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**MINUTES OF THE SIXTY-SECOND ANNUAL GENERAL MEETING (“62<sup>ND</sup> AGM” OR “THE 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, WHICH IS THE MAIN VENUE OF THE MEETING, AT THE MEETING ROOM OF SECURITIES SERVICES (HOLDINGS) SDN. BHD., LEVEL 7, MENARA MILENIUM, JALAN DAMANLELA, PUSAT BANDAR DAMANSARA, DAMANSARA HEIGHTS, 50490 KUALA LUMPUR, WILAYAH PERSEKUTUAN ON TUESDAY, 29 AUGUST 2023 AT 10:00 A.M.**

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- DIRECTORS** : Y. Bhg. Tan Sri Dato’ (Dr.) Teo Chiang Liang (*Chairman, Non-Independent Non-Executive Director*)  
Mr. Cheong Heng Choy (*Independent Non-Executive Director*)  
Mr. Riichiro Osawa (*Managing Director/Chief Executive Officer*)  
Mr. Shunsuke Sasaki (*Executive Director, Chief Finance Officer*)  
Encik Azhan bin Mohacmed (*Executive Director*)  
Puan Norani Binti Sulaiman (*Independent Non-Executive Director*)  
Ms. Noriko Fujimoto (*Executive Director*)  
Ms. Elaine Tan Ai Lin (*Independent Non-Executive Director*)  
Mr. Yong Kum Cheng (*Executive Director*)
- INDIVIDUAL MEMBERS, REPRESENTATIVES AND PROXIES PRESENT** : As per Attendance List
- BY INVITATION** : As per Attendance List
- IN ATTENDANCE** : Ms. Chua Siew Chuan (*Company Secretary*)  
Mr. Chan Kah Mun, *the representative of KPMG PLT, the External Auditors of the Company*

**CHAIRMAN**

Y. Bhg. Tan Sri Dato’ (Dr.) Teo Chiang Liang (“**Tan Sri Chairman**” or “**the Chairman**”) was in the chair. He welcomed all shareholders, proxies and corporate representatives participating in the 62<sup>nd</sup> AGM of the Company remotely from various locations through live streaming.

Tan Sri Chairman informed that the virtual 62<sup>nd</sup> AGM was conducted via live streaming webcast and online remote voting using the remote participation and voting facilities of SS E Solutions Sdn. Bhd.

Tan Sri Chairman then introduced all the Directors, the Secretary of the Company as well as the External Auditors to the shareholders, proxies and corporate representatives.

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## **QUORUM**

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

Tan Sri Chairman informed the Meeting that only members whose names appeared in the Record of Depositors on 23 August 2023 or their appointed proxies and appointed corporate representatives were eligible to attend the Meeting.

## **NOTICE**

The Notice convening the Meeting dated 28 July 2023 having been circulated within the prescribed period, was with the permission of the Meeting, taken as read.

## **POLL VOTING**

Tan Sri 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**"), Tan Sri 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**

Tan Sri 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.

Ms. Chua informed that the Meeting would first have a presentation of a quick overview on the financial results and business strategy of the Company as prepared by Mr. Riichiro Osawa ("**Mr. Osawa**"), the Managing Director/Chief Executive Officer of the Company, followed by the Company's response to the questions from Minority Shareholders Watch Group ("**MSWG**"). Thereafter, the Meeting would go through all the items on the Agenda, followed

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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. Osawa, on the overview of the Company's performance and financial results for the financial year ended 31 March 2023 ("**FY2023**") and business strategy for the fiscal year or financial year ending 31 March 2024 ("**FY2024**") was presented at this juncture.

### **Financial Performance**

- **Sales Revenue Trend**  
Sales revenue increased by 25% from RM484.7 million for the financial year ended 31 March 2022 ("**FY2022**") to RM603.7 million for FY2023. The double-digit growth of 25% in sales revenue was driven by higher sales volume and selling price, by 9% and 16% respectively, from domestic food services and exports to the Middle East mainly led by AJI-NO-MOTO®, Tumix® and Seri-Aji® products.
- **Net Profit Trend**  
Net profit was RM27.5 million for FY2023 as compared to RM17.0 million in FY2022. The strong growth in sales revenue was mainly contributed by the increase in sales volume and selling prices. However, the increase was partially offset by rising costs, higher prices of glutamic acid, imported Monosodium Glutamate (MSG), and transitional costs associated with the new factory. In addition, tax credit mainly arising from the unutilised special reinvestment allowance has resulted in a higher net profit.
- **Total Equity (Shareholders' Funds)**  
Total equity increased from RM506.0 million in FY2022 to RM529.0 million in FY2023. The shareholders' funds were contributed by profit before tax of RM15.9 million and tax credit of RM11.6 million. However, after deducting a dividend payment of RM5.2 million, the total equity was recorded at RM529.0 million. As a result, the net asset value per share of the Company was recorded at RM8.70.
- **Dividends**  
As announced by the Company on 27 June 2023, the Company declared a first and final single-tier dividend of 9.1 sen per ordinary share in respect of FY2023.



