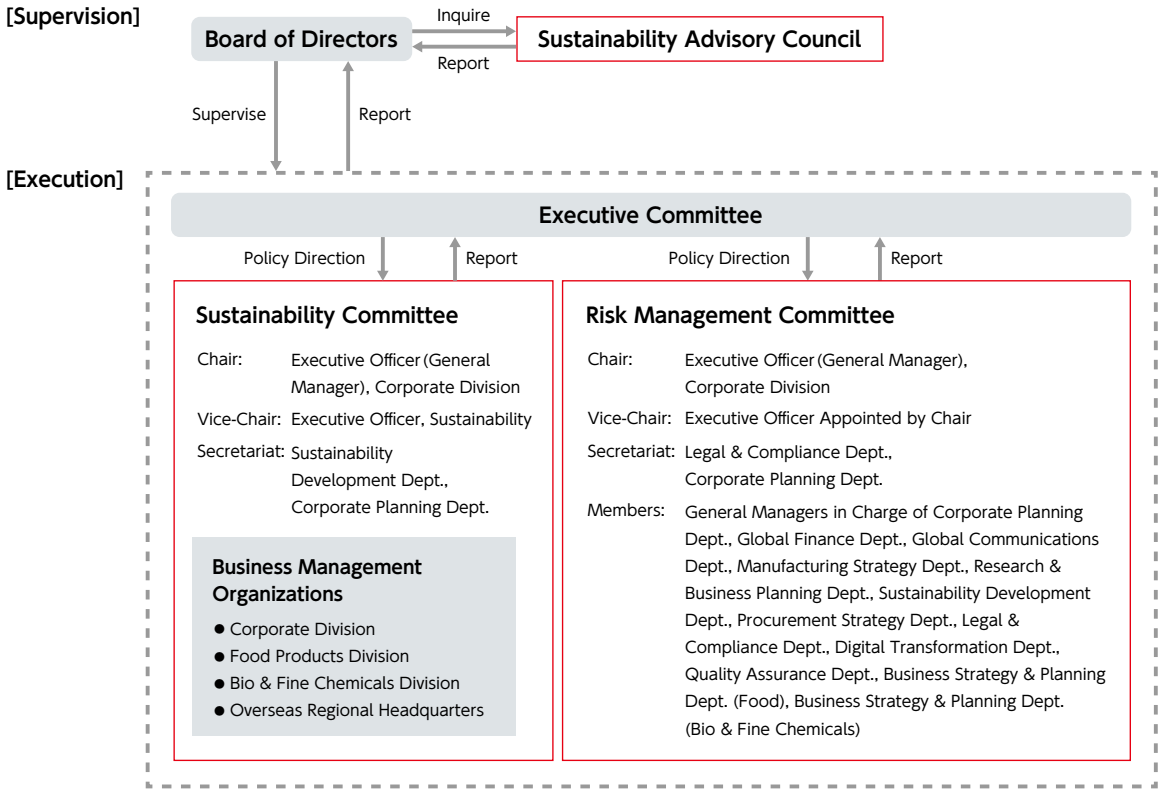
The Sustainability Committee also formulates the entire Ajinomoto Group's sustainability strategy, promotes action themes (nutrition, environment, and society) based on this strategy, makes proposals and provides support for business plans from a sustainability viewpoint, and compiles internal information on ESG.

■ Risk Management Committee

The committee works with the Sustainability Committee to select and identify risks and opportunities based on materiality as well as assess their impact on the Ajinomoto Group, making proposals to the Executive Committee. The Risk Management Committee also develops and manages the progress of risk management measures to establish a strong corporate structure that ensures prompt and accurate responses to risks and crises, particularly with regard to risks that management should address (i.e., geopolitical risks, information security risks).

> Annual Securities Report for the 147th fiscal year P022-024

Framework for ESG and sustainability



Risk management processes

The risk management process of the Ajinomoto Group involves identifying risks, taking into account individual business strategies and the local political, economic, and social conditions of each domestic and overseas work site. We then assess impacts, formulate countermeasures, make improvements, and monitor progress. The head of each organization in each business and Group company in Japan and overseas designates a person responsible for risk management, sets organizational goals each year, and prepares a risk summary table. These risk summary tables organize processes from planning to review based on the risk assessments on each organization's business activities. The Risk Management Committee improves this process, compiles the risks identified by each organization, and addresses those that management should take the initiative to address. In addition, each business and Group company has formulated a business continuity plan (BCP) in preparation for emergencies, and the Risk Management Committee has established a system for constant verification of each BCP's effectiveness and regularly monitors and manages risk response.

