

Ajinomoto Group Integrated Report 2016

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- Valine
- Leucine
- Isoleucine
- Alanine
- Arginine
- Glutamine
- Lysine
- Aspartic acid
- Glutamate
- Proline
- Cysteine
- Threonine
- Methionine
- Histidine
- Phenylalanine
- Tyrosine
- Tryptophan
- Asparagine
- Glycine
- Serine

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Our mission is to contribute to the world's food and wellness, and to better lives for the future

Publication of "Ajinomoto Group Integrated Report 2016"

From 2016 onwards, the Ajinomoto Group will publish an integrated report, which combines its financial report and sustainability report together.

In this integrated report, we have set out to discuss the initiatives of the Ajinomoto Group taking in ASV (The Ajinomoto Group Creating Shared Value)—which is the creation of economic value through the creation of social value—for realizing our goal of becoming a "Genuine Global Specialty Company."

We hope that this report describes the state of the Ajinomoto Group toward its sustainable growth enough for all of our stakeholders, including shareholders and other investors to comprehend in a good manner.



Front Cover

The history of life on earth began with the birth of amino acids, while the Ajinomoto Group has been developing its business based on amino acids since its founding. The front cover of this report expresses the connection between the Ajinomoto Group and life on earth through an image of 20 kinds of amino acids that are essential to the human body forming the shape of the earth.

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Organizational Scope

This report covers the activities of the Ajinomoto Group, comprising, unless otherwise noted, Ajinomoto Co., Inc. ("the Company") and its Group companies (as of March 31, 2016), 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.

Period Covered by this Report

Fiscal 2015 (April 1, 2015–March 31, 2016)
When appropriate, however, exceptions to this general rule are made, as when citing past circumstances and data or using recent examples for illustration purposes.

Precautions Related to Forward-Looking Statements

Forward-looking statements, such as business performance forecasts, made in these materials are based on management's estimates, assumptions and projections at the time of publication and do not represent a commitment from Ajinomoto Co., Inc. that they will be achieved. A number of factors could cause actual results to differ materially from expectations.

The Aspiration of the Ajinomoto Group

Professor Kikunae Ikeda and businessman Saburosuke Suzuki II were two men with a vision to help improve the nutrition of Japanese people. The history of the Ajinomoto Group began when Mr. Suzuki started marketing umami, which was discovered by Professor Ikeda, as a product called *AJI-NO-MOTO*®. Inheriting the founding spirit of “Eat Well, Live Well.”, which has been passed on for more than 100 years, the Group is continuing to grow as an enterprise that contributes to the healthy lifestyles of communities around the world.

Eat Well, Live Well.

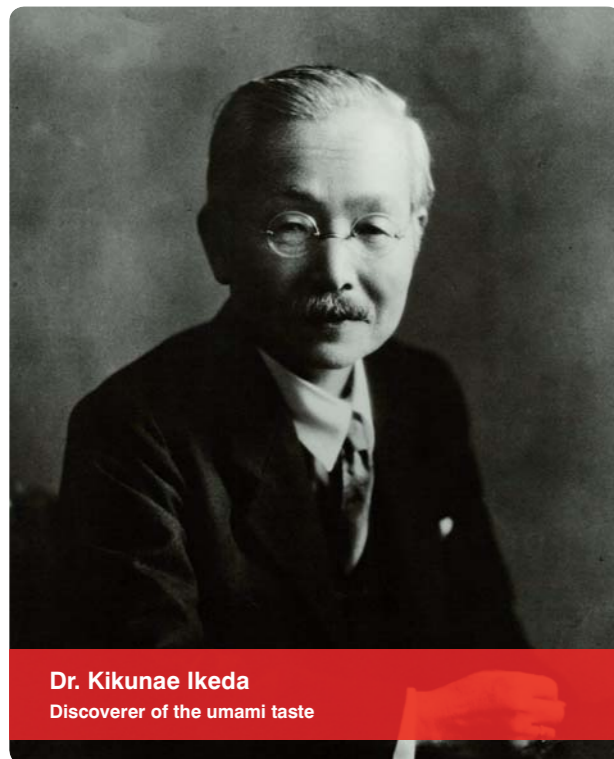
This is the thinking that inspired the umami seasoning

AJI-NO-MOTO® more than 100 years ago.

In keeping with this original ideal,

we continue to create products of scientifically proven benefit

in the interest of people’s health.



Dr. Kikunae Ikeda
Discoverer of the umami taste



Saburosuke Suzuki II
Founder of the Ajinomoto Group

Dr. Kikunae Ikeda Discovered Umami in 1908

The discovery began with boiled bean curd with dashi (broth) made from kombu, a kind of kelp. While dining on kombu dashi, Dr. Ikeda became convinced that there was another basic taste altogether different from sweet, salty, sour, and bitter, and he began researching the composition of kombu dashi.

Around the same time, Hiizu Miyake, Japan’s first doctor of medicine, hypothesized that “good taste stimulates digestion.” Dr. Ikeda was encouraged by this idea, and ultimately discovered that glutamic acid, a kind of amino acids, was what gave kombu the distinctive taste he had been searching for. He named the taste “umami,” and proceeded to invent a method for producing seasoning with glutamate as a key component.



The glutamic acid extracted from kombu by Dr. Kikunae Ikeda (1908)

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

Dr. Kikunae Ikeda, “My Motivation for Inventing *AJI-NO-MOTO*” (Courtesy of Aozora Bunko)

Improve the Nutrition of the Japanese People

When Dr. Ikeda went to study in Germany in 1899, he was surprised by German people’s physiques and general healthiness, which fostered in him the strong desire to “improve the nutrition of the Japanese people.” Another individual who shared in his dream was Saburosuke Suzuki II, who launched a business venture to begin selling *AJI-NO-MOTO*®, the world’s first umami seasoning in 1909. The origins of the Ajinomoto Group lie in this ideal: “Eat Well, Live Well.”

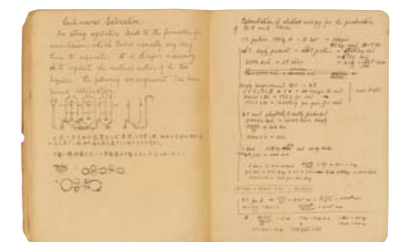


The original *AJI-NO-MOTO*® (1909)

Eat Well, Live Well.

In 2000, researchers at the University of Miami reported the presence of umami receptors on the tongue, and in 2006 Ajinomoto Co., Inc.’s Institute of Life Sciences discovered that such receptors were also present in the stomach. The importance of glutamate—not only to our sense of taste but also in the nutritional and physiological sense—is being demonstrated more and more through our recent researches. Our “Eat Well, Live Well.” is actually an ideal that has been scientifically proven.

Today, the Ajinomoto Group continues to share this aspiration. We aim to contribute to society in the fields of Food and AminoScience by further pursuing the potential of amino acids that was found with the discovery of umami.



Dr. Ikeda’s research notes
(Owned by the University of Tokyo’s School of Science)

Who is the Ajinomoto Group?

Carrying on the “Aspiration of Our Founding” through “The Ajinomoto Group Way” to Diversify Our Business and Realize Globalization

The Ajinomoto Group is a food company group that got its start with the production of amino acids. Since its founding, the Group has been scientifically exploring what deliciousness is and what makes things delicious as it developed businesses that combined taste and science. The Ajinomoto Group is also a global amino acid manufacturer that uses leading edge bioscience and fine chemical technologies to develop businesses in fields other than food, guided by a customer-focused approach that provides customers and society as a whole with the things they need and desire. With the pioneer spirit carried on since its founding, the Group has actively expanded its business overseas and created new value through open & linked innovation. In addition, the “Aspiration of Our Founding” is firmly rooted in “The Ajinomoto Group Way,” providing the starting point for all of the Group’s business activities.

The Ajinomoto Group’s Business Expansion



Sources of Growth for the Ajinomoto Group

Technology

Realizing business diversification and globalization through the development of core technologies

Starting with the discovery and commercialization of umami, the Ajinomoto Group is using its leading edge bioscience and fine chemical technologies cultivated through its research on umami and amino acids to realize business diversification and globalization. Through constant science-based approaches such as multi-dimensional analysis of deliciousness or the evidence regarding the safety of its products, the Group is providing value of amino acids in a variety of ways.

Open & Linked Innovation

Creating new value through open & linked innovation

Since its founding, the Ajinomoto Group has not only been engaging in sole efforts to develop its business but also has collaborated with external organizations through open & linked innovation. In doing so, the Group continues to diversify its business and achieve results in a number of research fields.

Customer Focus

Pursuing thorough, customer-focused innovations

The Ajinomoto Group is developing its business based on a thorough, customer-focused approach that fully comprehends the changes in customers’ life stages and lifestyles as well as the characteristics and needs of each region of operation. In recent years, the Group has been working to create new value that better answers the growing needs of health and nutrition.

Regional Expansion

Providing value around the world through globalization

In 1910, the following year after its founding, the Ajinomoto Group began exporting umami seasoning *AJI-NO-MOTO*® to Taiwan. In 1917, the Group opened a purchasing and sales office in New York. Since then, the Group has been actively developing its business overseas and is currently selling its products in over 130 countries and regions.

The Path for Growth: Expanding Our Business While Offering Value to Society

While promoting the diversification of its business centered on technology, a customer-focused approach, and open & linked innovation, the Ajinomoto Group has advanced globalization through regional expansion. By contributing to the resolution of social issues around the world through food and wellness, the Group continuously makes efforts to improve corporate value.

Overview of the Ajinomoto Group (As of March 31, 2016)

| | | |
|--------------------------|--------------------------------------|------------------------------------|
| Business sites | Areas where products are sold | Number of production plants |
| 27 countries and regions | Over 130 countries and regions | 119 |
| Net sales | Number of employees | Number of R&D personnel |
| 1,185.9 billion yen | 33,295 | Over 1,700 |

The Ajinomoto Group's Path for Growth



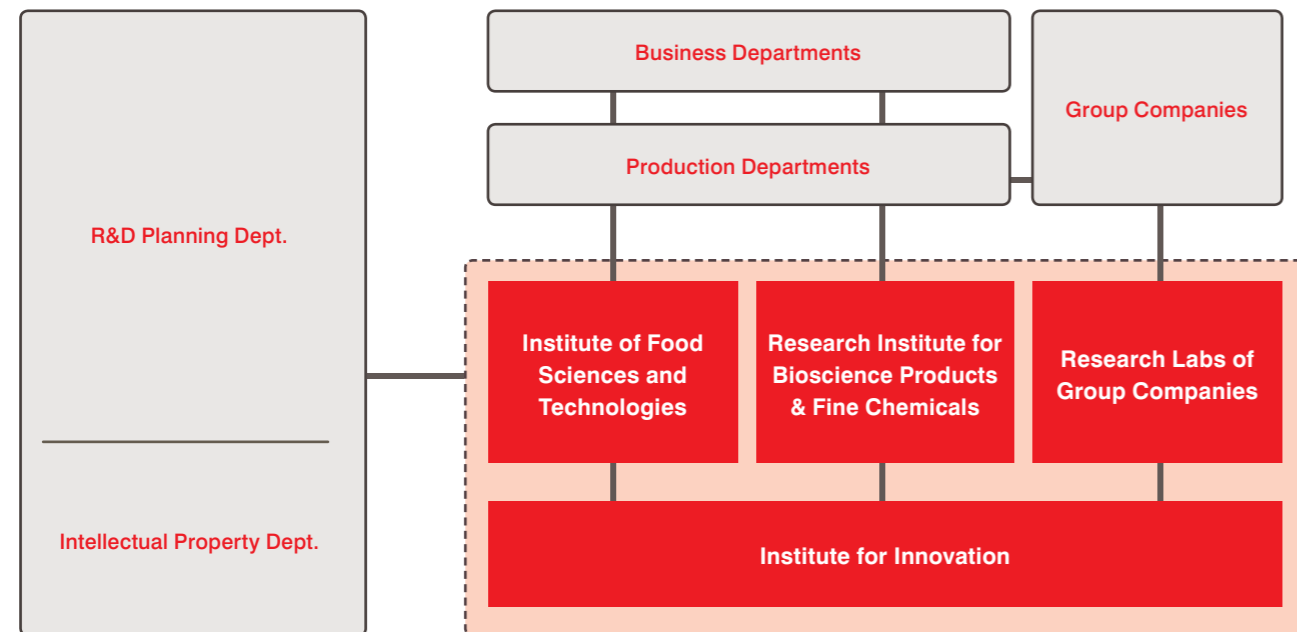
*1 Displayed on the consolidated balance sheet as of FY1999
 *2 For the coffee and edible oils business and some other businesses, the gross figures for sales and cost of goods sold were recorded in the accounts but from FY2013 this method is changed by netting off sales and cost of goods sold and recording the net figure in the accounts. Post-reclassification basis from FY2010.
 *3 The following changes in accounting policies were conducted in FY2014. Sales promotion discounts paid to customers to expand sales are deducted from net sales. Figures for FY2011 and subsequent fiscal years have been restated.

Realizing “Specialty” through the Pursuit of Amino Acid-Oriented R&D

Throughout its history, the Ajinomoto Group has been continuing to provide a wide variety of solutions related to food and wellness on a global scale. At the same time, the Group has kept making efforts in amino acid-oriented R&D as glutamic acid, which represents umami itself, is one of amino acids. Through these initiatives, the Group has been pursuing unique, leading edge bioscience and fine chemical technologies. With these technologies as its core, the Group has expanded its business domains and developed its original “AminoScience,” which has been leveraged to provide high value-added materials and new business models.

Establishing Research Systems that Support Uniqueness

The Ajinomoto Group is processing R&D activities with the Group-wide spread view, from the fundamental technology development for the next generation to product development for the best solution for the local needs, while three R&D bases: the Institute for Innovation, the Institute of Food Sciences and Technologies, and the Research Institute for Bioscience Products & Fine Chemicals—all locate in Japan and belong to Ajinomoto Co., Inc.—take initiatives in cooperation with the Research Laboratories of each Group company in Japan and overseas. In accordance with each business fluctuation, this R&D organization consistently make efforts on creating new value with the Group’s customers through “Open & Linked Innovation”.



Institute for Innovation



Institute of Food Sciences and Technologies

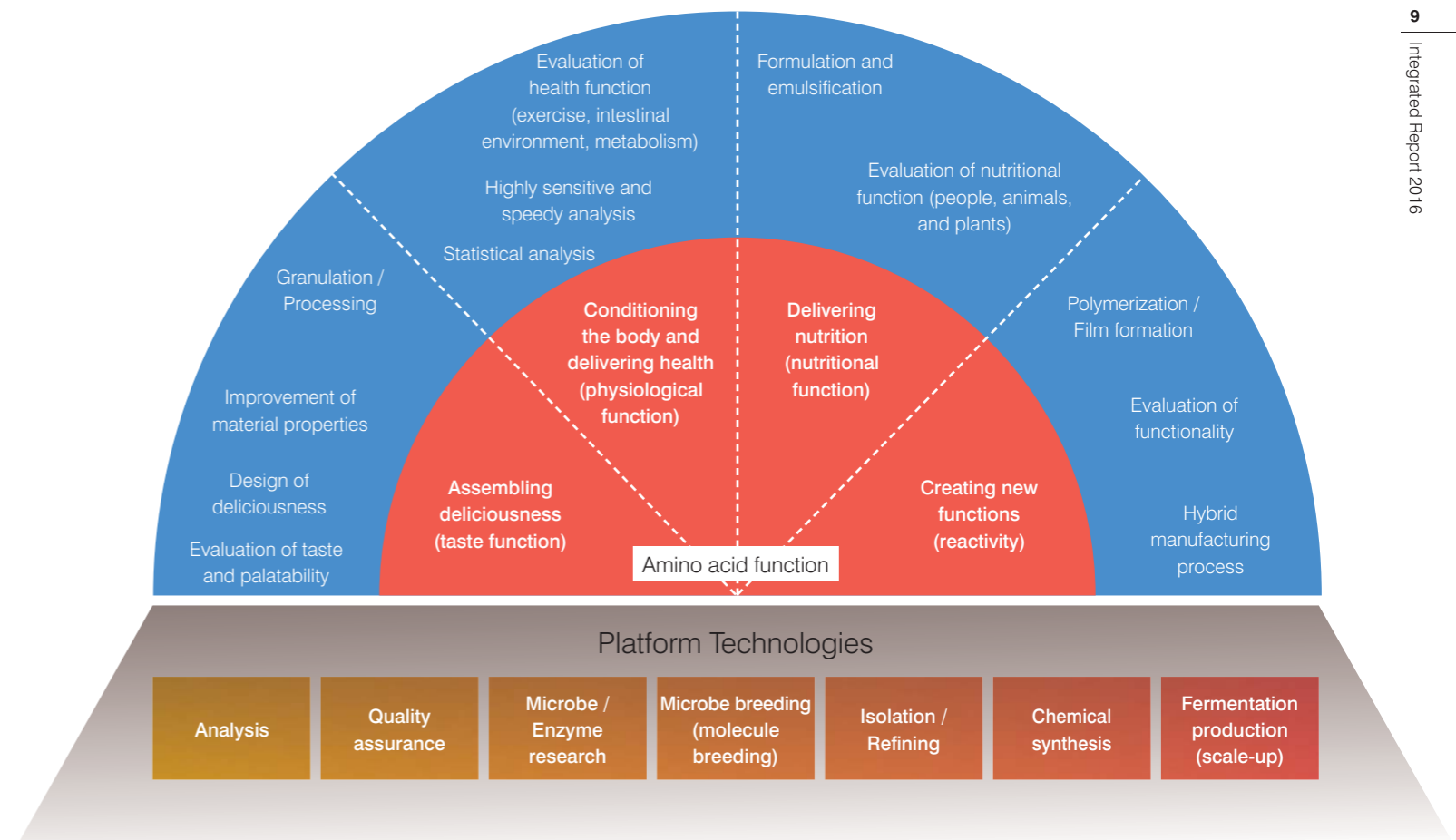


Research Institute for Bioscience Products & Fine Chemicals



Enhancing Technological Competitiveness with the Ajinomoto Group’s Leading Edge Bioscience and Fine Chemical Technologies

Technologies that leverage the various functions of amino acids to bring about innovation represent one of the Ajinomoto Group’s strengths. Supported by organizational functions such as quality assurance with world-leading analysis techniques, these technologies give the Group a competitive edge as it expands its business.

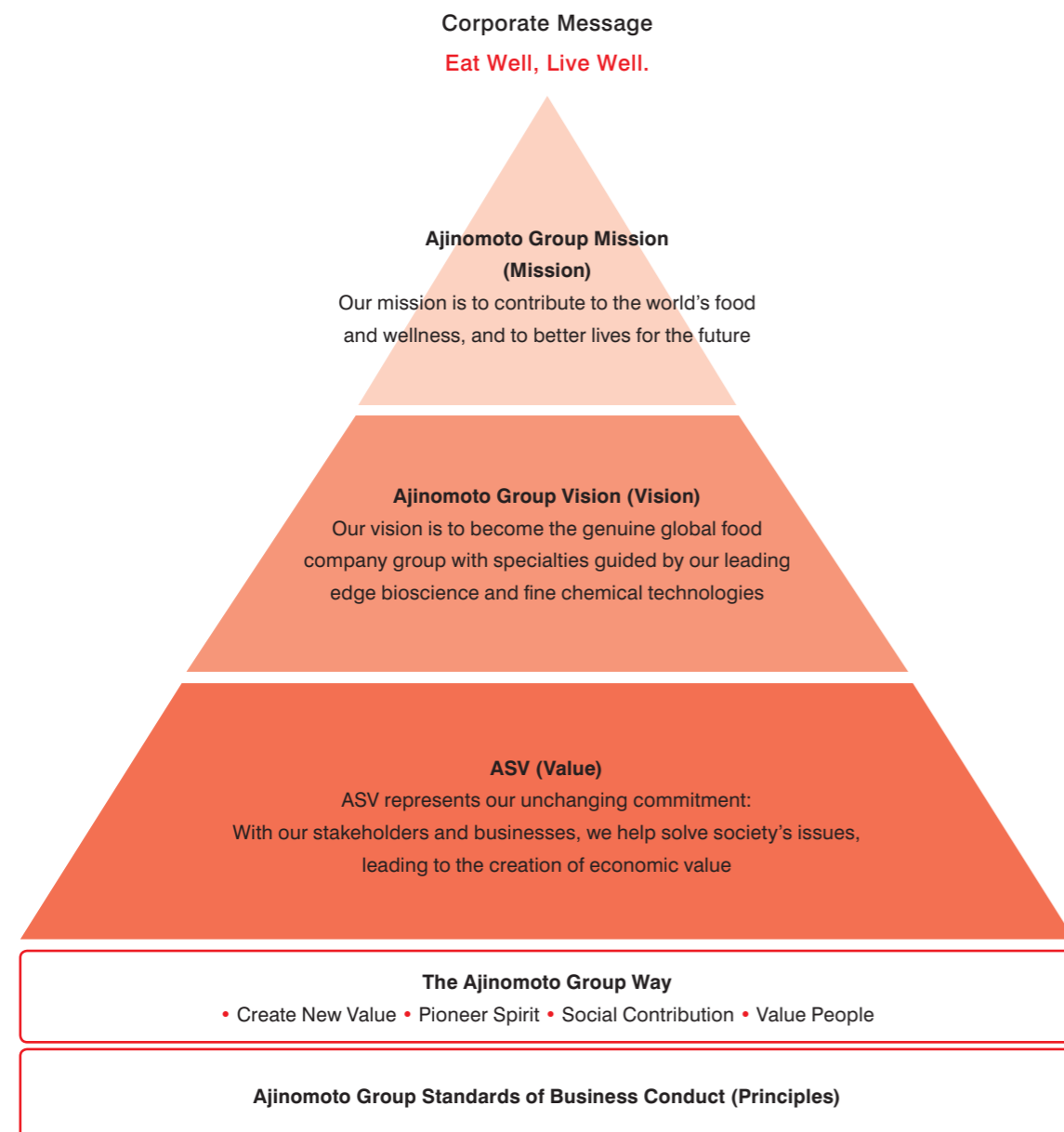


Aiming for Further Expansion Centered on the Inherited ASV Initiatives

The Ajinomoto Group has been engaging in initiatives to resolve social issues through its business. By improving economic value through the creation of shared value with local communities and society as a whole, these initiatives have contributed to the Group's growth. These kinds of initiatives have been named as ASV (The Ajinomoto Group Creating Shared Value). By further advancing these ASV initiatives, the Group believes it can realize its goal of becoming a "Genuine Global Specialty Company."

What the Ajinomoto Group Aims for

The Ajinomoto Group has clearly identified the relationship ASV with its mission and vision in terms of what the Group aims to be. As ASV represents the essence of the Group's business activities, the Group will develop businesses centered on ASV going forward. In doing so, the Group will realize its mission and vision.

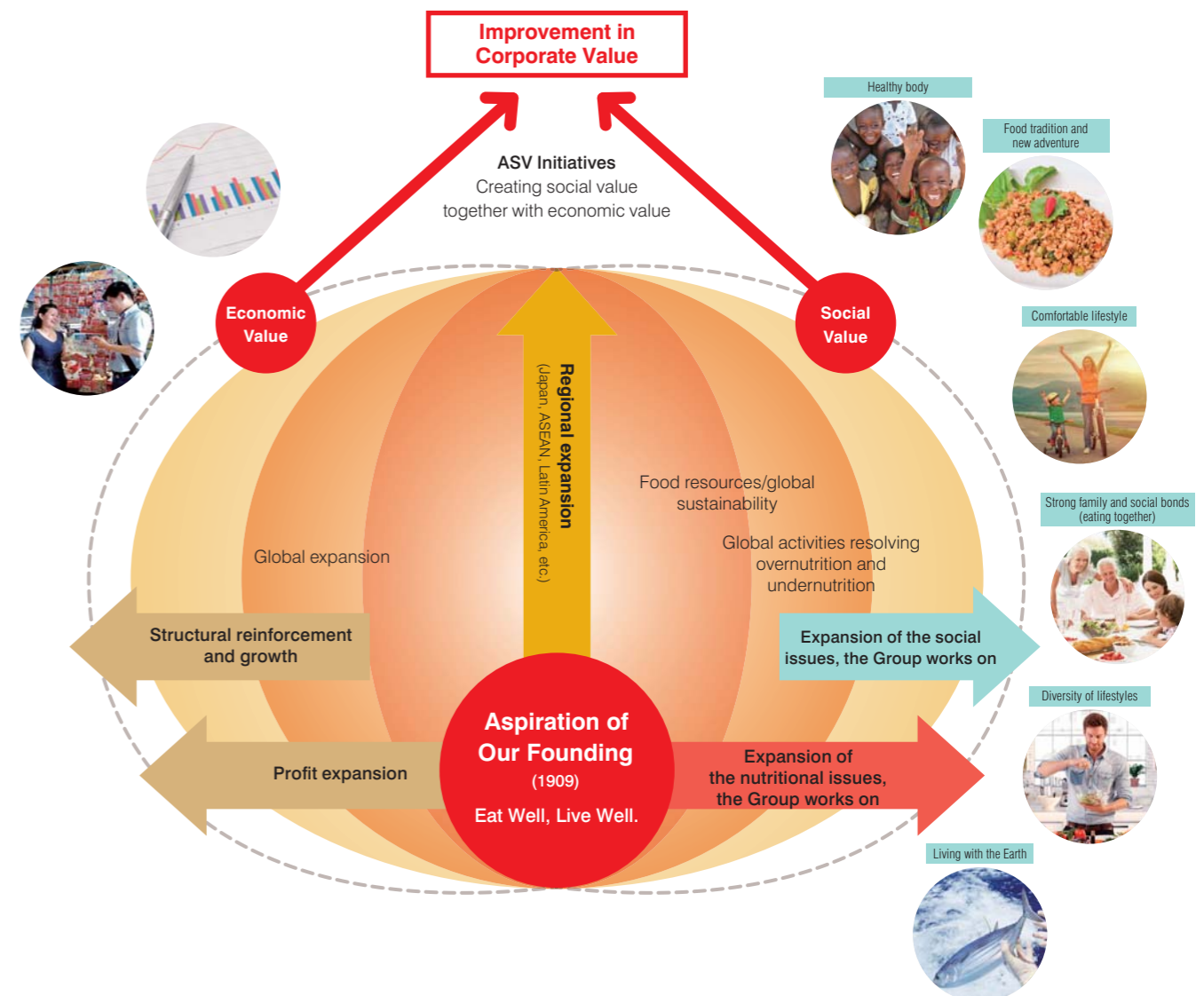


ASV (The Ajinomoto Group Creating Shared Value)



ASV Value Creation Model

Since its founding, the Ajinomoto Group has been working to resolve issues related to nutrition. Going forward, the Group will expand the scope of these initiatives to tackle the increasing amount of social issues, and the Group will work to improve its economic value by contributing to resolve social issues, which in turn will lead to the Improvement of corporate value.





