Notes:
1. **This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.**
2. **Pictures, graphs and reference matters in the Japanese original have been omitted from this translated document.**
3. **The date and time referred in this document is based on Japan Standard Time.**

Stock Code: 2802

NOTICE OF CONVOCATION OF THE 142nd ORDINARY GENERAL MEETING OF SHAREHOLDERS

1. **Date: 10 a.m. (doors open at 9:00 a.m.), Wednesday, June 24, 2020**

2. **Place: Imperial Hotel Tokyo (Peacock Room, 2nd floor, main building)**
   1-1, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo
   * For the purpose of social distancing, seats inside the venue will be arranged with sufficient spacing, and depending on the level of congestion, attendees may be restricted from entering the secondary venue.

3. **Agenda of the Meeting:**

   Matters to be Reported:

   1. Report on contents of the Business Report, Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit & Supervisory Board on the Consolidated Financial Statements, for the 142nd Fiscal Year (from April 1, 2019 to March 31, 2020)

   2. Report on contents of Non-Consolidated Financial Statements for the 142nd Fiscal Year (from April 1, 2019 to March 31, 2020)

   Matters to be Resolved:

   Proposal 1: Appropriation of Surplus
   Proposal 2: Partial Changes to the Articles of Incorporation
   Proposal 3: Election of 4 Auditors
   Proposal 4: Partial amendment of Medium-Term Company Performance-linked Stock Compensation System for Officers, etc.
   Proposal 5: Election of an Accounting Auditor

4. **Exercising Your Voting Rights When You are Unable to Attend the Meeting:**
   If you are unable to attend the meeting, you may exercise your voting rights in writing (by the Exercise of Voting Rights Form) or by an electronic method (via Internet). In such case, please refer to the attached "Reference Documents for Shareholders' Meeting" and exercise your voting rights by 4:30 p.m., Tuesday June 23, 2020.

-If any changes are required in the Reference Documents for Shareholders' Meeting, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements, the changes will be immediately posted on the Company's website, located at: https://www.ajinomoto.com/jp/ir/event/meeting.html.

Our response to COVID-19

Due to ongoing concern regarding the spread of the novel coronavirus (COVID-19), from the standpoint of shareholder safety, we ask that you refrain from attending the Meeting this year and instead vote by mail or via the Internet.

Shareholders attending the Meeting are kindly requested to wear a mask and take measures to protect themselves and others from infection.

Our officers and staff at the Meeting venue will have checked their own physical condition and will wear masks.

As a further step to prevent the spread of infection, we will conduct temperature measurements and hand sterilization for the shareholders attending the Meeting. Shareholders who appear to be unwell may be requested by our staff to refrain from joining the Meeting. In addition, the proceedings of this Meeting will be shortened to help prevent the potential spread of infection.

We ask for your understanding and cooperation. If there is a major change in the holding of the General Meeting of Shareholders due to future circumstances, we will inform you via the website below.

https://www.ajinomoto.co.jp/company/jp/ir/event/meeting.html

Exercising Your Voting Rights:

-To vote in writing:

Please indicate on the enclosed Voting Form, your votes for or against the proposals, and return the Form. In the event that your votes, for or against the proposals are not indicated on the Form for each of the proposals, your votes will be deemed as in favor of the proposals.

Deadline for voting: delivery no later than 4:30 p.m., Tuesday, June 23, 2020

-To vote via internet:

Please refer to "Exercising Your Voting Rights Via Internet" (below) and cast your votes for or against the proposals.

Deadline for voting: no later than 4:30 p.m., Tuesday, June 23, 2020

-How to fill out the Voting Form:

Please indicate your votes for or against each proposal.

(If for or against a proposal is not indicated on the Voting Form, the votes will be deemed as in favor of the proposal.)

Proposal 1:

-For: Mark a circle in the box marked "賛".

-Against: Mark a circle in the box marked "否".

Proposal 2:

-For: Mark a circle in the box marked "賛".

-Against: Mark a circle in the box marked "否".

Proposal 3:

-For all candidates: Mark a circle in the box marked "賛".

-Against all candidates: Mark a circle in the box marked "否".

-Against some candidates: Mark a circle in the box marked "賛" and write the number of each candidate you wish to vote against.

Proposal 4:

-For: Mark a circle in the box marked "賛".

-Against: Mark a circle in the box marked "否".

Proposal 5:

-For: Mark a circle in the box marked "賛".

-Against: Mark a circle in the box marked "否".

Exercising Your Voting Rights Via Internet:

Voting Via Internet is available only in Japanese.

If you wish to exercise your voting rights via Internet, please refer to the following information before exercising your voting rights.

(1) By Scanning the QR Code
(Note: the following method of exercising voting rights is limited to a single use.)

1. Scan the QR Code
Scan the "Login QR Code" on the bottom right of the Voting Form with your smartphone.
2. Indicate whether you are for or against proposals by following the instructions on the screen.

From your second login onward, please follow the instructions below.

(2) By Entering your Login ID and Temporary Password

1. Please access the voting rights exercise website (https://evote.tr.mufg.jp/) .
2. Enter the "Login ID" and "Temporary Password" on the bottom right of the Voting Form.
3. Enter both the "New Password" and "New Password (Confirmation)" fields.
4. Please indicate your votes for or against the proposals by following the instructions on the screen.
* Deadline for exercising voting rights via Internet: no later than 4:30 p.m., Tuesday, June 23, 2020
Please be informed that the website will not be accessible from 2:00 a.m. through 5:00 a.m., every day.
5. In the event that a voting right is exercised both by Voting Form and via internet, only the vote via internet shall be deemed as valid.
6. In the event that a voting right is exercised more than once via internet, only the last vote shall be deemed as valid.

Looking back on FY2019, and the new Medium-Term Management Plan

To Our Shareholders

I would like to thank all our shareholders for their continuous support for our business.

Our initiatives in the face of the novel coronavirus disease (COVID-19)

The novel coronavirus disease (COVID-19) global pandemic is bringing rapid and unprecedented changes to the world. We would like to express our deepest sympathies and condolences to those who have passed away due to COVID-19, and also to those who are suffering from the disease. We would also like to express our sincere gratitude and appreciation to those who are working on disease prevention and treatment.

The Ajinomoto Group continues to carry out all of its business activities. We do so by gathering information on the status of our group companies around the world in real time, and by adhering to our policy of putting the safety and health of employees and their families first. Approximately 90% of employees at the head office, and sales and research departments of our core group companies in Japan are currently working from home. We also began providing intellectual property and products free of charge as a way of supporting the regions, communities, and medical personnel fighting against the coronavirus.

The fight against COVID-19 is expected to be prolonged. The Ajinomoto Group has been able to continue its business thanks to the efforts of medical personnel and many others, and we are constantly grateful for this. We will do our very best to work as a team for the sake of peoples' physical and mental health.

The effects of the novel coronavirus

COVID-19 is a major challenge for the Ajinomoto Group, but its impact on our business results for FY2019 was minimal. As a result of the pandemic and subsequent restrictions on going out, although an increase in demand for some pharmaceutical amino acids, home-use seasonings and processed foods was observed, demand for seasonings for restaurants, processed foods and amino acids for foods declined significantly. In FY2020, it is expected that some businesses will experience major declines and growth delays, with restrictions on going out or traveling overseas in each country expected to be imposed multiple times.

The Ajinomoto Group wishes to accelerate its efforts to address health issues through its daily diet and healthcare businesses, and to work hand-in-hand with communities to overcome this challenge.

Looking back on FY2019

During the FY2019, our consolidated sales decreased by 1.3% year-on-year, or ¥14.2 billion, to ¥1,100.0 billion largely owing to a dramatic decrease in animal nutrition product sales despite increases in sales of pharmaceutical custom manufacturing, and amino acids for pharmaceuticals and foods. Business profit increased by 6.4%, or ¥5.9 billion, to ¥99.2 billion, largely owing to significant profit growth in umami seasonings for processed food manufacturers, frozen foods (Japan), specialty chemicals, and coffee products despite an impairment loss on the trademark rights of Promasidor Holdings Limited ("PH") recorded in share of profit of associates and joint ventures in addition to a dramatic decline in profit from animal nutrition. Profit attributable to owners of the parent company totaled ¥18.8 billion, down 36.6%, or ¥10.8 billion.

Looking back on the previous medium-term management plan, the "2017-2019 (for 2020) Medium-Term Management Plan"

In formulating the new medium-term management plan "2020-2025 Medium-Term Management Plan," we sorted out several things: the things in the previous medium-term management plan that we could achieve; the areas where we made progress but did not reach our goals; and the things we were unable to do.

In terms of our financial goals, it became clear that the only sectors that advanced were those that offered solutions to customer issues that no other companies could, to create their competitive advantage. There was growth in sales of menu seasonings and food products compatible with changes in lifestyles, as well as significant growth in sales of health-themed Asian frozen foods and foods with functional claims. We were the leader in global market share of basic/flavor seasonings, but the rate of sales growth slowed.

In addition, it also emerged that there are businesses that are unable to achieve results even though they are striving to make structural reforms, and businesses that have generated a certain amount of profit but whose performance has remained flat or slightly declined for an extended period. The decline in our capital efficiency is another issue, with the increase in our assets due to the mergers and acquisitions that we have been promoting in recent years. To address these challenges, we positioned FY2019 as the year in which we would prepare for the New Medium-Term Management Plan. We moved forward with our asset reduction plans (our "asset light" policy) to select and focus on our priority businesses and to develop systems to achieve structural reform. Due to the impairment loss of business assets resulting from this, our EPS (Earnings Per Share) growth rate diverged significantly from the target value.

Key points of the new medium-term management plan, the "2020-2025 Medium-Term Management Plan"

The Ajinomoto Group has declared that for 2030 it is aiming to "Help people worldwide enhance healthier life by unlocking the power of amino acids."

Today the Ajinomoto Group comes into contact with some 700 million people throughout the world. By promoting health and improving eating habits through our products and services, in 10 years we are aiming to contribute to lengthen the healthy life expectancy of 1 billion people.

In our previous medium-term management plan, we set out 3-year performance targets (sales, profitability, etc.) based on the scale and efficiency of being a top-10 global food company; however, in the new plan we have laid out the following goals that we want to achieve by 2030, ten years from now.

Structural targets for 2030 (the level we need to achieve)			(FY2019 business results)
Efficiency	**The ability to earn efficiently = ROIC (*1)**	**13%**	3%
Growth potential	**Own sales growth rate = Organic growth rate (*2)**	**5%**	0.3%
Key indicators	**Core business sales ratio (*3)**	**80% or more**	66.5%
	Employee engagement score (*4)	**85% or more**	55%
	Unit price growth (*5)	**3%**	Approx. 5%

*1: Return on Invested Capital: An indicator of how much profit a company has made from the capital it has invested in its business
*2: Sales growth rate excluding the effects of non-continuous growth such as foreign exchange, accounting changes and M&A / sales of businesses
*3: Indicates seasonings, quick nourishment, frozen foods, ingredients seasonings, healthcare, and electronic materials
*4: The proportion of employees who feel that they are contributing to the realization of ASV (Ajinomoto Group Shared Value) = job satisfaction
*5: For overseas consumer products, this is an index that shows the unit price growth rate from the previous year by country and by category as a weighted average by sales

"ESG" stands for Environment, Social and Governance. In these areas, we have endeavored to reduce the following: emissions of greenhouse gases, water usage, and plastic waste. We have also striven to reduce food loss and to source sustainable raw materials for our products.

In our plans to achieve these targets, we have positioned the first 3-year period (2020 to 2022) to be the Structural Reform stage, and the next 3 -year period (2023 to 2025) to be the Regrowth stage. This 6-year period is our "2020 to 2025 Medium-Term Management Plan." (For information about the numerical targets and ESG issues in each of the two stages, see "Our tasks ahead" on page 32.)

Initiatives to become a "solution-providing company for food and health issues"

The issues that we will particularly focus on are "**the causes of metabolic syndrome**" and "**food and health challenges that accompany aging**." According to the statistics of the WHO, in many of the main countries where the Ajinomoto Group is active, the typical salt intake is at least twice the level recommended by the WHO. Around 20% of people in the global population are said to have high blood pressure. In addition, some 20% of the world's elderly are not getting enough protein and other nutrients, and this state contributes to muscular weakness and cognitive decline. These are important issues from the standpoint of one's healthy lifespan.

Amino acids, on the other hand, have a range of functions that include the ability to "make food taste delicious", "promote growth and development," "help the body recover from energy depletion", and "conditioning." While the Ajinomoto Group is the world's leading company in the area of umami-based seasonings, we have not actively promoted these important functions in markets other than Japan. Helping to "solving food and health issues" through the power of amino acids is a social contribution that we can do, which leverages our strengths, and is an important initiative to achieve sustainable sales growth for the Ajinomoto Group.

As an example of the social contribution we can make, we would like to introduce the Iwate Prefecture model (reduced salt program) that we have been involved with since 2014. Iwate Prefecture had the highest per-capita consumption of salt in the entire country. Our Company worked with local government, distributors and the media to convey the message of the important of reducing salt intake. We introduced reduced-salt products and recipes for their use and succeeded in significantly lowering salt intake in the prefecture to a level close to that of the national average. In the future, we will expand the same kinds of programs not only within Japan but also to Thailand, Brazil, and other countries overseas.

In closing, we would like to tell you about changes to peoples' perception of monosodium glutamate (MSG) that is the main ingredient of umami-based seasoning "AJI-NO-MOTO ®". Even though the safety of MSG has been demonstrated, we are concerned that labels on many products stating things like "Contains no artificial flavors" or "Contains no additives" have created misunderstanding among consumers. Our awareness programs, begun in earnest in 2018, have had effects. According to a survey conducted in the US, over 60% of respondents have positive attitudes towards MSG, and most of these people are nutritionists. There is a growing movement to use MSG the menus of major restaurant chains and in meat substitutes derived from plants. As a result of our promotion of the use of "AJI-NO-MOTO ®" in households through these kinds of campaigns to spread awareness of their salt-reducing effects and their main ingredient, FY2019 domestic sales posted a Y-on-Y increase for the first time in a decade.

The Ajinomoto Group will continue to contribute to solving a wide range of food and health issues through our products and services. We ask for your continued understanding and support.

Yours sincerely,

Takaaki Nishii
Representative Director,
President & CEO
Ajinomoto Co., Inc.
15-1 Kyobashi 1-chome
Chuo-ku, Tokyo, Japan

Reference Documents for Shareholders' Meeting

Proposal 1	Appropriation of Surplus

The Company's basic policy concerning the appropriation of surpluses in the 2017-2019 (for 2020) Medium-Term Management Plan is to manage generated cash flow through an integrated management approach of capital expenditure, R&D and M&A, concentrating resources in growth domains, while providing stable and sustainable dividend payments with a target consolidated payout ratio of 30%, exploring the possibility of flexibly implementing share repurchases, and enhancing the level of return to shareholders.

For the fiscal year under review (ended March 31, 2020) in accordance with this policy, we propose to provide a year-end dividend of ¥16 per share to shareholders (for a total annual dividend of ¥32 per share including the interim dividend of ¥16 per share, which is unchanged from the previous year).

If this proposal is approved, the consolidated dividend payout ratio for the fiscal year under review will be 93.1%. We will continue our efforts to utilize shareholders' equity efficiently and will strive to meet the expectations of our shareholders.

1. Matters related to year-end dividend

   (1) Kind of dividend assets:

   Cash

   (2) Items relating to allocation of dividend assets to shareholders and total amount of the same:

   ¥16 per share of common stock / a total of ¥8,785,007,216

   (3) Effective date of payment of dividend from surplus:

   June 25, 2020

2. Other matters related to appropriation of surplus

   There are no applicable matters.

Proposal 2	Partial Changes to the Articles of Incorporation

1. Reasons for changes

Since the Senior Advisory System has been essentially abolished, the Senior Advisor is to be deleted from the provisions of Article 27 of the Articles of Incorporation and the position of Advisor is to be replaced with Senior Corporate Advisor. This proposal aims to review the existing Senior Advisor/Advisor System (to clarify the purpose), not establish a new system.
Previously, those experienced as President or Member of the Board & Corporate Executive Deputy President were appointed to a term in office as Senior Corporate Advisor; however, in future, a person having experience as a President or Member of the Board & Corporate Executive Deputy President may be appointed to the position of Senior Corporate Advisor in 1-year terms, for a maximum period of 3 years, in limited cases where such person is engaging in important external activities, etc.
The appointment will be decided as previously by the Board of Directors following both the deliberation of the Nominating Advisory Committee comprising a majority of Outside Directors, and the deliberation of the Compensation Advisory Committee comprising a majority of Outside Directors.

2. Description of changes

The details of the changes are as follows. (Changes are indicated by underlining.)

Current Articles of Incorporation	Proposed changes
Article 27 (<u>Senior Advisor to the Board of Directors and</u> Advisor) The Company may appoint <u>Senior Advisors to the Board of Directors and</u> Advisors by a resolution of the Board of Directors.	Article 27 (<u>Senior Corporate</u> Advisor) The Company may appoint <u>Senior Corporate</u> Advisors by a resolution of the Board of Directors.

Proposal 3	Election of 4 Auditors

At the close of this Ordinary General Meeting of Shareholders, the terms of office of Corporate Auditors Yoichiro Togashi, Shizuo Tanaka, Atsushi Toki and Hiroshi Murakami will expire. Accordingly, we propose the election of the following 4 candidates for Corporate Auditor.

The basic policy of the Audit & Supervisory Board of the Company when selecting candidates for Audit & Supervisory Board Members is to ensure the sound and sustained growth of the Ajinomoto Group and to establish a high-quality corporate governance system that can stand up to the trust placed in the Company by society, and the Audit & Supervisory Board must include at least 1 individual with considerable knowledge of finance and accounting. We also have a policy of selecting 3 Audit & Supervisory Board member (external) candidates who possess advanced expertise in law or accounting, or advanced knowledge of corporate management.

The 4 Corporate Auditor candidates, based on this policy and the recommendations of the Nominating Advisory Committee, are as follows.

New appointment	Reappointment	Outside	Independent	Male	Female
= New appointment	= Reappointment	= Outside Auditor	= Independent Auditor	= Male	= Female

No.	Name	Board of Directors and Board of Corporate Auditors meeting attendance (FY2019)
1	Reappointment Male Yoichiro Togashi	Board of Directors: 18 out of 18 meetings (100%) Board of Corporate Auditors: 14 out of 14 meetings (100%)
2	Reappointment Male Shizuo Tanaka	Board of Directors: 18 out of 18 meetings (100%) Board of Corporate Auditors: 14 out of 14 meetings (100%)
3	Reappointment Male Atsushi Toki Outside Independent	Board of Directors: 17 out of 18 meetings (94%) Board of Corporate Auditors: 14 out of 14 meetings (100%)
4	New appointment Female Mami Indo Outside Independent	---

1	Reappointment Male Yoichiro Togashi	Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies
	Date of birth: February 20, 1954 Number of Company shares held: 33,767 shares Board of Directors meeting attendance: 100% (18 out of 18 meetings) Board of Corporate Auditors meeting attendance: 100% (14 out of 14 meetings)	April 1978 Joined Company July 2003 General Manager, Animal Nutrition Dept., Foreign Foods and Amino Acids Company, Ajinomoto Co., Inc. June 2007 Corporate Executive Officer July 2008 Vice President, Amino Acids Company, Ajinomoto Co., Inc. June 2011 Member of the Board & Corporate Vice President June 2011 President, Ajinomoto Co., (Thailand) Ltd. June 2013 President, Ajinomoto Animal Nutrition Group, Inc. June 2016 Audit & Supervisory Board Member (Standing) (present post)

● Reasons for nomination as a Corporate Auditor candidate:

Mr. Yoichiro Togashi has experience as a Director of our Company in making important managerial decisions and in the role of supervising the execution of duties. He also has experience as the president of one of our affiliated companies overseas. He has familiarity with and considerable insight into the business of the Ajinomoto Group.
After assuming the position of a standing Audit & Supervisory Board Member, he demonstrated his leadership with his work on the corporate governance of the Company, based on his accumulated experience and knowledge.
For these reasons, we have selected Mr. Togashi to remain as a Corporate Auditor candidate.

2	Reappointment Male Shizuo Tanaka	**Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies**
	Date of birth: June 4, 1957 Number of Company shares held: 18,611 shares Board of Directors meeting attendance: 100% (18 out of 18 meetings) Board of Corporate Auditors meeting attendance: 100% (14 out of 14 meetings)	April 1980 Joined Company July 2002 Group Manager, Financial Affairs, Finance Dept. July 2008 General Manager, Internal Auditing Dept. June 2012 Audit & Supervisory Board Member (Standing) (present post)

● Reasons for nomination as a Corporate Auditor candidate:

Mr. Shizuo Tanaka has worked in the areas of finance and internal auditing in our Company for many years and has considerable knowledge of finance and accounting.

After assuming the position of a standing Audit & Supervisory Board Member, he collaborated with the Internal Auditing Department, the Finance Department, the Corporate Audit Office and other related divisions, to properly fulfill his role in the supervision of the performance of duties of the Directors, based on the experience and knowledge he had accumulated.

For these reasons, we have selected Mr. Tanaka to remain as a Corporate Auditor candidate.

3	Reappointment Outside Independent Male	Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies
	Atsushi Toki	April 1983 Registered as an attorney April 1989 Partner, Okudaira-Toki Law Office April 1997 Representative, Meitetsu Law Office (currently the Seiwa Meitetsu Law Office) December 2001 Outside Corporate Auditor, Maruyama Mfg. Co., Inc. May 2003 Outside Director, Parco Co., Ltd. June 2003 Outside Corporate Auditor, Credit Saison Co., Ltd. March 2008 Partner, Seiwa Meitetsu Law Office December 2015 Outside Director, Maruyama Mfg. Co., Inc. (present post) June 2016 Outside Director, GEOSTR Corporation (present post) September 2018 Representative, Meitetsu Law Office (present post) (Important positions currently held in other companies) Representative, Meitetsu Law Office Outside Director/Auditor and Supervisory Committee member, Maruyama Mfg Co., Inc. Outside Director, GEOSTR Corporation
	Date of birth: May 19, 1955 Number of Company shares held: 5,100 shares Board of Directors meeting attendance: 94% (17 out of 18 meetings) Corporate Auditor meeting attendance: 100% (14 out of 14 meetings)	

● Special items relating to nomination as an Audit & Supervisory Board Member (External) candidate:

Mr. Atsushi Toki is an Audit & Supervisory Board Member (External) candidate under Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act. Mr. Toki was approved as an Audit & Supervisory Board Member (External) at the 138th Ordinary General Meeting of Shareholders on June 27, 2017, and his term of office will be 4 years at the end of this Meeting.

● Reasons for nomination as an Audit & Supervisory Board Member (External) candidate:

Mr. Atsushi Toki has specialized knowledge as a lawyer and has a wealth of experience. Mr. Toki utilizes his extensive knowledge relating to corporate law and actively participates from his legal perspective in meetings of the Board of Directors, and has made a significant contribution to the strengthening of our Company's auditing functions and systems of corporate governance.
For these reasons, we have selected Mr. Toki to remain as an Audit & Supervisory Board Member (External) candidate.
Furthermore, although Mr. Toki has not been involved in the management of companies except by becoming an Outside Director and Outside Corporate Auditor, we deem that for the reasons mentioned above, he will be able to faithfully carry out his duties as an Audit & Supervisory Board Member (External).

● The independence of this officer

We have designated Mr. Atsushi Toki to be an independent officer under the stipulations of the Tokyo Stock Exchange and have registered this decision with the Exchange.
If the reappointment of Mr. Toki is approved, we will continue to designate him to be an independent officer.
For information on Company standards for determining the independence of outside officers, please refer to page 14.

● Summary of limited liability agreements

The Company has entered into an agreement with Mr. Atsushi Toki to limit liability for damages under Article 427, Paragraph 1 of the Companies Act.
Financial limitations on liability for damage based on this Agreement shall be the aggregate amount as stipulated in the respective items of Article 425, Paragraph 1 of the Companies Act.
If the reappointment of Mr. Toki is approved, this Agreement shall be continued.

4	New Appointment Outside Independent Female

Mami Indo

Date of birth:
November 6, 1962

Number of Company shares held:
0 shares

Board of Directors meeting attendance: --%

Corporate Auditor meeting attendance: --%

Biographical Outline, Position, Responsibility, and Important Positions Currently Held in Other Companies

April 1985	Joined Daiwa Securities Co., Ltd.
August 1989	Transferred to Daiwa Institute of Research Ltd.
April 2004	Transferred to Daiwa Securities SMBC Co., Ltd (currently Daiwa Securities Co., Ltd.)
April 2006	External Director, Daiwa Investor Relations Co., Ltd.
October 2007	Transferred to Daiwa Institute of Research Ltd.
April 2009	Deputy Executive Officer of Consulting Division, Daiwa Institute of Research Ltd.
August 2010	Senior Managing Director, Executive Officer of Consulting Division, Daiwa Institute of Research Ltd.
April 2013	Executive Managing Director, Deputy Executive Officer of Research Division, Daiwa Institute of Research Ltd.
April 2016	Senior Executive Director, Daiwa Institute of Research Ltd.
December 2016	Member of Securities and Exchange Surveillance Commission

● Special items relating to nomination as an Audit & Supervisory Board Member (External) candidate:

Ms. Mami Indo is a candidate for Audit & Supervisory Board Member (External) under Article 2, paragraph 3, item 8 of the Ordinance for Enforcement of the Companies Act.