The collection rate of risk summary tables for fiscal 2024 (FY2025 plan) amounted to 100% at Ajinomoto Co., Inc. and 99% for the Group companies. These results show how well autonomous risk management is entrenched in each organization. Full-time Audit Committee members attend the Sustainability Committee and the Risk Management Committee to monitor risk management process. We also hold various briefing sessions for outside directors to deepen their understanding of Group initiatives, including risk management.

Compliance

Approach to compliance

Strategy

The Ajinomoto Group treats compliance as adhering to laws, regulations, and the Ajinomoto Group Policies (AGP), as well as meeting the social demands that underpin these policies. Here, we work to build an awareness of compliance and to cultivate an open corporate culture. AGP serves as a written pledge to all stakeholders, illustrating the beliefs and behaviors to be upheld by each Ajinomoto Group company and each of us who works there.

> Ajinomoto Group Policies (AGP)

The AGP consist of 11 Basic Principles and a series of Group Policies associated with them.

1. Initiatives to Improve Nutrition
2. Provision of Safe, High-Quality Products and Services
3. Contribution to the Global Environment and Sustainability
4. Fair and Transparent Transactions
5. Approach to Human Rights
6. Human Resources Training and Ensuring Safety
7. Working with Local Communities
8. Responsibilities to Stakeholders
9. Protection and Management of Corporate Assets and Information
10. Clear Separation of Business and Personal Affairs
11. Establishment and Implementation of Good Governance

Third-Party Opinion on AGP

Sustainability has become an increasingly critical issue in corporate activities in recent years. The Ajinomoto Group Policies (AGP) appear to comprehensively address many of the key sustainability principles now expected of companies. This third-party review (the "Statement") outlines the strengths of the Ajinomoto Group sustainability management and AGP, as well as expectations for future development.

1. Strengths

AGP has many strengths. First, AGP clearly express top management commitment to the policies. The president presents AGP as a pledge to all stakeholders in his message and provides clear direction to Group companies and employees to promote the policies throughout the organization. AGP emphasizes improved nutritional balance, which reflects the founding spirit of the company and demonstrates a strong sense of social responsibility as a food manufacturer. This approach is commendable.

Second, the Group actively promotes awareness of AGP. AGP is available in 22 languages and circulate across the entire Ajinomoto Group. Specific initiatives to circulate AGP include a 12-part annual e-learning program as well as quarterly discussion-based sessions conducted in each division. Each session combines lectures with case-based discussions and involves approximately 40 participants. The Group also conducts regular Worksite Session on AGP, where participants raise compliance-related concerns, as well as surveys that assess understanding of the policies. These actions appear to strengthen the effectiveness of AGP.

Third, the Group operates a global monitoring system. In November 2022, the Group expanded its global hotline to 22 languages to raise further awareness of AGP. This expansion enhanced significant monitoring functions within the Ajinomoto Group, which generates a high volume of sales from overseas operations. The Group also expanded the global hotline to cover former Group employees and established the supplier hotline to address external risks. These initiatives align with the revised Whistleblower Protection Act and the UN Guiding Principles on Business and Human Rights.

AGP covers all key elements in a comprehensive, well-structured approach. The Group shows a clear commitment to continuous improvement by using AGP as a foundation for year-on-year advancement. This approach merits high recognition.

2. Expectations for the Future

AGP demonstrates a broad and comprehensive structure. Based on that foundation, several areas warrant further consideration to support continued refinement.

First, the Group could strengthen understanding of its efforts to enhance nutrition. Improving people's nutrition lies at the heart of the founding vision of the Ajinomoto Group. To this end, adding a clearer explanation of why the Group focuses on nutrition would help highlight the uniqueness of this commitment and deepen understanding of AGP.

The second area in need of further consideration is related to environmental and human rights topics in AGP. These sections appear relatively limited compared with other sections in AGP, but both are expected to gain increasing importance and will require more advanced initiatives and greater attention going forward. For example, the human rights section could benefit from addressing children's rights.

The third area involves AGP awareness efforts. While the Group appears to engage actively in AGP awareness efforts, expanding these efforts beyond executives and employees to include key stakeholders, business partners, and local communities may lead to broader understanding and greater opportunities for collaboration. These developments could contribute to further growth of the Ajinomoto Group.

