

Ajinomoto Group Sustainability Report 2013

For the Future of People and the Earth



Ajinomoto Group Philosophy

We create better lives globally by
contributing to significant advances in Food and
Health and by working for Life.

Ajinomoto Group Vision

We aim to be “a group of companies that
contributes to human health globally” by continually
creating unique value to benefit customers.

Ajinomoto Group Way

The foundation of the Group's businesses

Create New Value

Create value with new ideas and continuous innovation based on unique technologies and science.

Product value creation bolstered by technology,
new dietary proposals

Pioneer Spirit

Continue to constantly take on the challenge of creating new businesses and markets.

Tenacity, wisdom and cumulative efforts at the on-site level;
adapt to regional culture and market conditions in creating markets

Social Contribution

Accommodate social requirements with humility and honesty, with the objective of maximizing value for society through business activities.

Resolve social issues; improve the global environment; security and safety; trustworthy production; fair, impartial, transparent and simple

Value People

Respect the humanity of all the people involved in the Ajinomoto Group's businesses, and be an organization in which they can grow and display their abilities to the fullest extent.

Provide a workplace where people can flourish; career development, support and follow-up; fair performance evaluation; teamwork

Ajinomoto Group Sustainability Report 2013

Editorial Policy

Since 2012, the Ajinomoto Group has been reporting its initiatives to help build a sustainable future for people and the planet through its Sustainability Report.

The Group issues two versions of the report: the full report, which provides details on all activities and is available on the web or in print; and a summary report available only in print that highlights the main initiatives and features information on some particularly interesting activities.

This report provides stakeholders with information on how the Ajinomoto Group is working to achieve a sustainable future for people and the earth and what needs to be done going forward. The report is one way in which the Group is working with everyone concerned to build a better future.

The Ajinomoto Group's approach to achieving sustainability



Report Content and Available Formats

Full Report (132 pages)

This report provides comprehensive information on all the activities which the Ajinomoto Group undertakes to achieve sustainability.

Summary Report (40 pages)

This shorter, summary report of the Group's activities, which focuses primarily on the feature articles from the full report, is available in printed form.

Website

Download the report and access related information.

<http://www.ajinomoto.com/en/activity/csr/>



Organizational scope:

This report covers the Ajinomoto Group, comprised, in principle, of Ajinomoto Co., Inc. ("the company") and its 112 group companies (as of April 1, 2013) including consolidated subsidiaries and other group companies subject to reporting under the equity method. Where sufficient information for the entire Ajinomoto Group ("the Group") was unavailable, the limitation in scope is explicitly defined. The scope of reporting for the environmental section is defined on page 70.

Period covered by this report

Fiscal 2012 (April 1, 2012–March 31, 2013)

When appropriate, however, exceptions to this general rule are made, as when citing past circumstances and data or using with recent examples for illustration purposes.

Issue date:

Full Report (PDF): February 2014

Summary Report: February 2014

Next scheduled issue:

December 2014

Previous issues:

March 2013

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For the Future of People and the Earth



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Serving as a “Genuine Global Company” and Contributing to the Future of People and the Planet

In 2009, on the occasion of the 100th anniversary of the founding of the Ajinomoto Group, we reflected on the 100 years ahead. We took this opportunity to declare our intention to find solutions through our businesses to the challenges that human society faces in the 21st century—namely, global sustainability, food resources, and healthy living.

The FY2011–2013 Medium-Term Management Plan launched in April 2011 is our timeframe for laying the foundation required to accomplish this. The entire Group is committed to becoming a “genuine global company” that contributes to the creation of a sustainable society. Our unique contribution lies with refining and developing our knowledge and technologies, which are so closely connected with life itself.

Each of the 30,000 employees of the Ajinomoto Group around the world is focused on working in their particular capacity with the people in their respective communities to discover and deliver new potential contributions to sustainability for people and the planet.



Masatoshi Ito

Representative Director, President
and Chief Executive Officer
Ajinomoto Co., Inc.

Creating value for people and the planet

The Ajinomoto Group is “Working for Life.”

About a century ago, our business was founded on the idea of using great taste to help improve the nutritional intake of the Japanese people, who historically had a relatively humble diet. Glutamic acid is a component of great taste and an essential amino acid, a building block of life. Today, we operate a range of businesses around the world with strong connections to life, namely foods, amino acids, pharmaceuticals and healthcare, and we have amassed much advanced technology and knowledge in these fields. Over more than a century of hard work, the Ajinomoto Group has developed technologies and human resources with deep knowledge about various forms of life on earth.

Today, seven billion people share the planet with diverse living organisms, and a range of serious sustainability issues have emerged. In order to create value for the sustainability of people and the planet, the Ajinomoto Group aspires to deliver even further innovation by making the most of all of the “assets for life” it has developed over the last century.

Business based on a sustainable series of cycles

Humanity must realize a sustainable, healthy future for all the diverse forms of life on the planet. To ensure the Ajinomoto Group’s businesses contribute to this effort, we are focusing on three issues: global sustainability, securing food resources, and helping people live healthy lives. These issues cannot be separated and need to be addressed simultaneously.

The business of the Ajinomoto Group is based on adding value to the bounty of nature and delivering it to society. In order to operate a sustainable business, we seek to use resources such as water and energy sustainably and efficiently, as well as the farmland on which we rely. Then we strive to support lifestyles with products and services that do not have a negative impact on the earth. This is the kind of comprehensive approach to sustainability that we take.

Our product *HONDASHI*, for example, is made from skipjack, and we have implemented a sustainability initiative to fully utilize this raw material. The by-product bones, innards and residue from processing are used to make other food products



as well as agricultural fertilizers that help to cultivate new life. We have also reduced the amount of packaging material for *HONDASHI* while maintaining quality. This seasoning product also helps customers to make delicious meals that maintain their health. The combination of these individual efforts is creating positive cycles that help promote sustainability for people and the planet. Even for business areas where we handle only a portion of the process, we work closely with suppliers and customers to ensure that sustainable cycles are created.

Open initiatives create value

The Ajinomoto Group has supported the lives of people over the decades, according to the needs of each region and the times.

Under the FY2011–2013 Medium-Term Management Plan, we are aiming to become a “genuine global company” that contributes to the future of people and the planet. By promoting various initiatives based on human resource development, R&D, and investment, we have helped to solve various nutritional problems in different age groups and geographical regions. Other progress includes the development of new sustainable materials using cutting-edge biotechnology. One key to promoting more initiatives in the future is our approach of “open & linked innovation.” By openly linking our knowledge and technology with external knowledge and technology in multiple ways, we will create new value for the future. Our goal is to create a network of even more sustainable cycles by exploring the business models required by the global community of the future with diverse stakeholders and a wide variety of partners.

Determined to innovate

There remains much for us to consider in dialogue about our business activities with all parts of society. With our strong connections to various forms of life, the Ajinomoto Group is a company with unrivaled potential to add sustainability value to its products and services that contributes to the future of people and the planet.

I am determined to build an even stronger management foundation to ensure that our employees are aware of this potential and can interact confidently with various stakeholders in order to accelerate the creation of sustainable value.

As we work for the lives of people and the planet, I am certain that we will better understand our responsibilities and our potential, and that our determination to innovate will only grow stronger.



Becoming a “Genuine Global Company” and Contributing Worldwide

It all began 104 years ago with the discovery of umami, an essential component of great taste. Today, the Ajinomoto Group produces food products, amino acids, bioscience products, fine chemicals, pharmaceuticals and health products. The Group's operations span the globe in various fields with strong connections to life. The Ajinomoto Group is intentionally shaping its businesses to help solve issues facing human society in the 21st century.

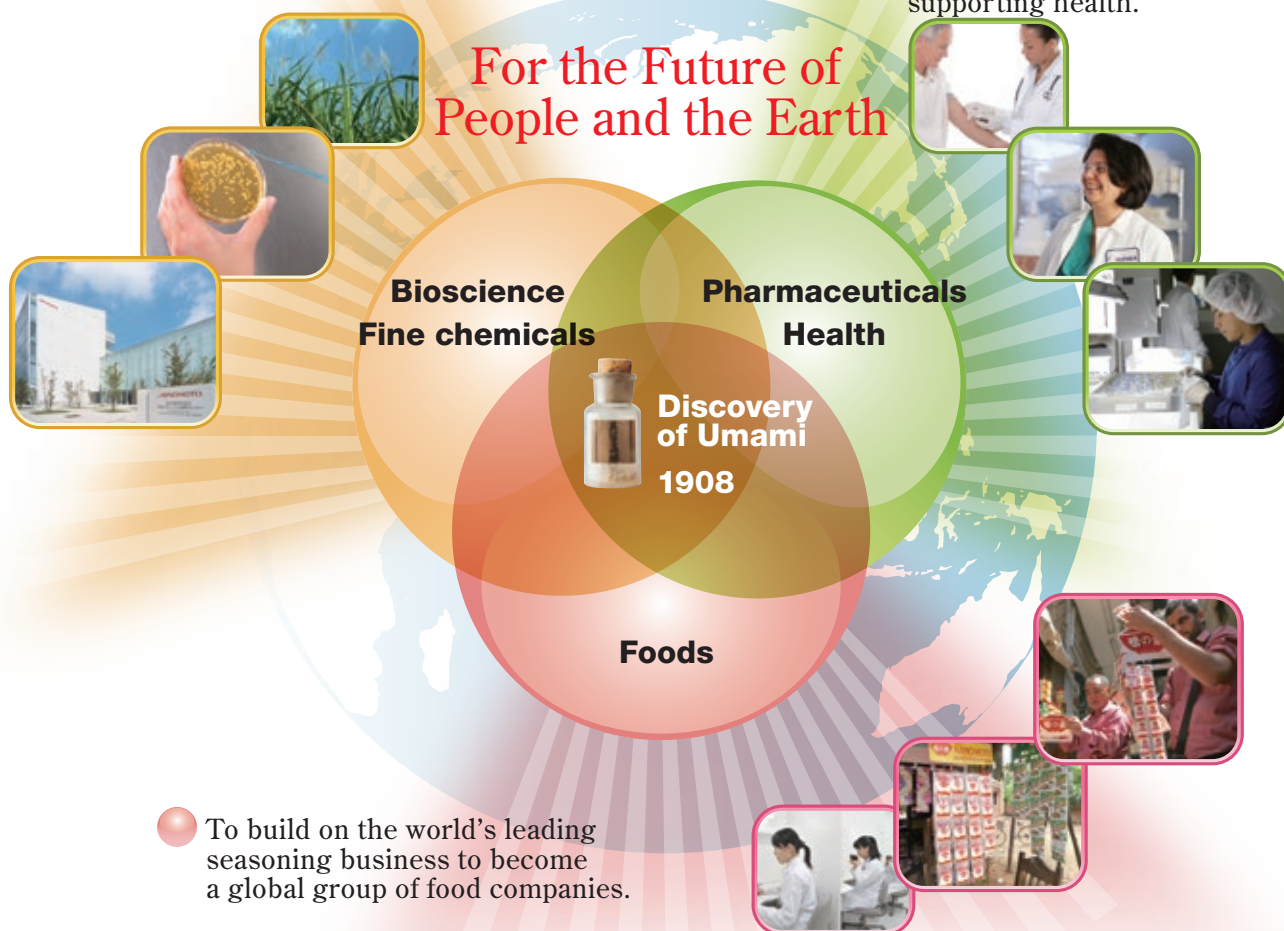
Using our businesses to help resolve the issues facing humankind in the 21st century



To become a leading corporate group in the science of amino acids and contribute to humankind with cutting-edge technology.

To become a group of health-promoting companies that takes a scientific approach to enhancing taste and supporting health.

For the Future of People and the Earth



To build on the world's leading seasoning business to become a global group of food companies.

The Ajinomoto Group's Goal

**To become a
“genuine global company”
with worldwide growth**

1. Contribute to the **future progress** of humanity
2. Possess our own **industry-leading technologies**
3. Assemble a group of globally capable and **diversified talent**
4. Achieve the business and **profit scale** of a global company
5. Meet global **efficiency** standards to generate profit

The three-year period starting in fiscal 2011 is the designated timeframe for the Group to lay the foundations for its emergence as a “genuine global company.”

1. Growth driver development

Global growth

Achieve growth through entering emerging and developing markets, while strengthening our domestic position

R&D leadership

Create new value and business opportunities through continued research investment in seasonings and a cutting-edge biotechnology platform

Leveraging of external resources

Increase utilization of open innovation, alliances, and M&A to capitalize on new growth platforms

2. Business structure reinforcement

From volume to value

Strengthen cost competitiveness and migrate further to value-added business

From operating income to free cash flow

Control overall capital investment and improve asset efficiency

Enhance capital efficiency to boost stockholder value

Optimize business portfolio and functional value chain

3. Foundation building

Global human resource development

Capture abundant global and group growth opportunities; create a diverse HR mix in nationalities and careers

Group wide corporate governance

Reinforce group management foundation for further global expansion

Global reach of the Ajinomoto Group

(As of March 31, 2013)

Countries and regions with business sites

26

Countries where products are sold

130

Number of production plants

105

Net sales

1,172.4 billion yen

Number of employees

27,518

Years since founding

104

No. 1 innovator¹ creating new value through R&D

Number of researchers in the Group

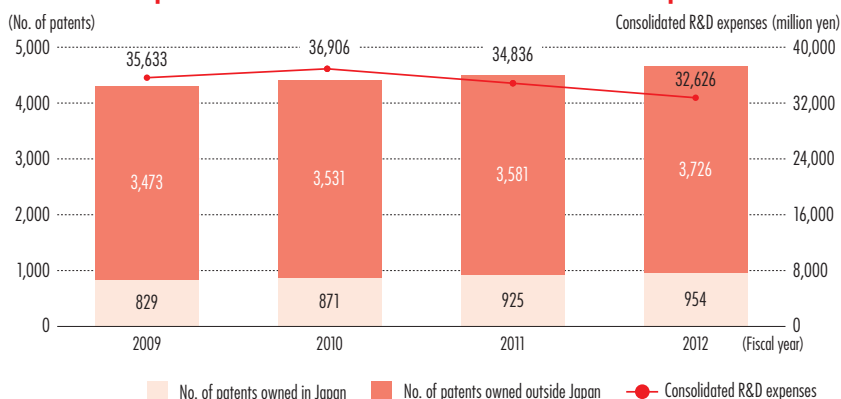
Over 1,700

Consolidated R&D expenses (fiscal 2012)

32.6 billion yen

¹ Ranking by the United States Patent Board among companies in the food, beverage and tobacco product sector, based on patents over the past two years

Number of patents owned and consolidated R&D expenses



Resolving Issues Facing Human Society in the 21st Century

The global population is expected to reach nine billion by 2050. This will affect the food and health of people, and new issues will likely arise relating to agriculture, livestock, fisheries, and the global environment. The Ajinomoto Group takes these issues very seriously, and is working to ensure that its businesses are part of the solution for human society in the 21st century.

Global sustainability

A healthy global environment is the basis of all life. The Ajinomoto Group takes steps to protect and nurture ecosystems and ecosystem services, as well as to reduce the environmental impact of its business activities.

Main issues

- Abnormal weather conditions and other challenges of climate change
- Destruction of ecosystems and biodiversity through overfishing, overhunting and pollution
- Increasing demand for water from growing populations, etc.



Building a recycling-oriented society

- Promote more efficient usage and recycling of raw materials, fuel, and sub raw materials
- Further reduce water consumption and promote water recycling; obtain water consumption data through the supply chain to facilitate reduction
- Promote reduction, reuse and recycling of containers, packaging, etc.

Building a low-carbon society

- Target further reductions of CO₂ emitted in business activities
- Conduct carbon footprint research, etc.

Conserving ecosystems and biodiversity

- Promote the sustainable use of resources in agriculture, livestock farming, and fisheries
- Help conserve ecosystems and biodiversity through amino acids and by-products, etc.

Improving food productivity

- Improve productivity in livestock farming and fisheries by using amino acids for feedstuff
- Increase yields of agricultural resources by utilizing amino acids and by-products, etc.

Maximizing usage of food resources

- Promote efficient use of resources for agricultural, livestock, and fisheries products
- Upgrade technologies used by the Group to minimize impact on ecosystems
- Actively offer suggestions to consumers aimed at making the most of food products and ingredients, etc.



Healthy living

Diet plays an incredibly important role in the ability of people to maintain healthy lives. The Ajinomoto Group conducts its business activities and implements social contribution activities to ensure that people around the world are able to attain proper nutrition and live healthily.

Main issues

- More people with nutritional problems, including both hunger and obesity
- Greater healthcare needs due to aging populations, etc.



Food resources

It is vital that the developing imbalance in supply and demand for food be restored. The Ajinomoto Group is utilizing its technology and expertise to help improve food productivity and is pursuing initiatives that put valuable food resources to use without waste.

Main issues

- Increasing demand for food from growing populations
- Higher grain demand caused by greater demand for meat
- Yield per unit of arable land is not keeping up with crop demand, etc.



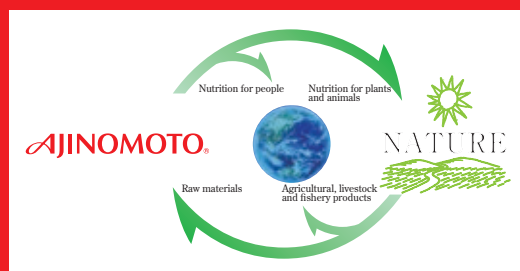
Contributing to healthy living through nutrition

- Provide functional food products to help prevent chronic illnesses associated with excessive nutritional intake
- Cooperate in the social sector to help alleviate malnutrition in developing countries
- Apply amino acid analysis technologies to contribute to the medical field
- Help solve nutrition-related problems in areas affected by natural disasters, etc.

Responding to the aging of society

- Improve the quality of life for elderly people through diet, etc.

For the Future of People and the Earth



Eating is an essential part of life, and allows people to enjoy the bounty of nature. With a strong connection to life through its businesses in food products and amino acids, the Ajinomoto Group is proud to offer products that support people and the planet. The Group strives to help people lead healthier lives and works to keep the global environment healthy, too. The special features of this report highlight some of the aspirations and activities that ensure that the Group's businesses contribute to sustainability around the world.

Special Feature 1

► P09-18

For a Healthier Future

- Fulfilling a Founding Desire to Improve Nutrition—Now on a Global Scale
- “Eat Well, Live Well.”—The Ajinomoto Group’s Wish for the World
- Finding Food-centered Solutions to Health and Nutrition Issues
- Focus: The Ghana Nutrition Improvement Project
- Supporting Healthy Living with Pharmaceuticals and Medical Treatments



Special Feature 2

► P19-28

Sustainable Production

- Products That Contribute to the Sustainability of People and the Planet
- Bringing People the Blessings of Nature, Sustainably
- Utilizing the Bounty of Nature to Support Local Communities
- Minimizing the Environmental Impact of Production
- Focus: The “Green Factory” Goals of Kamphaeng Phet Factory of Ajinomoto Co., (Thailand) Ltd.
- R&D for a Healthier, More Sustainable Future



Special Feature 3

► P29-32

Engaging the Public to Envision a Healthier Future

- Dialoguing on the Vision for a Healthier Future
- Creating a Better Future, Globally and Regionally



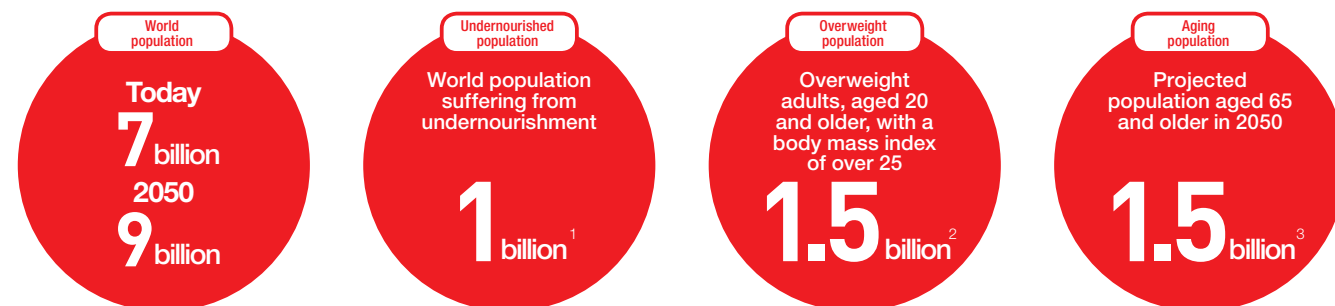
For a Healthier Future



Eating is an essential part of life. Well-balanced nutrition is essential to maintaining physical health, and there is nothing quite like the joy of sharing a delicious meal with loved ones. Eating truly enriches life. With a business focused on food and amino acids, the Ajinomoto Group supports life—and diverse lifestyles—by helping people to stay healthy.

People around the world today are facing increasingly serious nutritional issues, including malnutrition, obesity, and the special nutritional needs of the rapidly growing elderly population. Disease is also a global threat to healthy living. The Ajinomoto Group is earnestly addressing all of these issues, working closely with a wide range of partners to create innovative solutions.

Global issues related to food and nutrition



¹ OECD-FAO Agricultural Outlook 2010-2019 (Organisation for Economic Co-operation and Development and UN Food and Agricultural Organization)

² Fact Sheet No. 311 (World Health Organization)

³ World Population Prospects, the 2010 Revision (United Nations)

Fulfilling a Founding Desire to Improve Nutrition—Now on a Global Scale

“Eat Well, Live Well.” This slogan of the Ajinomoto Group has rung true for almost a century. The original aspiration of the company was to improve the nutritional intake of Japanese people at the time. Since then, the company has gained much knowledge about food and the essential role of amino acids in the human body. By using this knowledge to deliver great taste to dinner tables around the world, the Ajinomoto Group is contributing to the health of both people and the planet.

Continuing mission to improve nutrition through delicious taste

In the early 1900s, Dr. Kikunae Ikeda of Tokyo Imperial University (now the University of Tokyo) wanted to improve the diet of the Japanese, which was rather poor at the time. By making simple food as delicious as possible, he thought he could help improve the health and physique of the nation. As a result of extensive research based on this objective, in 1908 he discovered that glutamic acid, a type of amino acid, is the secret to the delicious taste of *kombu* kelp broth (*dashi*), an indispensable element in Japanese cooking. He called the taste he had identified, “umami.”

The Ajinomoto Group was founded based on an ambition to improve the nutritional intake of the Japanese people by providing them with umami seasoning. This led to the launch of the umami seasoning *AJI-NO-MOTO*®. For over a century, the Group has stayed true to the goal of improving people’s health and bringing smiles to their faces by delivering delicious taste to the table.



The Aspiration of the Ajinomoto Group
<http://www.ajinomoto.com/en/aboutus/principles/>



Dr. Kikunae Ikeda, discoverer of umami (left) and Saburotsuke Suzuki II, founder of the Ajinomoto Group (right)

“To create good, affordable seasonings and turn simple but nutritious fare into delicacies.”

— Dr. Kikunae Ikeda,
My Motivation for Inventing AJI-NO-MOTO (Aozora Bunko)



The glutamic acid extracted from *kombu*, a kind of kelp, and the original *AJI-NO-MOTO*® (1910)

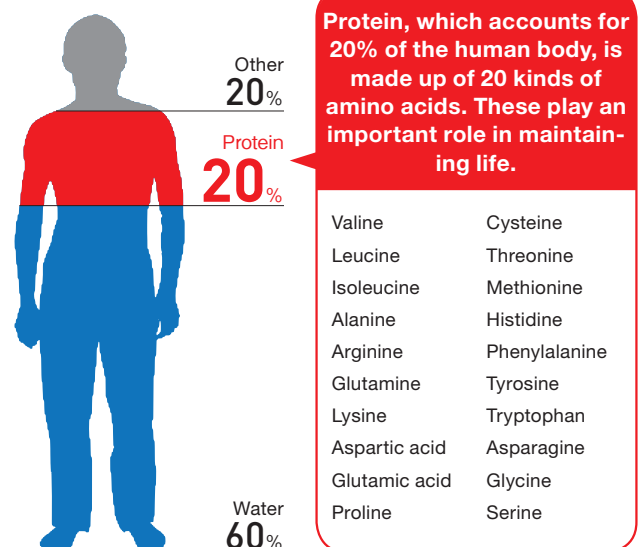
Pursuing the potential of amino acids, essential building blocks of life

Amino acids are indispensable for life. Protein is made of amino acids and comprises up to 20% of the human body. It plays an important role in the body especially in muscles, the digestive tract, and blood, as well as in various enzymes and hormones. The human body synthesizes and decomposes proteins on a daily basis and needs to absorb essential nutrition from food.

The latest research has shown that the sense of delicious taste is itself important for building healthy bodies. Each amino acid has its own taste. For example, glutamic acid provides umami flavor with an acidic note. The delicious sensation triggered by glutamic acid is a signal that all-important protein has entered the body. It has also been discovered that glutamate receptors are not only found on the tongue, but in the stomach as well, which is thought to promote digestion and absorption.

Seeking to make eating, the foundation of life, even healthier and more delicious, the Ajinomoto Group will continue to explore the potential of food and amino acids, the essential building blocks of life.

Components of the human body



“Eat Well, Live Well.”—The Ajinomoto Group’s Wish for the World

Born from a desire to improve nutrition in Japan, the umami seasoning *AJI-NO-MOTO*® has spread around the world and is now used to make delicious meals in over 100 countries. The Ajinomoto Group offers a variety of products, including seasonings, processed foods, and beverages, for dinner tables worldwide, and its products reflect the foods and food cultures of each region.

Respecting regional food cultures and creating more delicious tastes

While umami is a flavor component that all people enjoy, the cuisines of the world use different ingredients to achieve it. Each country or region has its own unique food culture and customs. To better understand them, employees of the Ajinomoto Group worldwide have been visiting local markets and talking with shopkeepers and customers. They also study how food is cooked in the home and how seasonings are used, seeking to better understand consumer needs. Building knowledge and technology through this process, the Ajinomoto Group develops products that suit food lifestyles in each part of the world.

Starting with the umami seasoning *AJI-NO-MOTO*®, the Group’s product portfolio has grown to include flavor seasonings,¹ frozen foods, and beverages. The Ajinomoto Group will continue to provide products for the dinner table, while meeting new demands for foods that reflect local preferences.

¹ General-purpose seasonings used to make a wide range of dishes such as soups, stews and stir-fries. They consist of a blend of ingredients including spices; extracts of meat, fish, or vegetables; salt; sugar; and umami seasoning. Examples in Japan include *HONDASHI* and *Ajinomoto KK Consommé*.

Making products available to everyone, everywhere

The Ajinomoto Group pursues the values of “Affordable for anyone,” “Available anywhere,” and “Applicable to make any dish delicious.”

The Group has established its own distribution networks, even in parts of the world where infrastructure is lacking, such as in the rural areas of developing and newly emerging countries. The company delivers products not only to supermarkets but also to individual vendors in traditional markets. In these regions, the Group even sells small single-use packets that can be bought with just a coin, making the products affordable for even more customers. For example, the umami seasoning *AJI-NO-MOTO*® can be purchased in Thailand in a 9-gram packet for 1 baht (US\$0.03), or in Indonesia in a 0.9-gram packet for 50 rupiah (US\$0.004), or in the Philippines in a 9-gram packet for 2 pesos (US\$0.05). This is the easiest way for people in these countries to try the product.

In addition to delivering products, the Ajinomoto Group also carries out various initiatives such as holding cooking classes and introducing menus that enable people to make skillful use of products developed for specific regional food cultures.

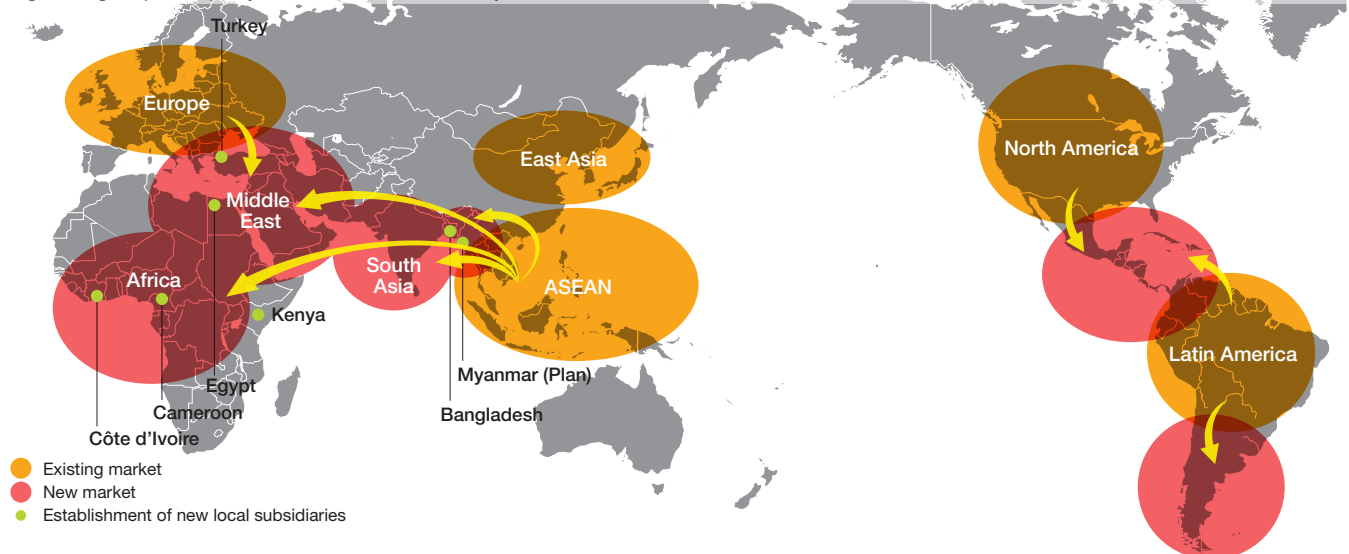


Examples of products that support healthy eating worldwide



Development of consumer foods business outside Japan (part of the FY2011–2013 Medium-Term Management Plan)

The Ajinomoto Group is developing various food businesses worldwide. These include the umami seasoning *AJI-NO-MOTO®* as well as other seasonings and processed foods. In fiscal 2011, new group companies were established in Bangladesh, Turkey, Egypt, and Côte d'Ivoire. In fiscal 2013, the Group plans to establish new branch offices of West African Seasoning Co., Ltd., a Nigerian group company, in Cameroon and Kenya.



Bringing delicious taste to Egyptian tables

When Ajinomoto Foods Egypt S.A.E. was established in 2011 and began selling the umami seasoning *AJI-NO-MOTO®*, the challenge was helping consumers find the best ways to use it. Trying various local dishes, we found that *ruz*, a savory staple rice dish, was best complemented by the product, and decided to use it as the key menu item in our sales campaign. We visit each shop in local markets, *souks*, and explain how the seasoning enhances the food taste, sell the product (to the shop) and ensure it is displayed prominently for sale to customers. We also distribute about 1,000 photo menu flyers a day to market visitors. In order to spread delicious taste and smiles at Egyptian tables, we will continue these activities for decades to come.

Hiroaki Uji, President, Ajinomoto Foods Egypt S.A.E.



Finding Food-centered Solutions to Health and Nutrition Issues

Food is the foundation of health, but many people around the world are not getting adequate nutrition. This problem has many causes: social and economic conditions, age and lifestyle, and lack of knowledge about nutrition. Far too many people are struggling to stay healthy. The Ajinomoto Group is responding, applying a century of food expertise to help create solutions to the world's diverse nutrition and health challenges.

Improving nutrition

About one billion people worldwide, mainly in developing countries, are malnourished or starving. In addition to providing food and nutrition through its business activities, the Ajinomoto Group is working in different parts of the world to improve nutrition.

In Ghana, the Group has set up a social business model in partnership with various local and international organizations, aiming to solve the problem of severe malnutrition in infants.

The Group also has conducted 63 projects in 12 countries under its Ajinomoto International Cooperation Network for Nutrition and Health (AIN) program¹ since 1999. In fiscal 2012, the program supported 13 projects including nutrition-related human resource development in rural India.

The Ajinomoto Group is also promoting various initiatives around the world to support improvement of food and nutritional environments. Examples include a project to build canteens at 50 schools in Thailand and the Ajinomoto IPB Nutrition Project in Indonesia.

¹ Provides international cooperation and support in the field of food and nutrition with the goal of improving the nutrition of women and children in impoverished areas of developing and emerging countries. In collaboration with NGOs, non-profits, universities, and experts worldwide, the program supports projects that tackle problems in those countries.

Reducing excessive nutritional intake

Recent decades have seen increasing obesity in both developed and emerging countries due to changes in eating habits and a lack of exercise. It is estimated that about 1.5 billion people worldwide take in more nutrition than they need. This increases the risk of lifestyle-related diseases such as diabetes and hypertension and has become a public health issue.

The Ajinomoto Group is helping consumers to achieve proper nutritional intake and realize better health. It offers products with less salt, sugar, and fat that still taste great and satisfy the appetite. While recommending exercise, the Group also provides information on ways to make nutritionally balanced meals and menus.

Studies suggest that the taste sensation of umami contributes to a feeling of satiation, helping people to control excessive calorie intake and reduce obesity. Focusing on this effect, Ajinomoto Co., Inc. is conducting research with the United States Department of Agriculture (USDA) and various other research institutes and companies in Europe, North America and Asia. In addition, since Japanese cuisine relies on the umami of *dashi* soup stock for flavor instead of high amounts of salt and fat, it may be part of the answer to unhealthy eating habits. The Ajinomoto Group has been holding cooking seminars in various parts of the world to share the benefits of Japanese cooking.

Reference

See "The Ghana Nutrition Improvement Project" on p. 15.
See "AIN program improves nutrition in developing countries" on p. 115.
See "Group company and foundation activities" on p. 117.

Left: Nutritional improvement projects under the AIN program in India (top) and Cambodia (bottom). Center: Project to build canteens at 50 schools in Thailand. Right: Ajinomoto IPB Nutrition Project in Indonesia





Ajinomoto National Training Center

Better lifestyles for aging societies

The world's population is rapidly aging. The number of seniors is expected to reach about 1.5 billion people by 2050. The Ajinomoto Group is taking steps to help address health issues associated with aging and social issues such as higher health-care and social security costs. Its goal is to help people stay active and enjoy life as they age. The Group offers various solutions that make the most its knowledge of food and amino acids.

As people age, the balance of muscle synthesis and disintegration in the body is lost, and physical strength declines. Research by the Ajinomoto Group has found that intake of amino acids combined with moderate exercise is effective for improving motor function. By improving motility and reducing the need for nursing care, more seniors can expect to live healthier lives.

Meanwhile, those who need nursing care or other support may find it difficult to get adequate nutritional intake from the meals provided at hospitals, nursing care facilities, or at home. They need foods that are not only nutritionally balanced, but also easy to consume. To meet these needs, the Ajinomoto Group offers medical foods, along with nutritional care foods that still taste great. The Group also makes frozen “universal design foods”² that even people with reduced chewing ability can enjoy. Through these products, the Group is providing continued food enjoyment to many people.

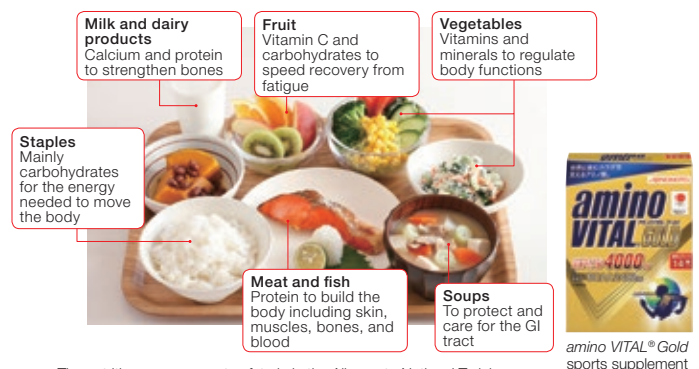
By taking advantage of the useful properties of amino acids and other natural ingredients, the Group is helping people to live more energetic lives through fundamental foods. These foods are based on the concept of bringing out the body's innate ability to repair and renew itself.

² A range of easy-to-eat food products, from regular meals to nursing care foods, that can be enjoyed by a wide variety of people

Building health through sports

In order to maintain health, it is important to pursue both nutritional balance and moderate exercise. There are many approaches to exercise and building the ideal body for everyone from children to seniors. The best one to take depends on whether the person's goal is athletic performance, fun, or staying healthy. Taking advantage of the nutritional and physiological functions of amino acids and other natural ingredients, the Ajinomoto Group provides sports nutrition products backed by scientific evidence to meet a variety of needs.

Seeking to promote sporting culture as well, the Group is a nutritional support partner to top Olympic athletes. At the 2012 London Olympics, the Ajinomoto Group provided amino acid conditioning support and sports nutritional guidance to the Japanese Olympic team, working with the Japanese Olympic Committee (JOC). At the Ajinomoto National Training Center and other locations, the Group provides additional support in the areas of training, nutrition, and rest—all important elements for improving competitiveness.



The nutrition management cafeteria in the Ajinomoto National Training Center is developing *Kachimeshi*, a meal program for building winning bodies.

Highlight

Keeping minds and bodies healthy in a disaster region

It has been nearly three years since the Great East Japan Earthquake, and about 290,000 people are still living in temporarily constructed housing in the affected region. Due to this prolonged situation, the residents find it difficult to eat properly and exercise, putting them at increased risk of disease. They also have fewer opportunities for socializing, which has further aggravated various physical and mental health issues.

In order to help residents overcome these challenges, the Ajinomoto Group, together with various partners such as local governments and nutritionists, has been holding Health and Nutrition Seminars since October 2011. The seminars allow the residents to join others in conversation as they enjoy cooking and share a delicious meal. Given the increased risk and symptoms of high blood pressure reported, since fiscal 2012, demonstrations and lectures have been provided on low-salt cooking, and free blood pressure tests and exercise classes have been offered.

The Group will continue to support physical and mental health in the disaster region, helping residents to get on track to a steady recovery.



Reference See “Supporting reconstruction in areas hit by the Great East Japan Earthquake” on p. 123.

507 Health and Nutrition Seminars held in 32 municipalities in 3 prefectures (as of September 30, 2013)

Focus

The Ghana Nutrition Improvement Project

Social Business to Improve Children's Nutrition

Better Nutrition,
Brighter Future

Those with an annual income of US\$3,000 or less (the so-called "Base of the Pyramid") account for some 60% of the world's population, or 4.1 billion people. Most of these people are concentrated in developing countries, where stunted infant development and high infant mortality rates are serious problems. The Ajinomoto Group is helping to address these issues by developing a social business designed to improve nutrition for the children of Ghana. The Group will build on this experience to start similar projects in other countries and regions.



Survey conducted in collaboration with an NGO on diet and taste preferences of mothers and children

The first 1,000 days of nutrition shape the child's future

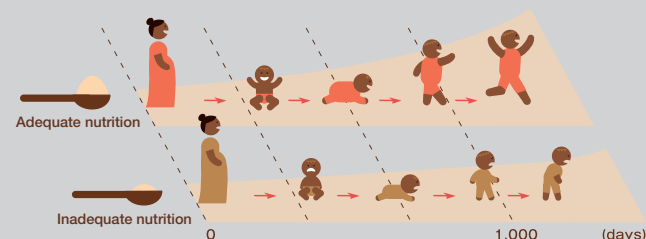
The first 1,000 days from conception until a child turns two years old are critical to a child's growth. Stunted growth caused by malnutrition during this critical period can be difficult to reverse later in life. The Ajinomoto Group launched the Ghana Nutrition Improvement Project in 2009 to address malnutrition in that nation. The project involves the manufacturing and sale of the *KOKO Plus*TM, a supplement containing amino acids which is mixed with baby food to fortify nutrition for weaning children.

The project is steadily developing into a business that addresses social issues. Partnerships are being built with diverse stakeholders ranging from the Ghanaian government and universities to international agencies and NGOs, as well as private sector entities.



Koko is a traditional porridge and breakfast staple that is also fed to weaning infants, but it is low in protein and micronutrients. *KOKO Plus*TM supplement containing amino acids is added to *koko* to enhance its nutritional value. The price of the supplement is kept low so that it is affordable to the impoverished.

The first 1,000 days of nutrition: Critical to a child's development



In Ghana, up to 40% of children aged two years are underheight due to malnutrition primarily starting from age six months when infants begin transitioning to solid foods.



Employees of the Ajinomoto Group train Ghanaian workers on production methods.



The Group works with local government health agencies and NGOs to educate mothers on the importance of nutrition.

A sustainable social business model with diverse partnerships

There are unique challenges involved in operating a social business in a developing country. It is essential to build partnerships to successfully advance the business. The Ajinomoto Group is building partnerships with diverse sectors to leverage synergies for ongoing R&D and development of production, training, and marketing practices, with the aim of establishing a sustainable and effective social business.

During fiscal 2012, the Group launched production of *KOKO Plus*TM with a local manufacturing partner, Yedent Agro Group of Companies Ltd., setting up a manufacturing facility in midwest Ghana. Starting in fiscal 2013, the Group initiated a nutritional efficacy study of products in partnership with a local university and NGOs, surveying 40 communities and 1,200 persons. The Group is also piloting a distribution model in northern and southern Ghana to lay the groundwork for a major product launch of *KOKO Plus*TM in fiscal 2014. Mothers who have tried the product are providing positive feedback, mentioning greater vitality and resistance to illness among children after adding *KOKO Plus*TM to their diet.

Accelerating the project by participating in global frameworks

The Ajinomoto Group is involved in diverse platforms for dialogue and information dissemination, as it works with the international community to find solutions to malnutrition. These efforts include participation in the Tokyo International Conference on African Development that was held in Yokohama, Japan in May 2013, and the Business for Peacebuilding conference held at the UN headquarters in New York in June 2013. The Ajinomoto Group also participated in the Nutrition for Growth¹ meeting on nutritional improvement for mothers and children, which was held in June 2013 and hosted by the government of the United Kingdom. On this occasion, the Group announced its commitment to the Global Nutrition for Growth Compact,² which includes a target of reaching 200,000 weaning children, 100,000



The Group is piloting a distribution model in 13 rural communities in northern Ghana, employing saleswomen to distribute *KOKO Plus*TM to mothers.

The University of Ghana (UG) is very happy to be involved in this project, which is a clear model of the Public-Private-Partnership approach of solving community health and social problems. Childhood malnutrition is a problem in Ghana that merits intervention. We are proud to be involved in this demand-driven research, which will significantly address this malnutrition problem. We will serve as the local host of the project and facilitate the close collaboration with agents of the Ghanaian government, such as Ghana Health Service and Food and Drug Authority, which is crucial for the success of the joint project. We do hope to create a Win-Win situation for all stakeholders through this international joint project.

Prof. Kwaku Tano-Debrah
Department of Nutrition and Food Science,
University of Ghana



pregnant and lactating mothers, and 250,000 school-age children through the Ghana Nutrition Improvement Project.

In September 2013, Ajinomoto Co., Inc. participated in the Business Call to Action³ (BCTA) public-private initiative of the United Nations Development Programme (UNDP), making it the first Japanese food company to do so. The Ajinomoto Group will continue working with the international community to advance the Ghana Nutrition Improvement Project.

¹ A high-level meeting attracting some 97 organizations including national governments, the United Nations, World Bank, international agencies, NGOs, and the private sector, to make commitments to improving nutrition.

² An action plan for enhancing the nutrition of pregnant mothers and children in developing countries, containing commitments by organizations that participate in Nutrition for Growth.

³ A global initiative that was launched in 2008 with the involvement of corporations, governments, and development assistant agencies, to achieve the Millennium Development Goals (MDGs) through the core business of private sector companies.



Reference

See "Ghana Nutrition Improvement Project supports a healthy future of children" on p. 50.

Link

The Ghana Nutrition Improvement Project
<http://www.ajinomoto.com/en/activity/csr/ghana/index.html>

Supporting Healthy Living with Pharmaceuticals and Medical Treatments

Amino acids, the origin of life, remain indispensable in pharmaceuticals and medical treatments as nutritional supplements for patients and pharmaceutical ingredients. Using the food and amino acid-related technology and expertise it has gained over the years, the Ajinomoto Group continues to create new solutions for prevention and diagnosis of disease and advanced medical treatment. The goal is healthy living for all.

Supporting patients battling with illness, with person-centered drug development

The Ajinomoto Group has been applying its food and amino acid-related technology and expertise to its pharmaceutical business since creating the world's first crystalline amino acid infusion solution in 1956. Today, in addition to clinical nutrition products such as medical foods (liquid diet), the Group provides unique products focused on the gastrointestinal and inflammatory bowel disease areas.

Many patients battling with illness need pharmaceuticals and medical foods to stay alive. Aiming to support better quality of

life for every patient, AJINOMOTO PHARMACEUTICALS CO., LTD. strives to deliver unique, world-class new drugs and conducts proactive research on improving existing drugs to support healthy living.



For your quality of life

AJINOMOTO

AJINOMOTO PHARMACEUTICALS CO., LTD. aspires to improve patients' quality of life by developing, manufacturing and delivering new pharmaceuticals to the medical frontlines as quickly as possible, all based on the input of individual patients and medical professionals.

Link

R&D Area: Pharmaceuticals & Health
<http://www.ajinomoto.com/en/rd/division/index.html#health>

Highlight

Using patient feedback to create easy-to-take *LIVACT® JELLY*

There are said to be over 300,000 liver cirrhosis patients in Japan, including those who have not been medically diagnosed. To help them, AJINOMOTO PHARMACEUTICALS CO., LTD. created *LIVACT® Granules*, an ethical drug that supplements three types of branched-chain amino acids (BCAAs) in which cirrhosis patients tend to be particularly deficient and improves nutrition status.

Many elderly patients, however, commented that the granules got caught in their dentures and were difficult to swallow. Hearing them, in July 2013 we launched *LIVACT® JELLY*, the first jelly-type BCAA supplement. The jelly is easy to take at the patient's own pace and does not stay in the mouth. We expect an increase in the number of patients who are able to maintain adherence to the thrice daily dosage. I sincerely hope

that *LIVACT®* will help improve patient nutrition so that patients and their families will be able to spend each day with a smile.



Takashi Horie
Marketing Dept.1
AJINOMOTO PHARMACEUTICALS CO., LTD.



Pharmaceutical



Pharmaceutical

LIVACT® Granules (left) and newly launched *LIVACT® JELLY* (right)

Contributions of the Ajinomoto Group to pharmaceuticals and medical treatments

Achievement of healthy living

Screening

- *AminoIndex®* Cancer Screening (AICS) service, etc.

aminoindex

Pharmaceuticals

- Gastrointestinal diseases (elemental diet, BCAA formulations, oral intestinal cleansing solutions, etc.)
- Metabolic diseases (anti-hypertensive, anti-osteoporosis, anti-diabetes agents)



Medical and nutritional care foods

- Diet for protein energy malnutrition
- Immunonutrition diet
- Nutrition care food, etc.



Active pharmaceutical ingredients

- Medical amino acids (used in infusions, enteral nutrition, other pharmaceuticals and media)
- Pharmaceutical intermediates (anti-hypertensives, anti-HIV drugs, anti-viral intermediates, etc.)
- Biopharmaceutical ingredients (contracted development of manufacturing methods for media and proteins, etc.)

Food and amino acid expertise and technology



Supporting early detection of disease with *AminoIndex*[®]

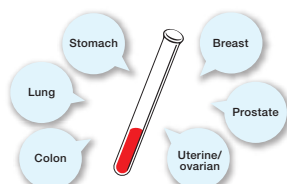
With aging populations sharply increasing medical costs, there is more focus on the importance of screening and other forms of preventative medicine that help before the onset of disease.

Ajinomoto Co., Inc. collaborated with SRL, Inc. to launch the *AminoIndex*[®] Cancer Screening (AICS) service to assess risk for multiple cancers by analyzing the concentrations of amino acids found in blood. Approximately 800 facilities have now introduced AICS, and the spread of AICS is expected to help improve cancer screening participation rates, lower mortality rates through early detection, and reduce medical costs.

AICS was also introduced by the Keihin Coastal Area Life Innovation Comprehensive Special Zone for International Competitiveness Development (CSZICD) run by the local governments of Yokohama City, Kawasaki City and Kanagawa Prefecture and by the Tottori Next-Generation Society Model Creation Zone in Tottori Prefecture in 2012. Studies have started into its applications for promoting health in local communities, with a view to designing new services that support personalized and preventive medicine.

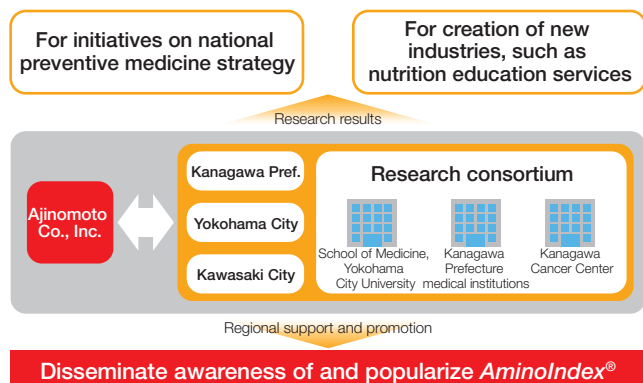
In addition to cancer screening, Ajinomoto Co., Inc. plans to develop services that can evaluate multiple nutrition and lifestyle risks. The company has also set its sights on rolling out services outside Japan and is conducting further research.

aminoindex[®]



Risk screening is possible for four types of cancer in men and five kinds in women with just 5 ml of blood

■ Main initiatives in the CSZICD



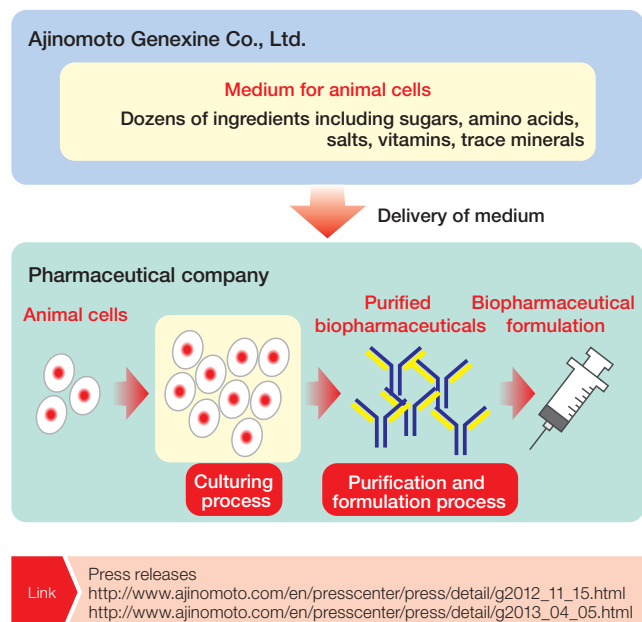
Helping more people access advanced medical treatment

Advanced medical treatments using biopharmaceuticals¹ are in the spotlight, particular in North America, for their potential applications to hitherto intractable diseases and strong therapeutic effects. Global growth in this area is expected.

Developed with technology and expertise gained in the manufacture of infusions and research into amino acids, the Ajinomoto Group's serum-free medium for culturing cells has been widely used in biopharmaceutical manufacturing and research since 1987. The Group also developed a proprietary method for producing proteins that improves biopharmaceutical manufacturing efficiency, and launched it in 2009 under the name of *CORYNEX*[®] contract business services.