● Reasons for nomination as a candidate for Audit & Supervisory Board Member (External):

Ms. Mami Indo, in addition to many years of extensive experience working for securities companies and think tanks, has worked in the Securities and Exchange Surveillance Commission. Her achievements and insights are highly regarded both inside and outside of our Company. We hope that she will utilize this knowledge in the performance of her duties as an Audit & Supervisory Board Member (External).
For these reasons, we have selected Ms. Indo to be an Audit & Supervisory Board Member (External) candidate.

● Matters related to independent officers

Upon approval, we plan to appoint Ms. Mami Indo as an independent officer under the stipulations of the Tokyo Stock Exchange and to register this decision with the Exchange.
For information on Company standards for determining the independence of outside officers, please refer to page 14.

● Summary of limited liability agreements

If the appointment of Ms. Indo is approved, the Company will enter into an agreement with her to limit liability for damages under Article 427, Paragraph 1 of the Companies Act.
Financial limitations on liability for damage based on this agreement shall be the aggregate amount as stipulated in the respective items of Article 425, Paragraph 1 of the Companies Act.

(Reference) Standards for Determining the Independence of Outside Officers

An outside director or Audit & Supervisory Board Member (External) is deemed to be independent in cases in which none of the following criteria apply.

(1) Said person regards the Company as a key customer, or is an executive officer for such a party.
(2) Said person is a key customer of the Company, or is an executive officer for such a party.
(3) Said person is a consultant, accounting specialist or legal specialist who has received substantial monetary or other assets (other than director compensation) from the Company (if the person receiving said assets is a corporate entity, association, or other such organization, this stipulation extends to members of that organization).
(4) Said person who fell under criteria (1), (2), or (3) above at any time within a one-year period before the proposed appointment.
(5) Said person is a relative (a relative up through the second degree of kinship) of any person (other than those deemed unimportant) falling under criteria ①, ②, or ③ below.
 ① A person falling under criteria (1), (2), (3), or (4) above.
 ② A person who is an executive officer in a subsidiary of the Company (with regards to a proposed appointment of an Audit & Supervisory Board Member (External) to a position as an independent officer, this criterion also includes a director who is not an executive officer).
 ③ A person who fell under criterion above or who was an executive officer in the Company (with regards to a proposed appointment of an Audit & Supervisory Board Member (External) to a position as independent director, this criterion also includes a director or Audit & Supervisory Board Member auditor who is not an executive officer), at any time within a one-year period before the proposed appointment.

(Notes) 1. A person who "regards the Company as a key customer," refers to a person who, within the most recent business year, has received from the Company an amount corresponding to 2% of that party's annual consolidated sales or ¥100 million, whichever is higher.
2. A person who is "a key customer of the Company," refers to a person who, within the most recent business year, has paid to the Company an amount corresponding to 2% of our annual consolidated sales or ¥100 million, whichever is higher.
3. A person who "has received substantial monetary or other assets from the Company," refers to a person who, within the most recent business year, has received from the Company monies/property in an amount corresponding to 2% of that party's sales/total revenues or ¥10 million, whichever is higher.

Proposal 4 — Partial amendment of Medium-Term Company Performance-linked Stock Compensation System for Officers, etc.

This Proposal is a request to amend the Medium-Term Company Performance-linked Stock Compensation System for Officers, etc. (hereinafter, "this System") for Directors (excluding Outside Directors) and Corporate Executive Officers and Corporate Fellows (or Councilors) (excluding those who are non-residents of Japan, hereinafter collectively referred to as "Officers, etc."), approved at the 139th Ordinary General Meeting of Shareholders on June 27, 2017.
The 3 fiscal years which this System initially intended to apply to (from April 1, 2017 to March 31, 2020) has ended. We wish to continue this System for the next 3 fiscal years (from April 1, 2020 to March 31, 2023), however we request approval of this Proposal that calls for the amendment to the details of the performance linkage. Specifically, the evaluation indicators and variation range in compensation for the achievement of the 2020-2025 New Medium-Term Management Plan (hereinafter "New Medium-Term Management Plan") will be revised and will include necessary changes due to the extension of this System. The ratio of performance-linked compensation at the point that the targets are met, including short- and medium-term, to the total amount of compensation for Officers, etc. is 50%, which is unchanged. The amendment and continuance of this System has been deliberated and reported on by the Compensation Advisory Committee and are considered appropriate.
6 Directors, 32 Corporate Executive Officers (excluding those concurrently serving as Directors), and 21 Corporate Fellows (or Councilors) shall be targets of this System upon the commencement of the amended System.

Details of compensation in this System
This System will be implemented over the evaluation period, the first 3 years of the New Medium-Term Management Plan beginning April 1, 2020 (hereinafter, the "Period"), where a stock-granting trust created by the Company as the trustor (hereinafter "Trust") acquires Company shares by spending the money contributed by the Company and executes the granting or payment (hereinafter "Grants, etc.") of Company shares and cash in the amount equivalent to the conversion value of Company shares (hereinafter "Company shares, etc.") to the Officers, etc. at the end of the Period depending on their respective job positions and the extent to which the targets of evaluation indicators have been fulfilled. The details of the compensation in this System are as follows. The items that have been changed are indicated in **bold** text.

Persons entitled to the System	**Persons who are Directors of the Company during the Period (excluding Outside Directors), Corporate Executive Officers or Corporate Fellows (or Councilors) of the Company during the Period (excluding those who are non-residents of Japan throughout the Period, and those who have retired from the Company by June 30, 2020).**
Period	**Three years from April 1, 2020 to March 31, 2023**
Maximum amount of money that can be contributed to the Trust by the Company	A total of ¥2.2 billion per Period
	This is the total amount of Company shares (book value) and cash remaining in the Trust assets on the last day (August 31, 2020) of the Trust period prior to its extension, plus the total of additional contribution amount to the Trust.
Maximum number of Company shares that can be acquired by the Trust and subject to Grants, etc.	1.1 million shares per Period (Approx. 0.20% of the number of shares outstanding)

<table>
<tr><td rowspan="3">Details of the link to Company performance</td><td colspan="2">

A. Evaluation indicators

The following five items are used as evaluation indicators. If the ROIC (Return on Invested Capital) achievement rate, proportion of core business sales achievement rate, and relative TSR are below 80% of the target, and if the employee engagement and ESG targets are not achieved based on self-evaluation, no compensation will be provided for those evaluation indicators.

<table>
<tr><th>Evaluation indicator</th><th>Target</th><th>Evaluation weighting</th></tr>
<tr><td>ROIC (Return on Invested Capital) achievement rate*1</td><td>8.0%</td><td>60%</td></tr>
<tr><td>Proportion of core business sales achievement rate*2</td><td>70%</td><td>20%</td></tr>
<tr><td>Relative TSR*3</td><td>1</td><td>10%</td></tr>
<tr><td>Employee engagement*4</td><td>-</td><td>5%</td></tr>
<tr><td>ESG targets*5</td><td>-</td><td>5%</td></tr>
</table>

*1. Weighted average of target achievement rate in each fiscal year of the Period
(Weighted average weight: 25% in FY2020, 25% in FY2021, 50% in FY2022)
ROIC (Return on Invested Capital) is calculated using the method shown below (all values are on a consolidated basis).
.: ROIC = (Operating income after tax for the fiscal year) ÷ {(Capital invested in that fiscal year) + (Capital invested in the previous fiscal year) ÷ 2}
* Invested capital = Shareholders' equity attributable to the owners of the parent company + interest-bearing debt

*2. Rate of achievement of FY2022 target
The proportion of core business sales is calculated using the method shown below (all values are on a consolidated basis)
.: Proportion of core business sales = (Core business sales in FY2022) ÷ (Consolidated sales in FY2022)

*3. Rate of achievement of FY2022 target
Relative TSR is calculated using the method shown below.
.: Relative TSR = (Total shareholder return on the last day of the most recent fiscal year) ÷ (TOPIX total shareholder return including dividends for the period corresponding to the Company's total shareholder yield calculation period)

*4. Self-evaluation of the results of the employee engagement survey, the initiatives stated in the new Medium-Term Management Plan and the degree of achievement of these initiatives

*5. Self-evaluation of the initiatives taken towards the ESG targets in the New Medium-Term Management Plan and the degree of achievement of these initiatives

</td></tr>
<tr><td colspan="2">B. Range of variation in Medium-Term Company Performance-linked compensation
The standard level of fulfillment of targets is 100%. Compensation will vary from 0% to 200%</td></tr>
<tr><td colspan="2">In the case that this System is continued in the future, the content of A. and B. above may be changed by resolution of the Board of Directors in accordance with the core management indicators set out in the Medium-Term Management Plan.</td></tr>
<tr><td rowspan="2">No. of Company shares, etc. subject to Grants, etc. to Officers, etc.</td><td colspan="2">The number calculated by dividing the total amount of Medium-Term Company Performance-linked compensation determined based on the Medium-Term Company Performance evaluation indicator by respective job position according to the achievement rate and weighting of the above five items, by the closing price (¥2,010.5) of Company stock on March 31, 2020. The number shall be rounded down to the nearest 100 shares.</td></tr>
<tr><td colspan="2">If Company shares belonging to the Trust have increased or decreased during the Trust period due to share split, gratis share allotment, share consolidation, etc., the number of Company shares, etc. subject to Grants, etc. shall be adjusted, depending on the split ratio, etc.</td></tr>
<tr><td>Timing and description</td><td>a. Timing</td><td>In principle, the Grants etc., will be executed on a certain day after the end of</td></tr>
</table>

<table>
<tr><td rowspan="4">of Grants, etc. of Company shares, etc. to Officers, etc.</td><td rowspan="2"></td><td>the Period.</td></tr>
<tr><td>The Grants, etc. will be made in and after the month of July following the end of the Period, to Officers, etc. who satisfy the conditions for receipt of the compensation.</td></tr>
<tr><td rowspan="2">b. Description</td><td>Granting of Company shares and payment in cash of the amount equivalent to the conversion value of Company shares</td></tr>
<tr><td>50% of the number of Company shares etc., subject to Grants, etc. will be granted through Company shares (of which portions falling short of 100 shares are subject to conversion into cash). The remaining 50% of Company shares shall be converted in the Trust and a cash equivalent shall be granted, for use in tax payments such as the payment of income tax.</td></tr>
<tr><td rowspan="2">Timing and description of Grants, etc. of Company shares, etc. to Officers, etc.</td><td rowspan="2">c. Interim Resignation, etc.</td><td>During the period, if an Officer, etc. resigns (excluding cases of resignation due to personal reasons, against the wishes of the Company), dies or becomes a non-resident of Japan (hereinafter, such Officers, etc. will be referred to as “Retirees, etc.”), the number of Company shares to be granted to the Retiree, etc., shall be executed on a monthly pro-rata basis for his/her term of office, based on the evaluation that they have been applied. In the event of death or becoming a non-resident of Japan, the number of Company shares calculated on a monthly pro-rata basis in proportion to his/her term of office will be converted and a cash equivalent shall be granted.</td></tr>
<tr><td>The calculation period that is the denominator pertaining to the monthly pro-rata basis according to the time in office shall be 36 months, from the month subsequent to the month in which the first Ordinary General Meeting of Shareholders after the commencement of the Period is held, until the month in which the first Ordinary General Meeting of Shareholders after the end of the Period is held.</td></tr>
<tr><td>Method of acquisition of Company shares by the Trust</td><td colspan="2">Shares shall be acquired from the stock market.</td></tr>
<tr><td>Exercise of voting rights pertaining to Company shares in the Trust</td><td colspan="2">To ensure impartiality with management, the Trust shall not exercise its voting rights</td></tr>
<tr><td>Treatment of distribution of surplus funds pertaining to Company shares in the Trust</td><td colspan="2">Distribution of surplus funds pertaining to Company shares in the Trust will be received by the Trust and earmarked for Trust compensation and Trust expenses. In addition, the cash remaining in the Trust after distribution to the beneficiaries at the end of the term of the Trust period within the extent of the trust expense reserve shall belong to the Company. The amount that exceeds the extent of the trust expense reserve shall be donated to an organization in which neither the Company nor Officers, etc. have any interest.</td></tr>
<tr><td>Handling after the expiry of the Trust period</td><td colspan="2">Upon the winding up of the Trust after the Trust period expiry, the Trust will transfer the remaining shares in the Trust to the Company free of charge, and the Company will cancel the shares by resolution of the Board of Directors, as a measure to generate shareholder returns.</td></tr>
<tr><td>Other details of this System</td><td colspan="2">Other details of this System shall be decided by the Board of Directors upon the establishment of the Trust, amendment to the Trust Agreement, and additional contributions to the Trust.</td></tr>
</table>

This System shall be able to continue as before, with the new 3 fiscal years that will begin after the end of the Period being read as “the Period.” In case of the continuation of the System, the Company may extend the Trust period for further 3 years and beyond subject to the resolution of the Board of Directors, by amending the Trust Agreement and make additional contributions to the Trust. For each extended Trust period, the Company may make additional contributions to the Trust in the form of cash as the source of financing the compensation to the Officers, etc., up to the maximum amount of Trust money approved at this Ordinary General Meeting of Shareholders. The Trust may continue to execute the Grants, etc., Company shares, etc., to the Officers, etc. during the extended Trust period.

Notwithstanding the foregoing, in case of such additional contribution, if there are any remaining Company shares etc., as of the final date of the Trust period prior to extension, the remaining Company shares, etc. and additional money contributed to the Trust shall be within the limit authorized through the resolution of this Ordinary General Meeting of Shareholders.

(Reference) Overview of the System of Compensation of Directors

1. The compensation of Directors (excluding Outside Directors) (hereinafter “Directors”) comprises monthly compensation, short-term performance-linked compensation, and medium-term performance-linked compensation. The proportions of fixed compensation and performance-linked compensation are half and half. Performance-linked compensation is divided up into two parts: firstly, performance-linked compensation for a single year; and secondly, medium-term company performance-linked stock compensation during the Medium-Term Management Plan. The proportions of fixed compensation, short-term performance-linked compensation, and medium-term company performance-linked stock compensation on an annual basis when the performance target standard is reached are designed to be approximately 50:36:14. The details are as follows.

(1) Monthly compensation

This is a fixed compensation to encourage individuals to demonstrate their qualities and capabilities to drive corporate growth, and which also reflects their responsibilities. The amount of compensation is set individually for each job position.

(2) Short-term company performance-linked compensation

This compensation is an incentive to encourage appropriate management and the steady achievement of single-year performance targets. It is compensation in cash that is paid after the end of the fiscal year. After this General Shareholders' Meeting, the evaluation indicators of Directors' short-term company performance-linked compensation will be revised as follows.

Evaluation indicators	Weighting in evaluation
Sales	30%
Business profit	50%
Profit for the business year attributable to the owners of the parent company	20%

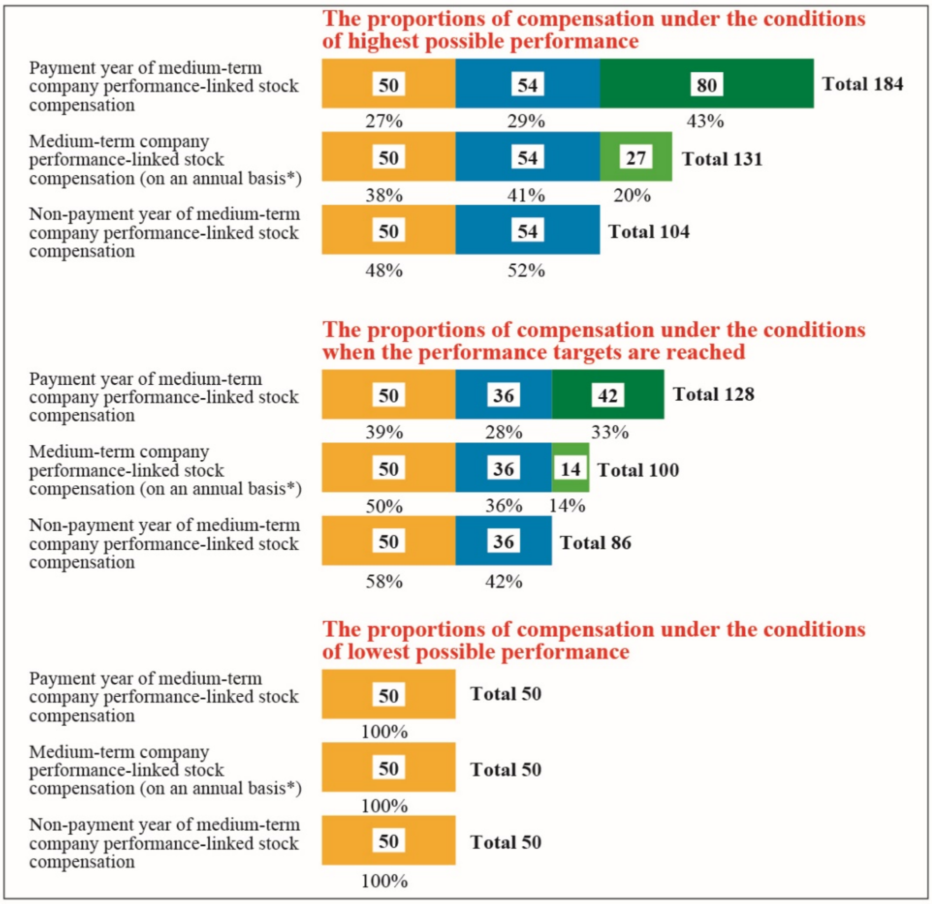
(3) Medium-term company performance-linked stock remuneration

The objectives of medium-term company performance-linked stock remuneration are to enhance the sustainable business performance of the Ajinomoto Group in the medium to long term, and to increase corporate value. It is remuneration paid in the form of Company shares and payment in cash of the amount equivalent to the conversion value of Company shares. The details of medium-term company performance-linked stock compensation are listed in Proposition 4.

If Proposition 4 is approved, the evaluation indicators of Directors' medium-term company performance-linked stock compensation will be revised as follows.

Evaluation indicators	Weighting in evaluation
ROIC (Return on Invested Capital)	60%
Core business sales	20%
Relative TSR (Total Shareholders' Return)	10%
ESG target	5%
Employee engagement	5%

1) In fiscal years when medium-term company performance-linked stock compensation is paid, short-term company performance-linked compensation and medium-term company performance-linked stock compensation accounts for a minimum of 0% and a maximum of around 72% of total compensation.
2) Short-term company performance-linked compensation accounts for a minimum of around 0% and a maximum of around 52% of total compensation in fiscal years when medium-term company performance-linked stock compensation is not paid.
3) If the total compensation (on an annual basis) when the performance targets are reached is assigned an index of 100, then the indices of total compensation under the conditions of highest possible performance and of lowest possible performance, as well as the proportions of each type of compensation in total compensation are as follows.



* "On an annual basis" means when the medium-term company performance-linked stock compensation to be paid after the end of the Medium-Term Management Plan period for the three business years is leveled and paid annually.

2. The compensation of Outside Directors

The compensation to Outside Directors is resolved by the Board of Directors on an individual basis. Only monthly compensation is paid.

Proposal 5	Election of an Accounting Auditor

The term of appointment of the Company's Accounting Auditor Ernst & Young ShinNihon LLC will end at the conclusion of this General Shareholders' Meeting. We request that a new Accounting Auditor be elected. This Proposal is submitted based on a decision by the Audit & Supervisory Board.
The reason for the Audit & Supervisory Board's selection of KPMG AZSA LLC as a candidate Accounting Auditor is the expectation that the appointment of KPMG AZSA LLC will bring a new perspective to auditing, considering the number of consecutive years of auditing work by the current Accounting Auditor. Moreover, the Audit & Supervisory Board has determined that the candidate is qualified for its expertise, independence, quality control system, and global audit system in accordance with the "Standards for Appointment and Reappointment of Accounting Auditors" established by the Board of Corporate Auditors.
The name of the candidate Accounting Auditor, the address of their main office, and a summary of their corporate history is as follows.

(As of March 31, 2020)

Name	KPMG AZSA LLC		
Office locations	Main office: 1-2, Tsukudo-cho, Shinjuku-ku Tokyo No. of offices: 12		
Corporate history	July 1985	Asahi Shinwa & Co. established	
	October 1993	Merged with Inoue Saito Eiwa Audit Corporation (established in April 1978) and changed its name to Asahi Audit Corporation	
	January 2004	Merged with AZSA & Co. (established in February 2003) and changed its name to KPMG AZSA & Co.	
	July 2010	Became a limited liability audit corporation and changed its name to KPMG AZSA LLC	
Overview	Capitalization		3,000 million yen
	Personnel	Certified public accountants	3,167
		Personnel who have passed the accountant exam	1,087
		Audit assistants	1,107
		Other employees	744
		Total	6,105
	No. of clients		3,701 companies

Mr. Hideki Amano, an Audit & Supervisory Board Member (External) of the Company, worked at KPMG AZSA LLC (retired in June 2016), and therefore did not participate in the resolution of the Audit & Supervisory Board regarding the determination of the content of this Proposal.

End

(Attached Document)

Business Report (From April 1, 2019 to March 31, 2020)

I. Matters regarding the Current Status of the Ajinomoto Group

1. Progress of Operations and Operating Results

During the fiscal year ended March 31, 2020, the Ajinomoto Group's consolidated sales decreased by 1.3% year-on-year, or ¥14.2 billion, to ¥1,100.0 billion largely owing to a dramatic decrease in animal nutrition product sales despite increases in sales of pharmaceutical custom manufacturing, and amino acids for pharmaceuticals and foods.

Business profit increased by 6.4%, or ¥5.9 billion, to ¥99.2 billion, largely owing to significant profit growth in umami seasonings for processed foods, frozen foods (Japan), specialty chemicals, and coffee products despite an impairment loss on the trademark rights of Promasidor Holdings Limited ("PH") recorded in share of profit of associates and joint ventures in addition to a dramatic decline in profit from animal nutrition. Despite an increase in demand for some amino acids for pharmaceuticals and home-use seasonings and processed foods toward the end of the fiscal year due to the COVID-19 pandemic, there was a decrease in demand for restaurant and industrial-use seasonings and processed foods and amino acids for foods. As a result, the impact of COVID-19 remained minimal overall.

Operating profit declined 9.1% year-on-year, or ¥4.8 billion, to ¥48.7 billion largely owing to impairment losses on production equipment in the animal nutrition business in Europe, investments related to PH and accounted for using the equity method, production equipment in the bakery business, seasoning production equipment in Europe, and on goodwill and trademark rights of Ajinomoto Istanbul Food Industry and Trade Limited Company ("AIS").

Profit attributable to owners of the parent company totaled ¥18.8 billion, down 36.6%, or ¥10.8 billion.

Notes: 1. "Business profit" is a profit indicator defined by the Company for administrative purposes.
(Sales - Cost of sales - Selling expenses, Research & development expenses and General & administrative expenses + Share of profit of associates and joint ventures)

2. From the 141st fiscal year, logistics business has been reclassified as a discontinued operation. Accordingly, profit from the discontinued operation is presented separately from continuing operations on the consolidated statements of income. Sales, business and operating profit in the above are amounts related to continuing operations only. Additionally, on April 1, 2019, the Company lost control of F-LINE Corporation (formerly Ajinomoto Logistics Corporation) and F-LINE Corporation became an equity-method affiliate of the Company from the current fiscal year. In the fiscal year under review, gain on loss of control is included in profit from discontinued operations, and share of profit of associates is included in continuing operations.

3. From the fiscal year under review, the packaging business (Fuji Ace Co. Ltd.) is reclassified as a discontinued operation. Profit from the discontinued operation is presented separately from continuing operations on the consolidated statements of income. Sales, business and operating profit in the above are amounts related to continuing operations. The figures for the previous fiscal year have been restated accordingly to reflect this change.

Japan Food Products

Japan Food Products segment sales edged up 0.1% year-on-year, or ¥0.2 billion, to ¥375.3 billion in the fiscal year under review. This reflects sales of seasonings and processed foods (in Japan) and frozen foods (in Japan) that were unchanged year-on-year. Segment business profit increased 9.9% year-on-year, or ¥2.9 billion, to ¥32.8 billion, owing to large increase in profit on frozen foods (in Japan) and coffee products, despite a decline in profit on seasonings and processed foods (in Japan).

Main factors affecting segment sales

Seasonings and Processed Foods (Japan)

Despite increased sales in home-use, for sales in restaurant and industrial-use, bakery business decreased year-on-year, and sales of seasonings for food service decreased due to the impact of COVID-19. Overall sales were level with the previous year.

Frozen Foods (Japan)

Sales in home-use increased due to continued expansion of sales of major categories, primarily Gyoza. Sales in restaurant and industrial-use decreased due to sales of some products decreasing from the effect of the previous year's sales promotion despite expansion of sales of major categories. Overall sales were level with the previous year.

