

MINUTES OF THE SIXTY-FIRST ANNUAL GENERAL MEETING OF AJINOMOTO (MALAYSIA) BERHAD HELD ON A VIRTUAL BASIS HOSTED ON SECURITIES SERVICES E-PORTAL ("SSeP") AT [HTTPS://SSHSB.NET.MY/](https://sshsb.net.my/) AT THE BROADCAST VENUE AT AJINOMOTO (MALAYSIA) BERHAD, LOT 5710, JALAN KUCHAI LAMA, PETALING, 58200 KUALA LUMPUR ON TUESDAY, 30 AUGUST 2022 AT 10:00 A.M.

DIRECTORS : Mr. Dominic Aw Kian-Wee (*Chairman of the Meeting*)
Mr. Tomoharu Abe (*Managing Director/Chief Executive Officer*)
Mr. Shunsuke Sasaki (*Chief Finance Officer*)
Mr. Koay Kah Ee
Encik Kamarudin Bin Rasid
Encik Azhan bin Mohacmed
Puan Norani Binti Sulaiman
Ms. Noriko Fujimoto
Mr. Takahiro Sato
Mr. Cheong Heng Choy

ABSENT WITH APOLOGIES : Y. Bhg. Tan Sri Dato' (Dr.) Teo Chiang Liang

INDIVIDUAL MEMBERS, REPRESENTATIVES AND PROXIES PRESENT : As per Attendance List

BY INVITATION : As per Attendance List

IN ATTENDANCE : Ms. Chua Siew Chuan (*Company Secretary*)
Ms. Yeow Sze Min (*Company Secretary*)

CHAIRMAN

Mr. Dominic Aw Kian-Wee ("**Mr. Dominic Aw**" or "**the Chairman**") was in the chair. He welcomed all present to the Sixty-First Annual General Meeting ("**61st AGM**" or "**the Meeting**") of the Company and thanked all present for their attendance including those participating in the 61st AGM remotely from various locations through live streaming. The Chairman conveyed the apologies of Y. Bhg. Tan Sri Dato' (Dr.) Teo Chiang Liang ("**Tan Sri Teo**"), the Independent Non-Executive Chairman of the Company for not being able to attend the Meeting due to a personal emergency, the demise of Tan Sri Teo's mother.

In view thereof, the Board of Directors ("**the Board**") of the Company had elected Mr. Dominic Aw as the Chairman of the Meeting in accordance with Clause 99 of the Company's Constitution.

The Chairman informed that in view of the Covid-19 situation in Malaysia and with the health interest of everyone, the 61st AGM was conducted on a virtual basis via live streaming webcast and online remote voting using the remote participation and voting facilities of SS E Solutions Sdn. Bhd. without physical attendance by shareholders, proxies and corporate representatives.

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The Chairman then introduced all the Directors, the Secretary of the Company as well as the External Auditors to the shareholders.

QUORUM

The requisite quorum being present pursuant to Clause 96 of the Company's Constitution, The Chairman declared the Meeting duly convened.

The Chairman informed the Meeting that only members whose names appeared in the Record of Depositors on 23 August 2022 were eligible to attend the Meeting.

NOTICE

The Notice convening the Meeting dated 28 July 2022 having been circulated within the prescribed period, was with the permission of the Meeting, taken as read.

POLL VOTING

The Chairman informed that the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") have mandated poll voting for all resolutions set out in the notice of general meetings. Pursuant to the above and Section 330 of the Companies Act 2016 ("**the Act**"), the Chairman exercised his right to direct the vote on all resolutions set out in the Notice of the Meeting to be conducted by way of a poll to demonstrate shareholder democracy of one-share one-vote.

PROCEEDINGS

The Chairman then invited Ms. Chua Siew Chuan ("**Ms. Chua**"), the Company Secretary to brief all on the proceedings of the Meeting.

Ms. Chua briefed all present that with the remote participation and voting facilities, shareholders, proxies and corporate representatives of the Company are allowed to post questions to the Board and vote remotely at the Meeting.

The Meeting was informed that there were shareholders who were unable to participate in the Meeting and had appointed the Chairman of the Meeting to vote on their behalf. Accordingly, the Chairman would be voting in his capacity as a proxy in accordance with the shareholders' instructions, where indicated.

Ms. Chua then briefed the Meeting that there is no legal requirement for a proposed resolution to be seconded, and as such, the voting module had been made accessible to all shareholders, proxies and corporate representatives to cast and submit their votes from the start of the Meeting and shall continue to be accessible for an additional ten (10) minutes after all the questions transmitted during the Meeting have been dealt with.

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Ms. Chua highlighted to all present that Resolutions 10 to 12 in relation to the retention of Tan Sri Teo, Mr. Koay Kah Ee ("**Mr. Koay**"), and Mr. Dominic Aw as the Independent Non-Executive Directors, would be voted under a two-tier voting process. Ms. Chua then explained to all present the mechanism of the two-tier voting process.

Ms. Chua informed that the Meeting would go through all the items on the Agenda, then followed by a question and answer session ("**Q&A Session**") to respond to questions transmitted by shareholders and proxies. Shareholders and proxies may rely on the real-time submission of typed texts to exercise their rights to speak or communicate in a virtual meeting by using the text box facility under the live stream player within the same e-Portal page to transmit their questions and/or remarks during the Meeting.

The Meeting was further informed that SS E Solutions Sdn. Bhd. was the appointed poll administrator and Commercial Quest Sdn. Bhd. was the appointed independent scrutineer to verify the results of the poll voting.

At this juncture, a step-by-step guide together with a short audio clip on the online voting module within the e-Portal was played.

PRESENTATION BY MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

A video clip prepared by Mr. Tomoharu Abe ("**Mr. Abe**"), the Managing Director/Chief Executive Officer of the Company, on the overview of the Company's performance and financial results for the financial year ended 31 March 2022 ("**FY2022**") and business strategy for the fiscal year or financial year ending 31 March 2023 ("**FY2023**") was presented at this juncture.

Financial Performance

- **Sales Revenue Trend**
Sales revenue increased by 9.4% from RM443.1 million for the financial year ended 31 March 2021 ("**FY2021**") to RM484.7 million for FY2022. The 9.4% increase in sales revenue was due to higher sales volume from domestic food services and export to the Middle East from the Company's popular products, i.e. AJI-NO-MOTO®, TUMIX®, and TENCHO industrial products.
- **Net Profit Trend**
Net profit was RM17.0 million for FY2022 as compared to RM46.5 million in FY2021. Although the Company continued to grow its sales revenue, the sharp increase in raw material prices mainly glutamic acid and monosodium glutamate (MSG), freight costs as well as relocation costs including depreciation eroded the net profit.
- **Total Equity (Shareholders' Funds)**
Total equity decreased from RM512.3 million in FY2021 to RM506.0 million in FY2022. The shareholders' funds were contributed by profit before tax of RM24.3 million after recognition of tax expense of RM7.3 million to achieve RM529.3 million. However, it landed at RM506 million after the dividend payment of RM23.3 million. As a result, the net asset value per share of the Company was recorded at RM8.30.

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- **Dividends**

The Company continues to maintain a dividend policy that provides stable and sustainable dividend pay-out, which is in line with the dividend policy of Ajinomoto Co., Inc (“AjiCo”). In FY2022, the Company declared a first and final single-tier dividend of 8.5 sen per share.