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- **Performance for the first quarter of FY2024**

In the first quarter of FY2024, the Company achieved 5% increase in sales revenue against the preceding year's corresponding quarter, mainly contributed by better selling prices from both Consumer Business and Industrial Business products. However, sales quantity in the current quarter was lower subsequent to the strong demand from the last quarter of previous financial year. Besides, the Company continues to encounter inflationary pressures on raw materials and production costs. Both the Consumer Business and Industrial Business segments achieved commendable operating profits in the current quarter, driven by improved gross profit margins and lower general administration costs.

In the coming quarters, Management would focus on sales and distribution strategies and effective cost control measures to enhance sales growth and improve operational efficiency.

### **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.

In creating sustainable value of shareholders and other stakeholders, the Company has positioned the Ajinomoto Group Creating Shared Value (ASV) and its message of "Eat Well, Live Well" at the core of its decision making process, guided by the Company's Mission and Vision.

### **Consumer Business**

- **Contribute to Health and Well-Being**

"Delicious Salt Reduction" Aji-No-Moto® Smart-Salt Campaign

The Company always strives to contribute to the health and well-being of customers, particularly the daily salt consumption of Malaysians. With the introduction of Smart Salt "Kurang Garam, Umami Je" campaign from February to March 2023, 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 with Umami. The message is widely communicated through various Key Opinion Leaders engagements, news releases, and advertisements on Rapid KL buses at Klang Valley area.

New Product Launch to Meet Customer Needs

The Company has launched its first frozen halal product in March 2023, which is frozen chicken gyoza. The Company has also widened the product range of Seri-AJI® by introducing "Curry fried rice" variant and a complete mix of "Sup Rempah" to bring convenience cooking in daily life for housewives.

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- **Promote Healthy Eating and Active Living**

ASEAN Victory Project and "aminoVITAL" Promotion

The Company had organised a series of sport promotional activities during the FY2023. In the 32<sup>nd</sup> SEA Games in Cambodia this year, the Company continued to engage with Malaysian national athletes in sport nutrition program, under the ASEAN Victory Project. The engagement aims to promote public awareness of healthy eating and active living through the Ajinomoto Group's specialty in amino acids. Throughout the program, the athletes were educated and served well-balanced sports meals and Ajinomoto aminoVITAL®, a jelly sports drink to support the athletes in boosting their performance during training and competition. Besides, the Company has also increased the awareness of aminoVITAL® through various sports events of wet sampling and selling activities such as be the main sponsor of L'Étape Malaysia by Tour de France cycling event, as well as Garmin Asia Run and Golf Club tournament.

ASEAN Victory Project - Sports School Projects

The Company also contributed to the health and well-being of junior athletes through educational programmes conducted in sports schools. In FY2023, the Company expanded its sports school projects to include Sabah, in addition to those in Bukit Jalil and Pahang. As part of these initiatives, the Company organised activities such as serving balanced meals through "Winning Meals Kachimeshi@," setting up sports nutritional information corners, and arranging health talks by nutritionists. These efforts aimed to promote the importance of sports nutrition in helping student-athletes achieve victory.

**Export Business to Middle East**

Sales in the Middle East region has significantly increased by 151% compared to FY2022, marking the highest export business sales record in the Company's history. Despite implementing price increase twice in FY2023 to compensate for the increased costs of production; the export business sales managed to achieve new records. With the strong efforts by the team in strengthening outlets' cultivation and increasing brand awareness through digital spheres via social networking services, the Company was able to achieve sales of RM80 million in FY2023. This effort, combined with enhanced promotions for wholesalers and food service outlets, and the increased demand during the religious "Hajj" and "Umrah" pilgrimages to the Middle East, boosted the demand for the Company's products in the region. Besides that, the Company is actively exploring new business opportunities with the goal of further area expansion in the Middle East and North Africa regions, through the Gulfood exhibition in the United Arab Emirates.

**Industrial Business**

- **Strengthen solution development for Growing Areas and New Customers Needs for further growth**

In FY2023, the Company achieved TOPLINE expansion by developing solutions for targeted growth areas such as plant-based products, ready-to-eat meals and seasoning blenders. A new product namely AJIRISE, was launched to meet the clean-labelling demands. This new product has already been adopted by plant-based



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customers in Thailand, and the Company will continue to collaborate with affiliates in ASEAN to expand its reach.

- **Expand business in ASEAN and Middle East by diversifying the Company's solutions**

As for upcoming new product creation, the Company is developing a product that is able to contribute in maintaining and improving the freshness of ready-to-eat products, which is expected to be launched in the next fiscal year to meet growing demand.

### **New Eco-Friendly Smart Factory**

*At this juncture, pictures in relation to the opening ceremony of the new eco-friendly smart factory in Bandar Enstek Halal Hub, Negeri Sembilan held on 10 December 2022 were displayed.*

The grand opening ceremony was officiated by Yang Di-Pertuan Besar (the King) Negeri Sembilan, Tuanku Muhriz Tuanku Munawir on 10 December 2022. On behalf of the Company, Mr. Osawa thanked all the stakeholders for making the smooth relocation and grand opening a runaway success.

### **Environmental, Social and Governance Initiatives**

In FY2023, the Company recorded a reduction of 15.6% and 78.9% in carbon dioxide emissions and food loss disposal to landfills respectively as compared to the financial year ended 31 March 2019 ("**FY2019**"). In addition, the Company managed to reduce 118 tons of plastic usage by replacing the usage of plastic pallets with paper slip sheets and utilising mono-material packaging for small-sized AJI-NO-MOTO® stock-keeping units.

