

Eat Well, Live Well.



AJINOMOTO CO., INC.

SUSTAINABLE FINANCE FRAMEWORK

1. INTRODUCTION OUR COMPANY AND BUSINESS PLACE

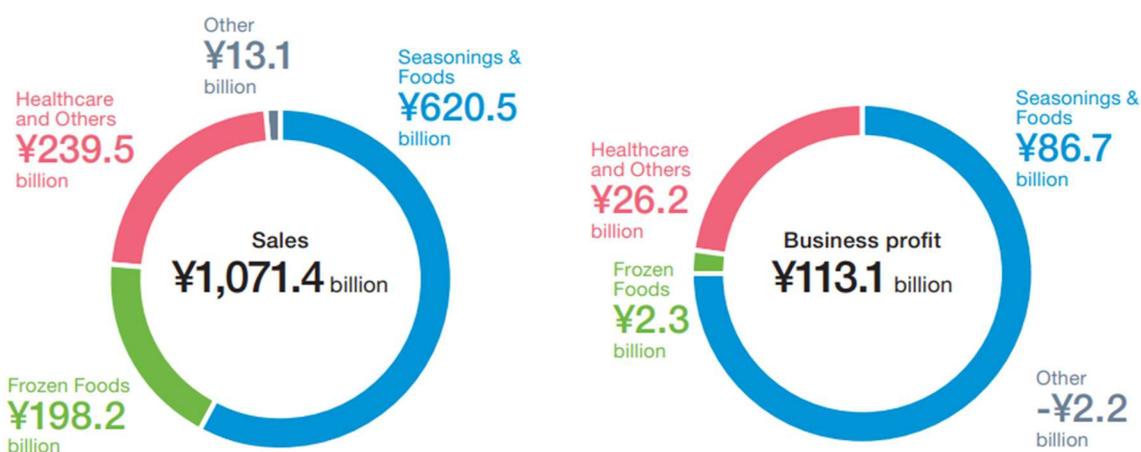
1) Corporate Profile

◇ As the world's largest amino acid manufacturer, the Ajinomoto Group is expanding its business domains through the development of unique production methods and usage methods for high-quality amino acids, and is developing a wide range of businesses, centered on the Food Products Business and the AminoScience Business, both domestically and overseas.

■ Percentage of the Ajinomoto Group's Main Businesses



Fiscal 2020 sales and business profit by segment



※Business profit = Sales – Cost of sales – Selling expenses, Research & development expenses, and General & administrative expenses + Share of profit of associates and joint ventures

■ Core Businesses

➤ Sauce & Seasonings, Quick Nourishment

- In the Sauce & Seasonings business, we provide a variety of products including *AJI-NO-MOTO*[®], flavor seasonings for home-made dishes, and menu-specific seasonings to support smart cooking to more than 130 countries and regions around the world. Through our products, the business helps to deliver deliciousness that suits the local consumer preferences as well as to improve nutrition of consumers.
- In the Quick Nourishment business, we provide foods that respond to the needs for ready-to-eat meals, individual meals, and healthy meals, such as soups, beverages and instant noodles, and products that supplement nutrition including those for medical institutions. The business contributes to consumers' health and well-being by addressing globally changing lifestyles.

✧ Major domestic products



✧ Major overseas products

Today, we are rolling out categories in accordance with the dietary habits and culture of each country or region, mainly in Southeast Asia and South America, where the scale of sales is large. We are also developing new regions such as Turkey, the Middle East and Africa in cooperation with leading local players.



➤ **Solution & Ingredients (S&I)**

In the S&I business, we supply products and services globally to our customers (consumer foods industry and food service) to solve their challenges from the consumers' point of view. The business provides Integrated Food Solutions comprising from our taste/texture technology based on specialty ingredients.

✧ Major products



➤ **Frozen Foods**

In the Frozen Foods business, we provide products mainly in the Asian food category such as *gyoza* and fried rice to markets in Japan, North America, and Europe. With a focus on deliciousness, the business meets consumers' needs for quick and easy cooking and healthy frozen foods.

✧ Major domestic products



❖ Major overseas products

The Asian frozen food market, of which *gyoza* and cooked rice dishes are representative, continues to expand rapidly due to factors including the growing popularity of Japanese food and the increase in Japanese-style restaurants in the United States and Europe. Under these circumstances, we are working to expand our business by making full use of our local production and sales networks with the aim of becoming the clear No.1 in the Asian food category.



➤ Healthcare

In the Healthcare business, we provide amino acids and amino acid-based products and services to customers globally in a broad range of industries including pharmaceuticals, foods, and cosmetics. The business helps to improve consumers' quality of life and support comfortable lifestyles utilizing the nutritional, physiological, and flavoring functions of amino acids.