In order to further accelerate initiatives in the advanced biomedical field, in fiscal 2012 Ajinomoto Co., Inc. established Ajinomoto Genexine Co., Ltd. in South Korea to manufacture and sell medium used in biopharmaceutical manufacturing. In fiscal 2013, the company acquired Althea Technologies, Inc. in the United States, commencing business activities as Ajinomoto Althea, Inc. Ajinomoto Co., Inc. will continue expanding its business in the advanced biomedical field to help people around the world lead healthier lives.

¹ Pharmaceuticals produced using biotechnology, primarily genetic modification, and containing proteins, peptides, nucleic acids, etc.
² A business that utilizes proprietary technology using bacterium, *Corynebacterium glutamicum*, to improve the efficiency of the manufacturing process for biopharmaceuticals such as proteins and antibodies.



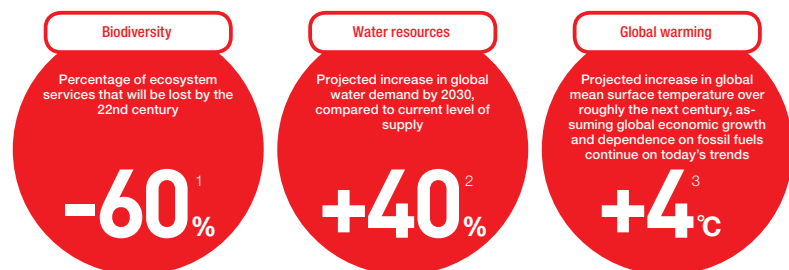
Link Press releases
http://www.ajinomoto.com/en/presscenter/press/detail/g2012_11_15.html
http://www.ajinomoto.com/en/presscenter/press/detail/g2013_04_05.html

Sustainable Production



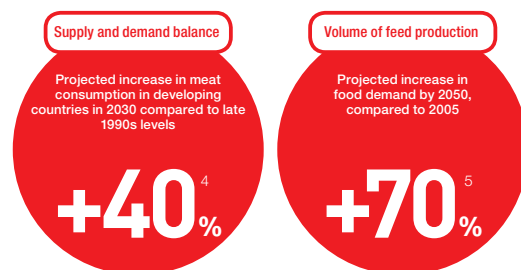
The mission of the Ajinomoto Group is to develop diverse products and services that support food, health, and life, using natural ingredients sourced from around the world. These natural ingredients, such as sugar cane used to make umami seasoning *AJI-NO-MOTO*[®] and skipjack used in *HONDASHI*, depend on a healthy planet. The growth of the Group's business goes hand-in-hand with the commitment to help keep the planet healthy and build a better future for people. The Ajinomoto Group is determined to keep making products that increase the sustainability of human societies and the earth, while always conserving natural resources.

Global sustainability issues



¹ United Nations Millennium Ecosystem Assessment.
² Chartering Our Water Future (2030 Water Resources Group).
³ Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, 2007 (IPCC).
⁴ World agriculture: towards 2015/2030 (FAO).
⁵ OECD-FAO Agricultural Outlook 2009-2018 (OECD and FAO).

Food resource issues



Products That Contribute to the Sustainability of People and the Planet

Human life is dependent on the natural resources of a healthy planet. The Ajinomoto Group is working with stakeholders from all segments of society to increase the sustainability of human societies and the earth, seeking to secure a healthy future for people and a planet of rich biodiversity.

Sustainable manufacturing in all processes

All life is dependent on the health of the earth, yet the planet and its growing population of seven billion people face wide-ranging challenges, including climate change, resource depletion, and biodiversity decline.

Over the century since its inception, the Ajinomoto Group has displayed a steadfast commitment to conserving nature and using natural resources without waste. This commitment is also

expressed in the Group's dedication to conserving biodiversity for a healthy planet and ensuring its businesses improves people's lives now and in the future.

The Ajinomoto Group works in partnership with diverse stakeholders to help build human and environmental sustainability. It engages their input on every step from raw material procurement and transport to the production, sales, consumption, and disposal of products—not only in its own business fields, but beyond.



Bringing People the Blessings of Nature, Sustainably

The business of the Ajinomoto Group is built on adding value to natural resources and providing that value to society. The natural resources it uses are dependent on a healthy planet that supports biodiversity in oceans, forests, and on land. In order to sustainably supply its products, the Ajinomoto Group works to conserve the ecosystems that all living things rely on and practices sustainable procurement of raw materials.

Conserving ecosystems—the foundation of all life

Human life is dependent on the earth's rich biodiversity.

The Ajinomoto Group strives to contribute to a healthy future for people and the planet through its businesses in food, amino acid, and other products. Its products draw on diverse natural resources such as agricultural, livestock, and fisheries products as well as forest resources such as paper. These natural resources are in turn dependent on healthy ecosystems and biodiversity comprising the chain of all living things.

The Ajinomoto Group Environmental Philosophy and Basic Environmental Policies state that conserving ecosystems is the very basis of the Group's business activities—it can only keep drawing on natural resources if it works to secure healthy biodiversity. The Ajinomoto Group Biodiversity Policy and Action Agenda were introduced in February 2012. They guide the Group's efforts to implement biodiversity conservation initiatives throughout its supply chains and in partnership with local communities. These efforts encompass the procurement of important raw materials, the management of corporate land, and practices to ensure that business locations coexist harmoniously with local ecosystems.

Reference

See "Pursuing CSR Procurement" on p. 43.
See "The Ajinomoto Group Environmental Philosophy and Basic Environmental Policies" on p. 71.
See "Conserving Ecosystems and Biodiversity" on p. 78.

Ensuring sustainable procurement of important raw materials

The Ajinomoto Group has a stake in ecosystems across the planet due to its global raw material procurement and other business activities. The 2011–2013 Ajinomoto Group Medium-Term Environmental Plan details a plan of action that mandates thorough assessment and management of procurement of materials that have a major impact on its business and ecosystems to ensure sustainability.

Paper is extensively used in the day-to-day business activities of the Ajinomoto Group. The Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper were introduced in January 2012 to promote the procurement of sustainable paper to address deforestation. The Group is also identifying risks that relate to raw materials used in products, in order to practice sustainable procurement of ingredients such as cassava, which is used for the fermentation of amino acids, and skipjack, which is used to make *HONDASHI*, a major product in Japan.

The Ajinomoto Group will continue to supply products that draw on natural resources that are sustainably procured with respect for the earth's ecosystems. It is determined to accomplish this by (1) building even better partnerships with farm and fisher operators, business partners, and third-party experts, (2) determining the impact of the Group's business activities on the earth and local ecosystems, and (3) monitoring resources in oceans and on land.



Highlight

Joint Tagging Survey of Skipjack off the Pacific Coast of Japan

Helping to conserve skipjack stocks

Skipjack is an integral part of the Japanese diet. This fish is used to make dried bonito and *dashi* soup stock, and is also a favorite for sushi and sashimi. *HONDASHI* made from dried bonito is one of the main products of Ajinomoto Co., Inc. in Japan. It has been a household name since it first came out in 1970, beloved for imparting the natural flavor of *dashi* soup stock. Meanwhile, worldwide demand for skipjack continues to grow. Still, many aspects of the ecology of skipjack are not well understood. Ajinomoto Co., Inc. is involved in the Joint Tagging Survey of Skipjack off the Pacific Coast of Japan, helping to shed light on the ecology of skipjack and assisting the management and conservation of skipjack stocks. Thanks to efforts like these, consumers will always be able to enjoy *HONDASHI*.



Tracking skipjack migration over a 500-day period

Since fiscal 2009, Ajinomoto Co., Inc. has been involved in the Joint Tagging Survey of Skipjack off the Pacific Coast of Japan together with the National Research Institute of Far Seas Fisheries (NRIFSF) of Japan's Fisheries Research Agency. The project tracks the migration of skipjack along the Kuroshio current from the southwest islands to the west coast of Japan. To date, some 10,000 skipjack have been tagged and released under the study, which is yielding rich, unprecedented knowledge about the ecology of skipjack.

Since fiscal 2011, the project has been using advanced archival electronic tags under a large-scale tag-and-release study, obtaining data of unprecedented detail and marking the first study of its kind along the Kuroshio current. These tags are capable of storing one year's worth of data on the location, water depth, water temperature, and body temperature of the tagged fish, sampled every 30 seconds. Recently invented, these tags are at the leading edge of international research.

In February and April 2012, 169 skipjack were tagged and released in the waters off Yonaguni Island, and seven of them were caught by October 2013. The tags from the recovered skipjack provided some 500 days' worth of detailed data, a first for the southwest islands of Japan. In addition to migratory routes, researchers obtained new information on skipjack water depths and temperatures and other data. The project is ongoing, and in fiscal 2013 is being expanded to study feeding habits.

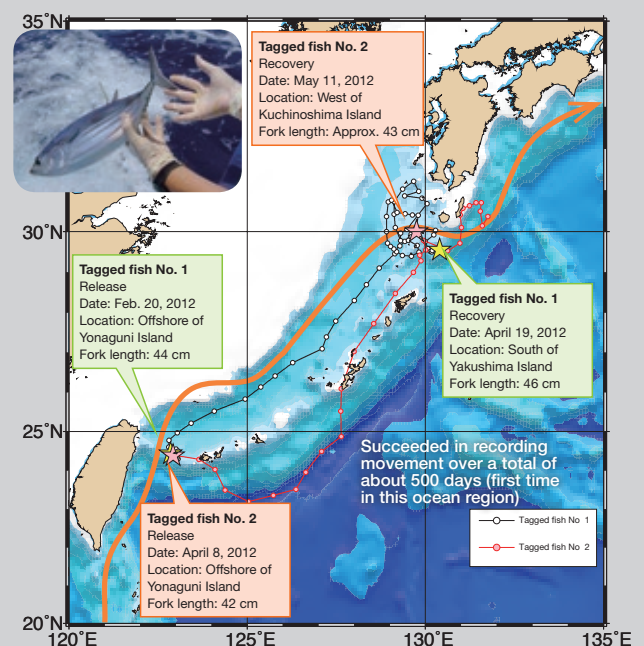
Analysis of the survey data and the accumulation of scientific knowledge will further understanding of skipjack stocks and ecology and assist the international management of skipjack stocks.

Obtaining data in oceans is considerably more difficult than obtaining data on land. Ajinomoto Co., Inc. will continue working with fishery operators and experts to implement the study. After all, the Japanese people will always love the flavor of *HONDASHI*.

Reference See "Conserving Ecosystems and Biodiversity" on p. 78.

Link National Research Institute of Far Seas Fisheries (NRIFSF)
<http://fsf.fra.affrc.go.jp/eng/>

Successful recovery of seven skipjack with electronic archival tags



Note: The map shows probable migratory routes, since there is a large margin of error when estimating positions from data.

The project earned an award of excellence in September 2013 from the Japan Awards for Biodiversity organized by the AEON Environmental Foundation, citing the ongoing study's contributions to the conservation and sustainable use of marine biodiversity as a model for Japan.



Utilizing the Bounty of Nature to Support Local Communities

In order to ensure a continual supply of products, it is essential to make the best use of the bounty of nature without any waste, and to carry out production with minimal environmental impact. At all of its production sites, the Ajinomoto Group is committed to the goal of building a business that works together with the earth.

Bio-cycles for sustainable production

Glutamate, an ingredient responsible for the savory taste called umami, is found in foods such as kelp and tomatoes. However, if one tried to use these raw materials to extract enough glutamate to meet the demand for seasoning products, the resources would soon be depleted. This is what makes the Ajinomoto Group's efficient methods of producing amino acids, which are based on 104 years of development excellence, so important.

Currently, the Group has 18 amino acid production facilities in nine countries. Amino acids are made by fermenting agricultural products such as cassava and sugar cane, which are easy to obtain locally. The by-products of this manufacturing process, in turn, are seen as "co-products" which are utilized to support farming, livestock, and aquaculture industries as fertilizer and feed.

The Group calls this recycling of resources in the production process a bio-cycle, and has been using it for over 30 years. Today, similar efforts for making the most of resources are being made across all of the Group's businesses.

Co-products foster bounty in the fields

Once amino acids are removed from the fermentation liquid in the amino acid production process, the remaining liquid, a by-product, still contains a wealth of nutritional ingredients. As an additional product, or "co-product," this valuable gift of nature is subsequently used to make value-added products.

The by-products produced by the Group's amino acid fermentation plants around the world are 100% recycled to produce co-products. Such co-products include fertilizers which help grow vegetables, sugar cane, corn, coffee, oranges, pineapples, rubber and other crops, as well as feed for the livestock and aquaculture industries. This bio-cycle avoids depletion of natural resources.

Reference

See "Feed-use amino acids for livestock farming that is friendlier to the planet" on p. 82.

- 1 Cattle feed and corn fertilizer; also an experimental fertilizer for tomatoes and lawns
- 2 Liquid fertilizer for sugar cane, corn, pineapples and rice
- 3 Co-products used for cattle feed
- 4 AMI-AMI liquid fertilizer for the cultivation of sugar cane and rice and also for the aquaculture of tilapia



1 United States



2 Indonesia

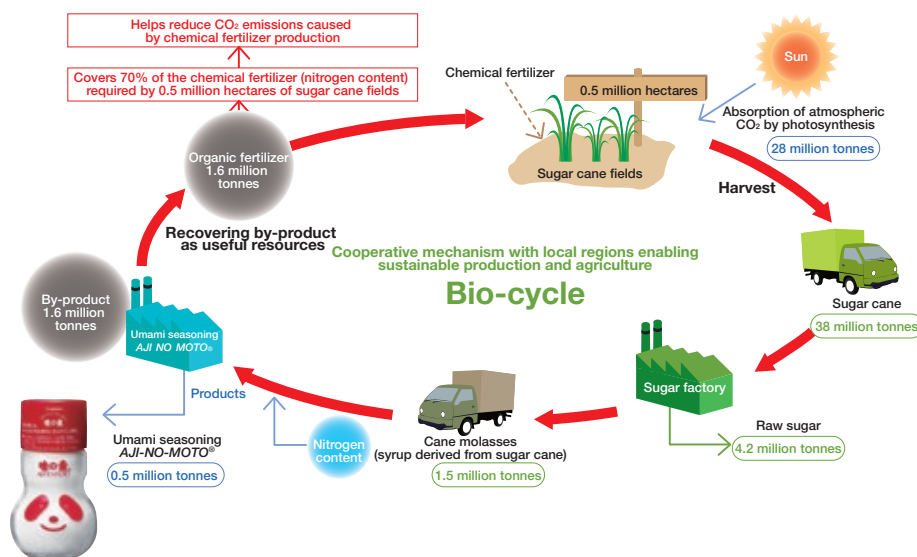


3 France



4 Thailand

Bio-cycle created by the resource-recycling process for amino acid production



The chart assumes worldwide annual production of approximately 0.5 million tonnes of the umami seasoning AJI-NO-MOTO® by the Ajinomoto Group using only sugar cane. The values for sugar cane grown and sugar production are commonly used global figures, and the values for resources used for producing AJI-NO-MOTO® and values for by-products are based on actual statistics from the Ajinomoto Group.

Minimizing the Environmental Impact of Production

Manufacturing processes always generate waste, atmospheric emissions, and discharged water. With the aim of minimizing environmental impact of all business processes, the entire Group is committed to steadily implementing the Ajinomoto Group Zero Emissions Plan.

Pursuing zero-emissions manufacturing processes

In fiscal 2005, the Ajinomoto Group Zero Emissions Plan was introduced to minimize environmental impact generated in all business operations. The plan sets strict numeral targets for the reduction of CO₂ emissions, discharged water pollution load and waste, while requiring management of plan performance. The Group is united in its efforts to fulfill the plan, and substantial results have been achieved.

With the 2011–2013 Ajinomoto Group Zero Emissions Plan, further initiatives are being promoted to minimize environmental impact, and the target numbers and scope are being revised as necessary.



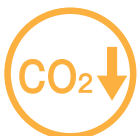
Resource recovery ratio: 99.2%

Resource recovery ratio for the entire Ajinomoto Group in fiscal 2012



Water consumption: -61%

Water consumption at all of the Ajinomoto Group's production bases in fiscal 2012 (compared to fiscal 2005)



CO₂ emissions: -26%

CO₂ emissions per unit of production for the entire Ajinomoto Group in fiscal 2012 (compared to fiscal 2005)

Reference

See "Ajinomoto Group Zero Emissions Plan and Fiscal 2012 Results" on p. 76.

Reducing CO₂ and wastewater emissions using the best techniques and equipment for each region

Continuing with the global fight against climate change, the Ajinomoto Group is reducing CO₂ emissions from energy consumed in manufacturing. The Group seeks to save energy by introducing new equipment and improving production processes. It also employs technology that uses carbon-neutral biomass, which is derived from plants that absorb CO₂ when growing, as an energy source.

In 2008, the Kamphaeng Phet Factory of Ajinomoto Co., (Thailand) Ltd. started using a biomass boiler to generate energy using rice husks, which were unused local resources before. The factory also started in 2012 to burn the methane biogas generated by the in-house production process for cassava starch, a raw material for amino acid fermentation.

In June 2012, the Laranjal Paulista Plant of Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda. installed a biomass boiler that operates using wood chips as well as sugar cane fiber (bagasse) left over from the amino acid fermentation process. Independent initiatives like these are being undertaken at group sites around the world.

The Group strives to minimize water used in production processes and return only treated, clean water to the environment. The Group has introduced large-scale wastewater treatment facilities at amino acid fermentation plants around the world to reduce the discharged water pollution load. In fiscal 2012, the Kawasaki Plant of Ajinomoto Co., Inc. introduced a state-of-the-art wastewater treatment facility, which delivers water quality significantly higher than local standards.

Reference

See "The 'Green Factory' Goals of Kamphaeng Phet Factory of Ajinomoto Co., (Thailand) Ltd." on p. 25.
See "Reduction of Greenhouse Gas Emissions" on p. 90.
See "Conserving Water Resources" on p. 92.



Focus

The “Green Factory” Goals of Kamphaeng Phet Factory of Ajinomoto Co., (Thailand) Ltd.

Located 350 kilometers north of Thailand’s capital, Bangkok, this factory has been operating for 15 years in the thriving agricultural province of Kamphaeng Phet. Using local agricultural products as raw materials, the Kamphaeng Phet Factory manufactures nucleotides and amino acids. Making the most of the local natural bounty, the factory will continue to serve as a “green factory” that benefits local communities. It aims to constantly deliver great taste to the tables of Thailand, and to always operate in harmony with the local environment. Every day, many employees are working together to achieve this goal.



“Green factory” bio-cycles, not just for raw materials, but also for energy

The plump and adorable Lady Finger banana is a noted product of this region. In addition to bananas, there are various other crops here including sugar cane, cassava, rice, corn, papayas, and mangos. Operating in harmony with the fertile land and bounty of nature, the Kamphaeng Phet “green factory” has developed diverse bio-cycles, going beyond just raw materials.

The Ajinomoto Group’s raw material bio-cycle ensures sustainable procurement, and it is used at all of the Group’s amino acid fermentation plants worldwide. The sugar cane is completely utilized in the manufacturing process, and the by-products are returned to the fields as fertilizer. In December 2008, the Kamphaeng Phet factory added an energy

bio-cycle by introducing a biomass boiler fueled by rice husks, an untapped local resource. This led to a significant reduction in petroleum consumption and cut CO₂ emissions by approximately 100 kilotonnes per year.

In 2012, the factory launched a third bio-cycle involving both raw materials and energy. Cassava starch is a raw material for amino acid fermentation. Previously, it had all been procured externally, but then the factory took on the challenge of making its own starch from cassava. The by-products from this process are now also fermented, generating biogas fuel. Currently about 10% of the starch used by the Kamphaeng Phet Factory is produced internally, and the factory is looking to increase this amount.



Activities of FD Green, a group agricultural company

Group companies are creating diverse bio-cycles in “green factory” initiatives for the planet and local communities. FD Green (Thailand) Co., Ltd. plays an important role in the operation of these bio-cycles. Established in 2001, the company specializes in manufacturing and selling feed and fertilizers made from by-products generated in the amino acid fermentation process of Ajinomoto Co., (Thailand) Ltd. Making the most of components in the by-products that are useful for plants and animals, the company delivers highly beneficial co-products. The company is a vital link in the bio-cycles the company has created.

Under its corporate mission “We will make the world green,” FD Green (Thailand) Co., Ltd. is passionate about expanding bio-cycles that can continually benefit the planet and the local community.

The products of the Ajinomoto Group originate from the bounty of nature, so the Group is committed to protecting nature for the sake of people’s lives and nourishment. The co-products sales team knows better than anyone else the importance of being thankful for the bounty of nature and eliminating waste.



Lineup of diverse agricultural supplies



United employees persevere

Working together with FD Green (Thailand) Co., Ltd., all the employees of the Kamphaeng Phet Factory share a set of “green factory” goals for this large site of about 200 hectares.

Over the past few years, the employees have been steadily making the factory more and more “green” in various ways. In addition to large-scale initiatives such as the installation of a biomass boiler, they have made many improvements at the grassroots level and have been recognized for their good practices. Highly motivated, the employees are pursuing further process improvement and technology development.

While appreciating nature and staying in dialogue with the local community, the factory is taking on a steady stream of new challenges for the future. In order to become one of the Ajinomoto Group’s leading “green factories,” the plant’s 400 employees will continue to share ideas and work together.

The Kamphaeng Phet Factory received a prize for manufacturing CSR contribution in October 2013 at the Japan Management Association’s 2013 Good Factory awards.



R&D for a Healthier, More Sustainable Future

With over 1,000 researchers worldwide, the Ajinomoto Group is committed to research and technology development as the drivers of business growth. Making the most of the technology, knowledge and connections it has in businesses such as food, bioscience products and fine chemicals, and pharmaceuticals and health, the Group is determined to help find solutions to the challenges that human society faces in the 21st century in order to create a sustainable future.

R&D to reduce environmental impact and create new environmental value

Amino acids are not only the key to the business of the Ajinomoto Group; they are also the key to life. Some of the nutritional and physiological functions of amino acids were discovered in the R&D process that led to the first umami seasoning product. These discoveries led to businesses beyond food products, for instance, fertilizers and feeds made from by-products of the amino acid fermentation process, as well as feed-use amino acids. The Group always makes the most of its many proprietary technologies in bioscience, chemical synthesis, bioassay, and food product processing and analysis.

This accumulated technology and knowledge is also applied to R&D aimed at reducing the environmental impact of existing businesses, not to mention new business development. The Group is striving to provide new environmental value by focusing its research on ways to use resources more effectively and preserve the global environment.

Of course, the Group also brings in good ideas and technologies from outside when helpful in developing new products and materials that can contribute to global sustainability and produce results quickly. The Group's joint development approach is called "open & linked innovation." Leveraging amino acid and fermentation technology and knowledge, the Ajinomoto Group's joint research on the production of synthetic rubber and nylon from sustainable crops is yielding promising results.

Leveraging local strengths in a global R&D system

The Ajinomoto Group brings the environmental and sustainability perspectives into every product development process, focusing its R&D on delivering practical applications. Many technological innovations are needed to solve the global environmental and food resource issues which threaten the future. The Group has several research priorities: building on its strengths in biomass technology; using more renewable energy; and manufacturing with even less environmental impact. One example is the promising R&D into lower-resource fermentation technology.

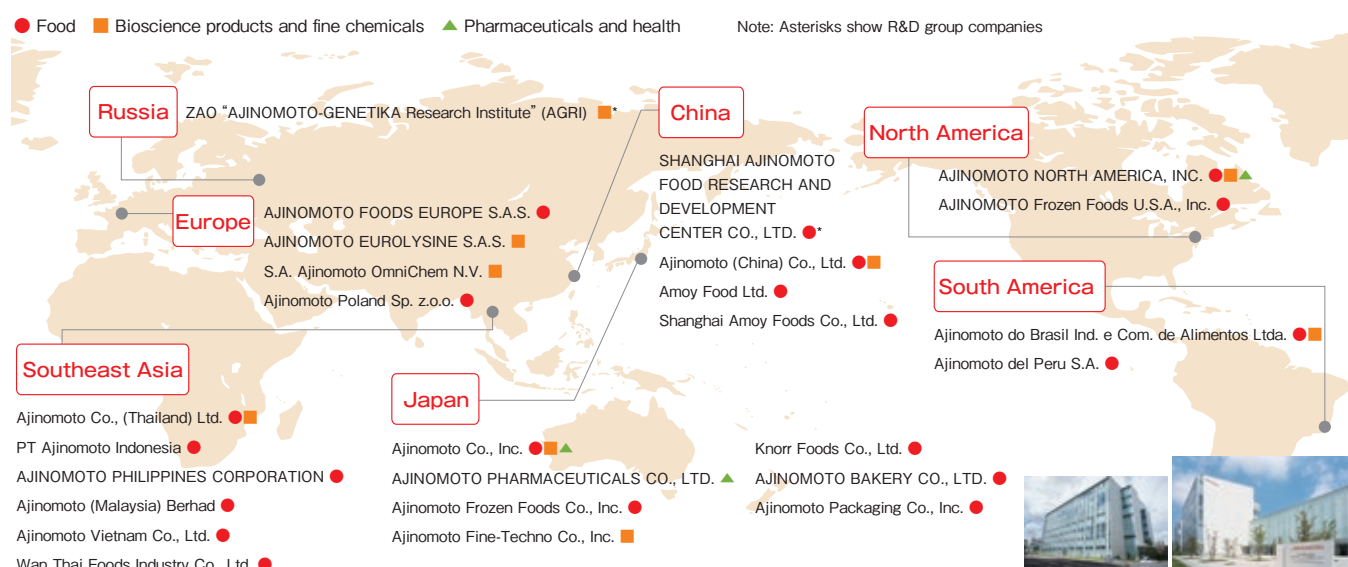
The Group's R&D centers around the world have specialized technologies and knowledge relating to their particular regions and scientific fields. They work together by sharing information and techniques pertaining to global themes such as energy saving and resource recycling.

Examples of lower-resource fermentation technologies

- Technologies to internally produce part of the main materials and to make effective use of by-products as a biomass energy source (Production of MSG¹ and I+G²) (See p. 14 for details) (See pp. 25–26)
- Technology to use non-food resources as materials (Production of feed-use lysine)
- Biotechnology to reduce the use of main and sub raw materials and energy (Production of feed-use lysine, amino acid-based sweeteners, MSG, etc.)

¹ Monosodium L-glutamate ² Disodium 5'-ribose nucleotides

Major R&D centers of the Ajinomoto Group





Supporting Japanese agriculture by developing new co-products

The Ajinomoto Group is developing co-products such as fertilizers and feed worldwide, utilizing the by-products of amino acid fermentation. Full-scale development and sales of agricultural supplies are also being carried out in Japan.

The Group offers a variety of agricultural materials. In October 2012, it began selling *Hayane Hayaoki* liquid fertilizer for seedlings, which utilizes inosine to promote rooting and root growth. The fertilizer was developed with Berg Earth Co., Ltd. and contains a balanced mix of nitrogen, phosphoric acid and potassium. In December 2012, *AJIFOL® AminoGuard* foliar spray was launched. Using fermentation liquid as the raw material, the fertilizer has an optimum blend of amino acids and micronutrients essential for plant growth. Preparations are underway to launch *GLUHEART*, a liquid fertilizer containing glutamate. The Group even offers *Dojo Saiseitan* for soil improvement, using the activated carbon left over from manufacturing umami seasoning.

The Ajinomoto Group will further enhance the value of these co-products by utilizing the knowledge it has accumulated for more than 30 years. As the co-products of amino acid fermentation can promote the bounty of nature, the Group will make even greater contributions to Japanese agriculture.



Reference

See "Utilizing the Bounty of Nature to Support Local Communities" on p. 23.
See "Co-products that yield agricultural bounties worldwide" on p. 83.

Highlight

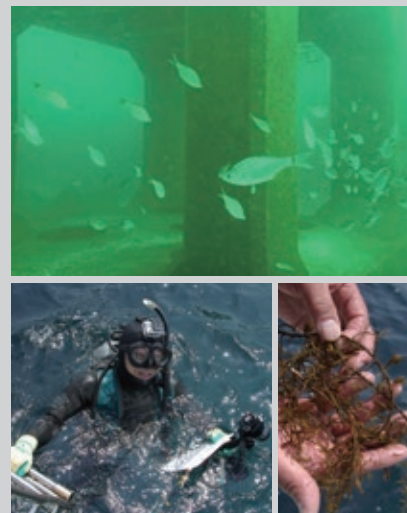
Experiments are under way in over 40 water areas across Japan for Environment Vitalizing Concrete

Pollution of rivers and seas, oligotrophication (or nutrient depletion) of seawater, and reduction of algae due to global warming have become serious problems along Japan's coastlines. Aspiring to use its amino acid technology to revitalize threatened aquatic ecosystems, Ajinomoto Co., Inc. started R&D on a concrete that contains amino acids to promote algae growth. Since 2009, the company has been developing Environment Vitalizing Concrete with Nikken Kogaku Co., Ltd. and the University of Tokushima. As of July 2013, experiments are underway to check its effectiveness in over 40 sea and river areas across Japan.

The Society of Material Science, Japan, has reported no problems with the physical characteristics of the Environment Vitalizing Concrete or its durability. The company foresees a wide range of applications beyond wave dissipation blocks. Ajinomoto Co., Inc. expects the concrete to help revitalize local fisheries and improve the coastal environment while also preventing disasters.

Reference

See "Joint development of Environment Vitalizing Concrete to help promote marine ecosystems" on p. 84.



Lysine product for dairy cattle feed offers new possibilities for feed-use amino acids

The Ajinomoto Group has been cultivating worldwide markets for feed-use amino acids for more than 40 years through its Ajinomoto Animal Nutrition Group network, established using production and sales sites in four countries. With lysine, threonine, and tryptophan as its main feed-use amino acids, the Group has long been a leader in the markets for these products.

Feeds with a good balance of amino acids help to reduce impact on soil and water derived from livestock manure and greatly reduce greenhouse gas emissions. They also help to curtail emission of N_2O , which has a 300 times higher greenhouse effect than CO_2 . The Group's feed products also help to reduce consumption of feed crop protein, thereby reducing the amount of land required for feed crop cultivation, and they are gaining worldwide attention.

In April 2011, Ajinomoto Heartland, Inc., which conducts the feed-use amino acid business in the United States, began selling *AjiPro®-L* developed for dairy cows. In May 2013, production was doubled, and further increases are planned for the future. Cows have a four-compartment stomach, and when they consume conventional feed-use lysine developed for pigs and poultry, most of it is broken down in the rumen. This means the cows cannot absorb enough lysine for synthesizing protein. Ajinomoto Heartland took on the challenge of processing the lysine so that it could pass intact through the rumen and reach the small intestine of dairy cattle. By devising its own technology, the company succeeded in developing such a product. With nine million dairy cattle in the United States alone, the product holds great potential for improving milk production efficiency and reducing greenhouse gas emissions.



Engaging the Public to Envision a Healthier Future



By 2050, the global population is expected to reach nine billion. To build a healthy future for people and the planet, much needs to be done to solve the problems humanity faces. The Ajinomoto Group recognizes it can only do so much on its own, so it seeks to maximize its impact by working with others. By exchanging views and joining forces with a diverse range of interested parties worldwide, it is producing greater results. Dialogue and cooperation are the keys to a healthier future.

Recognition of activities by the Ajinomoto Group (fiscal 2012)

Group initiatives for sustainable development including measures to create a Green Economy

The Ajinomoto Group received the Fuji Sankei Group Award as part of the 23rd Global Environment Awards

(February 2013; sponsored by the Fujisankei Communications Group)

Main commendations

- Group-wide initiatives for sustainable development of the global environment under the slogan, "Good eating = Green eating"
- Declaring the intent to help solve the problems facing humanity in the 21st century
- Promoting Green Economy measures such as co-product fertilizers and feeds, and the operation of bio-cycles

Ajinomoto Group Sustainability Report 2012

Received an Award for Excellence in the Environmental Report category of the 16th Environmental Communication Awards

(March 2013; sponsored by the Global Environmental Forum)

Main commendations

- Promoting group-wide initiatives for protecting the environment and building a more sustainable society
- Clearly reporting global initiatives in accordance with the Ajinomoto Group Biodiversity Policy and Action Agenda



Dialoguing on the Vision for a Healthier Future

The Ajinomoto Group is determined to ensure that its businesses help realize a better future for people and the planet. To succeed, it must stay in dialogue with diverse external stakeholders and reflect the feedback it gets in future activities. The Group discusses its vision for the future with people of many different opinions, seeking to find the best ways to take action.

Communicating about the Ajinomoto Group's initiatives

In order to foster social dialogue on its vision for the future, the Ajinomoto Group must first communicate its own intentions and ideas.

The Group uses the Internet, advertising, leaflets, events, factory tours and other methods to get its message out. It does this to share information on the sustainability initiatives it takes to meet the needs of different types of stakeholders worldwide.

The full-length *Sustainability Report* details the Group's approaches and initiatives worldwide and is the Group's main communication tool in this area. It also provides the detailed information disclosure that experts require. A shorter, more accessible summary report is also issued for general readers.

The Group provides detailed environmental information about products on its website and in its reports. Moreover, the "Aji-na Eco" mark of Ajinomoto Co., Inc. enables customers in stores to obtain environmental information at a glance. The Group encourages people to see the dinner table as a place for environmental action, aiming to engage consumers in the effort to create a better food-future. With its "Eco-Uma Recipe" program, the Group offers eco-friendly tips to consumers for easy use when preparing daily meals. In addition, the company gives awards to children for outstanding environmental activities relating to food.

Facilitating discussion about the future

The Ajinomoto Group believes that a sustainable future can only be achieved when all sectors of society work together. The Group broadly communicates the global issues it is addressing, and proposes ways it can work with everyone to create a better future. It works with people to chart a vision of the future and then work to realize it. Steady efforts like these are the shortest path to a healthier future for people and the planet. That is why the Ajinomoto Group works so hard to create many opportunities for this kind of dialogue.

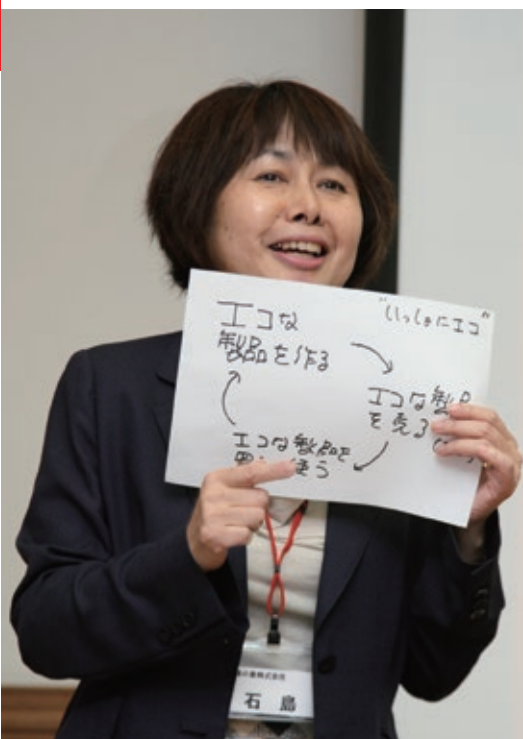
The Ajinomoto Group Sustainability Forum has been held three times in Japan since March 2012, in conjunction with various organizations. The first forum was attended by 300 members of the public, followed by forums in December 2012 and March 2013. The second forum was held with Kao Corporation on the theme of "Let's Make a Sustainable Life Together." It was a valuable opportunity for the 550 participants to think about what they can do for sustainability as part of their own eating habits and lifestyles.

Reference

See "Promoting 'Aji-na Eco' mark products with environmental packaging" on p. 89.
See "Second Ajinomoto Group Sustainability Forum" on p. 108.

Link

Ajinomoto Group Sustainability Forum
<http://www.ajinomoto.com/en/activity/forum/>



Creating a Better Future, Globally and Regionally

In addition to global food and nutrition issues, each region of the world has its own special challenges. It will be difficult to build a sustainable food future by addressing issues on only the global or the regional level. Both are a vital part of the solution. The Ajinomoto Group's vision calls for both global initiatives and efforts tailored to individual countries and regions.

Promoting global dialogue at Rio+20

In June 2012, the United Nations Conference on Sustainable Development (Rio+20)¹ was held in Rio de Janeiro, Brazil. As a global food products company headquartered in Japan, the Ajinomoto Group exhibited at the Japan Pavilion. The Group showed visitors its vision for how food can help build a better future under the slogan of “Good eating = Green eating.”

The exhibit conveyed past and present business activities and approaches of the Group, based on these themes: (1) protecting and nurturing natural resources; (2) making the best use of resources and recycling; (3) achieving a low-carbon society; and (4) providing a healthy, sustainable lifestyle. Exhibit staff discussed the future of food with various stakeholders, including NPO/NGO representatives, experts on environmental and social issues, as well as government officials from around the world. The visitors expressed great expectations for the initiatives of the Ajinomoto Group, and the staff renewed their determination to contribute to ensure that the Group's business activities contribute to a sustainable future for food.

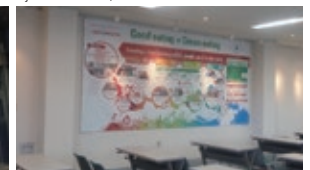
With this commitment, since fiscal 2012 the Group has been actively sharing the Rio+20 declaration and public feedback with its employees via internal newsletters and lectures. It is also conveying its commitment to the public during factory tours and other activities.

¹ A conference for world leaders held every decade to discuss paths towards the sustainable development of economies, societies, and the environment. Marking the third such meeting since the first in 1992, Rio+20 was held June 20–22, 2012, in Rio de Janeiro, Brazil. Discussions were held on the green economy in the context of poverty eradication and sustainable development, as well as on institutional frameworks for sustainable development.

Conveying the “Good eating = Green eating” concept in Japan



Left: In-house lecture by the deputy president of Ajinomoto Co., Inc.
Lower left: Exterior display at the Tohoku Branch, Ajinomoto Co., Inc.
Lower right: Display in the factory tour presentation room at the Kyushu Plant, Ajinomoto Co., Inc.



Display on the plant tour route at Ayutthaya Factory, Ajinomoto Co., (Thailand) Ltd.



Participants on the Ayutthaya Factory tour learn about the “Good eating = Green eating” concept. Since July 2013 when the plant was completed, we have been telling visitors all about these initiatives. We also explain the Ajinomoto Group Vision for creating value with local communities, on which the initiatives are based.

Sivaporn Siricharttada
PR Manager, Ajinomoto Co., (Thailand) Ltd.



The Group's booth at the Japan Pavilion was staffed by representatives of Ajinomoto Co., Inc. as well as employees of Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda. They introduced the Group's environmental and CSR initiatives in Brazil and talked with visitors.



Our Solution for the Future We Want
Good eating = Green eating
 Creating a food-future good for people, good for the earth.

Food isn't just about flavor, or balanced nutrition. By changing how we eat, we can make people—and the planet—healthy. This is our vision for a new food-future. It's why we believe

Good eating = Green eating.



Enhancing dialogue within each region

The Ajinomoto Group continually communicates with people around the world. The Group has prioritized public dialogue on sustainability at its sites worldwide, and this will become increasingly important in the future.

Once a year, PR representatives from group companies around the world meet to discuss approaches to social dialogue. One of the important objectives is to enhance communication on sustainability with each region worldwide. At the conference in October 2012, the Group's vision announced at Rio+20 was shared, as well as opinions received from around the world. Participants also discussed specific ideas for enriching dialogue and communication in each country. They shared the importance of communicating with the public and conveying the sustainability initiatives of the Group with themes and methods that suit each particular country and region, including factory tours, reports, and dialogue events with experts. Various forms of stakeholder dialogue are now underway at each group company.



Global PR conference

Distributing information via various media in each country and region



We issued our first CSR report in 2013. It shows how our business activities are contributing to Vietnamese lifestyles and society. The report also creates opportunities for better dialogue with local people. This is important to us, as we strive to earn the public's appreciation and build a more sustainable world.

Tran Bac BINH
CSR and Internal Communication, PR Dept.,
Ajinomoto Vietnam Co., Ltd.

Highlight

Enabling all employees to make a difference for their local community, nation and the planet The Ajinomoto Group's Smile Earth! activities

The Ajinomoto Group business itself makes a difference, but the Group also wanted to find a way to empower all of its employees to do their own part. The result was its unique Smile Earth! activities, which have been going strong now for seven years. They include clean-up activities around business facilities worldwide, as well as the *Mottainai* (What a waste!) and Eco Action campaigns. Unique activities are also carried out at each site.

In October 2012, about 10,000 people at 186 sites in 15 countries participated in clean-up activities around business facilities. When these activities started seven years ago, most participants were employees. Now, local governments and residents have also joined in, adding even more manpower to the clean-ups.

The Ajinomoto Group will continue to provide creative avenues for its employees to join hands with local residents to make their communities even better places to live and work.



Reference

See "Ajinomoto Group Smile Earth! activities bring smiles to people and the planet" on p. 125.



Fiscal 2012 Activity Report

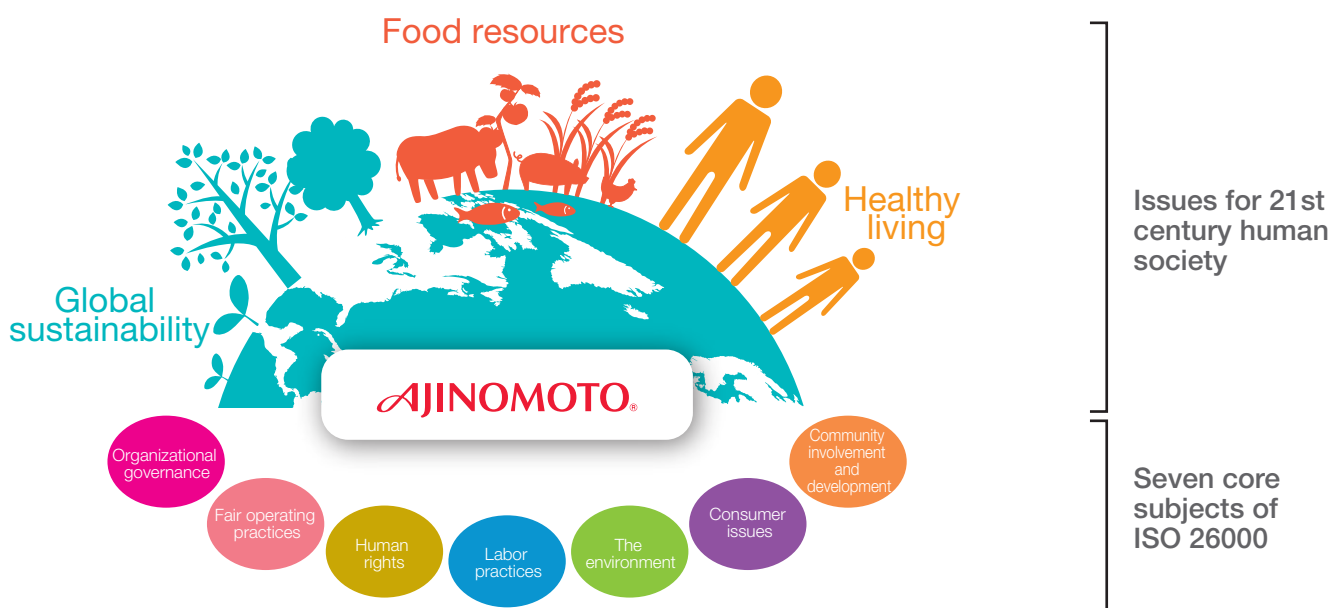
Taking Responsibility for Global Sustainability Issues

The Ajinomoto Group recognizes that it has a corporate social responsibility to help build a more sustainable world. The Ajinomoto Group Philosophy guides the Group's efforts to help solve three issues facing 21st century human society: global sustainability, food resources, and healthy living.

The business activities of the Ajinomoto Group naturally involve solving various challenges confronting customers, business partners, communities, the global community, and the ecosystems without which none of these could exist. Meeting these social expectations is a vital element of the Group's corporate responsibility.

Across all of its business activities, the Ajinomoto Group is determined to contribute solutions to various social challenges, doing its part in building a sustainable future for people and the planet.

Since fiscal 2011, the Ajinomoto Group has been utilizing the ISO 26000 guidance standard on social responsibility as a tool for assessing its sustainability initiatives and identifying further issues to address.



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This section of the report describes the Ajinomoto Group's fiscal 2012 activities under the seven core subjects of ISO 26000.

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Sharing a United Approach to Sustainability

With the revision of the Ajinomoto Group Philosophy to mark the Group's 100th anniversary in 2009, the Ajinomoto Group Way and the Ajinomoto Group Vision were established and the Ajinomoto Group Standards of Business Conduct were revised. Today, all of these are being implemented under the name, "Ajinomoto Group Principles."

The Ajinomoto Group Principles not only clarify management objectives, but also guide the Group's efforts to make a unique, even broader contribution to the three issues of global sustainability, food resources, and healthy living. They also represent the Group's public commitment to making a real difference in all three areas.

Reference See "Compliance Framework" on p. 38.

Link Corporate Philosophy / Vision
<http://www.ajinomoto.com/en/aboutus/vision/>

Ajinomoto Group Philosophy

We create better lives globally by contributing to significant advances in Food and Health and by working for Life.

Ajinomoto Group Way

Create New Value

Create value with new ideas and continuous innovation based on unique technologies and science.

Pioneer Spirit

Continue to constantly take on the challenge of creating new businesses and markets.

Social Contribution

Accommodate social requirements with humility and honesty, with the objective of maximizing value for society through business activities.

Value People

Respect the humanity of all the people involved in the Ajinomoto Group's businesses, and be an organization in which they can grow and display their abilities to the fullest extent.

Ajinomoto Group Standards of Business Conduct (excerpt)

Purposes

The Ajinomoto Group Standards of Business Conduct (hereafter the "Standards of Conduct") show the conduct that each of us must understand and endeavor to practice every day in order to implement the Ajinomoto Group Philosophy in accordance with the Ajinomoto Group Way. The Ajinomoto Group companies pledge to use their efforts to implement and comply with the Standards of Conduct.

1. For Customers

In order to put our customers first and create better lives globally by contributing to significant advances in Food and Health and by working for Life, Ajinomoto Group companies seek to develop and provide safe, high-quality products and services.

In order to establish and maintain the trust and expectations of our customers and ensure their satisfaction, we endeavor to provide appropriate information about our products and services and deal honestly with inquiries.

2. For Society

In addition to contributing to society through our business activities as part of healthy local communities, we strive to enhance our communication with society and to contribute to the economic, cultural and educational development of each community where we conduct our business.

As a part of healthy local communities, Ajinomoto Group companies encourage each officer or employee to participate in social contribution activities.

3. For the Global Environment

We endeavor to contribute to the realization of a sustainable society where all people of future generations can enjoy an abundant natural environment and better living.

We understand that our business activities are built upon the blessings of nature. We seek to reduce our negative impact on the global environment and ecosystems and to promote recycling-oriented business activities that use resources and energy more effectively.

4. For Employees

Ajinomoto Group companies endeavor to respect the diversity, character and individuality of employees and to ensure a safe and favorable work environment in order to realize a fulfilling work-life balance for each employee.

Ajinomoto Group companies attempt to provide opportunities for employment and for the development and expression of skills, and to encourage employees to place importance on teamwork from a global point of view, demonstrate creativity and work to contribute to the Ajinomoto Group's development.

Ajinomoto Group companies strive to conduct honest interaction with employees, either directly or through representatives, and to create a free and lively corporate culture with a pioneer spirit by pursuing new ideas and continuous innovation.

Each employee is expected to establish and maintain a positive workplace in which people respect each other's humanity, without discrimination or harassment, and which promotes open communication.

5. For Shareholders and Investors

Ajinomoto Group companies shall use their best efforts to conduct sound management practice, to return appropriate profits to shareholders and to increase corporate value.

The Ajinomoto Group will use its best efforts to disclose information having a substantial effect on corporate performance and other operations in a timely and proper manner in order to allow shareholders and investors to make informed decisions. In addition, the Ajinomoto Group seeks to deal fairly and honestly with shareholders and investors.

We handle non-public information obtained in the course of business carefully. We do not engage in insider trading, which is the buying or selling of corporate shares or other securities using such information for one's own benefit or the benefit of a third party.

6. Fair and Transparent Transactions

We constantly strive to dedicate ourselves to fairness and transparency in all our transactions and maintain fair business practices, recognizing our counterparties as business partners.

We endeavor to recognize fully and comply with laws and regulations concerning competition in all countries in which we operate as part of the globally active Ajinomoto Group.

We make decisions on business partners by fairly comparing and evaluating terms such as price, quality and service when selecting subcontractors and suppliers of raw materials, products or services.

We attempt, together with our subcontractors and suppliers of raw materials, products and services, to fulfill our social responsibilities including environmental preservation and protection of human rights.

We comply with all laws prohibiting illegal political contribution or inappropriate payments or gifts to public servants and we work to maintain sound and normal relations with politics and government.

We endeavor not to have relationships with any anti-social influence or organization that poses a threat to the order or safety of civil society.

7. Protection and Management of Company Assets and Information

We seek to protect strictly and manage confidential information and tangible and intangible company assets, including intellectual property rights.

We endeavor to respect the legitimate intellectual property rights of third parties.

Organizational Governance

Increasing Corporate Value through Responsible Management



Corporate governance is a vital element of business management. Good corporate governance ensures that organizations are held responsible for their decisions and the impact of their activities. It helps them to integrate social responsibility into everything they do.

Corporate governance is the bedrock of the Ajinomoto Group's efforts to help build a more sustainable world. The Group has built a robust corporate governance system and pursues ethical, responsible management with great transparency. It understands that strong, careful corporate governance improves corporate value. Group companies worldwide not only comply with all applicable laws and regulations, but also follow the Ajinomoto Group Standards of Business Conduct.

The Ajinomoto Group has spelled out the essence of its social responsibility in the Ajinomoto Group Philosophy. Determined to deliver, the Group is keenly focused on social contribution, one of the four commitments of the Ajinomoto Group Way (see pp. 1 and 35). The Ajinomoto Group also stays in constant dialogue with internal and external stakeholders, ensuring that its initiatives are precisely targeted to meet the expectations of society.

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- P38 Compliance Framework**
 - Adhering to the Ajinomoto Group Standards of Business Conduct
 - Business Conduct Committee promotes compliance
 - Compliance education for employees
 - Information security
- P41 CSR Management**
 - CSR implementation structure
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Corporate Governance

For Ajinomoto Co., Inc., strong corporate governance is a top priority, both for improving competitiveness and for establishing a positive presence in society. The company is creating an effective system of business execution and supervision that incorporates global best practices and retains the positive aspects of Japanese-style management. Emphasizing group-wide management and efforts to strengthen business competitiveness, this system is strategically designed to increase corporate value.

Corporate governance system

Board of Directors and Management Committee

The Board of Directors of Ajinomoto Co., Inc. is the highest decision-making body within the management structure. The board makes decisions on matters relating to laws and ordinances and the company's by-laws as well as other important matters, and supervises the work of the directors and corporate executive officers.