As for the long term, the Company plans to further reduce 80% of carbon dioxide emissions and 75% of food loss disposal to landfill by the financial year end 2031 against the records in FY2019. The new initiatives include optimising the use of existing solar panel for electricity production and introducing green electricity purchase from external producers. In addition, the Company will continue to develop new utilisation for the food loss generated from the Company's activities in order to avoid landfill disposal. Furthermore, the Company plans to fully eliminate the usage of plastics in its production activities through expanding the usage of fully recyclable materials.

Tan Sri Chairman thanked Mr. Osawa for his presentation.

### **RESPONSES TO MSWG**

Tan Sri Chairman informed the Meeting that the Company had received a letter from MSWG dated 21 August 2023 and was requested to respond to the queries raised by MSWG at the Meeting.



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At this juncture, Tan Sri 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, Tan Sri Chairman thanked Ms. Chua for her presentation on the queries raised by MSWG and the Company's responses.

### **1.0 AUDITED FINANCIAL STATEMENTS FOR FY2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON ("AFS 2023")**

Tan Sri Chairman informed the Meeting that the first item on the Agenda was to receive the AFS 2023.

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 2023 was not put forward for voting.

Tan Sri Chairman **DECLARED:**

***That the Audited Financial Statements of the Company for the financial year ended 31 March 2023 together with the Reports of the Directors and the Auditors thereon, be received.***

### **2.0 APPROVAL FOR THE PAYMENT OF DIRECTORS' FEES AMOUNTING TO RM297,438 FOR FY2023**

Tan Sri Chairman informed that item 2 on the Agenda was to approve the payment of Directors' fees amounting to RM297,438 for FY2023.

The Meeting noted that the amount provided for the Directors' fees in the AFS 2023 was RM54,000 (*Ringgit Malaysia: Fifty-Four Thousand*) only for the Executive Directors and RM243,438 (*Ringgit Malaysia: Two Hundred and Forty-Three Thousand Four Hundred and Thirty-Eight*) only for Non-Executive Directors, making a total of RM297,438 (*Ringgit Malaysia: Two Hundred and Ninety-Seven Thousand Four Hundred and Thirty-Eight*) only as shown on pages 78 and 79 of the Annual Report.

### **3.0 APPROVAL FOR THE PAYMENT OF DIRECTORS' BENEFITS UP TO AN AMOUNT OF RM650,000 FROM 30 AUGUST 2023 UNTIL THE DATE OF THE NEXT ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY**

Tan Sri Chairman informed that item 3 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 30 August 2023 until the date of the next AGM of the Company. These benefits comprise Non-Executive Directors' meeting and transport allowance and hospitalisation coverage.

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**4.0 APPROVAL OF THE GRATUITY PAYMENT OF RM200,355.40 TO MR. KOAY KAH EE ("MR. KOAY"), THE FORMER INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY, CHAIRMAN OF THE AUDIT COMMITTEE ("AC") AND MEMBER OF THE NOMINATION COMMITTEE ("NC") AND REMUNERATION COMMITTEE ("RC") OF THE COMPANY RESPECTIVELY, IN RECOGNITION AND APPRECIATION OF HIS PAST SERVICE AND CONTRIBUTION TO THE COMPANY**

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Tan Sri Chairman informed that item 4 on the Agenda was to approve the gratuity payment of RM200,355.40 (*Ringgit Malaysia: Two Hundred Thousand Three Hundred and Fifty-Five and Sen Forty*) to Mr. Koay.

The proposed gratuity payment is a token of appreciation to Mr. Koay for his past service, dedication and contribution to the Company during his tenure in office as the Independent Non-Executive Director of the Company, Chairman of the AC and member of the NC and RC of the Company respectively, in line with the Company's remuneration policy.

The proposed gratuity payment was tabled for the approval of the shareholders in compliance with Section 230(1) of the Act and Paragraph 7.24 of the Main Market Listing Requirements of Bursa Securities, which require that benefits payable to the directors of a listed company be approved at a general meeting.

**5.0 APPROVAL OF THE GRATUITY PAYMENT OF RM113,133.33 TO ENCIK KAMARUDIN BIN RASID ("ENCIK KAMARUDIN"), THE FORMER EXECUTIVE DIRECTOR OF THE COMPANY, IN RECOGNITION AND APPRECIATION OF HIS PAST SERVICE AND CONTRIBUTION TO THE COMPANY**

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Tan Sri Chairman informed that item 5 on the Agenda was to approve the gratuity payment of RM113,133.33 (*Ringgit Malaysia: One Hundred and Thirteen Thousand One Hundred and Thirty-Three and Sen Thirty-Three*) to Encik Kamarudin.

The proposed gratuity payment is a token of appreciation to Encik Kamarudin for his past service, dedication and contribution to the Company during his tenure in office as the Executive Director of the Company, in line with the Company's remuneration policy.

The proposed gratuity payment was tabled for the approval of the shareholders in compliance with Section 230(1) of the Act and Paragraph 7.24 of the Main Market Listing Requirements of Bursa Securities, which require that benefits payable to the directors of a listed company be approved at a general meeting.