❖ Major products and services

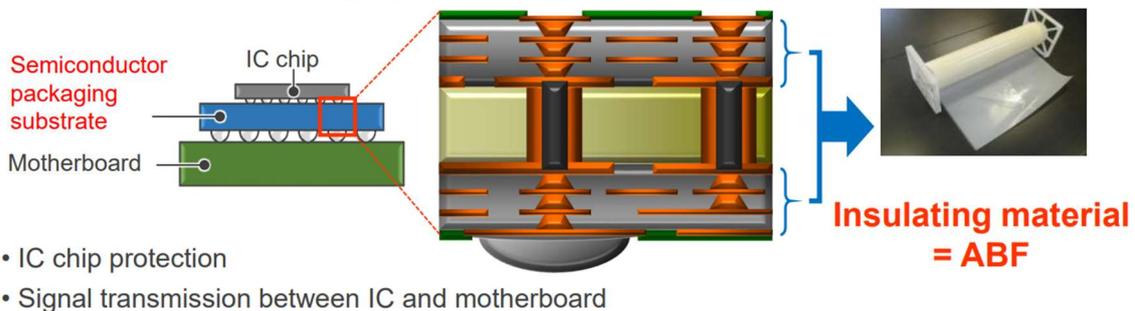


➤ Electronic Materials

In the Electronic Materials business, we supply products globally centered on *Ajinomoto Build-up Film*[®] (ABF), an interlayer insulating material for semiconductor packages. These products are mainly used in PCs, servers for data centers, and communications network applications, playing a key role in providing more comfortable lifestyles to consumers.

❖ Major products

Cross-section of packaging substrate

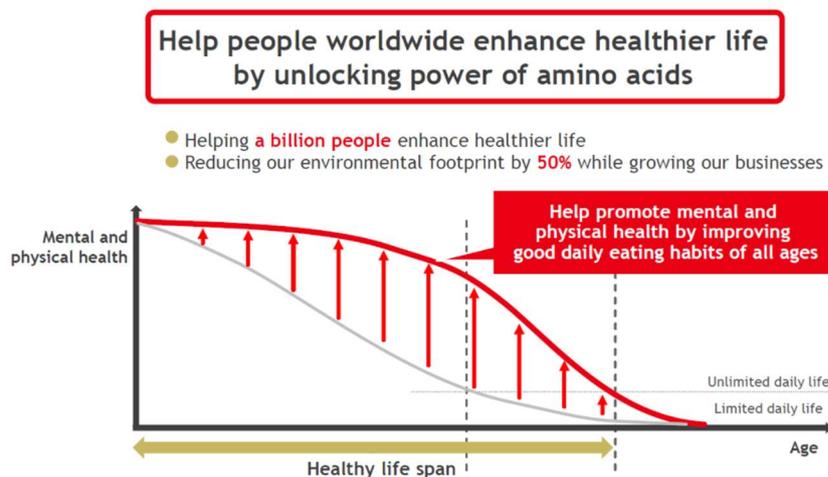


2) The Ajinomoto Group Management Policies

(A) The Ajinomoto Group Management Philosophy and Vision

Unity (AND) has been an element of our organization since our founding in 1909 when a scientist's aspiration joined with a businessman's entrepreneurial spirit. The Ajinomoto Group was created when Dr. Kikunae Ikeda, who discovered that the umami taste derived from the amino acid glutamic acid, partnered with businessman Saburosuke Suzuki II to realize their commitment to "improve the nutrition of Japanese people." That union of social *and* economic value lives on in our commitment to ASV (The Ajinomoto Group Creating Shared Value). Likewise, they did not think that delicious and nutritious had to be separate (OR), but formed a clear vision for creating foods that were both delicious *and* nutritious. Their vision is the main ingredient in our aspiration of "Eat Well, Live Well." and defines our purpose. This spirit of unification, the AND spirit, is also behind our drive to help resolve food and health issues and contribute to a prospering society and bright future.

- The objective of ASV management is to guide our businesses in the dual creation of social *and* economic value. We announced in 2020 that we will transform the Ajinomoto Group into a "solution-providing group of companies for food and health issues" by 2030 to fulfill our open commitment to advancing ASV management. We are seeking two outcomes by 2030—to help extend the healthy life expectancy of one billion people and to reduce our environmental impact by 50%.



- Management is applying a policy of "Nutrition Without Compromise" in taste, food access (availability), and local way of life, and the core element for creating value in these areas is the power of amino acids. Protein makes up approximately 20% of the human body, and as much as 50% when excluding the water in our body. Proteins are chains of amino acids, and the Ajinomoto Group has been researching amino acids for over 100 years. Amino acids serve four important functions, including flavoring to make foods taste good, nutritional to help the body grow and develop, and physiological to help the body function properly. We are applying our leading-edge bioscience and fine chemical technologies to support delicious and nutritionally balanced meals by using functions of amino acids to create delicious foods that are low-salt and promote protein intake. Excess salt intake and insufficient essential nutrients such as protein are worldwide nutritional issues. As the world leader in umami-based seasonings, we believe the Ajinomoto Group can use our strengths in amino acid-related technologies to address both of these issues for the benefit of society *and* to generate organic growth*¹ for the Group.

- We are also promoting various environmental measures and objectives as part of our commitment to coexisting with communities and the earth primarily in the areas of mitigation of and adaptation to climate change, development of a recycling-oriented society, and achieving sustainable procurement*2.
- Unified action will be essential to achieving these objectives, and we will work within the Group *and* in collaboration with various stakeholders. Our focus will be in the three areas of clarifying the relationship between diet (nutrition), physical health, and mental health; categorizing eating habits and lifestyles that can lead to lifestyle-related diseases; and establishing an ecosystem of problem-solving activities.