Coffee Products

Despite increased sales of major products (instant coffee, stick-type coffee, and ground coffee), overall sales decreased due to downsizing the personal size liquid coffee business and ceasing sales of some gift products.

Main factors affecting segment profits

Seasonings and Processed Foods (Japan)

Despite increase in profit in home-use, profit in restaurant and industrial-use decreased due to decreased sales. Overall profit decreased.

Frozen Foods (Japan)

Large increase in profit due to improvements in productivity and the effect of price increases in restaurant and industrial-use, despite sales being level with the previous year.

Coffee Products

Large increase in profit due to lower costs, increased sales of major products, and the effective use of marketing expenses, despite decreased sales.

International Food Products

International Food Products segment sales declined 0.8% year-on-year, or ¥4.0 billion, to ¥477.6 billion. This was due to a decline in sales of frozen foods (overseas). Segment business profit increased 15.5% year-on-year, or ¥6.5 billion, to ¥48.8

billion due to an increase in profits from the effect of price increases for seasonings and processed foods (overseas) in addition to a large increase in profits on sales of umami seasonings for processed food manufacturers.

<u>Main factors affecting segment sales</u>

Seasonings and Processed Foods (Overseas)

Despite the effect of price increases, due to decreased year-on-year sales in Vietnam and the effect of currency translation, sales were level with the previous year.

Frozen Foods (Overseas)

Despite the continued expansion in sales of Asian food products in North America and Europe, sales decreased due to the effect of currency translation and the sale of Amoy Food Ltd.

Umami Seasonings for Processed Food Manufacturers

Increase in sales primarily due to increased unit sales prices overseas despite the effect of currency translation.

<u>Main factors affecting segment profits</u>

Seasonings and Processed Foods (Overseas)

Increase in profit due to effect of price increases.

Frozen Foods (Overseas)

Overall large decrease in profit due to the impact of COVID-19 and poor performance in the dessert business in Europe, despite large increase in profit in North America due to increase in sales on a local currency basis and productivity improvements.

Umami Seasonings for Processed Food Manufacturers

Large increase in profit due to increased unit sales prices and cost reductions overseas.

Life Support

Life Support segment sales declined 11.7% year-on-year, or ¥12.6 billion, to ¥95.3 billion due to a dramatic decline in animal nutrition product sales despite an increase in sales of specialty chemicals. Segment business profit fell 25.4%, or ¥2.4 billion, to ¥7.1 billion because profit on animal nutrition products fell significantly, despite a large increase in profit on specialty chemicals.

<u>Main factors affecting segment sales</u>

Animal Nutrition

Large decrease in sales due to the decrease in demand from the world-wide spread of African swine fever and the fall in sales prices.

Specialty Chemicals

Increase in sales primarily due to strong sales of electronic materials.

Main factors affecting segment profits

Animal Nutrition

Large decrease in profit accompanying large decrease in sales.

Specialty Chemicals

Large increase in profit accompanying increase in sales.

Healthcare

Healthcare segment sales increased 0.7% year-on-year, or ¥1.0 billion, to ¥136.3 billion. This was due to increases in sales of pharmaceutical custom manufacturing and amino acids for pharmaceuticals and foods. Segment business profit increased 2.4% year-on-year, or ¥0.2 billion, to ¥12.3 billion as a result of significant profit growth due to the increase in sales of amino acids for pharmaceuticals and foods and pharmaceutical custom manufacturing despite a large decrease in profit of other products.

Main factors affecting segment sales

Amino Acids

Increase in sales primarily due to increased sales of pharmaceutical custom manufacturing and of amino acids for pharmaceuticals and foods.

Other Products

Decrease in sales due to decrease in year-on-year sales of fundamental foods and personal care ingredients.

Main factors affecting segment profits

Amino Acids

Large increase in profit due to increased sales of both amino acids for pharmaceuticals and foods and of pharmaceutical custom manufacturing.

Other Products

Large decrease in profit due to decrease in sales.

2. Assets and Income Status

	139th Fiscal Year (FY2016)	140th Fiscal Year (FY2017)	141st Fiscal Year (FY2018)	142nd Fiscal Year (Fiscal Year Under Review) (FY2019)
Sales (Billions of yen)	1,091.1	1,114.7	1,114.3	1,100
Business profit (Billions of yen)	96.8	95.6	93.2	99.2
Profit attributable to owners of the parent company (Billions of yen)	53.0	60.1	29.6	18.8
Basic earnings per share (yen)	92.81	105.76	53.62	34.37
Total assets (Billions of yen)	1,350.1	1,426.2	1,393.8	1,353.6
Total equity (Billions of yen)	690.6	720.6	685.9	592.0
Equity per share (attributable to owners of the parent company) (Yen)	1,082.90	1,128.44	1,113.93	983.19
ROE Return on equity attributable to owners of the parent company (%)	8.7%	9.6%	4.7%	3.3%

Notes: 1. The Ajinomoto Group has adopted the International Financial Reporting. Standards (IFRS)
2. Basic earnings per share is calculated based on the average number of shares outstanding during the fiscal year less the average number of shares of treasury stock during the fiscal year.
3. Equity per share (attributable to owners of the parent company) is calculated based on the number of shares outstanding at the end of the fiscal year less the number of shares of treasury stock at the end of the fiscal year.
4. From the 141st fiscal year, logistics business has been reclassified as a discontinued operation. Accordingly, profit from the discontinued operation is presented separately from continuing operations on the consolidated statements of income. Sales and business profit in the above table are amounts related to continuing operations only. Amounts shown for the previous fiscal year have also been adjusted to reflect this change. Additionally, on April 1, 2019, the Company lost control of F-LINE Corporation (formerly Ajinomoto Logistics Corporation) and F-LINE Corporation became an equity-method affiliate of the Company from the current fiscal year. In the fiscal year under review, gain on loss of control is included in profit from discontinued operations, and share of profit of associates is included in continuing operations.
5. From the fiscal year under review, the packaging business (Fuji Ace Co. Ltd.) is reclassified as a discontinued operation. Profit from the discontinued operation is presented separately from continuing operations on the consolidated statements of income. Sales and business profit in the above table are amounts related to continuing operations. The figures for the previous fiscal year have been restated accordingly to reflect this change.

3. Capital Expenditures of the Ajinomoto Group

Capital expenditures of the Ajinomoto Group for the fiscal year ended on March 31, 2020 amounted to a total of ¥83.6 billion, which was mainly for the following:

- Construction of seasonings manufacturing facilities (Thailand) (Completed in April 2020)
- Construction of production facilities (Vietnam) (scheduled for completion in July 2020)
- Construction of seasonings etc. manufacturing and packaging facilities (Japan) (scheduled for completion in September 2020)
- Construction of soup etc. manufacturing and packaging facilities (Japan) (scheduled for completion in September 2021)
- Renewal of core system (Japan) (scheduled for completion in March 2022)

4. Company Reorganization

The Company acquired shares in its consolidated subsidiary Ajinomoto CO., (Thailand) LTD. as follows. Consequently, Ajinomoto CO., (Thailand) LTD.'s stake owned by the Company changed from 82.5% to 94.5%.

1. Acquired all shares held by THANACHART SPV2 CO., LTD. on February 13, 2020
2. Acquired all shares held by The Siam Commercial Bank Public Company Limited on March 11, 2020
3. Acquired all shares held by KASIKORNBANK PUBLIC COMPANY LIMITED on March 12, 2020

5. Financing of the Ajinomoto Group

The Company mainly conducts financing via the issuance of commercial paper. The current remaining balance in the fiscal year under review is ¥40 billion.

6. Main lenders (as of March 31, 2020)

Name of lender	Balance of borrowings (Millions of yen)
The Dai-ichi Life Insurance Company, Limited	16,600
NIPPON LIFE INSURANCE COMPANY	14,500
Meiji Yasuda Life Insurance Company	9,700

Notes: Other than the above, the Company has borrowings in the form of syndicated loans. The lead bank of said loans is one of either MUFG Bank, Ltd. or Mizuho Bank, Ltd., or both jointly (balance: ¥74,699 million).

7. Major offices and plants of the Company (as of March 31, 2020)

Name of offices	Location	Name of plants	Location
Headquarters	Chuo-ku, Tokyo	Kawasaki Plant	Kawasaki-ku, Kawasaki-shi
Tokyo Branch	Minato-ku, Tokyo	Tokai Plant	Yokkaichi-shi
Osaka Branch	Kita-ku, Osaka-shi	Kyushu Plant	Saga-shi
Kyushu Branch	Hakata-ku, Fukuoka-shi		
Nagoya Branch	Showa-ku, Nagoya-shi		
Tohoku Branch	Aoba-ku, Sendai-shi		

8. Important Subsidiaries and Affiliates (as of March 31, 2020)

The Company has 99 consolidated subsidiaries, including the 48 companies listed in “1) Important Subsidiaries” below, and 17 affiliates accounted for by the equity method, including the 3 companies listed in “2) Important Affiliates” below.

(1) Important Subsidiaries

Company name	Location	Capital stock	Ratio of voting rights (%)	Main business
Ajinomoto Frozen Foods Co., Inc.	Chuo-ku, Tokyo	JPY 9,537 million	100	Frozen foods
Ajinomoto Food Manufacturing Co., Ltd.	Kawasaki-ku, Kawasaki-shi	JPY 4,000 million	100	Flavor seasonings and processed foods
Ajinomoto AGF, Inc.	Shibuya-ku, Tokyo	JPY 3,862 million	100*	Coffee, etc.
Ajinomoto Animal Nutrition Group, Inc.	Chuo-ku, Tokyo	JPY 1,334 million	100	Animal nutrition
Ace Bakery Corporation	Isogo-ku, Yokohama-shi	JPY 400 million	100*	Flavor seasonings and processed foods
Ajinomoto Healthy Supply Co., Inc.	Chuo-ku, Tokyo	JPY 380 million	100	Amino acids
AJINOMOTO ENGINEERING CORPORATION	Ota-ku, Tokyo	JPY 324 million	100	Services, etc.
Ajinomoto Fine-Techno Co., Inc.	Kawasaki-ku, Kawasaki-shi	JPY 315 million	100	Chemicals
Ajinomoto Communications Corporation	Chuo-ku, Tokyo	JPY 295 million	100	Services, etc.
DELICA ACE Corporation	Ageo-shi, Saitama	JPY 200 million	100	Flavor seasonings and processed foods
Ajinomoto Bakery, Inc.	Chuo-ku, Tokyo	JPY 100 million	100	Flavor seasonings and processed foods
GeneDesign, Inc.	Chiyoda-ku, Tokyo	JPY 59 million	100*	Amino acids
Saps ltd.	Chuo-ku, Tokyo	JPY 50 million	100	Flavor seasonings and processed foods
Ajinomoto Direct Corporation	Chuo-ku, Tokyo	JPY 10 million	100	Other (healthcare)
Ajinomoto Trading Co., Ltd.	Minato-ku, Tokyo	JPY 200 million	96.7	Services, etc.
Ajinomoto SEA Regional Headquarters Co., Ltd.	Thailand	THB 2,125,000 thousand	100	Services, etc.
Ajinomoto Co., (Thailand) Ltd.	Thailand	THB 796,362 thousand	94.5	Flavor seasonings and processed foods
AJINOMOTO SALES (THAILAND) COMPANY LIMITED	Thailand	THB 50,000 thousand	100*	Flavor seasonings and processed foods
WAN THAI FOODS INDUSTRY CO., LTD.	Thailand	THB 60,000 thousand	60.0*	Flavor seasonings and processed foods
AJINOMOTO BETAGRO FROZEN FOODS (THAILAND) CO., LTD.	Thailand	THB 764,000 thousand	50.0*	Frozen foods
PT Ajinomoto Indonesia	Indonesia	USD 8,000 thousand	51.0	Flavor seasonings and processed foods

Company name	Location	Capital stock	Ratio of voting rights (%)	Main business
P.T. AJINOMOTO SALES INDONESIA	Indonesia	USD 250 thousand	100*	Flavor seasonings and processed foods
Ajinomoto Vietnam Co., Ltd.	Vietnam	USD 50,255 thousand	100	Flavor seasonings and processed foods
Ajinomoto (Malaysia) Berhad	Malaysia	MYR 65,102 thousand	50.4	Flavor seasonings and processed foods
AJINOMOTO PHILIPPINES CORPORATION	The Philippines	PHP 665,444 thousand	95.0	Flavor seasonings and processed foods
Ajinomoto (China) Co., Ltd.	China	USD 104,108 thousand	100	Animal nutrition
Shanghai Ajinomoto Seasoning Co., Ltd.	China	USD 27,827 thousand	100*	Flavor seasonings and processed foods
AJINOMOTO (HONG KONG) CO., LTD.	Hong Kong	HKD 5,799 thousand	100	Umami seasoning and sweeteners, etc.
AJINOMOTO ANIMAL NUTRITION (SINGAPORE) PTE. LTD.	Singapore	USD 8,955 thousand	100*	Animal nutrition
AJINOMOTO (SINGAPORE) PRIVATE LTD.	Singapore	SGD 1,999 thousand	100	Flavor seasonings and processed foods
Ajinomoto (Cambodia) Co., Ltd.	Cambodia	USD 11,000 thousand	100	Flavor seasonings and processed foods
Ajinomoto Korea, Inc	Republic of Korea	KRW 1,000,000 thousand	70.0	Flavor seasonings and processed foods
AJINOMOTO TAIWAN INC.	Taiwan	NTD 250,000 thousand	100	Flavor seasonings and processed foods
Ajinomoto North America Holdings, Inc.	U.S.A.	-	100*	Holding company
Ajinomoto Foods North America, Inc.	U.S.A.	USD 15,030 thousand	100*	Frozen foods
Ajinomoto Animal Nutrition North America, Inc.	U.S.A.	USD 750 thousand	100*	Animal nutrition
Ajinomoto Health & Nutrition North America, Inc.	U.S.A.	USD 0	100*	Amino acids, umami seasoning, sweeteners, and chemicals
Ajinomoto Althea, Inc.	U.S.A.	USD 0	100	Amino acids
Ajinomoto Cambrooke, Inc.	U.S.A.	USD 34,280 thousand	100*	Medical food
Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda.	Brazil	BRL 913,298 thousand	100	Flavor seasonings, processed foods, umami seasoning, sweeteners, animal nutrition, and amino acids
Ajinomoto del Perú S.A.	Peru	PEN 45,282 thousand	99.6	Flavor seasonings and processed foods
AJINOMOTO FOODS EUROPE S.A.S.	France	EUR 106,909 thousand	100*	Umami seasoning sweeteners
AJINOMOTO ANIMAL NUTRITION EUROPE S.A.S.	France	EUR 26,865 thousand	100*	Animal nutrition
S.A. Ajinomoto OmniChem N.V.	Belgium	EUR 21,320 thousand	100*	Amino acids

Company name	Location	Capital stock	Ratio of voting rights (%)	Main business
West African Seasoning Co., Ltd.	Nigeria	NGN 2,623,714 thousand	100	Flavor seasonings and processed foods
AJINOMOTO ISTANBUL FOOD INDUSTRY AND TRADE LTD. CO.	Turkey	TRY 51,949 thousand	100	Flavor seasonings and processed foods
AJINOMOTO POLAND SP Z.O.O.	Poland	PLN 39,510 thousand	100*	Flavor seasonings and processed foods
Agro2Agri, S.L.	Spain	EUR 2,027 thousand	70.0*	Amino acids

Notes: 1. In order to promote integrated disclosure, information has been disclosed in line with the Company's securities report.

2. In the fiscal year under review, GeneDesign, Inc. and Ajinomoto Cambrooke, Inc. were added to important subsidiaries.

3. The Company's ratio of voting rights in companies indicated with an * (asterisk) mark are calculated including the voting rights held by the Company's subsidiaries.

4. In the fiscal year under review, F-LINE Corporation and Fuji Ace Co., Ltd. were removed from the scope of Important Subsidiaries.

5. Ajinomoto North America Holdings, Inc. capital stock amount is not shown because it transferred all capital stock to capital surplus.

(2) Important Affiliates

Company name	Capital stock	Ratio of voting rights (%)	Main business
EA Pharma Co., Ltd.	JPY 9,145 million	40.0	Manufacture and sale of pharmaceuticals, etc.
J-OIL MILLS, INC.	JPY 10,000 million	27.3	Manufacture and sale of edible oils, etc.
Promasidor Holdings Limited	USD 0 thousand	33.3	Manufacture and sale of processed foods etc.

9. Employees of the Ajinomoto Group (as of March 31, 2020)

(1) Employees of the Company and its consolidated subsidiaries

Number of employees	Change from the previous fiscal year end
32,509	Decrease by 1,995

Note: The number of employees indicates full-time employees, excluding temporary employees.

(2) Employees of the Company

Number of employees	Change from the previous fiscal year end
3,401	decrease by 93

Note: The number of employees indicates full-time employees, excluding temporary employees.

10. Our Tasks Ahead

(I) New Medium-Term Management Plan

Ajinomoto Group's ASV management

Goals for 2030 and the 2020-2025 Medium-Term Management Plan

(1) Business environment

The business environment for Ajinomoto Group is evolving significantly as the rapid development of information technology brings change to society and to business structures. E-commerce and other factors are changing the way people purchase goods and services, and all these factors are making it necessary for companies to update their business models.

Compounding these trends is the prolonged and profound impact of the COVID-19 epidemic, which is bringing further changes to market demand and ways of life.

We must adapt to these changes accurately and swiftly.

In this era of extreme change and extreme competition, taking a near-term view of the business environment on a three-year cycle is not the best way for us to address changes in the external environment, and it risks leaving Ajinomoto Group lagging its peers. Accordingly, we are launching a new management plan that reviews our management approach and looks further ahead to consider the reforms we must make now to ensure that in ten years' time we can continue to meet the expectations of our shareholders and other stakeholders.

(2) Our vision

Ajinomoto Group aims to contribute to the world's food and wellness, and to better lives for the future.

Ajinomoto Group's revised vision is to "Promote human wellness by unlocking the power of amino acids to address issues of food and health associated with eating habits and aging society". The main roles amino acids can play in human health are making food tastier, promoting growth and development, helping the body recover from energy depletion, and conditioning. We have particular strengths in using the power of amino acids to improve food and health lifestyle habits, and by focusing on these strengths we can contribute to society while restoring the company to a growth trajectory.

Under this vision, by 2030 we intend to transform Ajinomoto Group into a 'solutions provider for food and health'. Currently, through our products we engage with approximately 700 million consumers. By providing products and services that utilize the power of amino acids to address dietary issued associated with high salt and low nutritional value, we aim to contribute to longer healthy lifespans for one billion people.

(3) Pursuing sustainable growth through ASV management

At Ajinomoto Group, our aspiration since the founding of our company has always been to use Umami to make food more delicious and more nutritious, and we have grown as a business by combining the pursuit of social value and economic value. We call this process ASV (Ajinomoto Group Shared Value). By progressing and accelerating a management approach that increases ASV, our aim is to contribute further to the resolution of social issues and achieve sustainable growth that creates higher corporate value.

(4) Redefine corporate value

We are revising our definition of corporate value. Through discussions with our investors, we have become aware that under the previous definition, where "financial value + non-financial value (ESG) = total value (corporate brand)", it was not possible to share with shareholders and other stakeholders the important process of determining how to go about increasing corporate value. We have therefore redefined corporate value to that of the result of a cycle in which higher employee engagement in efforts to increase customer value leads to higher economic value, which in turn leads to higher employee engagement. We will work with all our shareholders to build understanding of the principle that by increasing employee engagement we can increase corporate value.

(5) Key management indices

(a) Structural targets for 2030

Our target for 2030 is to realize increased efficiency by achieving ROIC (Return on Invested Capital) of more than 13%, exceeding our cost of capital, and to realize growth with an organic growth rate of 5%. The KPIs we will use to assess our progress are core business sales ratios, employee engagement scores and unit price growth.

				20-22 Phase 1 Structual Reform	23-25 Phase 2 Regrowth	2030 Goal
		FY19 (Result)	FY20 (Forecast)	FY22 (Target)	FY25 (Target)	
Efficiency	ROIC (1) (>Capital cost)	3.0%	3.0%	8%	10-11%	13%
Growth	Organic growth rate (2) (YoY)	0.3%	▲0.5%	4%	5%	5%
Priority KPIs	Core business sales ratio (3)	66.5%	66.9%	70%	80%	80%~
	Employee engagement score ("Adoption of the ASV approach at the individual level") (4)	55%	—	70%	80%	85%~
	Unit price growth (YoY) (5) (Overseas consumer products)	Approx. 5%	—	2.5%	3%	3%

(1) "Return on Invested Capital" : An indicator of how much profit a company has made from the capital it has invested in its business
(2) Sales growth rate excluding the effects of non-continuous growth such as foreign exchange, accounting changes and M&A / sales of businesses
(3) Indicates seasonings, quick nourishment, frozen foods, ingredients seasonings, healthcare, and electronic materials
(4) The proportion of employees who feel that they are contributing to the realization of ASV (Ajinomoto Shared Value) = job satisfaction
(5) For overseas consumer products, this is an index that shows the unit price growth rate from the previous year by country and by category as a weighted average by sales

Our decision to shift to a financial policy that focuses on achieving ROIC in excess of cost of capital is based on our reflection that during the period of the previous medium-term plan, an over-emphasis on the scale of sales and earnings was one of the causes of a decline in capital efficiency. Our perspective on scale as an index of management performance became part of our corporate culture over a period of many years, so our task now is to transform our culture in a way that prioritizes efficiency and earnings.

(b) Non-financial targets

With respect to the ESG components of environment, society, and governance, Ajinomoto Group will focus heavily on resolving issues related to health and the environment. With respect to environmental issues, we are prioritizing initiatives to reduce greenhouse gas emissions 50% by 2030 and reduce economic risk from carbon taxes or other such matters by ¥8-10 billion. At the same time, with respect to the important issues of reducing water usage and plastic waste, reducing food loss and achieving sustainable procurement, we will work alongside all parties associated with Ajinomoto Group to reduce environmental burden in each of these areas.

(II) Key issues to address and medium- to long-term strategy

To realize our new vision, we have adopted a group management policy of focusing all our management resources on food and health solutions, establishing this as an area to which we can contribute on a long-term basis while pursuing improved efficiency and a return to growth.

We will support the implementation of our three main strategies—transform management of HR & organization, add consumer value centered on health, and establish profitable and sustainable growth—with a digital transformation* of our operations. Moreover, under the leadership of the CEO, the Company will purse cross-divisional reform, with the aim of eliminating any delay in implementing strategy. Our aim is to bring about a balanced improvement in corporate value by increasing market capitalization (shareholder value), corporate brand value (consumer value) and employee engagement (job satisfaction/HR value).

*The digital transformation will use AI and other forms of IT to enable sophisticated automation of operations for greater productivity and competitiveness.

(a) Transform HR and organizational management

We will strengthen our employees' expertise and development capabilities in food and health solutions, improving awareness, knowledge and skills with respect to nutrition, the environment and digitalization. At the same time, we will adopt and standardize a PDCA management process at the organizational and individual level to facilitate solutions development in close alignment with consumers. And by embedding a management approach into our organization that allows each employee to contribute to corporate value by increasing consumer value, we will work as a united company to increase corporate value across the board.

(b) Focus operational strategy on providing higher health value to consumers

To restore growth, we will focus our strategy on increasing consumer value by promoting the health value and deliciousness of our products. In our food business, where growth has been weak in recent years, we will promote our products' value by focusing on salt reduction and improved nutrition and physiology. As one tactic, we will develop operations abroad based on successful collaborations with regional communities in Japan to develop operations that contribute to the improvement of dietary habits. Moreover, with the aim of developing business growth pillars in the second half of the new medium-term management plan, we are progressing tie-ups with venture businesses to develop business models with products and services that target improved health for individuals through better amino acid balance.

(c) Management policy on earnings and transformation

We are shifting away from a corporate culture of accumulating short-term earnings in each division and will change our management policy to focus on organic growth and capital efficiency (efficiency of time, materials and money). In the medium term, we aim to achieve a sustainable ROIC of more than 13% by 2030. During the period 2020-2022 we will undertake necessary structural reforms by downsizing or withdrawing from non-core businesses and reducing costs by pursuing efficiency in our management of assets and operations, aiming to restore ROIC to industry levels of 8%. In the following three years, from 2023 to 2025, the focus will be on re-growth, and through increasing earnings by expanding core businesses and taking additional measures to become asset light, we aim to lift ROIC to 10-11%, creating the foundation for the Ajinomoto Group structure we aspire to have in place for 2030.

Based on the standards of growth potential and ROIC in excess of cost of capital (WACC), we have designated six core business areas: Seasonings, Quick Nourishment, Frozen Foods, Solutions and Ingredients (Ingredient Seasonings), Healthcare, and Electronic Materials. By 2022 we intend to review all non-core operations for asset management, withdrawal or sale, and restructure businesses with weak growth or efficiency. Through these measures we will restructure our business portfolio.