- **Performance for the first quarter of FY2023**

In the first quarter of FY2023, the Company achieved double-digit growth in sales revenue of RM141.5 million. The increase was mainly contributed by higher sales volume in the Consumer Business segment which comprised domestic food services and export to the Middle East. However, the Consumer Business segment still suffered an operating loss of RM4.1 million as a consequence of the rise in raw material costs since the preceding quarter.

On the other hand, the Industrial Business segment maintained stable growth in sales revenue and achieved an operating profit of RM3.8 million. As a result, the Company recognised an operating loss of RM0.3 million in the first quarter of FY2023.

In the coming quarters, the Management will strive to turnaround the current loss position to the profit level which is expected to be closed to the profit of last year by establishing strategic product pricing, effective sales distribution plans, and implementing cost control measures to improve operational efficiencies.

Mission & Vision

- **Mission**

To contribute to the world’s food and wellness, and to Better Lives for the future.

- **Vision**

Be a “Global Customer-Centric Halal Food Company” to contribute in resolving People’s Food and Health Issues through Our Specialties and Innovative Solutions.

Customer

- **Industrial Business**

The Company is currently offering its seasoning product namely TENCHO, and texture improver namely ACTIVA to the wide market in Malaysia as well as overseas mainly in Asia through its affiliates and distributors. Besides, the Company achieved business growth by strengthening its product solution proposals in both existing and growing markets such as plant-based meat and ready-to-eat categories in Consumer Value Store (CVS). For further growth, the Company continued to develop solutions for new customer needs such as natural resources saving to cope with future livestock and dairy raw material supply shortages and contributing value by providing customers with healthier products for instance low salt or low sugar. The Company will further expand its business in Asia and the Middle East through a unique solution to solve environmental and social issues.

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- **Export Business to Middle East**

Sales in the Middle East region had recovered in FY2022 with a significant increase of 124% as compared to FY2021, the highest sales record in the Company's history. The Company strengthened its outlet cultivation through continuous sales efforts by collaborating with distributors and utilising social networking services to promote cooking trials as well as enhancing the overall brand awareness of the Company in the Middle East region. With the reopening of borders and the beginning of the endemic phase, business operations and religious tourism such as "Hajj" and "Umrah" have resumed. This resulted in an increased demand for the Company's products.

- **Consumer Business**

Contribute to Health and Well-Being

The Company strives to provide positive contributions to the health and well-being of Malaysians, particularly the daily salt intake of Malaysians. With the introduction of "Less salt, Umami it!" campaign from July to September 2021, the Company aims to educate the public on the uniqueness of AJI-NO-MOTO® in reducing salt intake and at the same time maintaining the food's deliciousness. The message was communicated through various Key Opinion Leaders engagements including chefs, dietitians, and doctors. Besides salt reduction education, the Company contributed to an increase in vegetable intake by Malaysians through its "Rasa Sifu Kubis Wok La La" campaign with special vegetable menus which attracted trials from families with kids.

Engagement with Community

To promote consistent two-way communication and engagement with consumers, virtual activities such as "Eat well, Live well" live streaming were organised from October 2021 until June 2022 with programs covering the Company's introduction, delicious low salt application with cooking demonstrations, questions-and-answers, and quizzes.

The Company continued to be the main sponsor of the 31st Sea Games in Vietnam in the year 2022. In conjunction with this sponsorship, the Company engaged with Malaysian national athletes in "Winning Meals Kashimeshi" sports nutrition program from March to July 2022. The engagement aims to promote public awareness of healthy eating and active living through the Company's specialty in amino acids. Throughout the program, the athletes were educated and served well-balanced sports meals and AJI-NO-MOTO Amino-VITAL®, a jelly sports drink to support the athletes in boosting their performance during training and competition. The Company was proud to announce that the three national athletes under the "Winning Meals Kashimeshi" nutrition program won the silver and bronze medals in the 31st Sea Games.

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New Factory

- **High Productivity & Quality**

At this juncture, video clips on the smart factory's automatic storage and automatic packaging were played.

The automation and high technology strengthened accuracy, traceability, and first-in-first-out (FIFO) movement to achieve high productivity and high-quality products from incoming material handling, in-line production process control, and outgoing finished goods. This ensured high-quality products are delivered to customers.

- **Environment & Employee Friendly**

The new factory constantly promotes sustainability by which the Company has obtained a "Silver" under the Green Building Index. In order to protect the environment in the new factory located at Enstek, solar panels which were able to generate an optimum amount of electricity for environmental impact reduction were installed in almost all rooftop spaces. Besides, the new factory provides a friendly, conducive, and safe workplace to ensure its employees' safety as a top priority.

- **Customer Engagement**

At this juncture, pictures in relation to the Customer Engagement Centre were displayed.

The Customer Engagement Centre was designed for both general customers and business-to-business ("**B-to-B**") customers, which includes a visitor gallery, cooking studio, factory tour, tasting area, solution laboratory, and core technology introduction area.

Environmental, Social and Governance ("ESG") Initiatives

In FY2022, the Company recorded a reduction of 3.8% and 23% in carbon dioxide emissions and food loss respectively as compared to FY2021. In addition, the Company managed to reduce 96 tons of plastic waste by replacing the usage of plastic pallets with paper slip sheets and utilising mono-materials for small-sized AJI-NO-MOTO® stock-keeping units.

In the long term, the Company plans to reduce 50% of carbon dioxide emissions through the usage of solar panels and natural gas to replace light fuel oil and 50% of food loss by avoiding landfill disposal by the financial year end 2026 against the results in the financial year ended 2019. Furthermore, the Company plans to fully eliminate the usage of plastics in its production activities by replacing them with fully recyclable mono-materials by the financial year end 2031.

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Our People

To remain competitive and grow in the market, the Company constantly reviews the welfare and benefits of its employees through a series of employee engagement activities. The Company enhanced its work style innovation and recognised work-life balance to achieve higher added value and productivity. With this arrangement, 319 employees experienced work style innovation, 267 employees experienced an increase in productivity and 223 employees experienced an improvement in their quality of life.

With the opening of new factories, the Company took the opportunity to design the offices at the new plant and new Kuala Lumpur headquarters in such a way that promotes an open, flexible and collaborative culture. The Company believes that the new innovative concept will boost employees' motivation toward contributing to the Company's future.

The Chairman thanked Mr. Abe for his presentation.

RESPONSES TO MINORITY SHAREHOLDER WATCH GROUP ("MSWG")

The Chairman informed the Meeting that the Company had received a letter from MSWG dated 19 August 2022 and was requested to respond to the queries raised by MSWG at the Meeting.

At this juncture, the Chairman invited Ms. Chua to bring the participants through the queries received from MSWG and responses to the said queries as stipulated under Annexure "A" attached to this Minutes.

Upon completion, the Chairman thanked Ms. Chua for her presentation on the queries raised by MSWG and the Company's responses.

1.0 AUDITED FINANCIAL STATEMENTS FOR THE FY2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON ("AFS 2022")

The Chairman informed the Meeting that the first item on the Agenda was to receive the AFS 2022.

The Meeting noted that formal approval from shareholders was not required for this item of the Agenda pursuant to Section 340(1)(a) of the Act and hence, the AFS 2022 was not put forward for voting.

The Chairman **DECLARED:**

That the Audited Financial Statements of the Company for the financial year ended 31 March 2022 together with the Reports of the Directors and the Auditors thereon, be received.

