

Diverse talent

The Ajinomoto Group believes that employee engagement, along with market capitalization and corporate brand value, is an important element in enhancing corporate value.

We intend to accelerate ASV as one's own initiative among employees, investing more in fostering human resources who feel highly engaged in their work and take an active role in contributing to the realization of our vision. In this way, we will transform into a highly productive, issue-resolving organization with an ever-growing capacity to offer proposals, to execute our business, and to foster innovation. The Group will search for greater diversity and inclusion in human resources to accelerate innovation. We will also leverage digital technologies to create work styles that improve our ability to respond to environmental changes

Specific examples

- Employee engagement/decent work
- Diversity and inclusion
- Employee health, safety, and well-being
- Labor relations
- Fair labor practices
- Compensation and benefits
- Recruitment, development, and retention

Related opportunities and risks (○ Opportunity ● Risk)

- Company growth by improving employee engagement
- Creation of an innovative environment
- Increase in the number of channels for recruiting and promote human resources of diverse backgrounds
- Rising costs due to intense competition for human resources and loss of corporate reputation in the event of a failure to attract diverse human resources

Key initiatives by the Ajinomoto Group

- Enhancing employee engagement (ASV as one's own initiative)
- Promoting PDCA cycle using engagement surveys
- Organizational culture reform to promote diversity and inclusion
- Training and promotion of female employees
- Promoting health management
- Human rights awareness training
- Fostering a corporate culture of innovation

Related SDGs



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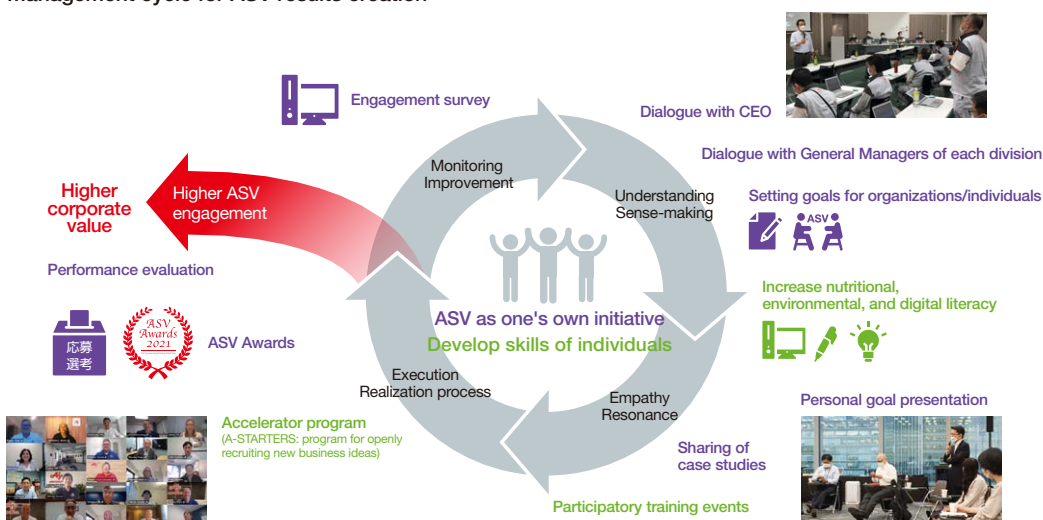
Human resources and organizational management

Approach

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The Ajinomoto Group is increasing our investment in human resources and strengthening skills development to achieve our vision of becoming a solution-providing group of companies for food and health issues. At the same time, we aim to increase the number of employees who feel they are contributing to our vision (ASV as one's own initiative) as they will serve as a key driver propelling the organization forward. To achieve this, we are setting organizational and personal goals to solve issues together with our customers and standardizing the plan-do-check-action (PDCA) cycle of management.