Our target annual organic growth rate is 5%. In 2019 we achieved a minimal organic growth overall, while growth in core businesses was more than 4%. By achieving a core business sales ratio of 70% and 80% respectively in the periods 2020-2022 and 2023-2025, we envisage realizing a further increase in the overall growth rate. We also aim to increase product unit prices by strengthening promotion of the health value of products in core business areas. By 2025 we aim to add revenues from the new business model that provides health solutions for individual consumers, contributing to the realization of 5% growth.

We will increase investment in core businesses during the period 2020-2025. In addition to allocating 80% of management resources to core business areas for R&D, marketing and capex, through the use of digital technologies we will investment in operational efficiency, new business model development and human resource development.

To drive the implementation of these core strategies, we are establishing a Business Model Transformation Task Force and an All Company Operational Transformation Task Force, both under direct control of the CEO. CIO (Chief Innovation Officer[*1]) and CXO (Chief Transformation Officer[*2]) positions will be established, and with the inclusion of digital transformation pursued by the CDO (Chief Digital Officer[*3]), two business divisions and the corporate division will coordinate to pursue transformation. In this way, we aim to lift ROIC throughout the organization and, through transformation of organizational management to increase employee engagement, realize a transformation in business culture.

[*1] Officer responsible for business model transformation

[*2] Officer responsible for all company operational transformation

[*3] Officer responsible for digital transformation

II. Matters regarding Shares of the Company (as of March 31, 2020)

(1) Number of shares authorized to be issued by the Company: 1,000,000,000 shares

(2) Number of shares issued: 549,163,354 shares

(3) Number of shareholders: 144,653

(decreased by 1,874 compared with the end of the previous fiscal year)

(4) Major shareholders

Shareholder	Number of shares held (thousand shares)	Ownership interest (%)
The Master Trust Bank of Japan, Ltd. (trust account)	60,690	11.05
Japan Trustee Services Bank, Ltd. (trust account)	30,278	5.51
The Dai-ichi Life Insurance Company, Limited	26,199	4.77
NIPPON LIFE INSURANCE COMPANY	25,706	4.68
MUFG Bank, Ltd.	14,574	2.65
Meiji Yasuda Life Insurance Company	12,624	2.30
Japan Trustee Services Bank, Ltd. (trust account 7)	9,387	1.71
Japan Trustee Services Bank, Ltd. (trust account 5)	9,027	1.64
JP MORGAN CHASE BANK 385151	8,573	1.56
STATE STREET BANK WEST CLIENT – TREATY 505234	8,304	1.51

Notes: 1. Ownership interests are calculated after deduction of treasury stock (100 thousand shares).
2. The number of shares held by The Dai-ichi Life Insurance Company, Limited does not include 2,000 thousand shares of the Company contributed as a trust asset for a retirement benefit trust of The Dai-ichi Life Insurance Company, Limited. The Dai-ichi Life Insurance Company, Limited holds voting rights in respect of these shares.

(5) Other important matters regarding shares

There are no applicable matters.

III. Corporate Governance and Matters Regarding the Corporate Officers of the Company (as of March 31, 2020)

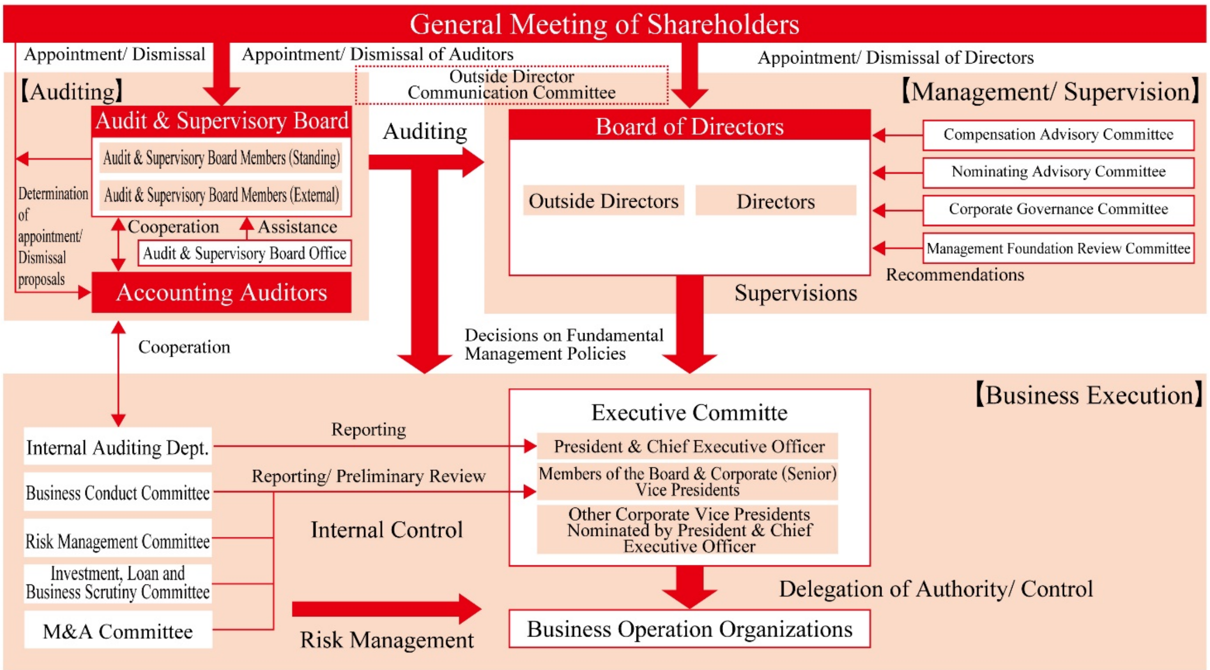
1. Matters Regarding Corporate Governance

(1) Basic Approach to Corporate Governance

The Ajinomoto Group positions corporate governance as one of the most important aspects of its management base for accelerating its ASV (Ajinomoto Group Shared Value) and becoming a “solution-providing company for food and health issues.” We shall continue implementing initiatives to build effective corporate governance systems that balance “appropriate supervision of execution that reflects stakeholders’ perspectives” and “agile decision-making and implementation,” while also faithfully observing the “Ajinomoto Group Policies,” which lay out the principles that illustrate the beliefs and behaviors which the companies in the Ajinomoto Group and each officer and employee who works there should comply with, continuing to focus on developing and properly implementing its internal control systems, and through engagement and collaboration with stakeholders. We believe that such initiatives will help us solve the issues that are faced by 21st-century society through our businesses and that they will serve as the foundation for ASV, which sustainably enhances corporate value.

(2) Organizational Structure of the Corporate Governance System

The organizational structure of our corporate governance system is as follows.



(Voluntary Committees of the Board of Directors)

・Nominating Advisory Committee

Consisting of 3 Outside Directors and 2 Internal Directors (a total of 5 members), one of the Outside Directors is the chair of the Committee. The Committee discusses proposals such as for the nomination of Director candidates, and selection and removal proposals for Chairman of the Board and President, in addition to selection and removal proposals for Representative Directors, based on inquiries from the Board of Directors and reports the outcomes of its deliberations to the Board.

・Compensation Advisory Committee

Consisting of 3 Outside Directors and 2 Internal Directors (a total of 5 members), one of the Outside Directors is the chair of the Committee. The Committee discusses compensation for Directors, Corporate Executive Officers and others, based on inquiries from the Board of Directors, and reports the outcomes of its deliberations to the Board.

・Corporate Governance Committee

Consisting of 3 Outside Directors, 2 Internal Directors and 1 Audit & Supervisory Board Member (External) (a total of 6 members), one of the Outside Directors is the chair of the Committee. The Committee discusses important matters related to the creation, maintenance, and implementation of the corporate governance system, based on inquiries from the Board of Directors, and reports the outcomes of its deliberations to the Board.

・Management Foundation Review Committee

Consisting of 4 Internal Directors, the President is the chair of the Committee. The Committee determines the strategic direction for Group management and strengthens the foundation of the cross-Group management function, and reports the outcomes of its deliberations to the Board.

・Outside Director Communication Committee and Lead Independent Outside Director

Outside Director Communication Committee aim to improve the quality of supervision of business execution through an exchange of information between the Outside Directors and the Audit & Supervisory Board Member (External), by mutually complementing specializations. In addition, a Lead Independent Outside Director is mutually selected by the independent Outside Directors so as to respond to stakeholders and provide effective advice to executive Directors.

(Internal control and risk management)

・Business Conduct Committee

The Business Conduct Committee works to ensure that the Ajinomoto Group Polices (AGP) are thoroughly understood. It checks whether management and corporate activities are conducted in accordance with the AGP or not, and it responds to issues arising, in addition to creating manuals, making organizations carrying out business operations create business continuity plans, and holding crisis management drills, etc., and thereby identifying and inspecting the status of preparations to respond to any risks other than at the company-wide management level and crises that materialize.

- Management Risk Committee
  The Management Risk Committee selects and identifies risks at the company-wide management level from among the various risks that the Ajinomoto Group faces as it accelerates its global development, and formulates measures for responding to these risks.
- Investment, Loan and Business Scrutiny Committee
  The Committee considers various aspects surrounding investments and loans, and the regeneration of or withdrawal from unprofitable businesses, prior to deliberations by the Management Committee.
- M&A Inquiry Commission
  The Commission considers various aspects surrounding mergers and acquisitions, prior to deliberations by the Management Committee.

(3) Reasons for Selection of the Current Corporate Governance System

The Company has selected the current corporate governance system because it believes that its double-checking system ensures appropriate business operations. The Board of Directors is consisted of 9 Directors (including 3 Outside Directors), and supervises important business decisions and the work conduct of the Directors and Corporate Executive Officers. The 5 Audit & Supervisory Board Members (including 3 Audit & Supervisory Board Member (External)) maintain their independence from the Corporate Executives and collaborate with the accounting auditors and the Company's Internal Auditing Dept. to audit the actions of Directors.

(4) Views on the Abilities and Diversity of the Board of Directors as a Whole

The Company's basic policy is to ensure that the Board of Directors is composed of Internal Directors who are responsible for business execution, including the Chief Executive Officer, Internal Directors who are not responsible for business execution and who supervise business execution based on their deep understanding of the Company's businesses, and several independent Outside Directors who can objectively supervise the execution of business operations from an independent perspective, taking into consideration skill requirements centered on the "ability to realize ASV," the size of the Board of Directors, the proportion of Internal/ Outside Directors, the proportion of executive and non-executive Directors, and diversity with regard to individual Directors' experience, capabilities, expertise, international background, gender, etc.

(5) Systems for Ensuring Appropriate Business Operations

Based on our "Basic Policy of the System for internal control," we are setting up internal control systems and ensuring their appropriate operation. Our main endeavors in the period under review are as follows.

1. Compliance

(1) The Company, chiefly through the Business Conduct Committee, has made thorough efforts to ensure full compliance with the "Ajinomoto Group Policies (AGP)" (formerly the Ajinomoto Group Standards of Business Conduct). In the fiscal year under review, we conducted a questionnaire survey again about employee awareness of the AGP and held special meeting events for staff to help them become familiar with the AGP (total 44 times at the Company), in order to promote understanding of the AGP and deepen awareness of the importance of respecting diversity, and investigate any compliance issues at work sites. In addition, we also restructured the internal reporting system in 2018, and in 2019 created multiple reporting lines by introducing an external hotline. Further, we established a "Group Shared Policy on Accounting," revised the "Group Shared Policy on Bribery Prevention," and added the Basic Principle "Working with Local Communities." We reconstituted Compliance Training for FY2019; 4 lectures, 12 online training courses, and 4 group trainings. The Business Conduct Committee met 4 times to discuss these activities, and reported the outcomes of their deliberations to our Management Committee and Board of Directors.

(2) In the period under review, the Internal Auditing Dept. made on-site audits at 44 organizations carrying out business operations in our Company and our Group companies.

2. Risk Management

(1) The Management Risk Committee met 4 times and selected and strengthened the Company's response to important risks for the Company as a whole, centered on the following themes: the effect of the macroeconomic environment, corporate management, governance, social issues, global competition, and ICT technology. An ESG Task Force within the Management Risk Committee considered the Company's response to global issues related to "plastic waste", "sustainable procurement," and "climate change TCFD," and also instructed the Company and Ajinomoto Group companies of such implementation.

(2) The revised Ajinomoto Group Vision is to "Promote human wellness by unlocking the power of amino acids to address issues of food and health associated with eating habits and aging society."

(3) The Investment, Loan and Business Scrutiny Committee met 9 times, and the M&A Inquiry Commission met 23 times to consider M&A opportunities and 6 times for PMI (post-merger integration) follow-up in respect to acquired companies. In addition, the Quality Assurance Committee, the Occupational Health and Safety Committee and the Environmental Committee met twice, respectively, and each reviewed activities across the Ajinomoto Group as a whole, and confirmed plans to tackle important issues. In regard to information management activities, the Company established "IT Governance Policy," and also implemented initiatives aimed at strengthening information security systems.

3. Global Governance (a governance system with direction and efficiency)

(1) The Board of Directors met 18 times. In order to advance efficiency of the operation of the Board of Directors, measures including specifying points of discussion by the Management Committee on documents for Board of Directors meetings, distributing documents electronically, and focusing on important proposals by aggregating the submission of matters for discussion were introduced. Time saved this way was used to exchange views, where Directors discussed important management themes.

(2) We took steps to improve efficiency and effectiveness, by organizing the application of the "Ajinomoto Group Policy (AGP)" and group-wide internal rules and creating relevant formats of the rules.

4. Audits by Audit & Supervisory Board Members

(1) 5 Audit & Supervisory Board Members (2 Standing and 3 External) maintained an independent position from the executive level, and with 8 staff members (7 dedicated and 1 cross appointment) being posted, they ensured the effectiveness of audits by Audit & Supervisory Board Members by engaging in comprehensive monitoring in a timely manner, using their access rights to applicable corporate information, and promoting collaboration

with the Internal Auditing Department. In addition, the Audit & Supervisory Board met 14 times in the fiscal year under review.

(2) The General Manager of the Internal Auditing Department provided quarterly "audit reports" and "reports on the evaluation of internal controls related to financial reporting," and responded to timely requests for reports and consultations. In addition, any facts discovered that are associated with a risk of resulting in material loss to the Company or Group companies are immediately reported to Audit & Supervisory Board Members, but there were no applicable facts in the fiscal year under review.

End

2. Matters regarding Corporate Officers

(1) Names, Positions and Assignment in the Company and Important Positions Currently Held in Other Companies, etc. of Directors and Audit & Supervisory Board Members

Position	Name	Assignment in the Company and Important Positions Currently Held in Other Companies, etc.
Chairman of the Board	Masatoshi Ito	(Important Positions Currently Held in Other Companies) Outside Director, Japan Airlines Outside Director, Yamaha Corporation Outside Director, NEC Corporation
Director*1 President & Chief Executive Officer	Takaaki Nishii	
Director*1 Corporate Executive Deputy President	Hiroshi Fukushi	Chief Digital Officer (CDO)
Director*1 Corporate Senior Vice President	Masaya Tochio	(Assignment in the Company) Global Corporate Division; Corporate Service Division (Important Positions Currently Held in Other Companies) Outside Director, J-OIL MILLS, INC.
Director Corporate Vice President	Chiaki Nosaka	(Assignment in the Company) Global Human Resources Department
Director	Etsuhiro Takato	
Outside Director (Independent Officer)	Yasuo Saito	
Outside Director (Independent Officer)	Takashi Nawa	(Important Positions Currently Held in Other Companies) Professor, Graduate School of International Corporate Strategy, Hitotsubashi University Representative Director, Genesis Partners Outside Director, NEC Capital Solutions Outside Director, FAST RETAILING CO., LTD.
Outside Director (Independent Officer)	Kimie Iwata	(Important Positions Currently Held in Other Companies) Outside Director, Resona Holdings, Inc. Outside Director, Sumitomo Corporation Audit and Inspection Commissioner, the Tokyo Metropolitan Government
Audit & Supervisory Board Member (Standing)	Yoichiro Togashi	
Audit & Supervisory Board Member (Standing)	Shizuo Tanaka	
Audit & Supervisory Board Member (External) (Independent Officer)	Atsushi Toki	(Important Positions Currently Held in Other Companies) Partner, Meitetsu Law Office (Attorney-at-law) Outside Director/ Auditor and Supervisory Committee member, Maruyama Mfg. Co., Inc. External Director, GEOSTR Corporation.
Audit & Supervisory Board Member (External) (Independent Officer)	Hiroshi Murakami	(Important Positions Currently Held in Other Companies) Affiliate Professor, Global Education Center, Sophia University
Audit & Supervisory Board Member (External) (Independent Officer)	Hideki Amano	(Important Positions Currently Held in Other Companies) Certified Public Accountant External Director, TOPPAN FORMS CO., LTD. Outside Audit & Supervisory Board Member, Kao Corporation Outside Corporate Auditor, Seiko Holdings Corporation

Notes: 1. “*1” designates Representative Director.

2. There are transactions between the Company and Genesis Partners, at which Outside Director Takashi Nawa holds the position of Representative Director, based on a training outsourcing contract. However, Takashi Nawa meets the Company’s standards for Determining the Independence of Outside Officers, because the payment from the

Company during the fiscal year under review was ¥3.2 million.

3. Other than the above, there are no significant transactions and/or other special relationships between the Company and the other companies at which the Outside Directors or Audit & Supervisory Board Members (External) hold important positions.
4. All Outside Directors and Audit & Supervisory Board Members (External) are designated as Independent Officers as specified by the Tokyo Stock Exchange and the Company has registered them at the Tokyo Stock Exchange.
5. Standing Corporate Auditor Shizuo Tanaka has previously worked as General Manager, Financial Affairs, Finance Dept., and possesses a respectable degree of knowledge with respect to finance and accounting.
6. Audit & Supervisory Board Member (External) Hideki Amano is qualified as a certified public accountant and possesses a respectable degree of knowledge with respect to finance and accounting.
7. Directors and Audit & Supervisory Board Members who changed positions during the period are as follows.

Name	New Position	Former Position	Date of Change
Masatoshi Ito	Chairman of the Board	Representative Director Chairman of the Board	June 25, 2019
Hiroshi Fukushi	Representative Director Corporate Executive Deputy President	Representative Director Corporate Senior Vice President	June 25, 2019
Masaya Tochio	Representative Director Corporate Senior Vice President	Director Corporate Senior Vice President	June 25, 2019
Etsuhiro Takato	Director	Representative Director Corporate Senior Vice President	June 25, 2019
Chiaki Nosaka	Director Corporate Vice President	(New Appointment)	June 25, 2019
Kimie Iwata	Outside Director	(New Appointment)	June 25, 2019
Takeshi Kimura	(Retired)	Director Corporate Vice President	June 25, 2019
Sakie T. Fukishima	(Retired)	Outside Director (Independent Officer)	June 25, 2019

(2) Amounts of Compensation, etc. Paid to Directors and Audit & Supervisory Board Members in the Fiscal Year under Review

(1) Policy and process taken to decide the compensation paid to Directors and Audit & Supervisory Board Members

1) Basic policy regarding compensation paid to Directors

The Company’s basic policy regarding compensation paid to Directors is resolved by the Board of Directors following the receipt of reports from the Compensation Advisory Committee. The details of the policy are as follows.

(a) In line with Ajinomoto Group Policy (AGP), it will lead to medium- to long-term expansion of corporate value
(b) The level of compensation is be sufficiently competitive with the market level
(c) Compensation will be determined through a transparent process that is accountable to stakeholders

2) Policy regarding the determination of Directors' compensation and method of calculation

(a) Policy on level of compensation

The level of compensation of Directors (excluding Outside Directors) is based on the 75th percentile (top 25% level) of compensation levels for executives of major Japanese companies based on the results of surveys conducted by external organizations.

(b) Compensation of Directors (excluding Outside Directors)

The compensation of Directors (excluding Outside Directors) comprises monthly compensation, short-term performance-linked compensation, and medium-term performance-linked compensation.

(i) Monthly compensation

Monthly compensation is compensation in cash that is paid to encourage individuals to demonstrate their qualities and capabilities to drive corporate growth, and which also reflects their responsibilities. The amount of compensation is set individually for each job position, with reference to the results of surveys conducted by external organizations.

(ii) Short-term performance-linked compensation

Short-term performance-linked compensation is an incentive to encourage appropriate management and the steady achievement of single-year performance targets. It is compensation in cash that is paid after the end of the business year, depending on company-wide and departmental performance evaluations.

(iii) Medium-term company performance-linked stock compensation

Medium-term company performance-linked stock compensation seeks to enhance the sustainable business performance of the Ajinomoto Group in the medium to long term, and to increase corporate value. It is compensation paid in the form of Company stock and payment in cash of the amount equivalent to the conversion value of Company shares.

(c) Compensation paid to Outside Directors and Audit & Supervisory Board Members

Compensation to Outside Directors is resolved by the Board of Directors on an individual basis. Only monthly compensation is paid.

Compensation of Audit & Supervisory Board Members is set based on the decision of the Audit & Supervisory Board. Only monthly compensation is paid.

3) Policy regarding the determination of performance-linked compensation and the proportion of compensation other than performance-linked compensation

The proportions of monthly compensation, short-term performance-linked compensation, and medium-term company performance-linked stock compensation will be approximately 50:36:14 (on an annual basis *) when the performance targets are achieved (i.e., a“4” in a 6-level performance evaluation).

* “On an annual basis” means when the medium-term company performance-linked stock compensation to be paid after the end of the Medium-Term Management Plan period for the three business years is leveled and paid annually.

2) Amounts of Compensation etc. paid to Directors and Audit & Supervisory Board Members

Category	Number of persons to whom compensation, etc. was paid	Total amounts by type of compensation			Total amount of compensation (Millions of yen)
		Monthly compensation (Millions of yen)	Compensation based on short term business performance (Millions of yen)	Compensation based on medium term business performance	
Directors (excluding Outside Directors)	7	289	176	194	661
Audit & Supervisory Board Members (excluding Audit & Supervisory Board Members (External))	2	82	--	--	82
Outside Directors	4	45	--	--	45
Audit & Supervisory Board Members (External)	3	45	--	--	45

Notes: 1. The officers paid include two Directors (one Outside Director) who retired during the period.

2. Compensation based on short term business performance is the amount expected to be paid.

3. Compensation based on medium term business performance is the aggregate of the amount expected to be paid and the amount for one Director who retired during the period.

4. Aggregate compensation to Directors of the Company was limited to the total amount of ¥1.2 billion per year (excluding employee salaries to be paid to the Directors who concurrently serve as employees), and aggregate compensation to Outside Directors is limited to the total amount of ¥50 million per year, by the resolution of the 129th Ordinary General Meeting of Shareholders held on June 28, 2007.

5. It was resolved at the 139th Ordinary General Meeting of Shareholders held on June 27, 2017 that money up to a maximum amount of ¥2.2 billion will be contributed to a stock ownership trust, and medium-term company performance-linked stock compensation will be paid depending on the extent to which the targets of the 2017-2019 (for 2020) Medium-Term Management Plan are fulfilled, at the end of the three-year trust period. Furthermore, the persons entitled to payment are Directors (excluding Outside Directors), Corporate Executive Officers, and Corporate Fellows, and the maximum total number of Company shares to be granted to these persons is 1,100,000 shares.

6. Aggregate compensation to Audit & Supervisory Board Members is limited to the total amount of ¥190 million per year by the resolution of the 129th Ordinary General Meeting of Shareholders held on June 28, 2007.

(3) Main Activities of Outside Directors and Audit & Supervisory Board Members (External) in the Fiscal Year under Review

Position	Name	Attendance at meetings of Board of Directors (attendance rate)	Attendance at meetings of Audit & Supervisory Board (attendance rate)	Comments at meetings of Board of Directors and Audit & Supervisory Board
Outside Director	Yasuo Saito	18 of 18 (100%)	--	Appropriately made comments based on his experience and knowledge as a diplomat
	Takashi Nawa	18 of 18 (100%)	--	Appropriately made comments based on his knowledge of international corporate management
	Kimie Iwata	13 of 13 (100%)	--	Appropriately made comments based on knowledge of corporate management and corporate social responsibility
Audit & Supervisory Board Members (External)	Atsushi Toki	17 of 18 (94%)	14 of 14 (100%)	Appropriately made comments principally from his expert perspective as an attorney-at-law
	Hiroshi Murakami	18 of 18 (100%)	14 of 14 (100%)	Appropriately made comments based on his experience and knowledge of corporate management
	Hideki Amano	17 of 18 (94%)	14 of 14 (100%)	Appropriately made comments principally from his expert perspective as a certified public accountant

Note: The attendance rate of Outside Director Kimie Iwata stated above refers to her attendance rate after her appointment on June 25, 2019.

(4) Overview of contents of agreements with Outside Directors and Audit & Supervisory Board Members (External) concerning limitation of liability

The Company has entered into agreements concerning limitation of liability for damages based on Article 427, Paragraph 1 of the Companies Act with the Outside Directors and Audit & Supervisory Board Members (External). Based on said agreements, liability for damages to the Company shall be the aggregate amount limited to the total amounts set forth in the respective items of Article 425, Paragraph 1 of the Companies Act.