**6.0 APPROVAL OF THE GRATUITY PAYMENT OF RM160,758.33 TO MR. DOMINIC AW KIAN-WEE ("MR. DOMINIC AW"), THE FORMER INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY, CHAIRMAN OF THE NC AND MEMBER OF THE AC AND RC OF THE COMPANY RESPECTIVELY, IN RECOGNITION AND APPRECIATION OF HIS PAST SERVICE AND CONTRIBUTION TO THE COMPANY**

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(Minutes of the 62<sup>nd</sup> AGM held on 29 August 2023 - cont'd)

Tan Sri Chairman informed that item 6 on the Agenda was to approve the gratuity payment of RM160,758.33 (*Ringgit Malaysia: One Hundred and Sixty Thousand Seven Hundred and Fifty-Eight and Sen Thirty-Three*) to Mr. Dominic Aw.

The proposed gratuity payment is a token of appreciation to Mr. Dominic Aw for his past service, dedication and contribution to the Company during his tenure in office as the Independent Non-Executive Director of the Company, Chairman of the NC and member of the AC and RC of the Company respectively, in line with the Company's remuneration policy.

The proposed gratuity payment was tabled for the approval of the shareholders in compliance with Section 230(1) of the Act and Paragraph 7.24 of the Main Market Listing Requirements of Bursa Securities, which require that benefits payable to the directors of a listed company be approved at a general meeting.

**7.0 RE-ELECTION OF THE FOLLOWING DIRECTORS WHO WERE SUBJECT TO RETIREMENT IN ACCORDANCE WITH CLAUSE 119 OF THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, HAD OFFERED THEMSELVES FOR RE-ELECTION:-**

- (A) MS. ELAINE TAN AI LIN ("MS. ELAINE TAN");**  
**(B) MR. YONG KUM CHENG ("MR. YONG"); AND**  
**(C) MR. OSAWA.**
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Tan Sri Chairman informed that item 7 on the Agenda was to re-elect the following Directors who are subject to retirement in accordance with Clause 119 of the Company's Constitution and that the retiring Directors, being eligible, had offered themselves for re-election:-

- (a) Ms. Elaine Tan;  
(b) Mr. Yong; and  
(c) Mr. Osawa.

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

**8.0 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) MS. NORIKO FUJIMOTO ("MS. FUJIMOTO"); AND**  
**(B) MR. CHEONG HENG CHOY ("MR. CHEONG").**
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Tan Sri Chairman informed that item 8 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) Ms. Fujimoto; and  
(b) Mr. Cheong.

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

**9.0 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**

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Tan Sri Chairman informed that item 9 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**

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

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Tan Sri Chairman informed that item 10 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.

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

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Tan Sri Chairman informed that item 11 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 Sixty-First AGM held on 30 August 2022. The proposal would enable the Company and its affiliated companies to enter into any of the RRPT of a revenue or 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.

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Tan Sri 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. Osawa, Mr. Shunsuke Sasaki and Ms. Fujimoto, the Executive Directors of the Company, and the former Executive Directors, Mr. Tomoharu Abe and Mr. Takahiro Sato, who were nominated by AjiCo.

## **12.0 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 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 11:30 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 11:40 a.m., and Tan Sri Chairman called the Meeting to order.

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

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Resolutions	Voted For		Voted Against		Results
	No. of shares	%	No. of shares	%	
<b><u>Resolution 1</u></b>  To approve the payment of Directors' fees amounting to RM297,438 for the financial year ended 31 March 2023.	34,471,626	98.5844	494,973	1.4156	Carried
<b><u>Resolution 2</u></b>  To approve the payment of Directors' benefits up to an amount of RM650,000 from 30 August 2023 until the date of the next Annual General Meeting of the Company.	34,422,805	98.4587	538,874	1.5413	Carried
<b><u>Resolution 3</u></b>  To approve the gratuity payment of RM200,355.40 to Mr. Koay Kah Ee, the former Independent Non-Executive Director of the Company, Chairman of the Audit Committee and member of the Nomination Committee and Remuneration Committee of the Company respectively, in recognition and appreciation of his past service and contribution to the Company.	34,075,754	97.1501	999,626	2.8499	Carried
<b><u>Resolution 4</u></b>  To approve the gratuity payment of RM113,133.33 to Encik Kamarudin Bin Rasid, the former Executive Director of the Company, in recognition and appreciation of his past service and contribution to the Company.	34,208,506	97.5274	867,273	2.4726	Carried



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Resolutions	Voted For		Voted Against		Results
	No. of shares	%	No. of shares	%	
<p><b><u>Resolution 5</u></b></p> <p>To approve the gratuity payment of RM160,758.33 to Mr. Dominic Aw Kian-Wee, the former Independent Non-Executive Director of the Company, Chairman of the Nomination Committee and member of the Audit Committee and Remuneration Committee of the Company respectively, in recognition and appreciation of his past service and contribution to the Company.</p>	34,077,804	97.1559	997,576	2.8441	Carried
<p><b><u>Resolution 6</u></b></p> <p>To re-elect Ms. Elaine Tan Ai Lin who is due to retire pursuant to Clause 119 of the Company's Constitution and being eligible, has offered herself for re-election.</p>	34,620,347	98.7010	455,634	1.2990	Carried
<p><b><u>Resolution 7</u></b></p> <p>To re-elect Mr. Yong Kum Cheng who is due to retire pursuant to Clause 119 of the Company's Constitution and being eligible, has offered himself for re-election.</p>	34,576,347	98.5784	498,634	1.4216	Carried