Management cycle for ASV results creation



Framework

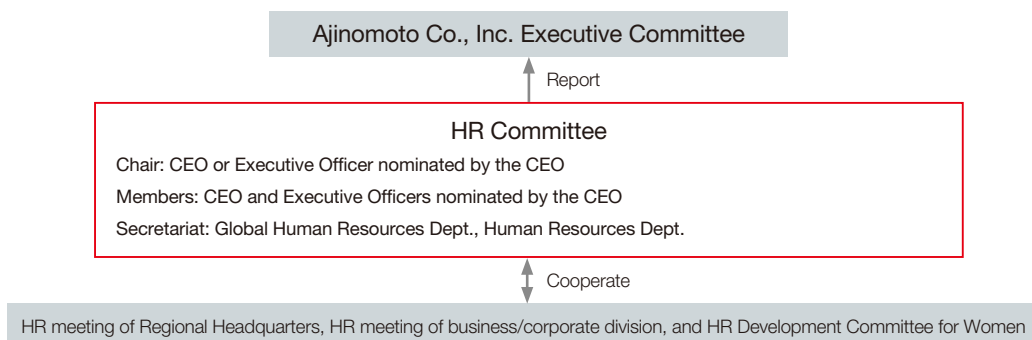
GRI401-DMA
GRI404-DMA

Human resource management framework

The HR Committee established under the Executive Committee promotes fostering talent to lead group companies, regions, and global operations at every level to support the sound growth of the Ajinomoto Group. In constructing a management human resources pipeline, the HR Committee plays a central role in forming a pool of high potential human resources.

These human resources are candidates as successors to specific positions and future management roles. In this way, we strengthen strategic development and promotion of personnel, including transfers between divisions and group companies.

When deemed necessary by the chair of the HR Committee, the committee reports the status of its activities, committee meeting deliberation, and results to the Executive Committee.



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Global human resources management system

The Ajinomoto Group has adopted a Global Human Resources Management System based on a common foundation to foster and recruit diverse human resources around the world, ensuring we put the right person in the right position. We are using this system to accelerate our development of next-generation management and highly specialized personnel. The system consists of a mechanism to visualize key posts and key personnel (position management, talent management) as shown below.

Position management (right position)

Identify the duties required for the organization to execute our business strategy. Determine the requirements for each job and the people necessary to perform said duties.

Job level	Grade system based on job level
Evaluation system	Behavior and performance evaluations based on the Ajinomoto Group Way
Remuneration	Establish global remuneration policies The remuneration program must comply with the laws and regulations of each country and region Remuneration reflecting duties and performance Competitive remuneration levels based on country, regional market wages

Talent management (right person)

To discover and develop human resources, we strive to appoint and assign the right person in the right position in light of the duties and personnel requirements above. Ensure the rapid promotion of key talents.

HR Committee	Establish HR meetings at Regional Headquarters and business/corporate divisions
Talent portfolio	Dual axis of performance evaluation and next-generation leadership requirements Next-generation leadership requirements determined based on the future ideal of the Ajinomoto Group
Succession plan	Determines key positions by Regional Headquarters, Group companies and divisions
Development plan	Plans for key talent

Human resource career management framework

To link employee growth with company growth, the Ajinomoto Group offers workplace environments, human resources management systems, educational programs, and regular employee reviews in support of self-directed career development.

Ajinomoto Co., Inc. has established a human resources career management framework with the aim of maximizing overall results related to human resources management. In September 2021, the Company began operating an integrated human capital system that will serve as the cornerstone of this framework.

In building this framework, we reviewed the measures necessary for human resources management, merging various scattered data sources and measures. This integrated human resources system makes available to all employees the profiles of each individual's expertise, internal and external experience, etc., in addition to routine job title and organizational information. By utilizing this system, we expect to optimize human resource allocation efficiently based on diverse skills and experience, while encouraging employees to develop careers autonomously and improve engagement.

Performance

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GRI404-2

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Employee engagement

Develop skills to better solve issues

The Ajinomoto Group develops skills in each employee to better resolve issues. In this way, we create innovation toward resolving food and health issues.

In particular, we focus on improving nutritional, environmental, and digital literacy. This is in addition to our A-STARTERS program that fosters in-house entrepreneurs and supports the market development of their business ideas. Fiscal 2021 participation was as follows.

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Annual average hours of for education and training per employee (Ajinomoto Co., Inc.)

	FY2019	FY2020	FY2021
Expenditures for education and training	¥136,000	¥123,000	¥132,000
Average training hours	13	13	13

Number of participants in nutritional and environmental literacy training

	FY2020	FY2021	FY2025 (Target)
Nutritional literacy training	460	26,145 (aggregate)	100,000 (aggregate)
Environmental literacy training	-	2,765	-

Percentage of certified business DX professionals and employees at Ajinomoto Co., Inc.