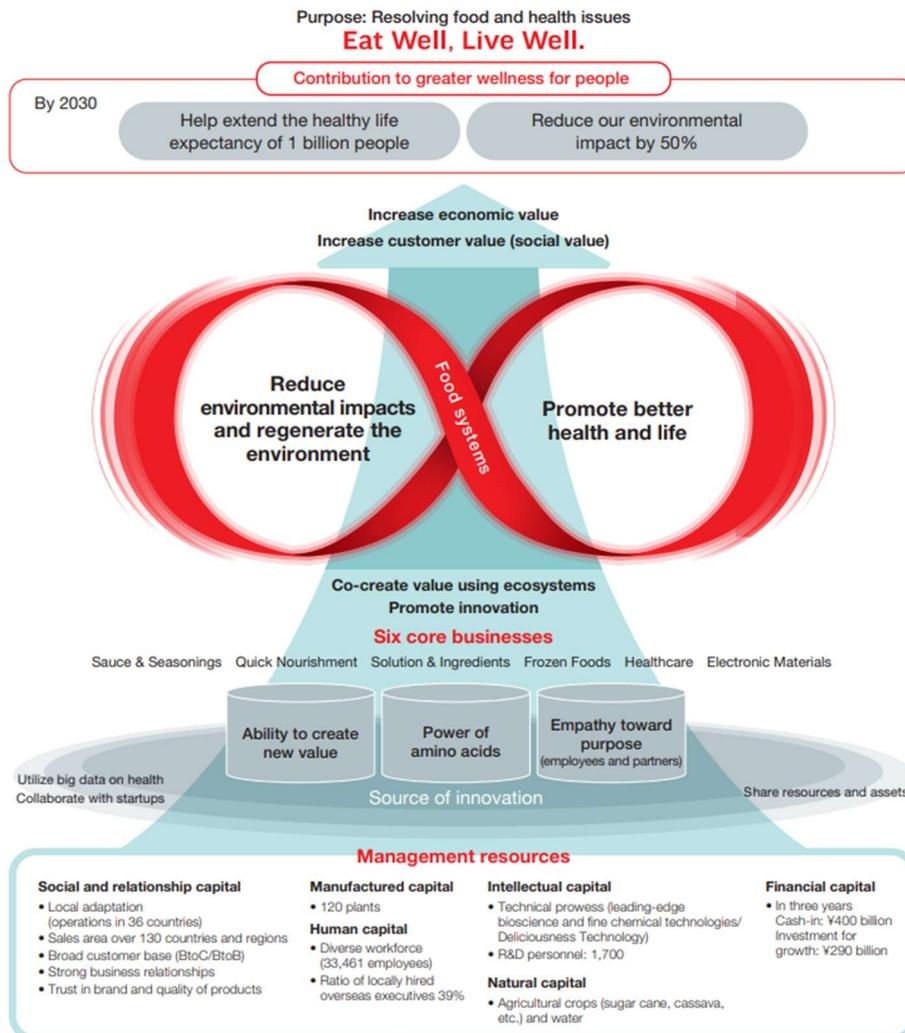
*1 Organic growth excludes growth effects from discontinuous items, such as exchange rates, changes in accounting treatment, M&A, and business sales.

*2 Procuring raw materials in a way that supports environmental and social sustainability

(B) Vision for 2030

(1) Path toward the 2030 outcomes

- The Ajinomoto Group is working to reduce environmental impacts and regenerate the environment as well as to promote better health and life. We will accomplish this using innovation and value co-creation with various partners by focusing management resources on core businesses, combining the power of amino acids with our ability to create new value, and expanding empathy toward our purpose to resolve food and health issues. In turn, we will increase customer value and seek to realize both outcomes of helping extend the healthy life expectancy of one billion people and reducing our environmental impact by 50% by 2030.



(2) How we identify material issues

- The Ajinomoto Group identifies materiality items that have a substantial impact on its ability to create value in the short, medium, and long term through ASV, taking into account changes in the macro environment. Once we identify opportunities and risks from materiality items, we define their orders of importance and priority, then reflect these matters in our business activities.

FY2015	Select/sort materiality items
FY2016	Conduct surveys of the SDGs experts (Survey conducted to review the Group’s issues and approach taking into account the SDGs announced in 2015)
FY2017	Analyze the relationship between the SDGs and materiality / conduct dialogue with diverse stakeholders
FY2018-2019	Review and revise materiality (Narrowed materiality items from 26 to 11) •Interviews with outside experts •Verification by the Board of Directors
FY2020	Conduct annual review of materiality (Added or revised materiality item name, order and description) •Verification by the Board of Directors
FY2021	Conduct annual review of materiality (Added or revised “related opportunities and risks” and “key initiatives by the Ajinomoto Group”) •Verification by the Board of Directors
Planned	•In response to an inquiry from our board of directors, the Sustainability Advisory Council will consider the identification of materiality items from a long-term perspective. •The board of directors will decide new materiality items during fiscal 2021, based on reports from the Sustainability Advisory Council.

《 Materiality Items 》



(3) Initiatives aimed at realizing our outcomes

- Our business operations are supported by sound food systems based on stable food resources and the vibrant natural environment. We have set medium- to long-term targets and KPIs for both reducing our environmental impact by 50% and helping extend the healthy life expectancy of one billion people. We are steadily moving forward with various initiatives while utilizing our strengths.