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Resolutions	Voted For		Voted Against		Results
	No. of shares	%	No. of shares	%	
<b><u>Resolution 8</u></b> To re-elect Mr. Riichiro Osawa who is due to retire pursuant to Clause 119 of the Company's Constitution and being eligible, has offered himself for re-election.	34,619,147	98.7004	455,834	1.2996	Carried
<b><u>Resolution 9</u></b> To re-elect Ms. Noriko Fujimoto who is due to retire pursuant to Clause 120 of the Company's Constitution and being eligible, has offered herself for re-election.	34,579,848	98.5808	497,833	1.4192	Carried
<b><u>Resolution 10</u></b> To re-elect Mr. Cheong Heng Choy who is due to retire pursuant to Clause 120 of the Company's Constitution and being eligible, has offered himself for re-election.	34,617,547	98.6885	460,033	1.3115	Carried
<b><u>Resolution 11</u></b> 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.	34,632,254	98.6995	456,326	1.3005	Carried
<b><u>Resolution 12</u></b> Authority to Issue Shares pursuant to the Companies Act 2016.	34,541,121	98.3932	564,060	1.6068	Carried



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Resolutions	Voted For		Voted Against		Results
	No. of shares	%	No. of shares	%	
<b>Resolution 13</b> Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	4,441,281	99.8302	7,555	0.1698	Carried

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

**RESOLUTION 1**

**"THAT** the payment of Directors' fees amounting to RM297,438 (Ringgit Malaysia: Two Hundred and Ninety-Seven Thousand Four Hundred and Thirty-Eight) only for the financial year ended 31 March 2023 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 30 August 2023 until the next Annual General Meeting of the Company be and is hereby approved."

**RESOLUTION 3**

**"THAT** the gratuity payment of RM200,355.40 (Ringgit Malaysia: Two Hundred Thousand Three Hundred and Fifty-Five and Sen Forty) to Mr. Koay Kah Ee be and is hereby approved."

**RESOLUTION 4**

**"THAT** the gratuity payment of RM113,133.33 (Ringgit Malaysia: One Hundred and Thirteen Thousand One Hundred and Thirty-Three and Sen Thirty-Three) to Encik Kamarudin Bin Rasid be and is hereby approved."

**RESOLUTION 5**

**"THAT** the gratuity payment of RM160,758.33 (Ringgit Malaysia: One Hundred and Sixty Thousand Seven Hundred and Fifty-Eight and Sen Thirty-Three) to Mr. Dominic Aw Kian-Wee be and is hereby approved."



(Minutes of the 62<sup>nd</sup> AGM held on 29 August 2023 - cont'd)

## **RESOLUTION 6**

**"THAT** Ms. Elaine Tan Ai Lin, being eligible for re-election, be re-elected as a Director of the Company."

## **RESOLUTION 7**

**"THAT** Mr. Yong Kum Cheng, being eligible for re-election, be re-elected as a Director of the Company."

## **RESOLUTION 8**

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

## **RESOLUTION 9**

**"THAT** Ms. Noriko Fujimoto, being eligible for re-election, be re-elected as a Director of the Company."

## **RESOLUTION 10**

**"THAT** Mr. Cheong Heng Choy, being eligible for re-election, be re-elected as a Director of the Company."

## **RESOLUTION 11**

**"THAT** Messrs. KPMG PLT being re-appointed as Auditors 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 12**

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

**"THAT** pursuant 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;

(Minutes of the 62<sup>nd</sup> AGM held on 29 August 2023 - cont'd)

**THAT** in connection with the above, pursuant to Section 85 of the Act to be read together with Clause 14 of the Constitution of the Company, that approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to the Act;

**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."

### **RESOLUTION 13**

#### **- 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 2023, 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;

**AJINOMOTO (MALAYSIA) BERHAD** 196101000252(4295-W)

Head Office:  
Lot L1-E-5A and L1-E-5B, Enterprise 4, Technology Park Malaysia,  
Lebuhraya Puchong - Sg. Besi, 57000 Bukit Jalil, Kuala Lumpur, Malaysia  
Tel: (603) 79806958

Manufacturing:  
No. 1 Persiaran Teknologi 6, Techpark 2@Enstek,  
71760, Bandar Enstek, Negeri Sembilan Darul Khusus, Malaysia  
Tel : (606) 7377000 Fax: (606) 7377001

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(Minutes of the 62<sup>nd</sup> AGM held on 29 August 2023 - cont'd)

**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.”

### **CONCLUSION**

There being no other business to be transacted, Tan Sri Chairman concluded the Meeting at 11:50 a.m. and thanked all present for their attendance.

## Annexure "A"

ANNEXURE TO THE MINUTES OF THE SIXTY-SECOND 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, WHICH IS THE MAIN VENUE OF THE MEETING, AT THE MEETING ROOM OF SECURITIES SERVICES (HOLDINGS) SDN. BHD., LEVEL 7, MENARA MILENIUM, JALAN DAMANLELA, PUSAT BANDAR DAMANSARA, DAMANSARA HEIGHTS, 50490 KUALA LUMPUR, WILAYAH PERSEKUTUAN ON TUESDAY, 29 AUGUST 2023 AT 10:00 A.M.