	FY2020		FY2021	
	Certified employees	Percentage of employees	Certified employees	Percentage of employees
Beginner	743	23%	854	27%
Intermediate	51	2%	192	6%
Advanced	9	0.3%	16	0.5%
Total (cumulative ^[1])	803	25%	1,062	33%

[1] Includes employees taking multiple courses

Number of A-STARTERS applicants, selected teams

	FY2020	FY2021
No. of applicant teams	133	47
No. of selected teams	4	2

ASV as one's own initiative

The Ajinomoto Group improves employee engagement to creating customer value that leads to the creation of economic value. By sharing this economic value with employees, we continue to generate a cycle of rising engagement, aiming for improving levels of corporate value.

As we advance in developing the skills of our individual employees, we use the OE^[2] method in our management cycle (see P59) to accelerate ASV as one's own initiative in each employee through various related measures. The following table describes the measures implemented during fiscal 2021.

[2] Abbreviation of Operational excellence. Continuous improvement and reform activities based on the philosophy and methods of thoroughly refining all operations to solve problems and to add value from the customer's point of view while individuals and teams grow in a synchronized manner in order to create a competitive advantage.

Initiatives and results toward ASV as one's own initiative

Initiatives	FY2021 Performance
1. Management plans dialogue with the CEO	Total of 44 dialogues held with group companies in Japan and overseas. Total of 724 participants with more than 400 questions and suggestions.
2. Dialogue with General Managers of each division	Total of 74 dialogues held with group companies in Japan and overseas. Total of 4,553 participants.
3. Set organizational/personal goals	Completed as planned.
4. Personal goal presentation	Expanded to 7 companies in Japan and 14 companies overseas (Ajinomoto Co., Inc. only in the previous year).
5. Share best practices	Total of 590 ASV-related posts by employees.
6. ASV Awards	Awarded 7 initiatives at the Sixth ASV Awards. Total of 16,977 employee votes.
7. Monitoring via engagement survey	Employee engagement score 61% (-3 points year on year).
8. Address issues in next-year plans	Completed as planned.

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Generating results through visualizing the ASV realization process

The Ajinomoto Group quantitatively measure employee ASV engagement through an annual engagement survey. This survey helps us understand and take action to improve issues, leveraging the PDCA cycle.

In fiscal 2021, the Employee Engagement Score (ASV as one's own initiative), a priority KPI in our 20-25 MTP, declined three points to 61%. This result may have been due to the limited opportunities to speak with family members and acquaintances outside of the same household during the COVID-19 pandemic. However, we saw an increase in the number of employee votes for the ASV Awards, which recognizes best practices. Voluntary participation by employees has advanced, with pre-selection programs in Thailand and Brazil.

To visualize the process leading to creation of ASV results and monitor progress, we organized the process to generate results from both individual and organizational perspectives. We also established an index consisting of multiple questions in the engagement survey. Beginning in fiscal 2022, this ASV Achievement Process index will be monitored in parallel with the Employee Engagement Score (ASV as one's own initiative).

Employee engagement score (ASV as one's own initiative)

FY2019	FY2020	FY2021	FY2022 (Target)	FY2025 (Target)	FY2030 (Target)
55%	64%	61%	70%	80%	85%+

Health and productivity management

The Ajinomoto Group believes that employee health and well-being are fundamental to improving employee engagement, and simultaneous growth of employees and the company. We strive to create workplaces that both support and improve employee health and well-being.

The Group vision for health and productivity management consists of two parts: company support for improving employee health and well-being and individual self-care based on high awareness and knowledge. These two parts work in tandem to maintain well-being and foster a health-minded culture that we are establishing within the Ajinomoto Group as standards for health management systems and methodologies.

In the fiscal 2021 Engagement Survey, group employees' favorable score for Health Management^[1] was 83%.

[1] The percentage of group employees who responded that the company provides an environment and engages in measures to maintain and promote health in consideration of employee mental and physical health

Employee score for health management

FY2019	FY2020	FY2021
79%	81%	83%

Health promotion framework

The Ajinomoto Co., Inc. health policies are centered on the concept of self-care, which advocates health as a personal responsibility under the guidance of health promotion managers. This self-care is supported by a partnership between the Company's Wellness Promotion Center, which has nine occupational physicians and 15 health staff members, the HR departments, and the Ajinomoto Health Insurance Society.

Approach

GRI403-DMA

GRI403-3

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> White Paper on
Health (Japanese
only)

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Performance

Framework

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> Public Awards and
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Health and productivity initiatives

■ Individual health consultations

Ajinomoto Co., Inc. provides support necessary for every employee through individual health consultations. Every employee working in Japan is interviewed by an occupational physician or medical staff at the Wellness Promotion Center at least once per year. Based on medical checkups and stress assessment results, employees receive health guidance that is respectful of their individual values and lifestyles, while also ensuring any latent physical or mental health problems are addressed. Guidance and advice services are also available for employees who work long hours or who are stationed overseas.