(5) Evaluation of the Effectiveness of the Board of Directors

1) Method of implementation

Between February and April 2020, an anonymous survey was conducted for all Directors and Audit & Supervisory Board Members and, following analysis by external lawyers, the results were discussed at a meeting of the Board of Directors, and the effectiveness of the Board of Directors was thereby evaluated.

2) Results of the evaluation of the effectiveness of the Board of Directors

The results of the survey showed a generally high evaluation of the effectiveness of the Board of Directors, and there are several items that are more highly evaluated than results in FY2018. The Company considers this is the result of having implemented reforms to enhance the effectiveness of the Board of Directors over the past year. In particular, improvements were seen in the following four items:

(1) Discussions on corporate strategy and medium- to long-term policies have become more comprehensive.
(2) Information exchange between outside officers has progressed.
(3) Reporting to the Board of Directors by advisory bodies now includes the processes by which matters are considered.
(4) Further improvements have been made to the internal controls and risk management systems.

On the other hand, the Company is aware that the following points for improvement remain:

(1) Further enhancement of discussions on corporate strategy and medium- to long-term policies
(2) Comments by Internal Directors
(3) Selection of Outside Officer candidates
(4) Further solutions regarding the reporting of the processes by which matters are considered at advisory bodies

3) Initiatives taking into account the results of the previous survey

In the survey for FY2018, issues were identified with regard to the enhancement of discussions on corporate strategy and medium- to long-term policies, information exchange between outside officers, the reporting of processes by which matters are considered by advisory bodies, the verification of internal controls and risk management, and other matters. As a result, we conducted the following reforms of the Board of Directors in FY2019:

(1) Enhanced discussions on corporate strategy and medium- to long-term policies
Further solutions were implemented to increase the time spent deliberating on important matters (including enhancing the sharing of opinions on management themes, and sufficient prior explanation to Outside Directors regarding important matters), agenda items were appropriately selected, and sufficient deliberation time was secured for important matters.

(2) Promoted information exchange among outside officers
An Outside Director Communication Committee was established to exchange information and opinions between outside directors and outside corporate auditors, and to exchange information as needed on a daily basis, which resulted in a deeper understanding by outside officers of the agenda items and issues.

(3) Improved reporting of the processes by which matters are considered at advisory bodies
It was made such that the results of deliberations by advisory bodies based on consultation by the Board of Directors are periodically reported to the Board of Directors, and the content of deliberations are also reported.

(4) Verified internal controls and risk management systems
After the 2018 survey, upon reconfirmation of the comments of each officer, the internal control and risk management system was then re-verified, and improvements were made to the items in which issues were discovered.

In this evaluation of the effectiveness of the Board of Directors, the results of above initiatives were verified, and it was confirmed that they had contributed to enhancing deliberations by the Board of Directors and strengthening supervisory functions. However, it was also confirmed that there remains room for further improvement.

4) Future responses to issues

In FY2020, the Company will continue to promote initiatives from FY2019, and as a result of discussions at the Board of Directors based on the current evaluation of effectiveness, we also decided to step up the following initiatives:

(1) Appropriate application of preparatory works and enhancement of opportunities to exchange views outside the allotted time with an intent to ensure further enhancement of discussions regarding important matters such as corporate strategies, and medium- to long-term policies, etc.;
(2) Implementation of initiatives to improve the awareness of Internal Directors, and to ensure Internal Directors make

remarks from a management perspective, in order to further stimulate debate;
(3) Selection of Outside Director candidates with consideration for diversity and specialized expertise;
(4) More detailed reporting at Board of Directors meetings on the deliberation process of the Advisory Committees

(6) Cross-shareholdings

(1) The Company's policy regarding cross-shareholdings

The Company will decrease its holdings of cross-shareholdings gradually to the minimum amount necessary. The Company carefully scrutinizes each individual cross-shareholding in terms of whether the purpose of holding them is appropriate and whether the benefits and risks of holding them are commensurate with the capital costs. Every year, the Company reviews the propriety of holding shares through the Board of Directors and discloses the results of these reviews. Those shares judged as inappropriate to hold will be sold once the detailed plan for selling is determined.

(2) Standard for the exercise of voting rights

The Company will exercise voting rights of cross-shareholdings so as to contribute to improving long-term corporate value. The Company will vote against instances where shareholder value is significantly impaired due to organizational restructuring or other factors, or cases where serious concerns arise with regard to corporate governance for reasons such as social scandals.

(3) Total number of shares and balance sheet amount of shares held by the Company for purposes other than pure investment

Category / Fiscal year	139th Fiscal Year FY2016	140th Fiscal Year FY2017	141st Fiscal Year FY2018	142nd Fiscal Year FY2019
Number of shares (shares)	132	131	117	109
Total Balance sheet amount (¥ million)	46,399	48,369	43,058	27,932

3. Matters regarding Accounting Auditor (as of March 31, 2020)

(1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC

(2) Amount of compensation, etc. to be paid to the accounting auditor regarding the fiscal year ended March 31, 2020

Description	Amount of fees to be paid for audit and attestation services (Millions of yen)	Amount of fees to be paid for non-audit services (Millions of yen)
The Company	279	16
The consolidated subsidiaries	131	25
Total	411	41

Notes: 1. The audit engagement agreement entered into by the accounting auditor and the Company does not clearly make a distinction between compensation, etc. for audit under the Companies Act and compensation, etc. for audit under the Financial Instruments and Exchange Act, and both are also substantially indistinguishable. Accordingly, the total amount is stated in the amount of fees to be paid for audit and attestation services.

2. After obtaining necessary information on the status of the execution of duties in the previous fiscal year, etc., and taking into consideration the "Practical Guidelines Related to Coordination with Accounting Auditors" announced by the Japan Audit & Supervisory Board Members Association, the Audit & Supervisory Board has considered the validity of the content of the auditing plan of the accounting auditor, the calculation basis for the estimated amount of compensation, etc., and has judged that the aforementioned amount of fees to be paid for audit and attestation services at the Company (excluding the amount that can be clearly distinguished as pertaining to audit under the Companies Act) is justifiable and has given its consent, as provided for in Article 399, Paragraph 1 of the Companies Act.

(3) Matters related to audits of subsidiaries

Among the Company's important consolidated subsidiaries, 22 subsidiaries are audited (limited to those according to the provisions of the Companies Act or the Financial Instruments and Exchange Act (or overseas laws and ordinances equivalent to these laws)) by Certified Public Accountants or audit firms (including those with equivalent overseas qualifications) other than the accounting auditor of the Company.

(4) Contents of non-audit services

The Company had engaged the accounting auditor to provide guidance, advice and other services relating to accounting issues and disclosure, which do not fall under the scope of Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services), and has paid the compensation for such services.

(5) Policy for decisions on dismissal or non re-appointment of the accounting auditor

In the event that the accounting auditor is recognized to have fallen under any of the items in Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board shall dismiss the accounting auditor, based on the consent of all Audit & Supervisory Board Members. In this case, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board shall report the fact that the accounting auditor was dismissed and the reasons for the dismissal at the first General Meeting of Shareholders convened after the dismissal.

In addition, if the Audit & Supervisory Board recognizes that it is necessary to change the accounting auditor, such as cases when it conducts a comprehensive evaluation in accordance with evaluation indicators related to the accounting auditor's qualifications, independence from the Company, expertise, and other criteria, and finds that there are issues preventing the accounting auditor from executing its duties, then it shall determine the content of a proposal related to the dismissal or non-reappointment of the accounting auditor to be submitted at the General Meeting of Shareholders.

Ends

Reference: Percentages and per-share figures stated in this Business Report are rounded off to the indicated units. All other figures stated in this Business Report are truncated to the indicated units.

(Attached Document)

Consolidated Financial Statements (prepared in accordance with IFRS)

Consolidated Statements of Financial Position

(As of March 31, 2020)

(Millions of yen)

Assets	FY ended March 31, 2020 (as of March 31, 2020)	FY ended March 31, 2019 (Reference: as of March 31, 2019)	Liabilities	FY ended March 31, 2020 (as of March 31, 2020)	FY ended March 31, 2019 (Reference: as of March 31, 2019)
Assets			**Liabilities**		
Current assets			**Current liabilities**		
Cash and cash equivalents	141,701	153,725	Trade and other payables	178,583	183,276
Trade and other receivables	184,739	194,270	Short-term borrowings	8,043	10,989
Other financial assets	8,946	16,526	Commercial papers	40,000	-
Inventories	178,636	185,036	Current portion of bonds	19,995	-
Income taxes receivable	8,653	8,095	Current portion of long-term borrowings	15,191	13,089
Others	16,225	13,944	Other financial liabilities	5,401	5,935
Sub total	538,901	571,599	Short-term employee benefits	41,588	37,273
Assets of disposal groups classified as held for sale	—	19,568	Provisions	5,272	6,560
Total current assets	**538,901**	**591,167**	Income taxes payable	12,517	9,549
			Others	8,972	11,510
			Sub total	335,566	278,185
			Liabilities of disposal groups classified as held for sale	—	13,571
Non-current assets			**Total current liabilities**	**335,566**	**291,756**
Property, plant and equipment	454,357	423,369	**Non-current liabilities**		
Intangible assets	69,245	66,132	Corporate bonds	149,550	169,479
Goodwill	89,964	91,373	Long-term borrowings	124,135	137,157
Investments in associates and joint ventures	116,280	116,900	Other financial liabilities	72,738	25,412
Long-term financial assets	50,132	64,812	Long-term employee benefits	66,659	64,406
Deferred tax assets	17,781	15,589	Provisions	7,264	11,135
Others	16,952	24,523	Deferred tax liabilities	4,503	7,392
Total non-current assets	**814,714**	**802,701**	Others	1,127	1,167
			Total non-current liabilities	**425,978**	**416,153**
			Total liabilities	**761,545**	**707,909**
			Equity		
			Common stock	79,863	79,863
			Capital surplus	—	3,266
			Treasury stock	(2,160)	(2,361)
			Retained earnings	574,287	595,311
			Other components of equity	(113,015)	(65,521)
			Disposal groups classified as held for sale	—	(16)
			Equity attributable to owners of the parent company	538,975	610,543
			Non-controlling interests	53,095	75,417
			Total equity	**592,070**	**685,960**
Total assets	**1,353,616**	**1,393,869**	**Total liabilities and equity**	**1,353,616**	**1,393,869**

(Attached Document)

Consolidated Statements of Income

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

	FY ended March 31, 2020	FY ended March 31, 2019 (reference)
Continuing operations		
Sales	1,100,039	1,114,308
Cost of sales	(696,166)	(719,299)
Gross profit	403,873	395,008
Share of profit of associates and joint ventures	(2,444)	(515)
Selling expenses	(172,079)	(174,263)
Research and development expenses	(27,596)	(27,823)
General and administrative expenses	(102,516)	(99,167)
Business profit	99,236	93,237
Other operating income	7,572	6,009
Other operating expenses	(58,035)	(45,604)
Operating profit	48,773	53,642
Financial income	8,030	8,116
Financial expenses	(8,009)	(7,060)
Profit before income taxes	48,795	54,698
Income taxes	(20,384)	(17,697)
Profit from continuing operations	28,410	37,001
Profit from discontinued operations	558	2,002
Profit	28,969	39,004
Attributable to:		
Owners of the parent company	18,837	29,698
Non-controlling interests	10,132	9,306
Profit from continuing operations attributable to owners of the parent company	18,643	27,509
Profit from discontinued operations attributable to owners of the parent company	193	2,188
Profit attributable to owners of the parent company	18,837	29,698
Earnings per share from continuing operations (yen):		
Basic	34.01	49.67
Diluted	33.99	—
Earnings per share from discontinued operations (yen):		
Basic	0.35	3.95
Diluted	0.35	—
Earnings per share (yen):		
Basic	34.37	53.62
Diluted	34.35	—

(Attached Document)

Consolidated Statements of Changes in Equity

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Equity attributable to owners of the parent company							
					Other components of equity			
	Common stock	Capital surplus	Treasury stock	Retained earnings	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasure-ments of defined benefit pension plans	Cash flow hedges	Change in fair value of forward elements of forward contracts
Balance as of April 1, 2019	79,863	3,266	(2,361)	595,311	21,907	(32,484)	(3,103)	(494)
Profit				18,837				
Other comprehensive income					(4,493)	(1,927)	406	52
Comprehensive income	—	—	—	18,837	(4,493)	(1,927)	406	52
Purchase of treasury stock			(6)					
Disposal of treasury stock		(0)	0					
Retirement of treasury stock								
Dividends				(17,554)				
Changes in transactions with non-controlling interests		(3,215)						
Changes due to business combinations								
Changes in ownership interests in subsidiaries that result in loss of control								
Changes in ownership interests in subsidiaries that do not result in loss of control		(27,426)						
Transfer from other components of equity to retained earnings				4,941	(4,941)			
Transfer of negative balance of other capital surplus		27,231		(27,231)				
Transfer to non-financial assets							(67)	
Stock-based compensation transaction		143	206					
Other				(16)				
Total net changes in transactions with owners of the parent company	—	(3,266)	200	(39,861)	(4,941)	—	(67)	—
Balance as of March 31, 2020	79,863	—	(2,160)	574,287	12,472	(34,411)	(2,764)	(441)

	Equity attributable to owners of the parent company					Non-controlling interests	Total
	Other components of equity			Disposal groups classified as held for sale	Total		
	Exchange differences on translating foreign operations	Share of other comprehensive income (loss) of associates and joint ventures	Total				
Balance as of April 1, 2019	(51,579)	232	(65,521)	(16)	610,543	75,417	685,960
Profit			—		18,837	10,132	28,969
Other comprehensive income	(36,032)	(490)	(42,484)		(42,484)	(4,089)	(46,573)
Comprehensive income	(36,032)	(490)	(42,484)	—	(23,647)	6,042	(17,604)
Purchase of treasury stock			—		(6)		(6)
Disposal of treasury stock			—		0		0
Retirement of treasury stock			—		—		—
Dividends			—		(17,554)	(4,789)	(22,343)
Changes in transactions with non-controlling interests			—		(3,215)		(3,215)
Changes due to business combinations			—		—	2,283	2,283
Changes in ownership interests in subsidiaries that result in loss of control			—	16	16	(4,465)	(4,448)
Changes in ownership interests in subsidiaries that do not result in loss of control			—		(27,426)	(20,998)	(48,424)
Transfer from other components of equity to retained earnings			(4,941)		—		—
Transfer of negative balance of other capital surplus			—		—		—
Transfer to non-financial assets			(67)		(67)	(0)	(67)
Stock-based compensation transaction			—		350		350
Other			—		(16)	(395)	(412)
Total net changes in transactions with owners of the parent company	—	—	(5,009)	16	(47,920)	(28,364)	(76,285)
Balance as of March 31, 2020	(87,611)	(258)	(113,015)	—	538,975	53,095	592,070

Notes to the Consolidated Financial Statements

Notes regarding Significant Items for the Preparation of Consolidated Financial Statements

1. Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (hereinafter the "Ajinomoto Group") have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") pursuant to the provisions under Article 120, Paragraph 1 of the Rules of Corporate Accounting. Pursuant to the provisions of the second sentence of the above Paragraph, certain disclosure items required under IFRS are omitted.

2. Scope of consolidation

Number of consolidated subsidiaries:
99 companies

Names of main companies:
Ajinomoto Food Manufacturing Co., Ltd., Ajinomoto Frozen Foods Co., Inc., Ajinomoto AGF, Inc., Ajinomoto Co., (Thailand) Ltd., Ajinomoto do Brasil Indústria e Comércio de Alimentos Ltda., Ajinomoto Foods North America, Inc., Ajinomoto Animal Nutrition North America, Inc., and AJINOMOTO ANIMAL NUTRITION EUROPE S.A.S.

3. Scope of application of the equity method

Number of associates and joint ventures accounted for using equity method:
17 companies

Names of main companies:
EA Pharma Co., Ltd., J-OIL MILLS, INC., and PROMASIDOR HOLDINGS LIMITED

4. Fiscal year, etc. of consolidated subsidiaries

The fiscal year-end for Myanmar Ajinomoto Foods CO., LTD. is September 30, and the fiscal year-end for 19 consolidated subsidiaries including Ajinomoto del Peru S.A., is December 31, but all prepare financial statements as of March 31 for consolidation purposes.

5. Accounting policies

(1) Valuation standards and methods for significant assets

1) Financial assets

Financial assets are classified into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss at initial recognition. The Ajinomoto Group initially recognizes financial assets on the transaction date when it becomes a contracting party to the financial asset. Financial assets measured at fair value through profit or loss are initially measured at fair value, while other financial assets are measured at fair value plus transaction costs that are directly attributable to the financial asset.

The Ajinomoto Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset.

(a) Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- Assets are held in accordance with a business model whose objective is to hold assets to collect contractual cash flows, and
- Cash flows that are solely payments of principal and interest on the outstanding balance of the principal are generated on a specific date.

They are subsequently measured at amortized cost using the effective interest method.

(b) Financial assets measured at fair value through other comprehensive income (debt instruments)

Financial assets held by the Ajinomoto Group that meet both of the following conditions are classified as debt instrument measured at fair value through other comprehensive income:

- They are held in accordance with a business model whose objective is achieved by both the collection of contractual cash flows and the sales of assets, and
- Under the contractual terms, cash flows that are solely payments of principal and interest on the outstanding balance of the principal are generated on a specific date.

After initial recognition, they are measured at fair value, with subsequent changes recognized in other comprehensive income. Upon disposal, any cumulative gains or losses recognized through other comprehensive income are reclassified from other components of equity to profit or loss as a reclassification adjustment.

(c) Financial assets measured at fair value through other comprehensive income (equity instruments)

For investments in equity instruments, the Ajinomoto Group has made an irrevocable election to recognize subsequent changes in fair value in other comprehensive income, and classifies them as equity instruments measured at fair value through other comprehensive income.

After the initial recognition, they are measured at fair value, with subsequent changes in fair value recognized in other comprehensive income. Upon disposal, any cumulative gains or losses recognized through other comprehensive income are reclassified from other components of equity to retained earnings.

Dividends from financial assets measured at fair value through other comprehensive income are recognized in profit or loss as financial income.

(d) Financial assets measured at fair value through profit or loss

Financial assets other than financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income described above are classified as financial assets measured at fair value through profit or loss. There are no financial assets that the Group has made an irrevocable designation as financial assets measured at fair value through profit or loss at initial recognition.

After initial recognition, subsequent changes in fair value are recognized in profit or loss.

2) Impairment of financial assets

A loss allowance is recognized for expected credit losses on financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income (debt instruments). Addition to the loss allowances for expected credit loss on financial assets is recognized in profit or loss. Should the balance of the loss allowance be decreased, the reversal of the loss allowance is recognized in profit or loss.

3) Financial liabilities

Financial liabilities are classified as financial liabilities measured at amortized cost and financial liabilities measured at fair value through profit or loss at initial recognition. The Ajinomoto Group initially recognizes financial liabilities on the transaction date when it becomes a party to the contractual provisions of a financial liability. Financial liabilities measured at amortized cost are initially measured at fair value less transaction costs directly attributable to the issue of the financial liabilities, and financial liabilities measured at fair value through profit or loss are initially measured at fair value.

Financial liabilities are derecognized when they are extinguished, that is, when the obligation in the contract is discharged, cancelled or expires.

(a) Financial liabilities measured at amortized cost

After initial recognition, financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method.

(b) Financial liabilities measured at fair value through profit or loss

After initial recognition, financial liabilities measured at fair value through profit and loss are measured at fair value, with subsequent changes in fair value recognized in profit or loss.

4) Derivatives and hedge accounting

The Ajinomoto Group uses derivatives, including foreign exchange forward contracts and interest rate swaps, in order to hedge exposures to foreign exchange rate and interest rate fluctuations.

In applying hedge accounting, at the inception of a transaction, the Ajinomoto Group makes a formal designation and prepares documentation of the hedging relationship, the risk management objective and the strategy for undertaking the hedge. The documentation includes the identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and the method of assessing the effectiveness of hedging instrument in offsetting exposures to fair value or cash flow fluctuations of hedged items arising from the hedged risk. An ongoing assessment of hedge effectiveness is performed at the end of each fiscal year or upon a significant change in circumstances affecting the hedge effectiveness, whichever comes first.

Derivatives are initially recognized at fair value. After initial recognition, the fair value measurement is continuously applied, with subsequent changes in fair value accounted for as follows:

(a) Fair value hedges

Changes in the fair value of a derivative classified as a hedging instrument are recognized in profit or loss. Changes in the fair value of the underlying hedged item are recognized in profit or loss by adjusting the carrying value of the hedged item.

(b) Cash flow hedges

The effective portion of changes in the fair value of a derivative classified as a hedging instrument is recognized in other comprehensive income. The ineffective portion of fair value changes is recognized in profit or loss.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or liability, or a hedged forecast transaction for a non-financial asset or liability becomes a firm commitment for which fair value hedge accounting is applied, the initial carrying amount of the non-financial asset or liability is adjusted for the amount recognized in other comprehensive income.

Cash flow hedges other than those mentioned above are reclassified from other components of equity to profit or loss in the accounting period or periods during which the hedged future cash flows affect profit or loss. Notwithstanding, if a loss is recognized and the recoverability of all or a portion of that loss in one or more future periods is doubtful, the unrecoverable amount is transferred immediately to profit or loss.

Hedge accounting is discontinued prospectively when a hedging instrument expires or is sold, cancelled or exercised, the hedge does not meet the conditions for hedge accounting, or the hedge designation is revoked. If a forecast transaction is no longer expected to occur, the amount recognized in other comprehensive income is reclassified immediately from other components of equity to profit or loss.

(c) Hedging net investments in foreign operations

Hedges of net investments in foreign operations are accounted for in the same way as in cash flow hedges; the effective portion of the change in value of the hedging instrument is recognized in other comprehensive income. Upon disposal of a foreign operation, the effective portion of the hedge recognized in other comprehensive income is transferred from other components of equity to profit or loss. The ineffective portion of the hedge is recognized in profit or loss.

(d) Derivatives not designated as hedges

Changes in the fair value of derivatives not designated as hedges are recognized in profit or loss.

5) Inventories

The cost of inventories comprises the purchase cost, the processing cost and all other costs incurred in bringing the inventories to their present location and condition. The Ajinomoto Group's main cost formula is the weighted average method. The cost of inventories that are not ordinarily interchangeable and used for goods or services for specific projects are determined by using specific identification of their individual costs.

Inventories are measured at the lower of cost or net realizable value. Net realizable value is determined at the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

6) Impairment of non-financial assets

At the end of fiscal year, the Ajinomoto Group assesses whether there is any indication that a non-financial asset may be impaired. If an indication of impairment exists, the recoverable amount of the asset or cash-generating unit is estimated. Goodwill, intangible assets with indefinite useful lives and intangible assets currently not available for use are tested for impairment every year and whenever there is an indication of impairment. Goodwill is allocated to a cash-generating unit (minimum unit or unit group), which is expected to earn cash flows from the synergy of the business combination.

The recoverable amount is the higher of the fair value less costs of disposal or the value in use of an asset or a cash-generating unit. When the recoverable amount of an asset or a cash-generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the difference is recognized in profit or loss as an impairment loss. An impairment loss recognized is first allocated to reduce the carrying amount of the goodwill allocated to the cash-generating unit and then to reduce the carrying amount of other assets in the cash-generating unit, excluding the goodwill, on a pro rata basis.

At the end of fiscal year, the Ajinomoto Group assesses whether there is an indication that the impairment loss recognized in prior periods for an asset, excluding goodwill, or cash-generating unit may no longer exist or may have decreased. If such indication exists, the Ajinomoto Group estimates the recoverable amount, and reverses the impairment loss by increasing the carrying amount of the asset or cash-generating unit. The increase in the carrying amount of an asset or cash-generating unit attributable to a reversal of an impairment loss should not exceed the carrying amount, which would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. Impairment losses recognized on goodwill are not reversed in subsequent periods.

(2) Depreciation and amortization of significant depreciable assets

1) Property, plant and equipment (excluding right-of-use assets)

Property, plant and equipment are measured at cost on initial recognition. The cost of property, plant and equipment comprises the acquisition price, costs directly attributable to the acquisition, costs of dismantling, removing of assets and restoring the site to the original condition and borrowing costs.

After initial recognition, the Ajinomoto Group applies the cost model for measurement and carries the asset at cost less accumulated depreciation and accumulated impairment losses.

Except for non-depreciable assets, such as land, property, plant and equipment are depreciated on a straight-line basis over their useful lives.

The useful lives of major classes of property, plant and equipment are as follows:

- Buildings and structures:	3 to 50 years
- Machinery and vehicles:	2 to 20 years
- Tools, furniture and fixtures:	2 to 20 years

Residual values, useful lives, and depreciation methods are reviewed at the end of each fiscal year. Changes in residual value, useful lives or depreciation methods are accounted for as a change in accounting estimate.