Takaaki Nishii

Representative Director,
President & Chief
Executive Officer

We will complete the FY2014-2016 Medium-Term Management Plan and achieve profit growth to become a “Genuine Global Specialty Company.”

Carrying on the “Aspiration of Our Founding” to Contribute to the Healthy Future of the Humanity and the Earth

It has been 107 years since businessman Saburosuke Suzuki II founded Ajinomoto Co., Inc., a year after Professor Kikunae Ikeda discovered the fifth basic taste, umami. The aspiration of these two men to promote the health of Japanese people by improving nutrition with umami has extended across the globe. Furthermore, the Ajinomoto Group has engaged in research and development throughout the years centered on glutamic acid, whose taste was identified by Professor Ikeda as umami, and pursued original leading edge bioscience and fine chemical technologies as well as world-leading seasoning technologies. With these technologies acting as our core, we have evolved into a unique food company group, diversifying our business to span a wide range of fields, from food to healthcare and life support.

In the 21st century, various issues have emerged resulting from the cumulative activities of humankind. Among such issues there certainly are the issues the Ajinomoto Group can resolve by creating value through its business activities. While engaging in business around the world, we have come to realize this fact and have felt the gravity of the responsibilities and the expectations we must fulfill. In addition, we have clarified the issues for which we should prioritize our initiatives by engaging in dialogue with a number of stakeholders. These priority issues are global sustainability, food resources, and healthy living, which represent the issues facing the 21st century human society.

These three issues intertwine and relate in a complex manner. As an enterprise centered on food, the Ajinomoto Group has a responsibility to help provide sustainable food and nutrition. Keeping the aspiration of our founding in our hearts, we will continue to contribute to a healthy future for the humanity and the earth through products and services supported by science and technology through our overall business activities. In doing so, we will realize sustainable growth for the Group going forward.

Promoting Business Strategies Through the Pursuit of “Specialty”

As the Ajinomoto Group’s “Specialty” adopted under the FY2014–2016 Medium-Term Management Plan, we are sharpening technologies unique to the Group and pursuing value creation that responds to a diverse range of issues and customer needs. We will realize our goal of becoming a food company with specialties through two elements: our leading edge bioscience and fine chemical technologies that other companies cannot imitate and our ability to create customer value, which allows us to comprehensively understand our customers and identify customer needs better than anyone else.

Specifically, in the food products business, our basic strategy is global rollout of our world-leading seasoning technologies. The product development, which makes the most of local dishes in deliciousness, leads well-being as well as nutritional improvement, so that we realize “Eat Well, Live Well.” and expand our businesses in Japan and emerging countries. In developed countries, we are working to offer frozen foods to present well-balanced nutrition of Japanese food and food culture. In North America, we are going to accelerate the development of Japanese food products by leveraging the business foundation

of Ajinomoto Windsor, Inc., which was launched in 2014 after the acquisition of Windsor Quality Holdings, LP. Furthermore, in Europe, we are also working to create a foundation for the frozen food business. On the other hand, in the industrial-use seasonings, guided by the concept of “delicious solutions” that draw on our unique ingredients and technologies, we are focusing our efforts on businesses that enhance the ability to resolve the food-related issues of each country and region collaborating with processed food manufacturers, as well as our clients in the food service industry.

In the AminoScience business, for the field of healthcare, as the No. 1 amino acid manufacturer, we aim to produce all of our amino acids through fermentation without using materials derived from animals. By doing so, we are enhancing our ability to resolve issues and realizing business growth in the healthcare market, starting with the area of biopharmaceuticals, where a safe and secure raw material supply with a high level of traceability is required. In addition, iPS cell culture medium, which we have successfully developed through industry-academia collaboration and are currently working to commercialize, and the antibody drug contract development and manufacturing business of Ajinomoto Althea, Inc. in the United States are proving the technologies and expertise we have long cultivated to show new potential in the field of healthcare. As such, we anticipate that the healthcare field will act as a core business for us in the future.

For the field of life support in the AminoScience business, we are working to improve the nutritional status of livestock with amino acid materials. At the moment, the creation of specialty markets, including *AjiPro*[®]-L, which was launched as a feed additive for dairy cows, is our most important business theme. At the same time, by utilizing technology for fermentation using fewer resources, which allows for the production of amino acids using only a small amount of raw materials, we are vigorously promoting both reductions in our environmental burden and increases in production of animal husbandry, which in turn is helping to reduce costs. Furthermore, sales of our insulation film for personal computers, which we developed based on the technologies cultivated in amino acid manufacturing, have grown to the extent that we now boast a global market share. Going forward, we anticipate its expansive application into smartphones and tablets.

Dealing with the Issues Facing Our Management

Amid our global expansion, we are constantly facing fluctuation risks in exchange rates and prices of raw materials and fuel. To respond to these kinds of risks, we will work to strengthen our business structure through the promotion of “Specialty” and revise our business portfolio. In addition, by striving to maintain a healthy balance in the ratio of our businesses in Japan, the United States, and European countries, to those in emerging countries, including the “Five Stars,” we aim to create a situation where we can benefit from the effects of natural hedging. Furthermore, while prioritizing the safety of our employees above all else, we will need to continue promoting our businesses in a steadfast manner in emerging countries that face potential geopolitical risks in order to have these businesses act as the engine for future growth.

In addition to economic and geopolitical risks, the environment in which the Ajinomoto Group operates faces global environmental issues that are becoming more and more severe as well as increasingly more intense demands from consumers for safe and trustworthy products. As such, the level of customer needs is becoming higher and more diverse from the perspective of co-existence and co-prosperity between society and the earth. In light of this situation, we will enhance our ability to respond to the individual issues in our six areas of operation, which are Japan, ASEAN, China, Europe & Africa, North America, and South America, in accordance with our business strategy of pursuing “Specialty.” At the same time, prompt management with effective governance by establishing consistent Group-wide standards for business conduct and policies for business execution is necessary.



Pursuing ASV, the Very Essence of the Ajinomoto Group's Business Activities

The Ajinomoto Group has adopted the target of becoming a global top 10 class food company around 2020. As the key to achieving this target, we are making efforts to advance ASV (The Ajinomoto Group Creating Shared Value). ASV is a highly strategic initiative to accelerate business growth while creating both social and economic value. This value creation is achieved by contributing to the resolutions of issues facing the 21st century human society through our “Specialty” products and services, which are supported by the Group's unique technologies and expertise related to food and amino acids. ASV represents the chain of events that will allow us to realize our goal of becoming a “Genuine Global Specialty Company” and continue to grow in a sustainable manner.

We have identified several materiality items based on the level of importance to the Group's business and society as a whole. We have also established global sustainability, food resources, and healthy living as three issues facing the 21st century for which we should work to resolve through our business. We aim to create social value by specifically incorporating measures to resolve these three issues in our medium-term management plan. As there is high social need for resolving issues related to people's health and nutrition, the most significant challenge for us as a company that centers its business on food and healthcare is meeting the expectations that society has of us. Also, in regard to environmental issues such as global sustainability and food resources, we will proactively participate in the United Nation's Sustainable Development Goals and The Consumer Goods Forum.

Going forward, we will advance our ASV initiatives in each country and region of operations. To further enhance the value that exists in these countries and regions, sharing information on the evolution of ASV with our stakeholders is absolutely essential. As such, we will proactively inform our stakeholders on the kind of social value we aim to create as well as the initiatives we will take to create that value. At the same time, we will convey to stakeholders the efforts that each Group company is making toward our mission of resolving such issues as global sustainability, food resources, and healthy living, as well as the progress of those efforts, which in turn will further clarify the Group's path toward growth. In these ways, we will realize a situation where we can continue to advance our ASV initiatives in a transparent manner. In order

to make our ASV initiatives even more effective, in April 2016, we established Global Communications Department with the purpose of enhancing our ability to communicate globally, and Global Human Resources Department with the purpose of promoting diversity and encourage the utilization of global human resources.

The Ajinomoto Group positions ASV as a valuable initiative to promote in each country and region. As such, all Group companies in Japan and overseas, in addition to Ajinomoto Co., Inc., will make dedicated efforts to evolve ASV going forward.

Formulating Integrated Targets of Financial and Non-Financial Targets to Evolve ASV, and Becoming a “Genuine Global Specialty Company”

With the slogan of becoming a “Genuine Global Specialty Company,” this integrated report indicates the direction and vision that the entire Group aims to achieve. Specifically, this report declares our strong ambition to demonstrate our value to the global society and realize an indispensable existence to that society through unique initiatives that leverage our strength of “Specialty,” allowing us to continue to perform the tasks that other companies cannot. At the same time, the report comprehensively introduces the initiatives we are undertaking in each country and region of operation to resolve the issues facing the 21st century human society, as well as our approach to realizing sustainable growth. Now, we are working to set our FY2017-2019 Medium-Term Management Plan. As a part of the plan, we are working to further clarify our corporate vision that setting 2020 as our milestone year, we can gain the trust of all our stakeholders and raise their expectations of us as a “Genuine Global Specialty Company.” To this end, we are currently formulating “Integrated ASV Targets”, which combine financial and non-financial targets. In order to continue to coexist in harmony with society going forward, we plan to comprehensively convey our path for the future, including how we will contribute to improving people’s nutrition, how we will respond to environmental and social issues amid rising international demands and expectations for sustainable development targets, and how we will connect these kinds of non-financial initiatives to financial growth.



As for governance, which is something a “Genuine Global Specialty Company” should have firmly in place, we are working to improve the quality of our management in accordance with the various regulations of Japan’s Corporate Governance Code. At the same time, in regard to our system for business execution, we have created the concept of “Governing HQ” and “Delegated Front” in order to accelerate the pace of growth, especially overseas. While working to delegate authority to “Delegated Front,” we have established the Global Governance Policy (GGP), which stipulates policies for proposing plans, completing transactions, and making reports. In these ways, we are making concerted efforts to strengthen our management foundation. Moreover, we are actively promoting interaction with global human resources with the aim of assembling a group of high-quality right personnel to be assigned for the job.

Strengthening our management foundation in this manner is essential to realizing our goal of becoming a “Genuine Global Specialty Company.” We will continue these efforts going forward based on dialogue with our stakeholders.

To Our Shareholders and Investors

The Group aims to realize ¥150.0 billion in operating income around 2020. In fiscal 2016, the last year of the FY2014–2016 Medium-Term Management Plan, we set a target for operating income of ¥91.0 billion. In fiscal 2015, as a result of the efforts we have made in structural reforms during the first two years of the plan, we were able to achieve that figure one year ahead of schedule. While we anticipate that fluctuating exchange rates and prices of raw materials and fuel will have a negative impact on our performance in fiscal 2016, we will maintain our dedication to achieving all of our targets for the final year of the FY2014–2016 Medium-Term Management Plan.

In fiscal 2015, we were able to display a sign of confidence in our sound management to our shareholders and investors by announcing dividend increases and share repurchase of ¥30.0 billion. In addition, we adopted the policy of having total shareholder returns of minimum 50% over the three-year period of the FY2014–2016 Medium-Term Management Plan. Based on forecasts for our business performance as of May 2016, we are now anticipating total shareholder returns of 68%. In order to further improve our corporate value going forward, we will accelerate the pace for growth through the evolution of ASV while working to enhance shareholder returns. In these ways, we will fully prepare ourselves to live up to the expectations of our stakeholders.

July 2016

Representative Director,
President & Chief Executive Officer



Growth Strategies of the Ajinomoto Group

This section provides the growth strategies of the Ajinomoto Group that aim to realize the Group's goal of becoming a "Genuine Global Specialty Company."

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Growth Strategies of the Ajinomoto Group

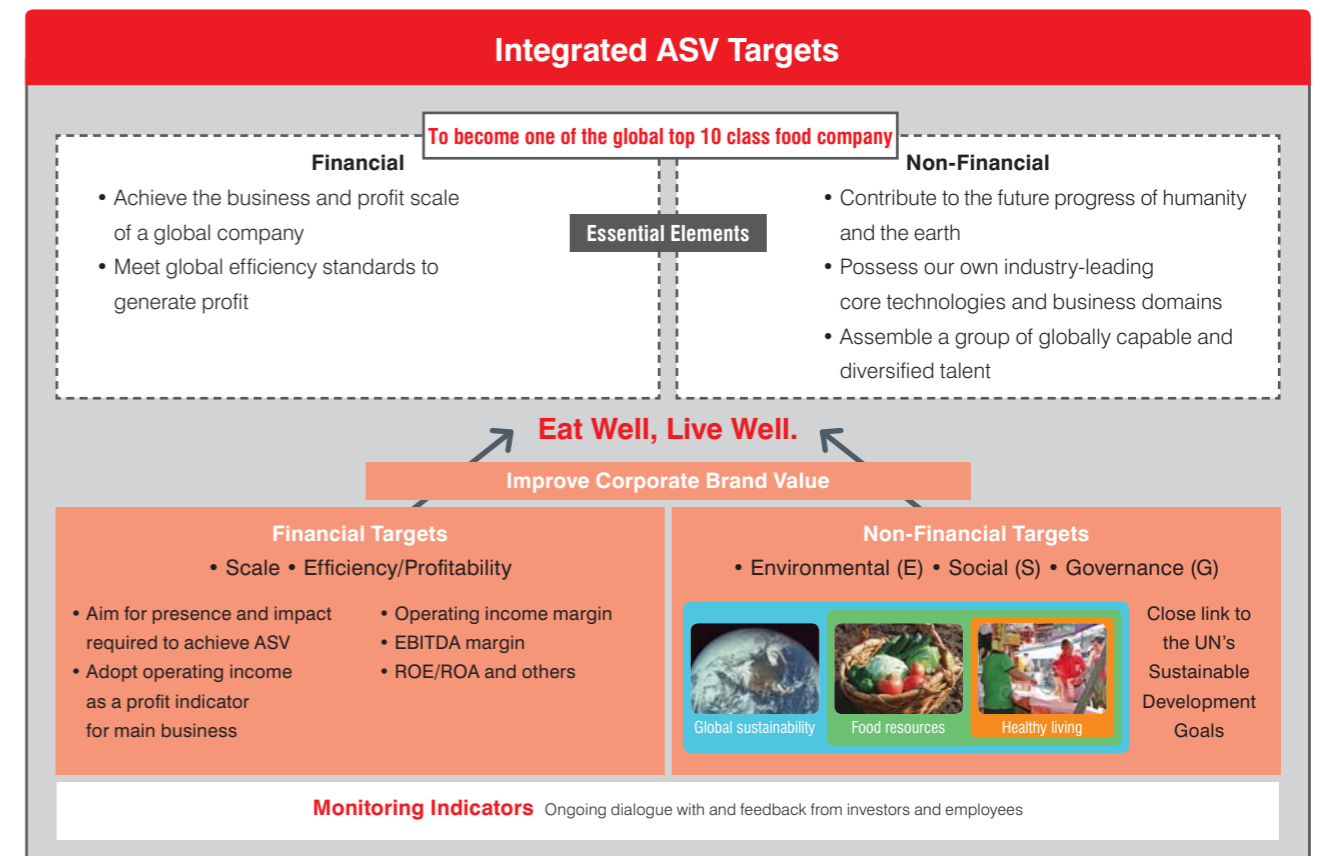
Aiming to Become a "Genuine Global Specialty Company"

The Ajinomoto Group is accelerating its efforts toward becoming a "Genuine Global Specialty Company" even stronger through implementing reforms of its business structure and accelerating its growth momentum with setting its target of becoming a global top 10 class food company around 2020. In order to realize the target, the Group is promoting the formulation of "Integrated ASV Targets" to foster ASV—which is the creation of social and economic value in harmony—as a core driving force behind the Group's growth.

Steps toward Formulating "Integrated ASV Targets"

Becoming a global top 10 class food company means that the Ajinomoto Group will become an enterprise that demonstrates its presence in the global society and will continuously receive high praise from the society. Specifically, the Group aims to be an enterprise that can achieve the financial targets of a global company's scale of business and profit together with global efficiency standards, in addition to achieving the non-financial (ESG) targets of contributing to the future progress of humanity and the earth through industry-leading core technologies and a globally diverse group of talent. Accordingly, the Group plans to indicate the specifics of its "Integrated ASV Targets" in the FY2017–2019 Medium-Term Management Plan.

Resolving social issues and generating significant social value with the unique approach of the Ajinomoto Group
Generating the formulation of "Integrated ASV Targets" to foster ASV as the driving force behind the Group's growth



Growth Strategies of the Ajinomoto Group

Basic Thinking behind "Integrated ASV Targets"



Financial Targets

To become a global top 10 class food company around 2020, the Ajinomoto Group is working to realize high-quality profit growth while pursuing its "Specialty." Based on the following roadmap, the Group is steadily making efforts to realize its targets for fiscal 2016 and beyond, to fiscal 2020 onward.

Roadmap to Fiscal 2020

Achieve stable profit growth with a shift to "Specialty"
EPS growth of around 10% per year

| | Build foundation for a global company | | | Accelerate growth momentum Accelerate with the aim of becoming one of the top 10 class | | Transition to a global food company Become a top 10 class food manufacturer* * Excludes beverage manufacturers | | |
|--|---------------------------------------|------------------|------------------|---|------------------|--|-----------------|------------------|
| | FY2011 (Results) | FY2012 (Results) | FY2013 (Results) | FY2014 (Results) | FY2015 (Results) | FY2016 (Forecast) | FY2016 (Target) | FY2020~ (Vision) |
| Operating income (¥ Bil.) | 72.6 | 71.2 | 61.8 | 74.5 | 91.0 | 91.0 | 91.0 | 150.0 |
| Operating income margin | 7.5% | 7.5% | 6.5% | 7.4% | 7.7% | 7.7% | 8% | 10% |
| ROE | 6.9% | 7.8% | 7.1% | 7.4% | 9.8% | 8.1% | 9% | 10%~ |
| EPS (¥) | 61.3 | 74.4 | 68.7 | 78.5 | 108.1 | 89.0 | 100.0 | 150 |
| Operating income excl. goodwill*1 (¥ Bil.)/ Operating income margin (%) | | | | 75.3 (7.5) | 98.1 (8.3) | 97.8 (8.3) | | |
| ROE excl. goodwill*1 | | | | 7.4% | 10.7% | 9.0% | | |
| EPS excl. goodwill*1 (¥) | | | | 79.4 | 117.8 | 98.7 | | |
| Bulk business profit ratio*2 | 23% | 19% | — | 15% | 16% | 15% | Around 10% | 10% |

*1 Reference data excluding amortization of goodwill

*2 Bulk businesses: Umami seasonings for processed food manufacturers, animal nutrition, sweeteners

Non-Financial Targets

Through dialogues with external experts, the Ajinomoto Group has identified several materiality items in non-financial areas by evaluating their level of importance to the Group's business and society as a whole. The Group has also determined "global sustainability," "food resources," and "healthy living" as three issues facing the 21st century human society, which should be solved through its business activities and is now engaging in initiatives to do so. For making our contributions toward the solution of social issues more transparent, we are now on our way to identifying what social values we generate and setting numerical targets of those values. We are planning to indicate non-financial targets more specifically in the FY2017-2019 Medium-Term Management Plan.

Materiality Matrix of the Ajinomoto Group



Reaching Financial Targets by Creating Social Value through Our Business

Examples of the Ajinomoto Group's Social Value Creation

Our *Cook Do*® and *Masako*® seasonings help resolve issues related to nutrition by getting people to eat well-balanced portions of meat and vegetables.

Our *Nabe Cube* hot pot seasoning makes it possible to enjoy healthy and delicious hot pot dishes, even for one person.

▶▶ Please refer to page 59 for details.

Our *Amino Aile*® containing "a blend of essential amino acids with 40% leucine" contributes to support muscle building for people in their 60s and over.

Our *KOKO Plus* nutritional supplement, which is added to the traditional Ghanaian baby food "koko," helps improve the nutrition of children in Ghana.

▶▶ Please refer to page 61 for details.

Our resource-saving fermentation technology contributes to the efficient use of food resources and energy.

▶▶ Please refer to page 34 for details.

Our *AjiPro*®-L helps improve the nutrition of dairy cows and enhance milk production.

▶▶ Please refer to page 65 for details.

Our efforts in promoting resource recycling through the creation of bio-cycles help lower environmental impact.

▶▶ Please refer to page 64 for details.

Approach to Resolving Social Issues

| | |
|---|---|
| By utilizing our leading edge bioscience and fine chemical technologies and deliciousness technologies, and by delivering good and healthy food, we contribute to the development of a healthy body | Healthy body Food tradition and new adventure Comfortable lifestyle |
| We contribute to the development of a society that enables strong family/social bonds and diverse lifestyles through eating well | Strong family and social bonds (eating together) Diversity of lifestyles |
| We contribute to the sustainability of the Earth, with our customers and society, across the value chain of production to consumption | Living with the Earth |
| We create value through the perspectives of the customers, with our global, top-class and diverse human resources | |

Social Issues the Ajinomoto Group Should Work to Resolve through its Business Activities (Summary)

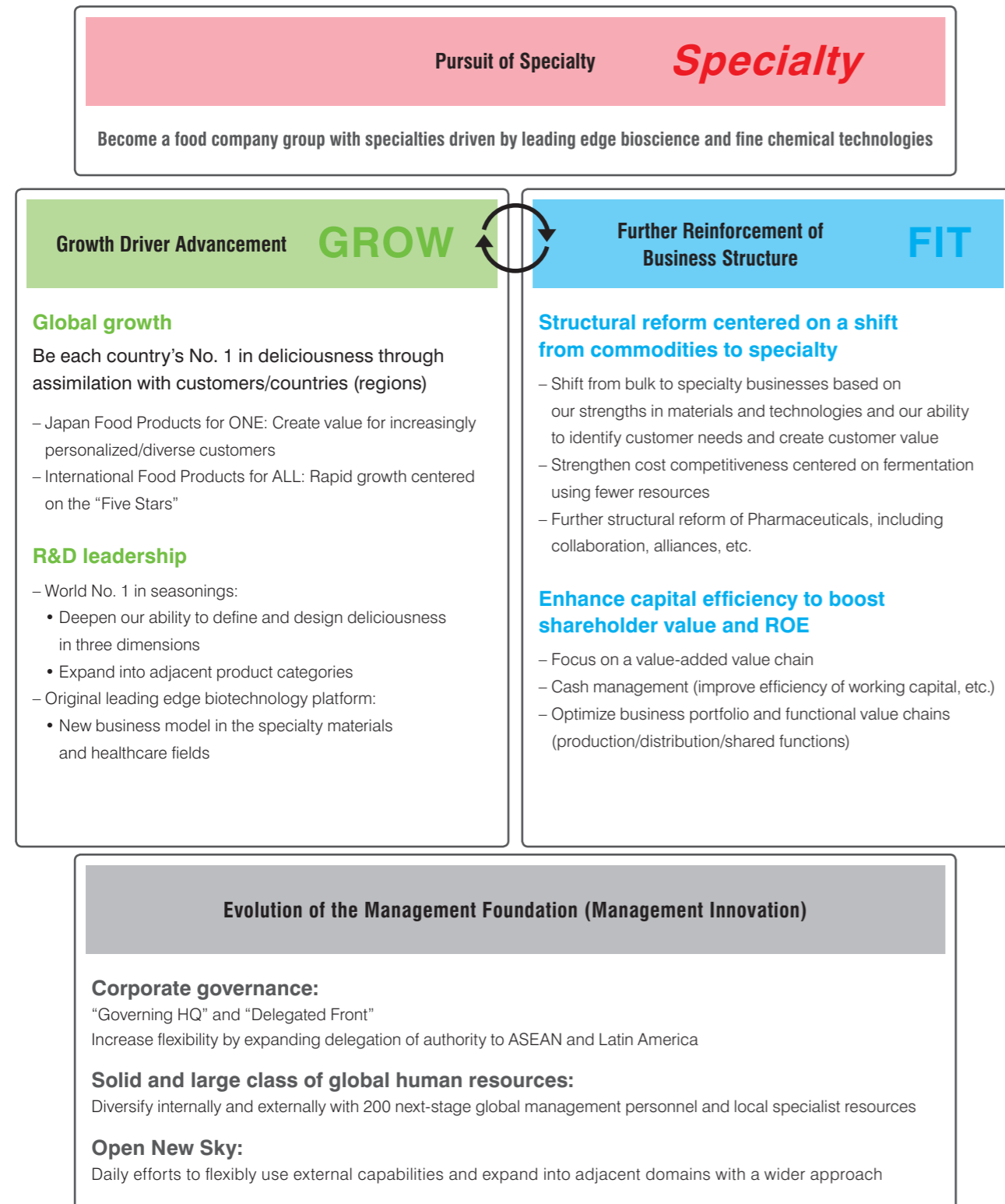


Human resources that support the resolution of social issues

FY2014–2016 Medium-Term Management Plan

Basic Policy

With the aim of becoming a “Genuine Global Specialty Company,” the Ajinomoto Group adopted the basic policy of “FIT & GROW with Specialty” under its FY2014–2016 Medium-Term Management Plan, with “GROW” referring to growth driver advancement and “FIT” referring to the further reinforcement of business structure. The Group has also been engaging in efforts toward the evolution of its management foundation (management innovation), which supports as its basis.



Progress Made in Fiscal 2015

Net sales in fiscal 2015 amounted to ¥1,185.9 billion, and operating income stood at ¥91.0 billion. Not only did the Company get a record-high level of operating income, but also it achieved its target for operating income in the last year of the Medium-Term Management Plan, one year ahead of schedule. In addition, ordinary income totaled ¥94.3 billion, and profit attributable to owners of parent was ¥63.5 billion, both representing record-high levels.

In fiscal 2016, foreign exchange rate translations are likely to have a negative impact due to yen appreciation; furthermore, the prices of fermentation raw materials and fuel are expected to rise, along with the prices of food product raw materials. However, we will promote initiatives to further improve profitability as we aim to achieve our targets of FY2014–2016 Medium-Term Management Plan.