May 8, 2025
Ayako Sendo
Professor, Takushoku University Faculty of Commerce, Ph.
Chairman, Japan Society for Business Ethics

Kazuhiko Takano
Executive Director, Japan Society for Business Ethics
Professor, Dean, Faculty of Societal Safety Sciences, Kansai University
Doctor of Law

Compliance framework

Governance

The Business Conduct Committee, under the oversight of the Executive Committee, ensures the widespread adoption of AGP and verifies that corporate activities align with these policies. Additionally, the Business Conduct Committee devises and enacts measures to promptly and appropriately address crises and other situations. The Business Conduct Committee meets every three months to update the Executive Committee and the Board of Directors on the Business Conduct Committee's discussions and activities. Major Group companies have also set up business conduct committees to encourage the adoption of AGP and implement tailored initiatives in each country, region, and company.

> Ajinomoto Group Policies (AGP)

Raising awareness of compliance

Performance

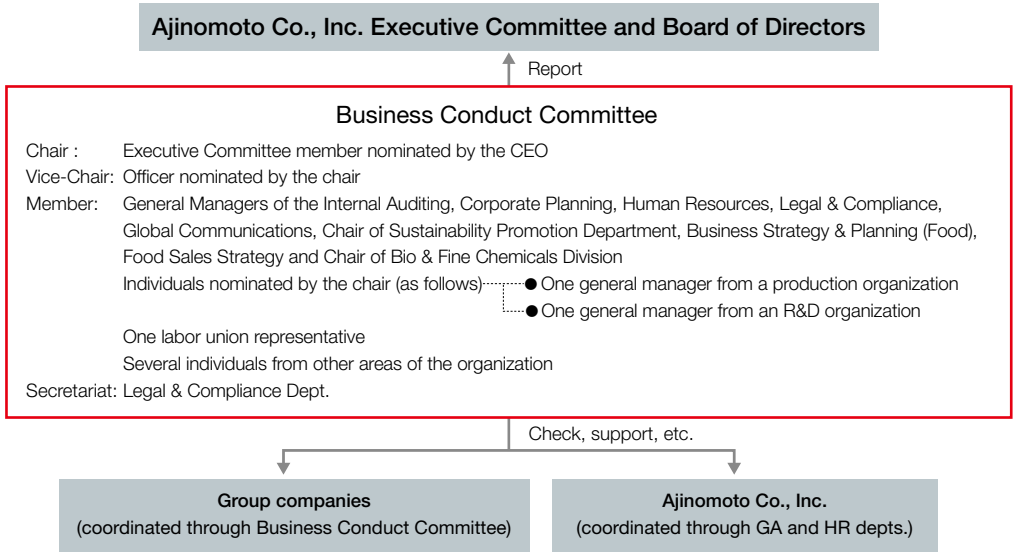
Employee education

The following activities were part of our fiscal 2024 efforts to raise awareness and understanding of AGP and our internal whistle-blowing system.

- Compliance training

E-learning for all Group employees in Japan to study the entirety of AGP (including how to use the hotline) throughout the year (conducted every other year): 8,069 of 9,419 eligible employees across 25 Group companies in Japan participated (86%)
Group training by department for managers of Group companies in Japan, focused on the case method: Held remotely four times per year for Research, Production, Corporate, and Sales and Marketing departments.

- Displayed awareness-raising posters (produced in 22 languages)
- Displayed flashing messages on screen when employee starts their PC



Worksite Session on AGP

Members of the Business Conduct Committee at Ajinomoto Co., Inc. hold the Worksite Session on AGP, soliciting direct feedback from employee representatives at each workplace about issues concerning compliance in the workplace. In fiscal 2024, we held 33 meetings for 252 participants (30 meetings for full-time employees and three meetings for part-time employees). Summaries of the Worksite Session on AGP discussions are provided to organizational heads, each worksite, and posted on the corporate intranet to share with all employees. Any compliance issues raised that warrant corporate-level attention are discussed at the Business Conduct Committee. Decisions by the committee are then incorporated into AGP communication policies and compliance promotion activities.

AGP awareness survey

Each year, we ask all domestic corporate Group employees to respond to an AGP awareness questionnaire. The goal of this survey is to monitor awareness and understanding of AGP and identify any potential compliance issues. We expanded the survey in fiscal 2024 to include employees of overseas corporations and received responses from 19,949 (75%) employees. We coordinated with individual departments to resolve any compliance issues that emerged.