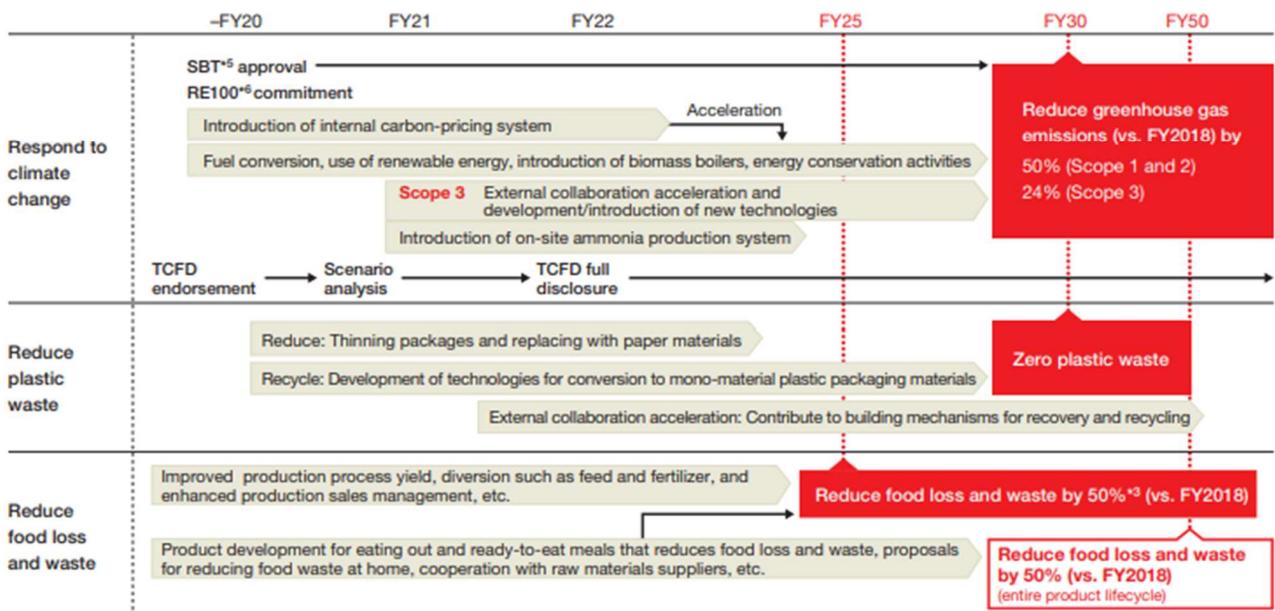
« Approach to reducing our environmental impact by 50% »

- Today, when we are reaching the planetary boundaries, implementing countermeasures to help regenerate the environment is an urgent task for the Ajinomoto Group. We believe that we can only implement initiatives aimed at extending healthy life expectancy in a sustainable manner by reducing our environmental impact, such as responding to climate change, ensuring sustainability of food resources, and conservation of biodiversity.
- The 2020-2025 Medium-Term Management Plan contains the targets outlined in the table below. In particular, we are focusing efforts on response to climate change, reducing plastic waste, and reducing food loss and waste. For each of these, we have set targets not just for our own activities but also encompassing the entire lifecycle. We aim to achieve them through increased collaboration with outside partners.

2020-2025 Medium-Term Management Plan Targets

Challenges		KPIs		Targets	FY2020 (Result)
Respond to climate change	Greenhouse gas	Greenhouse gas emission reduction rate (total of Scope 1 and 2)		FY2025: Reduce by 30% (vs. FY2018) FY2030: Reduce by 50% (vs. FY2018)	14% reduction
	Water risk	Water use reduction rate ^{*1}		FY2030: Reduce by 80% (vs. FY2005)	78% reduction
		Recharge rate of drinking water into forest		FY2025: 100%+	107%
Create a resource recycling society	Plastic waste	Plastic waste		FY2030: Achieve "Zero" ^{**2}	—
	Food loss and waste	Food loss and waste reduction rate ^{*3}		FY2025: Reduce by 50% (vs. FY2018)	11% increase
Realize sustainable procurement	Deforestation Biodiversity Human rights Animal welfare	Sustainable procurement ratio	Paper	FY2030: 100% of important materials	94%
			Palm oil		84%
			Soybeans		68% ^{*4}
			Coffee beans, beef		Start of risk evaluation

Roadmap for reducing our environmental impact by 50%



*1 Percentage reduction per production volume unit *2 Eliminating plastics that are released into the environment without being recycled or reused

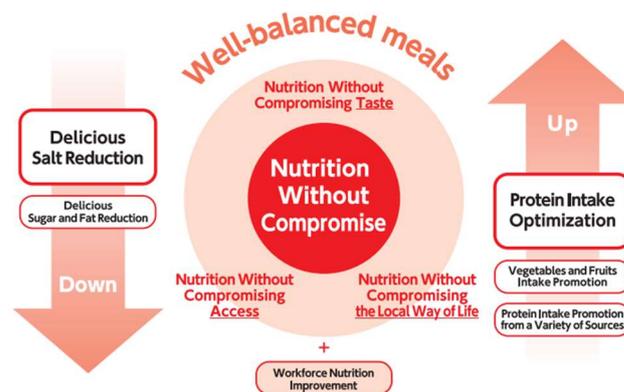
*3 From the acceptance of raw materials to delivery to customers *4 Procured for businesses in Japan

*5 Science Based Targets: The greenhouse gas reduction goals based on scientific evidence and aligned with the levels set out in the Paris Agreement

*6 An international initiative pursuing the goal of procuring and using 100% renewable energy in business operations

« Our approach to nutrition »