Progress of Strategic Targets for Becoming a “Genuine Global Specialty Company”

| KPI | | FY2014 (Results) | FY2015 (Results) | FY2016 (Forecast) | FY2016 (Target) | FY2020~ (Vision) | |
|---|--|---|------------------|---------------------------|-----------------------------|------------------------|-----|
| Business KPI | Operating income ● | ¥74.5 billion | ¥91.0 billion | ¥91.0 billion | ¥91.0 billion | ¥150.0 billion | |
| | Operating income margin ● | 7.4% | 7.7% | 7.7% | 8% | 10% | |
| | EBITDA ● | 12.3% | 13.8% | 11.7% | 12.5% | — | |
| Strategic KPI | Growth Driver Advancement | Company-wide overseas profit ratio ●● | 60% | 57% | — | 60% | — |
| | | Five Stars sales ratio*1 (vs. FY2012) ●● | 53% | 59% | — | 70% | — |
| | | Ratio of R&D investment in Company-wide strategic themes for future growth ●● | — | — | — | 50% or more | — |
| | Further Reinforcement of Business Structure | Retail MSG ratio ●● | 70% | 70% | 71% | 74% | 85% |
| | | Retail sweeteners ratio ●● | 49% | 49% | —*2 | 57% | — |
| | | Specialty ratio of animal nutrition ●● | 32% | 35% | 50% | 40% | 60% |
| Evolution of the Management Foundation | Candidates for future management from introduction of global HR system ● | — | — | — | 200 employees | — | |
| | Ratio of locally hired overseas executives ● | 40% | 41% | — | 50% | — | |
| | Ratio of female managers ● | 15% | 16% | — | 20% | — | |
| Environmental KPI | Water use per unit of production ●● (vs. FY2005) | 73% reduction | 75% reduction*3 | — | 70% or more reduction | Reduce by at least 70% | |
| | Discharged water per unit of production ●● (vs. FY2005) | 75% reduction | 79% reduction*3 | — | 70% or more reduction | Reduce by at least 70% | |
| | CO ₂ emissions per unit of production ●● (vs. FY2005) | 28% reduction | 33% reduction*3 | — | 35% or more reduction | — | |
| | Renewable energy use ratio ●● | 15% | 18%*3 | — | 15% or more | — | |
| | Resource recovery ratio (waste + by-products) ●●● | 99.4% | 99.6%*3 | — | 99% or more | 99% or more | |
| Shareholder Return KPI | ROE ● | 7.4% | 9.8% | 8.1% | 9% | 10%~ | |
| | EPS growth rate ● (vs. FY2013) | 14% | 37% (vs. FY2014) | (17%) (vs. FY2015) | Around 10% (3-year average) | — | |
| | Total shareholders' return | 36.0% | 73.0% | Cumulative (3 years): 68% | 50% or more | — | |
| | Payout ratio | 30.6% | 25.9% | 33.7% | 30% | — | |

● Financial (growth) ● Financial (scale) ● Financial (efficiency) ● Healthy living ● Food resources ● Global sustainability ● Human resources

*1 Listed as the total amount of net sales (external + consolidated)

*2 As of fiscal 2016, accelerate international household business expansion with a portfolio shift in international processed foods (powdered beverages).

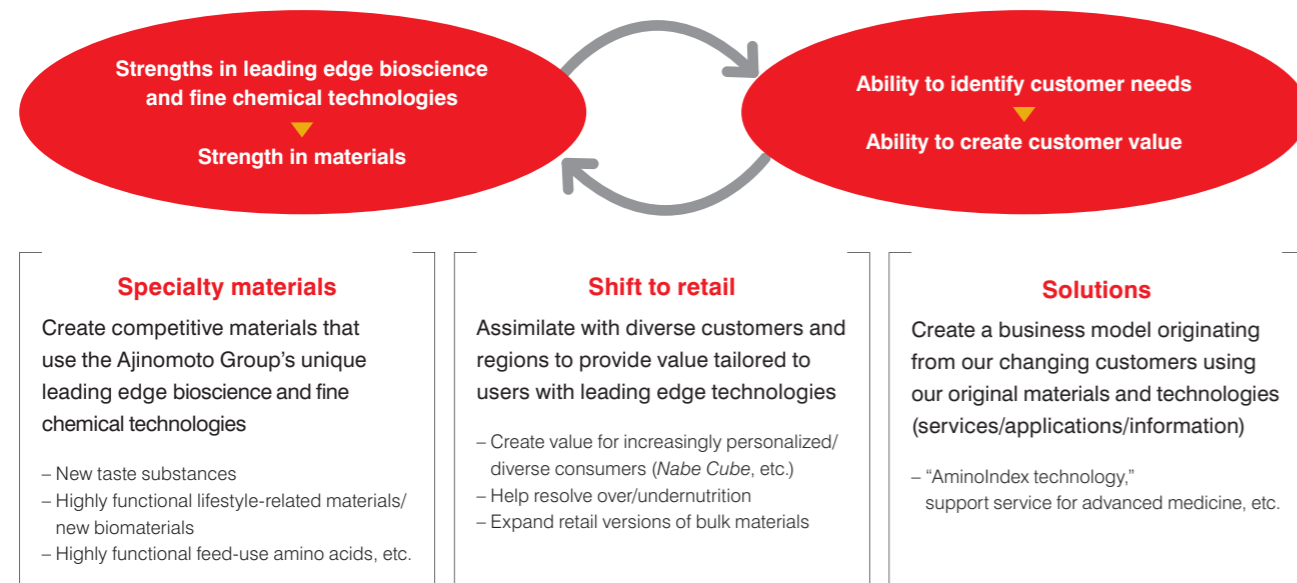
As revisions have been made to numerical assumptions in accordance with this change, the forecast for fiscal 2016 does not include numerical figures.

*3 Does not include the business performance of Ajinomoto Windsor, Inc.

Pursuit of Specialty

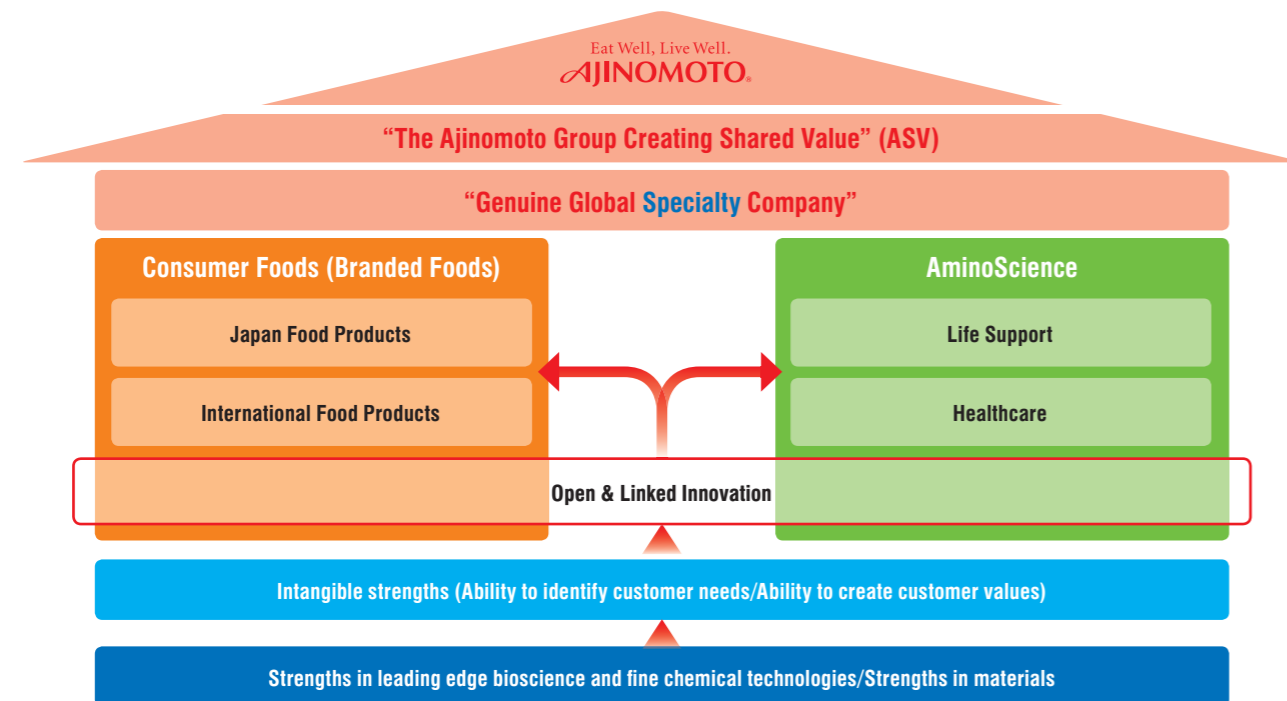
The "Specialty" that the Ajinomoto Group pursues is the source of the Group's strengths. The term refers to the high added value created from combining tangible strengths, such as the Group's material capabilities grounded in leading edge bioscience and fine chemical technologies, with intangible strengths, such as identifying customer needs and creating customer value. "Specialty" also refers to the way the Group delivers added value by transforming technology and materials into retail products using its specialty materials, which leverage the Group's leading edge bioscience and fine chemical technologies, and its in-depth understanding of consumers.

Sources of the Ajinomoto Group's Specialty



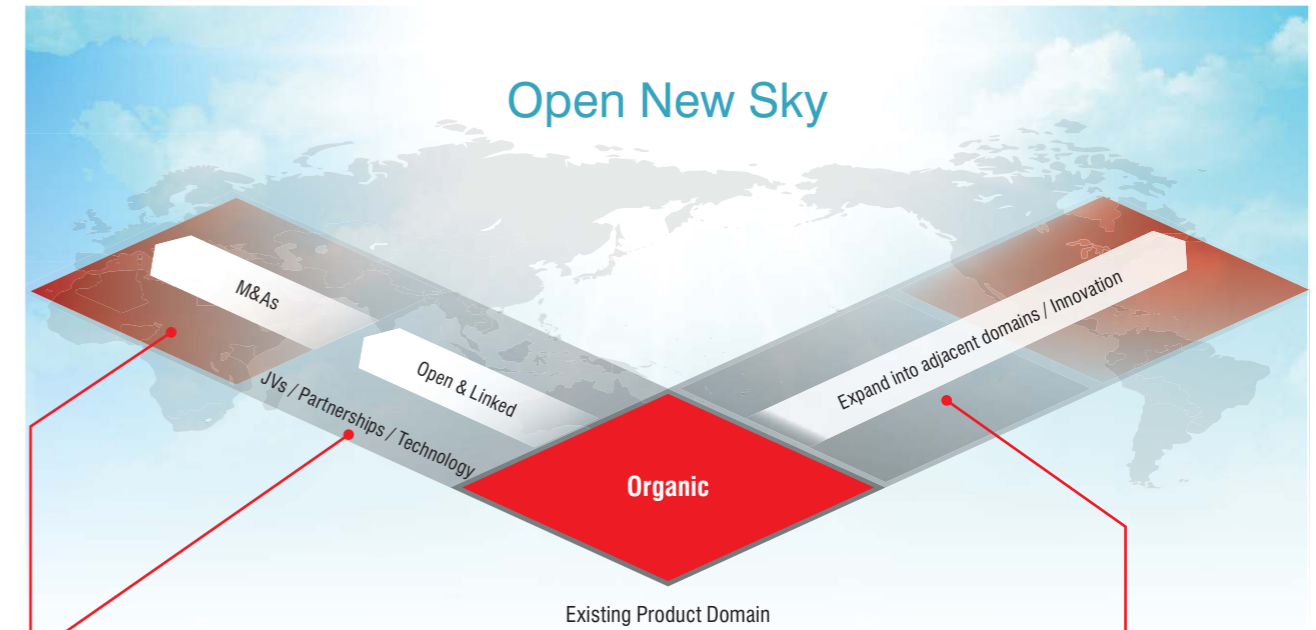
The Direction We Aim for with Our Business

Based on its essential strength "Specialty," and through flexible cooperation with external resources, the Ajinomoto Group aims to become a food company group with specialties that is driven by leading edge bioscience and fine chemical technologies with "Consumer Foods" and "AminoScience" as the two pillars of its business.



The Idea behind "Open New Sky" (Business Domain Expansion)

Guided by the concept of "Open New Sky" (Business Domain Expansion), the Ajinomoto Group is promoting the flexible use of external resources and a broader approach for expanding into adjacent domains, which leads its rapid growth going forward.



Examples of using external resources (M&A)

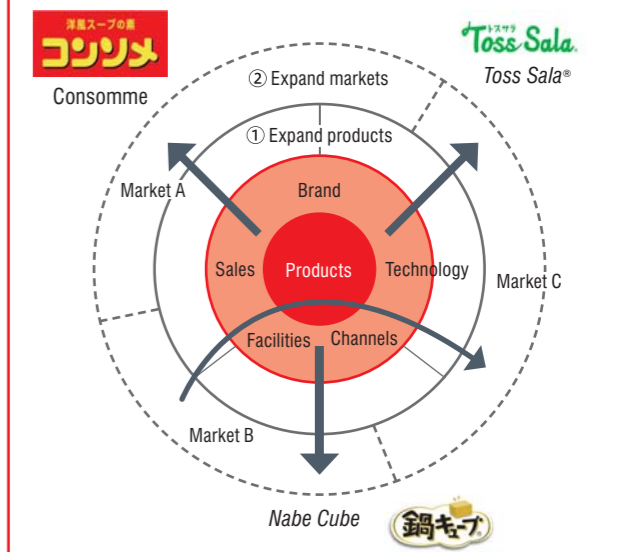
- **Ajinomoto General Foods, Inc.**
Expanded coffee business and created synergies **AGF**
- **Windsor Quality Holdings, LP**
Acquired distribution networks and production bases in North America

Examples of using external resources (Open & Linked)

- **Toyo Suisan Kaisha, Ltd.**
Expanded sales in the overseas frozen noodle business
- **Genexine Co., Ltd.**
Leveraged development network and promoted commercialization of biopharmaceuticals

Approach to expanding into adjacent domains

- Focus on the resources of existing products to uncover opportunities in domains adjacent to the existing domain
- Use external resources in the market to expand into other markets



Examples of expanding into adjacent domains

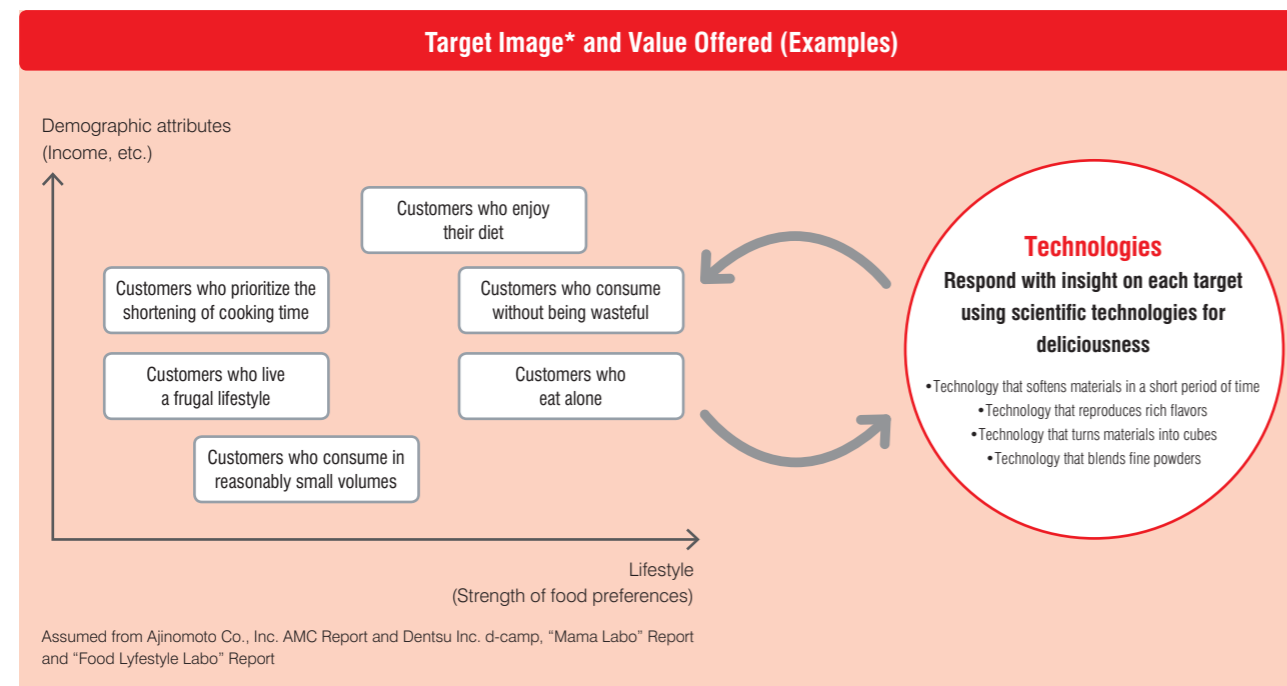
- **Nabe Cube/Cook Do® Kyo-no Ohzara**
- Use technologies/brands of existing products to expand into adjacent markets
- **AjiPro®-L** (Lysine for dairy cows)
- Add to technology of an existing product to create a different target market

Growth Driver Advancement “GROW”

Global Growth

1. Japan Food Products for ONE: Realizing stable growth by continuing to create value for our increasingly personalized and diverse customer base

In the Japanese market, the home and our largest business foundation, we will focus on creating new categories and realize stable growth by continuing to promote specialties through our unique materials and technologies together with monitoring the consumption trends of our customer base which are becoming increasingly personalized and diverse.



Nabe Cube

Our cube technology compresses deliciousness into tiny cubes, allowing for meals with smaller portions. By adjusting the number of cubes used, this technology makes it possible for customers to enjoy hot pot dishes alone or with a large group of people.

▶▶ Special Feature:
“Answering the Needs of Diverse Lifestyles with Nabe Cube” (Please refer to page 59.)



Oniku-Yawaraka-No-Moto

Our original materials use the power of enzymes to soften meat and enhance its juiciness. These materials meet the needs of families who eat at separate times, allowing them to enjoy meals and boxed lunches with delicious and tender meat even after a fair amount of time has passed since preparation.



Toss Sala®

Our fine-powder blending technology disperses ingredients in a uniform manner, realizing rich tastes and flavors. This technology allows customers to prepare an attractive dinner table even when they have little spare time.



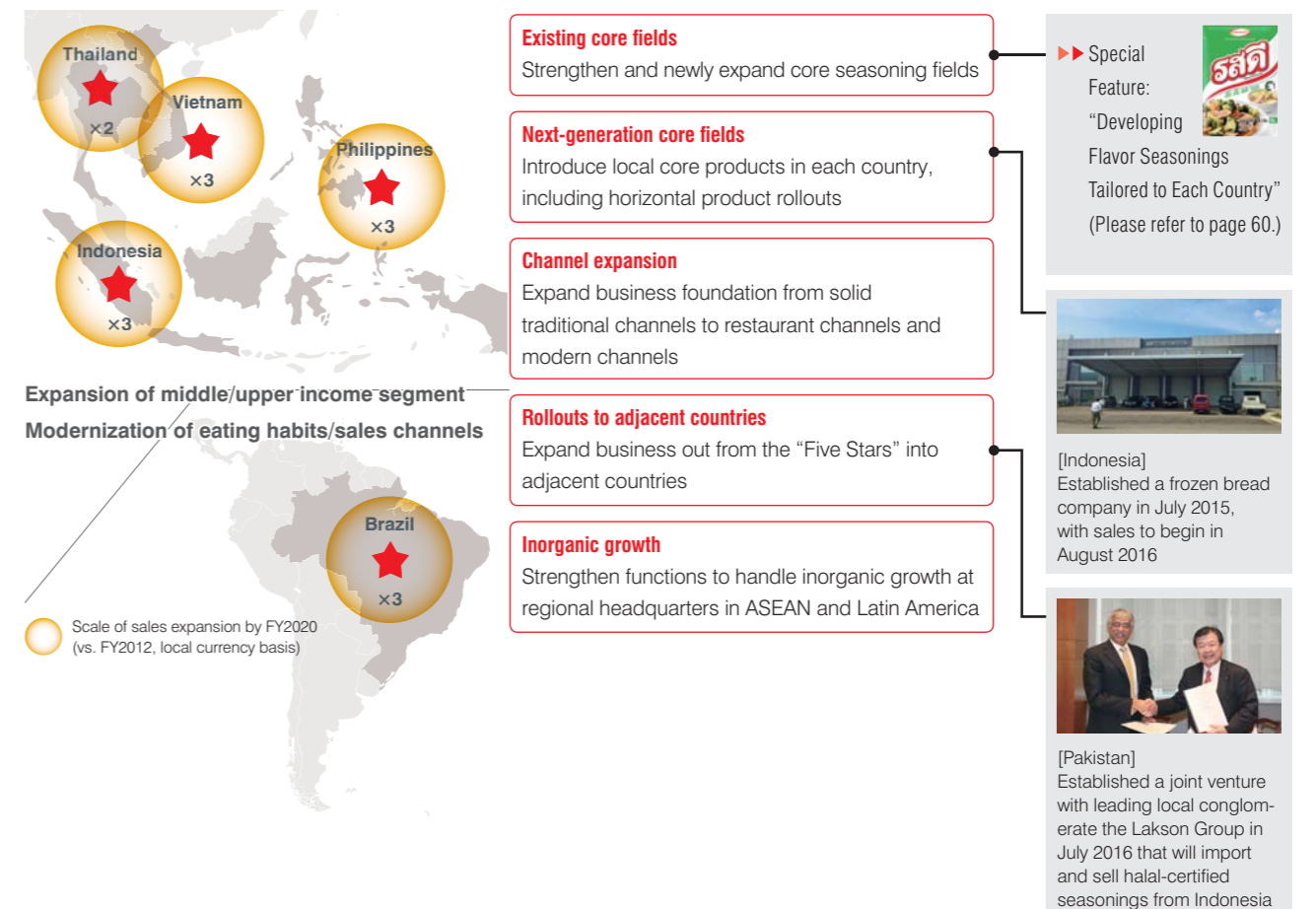
Cook Do®
Kyo-no Ohzara

Our original materials from our unique technology reduce boiling time significantly. These materials allow customers to make delicious boiled meat and vegetable dishes without taking up their time.

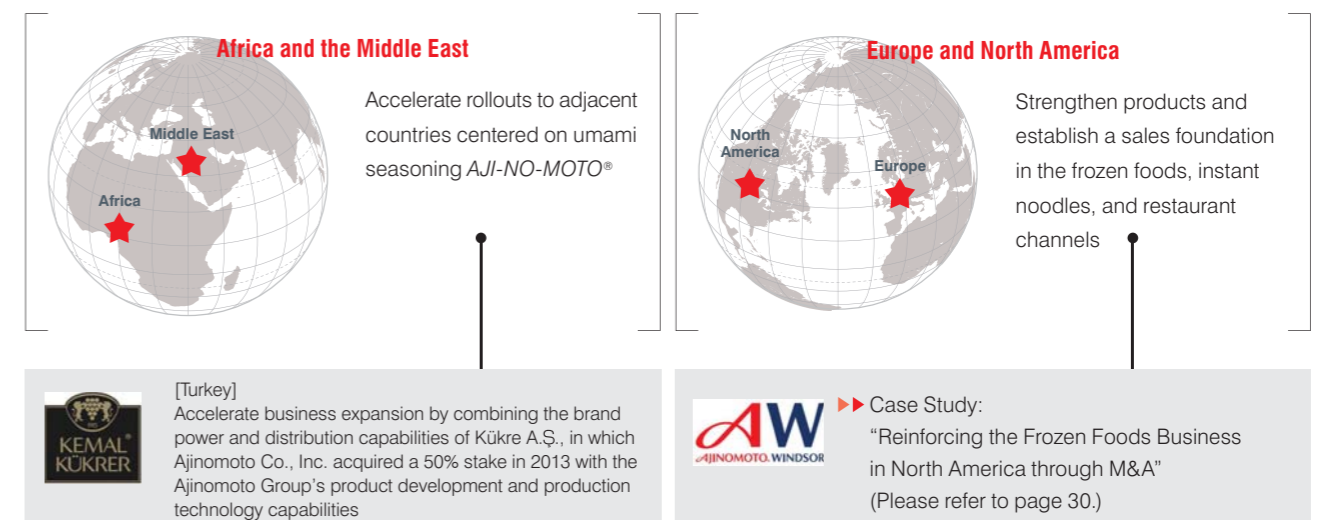
2. International Food Products for ALL: Rapid growth centered on the “Five Stars” and acceleration of rolling out to adjacent countries

We have given the name “Five Stars” to Thailand, Brazil, Indonesia, Vietnam, and the Philippines, which represent the core countries where we engage in business in the regions of ASEAN and Latin America. We are working to grow sales by becoming No. 1 in deliciousness in each local market. In addition, we will promote the establishment of a business foundation that allows us to realize rapid growth in the “Rising Stars,” which represents major regions including Africa, Europe, and North America.