### **RESPONSES TO MINORITY SHAREHOLDERS WATCH GROUP ("MSWG")**

#### **Operational and Financial Matters**

- 1) The Group recorded profit before tax of RM15.9 million in FY2023 as compared to RM24.3 million in the preceding financial year. The decrease was mainly due to an increase in raw material prices, computer hardware and software maintenance costs and transitional costs from factory relocation to the Company's new factory in Bandar Enstek (page 7 of annual report (AR) 2023).

Raw materials and packaging materials consumed increased by 34.4% from RM250.89 million in FY2022 to RM337.32 million in FY2023 (page 47 of AR2023).

- a) What has been the price trend for the Company's key raw materials, in particular those used for AJI-NO-MOTO? Has the Company been able to pass on its cost increases to customers to mitigate the impact of higher raw material and packaging costs?

**Response: The trend in the Company's key raw material costs, particularly for AJI-NO-MOTO®, has begun to exhibit stabilisation following the notable price surge experienced in the previous financial year. However, it is important to note that prices of imported raw materials are denominated in USD and therefore the Company is exposed to the fluctuation in USD/RM exchange rates risks.**

**The Company did execute a pricing strategy that enabled us to partially offset the higher raw material costs.**

- b) How much is the annual computer hardware and software maintenance costs? Are these costs related to the new factory in Bandar Enstek? What would be the expected level of maintenance costs going forward?

**Response: The annual computer hardware and software maintenance costs for the Company amounted to approximately RM5 million. These expenses are not specifically related to the new factory in Bandar Enstek.**

**There is an anticipated increase in the maintenance costs for the upcoming financial year ending 31 March 2024 ("FY2024"). This projected increase is**

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

**attributable to the planned upgrade of our main Enterprise Resource Planning (ERP) system.**

- c) What is the Company's total production capacity before and after the completion of its new factory in Bandar Enstek? What is the new factory's current utilisation rate?

**Response: The production capacity at the new factory has been elevated by 20% compared to the old factory. There is capacity to further escalate production by up to 35%.**

- 2) Administrative and other expenses have increased by 17.2% from RM43.76 million in FY2022 to RM51.31 million in FY2023 (Note 24 to the Financial Statements, page 80 of AR2023).

- a) What were the reasons for the significant increase in administrative and other expenses? Please name the administrative and other expenses that recorded significantly higher amounts in FY2023 compared to FY2022.

**Response:**

**The significant increase in administrative and other expenses can be attributed to several key factors. Specifically:**

- i. Staff costs increased primarily due to a temporary expansion in manpower during the transitional phase of concurrently operating in both the old and new factory facilities and providing travelling allowances to our factory staff to travel to the new factory. Additionally, under a collective agreement with the Labour Union, salaries were increased in the financial year ended 31 March 2023 ("FY2023").**
- ii. Relocation costs were incurred as a result of the transportation of assets and equipment associated with the relocation to the new factory in Bandar Enstek.**
- iii. Information Technology ("IT") maintenance costs.**

- b) What would be the expected level of administrative and other expenses going forward?

**Response: We anticipate maintaining a similar level of administrative and other expenses as observed in FY2023.**



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

- 3) Dividend payout ratio was 20.13% of the Group's net profit for FY2023 which was the lowest in the past four financial years which has been consistently 50% for FY2019 to FY2021 and 30.41% for FY2022 (page 41 of AR2023). The Company continues to maintain the policy of stable and sustainable dividend payout to shareholders (Page 7 of AR2023). What is the outlook for dividends in 2024?

**Response: We have announced our intention to sell the Kuchai Lama land and old factory. This strategic move will generate the necessary funds to fully repay our borrowings for the construction and relocation to our new factory, enabling us to enhance our financial position. We have already announced earlier our plan to declare a special dividend of approximately RM128.89 million on 20 July 2023.**

#### **Corporate Governance Matters**

- 4) The Company is seeking shareholders' approval for gratuity payment of RM200,355.40 to Mr Koay Kah Ee (**Ordinary Resolution 3**) and RM160,758.33 to Mr Dominic Aw Kian-Wee (**Ordinary Resolution 5**), who have resigned as Independent Non-Executive Directors (INEDs) on 31 March 2023 and 31 May 2023 respectively. The proposed gratuity payment is a token of appreciation to Mr Koay Kah Ee and Mr. Dominic Aw Kian-Wee for his past service, dedication and contribution to the Company (page 104 -105 of AR2023).
- a) MSWG does not support gratuity payments to non-executive directors especially independent directors - their remunerations should be sufficient for their services. What was the basis used in determining the gratuity amount of RM200,355.40 to Mr Koay Kah Ee and RM160,758.33 to Mr Dominic Aw Kian-Wee?

**Response: Payment of such gratuity is in accordance with the Company's remuneration policy which is in line with Ajinomoto Group's Global guidelines. The calculation of gratuity payments to Mr. Koay Kah Ee and Mr. Dominic Aw Kian-Wee was based on the length of their respective tenures of service.**

- b) Does this mean that there may be future such gratuity payments to INEDs who leave the Board?