Bolstering our internal reporting hotline (whistle-blowing)

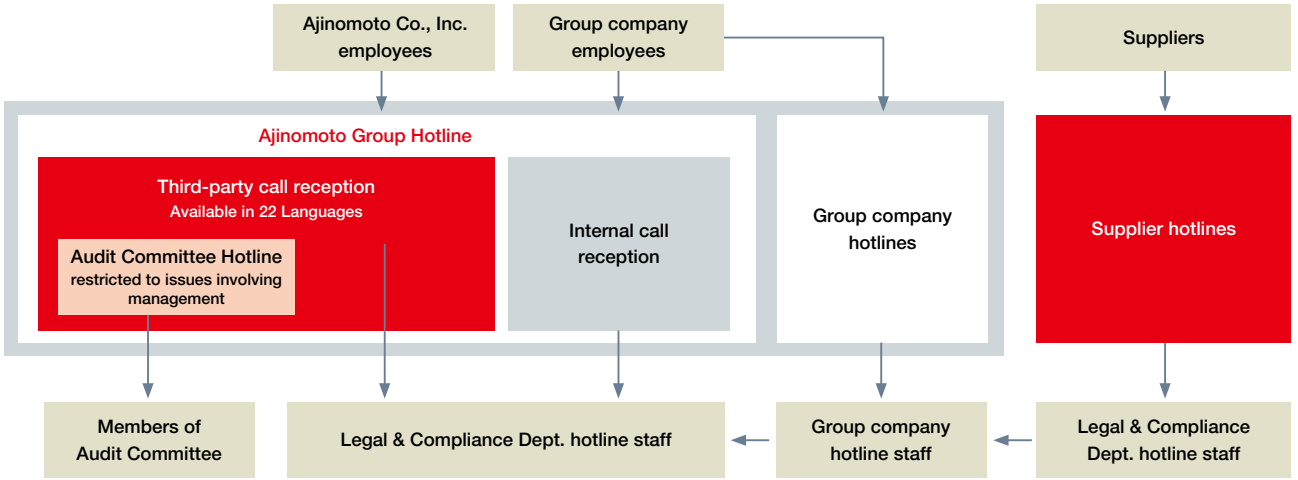
Performance

The Ajinomoto Group established a hotline as part of an internal reporting (whistle-blowing) system. In April 2023, we consolidated the global and domestic desks of the Ajinomoto Group Hotline, managed and operated by the Ajinomoto Co., Inc. Business Conduct Committee. The integrated hotline accepts reports in 22 languages from anywhere in the world, including reports from employees of various nationalities in Japan. We updated the Audit Committee Hotline, which accepts reports on matters involving executives of Group companies, to also accept reports in 22 different languages. All domestic group companies have established systems and regulations that comply with the revised Whistleblower Protection Act, which became effective in June 2022. The hotline allows for anonymous reporting. In fiscal 2024, the number of cases reported through the domestic hotline totaled 150, almost unchanged from the previous year, while the number of cases reported to the groupwide (global) hotline amounted to 1,285.

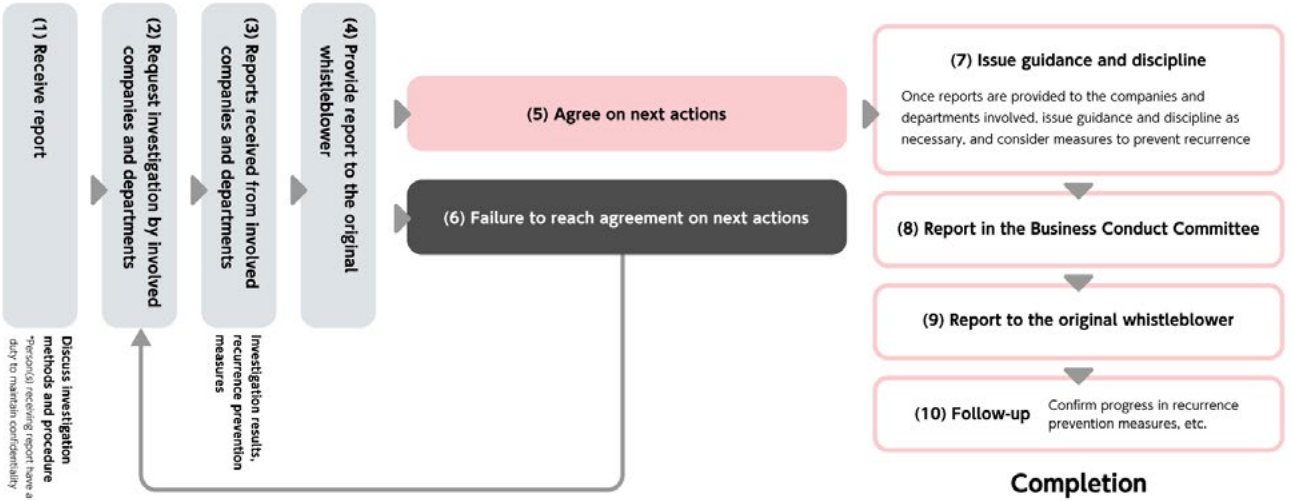
Hotline staff and the relevant parties engage in discussions to resolve cases reported.