Core Strategies for Doubling/Tripling Growth in the “Five Stars”

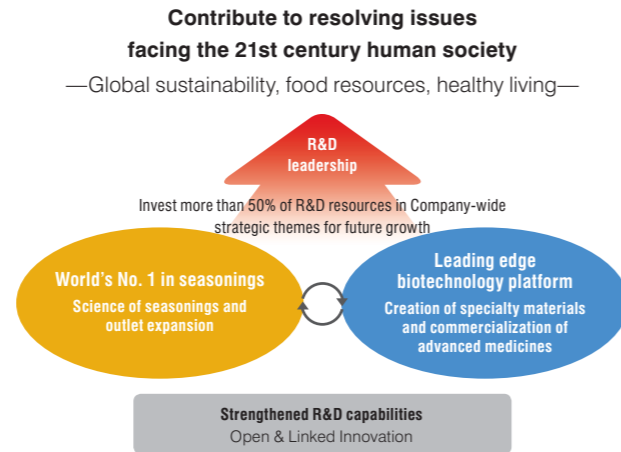


Core Strategies in the “Rising Stars”



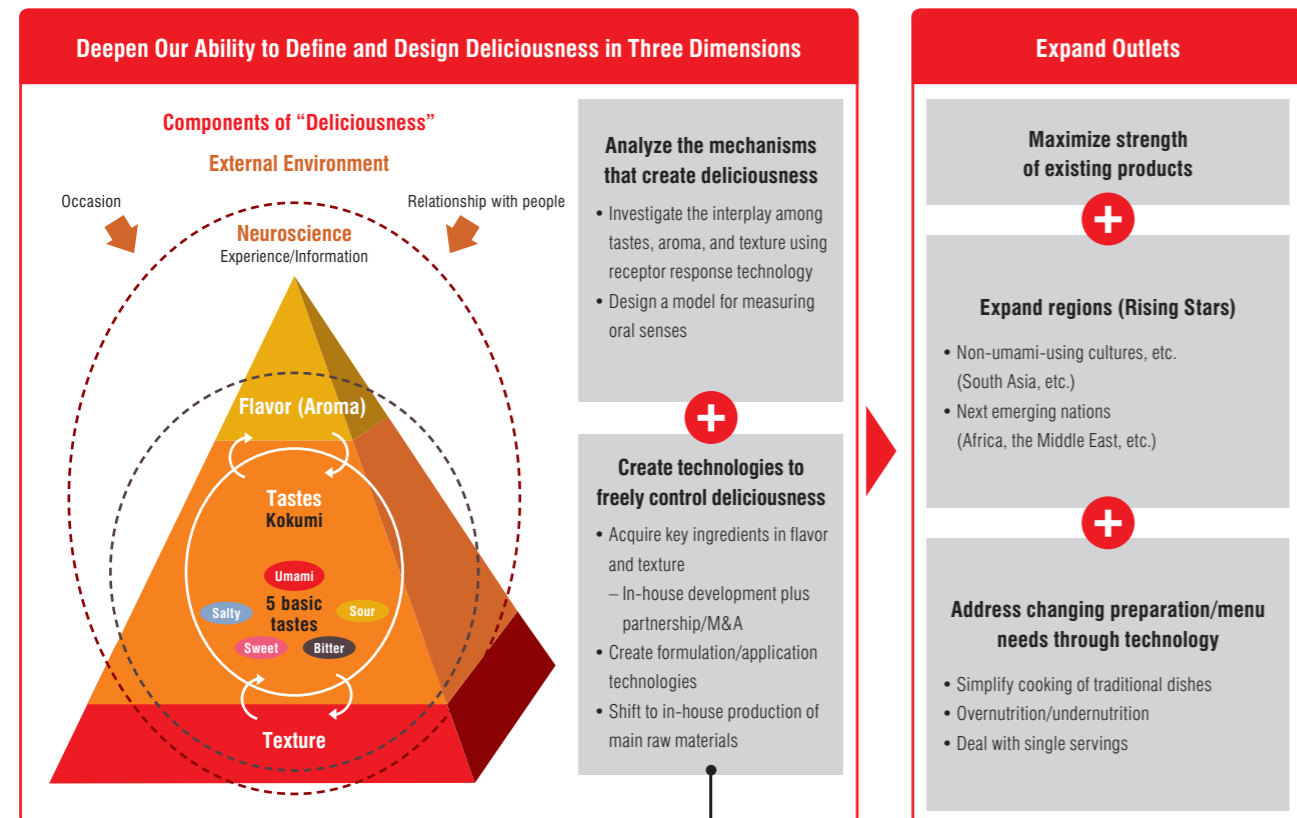
R&D Leadership

Supported by its world No. 1 seasonings and leading edge biotechnologies, the Ajinomoto Group is strengthening its capabilities in R&D, including the utilization of external resources in a flexible manner, in order to contribute to resolving the issues facing the 21st century human society.



1. Further deepening our technologies for deliciousness and promoting expansion of outlets for seasonings, including external applications

Through the analysis of mechanisms that create deliciousness and the establishment of substantive technologies to freely design and reproduce deliciousness, the Ajinomoto Group will maximize the potential of its existing products. In addition, the Group will expand into new regions and work to meet the cooking and dining needs of communities in these regions.



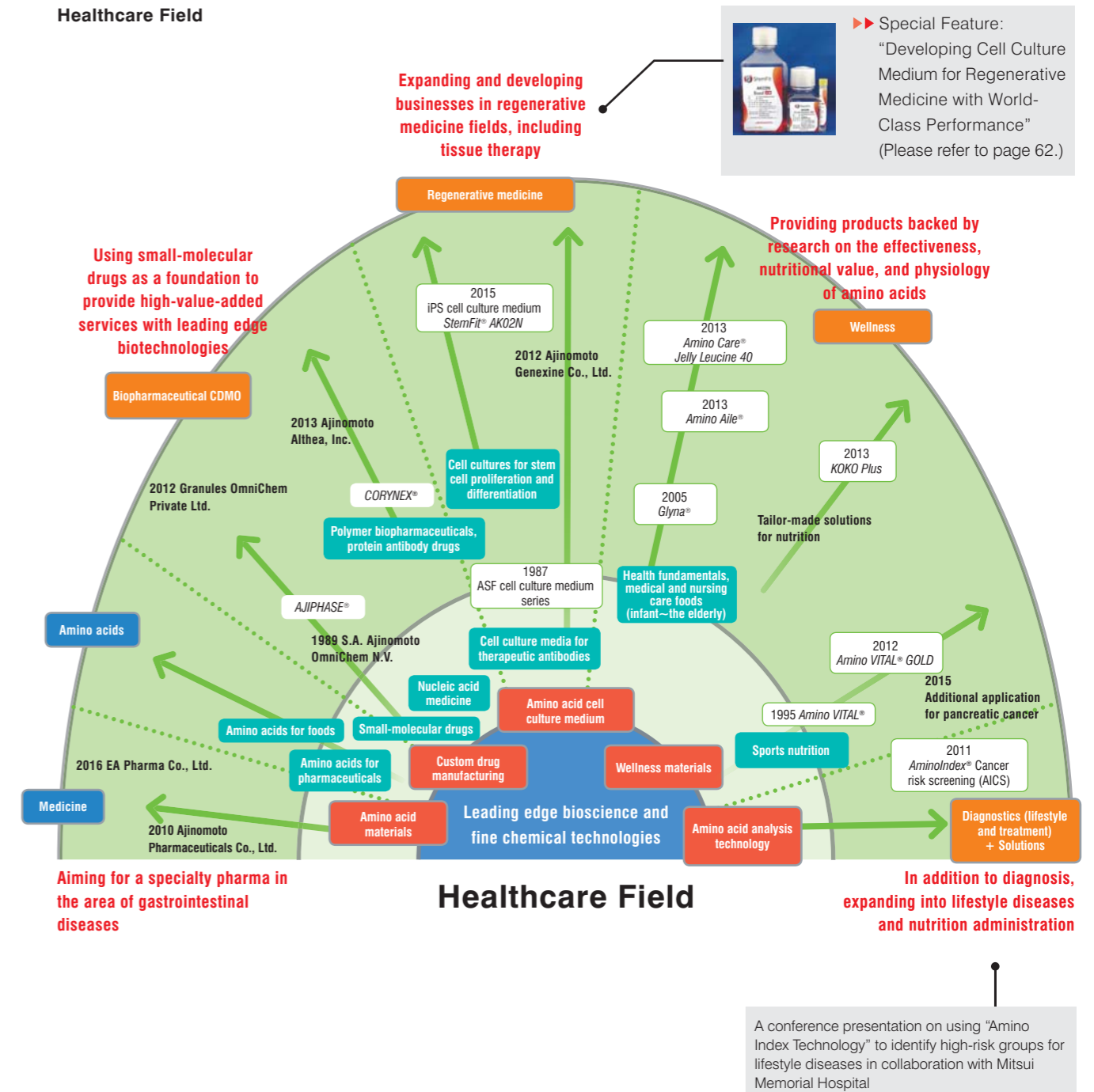
▶▶ Case Study:
"Commercialization of the Ajinomoto Group's Proprietary Glutamyl-valyl-glycine" (Please refer to page 31.)

Formed a business alliance with T. Hasegawa Co., Ltd. in August 2015 to engage in the research, development, and commercialization of natural flavors using biotechnologies and fermentation technologies

2. Creating new business models by leveraging the Ajinomoto Group's comprehensive capabilities using external resources

In the healthcare field, the Ajinomoto Group is leveraging the comprehensive strengths of the Group, starting with the Group's proprietary, leading edge bioscience and fine chemical technologies as well as external resources to create new business models in areas such as regenerative medicine and biopharmaceuticals. The Group will support the nutritional health of not only adults and the elderly but also infants and athletes going forward.

Healthcare Field



A conference presentation on using "Amino Index Technology" to identify high-risk groups for lifestyle diseases in collaboration with Mitsui Memorial Hospital

Reinforcing the Frozen Foods Business in North America through M&A

In November 2014, the Ajinomoto Group acquired Windsor Quality Holdings, LP, the top manufacturer of frozen Asian foods in the United States, for approximately ¥84.0 billion. The Group subsequently launched Ajinomoto Windsor, Inc. in April 2015 in order to integrate a North American consumer food business into the Group. With Ajinomoto Windsor, Inc.'s launch, we are accelerating growth in the region by offering a high-quality and delicious lineup of healthy foods from Japan, which is underpinned by the Group's strong technological capabilities together with the acquisition of former Windsor Quality Holdings, LP's marketing techniques (based on thorough knowledge of the U.S. consumers), nationwide sales capabilities, and production bases covering all nations of the U.S.



Expanding sales and strengthening structure of earnings

Expanding sales through leveraging an enhanced customer base

Significantly increasing sales of noodles, cooked rice, and gyoza through leveraging former Windsor Quality Holdings, LP's customer base



Solid sales of Yakisoba and Yakitori Chicken Fried Rice



Selling the former Ajinomoto Frozen Foods Co., Inc.'s gyoza through the channels of former Windsor Quality Holdings, LP at 206 outlets

Strengthening structure of earnings with the Ajinomoto Group's production and development technologies

Progressing structural reinforcements smoothly by conducting Group technological training (IE training,*1 TPM training*2) and continuing improvement activities after the training

*1 IE training: Industrial Engineering (improvement)
*2 TPM training: Total Productive Maintenance (facility maintenance)



Reinforcing the development and production bases for frozen noodles and frozen rice

Established Ajinomoto Toyo Frozen Noodles Inc. through a joint venture with Toyo Suisan Kaisha, Ltd.

- April 2015

Built a frozen noodle plant

- June 2015: Start of construction
- March 2016: Completion of construction



Ajinomoto Toyo Frozen Noodles Inc.

Reinforcing the production base for frozen rice

New production line at Oakland Plant

Expanding production capacity and building an efficient supply system

- September 2015: Start of construction
- August 2016: Completion of construction (scheduled)

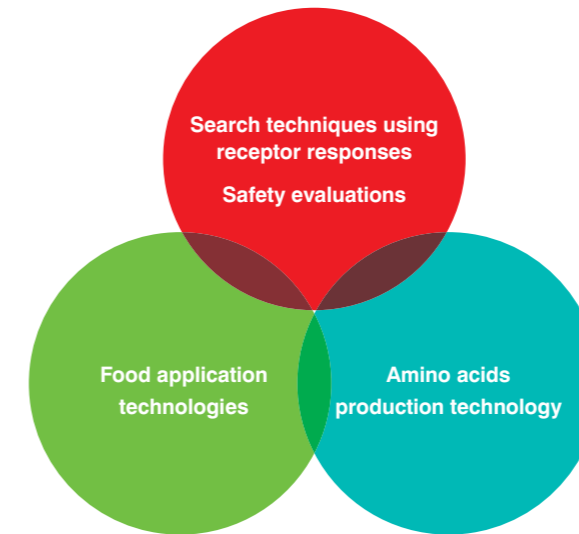


Oakland Plant

Reinforcing the development and production bases for frozen noodles and cooked rice

Commercialization of the Ajinomoto Group's Proprietary Glutamyl-valyl-glycine

Through years of research on taste and amino acids, the Ajinomoto Group has successfully commercialized kokumi substance glutamyl-valyl-glycine. Glutamyl-valyl-glycine enhances the five basic tastes that exist in the natural world, which are sweetness, bitterness, sourness, saltiness, and umami. In addition, glutamyl-valyl-glycine increases the depth and breadth of flavor, thereby improving palatability. By incorporating this kokumi substance into consumer products, the Group is working to further improve its product value.



Adding more fatty texture and juiciness, balancing umami taste together with improving deliciousness of products/realizing cost reductions

As kokumi substance is able to enhance tastes while reducing the amount of fat, it allows for customers to enjoy delicious meals that are also low in fat. As such, this kokumi substance helps provide healthy foods to customers.

What is glutamyl-valyl-glycine?



- Glutamyl-valyl-glycine is a tripeptide combining three amino acids that exist naturally in scallops, authentically brewed soy sauce, fish sauce, and other foods.
- Glutamyl-valyl-glycine enhances basic tastes.
- Glutamyl-valyl-glycine increases the depth and breadth of flavor, and improves palatability.

Having confirmed the enhancement/improvement of flavor and taste of extracts, milk, fats and oils, spices, etc.

Product development (examples)



Safety of Glutamyl-valyl-glycine

Glutamyl-valyl-glycine received approval as a food additive from the Ministry of Health, Labour and Welfare of Japan in August 2014. In addition, glutamyl-valyl-glycine obtained FEMA-GRAS*1 approval in the United States in February 2010 and received a "no safety concern" evaluation from JECFA*2 in June 2012. Furthermore, in Europe EFSA*3 concluded that it is safe to use glutamyl-valyl-glycine as a flavoring, in April 2014.

*1 Generally Recognized As Safe by the Flavor and Extract Manufacturers Association of the U.S.

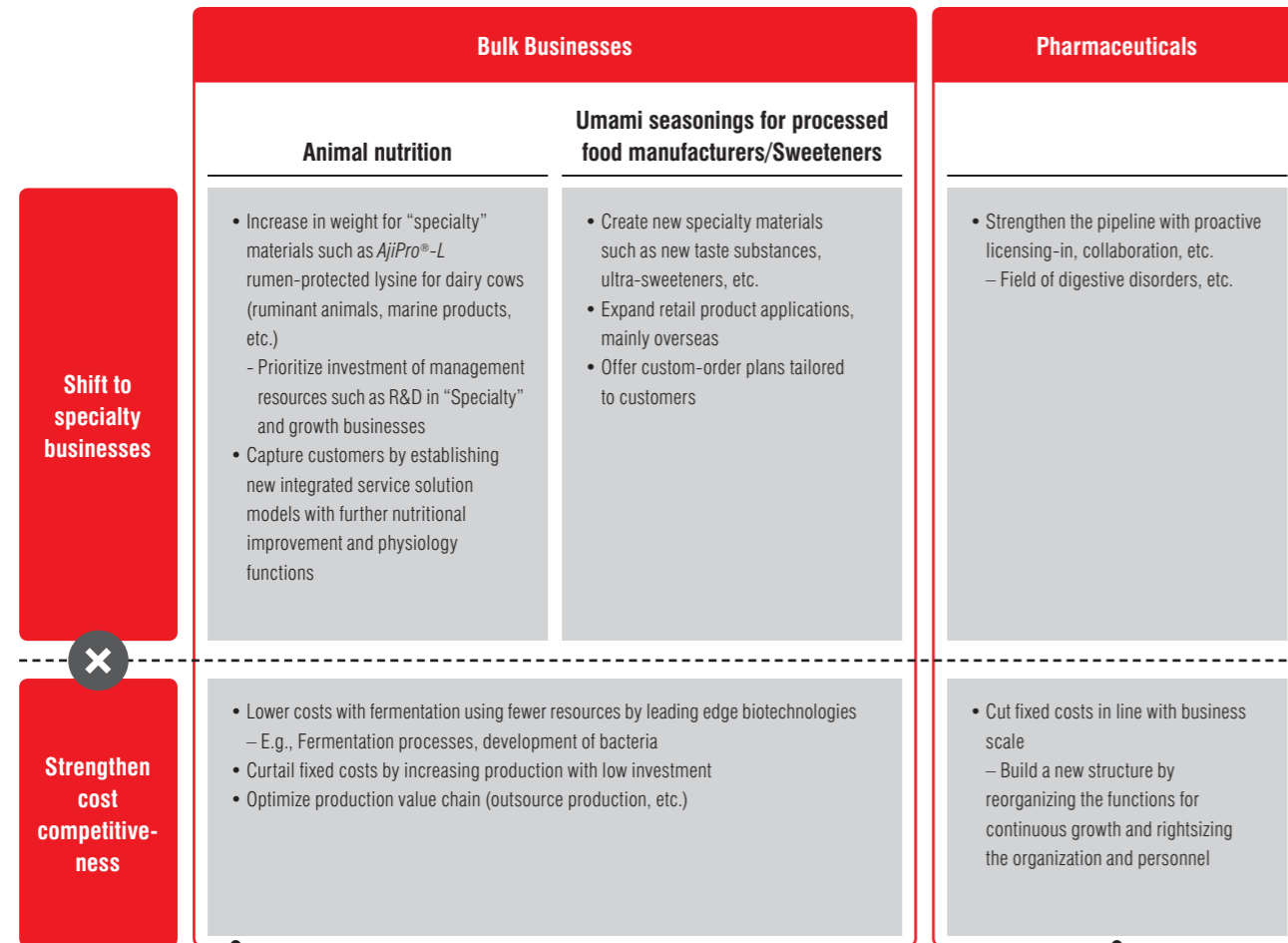
*2 JECFA: FAO/WHO Joint Expert Committee on Food Additives (FAO: Food and Agriculture Organization of the United Nations; WHO: World Health Organization)

*3 The European Food Safety Authority is an institution that performs risk evaluations through specialists regarding the various factors that affect food safety within the European Union. The institution also provides scientific information regarding food safety.


Further Reinforcement of Business Structure “FIT”

Structural Reform Centered on a Shift from Commodities to “Specialty”


Through the shift to “Specialty” in our bulk and pharmaceutical businesses, the Ajinomoto Group is working to enhance the added value of its business while making internal improvements by bolstering cost competitiveness. We are also promoting cost reductions by improving the performance of resource-saving fermentation.



▶ Case Study: “Cost Reductions through Resource-Saving Fermentation Technology” (Please refer to page 34.)

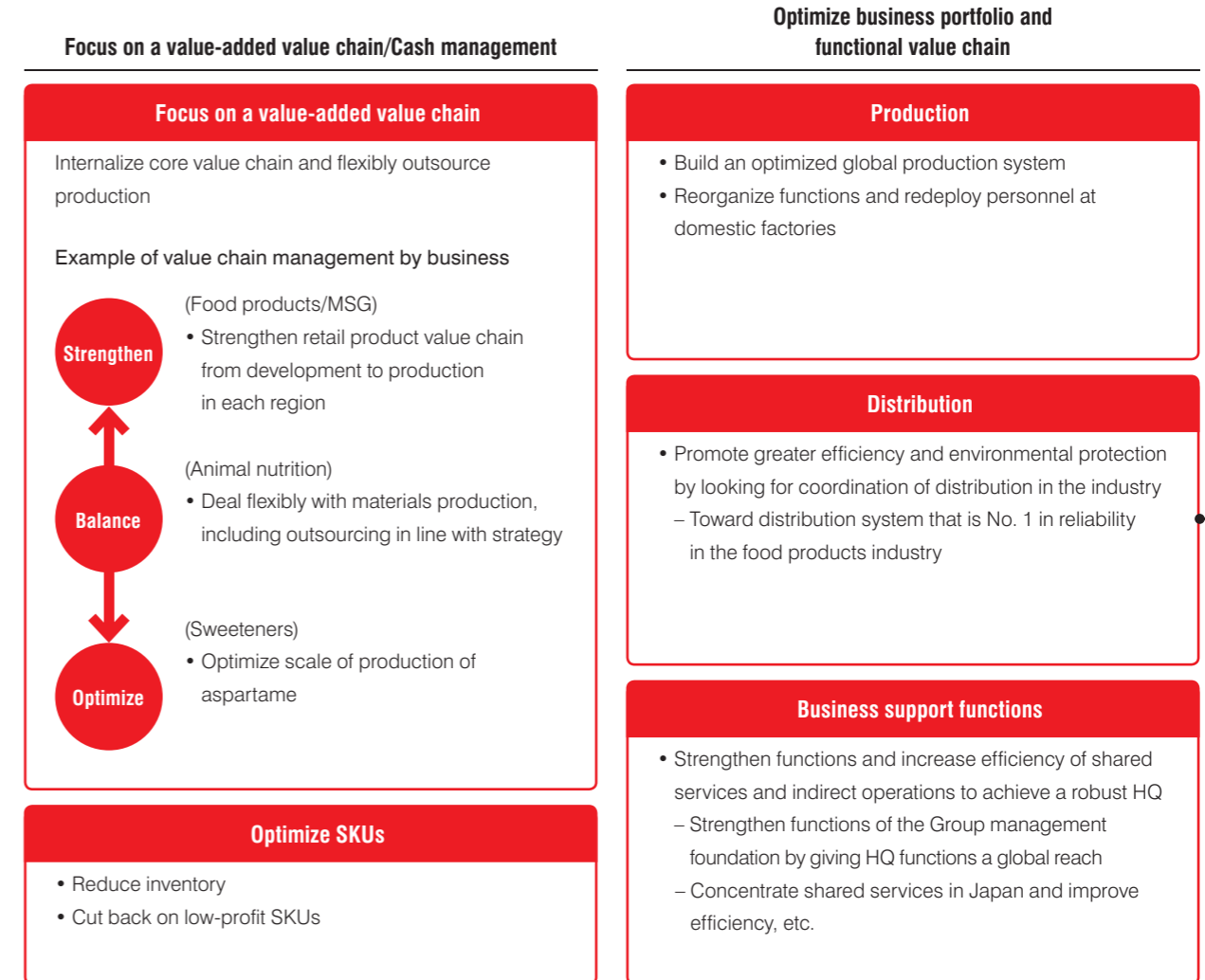


Launched the gastrointestinal specialty pharma EA Pharma Co., Ltd., which possesses a full value chain, in April 2016, through integration with the gastrointestinal disease treatment business of Eisai Co., Ltd.



Enhance Capital Efficiency to Boost Shareholder Value and ROE

To improve shareholder value and ROE, the Company enhances capital efficiency across all of its businesses through focusing its efforts on a value-added value chain for each business. We are also working to rationalize and improve the efficiency of our business infrastructure, such as production and distribution.



In order to secure more efficient and stable distribution capabilities and pursue social and economic rationality throughout the distribution infrastructure of the entire food industry, six food manufacturers* in Japan have agreed on the establishment of “F-LINE,” a food company distribution platform. As of April 2016, collaborative shipping has commenced in Hokkaido, helping to improve transportation efficiency and reduce CO₂ emissions.

* Ajinomoto Co., Inc., Kagome Co., Ltd., The Nisshin Oil/O Group, Ltd., Nisshin Foods Inc., House Foods Group Inc., Mizkan Co., Ltd.

Initiatives to improve capital efficiency using business-specific ROA

From fiscal 2015, the Ajinomoto Group has been setting ROA targets for each business. Through Group-wide management of financial leverage, the Group is promoting initiatives to improve capital efficiency throughout the entire organization. In addition, the Group has established a system that can track the ROA results of each business on a monthly basis. In these ways, the Group is working to bolster its financial management.

Growth Strategies of the Ajinomoto Group

Case Studies of Further Reinforcement of Business Structure “FIT”

Cost Reductions through Resource-Saving Fermentation Technology

By promoting improvements in the performance of resource-saving fermentation, the Ajinomoto Group realized ¥3.0 billion in cost reductions for fiscal 2015. The Group plans to further reduce costs by ¥1.0 billion in fiscal 2016.

| Specific Measures | | FY2011–2013 | FY2014 | FY2015 | FY2016 |
|--|----------------------|---|--------------------------------------|---|--|
| Technologies to reduce main raw materials | MSG | Introduced in Brazil (FY13/Q1) | | High performance (Higher reduction rate) Rollout to other regions (FY15/Q4–) | High performance |
| | Nucleotides | | Introduced in Thailand (FY14/Q1) | | High performance |
| | Feed-use amino acids | Introduced in Brazil (FY13/Q2) | | High performance | |
| Technologies to reduce sub-raw materials and energy | MSG | Introduced in the U.S. (FY12/Q2) | | | High performance |
| | | Introduced in Thailand (FY13/Q4) | | | High performance |
| | Feed-use amino acids | Introduced in Brazil (FY11/Q1) | Establishment/maturity of technology | | |
| | | Introduced in the U.S./Europe (FY13/Q3) (FY13/Q4) | | | High performance |
| Use of non-edible materials | Feed-use amino acids | Introduced in Europe (FY12/Q2) | | | High performance |
| | | Introduced in Brazil (FY11/Q4) | | | Increase use rate |
| Partial self-production of main raw materials and energy | MSG | Introduced in Brazil/Vietnam (FY12/Q1) (FY13/Q4) | | Expand self-production rate in Brazil (FY15/Q1) | Introduced in Thailand (FY16/Q1) |
| Cost reduction effect (Single-year forecast vs. FY2013) Exchange rate in FY2014–2016 Medium-Term Management Plan: JPY 100/USD | | ¥5.0 billion (FY2011–2013 total) | Actual: ¥4.0 billion | Plan: ¥5.5 billion Actual: ¥7.0 billion (YoY: ¥3.0 billion) | Plan: ¥8.0 billion (YoY: ¥1.0 billion) |

Renewable Energy Generates a New “Bio-cycle”

Since 2012, Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda. has been formulating a new bio-cycle at its Laranjal Paulista Plant, which uses the dry pulpy sugarcane residue (bagasse) generated from the in-house production of fermentation ingredients as fuel for biomass boilers and those fuel ashes are utilized as co-products. Since June 2015, the plant has doubled the capacity of its production facilities and has increased its in-house production ratio. In addition, in April 2016, Ajinomoto Co., (Thailand) Ltd. commenced operations of a new biomass cogeneration system* at the Ayutthaya Factory that uses rice husks as fuel.



Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda. Laranjal Paulista Plant



Ajinomoto Co. (Thailand) Ayutthaya Factory

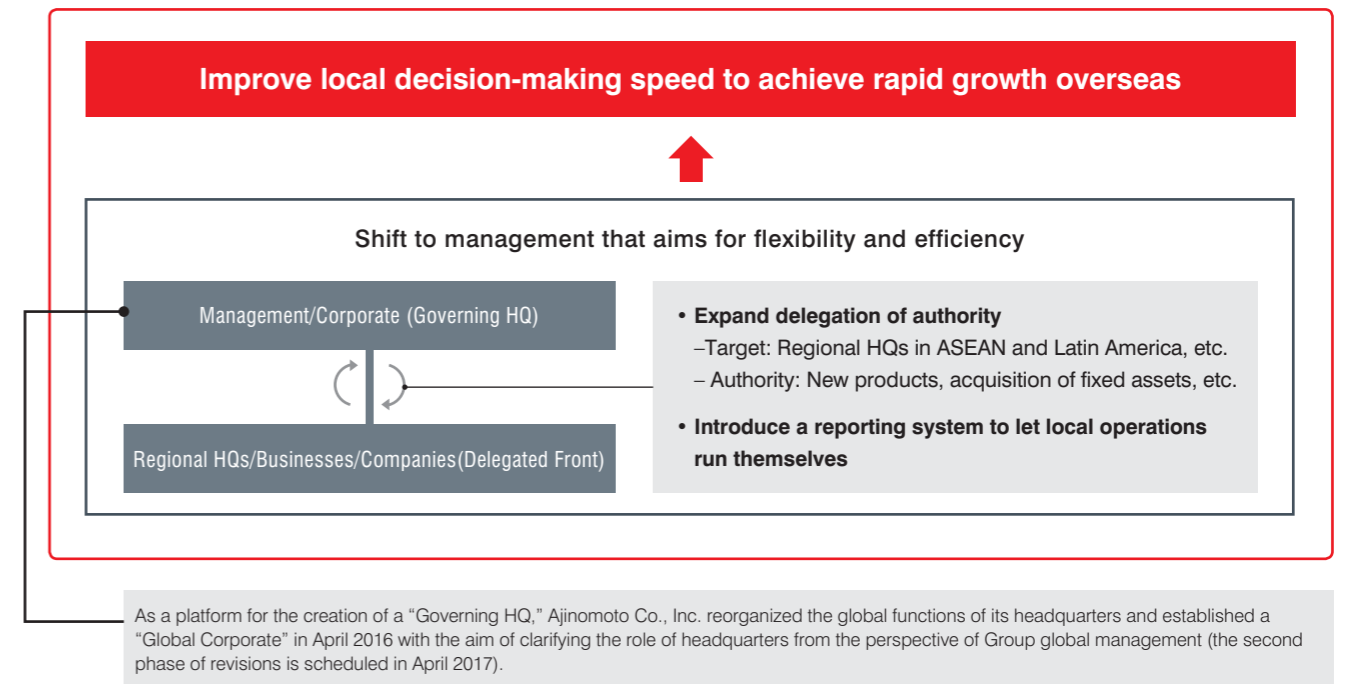
* A system that generates and supplies both electricity and heat (steam) from a heat source

Evolution of Management Foundation (Management Innovation)

Reinforcing a Corporate Governance System Befitting of a “Genuine Global Specialty Company”

Amid its pursuit of becoming a “Genuine Global Specialty Company,” the Ajinomoto Group is making efforts to strengthen its corporate governance system befitting of a global top class company. In April 2016, the Group introduced the Global Governance Policy (GGP). Guided by the concept of “Governing HQ” and “Delegated Front,” the GGP works to strengthen Group governance, enhance worksite mobility and efficiency, and realize rapid growth overseas.

Global Governance Policy



In “Global Management Meeting,” Group companies, both Japan and overseas, convened to discuss management strategy



Masatoshi Ito
Representative Director,
Chairman of the Board

By reinforcing and enhancing corporate governance, the Ajinomoto Group aims to realize sustainable growth, improve medium- to long-term corporate value, and become a “Genuine Global Specialty Company.”

Review of the Ajinomoto Group’s Governance

Under the FY2014–2016 Medium-Term Management Plan, we have adopted the goal of becoming a “Genuine Global Specialty Company.” To realize this goal, we are working to reinforce our corporate governance from a global perspective. In April 2016, we introduced the Global Governance Policy (GGP), which regulates our global business activities. By clearly positioning our headquarters as “Governing HQ” and the worksite level as “Delegated Front,” the GGP works to realize more sophisticated decision making and improve the speed and mobility of that decision making.

Through the introduction of the GGP, we are advancing the delegation of authority in each region of our global operations. By establishing a structure where decisions can be made at the worksite level, not only will the role of our headquarters as “Governing HQ” become clearer, the role of the Board of Directors, a core function of our headquarters, will significantly change. In regard to the Board of Directors’ meetings, we will revise the proceedings of the meeting, the content of the reports, and our time allocation methods, which will enable us to place more emphasis on discussing management-related challenges, such as important business strategies. In these ways, we will deepen the Board of Directors’ deliberations on management going forward.

The Board of Directors currently comprises inside directors, who possess a wide range of expertise in areas related to our business, from food products to amino acids, and outside directors, who possess unique expertise in external fields. Our outside directors, in particular, offer us their unrestricted opinions on a wide range of subjects, including medium- to long-term growth strategies and the utilization of global human resources, drawing on their wealth of experience and know-how. I would like the outside directors to continue to work as representatives of our stakeholders, demonstrating their sound judgment from an external position based on a variety of perspectives such as sociality and morality. This, in turn, will lead to the reinforcement of our management oversight functions. As the Board’s chairman, I will focus my attention on ensuring that these oversight functions are being exercised appropriately. At the same time, I will work to realize an energetic Board of Directors that operates in a fair and transparent manner in such ways as encouraging active discussion and interaction among directors, including the outside directors. Furthermore, I will continue to examine the Board’s design, giving consideration to an appropriate Board size for the Ajinomoto Group, the balance of inside and outside directors, and directors’ areas of expertise.

Aiming to be a Company that Further Earns the Trust of its Stakeholders

We make determined efforts to share business information with all of our stakeholders, including shareholders and other investors, business partners, and employees. We will continue to provide careful explanations of business strategies, from the strategy’s aim to the background of its formulation, in an explicit and detailed way. We will also disclose information on personnel and labor-related initiatives, such as the reform of working practices we are currently promoting. In these ways, we will actively share company aims and information with our stakeholders to deepen their understanding of our business. Furthermore, we will demonstrate our impact on the world by clearly conveying to society the fact that we are a food company driven by leading edge technologies and built on “Specialty,” unique value that other companies cannot offer, as well as the fact that we proudly take the initiative to resolve social issues through ASV (The Ajinomoto Group Creating Shared Value). In doing so, we aim to be a company that further earns the trust of its stakeholders.

I would like to ask our shareholders and other investors for their continued support going forward.

July 2016

Masatoshi Ito
Representative Director,
Chairman of the Board

Basic Philosophy concerning Corporate Governance

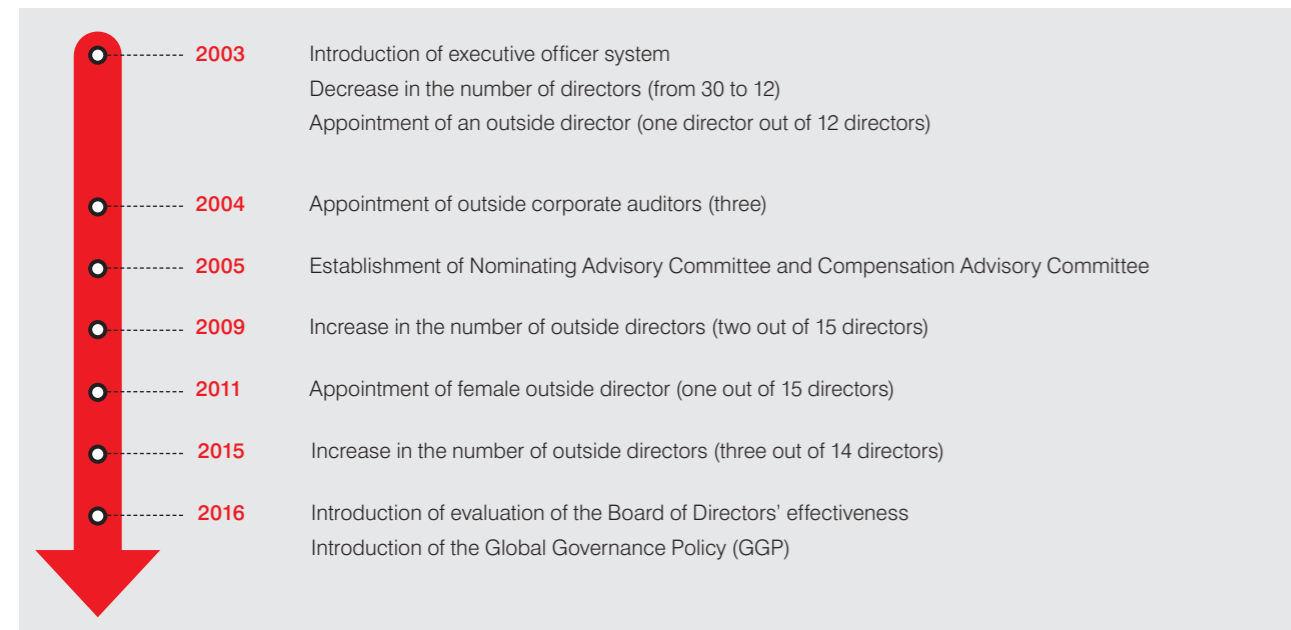
The Ajinomoto Group has passed down the spirit of continually improving people's nutrition through umami seasonings since its founding. We are committed to help in the resolution of the issues that are faced by the 21st century human society, most notably global sustainability, food resources, and healthy living. Our initiatives to create value for society and local communities and in turn transform this value into economic value are collectively referred to as ASV (The Ajinomoto Group Creating Shared Value).

Ajinomoto Co., Inc. recognizes that corporate governance represents one of the most important aspects of its management foundation for accelerating its ASV efforts and achieving its vision of becoming a "Genuine Global Specialty Company." To this end, the entire Ajinomoto Group works as one under the Ajinomoto Group Standards of Business Conduct to reinforce and enhance corporate governance through engagement and collaboration with stakeholders and through continual efforts in developing and properly implementing its internal control system.

(For more details, please refer to the Corporate Governance Policies posted on the Company's website)

Reference Corporate Governance Policies
http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf

Initiatives to Reinforce Governance

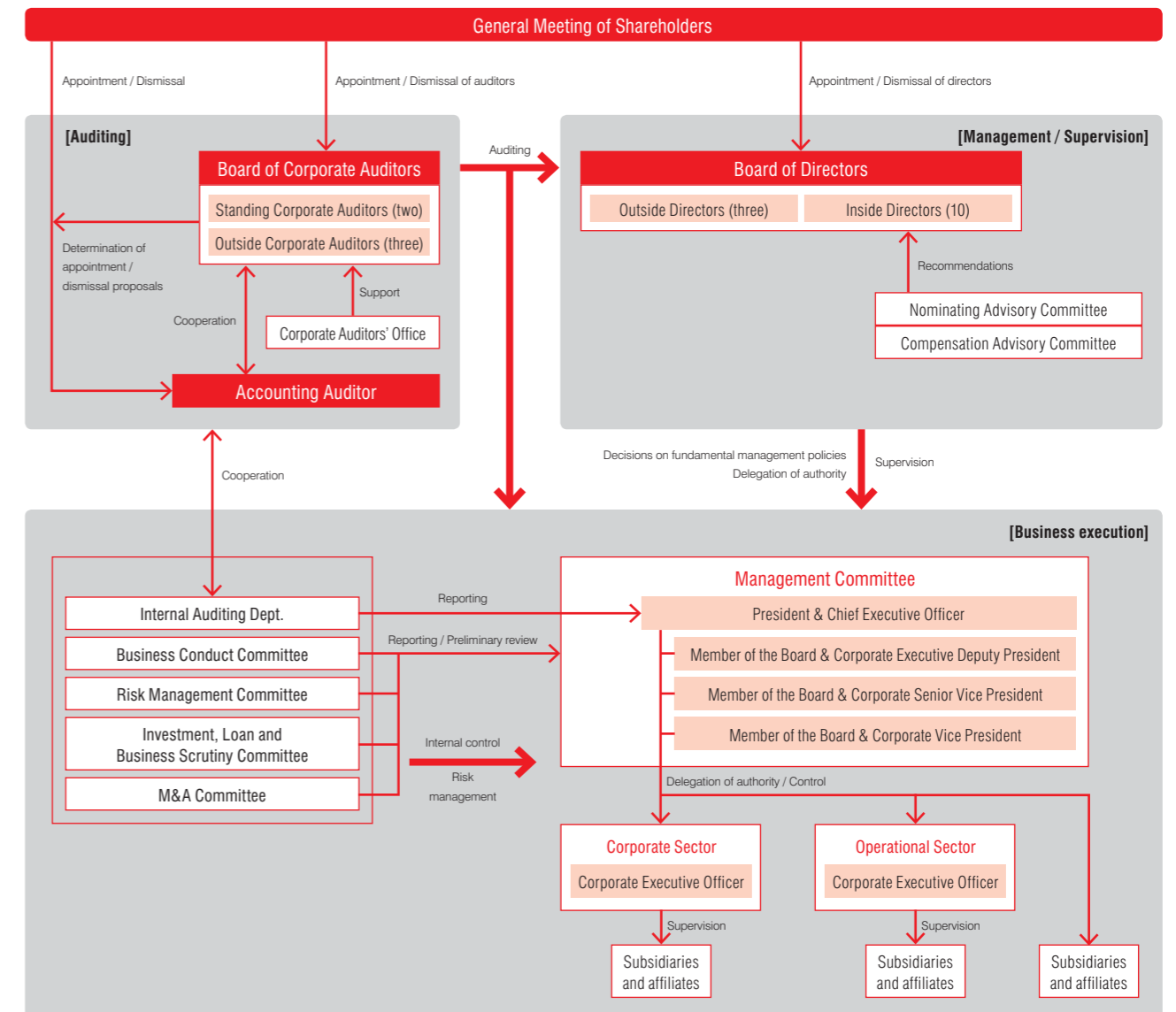


Analysis and Evaluation of Board of Directors' Effectiveness

Ajinomoto Co., Inc. engages in a wide range of business operations around the world, including foods and amino acids, and one goal of the Company is to have a Board of Directors that can execute appropriate and agile decision making, as well as carry out its role of supervising the execution of duties befitting of a "Genuine Global Specialty Company."

As part of these efforts, directors and corporate auditors were asked to take self-evaluation surveys, while analysis by outside lawyers was also conducted, with the results being examined at the Board of Directors meeting held in May 2016. It was pointed out that improvements need to be made in communication between inside directors and outside directors, internal information collection of outside directors, and the efficiency of deliberations by the Board of Directors. Based on these results, the Company continues to examine the best possible approaches for the Board of Directors.

Corporate Governance Framework



Board of Corporate Auditors

The Board of Corporate Auditors consists of five corporate auditors, three of whom are outside corporate auditors. Ensuring independence from the executive officers, the corporate auditors work together with the accounting auditor and Internal Auditing Department to conduct audits on the execution of duties by directors.

Nominating Advisory Committee

The Nominating Advisory Committee consists of four directors, including three outside directors. The Committee receives recommendations from the Board of Directors and deliberates on such matters as director nominees and proposals for the election of corporate executive officers. The results of these deliberations are reported to the Board of Directors.

Board of Directors

The Board of Directors consists of 13 directors, three of whom are outside directors. The Board makes decisions on important business matters and supervises the execution of duties by directors and corporate executive officers.

Compensation Advisory Committee

The Compensation Advisory Committee consists of five directors, including three outside directors. The Committee receives recommendations from the Board of Directors and deliberates on proposals for director and corporate executive officer compensation. The results of these deliberations are reported to the Board of Directors.

Management Committee

The Management Committee consists of nine directors who serve concurrently as corporate executive officers. The Committee deliberates on basic company management policies and makes important decisions concerning business execution.

Growth Strategies of the Ajinomoto Group

Outside Directors and Outside Corporate Auditors

Ajinomoto Co., Inc.'s outside directors and outside corporate auditors have been registered as independent directors/auditors with the Tokyo Stock Exchange. For details on standards related to the independence of the Company's outside directors/auditors, please refer to the Corporate Governance Policies posted on the Company's website.

| | Name | Independent Officer | Reasons for Appointment | Attendance at Meetings of the Board of Directors or Board of Corporate Auditors |
|----------------------------|--------------------|---------------------|--|---|
| Outside Directors | Sakie T. Fukushima | ○ | To capitalize on her in-depth knowledge and experience concerning international corporate management and advanced understanding of human resources with a global mindset, and her experience as an outside director at other prominent listed companies. She will be able to provide various forms of guidance related to the management of Ajinomoto Co., Inc. based on her objective perspective, and there is no concern a conflict of interest will arise between her and general shareholders. | 20 out of 21 times |
| | Yasuo Saito | ○ | To capitalize on his in-depth knowledge and experience internationally as a diplomat for the management of Ajinomoto Co., Inc. and there is no concern a conflict of interest will arise between him and general shareholders. | 21 out of 21 times |
| | Takashi Nawa | ○ | To capitalize on his advanced understanding of international business management developed from his wealth of real-world experience in consulting for non-Japanese companies, etc., and in-depth knowledge as a professor with the Graduate School of International Corporate Strategy at Hitotsubashi University. This will enable him to fulfill an appropriate role in the supervision of the execution of business operations of Ajinomoto Co., Inc. from an independent and fair position. Furthermore, there is no concern a conflict of interest will arise between him and general shareholders. | 12 out of 15 times |
| Outside Corporate Auditors | Masami Hashimoto | ○ | To capitalize on his professional knowledge and wealth of experience as a certified public accountant both in Japan and internationally, and his expertise in finance and accounting in the execution of his duties as an outside corporate auditor. There is also no concern a conflict of interest will arise between him and general shareholders. | — |
| | Atsushi Toki | ○ | To capitalize on his professional knowledge and wealth of experience as an attorney, and his particularly in-depth knowledge of the Companies Act, which can be utilized in the execution of his duties as an outside corporate auditor. There is also no concern a conflict of interest will arise between him and general shareholders. | — |
| | Hiroshi Murakami | ○ | To capitalize on his extensive experience in corporate management both in Japan and internationally, and his knowledge as the head of a legal department, both of which can be utilized in the execution of his duties as an outside corporate auditor. There is also no concern a conflict of interest will arise between him and general shareholders. | — |

Internal Control Systems

The Ajinomoto Group views the establishment and enhancement of internal control systems as an important management issue. As a means to verify the operating conditions and effectiveness of its "Basic Policy on the setting up of systems ensuring appropriate business operations," the Group evaluates the operations and activities of the Business Conduct Committee, Ajinomoto Co., Inc.'s Internal Auditing Department, policies and other regulations related to global governance, and the Risk Management Committee. The Group deals with issues or matters of concern in an appropriate manner and confirms whether or not steps are continuously being taken to make improvements. The results of these evaluations are reported to the Board of Directors.

Risk Management

The Ajinomoto Group established the Risk Management Committee in 2002. Guided by the Ajinomoto Group's Risk Management Basic Policy, "By promoting strategic risk management, we make the Ajinomoto Group resilient to risks, and increase the Group's value," the Group is working to strengthen its capacity to deal with crises, such as accidents or incidents, in the rare event one should occur, while maintaining the proactive prevention of risks as a basic policy. Furthermore, the Group has established the Subcommittee for Management Risks that functions under the jurisdiction of the Risk Management Committee. In these ways, the Group is engaging in initiatives to respond to changes in the macro environment that affect its business as well as to tackle governance-related issues.



Global Policy Matrix

In order to strengthen its global governance, the Group has created a global policy matrix and put into place important policies and procedures (P&P), which are managed under the GGP.

| Business Code of Conduct | Legal | Fiscal, Trade & Purchasing | General & Administration | Accounting & Treasury | HR & Others |
|--|---|---------------------------------|--------------------------|---|--|
| Compliance with Antitrust and Other Laws | Prevention of Insider Trading | Global Tax Policy and Procedure | Risk Management | Accounting Policy | Information Management |
| Prevention of Bribes and Other Improper Payments | Trade Secret Management | Basic Purchasing Policy | Business Continuity | Financing Policy | Environment |
| | Group Intellectual Property Exploitation Policy | | | Foreign Exchange Risk Management Policy | Quality Assurance |
| | Corporate Brand Logotype | | | Basic Policy on Fund Procurement | Disaster Prevention, Occupational Health, and Safety |
| | | | | | Internal Audit |
| | | | | | Investment Profitability Assessment Criteria |

Global Tax Policy

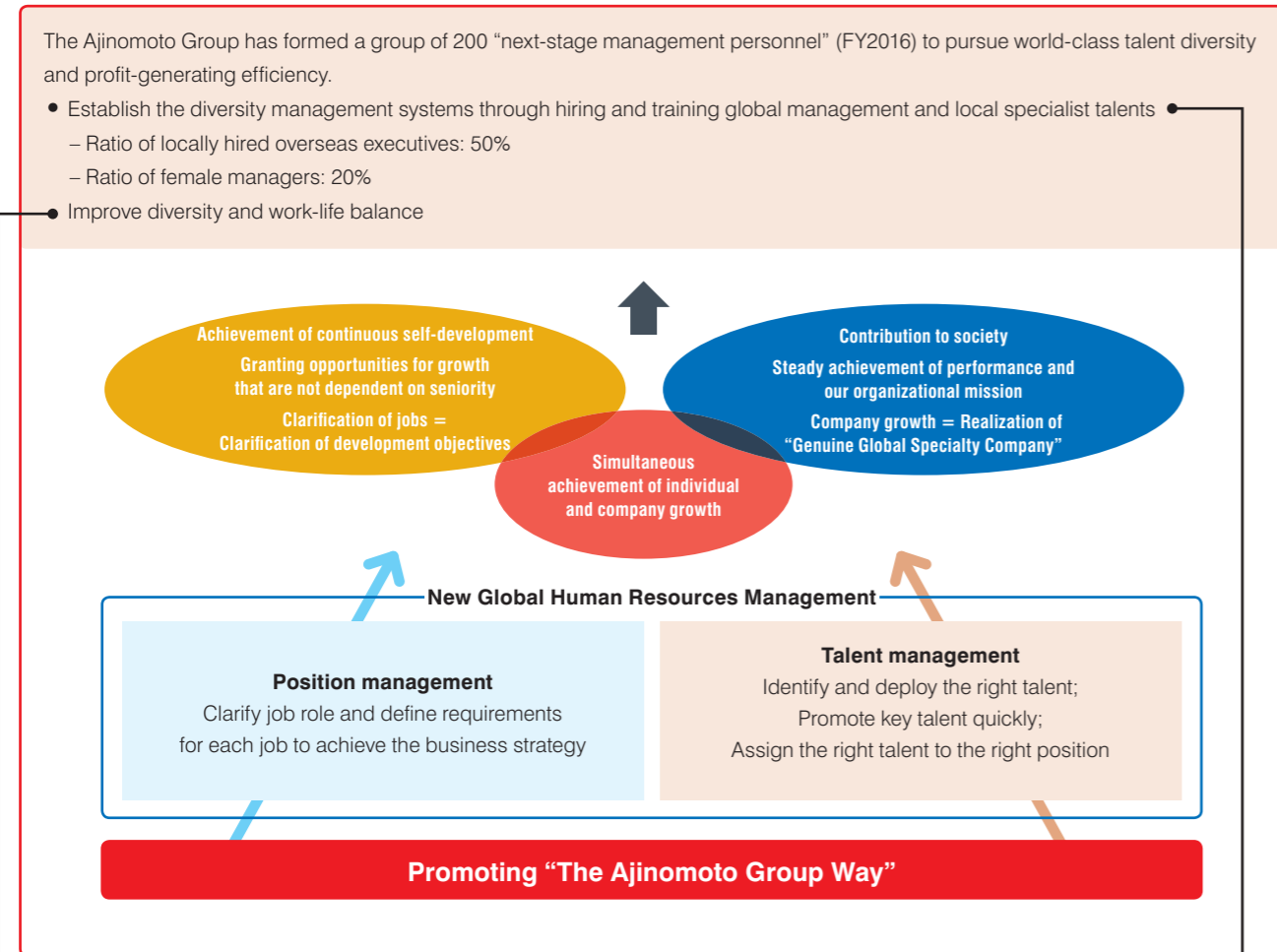
The Ajinomoto Group commits to comply with tax laws and conducts its business activities in accordance with tax guidelines published by international organizations such as the OECD. In order to maximize shareholder value, the Group works to minimize tax risk. Also, with the aim of maximizing its consolidated free cash flow, the Group has established the Global Tax Policy. Furthermore, the Group does not use contrived or abnormal tax structures that are intended for tax avoidance. In accordance with the spirit of local and international laws, the Group does not make use of so-called "tax havens" or any other means to avoid being taxed.

1. Compliance with Tax Law
2. Minimization of Tax Risk
3. Maximization of Consolidated Free Cash Flow
4. Part of Business Activities
5. Accountability to Shareholders

Reinforcing Human Resources Befitting of a “Genuine Global Specialty Company”

The Ajinomoto Group has introduced the Global Human Resources Management System to grant opportunities for career development of over 30,000 employees working worldwide regardless of race, nationality, or gender. Enhancing its diversity, the Group accelerates its efforts to build the “Solid Talent Pool” (solid base of global human resources), which includes developing “next-stage management personnel,” appointing locally hired overseas executives, and women to management positions.

Building “Solid Talent Pool”



The Ajinomoto Group carries out the “Ajinomoto Global & Group Leader Seminar” (GGLS) targeting deputy general managers of head office business divisions as well as executives and deputy general managers of affiliated companies worldwide. The seminar aims to develop global human resources through action learning about global business issues.

To become a company where diverse talents leverage their capabilities and potentials, Ajinomoto Co., Inc. is striving toward establishing a global working standards assuring seven-hour workday, as a part of zero-based “work style innovation.”

Roadmap (Ajinomoto Co., Inc.)

| | FY2014 (Actual) | FY2015 (Actual) | 20-minute reduction | FY2017 (Target) | 15-minute reduction | FY2020 (Vision) |
|--------------------------------|-----------------|-----------------|---------------------|-----------------|---------------------|-------------------|
| Regular working hours (daily) | 7 hrs. 35 min. | 7 hrs. 35 min. | → | 7 hrs. 15 min. | → | 7 hours |
| Average working hours (yearly) | 1,974 hrs. | 1,947 hrs. | | 1,850 hrs. | | Under 1,800 hours |

Message from an Outside Director

Aiming for management that strikes a balance between inside and outside perspectives while constantly conducting oversight from an external viewpoint



Sakie T. Fukushima
Outside Director
President and Representative Director of G&S Global Advisors Inc.

Increasing Opportunities for Communication and Strengthening Supervisory Functions

Ajinomoto Co., Inc. has adopted the Auditor System, and I believe that the system is functioning effectively. The corporate auditors strictly evaluate the business execution of directors through audits and share their observations with the outside directors. The outside directors then make strategic decisions taking the observations of the corporate auditors into consideration. In this way, the Company’s governance is able to cover both “defensive” and “offensive” roles. In addition, the Board meetings have an atmosphere that allows outside directors to express our opinions freely. I feel that the Company is receptive to incorporating our opinions, and a PDCA cycle of proper corporate governance is in place.

However, while this is an issue common among Japanese companies, inside directors have a tendency not to express their views sufficiently. The opinions of those responsible for business execution are extremely valuable information for us in making decisions. Therefore, I would like to better supervise the Company by further increasing opportunities to exchange opinions with inside directors.