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2.0 APPROVAL FOR THE PAYMENT OF DIRECTORS' FEES AMOUNTING TO RM282,333 FOR FY2022

The Chairman informed that the next item on the Agenda was to approve the payment of Directors' fees amounting to RM282,333 for FY2022.

The Meeting noted that the amount provided for the Directors' fees in the AFS 2022 was RM54,000 (*Ringgit Malaysia: Fifty-Four Thousand*) only for the Executive Directors and RM228,333 (*Ringgit Malaysia: Two Hundred and Twenty-Eight Thousand and Three Hundred and Thirty-Three*) only for Non-Executive Directors, making a total of RM282,333 (*Ringgit Malaysia: Two Hundred and Eighty-Two Thousand and Three Hundred and Thirty-Three*) only as shown on page 77 of the Annual Report.

3.0 APPROVAL FOR THE PAYMENT OF DIRECTORS' BENEFITS UP TO AN AMOUNT OF RM650,000 FROM 31 AUGUST 2022 UNTIL THE DATE OF THE NEXT ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY

The Chairman informed that the next item on the Agenda was to approve the payment of Directors' benefits up to an amount of RM650,000 (*Ringgit Malaysia: Six Hundred and Fifty Thousand*) only from 31 August 2022 until the date of the next AGM of the Company. These benefits comprise Non-Executive Directors' meeting and transport allowance and hospitalisation coverage.

4.0 RE-ELECTION OF THE FOLLOWING DIRECTORS WHO WERE SUBJECT TO RETIREMENT IN ACCORDANCE WITH CLAUSE 120 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, HAD OFFERED THEMSELVES FOR RE-ELECTION:-

- (A) TAN SRI TEO;**
 - (B) MR. KOAY;**
 - (C) MR. DOMINIC AW; AND**
 - (D) PUAN NORANI BINTI SULAIMAN**
-

At this juncture, the Chairman declared his interest and handed over the chair of the Meeting to Mr. Abe to chair the Meeting for this segment of the Agenda.

Mr. Abe took over the chair and thanked the Chairman for his nomination as chairman of this agenda item in respect of the resolutions to re-elect the Directors who were subject to retirement in accordance with Clause 120 of the Company's Constitution.

Mr. Abe informed that the next item on the Agenda was to re-elect the following Directors who are subject to retirement in accordance with Clause 120 of the Company's Constitution and that the retiring Directors, being eligible, had offered themselves for re-election:-

- (a) Tan Sri Teo;
- (b) Mr. Koay;
- (c) Mr. Dominic Aw; and
- (d) Puan Norani Binti Sulaiman

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The Meeting noted that the re-election of each Director would be voted on individually.

Mr. Abe thereafter handed back the chair of the Meeting to the Chairman.

The Chairman thanked Mr. Abe for chairing the Meeting in respect of this segment of the Agenda and moved on to the next item on the Agenda.

5.0 RE-APPOINTMENT OF MESSRS. KPMG PLT AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman informed that the next item on the Agenda was to re-appoint Messrs. KPMG PLT as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration.

Messrs. KPMG PLT have indicated their willingness to continue in office as Auditors of the Company.

SPECIAL BUSINESS

**6.0 ORDINARY RESOLUTION NO. 1:
- AUTHORITY TO ISSUE SHARES PURSUANT TO THE ACT**

The Chairman informed that the next item on the Agenda was a special business for the approval of "Ordinary Resolution No. 1: Authority to issue shares pursuant to the Act".

The Meeting noted that the proposed adoption of the said Ordinary Resolution No. 1 was primarily to provide flexibility to the Company to allot shares for any possible fund-raising activities for the purpose of funding working capital without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority, unless revoked or varied by the Company in a general meeting, would expire at the conclusion of the next AGM.

**7.0 ORDINARY RESOLUTION NO. 2:
- PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE**

The Chairman informed that the next item on the Agenda was another special business for the approval of "Ordinary Resolution No. 2: Proposed Renewal of Existing Shareholders' Mandate for RRPT of a Revenue or Trading Nature".

The Meeting noted that the proposed adoption of the said Ordinary Resolution No. 2 was to renew the Shareholders Mandate granted by the shareholders of the Company at the Sixtieth AGM held on 20 September 2021. The proposal would enable the Company and its affiliated companies to enter into any of the RRPT of a revenue or

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trading nature which are necessary for the Company's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The Chairman further informed that the following parties who are deemed interested in the said proposal would abstain from voting on the said resolution for the said proposal and had undertaken to ensure that persons connected to them would also abstain from voting in respect of their direct and indirect shareholdings on the said resolution:-

- (a) Ajinomoto Co., Inc ("**AjiCo**"), *the ultimate parent company and being the interested major shareholder*; and
- (b) Mr. Abe, Mr. Shunsuke Sasaki ("**Mr. Sasaki**"), Ms. Noriko Fujimoto ("**Ms. Fujimoto**"), and Mr. Takahiro Sato ("**Mr. Sato**"), *the Executive Directors of the Company, being persons nominated by AjiCo.*

8.0 ORDINARY RESOLUTION NO. 3: - RETENTION OF TAN SRI TEO AS AN INDEPENDENT DIRECTOR

The Chairman informed that the next item on the Agenda was a special business for the approval of "Ordinary Resolution No. 3: Retention of Tan Sri Teo as an Independent Director".

The Meeting noted that the proposed adoption of the said Ordinary Resolution No. 3 was to retain Tan Sri Teo, who had served for more than nine (9) years as Independent Director of the Company.

The Meeting further noted that the Board had via the Nomination Committee ("**NC**") conducted an annual performance evaluation and assessment of the independence of Tan Sri Teo who had served as an Independent Director for a cumulative term of more than nine (9) years and recommended him to continue in office as an Independent Director through a two-tier voting process in accordance with the Malaysian Code on Corporate Governance ("**MCCG**").

The justifications and recommendations of the Board for the retention of Tan Sri Teo as an Independent Director of the Company are set out on page 103 of the Annual Report.

9.0 ORDINARY RESOLUTION NO. 4: - RETENTION OF MR. KOAY AS AN INDEPENDENT DIRECTOR

The Chairman informed that the next item on the Agenda was another special business for the approval of "Ordinary Resolution No. 4: Retention of Mr. Koay as an Independent Director".

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The Meeting noted that the proposed adoption of the said Ordinary Resolution No. 4 was to retain Mr. Koay, who had served for more than nine (9) years as Independent Director of the Company.

The Meeting further noted that the Board had via the NC conducted an annual performance evaluation and assessment of the independence of Mr. Koay who had served as an Independent Director for a cumulative term of more than nine (9) years and recommended him to continue in office as an Independent Director through a two-tier voting process in accordance with the MCCG.

The justifications and recommendations of the Board for the retention of Mr. Koay as an Independent Non-Executive Director of the Company are set out on page 104 of the Annual Report.

**10.0 ORDINARY RESOLUTION NO. 5:
- RETENTION OF MR. DOMINIC AW AS AN INDEPENDENT DIRECTOR**

The Chairman informed that the next item on the Agenda was another special business for the approval of "Ordinary Resolution No. 5: Retention of Mr. Dominic Aw as an Independent Director".

At this juncture, Mr. Dominic Aw declared his interest and handed over the chair of the Meeting to Mr. Koay, an Independent Non-Executive Director of the Company to chair the Meeting for this segment of the Agenda.