The Management Committee is comprised of senior executive officers who are also directors. The committee deliberates on basic policies regarding management of the company and makes decisions on important matters regarding business execution.

The business management organizations are divided into corporate, operational, and production groups. Each group is under the direction and supervision of a responsible executive officer and focused on its particular area of operations.

Auditing and supervision

Outside directors have been appointed to supervise business execution from a neutral, independent standpoint. In addition, the Internal Auditing Department follows internal auditing rules and implements planned operational audits of the company as well as management and operational audits of group companies.

Corporate audits are conducted by five appointed corporate auditors, three of whom are outside auditors. The Board of Corporate Auditors conducts a preliminary review of the agenda of the Board of Directors, in addition to discussing and sharing its opinions on the status and results of the activities of each corporate auditor.

Nominations and compensation

Ajinomoto Co., Inc. has established advisory committees on executive appointments and compensation to strengthen transparency and objectivity. Each committee, composed of several directors including outside directors, discusses and advises the Board of Directors on appointment plans and compensation of candidates.

Internal controls

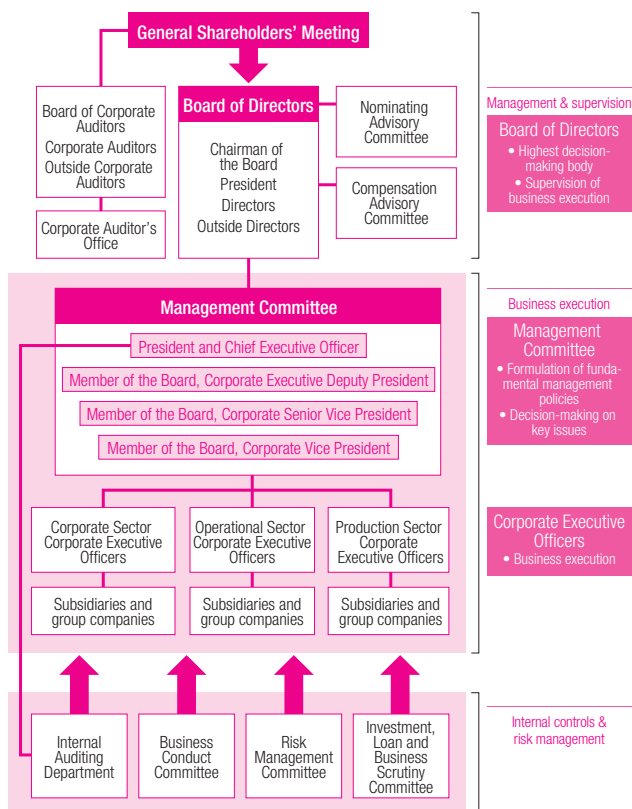
Ajinomoto Co., Inc. has established a group-wide internal control system for financial reporting in accordance with Japan's Financial Instruments and Exchange Act and regularly reviews and seeks to improve its performance. The company identifies potential risks by analyzing business processes and establishes internal controls for each critical risk. Continuous monitoring helps the company to maintain a sound internal control system.

Using this system, the company has been assessing the effectiveness of its internal controls through operating tests, mainly conducted by the Internal Control Assessment Group of the Internal Auditing Department at Ajinomoto Co., Inc., which is independent from the company's day-to-day operations. These assessments of internal controls have also been audited by Ernst & Young ShinNihon LLC.

The assessments conducted in fiscal 2012 verified the effectiveness of the Ajinomoto Group's internal controls as of the end of the fiscal year.

These activities demonstrate the company's commitment to fulfilling its corporate social responsibility to maintain effective internal controls and ensure the reliability of financial reporting.

Corporate governance organization



Managing risk and creating a new enterprise continuity plan

The Ajinomoto Group established its Risk Management Committee in 2002 to carry out comprehensive risk management. The committee plans crisis response measures for dealing with accidents and incidents both in and outside Japan and identifies risks in advance in order to avert a crisis.

In fiscal 2012, the Group reorganized its emergency safety framework for local subsidiaries in Africa, where risks are particularly high, in view of a number of incidents outside Japan that had given rise to serious security concerns, including the terrorist incident at an Algerian gas plant. In fiscal 2013, the Group will strengthen risk management operations and promote responses to key company-wide risks.

Moreover, responding to the Great East Japan Earthquake in 2011, the Ajinomoto Group is formulating an Enterprise Continuity Plan (ECP), revising its previous Business Continuity

Plan (BCP) to incorporate a stronger emphasis on preserving human life and helping afflicted local communities. In fiscal 2012, group companies in Japan formulated their own ECPs for a major earthquake scenario. They formulated plans for the business recovery stage, which is the third stage following an emergency after ensuring human safety and supporting immediate recovery.

The Ajinomoto Group also worked to ensure full awareness among employees by producing and distributing an ECP pocket manual. ECP trainings were also partially implemented during disaster drills, and the Group will keep enhancing the content in the future. In fiscal 2013, the entire Group will promote the formulation of an ECP for a pandemic scenario.

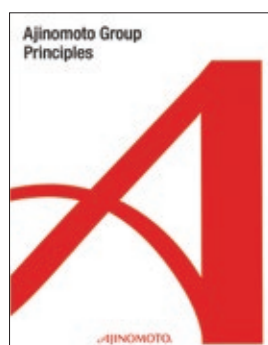
Reference See "Preparing for natural disasters and protecting human life" on p. 67.

Compliance Framework

The Ajinomoto Group requires not only that all managers and employees comply with the law but also that they adhere to the Ajinomoto Group Standards of Business Conduct. With the aim of becoming a "genuine global company," the Group will work to further consolidate the framework which undergirds all of its compliance efforts.

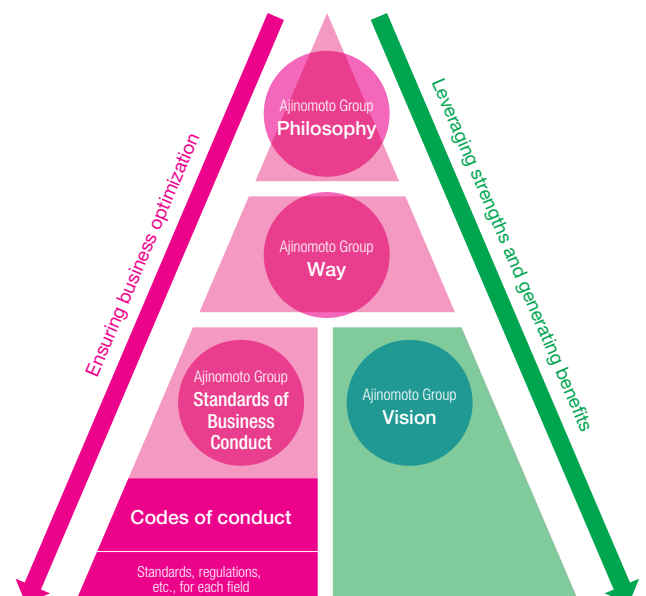
Adhering to the Ajinomoto Group Standards of Business Conduct

The Ajinomoto Group Standards of Business Conduct define model conduct that all managers and employees must understand and endeavor to practice every day in order to implement the Ajinomoto Group Philosophy in accordance with the shared values set out in the Ajinomoto Group Way. The Group is working to ensure full awareness of the standards among managers and employees at group companies both in and outside Japan. The Business Conduct Committee also checks various initiatives and corporate activities.



Brochure on the Ajinomoto Group Principles

Ajinomoto Group Principles and the Group Vision



Link Ajinomoto Group Standards of Business Conduct
<http://www.ajinomoto.com/en/aboutus/vision/group/>

Reference See "Ajinomoto Group Standards of Business Conduct" on p. 35.

Business Conduct Committee promotes compliance

In May 1997, Ajinomoto Co., Inc. established the Business Conduct Committee, giving it the tasks of ensuring that all personnel are well informed of the Ajinomoto Group Standards of Business Conduct and verifying that business activities are compliant with the standards. The main group companies in Japan have also set up business conduct committees focusing on their own unique issues.

One of the key issues for the committee is information security enhancement, which has become increasingly important in recent years. It regularly verifies information manage-

ment in the workplace and is working to enhance the security of mobile phones and other information devices. It also offers educational programs, including training and seminars on problems concerning harassment and a diversifying workforce.

The main group companies outside of Japan have also set up business conduct committees. They are taking steps to increase employee awareness of the Ajinomoto Group Standards of Business Conduct as well as their own codes of conduct, which are formulated with respect for the culture and characteristics of each particular country.

Role of the Business Conduct Committee



Worksite review meetings on Ajinomoto Group Standards of Business Conduct

Members of the Business Conduct Committee have been visiting worksites at Ajinomoto Co., Inc. every year since 1998 to hold worksite review meetings on the Ajinomoto Group Standards of Business Conduct. At these meetings, they hear about issues concerning compliance in the worksite directly from employees. In fiscal 2012, 339 employees took part in a total of 30 meetings. Themes raised at the meetings which need to be tackled at a company-wide level are discussed by the Business Conduct Committee and reflected in specific activities. The content of these worksite review meetings is posted on the intranet, enabling all employees to stay informed.

Similar worksite review meetings are also held at group companies in Japan.



Questionnaire on awareness of Ajinomoto Group Principles (AGP)

Every year in November, Ajinomoto Co., Inc. and its group companies in Japan conduct an anonymous AGP Questionnaire to monitor understanding and implementation of AGP and check for compliance issues. The results of the questionnaires are reported to the Business Conduct Committee and made available to all employees on the intranet.

Whistleblower hotline and harassment advisory service

Ajinomoto Co., Inc. and its main group companies in Japan have established a whistleblower hotline, which serves as the centerpiece of the internal reporting system. The hotline enables anyone, including support workers from third-party companies, to make reports or seek advice by telephone, e-mail, facsimile, letters or other communication methods. The Hotline Operation Rules clearly state that the privacy of personnel using the hotline is guaranteed and that users will not be subject to any form of adverse treatment as a result of their reports. Ajinomoto Co., Inc. uses the intranet and posters to make employees fully aware that there are no adverse consequences for using the hotline.

Ajinomoto Co., Inc. has also assigned in-house staff to a harassment advisory service to complement the dedicated service it has outside the company. The company makes employees fully aware of these options through the intranet and by distributing cards that show how to use them.

Reference See "Increasing employee awareness of human rights" on p. 51.

Compliance education for employees

The Ajinomoto Group is improving its education and training to ensure that employees are thoroughly aware of the Ajinomoto Group Standards of Business Conduct. Information is distributed through manuals, posters, and the Group's intranet. In fiscal 2011, the standards were translated into Arabic, Turkish,

Bengali, and Khmer to match the Group's recent expansion into emerging markets, and now they are available in 14 languages. The Ajinomoto Group also offers worksite and department-specific compliance training both in and outside Japan.



Poster to promote awareness of the Ajinomoto Group Standards of Business Conduct (Japanese version)



An originally designed poster to promote the Code of Conduct at Ajinomoto Vietnam Co., Ltd.



Employees' computers show 36 different conduct reminder startup screens.

Compliance training in fiscal 2012

Training	Participants	Content
Compliance training	Line managers at group companies	Compliance relating to labor, legal affairs, quality and information management, and intellectual property (6 sessions)
Legal compliance training	Sales staff from the companies of the Ajinomoto Group in Japan	Act on the Protection of Personal Information and consumer promotion
Labor seminar	Human resources staff from Ajinomoto Co., Inc. and group companies in Japan	Labor risk management and compliance, labor management, legal background (basic and advanced training)
Compliance training	Seconded Japanese staff and Thai line managers at Ajinomoto Vietnam Co., Ltd.	Ajinomoto Group Principles and fraud risk management
Risk management training	Managers at Ajinomoto Vietnam Co., Ltd.	Basic knowledge and practical training in risk management

Information security

Guided by the Ajinomoto Group Information Security Policy, the Ajinomoto Group ensures information security by providing employee education to foster full knowledge of regulations and standards. The Group also restricts equipment use to prevent leaks of company data, keeps records of company database access, and monitors for attempts at unauthorized access from the outside. A system has also been implemented to quickly detect and shut down any external attacks on the Group's websites.

In fiscal 2012, Ajinomoto Co., Inc. created an information security inspection sheet, checked the status of security control at all worksites and identified priority issues based on the results. The company ran a total of six training sessions on information security for line managers at group companies in Japan, attended by 367 people. It also held an information security comprehension test via e-learning for all employees of Ajinomoto Co., Inc., including managers, employees, contract

employees, temporary agency employees who handle information and part-time employees.

In January 2013, the Ajinomoto Group Website Guidelines were formulated to strengthen the management of the Group's entire website system.

Going forward, the Group will work hard to further improve security levels at all group companies both in and outside Japan.

Reference See "Rigorous management of personal information" on p. 107.

Link The Ajinomoto Group Information Security Policy
<http://www.ajinomoto.com/en/aboutus/vision/securitypolicy/index.html>

CSR Management

The Ajinomoto Group sees realizing the Ajinomoto Group Philosophy as a key part of its responsibility to society. By adding the concept “Working for Life” to the Ajinomoto Group Philosophy in 2009 on the occasion of its 100th anniversary, the Group declared its aspiration to respect all living creatures and the environment of the planet that supports them, and is unified in its efforts to realize this philosophy.

CSR implementation structure

Overseeing the Group’s efforts, the CSR Department at Ajinomoto Co., Inc. provides information on the Group’s CSR initiatives and offers support for specific initiatives by individual organizations. The company holds regular liaison meetings with CSR staff from the main group companies in Japan to ensure more united efforts on CSR activities, including assistance for reconstruction after the Great East Japan Earthquake. The company also liaises as appropriate with CSR staff at the main subsidiaries outside Japan to coordinate initiatives.

With respect to the core CSR priorities of environment, safety, and quality, the company has implemented various

management systems, including ISO and the occupational health and safety assessment series (OHSAS). Its efforts are based on the company’s Environmental Regulations, Disaster Prevention and Safety Management Regulations, and Quality Assurance Regulations. The Ajinomoto Group maintains systems like these and seeks to integrate their operations.

Cross-organizational monthly meetings are also held to promote active communication in and outside the company, concerning the Group’s CSR initiatives.

Systematically examining CSR materiality

The Ajinomoto Group is convinced that practicing the Ajinomoto Group Philosophy will help to solve three social challenges facing humankind in the 21st century: global sustainability, food resources, and healthy living.

Seeking to further clarify its initiatives to address these three social challenges, in fiscal 2010 relevant staff from the business and R&D divisions gathered for an interdepartmental workshop to consider the Group’s future course and identify the materiality for the Ajinomoto Group. The issues to be addressed and the course of action were confirmed after dialogue with outside experts. Reflecting these activities, the FY2011–2013 Medium-Term Management Plan defined the contributions made to solving the three challenges by the Ajinomoto Group through its business activities and announced specific initiatives.

The Group is taking steps to put its social contributions through business activities on an even firmer footing in the FY2014–2016 Medium-Term Management Plan. Surveys will be conducted in each business division in fiscal 2013 to identify the social issues that each division should address under the next plan as well as how their business activities will contribute. The Group will also quantify progress and practice the PDCA cycle to strengthen communication both inside and outside the company.

The Group had already implemented ISO 9001 and ISO 14001 management systems as well as the Ajinomoto Group Standards of Business Conduct to ensure business optimization and contribution to sustainability. Looking to confirm whether its steps were meeting the current requirements of the global community, the Group reexamined its initiatives against ISO 26000 in fiscal 2012, which highlighted some new opportunities for improvement. While continuing to use its existing management systems, the Group will also utilize ISO 26000 in a

complementary fashion. Relevant departments will consider which matters and social issues need to be addressed in light of ISO 26000.

The Group will also hold theme-based dialogues with stakeholders to deepen its understanding of what society expects.

Working with stakeholders to create a sustainable future

The Ajinomoto Group recognizes the importance of hearing diverse opinions, providing information at events, and engaging in direct dialogue with stakeholders. Activities like these enable the Group to adjust its course to better meet the expectations of society, and they have been built into the decision-making process for CSR implementation.

The Ajinomoto Group Standards of Business Conduct also mandate that every stakeholder group be treated with respect. Accordingly, the Group has a basic policy for managing and providing appropriate information to customers, the public, as well as investors and shareholders.

Reference See “Engaging the Public to Envision a Healthier Future” on p. 29.

Reference See “Second Ajinomoto Group Sustainability Forum” on p. 108.

Link Ajinomoto Group Sustainability Forum
<http://www.ajinomoto.com/en/activity/forum/>



Ethical and Honest Practices

The prerequisite for a stable, sustainable world is ethical conduct in every business relationship and a commitment to transparency. The Ajinomoto Group, which conducts transactions worldwide in a vast value chain, takes these responsibilities seriously.

For the Ajinomoto Group, fair business practices means more than just complying with the applicable laws worldwide. The Ajinomoto Group Standards of Business Conduct incorporate the principles of the UN Global Compact as their basic approach. Based on these standards, group companies around the world have also established their own codes of conduct, which provide examples of model conduct for the circumstances of each country.

The Ajinomoto Group uses this two-tiered system to ensure fair business practices in all of its activities worldwide, pursuing CSR procurement, complete anti-corruption measures, fair competition, and respect for intellectual property rights.

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 - Cooperating with suppliers on CSR procurement
 - Ensuring sustainable procurement of critical raw materials
- P46 Ensuring Fair Competition**
- P46 Preventing Corruption**
- P46 Protecting and Properly Using Intellectual Property**

Ajinomoto Codes of Conduct (excerpt)

6. Code of conduct concerning fair and transparent transactions

- 6.1 Compliance with antitrust laws, etc. ▶P46
- 6.2 Fair purchasing transactions
- 6.3 Social responsibilities in purchasing transactions
- 6.4 Reasonable socialization and courtesies with internal and external affiliated parties and business partners ▶P46
- 6.5 Prohibition of inappropriate payments or gifts to public servants ▶P46
- 6.6 Elimination of relations with anti-social forces
- 6.7 Management of exports and imports

7. Code of conduct concerning protection and management of company assets and information

- 7.1 Management of company assets
- 7.2 Management of information
- 7.3 Protection of intellectual property rights

Note: The Ajinomoto Codes of Conduct has been established in line with the Ajinomoto Group Standards of Business Conduct. Likewise, the group companies have established their own codes of conduct and follow both the group standards and their own code.

Pursuing CSR Procurement

The Ajinomoto Group has suppliers in practically every corner of the globe. The Group seeks to take responsibility for environmental and social performance on issues such as human rights and labor safety across raw material-producing regions and the supply chain. This is the key to securing sustainable, stable procurement now and in the future. The Ajinomoto Group is committed to working closely with supply chain stakeholders to ensure that its procurement is socially responsible.

Cooperating with suppliers on CSR procurement

Formulation of Supplier CSR Guidelines

The Ajinomoto Group Basic Purchasing Policy was established in fiscal 2006. It calls for CSR to be practiced as part of transactions, and requires suppliers and other business partners to take their own CSR measures. By formulating CSR guidelines for suppliers as well as policies and guidelines for the sustainable procurement of agricultural, livestock, and fisheries products, the Group will ensure more effective implementation of socially responsible procurement across its supply chain.

Ajinomoto Co., Inc. had already formulated CSR guidelines for suppliers in fiscal 2013, detailing its expectations for suppliers to carry out socially responsible procurement under the Ajinomoto Group Basic Purchasing Policy. The guidelines encourage suppliers to institute improvements on their own accord, and promote a common set of values and objectives for social responsibility between the company and its suppliers. These actions will build trust with communities by working in concert to enable the company and its suppliers to learn and grow together.

In fiscal 2013, the Group Procurement Center of Ajinomoto Co. Inc. is conducting a self-assessment questionnaire (SAQ) on social responsibility for direct suppliers of the company. The SAQ enables suppliers to check for issues that may exist at their companies with regard to social responsibility. Based on risks to

socially responsible procurement to be identified in its supply chain, Ajinomoto Co. Inc. will ask suppliers to address problem areas and provide assistance where needed.

In fiscal 2014 and beyond, the company will expand the guidelines and SAQ to encompass group companies in and outside Japan, so that they can assess their suppliers.

Formulation of policies and guidelines for sustainable procurement of agricultural, livestock, and fisheries products

Committed to sustainable practices that benefit local communities and economies, the Ajinomoto Group is systematically preparing policies and guidelines for the sustainable procurement of agricultural, livestock, and fisheries products. The Group is committed to working with raw material producers and suppliers to identify risks that impact ecosystem services in the manufacturing processes for ingredients used in products, and to identify social issues in the supply chain.

The Group has already formulated an Ajinomoto Group Biodiversity Policy and Action Agenda and Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper. Moving forward, it will continue to work on specific procurement policies and action plans for important raw materials to ensure sustainable procurement.

Guidelines relating to CSR procurement

Ajinomoto Group Principles (AGP)					
Ajinomoto Group Standards of Business Conduct		Ajinomoto Group Philosophy		Ajinomoto Group Vision	
Ajinomoto Group Environmental Philosophy and Basic Environmental Policies	Quality Policies	Ajinomoto Group “Disaster Prevention” and “Occupational Health and Safety”Philosophy/Policies	Security Policy	Ajinomoto Human Resource Values	Ajinomoto Group CSR Vision
Ajinomoto Group Basic Purchasing Policy					
Supplier CSR Guidelines Learning and growing together			Policies and guidelines for sustainable procurement of agricultural, livestock, and fisheries products		
<ul style="list-style-type: none">▶ Documents supplier expectations for social responsibility▶ Divided into sections on human rights, labor safety, the environment, and compliance, in accordance with the AGP, UN Global Compact, and ISO 26000▶ Advises suppliers to pursue, in line with the guidelines, initiatives for social responsibility on their own accord, and to extend such initiatives upstream in their supply chain, thus ensuring CSR initiatives are taken across the supply chain of the Ajinomoto Group			<ul style="list-style-type: none">▶ Systematic formulation of principles and policies for sustainable procurement, by type of raw material <div><div>Ajinomoto Group Biodiversity Policy and Action Agenda</div><div>Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper</div></div>		
Reference	See “Considering human rights in business activities” on p. 50.				
Link	Ajinomoto Group Basic Purchasing Policy http://www.ajinomoto.com/en/aboutus/vision/purchase/				
Link	Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper http://www.ajinomoto.com/en/activity/environment/pdf/2012/environ_responsible_paper_en_201201.pdf				
Link	Ajinomoto Group Biodiversity Policy and Action Agenda http://www.ajinomoto.com/en/activity/environment/biodiversity-agenda/				

Ensuring sustainable procurement of critical raw materials

The Ajinomoto Group depends on natural resources and practices sustainable procurement of key raw materials. The Group chooses effective approaches based on the circumstances of each type of raw material.

Palm oil and paper are extensively used by industry. Procurement of these resources must be critically evaluated in order to conserve forest ecosystems, which significantly affect the global environment. Global certification schemes and initiatives for palm oil and paper¹ exist to establish sustainable social systems for production and consumption of these resources. The Ajinomoto Group is working with various stakeholders to incorporate these certifications and initiatives into its supply chain. Furthermore, Ajinomoto General Foods, Inc. has begun sourcing certified coffee beans based on internal policies for sustainable procurement.

The Ajinomoto Group is taking steps to achieve sustainable procurement of items such as raw materials for fermentation, skipjack, and shrimp. Since these items are procured through arrangements that are specific to the Group, it is possible for the Group and its suppliers to jointly create value across the supply chain. For example, Ajinomoto Frozen Foods Co., Inc. specifies that ecosystem factors be considered for procurement of shrimp, which is one of the major ingredients used by the company.

Population growth has led to scarcity of fresh water in many places worldwide, while the increase in extreme weather events has led to unusually serious damage from drought, flooding and

other disasters. The Ajinomoto Group is carefully studying the escalating water resource risks as a business continuity issue.

The Ajinomoto Group will continue to work globally to ensure sustainable procurement of the diverse raw materials that are so vital to its business.

1 Roundtable on Sustainable Palm Oil (RSPO) for palm oil and Forest Stewardship Council (FSC) for paper.



Participating in the RSPO to help ensure sustainable procurement of palm oil

Palm oil is used for various purposes such as food and specialty chemical products. With a global annual production of more than 50 million tonnes, it is the world's most abundantly produced vegetable oil. Production of this oil has been increasing year by year to meet food demand from the growing global population, and as an alternative to fossil fuel resources such as petroleum. As the oil palm is a tropical plant, about 85% of the world's production comes from Indonesia and Malaysia. While the importance of palm oil expands globally, environmental and social problems arising from its production have also emerged. These include the cutting down of tropical rainforests and the loss of wetland ecosystems to make room for new oil palm plantations, the reduction of wildlife habitat, the creation of severe working conditions, infringement of human rights, and impact on traditional lifestyles.

The RSPO² was established to address these issues, and is promoting the sustainable production and use of palm oil by providing certification standards that are trusted globally. Palm oil that meets the RSPO standards is called Certified Sustainable Palm Oil (CSPO). Although the production of CSPO is growing slowly, it still only accounts for 10–15% of total global production. Proactive measures need to be taken by all stakeholders involved in the production and use of palm oil.

The Ajinomoto Group also procures and uses palm oil for the production of food and specialty chemical products. As a user of approximately 3,000 tonnes of palm oil and related raw materials each year, Ajinomoto Co., Inc. joined the RSPO in August 2012 to participate in the global movement to mainstream CSPO. The company has been shaping a roadmap for introducing sustainable palm oil and acquiring supply chain certification. A group company, J-OIL MILLS, INC., has been a member of the RSPO since November 2011 and is now preparing to switch to CSPO.

2 A non-profit organization whose purpose is to promote the production and use of sustainable palm oil by developing certification standards that are trusted globally and ensuring the participation of stakeholders. It is operated cooperatively by the seven groups involved in the palm oil industry: growers, processors and traders, consumer goods manufacturers, retailers, banks/investors, environmental NGOs, and social NGOs.



A plantation of oil palms

Discussion of stakeholders at the RSPO's 10th Annual Roundtable Meeting, October 30–November 1, 2012

Sustainable procurement of coffee beans

Coffee beans are grown in regions that are rich in biodiversity and are largely sourced from small coffee farmers. In January 2013, Ajinomoto General Foods, Inc. and its group companies participated in a meeting of the Common Code for the Coffee Community (4C Association).¹ This international non-profit encourages sustainable coffee production and distribution, seeking to improve the environment for coffee farming and the lives of coffee farmers. Ajinomoto General Foods, Inc. and its group companies also support Rainforest Alliance certification,² and they procure coffee beans produced at farms adhering to standards such as these.

¹ Sets standards to support coffee growers in taking the critical first step to implementing sustainable practices in coffee production and processing.

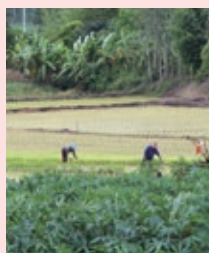
² Works to protect forests, rivers, wildlife habitats, workers and their families, and the rights and welfare of cooperatives, through certification of coffee farms.



Surveying agricultural sites and processing plants for amino acids

In July 2012, Ajinomoto Co., Inc. surveyed sites in Thailand and Vietnam where cassava and tapioca (a starch extracted from cassava), which are raw materials used for amino acid fermentation, are produced. The survey covered the entire situation of this crop, including economic, environmental, and social aspects such as labor conditions.

Employees from procurement and environmental/CSR departments together with staff from local subsidiaries and outside experts conducted the survey. Not only focusing on risks to stable procurement, they sought to better understanding the general situation by identifying factors vital to the sustainable development of stakeholders in the supply chain and local communities. They visited cassava farmers and tapioca starch processing plants, interviewed farmers and asked community leaders and industry officials for input. Their findings are being used to formulate a plan of action to create shared value with supply chain stakeholders.



Field survey at a cassava farm



Cassava root, which is used as a raw material for amino acid fermentation

Joint Tagging Survey of Skipjack off the Pacific Coast of Japan

Skipjack is the main ingredient in *HONDASHI*, a key product for Ajinomoto Co., Inc. in Japan. Since fiscal 2009, the company has operated the Joint Tagging Survey of Skipjack off the Pacific Coast of Japan with the National Research Institute of Far Seas Fisheries. Not only tracking skipjack migratory routes, data on water depths and temperatures are also kept, a world first. Analysis of this data will build scientific knowledge and improve understanding of skipjack stocks and ecology, as well as improve international management of skipjack stocks. In fiscal 2012, the project began using advanced electronic tags to obtain detailed data on skipjack migration over about 500 days, and it will continue collecting data in fiscal 2013.



Reference See "Joint Tagging Survey of Skipjack off the Pacific Coast of Japan" on p. 22.

Simplified risk surveys for water resources

The Ajinomoto Group is concerned about water resources and strives to use less water in manufacturing processes and practice comprehensive wastewater quality management. As a major user of agricultural raw materials, the Group is fully committed to weighing issues and risks associated with water resources in regions where agricultural raw materials are produced and is taking proper steps at Group plants.

In fiscal 2012, the Group launched a survey of water resource risks in the production of agricultural raw materials for its products. The survey, conducted in regions where the Group operates, used a simplified analysis of risks supported by outside experts, using natural capital metrics developed by Trucost Plc as a reference.

The survey confirmed that there are no immediate water resource risks in the production of key raw materials. Moving forward, the Group will expand the survey scope to cover more products and identify risks in further detail.

Reference See "Considering human rights in business activities" on p. 50.

Reference See "Conserving Ecosystems and Biodiversity" on p. 78.

Reference See "Conserving Water Resources" on p. 92.

Ensuring Fair Competition

The Ajinomoto Group Standards of Business Conduct ensure fair and transparent business transactions and require employees worldwide to practice full compliance with competition law. The group companies have established their own specific Codes of Conduct based on these standards. In Japan, the Group has also implemented guidelines for compliance with antitrust law, which are based on its Standards of Business Conduct and Codes of Conduct.

Under the Ajinomoto Group Basic Purchasing Policy, the Group requests suppliers and other business partners to comply with laws and regulations, and issues especially strict cautions with regard to acts such as inhibiting free competition by fixing prices.

Raising employee awareness

Group companies regularly conduct employee education on antitrust law. In fiscal 2012, the Group revised its guidelines for compliance with United States antitrust law and European Union competition law, and distributed revised guidelines for some 20 international group companies. In fiscal 2013, the Group will conduct education on antitrust law for sales staff in Japan and procurement staff at group companies outside Japan.

Ajinomoto Codes of Conduct (excerpt)

6.1 Compliance with antitrust laws, etc.

- 6.1.1. The company endeavors to comply with antitrust laws, competition laws and other laws and ordinances intended to ensure fair competition in each country in which the company transacts business, as well as the related internal guidelines, and to promote free and fair business activities.
- 6.1.2. The company pursues policies to ensure it does not jointly arrange prices or sales/production volume, etc., with competitors or engage in behavior to limit competition (including participating in cartels) or bid-rigging.
- 6.1.3. The company pursues policies to ensure it does not use unfair means, either alone or with other parties, to eliminate competitors from or block their entry into the market.

Preventing Corruption

Bribery and corruption not only destroy trust in a company, but can also hinder the development of a region by inviting human rights violations, poverty, and environmental destruction. The Ajinomoto Group strives to prevent bribery and corruption by implementing the Ajinomoto Group Standards of Business Conduct and the codes of conduct of each group company.

Ajinomoto Codes of Conduct (excerpt)

6.4 Reasonable socialization and courtesies with internal and external affiliated parties and business partners

- 6.4.1. The company encourages its officers and employees to act with good judgment regarding gifts, entertainment and other business-related customs and courtesies.
- 6.4.2. The company pursues policies prohibiting officers and employees from engaging in conduct such as offering inappropriate gifts, entertainment or money to customers or suppliers for the purpose of building or maintaining business relationships.
- 6.4.3. The company pursues policies prohibiting officers and employees from engaging in conduct such as asking suppliers for gifts, entertainment or money for our personal benefit.

6.5 Prohibition of inappropriate payments or gifts to public servants

- 6.5.1. The company pursues policies to prohibit its officers and employees from providing gifts, entertainment, money or other benefits that could be considered bribes to public or quasi-public officials.
- 6.5.2. The company pursues policies to prohibit its officers and employees from providing gifts, entertainment, money or other benefits to foreign public or quasi-public officials in order to obtain unfair business advantages related to international commercial transactions.

Protecting and Properly Using Intellectual Property

The Ajinomoto Group recognizes that intellectual property is an important asset. Along with ensuring its proper use, the Group takes special care not to infringe upon the intellectual property rights of others. The Group has also established an invention compensation program that rewards employee inventors.

Trademark education

The Ajinomoto Group's rules for the display of trademarks are published in 14 languages for group companies worldwide to observe. They serve both to enhance employee appreciation of trademarks and prevent the *AJI-NO-MOTO*® trademark from being used as a generic term. Trademark seminars are also conducted at group companies worldwide to give employees basic knowledge on trademarks and the rules for displaying trademarks such as *AJI-NO-MOTO*®.

In fiscal 2012, trademark seminars were conducted in Japan and at local subsidiaries in the ASEAN region (Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam) and South America (Brazil and Peru) for 502 employees.

Trademark seminar conducted for employees of AJINOMOTO PHILIPPINES CORPORATION



Highlight

Ajinomoto Co., Inc. wins Intellectual Property Achievement Award

Ajinomoto Co., Inc. was cited by the Minister of Economy, Trade and Industry (METI) and Japan Patent Office for outstanding use of the Industrial Property Rights System,¹ receiving a METI Minister's Award under the 25th Intellectual Property Achievement Awards. The award recognizes the company's achievements in trademark education for brand protection, and its efforts to enhance brand value through cutting-edge marketing. These efforts include the adoption of a global communication symbol for foods (with trademarks filed in 132 countries) and acquisition of naming rights for AJINOMOTO STADIUM, which is a first for a public facility in Japan.

Treating its brands as valuable business assets, the Ajinomoto Group will continue to make the most of its trademarks to increase brand value worldwide.

¹ Collectively refers to Japan's system of patent rights, utility model rights, design rights, and trademark rights.

Global communication symbol used for food products worldwide



Masako® flavor seasoning for Indonesia market



Intellectual Property Achievement Award Ceremony

Compensation for inventions

Ajinomoto Co., Inc. and its group companies strive to contribute to human health globally by continually creating unique value that benefits customers. The company is working to protect and effectively utilize intellectual property rights, including original technologies, content, and brands, in order to strengthen its technological expertise. The company pays compensation

for patent applications when employee inventions are transferred to the company, and for patent registrations when inventions are registered. It also pays performance-based compensation when inventions are implemented by the company. Most group companies that produce inventions have implemented similar programs.

Respecting the Rights of Everyone Our Business Touches



Although it is widely recognized that companies have a responsibility to respect the basic human rights of all people, in 2011 the United Nations endorsed the Guiding Principles on Business and Human Rights,² renewing awareness of the issue. In response, the Ajinomoto Group is stepping up its efforts to ensure that it is in no way infringing on human rights, even indirectly or unintentionally.

“Working for Life,” the aim of the Ajinomoto Group Philosophy, and “Value People,” part of the Ajinomoto Group Way, are both based on the Group’s concept that respect for human rights must be the foundation of its corporate activities. The Group also supports freedom of association and collective bargaining, the elimination of discrimination, forced or compulsory labor, and child labor per the International Labour Organization (ILO) and the Universal Declaration of Human Rights. In the Ajinomoto Group Standards of Business Conduct, the Group declares its support for the UN Global Compact. Each group company also has a code of conduct calling for compliance with the laws and regulations of that specific country or region and respect for the local cultures and customs. Discrimination on the basis of race, ethnicity, nationality, religion, creed, place of origin, sex, age, or physical disability is prohibited.

At the same time, the Ajinomoto Group recognizes that it must make further efforts in ascertaining its situation with regard to a wide range of human rights issues of social concern, and its specific response activities. The world is faced with the issues of climate change, biodiversity, natural disasters, and other challenges relating to global sustainability. There are also food resource shortages due to drought, and the worsening of health issues due to poverty. Threats to the basic human right to life may also be on the rise. The Ajinomoto Group recognizes these as social challenges facing humankind in the 21st century. By helping to resolve these issues through its business activities, the Group can also help protect human rights.

In order to help solve various human rights issues, the Ajinomoto Group intends to stay in dialogue with stakeholders in and outside the company. It will pursue initiatives based on their suggestions for addressing human rights issues from an even broader perspective.

2 Prepared by John Ruggie, Special Representative of the United Nations Secretary-General on business and human rights

Contents

P49 Working to Identify Human Rights Issues and Deepen Awareness

- Holding internal fact-finding surveys
- Understanding global human rights issues through dialogue with experts
- Considering human rights in business activities

P51 Human Rights Initiatives at Workplaces

- Human rights in employment
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Working to Identify Human Rights Issues and Deepen Awareness

The Ajinomoto Group strives to “Value People” as stated in the Ajinomoto Group Way, while “Working for Life,” the aim of the Ajinomoto Group Philosophy. The Group also works to protect human rights based on the Ajinomoto Group Standards of Business Conduct and codes of conduct of each group company. The Group also has been working on specific measures to respond to the wide range of human rights issues that society now expects global companies to address, and is launching new initiatives to better meet social expectations.

Holding internal fact-finding surveys

Ajinomoto Co., Inc. has always expected all of its divisions to respect human rights in accordance with the Ajinomoto Group Standards of Business Conduct and the Ajinomoto Codes of Conduct. Today, the company is taking steps to deepen the understanding of staff in each division about the wide-ranging human rights issues that a global corporation is expected to address. It is also actively assessing the current state of the Group’s human rights initiatives. One method it uses is surveys,

and every division was surveyed between April and May 2012 using self-assessment sheets based on ISO 26000. The results confirmed that there are currently no serious problems.

Meanwhile, in fiscal 2013, the company began a detailed study on revising the Ajinomoto Group Standards of Business Conduct and the Ajinomoto Codes of Conduct to address more fully the global human rights issues society now expects it to address.

Understanding global human rights issues through dialogue with experts

The Ajinomoto Group engages in dialogue with external stakeholders in order to shape its human rights initiatives appropriately by basing them on a solid understanding of diverse contexts around the world.

Ajinomoto Co., Inc. arranged a dialogue with the Danish Institute for Human Rights (DIHR) in July 2012. In October, a

visit was made to the Institute for Human Rights and Business (IHRB) to seek advice on human rights due diligence and specific cases. Based on these consultations, the Ajinomoto Group was able to clarify the relevant human rights issues and check and upgrade its own efforts.

Highlight

Identifying global human rights issues through dialogue

Ajinomoto Co., Inc. arranged a dialogue with DIHR in July 2012, seeking to gain a clearer picture of the human rights issues that face global corporations. DIHR’s assessment tool was used to check the Ajinomoto Group’s human rights initiatives. Based on the results, specific advice was sought on human rights issues and risks the Group faces in doing business in developing countries. DIHR stressed how important it is for the Group, as a food business, to be aware of human rights issues related to the use of land, including agricultural land, the use of water, labor conditions and the supply chain.

Based on this advice, the company launched an initial study on water resource risks, and also drafted Supplier CSR Guidelines and reviewed the Ajinomoto Codes of Conduct in accordance with the Ajinomoto Group Standards of Business Conduct. The company will continue to promote further group-wide human rights initiatives in dialogue with society.

Reference See “Pursuing CSR Procurement” on p. 43.



Frank Seiler,
Senior Advisor, DIHR



Staff from the Human Resources Department, Group Procurement Center, and CSR Department of Ajinomoto Co., Inc. meet with DIHR advisor.

Considering human rights in business activities

The Ajinomoto Group works hard to respect human rights across the value chain—from manufacturing to the delivery of products to customers.

The Group carries out quality, environmental and various other assessments when constructing a new plant or office, and when launching a new product or business. Human rights are taken into consideration by evaluating the impact on people and the local community.

In addition, the Ajinomoto Group Basic Purchasing Policy states that the Group “confirms that the products it purchases directly are free of any connection to the violation of human rights, including child labor and illegal employment, during

either production or distribution.” Accordingly, the Group requires its raw material suppliers to cooperate in the effort to protect human rights. Furthermore, in fiscal 2013, the Group plans to put its new Supplier CSR Guidelines into effect, which state CSR requirements for suppliers in greater detail. Universal design promoting ease of use, reliability and safety for all has also been introduced in product development at group companies in Japan.

In the future, the Group will pursue even more proactive approaches by further incorporating human rights issues into its various initiatives, as the issues which a global company must address are clarified in human rights dialogues.

Reference See “‘Eat Well, Live Well.’—The Ajinomoto Group’s Wish for the World” on p. 11.

Reference See “Pursuing CSR Procurement” on p. 43.

Reference See “Implementing environmental assessments” on p. 96.

Reference See “Quality assurance system of the Ajinomoto Group” on p. 99.

Reference See “Universal design initiatives” on p. 107.

Highlight

Food defense audits also review labor conditions and human rights, propose improvements

Ajinomoto Frozen Foods Co., Inc. has consistently conducted specialized food defense¹ audits of all its suppliers in addition to regular audits of quality and other areas since 2008, with priority on China, but also focusing on Japan and other countries. Food defense audits include a review of labor conditions and human rights at raw material suppliers.

In general, a food defense audit primarily audits physical aspects of food security with the aim of preventing terrorism such as intentional adulteration. However, Ajinomoto Frozen Foods Co., Inc. also audits human aspects of security,

including whether workers have a safe working environment, whether there is sufficient communication with managers, and whether the human rights of workers are respected. Based on the concept that “Enabling workers to do their jobs with enthusiasm determines quality,” Ajinomoto Frozen Foods Co., Inc. will continue to audit labor conditions and human rights and to propose improvements, as part of its food defense audits.

¹ Measures to prevent the intentional introduction of foreign matter into food products. Monitoring is carried out in every stage from raw material procurement to product sales, in order to prevent anyone from adding poisons or other substances to food products.

Highlight

Ghana Nutrition Improvement Project supports a healthy future for children

Children around the world have the right to healthy lives supported by proper nutrition. In developing countries, however, many children lose their lives to various diseases caused by poor nutrition. The aim of the Ghana Nutrition Improvement Project, now being implemented by the Ajinomoto Group, is to protect the rights of vulnerable children and help them grow up healthy.

The first 1,000 days from conception until a child turns two years old are critical to a child’s growth. Stunted growth caused by malnutrition during this critical period can be difficult to reverse later in life. To address this issue, in 2013 the Ajinomoto Group launched a supplement called *KOKO Plus*TM to add nutrients that are lacking in the traditional weaning food in Ghana. The Ajinomoto Group is also working in partnership with international and local NGOs to develop an innovative distribution model that uses local salesladies to deliver the product to mothers and children in poor rural areas where the risk of malnutrition is high.

Meanwhile, an efficacy study is being conducted involving 1,200 children in 30 villages to demonstrate the nutritional benefits of *KOKO Plus*TM. In addition to ensuring the safety of the product trial, ethics committee meetings were held at the Ghana Food & Drug Board, a government agency, at the Ghana Health Service, which is in charge of the country’s public health centers, and at the University of Ghana. A thorough impact evaluation was conducted concerning the product ingredients and the testing method. The Ajinomoto Group is also providing extensive explanations of the trial to village mayors and mothers in the trial areas.



Carefully explaining the efficacy study to mothers individually



A village in northern Ghana where *KOKO Plus*TM is on sale

Reference See “The Ghana Nutrition Improvement Project” on p. 15

Human Rights Initiatives at Workplaces

The Ajinomoto Group welcomes people of all nationalities to become part of its workforce, recognizing that diversity supports the future of the Group. All employees are provided with fair opportunities to develop and exercise their abilities. The Ajinomoto Group strives to “Value People” as stated in the Ajinomoto Group Way, while also working to protect and promote human rights in the workplace based on the Ajinomoto Group Standards of Business Conduct and the Ajinomoto Codes of Conduct.

Human rights in employment

The Ajinomoto Group respects the values and abilities of each individual as mandated by the Ajinomoto Group Standards of Business Conduct. While striving to treat all people fairly, the Group hires people worldwide who feel an affinity for the Ajinomoto Group Way.

Reemployment system for retiring human resources

Ajinomoto Co., Inc. has been providing a reemployment system for employees at the mandatory retirement age of 60 since April 2006. It is open to all staff and managers, including seconded employees. Among eligible employees, 84% applied for reemployment in fiscal 2012, and they continue to work enthusiastically.

Each group company in Japan has updated its own reemployment system accompanying the enforcement of Japan’s revised Act on Stabilization of Employment of Elderly Persons in April 2013. They all provide career support after the mandatory retirement age.

Expanded employment for persons with disabilities

At the 29 main group companies in Japan, the average employment rate for persons with disabilities was 1.88% in fiscal 2012. Six of the companies achieved a rate that met or exceeded the Japanese government’s mandated rate of 1.8%.

The Ajinomoto Group respects the principle of normalization, and will respond to the higher mandated rate that went into effect in fiscal 2013 by prioritizing hiring of persons with disabilities, enhancing recruitment and creating accessible workplace environments.

Ajinomoto Codes of Conduct (excerpt)

4.1 Provision of equal employment opportunities

- 4.1.1. The company accepts and develops the human resources that support the future of the Ajinomoto Group across national and regional boundaries.
- 4.1.2. The company provides independent, growth-oriented individuals with equal opportunities to develop and deploy their skills.

Increasing employee awareness of human rights

Each group company worldwide promotes understanding of the Ajinomoto Group Standards of Business Conduct and its own code of conduct, both of which prohibit any form of discrimination or harassment. Human rights awareness training is provided to group employees around the world.

In fiscal 2012, this training was provided to all new hires and promoted managers at Ajinomoto Co., Inc. Furthermore, employees reaffirmed the principle of “Value People” in Ajinomoto Group Way Sessions made available to all Group employees. To date, approximately 8,000 employees have taken part in the training.

The company also carries out an annual survey on workplace harassment for all employees. The results of the survey were compiled with opinions and cases reported in previous surveys and distributed to all employees.

Prior to Human Rights Week each December, group companies in Japan jointly hold an event encouraging employees and their families to submit slogans for increasing human-rights awareness. In fiscal 2012, 4,078 entries were received from 2,696 people.

Slogans chosen for honorable mention by the Industrial Federation for Human Rights, Tokyo

Pass the ball with care, and score more smiles
Family of Akitaka Uehara, Research Institute for Bioscience Products & Fine Chemicals, Ajinomoto Co., Inc.

Let’s build a future of caring with no bullying and discrimination
Family of Akiyoshi Kuga, Tohoku Branch, Ajinomoto Co., Inc.

The Ajinomoto Group will continue working to develop employees’ awareness of human rights, including the wide-ranging human rights issues that a global corporation is expected to address.

Reference

See “Ajinomoto Group Way Sessions raise awareness of the Group’s shared values” on page 54.

Ajinomoto Codes of Conduct (excerpt)

4.3. Prohibition of discrimination and harassment

- 4.3.1. The company attempts to, and encourages its officers and employees to, respect the laws and culture of each region, and pursues policies to prohibit discrimination against anyone on the basis of race, ethnic group, nationality, religion, belief, birthplace, gender, age, disability, or for any other reason.
- 4.3.2. The company pursues policies which prohibit its officers and employees from engaging in sexually suggestive language or behavior toward any person in the workplace which negatively impacts his or her work environment.
- 4.3.3. The company pursues policies which prohibit its officers and employees from using job positions to abuse the human rights of others in the workplace.
- 4.3.4. The victims of discrimination or harassment, or any person who sees or hears any discrimination or harassment, are encouraged to report such behavior to their superior, the human resources department or other liaison designated by the company. The company pursues policies to ensure such persons are not given unfavorable treatment for having filed the report.

Building a Company Where Employees Can Reach Their Full Potential and Derive Job Satisfaction



The Ajinomoto Group employs about 30,000 people worldwide. The Group prioritizes initiatives to ensure the health and safety of employees, and also offers helpful career development, HR development, and work-life balance programs throughout the Group. The Group aims to ensure that its business activities make a positive difference in the world. One of the keys to this is ensuring that all employees derive job satisfaction and maintain good physical and mental health.

Aiming to build a corporate group that contributes to human health globally, as called for by the Ajinomoto Group Vision, the Group believes that people are its most important management resource. That is why the Group sees human resources management as a vital element of management strategy. This belief is also put into practice using the principle of “Value People” found in the Ajinomoto Group Way.¹

In 2009, the Group expressed its support for the UN Global Compact, reflecting its components in the basic approach of the Ajinomoto Group Standards of Business Conduct. The entire Group strives to

thoroughly implement the compact's principles relating to labor worldwide, based on global standards.

¹ The Ajinomoto Group's basic approach to work, outlined as common values shared throughout the Group: create new value, pioneer spirit, social contribution, and value people.

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- Ajinomoto Group HR Platform for optimal personnel assignment globally
- Various initiatives for global HR development

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- Realizing the Ajinomoto Group Work-Life Balance Vision
- Various workplace-specific initiatives
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P59 Ensuring Employee Health and Safety

- Promoting a medium-term plan from fiscal 2011 to fiscal 2013 for disaster prevention and occupational health and safety
- Fiscal 2012 occupational health and safety initiatives
- Occupational health and safety management
- Occupational health and safety education for employees
- Supporting the physical and mental health of employees
- External evaluation of occupational health and safety activities
- Preparing for natural disasters and protecting human life

Main results for fiscal 2012

Share of workforce outside Japan: **65%**

Share of local hires in executive positions
at group companies outside Japan:
Approx. 40%

▶ P58

Training for all
8,000 employees

Started providing Ajinomoto Group Way Sessions for all employees

▶ P54

Up **36%** from previous year

Number of employees that take the Rejuvenation Leave
(Ajinomoto Co., Inc.)

▶ P57

Developing and Promoting Diverse Human Resources from a Global Perspective

To become a “genuine global company,” an objective stated in the Group’s FY2011–2013 Medium-Term Management Plan, the Ajinomoto Group strives to realize world-class talent diversity and profit-generating efficiency. The Group encourages all employees to implement the Ajinomoto Group Way, while developing and promoting diverse human resources regardless of nationality or career track.

Ajinomoto Group HR Platform for globally optimal personnel assignment

The Ajinomoto Group has established a common platform for human resources management designed to enable the group-wide development and promotion of diverse leaders from group companies worldwide and to put the right people in the right jobs. The platform is made up of mechanisms to make management personnel and posts visible, along with systematic HR development programs, and compensation policy. In fiscal 2012, the preparation and listing of job descriptions for key posts was

completed. Use of the platform for individual career development began, and a study was carried out on the standardization of compensation plan rules for international assignment of employees.

The platform is under further development in fiscal 2013 as the Group steps up its efforts to establish a system which enables diverse human resources worldwide to achieve their highest performance.

Various initiatives for global HR development

Training for leaders

The Ajinomoto Group has been carrying out five types of training for developing leaders corresponding to job grades. The training is based on the Group’s three fundamentals for global human resources: the Ajinomoto Group Way, the Ajinomoto Global Leadership Competencies, and a global mindset.