Introducing Outside Benchmarks

In the past several years, the governance of Japanese companies has changed significantly. While institutional design and the appropriate implementation of that design are both critical for effective governance, as of May 2015, a company can choose from three different institutional designs, one of which is the Auditor System.* Furthermore, with the introduction of Japan’s Corporate Governance Code, Japanese companies as a whole have been making serious efforts to strengthen the implementation of governance as well. One of the purposes of these changes is to establish governance that overseas investors can clearly understand. The role of outside directors has also changed significantly as a result of these institutional design changes. What I place particular importance on as an outside director is to introduce outside benchmarks to avoid the situation where what internal management considers common

sense defies common sense when seen from outside the company. I have provided consulting services to a wide range of companies for over 30 years and have worked as an outside director at nine different Japanese companies. Through my experiences, I have come to realize that, because there are very few CEOs of Japanese companies who have worked in other companies, it is important for outside directors to introduce benchmarks from other companies. For my role as an outside director, I recognize the importance of conducting oversight from the perspective of shareholders, who are investors in the company, in order to maximize corporate value.

Valuing the Importance of Motivated Human Capital in Governance

Ajinomoto Co., Inc. aspires to become a “Genuine Global Specialty Company” and is working to improve its corporate value centered on ASV. To achieve such aspirations, it is important to formulate a strategy and to have a system and organization in place that can realize that strategy. In particular I emphasize the importance of human capital. Ajinomoto Co., Inc. is a company that values its employees, and I have the impression that its employees enjoy working for the Company. With further globalization, diversity management, which establishes a structure where human capital of various nationalities and backgrounds can leverage their individual strengths and produce results, is becoming increasingly valuable. A person’s gender and nationality represent only a part of that person’s individuality, not its entirety. Instead of making judgments based on categories such as women, I believe that it is necessary for the entire Ajinomoto Group to accurately assess the aptitude of each of its employees and foster and deploy them in a way in which their abilities can be optimally utilized. At the same time, I feel there is a need for the Company to establish a global system for employee evaluation and remuneration.

* Japanese companies now have the option of choosing one of three corporate governance systems: Committee System, Audit Committee System, and Auditor System. The Auditor System has corporate auditors who audit the performance of the Board of Directors.

Directors



Masatoshi Ito
Representative Director,
Chairman of the Board



Takaaki Nishii
Representative Director,
President & Chief Executive Officer



Hiromichi Ono
Member of the Board & Corporate Vice President
Finance & Accounting; Group Procurement Center



Takeshi Kimura
Member of the Board & Corporate Vice President
Management of R&D; Intellectual Property; Institute
for Innovation; Quality Assurance & External
Scientific Affairs



Tamotsu Iwamoto
Representative Director, Member of the Board &
Corporate Executive Deputy President
Internal Auditing; Secretarial Office; General Affairs &
Risk Management; Legal; Public Communications;
Global Communications; Global Human Resources
Management; Human Resources



Koji Igarashi
Member of the Board & Corporate Senior
Vice President
Management of Technology & Production;
Information System Planning



Masaya Tochio
Member of the Board & Corporate Vice President
Corporate Planning; CSR



Makoto Murabayashi
Member of the Board & Corporate Vice President
Business Strategy and Development



Etsuhiro Takato
Member of the Board & Corporate Senior
Vice President
General Manager, Food Products Division; Logistics
Planning; Advertising



Hiroshi Fukushi
Member of the Board & Corporate Senior
Vice President
General Manager, AminoScience Division



Sakie T. Fukushima
Outside Director



Yasuo Saito
Outside Director



Takashi Nawa
Outside Director

Directors, Corporate Auditors, and Corporate Executive Officers

Standing Corporate Auditors

Yoichiro Togashi

Shizuo Tanaka

Outside Corporate Auditors

Masami Hashimoto (Certified Public Accountant)

Atsushi Toki (Attorney-at-law)

Hiroshi Murakami

Corporate Vice Presidents

Toshihisa Kato (General Manager, Institute for Innovation)

Kazuya Onomichi (General Manager, R&D Planning Dept.)

Shunichi Komatsu (General Manager, Europe & Africa Division)

Chiaki Nosaka (General Manager, Institute of Food Sciences and Technologies)

Haruo Kurata (General Manager, North America Division)

Hiroyuki Kojima (General Manager, Research Institute for Bioscience Products & Fine Chemicals)

Hideki Takeuchi (Deputy General Manager, Food Products Division)

Kaoru Kurashima (General Manager, ASEAN Division)

Corporate Executive Officers

Alain Vrillon
(President, AJINOMOTO FOODS EUROPE S.A.S.)

Masaya Sugimori
(General Manager, China Division)

Yoshimasa Yoshimiya
(General Manager, Human Resources Dept.)

Eiji Majima
(Deputy President, AJINOMOTO EUROPE S.A.S.)

Hiroshi Motoyama
(General Manager, Food Ingredients Dept.)

Masahiro Tani
(General Manager, Food Production & Technology Administration Center)

Taro Fujie
(General Manager, Latin America Division)

Daniel Bercovici
(President, AJINOMOTO EUROLYSINE S.A.S.)

George Gwinnett Bompas
(General Manager, Pharmaceutical Custom Manufacturing Dept.)

Masayoshi Kurosaki
(Deputy General Manager, Food Products Division)

Jiro Sakamoto
(General Manager, Technology Development Center, Institute of Food Sciences and Technologies)

Chika Morishima
(General Manager, Consumer Foods & Seasonings Dept.)

Koji Tamura
(General Manager, Production & Technology Administration Center)

Takayuki Koda
(General Manager, Production Management Dept.)

Narutoshi Fukase
(General Manager, Tokyo Branch)



Overview by Segment

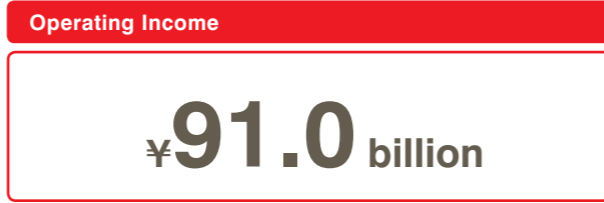
The Ajinomoto Group develops its business in four segments: Japan Food Products, International Food Products, Life Support, and Healthcare. This section provides the conditions of each segment in fiscal 2015.

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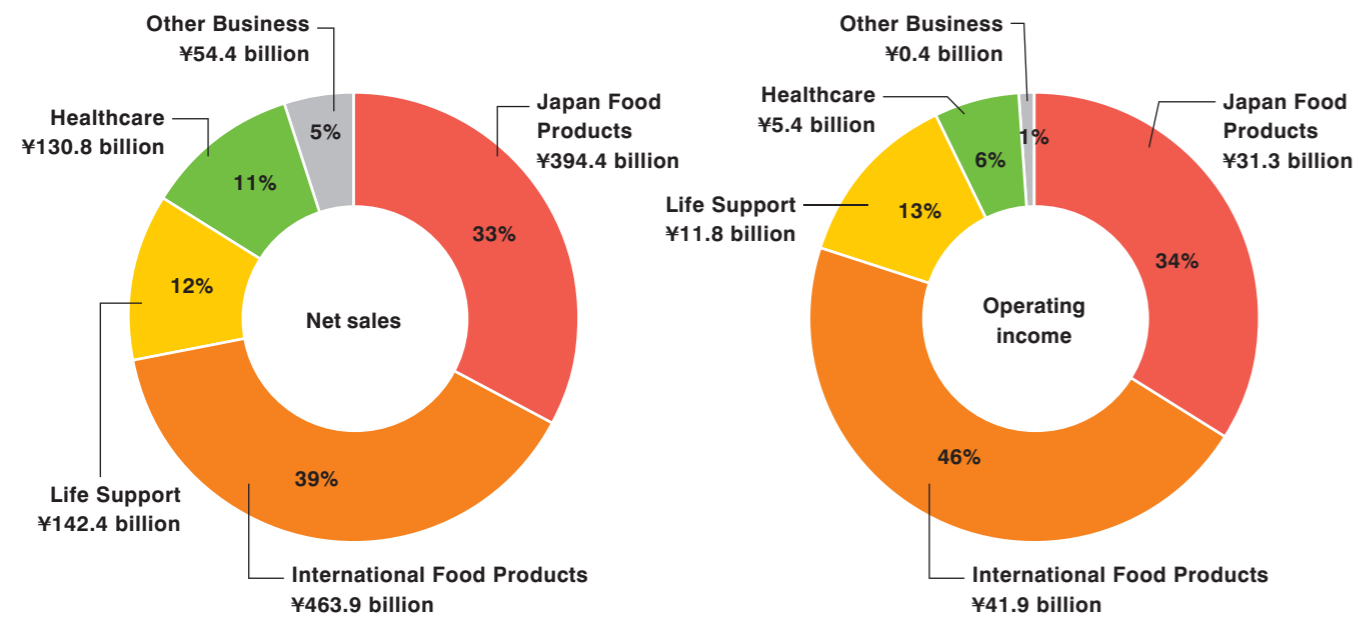
48 Fiscal 2015 Consolidated Operating Highlights

49 Overview by Segment

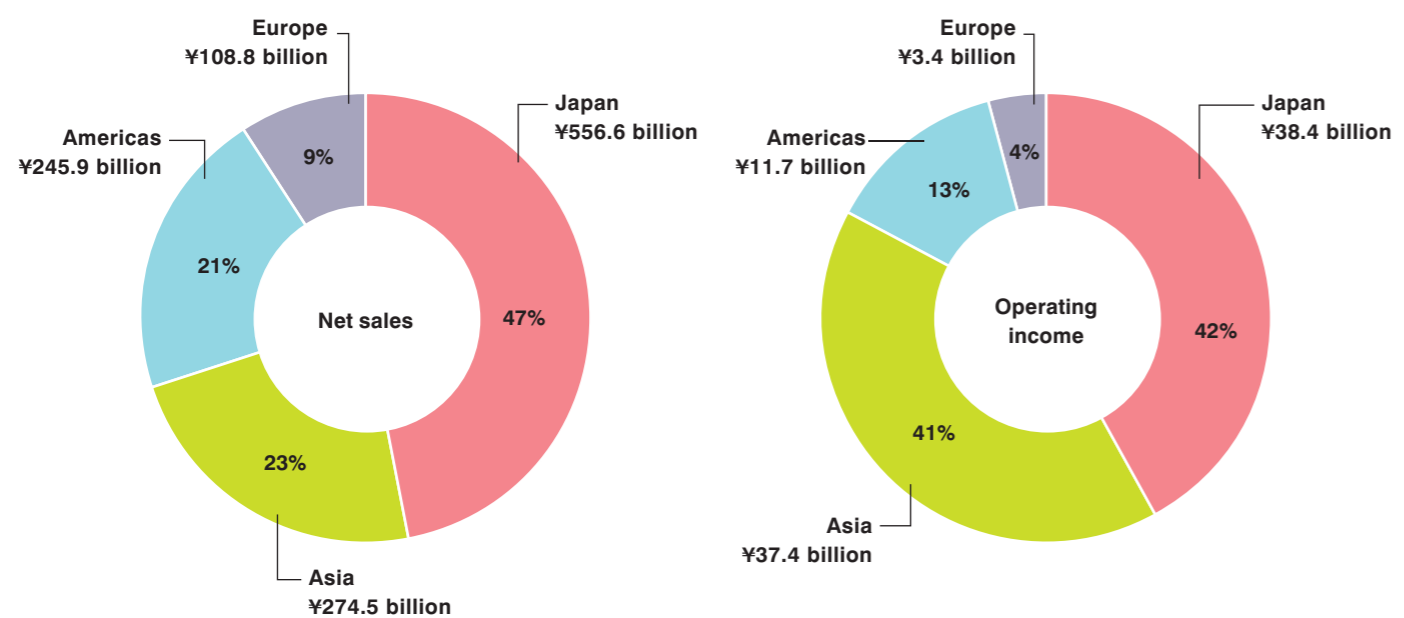
Fiscal 2015 Consolidated Operating Highlights



By Segment



By Geographical Area



Overview by Segment



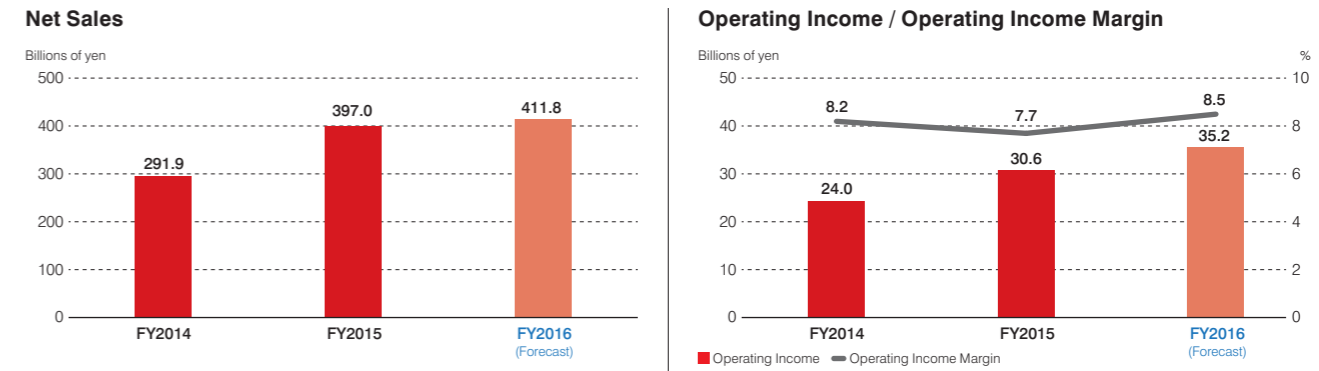
Japan Food Products

Business Strengths

- Brand power backed by over 100 years of history
- Product development and marketing capabilities

Net Sales and Operating Income / Operating Income Margin Trends

(Based on business segments applied from FY2016)



Seasonings and processed foods

Sales rose for household seasonings and processed foods, reflecting increased sales of Knorr® Cup Soup due mainly to a sales strategy that worked to stimulate demand throughout the fiscal year.

Sales increased for restaurant and institutional use, as a result of efforts to strengthen proposals for solutions that leverage functional food products, which enhance the texture and quality of rice and meat while maintaining their deliciousness.



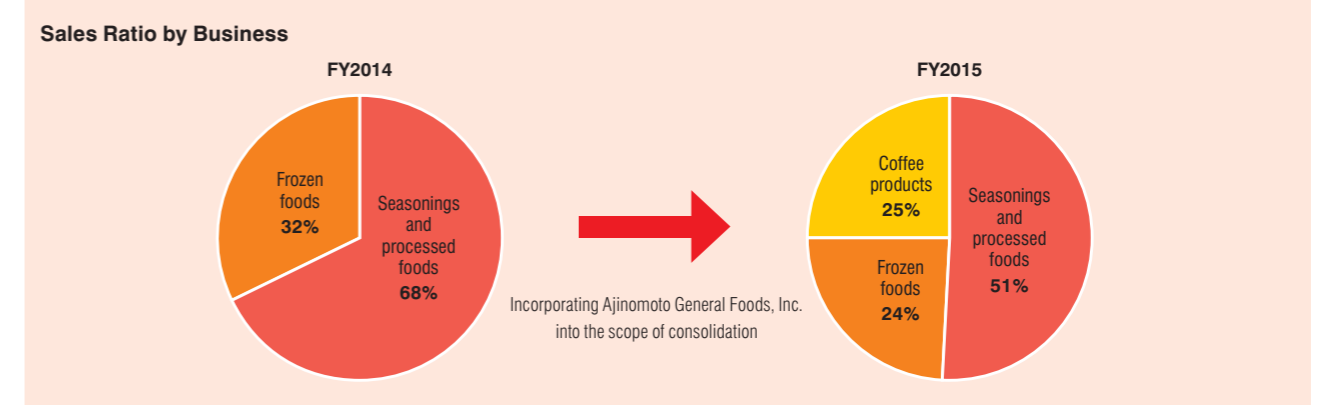
Frozen foods

By pursuing the value that consumers desire in fried rice dishes, THE CHA-HAN, which draws on the deliciousness of fat and the Ajinomoto Group's proprietary kokumi substances, became a major hit.



Coffee products

Ajinomoto General Foods, Inc. was incorporated into the scope of consolidation. In addition, the Ajinomoto Group accelerated the pace for synergy generation, including the fusions of technologies in the Company's R&D activities as well as marketing collaborations and joint purchasing in Japan.



Overview by Segment



International Food Products

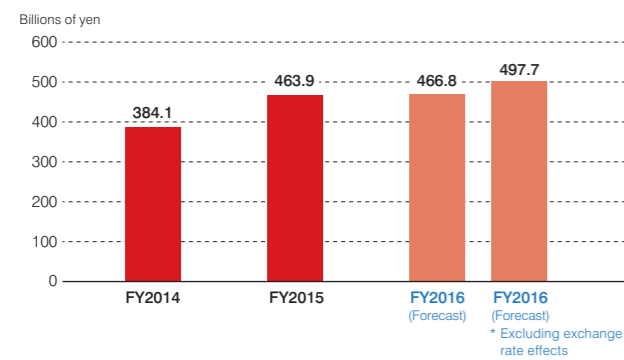
Business Strengths

- Well-established global systems for development, production, and sales
- Product development and marketing capabilities
- Overseas business infrastructure

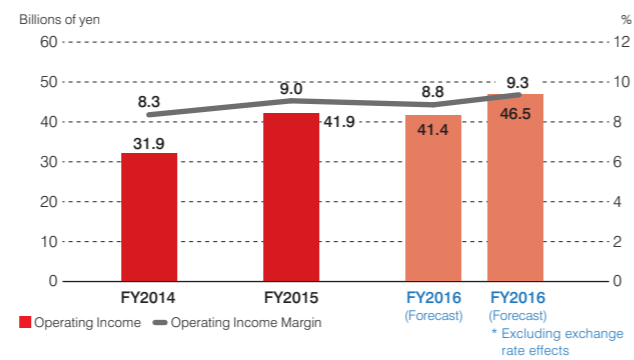
Net Sales and Operating Income / Operating Income Margin Trends

(Based on business segments applied from FY2016)

Net Sales



Operating Income / Operating Income Margin



Life Support

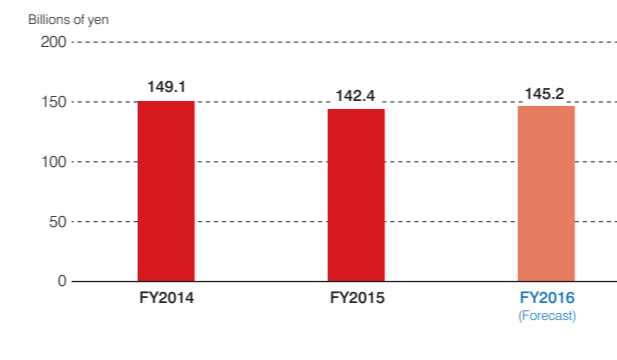
Business Strengths

- World-class fermentation technologies
- World's largest global network for animal nutrition
- Extremely safe material development capabilities and compound evaluation technologies

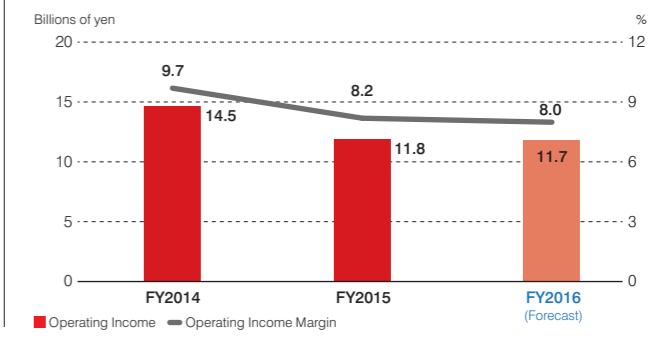
Net Sales and Operating Income / Operating Income Margin Trends

(Based on business segments applied from FY2016)

Net Sales



Operating Income / Operating Income Margin



Seasonings and processed foods

Supported by strong sales of umami seasoning *AJI-NO-MOTO*® as well as double-digit sales of flavor seasonings and menu-specific seasonings based in local currencies, sales of seasonings and processed foods increased, primarily in the "Five Stars."

With the establishment of Myanmar Ajinomoto Foods Co., Ltd. in February 2016, the Company moved forward with preparations to restart its business in Myanmar, where business activities have been suspended since April 2000.



Frozen foods

In addition to incorporating Ajinomoto Windsor, Inc. into the scope of consolidation, the Company worked to enhance its portfolio of Asian/Ethnic food products and reinforce its earnings structure by leveraging the customer base of Ajinomoto Windsor, Inc. and improving productivity in collaboration with the Ajinomoto Group.



Animal nutrition

Despite increased sales for specialty products, sales prices were significantly lower compared to the previous fiscal year, and overall sales declined due to poor market conditions for Lysine, Threonine, and Tryptophan.

Specialty chemicals

Despite a strong performance of electronic materials for servers and special-purpose ICs, sales of build-up film for CPUs of computers were down due to a sluggish computer market. As a result, overall sales declined.

Sales of the personal care products, *JINO*® increased as the Company acquired new customers through a renewal of the trial set and concentrated investments in advertising.

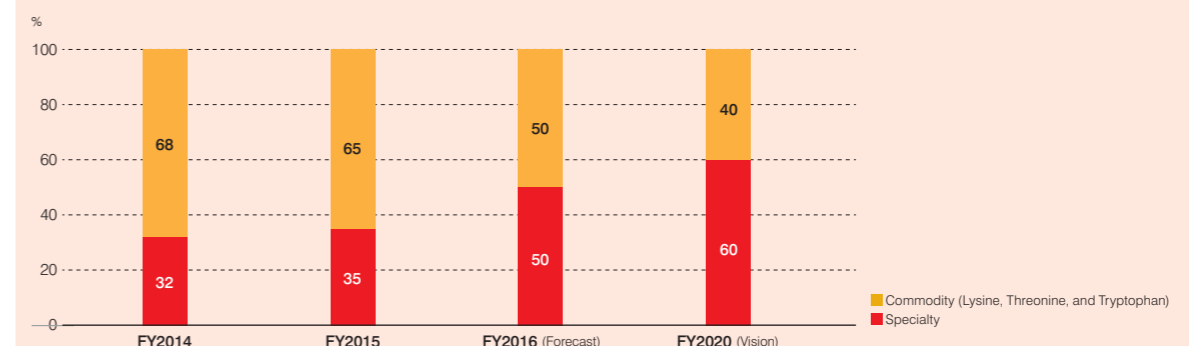
Sales of cosmetic ingredients were in good shape, primarily in Japan, Europe, and East Asia.



Sales Ratio by Geographical Area (International Seasonings / Processed Foods and International Frozen Foods)



Trend of "Specialty" Ratio of Animal Nutrition (Operating Income Margin Base)



Overview by Segment



Healthcare

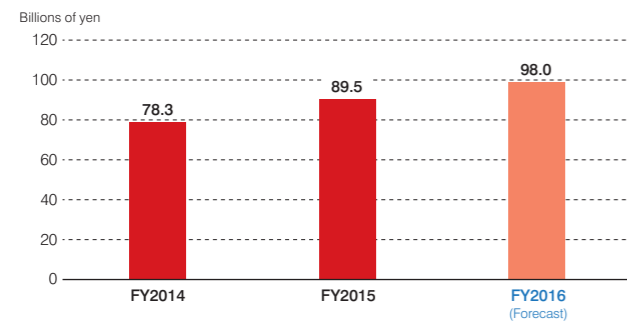
Business Strengths

- Stable supply capacity as the world's largest manufacturer of amino acids
- World-class fermentation technologies
- Abundant amount of knowledge and research technology related to amino acid function

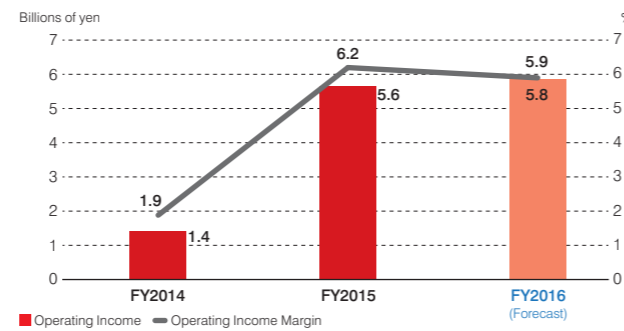
Net Sales and Operating Income / Operating Income Margin Trends

(Based on business segments applied from FY2016)

Net Sales



Operating Income / Operating Income Margin



Amino acids

Sales of amino acids for pharmaceuticals and foods increased mainly due to the positive impact of exchange rates for overseas sales although the domestic sales decreased. The Pharmaceutical Custom Manufacturing business recorded a significant increase in sales, derived from solid sales in Europe, North America, and Japan.

Pharmaceuticals

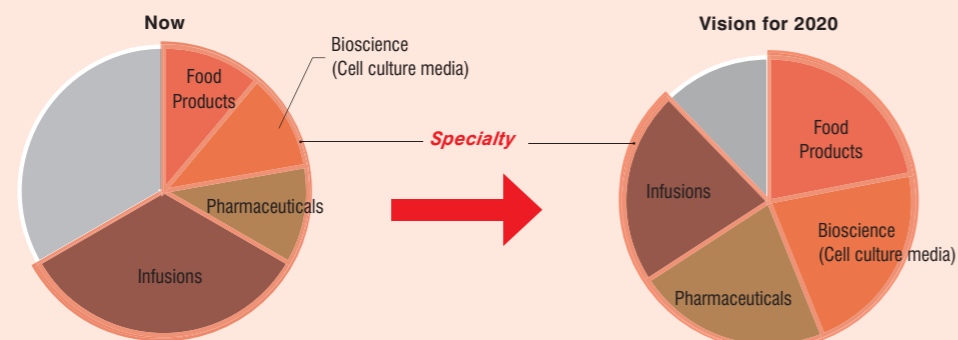
While there was fierce competition from generics and other competing products, sales of self-distributed products were almost at the level of the previous fiscal year, and sales of products sold through business tie-ups increased. However, overall sales declined due to such factors as decreased royalty income.

Others

Ajinomoto Co., Ltd. launched *Glyna*®, the first "Foods with Functional Claims" product in the domain of sleep supplements, and *Amino Aile*®, the first "Foods with Functional Claims" product in the domain of supplements to support muscle preservation, in August 2015 and April 2016, respectively. Through aggressive marketing activities that leveraged a new food labeling system that indicates functional claims, overall sales in other business rose significantly.



Changes in the "Specialty" Domain of the Healthcare Segment (Image of Sales Composition)



Financial Section

This section provides financial information for the fiscal year ended March 31, 2016.