Mr. Koay took over the chair and thanked the Chairman for his nomination as chairman for this Agenda item.

The Meeting noted that the proposed adoption of the said Ordinary Resolution No. 5 was to retain Mr. Dominic Aw, who had served for more than nine (9) years as Independent Director of the Company.

The Meeting further noted that the Board had via the NC conducted an annual performance evaluation and assessment of the independence of Mr. Dominic Aw who had served as an Independent Director for a cumulative term of more than nine (9) years and recommended him to continue in office as an Independent Director through a two-tier voting process in accordance with the MCCG.

The justifications and recommendations of the Board for the retention of Mr. Dominic Aw as an Independent Non-Executive Director of the Company are set out on pages 104 and 105 of the Annual Report.

Mr. Koay thereafter handed back the chair of the Meeting to the Chairman.

The Chairman thanked Mr. Koay for chairing the Meeting in respect of this segment of the Agenda.

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11.0 ANY OTHER BUSINESS

The Meeting was advised that there was no other business to be transacted at the Meeting of which due notice had been given.

Q&A SESSION

After having dealt with all the items on the Agenda, the Meeting proceeded to with the Q&A session. The salient enquiries and comments made by the shareholders, proxies and corporate representatives as well as the responses from the Board and Management were as stipulated under Annexure "B" attached to this Minutes.

POLLING PROCESS

There being no further questions received, the shareholders, proxies, and corporate representatives were given another ten (10) minutes to cast and submit their votes.

Upon closure of the voting session, the Meeting was adjourned at 11:40 a.m. and proceeded with the verification of vote results by the independent scrutineers, Commercial Quest Sdn. Bhd.

ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 12:04 p.m. and the Chairman called the Meeting to order.

The results of the poll voting as follows were shown on the screen:

Resolutions	Voted For		Voted Against		Results
	No. of shares	%	No. of shares	%	
<u>Resolution 1</u> To approve the payment of Directors' fees amounting to RM282,333 for the financial year ended 31 March 2022.	36,213,680	99.3971	219,663	0.6029	Carried

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Resolutions	Voted For		Voted Against		Results
	No. of shares	%	No. of shares	%	
<p><u>Resolution 2</u></p> <p>To approve the payment of Directors' benefits up to an amount of RM650,000 from 31 August 2022 until the date of the next Annual General Meeting of the Company.</p>	36,146,420	99.2122	287,023	0.7878	Carried
<p><u>Resolution 3</u></p> <p>To re-elect Tan Sri Dato' (Dr.) Teo Chiang Liang who is due to retire pursuant to Clause 120 of the Company's Constitution and being eligible, has offered himself for re-election.</p>	34,575,696	94.8994	1,858,337	5.1006	Carried
<p><u>Resolution 4</u></p> <p>To re-elect Mr. Koay Kah Ee who is due to retire pursuant to Clause 120 of the Company's Constitution and being eligible, has offered himself for re-election.</p>	35,018,396	95.7492	1,554,637	4.2508	Carried
<p><u>Resolution 5</u></p> <p>To re-elect Mr. Dominic Aw Kian-Wee who is due to retire pursuant to Clause 120 of the Company's Constitution and being eligible, has offered himself for re-election.</p>	34,989,395	95.7456	1,554,738	4.2544	Carried

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Resolutions	Voted For		Voted Against		Results
	No. of shares	%	No. of shares	%	
<u>Resolution 6</u> To re-elect Puan Norani binti Sulaiman who is due to retire pursuant to Clause 120 of the Company's Constitution and being eligible, has offered herself for re-election.	36,324,295	99.3984	219,838	0.6016	Carried
<u>Resolution 7</u> To re-appoint Messrs. KPMG PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration.	36,338,367	99.4046	217,666	0.5954	Carried
<u>Resolution 8</u> Authority to Issue Shares pursuant to the Companies Act 2016.	36,326,296	99.2925	258,837	0.7075	Carried
<u>Resolution 9</u> Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	5,700,551	96.4024	212,737	3.5976	Carried
<u>Resolution 10</u> Retention of Tan Sri Dato' (Dr.) Teo Chiang Liang as an Independent Director.	Tier 1 (Large Shareholder)				
	30,627,845	100.0000	Nil	0.0000	Carried
	Tier 2 (Other Shareholders)				
	4,210,852	72.4848	1,598,436	27.5152	Carried

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Resolutions	Voted For		Voted Against		Results
	No. of shares	%	No. of shares	%	
<u>Resolution 11</u> Retention of Mr. Koay Kah Ee as an Independent Director.	Tier 1 (Large Shareholder)				
	30,627,845	100.0000	Nil	0.0000	Carried
	Tier 2 (Other Shareholders)				
	4,360,751	73.1745	1,598,637	26.8255	Carried
<u>Resolution 12</u> Retention of Mr. Dominic Aw Kian-Wee as an Independent Director.	Tier 1 (Large Shareholder)				
	30,627,845	100.0000	0	0.0000	Carried
	Tier 2 (Other Shareholders)				
	4,360,651	73.1740	1,598,637	26.8260	Carried

Based on the results of the poll voting, the Chairman declared the following resolutions as **CARRIED**:-

RESOLUTION 1

"THAT the payment of Directors' fees amounting to RM282,333 (Ringgit Malaysia: Two Hundred and Eighty-Two Thousand and Three Hundred and Thirty-Three) only for the financial year ended 31 March 2022 be and is hereby approved."

RESOLUTION 2

"THAT the payment of Directors' benefits up to an amount of RM650,000 (Ringgit Malaysia: Six Hundred and Fifty Thousand) only from 31 August 2022 until the next Annual General Meeting of the Company be and is hereby approved."

RESOLUTION 3

"THAT Tan Sri Dato' (Dr.) Teo Chiang Liang, being eligible for re-election, be re-elected as a Director of the Company."

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RESOLUTION 4

*"**THAT** Mr. Koay Kah Ee, being eligible for re-election, be re-elected as a Director of the Company."*

RESOLUTION 5

*"**THAT** Mr. Dominic Aw Kian-Wee, being eligible for re-election, be re-elected as a Director of the Company."*

RESOLUTION 6

*"**THAT** Puan Norani binti Sulaiman, being eligible for re-election, be re-elected as a Director of the Company."*

RESOLUTION 7

*"**THAT** Messrs. KPMG PLT being re-appointed as Auditor of the Company until the conclusion of the next Annual General Meeting of the Company and the Directors being authorised to fix their remuneration."*

RESOLUTION 8

- ORDINARY RESOLUTION NO. 1: AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

*"**THAT** subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being;*

***AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."*

(Minutes of the 61st AGM held on 30 August 2022 - cont'd)

RESOLUTION 9

- ORDINARY RESOLUTION NO. 2: PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

*"**THAT** subject to the provisions of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Proposed Renewal of Existing Shareholders' Mandate for the Company to enter into and to give effect to the category of the recurrent transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 2.3 of the Circular to Shareholders dated 28 July 2022, provided that such transactions are:-*

- (i) recurrent transactions of a revenue or trading nature;*
- (ii) necessary for the Company's day-to-day operations;*
- (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and*
- (iv) not to the detriment of minority shareholders,*

*(the "**Mandate**");*

AND THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the next Annual General Meeting, the authority is renewed;*
- (ii) the expiration of the period within which the next Annual General Meeting after that date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or*
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting; whichever is the earlier;*

AND FURTHER THAT the Directors be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Mandate."