> Group Shared Policy on Whistle-blowing
> Personnel and Labor-Related Data: Number of Hotline Reports

Hotline (internal reporting channels)



Procedure after receiving a report



Number of hotline reports[1]

	FY2020	FY2021	FY2022			FY2023			FY2024		
			Japan	Overseas	Total	Japan	Overseas	Total	Japan	Overseas	Total
Human rights, harassment	50	41	38	19	57	52	41	93	64	44	108
Employment, working conditions	36	60	14	66	80	21	301	322	18	366	384
Quality, environment, safety	3	9	6	14	20	9	22	31	11	32	43
Fraud	3	13	2	6	8	5	5	10	7	30	37
Social manners, ethics	29	119	8	54	62	20	158	178	20	81	101
Proper job performance	45	21	16	5	21	30	12	42	24	76	100
Other	4	115	9	213	222	15	701	716	6	506	512
Total	170	378	93	377	470	152	1,240	1,392	150	1,135	1,285

[1] Figures for overseas subsidiaries have been calculated since FY2021.

Preventing corruption

Strategy

AGP requires employees to maintain sound and healthy relationships with politicians, government officials, and the like in Japan and overseas. AGP also states that giving favors to such public officials in the form of gifts, entertainment, money, or other bribery in any manner is prohibited. The Group Shared Policy on Bribery Prevention includes the following rules, which require officers and employees of group companies to comply with this policy and the related bribery prohibition laws of each country and region.

- Prohibit facilitation payments to public officials, etc.
- Investigate and evaluate the appropriateness of using a third party for outsourcing or other work involving public officials
- Maintain accounting books and records for all company transactions in reasonable detail
- Confirm the appropriate treatment of expenses related to public officials, etc.
- Monitor compliance and conduct under this policy via audits

> Group Shared Policy on Bribery Prevention

Employee education

Performance

We conduct year-long e-learning for domestic Group employees covering all AGP sections every other year. In fiscal 2023, e-learning focused on bribery and corruption issues.

Transparent and fair business practices

Strategy

AGP requires that officers and employees fully understand and comply with laws and regulations concerning competition in all countries and regions in which we operate. In this way, the Ajinomoto Group strives to ensure fair and transparent business transactions. We have also established Guidelines for Antitrust Laws (Japan), Guidelines for Antitrust Laws in the United States, and Guidelines for Competition Laws in Europe. We ask that our business partners understand the purposes behind the Group Shared Policy on Procurement, the Group Shared Policy for Suppliers, and other related guidelines. We also ask business partners to refrain from behavior that hinders fair, transparent, and open competition.

> Group Shared Policy on Procurement
> Group Shared Policy for Suppliers

Correction of noncompliance acts

The Group takes appropriate disciplinary action based on the severity of the offense should we discover a violation of laws or AGP. We also implement corrective measures and conduct compliance training for officers and employees to prevent recurrence. In fiscal 2024, we identified the following violations and took corrective action.

Number of violations

Violation	FY2024
Corruption or bribery	0
Discrimination or harassment[1]	1
Customer private data breach	1
Conflict of interest	1
Money laundering or insider trading	0

[1] Number of violations by officers and employees of Ajinomoto Co., Inc. and officers of Group companies.