Management grades



Training for developing leaders

Training	Participants	Frequency and number of participants	Content
Executive Coaching	Officers, Group Executive Managers	—	Personalized training on top management execution
Ajinomoto Global & Group Leader Seminar (AGGLS)	Job Grade 1	Once a year; approx. 25 people	Action learning about global issues faced by the Group, presentations to the HR Committee
Ajinomoto Global Future Leader Seminar (AGFLS)	Job Grade 2	Once a year; approx. 25 people	Lectures by top management, lectures on cross-cultural communication, planning of strategic scenarios using internal case studies
Ajinomoto Group Leader Seminar (AGLS)	Managers in Japan	Once a year; 20–30 people	Self-assessment, review of a leader’s role in an organization, planning of individual objectives as a leader
Ajinomoto Regional Leader Seminar (ARLS)	Job Grade 3	Once a year at each regional division; approx. 30 people	Self-assessment, training on coaching and cross-cultural communication



AGGLS group work



AGFLS participants

Highlight

Ajinomoto Group Way Sessions raise awareness of the Group's shared values

The Ajinomoto Group has been holding sessions on the Ajinomoto Group Way¹ since fiscal 2011. These sessions take place during leadership and grade-specific training. The aim is to promote deeper awareness and understanding of the Ajinomoto Group Way, which forms the basis for human resources development in the Group and is a required element for global employees. As of end fiscal 2012, about 8,000 group employees worldwide had taken the sessions, including everyone in key positions at Ajinomoto Co., Inc. Participant comments included: "I realized once again the

importance of the four elements of the Ajinomoto Group Way, by looking at them with respect to my job," and "My motivation is up and I am proud of my company and job," and "I want to apply the four elements of the Ajinomoto Group Way to my job and produce results."

In fiscal 2013, Ajinomoto Group Way Sessions continue in and outside Japan. The aim is for all 28,000 group employees to complete the training by end fiscal 2014. The Group is also looking for new ways to apply the Ajinomoto Group Way day-to-day at individual worksites.



A documentary DVD for studying the Ajinomoto Group Way, using past examples



Session at the Kawasaki Administration & Coordination Office, Ajinomoto Co., Inc.



Session at Ajinomoto Co., (Thailand) Ltd.

¹ The Ajinomoto Group's basic approach to work, outlined as common values shared throughout the Group: create new value, pioneer spirit, social contribution, and value people.

HR initiatives to support the development of all employees

In addition to global training for developing leaders and the Ajinomoto Group Way Sessions, the Group conducts cross regional, division-specific training and various other training programs in each country and site.

Division-specific training examples

- Compliance and legal training (p. 40)
- Occupational health and safety education (p. 63)
- Environmental education (p. 97)
- Quality assurance training (p. 101)
- Sales training
- Marketing training
- Intellectual property and trademark training (p. 46)



Safety education at Ajinomoto (China) Co., Ltd. (Beijing, Shanghai, Guangzhou)

Highlight

Career Development Guide supports the growth of individual employees

Ajinomoto Co., Inc. is actively developing and supporting employees who undertake challenging goals. This is based on the concepts that the growth of individual employees forms the basis of corporate growth, and that everyone is the actor in their own personal development. The company has implemented various training programs so that employees can achieve the careers they envision for themselves.

Programs are designed for each stage of an employee's growth, which are listed in a Career Development Guide on the company's intranet. The programs fall into three main areas: grade-specific programs (new managers' training, follow-up training, new employee training, etc.), elective programs (e-learning/correspondence courses, a logical thinking course), and global programs (internal training for developing leaders, external programs).

HR development programs at Ajinomoto Co., Inc.

Learning the standard abilities needed for each role/year

Learning the standard abilities needed for each role/year

▶ Training for managers

▶ Training for non-managers

On-the-job training, site/division-specific training, promotions/transfers, evaluation sheet creation and interviews, and career support programs

Elective programs

Further improvement of core abilities and business skills

▶ On-site training: Development of core abilities

▶ Correspondence education and e-learning programs for developing business skills

On-the-job training, site/division-specific training, promotions/transfers, evaluation sheet creation and interviews, and career support programs

Global programs

Faithfully following the Ajinomoto Group Way, having a broader perspective, and demonstrating abilities

▶ Development program for group leaders in Japan

▶ Development program for global leaders

▶ External programs

On-the-job training, site/division-specific training, and promotions/transfers

Awareness

Enhancement

Further advancement

Improving Work-Life Balance

The Ajinomoto Group is working to realize the Ajinomoto Group Work-Life Balance Vision. Its aim is to contribute to the prosperity of society and the realization of fulfilling lives for its employees by supporting both the growth of every employee and the further development of the company.

Realizing the Ajinomoto Group Work-Life Balance Vision

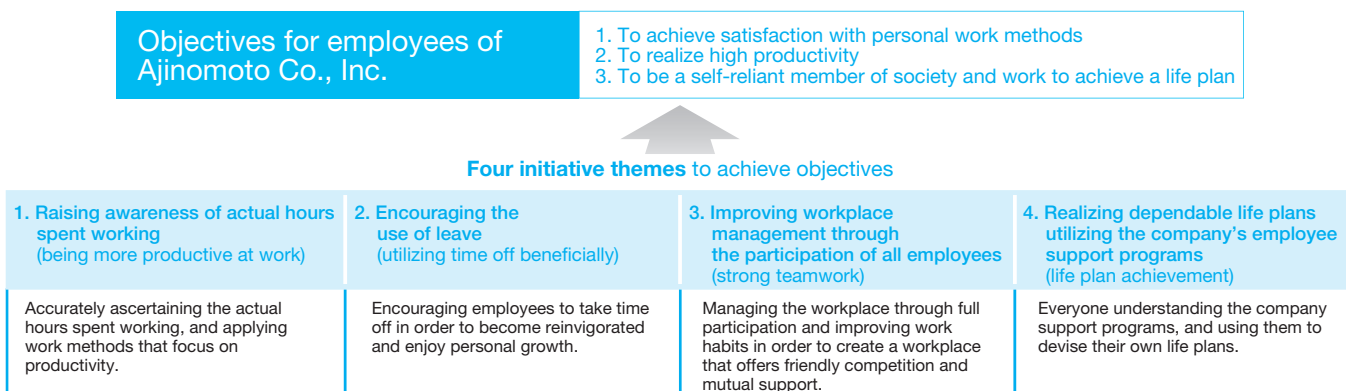
Ajinomoto Co., Inc. has launched the Work-Life Balance Improvement Project, a joint labor and management initiative under the Ajinomoto Group Work-Life Balance Vision. The company is steadily improving its work environments and helping employees to gain more appreciation for work-life balance and change the way they work.

In fiscal 2012, four themes (listed below) were established to realize three objectives for employees of Ajinomoto Co., Inc. Each workplace began to share knowledge about and discuss work-life balance, and launched initiatives to realize the objectives. In fiscal 2013, the company is taking further steps at each workplace by sharing best practices across departments and holding workshops for better mutual understanding. It is also looking into revising its work system to further enhance work-life balance.

Ajinomoto Group Work-Life Balance Vision



FY2012-2013 initiatives at Ajinomoto Co., Inc.



Various workplace-specific initiatives

In fiscal 2012, the workplaces of Ajinomoto Co., Inc. accelerated their work-life balance improvement initiatives. At the beginning of the period, each workplace discussed work-life balance, prepared its own action plan, and then carried out the plan.

Worksites will review their effort at the end of the fiscal year and draft a plan for the coming year to ensure continual improvement.



Workshops promote mutual understanding and work-life balance

Workshops to promote work-life balance were held in fiscal 2012 at twelve workplaces across Japan. The workshops involve: (1) sharing individual life plans; (2) confirming the vision and mission of the workplace; and (3) preparing an action plan. Participants are able to learn about one another's lives outside of work, which helps to build a more supportive work environment. When people keep individual and workplace objectives in mind, the workplace is more unified and productive. Going forward, these workshops will be held at more workplaces.



Workshop

Workshop aims

- To learn firsthand about the life plans, values, and personal situations of one's co-workers, and to understand the importance of this knowledge for workplace management
- To foster feelings of mutual support by having individuals share their values and objectives, and to create a strong sense of unity in the workplace
- To build a mutually supportive workplace where individuals share their situations when an unexpected life event occurs that requires them to change their work methods

Feedback from participants

- "The workshop enabled me to understand some of the dreams, values, and thoughts of others in my organization, which I did not know before. After reaching a level of mutual understanding, we were able to create a single action plan and foster a greater sense of unity."
- "I was able to think about the role of my organization beyond individual positions. It reminded me of the importance of the organization rather than the individual."

Workplace roundtable meetings on various themes

Roundtable meetings help employees to exchange views on topics relating to individual workplaces, building even more supportive work environments.

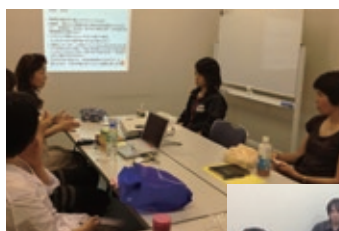
Feedback from participants

Roundtable on career advancement for women

- "I gained a clearer picture of my career options by exchanging views with senior female colleagues who have experience with balancing childcare and work responsibilities."

Roundtable on international research assignment and study

- "Exchanging opinions with colleagues who did research outside Japan gave me a chance to rethink my own career."



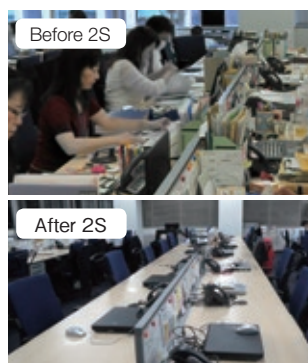
Roundtable on career advancement for women



Roundtable on international research assignment and study

Promoting the 5S methodology

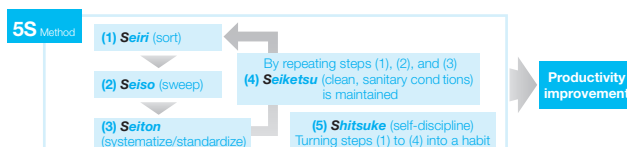
Each workplace is promoting the Japanese methodology of 5S—*seiri* (sorting), *seiso* (sweeping), *seiton* (standardizing), *seiketsu* (sanitizing), and *shitsuke* (self-discipline)—in order to improve customer satisfaction and increase efficiency of work time and improve productivity. Started with "2S" activities (*seiri* and *seiton*) in fiscal 2012, the company is continuing the effort in fiscal 2013 to include all "5S" at more workplaces, aiming to entrench these practices as habits.



A regular 2S activity time is held during the work day throughout the workplace.

Feedback from workplaces that implemented 2S activities

- "We improved workplace cleanliness, sharing of documents, and operational efficiency."
- "Working toward the 2S targets brought our workplace together as a united team."
- "We want to continue these activities to enable everyone to get a real sense of the workplace improvements."



Development and utilization of related programs

Ajinomoto Co., Inc. is developing and implementing creative programs to make workplaces as supportive and rewarding as possible.

In fiscal 2012, 30% more employees used the Part-Time Parenting and Work program than in the previous year, and the

number of employees using the Rejuvenation and Volunteer Leave programs was also up 36% and 115%, respectively. These programs help employees to realize their own life plans.

Employee usage programs offered by Ajinomoto Co., Inc. related to work-life balance in fiscal 2012

Program or initiative	Details	Number of users
Parenting Leave	Leave can be taken until the last day of April following the child's 1st birthday (can legally be extended for 6 months). A total of 15 days paid leave from the first day of leave is provided.	108 (including 7 male employees)
Part-Time Parenting and Work	Part-time work is allowed until the child enters the 4th grade of elementary school. Leave can be taken up to 2 hours and 30 minutes per day.	160
Childcare Leave	Employees with children who have not yet entered junior high school can take up to 10 days of childcare leave per fiscal year per child. Leave can be taken in half-day units.	48
Family Care Leave	Absences or suspension of work can be taken to care for a spouse, parents, or family within the second degree of kinship whom the employee supports. Leave can be taken up to 1 year.	0
Part-Time Family Care and Work	Part-time work is allowed when certain family members are in need of nursing care. Leave can be taken up to 2 hours and 30 minutes per day until the family member no longer needs care.	1
Accumulated Paid Leave	A maximum of 40 days of accumulated paid leave can be taken in half-day units to care for or visit in hospital family members within 2nd-degree of kinship who are suffering from a non-work-related illness or injury, or who need care due to temporary school closure.	83
Rejuvenation Leave	Rejuvenation leave can be taken once during each age category (25–32, 33–40, 41–48, 49–56) for the specified number of days from 9 to 30 days, and can be combined with paid leave and weekends.	204
Volunteer Leave	Up to 8 days of volunteer leave can be taken per fiscal year by qualified employees. Eligible volunteer work includes helping people with disabilities, providing nursing care of seniors, helping children, protecting the environment, providing disaster relief, and donating bone-marrow.	43
Re-employment system	Employee may register for re-employment in the event that retirement was unavoidable due to childbirth and newborn care, family and child care, or relocation because of marriage or spouse's job transfer.	43 employees registered; 1 re-employed (as of July 2013)
Initiative to reduce working hours	No-overtime days are held at business sites, and the latest office closure time was changed from 10 p.m. to 9 p.m. Employees also reduce work time by using different work styles.	—
Initiative to improve rate of taking paid leave	Paid-leave usage campaigns are implemented at business sites, and employees find ways to take more leave by using different work styles. Simultaneous paid leave (3 days) in the summer for all employees.	—
Financial assistance for babysitter hire	Provides employees with 1,500 yen each occasion a babysitter is hired.	9

Highlight

Ranked No. 1 among employers for work-life balance

In February 2013, as part of the Randstad Award¹ 2013, Ajinomoto Co., Inc. was ranked No. 1 among employers in Japan for facilitating work-life balance. The Randstad Award surveys and recognizes companies, based on their appeal as a potential employer.

Continuing to “Value People” as stated in the Ajinomoto Group Way, the company will accelerate its efforts to promote work-life balance. The aim is to keep raising confidence and being a highly attractive company for employees.

¹ Randstad is a global company that offers comprehensive human resources services. It conducts surveys to rank the relative attractiveness of employers based on ten key factors. In Japan, questionnaires were sent out to 8,000 men and women aged 18 to 65 for their evaluation of 170 companies. Randstad uses its own method to rank employers based on the factors, emphasizing respondents' familiarity with and desire to work for each potential employer. It then calculates overall scores to rank each company's attractiveness and employer brand.



Award ceremony

Labor-Management Relations

The Ajinomoto Group endeavors to create a stimulating and rewarding work environment for its employees. The Group maintains direct dialogue and good-faith consultation with employees and their representatives, based on the applicable laws and circumstances in each country.

Initiatives in Japan

The Ajinomoto Group in Japan has established a labor-management council where management policies are regularly discussed as well as a labor condition assessment committee.

In fiscal 2012, top management met with labor union representatives at each group company for a lively exchange of views on progress made on the FY2011–2013 Medium-Term Management Plan and the future outlook. At Ajinomoto Co., Inc., labor and management have been working together on a Work-Life Balance Improvement Project since 2008.

Main initiatives in fiscal 2012 (Ajinomoto Co., Inc.)

Spring labor negotiations

Labor-management consultations were carried out based on union requests regarding specific initiatives for achieving the Medium-Term Management Plan, while responding to changes in the business environment.

Labor-management consultations

Six meetings of the central labor-management councils

Main labor-management consultation themes

Theme	Details
HR programs	Reviewed the current status of programs and future joint review plans for comprehensive improvement, making revisions as necessary
Work-life balance	Four themes for labor-management initiatives established in order to realize three objectives for employees; each workplace has begun to share knowledge about and discuss work-life balance, and launch appropriate initiatives
Family care leave	Agreed to conduct reviews on the system for family care leave based on three perspectives: providing employees with more information on family care, creating an environment where it is easy to discuss family care, and improving the necessary programs and administration
Expatriate work issues	Reviewed systems and scope of the hardship allowance for employees posted outside Japan, health management leave, and new regulations
Introduction of defined contribution pension plans	Agreed and officially introduced defined contribution pension plans

Employee data (As of March 31, 2013)

Number of employees

	Full-time employees			Temporary staff
	Male	Female	Total	
Ajinomoto Co., Inc.	2,387	956	3,343	396
Group companies in Japan	5,178	1,332	6,510	8,701
Group companies outside Japan	12,255	5,410	17,665	3,887
Total	19,820	7,698	27,518	12,984

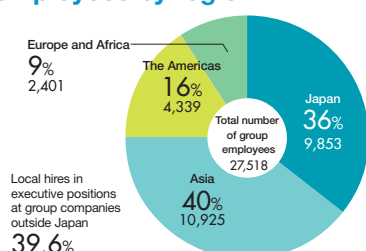
Number of new hires (incl. new graduates) in year

	Total
Ajinomoto Co., Inc.	83
Group companies in Japan	246

Number of personnel with disabilities

	Total	Percent of work-force rate
Ajinomoto Co., Inc.	83	1.77%
Group companies in Japan	181	1.88%

Group employees by region



Number of managers²

	Male	Female	Total
Ajinomoto Co., Inc.	884	69	953
Group companies	1,409	48	1,457
Asia	563	298	861
Europe and Africa	210	74	284
The Americas	215	64	279
Total	3,281	553	3,834

² Managers: Employees in the position of section manager, a position equivalent to section manager, or a position higher than section manager (excluding executives).

Full-time employees

	Average age	Average years of employment	Average annual working hours	Paid leave utilization rate ³	Employment turnover rate
Ajinomoto Co., Inc.	41.2	17.9	1,987	79.8%	1.2%
Group companies outside Japan	34.5	8.2			

³ Including managers' utilization rates.

Number of retirees and re-employed persons in year

	Number of retirees		Re-employed after retirement ⁵	
	Retired	Resigned for personal reasons ⁴	After retirement	After resigning for personal reasons
Ajinomoto Co., Inc.	37	40	31	1
Group companies in Japan	104	164	19	—

⁴ Contract staff not included in this category.

⁵ Re-employed from retirees and personnel resigned for personal reasons such as job transfer of spouse.

Ensuring Employee Health and Safety

The Ajinomoto Group “Disaster Prevention” and “Occupational Health and Safety” Philosophy and Policies set out the Group’s conviction that disaster prevention and occupational health and safety are among its most important responsibilities. Accordingly, the Group takes great care to create environments where employees can work with confidence.

Ajinomoto Group “Disaster Prevention” and “Occupational Health and Safety” Philosophy

We, Ajinomoto Group companies respect each person and act on the recognition that “disaster prevention and occupational health and safety” are one of the most important components of corporate activities.

Ajinomoto Group “Disaster Prevention” and “Occupational Health and Safety” Policies (Established April 1, 2011)

The Ajinomoto Group:

1. Identify and evaluate potential risks, and take preventive actions using management resources, under the Occupational Safety and Health Management System, in order to achieve the complete elimination of disaster and incident.
2. Take initiatives to continually improve occupational health and safety activities by thoroughly complying with public regulations and in-house rules and encouraging mutual efforts to do so.
3. Strengthen the corporate system and facilitate quick response to minimize damage in the event of an emergency and/or disaster.
4. Proactively provide support for each employee so they work safely and in good health.

Ajinomoto Group Health and Safety Slogan¹

“Be brave enough to ‘Stop.’ ‘Check’ first whenever you are not sure.” (Fiscal 2011–2013)

¹ Selected from submissions by group employees

Promoting a medium-term plan from fiscal 2011 to fiscal 2013 for disaster prevention and occupational health and safety

Each day, about 30,000 employees of the Ajinomoto Group are hard at work all around the world. Every moment of every day poses the risk of occupational accidents, traffic accidents, health hazards, and natural disasters.

Based on the Ajinomoto Group “Disaster Prevention” and “Occupational Health and Safety” Philosophy and Policies, the Group is working on health and safety education and the identification, evaluation, reduction, and elimination of these risks. The aim is to reduce the number of occupational accidents to zero,

ensuring that all employees and other people working on the Group’s premises can return home safely at the end of each day.

Under the three-year Ajinomoto Group Occupational Accident Prevention Plan from fiscal 2011 to fiscal 2013, the Group is working to achieve medium-term targets. The plan clarifies group-wide issues for occupational accident prevention. Focusing on these issues and sharing group-wide targets helps the Ajinomoto Group to make further progress.

Occupational health and safety management system in fiscal 2012



² Removed from the system in October 2012 due to business changes

Fiscal 2012 occupational health and safety initiatives

Falling and getting caught/trapped are the two most common occupational accidents in the Ajinomoto Group. Consequently, the Group prioritizes efforts to eliminate these particular accidents in the fiscal 2011–2013 Ajinomoto Group Occupational Accident Prevention Plan.

In fiscal 2012, there were no serious accidents involving getting caught/trapped in filling and packing equipment. This was attributed to thorough hands-on safety training and packing equipment safety measures, mainly at group companies outside Japan. In fiscal 2013, the focus will be ending the ongoing occurrence of similar accidents involving rotary valves³ on manufacturing equipment for powdered products.

In Japan, falling accidents involving workers 50 or older tend to result in serious fracture injuries requiring hospitalization or surgery. Therefore, in fiscal 2013, employees in this age group were asked to self-check their physical ability. Based on the results, they were instructed in exercises to maintain their physical fitness and help prevent falls. While addressing these individual factors, the Group also sought to reduce environmental factors such as wet or icy walking surfaces to prevent these accidents.

The Ajinomoto Group will also continue with health and safety education including training on legal compliance and preventing traffic accidents on the job. The Group will continue to strengthen cooperation on accident prevention initiatives worldwide.

³ A component of equipment used in manufacturing powder products, consisting of a rotor with several blades turning in a horizontal cylinder.

Examples of activities to prevent accidents involving getting caught/trapped

- Examples of measures to prevent accidents involving rotary valves



Wire grille installed



Installation of alternative equipment

Examples of activities to prevent falling



Self-check of physical ability by employees 50 or older

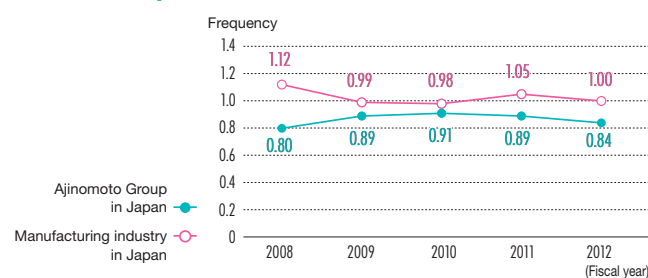


Exercises to prevent falls

Data for accidents resulting in time off work in the Ajinomoto Group

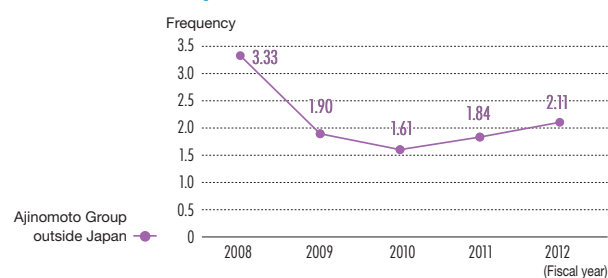
(as of March 31, 2013)

Frequency of accidents⁴ resulting in time off work in Japan



⁴ Frequency rate (accident occurrence rate) = Number of occupational accident victims who required time off work of one day or more / Total actual operating hours x 1,000,000

Frequency of accidents⁴ resulting in time off work outside Japan

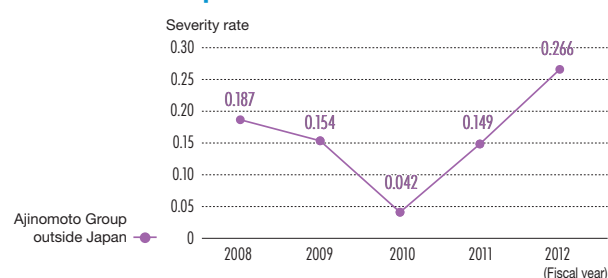


Severity rate⁵ of accidents resulting in time off work in Japan



⁵ Severity rate (accident severity) = Total lost working hours / Total actual operating hours x 1,000

Severity rate⁵ of accidents resulting in time off work outside Japan



Occupational health and safety management

During the many activities performed at work every day, there is always the risk that a moment of inattention could lead to a serious accident.

The Ajinomoto Group has established an occupational health and safety system headed by its Management Committee. Comprehensive measures are being carried out based on a

group-wide plan to prevent accidents and disasters, including equipment inspections, audits, as well as education and assessment. An occupational health and safety assessment series (OHSAS) is used for each safety management system, and Plan-Do-Check-Act (PDCA) cycles are also applied.

Safety assessments

The Ajinomoto Group performs safety assessments to prevent occupational accidents. The assessments are mainly performed in the planning stage for new product manufacturing, production increases, manufacturing process changes, new substance development, and for the construction or removal of buildings, structures, and equipment. In addition to confirmation based on legal requirements or lessons learned from previous major accidents, in cases such as the startup of a new plant, onsite inspections are carried out for actual worker positioning and traffic flow to ensure that safe operations can begin.

At each production site, various accident hazards in day-to-day operations are identified. By evaluating the seriousness of a potential accident and then investigating and implementing the necessary prevention measures, the Group conducts risk assessments for accident prevention.

To further improve the effect of this kind of risk assessment, in fiscal 2013 a Risk Assessment Study Group was set up to discuss improvement measures. Its members are safety managers from the Kawasaki Administration & Coordination Office of Ajinomoto Co., Inc., as well as from Ajinomoto Frozen Foods Co., Inc., Knorr Foods Co., Ltd., and Ajinomoto Packaging Co., Inc. They share issues and best practices, and work together to prevent accidents.

Risk assessment at Knorr Foods Co., Ltd.

In order to make risk assessment even more effective, it is important for workers to share with each other the types of actual hazards at the site and lessons learned from past accidents. Knorr Foods Co., Ltd. strives to create opportunities for workers to discuss risks. For example, they get together to look at operation photos, and then identify and discuss the hazards. Education activities are also performed for proper risk evaluation, using the company's own risk assessment manual.

■ Pre-operation safety check at new plants



At Karawang plant, PT
Ajinomoto Indonesia



At Ayutthaya plant, Ajinomoto
Co., (Thailand) Ltd.

Safety audits and checks

The Ajinomoto Group conducts internal audits at its companies and sites based on an occupational health and safety management system. The aim is to prevent accidents or violations of laws and regulations.

In the event of a major accident at a group site, Ajinomoto Co., Inc. performs on-site emergency safety checks, in order to confirm the causes of the accident, determine remediation measures, and prevent similar accidents from happening again. In fiscal 2011, the Group established a system for detecting potential major accidents, which involves performing safety checks whenever smaller incidents occur. Reciprocal safety audits are also carried out with the participation of safety staff from different sites, which provides opportunities for them to learn about good safety practices and differences between regions and operations.

Equipment inspection for safe and stable production

Plant equipment must always be in a condition that ensures safe and stable production, and this requires regular maintenance and legally-required inspections.

Across the Ajinomoto Group, employees conduct daily maintenance of the equipment they use. In addition, while many production plants operate 24 hours a day, throughout the year production is periodically shut down completely to allow employees and specialists to perform intensive maintenance and legally required inspections.

As non-routine work, maintenance is potentially hazardous. Therefore, proper risk prediction is performed before starting maintenance work or restarting a process to ensure safe maintenance procedures.

Column

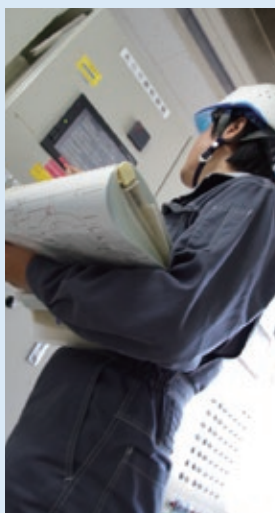
Ensuring equipment safety: Annual maintenance at Kawasaki Plant, Ajinomoto Co., Inc.

At the Kawasaki Plant of Ajinomoto Co., Inc., in addition to daily maintenance, annual maintenance is conducted over several days every July. Production is halted at this plant that usually operates 24 hours a day, and intensive inspection and maintenance of the equipment is carried out.



Sumito Yajima
Manager, Seasoning Materials Section

We manufacture "liquid seasonings" in the Seasoning Materials Section. When a process is restarted after regular maintenance, it needs to be done with special care. All the employees work together to check each detail during the startup.



Left: Checking instruments
Right: Confirming the operation of each valve



In the Amisoft Section, we manufacture ingredients for cosmetics. During the regular maintenance, we also take apart the heat exchangers—a time consuming task—and carefully wash each one by hand. This is very important to ensure stable production, as process temperature control has a substantial impact on quality.



Ensuring stable production by taking apart a heat exchanger and washing each section by hand



Soichiro Yoshihara
Assistant Manager, Amisoft Section



Left: Replacing the activated charcoal used in the deodorizing equipment
Right: Employees always wear safety harnesses to protect their lives when performing operations in high places.



The Amino Acid Section Team 3 manufactures yeast extract. During regular maintenance, we had to perform work in high locations, so we paid close attention to preventing falls.



Top: A new tank is installed in an environment where necessary safety precautions are taken.
Bottom left: Shielding noise during the installation to minimize inconvenience to neighbors
Bottom right: Ready to put out any fires caused by welding sparks



Takumi Iizuka
Group Leader, Amino Acid Section
Team 3

Highlight

Ensuring the safety of people working on group sites: Preventing falls from freight and tanker trucks

Many drivers responsible for transporting products and raw materials operate within sites of the Ajinomoto Group. As part of their work, they must climb up onto freight or tanker trucks. This makes preventing falls from high locations an important theme for the Group as a transport consignor. Under the 12th Industrial Accident Prevention Plan, a five-year policy of Japan's Ministry of Health, Labour and Welfare that begins in fiscal 2013, consignors must create safe operating environments and prevent occupational accidents involving operators in the overland freight forwarding business.

The Ajinomoto Group in Japan has been focusing on the safety of not just group employees, but also other people working on group sites. For example, in order to prevent falling from heights during vehicle unloading, drivers are required to wear safety harnesses attached to bars that have been installed in high work locations for this purpose. Moreover, the Ajinomoto Group "Disaster Prevention" and "Occupational Health and Safety" Policies require group sites to proactively provide support for each employee so they work safely and in good health. Accordingly, more safety initiatives will be promoted in the future.



At the Tokai Plant, Ajinomoto Co., Inc.

Wearing safety harnesses to prevent falls



At the Kawasaki Administration & Coordination Office, Ajinomoto Co., Inc.

Occupational health and safety education for employees

In order to ensure the safety of every employee, it is essential to provide routine education and training tailored to various employee grades.

The Ajinomoto Group provides occupational health and safety training designed specifically for each job. This includes health and safety seminars for upper management, and hazard prediction training for manufacturing floor supervisors. In addition, each group company provides a wide array of safety education activities to suit its operations. These include hands-on

safety training on each piece of equipment used in manufacturing, packaging or transportation. Group companies also provide safety education to new hires using their own safety videos.

This kind of educational activity is also being implemented at group companies worldwide in an all-out effort to prevent occupational accidents.

While approaches and initiatives for occupational health and safety vary between each country and region, the Ajinomoto Group emphasizes the importance of working safely worldwide.

Original, group-wide educational materials used for hazard prediction training

事例 交通KY 12-21

【状況】あなたは、車で舗装されていない道を走行しています。

●どんな危険が潜んでいますか？

●○○が○○なので○○する

●あなたならどうしますか？

Example KY (Work) 13-01

【Situation】You are trying to place the lid (stainless steel, 20 kg) on the tank.

●(Example) Potential dangers

You are absorbed in work and not aware of the situation behind. When stepping back you hit your back on the handle behind. You lose your balance and fall over forward.

As your colleague Mr. A suddenly gets his hands off the lid, all weight is put on you. You lose your balance and fall over forward.

You moved your left foot while holding the lid so that Mr. A can work smoothly. You trip over the frame, lose your balance, and fall into the tank.

Safety video for training new hires at Delica Ace Co., Ltd.



Delica Ace Safety Video



Never make direct contact with rotating belts, rollers, or molding machines



Mop up any water on the floor

Education at all group companies in Japan provided by Ajinomoto Co., Inc.

Name of training	Details
Hazard prediction training	Instruction to develop leaders that can train human resources to predict hazards. Training for leaders in production, R&D, logistics and construction-related departments, as well as employees to be posted outside Japan (two-day course, twice a year)
Occupational health and safety seminar for top management	Seminar for top managers at group companies in Japan to acquire the necessary health and safety knowledge (e.g., responsibility to consider safety) and to learn how to promote health and safety in a company (full-day course, once a year)
Training for human error prevention	Training to provide basic knowledge on human error, and how to prevent it (half-day course, once a year)
Fall prevention seminar	Training leaders to introduce and promote fall prevention measures directly in workplaces (full-day course, three times a year)
Training for new internal auditors for OHSAS ¹	Basic education for checking Plan-Do-Check-Act (PDCA) cycles for the occupational health and management system and making recommendations for improvement (four times a year) (full-day course, twice a year; two-day course, twice a year)
Site-sponsored education and lectures	Three sites of Ajinomoto Co., Inc. conduct their own health and safety lectures. In fiscal 2013, employees from nearby group companies began participating in this training as well. A total of 18 sessions were held in fiscal 2013 including a lecture on the High Pressure Gas Safety Act (Kawasaki Administration & Coordination Office), a mental health lecture (Tokai Plant), and a heat stroke seminar (Kyushu Plant).

¹ Occupational Health and Safety Assessment Series is an international standard for occupational health and safety management systems

Education at group companies outside Japan

Name of training	Purpose
Hands-on safety training	Basic training used by food product manufacturing plants of the Ajinomoto Group in many countries
Safety School (China)	Safety training for managers at group companies in China, held twice in fiscal 2012. Participants carry out discussions on hazard prediction and risk assessment, and announce targets for their own organizations.

Group discussions at the Safety School (China)



Highlight

The 3rd Ajinomoto Group Safety Convention

The Ajinomoto Group Safety Convention, where employees from around the world exchange innovative safety initiatives, has been held every two years since 2009. Representatives from a record-high ten countries attended the 3rd Convention in September 2013 and reported on safety activities from their own industry or country.

This year, in addition to the activity reports from each country, the convention provided a program where participants did self-assessments and exercises to prevent falls—the initiative introduced for employees 50 or older. With an above-capacity attendance, the program was a great success.

At the end of the session for sharing opinions, the participants all declared, “Our goal is zero accidents!” in their own languages, sharing the commitment to reducing occupational accidents.

As part of the convention, participants from abroad were given tours of group plants in Japan. By seeing firsthand the safety activities at the chemical synthesis facilities of the Tokai Plant of Ajinomoto Co., Inc., and the steps taken by the Tokyo Plant of Komec Co., Ltd. to maintain an accident-free record, the participants gained even more practical knowledge of occupational safety.

On the participant feedback questionnaire, many expressed sentiments such as, “The initiatives of other companies will be very useful for us,” and “The convention should be held more often.” Everyone showed great interest in the various activities being conducted throughout the Group.

The convention will continue to be held regularly, as an important opportunity for improving the Group’s safety activities and occupational accident prevention.



Supporting the physical and mental health of employees

Every company in the Ajinomoto Group is taking steps to help all of its employees maintain their physical and mental health.

Ajinomoto Co., Inc. is promoting employee health initiatives with a focus on the importance of good self-care. Since new hires, mid-career employees, and managers face different health issues, industrial physicians offer training for each kind of employee. New managers and mid-career employees not only learn about health management, but also about specific ways to identify signs of health problems among subordinates and colleagues.

Once or more a year, industrial physicians, nurses and hygienists provide guidance on physical and mental health maintenance to all employees of group companies in Japan via interviews, based on their results of health checkups. In 2010 and 2011, mental health training sessions were held for the general manager of the Wellness Promotion Center and industrial physicians from all ten sites of Ajinomoto Co., Inc. in Japan. The participants learned how to detect signs of mental health issues in employees, and deepened their understanding of how to deal with these issues. Employees posted outside Japan also receive annual checkups, and the results are checked by medical

staff in Japan. In addition to follow-up interviews for health maintenance, the system enables these employees to receive health-related advice pertaining to immediate family members living with them overseas.

The Group has been looking into area-based integrated health management systems that include regular checkups and health management measures for group companies in Japan. Starting in fiscal 2012, group companies began joint implementation of annual checkups in the Kyushu region.¹ The applicable regions will be expanded starting in fiscal 2013.

1 The joint initiative includes Ajinomoto Co., Inc., AJINOMOTO PHARMACEUTICALS CO., LTD., Ajinomoto Frozen Foods Co., Inc., GABAN Co., Ltd., AJINOMOTO NUTRITION FOODS Co., Ltd., and Ajinomoto Engineering Corporation.

Health promotion system at Ajinomoto Co., Inc.

9 industrial physicians, 11 medical staff members (nurses and hygienists), a Wellness Promotion Center general manager, and 11 staff members

Highlight

Heat stroke prevention campaign

In Japan, the number of heat stroke emergencies in 2013 was several times higher than in the previous year.

The Ajinomoto Group conducted a heat stroke prevention campaign in Japan from June to September 2012, providing information on ways to prevent heat stroke. As part of the campaign, the Wellness Promotion Center distributed basic

information on heat stroke prevention and heat stroke prevention examples to group employees in Japan every month. During regular workplace inspections, the Group's industrial physicians also checked that proper working environments are being maintained to prevent heat stroke.



Yasushi Furukawa Industrial Physician



Chiho Inoda (left) and Chiharu Takahashi (right)
Distributed heat stroke prevention information



Wellness Promotion Center staff during a workplace inspection



Heat stroke prevention information sent out by the Wellness Promotion Center



External evaluation of occupational health and safety activities

Employees at sites in the Ajinomoto Group have received a lot of external recognition for the health and safety activities that they carry out on a daily basis. With a constant focus on a culture of safety, accident records at each site continue to improve, and results can also be seen in the efforts of individual employees.

The Group will continue its initiatives to eliminate occupational accidents and work to foster a culture of safety among employees and local communities.

Main awards received in fiscal 2012 for disaster prevention and occupational health and safety activities in Japan

Recipient	Award name	Details
Kansai Plant, Ajinomoto Packaging Co., Inc.	Osaka Labor Bureau Director's award	Recognition for four-year record of zero occupational accidents resulting in four or more days off work with active participation of part-time employees
Higashi-Ohgishima Refrigerated Transport Office, Chuo Ace Logistics Corporation	Kawasaki City Rinko Fire Chief's award	Recognition for employee teamwork that halted the spread of a nearby fire
Sekijuku Refrigerated Transport Office, Chuo Ace Logistics Corporation	Chiba Labor Bureau Director's award	Recognition for five-year accident-free record due to active initiatives to prevent forklift and traffic accidents
Kanto Plant, GABAN Co., Ltd.	Tochigi Labor Bureau Director's award	Honored for six-year record of zero accidents resulting in four or more days off work since its launch
Hiroko Sato, Kansai Plant, Ajinomoto Packaging Co., Inc.	2012 Minister of Health, Labour and Welfare Award for a Supervisor Demonstrating Safety Excellence	Recognized as a supervisor with exceptional skills and experience in health and safety, who has achieved outstanding safety results in the workplace under her supervision



Kansai Plant, Ajinomoto Packaging Co., Inc.



Higashi-Ohgishima Refrigerated Transport Office, Chuo Ace Logistics Corporation



Sekijuku Refrigerated Transport Office, Chuo Ace Logistics Corporation



Kanto Plant, GABAN Co., Ltd.



Kansai Plant, Ajinomoto Packaging Co., Inc.

Highlight

Seven plants of the Ajinomoto Group in Thailand receive awards for safety excellence

Under the strong leadership of top management, employees at the plants of the Ajinomoto Group in Thailand are working together to promote safety activities. Thailand's Department of Labour Protection and Welfare has recognized their daily efforts and outstanding results. In fiscal 2013, seven plants received the department's top (national) award for safety excellence. Five of these seven plants also won the same award last year. The Ajinomoto Group in Thailand will continue to maintain these top-class safety activities.



Kamphaeng Phet Factory, award winner for eleven consecutive years

Occupational health and safety awards received by the Ajinomoto Group in Thailand (fiscal 2013)

Company	Award	Details	Sponsor	Remarks
Kamphaeng Phet I Factory, Ajinomoto Co., (Thailand) Ltd.	Award for outstanding safety, occupational health and work environment (national), 11 years running	Recognition for outstanding levels of safety, occupational health, workplace environment management, and results	Department of Labour Protection and Welfare	Umami seasoning manufacturing
Phra Pradaeng Factory, Ajinomoto Co., (Thailand) Ltd.	Same, 6 years running	Same	Same	Umami and other seasoning manufacturing
Ajinomoto Betagro Frozen Foods (Thailand) Co., Ltd.	Same, 4 years running	Same	Same	Manufacture and sales of frozen foods (processed poultry)
Pathum Thani Factory, Ajinomoto Co., (Thailand) Ltd.	Same, 2 years running	Same	Same	L-Lysine and nucleic acid manufacturing
Ajinomoto Betagro Specialty Foods Co., Ltd.	Same, 2 years running	Same	Same	Manufacture and sales of processed pork frozen foods
Nong Khae Factory, Ajinomoto Co., (Thailand) Ltd.	Same, first time	Same	Same	Manufacture of other seasonings
Birdy Factory, Ajinomoto Sales (Thailand) Co., Ltd.	Same, first time	Same	Same	Canned coffee manufacturing



Phra Pradaeng Factory, award winner for six consecutive years



Nong Khae Factory (left) and Birdy Factory (right), first-time winners

Preparing for natural disasters and protecting human life

Everyone on the planet must live with unavoidable natural phenomena such as earthquakes, floods, and tsunamis. However, by preparing for disasters in advance, it is possible to minimize human suffering and property damage.

With top priority on protecting lives, the Ajinomoto Group plans natural disaster preparation measures and conducts the

necessary training and awareness-raising activities. This is based on the Ajinomoto Group “Disaster Prevention” and “Occupational Health and Safety” Philosophy and Policies, as well as the Ajinomoto Group Disaster Management Basic Policies that is prescribed by its enterprise continuity plan (ECP).

Reference See “Managing risk and creating a new enterprise continuity plan” on p. 38.

Reference See “Ajinomoto Group ‘Disaster Prevention’ and ‘Occupational Health and Safety’ Philosophy and Policies” on p. 59.

Ajinomoto Group Disaster Management Basic Policies

We set priorities as 1. Person, 2. Society, and 3. Business:

1. We give the highest priority to human life, and ensure the safety of oneself, one’s family and colleagues.
2. We provide support for local community and society, on the basis of saving human life.
3. We make an effort for early restoration of business activities in order to fulfill our business responsibility, as the Ajinomoto Group that is working for Life.

Updating disaster preparedness

The Ajinomoto Group routinely collects information on natural disaster forecasting and damage prediction. It confirms the safety of buildings and production facilities and takes any steps needed, while also revising training.

Since the Great Hanshin-Awaji Earthquake in 1995, the Ajinomoto Group in Japan has been implementing seismic reinforcement of its business facilities. After the Great East Japan Earthquake and tsunami in 2011, the Group strengthened measures for earthquake and flood resistance, based on that earthquake and flood damage predictions from the national and local governments. While placing top priority on protecting lives, the Group has revised its preparedness measures for buildings and production facilities, and has also prepared a new capital investment plan. For example, a seismic re-evaluation has been carried out for the Head Office building of Ajinomoto Co., Inc. After confirming that structural supports have suffered no significant deterioration, ceilings, walls, shelves, and equipment are now being reinforced and secured based on the evaluation results. The Sendai Distribution Center of AJINOMOTO LOGISTICS CORPORATION and the Fukushima Plant of AJINOMOTO PHARMACEUTICALS CO., LTD. were heavily damaged in the Great East Japan Earthquake. The reconstruction plan has the latest design features and equipment to help them withstand any future disasters.

Group companies and sites are reviewing their earthquake evacuation procedures and carrying out drills based on revised damage predictions published in 2012 for a possible major quake centered under Tokyo, and one in the offshore Nankai Trough triggering a major tsunami. To strengthen disaster preparedness group-wide, secondary and tertiary emergency response headquarters are ready to be set up at different sites in the event of a major natural disaster, and drills are being carried out.

Enhancing and expanding disaster communication systems technology

Ajinomoto Co., Inc. installed employee safety and facility damage verification systems in 2006 and keeps them up to date. Other group companies are also introducing similar systems, and usage drills are carried out periodically.

When an earthquake strikes, communication networks and other lifelines can be cut, and even when they are not, networks are congested. Consequently, Ajinomoto Co., Inc. has set up an emergency communication system that uses satellite phones and email, which are relatively robust under disaster conditions. These phones have now been deployed at each site and the homes of executive officers. Emergency communication drills are also carried out periodically, based on a scenario in which a disaster occurs in the evening or on a holiday.

Highlight

Disaster drills

The Ajinomoto Group carries out disaster drills tailored to regions, business sites, and business departments.

In addition to drills at individual sites, the Ajinomoto Group carries out group-wide disaster drills every September. The Group's General Headquarters gathers information on employee safety and site damage conditions from each group company and site and gives instructions as needed. In fiscal

2013, the Group also conducted an emergency response drill for tasks that the Head Office planning and business support departments need to perform, in order to minimize confusion at the time of a disaster and quickly restore business operations. Business continuity drills based on a possible emergency are also carried out in each department.

Drill at the Head Office of Ajinomoto Co., Inc.



Personnel roll call and damage situation confirmation are performed by each floor captain, who then contacts the emergency headquarters.



An emergency response headquarters is set up right after a disaster to get an overall picture of the situation.



Drill for setting up a secondary emergency headquarters to deal with a major natural disaster (Ajinomoto Co., Inc.)

Drills at various sites



Employees at the Kyushu Plant, Ajinomoto Co., Inc.



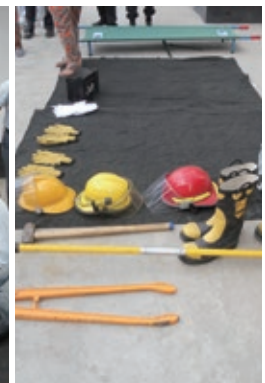
Top left: Kawasaki Administration & Coordination Office, Ajinomoto Co., Inc.
Bottom left: Tokai Plant, Ajinomoto Co., Inc.
Right: Kyushu Plant, Ajinomoto Co., Inc.



Drill at Ajinomoto Bangladesh Ltd.



Fire fighting and rescue drill under the guidance of the fire department of a local authority



Highlight

Raising disaster awareness: Disaster prevention lecture for group employees

Every year since fiscal 2008, Ajinomoto Co., Inc. has been holding disaster prevention lectures attended by concerned staff at group companies and many other employees.

The fiscal 2012 lecture was given by the GM of the Fukushima Plant of AJINOMOTO PHARMACEUTICALS CO., LTD., covering the aftermath of the Great East Japan Earthquake and reconstruction efforts. The fiscal 2013 lecture was given by the then vice president of Ajinomoto Co., (Thailand) Ltd., covering the reconstruction and support activities of the Ajinomoto Group in Thailand after the major flooding there in

November 2011. About one hundred group employees attended each lecture.

Participants commented: "I felt the weight of the stories of those that had faced the disaster and recovery," "It reminded me of the terror of natural disasters, which people cannot control," and "I realized how important it is to always be prepared at home and in the workplace." While sharing unforgettable experiences from disasters, the lectures will continue to address relevant topics to remind employees of the need for preparedness.



5th disaster prevention lecture (Aug. 2012)



6th disaster prevention lecture (Sep. 2013)



Facility damage caused by the Great East Japan Earthquake

Reference See "Managing risk and creating a new enterprise continuity plan" on p. 38.

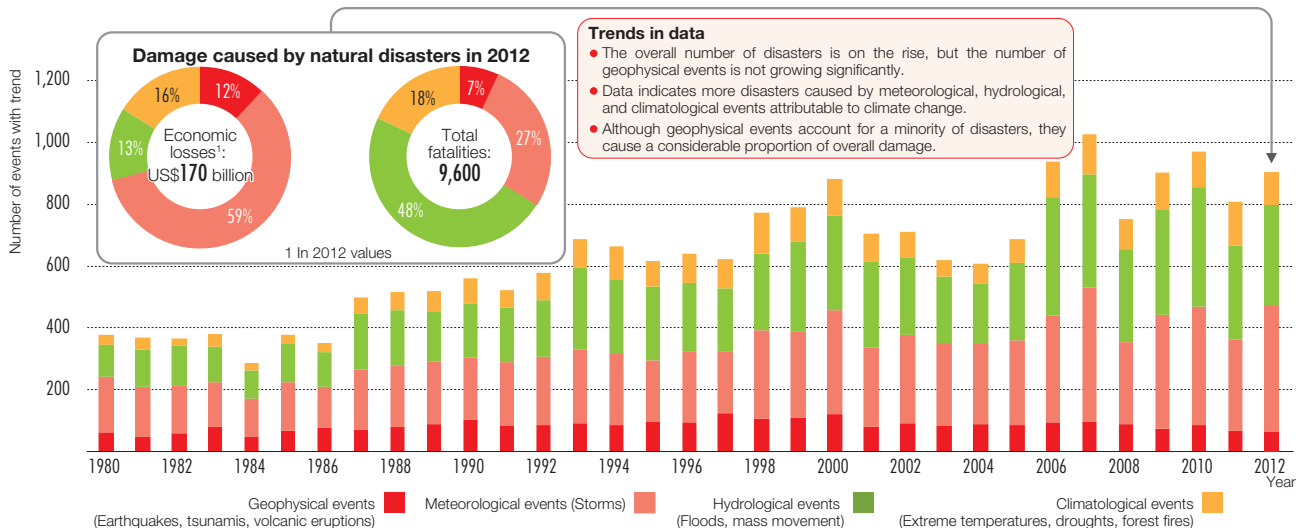
Reference See "Job creation program for flood victims in Thailand" on p. 122.

Data

Natural disasters worldwide

The first years of the 21st century have brought many record-breaking natural disasters around the world. Japan, too, has been hit with torrential rains, tornados, and other

extraordinary weather events. More than ever before, companies must always be prepared for a natural disaster to strike at any time.



Source: Munich Re press release, January 4, 2012; NetCatSERVICE, "Natural catastrophes worldwide 1980-2012"

The Environment

Ensuring the Planet's Sustainability, as the Foundation for All Life



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Scope of the environmental report

This section of the report covers the environmental initiatives of the 120 companies subject to the Ajinomoto Group Environmental Management Measures as defined in the company's Environmental Regulations (102 companies are fully subject to the regulations, and 18 are partially subject, as of March 2013). These companies include Ajinomoto Co., Inc., its consolidated subsidiaries, and other group companies that play a significant role in the Group's environmental management. Performance statistics are for the 109 major business sites (the number decreased by two since last year's report; five eliminated and three added) following site reorganization as well as plant dissolution and new construction, which substantially represent the environmental performance of the entire Ajinomoto Group¹ under the consolidated financial accounting system.

¹ The Ajinomoto Group refers to Ajinomoto Co., Inc. and its consolidated subsidiaries and group companies subject to financial reporting under the equity method.

The Ajinomoto Group Environmental Philosophy and Basic Environmental Policies

The Ajinomoto Group Environmental Philosophy and Basic Environmental Policies were revised in 2006 in light of trends in compliance and efforts to minimize the environmental impact of business activities. They express the Group's commitment to contributing to a sustainable society as a responsible global company.

Since the revision, issues concerning the sustainability of the global environment and human societies have become even more serious. It is clear that the expectations of the Ajinomoto Group are higher, amid significant changes in the circumstances and structures surrounding corporate activities.