(Minutes of the 61st AGM held on 30 August 2022 - cont'd)

RESOLUTION 10

- ORDINARY RESOLUTION NO. 3: RETENTION OF TAN SRI DATO' (DR.) TEO CHIANG LIANG AS AN INDEPENDENT DIRECTOR

*"**THAT** subject to the passing of Resolution no. 3, Tan Sri Dato' (Dr.) Teo Chiang Liang who has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years since 28 June 2001 be and is hereby retained as an Independent Director of the Company."*

RESOLUTION 11

- ORDINARY RESOLUTION NO. 4: RETENTION OF MR. KOAY KAH EE AS AN INDEPENDENT DIRECTOR

*"**THAT** subject to the passing of Resolution no. 4, Mr. Koay Kah Ee who has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years since 15 November 2007 be and is hereby retained as an Independent Director of the Company."*

RESOLUTION 12

- ORDINARY RESOLUTION NO. 5: RETENTION OF MR. DOMINIC AW KIAN-WEE AS AN INDEPENDENT DIRECTOR

*"**THAT** subject to the passing of Resolution no. 5, Mr. Dominic Aw Kian-Wee who has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years since 10 August 2010 be and is hereby retained as an Independent Director of the Company."*

CONCLUSION

There being no other business to be transacted, the Chairman concluded the Meeting at 12:07 p.m. and thanked all present for their attendance.



Annexure "A"

ANNEXURE TO THE MINUTES OF THE SIXTY-FIRST ANNUAL GENERAL MEETING OF AJINOMOTO (MALAYSIA) BERHAD ("**THE COMPANY**") HELD ON A VIRTUAL BASIS HOSTED ON SECURITIES SERVICES E-PORTAL AT [HTTPS://SSHSB.NET.MY/](https://sshsb.net.my/) AT THE BROADCAST VENUE AT AJINOMOTO (MALAYSIA) BERHAD, LOT 5710, JALAN KUCHAI LAMA, PETALING, 58200 KUALA LUMPUR ON TUESDAY, 30 AUGUST 2022 AT 10:00 A.M.

RESPONSES TO MINORITY SHAREHOLDERS WATCH GROUP ("MSWG")

Operational and Financial Matters

1. For FY2022, the group revenue increased by 9.4% to RM484.7 million from RM443.1 million. Despite recording a higher sales volume of AJI-NO-MOTO, TUMIX, and TENCHO industrial products, the group's profit before tax decreased substantially by 60.4% to RM24.3 million compared to RM61.3 million in the previous year.

The decrease in profit before tax was mainly due to the hike in raw material prices and fuel costs, higher freight and transportation costs, increase in staff costs, depreciation, computer hardware and software maintenance, and other operating expenses. (pages 8 and 47 of Annual Report ("**AR**") 2022)

- a) Does the Group expect to face similar strong headwinds in FY2023?

Response:

Yes, the Company expects to continue to face strong headwinds in FY2023.

- b) How does the inflationary pressure (hike in raw material prices and rising fuel costs) affect Ajinomoto group's profit margin in FY2023? What are the opportunities for the group to pass on cost increases to maintain/increase its profit margin?

Response:

The inflationary pressure is expected to continue affecting the Company's profit margin in FY2023. The Company will need to address this by reviewing the pricing of our products as well as our operating costs.

2. The Company's dividend payment for the past 5 financial years is shown in the table below (page 42 of AR 2022):

	Net Dividend per share (sen)	Dividend pay-out ratio
FY2018	46.50	50.25%
FY2019	47.00	50.50%
FY2020	49.30	50.08%
FY2021	38.25	50.01%
FY2022	8.50	30.41%



(Annexure "A" of the Minutes of the Sixty-First Annual General Meeting – cont'd)

- a) The Company paid a net dividend per share of 8.5 sen in FY2022, the lowest compared to the previous financial years. When will the dividend trend be back to its previous levels?

Response:

The dividend trend moving forward is dependent on the business environment which will impact our profits from which dividends are paid.

- b) Given that the Company continued to incur capital expenditure in the new factory construction and manufacturing facilities, what is the outlook for dividends in 2023?

Response:

The majority of the Company's capital expenditure has already been incurred and as for dividends in 2023, the Company's performance including net profit and cash is dependent on the business environment.

3. Realised loss on foreign exchange amounted to RM940,036 in FY2022 compared to a gain of RM229,204 in the previous year (Note 22 to the Financial Statements (page 78 of AR 2022)).

- a) What were the reasons for the significant increase in realised loss on foreign exchange?

Response:

Realised loss on foreign exchange is caused by the weak performance of Malaysian Ringgit against foreign currencies. Please refer to the currency risk sensitivity analysis on page 88 of AR 2022.

- b) What is the current hedging policy of the Group? If none, will the Group consider hedging its foreign currency risk exposure to mitigate the impact of loss on foreign exchange?

Response:

Yes, the Company has a foreign currency hedging policy that is reviewed when required.

4. The Group has written-off inventories of RM783,884 in FY2022 as compared to RM335,730 in FY2021, an increase of RM448,154 or 133.5% (page 49 of AR 2022).

- a) What comprise these inventories and what are the reasons for such a substantial increase in write-off?

Response:

The substantial increase of inventories written off was due to damage to goods from the serious flash flood on 7 March 2022, which is being claimed from an insurance company.

(Annexure "A" of the Minutes of the Sixty-First Annual General Meeting – cont'd)

- b) What measures have been taken to minimise such write-offs in the future? Is such a high write-off expected in the forthcoming year?

Response:

The Company has been in touch with relevant authorities to mitigate flooding in the surrounding factory areas which resulted in an increase in the write-off of inventories.

Corporate Governance Matters

5. To encourage board renewal and strengthen board independence, Bursa Malaysia (via its letter dated 19 January 2022 to the Company Secretary of Main Market Listed Issuers) amended the Listing Requirements to limit the tenure of an independent non-executive director ("**INED**") to not more than a cumulative tenure of 12 years in the listed issuer and its group of companies.

Currently, three INEDs of Ajinomoto namely, Tan Sri Teo, Mr. Koay Kah Ee ("**Mr. Koay**"), and Mr. Dominic Aw Kian-Wee were first appointed on 28 June 2001, 15 November 2007, and 10 August 2010 respectively and have served on the Board for 12 years to 21 years. Collectively, the three long-tenured INEDs have served for approximately 47 years. Three INEDs are seeking re-election (Resolutions 3, 4, and 5) at the 61st AGM of the Company.

- a) Will the continued appointments of the long-tenured independent directors impede/delay the progressive renewal of the Board? Are there any challenges faced by the Board in identifying and onboarding new board members?

Response:

The Company is conscious of the need to balance between board renewal and the advantages of ensuring continuity. Notwithstanding this, the Company will ensure that the tenure of an Independent Director is limited to a cumulative period of twelve (12) years in compliance with the Listing Requirements.

The Board with the assistance of the Nomination Committee is taking progressive steps to review and appoint new Independent Director(s) to address the board composition, guided by the requirements of the Listing requirements.

- b) What is the plan of the Company in ensuring a smooth transition to comply with this new ruling so as not to disrupt the Board's function when all the INEDs are to resign from office or be redesignated as non-independent directors when the time is due by 1 June 2023?