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- 56 Ten-Year Summary of Selected Financial Data



Hiromichi Ono
Member of the Board &
Corporate Vice President

The Ajinomoto Group is steadily working toward its targets for fiscal 2016, ending March 31, 2017, based on the roadmap for becoming a “Genuine Global Specialty Company” laid out in its FY2014–2016 Medium-Term Management Plan.

Business Performance in Fiscal 2015 and Forecast for Fiscal 2016

Looking back on the business environment in fiscal 2015, ended March 31, 2016, there was a gradual recovery in the overall global economy, although signs of an economic slowdown appeared in China and other emerging countries. In the Japanese economy, despite signs of weakness in exports and production, the employment environment continued to improve and capital investment began to pick up.

Under this environment, net sales increased 17% year on year, to ¥1,185.9 billion, and operating income rose 22%, to ¥91.0 billion. Such results proved noteworthy, as we achieved record-high operating income, in addition to reaching our targets for operating income in the final year of the FY2014–2016 Medium-Term Management Plan (hereafter, the “Medium-Term Plan”) a year ahead of schedule. While stable raw material prices and favorable exchange rates helped to boost profits, the strong performance of the food business, including seasonings and processed foods, in

Japan and overseas, the inclusion of Ajinomoto General Foods, Inc. (hereafter, “AGF”) into the scope of consolidation, and the contributions from Windsor Quality Holdings, LP (hereafter, “Windsor”) throughout the year supported our solid business performance as well.

In fiscal 2016, the last year of the Medium-Term Plan, we forecast net sales of ¥1,186.0 billion and operating income of ¥91.0 billion, both at the same level as fiscal 2015, as we maintain a focus on achieving the numerical targets of the Medium-Term Plan. We are also anticipating a stronger yen against foreign currencies compared to the previous fiscal year as well as an increase in both fermentation raw materials and fuel and food product raw materials. However, our Japan food products, including those of AGF, will provide a driving force for growth, and we will work to negate the negative impact of a stronger yen and higher raw material prices in our overseas business. With “Specialty” as our weapon, we will endeavor to reach the numerical targets of the Medium-Term Plan as scheduled.

Response to Exchange Rate Risks

The Ajinomoto Group’s overseas business accounts for more than 50% of net sales and nearly 60% of operating income. While we cannot ignore country risk due to the fact that a large percentage of our business is in emerging countries, we have to continue to be extremely cautious about the risk of fluctuations in exchange rates and prices of raw materials and fuel.

To respond to these risks, the Company has adopted four measures: implementing local production for local consumption, utilizing resource-saving fermentation technologies, conducting Group-wide risk management, and maintaining a balanced possession of different kinds of currency, in addition to various other measures. In our local production for local consumption policy, we have established production bases in high-demand countries and use local materials, thereby hedging the risk of exchange rate fluctuations. For example, in Brazil, one of the “Five Stars” countries, while we leverage the country’s cheap currency, as well as procure raw materials there at a low cost to supply seasonings and amino acids to regions such as North America and Japan, we are working to minimize the risk of exchange rate fluctuations by strategically cultivating a wealth of domestic demand and increasing the percentage of local production for local consumption. As for resource-saving technologies, we are reaping the benefits of lower costs offered by these technologies through reduced fuel consumption and an improvement in production efficiency. At the same time, these technologies help to reduce risk simply by lowering the volume of raw materials we deal with. For Group-wide risk management, we have established the “Basic Policy on Risk Related to Foreign Exchange Rates” and the “Basic Policy on Risk Management for Price Fluctuations in Raw Material Procurement” and are ensuring the strict enforcement of these policies in such ways as introducing them at subsidiaries.

The risk of exchange rate fluctuations cannot be completely eliminated by calculating its impact only based on Japanese yen. Accordingly, we analyze and make reports on our businesses in each country and region based on the local currency. In this way, we are making efforts to have our shareholders and other investors understand the way in which we realize organic growth.

Approach to Growth Investments for 2020

The Ajinomoto Group adopts a policy of enhancing its ability to generate cash and preferentially setting aside cash for growth investments. For example, as a basic policy, we discover projects that could lead to future profit growth on our own and examine the various possibilities they offer. A prime example of this policy was the inclusion of AGF and Windsor in the scope of consolidation. In addition to devoting a good deal of time to negotiations and

thoroughly examining the content of the project, we also clearly identified issues to be overcome after carrying out the investment, thereby allowing us to promptly implement strategies after the business integration.

In order to realize these kinds of constructive M&A, the effective and stable procurement of the necessary investment funds for global growth is absolutely essential. As such, we place emphasis on maintaining a sound financial structure and work to preserve a high credit rating. By controlling interest-bearing debt with a focus on the D/E ratio, we aim to raise funds in a flexible manner. In addition, we are taking initiatives to downsize the balance sheet, including inventories, as well as improve asset efficiency.

Going forward, we will accelerate the pace for further growth geared toward 2020 by prioritizing investments into growth fields, including capital investments, to develop specialty products and improve productivity.

Transition to IFRS

From the fiscal 2016 year-end, the Ajinomoto Group aims to adopt the International Financial Reporting Standards (IFRS) in replacement of Japanese GAAP. As we aspire to become a global top 10 class food company, the IFRS will help facilitate international comparison of financial information, which in turn will encourage communication with our stakeholders.

Regarding changes that will accompany this transition, we are anticipating an increase in operating income due to the discontinuing of amortization of goodwill and other factors. In addition, many items recorded as non-operating revenue and non-operating expenses under Japanese GAAP will be included in or subtracted from operating income, which represents an important KPI under the IFRS. As such, we forecast significant fluctuations in operating income.

At the moment, we are steadily moving forward with preparations for the transition to the IFRS. At the same time, we are examining our management approach toward operating income from a wide range of perspectives and giving consideration to the kind of communication we should be engaging in with shareholders and other investors.

Ten-Year Summary of Selected Financial Data

Ajinomoto Co., Inc. and Consolidated Subsidiaries for the Years Ended March 31

| | FY2015 | FY2014 | FY2013 | FY2012 |
|---|------------|------------|-----------|-----------|
| For the year: | | | | |
| Net sales*1 | ¥1,185,980 | ¥1,006,630 | ¥ 951,359 | ¥ 948,705 |
| Cost of sales | 768,865 | 659,509 | 635,594 | 600,630 |
| Gross profit | 417,115 | 347,121 | 315,765 | 348,076 |
| Selling, general and administrative expenses | 326,069 | 272,601 | 253,957 | 276,844 |
| Operating income | 91,045 | 74,519 | 61,807 | 71,232 |
| Non-operating income (expenses), Extraordinary gains (losses) | 9,272 | 4,529 | 10,754 | 29,595 |
| Income before income taxes and minority interests | 100,318 | 79,049 | 72,561 | 100,828 |
| Profit attributable to owners of parent (loss) | 63,592 | 46,495 | 42,159 | 48,373 |
| Capital expenditures | 58,466 | 50,927 | 50,602 | 61,590 |
| Depreciation and amortization | 50,920 | 43,376 | 45,746 | 42,463 |
| At year-end: | | | | |
| Shareholders' equity*2 | ¥ 624,245 | ¥ 669,576 | ¥ 594,950 | ¥ 635,287 |
| Total assets | 1,263,264 | 1,255,090 | 1,093,165 | 1,091,741 |
| Interest-bearing debt (net) | 43,462 | 43,299 | 10,538 | (67,187) |
| Per share (yen): | | | | |
| Net income (loss) | ¥ 108.1 | ¥ 78.5 | ¥ 68.7 | ¥ 74.4 |
| Net assets*2 | 1,074.4 | 1,131.4 | 1,002.3 | 1,004.4 |
| Cash dividends | 28.0 | 24.0 | 20.0 | 18.0 |
| Value indicators: | | | | |
| Liquidity ratios: | | | | |
| Debt/equity ratio (%) ³ | 15.8 | 12.8 | 7.3 | (3.2) |
| Interest coverage ratio (times) ⁴ | 57.1 | 50.4 | 31.0 | 45.0 |
| Investment indicators: | | | | |
| Price/earnings ratio (times) ⁵ | 23.5 | 33.5 | 21.2 | 19.0 |
| Price/book value (times) ⁶ | 2.4 | 2.3 | 1.5 | 1.4 |
| Return indicators: | | | | |
| Return on assets (%) ⁷ | 5.1 | 4.0 | 3.9 | 4.4 |
| Return on equity (%) ⁸ | 9.8 | 7.4 | 7.1 | 7.8 |
| Number of employees | 33,295 | 31,312 | 27,579 | 27,518 |

*1. For the coffee and edible oils business and some other businesses, the gross figures for sales and cost of goods sales were recorded in the accounts but from FY 2013 this method changed to netting off sales and cost of goods sold and recording the net figure in the accounts. Post-reclassification basis from the year ended March 31, 2011. The following changes in accounting policies are conducted in FY2014. Sales promotion discounts paid to customers to expand sales are deducted from net sales. Figures for FY2011 and subsequent fiscal years have been restated.

*2. Net assets' equity for the years ended March 31, 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015 = Net assets - Minority interests

*3. Debt = Net debt/equity ratio = Interest-bearing debt/Shareholders' equity (Net debt is interest-bearing debt - Cash on hand and in banks x 75%)

*4. Interest coverage ratio = Net cash provided by operating activities/Interest paid

*5. PER = Year-end share price/Net income per share

*6. PBR = Year-end share price/Shareholders' equity per share

*7. ROA = Net income (or loss)/Average total assets

*8. ROE = Net income (or loss)/Average total shareholders' equity

| (Millions of yen) | | | | | | |
|---|-----------|------------|------------|------------|------------|------------|
| | FY2011 | FY2010 | FY2009 | FY2008 | FY2007 | FY2006 |
| Net sales | ¥ 972,648 | ¥1,015,215 | ¥1,170,876 | ¥1,190,371 | ¥1,216,572 | ¥1,158,510 |
| Cost of sales | 603,420 | 612,237 | 785,578 | 833,123 | 856,974 | 828,050 |
| Gross profit | 369,228 | 402,978 | 385,298 | 357,247 | 359,597 | 330,459 |
| Selling, general and administrative expenses | 296,644 | 333,604 | 321,264 | 316,420 | 299,074 | 266,658 |
| Operating income | 72,584 | 69,374 | 64,034 | 40,827 | 60,523 | 63,800 |
| Non-operating income (expenses), Extraordinary gains (losses) | (493) | (20,929) | (19,242) | (37,570) | (11,216) | (15,804) |
| Income before income taxes and minority interests | 72,091 | 48,444 | 44,791 | 3,256 | 51,849 | 55,721 |
| Profit attributable to owners of parent (loss) | 41,754 | 30,400 | 16,646 | (10,227) | 28,229 | 30,229 |
| Capital expenditures | 56,778 | 45,772 | 44,117 | 58,293 | 62,780 | 76,386 |
| Depreciation and amortization | 43,717 | 49,825 | 55,382 | 55,192 | 55,189 | 45,138 |
| Shareholders' equity | ¥ 605,349 | ¥ 608,191 | ¥ 602,769 | ¥ 585,234 | ¥ 628,325 | ¥ 563,446 |
| Total assets | 1,097,057 | 1,077,418 | 1,082,238 | 1,057,786 | 1,100,709 | 1,061,688 |
| Interest-bearing debt (net) | (19,873) | (8,410) | 50,035 | 79,832 | 63,513 | 69,265 |
| Net income (loss) | ¥ 61.3 | ¥ 43.6 | ¥ 23.9 | ¥ (14.6) | ¥ 41.9 | ¥ 46.7 |
| Net assets | 894.6 | 871.6 | 863.7 | 838.5 | 899.4 | 870.0 |
| Cash dividends | 16.0 | 16.0 | 16.0 | 16.0 | 16.0 | 15.0 |
| Debt/equity ratio (%) | 2.9 | 4.4 | 12.4 | 16.6 | 13.3 | 15.9 |
| Interest coverage ratio (times) | 42.7 | 44.8 | 28.6 | 10.5 | 11.2 | 19.4 |
| Price/earnings ratio (times) | 16.9 | 19.9 | 38.8 | - | 24.1 | 29.0 |
| Price/book value (times) | 1.2 | 1.0 | 1.1 | 0.8 | 1.1 | 1.6 |
| Return on assets (%) | 3.8 | 2.8 | 1.6 | (0.9) | 2.6 | 2.9 |
| Return on equity (%) | 6.9 | 5.0 | 2.8 | (1.7) | 4.7 | 5.5 |
| Number of employees | 28,245 | 28,084 | 27,215 | 26,869 | 25,893 | 24,733 |



Special Feature

The Ajinomoto Group is working to improve its economic value through the creation of social value. This section introduces the initiatives the Group is taking through its business.

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01

Answering the Needs of Diverse Lifestyles with *Nabe Cube*

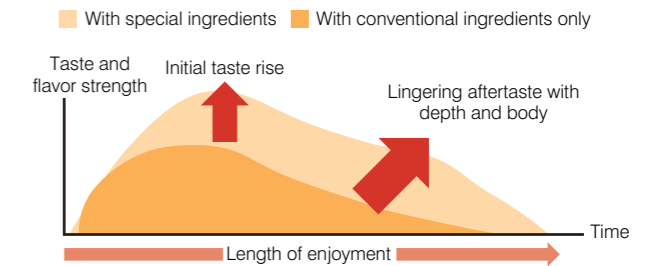
The Ajinomoto Group is developing products to meet the needs of diverse lifestyles. Conventional seasonings for hot pot dishes consist primarily of liquid soup seasonings and bottled concentrates for three to four servings. These seasonings need to be used all at once and are difficult to carry around due to their weight. For *Nabe Cube*, however, the same amount of delicious taste in an approximately 180-gram single serving of the liquid soup seasoning is condensed into one roughly 7.3-gram single-serving cube (e.g. chicken broth and umami-salt flavoring).



Concentrating Technologies to Realize One Delicious and Easy-to-Prepare Cube

A taste and flavor that expand in the mouth and provide lingering aftertaste

With the use of a new soup stock that strongly enhances flavor even when added in small quantities, in combination with ingredients that provided a deep body and rich flavor complex, we have realized a new body and depth in a sensation that began the instant the broth entered the mouth, grew rapidly due to the complex and exquisite taste of the selected extracts, then developed and lingered until the broth was swallowed.

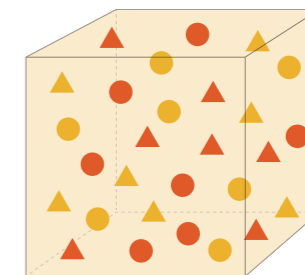


Time and taste perception

The left end of the horizontal axis represents the moment of food entering in the mouth. The right end of the horizontal axis represents the time until taste is no longer felt, including aftertaste.

Soft before cubing, strong after cubing

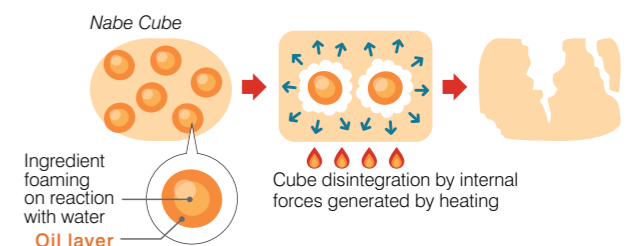
To attain uniform dispersion of the various ingredients in the cube, each ingredient had to exhibit a degree of fluidity as a powder. Following solidification in the form of a cube, the cube had to retain its shape and resist crumbling throughout the entire cycle of handling and distribution. Therefore, the development team established a process control technology that resolved these mutually conflicting requirements and achieved the necessary balance in every cube during production.



- Ingredients that are easily shaped into a cube (salt, umami seasonings, etc.)
- Ingredients that are difficult to shape into a cube (spices, extracts, etc.)
- ▲ Original ingredients that realize rich and complex flavors with only small amount
- ▲ Substituted materials for spices and extracts that can be easily shaped into a cube

A cube that quickly melts when broken up

Strong, stable cube solidification leads directly to the problem of slow dissolution. To resolve this problem, the team developed a new technology so that the cube would disintegrate from the inside by a foaming reaction with water penetrating the cube when the cube is placed in hot water. This end result is the rapidly initiated, uniform dissolution of the *Nabe Cube*.



02

Developing Flavor Seasonings Tailored to Each Country

The Ajinomoto Group has developed its operations based on local dietary cultures by thoroughly tailoring its products to match the tastes and preferences of each country for becoming No. 1 in deliciousness. For flavor seasonings in emerging countries, we have pursued deliciousness by leveraging our abilities to develop technologies such as meat extracts and have set up a robust distribution structure that centers on direct cash sales of products by local staff.

Deep understanding of local dietary culture

Research on local eating habits through surveys of families and consumers by local employees



Technological development capabilities

Product development that caters to local tastes

| | | | | |
|---|--|---|--|---|
| <p>Thailand Ros Dee®</p>  <p>With its blend of meat extracts and spices, <i>Ros Dee®</i> brand all-purpose flavor seasoning strikes the perfect balance between aroma and taste, which is an important aspect of Thai cuisine.</p> | <p>Brazil Sazón®</p>  <p><i>Sazón®</i> brand flavor seasoning is a mixed powder that blends natural spices and various kinds of seasonings in an ideal fashion.</p> | <p>Indonesia Masako®</p>  <p><i>Masako®</i> brand flavor seasoning offers a well-balanced blend of meat extracts and spices, adding a delicious touch to a wide range of dishes, from soups to stir-fries.</p> | <p>Vietnam Aji-ngon®</p>  <p><i>Aji-ngon®</i> brand flavor seasoning extracts the essence of pork thighbone and the meat itself.</p> | <p>The Philippines Ginisa</p>  <p><i>Ginisa</i> brand flavor seasoning is a well-balanced blend of garlic and onion used in the stir-fry dishes of Philippine cuisine.</p> |
|---|--|---|--|---|

In-house production of materials

Pursuit of further food safety by in-house production of meat extracts as primary materials

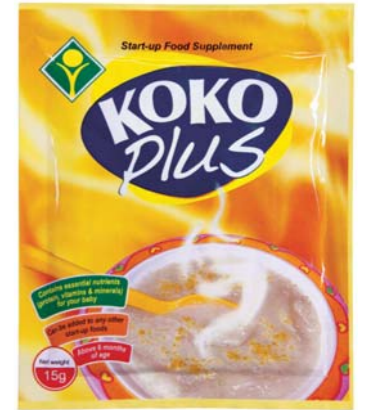


03

Promoting the “Ghana Nutrition Improvement Project”

The Ajinomoto Group launched the “Ghana Nutrition Improvement Project” in 2009 as an initiative to resolve nutrition-related issues, which are spreading across the globe. In Africa, infant malnutrition is a serious problem that has yet to be resolved. In Ghana, specifically, delayed growth in children is becoming a major issue due to the lack of nutrition among infants weaned between six months and two years old.

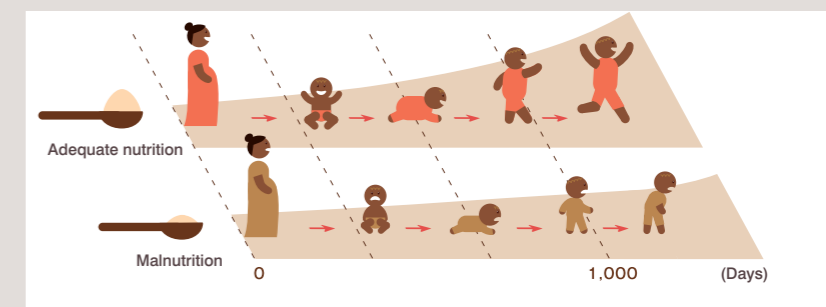
Under the “Ghana Nutrition Improvement Project,” we have developed the amino acid supplement *KOKO Plus*, which is added to the traditional Ghanaian baby food “koko”, a corn porridge, to enhance its nutritional balance. In addition to manufacturing *KOKO Plus* at local food companies in Ghana, we are working together with the Japan International Cooperation Agency, Ghana’s Ministry of Health, the University of Ghana, and international NGOs to promote the further development, spread, and sale of the supplement. For sales, we are collaborating with an international NGO that has implemented a program for the support of the self-independence of Ghanaian women, establishing a sales structure in which an all-female sales staff visits villages throughout the country to sell *KOKO Plus*.



Distribution model pilot test in Northern Ghana’s rural district. *KOKO Plus* is distributed to mothers and children by regional saleswomen in 13 communities.

Nutrition in the first 1,000 days determines a child’s growth

Approximately one-third of infant mortality cases globally are said to be caused by malnutrition. Malnutrition and stunted growth during the first 1,000 days—from conception until the child’s second birthday—increases the risk of mortality before the age of five, and impairs intellectual development.



In Ghana, 30%–40% of children aged two years display stunted height, mainly from malnutrition during weaning from age six months and beyond.

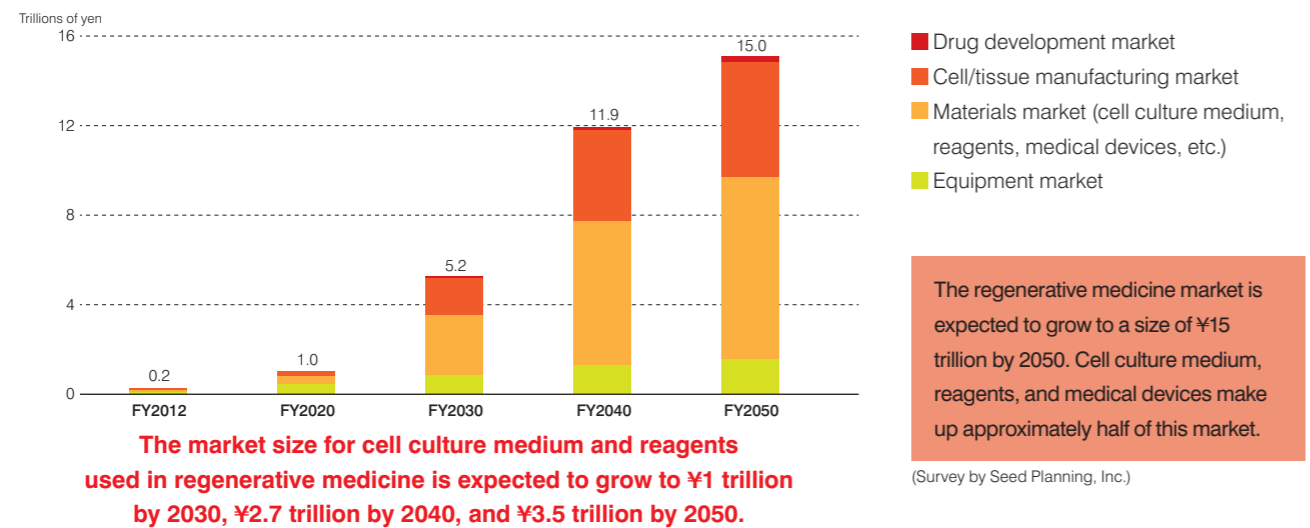
04

Developing Cell Culture Medium for Regenerative Medicine with World-Class Performance

Collaborating with Kyoto University's Center for iPS Cell Research and Application, Ajinomoto Co., Inc. has successfully developed *StemFit*[®] AK03 in 2014, an iPS and ES cell culture medium with a higher level of safety, free of animal- and human-derived components, which are typically used in regenerative medicine. Ajinomoto Co., Inc. offers *StemFit*[®] AK03 to laboratories and other facilities in Japan and the U.S. to be used as a cell culture medium for clinical research on regenerative medicine.

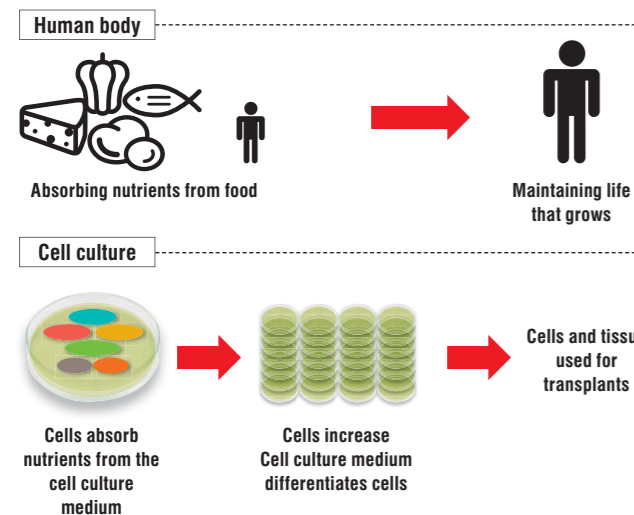
In 2015, we successfully developed *StemFit*[®] AK02N, a cell culture medium used for basic research with the same composition and performance as *StemFit*[®] AK03. *StemFit*[®] AK02N offers world-class performance as a cell culture medium for iPS and ES cell proliferation and realizes higher cost performance than the products of other companies in terms of replacement frequency, proliferation rate, and stability.

The Growing Regenerative Medicine Market



Cell Culture Medium for Regenerative Research

Cell culture medium is a nutritional liquid that contains a healthy balance of the amino acids, sugars, carbohydrates, vitamins, and minerals necessary for cells to grow. Cell culture medium increases the amount of stem cells, such as iPS cells, and is used to differentiate transplanted cells and tissue.



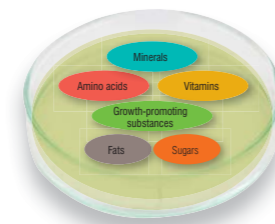
Requirements for Cell Culture Medium Used in Regenerative Medicine

Issues in the development of cell culture medium for regenerative medicine that uses iPS cells

Issue 1: Developing and providing high-performance cultures that can be used in regenerative medicine

Issue 2: Developing and providing safe cell culture medium that can be used in clinical research and medical treatment

Areas in which the Company can leverage its research on amino acid nutrition and its experience in developing biotechnologies, cell culture medium, and enteral nutrients.



By pursuing the nutrient compositions and growth-promoting substances needed to breed iPS cells, as well as producing optimal cell compositions using safe and inexpensive materials, Ajinomoto Co., Inc. is developing cell culture medium for iPS cell cultures that are used in regenerative medicine.