2) Intangible assets (excluding right-of-use assets)

(a) Goodwill

The Group recognizes goodwill as of the acquisition date measured as the excess of (a) over (b) as described below:

(a) the aggregate of the consideration transferred and the amount of non-controlling interest in the acquiree

(b) the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed

Conversely, if the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognizes the excess in profit or loss at the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the acquisition occurs, the business combination is accounted for using the provisional amounts. During the measurement period, which is within one year of the acquisition date, the provisional amounts are adjusted retrospectively and recognized as of the acquisition date to reflect new information obtained on facts and circumstances existed as of that date.

After initial recognition, goodwill is measured at acquisition cost less accumulated impairment losses, and not subject to amortization.

Goodwill is derecognized when an asset in the cash-generating unit (or its disposal group) is disposed of. In determining gain or loss on disposal, the goodwill related to the operation to be disposed of is included in the carrying value of the operation.

(b) Intangible assets (excluding right-of-use assets)

Intangible assets are initially measured at cost. The acquisition cost of an intangible asset acquired in a business combination is measured at fair value as of the acquisition date. Expenditures for internally generated intangible assets are recognized as an expense as incurred, except for development expenditures that qualify for capitalization.

For measurement after initial recognition, the cost model is applied and the intangible asset is carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with definite useful lives are amortized on a straight-line basis over their useful lives.

The useful lives of major classes of intangible assets with definite useful lives are as follows:

- Software:	3 to 5 years
- Trademarks:	up to 20 years
- Patents:	up to 10 years
- Customer relationships:	6 to 15 years

Useful lives and amortization methods for intangible assets with definite useful lives are reviewed at the end of each fiscal year. If there is a change in the useful life or amortization method, it is accounted for as a change in accounting estimate. The residual value is deemed to be zero.

Intangible assets with indefinite useful lives or that are not yet available for use are not amortized. For intangible assets with indefinite useful lives, the Ajinomoto Group reviews at the end of each fiscal year, whether an event or condition, which led to the conclusion that an asset has no definite life, continues to exist.

(c) Leases

As a lessee, the Group recognizes right-of-use assets and lease liabilities at the commencement date of the lease transaction. Lease liability is measured at the present value of the total lease payments payable, and right-of-use assets are measured based on the initial direct cost incurred by the lessee and the terms and conditions of the lease, such as lease payments made before the commencement date, and the acquisition cost adjusted for costs such as the obligation to restore to original condition.

After initial recognition, the right-of-use asset is depreciated using the straight-line method over the shorter of its useful life or the lease period.

Lease fees are allocated to financial expense and repayments on lease liabilities based on the effective interest rate method, and interest costs are recognized in the consolidated income statement.

However, for short-term leases with a lease term of 12 months or less and leases with a small underlying asset amount, the right-of-use asset and lease liability are not recognized, and the lease payments are recognized as expenses over the lease term using the straight-line method.

(3) Provisions

Provisions are recognized when the Ajinomoto Group has a present obligation (legal or constructive) as a result of past events, an outflow of resources embodying economic benefits required to settle the obligation is highly probable and the amount of the obligation can be reliably estimated.

Where the effect of the time value of money is material, the present value of the expenditures expected to be required to settle the obligation is used for the amount of provision. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(4) Post-employment benefits

The Ajinomoto Group sponsors defined benefit plans and defined contribution plans as post-employment benefit plans.

For defined benefit plans, the determination of the present value of the defined benefit obligations and the related current service cost and past service cost are based on the projected unit credit method. The discount rate is mainly determined based on the high quality corporate bond market yields at the end of the fiscal year, corresponding to the estimated benefit payments. The retirement benefit liability or asset is presented by netting the fair value of plan assets and the present value of the defined benefit obligation. Net interest on the retirement benefit liability or asset is recognized in profit or loss as financial expenses or income.

Remeasurements of the net defined benefit obligations and plan assets are recognized in other comprehensive income, and not reclassified to profit or loss in subsequent periods. Past service cost is recognized as an expense in the period in which it arises.

(5) Foreign currencies translation

1) Functional currency

Each company in the Ajinomoto Group prepares separate financial statements using its functional currency. Most of these companies use the local currency as their functional currency, but where a business environment in which they operate uses currency other than the local currency, they use that currency as the functional currency.

The consolidated financial statements of the Ajinomoto Group are presented in the millions of Japanese yen, which is the functional currency of the Company.

2) Translation of foreign-currency denominated transactions

Foreign-currency transactions are recorded in a functional currency using the spot exchange rate or the rate that approximates the exchange rate at the transaction date. Subsequently, monetary items denominated in foreign currencies are translated using the spot exchange rates as of the end of the fiscal year. Foreign currency-denominated non-monetary items measured at fair value are translated using the spot exchange rates at the fair value measurement date. Foreign currency-denominated non-monetary items measured at historical cost are continuously translated using the spot exchange rate at the transaction date or the rate that approximates that exchange rate.

Translation differences arising from the translation or settlement of foreign currency transactions are recognized in profit or loss; provided that translation differences arising from financial assets measured at fair value through other comprehensive income and cash flow hedges are included in other comprehensive income.

3) Translation of financial statements of foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen using the spot exchange rate at the end of the fiscal year, and revenues and expenses are translated using the spot exchange rate at the transaction date or the rate that approximates the spot exchange rate, respectively. Translation differences are recognized in other comprehensive income. In case of disposing of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified to profit or loss in the period of disposal.

(6) Revenue recognition

IFRS15 requires the Group to recognize revenue, excluding interest and dividend income recognized in accordance with IFRS 9 and insurance revenue recognized in accordance with IFRS 4, upon transfer of promised goods or services to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services based on the following five-step approach:

Step 1: Identify the contracts with customers
Step 2: Identify the performance obligations in each contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

(7) Other significant items for the preparation of consolidated financial statements

1) Accounting for consumption taxes

Transactions of the Company and domestic consolidated subsidiaries subject to consumption tax and/or regional consumption tax are recorded at amounts exclusive of the consumption tax. Consumption taxes receivable is included in ‘Current assets – Other’, while consumption taxes payable is included in ‘Current liabilities – Other.’

2) Adoption of consolidated tax accounting system

The Company and some of its consolidated subsidiaries adopt the consolidated taxation system, with Ajinomoto Co., Inc. as the consolidated taxable parent company.

3) Presentation of amounts

Amounts less than one million yen are rounded down.

Notes on Changes in Accounting Policies

(Impact of Applying New Accounting Policies)

The Group has applied the following accounting standards from the first quarter of the fiscal year ended March 31, 2020.

IFRS		Overview of new standards or amendments
IFRIC 23	Uncertainty over Income Tax Treatments	Clarifies uncertainty over income tax treatments
IAS 19	Employee Benefits	Clarifies how to measure service costs and interest expenses in the case of plan amendment, curtailment or settlement
IAS 23	Borrowing Costs	Clarifies how to calculate borrowing costs eligible for capitalization
IFRS 16	Leases	Revises accounting treatments and disclosure relating to leases

Note 1: IFRIC 23 Uncertainty over Income Tax Treatments

This interpretation provides guidance on requirements that add to the requirements of IAS 12 Income Taxes by specifying accounting treatments for uncertain tax positions such as items for which the tax treatment is unclear or items related to matters yet to be resolved with tax authorities. If it is deemed likely that the Group's tax treatments will not be accepted by tax authorities, when calculating taxable income, the Group uses the mode or expected value to recognize the effect of uncertainty as additional taxable income. The adoption of this interpretation does not have a material impact on the consolidated financial statements.

Note 2: IAS 19 Employment Benefits

IAS 19 clarified the use of actuarial assumptions at the time of remeasurement in the measurement of service costs and interest expenses at the closing date after the event in the case of plan amendment, curtailment or settlement. The revision of this standard will be applied to events that arise on or after the date of adoption (April 1, 2019) and does not have a material impact on the consolidated financial statements.

Note 3: IAS 23 Borrowing Costs

IAS 23 clarified that when special borrowing for a qualifying asset remains unpaid at the point when the qualifying asset is ready for the intended use or sale, the balance of the special borrowing is included in general purpose borrowing. The revision of this standard will be applied to events that arise on or after the date of adoption (April 1, 2019) and does not have a material impact on the consolidated financial statements.

Note 4: IFRS 16 Leases

The lessee recognizes the right to use the underlying assets (right-of-use assets) and the obligation to make lease payments (lease liabilities) on the lease commencement date. After initial recognition, expenses relating to depreciation arising from right-of-use assets and interest expenses for lease liabilities are recognized separately. Right-of-use assets are recorded in property, plant and equipment on the consolidated statements of financial position.

Leases as the Lessee

The Group has adopted IFRS 16 from the beginning of the fiscal year ended March 31, 2020. In adopting IFRS 16, the Group employed the method of recognizing the cumulative effect of applying the standard on the adoption commencement date, which is provided as a transition approach. When adopting IFRS 16, for lease contracts held at the end of the previous fiscal year that are not classified as finance leases under IAS 17, it is determined whether the leases are included in contracts in accordance with IFRS 16, and right-of-use assets and lease liabilities are recognized for all leases, with the exception of short-term leases for which the term of the lease is 12 months or less and leases for which the underlying asset is of low value.

The carrying amounts of right-of-use assets and lease liabilities on the adoption commencement date related to leases classified as finance leases under IAS 17 are calculated as the carrying amounts of the lease assets and lease liabilities based on IAS 17 on the immediately preceding date.

The Group measured lease liabilities on the adoption commencement date related to leases not classified as finance leases under IAS 17 as the amount of the total remaining lease payments as of the adoption commencement date discounted to the present value based on the interest rate for additional borrowings of the Group as of April 1, 2019, and the applicable weighted average of the interest rate for additional borrowings is 0.93%. In addition, right-of-use assets were initially measured at the measured amount of lease liabilities adjusted for prepaid lease payments. On the adoption commencement date, right-of-use assets increased ¥53,956 million and lease liabilities increased ¥51,571 million.

The difference between the ¥20,174 million (discounted to ¥19,405 million) in minimum total future lease payments based on non-cancelable operating leases disclosed with the application of IAS 17 as of the closing date for the previous fiscal year and lease liabilities of ¥57,877 million recognized at the beginning of the fiscal year ending March 31, 2020 is mainly due to the inclusion in lease liabilities of contract amounts related to land and buildings which were treated as rental contracts under the previous standards, as a result of the revision of lease terms.

The impact on the consolidated statements of income in the fiscal year ending March 31, 2020 is immaterial.

The Group has also employed the following practical expedients when adopting IFRS 16.
・ Leases for which the remaining term of the lease is 12 months or less on the adoption commencement date are not recognized as right-of-use assets and lease liabilities.
・ Initial direct costs may be excluded from the measurement of right-of-use assets on the adoption commencement date.
・ When a contract includes an option to extend or cancel, ex post judgement may be used when calculating the term of the lease.

Leases as the Lessor
There are no changes to the accounting treatment for leases in which the Group is the lessor when adopting IFRS 16 with the exception of sub-leases.

Notes to Consolidated Statements of Financial Position

1. **Accumulated depreciation of property, plant and equipment**

¥707,808 million

2. **Loss allowance directly deducted from assets**

(Millions of yen)

Trade and other receivables	1,112
Long-term financial assets	86

3. **Contingent liabilities**

The Company has guarantee obligations for bank borrowings of companies other than Ajinomoto Group companies and employees. The undiscounted future maximum exposure from guarantee obligations is as follows:

(Millions of yen)

Granules OmniChem Private Ltd.	1,972
Others	148
Total	2,120

Notes to Consolidated Statements of Income

1. **Impairment losses**

Non-financial assets for which impairment losses are recognized are as follows:

(1) Impairment losses recognized by asset type

The Ajinomoto Group recognized impairment losses of ¥30,728 million for the fiscal year ended March 31, 2020. These impairment losses were recorded in “Other operating expenses” in the consolidated statement of income.

(Millions of yen)

	Fiscal year ended March 31, 2020
Buildings and structures	6,383
Machinery and vehicles	19,819
Tools, furniture and fixtures	268
Land	51
Construction in progress	914
Software	327
Trademarks	646
Goodwill	1,612
Other	706
Total	30,728

(2) Details of major assets for which impairment losses were recognized

(1) Life Support Segment

The production facilities of the European animal nutrition business have seen a deterioration in profitability due to a decline in demand resulting from the global spread of African swine fever, and a subsequent decline in sales unit prices. As it is expected to be difficult for this business to recover quickly, the carrying amount has been reduced to the recoverable amount, and an impairment loss of ¥14,958 million has been recorded in "Other operating expenses". The breakdown of the impairment loss is as follows.

(Units: Millions of yen)

Location	Cash-generating unit	Type	Amount
France	Feed-use Amino acid production facility	Buildings and structures	3,176
		Machinery and vehicles	11,466
		Other	315
		Total	14,958

The recoverable amount of ¥5,769 million was measured based on the value in use and calculated by discounting its future cash flows to present value using the pre-tax discount rate of 10.2%.

(2) Japan Food Products Segment

The profitability of manufacturing equipment in the bakery business has deteriorated due to intensifying competition, and it is expected to be difficult for this business to recover quickly. As such, the carrying amount has been reduced to its recoverable amount calculated by the value in use, and an impairment loss of ¥3,835 million was recorded in "Other operating expenses". The breakdown of impairment loss is as follows.

(Units: Millions of yen)

Location	Cash-generating unit	Type	Amount
Japan	Bakery manufacturing equipment	Buildings and structures	965
		Machinery and vehicles	2,320
		Other	549
		Total	3,835

The recoverable amount was measured based on the value in use, however because future cash flows are negative, the recoverable amount is deemed to be zero.

(3) International Food Products

The profitability of European seasoning production facilities has deteriorated due to intensifying competition, and it is expected to be difficult for this business to recover quickly. As such, the carrying amount has been reduced to its recoverable amount calculated by the value in use, and an impairment loss of ¥6,899 million was recorded in "Other operating expenses".

(Units: Millions of yen)

Location	Cash-generating unit	Type	Amount
France	Seasoning production facilities	Buildings and structures	1,320
		Machinery and vehicles	4,482
		Other	864
		Total	231
		Total	6,899

The recoverable amount was measured based on the value in use, however because future cash flows are negative, the recoverable amount is deemed to be zero.

AJINOMOTO ISTANBUL FOOD INDUSTRY AND TRADE LTD. CO. in Turkey, the expected future profitability was lower than the initially planned due to recent changes in the business environment and business results. Accordingly, an impairment loss on goodwill of ¥1,612 million and impairment loss on trademark rights of ¥646 million was recorded in "Other operating expenses". The recoverable amount of ¥2,926 million was measured based on the value in use and calculated by discounting its future cash flows to present value using the pre-tax discount rate of 26.9%.

2. Impairment losses on investments in associates and joint ventures

For investments accounted for by the equity method in Promasidor Holdings Limited (PH), in the International Food Products Segment, the profitability of the dairy products business in Algeria is deteriorating, mainly due to the rising cost of dairy ingredients and the stagnation of the domestic economy. Since it is expected to be difficult for this business to recover quickly, the carrying amount was reduced to its recoverable amount measured at the fair value less costs of disposal. Accordingly, an impairment loss on investments in associates and joint ventures related to PH of ¥4,232 million was recorded in “Other operating expenses.”

In addition, for the trademark rights related to PH, the carrying amount was also reduced to its recoverable amount measured at the fair value less costs of disposal, and an impairment loss of ¥3,897 million was recorded in “Share of profit of associates and joint ventures.”

Notes on Revenue Recognition

Revenue recognized from contracts with customers is presented as sales. The details of goods and services are as follows:

1. **Japan Food Products**

Japan Food Products segment of the Group earns revenues mainly from sales of seasonings, processed foods, frozen foods and coffee products.

In these sales contracts with customers, the Company has obligations to deliver ordered products. The Company typically satisfies its performance obligations upon delivery. The payment due date depends on individual contracts, but is consistent with market conventions, and therefore the promised amount of consideration does not have a significant financing component.

Rebates are deducted from sales only to the extent that it is highly probable that a significant reversal in revenue recognized will not occur. The amount of rebates is estimated by multiplying actual sales results for a certain period by a rebate rate expected to be reached based on contracts with customers.

2. **International Food Products**

International Food Products segment of the Group earns revenues mainly from sales of seasonings, processed foods, frozen foods, umami seasonings for processed food manufacturers and sweeteners.

In these sales contracts with customers, the Company has obligations to deliver ordered products. The Company typically satisfies its performance obligations upon delivery. The payment due date depends on individual contracts, but is consistent with market conventions, and therefore the promised amount of consideration does not have a significant financing component.

Rebates are deducted from sales only to the extent that it is highly probable that a significant reversal in revenue recognized will not occur. The amount of rebates is calculated by estimating the sales amount for a certain period and multiplying it by a rebate rate in line with actual sales results.

3. **Life Support**

Life Support segment of the Group earns revenues mainly from sales of animal nutrition and specialty chemicals.

“Animal nutrition” business sells feed-use amino acids, where the Company has obligations to deliver ordered products. “Specialty chemicals” business sells electronic materials and other products for domestic and overseas customers, where the Company has obligations to deliver ordered products.

The Company typically satisfies its performance obligations upon delivery. The payment due date depends on individual contracts, but is consistent with market conventions, and therefore the promised amount of consideration does not have a significant financing component.

Rebates are deducted from sales only to the extent that it is highly probable that a significant reversal in revenue recognized will not occur. The amount of rebates is estimated by multiplying actual sales results for a certain period by a rebate rate expected to be reached based on contracts with customers.

4. **Healthcare**

Healthcare segment of the Group earns revenues mainly from sales of amino acids for pharmaceuticals and foods, and pharmaceutical custom manufacturing.

“Amino acids for pharmaceuticals and foods” business sells ingredients for pharmaceuticals and foods, where the Company has obligations to deliver ordered products. The Company typically satisfies its performance obligations upon delivery. The payment due date depends on individual contracts, but is consistent with market conventions, and therefore the promised amount of consideration does not have a significant financing component.

Rebates are deducted from sales only to the extent that it is highly probable that a significant reversal in revenue recognized will not occur. The amount of rebates is estimated by multiplying actual sales results for a certain period by a rebate rate expected to be reached based on contracts with customers.

"Pharmaceutical custom manufacturing" business engages in manufacturing and developing pharmaceutical intermediates and active ingredients. The Company satisfies its performance obligations when the manufacture and development are considered complete. The payment due date depends on individual contracts, but is consistent with market conventions, and therefore the promised amount of consideration does not have a significant financing component.

"Other" business mainly sells health foods and supplements for athletes.

Notes to Consolidated Statements of Changes in Equity

1. Types and total number of shares issued at end of the fiscal year

Type of shares issued:	Common stock
Total number of shares issued at the end of the fiscal year:	549,163,354 shares

2. Matters regarding dividends

(1) Amount of dividends paid

The following was resolved at the Ordinary General Meeting of Shareholders on June 25, 2019.

Matters regarding common stock:	
Total amount of dividends:	¥8,785 million
Dividends per share:	¥16
Record date:	March 31, 2019
Effective date:	June 26, 2019

The following was resolved at the meeting of the Board of Directors held on November 6, 2019.

Matters regarding common stock:	
Total amount of dividends:	¥8,785 million
Dividends per share:	¥16
Record date:	September 30, 2019
Effective date:	December 4, 2019

(2) Dividends for which the record date falls in the fiscal year ended March 31, 2020 and the effective date falls in the following fiscal year
The following proposal will be submitted at the Ordinary General Meeting of Shareholders to be held on June 24, 2020

Matters regarding common stock:	
Total amount of dividends:	¥8,785 million
Dividends per share:	¥16
Record date:	March 31, 2020
Effective date:	June 25, 2020

Notes to Financial Instruments

1. Status of financial instruments

(1) Credit risk management (risks of our business partners failing to honor contracts, etc.)

For trade and other receivables, each business or sales management division of the Company periodically monitors the credit status of major customers. By monitoring due dates and outstanding balances per customer, the risk of collectability may be early detected and minimized, and deposits are required, when deemed necessary. The same system of risk management is also applied to subsidiaries.

The Ajinomoto Group is exposed to the counterparty risk in relation to derivative transactions. To minimize this risk, derivative transactions are permitted, in principle, only with financial institutions with high credit ratings.

The Ajinomoto Group's maximum exposure to the credit risk is the carrying amounts of the financial assets recognized in the consolidated statements of financial position.

(2) Market risk management (risk of changes in exchange rates, interest rates, etc.)

The Ajinomoto Group conducts its business globally and, therefore, is exposed to the currency risk. The risk arises from receivables and payables and forecast transactions denominated in foreign currencies.

For receivables and payables denominated in foreign currencies, the currency fluctuation risk per currency and per month is hedged mainly using forward foreign exchange contracts. For forecast transactions denominated in foreign currencies, forward foreign exchange contracts may be used depending on the market conditions. Forward foreign exchange contracts are permitted only to the extent the settlement date comes within six months, with an upper limit of 50% of the monthly forecast transaction amounts, as a basic rule.

The Ajinomoto Group also conducts financing through interest-bearing debts. The Ajinomoto Group is exposed to interest rate risk from variable interest rates on some of these interest-bearing debts. Interest rate swaps are used to hedge the interest rate risk from such interest-bearing debts.

Furthermore, the Ajinomoto Group holds equity instruments issued mainly by its trade partners and, accordingly, is exposed to the market fluctuation risk. No equity instruments are held for short-term trading purposes. These equity instruments are periodically assessed with respect to fair value and the financial status of the issuing entity.

The finance division carries out derivative transactions in accordance with internal rules that specify authorization and transaction amount limits, and periodically reports the results of transactions to the executive officers in charge of finance and the Management Committee. The Company's consolidated subsidiaries also manage their derivative transactions in accordance with the Company's rules.

(3) Funding procurement liquidity risk management (risk of failure to meet payment deadlines)

The Ajinomoto Group is exposed to liquidity risk, by which financing may not be available in the necessary amount at the appropriate time. Confusion or disruption in the financial markets, the Company's credit rating lowered by credit rating agencies, and changes in policies and investment decisions by financial institutions all affect the Ajinomoto Group's financing capabilities by increasing the financing cost and reducing liquidity. To minimize such risk, the Company and its principal consolidated subsidiaries use a cash management system and internal loans in an attempt to reduce consolidated interest-bearing debt and mitigate liquidity risk. Liquidity risk is managed by maintaining liquidity at hand at a certain level and continuously setting commitment lines.

2. Fair value of financial instruments

The carrying amounts of financial assets and liabilities as of the end of the fiscal year are as follows. Financial assets and liabilities whose fair value are equal to or approximate their carrying amounts are not included.

(Millions of yen)

	Amounts in consolidated statement of financial position	Fair value
Assets		
Debt instruments	6,659	6,580
Total assets	6,659	6,580
Liabilities		
Corporate bonds	149,550	152,069
Long-term borrowings	124,135	135,289
Total liabilities	273,685	287,359

Fair value measurement methods of each financial instrument are as follows:

Debt instruments

Fair values are determined based on the present value of the sum of the redemption amount at maturity and interest income discounted by the expected interest rate used when a similar new debt instrument is purchased.

Corporate bonds

Fair values are determined based on the market prices.

Long-term borrowings

For long-term borrowings with fixed interest rates, the fair values are determined based on the present value of the sum of the principal and interests discounted by the rate reflecting the credit risk deemed applicable if a similar borrowing was newly made. For long-term borrowings with variable interest rates, the fair values are measured at their carrying amounts, because the borrowings with variable interest rates reflect the current market rates in the short term and the Ajinomoto Group’s credit standing has not significantly changed since the initial borrowing, and thus considered to approximate the carrying amounts.

Notes regarding Investment Property

This information is omitted since the total amount of investment property is immaterial.

Notes regarding Per Share Information

Equity per share (attributable to owners of the parent company):	¥983.19
Basic earnings per share:	¥34.37
Diluted earnings per share:	¥34.35

Business Combinations, etc.

(More Than Gourmet Holdings, Inc. (hereinafter "MTG"))

On August 23, 2019, the Company, through its consolidated subsidiary Ajinomoto Health and Nutrition North America, Inc., acquired 50.1% of the shares of MTG, a liquid seasoning company in the United States, and made it a consolidated subsidiary. The remaining 49.9% of shares are granted share trading options and are accounted for as written put options relating to non-controlling interests.

MTG’s liquid seasonings business is familiar with the trends and preferences of U.S. consumers and has strong connections with processed food manufacturers and food service and restaurant companies. Through this share acquisition, the Company will utilize the menu customization capabilities in the food service and restaurant market, as well as the direct sales channel to food service and restaurant companies it will acquire through this partnership, and combine them with its own ingredients and taste and texture technologies. By doing so, Ajinomoto Co. aims to expand its Integrated Food Solutions business in North America and establish a new specialty.