On its centenary in 2009, the Ajinomoto Group pledged to "work for life." In order to further articulate this pledge and state even more explicitly its determination to ensure that its business activities help to build a sustainable global society, the Ajinomoto Group Environmental Philosophy and Basic Environmental Policies were revised again in April 2011. In addition, the Group established the Ajinomoto Group Biodiversity Policy and Action Agenda in February 2012.

Link

Ajinomoto Group Environmental Philosophy and Basic Environmental Policies
<http://www.ajinomoto.com/en/activity/environment/e-philosophy/>

Link

Ajinomoto Group Biodiversity Policy
<http://www.ajinomoto.com/en/activity/environment/biodiversity-agenda/index.html>

Ajinomoto Group Environmental Philosophy and Basic Environmental Policies

Environmental Philosophy

Preamble

The business activities of the Ajinomoto Group are sustained by the trust¹ of international society and people in each region of the world, and rely upon a healthy global environment² and people living in peace and prosperity.³ Health and prosperity are closely related to the local diversity of ecosystems and society.

Modern society, however, continues to expand beyond the limits of what our planet can sustain—in terms of the use of resources and energy, as well as environmental impacts and emissions such as greenhouse gases, waste, and chemical substances. Human activities are threatening biodiversity, causing climate change, and increasing the scale of natural disasters, water shortages, food shortages and other problems. These threats are leading to a crisis for all life, and they affect human daily life. Rapid economic development in developing countries is also escalating the seriousness of global environmental issues.⁴ The world needs models of economic development that do not diminish local diversity.⁵

The business activities of the Ajinomoto Group also have impacts and are affected by those impacts. We strongly hope that society will continue to need what the Ajinomoto Group can offer. For that to occur, we believe it is necessary to conduct business activities that contribute to the transformation of modern society into a low-carbon, resource-recycling society in harmony with nature.

Main Text

The Ajinomoto Group works to benefit all life (hence our slogan "Work for Life") and contributes to the realization of sustainable society.

We conduct our business activities and grow together with society, while aiming to sustain the interrelationships between the functioning of unique and diverse forms of life in each region on Earth, and to ensure that all people, including future generations, are able to enjoy a better life in a healthy global environment.

Basic Environmental Policies

Understanding Interdependence and Impacts

At both the global and local levels, we ascertain and evaluate in a timely manner the state of the global environment and society upon which the Ajinomoto Group's business activities depend. We also ascertain and evaluate, both quantitatively and systematically, the impacts that the Ajinomoto Group's business activities have on them.

Minimizing Impacts

We fully comply with environmental regulations in each country and region, and adhere carefully to international standards and codes. We also establish our own voluntary standards to challenge and achieve,⁶ and seek to minimize the impacts on the environment and ecosystems that arise from all business activities⁷ of the Ajinomoto Group.

We strive to achieve optimal efficiency in the use of resources and procure natural resources in amounts and with methods that conserve biodiversity and ecosystems.⁸

Providing Value

We offer products and services and propose technologies and systems that contribute to the

lives of people, and to life on Earth, by preserving and nurturing food sustainability and ecosystems, aiming for the transformation of modern society into a low-carbon, resource-recycling society in harmony with nature. We do this by making use of the knowledge, technologies, capacities, and assets of the Ajinomoto Group.⁹

Cooperating with Others

We work to have a positive impact on the global environment and society through our business activities with related parties in the supply chain, including customers, suppliers, and others.¹⁰ At the global and local levels, we promote meaningful collaboration and cooperation with a variety of stakeholders, such as non-governmental organizations, specialized institutions, local communities, and more. We contribute actively to dialogue and consensus-building in our society by offering proposals on the creation of new societal frameworks.¹¹

Providing Information

We systematically summarize and regularly report on the approaches, programs and achievements of the Ajinomoto Group. We engage in dialogue

with stakeholders, and through this dialogue verify whether the self-evaluations of our activities are accurate, and consider necessary improvements and new initiatives.

We make an effort to ensure that each of our facilities seeks to see things from the local community perspective and has an open attitude to the public.

Managing Our Group

In order to conduct these activities effectively, systematically, and sustainably, and to make greater contributions, the Ajinomoto Group makes use of environmental management systems in all of its member organizations. We integrate these environmental management systems with other management systems and work to make continuous improvements.

We engage in systematic education and awareness-raising activities so that each member of the Ajinomoto Group understands his or her role and required competence, and this understanding leads to concrete action.

Revised in April 2011

- 1 Society's license that permits corporations to exist, operate and grow.
- 2 The ecological (environmental) resources needed to continue operating. These include the essential raw materials, energy, and genetic resources necessary for the productive activities of the Ajinomoto Group, and also the very basis of life on Earth that provides diverse and abundant ecosystem services so essential for human life. Healthy ecosystems support and maintain biodiversity.
- 3 The social and economic resources needed to continue operating. The business segments of the Ajinomoto Group—including food, bioscience and fine chemicals, and health and pharmaceutical products—are in markets that have an important role in human lives.
- 4 Developing countries have ecosystems that play important roles within the total Earth system. Developed countries have already followed a path that places an excessive burden on ecosystems. If rapid economic development in developing countries follows the same path, the result will lead to risks to the fragile local ecosystems and the local communities that depend upon them, and ultimately, to global risks.
- 5 When pursuing efficiencies at the global level, the challenge is to avoid losing diversity at the local level as one of the negative impacts of economic globalization.
- 6 The entire scope of our businesses, including supply chains and the lifecycles of our products and services.
- 7 Example:
 - Ajinomoto Group Zero Emissions Plan
- 8 Under the Aichi Targets—the new strategic plan adopted by the 10th Conference of the Parties to the Convention on Biological Diversity in October 2010—one strategic target agreed through international consensus was to keep the impacts of the use of natural resources well within safe ecological limits by 2020, at the latest.
- 9 Examples:
 - Making greater richness of taste possible and bringing greater happiness to society, even with less consumption of food resources
 - Contributing to the recovery and restoration of ecosystems and ecosystem services
 - Providing and proposing useful products, services, technologies, and systems that when used will result in significant reductions (i.e., substantially positive impacts) that can offset the use of resources and energy due to our business activities (i.e., substantially negative impacts). Ideally, the net effect of all impacts will be positive (i.e., “net positive”).
 - The development of products and technologies that use life sciences knowledge and technologies to utilize the functions of ecosystems and biological resources.
- 10 Examples:
 - Support to secure safe and sustainable food resources for primary producers of agricultural, livestock, and fishery products
 - Proposing environmentally friendly options for consumers
- 11 Examples:
 - Policy proposals
 - Participating in international conferences, being involved in the establishment of international codes, standards, guidelines, etc.
 - Demonstrating initiative (leadership) through cross-sectoral voluntary activities
 - Participating in the initiatives of international, expert, non-governmental, and non-profit organizations, etc.

Ajinomoto Group Biodiversity Policy and Action Agenda

The business activities of the Ajinomoto Group are hugely reliant on natural blessings such as agricultural, livestock, fisheries resources and genetic resources. These natural blessings are brought by ecosystems and biodiversity, which are formed and supported by diverse creatures and their mutual interactions. Biodiversity is one of the most essential elements for the continuation and development of our business, therefore, it can be said that biodiversity serves as the “basis of business activities.” Biodiversity is also the “basis of all life on Earth” which supports human life and living. In recent years, however, biodiversity is being lost at an unprecedented rate, and biodiversity conservation becomes one of the most urgent global issues.

In the Ajinomoto Group Environmental Philosophy, we, the Ajinomoto Group, pledge to work to benefit all life. We wish to make a contribution to realizing the sustainable society in which people can lead healthy and prosperous lives in peace, and wish to meet the expectations of society and our customers now and in the future. To do this we recognize that it is one of the most important tasks for the Group to undertake initiatives in biodiversity. We will tackle the challenges of biodiversity conservation and sustainable use of biological resources, since biodiversity is the “basis of business activities” and “basis of all life on Earth.”

We define hereby the Biodiversity Action Agenda as follows:

Biodiversity Action Agenda

[Addressing biodiversity issues]

1. Issues of biodiversity are closely bound up with other environmental issues such as climate change, dwindling water resources, and waste treatment. They are interconnected and cannot be considered separately. With the recognition of the interrelations, we take initiatives to address the issues: conservation of biodiversity and sustainable use of biological resources, reduction of green gas emissions, efficient use of resources, waste reduction and reduction of other environmental impacts, so that the result of our activities can produce multiple beneficial effects.
2. We ascertain the relationship between the business activities of the Group and biodiversity. In other words we will have a clear grasp of how the activities are dependent on and what impacts they have on ecosystems and ecosystem services.
3. On the basis of this understanding, we strive to reduce impacts of the business activities on biodiversity, and improve the activities to be conducted both within the reproduction capacity of ecosystems and the capacity of material cycle. We recognize that impacts of the business activities can become net positive¹² and aim to contribute to restoration of ecosystems.
4. We comply with international rules and regulations concerning biodiversity.

[Managing supply chains]

5. We promote the use of raw material that is produced with consideration for ecosystems and biodiversity.
 - We comprehend the situation of regions supplying raw material.
 - We avoid procurement from sources or supply chains that involve the destruction of ecosystems or biodiversity.
 - We contribute to stock assessment and management of natural fishery resources and others.
6. We apply transportation methods to conserve ecosystems and biodiversity.
 - Bearing in mind the issues of invasive alien species, we give consideration to selecting transportation methods not to disrupt local ecosystems by bringing non-native species through transportation of raw material or products.

[Providing value]

7. We develop products, services, technologies and systems, which contribute to life of people and life on Earth with minimal impact on ecosystems and biodiversity.

[Managing premises]

8. We create our business sites that are harmonious with local ecosystems and communities in terms of the environment.

- With the aim of the improvement both on the basic functions of business sites and their surrounding ecosystems, we design, construct and manage landscapes, flora and fauna in the premises.
- We manage the use of water resources including water withdrawal, consumption and discharge, with the consideration of regional water cycle.

[Cooperating with others]

9. We promote initiatives for biodiversity conservation in cooperation with the society.
 - We disclose our activities and the situation concerning biodiversity conservation and sustainable use of biological resources, and make use of the feedback from the society to improve our activities.
 - We cooperate with governments, specialists, NGOs, local communities, other companies, etc., in order to develop our initiatives for biodiversity conservation more efficiently.
10. We contribute to promoting the understanding of biodiversity not only amongst our employees but also at all levels of the society, through educational activities and other means.

Established in February 2012

¹² Having a positive impact after considering all the positive and all the negative factors

The Ecological Business Model of the Ajinomoto Group

The job of the Ajinomoto Group is to add extra value to the nourishing gifts of nature and deliver them to customers. The greater the scale of this job, the more the Group can contribute to the creation of a healthier global environment and a more prosperous world community. The ecological business model of the Ajinomoto Group aims to ensure that the Group's business activities help to resolve the issues facing 21st-century human society.

Helping to resolve the issues of the 21st century based on a partnership with the earth and society

The Ajinomoto Group is promoting environmental initiatives for the entire product lifecycle, based on a partnership with the earth and a partnership with society.

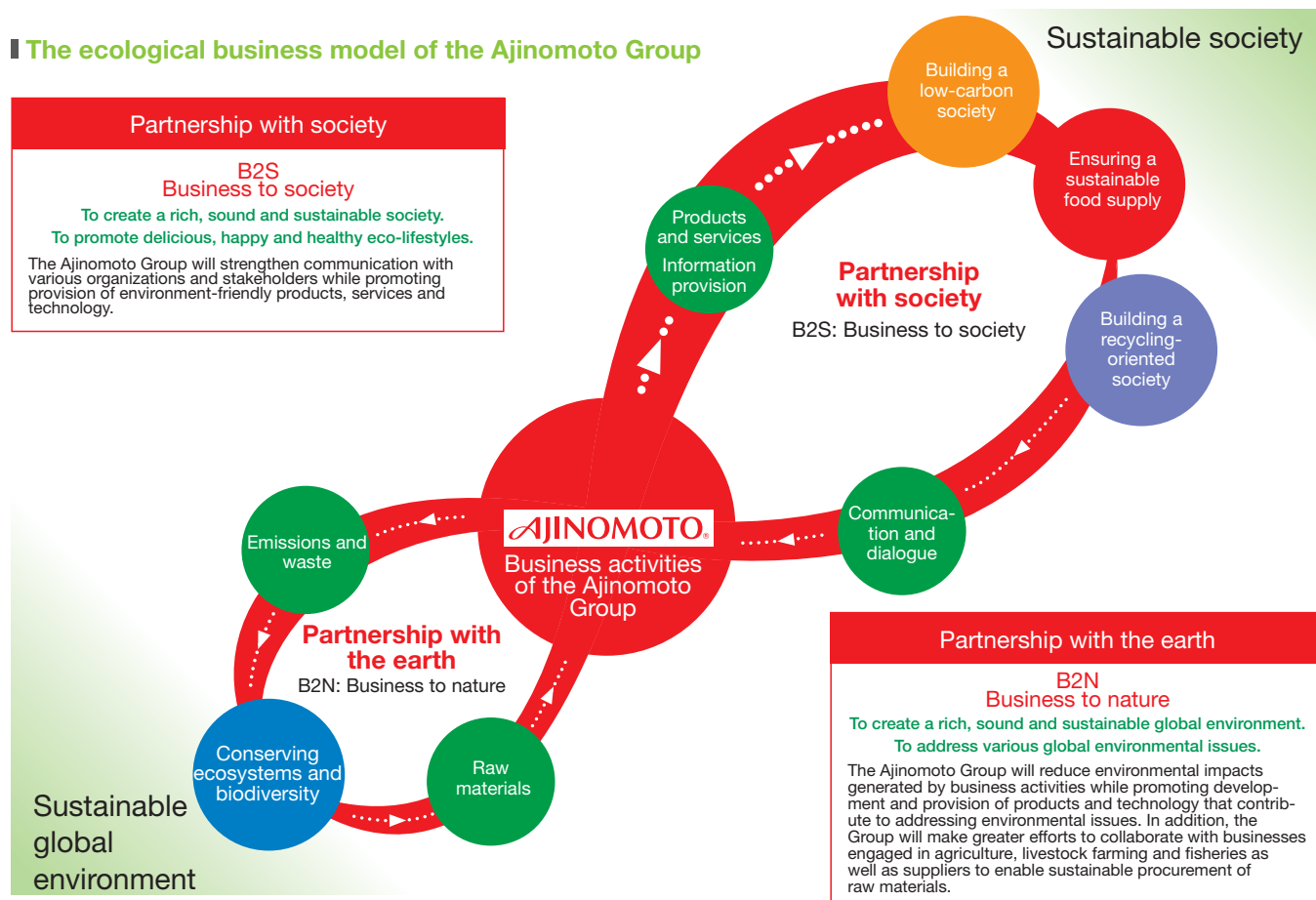
In aiming to make an environmental contribution through its business activities, the Ajinomoto Group is actively involved in helping to create a sustainable global environment and society. This means that the Group's efforts are not limited to its own business operations, but broadly focused to include upstream and downstream parts of the supply chain.

In the past, the manufacturing industry saw resources and raw materials that came from the planet and its ecosystems merely as something to be purchased. However, in order to promote a healthy and sustainable global environment, the Ajinomoto Group believes it is important to strengthen cooperation with primary industries such as agriculture, livestock, and fisheries, making the most of its technologies and other advantages for this purpose.

While being aware of the need to promote sustainable societies, the Ajinomoto Group seeks to learn from the broader society and make a positive impact. While utilizing opinions and outstanding mechanisms from various social organizations and companies, the Group strives to increase the environmental value of existing products and services, and to create new environmental value to ensure its core business is socially useful. The Group also helps to promote ecological business practices and eco-lifestyles in various ways, including advertising and in-store promotions.

Based on a partnership with the earth and a partnership with society, the Ajinomoto Group is working to help realize a sustainable future for people and the planet. It will do this by increasing its own environmental efficiency and value, while minimizing its environmental impact and maximizing its social and environmental contributions. This is the definition of the Ajinomoto Group's ecological business model.

■ The ecological business model of the Ajinomoto Group



Environmental Initiatives through the Entire Product Lifecycle

Rather than limiting efforts to its immediate business operations, the Ajinomoto Group is promoting environmental initiatives throughout the product lifecycle, from the procurement of raw materials, to transport, production, sales, consumer use, and disposal. With an eye on environmental impact and contribution value for all its business activities, the Group is cooperating with various external stakeholders to pursue even more diverse initiatives.



Procurement

Making efforts to achieve sustainable procurement

Key initiatives

- Conservation of biodiversity
- Partnering with and supporting agriculture, fisheries, and livestock farming
- Effective utilization and diversification of raw materials

...▶ **P78**



Development

Developing environmentally friendly businesses, products and technologies with environmental contribution characteristics

Key initiatives

- Basic research
- Business and product development (assessment)
- Life cycle-CO₂ research

...▶ **P81**



Production activities (at plants and offices)

Making the most efficient use of materials and minimizing environmental impact

Key initiatives

- Increasing the value of by-products so that they can be fully utilized
- Building a business system based on recycling
- Zero emissions
- Improving eco-efficiency

...▶ **P90**



Logistics

Improving the efficiency of logistics to reduce environmental impact

Key initiatives

- Fulfilling responsibilities as a consignor
- Collaboration with logistics companies
- Efficient shipping and delivery

...▶ **P94**



Products and services

Providing highly eco-efficient and functional products to create a sustainable society

Key initiatives

- Development of environmentally friendly products by taking advantage of the functions of amino acids
- Contribution to eco-living through food products

...▶ **P85**



Communication

Listening to public opinion and providing helpful information for eco-living

Key initiatives

- Promoting eco-living starting at the dining table
- Contributing to the creation of social frameworks
- Exchanging views with stakeholders

...▶ **P108**

Foundation for initiative promotion

Ascertaining environmental effect ▶**P81**

(Ascertaining environmental impact throughout the entire life cycle)

Environmental management ▶**P95**

(ISO 14001 certification, auditing, education, performance evaluation, etc.)

Raising environmental awareness of employees ▶**P97**

(Smile Earth campaign, etc.)

Ajinomoto Group Medium-Term Environmental Plan and Fiscal 2012 Results



The Ajinomoto Group Medium-Term Environmental Plan is re-established every three years, and forms the basis for the Group's environmental initiatives. Activities are currently underway based on the plan for 2011–2013.

How the Ajinomoto Group should be

The Ajinomoto Group contributes to issues of human society—global sustainability and food resources—and fosters the pursuit of healthy lives through its business.

2011–2013 Ajinomoto Group Medium-Term Environmental Plan and Overview of Initiatives in Fiscal 2012

Main objective	Priority points	Fiscal 2012 results and future challenges
Business to nature: Partnership with the earth		
Minimize emissions generated by business activities, and promote the Zero Emissions Plan	<p>Each organization/company incorporates the 2011–2013 Zero Emissions Plan into its own three-year plan for implementation</p> <p>Encourage acquisition of CO₂ emissions credits (such as CDM) in anticipation of the emissions trading scheme</p> <p>Assess products and their entire lifecycles based on carbon footprint (CFP) and utilize such assessment</p> <p>Develop energy saving processes</p>	<p>Initiatives for the 2011–2013 Ajinomoto Group Zero Emissions Plan progressed steadily throughout the Group, except waste per unit of production, which deteriorated compared to fiscal 2011. It will be important to secure a stable supply of energy with low environmental impact, such as natural gas, and develop energy/resource saving processes.</p> <p>CFP values of 9 amino acid products were certified. Will continue to review product labeling, websites or other media.</p> <p>Progress made according to plan at each site for the introduction of fermentation processes with low environmental impact.</p>
Conserve biodiversity and use sustainable ecosystem services	<p>Apply the Corporate Ecosystem Services Review (ESR) to vital raw materials</p> <ul style="list-style-type: none"> New program on aquatic resources such as skipjack <p>Establish procurement guidelines on raw materials with high risk (e.g., rainforest products), assess use of land on business sites to maintain local biodiversity, and implement monitoring tools</p> <p>Improve fermentation process so that it requires fewer resources (utilization of inedible raw material, etc.)</p>	<p>Skipjack survey: The results of electronic tagging survey gained positive appraisals from the relevant sectors, resource management organizations, and academic societies.</p> <ul style="list-style-type: none"> Tapioca starch: Field surveys were conducted at tapioca farms and tapioca starch factories in Thailand and Vietnam. Sustainable palm oil: Ajinomoto Co., Inc. joined RSPO in October 2012. Land use: The Tokai Plant of Ajinomoto Co., Inc. coordinated with Mie Prefecture, Yokkaichi City and local companies to use its business sites to conserve local ecosystems surrounding the plant. <p>Progress made according to plan on use of inedible raw material in fermentation.</p>
Business to society: Partnership with society—contribution to environmental issues		
Contribute to the environment through business activities, products, and services	<p>Each organization/company considers ways to contribute to the environment through business activities, products, and services, and incorporates the ideas into business policies/plans for implementation</p> <ul style="list-style-type: none"> Environmental contribution using amino acids Development of products/services to help reduce consumers' "eco-concern" and more eco-friendly packaging Establish networks for promoting harmony with local communities <p>Foster cooperation between R&D departments and divisions to develop products that contribute to the environment and save resources, in order to achieve new growth</p>	<ul style="list-style-type: none"> Environmental contribution using amino acids: Promoted expansion of the Ministry of Environment's J-VER scheme for low-protein feed fortified with feed-use amino acids currently limited to pig feed for use in poultry-feed. Eco-friendly packaging: Started initiatives to replace the material of heat shrink labels for food/sweetener containers with polylactate, which is a carbon neutral biomass resource. Started initiatives aimed at quantitative evaluation of the environmental impact of the leading processed foods compared to the home-cooked versions. Conducted experiments and began trial sales of Environment Vitalizing Concrete; promoted sales expansion of <i>AjiPro</i>™-L lysine for dairy cattle and "co-product" enriched agricultural material. Will continue initiatives aimed at commercializing environmentally friendly products, including joint research for bio-based nylon. The Kawasaki Administration & Coordination Office of Ajinomoto Co., Ltd. as well as Ajinomoto General Foods, Inc. received Japanese Ministry of Agriculture, Forestry and Fisheries Awards for promoting recycling of containers and packaging, and recycling of food respectively.
Promote information provision as well as communication and collaboration with society	<p>Disclose as necessary information on business contribution to food resources and global sustainability, and reduction of environmental impact through business activities; implement mechanisms for incorporating external feedback into operations</p> <p>As a leading food company, the Group understands the importance of environmental impact reduction and contribution through food. It strives to take the initiative and provide support in these areas.</p> <p>Activities for eco-living starting at the dining table: Promoting the "Eco-Uma Recipe" program and encouraging environmental awareness</p>	<ul style="list-style-type: none"> <i>The Sustainability Report 2012</i> received the Sustainability Report Award Grand Prize at the Environmental Communication Awards. Since fiscal 2006, the Ajinomoto Group has won the award for 7 consecutive years. Received the Fuji Sankei Group Award as part of the 22nd Global Environment Awards. Ajinomoto General Foods, Inc. received the Food Safety, Security and Environmental Contribution Award from The Japan Food Journal. PT Ajinomoto Indonesia placed in the top three in the 2nd CSR Award held by Seputar Indonesia National Newspaper. The Pathum Thani Factory of Ajinomoto Co., (Thailand) Ltd. was awarded an Excellence in Environmental Conservation Award by Thailand's Ministry of Industry. Joint exhibit by 4 group companies at Eco-Products 2012 held Dec. 13–15, 2012. Exhibited at the Rio+20 Conference in Rio de Janeiro in June 2012, to promote dialogue with the international community. The Group's environmental contribution via its business activities received high acclaim from food industries worldwide. The Group will continue to seek dialogue on environmental and CSR topics. Held the Ajinomoto Group Sustainability Forum, attended by approx. 550 people, in cooperation with Kao Corporation as part of Eco-Products 2012. A variety of panelists presented a range of eco-friendly lifestyle ideas with the theme of "Thinking about an ecological lifestyle from the viewpoint of food and life." Increased "Aji-na Eco" mark products to 128 as of October 2013 (up 18 products from fiscal 2011). Expanded publicity activities for "Eco-Uma Recipe" from websites, email magazines, and magazines to include magazine-books, local newspapers, and satellite TV programs.
Steady management		
Strengthen compliance with laws and regulations	Strengthen systems to ensure each division/department complies with laws and regulations, based on ISO 14001	Some legal violations regarding waste disposal and handling of chemical substances were confirmed at Ajinomoto Co., Ltd., and rectification was implemented following reporting to government authorities. The company will develop a framework to prevent recurrence and enhance checks on operations.
Steady implementation of EMS group-wide	<p>Establish EMS networks on a business, operational, or regional basis</p> <p>Encourage integrated management of safety, quality, and environmental targets</p>	<p>Promoted cooperation on waste disposal management in the Tokai and North Kanto regions. Commenced examination of a scheme in the Shizuoka region.</p> <p>Encouraged integrated management of safety, quality, environmental targets and reviews.</p>
Make improvements and evaluations based on indicators	Establish EMS so that environmental issues and risks can be noticed easily by the Group and top management	Promoted environmental accounting and aggregation and analysis of environmental impact performance in addition to monitoring trends in legal amendments in Japan and sharing the information with affiliates.
Maintain capacity to promote EMS	<ul style="list-style-type: none"> Promote education and awareness throughout the Group including top management For EMS activities outside Japan, local staff are expected to take the lead in providing education and practice opportunities under the guidance of managers posted from Japan 	<ul style="list-style-type: none"> Provided education for new environmental administrators and staff, environmental law training sessions, showed environmental education videos, and carried out grade-specific and legal training programs according to plan. Conducted education and training at each group company outside Japan, according to plan.

Ajinomoto Group Zero Emissions Plan and Fiscal 2012 Results



With the aim of minimizing environmental impact arising from its various business operations, the entire Group is now implementing the 2011–2013 Ajinomoto Group Zero Emissions Plan. While checking progress via a performance review every six months, the Group also revises the scope and targets whenever the plan is updated in order to further reduce impact.

2011–2013 Ajinomoto Group Zero Emissions Plan and performance on targets in fiscal 2012

The 2011–2013 Ajinomoto Group Zero Emissions Plan is being implemented as part of the 2011–2013 Ajinomoto Group Medium-Term Environmental Plan. While maintaining the framework of the previous 2008–2010 plan, the current Zero Emissions Plan contains new targets for emissions reduction.

For example, in the area of water resource conservation, in addition to the previous targets for wastewater emissions, targets for reducing water consumption were added. In the area of waste reduction, new targets were added to include non-production sites.

The Calpis Group, which accounts for 15% of the Ajinomoto Group's total production by volume, was omitted from targets in fiscal 2012, midway through the 2011–2013 Zero Emissions Plan. This change impacted progress on targets in the areas of water resources, CO₂ emissions and recycling, etc., of waste. Excluding this impact, water consumed per unit of production was flat, discharged water per unit of production and CO₂ emissions per unit of production improved compared with the previous year, and progress on waste per unit of production deteriorated. Targets for total CO₂ emissions in Japan and resource recovery ratios were achieved again this fiscal year. The Group will work hard to achieve all targets by fiscal 2013.

Environmental award system for excellent business sites

The Ajinomoto Group is united in its efforts to further reduce environmental impact in all business areas. In order to provide additional incentive for such activities, business sites that have made the biggest contribution to achievement of the 2011–2013 Ajinomoto Group Zero Emissions Plan are honored as “excellent business sites.”



Plaque presented to the excellent business sites

Based on the criteria of establishing a roadmap and steadily promoting it, as well as achieving numerical targets, the Group honored seven sites that had saved energy in their offices or logistics operations in fiscal 2012 and one site that had promoted initiatives to reduce waste and to save energy in the workplace overall by updating and carefully managing use of equipment.

Excellent Business Sites (Office Division)

Logistics Planning Dept., Ajinomoto Co., Inc.
Food Sales Administration Dept., Ajinomoto Co., Inc.
Chubu Main Office, AJINOMOTO LOGISTICS CORPORATION
Kyushu Main Office, AJINOMOTO LOGISTICS CORPORATION

Excellent Business Sites (Logistics Division)

Ajinomoto Co., Inc.
Logistics Controlling Dept., AJINOMOTO PHARMACEUTICALS CO., LTD.
Logistics Dept., Ajinomoto Frozen Foods Co., Inc.

Excellent Business Sites (Production Division)

Head Office and Kanto Plant, Ajinomoto Packaging Co., Inc.

Key targets and results for the 2011–2013 Ajinomoto Group Zero Emissions Plan

	Item	Scope	Targets to be achieved	Fiscal 2012 results (excl. Calpis Group)	Fiscal 2011 results	
					(excl. Calpis Group)	(incl. Calpis Group)
Water resources	Concentration of pollutants in discharged water: BOD and total nitrogen (TN)	All production sites of the Group	BOD ≤ 10 ppm, TN ≤ 5 ppm	Target achieved at 20 out of 37 sites	Target achieved at 22 out of 37 sites	Target achieved at 24 out of 39 sites
	Water consumed per unit of production	All production sites of the Group	Reduce by at least 70% (compared to fiscal 2005)	61% reduction	61% reduction	65% reduction
	Discharged water per unit of production	All production sites of the Group	Reduce by at least 70% (compared to fiscal 2005)	67% reduction	65% reduction	69% reduction
CO ₂ emissions	CO ₂ emissions per unit of production	Entire Group (production sites + non-production sites)	Reduce by at least 35% (compared to fiscal 2005)	26% reduction	22% reduction	31% reduction
	Total CO ₂ emissions	All production sites in Japan	≤ 493 kt ³ (reduce by 7% compared to fiscal 1990 and by 8% compared to fiscal 2005)	374 kt	396 kt	433 kt
3Rs of waste	Resource recovery ratio (waste + by-products)	Entire Group (production sites + non-production sites)	≥ 99%	99.2%	99.3%	99.3%
	Waste per unit of production	Entire Group (production sites + non-production sites)	Reduce by at least 20% (compared to fiscal 2006)	5.0% increase	0.9% increase	10.3% reduction

3 Benchmark year (1990): 508 kt (Changed due to exclusion of Calpis Group from scope of plan)



The Ajinomoto Group is working to minimize its impact on the environment, based on its Medium-Term Environmental Plan and Ajinomoto Group Zero Emissions Plan. The Group always pursues the most efficient use of the resources needed for its business activities, including raw materials, energy, and water.

Input and output balance

■ Scope of reporting:

Including Ajinomoto Co., Inc. and its consolidated subsidiaries, there were 109 business sites playing a significant role in the Ajinomoto Group's environmental management at the end of fiscal 2012. This number decreased by two (five eliminated and three added) since fiscal 2011 due to the consolidation of business sites and other reasons.

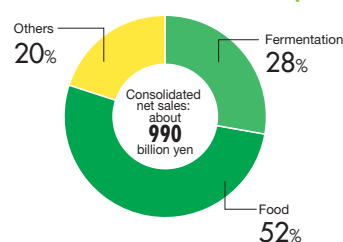
■ Reporting period:

April 1, 2012 to March 31, 2013

Reported data:

Reported data. Estimated values are included. The sum of all values in a graph may not equal the total due to the effect of rounding.

Consolidated net sales (reference)

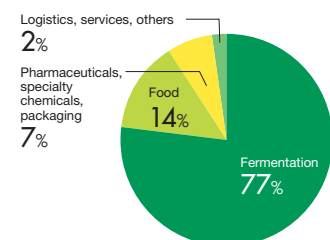


Note:
The Ajinomoto Group's business segments are categorized according to the characteristics of the environmental impact incurred by the various manufacturing methods, excluding cooperative ventures, such as edible oils and coffee products. These categories are different from the business segments based on consolidated financial accounting. Their scope of reporting is different from the scope applied to the input and output balance.

Input and output balance for the Ajinomoto Group

Input: Energy, water, raw material

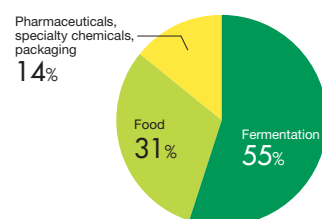
Input of energy
35,669 TJ¹



Purchased electricity	2.10 million MWh (7,522 TJ)
Purchased steam	1,171 kt (3,166 TJ)
Gas	408 million m ³ (17,473 TJ)
Oil	89 million l (3,561 TJ)
Coal	66,903 t (1,987 TJ)
Biomass	1,930 TJ

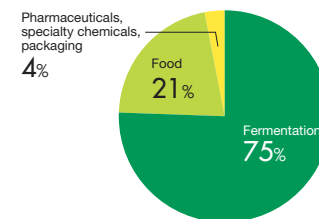
1 TJ: terajoule. T (tera) = 10^{12}

Water consumption
109,827 kt



River water	37,706 kt
Industrial water	40,108 kt
Well water	19,141 kt
Tap water, municipal water	12,871 kt
Others (rainwater, etc.)	1,713 t

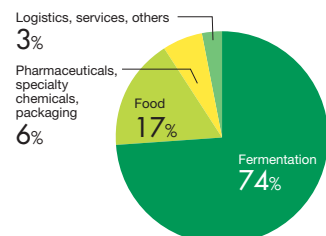
Raw material consumption
4,098 kt



Raw material	
Main raw material	1,772 kt
Sub raw material	2,141 kt
Acids/alkalis	643 kt
Other	1,497 kt
Packaging material	
Plastic	38 kt
Paper, cardboard	98 kt
Other	47 kt

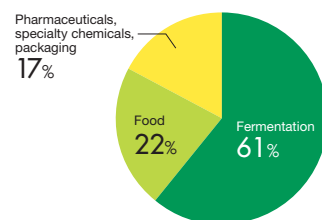
Output: Release to atmosphere, discharged water, waste

CO₂ emissions
2,240 kt



CO ₂	Combustion	1,311 kt
	Purchased energy	905 kt
	Vehicle fuel	24 kt
NO _x		1,795 t
SO _x		1,765 t
Soot and dust		2,287 t
CFCs, HCFCs, HFCs		14.8 t

Discharged water
87,206 kt

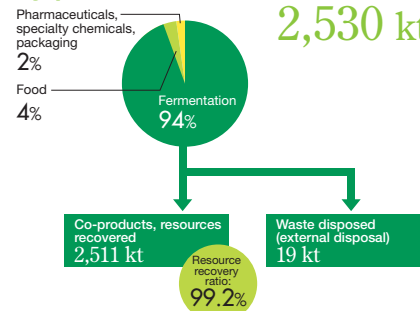


Discharged to:	
Public waterways (indirect cooling water, etc.)	38,525 kt
Public waterways (discharged after treatment, etc.)	32,227 kt
Public sewerage	14,650 kt
Water for irrigation use	1,804 kt
BOD	211 t
Nitrogen	427 t

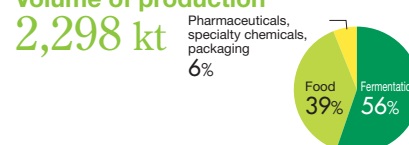
By-products, waste emissions

Pharmaceuticals, specialty chemicals, electronics

2,530 kt



Volume of production
2,298 kt Pharmaceutical specialty chemical packaging





Conserving Ecosystems and Biodiversity

The business activities of the Ajinomoto Group involve a deep relationship with the bounty of nature, and they influence ecosystems and biodiversity in a variety of ways while making the most of nature's blessings. The Group is promoting initiatives to "monitor life and foster life," in order to conserve biodiversity and realize sustainable procurement of ecosystem services.

Fiscal 2012–2013 results of the Ajinomoto Group

- The *Annual Report on the Environment, the Sound Material-Cycle Society and the Biodiversity in Japan 2013* by the Ministry of the Environment cites the biodiversity initiatives of the Ajinomoto Group as a leading example for other businesses to follow.
- The Joint Tagging Survey of Skipjack off the Pacific Coast of Japan project earned an award for excellence at the Third Japan Awards for Biodiversity. The survey is using electronic tagging (archival tags) to generate detailed records of the daily longitudinal and latitudinal geographical coordinates and migration of skipjack at 30-second intervals, over a cumulative period of approximately 500 days.²
- Launch of an ecosystem network improvement project for the Yokkaichi region, through a consortium working in partnership with local companies and governments.

² Survey results in fiscal 2012

Working in partnership with diverse stakeholders

The 2011–2013 Ajinomoto Group Medium-Term Environmental Plan reflects the Group's business model for utilizing biological resources sustainably. Efforts are focused on three priority themes: (1) developing systems for sustainable procurement of raw materials; (2) avoiding risks associated with the destruction of forest ecosystems; and (3) promoting sustainable land use.

Many types of stakeholders care about natural capital, biological resources and their ecosystems. The Group works with external stakeholders to tackle issues directly related to its business activities, looking at the big picture from a medium- and long-term perspective. It also focuses on promoting public and industry understanding of issues related to global sustainability and food resources.

Starting in fiscal 2010, the Ajinomoto Group began identifying the relationships between its main business activities and ecosystem services, seeking to prioritize and address issues group-wide. Sustainable procurement of aquatic and forest resources have long been priorities for the Group, since they are so essential to its business and the ecosystems it depends on. In fiscal 2012–2013, the Group expanded this focus to encompass agricultural resources such as raw materials for fermentation.

For aquatic resources, the Group is involved in a skipjack tagging survey in collaboration with the National Research Institute of Far Seas Fisheries (NRIFSF) of Japan's Fisheries Research Agency. This successful project is generating advanced scientific data using archival electronic tags, and is very valuable for research on skipjack stock management in Japan and the western-central Pacific Ocean.

For forest resources, Ajinomoto Co., Inc. has been a member of the Roundtable on Sustainable Palm Oil (RSPO)³ consortium since August 2012. The company has outlined a roadmap for sustainable palm oil use and is taking concrete steps to lay the groundwork for acquiring RSPO certification in its supply chain. The company is also providing information to others in the food industry, a major user of palm oil, seeking to promote sustainable practices industry-wide.

The Ajinomoto Group also strives to use paper sustainably in its business activities, following the Ajinomoto Group Guidelines for Procurement of Environmentally Responsible Paper. The Group is working with other companies and WWF Japan to plan joint education campaigns on responsible paper procurement.

In the area of raw materials for fermentation, the Group conducted field surveys in fiscal 2012 to identify environmental and social issues in the supply chains for cassava and tapioca in Thailand and Vietnam. The survey of cassava farmers and tapioca starch processing plants was implemented by employees from procurement and environmental/CSR departments together with staff from local subsidiaries and outside experts. The study findings are being used to formulate a plan of action to create shared value with supply chain stakeholders.

Ajinomoto Co., Inc. is a member of the Japan Business Initiative for Biodiversity (JBIB). Working with other member companies, it is examining land use practices at its business locations, with a view to ensuring that business growth has a positive influence on local communities and ecosystems. The company's Tokai Plant is part of a consortium of local businesses that is working with Mie Prefecture and Yokkaichi City on an ecosystem network improvement project for the Yokkaichi region. The plant's efforts focus on the Ajinomoto Bird Sanctuary, which is located on the grounds of the Tokai Plant.

In a variety of areas, the Ajinomoto Group is working closely with diverse stakeholders to develop biodiversity conservation initiatives with an even more global reach.

³ A non-profit organization whose purpose is to promote the production and use of sustainable palm oil by developing certification standards that are trusted globally and ensuring the participation of stakeholders.

Reference See "Bringing People the Blessings of Nature, Sustainably" on p. 21. See "Pursuing CSR Procurement" on p. 43.

Ajinomoto Bird Sanctuary in Yokkaichi (Tokai Plant, Ajinomoto Co., Inc.)

Use of business-owned land for manufacturing must acknowledge that each parcel is also a vital part of the local natural environment. Providing green spaces makes land multi-purpose, ensuring it plays its rightful role in the local ecosystem.

Ever since the Tokai Plant was built in the 1960s, its employees have been planting trees in the area. The green trees attracted more and more wild birds. This prompted the employees to explore the idea of setting the space aside as a conservation area, an environmental asset for the community. Thanks to the hard work of employees who volunteered their own time to maintain the area, it was officially designated the Ajinomoto Bird Sanctuary in 2002.

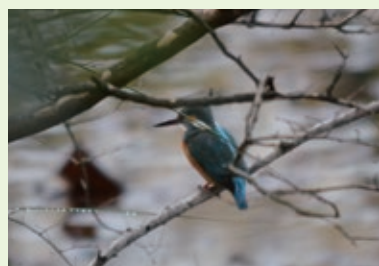
The pond and trees in the sanctuary change appearance with the seasons. Many rare insects and wild birds, including six species of heron, can be found here—most notably the Intermediate Egret, which is designated as an endangered species by Japan and Mie Prefecture. Other rare species include the Northern Goshawk and the Common Kingfisher, which is only found in habitats with very clean water. The sanctuary also serves as a stopover for migrating birds.

Ajinomoto Co., Inc. is part of the JBIB's working group on sustainable land use, and it seeks to ensure that land use actively enhances local ecosystems. The company is part of a consortium of JBIB member companies that launched an ecosystem network improvement project for the Yokkaichi region in June 2013. The initiative is forming ecosystem networks that link green spaces on corporate lands with public green spaces to enhance the overall ecosystem in the region.

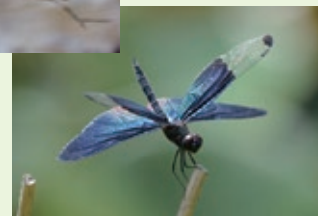
In fiscal 2012 and 2013, flora and fauna experts conducted a fact-finding assessment of business locations and surrounding areas, confirming that the Ajinomoto Bird Sanctuary was home to a colony of rare Intermediate Egret and affirming the value of the project. The initiative is truly a team effort, with the support and cooperation of the Mie Prefecture and Yokkaichi City governments, Mie Prefecture Museum, and local communities.



The Ajinomoto Bird Sanctuary is maintained by employees who volunteer.



The Common Kingfisher (left) and a rare dragonfly (right)



An observation room where visitors can enjoy birdwatching



Japan Business Initiative for
Biodiversity (JBIB)
<http://www.ibib.org/en/>



Column

Joint Tagging Survey of Skipjack off the Pacific Coast of Japan

Since fiscal 2009, Ajinomoto Co., Inc. has been involved in the Joint Tagging Survey of Skipjack off the Pacific Coast of Japan, partnering with the National Research Institute of Far Seas Fisheries (NRIFSF). The project engages research experts in the field of marine resources, seeing to elucidate the migratory habits of skipjack along the Kuroshio current from the southwest islands to the west coast of Japan. The data will help foster a better understanding of the mysterious life of skipjack.

Skipjack are tagged, released, and later re-caught with the help of fishing operators. Survey personnel actually board fishing vessels to release skipjack, so they must work closely with fisheries cooperatives to determine the best boats and times for weather and fishing conditions. When the tagged fish are caught, the fishing operators report the date, location, tag number, and size of the fish. Survey personnel meet with people in the fishing industry across Japan to hand out leaflets and enlist fisheries to post educational posters.

Many people are involved in acquiring the data, which is published by NRIFSF. The data is also used by international fishery management organizations and presented at academic conferences, all contributing to the sustainable management of skipjack stocks.



Researcher tags a skipjack



Meeting with a fisheries cooperative



Poster and promotional goods

Reference See "Joint Tagging Survey of Skipjack off the Pacific Coast of Japan" on p. 22.

Highlight

Government white paper cites biodiversity initiatives of Ajinomoto Group

Japan's Ministry of the Environment recently published the *Annual Report on the Environment, the Sound Material-Cycle Society and the Biodiversity in Japan 2013*, which was submitted to the National Diet in June 2013. This "environmental white paper" included a column devoted specifically to the biodiversity initiatives of the Ajinomoto Group.¹

Under the vision of "living in harmony with nature," many nations are presently working toward achieving the Aichi Biodiversity Targets, a new strategic plan that was decided at the 10th meeting of the Conference of the Parties (COP 10) held in Nagoya, Japan in 2010. Japan outlined the National Biodiversity Strategy of Japan 2012–2020 in September 2012 as a roadmap for achieving the Aichi Biodiversity Targets. The call to action encompasses all segments of society, and asks businesses to play a major role in achieving the targets. The white paper by the Ministry of the Environment cites the biodiversity initiatives of the Ajinomoto Group as a leading example, validating the Group's efforts in this area.

The Ajinomoto Group is working to address biodiversity issues directly related to its business activities. It seeks to influence industry and society as a whole by sharing best practices and providing biodiversity education. The Group presented at side events at the COP 11 held in Hyderabad, India, and also publishes information on biodiversity initiatives on its own website.

1 It can be found in Part 1, Chapter 2, Section 4 in the Japanese version of the report.

Link [Environmental Conservation](http://www.ajinomoto.com/en/activity/environment/)
<http://www.ajinomoto.com/en/activity/environment/>

Link [Stories](http://www.ajinomoto.com/features/story/)
<http://www.ajinomoto.com/features/story/>





Developing Technologies and Products That Contribute to Global Sustainability

The Ajinomoto Group is pursuing research and technology development to enhance the environmental value of its products and business activities. In addition to ascertaining environmental impact throughout product lifecycles, the Group is using its knowledge to create new businesses that contribute to global sustainability.

Creating environmentally beneficial businesses

While pursuing R&D to reduce the environmental impact of existing business activities, the Ajinomoto Group also strives to provide new environmental value. The Group has established priority research themes for new business areas, including environmental technologies and more effective use of resources.

Making the most of its own knowledge and technologies, the Group is also incorporating outside ideas and technologies in order to develop new products and materials that can contribute to global sustainability. It calls its effort to achieve fast results “open & linked innovation,” and often pursues joint development.

Starting with the early results of joint research into the manufacture of synthetic rubber and nylon from sustainable plant materials, the Ajinomoto Group is still pursuing a variety of technologies that have the potential to contribute to global sustainability by leveraging the Group’s extensive expertise in amino acids and food products as well as related fermentation technologies.

Reference See “R&D for a Healthier, More Sustainable Future” on p. 27.

Principal research and technology development areas for contributing to global sustainability

Sustainable, environmentally friendly technologies

- Utilizing unused biomass
 - Developing technology to utilize unused biomass as raw material and energy
 - Developing alternative production technologies for petrochemical products
- Developing technologies to save energy and resources

Effective use of resources

- Adding value to by-products from the amino acid fermentation process

Reference P83

Reduction of greenhouse gas emissions

- Carbon footprint assessment of emissions throughout the business and product lifecycles (LC-CO₂)
- More energy savings
- Utilizing unused biomass resources

Reference P82

Reference P90

Reference P25

Reduction of the environmental impact of discharged water

- Saving water by developing highly efficient amino acid fermentation technologies
- Developing advanced wastewater treatment technologies (such as biological denitrification)

Reference P92

Eco-friendly designs for containers and packages

- Design based on the 3Rs (reduce, reuse, and recycle)
- Using sustainable materials
- Utilizing unused resources

Reference P85

Assessing the environmental impact of the entire product lifecycle

In order to reduce the environmental impact of products while increasing their environmental value, a company must understand not only the impact during the production process, but also the impact throughout the product’s entire lifecycle. This extends from the extraction of raw materials and their processing at factories, to the distribution of the product, and consumption and disposal by the consumer. The Ajinomoto Group has been carrying out lifecycle assessments (LCA) for many years, and is actively taking part in related research.

One of the keys to achieving a low-carbon society is monitoring total CO₂ emissions during the product lifecycle (LC-CO₂). Ajinomoto Co., Inc. has become a member of the Food Study Group run by the Institute of Life Cycle Assessment Japan to study LC-CO₂.

The study led to development of the Ajinomoto Group LC-CO₂ Emissions Factor Database for Food-related Materials, which has been on the company’s public website since April 2007. The latest version, released in October 2010, is compatible

with the 1990, 1995, 2000, and 2005 edition of the Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables (3EID). This database, which covers basic LC-CO₂ data regarding food materials and ingredients, is used by and highly rated by industrial, academic and government organizations and researchers.

The Ajinomoto Group began carbon footprint (CFP) assessment of its products early on. For nine amino acid-based products including feed-use lysine, the Group finished acquiring certification of its CFP calculation standards and CFP values under the Carbon Footprint Program of the Japan Environmental Management Association for Industry in May 2012. The Group has also introduced LC-CO₂ assessment as a standard for environmental assessment of product containers and packaging.

Reference See “Development of Environmentally Friendly Packaging” on p. 85.



Lysine

Threonine

Tryptophan

Valine

Feed-use amino acids for livestock farming that is friendlier to the planet

Feed-use amino acids help to augment low-protein livestock feeds by enhancing the amino acid balance in feeds, which in turn helps to reduce greenhouse gas emissions, lessens the impact on soil and water quality, and enables cultivated land to be used more effectively. As a leading global manufacturer of feed-use amino acids, the Ajinomoto Group is working hard to develop new products and collaborate with the international community.

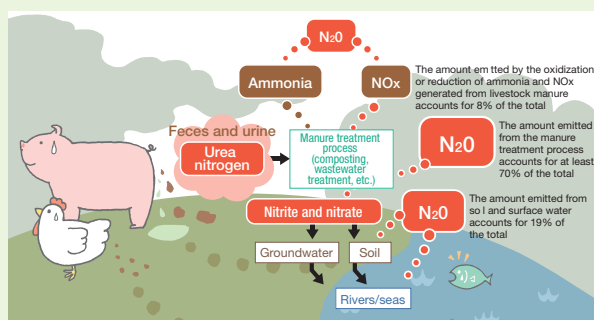
Promoting livestock growth and reducing environmental impact

Animal proteins are built from 20 different amino acids, several of which are not synthesized in sufficient quantities in the body. These amino acids must be supplemented through feed formulations.

Feeds that have a poor amino acid balance prevent the body from effectively using amino acids, so that they are emitted as nitrogen compounds, which impact soil and water quality. Additionally, some of the nitrogen that is oxidized or reduced in the soil or air is released into the atmosphere as nitrous oxide (N_2O), which has approximately 300 times the warming potential of CO_2 .

The addition of feed-use amino acids helps livestock to better use the nutrition content of feeds, which helps to reduce the impact on the global environment.

N_2O cycle



Assessing carbon footprint to verify environmental benefits of feed-use amino acids

To popularize environmentally friendly livestock farming, livestock farmers will have to be informed about how greenhouse gas emissions can be reduced by using feed-use amino acids. The farmers who use feed-use amino acids will also have to benefit in some way from the emission reductions they achieve.

The Ajinomoto Group took on the challenge of assessing the carbon footprint benefits of feed-use amino acids and establishing an emission offsetting credit scheme to encourage livestock farmers to use feed-use amino acids. In Japan, the Group made great progress with regard to the scheme in fiscal 2010 and 2011.

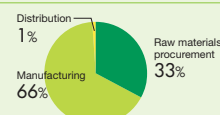
Based on the encouraging results, the Group believes it is possible to establish a global system that is similar to the one promoted in Japan, thereby achieving great benefits.