**Response: Yes.**

- 5) **Ordinary Resolution 4** - To approve the gratuity payment of RM113,133.33 to Encik Kamarudin Bin Rasid, the former Executive Director of the Company who has

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

retired on 31 March 2023, in recognition and appreciation of his past service and contribution to the Company (page 104 of AR2023).

MSWG does not support gratuity payments to retired Executive Directors unless the Company can justify such payments against long term performance and value creation for the Company. What is the basis used for determining the gratuity amount of RM113,133.33 for Encik Kamarudin Bin Rasid?

**Response:**

**Payment of gratuity to Encik Kamarudin Bin Rasid is in accordance with the Company's remuneration policy which is in line with Ajinomoto Group's Global guidelines. The payment was based on the tenure of his service to the Company.**

**Sustainability Matters**

- 6) Under the Regeneration of the Environmental pillar, the group has reviewed and further enhanced its targets for reduction of GHG emissions (CO<sub>2</sub>), reduction of food loss and zero plastic waste effective April 2023. The group has pledged to achieve 80% reduction of CO<sub>2</sub> emissions by FY2031 from FY2019 baseline, 75% reduction in food loss by FY2031 from FY2019 baseline and zero plastic waste by FY2031 (page 114 of AR2023).

Will there be any additional capital expenditure/investments required to help the Group meet its abovementioned ESG targets? If yes, how much?

**Response: No more additional capital expenditures/investments are envisaged in meeting the stated ESG goals of the Company.**

- 7) All data contained in the Company's Sustainability Statement for FY2023 has been internally sourced, verified and validated by the respective business divisions and information owners (page 111 of AR2023).

Does the Board intend to have the Sustainability Statement independently assured for this coming financial year ending 2024? If not, by when?

**Response: Yes, the Board intends to have the Sustainability Statement independently assured for this coming financial year ending 2024.**

## Annexure "B"

ANNEXURE TO THE MINUTES OF THE SIXTY-SECOND ANNUAL GENERAL MEETING ("62<sup>ND</sup> AGM") OF AJINOMOTO (MALAYSIA) BERHAD ("THE COMPANY") HELD ON A VIRTUAL BASIS HOSTED ON SECURITIES SERVICES E-PORTAL AT [HTTPS://SSHSEB.NET.MY/](https://SSHSEB.NET.MY/) AT THE BROADCAST VENUE, WHICH IS THE MAIN VENUE OF THE MEETING, AT THE MEETING ROOM OF SECURITIES SERVICES (HOLDINGS) SDN. BHD., LEVEL 7, MENARA MILENIUM, JALAN DAMANLELA, PUSAT BANDAR DAMANSARA, DAMANSARA HEIGHTS, 50490 KUALA LUMPUR, WILAYAH PERSEKUTUAN ON TUESDAY, 29 AUGUST 2023 AT 10:00 A.M.

### **QUESTION AND ANSWER SESSION**

#### **Live questions**

1. Teh KL, a proxy, enquired on the following:-

- Will 2024 be better than 2023 or be worse due to new challenges?

**Response:**

Mr. Riichiro Osawa ("Mr. Osawa") responded that the Company expects better result for the financial year ending 31 March 2024. However, the Company anticipates that persistent inflationary pressures, both locally and globally, will have an impact on its profit margin, along with increasing depreciation expenses as a result of the factory relocation. The outlook is challenging, and the Company will continuously monitor costs and pricing for its range of products to sustain and improve profitability.

- What is the utilisation for the new plant?

**Response:**

Mr. Yong Kum Cheng ("Mr. Yong") replied that the production capacity at the new factory has been elevated by 20% compared to the old factory, and there is a potential to further increase production by up to 35%.

2. Ng YC, a shareholder, enquired on the following:-

- What are the items covered under the administrative and other expenses of RM51 million incurred for FY2023?

**Response:**

Mr. Shunsuke Sasaki ("Mr. Sasaki") responded that the significant increase in administrative and other expenses was attributed to several key factors, specifically:-

- (a) Staff costs increased primarily due to a temporary expansion in manpower during the transitional phase of concurrently operating in both the old and new factory facilities and providing travelling allowances to the factory staff to commute to the new factory. Additionally, salaries

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

were increased in FY2023 under a collective agreement with the Labour Union.

(b) Relocation costs were incurred as a result of the transportation of assets and equipment associated with the relocation to the new factory in Bandar Enstek.

(c) Information Technology maintenance costs.

➤ What is the current utilisation rate of the production facilities?

**Response:**

Tan Sri Chairman replied that the question had been answered earlier. The current production capacity at the new factory is 20% more compared to the old factory.

➤ What are the cost control measures after moving to the new factory?

**Response:**

Mr. Yong replied that the Company will continue to monitor the price-moving trend of raw materials and review and adjust the pricing policy. At the same time, the Company will also monitor staff costs and improve production efficiency to optimise the production cost.

➤ What is the prospect in FY2023 - FY2024?

**Response:**

Tan Sri Chairman replied that the question had been answered earlier.

➤ Please elaborate in more detail regarding the tax relief or perks enjoyed from the relocation to Techpark Enstek. Is the Company qualified for 100% income tax relief?

**Response:**

Mr. Sasaki elaborated on the following:-

(a) The Company is allowed to claim capital allowance and industrial business allowance from qualified new factory expenditure, as well as Green Incentive Tax Allowance (GITA) on the Company's "Green Building" project including solar panels.