Tax strategy

Global tax strategy

Strategy and Governance

As part of our tax strategy, the Ajinomoto Group established the Group Shared Policy on Global Tax (Group Policy). We aim to fulfill our social and economic responsibilities by complying with tax regulations, making proper tax payments, returning a portion of our profits, and contributing to local community development. Additionally, we manage tax risks prudently to ensure business continuity and strong growth.

As part of these efforts, we take measures to ensure proper tax payments. We refuse to engage in tax avoidance by utilizing profit transfers through organizations lacking business objectives or real business operations, or low-tax countries (so-called tax havens). At the same time, we take rigorous action to limit additional taxes caused by missed or delayed payments. Additionally, we take measures to reduce risks by ensuring proper profit allocation under the transfer pricing tax system. We also leverage the benefits of each country's tax system to the greatest extent possible during M&A and organizational restructuring, stabilizing the Group's effective tax rate.

Excessive tax-shielding and the sole pursuit of economic value can lead to a perception in society that a company does not pay taxes properly and does not create social value. By returning a portion of the profits created through our businesses to local communities through tax payments, we are mindful of the symbiotic cycle in our Group initiatives, leading to the generation of social value.

The Executive Officer in Charge of Finance at Ajinomoto Co., Inc. is responsible for developing and maintaining a governance system of tax compliance and tax risk management for the Group, and reports the status of governance based on this Group Policy to the Board of Directors.

We post the Group Policy on our website to communicate the Group's tax strategy clearly.

> Group Shared Policy on Global Tax

Corporate taxes paid (consolidated basis)

(million yen)

FY2019	FY2020	FY2021	FY2022	FY2023
21,654	23,909	25,248	32,477	40,740

[2] We post tax payment data by major country separately on our corporate website.

> Tax Data

Information security and personal information management

Basic Policy for Information Security

Strategy

The Ajinomoto Group exercises great care in handling customer information and confidential corporate information. We formulated and established the Group Shared Policy on Information Security and related group-wide regulations, standards, and guidelines, as well as the IT environment necessary to support these policies. The entire Group is committed to ensuring information security.

> Group Shared Policy on Information Security

Information security management framework

Governance

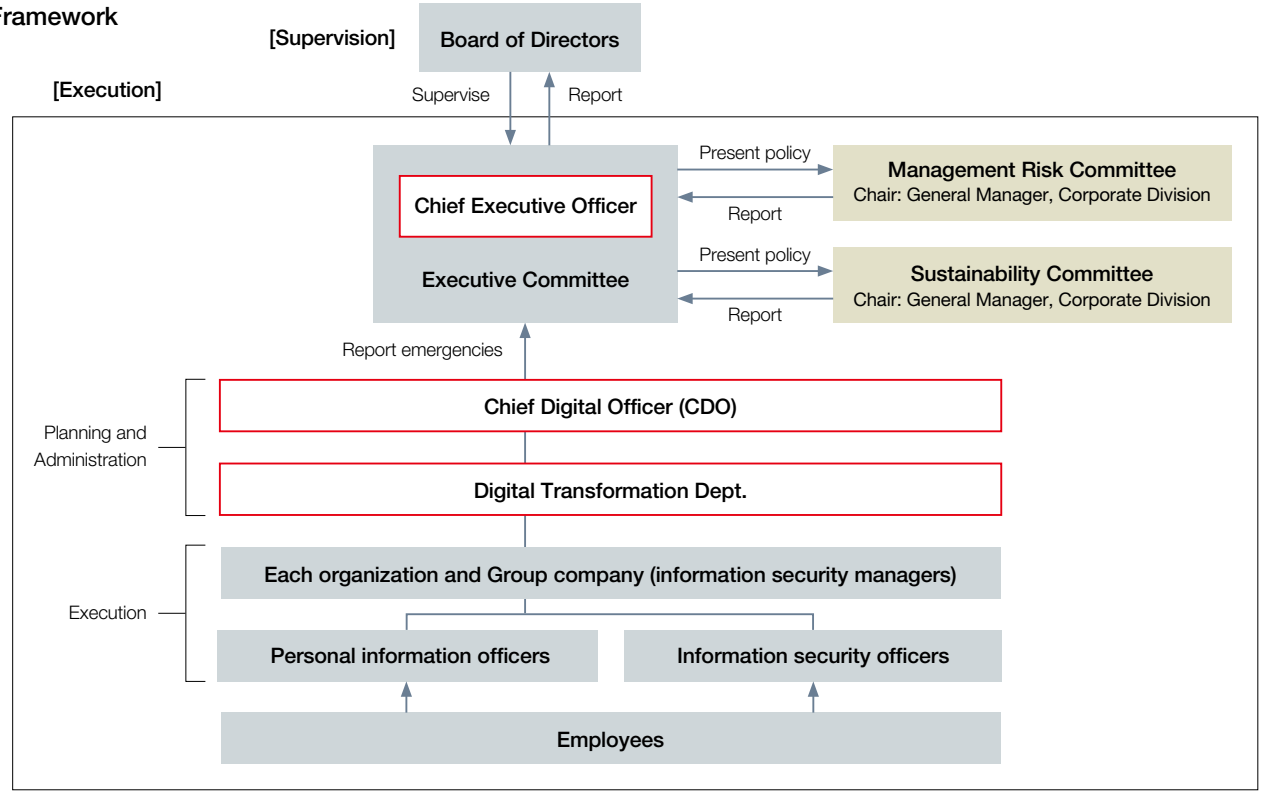
The Ajinomoto Group regards information security as a serious business risk. Our Board of Directors and the Chief Digital Officer (CDO; executive officer responsible for information security) are involved in the process of establishing and evaluating information security strategies. The Board of Directors oversees the information security strategy. The Management Risk Committee, chaired by a director and executive officer serving concurrently as the general manager of the Corporate Division, defines IT security, including external cyberattacks, as a high-priority business risk. The committee discusses strategies and measures to strengthen information security.