- Health issues attributed to diet and lifestyle are growing around the world. These include increasing risk of high blood pressure and heart disease due to excess salt intake, along with frailty in the aged caused by malnutrition. Resolving these issues requires improving nutritional balance in our everyday diet. As a food company closely involved in people’s eating, the Ajinomoto Group is promoting initiatives following the basic policy of Nutrition Without Compromise based on three pillars. The first is “taste,” where we will use our founding technology to unlock the power of amino acids to provide health value, such as with reduced salt, as well as deliciousness. The second pillar is “access.” Aware that food availability is an issue for many people around the world, we will strive to ensure that everyone has access to healthy and nutritious foods through measures ranging from offering quality products and ingredients to improving distribution and convenience. Finally, we will focus on “the local way of life.” We will adapt our operating models to respect the customs, food preferences, resources, ingredients, and stakeholders of each local market. We will also emphasize addressing social issues and creating individualized responses to diverse values related to food. When nutritious foods taste good, are convenient and easily accessible, and respect local eating habits and preferences, we are able to promote the long-term intake of well-balanced meals by consumers.
- Aimed at extending the healthy life expectancy of one billion people worldwide by 2030, in 2021 we formulated a commitment that presents a roadmap to improving people’s nutrition and relevant KPIs. Going forward, we will continue to promote activities for improving nutrition while closely monitoring the progress of this commitment.



Commitment to Nutrition

By 2030, we will help extend the healthy life expectancy of one billion people by increasing the current reach to 700 million consumers and providing products and information that support consumers in enjoying nutritious and delicious foods with Nutrition Without Compromise as basic policy on our approach to nutrition.

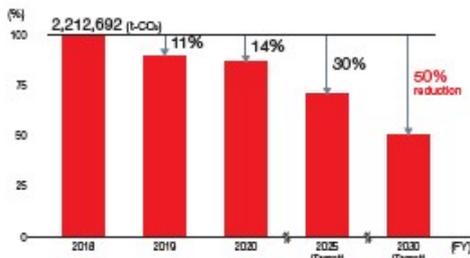
- Support practice of “delicious salt reduction” using umami
 - We will leverage our current reach to 700 million consumers to raise general awareness of salt reduction using umami, and support more people to achieve salt reduction without compromising taste.
- Provide nutritious products to contribute to people’s wellness
 - By fiscal 2030, 60% of our products will have high nutritional value while maintaining good taste. We will use the Ajinomoto Group Nutrient Profiling System (ANPS) to guide product development and reformulation.
 - Among the nutritious products, we will provide products that promote “delicious salt reduction” and “protein intake optimization” to 400 million people a year by fiscal 2030.
 - By utilizing the physiological and nutritional functions of amino acids, by fiscal 2030, we will double the availability of such products that contribute to health, compared to fiscal 2020.
- Support consciousness/behavior change of consumers by providing information that supports health and nutrition improvement
 - We will provide consumers with information to help them improve their health and nutrition, as well as easy recipes and menus both on product packaging and our website that support delicious and well-balanced meals and healthy lifestyles.
- Improve nutrition literacy of Group employees
 - We will help our employees improve and maintain their health by providing healthy meals in the workplace, nutrition education, health checkups, and maternity leave.
 - By fiscal 2025, we will provide nutrition education to sum total of 100,000 employees.

(4) Quantitative KPIs

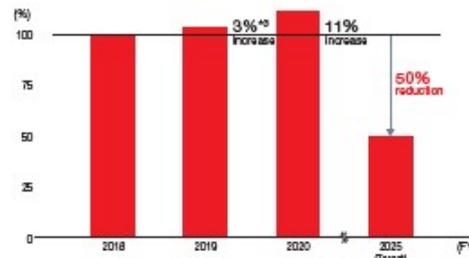
KPIs of our nutrition commitment

	FY20	FY25 (Target)	FY30 (Target)
Percentage of products with high nutritional value ^{*1}	31%	–	60%
Provision of products from among those with high nutritional value that are beneficial to "delicious salt reduction" and "protein intake"	280 million people annually	–	400 million people annually
Availability of products utilizing the physiological and nutritional functions of amino acids	(Base year)	–	2 times
Nutrition education for employees (Persons)	460	Cumulatively 100,000	–

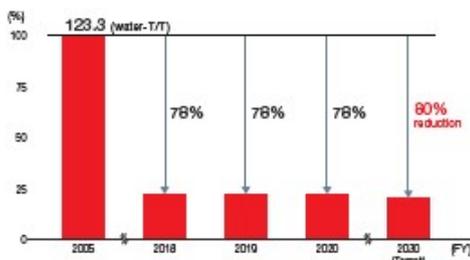
Greenhouse gas emission reduction rate (vs. FY2018)



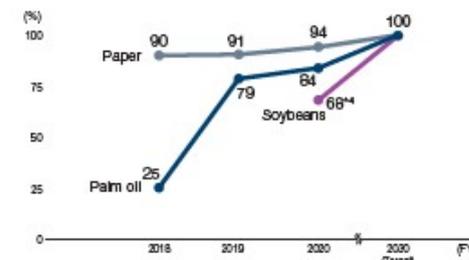
Food loss and waste reduction rate per production volume unit^{*2} (vs. FY2018)



Reduction rate of water consumption per production volume unit (vs. FY2005)