Response:

As stated above in 5(a), the Board with the assistance of the Nomination Committee is taking progressive steps to review the appointment of new Independent Director(s) under the Company's succession planning for the Board to ensure a smooth transition by 31 May 2023.

(Annexure "A" of the Minutes of the Sixty-First Annual General Meeting – cont'd)

6. Total Executive Directors' remuneration (including benefits-in-kind) increased from RM3.98 million for FY2021 to RM5.51 million for FY2022. This represents a 38.3% jump in the executive directors' total remuneration (page 77 of the AR 2022).

What were the reasons for the substantial increase in the salaries, bonuses, and other benefits-in-kind of executive directors of the Company for the year under review when the Group's profit before tax for FY2022 dipped to RM24.3 million from RM61.3 million a year earlier?

Response:

Regretfully there were errors made in AR 2022 and these have been corrected with Errata Statement issued on 25 August 2022.

Annexure "B"

ANNEXURE TO THE MINUTES OF THE SIXTY-FIRST ANNUAL GENERAL MEETING ("61st AGM") OF AJINOMOTO (MALAYSIA) BERHAD ("THE COMPANY") HELD ON A VIRTUAL BASIS HOSTED ON SECURITIES SERVICES E-PORTAL AT [HTTPS://SSHSB.NET.MY/](https://sshsb.net.my/) AT THE BROADCAST VENUE AT AJINOMOTO (MALAYSIA) BERHAD, LOT 5710, JALAN KUCHAI LAMA, PETALING, 58200 KUALA LUMPUR ON TUESDAY, 30 AUGUST 2022 AT 10:00 A.M.

QUESTION AND ANSWER SESSION

Pre-submitted questions

1. Veiven Goon ("**Veiven**"), a shareholder, commented that the performance for the financial year ended 31 March 2022 ("**FY2022**") was very poor. The revenue increased by 9% while the net profit decreased by 63% during FY2022. In addition, the raw materials consumed increased by 28% and other operating expenses increased by 23%. Veiven then enquired on the following:-

- The Management to provide more colour on the nature of these increases and what are the specific cost components that contributed to the major increase?

Response:

Mr. Dominic Aw Kian-Wee ("**Mr. Dominic Aw**" or "**the Chairman**") informed that the prices of raw materials for AJI-NO-MOTO mainly glutamic acid and freight costs have increased substantially coupled with the weaker foreign exchange rate between Malaysian Ringgit against United States Dollar. The operating expenses including selling and distribution expenses as well as administrative and other expenses were also increased. The details were further explained on page 78 of the Annual Report 2022.

- Did the Management consider raising product selling prices in light of the rising costs?

Response:

The Chairman informed that the Company has raised the selling prices of the Company's products during the FY2022.

- Does the Management expect the high costs and low margins to persist in the financial year ending 31 March 2023 ("**FY2023**")? What are the steps would the Management take to avoid a repetitive disastrous performance during the FY2022?

Response:

The Chairman replied that the Company expects to continue encountering challenges from the increase in raw material prices and freight costs as well as the disruptions to the supply of raw materials in the coming quarters arising from the Russia-Ukraine conflict. The Management would review its pricing and sales distribution strategies, increase production efficiency and adopt necessary cost control measures to optimise its performance.

(Annexure "B" of the Minutes of the Sixty-First Annual General Meeting – cont'd)

Live questions

2. Gow FC, a shareholder, enquired on the commencement of operation of the Company's new plant located at Negeri Sembilan and which type of depreciation method would be applied.

Response:

Mr. Takahiro Sato ("Mr. Sato") responded that the Company's new plant would begin its operations in October 2022 onwards and a straight-line method of depreciation would be used.

3. Tee SC ("Tee"), a shareholder, highlighted that the Company has reported an operating loss in the first quarter ended 30 June 2022 citing higher key raw materials and freight costs. Tee then enquired on the following:-

- What is the strategy of the Management to mitigate the rising input costs?

Response:

Mr. Tomoharu Abe ("Mr. Abe") informed the Meeting that the Company expects to continue encountering challenges from the increase in raw material prices and freight costs as well as the disruptions to the supply of raw materials in the coming quarters arising from the Russia-Ukraine conflict. The Management would review its pricing and sales distribution strategies, increase production efficiency and adopt necessary cost control measures to optimise its performance.

- Does the Company expect to be profitable for FY2023?

Response:

Mr. Abe reiterated that the Company expects to continue to face strong headwinds in the FY2023, in which the inflationary pressure is expected to continue affecting the Company's profit margin. The Company would need to address this issue by reviewing product pricing as well as its operating costs.

4. Chow WS, a shareholder, enquired on the following:-

- What keeps the Chief Executive Officer awake at night on running the Company?

Response:

Mr. Abe replied that in order to ensure smooth operation of the new factory, the Company would consider expanding its business by exploring export markets and launching new product ranges as well as controlling the costs effectively.

- When will the Company revert back to the physical AGM?

Response:

Mr. Abe informed that the Company would consider carefully while referring to the latest Guidance Note issued by the Securities Commission of Malaysia as

(Annexure "B" of the Minutes of the Sixty-First Annual General Meeting – cont'd)

well as the current infection rate in Malaysia. To safeguard the health and safety of the shareholders, directors, staff, and other stakeholders as well as taking into consideration of the current infection rate in Malaysia, the Board has decided that the 61st AGM be held on a virtual basis. The Company would notify the shareholders accordingly if the future general meeting is to be conducted physically.

- Why did the Company make losses in the recent quarter? Will the next quarter be better?

Response:

Mr. Shunsuke Sasaki ("Mr. Sasaki") reiterated that the losses in the recent quarter were due to the substantial increase in raw material prices, transportation costs, and freight costs. The Company expects to face similar headwinds for a certain period of months and had made several countermeasures to overcome this issue.

- What is the impact of the new Employment Act to the Company?

Response:

Encik Kamarudin Bin Rasid ("Encik Kamarudin") replied that the Company is in the progress of implementing the amendments to the Employment Act 1995 since January 2022.

- How is the new plant running and what is the capacity of utilisation?

Response:

Mr. Sato replied that the new plant is scheduled to begin its operation in October 2022 onwards. As for the production capacity at the new plant, it is planned to increase by 20% initially although production could be ramped up to 35% depending on the demands.

- Would there be any reduction in manpower due to the operation of the smart factory?

Response:

Mr. Sato replied that there were several items incorporated in the new factory, such as the manufacturing execution system, automated cleaning system, robotic cartooning system, automated storage retrieval system and etc., which might have an impact on the number of employees required upon commencement of the smart factory. However, the Company would endeavour to retain all its existing employees when relocating to the new factory.

- What is the reason on the delay in adjusting and increasing the Company's selling price?

Response:

Ms. Noriko Fujimoto ("Ms. Fujimoto") replied that the Company has been closely monitoring raw material prices to develop its pricing strategies as timely as possible. On the other hand, the Company has to adhere to the price control

(Annexure "B" of the Minutes of the Sixty-First Annual General Meeting – cont'd)

and anti-profiteering guidelines imposed by the government which in turn will affect its pricing strategies.

5. Lau CH, a *shareholder*, enquired on the following:-

- What is the Company's future outlook?

Response:

Mr. Abe replied that the Company intends to strengthen its B-to-B commerce by leveraging its specialties and solution proposals, becoming a halal hub and expanding exports to Islamic countries, and strengthening its business structure by thoroughly improving productivity. Through these initiatives, the Company would be able to achieve a stable growth and contribute to the society.