■ Self-care support measures

Ajinomoto supports employee self-care through Medical Checkup Game, a gamified medical checkup program that awards points to employees depending on the degree of improvement in regular medical checkup results. Employees use the health advice app *Calomama Plus* to map exercise, diet, sleep, and emotions on four axes. In addition, we created the MyHealth personal health management website for employees to monitor medical checkup results, work data, and lifestyle data. Through these initiatives and other means in fiscal 2021, we saw a reduction in smoking, BMI, and blood pressure rates compared with the previous fiscal year.

■ Mental Health Recovery Program

Ajinomoto Co., Inc. operates an independent Mental Health Recovery Program. While taking temporary health leave and after returning to work, employees on this program receive ongoing support to assess their personal values and sources of fulfillment, learning to enjoy work by dealing with stress. As part of this program, employees set goals based on the state (stage) of their symptoms.

■ Certified as Certified Health & Productivity Management Organizations Recognition Program (Large Enterprise, White 500)

Ajinomoto Co., Inc. has again been recognized by the Ministry of Economy, Trade and Industry as a White 500, which recognizes the top 500 large enterprises in terms of outstanding health and productivity management.

Diversity and inclusion

Promoting diversity and inclusion for corporate culture transformation

The Ajinomoto Group believes that diversity and inclusion (D&I), in which individuals' diverse experiences, abilities, advanced expertise, attributes, and other different perspectives are utilized in the organization to help employees grow, accelerates innovation and co-creates value. We also believe D&I fosters a corporate culture that encourages voluntary action. To promote D&I within our organization, we transfer employees between business divisions with different specialties and across functions within the same division, such as R&D, business, and sales. We also transfer employees between domestic and overseas group companies to promote innovation creation across the group.

A review of diversity at major group companies showed that the percentage of female managers by region is relatively low in Japan. Therefore, Ajinomoto Co, Inc. set a target to increase the percentage of female directors and line managers (organization managers and group managers) to 30%, respectively, by the end of fiscal 2030. At the same time, the company is taking measures to strengthen the pipeline of female human resources.

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Percentage of female directors (Ajinomoto Co., Inc. only)

	End of June, 2020	End of June, 2021	End of June, 2022	FY2030 Target
Percentage of female directors	22%	27%	36%	30%

Percentage of female line managers (Ajinomoto Co., Inc. only)

	FY2019	FY2020	FY2021	FY2030 Target
Percentage of female line managers	9%	11%	11%	30%

Percentage of female managers

	FY2019	FY2020	FY2021
Group total	24%	26%	27%
Japan	10%	11%	11%
Asia	37%	37%	38%
EMEA	32%	34%	33%
Americas	31%	34%	35%
Ref.: Ajinomoto Co., Inc. ^[1]	10% (11%)	11% (12%)	12% (12%)

[1] Percentage of female managers in junior position in parentheses

Percentage of locally hired overseas executives

	FY2019	FY2020	FY2021
Total number of overseas executives	177	163	159
Number of locally hired overseas executives	73	63	63
Ratio of locally hired overseas executives	41%	39%	40%

D&I promotion framework

Ajinomoto Co., Inc. established the HR Development Committee for Women, chaired by the director in charge of diversity and HR. This committee is a subcommittee of the HR Committee. The HR Development Committee for Women provides specific support for plans to promote women and for the career development of women. The committee reports its activities to the Executive Committee and the Board of Directors on a regular basis. In addition, the Company is a core member of the 30% Club^[1] Japan, implementing cooperative measures between companies.

Further, the Company established a D&I Promotion Team within the HR Dept. and conducts D&I promotion planning and operations of cross organization activities in cooperation with contact points of each major division and Group company.