(1) Impact on the Group’s business performance

There is no significant impact on net sales and net income generated by MTG, which is included in the consolidated financial statements for the current consolidated fiscal year. Assuming the business combination was implemented at the beginning of the consolidated fiscal year under review, the impact would be sales of $22 million (¥2,478 million) and net income of $0 million (¥48 million). (Non-audited information)

(2) Fair value of total consideration transferred at the date of acquisition

	Amount
Cash	$35 million (¥3,829 million)

* 1. Acquisition-related expenses of $2 million (¥297 million) related to the business combination by cash consideration are included in "General administrative expenses".
* 2. $ 1 = 106.66 yen (rate at the time of stock acquisition)
* 3. A contingent consideration is attached to the contract, and the contract is paid according to a specific performance indicator of the acquired company.
However, after estimating the level of the performance indicator, the Group does not recognize the contingent consideration. Note that there is no upper limit for conditional consideration.

(3) Cash out from acquisition of subsidiary

	Amount
Cash spent on acquisition	$35 million (¥3,829 million)
Cash and cash equivalents of the acquired subsidiary	$0 million (¥20 million)
Cash out from acquisition of subsidiary	$35 million (¥3,809 million)

(4) Fair value and goodwill of the assets acquired and liabilities assumed

(Millions of yen)

	Amount
Current assets	785
Trade and other receivables	291
Inventory	466
Other	28
Non-current assets	5,432
Tangible fixed assets	677
Intangible assets	4,721
Other	33
Total assets	6,218
Current liabilities	298
Trade and other payables	256
Other	41

Non-current liabilities	1,343
Deferred tax liabilities	1,212
Other	130
Total liabilities	1,641
Non-controlling interests	2,283
Total net assets after deducting non-controlling interests (A)	2,293
Acquisition-date fair value of total consideration transferred (B)	3,829
Goodwill (C)= (B)-(A)	1,536

Non-controlling interests are measured as the share of non-controlling interests in the fair value of the identifiable net assets of the acquired company.
Goodwill mainly consists of synergies with existing businesses and excess profitability that are expected to result from acquisition.

(5) Fair value of acquired receivables, contractual unearned amount and expected uncollectible amount
The Trade and other receivables acquired mainly consists of accounts receivable, and its fair value is $2 million (¥291 million). The total contract amount is $2 million (¥291 million), and no amount is expected to be uncollectible.

A Disposal Group Classified as Held for Sale and Discontinued Operation

1. **A disposal group classified as held for sale**
On April 26, 2018, the Company entered into an agreement with Kagome Co., Ltd., Nisshin Oillio Group Ltd., Nisshin Foods Inc., and House Foods Group Inc. to restructure the companies' logistics operations and in April 2019 establish a nationwide logistics company by merging their logistics subsidiaries, Ajinomoto Logistics Corporation, Kagome Distribution Service Co., Ltd., House Logistics Service Corporation, F-LINE Corporation, and Kyushu F-LINE Corporation.

Consequently, the loss of control of Ajinomoto Logistics business has been recognized effective from April 2019. Accordingly, Ajinomoto Logistics' assets and liabilities have been included under a disposal group of assets/liabilities classified as held for sale, and the logistics business has been classified as a discontinued operation, effective from the fiscal year ended March 31, 2019.

As of April 1, 2019, a new F-LINE Corporation was established as a result of the integration of the above companies' logistics businesses. Therefore, there are no assets or liabilities classified as held for sale at the end of the consolidated fiscal year under review.

2. **A Discontinued Operation**
As described in "1. A disposal group classified as held for sale," the loss of control of Ajinomoto Logistics business has been recognized effective from April 2019. Accordingly, profit or loss from the logistics business was classified as a discontinued operation and presented separately for the fiscal year ended March 31, 2020.

In addition, on February 5, 2020, the Company entered into a contract to transfer the entire equity stake, equivalent to 51% of the total number of issued shares, held by the Ajinomoto Group, in consolidated subsidiary Fuji Ace Co., Ltd. (FA), a packaging material company in Thailand, to Fuji Seal International, Inc.
As a result, it was confirmed that the Company would lose control of FA, and FA has been classified as a discontinued operation in the fiscal year under review.
Note that the transfer was implemented on March 6, 2020. Therefore, there are no assets or liabilities classified as held for sale at the end of the fiscal year under review.

The details of discontinued operations are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2020
Income from discontinued operations	11,771
Expenses from discontinued operations	(11,090)
Profit before income taxes from discontinued operations	680
Income taxes	(122)
Profit from discontinued operations	558

Basic earnings per share from discontinued operations are ¥0.35.

Transactions between continuing operations and discontinued operations are all eliminated from profit or loss from discontinued operations to reflect their effects on future continuing operations. The amount of (¥1,946) million was eliminated from “Income from discontinued operations” and “Expenses from discontinued operations” in the above table for transactions between continuing operations and discontinued operations.

Additional Information

(Share-based Compensation of Executive Officers Based on the Company's Medium-term Earnings Performance)

1. **Overview of transactions**

The Company has introduced a share-based compensation for executive officers based on the Company's medium-term earnings performance (hereinafter the "System") for the purpose of boosting the motivation of Directors, Corporate Executive Officers and Corporate Fellows (hereinafter collectively the "Officers,") to contribute towards the improvement of the Ajinomoto Group's medium- and long-term business performance and enhancement of its corporate value.

In this System, the Company contributes money with the maximum amount of ¥2.2 billion to a stock-granting trust created by the Company (hereinafter the "Trust") with a trust period of approximately three years. The Trust acquires the Company's shares with the maximum number of 1.1 million shares by spending the money contributed by the Company and, after the 3-year period of the Medium-Term Management Plan starting on April 1, 2017 (hereinafter the "Period"), the Trust executes the granting or payment of the Company shares to Officers according to evaluation of performance in the final fiscal year of the Period.

Persons entitled to the System are the Officers of the Company during the Period (excluding Outside Directors, those who are non-residents of Japan throughout the Period, or those who retired by June 30, 2017).

2. **The Company's shares in trust**

The Company's shares in trust are recorded in Treasury shares in equity at the carrying value in the Trust (excluding associated cost). The carrying value and the number of treasury shares at the end of the fiscal year ended March 31, 2020 are ¥1,952 million and 873,700 shares, respectively.

(The impact of the Novel Coronavirus (COVID-19))

COVID-19 is causing widespread impact on the needs of the market, the lifestyles of consumers, and economic activities around the world. As it is difficult to predict how the virus will spread or when it will dissipate, based on external information and analysis of market trends in each country, the Company assumes that the impact will continue for a certain period of the next consolidated fiscal year, and is currently reviewing whether or not there are any signs that any non-financial assets may be impaired.

(Attached Document)

Non-Consolidated Financial Statements (prepared in accordance with Japanese-GAAP)

Non-Consolidated Balance Sheet

(As of March 31, 2020)

(Millions of yen)

	FY ended March 31, 2020 (as of March 31, 2020)	**FY ended March 31, 2019** (Reference: as of March 31, 2019)
Assets		
I Current assets	**273,665**	**285,235**
Cash on hand and in banks	54,101	52,160
Notes receivable	4,236	5,221
Accounts receivable	105,024	110,226
Goods and products	32,083	34,334
Goods in process	543	558
Raw materials and supplies	3,529	4,696
Prepaid expenses	7,482	7,136
Short-term loans receivable	27,551	33,472
Current portion of long-term loans receivable	-	165
Receivables	34,536	31,882
Corporate tax receivable	3,231	4,812
Other	2,908	2,036
Allowance for doubtful accounts	(1,563)	(1,469)
II Fixed assets	**702,178**	**693,646**
1. Tangible fixed assets	**92,675**	**90,553**
Buildings	112,006	104,508
Structures	17,174	17,309
Machinery and equipment	115,316	142,260
Vehicles and transporting equipment	155	194
Tools, furniture and fixtures	36,010	36,261
Land	17,687	15,990
Leased assets	59	40
Construction in progress	8,911	9,177
Accumulated depreciation and accumulated impairment losses	(214,645)	(235,188)
2. Intangible fixed assets	**39,640**	**40,805**
Patents	42	48
Leaseholds	2,691	2,614
Trademark	21,758	24,526
Software	7,918	6,194
Software in progress	7,216	7,402
Other	12	18
3. Investments and other assets	**569,861**	**562,287**
Investments in securities	28,178	43,747
Investments in stock of subsidiaries and affiliates	468,540	432,529
Investments in capital	38	38
Investments in capital of subsidiaries and affiliates	70,779	82,921
Long-term loans receivable	1,049	1,367
Deferred tax assets	635	-
Other	685	1,729

	FY ended March 31, 2020 (as of March 31, 2020)	**FY ended March 31, 2019** (Reference: as of March 31, 2019)
Liabilities		
I Current liabilities	**397,444**	**336,196**
Accounts payable	88,726	93,239
Short-term borrowings	188,142	180,515
Commercial papers	40,000	-
Current portion of corporate bonds	19,999	-
Current portion of long-term borrowings	12,399	12,399
Lease liabilities	6	8
Other payables	18,482	20,799
Accrued expenses	26,251	24,462
Accrued income taxes	218	598
Accrued bonuses for directors and others	176	151
Provision for shareholder benefit program	278	289
Provision for directors' stock benefits	767	-
Provision for environmental measures	378	1,502
Provision for contract loss	1,117	1,129
Other	499	1,100
II Long-term liabilities	**278,189**	**314,463**
Corporate bonds	150,000	169,998
Long-term borrowings	108,299	120,699
Deferred tax liabilities	-	4,661
Lease liabilities	35	16
Accrued retirement benefits for employees	1,087	209
Accrued retirement benefits for directors and others	24	24
Provision for management board benefit trust	-	680
Provision for environmental measures	530	598
Provision for contract loss	3,251	5,209
Asset retirement obligations	44	49
Guarantee deposits received	11,440	11,317
Other	3,474	997
Total Liabilities	**675,633**	**650,660**
Net Assets		
I Shareholders' equity	**293,662**	**313,345**
1. Common stock	**79,863**	**79,863**
2. Capital surplus	**4,274**	**4,274**
Additional paid-in capital	4,274	4,274
3. Retained earnings	**211,683**	**231,567**
(1) Legal reserve	**16,119**	16,119
(2) Other retained earnings	195,564	215,448
Reserve for advanced depreciation of fixed assets	5,569	6,595
Retained earnings brought forward	189,994	208,852
4. Treasury stock	**(2,160)**	**(2,361)**
II Valuation, translation adjustments and others	**6,548**	**14,876**
1. Unrealized holding gain on securities	**7,282**	**15,862**

Allowance for doubtful accounts	(46)	(47)	**2. Unrealized gain (loss) from hedge instruments**	**(733)**	**(986)**
			Total Net Assets	**300,210**	**328,221**
Total Assets	**975,844**	**978,882**	**Total Liabilities & Net Assets**	**975,844**	**978,882**

(Attached Document)

Non-Consolidated Statement of Income

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

		FY ended March 31, 2020	FY ended March 31, 2019 (reference)
I	**Net sales**	**261,582**	**261,372**
II	**Cost of sales**	**144,447**	**143,715**
	Gross profit	**117,135**	**117,657**
III	**Selling, general and administrative expenses**	**124,563**	**124,194**
	Operating income (loss)	**(7,427)**	**(6,537)**
IV	**Non-operating income**	**53,262**	**50,510**
	Interest income	134	137
	Securities interest	19	-
	Dividend income	49,062	47,679
	Other	4,046	2,693
V	**Non-operating expenses**	**9,261**	**7,342**
	Interest expense	4,042	3,650
	Cost of lease revenue	2,037	1,676
	Litigation related expenses	313	330
	Other	2,867	1,684
	Ordinary income	**36,573**	**36,631**
VI	**Extraordinary gains**	**12,176**	**5,765**
	Gain on sale of investment securities	6,434	2,506
	Gain on exchange from dividend in kind	4,169	-
	Gain on reversal of allowance for contract loss	1,111	-
	Subsidy income	254	254
	Gain on sale of fixed assets	1	2,791
	Other	206	214
VII	**Extraordinary losses**	**42,932**	**20,740**
	Loss on valuation of stocks of subsidiaries and affiliates	17,193	13,679
	Loss on valuation of investments in capital of subsidiaries and affiliates	12,142	-
	Fees related to special second career program	6,525	-
	Loss on disposal of fixed assets	2,268	2,201
	Provision for environmental measures	440	1,244
	Loss on sale of stocks of subsidiaries and affiliates	-	2,880
	Provision for contract loss	-	368
	Other	4,361	364
	Net income before income taxes	**5,817**	**21,656**
	Income taxes--current	(899)	(1,821)
	Income taxes--deferred	(1,773)	(371)
	Net income	**8,491**	**23,849**

(Attached Document)

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity									Valuation, translation adjustments and others			
		Capital surplus			Retained earnings								
	Common stock	Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings (*Note)	Total retained earnings	Treasury stock	Total shareholders' equity	Unrealized holding gain on securities	Unrealized gain (loss) from hedge instruments	Total valuation, translation adjustments and others	Total net assets
Beginning balance	**79,863**	**4,274**	**-**	**4,274**	**16,119**	**215,448**	**231,567**	**(2,361)**	**313,345**	**15,862**	**(986)**	**14,876**	**328,221**
Changes in fiscal year ended March 31, 2020													
Decrease by corporate division						**(10,804)**	**(10,804)**		**(10,804)**				**(10,804)**
Dividends from retained earnings						**(17,570)**	**(17,570)**		**(17,570)**				**(17,570)**
Net income						**8,491**	**8,491**		**8,491**				**8,491**
Purchase of treasury stock								**(6)**	**(6)**				**(6)**
Disposal of treasury stock			**(0)**	**(0)**				**207**	**207**				**207**
Transfer of negative amount of other capital surplus			**0**	**0**		**(0)**	**(0)**		**-**				**-**
Net changes in items other than those in shareholders' equity										**(8,580)**	**252**	**(8,327)**	**(8,327)**
Total changes in fiscal year ended March 31, 2020	**-**	**-**	**-**	**-**	**-**	**(19,883)**	**(19,883)**	**200**	**(19,683)**	**(8,580)**	**252**	**(8,327)**	**(28,010)**
Ending balance	**79,863**	**4,274**	**-**	**4,274**	**16,119**	**195,564**	**211,683**	**(2,160)**	**293,662**	**7,282**	**(733)**	**6,548**	**300,210**

Note: Details of other retained earnings:

(Millions of yen)

	Reserve for advanced depreciation of fixed assets	Retained earnings brought forward	Total
Beginning balance	6,595	208,852	215,448
Changes in fiscal year ended March 31, 2020			
Decrease by corporate division	(24)	(10,780)	(10,804)
Dividends from retained earnings		(17,570)	(17,570)
Reversal of other retained earnings	(1,001)	1,001	—
Net income		8,491	8,491
Transfer of negative amount of other capital surplus		(0)	(0)
Total changes in fiscal year ended March 31, 2020	(1,025)	(18,858)	(19,883)
Ending balance	5,569	189,994	195,564

Notes to the Non-Consolidated Financial Statements

Significant accounting policies

1. Valuation standards and methods for securities

(1) Stocks of subsidiaries and affiliated companies are stated at cost determined by the moving-average method.

(2) Other securities for which market value is available are stated at market value at the fiscal year end and the changes in market value, net of applicable income taxes, are directly charged or credited to net assets. The cost of such securities sold is determined by the moving-average method. Other securities for which market value is not available are stated at cost mainly determined by the moving-average method.

2. Derivative instruments

Derivative instruments are carried out at fair value. However, special treatment is, in principle, applied with respect to interest rate swaps, in cases where criteria for special treatment are met. If interest rate and currency swap contracts are used as a hedge and meet certain hedging criteria, the interest rate and currency swap contracts are not stated at fair value, and instead the amount to be received under the interest rate and currency swap contracts is added to or deducted from the interest on the liabilities for which the swap contracts are executed, and the liabilities denominated in foreign currencies, for which the interest rate and currency swap contracts are executed, are translated at the contracted rate (integral accounting).

3. Inventories

Inventories are stated at cost determined by the average method (in cases where the profitability has declined, the book value is reduced accordingly).

4. Depreciation method of fixed assets

(1) Tangible fixed assets (excluding leased assets)
The depreciation of tangible fixed assets is computed by the straight-line method. The range of useful life is 7 to 50 years for buildings and 4 to 15 years for machinery and equipment.

(2) Intangible fixed assets (excluding leased assets)
The amortization of intangible fixed assets is computed by the straight-line method. Computer software is amortized by the straight-line method over the estimated internal useful life (5 years). Trademarks are in principle amortized by the straight-line method over the period of its validity (20 years).

(3) Leased assets
The straight-line method is applied with the useful life of the asset being the lease period and the residual value being zero.

5. Significant reserves

(1) Allowance for doubtful accounts:
Allowance for doubtful accounts is provided for possible bad debts at the amount estimated based on historical bad debts experience for normal receivables and by reference to the individual collectability of specific doubtful receivables.

(2) Bonus reserve for directors and others
In preparation for the payment of bonuses to directors and others, the Company has provided an allowance for the amount of payment expected for the fiscal year.

(3) Provision for shareholder benefit program
In preparation for payment relating to the shareholder benefit program, a provision for the shareholder benefit program has been provided for the amount estimated based on past results, which shall be paid during and after the following fiscal year.

(4) Accrued retirement benefits for employees
Accrued retirement benefits for employees are provided based on the projected benefit obligations and fair value of pension plan assets at the end of the fiscal year in order to prepare for payment of retirement benefits.

Prior service cost is amortized by the straight-line method over a period within the average remaining service years of employees (10 years) at the time of recognition.

Actuarial gain or loss is amortized by the straight-line method over a period within the average remaining service years of employees (10 years) at the time of recognition, from the respective fiscal year following the fiscal year of recognition.

(5) Accrued retirement benefits for directors and others
Accrued retirement benefits for directors and others are provided at the amount required to be paid in accordance with internal rules in order to prepare for payment of retirement benefits to those directors and others.

The Company abolished the system of payment of severance benefits to directors and others in June 2007, and has decided to pay severance benefits at the time of retirement with respect to the period in which the system was applied.

(6) Provision for share-based compensation
In preparation for delivery of the Company's shares to directors and others as part of the Company's share-based compensation program, the Company has provided an allowance for the expected amount of obligations at the end of the fiscal year in accordance with internal rules.

(7) Allowance for environmental measures
In preparation for payment for environmental measures, an allowance for the amount of costs expected to be incurred has been provided.

(8) Provision for contract loss
In preparation for losses relating to the fulfillment of contracts, a provision for loss on contracts has been provided for the estimated amount of losses expected.

6. Translation of assets and liabilities denominated in foreign currencies into yen

Monetary receivables and payables denominated in foreign currencies are translated into yen at the rate of foreign exchange in effect at the balance sheet date. The resulting exchange gain or loss is charged or credited to income.

7. Hedge accounting

(1) Hedge accounting policy
The Company adopts deferred hedge accounting.
Derivative instruments are carried out at fair value. However, special treatment is, in principle, applied with respect to interest rate swaps, in cases where criteria for special treatment are met. If interest rate and currency swap contracts are used as a hedge and meet certain hedging criteria, the interest rate and currency swap contracts are not stated at fair value, and instead the amount to be received under the interest rate and currency swap contracts is added to or deducted from the interest on the liabilities for which the swap contracts are executed, and the liabilities denominated in foreign currencies, for which the interest rate and currency swap contracts are executed, are translated at the contracted rate (integral accounting).

(2) Hedging instruments and hedged items

Hedging instruments	Hedged items
Interest rate swaps	Interest on borrowings and corporate bonds
Interest rate and currency swaps	Foreign currency borrowings, interest paid on borrowings

(3) Hedging policy
The Company hedges foreign exchange rate risk and interest rate risk for certain transactions, mainly those that are financially significant and that can be recognized individually, based on internal rules for derivative transactions.

(4) Assessment of hedge effectiveness
An assessment of hedge effectiveness is not undertaken for forward exchange contracts, as the conditions pertaining to the hedging instruments and the hedged items are equivalent. Interest rate swaps for which special treatment is applied, or interest rate and currency swaps for which integral treatment is applied, evaluation of effectiveness is not conducted.

8. Accounting for consumption taxes

Transactions subject to national and local consumption taxes are recorded at amounts exclusive of consumption taxes.

9. Adoption of consolidated tax accounting system

The Company, as the taxable parent company, has adopted the consolidated taxation system.

10. Application of tax effect accounting arising from transition from Consolidated Taxation System to the Group Tax Sharing System

With respect to the transition to the group tax sharing system under the "Act on Partial Revision of the Income Tax Act and the Consumption Tax Act (2020, No. 8)" and revisions to the non-consolidated tax system undertaken concomitant with the transition to group tax sharing, in accordance with Paragraph 3 of the “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (PITF No.39, March 31, 2020), the provisions of Paragraph 44 of “Implementation Guidance on Tax Effect Accounting” (Accounting Standard Guidance No. 28, February 16, 2018) have not been applied, and the amount of deferred tax assets and deferred tax liabilities have been recorded based on the law prior to revision.

11. Accounting for retirement benefits

Accounting methods for unrecognized actuarial gains and losses and unrecognized prior service costs related to retirement benefits differ from those applied in the consolidated financial statements.

Notes to Balance Sheet

1. Liabilities on guarantees

As guarantor of indebtedness of employees or other companies	¥84 million

2. Monetary receivables and payables to subsidiaries and affiliated companies

Short-term monetary receivables	¥87,849 million
Short-term monetary payables	¥258,235 million
Long-term monetary payables	¥312 million

Notes to Statement of Income

1. Transactions with subsidiaries and affiliated companies

Transaction amount with respect to operating transactions	
Sales	¥89,368 million
Purchasing	¥136,986 million
Transaction amount with respect to non-operating transactions	¥60,955 million

2. Loss on valuation of stocks of subsidiaries and affiliates

Loss on valuation of stocks of subsidiaries and affiliates is recorded mainly due to a significant decline in real value of shares in Promasidor Holdings Limited and AJINOMOTO FOODS EUROPE S.A.S.

3. Loss on valuation of investments in affiliates

Loss on valuation of investment in affiliated companies is recorded for the investment in Ajinomoto Istanbul Food Industry and Trade Limited Company.

4. Special Second Career Program for Managers

To achieve sustainable growth over the medium- to long-term, and as part of company organization and restructuring of personnel in line with the business portfolio (including the appropriate allocation of human resources), at a meeting of the board of directors held on November 28, 2019, the Company resolved to implement a Special Second Career Program to support the self-career development of managers who wish to demonstrate their expertise and strengths outside of the Ajinomoto Group.
Those who apply for this program are provided with a "special addition" to the normal retirement allowance and support for re-employment.
Due to the above, an extraordinary loss of ¥6,525 million was recorded.

Notes to Statements of Changes in Net Assets

Types and total number of treasury stock at the end of the fiscal year:

Type of treasury stock:	Common stock
Total number of treasury stock at the end of the fiscal year:	974,103 shares

Notes on Securities

Stocks of subsidiaries and affiliated companies

(Millions of yen)

Category	Book value	Fair value	Variance
Stock of subsidiaries	1,420	9,922	8,502
Stock of affiliated companies	8,239	20,688	12,449
Total	9,659	30,610	20,951

Note: Stocks of subsidiaries and affiliated companies whose fair value is extremely difficult to determine

Category	Book value
Stock of subsidiaries	379,366
Stock of affiliated companies	79,514

These items have no market price and it is extremely difficult to determine the fair value. Therefore, their fair value is not disclosed.

Notes on Deferred Tax Accounting

The significant components of deferred tax assets and liabilities as of March 31, 2020 were as follows:

	(Millions of yen)
Deferred tax assets:	
Loss on valuation of investment securities	22,545
Loss carried forward	2,849
Foreign tax credit carried forward	2,842
Accrued retirement benefits for employees, etc.	2,704
Accrued bonuses	2,325
Impairment losses	1,602
Provision for contract loss	1,337
Period expense	1,220
Depreciable assets, etc.	895
Allowance for doubtful accounts	492
Loss from inventory revaluation	263
Accrued business taxes, etc.	96
Other	509
Gross deferred tax assets	39,687
Valuation allowance for loss carried forward	(2,849)
Valuation allowance for deductible temporary differences, etc.	(29,513)
Gross valuation allowance	(32,363)
Total deferred tax assets	7,323
Deferred tax liabilities:	
Reserve for advanced depreciation of fixed assets	(3,343)
Unrealized holding gain on securities	(3,229)
Other	(115)
Total deferred tax liabilities	(6,688)
Net deferred tax liabilities	635

Notes regarding business combination and business division

On April 1, 2019, a portion of the Company's business was split off and succeeded by the Company's wholly-owned subsidiary Knorr Foods Co., Ltd. ("Knorr Foods") via an absorption-type split.

Outline of the company split is as follows:

1. Purpose of the company split

The Company has pursued the restructuring of the value chain of its Japan Food Products business, primarily aiming to enhance the business structure and improve production efficiency. As part of this restructuring process, the Company decided to split off the seasonings and processed foods manufacturing business of Kawasaki Administration & Coordination Office and the seasonings manufacturing business of Tokai Plant and consolidate their production systems into Knorr Foods. In addition, the Company's wholly-owned subsidiary AJINOMOTO PACKAGING INC was integrated into the production system of Knorr Foods, and thus a new production subsidiary was established on April1, 2019 with Knorr Foods as the succeeding company. Knorr Foods changed its trade name to Ajinomoto Food Manufacturing Co., Ltd. as of the same date.