Visualizing the N_2O reduction effect of using low-protein feed fortified with feed-use amino acids

July 2010:	Certified by the Offsetting Credit (J-VER) Scheme of the Ministry of the Environment (Japan)
March 2011:	Certified as a project under the domestic credit system of the Ministry of Economy, Trade and Industry (Japan)
September 2011:	CFP values certified for feed-use lysine under the CFP Pilot Project of the Ministry of Economy, Trade and Industry (Japan)



CO₂ emissions at each stage of the lifecycle for feed-use amino acids (L-lysine)



Bringing feed-use amino acids and their benefits to the world

Full-scale introduction of next-generation technology

Ajinomoto Animal Nutrition Group, Inc. conducts R&D into lower-resource fermentation technology (see p. 27 for details), to enable feed-use amino acids to be manufactured with less raw materials and fuel. Its technologies were first deployed for production of feed-use lysine in Brazil, and since September 2013 they have been used in the United States, as well. In France, the technology has been used for manufacturing tryptophan since August 2012, and it will be deployed for lysine manufacturing starting in January 2014.

The Ajinomoto Group will continue to pursue R&D on this theme, deploying the results to address food resource issues and reduce impact on the global environment.

Food resource sustainability initiatives

In August 2012, the International Food Industry Federation (IFIF) and EU Association of Specialty Feed Ingredients and their Mixtures (FEFANA) spearheaded the creation of the Specialty Feed Ingredients Sustainability (SFIS), a consortium representing feed industry associations in Europe, the United States, North and South America, and Japan, together with leading manufacturers of specialty feed ingredients from around the world. As a member of SFIS, Ajinomoto Animal Nutrition Group, Inc. is proposing and working to promote optimum feed nutrition for sustainable livestock production, by identifying the benefits of feed-use amino acids for reducing environmental impact.

Reference See "R&D for a Healthier, More Sustainable Future" on p. 27.

Column

Co-products that yield agricultural bounties worldwide

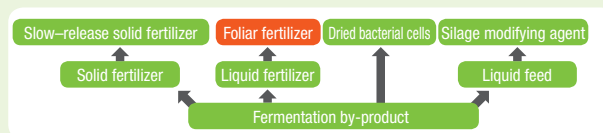
The Ajinomoto Group manufactures “co-products” such as fertilizers and feed using nutrient-rich by-products generated from the fermentation process in the manufacturing of amino acids and nucleic acids and then adding value to them. The Group’s business seeks to utilize nature’s local blessings as materials and tries to make the most efficient use of them in the agricultural, livestock, and fishing industries.

Developing valued-added co-products

The Ajinomoto Group has been making amino acid products for over 30 years, based on bio-cycle mechanisms that fully utilize food resources and return by-products to the agricultural sector in the form of co-products. About 90% of by-products are transformed into co-product fertilizer, which is mainly used in farming. In order to meet the various needs of each agricultural region based on their natural environments and crop characteristics, the Group has been researching co-product usage methods that are suitable for the crops and agricultural practices of each region, and has been investigating their benefits.

Since fiscal 2010, the Group's A-Link project has focused on the use of co-products in the area of agricultural materials. To add more value to co-products, the Group is accumulating more knowledge and expertise, including methods to make more effective use of co-products in each region and for each crop, while promoting the global use of amino acids and nucleic acids in the field of nutrients for plants and animals. Several value-added co-products have already been created, and the business is expanding worldwide.

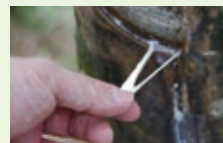
Co-products are made using fermentation by-products that contain amino acids and minerals, as well as other unique ingredients, to help grow healthy crops and increase yields.



AJIFOL® foliar fertilizer sold in Brazil is used in grape cultivation.



AMI-AMI liquid fertilizer sold in Vietnam is spread around rubber trees to promote growth.



Offering co-products for diverse applications in Japan

The Kyushu Plant of Ajinomoto Co., Inc. develops and manufactures diverse co-products, which are marketed by AJINOMOTO HEALTHY SUPPLY CO., INC.

• **AMIHEART®**

AMIHEART® liquid fertilizer contains ample quantities of inosene, which promotes rhizogenesis and root growth.

AMIHEART® contains monomolecular inosene, which is readily absorbed to produce better results.



Results for lettuce cultivation



- **Hayane Hayaoki**

Co-developed with Berg Earth Co., Ltd., *Hayane Hayaoki* fertilizer contains an optimum formulation of inosene, nitrogen, phosphoric acid, and potash to promote seedling growth.



Results for paddy-field rice cultivation



- **AJIFOL® AminoGuard**

AJIFOL® AminoGuard foliar fertilizer contains an optimum formulation of concentrated amino acids and minerals to energize plants. It is typically used in strawberry and tomato cultivation.



■ High-bench strawberry cultivation



AJIFOL® AminoGuard foliar fertilizer used here on strawberries that displayed inhibited growth from root damage. The revived plants display improved leaf color.

Column

Joint development of Environment Vitalizing Concrete to help promote marine ecosystems

Environmental Vitalizing Concrete promotes microalgae growth on its surface by incorporating amino acids into inorganic concrete. The result is an “organic concrete” that helps to revitalize marine environments. Since 2009, Ajinomoto Co., Inc. has been developing Environment Vitalizing Concrete jointly with the University of Tokushima’s Department of Ecosystem Design (headed by Professor Yasunori Kouzuki) and Nikken Kogaku Co., Ltd., a leading supplier of ocean wave dissipation blocks.

“Organic concrete” improves the compatibility of natural and manmade objects, restoring vitality to an area

In the past few years, in addition to the problems with water pollution and eutrophication in Japan’s rivers and seas, rocky-shore denudation caused by multiple factors, including oligotrophication in which nutrients are depleted, rising sea water temperatures, and feeding damage caused by organisms that feed on seaweed has become a serious environmental problem in Japan.

With this understanding, Ajinomoto Co., Inc. has been conducting joint research in laboratories and in the field with partners from different fields. The research has confirmed that the amino acids, which are slowly released by Environment Vitalizing Concrete, promote microalgae growth, which in turn fosters feeding grounds for fish and shellfish. This suggests that promoting healthy growth of microalgae at the base of the food chain helps to improve and vitalize overall aquatic environments.

Furthermore, the Society of Materials Science, Japan (JSMS) verified that incorporating arginine, a type of amino acid, into concrete has virtually zero impact on strength and durability.

Experiments are underway at over 40 water areas

Testing and monitoring of the product is underway at over 40 locations in oceans and rivers across Japan. The company is also promoting further research into the speed, mechanism and the consistency of the release of amino acids.

Environment Vitalizing Concrete has also begun to appear in a number of public infrastructure projects. Ajinomoto Co., Inc. is pursuing further R&D and practical applications into such products as wave dissipation blocks, in order to create safe and secure living environments for people, enhance and vitalize the aquatic environment, and energize the fisheries industry in local communities.



“Organic concrete” (left) attracts more fish than conventional concrete (right).



On-site monitoring of “Organic concrete”





Development of Environmentally Friendly Packaging

Food containers and packaging play an essential role in preserving and protecting their contents—from the moment the customer purchases the product until it is consumed. The Ajinomoto Group has worked to develop containers and packaging with low environmental impact which maintain these vital functions while fulfilling consumers' wish to select products that are as environmentally friendly as possible.

Major targets and results of the second Containers and Packaging 3R Promotion Plan (Excerpt)

Targets to be achieved by fiscal 2015		Fiscal 2012 performance	
Plastic consumption	Paper consumption	Plastic consumption	Paper consumption
Reduce by 2.0% per unit of product weight (compared to fiscal 2010)	Reduce by 5.0% per unit of product weight (compared to fiscal 2010)	1.7% reduction per unit of product weight (compared to fiscal 2010)	1.9% increase per unit of product weight (compared to fiscal 2010)

Fiscal 2012 performance overview

The products of the Ajinomoto Group, which include seasonings and processed foods as well as frozen foods, oils and beverages, require many different kinds of containers and packaging. Each company pursues its own initiatives to make containers and packaging environmentally sound. The Group shares best practices at each company at events such as the Ajinomoto Group Food Conference, which is held regularly.

Ajinomoto Co., Inc. formulated the second Containers and Packaging 3R Promotion Plan (fiscal 2011–2015) and is taking steps based on the plan. In addition to setting overall reduction targets, the company has established specific goals on packaging for less waste, packaging that can be refilled, packaging that is easy to separate, and packaging materials that are environmentally superior, in order to promote the 3Rs (reduce, reuse, and recycle). It has also been focusing on making customers aware of its progress.

In fiscal 2012,¹ compared to the base year of fiscal 2010, plastic consumption per product weight² fell 1.7% while paper

consumption per product weight² rose 1.9%. While progress in reducing paper consumption was achieved for many products, the reasons for the increase include the growth in products for which packaging increased as a result of reductions in the volume of contents based on changes in consumption behavior, products for which 3R activities were inappropriate in view of the suitability of facilities or product shelf life, and the launch of products with characteristically high paper consumption per unit of production, such as tubes or pouches.

In fiscal 2013, changes that will have a substantial impact on reductions are being implemented, including review of manufacturing facilities and product configurations. The Ajinomoto Group will promote further initiatives to achieve the targets for fiscal 2015.

¹ Fiscal 2012 figure is preliminary.

² In 3R related activities, this value is calculated by dividing the gram weight of containers and packaging for each material by the kilogram product weight.

Major targets and results of the second Containers and Packaging 3R Promotion Plan (fiscal 2011–2015; base year fiscal 2010)

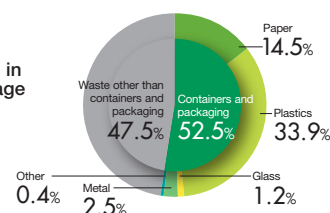
Target			Fiscal 2012 results	
Reduce	Targets to be achieved by fiscal 2015 (compared to fiscal 2010)		Plastic consumption Down 1.7% 55.5 g/kg → 54.5 g/kg	Paper consumption Up 1.9% 58.1 g/kg → 59.2 g/kg
	Plastic consumption Reduce by 2.0%	Paper consumption Reduce by 5.0%		
Reuse	Develop refillable product containers		Enhanced for seasoning products, such as <i>AJI-NO-MOTO</i> ®, <i>HONDASHI</i> , and <i>Ajinomoto KK Consommé</i>	
Recycle	Develop packaging materials that can be easily separated for sorting and recycling		Introduction of easy peel labels for Chinese soup stock product containers Promotion of smaller box design with perforations	
Introduction of new materials and technologies	Develop packaging using plant-derived biomass plastic		Use of shrink film made partly from polylactic acid derived from corn Polyethylene made from sugar cane used in part of <i>AJI-NO-MOTO</i> ® cap	
Providing information to consumers	Increase provision of information that promotes selection of environmentally friendly products and proper separation and disposal of garbage		“ <i>Aji-na Eco</i> ” mark labeling and publication of information on the Internet (for 128 products as of October 31, 2013) Increased provision of information on 120g <i>HONDASHI</i> boxes	

DATA

Household garbage and containers and packaging

Japan disposes of 45.39 million tonnes of garbage a year, and household garbage accounts for 29.69 million tonnes, or approximately 65%, of this. Containers and packaging account for a high 53% of household garbage. Thus, 3R activities for containers and packaging are essential for reducing waste.

Breakdown of containers and packaging types in household garbage



Source: Survey on Containers and Packaging Waste (volume comparison) by Ministry of the Environment (fiscal 2011)

System for promoting environmentally friendly containers and packaging

Every product released under the Ajinomoto brand is required to undergo a quality assessment, including an evaluation of containers and packaging. The assessment is based on the company's own Eco-Index for Containers and Packaging. Each product is checked from four perspectives—(1) Reduction in weight of packaging materials, (2) Selection of materials, (3) Recyclability, and (4) Labeling (and extra information for customers)—to promote eco-friendly design of containers and packaging.

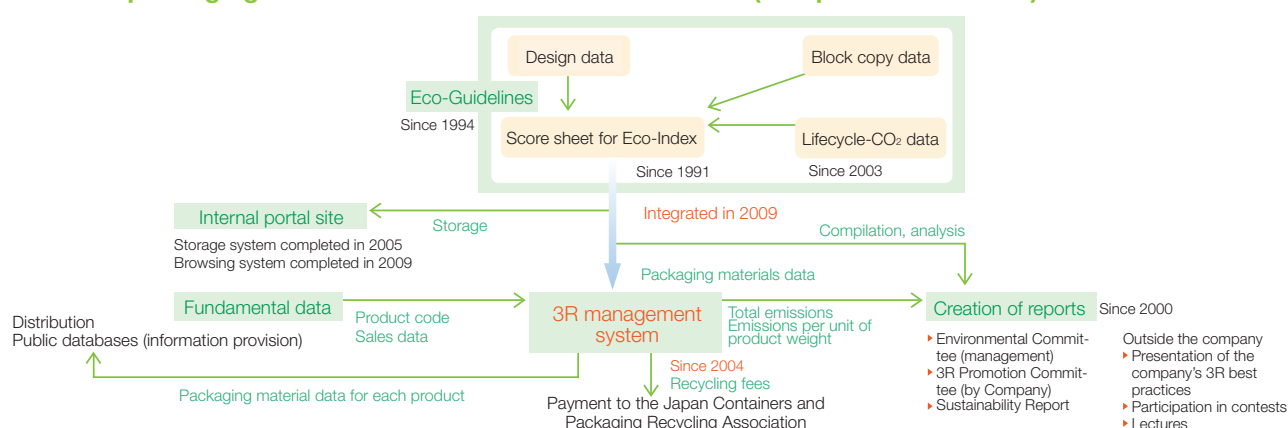
In fiscal 2010, environmental labeling and use of environmentally friendly materials (materials derived from plants) were added to the checklist. When conducting the assessment, the company calculates the lifecycle-CO₂ of packaging,³ which it uses as supporting data in identifying and comparing environmental

performance and publishing information on products' environmentally friendly features.

The company has now integrated this containers and packaging assessment system with its 3R management system. This enables it to: (1) use the data on the weight of used packaging materials indicated in the Eco-Index to calculate recycling fees; (2) disclose data on intranet; and (3) update data on the weight of used packaging materials every month. This integration has not only facilitated the calculation of recycling fees and the promotion of the 3Rs, but also made it possible to report within and outside the company and provide accurate data to distributors and recycling organizations.

3 CO₂ emissions from the manufacture of a container or package through its disposal and recycling.

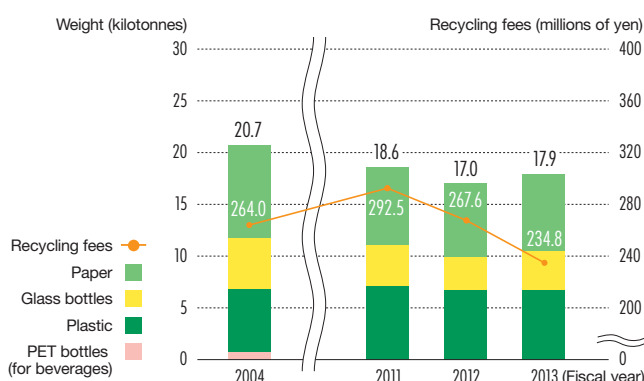
Container and packaging environmental assessment since 1991 (computerized in 2005)



Eco-Index for Containers and Packaging (Household edition ver. 8 and business edition ver. 4)

Purpose		Evaluation item	
Reduction of environmental impact	Efficient use of resources	Reduction in weight of packaging materials	Weight of disposed packaging materials
			Weight reduction ratio Degree of over-packing Availability of refill products
	Combating global warming	Selection of materials	Transport efficiency
			Reduction in lifecycle-CO ₂ emissions Use of materials derived from plants
Contributing to a recycling-oriented society	Promotion of recycling	Recyclability	Use of environmentally friendly materials Utilization ratio of recycled materials Eco-labeling
			Adaptability to separated-waste collection Adaptability to recycling systems Reduction in volume for recycling and disposal
	External promotion	Labeling	Availability of environmental labeling (Availability of environmentally conscious labeling)

Recycling fees and weight of containers and packaging by material type for products



Cooperation with outside organizations

Nowadays, it is difficult for consumers to tell which type of packaging is sustainable, given the diverse materials and forms of packaging on the market. In order to address environmental problems relating to packaging across our entire society, it is important that consumers choose sustainable products based on an understanding of the functions and roles of packaging. The Ajinomoto Group is actively pursuing cooperation with third-party stakeholders on 3R activities, as shown by the examples shown at right.

- Eco-Products Exhibition
- Containers and Packaging Diet Declaration in Nine Municipalities
- Presentation of 3R best practices to recycling councils (Paper Packaging Recycling Council, Plastic Packaging Recycling Council)

Development of environmentally friendly packaging

Reduce: Using less packaging

Since the Ajinomoto Group uses many forms of packaging, it is working to make them lighter using various means. The Group seeks to use less packaging for everything from jars, plastic film, pouches, and trays, to cardboard and paper boxes for products.

Highlight 1: Reducing packets in *HONDASHI* 120 gram box from three to two

In autumn 2013, Ajinomoto Co., Inc. changed the configuration of the 120 gram *HONDASHI* box from three 40 gram packs to two 60 gram packs. To accomplish this, the company modified production facilities and changed pack materials, reducing packaging weight by 78 tonnes a year and CO₂ emissions by approximately 500 tonnes. This is expected to have a major impact on reductions unobtainable through conventional thinning and downsizing of packaging.



Highlight 2: Reducing pack and box size for *Knorr® Cup Soup* (8-pack)

In autumn 2013, Ajinomoto Co., Inc. reduced the size of the box and packs for four varieties of *Knorr® Cup Soup* (8 pack) by 10 mm. The company also made major modifications to production facilities to reduce packaging without compromising content shelf life and usability (ease of opening and portability). As a result of the changes, the company expects reductions of 147 tonnes a year in packaging weight and 434 tonnes for CO₂ emissions.



The reduced packaging mark, which is a part of the “Aji-na Eco” mark program, is shown on the product to show customers that it uses less packaging.

Highlight 3: Optimizing size and reducing weight of home delivery boxes for fundamental foods

In fiscal 2012, Ajinomoto Co., Inc. optimized the size and reduced the weight of boxes used to deliver fundamental foods such as *Glyna®* and *Capsiate Natura®* to customers’ homes in response to feedback from customers that the boxes were big relative to the product they contained. As a result, the company expects to reduce use of corrugated cardboard by 18 tonnes a year and CO₂ emissions by 10 tonnes (33% year-on-year). At the same time, the company made the boxes even easier to open by employing a sealing mechanism that does not use tape.



DATA Consumers who try to reduce garbage in their daily life: 80%
Consumers who think that there is a lot of waste in food packaging and trays for perishables: 86%

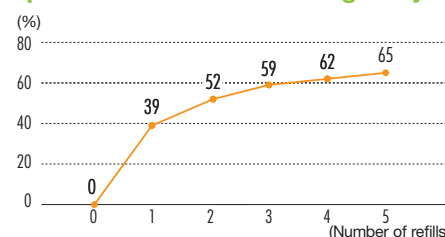
Reuse: Offering more refillable products

Ajinomoto Co., Inc. offers an assortment of refillable products, including *AJI-NO-MOTO®*, *HONDASHI* and *Ajinomoto KK Consommé*. Refilling containers from packets and reusing them for a long time can reduce CO₂ emissions.

Comparing the difference in lifecycle-CO₂ emissions of packaging¹ for a person who always buys products in glass containers and a person who buys in glass containers on the first occasion and subsequently refills the containers from a packet shows that refilling the *AJIPANDA®* 75 gram jar for the umami seasoning *AJI-NO-MOTO®* from a 60 gram *AJI-NO-MOTO®* packet can reduce CO₂ emissions by 39%² on the first refill alone. Refilling the jar five times can reduce CO₂ emissions by 65%² compared to always buying the jar.

1 CO₂ emissions from the manufacture of packaging through disposal and recycling.
2 Difference in CO₂ emissions for buying the jar at first and buying the jar or the packet thereafter calculated based on lifecycle-CO₂ per kilogram of product weight (CO₂/kg).

Percentage reduction in CO₂ emissions according to number of refills (from *AJI-NO-MOTO®* 60 gram packet to *AJIPANDA®* 75 gram jar)



DATA Consumers who try to buy refillable seasoning products: 84%

Recycle: Making packaging easier to separate for recycling and using recycled materials

Highlight 1: Adopting easy peel labels for Chinese soup stock products

The Group is developing packaging that is easy for the customer to separate and recycle. In fiscal 2012, labels were introduced that are easy to peel off, and they have already been adopted for products provided in jars such as *Ajinomoto KK Chuka Aji* and *Marudori Gara Soup*.



Highlight 2: Using recycled plastic for *Blendy®* bottled coffee

In 2012, Ajinomoto General Foods, Inc. introduced new plastic eco-friendly bottles enabling a bottle-to-bottle recycling method for all of its main *Blendy®* bottled coffee products, with a “friendly bottle” logo mark (shown at right).

Used plastic bottles are turned back into recycled plastic resin utilizing innovative chemical recycling technology. Using the recycled plastic resin as a raw material reduces use of oil-based raw materials by about 60% and energy used in manufacturing by about 20%. The bottles received an excellence award at the 14th Green Purchasing Award in 2012 and the Minister of Agriculture, Forestry and Fisheries Award at the 34th Commendation for Excellent Companies and Craftsmen in the Food Industry in 2013.



DATA Consumers who take care to separate garbage properly: 95%

Introducing new materials and technologies: using biomass plastic

The Ajinomoto Group has been promoting initiatives to use plant-derived materials for packaging as they are recyclable and can reduce CO₂ emissions compared to oil-based materials.

Highlight 1: Adopting the world's thinnest heat shrink labels for 11 household products using polylactic acid derived from corn

In September 2012, Ajinomoto Co., Inc. launched an initiative to replace heat shrink labels and cap shrink wrapping used on containers for seasonings and sweeteners. The conventional petrochemical-derived plastic is being replaced with carbon-neutral polylactic acid (PLA) derived from biomass.

As the newly adopted PLA film contains over 25% (by weight) material derived from feed-use corn, it has yielded the world's thinnest³ PLA labels at 35 micrometers (μm). In addition, introduction of the world's thinnest PLA labels is the first such trial in the industry³ for seasoning and sweetener packaging.

In fiscal 2012, the company completed the switch to the PLA film for seasoning including *AJI-NO-MOTO*[®] and *AJI-SHIO*[®] salt, as well as product provided in jars such as *PAL SWEET*[®] sweetener. The company plans to use the PLA film for 11 other products by the end of fiscal 2013, including its mainstay product *HONDASHI* 60 gram jar. Once the switch is complete, the company expects to reduce packaging materials by two tonnes a year and CO₂ emissions by 20 tonnes.⁴



Highlight 2: Using polyethylene made from sugar cane for *AJI-NO-MOTO*[®] jar caps

In February 2013, along with the PLA heat shrink labels, the company switched to plant-derived plastic using biomass polyethylene made from sugar cane molasses⁵ for the caps of 35 gram and 75 gram *AJIPANDA*[®] jars of the umami seasoning *AJI-NO-MOTO*[®], the iconic product of Ajinomoto Co., Inc. By replacing 30% of the conventional oil-based materials, the company expects to reduce CO₂ emissions by 55 tonnes⁶ a year.



Highlight 3: Adopting polyethylene made from sugar cane for frozen food products

In autumn 2012, Ajinomoto Frozen Foods Co., Inc. replaced 25–30% of the conventional oil-based materials in trays for *Agezumi Sakuttosan*, a range of low-calorie frozen food products that are not fried in oil, with plant-derived plastic, overcoming technical issues such as material strength. The company introduced the plant-derived plastic trays for *Nikushumai* (pork dumpling) in spring 2013 and for *Jagabatacheese* (potato and cheese bake) in fall 2013. It expects to reduce CO₂ emissions by 66 tonnes⁴ a year.



Highlight 4: Using plastic materials made from sugar cane for UD eco-pouch products

In autumn 2013, J-OIL MILLS, INC. became the first in Japan to adopt transparent vapor deposition film, adding a gas barrier layer on a biomass plastic film made from sugar cane molasses⁵ for three of its UD eco-pouch products.

Biomass plastic film has a track record at other companies in areas such as soy sauce, but a higher level of gas barrier is required for edible oils to prevent oxidation. Thus, the company collaborated with Dai Nippon Printing Co., Ltd. to develop a packaging material that provided a transparent vapor deposition layer for biomass plastic film in order to give it the same preservative properties as conventional plastic film.

The UD eco-pouch products are also environmentally friendly in that they use less than half the plastic resin compared to a plastic bottle of the same volume and can be rolled up to less than one-tenth of their size for disposal after use.



3 Survey by Ajinomoto Co., Inc. as of August 31, 2012.

4 Calculated by Ajinomoto Co., Inc. using a formula based on fiscal 2012 sales volume (compared to the previous year).

5 Cane molasses is a by-product of refining sugar cane juice into sugar.

6 Calculated by Ajinomoto Co., Inc. using a formula based on fiscal 2011 sales volume.

DATA

Survey on environmental consciousness of customers

In 2012, Ajinomoto Co., Inc. conducted its unique survey on consumers' daily dietary habits and environmental consciousness.⁷ The survey found that more than 80% of consumers are making efforts to "try to reduce garbage," "separate garbage properly," and "buy refillable products as much as possible," and that many consumers feel that containers and packaging for food products are wasteful.

⁷ Ajinomoto Co., Inc. Ajinomoto Monitoring Consumer Survey 2012. Sample: 1,800 homemakers from households across Japan composed of two or more people aged 20–69

I try to reduce garbage in my daily life:	80%
I take care to separate garbage properly:	95%
I try to buy refillable seasoning products:	84%
I think that there is a lot of waste in food packaging and trays for perishables:	86%

Promoting “Aji-na Eco” mark products with environmental packaging

Consumers want to purchase environmentally friendly products and to tell whether a product is eco-friendly at a glance, so the Ajinomoto Group introduced its unique “*Aji-na Eco*”¹ mark in autumn 2010. Details are now being added alongside the mark, indicating features such as refillable, recycled paper used, no tray, reduced packaging with smaller pack and box, and plant-based plastic, and the number of products displaying the marks are also being increased.

¹ The Japanese term for "Aji-na Eco" is a registered trademark of Ajinomoto Co., Inc.



"Aji-na Eco" is a term describing the smart and ecological products or information provided by the Ajinomoto Group, and the logo mark evokes the image of our green planet, the pleasure of eating, and a global environment made even better through food.

As of the end of
October 2013
(Ajinomoto Group)



eco
®
結め替えてエコ



eco
®
トレイなしでエコ



®
植物性キャップでE



®
植物性トレイでエコ

Column

Providing environmental information on product packages

Large-print information on the label

Large-print information on the back





Reduction of Greenhouse Gas Emissions

Among the many environmental issues related to global sustainability, global warming and climate change present two of the most important challenges for people around the world. The Ajinomoto Group is working to reduce greenhouse gas emissions not just in the production process but across all of its business activities.

2011–2013 Ajinomoto Group Zero Emissions Plan²

Entire Group

CO₂ emissions per unit of production

35% reduction
(compared to fiscal 2005)

² See p. 76 for details.

Annual CO₂ emissions in Japan

472 kilotonnes or less³
(7% reduction compared to fiscal 1990, 8% reduction compared to fiscal 2005)

³ Performance for base year in 1990 changed to 508 kilotonnes due to exclusion of the Calpis Group

Fiscal 2012 performance

Entire Group

CO₂ emissions per unit of production

26% reduction
(compared to fiscal 2005)

Annual CO₂ emissions in Japan

374 kilotonnes
(98 kilotonnes less than target)

CO₂ emissions from fossil fuels

2,240 kilotonnes

Fiscal 2012 performance overview

The 2011–2013 Ajinomoto Group Zero Emissions Plan places particular focus on CO₂ from fossil fuels and aims to achieve a 35% reduction of CO₂ emissions per unit of production compared to fiscal 2005 for the entire Ajinomoto Group. In addition, production sites in Japan are also required to reduce their total CO₂ emissions by 7% compared to fiscal 1990 levels to 472 kilotonnes or less. This includes an extra 1% per year added to Japan's target of a 6% reduction compared to 1990 by 2012, which was the final year of the Kyoto Protocol.

In fiscal 2012, CO₂ emissions per unit of production for the entire Group were reduced by 4% compared to fiscal 2011. Total emissions from production sites in Japan were about 98 kilotonnes above the reduction target, 26% lower than in fiscal 1990. Progress was made on achieving the reduction targets of the Kyoto Protocol by 2012.

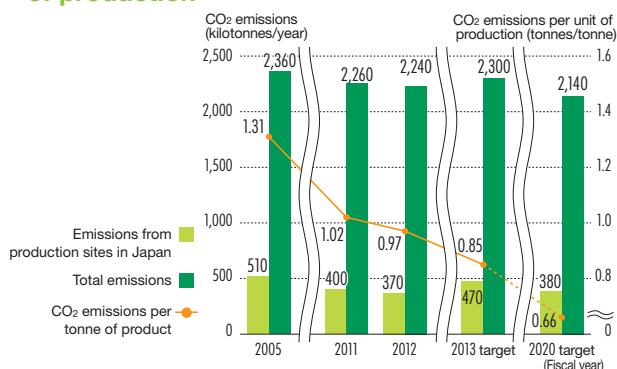
Worldwide energy consumption of the Ajinomoto Group was reduced by 1% compared to the previous fiscal year. Energy consumption per unit of production was 4.4% lower year on year, although production volume was up roughly 3.7% to 2,300 kilotonnes. Meanwhile, total CO₂ emissions were 2,240 kilotonnes,

about 20 kilotonnes lower year on year. CO₂ emissions per unit of production were also 4% lower.

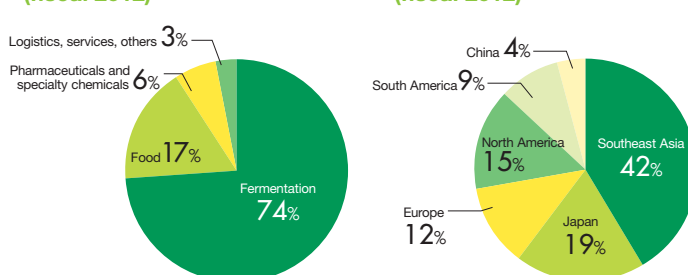
The principal reasons for the progress in reducing total CO₂ emissions were the operation of a biomass boiler fueled by sugar cane bagasse and wood chips at the Laranjal Paulista Plant in Brazil starting in April 2012, supplying 40% of the energy required by the plant, and a switch to low environmental impact energy—using less LPG and switching to electric power—at plants in Thailand. Meanwhile, in the sites which saw an increased volume of CO₂ emissions, the main cause was increased production volume. Despite the increase in volume, CO₂ emissions per unit of production at these sites improved over the previous year.

Fermentation-related divisions account for about 70% of the Group's CO₂ emissions, and they are pursuing process improvements for better yield and productivity in order to ensure the Group meets its future targets. The group will also work to ensure stable supplies of energy sources with low environmental impact and stable operation of biomass boilers.

Total CO₂ emissions and CO₂ emissions per unit of production



CO₂ emissions by business (fiscal 2012) | CO₂ emissions by region (fiscal 2012)



Initiatives at production sites and offices in Japan

In light of the current energy situation, the Ajinomoto Group in Japan continued to implement its Smart Energy Measures in fiscal 2012. This effort is based on appropriate and intelligent use of energy in order to contribute to society while properly carrying out business activities. In accordance with an overall policy for the Ajinomoto Group in Japan, concrete measures were taken throughout the year at each group company and site there, and even greater efforts were made in the summer months from July to September.

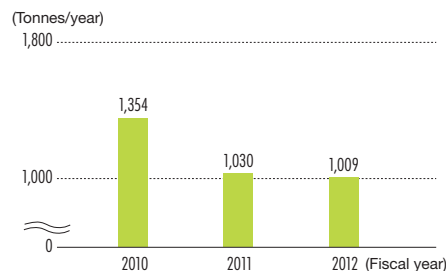
Overall policy for Smart Energy Measures at the Ajinomoto Group in Japan

1. When taking concrete measures based on this policy, priority will be placed on ensuring systems for securing employee health and fulfilling product supply responsibilities.
2. Energy-saving measures will be proactively taken with employees throughout the year by optimizing the overall balance of electricity and other energy usage. Shifting the focus from electricity to all forms of energy, and from summer to the entire year. Smart living involves the smart use of energy.
3. During the summer months of July to September, when energy consumption is highest, the Group and employees will make extra efforts to save energy.
4. Efforts will include daily steps to maximize the reduction of energy use.



The Smart Energy Handbook has been distributed to all employees of Ajinomoto Co., Inc.

CO₂ emissions at the Head Office of Ajinomoto Co., Inc.



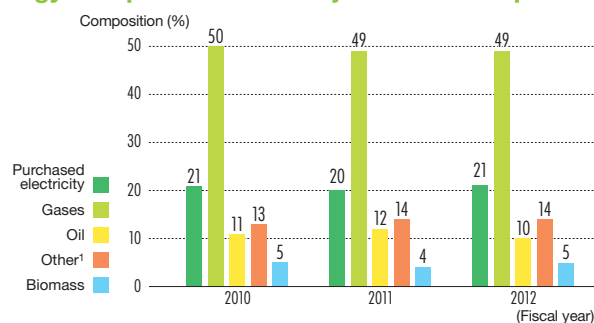
Switching to clean energy

The Ajinomoto Group has long been committed to using clean energy, including switching the fuel used at its plants from heavy oil, which generates comparatively high CO₂ emissions, to natural gas. In fiscal 2012, the percent of petroleum of total energy used was about 10%, down 2 percentage points compared to the previous year. The ratio for biomass-derived energy was 5% (up 1 point year on year), and the percent of gas of total energy used remained steady year on year at 49%.

All of the Group's plants will continue to strive to secure stable supplies of energy sources with low environmental impact, while ensuring reliable production. Further steps will also be taken to develop and implement processes that save energy and resources. The Kamphaeng Phet factories of Ajinomoto Co., (Thailand) Ltd. continue to carry out stable operation of biomass boilers, and have now slashed about 100 kilotonnes of CO₂ emissions per year compared to the year before the adoption. The North Carolina Plant of Ajinomoto North America, Inc.

continues to recover methane gas from a city landfill and is using it as a fuel. Plants in France have launched an ESCO project for biomass cogeneration with a view to starting operation in 2013. These and other efforts will be continued in the future.

Energy composition of the Ajinomoto Group



1 Includes purchased energy (steam) and coal

Management of fluorocarbons

The Ajinomoto Group uses fluorocarbons as refrigerants for refrigeration equipment. The 2011–2013 Ajinomoto Group Zero Emissions Plan sets goals for discontinuing the use of CFCs² and replacing refrigeration equipment that use HCFCs³ and HFCs⁴ with models that use natural refrigerants.

The use of CFCs has already been discontinued in Japan. Some sites outside Japan that still have CFC equipment plan to discontinue their use within 2013 in line with local laws and regulations. Nine of the Group's frozen foods plants in Japan including the four plants of Ajinomoto Frozen Foods Co., Inc.

aim to switch over to non-fluorocarbon equipment by 2020, and 13 such units have already been introduced. In addition, the Ajinomoto Group has become an industry pioneer with the adoption of a new technology combining two refrigerants: ammonia and CO₂.

2 Chlorofluorocarbon. Manufacture of CFCs, which are ozone-depleting substances, was banned in developed countries in 1996 under the Montreal Protocol. Also sometimes referred to as "specified fluorocarbons."

3 Hydrochlorofluorocarbon. Manufacture of HCFCs, which are ozone-depleting substances, will be phased out in developed countries under the Montreal Protocol by 2020. Also sometimes referred to as "designated fluorocarbons."

4 Hydrofluorocarbon. HFCs do not destroy the ozone layer and are known as CFC alternatives. Due to their global warming potential that is thousands of times higher than CO₂, reduction of HFC emissions is included in the Kyoto Protocol targets.



Conserving Water Resources

To reduce the high nitrogen concentration and biochemical oxygen demand (BOD) in process effluent from the production of amino acid fermentation-related products, the Ajinomoto Group controls pollutant sources and uses original treatment technologies suited to the quality of effluent water at each site. It takes a lot of water to make fermentation-related products—about 50 times the product weight. Although the Group's production plants are located in areas rich in water resources, the Group is committed to minimizing water usage by developing water-saving processes.

2011–2013 Ajinomoto Group Zero Emissions Plan⁵

Reduction of biochemical oxygen and nitrogen content of discharged water

BOD ≤ **10** ppm

Total nitrogen ≤ **5** ppm

⁵ See p. 76 for details.

Water consumed per unit of production

70% or more reduction
(compared to fiscal 2005)

Discharged water per unit of production

70% or more reduction
(compared to fiscal 2005)

Fiscal 2012 performance

Water consumed per unit of production

61% reduction
(compared to fiscal 2005)

Discharged water per unit of production

67% reduction
(compared to fiscal 2005)

Water consumption

110 million tonne reduction
(compared to fiscal 2005)

Discharged water

87 million tonne reduction
(compared to fiscal 2005)

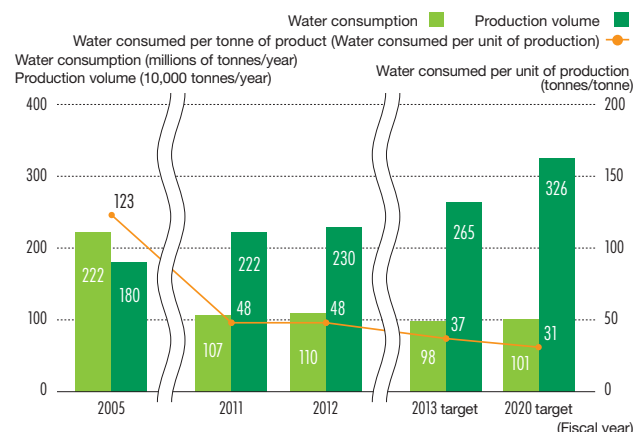
Fiscal 2012 performance overview

Compared to the base year of fiscal 2005, in fiscal 2012 total water consumption was reduced by about 50%, and water consumed per unit of production was decreased by approximately 61%. Total discharged water was also about 57% lower, and discharged water per unit of production was about 67% lower. Reductions in discharged water have progressed in line with the plan. On the other hand, water consumption was virtually flat with the previous year. Use of indirect cooling water has been reduced by using cooling tower water, and water usage has been reduced with onsite recycling of water used in processes. However, this was offset by increased water consumption caused by stabilizing the new wastewater treatment facility at the Kawasaki Plant of Ajinomoto Co., Inc., and process modifications due to ingredient changes and biogas treatment processes at factories in Thailand. The Ajinomoto Group will continue pursuing initiatives to reduce water consumption in its processes in order to meet its targets.

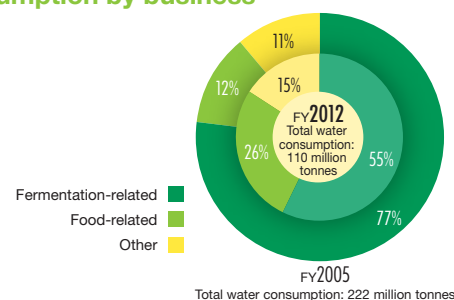
With the adjustments for stabilizing operations being completed at the wastewater treatment facility at the Kawasaki Plant, the plant expects to achieve the Group's zero emission target for discharged water pollution load in fiscal 2013.



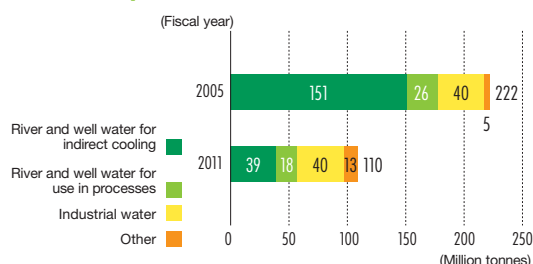
Water consumption performance



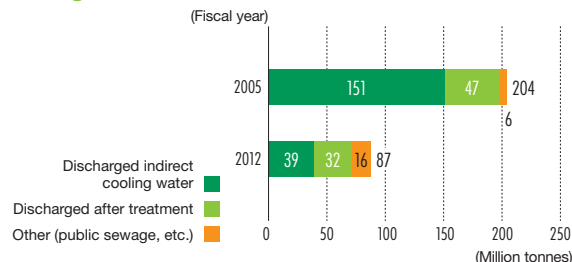
Water consumption by business



Water consumption



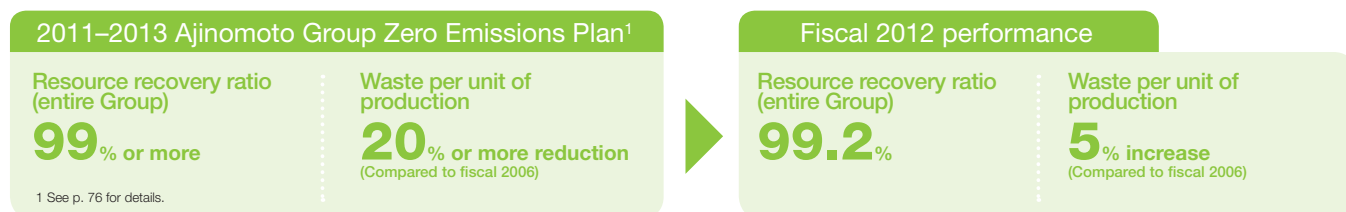
Discharged water



Reducing Waste



The Ajinomoto Group is working to minimize waste to ensure optimal use of all resources. Meanwhile, the Group is also committed to effectively utilizing waste and by-products, with the aim of recovering 99% of it as resources. In amino acid production, the Group utilizes by-products as resources and seeks to improve production efficiency by introducing new technologies. In food production, it is also making a range of efforts, such as improving the precision of sales forecasts and conducting fine-tuned procurement, to minimize wasted raw materials and the amount of packaging materials used.



Fiscal 2012 performance overview

In the 2011–2013 Ajinomoto Group Zero Emissions Plan, new target values have been established for waste per unit of production for the entire Ajinomoto Group. The aim is to reduce waste as much as possible in production activities group-wide. The effort includes waste generated by all operations, including production and non-production sites. The base year for these targets is fiscal 2006, when detailed waste data was first gathered worldwide.

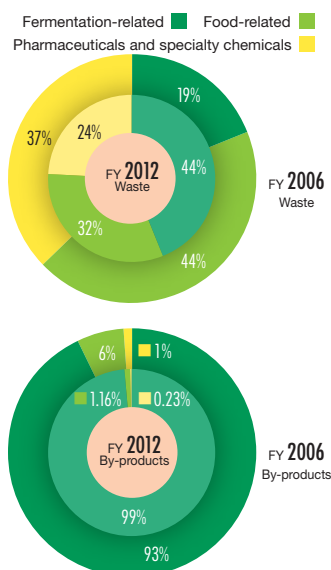
In fiscal 2012, the Group achieved a 99.2% recycling rate. Waste generated was 210 kilotonnes, and by-product emissions were 2,320 kilotonnes, for a total of 2,530 kilotonnes. Most of the by-product emissions, which accounted for the majority of the total, were generated by fermentation-related manufacturing processes. Effective use of these by-products in “co-products” kept the recycling rate above 99%. Waste increased by about 35% compared to the base year, although production only rose by

3.7%. As a result, waste per tonne of product was 0.93 tonnes, representing an increase of roughly 5% compared to the base year.

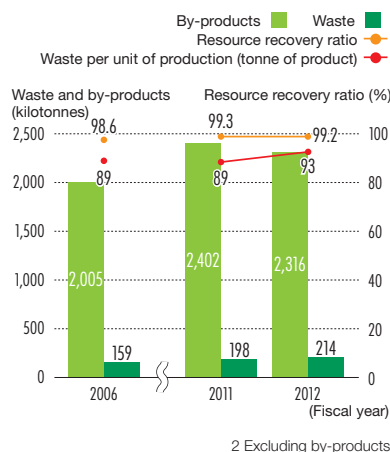
Waste per tonne of product increased across all segments compared to the previous year. Sludge from the increase in wastewater treatment and combustion residue from biomass boilers accounted for most of the increase in waste. Product waste due to problems with certain manufacturing processes was also generated.

A new initiative to decrease waste per unit of production began in fiscal 2011. Each site ascertains its own waste situation, and devises and executes business plans with an awareness of the need for waste control. The Ajinomoto Group is also carrying out steady process management to minimize wasted product and take steps in each area to achieve targets.

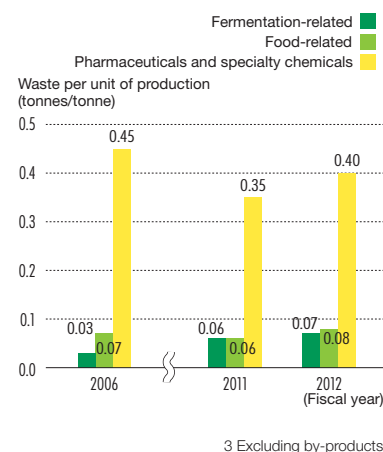
By-products/waste emissions



Volume of waste and by-products, resource recovery ratio, and waste² per unit of production



Waste³ per unit of production, by business field



Initiatives in Logistics

The Ajinomoto Group has been working hard to reduce environmental impacts that occur in logistics, from the procurement of raw materials to the delivery of products to customers. With regard to the reduction of transport-related CO₂ emissions in particular, the Group is taking proactive measures, including establishing a more efficient delivery system and pursuing modal shift and eco-driving.



Fiscal 2012 performance

As a consignor: Performance of Ajinomoto Co., Inc.

CO₂ emissions per unit of sales during transport and delivery

3.5% decrease
(compared to fiscal 2010)

Modal shift percentage⁴

32.5%

4 The percent of total transport volume accomplished using modes of transport with low environmental impact. Ajinomoto Co., Inc. began in earnest in fiscal 1995 to introduce the use of railway container shipments, which produce only one eighth of the CO₂ emissions of truck shipments.

Initiatives as a consignor

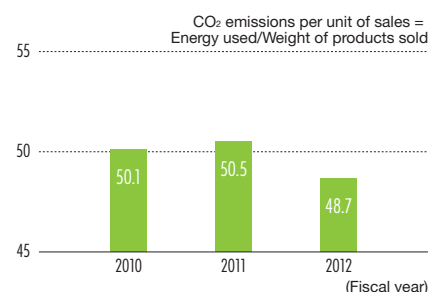
Japan's revised Act on the Rational Use of Energy obliged specified consignors to reduce CO₂ emissions from transport and delivery by at least 5% on a per-unit basis within five years from fiscal 2006. This requirement applied to Ajinomoto Co., Inc., Ajinomoto Frozen Foods Co., Inc., and AJINOMOTO PHARMACEUTICALS CO., LTD.

Ajinomoto Co., Inc. reduced emissions by 5.9% by the end of fiscal 2010. This was attributable to the consolidation of delivery centers and joint deliveries with group companies and other food manufacturers, as well as modal shift, which the company has been advancing since 1995.

In fiscal 2012, per-unit emissions were reduced another 3.5%, bringing them to 2.7% lower than in fiscal 2010. The Great East Japan Earthquake in 2011 damaged the Group's logistics division

in the Tohoku area and product warehouses in the Kawasaki area. Logistics efficiency fell as a result of ad-hoc distribution steps taken to supply products. This brought up per-unit emissions temporarily, and slowed the year-on-year rate of decrease. Despite this, the Group is making steady progress on the 1% annual reduction legal requirement.

CO₂ emissions per unit of sales



Initiatives of the ALC Group

Complying with the revised Act on the Rational Use of Energy, AJINOMOTO LOGISTICS CORPORATION (ALC) and its group companies provide energy use data to the group's customer consignors. In 2010, the ALC Group introduced a more accurate calculation method based on distance transported and fuel economy of transport vehicles and applied the method to direct delivery services from the ALC Group's distribution centers.

The ALC Group also installed driving recorders in vehicles of some of its group companies, helping to reduce accidents while driving, and curbing sudden starts, acceleration, and stops. Similar recorders are being introduced in vehicles of AJINOMOTO PHARMACEUTICALS CO., LTD. and Ajinomoto Frozen Foods Co., Inc. aiming to prevent accidents, ensure eco-driving and reduce environmental impact.

Highlight

Introducing energy-saving lighting at distribution centers

Since 2011, the ALC Group has been upgrading warehouse lighting from mercury-vapor lamps to ceramic metal halide (CMH) lamps and office lighting from fluorescent lights to LED. CMH lamps use about 20% less energy than mercury-vapor lamps and are also said to last about 25% longer. Brighter warehouse lighting can also help to prevent errors and accidents.

Fiscal 2012 saw lighting upgrades at the Higashi-Ohgishima Refrigerated Transport Center and the Komaki Refrigerated Transport Center. With the earlier upgraded Narashino Distribution Center and the West Japan Distribution Center, this resulted in a total annual reduction in power consumption of about 720,000 kwh (330 tonnes lower CO₂ emissions.) The initiatives at Higashi-Ohgishima received the Encouragement Award for contributions to energy conservation at the 1st Kawasaki City Smart Lifestyle Awards.



Environmental Management



The Ajinomoto Group has introduced an ISO 14001-compliant environmental management system (EMS) at most of its sites in and outside Japan to comply with environmental laws and regulations and prevent environmental problems, and to ensure that further efforts will continue to be made at each site to conserve the environment.

Fiscal 2012 performance

Environmental management

ISO 14001 certification had been acquired

at **122** sites, or **94%** of all target sites
(As of March 2013)



Group-wide environmental management

The Ajinomoto Group has established an environmental management structure headed up by the Management Committee to ensure that measures are implemented uniformly across the Group. This management structure forms the base for a range of environmental management activities, such as the formulation of environmental plans (three-year medium-term plan and annual plan), implementation of environmental assessments and

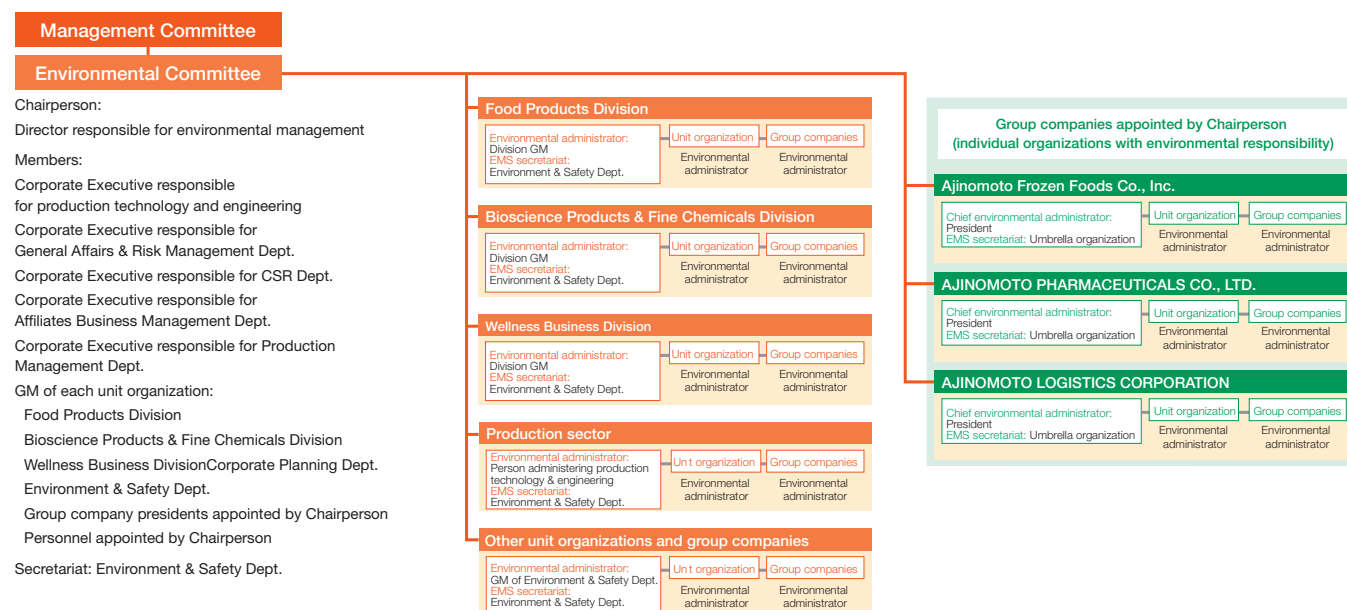
environmental audits, and collection of environmental data. Issuing its “Working for Life” pledge on its centenary anniversary in 2009, the Group revised the Ajinomoto Group Environmental Philosophy and Basic Policies in April 2011 as a statement of its determination to promote business activities and products that contribute to the environment and to stay in dialogue with society.