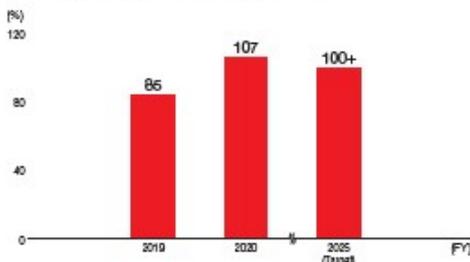


Sustainable procurement ratio

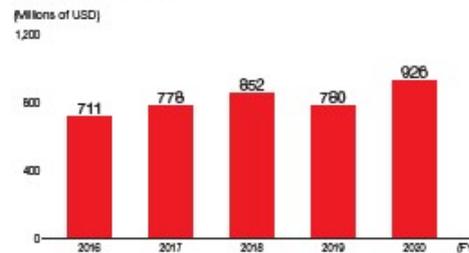


* FY2030 target of coffee beans and beef: 100%

Recharge rate of drinking water into forest



Corporate brand value^{*5}



Plastic waste

FY2030 target: **Achieve "Zero"**

*1 Products that meet the standards the Ajinomoto Group set based on global standards for nutrients used in major nutrient profiling systems

*2 From the acceptance of raw materials to delivery to customers

*3 Correction has been made as a result of a review of totals.

*4 Procured for businesses in Japan

*5 Evaluated by Interbrand, "Best Japan Brands"

(C) Framework for ESG and Sustainability

- With respect to ESG and sustainability management, the Ajinomoto Group has built a management system modeled on ISO 9001, ISO 14001, and other standards, based on the Ajinomoto Group Policies and relevant internal rules. We continue with operations as we ensure optimal processes.
- In April 2021, we established the Sustainability Advisory Council as a subordinate body of the Board of Directors, and we established the Sustainability Committee as a subordinate body of the Executive Committee. In this way, we strengthened our system for setting important policies to pursue the enhancement of corporate value on a continuing basis from the perspective of sustainability. The Sustainability Committee identifies risks and opportunities that have a Group-wide impact based on

materiality items approved by the Board of Directors upon the Sustainability Advisory Council's report and strategic direction provided by the Board of Directors, and reflects these factors in business strategy, and also reports to the Executive Committee and the Board of Directors. The Sustainability Committee and the Sustainability Development Dept. formulate the Group's sustainability strategy and roadmaps of related topics that include nutrition, the environment and society, follow up on recommendations to incorporate sustainability into business plans, compile internal information related to ESG, and report to the Executive Committee and the Board of Directors.



3) Significance of Sustainable Finance Initiatives

- Changes in the business environment and social issues
- ✓ We recognize that the business climate surrounding us is changing in the following ways, and that these changes are also related to the social issues indicated in SDGs and other documents.
 - « Macro environment surrounding the Ajinomoto Group »
 - 1. Growing world population (rising demand for food, water, and energy)
 - 2. Global population aging (rising needs for extending healthy life expectancy, and rising demand for healthcare)
 - 3. Climate change (accelerated decarbonization, physical damage from natural disasters, unstable materials sourcing, and breakdown in supply chain)
 - 4. Transition to the new normal in the wake of the COVID-19 pandemic (change in consumer behavior [in-home consumption, reluctance to go out, increase delivery, etc.], increased awareness hygiene and health management, increased awareness of stable supply of goods [trend toward local production for local consumption, etc.], social fragmentation [polarization of rich and poor, increase in the number of the poor and unemployed, etc.], increase in occasion of eating alone, and promotion of the green recovery)
 - 5. Accelerated use of digital technology (emergence of new business opportunities and competition, changes in the way information, products, and services are provided [e.g., e-commerce], increasing opportunities for direct communication with consumers, and increase in the influence of Generation Z)

- ✓ The Group’s management policy is to focus all management resources on resolving food and health issues. We recognize that resolving the above-mentioned environmental changes and social issues contributes to enhancing corporate value.
- ✓ We will back up the basic policies of our medium-term management plan, namely transform management of human resources and organization, raise value for consumers centered on health, and establish a revenue structure for efficient growth, with operational reforms through digital transformation, thereby eliminating the lack of speed in the execution of strategies. As a result, we will strive to increase corporate value in a balanced manner between corporate brand value, employee engagement, and market capitalization. We believe that fulfilling our Vision for 2030 and realizing the two outcomes through this basic policy will directly contribute to the creation of a sustainable society.
- ✓ Recently, we have decided to conduct sustainability financing using the identified materiality-related investments (target projects) as the use of funds. We have compiled the financing framework for these initiatives that we have been implementing so far in accordance with the framework of the International Capital Markets Association's (ICMA: International Capital Market Association) Green Bond Principles 2021, the Social Bond Principles 2021, and the Sustainability Bonds Guidelines 2021, and formulated a sustainable finance framework. We believe that this framework is consistent with the significance of engaging in sustainability finance and will also have a positive impact on society.

2.1 USE OF PROCEEDS

1) Targets and Eligible Projects for Social Issues and their Overview

We aim to continue to create value that is one step ahead at all times as a professional in food and health. We will create unique value and work to resolve social issues through business activities. In order to realize a sustainable society, we will actively utilize sustainable finance (including the Sustainability Bonds) for the funds required for the following activities (Table 1).