To realize its corporate message, "Eat Well, Live Well," the Ajinomoto Group is strengthening its value chain to steadily deliver products that customers can enjoy with peace of mind, and to contribute further to advances in food and health for consumers.

2. Summary of the company split

(1) Method of the company split

An absorption-type company split where the Company is the splitting company and Knorr Foods is the succeeding company.

(2) Date of the company split

April 1, 2019

(3) Overview of the division to be split

1) Business description

The seasonings and processed foods manufacturing business of Kawasaki Administration & Coordination Office and the seasonings manufacturing business of Tokai Plant

2) Operating results

Net sales

The company split only involves the seasonings and processed foods manufacturing business and therefore net sales are not relevant.

3) Amount of assets and liabilities to be split (as of March 31, 2019)

(Millions of yen)

Assets	Carrying amount	Liabilities	Carrying amount
Current assets	3,763	Current liabilities	74
Fixed assets	7,133	Long-term liabilities	16
Total	10,896	Total	91

4) Business segment in which the split company was included

Japan Food Products Segment

3. Status after the company split

(1) Status of the Company

There are no changes in trade name, location of head office, position and name of representative, business description, capital and fiscal year-end.

(2) Status of Knorr Foods

The following items are changed. There are no changes in business description, capital and fiscal year-end.

Trade name	Ajinomoto Food Manufacturing Co., Ltd.
Location of head office	1-1 Suzuki-cho, Kawasaki-ku, Kawasaki, Kanagawa, Japan
Position and name of Representative	Hiroshi Tsujita, President and Representative Director

4. Overview of the accounting treatment

The company split has been accounted for as a transaction under common control in accordance with “Accounting Standard for Business Combinations” and “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures.”

Notes regarding Related Party Transactions

Subsidiaries, affiliated companies, etc.

Attribution	Name of Company, etc.	Percentage of voting rights held	Relationship with related party	Details of transaction	Transaction amount (millions of yen)	Account	Year-end balance (millions of yen)
Subsidiary	Ajinomoto Food Manufacturing Co., Ltd.	100% (directly)	Purchase and sale of said company's products by the Company	Purchase of products, etc.[1]	84,222	Accounts payable	7,551
				Fee-based supply of raw materials, etc.[2]	51,436	Receivables	9,761
				Absorption split[3] Split assets Split liability	 10,896 91	-	
	Ajinomoto Frozen Foods Co., Inc.	100% (directly)	Purchase and sale of said company's products by the Company; concurrent holding of corporate officer positions	Purchase of products, etc.[4]	877	Accounts payable	19,246
	Ajinomoto Engineering Corporation	100% (directly)	Subcontracting of engineering services to and purchase of manufacturing facilities from said company by the Company	Purchase of tangible fixed assets, etc.[5]	17,657	Other payables	5,311
	Ajinomoto Fine-Techno Co., Inc.	100% (directly)	Purchase of said company's products by the Company; concurrent holding of corporate officer positions	Borrowing of funds[6]	-	Short-term borrowings	14,963
	Ajinomoto AGF, Inc.	100% (directly and indirectly)	Purchase and sale of said company's products by the Company; concurrent holding of corporate officer positions	Purchase of products, etc.[4]	1,401	Accounts payable	20,579
				Fee-based supply of raw materials, etc.[2]	36,549	Receivables	10,738
	Ajinomoto Communications Co., Ltd.	100% (directly)	Subcontracting of sales promotion services, company housing and building lease management to the company	Receipt of in-kind dividends[7] Land Buildings Structures Tools, furniture and fixtures	 3,150 2,201 22 3	 - - - -	 - - - -
	Ajinomoto Co., (Thailand) Ltd.	94.52% (directly)	Purchase of said company's products by the Company; concurrent holding of corporate officer positions	Borrowing of funds[8]	15,000	Short-term borrowings	90,015
	Ajinomoto Sales (Thailand) Co., Ltd.	100% (indirectly)	Borrowing of funds	Borrowing of funds[8]	-	Short-term borrowings	60,000

(Transaction conditions, policy for deciding said conditions and others)

1. The purchase price of the products is determined by reference to contract in view of the manufacturing cost of Ajinomoto Food Manufacturing Co., Ltd. and the sales price to third parties.
2. With respect to the fee-based supply of raw materials, the price is determined by reference to contract, with consideration given to market prices.
3. An absorption-type company split was implemented in which a portion of the business sites were succeeded by Knorr Foods Co., Ltd.
   Knorr Foods Co., Ltd. changed its trade name to Ajinomoto Food Manufacturing Co., Ltd. on April 1, 2019.
4. The Company is the sole agent and the price is determined by reference to contract, with the final selling price serving as the basis. These sole agent sales are recorded in the accounts using a method of netting off sales and cost of goods sold and disclosed on a net basis. However, in the "Notes regarding Related Party Transactions" they are disclosed on a gross basis.
5. With respect to the purchase of tangible fixed assets, the price is determined by reference to contract, with consideration given to the acquisition costs of Ajinomoto Engineering Corporation and market prices.
6. As the Company has introduced a cash management system to facilitate unified cash management within the Ajinomoto Group and borrowing and lending between participating companies is conducted on a daily basis, transaction amounts are not recorded here. Interest rates are decided in consideration of market rates.
7. A dividend in-kind was received from Ajinomoto Communications Co., Ltd., and ¥4,169 million yen gain on this exchange was recorded as extraordinary income
8. With respect to borrowing of funds, interest rates are determined by reference to market interest rates.

Transaction amounts do not include consumption taxes, etc. Year-end balances include consumption taxes, etc.

Notes regarding Per Share Information

Net assets per share:	¥547.64
Net income per share:	¥15.49
Diluted net income per share:	¥15.48

Additional Information

(Share-based Compensation of Executive Officers Based on the Company's Medium-term Earnings Performance)

The information is stated in "Additional Information" in "Notes to the Consolidated Financial Statements" and therefore omitted.

(The impact of the Novel Coronavirus (COVID-19))

COVID-19 is causing widespread impact on the needs of the market, the lifestyles of consumers, and economic activities around the world. As it is difficult to predict how the virus will spread or when it will dissipate, based on external information and analysis of market trends in each country, the Company assumes that the impact will continue for a certain period of the next fiscal year, and is currently reviewing whether or not there are any signs that any fixed assets may be impaired.

(Attached Document)

Supplemental Schedules of Non-Consolidated Financial Statements

For the 142nd Fiscal Year (from April 1, 2019 to March 31, 2020)

1. Detailed schedule of tangible fixed assets and intangible fixed assets

(Millions of yen)

Category	Type of assets	Balance at the beginning of the fiscal year	Increase in the fiscal year	Decrease in the fiscal year	Depreciation for the fiscal year	Balance at the end of the fiscal year	Accumulated depreciation and accumulated impairment losses
Tangible fixed assets	Buildings	104,508	13,520	6,022	2,477 (97)	112,006	69,123
	Structures	17,309	627	762	314 (9)	17,174	13,768
	Machinery and equipment	142,260	2,951	29,895	2,758 (292)	115,316	102,157
	Vehicles and transporting equipment	194	6	46	5 (1)	155	143
	Tools, furniture and fixtures	36,261	2,633	2,884	2,715 (41)	36,010	29,406
	Land	15,990	3,150	1,453	-	17,687	-
	Leased assets	40	27	8	6	59	20
	Construction in progress	9,177	14,635	14,901	25 (25)	8,911	25
	Total	325,742	37,552	55,974	8,302 (466)	307,321	214,645
Intangible fixed assets	Patents	468	7	361	13	114	71
	Leaseholds	2,614	77	-	-	2,691	-
	Trademark	27,876	-	1	2,767 (1,370)	27,874	6,115
	Software	35,343	4,839	4,223	2,885	35,960	28,041
	Software in progress	7,402	4,956	5,142 (291)	291 (291)	7,216	-
	Other	103	-	1	6	102	90
	Total	73,809	9,881	9,730 (291)	5,965 (1,661)	73,960	34,319

Notes:

1. “Balance at the beginning of the fiscal year”, “Increase in the fiscal year,” “Decrease in the fiscal year,” and “Balance at the end of the fiscal year” are stated at cost.
2. Amounts under “Decrease in the fiscal year” and amounts in parentheses under “Depreciation for the fiscal year” represent impairment losses recognized for the fiscal year.
3. “Increase in the fiscal year” includes the receipt of a dividend in-kind from Ajinomoto Communications Co., Ltd. as follows.
   Buildings: ¥2,201 million, Structures: ¥22 million, Tools, furniture and fixtures: ¥3 million, Land: ¥3,150 million.

4. “Decrease in the fiscal year” includes the following items which were transferred as the result of an absorption-type company split in which a portion of business sites were succeeded by Ajinomoto Food Manufacturing Co., Ltd.
   Buildings: ¥295 million, Structures: ¥159 million, Machinery and equipment: ¥4,118 million, Vehicles and transporting equipment: ¥7 million, Tools, furniture and fixtures: ¥346 million, Leased assets: ¥4 million, Construction in progress: ¥2,166 million, Software: ¥7 million.
5. “Decrease in the fiscal year” includes the following items that were sold to F-LINE Corporation.
   Buildings: ¥4,016 million, Structures: ¥78 million, Machinery and equipment: ¥2,709 million, Tools, furniture and fixtures: ¥130,000, Land: ¥1,453 million.
6. The impairment amount recorded for Trademark is due to the decline in the utility value of Bizim Mutfak acquired from Ajinomoto Istanbul Food Industry and Trade Limited Company (formerly Örgen Gıda Sanayi ve Ticaret A.Ş.)

2. Detailed schedule of provision

(Millions of yen)

Item	Balance at the beginning of the fiscal year	Increase in the fiscal year	Decrease in the fiscal year	Balance at the end of the fiscal year
Allowance for doubtful accounts	1,516	273	180	1,609
Accrued bonuses for directors and others	151	176	151	176
Provision for shareholder benefit program	289	278	289	278
Accrued retirement benefits for employees	209	8,765	7,887	1,087
Accrued retirement benefits for directors and others	24	-	-	24
Provision for management board benefit trust	680	422	336	767
Provision for environmental measures	2,100	312	1,503	909
Provision for contract loss	6,338	-	1,970	4,368

3. Detailed schedule of selling, general and administrative expenses

(Millions of yen)

Item	Amount	Comment
1. Logistics expenses	10,350	
2. Advertising expenses	18,356	
3. Sales-related expenses	7,834	
4. Directors' remuneration	366	
5. Corporate executive officers' remuneration	658	
6. Salaries	13,049	
7. Bonuses	11,406	
8. Provision for bonuses for directors and others	176	
9. Provision for management board benefit trust	422	
10. Retirement benefit expenses	6,713	
11. Retirement payments	1,006	
12. Welfare expenses	7,123	
13. Travel and transportation expenses	1,540	
14. Depreciation	5,838	
15. Research and development expenses	21,928	
16. Rent expenses	1,412	
17. Outsourcing expenses	5,860	
18. Outsourcing service income	(6,169)	
19. Other	16,687	
Total	124,563	

Audit Report

Copy of Report of Accounting Auditor Regarding Consolidated Financial Statements

Report of the Independent Auditor

May 21, 2020

Mr. Takaaki Nishii, President
Ajinomoto Co., Inc.

Ernst & Young ShinNihon LLC,
Tokyo Office

Designated and Engagement Partner, Certified Public Accountant: Kiyonobu Takeuchi (seal)
Designated and Engagement Partner, Certified Public Accountant: Takashi Sadatome (seal)
Designated and Engagement Partner, Certified Public Accountant: Shinya Maekawa (seal)

Opinion

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statements of income and changes in equity, and the notes to the consolidated financial statements of Ajinomoto Co., Inc. (the "Company") applicable to the fiscal year from April 1, 2019 through March 31, 2020.

The above consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS) with certain omissions of disclosure items pursuant to the latter part of Paragraph 1, Article 120 of the Rules of Corporate Accounting, are based on Ajinomoto Co., Inc. and its consolidated subsidiaries, and we acknowledge that the status of assets and profits and losses for the period pertaining to the consolidated financial statements are fairly presented regarding all important points.

The basis for our opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. The responsibilities of the auditors in preparing the audit are listed in the "Responsibility of the Auditors for the auditing of the consolidated financial statements" We are independent of the Company and its consolidated subsidiaries and we fulfill other ethical responsibilities as the Corporate Auditor, in accordance with the provisions of professional ethics in Japan. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management, the Auditors and the Audit & Supervisory Board for the consolidated financial statements

Management's responsibility is to prepare and fairly present the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) with certain omissions of disclosure items pursuant to the latter part of Paragraph 1, Article 120 of the Rules of Corporate Accounting. This includes the establishment and operation of an internal control system that Company management has decided is necessary to ensure that consolidated financial statements are prepared without any material misstatements due to fraud or error and are presented fairly.

In the preparation of the consolidated financial statements, Management assesses whether the consolidated financial statements have been prepared appropriately, on the assumption that the business is a going concern, with the exception of when there is the intention to suspend or to liquidate the business or there is no other viable alternative to this. Based on International Financial Reporting Standards (IFRS) with certain omissions of disclosure items pursuant to the latter part of Paragraph 1, Article 120 of the Rules of Corporate Accounting, if matters related to the business being a going concern need to be disclosed, then Management is responsible for their disclosure.

It is the responsibility of the Audit & Supervisory Board and the Audit & Supervisory Board Members to supervise the performance of duties by Directors in developing and operating the financial reporting process.

Responsibility of the Auditors for the auditing of the consolidated financial statements

It is the responsibility of the auditors, based on the audits they carry out, to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free of significant misstatements due to fraud or error. The auditors present their opinion in the Audit Report of the consolidated financial statements from a position of independence. Misstatements can occur due to fraud or error. When it can reasonably be expected that these will influence the decisions of the users of the consolidated financial statements, either individually or collectively, then this is judged to be a serious matter.

The auditors, through audits carried out in accordance with auditing standards generally accepted in Japan, make their decisions as professional specialists, maintaining an attitude of professional skepticism in the following tasks.

・The auditors identify and assess material misstatement risks due to fraud or error. They also develop and implement audit procedures that address the risk of material misstatement. The auditors select and apply the auditing procedures. They obtain sufficient and appropriate audit evidence on which to base their opinion.

・ The objective of the audit of the consolidated financial statements is not to present an opinion of the effectiveness of internal controls; however, in conducting their risk assessment the auditors will take into consideration the internal controls relating the auditing process in order to formulate auditing procedures that are appropriate for the circumstances.

・ The auditors assess the appropriateness of the accounting policy adopted by Management and its application methods; the rationality of Management's accounting estimates, and the relevance of related explanatory notes.

・ The auditors assess whether or not it is appropriate for Management to prepare the consolidated financial statements, on the assumption that the business is a going concern. Based on the auditing evidence obtained, the auditors judge whether or not there are significant uncertainties about the events or circumstances that might give rise to significant doubt to this assumption of the business being a going concern. If there are significant uncertainties regarding the assumption of the business being a going concern, the auditors will call attention to the fact in the notes in their audit report regarding the consolidated financial statements. If the notes to the consolidated financial statements regarding material uncertainty are not appropriate, the auditors will request that their qualified audit opinion with exclusions be published for the consolidated financial statements. Although the auditor's conclusions are based on the auditing evidence obtained up until the date of the audit report, future events and circumstances may prevent a company from continuing as a going concern.

・ The auditors decide whether the presentation and notes of the consolidated financial statements comply with International Financial Reporting Standards (IFRS) with certain omissions of disclosure items pursuant to the latter part of Paragraph 1, Article 120 of the Rules of Corporate Accounting, and whether or not the presentation, composition, and content of the consolidated financial statements, including related notes, properly represent the underlying transactions and accounting events.

・ To express their opinion of the consolidated financial statements, the auditors obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries. The auditors are responsible for guidance and supervision related to the auditing of the consolidated financial statements, and are responsible for the audit. The auditors are individually responsible for the audit opinion.

Auditors report to the Audit & Supervisory Board and Audit & Supervisory Board Members important audit findings, including the scope and timing of planned audits, and significant deficiencies in internal controls identified during the audit process, and other matters required by the auditing standards.

Auditors report to the Audit & Supervisory Board and Audit & Supervisory Board Members regarding their compliance with Japan's Code of Professional Ethics for Independence, whether there are any matters that could reasonably be considered to affect their independence as Auditors, and the details of any safeguards if these have been taken to reduce or eliminate obstructions.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

End

Copy of Report of Accounting Auditor Regarding Non-Consolidated Financial Statements

Report of the Independent Auditor

May 21, 2020

Mr. Takaaki Nishii, President
Ajinomoto Co., Inc.

Ernst & Young ShinNihon LLC,
Tokyo Office

Designated and Engagement Partner, Certified Public Accountant: Kiyonobu Takeuchi (seal)
Designated and Engagement Partner, Certified Public Accountant: Takashi Sadatome (seal)
Designated and Engagement Partner, Certified Public Accountant: Shinya Maekawa (seal)

Opinion

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets, the notes to the non-consolidated financial statements and the related supplementary schedules of Ajinomoto Co., Inc. (the "Company") applicable to the 142nd fiscal year from April 1, 2019 through March 31, 2020.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

The basis for our opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. The responsibilities of the auditors in preparing the audit are listed in the "Responsibility of the Auditors for the auditing of the financial statements" We are independent of the Company and we fulfill other ethical responsibilities as the Corporate Auditor, in accordance with the provisions of professional ethics in Japan. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management, the Auditors and the Audit & Supervisory Board for the financial statements

It is the responsibility of Company management to prepare the financial statements in conformity with accounting standards generally accepted in Japan and present them fairly. This includes the establishment and operation of an internal control system that Company management has decided is necessary to ensure that financial statements are prepared without any material misstatements due to fraud or error and are presented fairly.

In the preparation of the financial statements, Management assesses whether the financial statements have been prepared appropriately, on the assumption that the business is a going concern. Based on accounting standards generally accepted in Japan, if matters related to the business being a going concern need to be disclosed, then Management is responsible for their disclosure.

It is the responsibility of the Audit & Supervisory Board and the Audit & Supervisory Board Members to supervise the performance of duties by Directors in developing and operating the financial reporting process.

Responsibility of the Auditors for the auditing of the financial statements

It is the responsibility of the auditors, based on the audits they carry out, to obtain reasonable assurance as to whether the financial statements as a whole are free of significant misstatements due to fraud or error. The auditors present their opinion in the Audit Report of the financial statements from a position of independence. Misstatements can occur due to fraud or error. When it can reasonably be expected that these will influence the decisions of the users of the financial statements, either individually or collectively, then this is judged to be a serious matter.

The auditors, through audits carried out in accordance with auditing standards generally accepted in Japan, make their decisions as professional specialists, maintaining an attitude of professional skepticism in the following tasks.

・The auditors identify and assess material misstatement risks due to fraud or error. They also develop and implement audit procedures that address the risk of material misstatement. The auditors select and apply the auditing procedures. They obtain sufficient and appropriate audit evidence on which to base their opinion.

・ The objective of the audit of the financial statements is not to present an opinion of the effectiveness of internal controls; however, in conducting their risk assessment the auditors will take into consideration the internal controls relating the auditing process in order to formulate auditing procedures that are appropriate for the circumstances.

・ The auditors assess the appropriateness of the accounting policy adopted by Management and its application methods; the rationality of Management's accounting estimates, and the relevance of related explanatory notes.

・ The auditors assess whether or not it is appropriate for Management to prepare the financial statements, on the assumption that the business is a going concern. Based on the auditing evidence obtained, the auditors judge whether or not there are significant uncertainties about the events or circumstances that might give rise to significant doubt to this assumption of the business being a going concern. If there are significant uncertainties regarding the assumption of the business being a going concern, the auditors will call attention to the fact in the notes in their audit report regarding the financial statements. If the notes to the financial statements regarding material uncertainty are not appropriate, the auditors will request that their qualified audit opinion with exclusions be published for the financial statements. Although the auditor's conclusions are based on the auditing evidence obtained up until the date of the audit report, future events and circumstances may prevent a company from continuing as a going concern.

・ The auditors decide whether the presentation and notes of the financial statements are in accordance with auditing standards generally accepted in Japan, and whether or not the presentation, composition, and content of the financial statements, including related notes, properly represent the underlying transactions and accounting events.

Auditors report to the Audit & Supervisory Board and Audit & Supervisory Board Members important audit findings, including the scope and timing of planned audits, and significant deficiencies in internal controls identified during the audit process, and other matters required by the auditing standards.

Auditors report to the Audit & Supervisory Board and Audit & Supervisory Board Members regarding their compliance with Japan's Code of Professional Ethics for Independence, whether there are any matters that could reasonably be considered to affect their independence as Auditors, and the details of any safeguards if these have been taken to reduce or eliminate obstructions.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

End

Copy of the Audit & Supervisory Board Audit Report

Audit Report

Regarding the performance of duties by the Directors for the 142nd fiscal year beginning April 1, 2019 and ending March 31, 2020, the Audit & Supervisory Board hereby submits this audit report, as a unanimous communication of all Audit & Supervisory Board Members which has been prepared through discussions based on reports from the respective Audit & Supervisory Board Members concerning the performance of duties by the Directors.

1. Overview of Auditing Methods Employed by Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) At its meeting on July 26, 2019, the Audit & Supervisory Board passed a resolution on the auditing policies, auditing plans and division assignment of duties of each Audit & Supervisory Board Member. The Audit & Supervisory Board held its regular meetings on a monthly basis, reviewed the agendas of the meetings of the Board of Directors in advance, and exchanged and shared information about the situation and the results of each Audit & Supervisory Board Member's auditing activity.

(2) Each Audit & Supervisory Board Member communicated with the Directors, the Corporate Executive Officers, the Internal Auditing Division, and other employees and made efforts to gather information and maintain audit environments in accordance with the auditing standards of Audit & Supervisory Board Members established by the Audit & Supervisory Board, and conducted the audit as follows:

1) The Audit & Supervisory Board Members attended the meetings of the Board of Directors, the Management Committee, and other important meetings. Moreover, the Audit & Supervisory Board Members investigated as necessary the operations and finances of headquarters and other major offices and plants. Concerning domestic and overseas subsidiaries, the Audit & Supervisory Board Members communicated and conducted information exchanges with the directors and audit & supervisory board members, etc. of such subsidiaries, and conducted on-site audits of these locations as deemed necessary.

2) The Audit & Supervisory Board Members monitored and examined the status of implementation of the “basic policies on internal control systems” resolved by the Board of Directors, receiving reports from Directors, Corporate Executive Officers, and employees concerning its development and operation.

3) The Audit & Supervisory Board Members received reports from the Internal Auditing Division of the audit results after each audit, and every three months received and exchanged opinions on reports on the audit results and evaluation reports on internal control systems relating to financial reports.

4) The Corporate Auditors received a prior explanation of auditing plans from the Accounting Auditor, and in addition to carrying out discussions, received reports of the audit results. Furthermore, in addition to monitoring and examining whether the Accounting Auditor maintained an independent stance, as well as implementing fair audits, the Audit & Supervisory Board Members received reports from the Accounting Auditor to the effect that systems had been put in place to ensure that their duties are appropriately performed.

Based on the aforementioned methods, we examined the Business Report and the supplementary schedules for the fiscal year in question, along with the financial statements (the Balance Sheet, the Statement of Income, the Statements of Changes in Net Assets along with the Notes to the Non-Consolidated Financial Statements) and the supplementary schedules, the consolidated financial statements (the Consolidated Statements of Financial Position, the Consolidated Statements of Income, the Consolidated Statements of Changes in Equity and the Notes to the Consolidated Financial Statements).

2. Audit Results

(1) Result of Audit of Business Report, etc.

1) In our opinion, the Business Report and the supplementary schedules fairly represent the Company’s affairs in accordance with the applicable laws and regulations and the Articles of Incorporation.
2) With regard to the execution of duties by the Directors, we have found no evidence of wrongful action or material violation of laws and regulations, or of the Articles of Incorporation.
3) In our opinion, the contents of the resolution of the Board of Directors with regard to the internal control systems are appropriate. We confirm that continuous improvements are being made with respect to the development and operation of the internal control systems. With regard to details of these internal control systems reported in the Business Report we have found no matters on which to remark.

(2) Auditing result of the financial statements and the supplementary schedules

In our opinion, the methods and results employed and rendered by the Accounting Auditor, Ernst & Young ShinNihon LLC, are appropriate.

(3) Auditing result of the consolidated financial statements
In our opinion, the methods and results employed and rendered by the Accounting Auditor, Ernst & Young ShinNihon LLC, are appropriate.

May 21, 2020

Audit & Supervisory Board of Ajinomoto Co., Inc.
Yoichiro Togashi, Audit & Supervisory Board Member (Standing) (seal)
Shizuo Tanaka, Audit & Supervisory Board Member (Standing) (seal)
Atsushi Toki, Audit & Supervisory Board Member (External) (seal)
Hiroshi Murakami, Audit & Supervisory Board Member (External) (seal)
Hideki Amano, Audit & Supervisory Board Member (External) (seal)

End