6. Liew HC, a *shareholder*, enquired on the following:-

- The Company's shares on Bursa Securities are very illiquid and what is the measures considered by the Board to improve it?

Response:

Mr. Sasaki replied that the Board would discuss and notify the shareholders if any measures are to be considered.

- In the Board's opinion, when will the Company expects to return to profitability?

Response:

Mr. Sasaki reiterated that the Company expects to face strong headwinds in FY2023. However, the Company has taken several countermeasures in order to regain its profitability.

- Any new product launch in the pipeline?

Response:

Ms. Fujimoto replied that the Company has planned to launch new consumer and industrial products during this fiscal year. Further details of the new product launching would be announced at an appropriate time.

7. Ng KC, a *shareholder*, commented that material cost impacts substantially on the shareholders' earnings and enquired about the Company's strategies in addressing the problem as passing the cost back to consumers seems unfeasible.

Response:

Ms. Fujimoto stated that the Company has been facing a surge in the cost of raw materials, transportation and freight costs which impacted its profitability. The Company would continue to address cost inflation by improving its productivity, manufacturing processes and usage of utilities such as electricity, fuel and water. In addition, the Management has been closely monitoring the costs that were not

(Annexure "B" of the Minutes of the Sixty-First Annual General Meeting – cont'd)

within their control such as raw materials and transportation costs against the pricing to ensure business profitability and market competitiveness.

8. Chua SY ("**Chua**"), a shareholder, commented that the Company has been reporting operating losses for the last two quarters, which Management attributed to the rising feedstock costs and higher freight costs. Chua then enquired on the following:-

- Please explain what the Company's main raw material is and how much of these feedstocks' cost has risen in terms of percentage.

Response:

Mr. Abe stated that the Company has been facing a surge in the cost of raw materials, transportation, and freight which impacted its profitability. The Company will continue to address cost inflation by improving its productivity, manufacturing processes and usage of utilities such as electricity, fuel, and water. In addition, the Management has been monitoring closely costs that were not within their control such as raw materials and transportation costs against their pricing to ensure business profitability and market competitiveness.

- How much the selling price has been raised? Please explain why the Company is not able to fully pass through the rising cost to consumers despite being the leader in the market.

Response:

Mr. Abe replied that the Company had raised the selling price of the Company's products during FY2022. Mr. Abe also explained that the Company has to adhere to the price control and anti-profiteering guidelines imposed by the local government, which is the factor in determining the selling price.

Chua further commented that during the first quarter of FY2023, the Company incurred higher administrative and selling expenses including staff costs, transitional costs related to factory relocation, sales promotion expenses. Chua thereafter enquired on following:-

- Please explain what causes higher staff costs.

Response:

Encik Kamarudin explained that the increase in staff costs was mainly due to the hiring of temporary workers for the relocation of factory exercise.

- How much does the transitional factory relocation cost?

Response:

Mr. Sasaki replied that the Company has not incurred any material transitional factory relocation costs during the first quarter of FY2023 as the new factory will commence its operation starting October 2022 onwards.

(Annexure "B" of the Minutes of the Sixty-First Annual General Meeting – cont'd)

9. Yuan TJ, a shareholder, enquired on the following:-

- What is the total area to be acquired by MRT Corporation for the MRT3 project?

Response:

Mr. Abe replied that the total area to be acquired by MRT Corporation is approximately 31,000 square meters.

- As the new factory is in operation, will the existing factory located at Kuchai Lama be closed completely or partially?

Response:

Mr. Abe informed that the Company is working with the appointed licensed valuer to obtain the best possible market value of the Kuchai Lama factory in order to set the selling price. In the event that the independent valuation of the Kuchai Lama land is not attractive and with a view to alleviating the current shortage of MSG, the Company is considering the viability of maintaining MSG production at the Kuchai Lama factory in the near future to ensure maximum utilisation of the Company's assets.

10. Choy MH, a shareholder, enquired on the Company's plan for the existing land located at Jalan Kuchai Lama since the factory has been relocated to Bandar Baru Enstek.

Response:

Mr. Abe informed that the Company is working with the appointed licensed valuer to obtain the best possible market value of the Kuchai Lama factory to set the selling price. In the event that the independent valuation of the Kuchai Lama land is not attractive and with a view to alleviating the current shortage of MSG, the Company may consider the viability of maintaining MSG production at the Kuchai Lama factory in the near future to ensure maximum utilisation of the Company's assets.

11. Loo YM ("**Loo**"), a shareholder, enquired on the following:-

- What is the Company's succession planning to replace the retiring directors?

Response:

Ms. Chua Siew Chuan ("**Ms. Chua**") replied that the Board of Directors with the assistance of the Nomination Committee is taking progressive steps to review and consider the appointment of new Independent Director(s) under the Company's succession plan for the Board to ensure a smooth transition by 31 May 2023. The Board is fully cognisant of the Listing Requirements and will ensure compliance by next year.

- Any bonus issue or increase in dividends in response to the requested Directors' fees and benefits?

(Annexure "B" of the Minutes of the Sixty-First Annual General Meeting – cont'd)

Response:

The Chairman replied that the Company took note of the suggestion and informed that the Company has been paying good dividends but will consider issuing bonus issue in the future.

12. Hong KW, a shareholder, enquired about the status of the new plant in terms of operation and capacity and the plan for the existing plant as well as whether the Company will run two (2) factories concurrently.

Response:

Mr. Sato replied that the operation of the new plant will commence starting October 2022 onwards. The production capacity at the new plant is planned to increase by 20% initially although production could be ramped up to 35% depending on the demands.

Mr. Sato also added that the Company is working with the appointed licensed valuer to obtain the best possible market value of the Kuchai Lama factory to set the selling price. In the event that the independent valuation of the Kuchai Lama land is not attractive and with a view to alleviating the current shortage of MSG, the Company may consider the viability of maintaining MSG production at the Kuchai Lama factory in the near future to ensure maximum utilisation of the Company's assets.

13. Wong ZM, a shareholder, enquired whether the Company has any plan to introduce products such as instant noodles, instant coffee and can coffee with Halal certification similar to Ajinomoto Thailand.

Response:

Ms. Fujimoto replied that the Company will consider offering the said products with Halal certification. Currently, most of the products in Ajinomoto Thailand do not have Halal certification. However, if there is a high demand for those products in Malaysia, the Company may consider applying for Halal certification with the approval of the affiliate company.

14. Bernard Chang TW, a shareholder, enquired on the following:-

- Inventory levels continue to increase at a significant rate at the expense of earnings. Prior to the pandemic, inventory levels were averaging approximately RM40 million. Inventories are currently well over RM100 million. When will the inventory return to more normalised levels in order for the shareholders to see a return to healthy earnings levels?

Response:

Mr. Sato replied that the increase in inventories is intended for the use of the relocation exercise to the new factory. Inventory levels are expected to be gradually reduced once the relocation to new factory has been completed and the operation is stabilised.

- The Company has over 1.1 million square feet of valuable land in Kuchai Lama. When will we start to see the unlocking of the value of this land?

(Annexure "B" of the Minutes of the Sixty-First Annual General Meeting – cont'd)

Response:

The Chairman replied that the question has been answered earlier.

15. Lim JT, a shareholder, enquired as to whether the Company will invite shareholders to visit the factory's production functions as well as the visitor gallery as displayed in the presentation slides earlier when the COVID-19 epidemic is over.