Further, each organization within Ajinomoto Co., Inc. and Group companies have established frameworks to respond to information security incidents or emergencies appropriately, providing reports that reach up through the organization to the CEO. We also established a method for employees to notify and report incidents or other suspicious activities to the Information Systems Organization.

In conjunction with the reorganization of group-wide business continuity planning (BCP), we established a structure and procedures for information systems that encompass major IT vendors. We conduct regular drills (about once a year) to prepare for large-scale natural disasters and cyberattacks.

> P146

Framework



Rigorous management of personal information

To manage customer data and other personal information securely, the Ajinomoto Group defines clear rules and informs relevant individuals of said rules. In this way, we practice organizational business management.

Ajinomoto Co., Inc. has established Personal Information Management Manual as a subset of the Information Security Regulations. This manual specifies rules and procedures for handling personal information securely.

Before outsourcing operations that involve handling personal information, we perform an assessment of the relevant contractor's processes and systems to ensure information security is at the same level as our own internal systems. In addition, we appoint a person to be responsible for personal information under the head of each organizational unit when collecting personal information from customers in connection with campaigns, surveys, etc. Further, we established a system for the more rigorous management of customer personal information by clarifying who is responsible for and in charge of managing personal information from the collection of said information to storage and disposal. We also clarify who may access and use the personal information collected.

In Japan, the Ajinomoto Group introduced a system to detect the leakage of confidential information and other fraudulent behavior on standard-use devices automatically at major Group companies. We continue to manage this system on a consistent basis.

In fiscal 2024, the Group experienced three incidents involving formal complaints related to customer privacy violations and cases of customer data leakage, theft, or loss. The relevant departments coordinated promptly to minimize the impact of the breach following each incident, and the Ajinomoto Group is implementing employee reminders and training, as well as revisions to internal rules, in response.

> Privacy Policy

Information security initiatives

Strategy and Results

The threat of cyberattacks, including ransomware attacks and unauthorized intrusions through the supply chain, continues to grow each year. Eliminating serious business impacts (i.e., operational shutdowns, financial losses, and data breaches) from cyberattacks requires a comprehensive approach that goes beyond traditional security measures to include stronger authentication, tighter access controls, enhanced monitoring, and reinforced governance.

Threats exist throughout all business domains. For this reason, the Ajinomoto Group implements measures based on a zero-trust security approach, which verifies each element individually without assuming trust. We also established a global information management system that supports each corporation by appointing an IT manager for each region. This system aims to strengthen risk management activities to identify and respond to risks through the management and assessment of ongoing vulnerabilities. The Ajinomoto Group also introduced the latest security risk audit method in fiscal 2024 from an external consulting firm to further improve the quality of our own information security audits.