Group-wide environmental management activities

As of fiscal 2012, 122 out of 130 target sites have acquired ISO 14001 certification. Consistent efforts are now being made by the remaining sites to acquire certification. In promoting group-wide environmental management, it is important to have a way to quantitatively identify both environmental impact and contribution. The Ajinomoto Group has developed the Ajinomoto System for Reporting of Environmental Performance (ASREP) to

efficiently collect environmental data on CO₂ emissions, waste, discharged water and other items from all its sites. Collected data is utilized in compiling the Group’s environmental performance statistics, in progress control of the Zero Emissions Plan, and in developing information to be disclosed through the Carbon Disclosure Project.

The Ajinomoto Group’s EMS organization (As of April 1, 2013)



Implementing environmental assessments

When the Ajinomoto Group launches new products and businesses, or changes the use of conventional raw materials in production processes, it assesses the environmental impact of business plans before they are implemented and takes necessary measures to minimize future environmental risks and impacts.

Environmental assessments are performed by departments responsible for the proposed plans, and their results are reviewed by the Environment & Safety Department before final approval by management. In April 2010, the authority to conduct environmental assessments was partially delegated to some business sites outside Japan to allow assessments to reflect the local environmental circumstances more appropriately.

With regard to business performance evaluation, environmental items are included in the Ajinomoto Group's business performance evaluation for each business unit. These items, weighted at 5% of the total evaluation, are assessed based on achievement of environmental targets. This arrangement demonstrates the priority the Group gives the environment.

Environmental assessment items

Seven types of typical pollution	Air pollution, water pollution, noise, offensive odor, soil contamination, oscillation and ground subsidence
Waste disposal	Proper waste disposal, responsibilities of waste generator, etc.
Global environmental issues	Global warming, biodiversity conservation, acid rain, etc.
Management of hazardous substances	Substances subject to PRTR, asbestos, new chemical substances, etc.
Creation of a recycling-oriented society	3Rs, resource and energy conservation, control of waste generation, etc.
Effects of buildings	Right to sunlight, radio wave disturbance, etc.
Purchase and sale of real estate	Soil contamination, accountability, guarantee against defects, etc.
New science and technology	Chemical and microbial contamination, etc.
Corporate social responsibility	Action guidelines, information disclosure, communication with the community, etc.
Product development	Eco-design, raw material procurement, logistics, life cycle assessment, etc.

Implementing environmental audits

The Ajinomoto Group values environmental auditing, which equates to the Check function in the Plan, Do, Check, Act (PDCA) cycle, and it has created a multi-tiered internal and external auditing structure. In addition to external audits of compliance with ISO 14001 standards, internal auditors conduct regular environmental audits every 6 to 12 months based on the standards. These audits check the progress of targets and plans in each department and help ensure continuous improvement in environmental management. Moreover, Group environmental

audits are conducted for sites with significant environmental impact, aiming to ensure that environmental management is integrated with business activities.

Internal environmental auditors attend lectures from outside instructors to increase their expertise, and this helps to strengthen the overall environmental management system. In fiscal 2012, 141 auditors attended the lecture, and the total number of internal auditors at group companies in Japan was 2,329.

Disaster prevention systems and response to environmental accidents

The Ajinomoto Group seeks to open its sites to neighborhood residents to promote better communication with local communities, including holding environmental monitor meetings where community residents give frank feedback. Plants outside Japan also conduct plant tours for community residents.

The Group has built a system for quickly addressing any legal violations or accidents related to the environment. In fiscal 2012, there were three violations: operational deficiencies in the industrial waste disposal contracting agreement for the Head Office in relation to the subcontracting standards of the Waste Disposal Act (Ajinomoto Co., Inc.), a mistaken emitter classification under the Waste Disposal Act (Minami Kyushu Regional Branch of Ajinomoto Co., Inc.), and a deviation from the disposal method mandated for notification to authorities under the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture (Ajinomoto Co., Inc.). Every case was reported to the government and steps were taken to prevent recurrence.

Other incidents of concern included: ammonia leaks from freezers (Ajinomoto Frozen Foods Co., Inc., Ajinomoto Frozen Foods (Thailand) Co., Ltd., and Ajinomoto Frozen Foods U.S.A., Inc.), a freon (HCFC) leak from freezers (Ajinomoto Co., Inc.), a liquid egg spill due to an overturned container (Komec Co.,

Ltd.), and a liquid ingredient spill from the truck of a delivery contractor (Ajinomoto Co., Inc.) None of these incidents had a serious environmental impact. The Group investigates the causes of problems and such "close calls (near misses),"¹ and works to prevent recurrence.

¹ Finding of an incident that did not lead to a serious disaster or accident, but was one step short of such a situation. For example, an accident in which processing solution which has leaked from a storage tank is prevented from spreading from the vicinity by a secondary containment facility or emergency shutdown system.

Minor environmental incidents and "close calls" in fiscal 2012

	Japan	Outside Japan
Air pollution	3	3
Water pollution	15	15
Waste	1	1
Noise, oscillation	1	0
Offensive odor	1	0
Other	18	6
Total	39	25

Number of complaints (fiscal 2012)

	Japan	Outside Japan
Air pollution	0	8
Water pollution	0	3
Waste	0	0
Noise, oscillation	11	1
Offensive odor	1	18
Other	1	2
Total	13	32



Ensuring that every employee has a strong environmental awareness is the starting point of all environmental protection efforts at the Ajinomoto Group. The Group provides its employees around the world with various opportunities for systematic environmental education and fosters better awareness to encourage them to take specific action in their respective workplaces.

Education and awareness-raising activities

The Ajinomoto Group educates employees and raises their awareness of environment issues, as they are the key to ensuring that its diverse businesses help to build a more sustainable world. Human resources, general affairs, risk management and other departments collaborate to ensure everyone understands the Group's environmental initiatives and provide ongoing education tailored to each employee grade.

As part of the new compliance education for managers launched in fiscal 2012, the Ajinomoto Group aims to ensure managers understand and practice its policies and fulfill their role in the Group's corporate social responsibility for today's diversifying environmental issues. The Group also provides grade-specific environmental education for new recruits, new managers, and other groups.

The Group produces environmental education videos in Japanese and English every year to ensure that its Environmental Philosophy and Basic Environmental Policies are communicated to all employees. The theme of the fiscal 2013 education

video was achieving a sustainable society, going beyond the field of the environment to discuss the main initiatives of the Ajinomoto Group and promote action from a broad CSR perspective. In addition to this, the Group has run a campaign to foster social and environmental awareness as part of its Smile Earth! activities every year since fiscal 2007. In fiscal 2012, each group company also did its part by planning and running its own environmental contribution activities.



See “Ajinomoto Group Smile Earth! activities bring smiles to people and the planet” on p. 125.

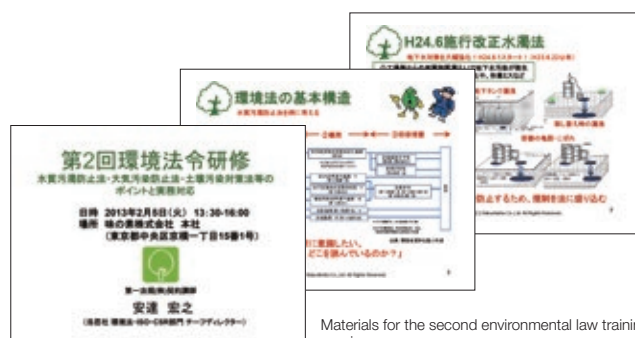
Specialized education and training

It is vital for employees to acquire more technical and practical knowledge and improve their skills so they can take the right environmental actions in their workplaces. The Ajinomoto Group provides the ongoing education needed for employees to perform their jobs. This includes education for environmental managers and staff in each organization, as well as environmental assessment training for members of each division and research department in charge of developing new businesses and products. Training to become an internal environmental auditor is also provided.

In recent years, environmental concerns have evolved from conventional pollution control measures, to protection of the global environment. This has led to many legal revisions. The Ajinomoto Group strives to stay up-to-date with these

developments and to steadily implement response measures. As one strategy to address this challenge, the Group has held specialized environmental law seminars since fiscal 2011 to give employees practical knowledge about environmental laws. The Group is providing practical knowledge of laws that are particularly relevant to the business activities of the Ajinomoto Group to staff concerned with environmental law in Japan. The theme of the second seminar held was “Air, Water and Soil,” and it covered information on amendments to the main laws and regulations and the focus for management. The Group is also enhancing its practical education on compliance in the area of chemical substance management by running regular seminars for relevant employees.

■ Structure and programs of environmental education



Taking a Consumer-driven Approach to a More Sustainable World



The Ajinomoto Group strives to meet the diverse needs and expectations of consumers with the products and services it provides. The Group believes that taking the consumer's perspective is the key to building a more sustainable world.

Painstaking quality assurance is the top priority for a company that provides food products; nothing is more important to the Ajinomoto Group than ensuring that consumers can enjoy its products with confidence and peace of mind. In addition to thorough quality management in the raw material procurement and manufacturing processes, the Group is working to improve safety and quality throughout the product lifecycle. These efforts include providing better information on packages and on the web, as well as product designs that make it easier for customers to use products correctly. To drive the continual improvement of these initiatives, the Group utilizes valuable customer feedback obtained through its customer communication services on a daily basis to help improve the company's products and services.

By 2050, there will be more than nine billion people living on Earth, which could require a 70% increase in the production of food. Unless sufficient steps are taken to expand the food supply, serious food shortages may occur. This is why the Ajinomoto Group is promoting “sustainable lifestyles, starting with the dinner table” to consumers. By influencing consumer behavior as well as creating and applying its own unique measures for food sustainability, the Group seeks to help solve the issues of global sustainability and food resources.

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Delivering Reliable Quality

It is only natural that food product companies are held responsible for the safety and quality of their products. The Ajinomoto Group applies its own quality assurance system, the Ajinomoto System of Quality Assurance (ASQUA), to all of its products and services. This ensures strict quality assurance from raw material procurement to product sales.

Ajinomoto Group Quality Policies

Philosophy

We contribute to a better life for all throughout the world by providing safe and high-quality products and services.

Policies

1. We pay full attention to the request of our customers, and provide products and services meeting with their satisfaction.
2. We actively provide appropriate information to our customers and continue to improve our trustworthiness.
3. We make no compromises with regard to safety, conducting surveys and research as thoroughly as possible, faithfully complying with applicable laws and regulations, and always delivering products and services of uniform quality.
4. We assure quality through the Ajinomoto System of Quality Assurance (ASQUA), based on the concepts outlined in the international ISO standard.
5. Under the leadership of our management, each one of our company's employees makes the greatest effort to provide safe and high-quality products and services through work at all levels, from research and development to production, distribution, sales and services.

Quality assurance system of the Ajinomoto Group

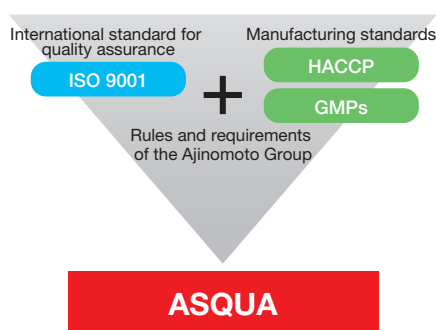
Ajinomoto System of Quality Assurance (ASQUA)

Established in 1997, ASQUA is the Ajinomoto Group's own quality assurance system. It is based on ISO 9001, the international quality management system standard, as well as manufacturing management standards like Hazard Analysis and Critical Control Points (HACCP), a food hygiene management standard, and good manufacturing practices (GMPs).¹ The system also incorporates the Ajinomoto Group's Quality Policies, Quality Assurance Regulations, Regulation for Quality Assurance, Quality Standards, and other rules and requirements established

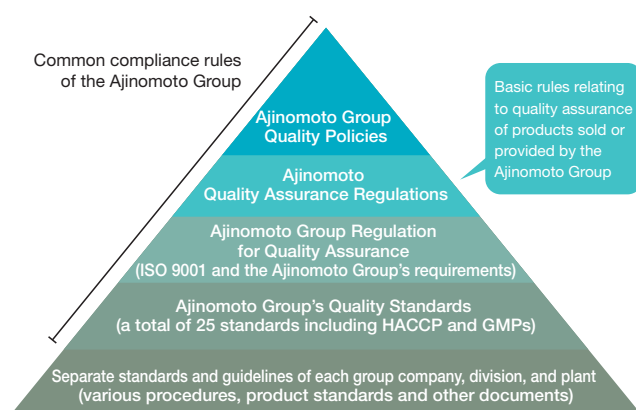
by the Group or each internal organization. With ASQUA, the Group carries out painstaking quality assurance activities worldwide, from the procurement of raw materials to the sale of products, always pursuing even higher quality manufacturing. Customer requests and expectations are also promptly utilized to improve products, services and business operations.

1 Standards relating to manufacturing management, which have been adopted for products sold by the Ajinomoto Group.

ASQUA framework



ASQUA components



Ajinomoto Group's Quality Standards

The Ajinomoto Group's Quality Standards are designed to ensure that products meet the level of quality expected of the Ajinomoto Group's brand. The Group has also set 25 strict standards covering a wide range of areas including training, labeling, packaging, and traceability and so on.

In order to further improve the quality of feed-use amino acids throughout the entire Ajinomoto Group, the Group enacted new

Feed-use Amino Acid GMP Standards in fiscal 2012 and began gap analysis² in companies, particularly those outside of Japan, in terms of the application and adoption of these standards.

2 An approach for evaluating the differences between current conditions and requirements in order to make systematic improvements. The Group uses this approach for facility specifications and quality assurance and management methods under its Feed-use Amino Acid GMP Standards.

Ajinomoto Group's Quality Standards (examples from among the 25 standards)

- Standard for Quality Assessment
- Standard for Educational Training on Quality
- Standard for Halal³ Control
- Standard for Kosher⁴ Control
- Standard for Product Labeling
- Standard for Quality Control of Raw Ingredients
- Standard for Safety and Sanitation of Food-Packaging Materials
- Standard for Food GMP
- GMP Standard for Pharmaceutical Drug Products
- Standard for HACCP
- Standard for Quality Control of Subcontracted and Procured Products
- Standard for Responding to Complaints
- Standard for Determination of Responding to Quality Emergencies
- Standard for Food Defense⁵
- Standard for Traceability

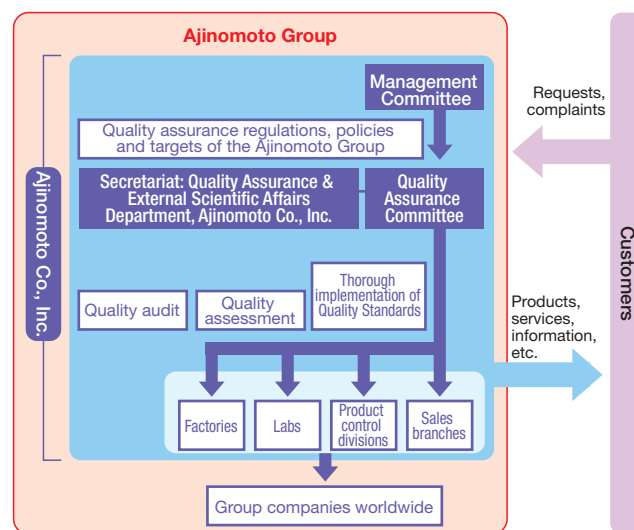
3 Foods permissible to eat under Islamic dietary restrictions.
4 Foods permissible to eat under Jewish dietary restrictions.
5 Measures to prevent the intentional introduction of foreign matter into food products. The Group carries out monitoring at every stage from raw material procurement to product sales, in order to prevent anyone from adding poisons or other substances to food products.

Organizational framework for ASQUA implementation

Comprised of members of senior management and reporting to the Management Committee, the Quality Assurance Committee is the highest body for quality assurance in the Ajinomoto Group. Considering customer feedback, it drafts basic policies and plans relating to the Group's quality assurance, and after approval by the Management Committee, promotes their implementation at group companies worldwide. Every six months, the Quality Assurance Committee reviews the status of policy and plans implementation throughout the Group.

This framework ensures that everyone—from top management to frontline employees working in production and sales—maintains a strong awareness of product quality and a total commitment to providing safe products that are worthy of consumer trust.

ASQUA implementation system



Acquiring third-party certification

The Ajinomoto Group is working to acquire additional third-party ISO 9001 certifications. In fiscal 2012, the Wellness Business Division of Ajinomoto Co., Inc. and the North Carolina Plant of Ajinomoto North America, Inc. obtained ISO 9001 certification. In accordance with customers' requests, a number of the manufacturing sites of the Ajinomoto Group inside and outside of Japan are also working to obtain Food Safety System Certification

(FSSC) 22000.⁶ Some manufacturing sites of the Tokai and Kyushu plants of Ajinomoto Co., Inc., the Kamphaeng Phet II Factory of Ajinomoto Co. (Thailand) Ltd., the company Ajinomoto Poland SP. z.o.o., and the Iowa Plant of Ajinomoto North America, Inc. have already obtained FCCS 22000 certification.

⁶ A standard enacted by the Global Food Safety Initiative (GFSI) created by merging the ISO 22000, the international standard for food safety management systems, and PAS 220, a certification program of food safety for food manufacturers.

Rigorous supplier audits and quality control

The Ajinomoto Group conducts a wide range of transactions with suppliers in and outside of Japan, including the outsourcing of production, purchase of goods, and the purchase of raw materials. The Group manages its suppliers based on the ASQUA standards, just like its own manufacturing sites.

The Group requires all suppliers to establish quality control standards and quality requirements in accordance with ASQUA, and performs regular evaluations and quality audits of these suppliers.

The Ajinomoto Group has established a worldwide system called Global Supplier Management (GSM) for carrying out joint quality audits at suppliers outside Japan. By training and appointing over 60 GSM auditors around the world, the Group is further strengthening quality management.

Quality audits of raw material suppliers in fiscal 2012

Department conducting the audit	Audited items	Number of audits	Notes
Group Procurement Center, Ajinomoto Co., Inc.	Raw material related items	66	41 audits of food items and 25 audits of bioscience products and fine chemicals
	Packaging materials	25	
	GSM	10	
Ajinomoto Frozen Foods Co., Ltd.	Raw material related items	167	Onsite audits by the Purchasing Department and plants
AJINOMOTO PHARMACEUTICALS CO., LTD.	Raw material related items	22	
	Packaging materials	3	
	Products manufactured by subcontractors	6	

Reference See "Pursuing CSR Procurement" on p. 43.

Striving to reduce complaints and quality problems

The supply of safe products to customers is the most vital mission for the Ajinomoto Group. The Group carries out measures designed to reduce quality-related problems in every operational process, from product design and material procurement through production and sales.

In fiscal 2012, the Ajinomoto Group continued to improve its framework for assessing quality at the product design and development stages in new business areas. Exhaustive investigations

were conducted on the underlying causes for each complaint received, and product improvements and other relevant countermeasures were implemented to prevent recurrence of similar complaints.

The Group is also working to strengthen quality management at principal raw material suppliers and production facilities in response to the rising number of issues related to foreign contaminants found in raw materials and on production equipment.

Product recalls

In fiscal 2012, the Ajinomoto Group carried out one voluntary product recall.¹ Approximately 40,000 200ml cartons of Calpis & Fruits Vitamin Peach manufactured and marketed by Calpis Co., Ltd. (stocks transferred to Asahi Group Holdings, Ltd. in October 2012) were recalled in August 2012 when they were discovered to have an abnormal taste due to microbial contamination.

1 Product recall was publicized using company announcements and press releases.

Human resources development to raise quality assurance levels

The Ajinomoto Group leverages its human resources development programs to improve quality worldwide.

In fiscal 2012, the Group held educational training on quality for new hires, advanced educational training on quality for employees involved with quality assurance, and held ISO 9001 internal auditor training, food product labeling and law-related seminars, and other human resources development programs in Japan. The Group strives to make these programs readily available to employees by offering training on certain subjects via e-learning.

In fiscal 2012, a top management study session on quality was attended by 16 top executives (including newly appointed executive directors) of group companies in Japan. In addition, 445 employees from group companies around the world participated in the 33rd Ajinomoto Management and Technical Conference on Quality. The study session and conference both focused on sharing information on the approach group

companies take to quality assurance. The Group reassessed its educational program on product quality, defining requirements and establishing content-specific levels. Programs customized to the specific needs of individual departments and companies have also been developed.

The Ajinomoto Group also held the 12th Quality Management System (QMS) training course for employees at companies outside Japan. Eight employees from Brazil, Malaysia, Thailand and Vietnam spent two weeks studying a wide range of topics related to quality assurance and exchanging information. The Group also carried out training on quality assurance in the ASEAN region, South America, China and Africa. As part of this initiative, ASQUA School² sessions were held in North America for 36 employees and 33 employees in China.

2 Training for the purpose of improving knowledge and sharing expertise relating to quality assurance, with a focus on the Ajinomoto System of Quality Assurance (ASQUA).

Quality assurance education system and program examples

General training	Specialized education		
Group-wide <ul style="list-style-type: none"> Ajinomoto Management and Technical Conference on Quality Ajinomoto Co., Inc. <ul style="list-style-type: none"> Training for Japanese staff posted overseas (ASQUA standards) Training for new hires (customer satisfaction education) Compliance training (quality assurance activities) 	Group-wide worldwide <ul style="list-style-type: none"> QMS Training Course ASQUA School Ajinomoto Co., Inc. <ul style="list-style-type: none"> Quality assessment study session Basic course for understanding ASQUA, etc. 	Group-wide in Japan <ul style="list-style-type: none"> Top management study session on quality Customer satisfaction training program ISO 9001 internal auditor education (acquisition of new qualifications) Quality audit seminar Study session on food product labeling Briefing on trends in government initiatives on food product labeling 	Individual sites <p>Implementing a variety of education programs relating to quality in areas including ISO 9001 standards, and various types of GMP</p>

Sharing information related to quality

The Ajinomoto Group has been increasing its emphasis on public relations concerning matters of quality assurance since fiscal 2008 to ensure that consumers can use its products with a sense of security.

The Group has established an original guideline on offering quality information and provides information customers need to make purchase decisions on packages and websites. The Group's websites present its policies and approaches to quality assurance and report on its activities, as part of the Group's effort to provide as much information as possible to meet customers' needs. To further improve the quality of this information, the companies of the Ajinomoto Group in Japan established a liaison council in fiscal 2012 to exchange information and discuss issues related to the provision of quality information on product packages and the Group's websites.

Sharing quality information on product packages

The packages of retail products marketed by Ajinomoto Co., Inc. and Ajinomoto Frozen Foods Co., Inc. indicate not only all legally required information but also the following kinds of additional information (except when space is limited, etc.).

- Nutrition
- Production facility
- Method of storage (once opened)
- Product usage warnings
- Explanations of raw materials that may be unfamiliar to customers and prompt a large number of inquiries
- Easy-to-identify list of allergens (both mandatory and recommended)
- Packaging materials
- Customer service contact

Providing information on websites

On the product information, product list and other sections of its websites, the Ajinomoto Group provides information on raw materials and nutrition, production facilities, allergens, and other topics that tend to prompt the most customer inquiries.

The Group has a "reliable quality" website that provides information on raw material management, product development, manufacturing and other processes designed to assure the quality, safety, and security of products, as well as the Group's policy regarding product packaging information. Additional content is now being added to the website, including commentary by experts on food safety topics of public concern such as allergens and additives. In fiscal 2012, the website design was improved and new features were added to help visitors understand the content more

easily. In addition, a new section featuring quality assurance news was added to ensure timely publication of the latest developments. The website also features reports on the Ajinomoto Group's policies and initiatives related to matters of particular interest to its customers.



Product information website (Japanese only)



Dedicated "reliable quality" website (Japanese only)

The policies and initiatives of the Ajinomoto Group available online

Use of food additives

Food additives not only enhance dietary lifestyles by improving the taste, aroma, nutritional content, and storage stability of food; they also play an important role in the distribution and effective utilization of food resources. They are subject to stringent testing under the supervision of governments to confirm their safety. The Ajinomoto Group selects appropriate food additives for use in product development and production based on the latest research findings on safety and other relevant issues. The Group is also

committed to clear and accurate labeling of food additives on its product packaging, in accordance with standards stipulated in relevant laws.

In recent years, the number of processed foods companies label as "Additive XX-free" or "No XX" on the market has increased. As a manufacturer of food products, the Ajinomoto Group strives to avoid labeling methods that may give consumers doubts about food additives recognized as safe based on government standards and scientific research.

Use of GMOs

Genetically modified organism (GMO) technology is expected to play an important role in the alleviation of environmental problems and food shortages. For instance, crops genetically modified for insect resistance may not need as much pesticide. At this time, it is also important to thoroughly confirm the safety of GMO foods. In Japan, stringent safety assessment of GMOs is conducted by the

Food Safety Commission of the Cabinet Office and the Ministry of Health, Labour, and Welfare. Labeling standards have been established in order to provide necessary information to consumers, and Ajinomoto Co., Inc. faithfully complies with them. The Ajinomoto Group also uses its own detection technology to prevent inadvertent contamination with unapproved GMOs.

Radioactive contamination

The Ajinomoto Group works to ensure strict quality assurance from raw material procurement through product sales, based on its Quality Policies. In Japan today, the safety of manufactured foods is being confirmed through continuous monitoring for radiation by government agencies, as well as

an initiative to prevent distribution of food products that exceed regulation values. Going one step further, the Group uses measurement equipment and reputable analytical techniques to check, if necessary, for radioactive materials, especially in raw materials.

Traceability

The Ajinomoto Group has created a traceability system for the history of raw materials and products. In each stage of production, processing, and distribution, information is recorded and stored concerning raw material and/or product suppliers, delivery destination, and product manufacturing so that the movement of all raw materials and products can be traced. The Group also carries out proper

supplier management, which is essential for obtaining accurate raw material information.

This dependable traceability system facilitates the rapid handling of customer inquiries and any incidents that may arise, allowing consumers to purchase products with confidence.

Allergens

In order to protect people with certain allergies, Japan's Consumer Affairs Agency requires food products in Japan to display information on whether they contain seven common allergens: wheat, milk, peanuts, eggs, buckwheat, shrimp and crab. It also recommends disclosure of 20 other allergens. The Ajinomoto Group in Japan not only labels the seven allergens required by law, but also lists 20 other allergens when contained in any of its retail products for

general consumers. Two of the 20, sesame seeds and cashew nuts, are new additions, and these are currently being added to products as they are shipped. The Ajinomoto Group is also focused on strengthening its allergen control system by incorporating official analytical methods and contamination controls.¹

1 Microbial amounts of allergen substances mixing with food products during the manufacturing process despite the fact that these substances are not used as ingredients in the product.

Pesticide residue

Pesticides play a vital role in the cultivation of healthy vegetables by preventing pests and diseases and by controlling growth of plants. Pesticide usage standards define the quantity, timing, method, and maximum number of applications. When these usage standards are followed, crops will not contain pesticides exceeding the maximum residue level. Still, depending on the usage method, in rare cases some pesticide may remain on harvested crops.

In order to ensure the safety of the vegetables it uses as raw materials, the Ajinomoto Group implements careful management of cultivated fields, including pesticide management. The Group also strives to use raw materials from Group-managed farms² and designated farms³ as primary raw materials for certain products.

2 Under the supervision of employees from the Ajinomoto Group, farms operated according to uniform standards for every process from crop cultivation through pesticide management.

3 Farms that meet the Ajinomoto Group's rigorous standards on pesticide management systems and are subject to regular Group inspections.

Communicating with Customers

The Ajinomoto Group strives to put the customer first by offering excellent service and providing innovative, high-quality products that are always safe. With the Ajinomoto System of Quality Assurance (ASQUA), channels for communicating with customers are clearly defined, and each group company has established customer service teams which listen directly to customer opinions and requests. Customer feedback is shared across company departments, and employees focus on incorporating this feedback into business activities, products and services. As part of product quality management and customer satisfaction efforts, Ajinomoto Co., Inc. and Ajinomoto Frozen Foods Co., Inc. also developed the Customer Satisfaction Promotion Policy and Customer Satisfaction Code of Conduct based on the ISO 10002⁵ standard for handling complaints. The Ajinomoto Group is committed to delivering products and services that more than satisfy all of its customers.

5 International guidelines for a complaint management system which set requirements for an organization to meet in responding appropriately and promptly to customer complaints in order to improve customer satisfaction.

Customer Satisfaction Promotion Policy

To ensure that we continue to provide products and services that satisfy our customers, we will listen to customers, see problems from their point of view, and focus all of our resources on creating the solutions customers need. Above all, our aim is to be an honest company that customers can trust.

Customer Satisfaction Code of Conduct

1. We provide safe and reliable products and services to our customers.
2. We respond to complaints, requests and inquiries from our customers precisely, promptly and politely.
3. We respect the voice of the customer, and strive to use all input to add value to our products and services.
4. We actively disclose appropriate information to our customers.
5. We comply with regulations and voluntary in-house standards related to protecting the rights of our customers.

Listening to and learning from customers

Delivering products and services that more than satisfy customers

The Ajinomoto Group constantly seeks to improve customer satisfaction and has dedicated customer service teams at six food product companies in Japan.⁶ The Group is now expanding this scheme to group companies outside of Japan, tailoring it to their product lines and local needs.

The Customer Service Center of Ajinomoto Co., Inc. strives to respond precisely, promptly and politely to inquiries and to provide information, in cooperation with related departments, to deliver superior customer satisfaction and to ensure consumers can use products with peace of mind. The center also records and analyzes the “voice of the customer” daily. Customer opinions are shared with business divisions and product development departments to spur the development of better products and services. Ajinomoto Co., Inc. understands how important every communication opportunity is. The company works constantly to improve customer relations and raise satisfaction,

not only when providing products and services, but across all of its other business activities.

The customer service teams at the six food product companies in Japan all meet every three months to discuss the approaches taken to address shared issues related to improving customer service quality. Moving forward, the Group will coordinate more closely with customer service teams at group companies outside Japan to raise the quality of customer service across the entire Ajinomoto Group.

6 Ajinomoto Co., Inc.; Ajinomoto Frozen Foods Co., Inc.; Ajinomoto General Foods, Inc.; J-OIL MILLS, INC.; YAMAKI Co., Ltd.; and Kellogg Company.

Major group companies outside of Japan with customer call centers

- Ajinomoto Co., (Thailand) Ltd.
- Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.
- PT Ajinomoto Indonesia
- Ajinomoto Vietnam Co., Ltd., etc.

Note: Group companies that do not have a dedicated customer call center handle customer service inquiries directly by phone and online.

Main fiscal 2012 initiatives of the Customer Service Center of Ajinomoto Co., Inc.

Main initiative	Details
Employee education program for improved customer service quality	Provided ongoing education to enhance communication skills, as well as other training programs
Improvements for sharing the voice of the customer (VOC)	<ul style="list-style-type: none"> • Promptly shared VOC internally to improve products and services • Disclosed product improvements on the website • Conducted product evaluations from the customer perspective in assessment meetings at the product development stage
Improving responses to customer feedback	Promoted improvement of responses to customer feedback across the company
In-house training on customer satisfaction	(1) Lectures on customer perception (2) One-day training on answering customer calls (3) Workshops on VOC analysis (4) Workshops on use of the VOC portal (5) Sales department customer service training, etc. (137 employees participated in 15 training sessions)

Listening to customers to identify issues and discover improvements

The Ajinomoto Group shares the “voice of the customer” (VOC) customer internally in a timely manner and uses VOC to improve its products and services.

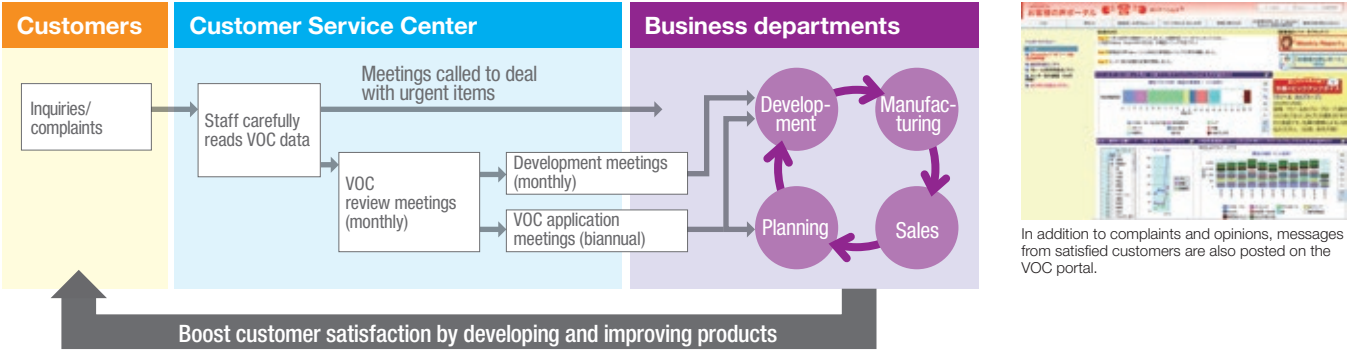
Ajinomoto Co., Inc. values the opinions and requests of its customers and enters all comments received into a database on the day it is received. Entries are posted the following day on the VOC portal, an internal system for sharing information that allows all employees of the company access to customer opinions. Items deemed urgent are reported immediately to the relevant departments, which study the problem behind the complaint and discuss ways to prevent recurrence. This information is also reported back to customers.

The Customer Service Center holds monthly VOC review meetings to address customer opinions and requests. In order to

identify issues that need to be resolved, VOC data is carefully analyzed in several ways, including physically reproducing the problem experienced by the customer with actual product samples. This method evaluates the situation from the customer's perspective to ensure fresh and unhindered understanding of the complaint.

Monthly development meetings and biannual VOC application meetings are held to share information on the tracking of product inquiries and shifting customer opinion, requests and suggestions. This information is then incorporated into the process of developing and improving products and services.

■ Framework for incorporating the voice of the customer into product manufacturing



Highlight

Creating better products by listening to customers

Improving *Ajinomoto KK Chuka Aji* seasonings

Voice of the customer

When *Ajinomoto KK Chuka Aji* first came out with a one-touch cap, customers who had tried shaking the seasoning into a pan commented that steam caused the seasoning to clump and stick to the container opening, making it difficult to close the lid.

The company modified the container opening to prevent the seasoning from sticking, and the lid design was improved to ensure that it would close even if some seasoning stuck to it. Customers responded by saying that the redesign (design patent pending) had made the product easier to use and made cooking more convenient and fun.



Improving Gyoza (Chinese dumplings)

Voice of the customer

In autumn 2012, Ajinomoto Frozen Foods Co., Inc. launched a new *gyoza* product that requires no oil or water when cooking. The company received a number of comments, particularly from elderly customers, about how difficult it was to know when the dumplings were ready to eat.

In spring 2013, the company improved the dumplings to decrease the likelihood of burning. Instructions for preparing perfectly cooked gyoza were also added to the back of the package. The instructions, printed in red to draw customer attention, were accompanied by photos showing what the dumplings look like when they are ready. Questionnaires were sent along with samples of the improved product to customers who had initially raised the issue, and about 90% responded that they now had no problems preparing the new dumplings.



Increasing customer satisfaction by responding earnestly to complaints

At Ajinomoto Co., Inc., each customer complaint about a product is investigated at the plant where it was manufactured to identify the underlying cause, and the findings are reported to the customer who contacted the company. Seeking to improve these reports to customers, since 2008 the company has been following up to assess their satisfaction with the investigation.

In fiscal 2012, the company conducted listening skills training to help employees to understand the conditions and context in which the customer discovered the problem and to convey sympathy for the customer's concern. Rules regarding the detailed recording of customers' doubts and concerns were also tightened. The scope of manufacturing plant investigations was expanded beyond the underlying cause of the complaint, to verify customer doubts and concerns, as well, and to incorporate them into findings. Steps were also taken to explain scientific terminology and illustrate with photographs and graphs in an effort to help customers more easily understand the results. More than 90% of customers followed up



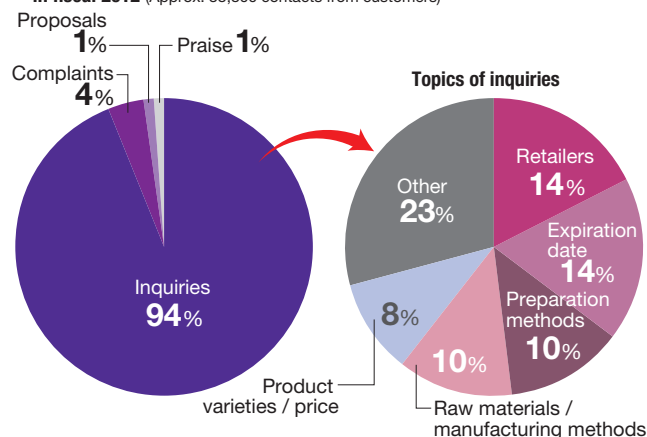
Follow-up questionnaire

with in fiscal 2012 indicated that they would continue to purchase products manufactured by Ajinomoto Co., Inc.

VOC breakdown in fiscal 2012

No. of inquiries received by Ajinomoto Co., Inc.: 38,800 (88% of the total in fiscal 2011)
No. of inquiries received by six of the Ajinomoto Group's food product companies in Japan: 83,400 (89% of the total in fiscal 2011)

Customer contacts received by Ajinomoto Co., Inc. in fiscal 2012 (Approx. 38,800 contacts from customers)



The number of inquiries regarding expiration dates and raw materials related to the Great East Japan Earthquake, which had been quite high in previous years, fell in fiscal 2012.

Highlight

New "AJINOMOTO PARK" interactive food community website

Ajinomoto Co., Inc. has focused on incorporating customer feedback into product improvements and sales promotion plans. In a further expansion and acceleration of this initiative, the company launched an interactive food community website in July 2012. The website, called "AJINOMOTO PARK," provides channels for employees to communicate with customers, as well as for customers to communicate with other customers.

"AJINOMOTO PARK" consists of four specific offerings: the Recipe Encyclopedia® search engine, which features 10,000 recipes and a recommendation function based on user history, a community forum where customers and employees can discuss food and recipes, a "Food Q&A" where customers can chat with each other about food-related issues and concerns, and a campaign section that provides information on the Ajinomoto Group's campaigns.

Ajinomoto Co., Inc. will continue to focus on enriching customers' lives with better food by encouraging communication via the "AJINOMOTO PARK" website.



The Recipe Encyclopedia® attracts 1.8 million hits a month.

Comments from website staff



We have heard from so many happy customers via "AJINOMOTO PARK." I hope the website will continue to help bring more delicious food and greater joy to more customers' dinner tables via direct communication with our customers.

Eriko Morimura
LTV Marketing Group, Consumer Foods & Seasonings Dept.
Ajinomoto Co., Inc.

Customer feedback

- "With helpful recipes, fun campaigns, and friendly comments from company staff, this is my favorite website."
- "I love the 'Food Q&A' section. It can often be difficult to ask the most simple questions face-to-face, but the Q&A section gets me the answers to those questions very easily."



Members interact on the community page, chatting and exchanging information about food and food-related topics.



Fun articles posted by employees, introducing various efforts by the Ajinomoto Group in areas such as manufacturing, sales, and product development

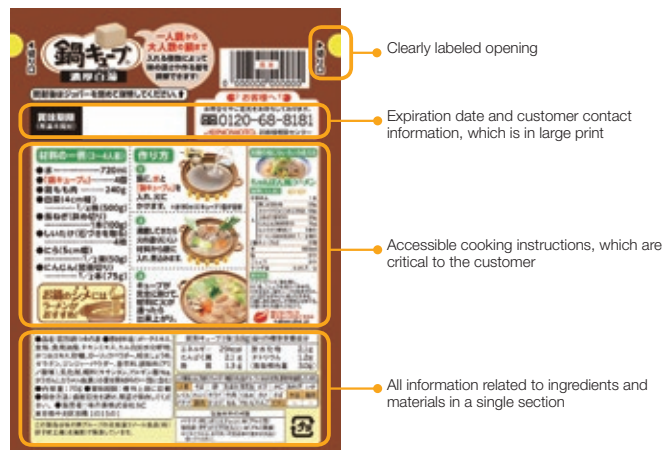
Universal design initiatives

Universal design is extremely important to the Ajinomoto Group. Its principles are critical to the pursuit of safe and reliable products, as well as to the Group's mission of enriching the food lifestyles of its customers. Every group company uses universal design to create product packaging that is easy for anyone to use.

Ajinomoto Co., Inc. has established universal design guidelines that cover topics including use of color to distinguish product varieties and ways to improve readability of print. In recent years, the company has been focusing on creating

designs that make information as easy to understand as possible. The company identifies the information of particular interest to the people who use each product and then carefully creates package design elements addressing the purchase, usage, and disposal phases. The result is packaging that is attractive and accessible for an even wider range of people, and increased customer satisfaction. Going forward, the company will go beyond enhancing basic package function and use universal design to improve both environmental and economic performance.

The package of Nabe Cube



Reference See "Considering human rights in business activities" on p. 50.

Rigorous management of personal information

The Ajinomoto Group clearly defines personal information management rules and implements consistent, systematic management of information subject to management.

The responsibilities for managing personal information are specified in the company's Information Management Regulations, as well as in its Personal Information Management Guidelines, which are both based on Japan's Act on the Protection of Personal Information. Under these regulations and guidelines, the Group has clearly defined specific procedures to be followed.

Operation and maintenance rules for the handling of personal information are based on the ISO 27001 (information security management) approach. Human error is also managed by ensuring that key personal information operations are done by two people supervising each other.

When the handling of personal information is outsourced, prior confirmation is made to ensure that the contractor has equally high management standards. A personal information management database is used to register and manage all personal information. In July 2012, a comprehensive inspection of the database management conditions was completed. Inspections of personal information management conditions were also carried out at affiliates in Japan charged with handling personal information in the course of campaigns targeting customers and other events.

The Group will continue to pursue even better management and protection of personal information.

Reference See "Information security" on p. 40.

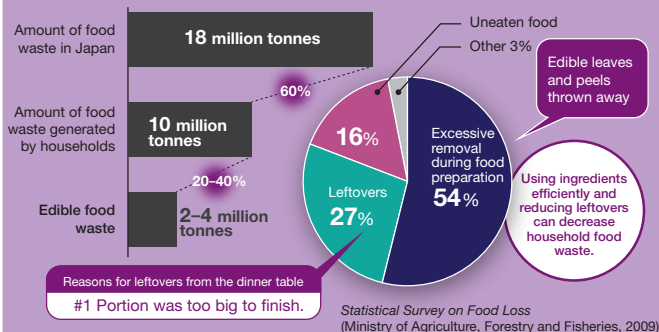
Proposing Sustainable Lifestyles, Starting with the Dinner Table

As a food manufacturer, the Ajinomoto Group not only has the responsibility to deliver delicious and healthy foods; it also has the opportunity to help people embrace more eco-friendly lifestyles. Truly good nutrition is wholesome not only for families, but also for the earth. The Ajinomoto Group aspires to nothing less and has made this a central pursuit. The Group will continue to develop eco-friendly products and propose environmentally considerate recipes and tips, aiming to popularize eco-lifestyles—starting right at the family dinner table.

DATA

Food losses in Japan

Japan generates about 18 million tonnes of food waste each year. Food waste from households accounts for 10 million tonnes. Of this, 2 to 4 million tonnes are said to be edible—leftovers, edible parts of ingredients excessively removed during preparation and cooking, food simply thrown away. To minimize these food losses in households, it is important to help individuals respect the value of food and enjoy meals enough to finish them.



Forums to discuss sustainable lifestyles

No one entity can build a sustainable future on its own. The Ajinomoto Group recognizes the need to work with all of society to achieve this goal. The Group values opportunities to discuss community members' vision for the future from a variety of perspectives. It is these opportunities that help the Ajinomoto Group discover what it can do to build a healthier future.

As part of this focus, the Ajinomoto Group Sustainability Forum was first held in March 2012, followed by a second forum

in December 2012 and a third in March 2013. Through these forums, the Group works with a number of different organizations to create a sustainable future.



Link

Ajinomoto Group Sustainability Forum
<http://www.ajinomoto.com/en/activity/forum/>

Highlight

Second Ajinomoto Group Sustainability Forum

Let's Make Sustainable Lifestyles Together December 15, 2012 (at Tokyo Big Sight)

Ajinomoto Co., Inc. and Kao Corporation established the Society for Sustainable Food & Life Styles, which sponsored this forum. The forum provided another venue for meeting consumers and discussing what can be done as part of mealtime and day-to-day life to create a comfortable, sustainable future. The forum was also a valuable opportunity to raise awareness of sustainable lifestyles among the some 550 participants who took part.

Part I Keynote Address: Designing Sustainable Lifestyles with a Smaller Ecological Footprint

In his keynote address entitled "Lifestyles and Food to Pass Onto the Next Generation," Hideki Ishida, Professor at Tohoku University's Graduate School of Environmental Studies, began by describing what a comfortable lifestyle will look like in the future. Using "backcasting," Professor Ishida encouraged the audience to reevaluate their lifestyles and food habits as he shared his expertise on lifestyle design and technology.

Part II Panel Discussion: Let's Picture the Future of Food and Life Together

Three teams presented an image of an environmentally friendly lifestyle for the year 2030. The team of students depicted an urban environment designed to encourage a green lifestyle, while the team of housewives talked about consumer purchases as a means of communicating with corporations.

The team of Ajinomoto Co., Inc. and Kao Corporation employees presented their environmentally friendly products. Introducing *HONDASHI* by Ajinomoto Co., Inc., Kao Corporation's Attack® laundry detergent, and other products that conserve resources and save time, the team emphasized the need to work beyond the framework of a single corporation to share information and technology that will make it possible to live within the planet's means.



Opening remarks



Keynote address



Presentation by employee team



Audience votes for presentations using special cards.

Activities to promote green lifestyles that begin with food products and recipes at the dinner table

“Aji-na Eco” mark products

Product packages are thrown away by consumers after purchase, and the Ajinomoto Group is taking steps to make this packaging more environmentally friendly. In order to encourage consumers to select eco-friendly products whenever possible, the Group introduced its unique “Aji-na Eco”¹ mark in autumn 2010 to help consumers instantly recognize these green products.

Reference

See “Promoting ‘Aji-na Eco’ mark products with environmental packaging” on p. 89.

“Eco-Uma Recipe” tips

Everyday cooking is actually a chance to start eco-living at home, today. This is why Ajinomoto Co., Inc. has launched activities to spread environmentally friendly, delicious and smart “Eco-Uma”¹ ideas and recipes for everyday cooking.

¹ The Japanese terms for “Aji-na Eco” mark, “Eco-Uma” and “Eco-Uma Recipe” are registered trademarks of Ajinomoto Co., Inc.



“Eco-Uma Recipe”
Hints

- 1 Choose seasonal foods!
- 2 Use food without any waste!
- 3 With finesse, but simple!

Tasty means ecological

Highlight

“Eco-Uma Recipe” Campaign 2013

Marking World Environment Month, Ajinomoto Co., Inc. conducted the “Eco-Uma Recipe” Campaign in June 2013. (June 5 is World Environment Day.) The campaign promotes suggestions for environmentally friendly recipes on television, newspapers, in-store advertising, product packaging, and the web.

TV commercials

Ajinomoto Co., Inc. created “Eco-Uma Recipe” versions of commercials for *HONDASHI*, *Ajinomoto KK Consommé*, and *Marudori Gara Soup*. These commercials aired from the end of May through the middle of June.



The Consumer Foods & Seasonings Dept. led the campaign.

Sample dishes



“Mountains of cabbage” pork miso soup



“Makeover” pork potato soup

In-store advertising

As the result of tireless negotiations, the “Eco-Uma Recipe” Campaign was featured at 23 companies and in 1,000 stores throughout Japan. The campaign was also covered in circulars produced by major supermarkets for their customers.



Sales representatives of National Account Sales Dept.

These activities were recognized for encouraging customers to choose green purchases and environmentally friendly lifestyles, winning the judge’s prize at the 15th Green Purchasing Awards sponsored by the Green Purchasing Network in October 2013.



“Eco-Uma Recipe” logo

Product packages and recipe cards

In conjunction with the TV commercial campaign, the company also designed and printed “Eco-Uma Recipe” information on the back of product packaging (4.3 million shipped). Some 30,000 recipe cards for distribution in stores and at events drew even more attention to the campaign.



Members of the Production and Planning Group, Advertising Dept.



Back of product package

On the web

In April 2013, the “Eco-Uma Recipe” website was renewed, with many more recipes added. In addition to recipes, the website also features expertise and ideas from food producers and professional cooks, recipes submitted by the general public, and environmentally friendly food-related activities conducted by children.



Newspapers, local TV, and magazines

On June 5, 2013, Ajinomoto Co., Inc. marked World Environment Day with a campaign run in 40 local newspapers and aired on 46 local TV stations across Japan. The campaign was also covered in numerous magazines. Food producers, cooking experts and others shared their expertise and “Eco-Uma Recipe” ideas featuring local ingredients from each region. These recipes were designed to leave nothing to waste and be so delicious that diners would finish off the last bite.



Members of the Ad Planning Group, Advertising Dept.

Ad in Saga



Ad in Aomori



Ad in Shimane



Ad in Fukushima



Ad in Ehime



Ad in Tokyo



Ad in Okinawa



Ad in Gifu



Ad in Aichi



Soliciting “Eco-Uma Recipe” ideas from the public

In April 2013, Ajinomoto Co., Inc. solicited ideas and recipes for the “Eco-Uma Recipe” Campaign from “AJINOMOTO PARK” website members. Members were then invited to vote online in May and June for the nearly 200 recipes submitted. 1,673 people took part in the vote.



The Grand Prize was awarded to a recipe for Japanese style meatloaf.



Staff of “AJINOMOTO PARK” website

Communicating with consumers at the Eco-Products 2012 exhibition

The Eco-Products exhibition is the largest environmental expo in Japan. In 2012, the exhibition was held at Tokyo Big Sight December 13–15, attracting more than 180,000 visitors over three days.

Four companies of the Ajinomoto Group set up a joint booth introducing the Group's eco-products. The booth also promoted ideas for creating an eco-friendly lifestyle that begins at the dinner table, holding tasting events on the booth's stage. This was a valuable opportunity for employees to talk directly with exhibition visitors and hear a wide spectrum of consumer opinion.