- Create an organizational culture: Plan and hold unconscious bias training and lunchtime seminars on D&I throughout the company, provide D&I e-learning courses, conduct anti-harassment training, and prepare an environment for active internal and external communications
- Diverse human resources: Create LGBT support systems and policies (establish a dedicated consultation desk and training for staff in charge at Group companies in Japan) and provide comfortable work environments for persons with disabilities (e.g., provide professional life counselors for persons with disabilities throughout Japan; create guidebooks for persons with disabilities and departments in which such individuals work; mentor program to improve employee engagement)
- Establish an environment linking careers: Dokodemo Career (e.g., systems enabling continuation of current work if they move for the benefit of their partner's career), Work-Life Balance leave (leave for partner's transfer, leave for infertility treatment), establish on-premises daycare centers and nursing rooms

[1] A global campaign established by corporate leaders, etc., in the UK in 2010 to increase the percentage of women in key decision-making organizations of companies, including among corporate boards of directors

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Performance

D&I promotion performance

Ajinomoto Co., Inc. launched AjiPanna Academy in fiscal 2020 as a measure to support female human resources development, which provides opportunities and helps employees think independently about their careers. The support for multifaceted growth through career workshops, business skills training, and mentor programs has contributed to a growth mindset amongst female human resources, and a willingness of supervisors, organizational heads, and officers to develop female human resources.

Fiscal 2021 participation in various D&I programs was as follows.

- Career workshops with superiors: Attended by 89 female employees in non-management positions at Ajinomoto Co., Inc. and their superiors, with a total of 171 participants. (Female employee satisfaction: 95%, superior satisfaction: 98%).
- Semi-annual business skills training for career female employees: Attended by 24 female employees from Ajinomoto Co., Inc. and other Group companies. (Satisfaction with curriculum overall: 83%).
- Mentoring program by organization managers and executives for women in management positions at Ajinomoto Co., Inc.: 32 participants (100% satisfaction rate).
- D&I lunch seminars (including certain domestic group companies): Three seminars held on the topics of LGBT, balancing work and childcare, revisions to the Child Care and Family Care Leave Act, and communications to bridge the generation gap. Approximately 360 employees participated.
- Work-life balance support seminars (including certain domestic group companies): Employees considering families or raising a child together with their partners participated in these seminars to discuss ways to balance work and family life. Attended by 11 couples.
- Training for vocational consultants working with employees who have disabilities: Attended by 100% of 12 eligible employees.

Human rights awareness and education for employees

The Ajinomoto Group conducts human rights awareness and education activities within each Group company to encourage employee understanding of the Ajinomoto Group Policies (AGP) which prohibits any form of discrimination or harassment. In so doing, we nurture individuals who have a strong sense of human rights.

In Japan, we hold worksite meetings on the AGP annually to help employees, including part-time and temporary workers, identify and resolve issues in the workplace. The AGP questionnaire includes topics focused on discrimination and harassment to aid in identifying and preventing harassment.

The Ajinomoto Group established a hotline as an anonymous internal reporting system that enables officers and employees, including part-time and temporary workers, to make reports or seek advice by phone, e-mail, fax, letter, or other means.

Main programs in fiscal 2021

- Training for new hires: Attended by 100% of 39 eligible employees.
- Training by job title: Attended by 93% of 284 eligible employees.
- Training for harassment and LGBT consultation desk personnel: Attended by 100% of 23 eligible personnel.
- D&I e-learning course for Japanese Group employees: Taken by 79% of the eligible 9,340 employees.

Performance

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Approach

GRI405-2

Framework

GRI102-41

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Compensation and benefits

The Ajinomoto Group strives to improve terms of employment, including remuneration, on a global basis and in the context of individual company growth.

Compensation by job title, gender (Ajinomoto Co., Inc. only; as of April 2021)

Job title	Avg. compensation, women (A)	Avg. compensation, men (B)	Ratio (A/B)
Executive (base salary only)	¥21,360,000	¥21,360,000	1
Management (base salary only)	¥7,431,039	¥7,861,752	0.945
Management (base salary+ bonuses and other cash incentives)	¥13,642,984	¥14,411,217	0.947
Non-management	¥7,295,908	¥8,703,099	0.838

Labor-management relations

All non-management employees of Ajinomoto Co., Inc. are members of the labor union (61% of all employees). Labor agreements require the company to notify employees and their representatives before making any major changes that impact employees (minimum prior notice requirements are confidential and therefore not disclosed).

Labor agreements also stipulate various requirements concerning safety and health, education and training, and medical checkups. Both management and employees work together to improve workplace safety and health standards. Under Japanese law, each workplace must convene a monthly safety and health committee meeting. The committee consists of roughly half managers and half non-managers. The purpose of this meeting is to identify causes and solutions related to occupational accidents and to share information on the status of employees on sick leave, changes in relevant laws, and more.