

**AJINOMOTO (MALAYSIA) BERHAD**

(Company No. 4295-W)  
(Incorporated in Malaysia)

**SUMMARY OF THE KEY MATTERS DISCUSSED AT THE FIFTY-SEVENTH ANNUAL GENERAL MEETING (“AGM”) OF THE COMPANY HELD AT BUKIT JALIL GOLF & COUNTRY RESORT, JALAN 3/155B, BUKIT JALIL, 57000 KUALA LUMPUR ON MONDAY, 27 AUGUST 2018 AT 10:00 A.M. (“the Meeting”)**

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Y. Bhg. General Tan Sri (Dr.) Dato’ Paduka Mohamed Hashim Bin Mohd. Ali (Rtd) (“**Tan Sri Chairman**”) chaired the Meeting.

The requisite quorum being present pursuant to Article 75 of the Company’s Articles of Association (“**AA**”), Tan Sri Chairman declared the Meeting duly convened.

Ms. Chua Siew Chuan, the Company Secretary, informed all present that pursuant to the Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements, all the proposed resolutions to be tabled at the Meeting shall be voted by poll. With this, Tan Sri Chairman exercised his rights as the Chairman of the Meeting to demand for a poll to be conducted accordingly pursuant to Article 79(1) of the AA.

**1. Presentation on an overview of the Company’s financial results for the financial year ended 31 March 2018 (“FY2018”) and business strategy for the financial year ending 31 March 2019 (“FY2019”)**

Ms. Naoko Yamamoto, the Managing Director/Chief Executive Officer of the Company, presented the above, which includes the Company’s –

- Sales revenue trend
- Product lines
- Net profit trend
- Total equity (shareholders’ funds)
- Dividend recommendation
- Business strategy for FY2019
  - Mission
  - Vision
  - Ajinomoto Shared Value (“**ASV**”) with the Company’s “8-framework” (Framework ‘Lapan’)
  - New Ajinomoto Group global brand logo
  - Pursuit of specialty – the three (3) essential resources that promote the growth of Ajinomoto
  - Key strategy – growth driver advancement and further reinforcement of business structure
    - Stable growth of AJI-NO-MO-TO
    - Business/product portfolio reinforcement
    - Expansion of Tencho in business-to-business market
    - Upgrading of unique direct sales system
    - Integrated activities with ASV enhancement
    - Productivity improvement
    - Continuous cost improvement activities
    - Supply chain management improvement
    - IT system integration
  - Integrated activities with enhancement of ASV
  - Ajinomoto’s new campaign

## **2. Receipt of the Audited Financial Statements for FY2018 together with the Reports of the Auditors and the Auditors thereon ("AFS")**

A summary of the comments and queries from shareholders and a proxyholder, and responses from the Board was as follows:-

- Q1: What is anticipated for FY2019 as the financial results of the Company for FY2018 had shown a continual improvement despite the adverse effect of the appreciation of USD in FY2018, which had affected the price of raw materials? Would there be a foreseeable improvement in performance for both top and bottom line products in view of the strengthening of the USD against the Malaysian Ringgit and the stabilisation of USD in the second half of FY2018?
- A1: It is anticipated that if the USD continues to strengthen against the Malaysian Ringgit in FY2019, the sales revenue for the export market would increase but the Company would also be implicated by such strengthening of the USD because the Company's key raw materials are paid in USD.
- Q2: How realistic the Company is in improving its performance as it is observed that there is an increase in its expenditure and a decrease in net profit as compared to previous year and simultaneously, the Company aims to continually put in efforts in achieving operation efficiency, profit growth and cash flow optimization?
- A2: The Company is continuously trying to improve its profitability and operational efficiency to mitigate the effects of the increase in prices of raw materials.
- Q3: Will the Company consider issuing bonus shares since it is observed in the Statement of Financial Position of the Company that the total equity attributable to equity holders of the Company shows a forward-looking figure with no loans and borrowings in its liabilities?
- A3: There is currently no plans on issuing bonus shares but the Company is committed to increase its dividend pay-out gradually every year, as much as possible.
- Q4: Does the Company have plans in utilising its share premium to issue bonus shares in view that the Company's share liquidity is low?
- A4: The amount of share capital retained in the Company's share capital account is too small to issue bonus shares. The share premium of RM4,303,700 as shown on page 80 of the Annual Report had been included as part of share capital.
- Q5: What is the reason being for the decline in the investment securities as shown on page 48 of the Statement of Financial Position in the Annual Report?
- A5: The decline in the investment securities was due to the withdrawal made to pay both the first and final single-tier dividend and special one-off single-tier dividend in respect of the financial year ended 31 March 2017 to shareholders in FY2018.
- Q6: When is the commencement date for the first phase of relocation of a new manufacturing plant to Bandar Baru Enstek and the Company's decision on whether to completely or partly move out from the current manufacturing plant in Kuchai Lama? What is the ballpark figure to invest in the new manufacturing plant?