Some 100 group employees helped with the exhibition booth.



Ajinomoto Shoku-Eco Kids Prize awarded to tomorrow's leaders

Since 2010, Ajinomoto Co., Inc. has awarded the Ajinomoto Shoku-Eco Kids Prize to youngsters whose entry in the "Green Lane" environmental diary contest¹ features fun, outstanding environmental activities relating to food.

In the third contest, held in fiscal 2012, the prize was awarded to ten youngsters for their environmental activities. Ajinomoto Co., Inc. will continue to support the contest as a way to encourage children, the leaders of tomorrow, to practice environmentally friendly food lifestyles at home.

¹ As part of the contest conducted by Green Cross Japan, approximately 100,000 elementary school students receive guidebooks on ways to address environmental problems and 12-week journals for keeping environmental diaries.



The awards ceremony held in December 2012



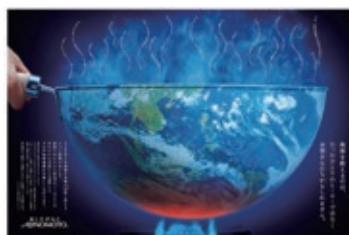
Diaries written by participating children

Helpful advertising

The Ajinomoto Group's helpful advertising offers hints and tips on green lifestyles that begin at the dinner table.



"Is your eco-bag just an ego bag?"
Encouraging readers to go beyond the eco-bag and practice truly sustainable food purchasing



"It won't be a superhero who saves the world, but all the mothers."
Combating global warming with eco-friendly cooking



"Out of one, comes many"
The rich variety of dishes that can be created from a single vegetable



"Mottainai (What a waste!)"
Awards received include: Minister of Economy, Trade and Industry Prize and Best Partner Prize in the Magazine Advertisement Category of the Advertisements Beneficial to Consumers Contest



"EDO Period, ECO ideas"

Community

Growing with the People of Each Community



The Ajinomoto Group seeks to form close relationships with the communities where it operates and always pursues mutual prosperity. The Group's employees around the world—roughly 30,000 of them—are involved in a variety of ways in their communities, both through their business activities and as citizens of the local area.

In the 104 years since its founding, the Ajinomoto Group has grown to operate business units in 26 countries and regions, providing a variety of products that enhance the lives of people in 130 countries around the world. The Group presently markets food products that are essential to daily life in about 100 of those countries and, when developing products, always seeks to respect the unique and diverse dietary customs in each area. The Ajinomoto Group delivers products that make local cuisines even more delicious. The Group's products are developed and produced in the countries where they are sold through local channels. With business activities closely tied to local communities from production through distribution, the Ajinomoto Group supports the farmers who produce the raw materials, boosts local economies by creating jobs, and helps local distributors realize a profit by supplying merchandise. As it continues to grow globally, the Ajinomoto Group will

remain committed to community-oriented business practices and will ensure that its products contribute to local communities.

The Ajinomoto Group strives to be very knowledgeable about social issues such as diet and nutrition in the communities where it operates. In addition to finding solutions to these issues through its own business activities, the Group participates in many social action programs. It partners with local communities, NGOs, and others to help improve nutrition in developing and newly emerging economies.

The Ajinomoto Group will continue to forge close relationships with local communities to ensure mutual prosperity everywhere it operates.

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- P113** Solving Local Issues Around the World
- P115** Solving Food and Nutrition-related Issues
 - AIN program improves nutrition in developing countries
 - Group company and foundation activities
- P122** Supporting Areas Struck by Natural Disaster
- P125** Employees Aim to Make a Personal Contribution
 - Ajinomoto Group Smile Earth! activities bring smiles to people and the planet

Main results for fiscal 2012

Products delivered to
130 countries worldwide

100 countries
10 billion packets

Sales reach and annual volume for the umami seasoning *AJI-NO-MOTO*®

63 projects
in **12** countries
with **95,000** beneficiaries

Supported by AIN program (1999–April 2013)

185 business sites with participation
of **9,900** employees of the Ajinomoto Group

Worldwide clean-up activities around business facilities under the Smile Earth! campaign

Solving Local Issues Around the World

The Ajinomoto Group seeks to contribute to local development and grow together with the communities in which it operates. To do this, the Group works with local stakeholders to tailor its business activities to the needs of each country and region. It also collaborates with a number of other organizations on social businesses and other activities designed to help solve local issues.

Worldwide initiatives of the Ajinomoto Group

AIN

Ajinomoto International Cooperation Network for Nutrition and Health (AIN) program

P115-

The AIN program provides support for local activities that focus on international cooperation in the areas of food, nutrition, and health, aiming to improve the quality of life in developing countries and meet the UN Millennium Development Goals (MDGs).

SE

Smile Earth! activities

P125-

Smile Earth! activities engage employees of the Ajinomoto Group and their families in various kinds of social action. In addition to short-term projects such as worldwide clean-up activities around business facilities and the Eco Action Campaign, employees are also involved in year-round campaigns in Japan such as the Ecocap Movement and Table for Two + Tohoku program.

P117-

Group company and foundation initiatives

Different countries and regions face different food and nutrition issues. Utilizing the expertise and networks cultivated through its businesses in these areas, the companies and foundations of the Ajinomoto Group strive to offer locally tailored solutions.

This section offers a summary of a small fraction of the Group's activities conducted in the countries and regions marked on the map to the right. The Ajinomoto Group will continue to focus on initiatives that are carefully designed to meet the needs of each country and region.



United States

SE



Brazil

AIN

SE

P121

Peru

AIN

SE

P119



Contributing to local communities through business activities

The Ajinomoto Group helps people in local communities to lead healthy lives by delivering delicious food products to dinner tables around the world.

It is important to the Ajinomoto Group that locally hired people manufacture products using local materials that meet the needs of the people in their own communities. For example, the umami seasoning *AJI-NO-MOTO*® is manufactured at locally established plants using abundantly available local crops such as sugar cane, cassava, or corn. This system helps create jobs and boost the incomes of local farmers and other primary producers. The Group also supplies local farmers with nutritionally rich co-products made from the by-products of the amino acid fermentation process, at a low price. This practice improves farmers' incomes by boosting crop yield and helps to achieve sustainable farming.



Farmer fertilizing his field with a co-product of the amino acid fermentation process

Reference See "For a Healthier Future" on p. 9.

Reference See "Utilizing the Bounty of Nature to Support Local Communities" on p. 23.

Supporting communities struck by natural disasters

The Ajinomoto Group utilizes its expertise in the area of food and health to help local communities rebuild after a natural disaster.

P122-



Solving Food and Nutrition-related Issues

The Ajinomoto Group is working to solve issues in the field of food and nutrition in communities around the world. These efforts include the Ajinomoto International Cooperation Network for Nutrition and Health (AIN) program, which seeks to improve nutrition in developing countries, as well as a variety of other initiatives implemented worldwide by group companies and foundations.

AIN program improves nutrition in developing countries

As a group of companies that contributes to human health globally, the Ajinomoto Group considers the improvement of nutrition in developing countries an important mission. This is why it launched the Ajinomoto International Cooperation Network for Nutrition and Health (AIN) program in 1999, the 90th anniversary of the company's founding.

The AIN program solicits project applications from NGOs and NPOs around the world, and then determines which projects to give development assistance to based on investigations by experts and onsite inspections by employees of the Ajinomoto Group. After a project commences, one of the Ajinomoto Group's

companies in the same country provides various kinds of local support, including education on nutrition, with the aim of raising the level of the project's activities.

Results (1999–July, 2013)

Number of projects

63 in **12** countries

(Bangladesh, Brazil, Cambodia, India, Indonesia, Malaysia, Myanmar, Peru, the Philippines, Sri Lanka, Thailand, Vietnam)

No. of beneficiaries

Approx.

95,000

Total funds

220
million yen

Reference

See "Finding Food-centered Solutions to Health and Nutrition Issues" on p. 13.

Projects supported under the AIN program in fiscal 2012

Project name	Implementing organization	Target group (no. of persons)	Country	Period of support
"Shokuiku" (Food and Nutrition Education) Program for Improvement of Nutritional Status of Mothers and Infants in Poor Rural Areas	Hunger Free World	Local residents (200)	Bangladesh	2010–2012
Providing nutritious lunch to street and working children in Dhaka	Kokkyo naki Kodomotachi (KnK)	Children living on the street (40)	Bangladesh	2012–2014
Promotional Program for Health and Nutrition in Kalimpong	Miyazaki International Volunteer Center	Local residents (5,000)	India	2011–2012
Food for Health	Terra People Act Kanagawa (TPAK)	Adolescent girls (5,000)	India	2012–2013
Empowering Women through Home Gardening and Home Industry	OISCA International	Women in rural communities (250)	Indonesia	2011–2013
School-based Nutritional Intervention to Promote Healthy Eating and Physical Activity to Prevent Non-communicable Chronic Disease in Primary School Pupils	Ho Chi Minh City Nutrition Center	Students at 2 schools (2,000–2,500)	Vietnam	2011–2013
Alternative child nutrition improvement project through strengthening food security	Save the Children Japan	Children under 2 years old (approx. 2,700), mothers and pregnant women (approx. 3,700)	Vietnam	2012–2014
Helping Indigenous Orang Asli Women Improve the Health and Nutrition of Infants and Young Children	UNIVERSITI PUTRA MALAYSIA (UPM)	Orang Asli women (31); mothers and children in 5 Orang Asli villages	Malaysia	2011–2013
Agriculture for School Lunch Project and Dissemination of Nutrition Education	THE EDUCATION FOR DEVELOPMENT FOUNDATION (EDF)	Teachers and students (1,475)	Thailand	2011–2012
Nutrition improvement for families by empowering mothers in the poor area of Phnom Penh	Japan Lay Missionary Movement	Local residents (935), mothers (270)	Cambodia	2012–2014
Promotion of Healthy Dietary Habits in Populations of High Social Vulnerability—East and South Regions of São Paulo	SALUS ASSOCIAÇÃO PARA ASAÚDE NÚCLEO SALUS PAULISTA (CREN)	Local residents (300)	Brazil	2011–2012
The nourishment improvement program by the reevaluation of the special local cooking ingredient and the dish	Children of Light Association	Adults with lifestyle-related diseases (60), young adults (10), mothers (10), and fishermen (10)	Brazil	2012–2013
Dietary Education Project for Mothers in Slums	ADRA Japan	Women leaders (60), mothers (240), and guardians (100)	Peru	2012–2013

Column

India

Food for Health

Anemia caused by eating frugal meals lacking in nutrition is a serious problem among women in five villages in Uttarakhand Province in northern India. In 2012, the Ajinomoto Group began providing support for the Food for Health project, which aims to raise awareness of health and nutrition issues so that adolescent girls are equipped to take responsibility for their own health.

The project has trained a total of 20 young women from the five villages in Uttarakhand as “healthy eating” leaders through leadership training on nutrients and nutritional balance. Health and Nutrition Camp sessions were also held four times throughout the year in each village (20 sessions in all). A total of 664 young women have participated in these sessions, attending basic nutrition lectures, having body measurements taken, and undergoing blood tests. Participants’ hemoglobin levels showed a gradual improvement with each subsequent session. In addition, the company held a total of 20 Food Safety Workshops, offering lectures and cooking courses in the five villages. In the areas where the project is active, there is greater awareness of personal

responsibility for one’s health, and family gardens filled with colorful vegetables have become a much more common sight.

Over the next two years, the program will provide the support necessary for these leaders to instruct and train other young women to spread awareness throughout the entire region.



A cooking lesson
(Photo courtesy of TPAK)



A young girl in her family's garden.
(Photo courtesy of TPAK)

Cambodia

Nutrition improvement for families by empowering mothers in the poor area of Phnom Penh

Although the waste dump in the Steung Meanchey Quarter outside of Phnom Penh in Cambodia was relocated in 2007, many local residents continue to travel from the quarter to the new site. These people make their living by collecting empty cans, scraps of iron and other valuable waste. As a result of the lack of nutrition and the unhygienic environment in which they live, many of these children face serious health problems including maldevelopment, dermatological diseases and hair discoloration.

In 2012, the Ajinomoto Group began providing support for a three-year project to improve the nutritional intake for these families. The project provides meals for the children and educates mothers on proper nutrition. In fiscal 2012, the first year of the project, nutritionally balanced meals were provided to 60–90 children five days a week. In addition, approximately 1,700 mothers participated in a total of 12 nutrition seminars that give easy explanations of nutrients and cooking classes using locally available ingredients. The project will be expanded in fiscal 2013 with plans to create educational materials on nutrition.



Mothers and children learn about nutrition while playing games and cooking together at a nutrition seminar.
(Photo courtesy of Japan Lay Missionary Movement)

Bangladesh

Providing nutritious lunches to street and working children in Dhaka

Many children in Dhaka, Bangladesh have to live on the street and work in factories to survive, and chronic malnutrition is a serious problem. The Ajinomoto Group began providing support in 2012 for a project designed to help these children lead healthier lives by providing highly nutritious lunches for 40 girls and boys aged 6 to 14.

Offering a daily menu focusing on fruits and vegetables, the project has brought these children the joy of delicious food and is beginning to raise their awareness of the importance of health. Over the course of the year, two doctor-led nutrition and health seminars, 19 workshops (attended by a total of 460 people) and three health checks were held for the children and members of the nearby community. For the next two years, beginning in 2013, the project will broaden its scope with recreational activities and basic education in reading and writing with a focus on helping these children find homes.

Children's voices

“This was the first time I learned about nutrition and health. I enjoyed it and want to do it again.”

“I now know the kind of food I should buy with the money I have.”

“I learned that the vitamins in fruit are good for my body.”



Educational posters are hung in neighborhood stores, schools and government offices.
(Photo courtesy of KriK)

Group company and foundation activities

The Ajinomoto Group is committed to making social contributions all around the world. The Group's wide array of activities focus primarily on the fields of food and nutrition.

Working with group companies, the Ajinomoto Group has established foundations in four countries that award scholarships

and engage in other initiatives tailored to the local culture and lifestyle, seeking to meet the specific needs of each country.

Improving childhood nutrition

Thailand

■ Building 50 canteens at 50 schools

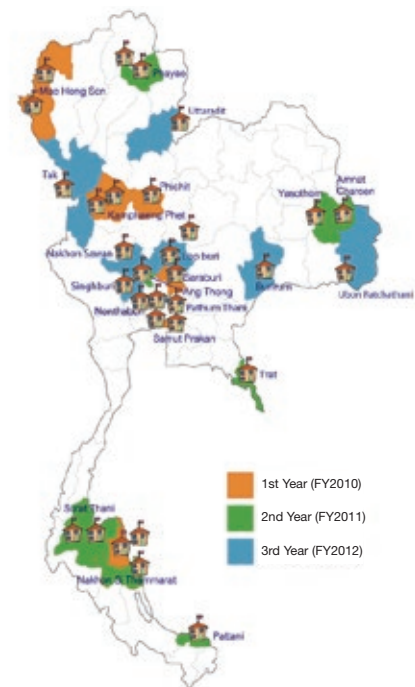
In 2010, the Ajinomoto Foundation in Thailand launched a project to build canteens at 50 schools in five years to mark the 50th anniversary of Ajinomoto Co., (Thailand) Ltd. Working with Thailand's Ministry of Education, local governments and educators, and NGOs, the project supports the health of children by giving each school a hygienic environment for school meal preparation. Ten canteens were added in fiscal 2012, bringing the project's total reach to 30 schools serving about 6,200 students.

In fiscal 2013 will see the construction of 10 more school canteens. The plan is aiming to complete 50 school canteens by 2014. Consideration is also being given to extending the project to the entire country (77 provinces) by 2019.

The Ajinomoto Foundation is preparing to provide nutritional education, starting in 2015, to local residents, students, and teachers at the elementary schools that have received project support, in order to further improve the eating habits of Thai students. Through its support for better diet and health among children, the project is putting into practice the concept on which Ajinomoto Co., (Thailand) Ltd. is based: "Ajinomoto always grows with Thais."



Project logo



30 school canteens completed in 23 provinces as of fiscal 2012



Canteen before replacement



Canteen after replacement



Students enjoying their meals in a newly completed canteen



Vietnam

School Meal Project

In fiscal 2012, Ajinomoto Vietnam Co., Ltd. began a five-year School Meal Project, starting in Ho Chi Minh City. The project aims to make nutritionally balanced school meals available throughout Vietnam by 2016 in partnership with Vietnam's Ministry of Education and Training, National Institute of Nutrition (NIN), and local governments.

Among the challenges in Vietnam, there are some regions where school meals are not provided. Even at primary boarding schools in urban areas where school meals are provided, it is difficult to develop a variety of menus that are suitable for the age of the students and meet the monthly fees for school meals. There also is an issue with lack of adequate information about nutrition and importance of daily food intake among students. The project aims to improve food nutrition for students by enhancing the availability and variety of school lunches, as well as providing nutritional education.

In fiscal 2012, the project developed a menu and introduced a pilot lunch program at schools in Ho Chi Minh City, while obtaining feedback from school lunch staff, parents, teachers, and students. Preparations to launch the project in Da Nang and Hanoi have also begun, working toward the fiscal 2016 goal.



School lunch staff workshop



Students trying the pilot menu

Initiatives and Future Plans

Fiscal 2012	Fiscal 2013	By Fiscal 2016
Ho Chi Minh <ul style="list-style-type: none"> Held project meeting with 350 school principals Exchanged opinions concerning new menus with 800 school lunch staff, health personnel, and parents Developed and introduced pilot menu Da Nang <ul style="list-style-type: none"> Held project meeting with 119 principals Developed a menu with NIN and culinary experts 	Ho Chi Minh <ul style="list-style-type: none"> Provide schools with menu books and nutritional education materials for students, and carry out nutritional education Da Nang <ul style="list-style-type: none"> Introduce new pilot menu Hanoi <ul style="list-style-type: none"> Begin initiatives 	Making nutritionally balanced school lunches available across Vietnam



Main steps of the project

1. Developing and standardizing school lunch menus that are delicious and nutritionally balanced, and developing nutritional education tools for students
2. Building school kitchen model
3. Building school canteen facilities

Highlight

Helping to create a dietician education program, national certification system and legal framework in Vietnam

With no national dietician training programs or certification system, Vietnam was short on these professionals. In March 2012, Ajinomoto Co., Inc. and Ajinomoto Vietnam Co., Ltd. signed an agreement with Vietnam's Hanoi Medical University and the National Institute of Nutrition to endow a course for training dieticians at Hanoi Medical University.

Under with the agreement, the Laboratory of Nutrition and Dietetics¹ sponsored by Ajinomoto Co., Inc., opened in October 2012. The following month, Vietnam's Ministry of Education and Training approved the country's first four-year bachelor program in dietetic science and nutrition, at Hanoi Medical University. 50 students joined its inaugural class in October 2013. Ajinomoto Vietnam Co., Ltd. will provide year-long scholarships to the ten students with the best entrance exam results, while also

providing support for development of undergraduate curriculum and textbooks, working with Ajinomoto Co., Inc. and partner organizations.¹

Requests will also be made to relevant authorities for the establishment of a dietician certification system, aiming to have it ready by 2016. This will help provide an education framework and encourage programs for developing certified dieticians. This will, in turn, further improve nutrition in the country by developing professionals trained in hospital or school nutrition management.

¹ In cooperation with the Japan Dietetic Association, Jumanji University, and the Kanagawa University of Human Services



Indonesia

Ajinomoto IPB Nutrition Project improves nutrition among children

PT Ajinomoto Indonesia has been conducting a three-year Ajinomoto IPB Nutrition Project (AINP) since 2011 with Bogor Agricultural University (Institut Pertanian Bogor, or IPB) to ensure that children have safe, nutritional meals to help them grow. In the project's first year, a student survey about nutrition at the target elementary school found that girls, in particular, had serious vitamin and mineral deficiencies.

In fiscal 2012, the project started providing students, teachers, parents/guardians, and food vendors near the school with information about great-tasting food that is safe and highly nutritious. Employees of PT Ajinomoto Indonesia also volunteered as instructors. Also supported were better nutritional balance in the meals served to students by food vendors, construction of a school canteen, planting of a vegetable garden, and regular provision of multivitamins to students. Children not only got a better understanding of health and nutrition, but also got better nutrition. The number of anemic students went down from 75 to just 5. The project will continue to expand its activities in fiscal 2013.



AINP is a noble activity with many challenges. It requires concentration, patience, strong commitment and stamina, as it takes three years until completion. However, with good teamwork between Ajinomoto and IPB, we have been able to run this program smoothly. In the future, we hope this AINP model will be applied not only in other places in Indonesia, but also in other countries.

Dr. Rizal Damanik
Head of Postgraduate Programs in
Community Nutrition at Bogor Agricultural
University (AINP Project Leader)



CSR Award and Innovation in Nutrition Education Award received

In April 2012, PT Ajinomoto Indonesia placed in the top three in the 2nd CSR Award held by Seputar Indonesia National Newspaper, Indonesia's biggest newspaper company. PT Ajinomoto Indonesia was highly rated for such initiatives as its Ajinomoto IPB Nutrition Project and plant Zero Emission Project.

In June 2013, the company received the Innovation in Nutrition Education Award, given to individuals and organizations that have made a significant contribution in the field of food and nutrition. It is presented once every four years by Pergizi Pangan Indonesia, the Food and Nutrition Society of Indonesia. The award recognized the integrated approach the company took in AINP: working together with diverse stakeholders to resolve health and nutrition issues in Indonesia and contribute to the achievement of the Millennium Development Goals.



Peru

Reducing anemia and malnutrition in children

In 2012, Ajinomoto del Perú S.A. and the Fundación Ajinomoto para el Desarrollo de la Comunidad donated US\$ 29,800 (the proceeds from an Umami Charity Dinner¹) to a project of the United Nations World Food Programme (WFP) aiming to improve the nutrition of children in rural areas of Lima province.

Anemia and chronic malnutrition are major public health problems in Peru, where 30% of children under the age of five suffer from anemia and 15.2% are malnourished. In coordination with six rural municipalities, the project conducted a survey of eating habits, developed teaching materials on nutrition, and held nutrition workshops for 300 families (1,500 pregnant women, mothers, children under five, and elementary and junior high school students) and teachers. Participants are now more aware of the importance of using nutritious local ingredients. Building on the project, local educational institutions have also established and implemented their own nutritional improvement plans, working with other local authorities. The Peruvian government is looking into a financial support system that would help spread the project's benefits to other areas.

¹ The Umami Charity Dinner was held in December 2011 at Lima's United Nations House and featured Nobuyuki Matsuhisa and other top chefs from Peru, along with Yoshihiro Murata, chef and owner of Kikunoi, a traditional Japanese restaurant in Kyoto. Over 250 people attended the event. The event was hosted by the Umami Information Center and was supported by Ajinomoto Co., Inc., Ajinomoto del Perú S.A. and the Fundación Ajinomoto para el Desarrollo de la Comunidad.



Children have fun learning about nutrition.



A cooking contest using local ingredients

Passing on and promoting food culture

France

■ Seminars and events spotlight Japanese food culture

Since 2007, Ajinomoto Europe S.A.S. has held seminars on Japanese cuisine designed to teach the basic concepts and techniques of Japanese food culture. The company has held more than 20 of these seminars at Maison de la Culture du Japon à Paris, the largest Japanese cultural institute in Europe. Participants learn key points for using *dashi* and Japanese seasonings, cooking methods to bring out the umami of Japanese ingredients, and the cultural and seasonal contexts which shape Japanese cuisine. These activities provide a valuable contribution to Japan-France cultural exchange.

In fiscal 2013, the seminars took on a more modern focus, featuring *donburi* (rice bowl) dishes to help participants discover the value of the Japanese staple, rice. These six seminars proved to be widely popular among young and elderly alike. As part of the company's support for regions struck by the Great East Japan Earthquake, the meal was prepared in bowls made in Tohoku, which conveyed the importance of daily meals while honoring the memory of the disaster.

To provide additional support for Tohoku recovery, the company created a brochure outlining the basics of the local specialties in Tohoku and Japanese cuisine. It was distributed in October 2012 at an event held in France by Patrimoine Sans Frontières (PSF), a non-profit organization for the protection of cultural heritage.



Participants at a rice bowl seminar



Pottery items made in Tohoku displayed in the Maison de la Culture du Japon à Paris show window on March 11, 2013



Brochure on Tohoku cooking and Japanese cuisine distributed at an event in October

Japan

■ Initiative to register traditional Japanese food as a UNESCO intangible cultural heritage

Highlighting the tastes of *dashi* and umami to create well-balanced, healthy cuisine, the traditional food culture of Japan, *washoku*, has at last caught the world's attention. In an effort to protect and pass down *washoku* culture, the Japanese government has been actively working since 2012 to see Japanese food culture registered as a UNESCO intangible cultural heritage in March 2014. The government's proposal in turn has strengthened activities conducted by the Ajinomoto Foundation for Dietary Culture, which was established for the purpose of supporting food culture education and research. The foundation's related activities include lectures and public meetings on food culture held throughout Japan, as well as symposiums and support for research (2013–2015). The decision on the candidacy of traditional Japanese food is expected in November 2013, but the Ajinomoto Foundation for Dietary Culture will continue to implement these activities to protect and pass down Japanese food culture whether or not *washoku* is listed as an intangible cultural asset.



Public meeting on *washoku* as an intangible cultural asset (June 2013)

"The Power of Washoku: Dashi and Umami" public symposium attended by approximately 200 people (March 2013)



■ School Tour of Education on Eating

Since 2006, Ajinomoto Co., Inc. has organized the School Tour of Education on Eating to get children more interested in food and teach them more about Japanese cuisine, the traditional uses of *dashi*, and the excellence of umami. The tour involves visits to elementary schools by company employees who give students lessons on the delicious taste, secrets of flavor, and importance of *dashi* and umami in Japanese food, as well as firsthand experience making dried bonito shavings.

In fiscal 2012, the school tour included 336 visits to schools across Japan, with 10,163 students participating. The program now has 1,110 employees, including executives, enrolled as lecturers. Ajinomoto Co., Inc. plans to continue the program to enable even more children to discover the wonders of *dashi* and umami and the joy of good food.

Children learn how to make dried bonito shavings.



Activities of the Ajinomoto Group's charitable foundations

The Ajinomoto Group has established foundations in four countries that award scholarships and engage in food and nutrition activities tailored to meet the specific needs of each country and region.

Ajinomoto Foundation for Dietary Culture

(Established in Japan in 1989)

Main activities

- Operates the Dietary Culture Library
- Plans and runs food culture forums (interdisciplinary panel discussions on food culture)
- Holds public symposiums and public lectures
- Publishes and distributes *vesta*®, a magazine on food culture, and other materials
- Collects information, and exhibits material related to food culture



"Fire and Food—When Did Humans First Use Fire?" symposium (October 2012)



"Exploring Naomichi Ishige Food Culture" exhibition attended by 3,300 people (September 2012–March 2013)

Ajinomoto Scholarship Foundation

(Established in Japan in 2005; forerunner Suzuki Scholarship Foundation established in 1957)

Main activities

- Awards scholarships to international students from ASEAN countries to study in Japan. Scholarships are awarded to students from five ASEAN countries for a total of three years of study (one year as a research student and two years as a master's student) at the University of Tokyo Graduate School of Science.
- Grants scholarships and student loans. Scholarships and loans are awarded to students in Japan taking upper division classes at the undergraduate level or in science programs in graduate school.



Welcoming ASEAN scholarship students entering university in April 2013

Ajinomoto Foundation (Established in Thailand in 1976)

Main activities

- Runs a project to build canteens at 50 schools to mark the 50th anniversary of Ajinomoto Co., (Thailand) Ltd.
- Administers support for a building educational facilities at a camp for university student volunteers
- Provides support (scholarships) for students majoring in science, technology and engineering
- Promotes employee volunteer projects (local temple cleaning, etc.)
- Provides support to people in the colder regions of north and northeast Thailand (has provided 8,200 blankets and 1,720 coats to local residents and students at 20 schools in 3 provinces)



Scholarship support



About 900 employee volunteers participate in temple cleaning.

Reference See "Building 50 canteens at 50 schools" on p.117.

INSTITUTO AJINOMOTO

(Established in Brazil in 1989)

Main activities

- Donates to Japan-related organizations and NPOs
- Implements activities to contribute to the local community (Provides support for establishment of facilities related to food and health; donates school supplies to public schools)
- Provides support (scholarships) for students majoring in food chemistry and dietetics

Elementary school students receive donated school supplies.



Fundación Ajinomoto para el Desarrollo de la Comunidad

(Established in Peru in 2003)

Main activities

- Supports projects to prevent anemia and malnutrition in children, in alliance with other institutions such as the WFP
- Holds health and nutrition workshops and lectures (94 events in 2012, with 1,798 participants in total)
- Provides economic support (scholarships) for students majoring in dietetics
- Promotes and supports social welfare activities



Elementary school students listen at a nutrition workshop.

Reference See "Reducing anemia and malnutrition in children" on p. 119.

Supporting Areas Struck by Natural Disaster

Natural disasters are a tragic part of life in every part of the world, and local communities in disaster-stricken areas need help recovering from the damage that they sustain. The Ajinomoto Group uses the expertise gained through its food and healthcare businesses to provide support for each area's particular needs.

Reference See "Managing risk and creating a new enterprise continuity plan" on p. 38.

Reference See "Preparing for natural disasters and protecting human life" on p. 67.

Highlight

Job creation program for flood victims in Thailand

North and central Thailand suffered widespread damage in the major flooding that occurred in 2011. The floods had a severe impact on key sectors such as industry and agriculture. Immediately after the flood, the companies of the Ajinomoto Group in Thailand launched a project to support the recovery. In addition to donating relief supplies and a total of about 25 million yen for emergency assistance, the Group's individual business sites in Thailand also provided food and shelter to victims and other types of practical support.

During the first half of 2012, a project called "Job Creation by Ajinomoto Cooking Club" was implemented for 500 people that had lost their jobs after the flood in the five most affected provinces, including Bangkok and Ayutthaya. While receiving free cooking classes on how to prepare popular street foods, the participants also took part in a short business planning course about starting their own food kiosks. Based on the actual business plans submitted by participants, 100 applicants were selected to receive a fully equipped food kiosk to start their own business.



Job creation program using the resources of the Ajinomoto Cooking Club, free cooking classes for the general public, already being offered by Ajinomoto Co., (Thailand) Ltd.



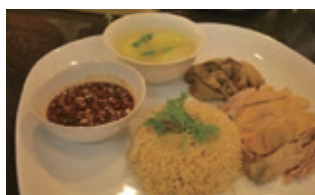
Before the opening of a new plant in Ayutthaya, about 900 employee volunteers helped restore a flood-damaged temple in October 2012. Temples are close to the hearts of the people in this Buddhist country.



Job creation program participants



Food kiosk dishes taught by the course



The new Ayutthaya plant was being built when the floods began, and local residents were evacuated to the plant during the disaster. It is now protected with a five-meter-high dike and began full-scale operations in July 2013, creating jobs and contributing to the local economy.

Highlight

Supporting reconstruction in areas hit by the Great East Japan Earthquake

The Ajinomoto Group set up the Great East Japan Earthquake Reconstruction Support Project to conduct activities in the disaster-stricken area designed to help with recovery by delivering this most essential form of aid. Through its expertise in food and healthcare businesses, the Group will continue to support these local communities as they get on a steady track to recovery.

Health and Nutrition Seminar to help temporary housing residents stay healthy (Ongoing from October 2011)

Temporary housing residents find it difficult to eat properly, which leads to health and nutrition problems. To address these issues, the Ajinomoto Group holds Health and Nutrition Seminars, providing residents with a place to join others in conversation as they share the cooking and pleasure of a delicious meal. The goal is to help support their mental and physical health.

Nutrition and health problems faced by temporary housing residents

1. Increased risk of diabetes, kidney disease, and heart trouble
2. Vitamin and mineral deficiency caused by lack of vegetables
3. Aging, weakened community ties, and dying alone

Initiatives of the Ajinomoto Group

Health and Nutrition Seminars utilizing special portable kitchen equipment

- Seminars focusing on the importance of consuming lots of vegetables and reducing salt intake
- Introduction of easy-to-prepare menus of familiar dishes

Health and Nutrition Seminar figures (through end of September 2013)

507 seminars
9,124 participants



Employees of the Ajinomoto Group taking part as volunteers. Interacting with local residents offers employees a great opportunity for personal growth.



Set up in collaboration with Ajinomoto General Foods, Inc., the drink bar is a popular place for participants to gather and begin conversations.

Conversation (emotional ties)
Practice
Participation

Good taste
Local seasonal ingredients
Incorporating *dashi* soup stock and seasonings
Using microwave

Health and Nutrition Seminar

Nutrition
Low sodium (proper salt intake)
Menus rich in vegetables
Low calorie (proper caloric intake)

Hometown dishes featuring local ingredients



Harako-meshi (Rice with grilled salmon and raw salmon roe)

Hokki-meshi (Rice with boiled Sakhalin surf clam)



Volunteers talk about how to create well-balanced meals.



Conducted in coordination with government offices, local social welfare councils, dietetic associations, and other groups, seminars provide information on healthcare, nutrition, and other topics.

Seminars bring smiles to people's faces.



"Cooking School for Men" seminars



The Health and Nutrition Seminars also cover cooking courses specifically for men. Most men who take part in this cooking school are in their 60s to 80s. These courses are designed to show middle-aged and elderly men how easy cooking can be and give them the opportunity to take responsibility for their own health and nutrition.

■ Proceeds used to aid recovery

The Ajinomoto Group donates proceeds from the sales of certain products to give customers a chance to support disaster recovery.

■ The “Joy of Food” project

食卓からニッポンを元気に



Project logo

- A portion of the proceeds from sales of *Knorr® Cup Soup* (August–September 2012 shipments; photo below) were donated to GRA, a non-profit organization dedicated to agricultural reconstruction in Miyagi Prefecture. (One yen per box was donated, for a total of about 9 million yen.) This donation is used to fund activities that focus on reopening strawberry farms in Yamamoto-cho in Miyagi Prefecture and branding the strawberries grown there. These activities were honored in fiscal 2013 with the Good Design Award.



Ajinomoto Co., Inc. continues to implement the “Joy of Food” project, which gives customers the opportunity to help support reconstruction in Tohoku by purchasing food products. In fiscal 2012, the company conducted the following programs under the project.



Volunteers from the non-profit GRA in a strawberry greenhouse

- A portion of the proceeds from sales of *HONDASHI* (March–April 2013; photo at right) were donated to Fukushima Ka-tyan no Chikara Network. (One yen per box was donated, for a total of about 9 million yen.) This donation will be used to fund a project designed to bring together women farmers who evacuated the Abukuma area near the nuclear power plant. The women farmers, called *ka-tyan*, come together to develop, process and market agricultural processed products and lunches using local techniques passed down from generation to generation.



Members of the Fukushima Ka-tyan no Chikara Network pose with the products they created.

■ Assistance for farmers

東北に元気を！
明日を耕すプロジェクト

Project logo

Ajinomoto Frozen Foods Co., Inc. extended the donations begun in fiscal 2011 of one yen from the sale of each package of Gyoza Chinese dumplings (October 1, 2012–January 31, 2013 shipments; photo below) to three aid groups assisting with agricultural recovery efforts in the Tohoku region (total donation: about 28,268,000 yen).



The Center for Support of Collaboration between Agriculture, Commerce and Industry is one of the recipients of the funds donated from Gyoza product sales. Ajinomoto Frozen Foods Co., Inc. employees also took part in a center-sponsored corn harvest tour held at Yasai Kobo Yamaki in Iwanuma City, Miyagi Prefecture.

Ajinomoto Co., Inc. also provided its “co-products”—*Havane Hayaoki* root stimulator and *AJIFOL® AminoGuard*—produced using by-products generated in the process of producing umami seasoning and other agricultural materials to Yasai Kobo Yamaki as well as certain farmers in disaster-stricken areas as additional support for rebuilding farms.



■ Assistance for potters



Project logo

Ajinomoto General Foods, Inc. donated a portion of the proceeds from the sale of *Blendy®* instant coffee (photo at right) to help restore damaged pottery facilities in Tohoku. In

fiscal 2012, this support went to the restoration of kilns for Nakui-yaki pottery in Aomori Prefecture, Tsutsumi-yaki pottery in Miyagi Prefecture, and Aizu Hongo pottery in Fukushima Prefecture. In addition, consumers throughout Japan were also offered the chance to win a coffee cup made by one of these potteries. Ajinomoto General Foods, Inc. will extend the project into fiscal 2013.



Ceremonial lighting of the Aizu Hongo pottery Munakata-gama kiln

Employees Aim to Make a Personal Contribution

Employees of the Ajinomoto Group around the world and their families have been taking part in Smile Earth! activities since 2007. These participatory activities are designed to contribute to society and give employees the opportunity to take action for their local communities and for the planet.

Ajinomoto Group Smile Earth! activities bring smiles to people and the planet

The Ajinomoto Group's Smile Earth! activities include three global campaigns and unique efforts at individual business sites. They give employees the opportunity to make a personal, tangible contribution to the environment, society, and local community. In fiscal 2013 and beyond, the Ajinomoto Group will enhance the activities to further raise social and environmental awareness among its employees.

Group-wide campaigns

1. Worldwide clean-up activities around business facilities
2. The Eco Action Campaign
3. The Mottainai (What a waste!) Campaign



1. Worldwide clean-up activities around business facilities

Employees around the world help clean up the areas around their business facilities on a certain date each year. In fiscal 2012, this campaign took place on October 10.

Ajinomoto Co., Inc. Head Office

About 300 employees took part in the clean-up. In fiscal 2012, employees began additional activities in November and December, as well.



West African Seasoning Co. Ltd. (Nigeria)

The company began participating in the campaign in fiscal 2012 with employees cleaning up around the plant.



Ajinomoto Group in Thailand

A total of 2,013 employees cleaned up around group facilities and nearby temples with the help of neighborhood residents.



Ajinomoto Group in Brazil

A total of 352 employees participated in the campaign. This year, local government workers helped to get the job done.



Approximately **9,900** people participate at **185** workplaces around the world.

Ajinomoto Vietnam Co., Ltd.

A total of 1,209 employees participated in the clean-up to show their appreciation of the local community.



AJINOMOTO PHILIPPINES CORPORATION



Ajinomoto (Cambodia) Co., Ltd.



Xiamen Ajiraku Ideal Foods Co., Ltd. (China)



YAMAKI Co., Ltd.



Hokkaido Ace Logistics Co., Ltd.



2. Eco Action Campaign

Under the Eco Action Campaign, the Ajinomoto Group's workplaces around the world independently plan and implement themed events and programs to contribute to the global environment.

Ajinomoto (Malaysia) Berhad

"Love Food, Hate Waste" campaign

To educate and raise awareness among employees of the need to reduce food waste, this company has developed the "Love Food, Hate Waste" campaign. In addition to introducing equipment that quickly turns leftover fruit and vegetables at office cafeterias into fertilizer, the company has also held several workshops and seminars on reducing food waste for employees.



Ajinomoto Co., Inc. Head Office

"Eco-Uma" lunch menus in employee cafeteria

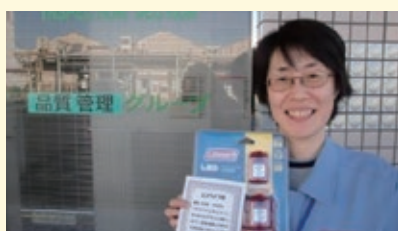
For a week, the Head Office employee cafeteria served "Eco-Uma" lunches based on menus that are both delicious and make use of whole ingredients so that nothing goes to waste.



Ajinomoto Co., Inc. Kawasaki Administration & Coordination Office

Personal Eco Action contest

In order to raise awareness of what individuals can do for the environment, employees were invited to submit "eco action" practices or ideas, such as conserving energy or reducing CO₂ in their homes. A total of 292 actions were submitted, and they were shared with all employees, with the best receiving commendations.



Ajinomoto del Perú S.A., Lima office and plant

Environmental protection art contest for children

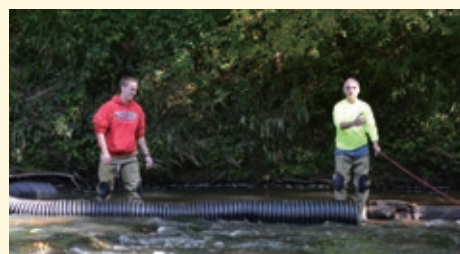
The company held an art contest again this year to educate employees about the importance of protecting the environment. Art works made by 24 children of group employees focused on three social challenges that the Ajinomoto Group is working to address: global sustainability, food resources, and healthy living. The artwork was featured on company Christmas cards sent to suppliers.



Ajinomoto North America, Inc. AAT plant

Participation in local environmental protection activities

In Raleigh, North Carolina, employees participated in a city-sponsored campaign to protect the local river environment. Employees from eight departments walked a mile, picking up garbage along the river.



Ajinomoto Vietnam Co., Ltd.

Campaign to protect the environment by conserving paper

In order to encourage individuals to take the first steps to conserve resources in their immediate environment, the company introduced a new campaign to reduce office paper use in 2012.



3. Mottainai (What a waste!) Campaign

The *Mottainai* (What a waste!) Campaign aims to make use of stored materials in employee homes or workplaces, such as old books, stamps, foreign coins, foreign notes, and others. In 2012, 82 business sites around the world participated in the campaign.

Ajinomoto del Perú S.A., Lima office and plant

Toys and books that employees no longer use at home were donated to facilities that house children battling cancer. The employees dressed like Santa Claus to pass out the toys and books, and then turned into clowns or magicians to entertain the children.



Ajinomoto Group in Thailand

Clothes, books and toys that employees from seven business sites no longer use at home were donated to a school for the visually impaired and a facility for underprivileged children.



Ajinomoto (Malaysia) Berhad

Unused goods were donated to a group that supports underprivileged children via a charity event sponsored by the University of Malaya.



Ajinomoto Group in Japan

Unwanted items collected in Japan (including postcards, prepaid cards, stamps, and books worth a total of about 230,000 yen) were donated to help with recovery efforts for victims of the Great East Japan Earthquake.



Other activities

The following Smile Earth! activities were locally and independently planned and implemented in Japan.

Table for Two + Tohoku: Providing support by eating healthily

A social contribution project originating in Japan, the Table for Two¹ program provides school lunches to children in developing countries by donating 20 yen, which is the cost of a school lunch in these countries, per each healthy meal served at cafeterias.

Ajinomoto Co., Inc. adopted the Table for Two + Tohoku program at its cafeterias of the Head Office, the Kawasaki Administration & Coordination Office, and the Osaka Branch. The program, which directs 10 yen of each 20-yen donation to food assistance for three earthquake-stricken Tohoku prefectures, served 56,346 meals in fiscal 2012 and raised 1,126,920 yen, up 325% compared to the previous fiscal year. The company is committed to developing similar programs at other offices and group companies in the future.

¹ See the official Table for Two website for more details on the campaign.
<http://www.tablefor2.org/home>



Bottle caps donated to Ecocap Movement fund vaccines for children in developing countries

The Ajinomoto Group's business sites collect plastic bottle caps for donation to the Ecocap Movement.² In fiscal 2012, nine group companies in Japan participated in the campaign, donating 615,223 caps, which will fund 769 polio vaccines.

² The caps from approximately 800 plastic bottles are able to fund a vaccine for one child in developing countries.



Additional Sustainability Information

The sustainability initiatives of the Ajinomoto Group are presented in a variety of formats, aside from this report. Visit these websites to discover a wealth of additional information.

Initiatives for Sustainability <http://www.ajinomoto.com/en/activity/csr/index.html>



Download related material
<http://www.ajinomoto.com/en/activity/material/>



Ajinomoto Group official website
<http://www.ajinomoto.com/en/>



Ajinomoto Group corporate profiles
<http://www.ajinomoto.com/en/aboutus/>



Ajinomoto Co., Inc. product information
<http://www.ajinomoto.co.jp/index.html>
(Japanese only)



R&D
<http://www.ajinomoto.com/en/rd/>



Delivering reliable products (quality assurance)
<http://www.ajinomoto.co.jp/products/anzen/>
(Japanese only)



Environmental Conservation
<http://www.ajinomoto.com/en/activity/environment/>



Ajinomoto Group's activities for sustainability
<http://www.ajinomoto.com/en/activity/sustainability/>



Ajinomoto Group Sustainability Forum
<http://www.ajinomoto.com/en/activity/forum/>

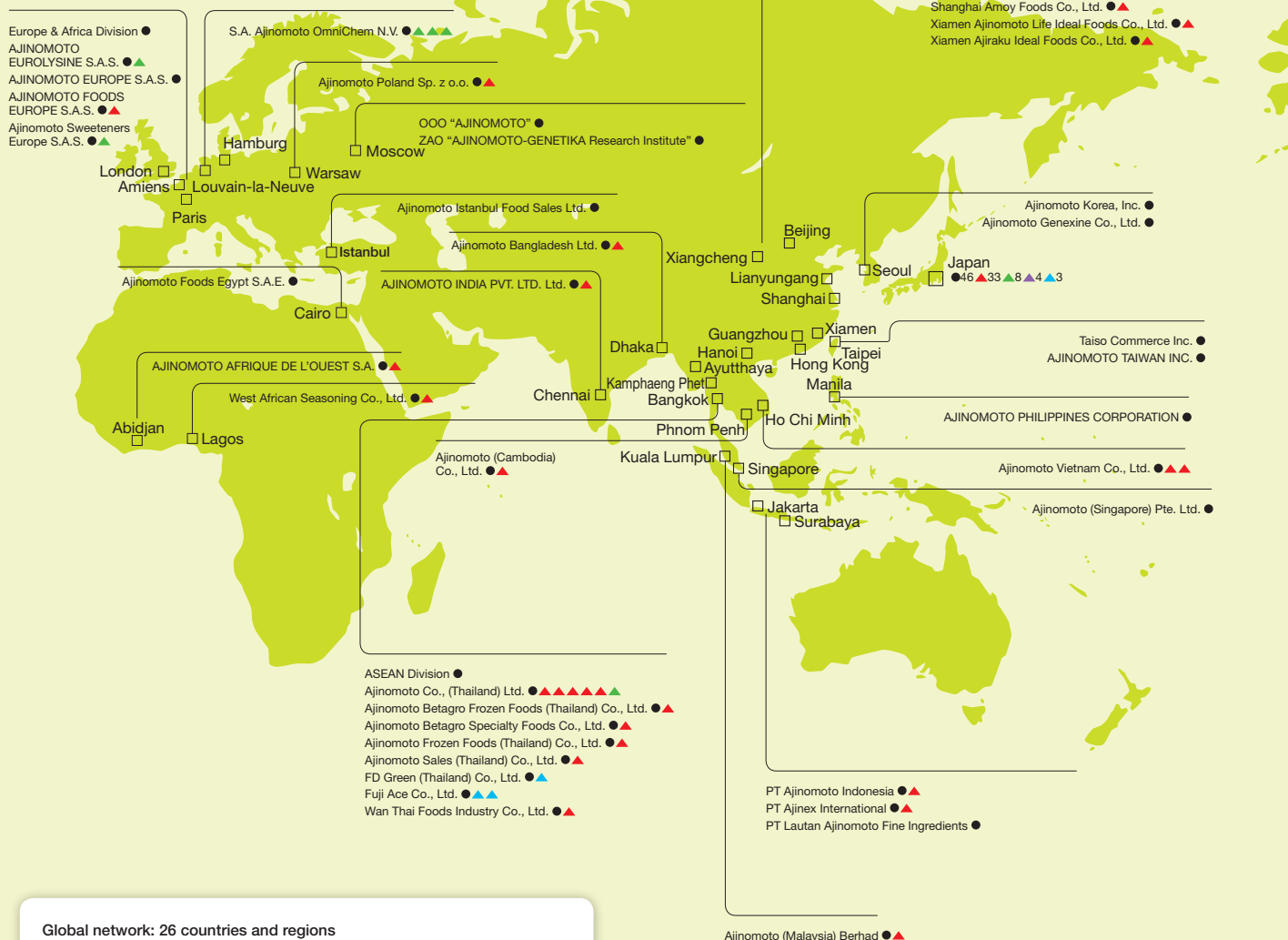


Environmental action from the dinner table
<http://www.ajinomoto.com/jp/activity/environment/eco/>
(Japanese only)



Ajinomoto Group at a Glance

Global Network



Global network: 26 countries and regions
(including 105 manufacturing and packaging plants in 17 countries and regions)
(Japan: 48; other countries: 57)

● Companies and offices

▲ Food plants 70

▲ Amino acid and specialty chemical plants 21

▲ Pharmaceutical plants 5

▲ Other plants 6

Note: Overseas consolidated subsidiaries and group companies accounted for by the equity method: 54 companies (as of October 1, 2013)

Company profile

Company name	Ajinomoto Co., Inc.
Head office	15-1, Kyobashi 1-chome, Chuo-ku, Tokyo 104-8315, Japan
Tel	+81-3-5250-8111
URL	http://www.ajinomoto.com/en/
Foundation	May 20, 1909
Establishment	December 17, 1925
Paid-in capital	79,863 million yen (as of March 31, 2013)
Number of employees	3,343 (non-consolidated), 27,518 (consolidated) (as of March 31, 2013)
Fiscal year-end	March 31

Business segments

Food products sold in Japan

AJI-NO-MOTO®, HONDASHI, Cook Do®, soups, mayonnaise and mayonnaise-type dressings, frozen foods, beverages, etc.

Food products sold outside Japan

AJI-NO-MOTO®, flavor seasonings, soups, instant noodles, beverages, umami seasonings for processed food manufacturers, nucleotides, etc.

Bioscience products & fine chemicals

Aspartame, PAL SWEET®, specialty chemicals, amino acids for feed-use, pharmaceutical-use, food-use, etc. Pharmaceuticals, medical foods Edible oils, coffee products amino VITAL®, distribution, various services, etc.

Pharmaceuticals

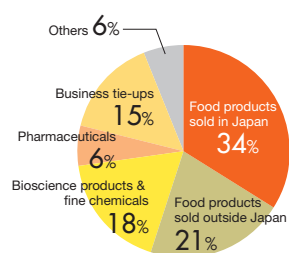
Business tie-ups

Others

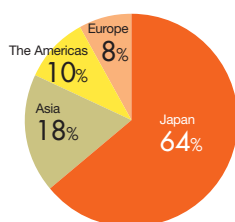
Network in Japan



Net sales by business

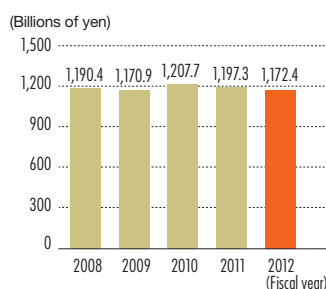


Net sales by region

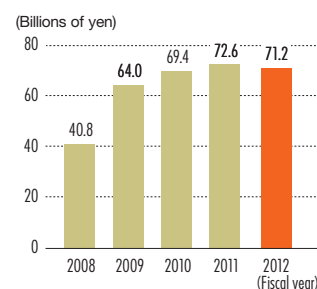


Consolidated financial highlights

Net sales



Operating income



AJINOMOTO®

Inquiries: CSR Department, Ajinomoto Co., Inc.

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