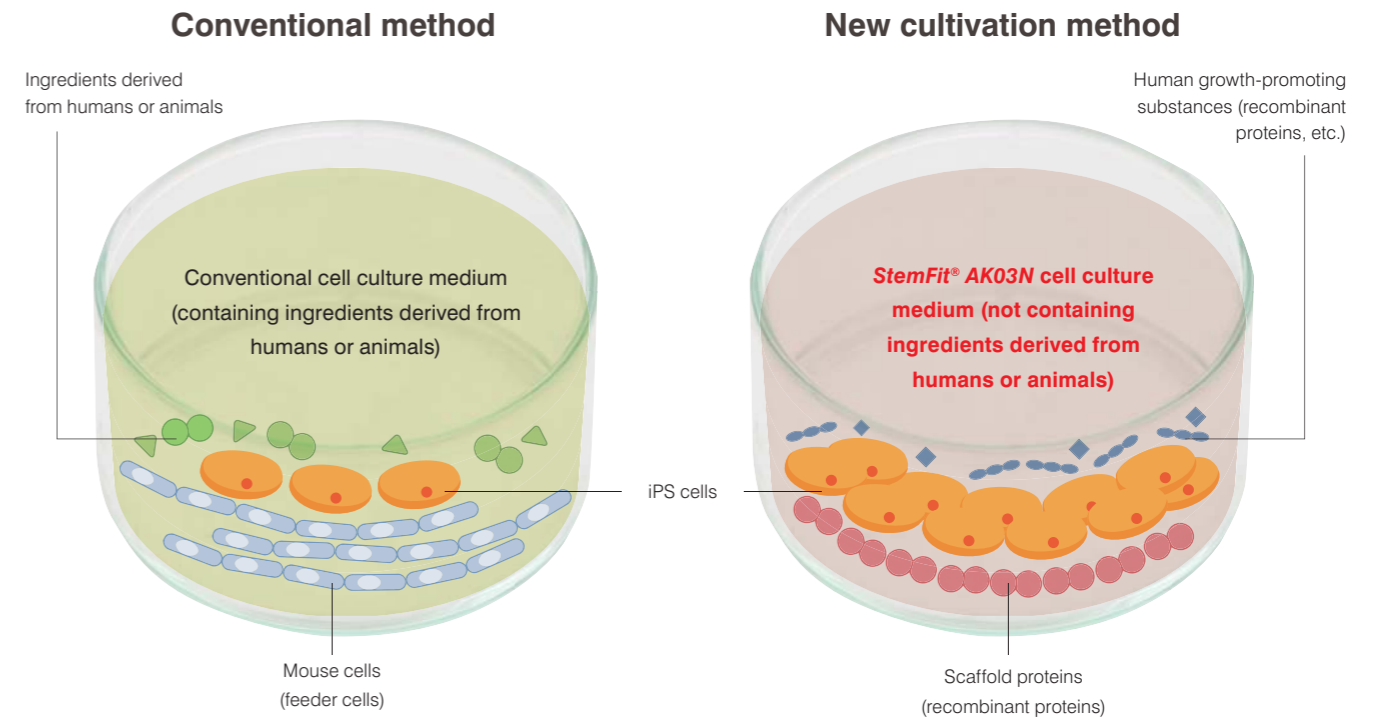
Making Long-Term Cultivation Possible with the Extra-Safe *StemFit*[®] AK03N

Combining Ajinomoto Co., Inc.'s research and compounding technologies with the expertise and research milestones of Kyoto University's Center for iPS Cell Research and Application, the Company has developed *StemFit*[®] AK03N (a new version of *StemFit*[®] AK03, a cell culture medium that allows for the stable, long-term proliferation of iPS and ES cells). The superior proliferation performance is made possible by compounding the optimal ratio of necessary growth-promoting substances within the cell culture medium.

As *StemFit*[®] AK03N is expected to be used in regenerative medicine, it uses recombinant proteins made with biotechnology to consist solely of refined substances that are completely free of animal- and human-derived components.



Methods for Cultivating iPS Cells Suitable for Transplants



Combining the Technologies of Ajinomoto Co., Inc. and Kyoto University's Center for iPS Cell Research and Application

Development of the *StemFit*[®] series of AK iPS/ES cell culture medium

Ajinomoto Co., Inc.

- **Research on amino acid nutrition and metabolism**
- **Analysis technologies**
Amino acid analysis technology: *AminoIndex*[®]
- **Compounding technologies, nutrient development, and manufacturing technologies**
Enteral nutrient *ELENTAL*[®], a serum-free cell culture medium
- **Biomass technologies**
Growth-promoting substance (proteins) production technology *CORYNEX*[®]

Kyoto University's Center for iPS Cell Research and Application (CiRA)

- **Leading edge research related to iPS cells**
Technological development related to iPS cell creation, proliferation, undifferentiated potency preservation, storage, and differentiation; evaluation techniques and analytical research mechanisms

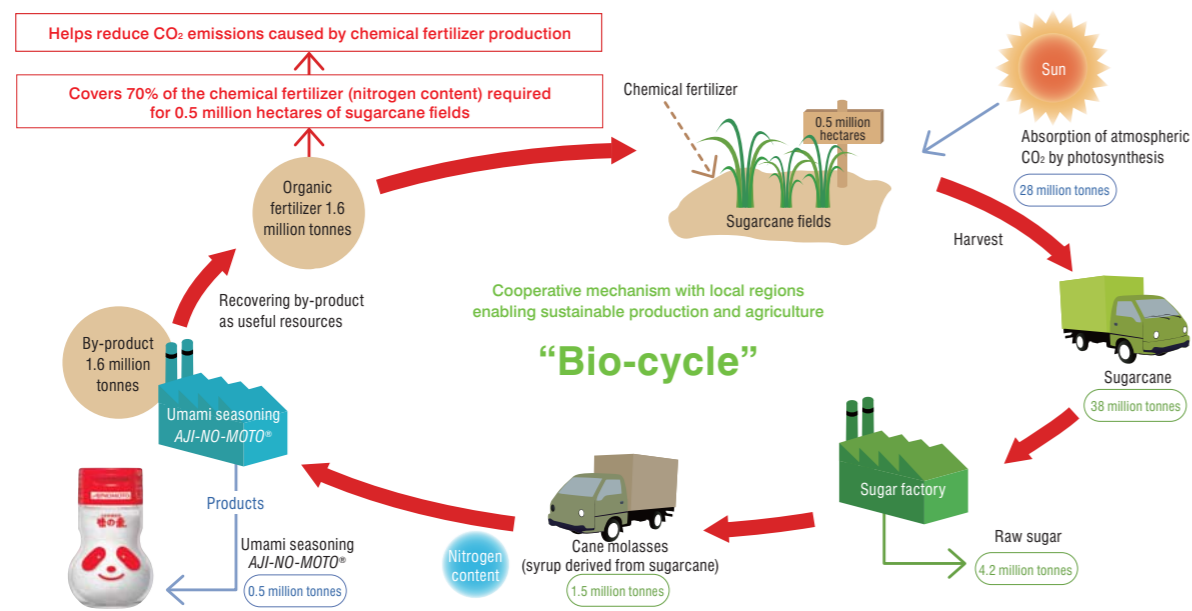
✕
Swiftly discovering an optimal organization

05

Making Amino Acid Manufacturing Sustainable with "Bio-cycle"

Amino acids used in the Ajinomoto Group's products such as umami seasoning *AJI-NO-MOTO*® are manufactured at the Group's 18 amino acid manufacturing bases located in nine countries throughout Asia, Europe, and the Americas. These amino acids are manufactured through fermentation using the agricultural materials that are readily available in each particular region, such as sugarcane, cassava, corn, sugar beets, and wheat. During the manufacturing process, nutritionally rich by-products (co-products) are left behind after the amino acids are extracted from the fermented raw materials. Nearly 100% of these co-products are used as fertilizers for crops and feed for livestock and marine life in local communities.

Through these means, we are contributing to the productivity of local agriculture while realizing the sustainable procurement of agricultural raw materials. At the Ajinomoto Group, we call this process a "bio-cycle," and for over 30 years we have been making efforts to introduce bio-cycles at all of our fermentation plants across the globe.



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 sugarcane. The values of sugarcane grown and sugar production are commonly used global figures, and the values of resources used for producing *AJI-NO-MOTO*® and of by-products are based on actual statistics from the Ajinomoto Group.



Important agricultural raw materials in amino acid manufacturing: sugarcane, corn, and cassava Using a co-product to cultivate rice

06

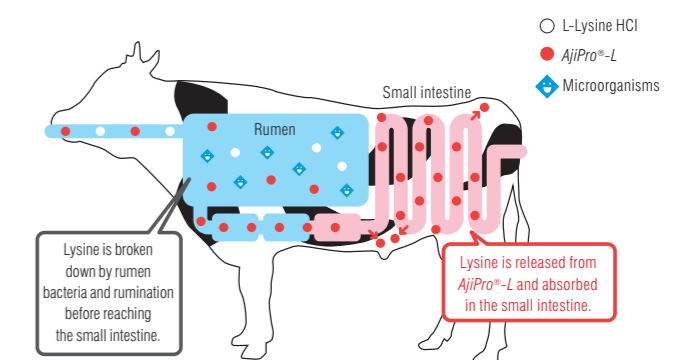
Providing the Foundation for Shifting from Commodities to Specialty Businesses with *AjiPro*®-L

Amid rising demand for meat products around the world, producing high-quality meat in a more efficient manner is an issue facing the livestock industry. With over 50 years of experience in the amino acid business for animal feed, the Ajinomoto Group has led the way in markets around the world through marketing activities backed by scientific evidence and innovative amino acid production technologies. Currently, the Group is expanding its business into the field of animal nutrition.



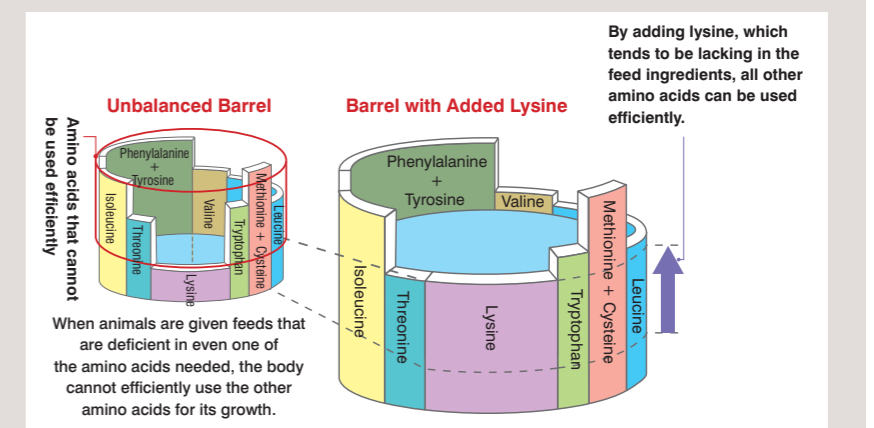
AjiPro-L pellets Dairy cow feed fortified with AjiPro-L

Since 2011, we have been selling *AjiPro*®-L rumen-protected lysine for dairy cows in North America. Cows are ruminant mammals that have four stomachs. With *AjiPro*®-L, we have turned our original amino acid processing technology into a product. This technology allows *AjiPro*®-L to reach the cow's intestine without being digested in the rumen (cow's first stomach). *AjiPro*®-L has received a high level of praise, making it the top brand of lysine for dairy cows in North America. Currently, we are engaging in initiatives geared toward launching *AjiPro*®-L in Asia, the Middle East, and Oceania. In April 2015, we commenced sales of *AjiPro*®-L in Japan.



Feed-Use Amino Acids

It is common for animal feed to lack essential amino acids such as lysine, threonine, and tryptophan. With the addition of feed-use amino acids, the other amino acids found in the feed can be used more effectively, which thereby promotes growth in livestock.



Major Subsidiaries and Affiliates

(As of March 31, 2016)

■ Consolidated subsidiary ● Affiliated company accounted for by the equity method

| Company Name | Country | Capital Stock (Thousands) | Ratio of Voting Rights (%) ^{*1} | Major Business |
|--|-------------|---------------------------|--|--|
| Japan | | | | |
| ■ Ajinomoto Frozen Foods Co., Inc. (Special subsidiary company) | Japan | JPY 9,537,650 | 100.0 | Frozen Foods |
| ■ Ajinomoto Pharmaceuticals Co., Ltd. (Special subsidiary company) | Japan | JPY 9,145,000 | 100.0 | Pharmaceuticals |
| ■ Knorr Foods Co., Ltd. | Japan | JPY 4,000,000 | 100.0 | Seasonings and Processed Foods |
| ■ Ajinomoto General Foods, Inc. (Special subsidiary company) | Japan | JPY 3,862,000 | 100.0 (5.0) | Coffee Products |
| ■ GABAN Co., Ltd. | Japan | JPY 2,827,200 | 55.4 | Seasonings and Processed Foods |
| ■ AJINOMOTO LOGISTICS CORPORATION | Japan | JPY 1,930,000 | 89.4 (0.9) | Logistics |
| ■ Ajinomoto Animal Nutrition Group, Inc. | Japan | JPY 500,000 | 100.0 | Animal Nutrition |
| ■ AJINOMOTO TREASURY MANAGEMENT, INC. | Japan | JPY 500,000 | 100.0 | Service, etc. |
| ● J-OIL MILLS, INC. | Japan | JPY 10,000,000 | 27.3 | Edible Oils |
| Asia | | | | |
| ■ Ajinomoto (Malaysia) Berhad | Malaysia | MYR 60,798 | 50.1 | Seasonings and Processed Foods |
| ■ GABAN SPICE MANUFACTURING (Malaysia) SDN. BHD. | Malaysia | MYR 38,100 | 100.0 (100.0) | Seasonings and Processed Foods |
| ■ SI AYUTTHAYA REALESTATE CO., LTD. | Thailand | THB 924,000 | 100.0 (100.0) | Service, etc. |
| ■ Ajinomoto Co., (Thailand) Ltd. | Thailand | THB 796,362 | 78.7 (4.5) | Seasonings and Processed Foods |
| ■ Ajinomoto Betagro Frozen Foods (Thailand) Co., Ltd. | Thailand | THB 764,000 | 50.0 (50.0) | Frozen Foods |
| ■ Ajinomoto SEA Regional Headquarters Co., Ltd. | Thailand | THB 715,000 | 100.0 | Service, etc. |
| ■ Fuji Ace Co., Ltd. | Thailand | THB 500,000 | 51.0 (51.0) | Packaging |
| ■ Ajinomoto Betagro Specialty Foods (Thailand) Co., Ltd. | Thailand | THB 390,000 | 51.0 (51.0) | Frozen Foods |
| ■ Ace Pack (Thailand) Co., Ltd. | Thailand | THB 277,500 | 100.0 (94.6) | Packaging |
| ■ Ajinomoto Frozen Foods (Thailand) Co., Ltd. | Thailand | THB 105,000 | 100.0 (100.0) | Frozen Foods |
| ■ PT Ajinex International | Indonesia | USD 44,000 | 95.0 | Umami Seasonings for Processed Food Mfrs. and Sweeteners |
| ■ PT Ajinomoto Indonesia | Indonesia | USD 8,000 | 51.0 | Seasonings and Processed Foods |
| ■ Ajinomoto Vietnam Co., Ltd. | Vietnam | USD 50,255 | 100.0 | Seasonings and Processed Foods |
| ■ AJINOMOTO PHILIPPINES CORPORATION | Philippines | PHP 665,444 | 95.0 | Seasonings and Processed Foods |

| Company Name | Country | Capital Stock (Thousands) | Ratio of Voting Rights (%) ^{*1} | Major Business |
|---|---------------|---------------------------|--|---|
| ■ Ajinomoto (China) Co., Ltd. (Special subsidiary company) | China | USD 104,108 | 100.0 | Seasonings and Processed Foods |
| ■ Shanghai Ajinomoto Seasoning Co., Ltd. | China | USD 27,827 | 100.0 (99.0) | Seasonings and Processed Foods |
| ■ Shanghai Ajinomoto Amino Acid Co., Ltd. | China | USD 12,000 | 61.0 (59.0) | Amino Acids |
| ■ Xiamen Ajinomoto Life Ideal Foods Co., Ltd. | China | USD 7,000 | 51.0 (51.0) | Frozen Foods |
| ■ HENAN AJINOMOTO AMINO ACID CO., LTD. | China | USD 6,000 | 100.0 (100.0) | Amino Acids |
| ■ Lianyungang Ajinomoto Frozen Foods Co., Ltd. | China | USD 5,800 | 100.0 (100.0) | Frozen Foods |
| ■ Lianyungang Ajinomoto Ruyi Foods Co., Ltd. | China | USD 5,500 | 90.0 (90.0) | Frozen Foods |
| ■ Amoy Food Ltd. | Hong Kong | HKD 148,000 | 100.0 (30.0) | Seasonings and Processed Foods |
| ■ Ajinomoto Genexine Co., Ltd. | Korea | WON 35,700,000 | 75.0 (75.0) | Amino Acids |
| The Americas | | | | |
| ■ Ajinomoto Althea, Inc. | United States | USD 0 | 100.0 | Amino Acids |
| ■ Ajinomoto Windsor, Inc. | United States | USD 15,030 | 100.0 (100.0) | Frozen Foods |
| ■ Ajinomoto Heartland, Inc. | United States | USD 750 | 100.0 (100.0) | Animal Nutrition |
| ■ Ajinomoto del Perú S.A. | Peru | PEN 45,282 | 99.6 | Seasonings and Processed Foods |
| ■ Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda. (Special subsidiary company) | Brazil | BRL 913,298 | 100.0 | Seasonings and Processed Foods, Umami Seasonings for Processed Food Mfrs. and Sweeteners, Animal Nutrition, Amino Acids |
| Europe | | | | |
| ■ S.A. Ajinomoto OmniChem N.V. | Belgium | EUR 21,320 | 100.0 (0.0) | Amino Acids |
| ■ ZAO AJINOMOTO-GENETIKA Research Institute | Russia | RBL 468,152 | 100.0 | Service, etc. |
| ■ AJINOMOTO FOODS EUROPE S.A.S. (Special subsidiary company) | France | EUR 82,609 | 100.0 (0.0) | Umami Seasonings for Processed Food Mfrs. and Sweeteners |
| ■ AJINOMOTO EUROLYSINE S.A.S. (Special subsidiary company) ^{*2} | France | EUR 26,865 | 100.0 (100.0) | Animal Nutrition |
| ■ Ajinomoto Poland Sp. z o.o. | Poland | PLN 39,510 | 100.0 (100.0) | Seasonings and Processed Foods |
| ■ West African Seasoning Co., Ltd. | Nigeria | NGN 2,623,714 | 100.0 | Seasonings and Processed Foods |

^{*1} Numbers in parentheses indicate indirect equity ownership.
^{*2} AJINOMOTO EUROPE S.A.S. owns one share in the company.

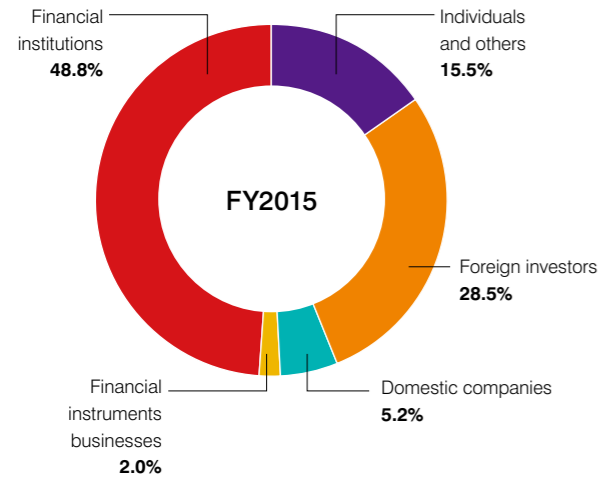
Corporate Data/Stock Information

As of March 31, 2016

Company Name: Ajinomoto Co., Inc.
Founding: May 20, 1909
Paid-in Capital: ¥79,863 million (as of March 31, 2016)
Number of Employees: 33,295 (Consolidated), 3,477 (Unit)
Fiscal Year-end: March 31
 (General meeting of shareholders: June)
Head Office: 15-1, Kyobashi 1-chome, Chuo-ku,
 Tokyo 104-8315, Japan
 Tel: +81-3-5250-8111
<http://www.ajinomoto.com/en/>

Common Stock Authorized: 1,000,000,000 shares
Issued: 583,762,654 shares
Number of Shareholders: 49,925
Listing: Tokyo Stock Exchange
 (Ticker Code: 2802)
Shareholder Registrar: Mitsubishi UFJ Trust and
 Banking Corporation
Independent Auditor: Ernst & Young ShinNihon

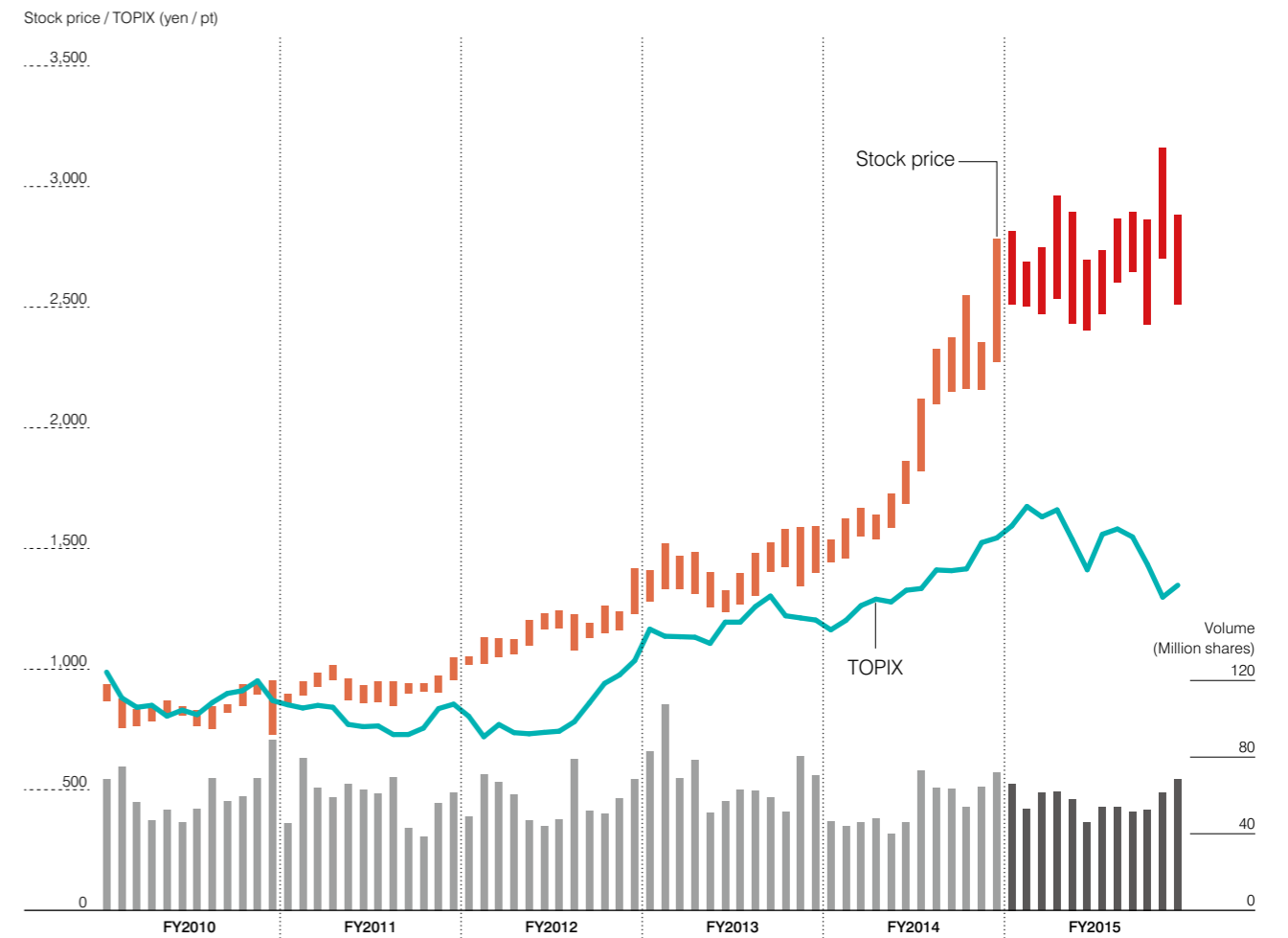
Distribution of Shareholders (By number of shares)



Major Shareholders

| Name of Shareholders | Number of Shares (Thousands) | Equity Position (%) |
|--|------------------------------|---------------------|
| The Master Trust Bank of Japan, Ltd. (trust account) | 50,554 | 8.66 |
| Japan Trustee Services Bank, Ltd. (trust account) | 34,585 | 5.92 |
| The Dai-ichi Life Insurance Company, Limited | 26,199 | 4.49 |
| NIPPON LIFE INSURANCE COMPANY | 25,706 | 4.40 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 20,149 | 3.45 |
| Sompo Japan Nipponkoa Insurance Inc. | 13,239 | 2.27 |
| Meiji Yasuda Life Insurance Company | 12,624 | 2.16 |
| Mitsubishi UFJ Trust and Banking Corporation | 11,548 | 1.98 |
| Mizuho Bank, Ltd. | 10,045 | 1.72 |
| STATE STREET BANK WEST CLIENT - TREATY 505234 | 9,133 | 1.56 |

Monthly Stock Price Range and Monthly Trading Volume



Outside Evaluation

Inclusion in the SRI Index

- Dow Jones Sustainability World Index**
Since 2014, the Company has been selected for two consecutive years.

MEMBER OF
Dow Jones Sustainability Indices
 In Collaboration with RobecoSAM

- FTSE4Good Global Index**
Since 2004, the Company has been selected for 13 consecutive years.



Highly Regarded Activities

Fiscal 2015

| | |
|--|-------------------------------------|
| IR Grand Prix Award at the 20th IR Awards | |
| Minister of the Environment Grand Prize for Sustainable Reporting at the 19th Environmental Communication Awards | Sustainability Report 2015 |
| Top Prize in the Nikkei Social Initiative Awards by newspaper publisher Nihon Keizai Shimbun (Nikkei) | Ghana Nutrition Improvement Project |

Fiscal 2014

| | |
|---|---|
| Superior Corporate IR Award at the 19th IR Awards | |
| Grand Prize for Sustainability Reports (Ministry of the Environment), 18th Environmental Communication Awards | Sustainability Report 2014 |
| Minister's Prize (Ministry of the Environment), Eco-Products Category, 11th Eco-Products Awards | HON-DASHI packaging |
| 2014 Environment Minister's Award for Global Warming Prevention Activity | Kyushu Rikisaku Yasai and Kyushu Rikisaku Kudamono project consortium |
| Implementation of Countermeasures | |

Website Information

Detailed information (business activities, financial and non-financial data, governance, etc.) is available on the Company's website.

Sustainability

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



Investor Relations

<http://www.ajinomoto.com/en/ir>



Medium-Term Management Plan
http://www.ajinomoto.com/en/ir/library/fin_quart.html

Corporate Governance Policies
http://www.ajinomoto.com/en/ir/pdf/Governance_E.pdf