- A6: As for the relocation to a new manufacturing plant, the details on the timeframe for the relocation would be disclosed at an appropriate timing at a later stage as the Management is at the preliminary planning stage. Moreover, all the conditions precedent for the purchase of the Bandar Baru Enstek land have yet to be completed by the Vendor.
- Q7: What facilities are the Company introducing in its new manufacturing plant e.g., new automated machine since labour cost is expecting to increase starting this year?
- A7: The Company would certainly upgrade its technology in the new manufacturing plant.
- Q8: Will the current manufacturing plant suffer from low utilisation when the Company relocates to a new manufacturing plant? Is the R&D department developing any new products as part of the effort to rebrand the Company?
- A8: The Company was not able to disclose any further details in relation to the utilisation of the current manufacturing plant at this juncture.
- Q9: Would AjiCo, which recently acquired a frozen food business, pass down some frozen food manufacturing activities to the Company as a potential strategy to boost sales revenue?
- A9: The Company's strategy for its consumer business products is currently to reinforce its current range of consumer products as well as to expand its distribution. There is no plan to expend into activities for frozen food manufacturing. Meanwhile, for the export market in which the Company has both geographical and halal certification advantages, the Company would continue to thrive its sales in the export market. The Company is also working on a new project to further expand its business-to-business market as well as to introduce new products in the industrial business product line.
- Q10: What is the reason being that the Company is not aggressively manufacturing/selling Ajinomoto's worldwide products for its product expansion in the Malaysian market? Does the Company have a Research and Development ("**R&D**") department to develop new products and subsequently, to contribute to Ajinomoto's worldwide products?
- A10: The industrial product, "TENCHO", is a unique product that is being sold to other affiliates for the production of their food products. In addition, the Company's products manufactured in Malaysia are catered to the taste of the local market and may generally be unlikely to be preferred by other markets globally.
- The Company exports its halal products to the Middle East market. Nonetheless, the Company would also look into exporting its products to more countries when the opportunity arises. The Company would also continuously look into developing new and improved products.
- Q11: Will the Company pursue trading with AjiCo to source Ajinomoto products from Japan to Malaysia to cater to the increasing demand for Japanese food by the Malaysian society?
- A11: The Board noted of the suggestion given by the shareholder in respect of the sourcing of Ajinomoto's worldwide products for its product expansion in the Malaysian market. The Meeting was informed that the Company is not a trading company as its focus is on the production of locally-manufactured products to cater to the taste of the Malaysian society.

Q12: Does AjiCo impose any geographical restriction in the Company's product export?

A12: AjiCo does not impose any geographical restriction in relation to the Company's product exports.

Q13: Does the Company compete with other AjiCo counterparts in its product-export line in cases where both companies produce the same product.

A13: AjiCo specifies territorial restrictions of product-export line for their affiliates in order to avoid inefficient competition where two affiliates produce the same product. There is no restriction on the export of products by affiliates. This is because AjiCo takes into consideration the capacity of the manufacturing plant in each affiliated company. The capacity of each manufacturing plant also determines how it copes with the volume of the exported products.

Q14: What is the difference between the products offered, i.e chicken stock seasoning and chicken meat powder, which was introduced in year 2002?

A14: The difference between the Company's chicken stock seasoning and chicken meat powder is that the meat chicken powder is purely extracted from chicken meat whereas the chicken stock seasoning powder is made from the said meat powder as well as other seasonings.

Q15: Is the Company able to distribute printed copies of cookbooks utilising the Company's products as ingredients to its shareholders?

A15: The Company is not able to disseminate such cookbooks publicly to its shareholders as the cookbook was developed together with a scientific organisation. However, the Company is able to share some its recipes on the Company's website as well as on social media platforms.

Q16: What is the time shift of the operation of the manufacturing plant in a day?

A16: The Company's manufacturing plant operates round the clock (24 hours 7 days a week).

Q17: Why does the alphabet 'j' in the new logo of Ajinomoto appear to look like 'i'?

A17: The letter 'j' in the new brand logo, Aji, is certainly an alphabet 'j' as it shows the line from the bottom of 'j' extending upward to the right

After having addressed all questions raised accordingly, the AFS were duly received.

### **3. Ordinary Resolution No. 1: - Authority to Issue Shares pursuant to the Companies Act 2016 ("CA2016")**

In response to a shareholder's query on whether the Company would consider issuing shares in the near future in view of the relocation to a new manufacturing plant, the Meeting was informed that the Company has not determined the total expenditure to be incurred on a new manufacturing plant because the Company needs to look into the completion of the purchase of the land and the masterplan to develop the land first. This would be announced at an appropriate timing at a later stage.

#### 4. Voting Results

Having addressed all queries raised and the following resolutions voted upon by e-polling, all the following resolutions were duly passed with the results of the e-polling announced accordingly to Bursa Securities on 27 August 2018:-

<b>Resolution</b>	
1	To declare a first and final single-tier dividend of 46.5 sen per ordinary share for FY2018.
2	To approve the payment of Directors' fees for FY2018 of RM402,000.
3	To approve the payment of Directors' benefits up to an amount of RM650,000 from 28 August 2018 until the next AGM of the Company.
4	To re-elect Mr. Miki Moriyama who was to retire in accordance with Article 120 of the AA and being eligible, had offered himself for re-election.
5	To re-elect Encik Kamarudin bin Rasid who was to retire in accordance with Article 120 of the AA and being eligible, had offered himself for re-election.
6	To re-elect Ms. Yukiko Nishioka who was to retire in accordance with Article 120 of the AA and being eligible, had offered herself for re-election.
7	To re-elect Dato' Setia Ramli bin Mahmud who was to retire in accordance with Article 120 of the AA and being eligible, had offered himself for re-election.
8	To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.
9	<b>Ordinary Resolution No. 1:</b> Authority to Issue Shares pursuant to the CA2016.
10	<b>Ordinary Resolution No. 2:</b> Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.
11	<b>Ordinary Resolution No. 3:</b> Approval to Continue in Office as Independent Non-Executive Director - General Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Rtd).
12	<b>Ordinary Resolution No. 4:</b> Approval to Continue in Office as Independent Non-Executive Director - Tan Sri Dato' (Dr) Teo Chiang Liang.
13	<b>Ordinary Resolution No. 5:</b> Approval to Continue in Office as Independent Non-Executive Director - Mr. Koay Kah Ee.

There being no other business to be transacted, Tan Sri Chairman concluded the Meeting at 11:55 a.m. and thanked all present for their attendance.