Response:

Ms. Fujimoto replied that due to the current infection rate of COVID-19 in Malaysia and in compliance with the standard operating procedures imposed by the local government to curb the spread of COVID-19, the Company's exhibition centre (1909 Infoseum) has been closed for a physical visit. Having said that, a virtual tour is available for shareholders to view online.

16. Eliva Wong YH, a proxy appointed by Kumpulan Wang Persaraan (Diperbadankan), enquired whether the Company foresees the costs such as depreciation, computer software and hardware maintenance costs to remain high in the future. If so, what are the management plans to address this?

Response:

Mr. Sasaki replied that the Company anticipates higher depreciation of computer software and hardware maintenance costs especially upon the completion of relocation works in October 2022. Nevertheless, the Company would closely monitor the projection of costs and reduce them to a normal level through investment activities.

17. Alvin Yeo TY, a shareholder, enquired on the following:-

- May I know the percentage of pricing adjustment compared to the last year and the Company's planning on pricing moving forward?

Response:

Ms. Fujimoto replied that the Company has considered a reasonable price increment in FY2022. The Company would have to review the product pricing and any adjustment needed would be announced at an appropriate time.

- How long does the Company plan to break-even on the new factory?

Response:

Mr. Sasaki replied that the performance of the new factory will be highly dependent on global trends. There were several appropriate countermeasures have been implemented to optimise the Company's performance and the Company is optimistic that it would be able to achieve break-even as soon as possible.

18. Ho YW, a shareholder, enquired on the following:

- The results in the current financial year showed that the Company had a significant rise in trade and other receivables and a significant reduction in cash and cash equivalent. What are the key factors underlining this situation?

(Annexure "B" of the Minutes of the Sixty-First Annual General Meeting – cont'd)

Response:

Mr. Sasaki clarified that the trade and other receivables for FY2022 have been reduced as compared to the previous financial year. The decrease in cash and cash equivalent was mainly due to the utilisation in new factory construction and inventory purchase for factory relocation.

- The latest quarterly results reported a loss. Is this a trend and how would the Company prevent it?

Response:

Mr. Sasaki informed that this question had been answered earlier.

- What is the expansion status of the new factory in Sendayan Negeri Sembilan and how does this contribute to the growth and profitability?

Response:

Mr. Sasaki informed that this question had been answered earlier.

- When will our production in Kuala Lumpur end?

Response:

Mr. Sasaki responded that the relocation of factory will commence starting October 2022 onwards.

19. Kan PC, a shareholder, enquired about the percentage of raw materials and transportation costs that affect the Company's profit margin.

Response:

Mr. Sasaki informed that the details on the expenditure i.e., raw materials are stated in the Statement of Profit or Loss on page 47 of the Annual Report. The raw materials and packaging materials consumed had increased by approximately RM50 million to RM251 million in FY2022 as compared to the previous financial year. Simultaneously, the transportation costs had also increased compared to the previous financial year.

Related questions for door gift and e-vouchers

- Lau @ Lau CT, a shareholder, has requested the Company to consider giving e-vouchers to participating shareholders as a token of appreciation for the effort and cost of attending and supporting the Company.
- Chow WS, a shareholder, enquired any e-door gifts for the loyal shareholders?
- Moo SL, a shareholder, requested the Chief Executive Officer to repeat the answer in relation to the e-vouchers as some shareholders could not hear the answer given earlier due to technical difficulties.
- Ng SC, a shareholder, requested the Chief Executive Officer to repeat the answer in relation to the e-vouchers as some shareholders could not hear the answer given earlier due to technical difficulties.

(Annexure "B" of the Minutes of the Sixty-First Annual General Meeting – cont'd)

- Mono Kari, a shareholder, expressed her full support towards all resolutions of the Meeting and suggested the Company enhance the door gifts as the delivery charge of RM10 for the door gifts with a net worth of RM20.00 was taking a heavy toll on the loyal shareholders.
- Reevanash, a shareholder, expressed his positive votes on all resolutions and praised that the excellent Company is in good hands. A humble request to the Company to either increase the value of door gifts or absorb the cost of delivery as the delivery charges were rather heavy on shareholders.
- Loo CP, a shareholder, requested the Company to increase the door gifts value to RM50 as a token of appreciation for participation in the Meeting.
- Ng SL, a shareholder, requested the Company to provide vouchers to the attending shareholders.
- Toh KB, a shareholder, congratulated the Company for achieving well performance even during the COVID-19 pandemic period and requested the Company's products as a token of appreciation for those attending the Meeting.
- Hong KH, a shareholder, suggested the Company increase the door gift value from RM20.00 to RM50.00.
- Lau CH, a shareholder, enquired whether the Board will consider in giving door gifts such as e-vouchers or e-wallets to those who participated in the 61st AGM as a token of appreciation?
- Ronald D., a shareholder, enquired if any door gifts would be given to the shareholders who had attended the Meeting and requested the Chairman to repeat the answer to this question as he just joined the Meeting.
- Ng YS, a shareholder, requested the Company to provide vouchers to the attending shareholders.
- Heng AM, a shareholder, requested the Company to provide e-vouchers or door gifts without any delivery charges to the shareholders.
- Rosmarie Chua KM, a shareholder, suggested the Company to consider increasing the value of door gifts to the shareholders who had attended the Meeting.
- Helen MN, a shareholder, requested the Chief Executive Officer to repeat the answer in relation to the door gifts or e-wallets as some shareholders could not hear the answer given earlier due to technical difficulties.
- Poravi, a shareholder, expressed his favourable votes on all resolutions and suggested the Company enhance the value of door gifts provided as the courier charge levied to the shareholders is heavy to bear at this juncture.

(Annexure "B" of the Minutes of the Sixty-First Annual General Meeting – cont'd)

- Reemarachna, a shareholder, congratulated the Company for the good financial performance and suggested the Company improve the value of door gifts.
- Lum CY, a shareholder, requested the Company to kindly reward the shareholders with e-product vouchers of a higher amount of RM50 instead of RM20 only.
- Chan AM, a shareholder, requested vouchers to be distributed to those attending the Meeting.

Response:

On behalf of the Board, the Chairman thanked the shareholders for their tremendous support of the Company.

The Meeting was informed that a bundle of products worth RM30.00 would be posted to the shareholders and proxies who had attended and voted during the Meeting as a token of appreciation. The product bundle consists of AJI-NO-MOTO, TUMIX, RASA SIFU All In One Seasoning, SERI-AJI Perencah Nasi Goreng Kampung, SERI-AJI Perencah Nasi Goreng Cina, SERI-AJI Tepung Goreng Cucur, AJI-SHIO Pepper Bottle, and Pal Sweet.

Related questions for requesting a printed copy of the Company's Annual Report

- Ngee GC, a shareholder, requested a printed hard copy of the Company's Annual Report and e-vouchers or e-wallets for the attendees.
- Loo also has requested a printed hard copy of the Company's annual report, and whether the Company will reconsider giving door gifts such as e-wallets or e-vouchers in appreciation of their votes, especially to directors' fees.
- Leong WL, a shareholder, requested the Company to send a copy of the Annual Report and to provide any gifts to the shareholders who had attended the Meeting.

Response:

The Chairman responded that the shareholders may email their requests for the hard copies of Annual Report from the Company's share registrar at info@sshbsb.com.my.