■Table 1: List of Target and Eligible Projects

Materiality	Eligible project	Eligible category	Project Overview
Contribution to solve food and health issues	Acquisition of shares in Nualtra Ltd. (Ireland)	(Social Eligibility) <ul style="list-style-type: none"> • Access to essential services (health) • Food safety 	<ul style="list-style-type: none"> ✓ Funding for the acquisition of shares in Nualtra Ltd. (Ireland), a company that develops oral nutrition supplement (hereafter “ONS”) products—high-energy, high-protein medical food— and sells them in the United Kingdom and Ireland ✓ Contribute to improving user QOL by solving the issues (taste, variety, etc.) of ONS products by applying to Nualtra’s products the “deliciousness design technologies” and application technologies cultivated in our Food and AminoScience Business, as well as knowledge related to the physiological functions of amino acids ✓ Utilize our network to spread ONS products worldwide

Climate Change Adaptation and Mitigation	Introduction of biomass co-generation facilities at the Kamphaeng Phet Plant of AJINOMOTO CO., (THAILAND) LTD.	(Green Eligibility) • Renewable energy • Energy saving	<ul style="list-style-type: none"> ✓ Introduce cogeneration facilities using rice husks as biomass fuel to reduce electricity and steam energy ✓ We recognize that curbing growth in CO₂ emissions in Southeast Asia, where economic growth has been particularly rapid and where business growth is expected to continue, is a key issue for us. Reduce environmental impact by making effective use of huge volume of rice husks generated at rice milling plants in Thailand
Climate Change Adaptation and Mitigation	Investment in Tsubame BHB Co., Ltd. (on-site ammonia production technology R&D)	(Green Eligibility) • Renewable energy • Energy saving	<ul style="list-style-type: none"> ✓ We and Professor Hideo Hosono of the Tokyo Institute of Technology and Universal Materials Incubator Co., Ltd. established Tsubame BHB Co., Ltd. (Tsubame BHB), the first company in the world to commercialize in-house ammonia production technologies. ✓ We have invested a total of JPY700 million in this company, including approx. JPY200 million at the time of establishment in 2017 and approx. JPY500 million at the time of capital increase in 2019 ✓ Reduce transportation-related CO₂ by producing ammonia on-site

■Table 2: Consistency between Sustainable Financed Operations and SDGs

- ✓ These efforts are consistent with the Sustainable Development Goals (SDGs) advocated by the United Nations and the Government Guidelines for SDGs Implementation.
- ✓ In addition to the aforementioned “1. 3) Significance of Sustainable Finance Initiatives ■Changes in the business environment and social issues,” we are carrying out operations to contribute to the achievement of our SDGs while giving consideration to the environmental impact.

SDGs goals		Measures
 <p>3 GOOD HEALTH AND WELL-BEING</p>	3.4: REDUCE MORTALITY FROM NON-COMMUNICABLE DISEASES AND PROMOTE MENTAL HEALTH	<ul style="list-style-type: none"> ✓ Through the acquisition of shares in Nualtra Ltd. (Ireland), contribute to improving user QOL by further development ONS products and solving the issues (taste, variety, etc.) of ONS products by applying our technology

 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>7.2: INCREASE GLOBAL PERCENTAGE OF RENEWABLE ENERGY</p> <p>7.3: DOUBLE THE IMPROVEMENT IN ENERGY EFFICIENCY</p> <p>7. a: PROMOTE ACCESS TO RESEARCH, TECHNOLOGY AND INVESTMENTS IN CLEAN ENERGY</p>	<ul style="list-style-type: none"> ✓ Introduction of facilities to utilize biomass fuel (biomass power generation facilities) ✓ Investment in the R&D of on-site production technologies for ammonia
 <p>13 CLIMATE ACTION</p>	<p>13.1: STRENGTHEN RESILIENCE AND ADAPTIVE CAPACITY TO CLIMATE RELATED DISASTERS</p>	<ul style="list-style-type: none"> ✓ Introduction of facilities to utilize biomass fuel (biomass power generation facilities) ✓ Investment in the R&D of on-site production technologies for ammonia
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>17.7: PROMOTE SUSTAINABLE TECHNOLOGIES TO DEVELOPING COUNTRIES</p> <p>17.16: ENHANCE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT</p> <p>17.17: ENCOURAGE EFFECTIVE PARTNERSHIPS</p>	<ul style="list-style-type: none"> ✓ Through the acquisition of shares in Nualtra Ltd. (Ireland), contribute to improving user QOL by further development ONS products and solving the issues (taste, variety, etc.) of ONS products by applying our technology ✓ Introduction of facilities to utilize biomass fuel (biomass power generation facilities) ✓ Investment in the R&D of on-site production technologies for ammonia

2.2 PROCESS FOR PROJECT SELECTION AND EVALUATION

1) Eligible Project Selection Criteria and Processes

Global Finance Department evaluates and selects projects for which the proceeds will be used after consultation with the respective responsibility units regarding their eligibility. The executive officers in charge of financial affairs made a final decision on the projects considered to be in accordance with the qualification criteria, after analyzing and study them in an integrated manner, based on consistency with the Ajinomoto Group's philosophy and Group vision. The results of the selection were reported to our Executive Committee.

2) Disclosure method for Eligible Project Selection Criteria and Processes

The selection criteria and processes for projects are disclosed in the Amended Shelf Registration Statement and in this First Opinion and in the Third-Party Assessment Report (Second Opinion).

2.3 MANAGEMENT OF PROCEEDS

1) Management method of unappropriated proceeds

Until a determination is made as to the appropriation of the proceeds, the proceeds will be managed in cash or cash equivalents.

2) Method of linking procurement and proceeds

The proceeds are tied to a pre-selected individual project.

3) How to track and manage proceeds

Global Finance Department will manage the proceeds of sustainable finance. The department manages the expenditure for the target project and tracks the appropriated and unappropriated amount of proceeds.