> DX in the Ajinomoto Group (Japanese only)

Information security training

Ajinomoto Co., Inc. conducts regular information security training for directors, officers, and employees. In fiscal 2024, we conducted an information security comprehension test and targeted e-mail attack training. A total of 4,159 directors, officers, and employees took the information security comprehension test via e-learning, representing a participation rate of 91%. As in previous years, we conducted targeted e-mail attack training twice during the year.

Information security inspections

The Ajinomoto Group conducts regular vulnerability assessments and manages vulnerabilities using external services for servers and devices exposed to the internet at domestic and overseas Group companies identified as high risk from an attacker's perspective. The Group identifies and addresses risks based on these activities.

Furthermore, Ajinomoto Co., Inc. conducts annual information security inspections at all work sites. These inspections focus on the basic elements of proper information handling, including the management of IT equipment, confidential information, and personal information. We also conduct annual reviews concerning the use and management of external cloud services.

Proper utilization and management of intellectual property

Basic policy for intellectual property

Strategy

The Ajinomoto Group recognizes that the technologies, ideas, designs, and other expertise created through business activities as significant intellectual property (IP) for the enhancement of corporate value. We pursue an IP strategy with involving business and R&D departments and we contribute to business expansion and creation by actively utilizing IP in our businesses. We established the Group Shared Policy on Intellectual Property for the protection and utilization of IP. Under this policy, we engage in the following initiatives to further our competitive advantage and business growth by strengthening our IP strategy, including the establishment of a global IP portfolio.

1. Acquire intellectual property rights strategically and efficiently for the core technologies that drive our business
2. Integrate and collaborate actively with external technologies through open innovation and other related initiatives
3. Utilize and enforce the patents of the Group's proprietary technologies through licensing, litigation, and other means
4. Protect product credibility and enhance brand value based on the trademark system
5. Minimize the risk of infringement by conducting thorough assessments with respect to the third-party's intellectual property rights
6. Provide survey and analytical data to the Group's business and R&D departments
7. Cultivate human resources capable of IP-related tasks and utilize both internal and external networks

To prevent the risk of damage, leak, or loss of our IP value, the Ajinomoto Group takes a firm stance toward companies that infringe on our IP rights. We protect these rights through warnings and filing infringement lawsuits, among other actions. The information planning department and intellectual property department plan and execute defensive measures to protect trade secrets. In collaboration with the internal auditing department, these departments carry out overall internal control related to trade secret management and protection for the Group.

> Group Shared Policy on Intellectual Property

IP management and utilization framework

Governance

Ajinomoto Co., Inc. supervises IP (patents, designs, trademarks, etc.) for the entire Ajinomoto Group in line with Instructions Regarding Licensing and Administration of Intellectual Property. The Company works with the specialized IP staff, key persons, and research and development sites of Group companies in Japan and overseas, as well as with patent and law firms in each country, to acquire global IP and eliminate counterfeit products and the unauthorized use of brands by utilizing IP. We centralize intellectual property searches and maintenance operations with our affiliate, Intellectual Property Expert Co., Ltd., to improve efficiency and consistency.

As of March 31, 2025, the Ajinomoto Group owns 4,233 patents and 5,653 trademarks, and utilizes them across the globe under this structure.

Education for employees

Performance

The Ajinomoto Group places a strong emphasis on IP training for employees, aiming to apply IP across business activities by raising employee awareness and practical skills. Our training framework combines tiered and purpose-specific programs to build the necessary mindset and capabilities of our employees. The Group regularly reviews training programs based on organizational challenges and evolving needs. We also provided e-learning to enable employees to take and review courses in a timely manner. Major education and training programs conducted during fiscal 2024 were as follows.

- Group training by job title (training for new hires and appointed managers, etc.)
- Practical patent training (overview of fundamentals, methods for acquiring data on patent applications, case studies on IP strategy and analysis, etc.)
- Patent and literature search training (survey and analysis tools, patent searches by technical field, etc.)
- Practical legal and IP training (trademark and design fundamentals, confidentiality agreement fundamentals, etc.)
- Practical IP contract training (joint R&D agreement fundamentals, Group IP utilization policies, etc.)

Initiatives to encourage invention

Ajinomoto Co., Inc. works to create technological assets and generate innovation through our Invention Reward System, which rewards employees for new inventions, and our Intellectual Property Awards, which recognize outstanding inventions and inventors. We continued to reward employees in fiscal 2024 for inventions that contributed to business according to their degree of contribution. We selected outstanding inventions and inventors from four growth areas to receive awards.