In addition, we plan to use the proceeds of this sustainability financing to fund the projects described in the 2.1) Targets and Eligible Projects for Social Issues and their Overview approximately 2 years after implementation.

4) Internal controls over tracking management

The status of the appropriation of proceeds will be confirmed annually by the executive officer in charge of finance and the executive officer in charge of sustainability and will be published on our website.

2.4 REPORTING

We plan to disclose annually on our website the period from implementation of sustainability financing to redemption, the status of appropriation of the proceeds, and the content we have defined as the effect of environmental improvement and social contribution.

We prepare business plans and financial results for our business and make them available on our website.

1) Reporting on the status of appropriation of proceeds

Regarding the status of proceed appropriations, the Company will disclose the appropriation status on its website once a year until the proceeds are fully appropriated.

If, even after the completion of the proceeds, a project target to the proceeds is subject to an event that differs from our initial assumptions, we will promptly disclose on our website the event and the status of the proceeds accrual.

2) Impact reporting

The following output indicators, outcome indicators, etc. will be announced annually on our website within the scope of confidentiality obligations as an impact reporting for the target project until the full amount of the proceeds is allocated to the subject project.

KPIs in Impact Reporting

The impact reporting shown in Table 3 is planned as an environmental improvement and social contribution effect.

■Table 3: Impact Reporting List

Target Project	Impact Reporting		
	Output (Project progress and results)	Outcome (Effects associated with resolving issues)	Impact (Effects from outcomes)
Acquisition of shares in Nualtra Ltd. (Ireland)	<ul style="list-style-type: none"> • Synergies with the Ajinomoto Group (including market expansion, sales channels, and the number of oral nutrition supplement (ONS) products under development) 	<ul style="list-style-type: none"> • Number of ONS products launched 	<ul style="list-style-type: none"> • Supporting the elderly health and improving QOL • Enhancing the flavor of ONS products and expanding variety
Introduction of biomass cogeneration facilities at the Kamphaeng Phet Plant of AJINOMOTO CO., (THAILAND) LTD.	<ul style="list-style-type: none"> • Introduction of biomass boiler and cogeneration 	<ul style="list-style-type: none"> • Reduction rate of greenhouse gases through reduction of purchased electricity (non-renewable energy) and fuel oil (Disclosure in line with TCFD) (Plan: ▲ 46%) 	<ul style="list-style-type: none"> • Reducing greenhouse gas emissions that contribute to climate-change mitigation [FY2025: Reduce by 30% (vs. FY2018)] [FY2030: Reduce by 50% (vs. FY2018)] (TTL in Scope 1&2)
Investment in Tsubame BHB Co., Ltd. (on-site ammonia production technology R&D)	<ul style="list-style-type: none"> • Commercialization of on-site ammonia production (1. introduce of demonstration machines at the Ajinomoto Group, 2. introduction of demonstration machines at the other companies, 3. realization of green ammonia production) 	<ul style="list-style-type: none"> • Greenhouse gas reduction rate (Disclosure in line with TCFD) 	<ul style="list-style-type: none"> • Reducing greenhouse gas emissions that contribute to climate-change mitigation [FY2025: Reduce by 30% (vs. FY2018)] [FY2030: Reduce by 50% (vs. FY2018)] (TTL in Scope 1&2)

3)Reporting on our overall businesses

Ajinomoto Group Integrated Report 2021

<https://www.ajinomoto.co.jp/company/en/ir/library/annual.html>

Sustainability Data Book 2020/2021 and Appendix (Environmental Data)

<https://www.ajinomoto.co.jp/company/en/ir/library/databook.html>

*The Sustainability Data Book 2021 is scheduled to be released at the end of September 2021.

4) Reporting on financial status

Annual securities reports and financial results will be published on our website.

Securities Report and Financial Results

<https://www.ajinomoto.co.jp/company/en/ir/event/presentation.html>

5) Reporting related to business status

We will continue to report on the output indicators, outcome indicators, impact indicators, etc. related to the target project to the extent that it is possible to disclose it, whether it is quantitatively or qualitatively, or whether it is for us as a whole or for individual projects, etc. From FY2021 onward, the Ajinomoto Group will take on the challenge of new management issues and social needs based on the progress it has made so far, and work toward realizing the Ajinomoto Group Vision.

Reference

- I. Green Bond Principles (ICMA, 2021)
- II. Social Bonds Principles (ICMA, 2021)
- III. Sustainability Bonds Guidelines (ICMA, 2021)
- IV. Guidelines for Impact Reporting Database in Green Bonds, Social Bonds, Sustainability Bonds and Sustainability Link Bonds (ICMA, 2021)
- V. Illustrative examples for the selection of Key Performance Indicators (KPIs) for Sustainability-Linked Bond issuers, underwriters and investors (ICMA, 2021)
- VI. Green and Social Bonds: High Level Mapping to Sustainable Development Goals (ICMA, 2018)
- VII. Green Bond Guidelines (Ministry of the Environment, 2020)
- VIII. Green Loan Principles (Loan Market Association)
- IX. Green Loan Principles (Asia Pacific Loan Market Association)
- X. Green Loan Principles (The LOAN SYNDICATION AND TRADING ASSOCIATION)
- XI. Ajinomoto Co., Inc. website
- XII. Ajinomoto Group Integrated Report 2021
- XIII. Sustainability Data Book 2020/2021 and Appendix (Environmental Data)
- XIV. Securities Report for the Fiscal Year Ended March 31, 2021 (134th)