(b) The Company will also apply tax exemptions for import duties and sales taxes on qualified machinery. Additionally, the Company will remain vigilant about new tax incentives introduced under government stimulus packages and apply for them if they are relevant to the Company's circumstances.

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

3. Ngu KU, a *shareholder*, enquired about the Company's export sales analysis and the major countries to which it exports.

**Response:**

Ms. Noriko Fujimoto ("**Ms. Fujimoto**") responded that export sales contributed approximately 43% of the Company's total sales in FY2023. Currently, the Company exports to Islamic countries, with Saudi Arabia being the major export market for the Company due to the Company's HALAL certification status. The Company has plans to expand its exports to neighbouring Muslim and MENA countries.

4. Teh PT, a *shareholder*, enquired on the following:-

- How much did the Company spend on this virtual annual general meeting ("**AGM**")?

**Response:**

Mr. Sasaki responded that it is more cost-efficient to convene the AGM virtually.

- May I know when shareholders can expect to receive the special dividend?

**Response:**

Mr. Sasaki replied that the Company intends to issue a special dividend once the sale of Kuchai Lama land is completed.

Teh PT also requested a copy of the Company's annual report.

**Response:**

Mr. Sasaki replied that the Company's share registrar would send a hard copy of the annual report to the respective shareholder.

5. Chua SY, a *shareholder*, commented on the first quarter's results in FY2024, noting a significantly high profit before tax ("**PBT**") margin of 10.8% as recorded, compared to FY2023 which is 2.6%. This improvement is attributed to substantial margin growth in the consumer segment, which increased from -3.3% to 11.3%. Chua SY then enquired on the following:-

- Understand that the lower margin in FY2023 was due to higher raw material costs. Up until today, has the Management been able to fully pass on the rising raw material cost to customers?

**Response:**

Ms. Fujimoto replied that in the financial year ended 31 March 2022 ("**FY2022**"), the Company did increase the price of its product, "AJI-NO-MOTO" three times due to a surge in raw material, energy and freight costs. Sales are sustained by the stable demand from customers and the Company's strong brand credibility.

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

- Please explain what resulted in the better margin in the first quarter of FY2024.

**Response:**

Mr. Sasaki responded that the Company's improved profit margin in the first quarter of FY2024 was primarily attributed to higher selling prices in its major products, lower freight costs, and lower operational expenses.

- Is the improved margin in the consumer segment sustainable?

**Response:**

Mr. Sasaki reiterated that the Company expects to achieve a better result in FY2024 compared to FY2023.

- The increase in raw material prices, computer hardware and software maintenance costs and transitional costs for factory relocation had contributed to a lower PBT in FY2023. How much were transitional costs and computer hardware and software maintenance costs incurred in FY2023, and does the Management expect these costs to continue until FY2024?

**Response:**

Mr. Sasaki replied that the annual computer hardware and software maintenance costs for the Company amounted to approximately RM5 million. These expenses are not specifically related to the new factory in Bandar Enstek. However, there is an anticipated increase in maintenance costs for the upcoming FY2024. This projected increase is attributable to the planned upgrade of the Company's main Enterprise Resource Planning (ERP) system.

- For FY2022 and FY2023, why is the consumer segment's profit margin of 0.78%, significantly lower than the industry segment's profit margin of 10.6%?

**Response:**

Ms. Fujimoto replied that the higher profit margin in the industrial business is due to two of its products, namely TENCHO and Enzymes, which enjoy good profit margins. Additionally, the selling and administration (SG&A) expenses were relatively lower as opposed to the consumer business segment. The consumer business segment needs to invest more in branding, including mass advertising and promotional activities.

6. Tan SK, a shareholder, enquired about the Company's operations after the recent disposal.

**Response:**

Mr. Sasaki replied that there is no impact on the Company's current production/business operation after the proposed disposal of land in the old factory.

7. Hong KW, a shareholder, enquired on Part 2.3, Item 1 of the Circular in relation to the Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and questioned on why the actual



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

value transacted of RM210.9 million is lower than the estimated value of RM450 million, and why the pending approval value is highest at RM500 million when the actual value is lower.

**Response:**

Mr. Sasaki responded that the Company has estimated a higher amount of raw materials purchased from affiliated companies in order to cater for the increase in volume purchase, price increase and foreign exchange rate increase in the coming year.

8. Law KH, *a shareholder*, commented that FY2023's profit is lower mainly due to an increase in raw material prices. The Company purchases most of its raw materials from its parent group and inquired about the following:-

- Does the Company get preferred prices from purchasing the raw material price from its parent group?

**Response:**

Mr. Yong replied that the Company does not get preferred prices from purchasing the raw material from its parent group.

- Has the Management tried to source cheaper raw materials from other vendors?

**Response:**

Mr. Yong replied yes to the question asked, and as long as the quality and prices are comparable. Tan Sri Chairman added that most of the raw materials were purchased from third parties instead of the affiliated companies.

- Why does the Company seem to be frequently changing the Managing Director?

**Response:**

Tan Sri Chairman replied that the Managing Director is nominated by its major shareholder, Ajinomoto Co. Inc., Japan. They have an internal rotation plan as well as other postings for Japanese Directors.

9. Alvin Yeo TY, *a shareholder*, enquired the following:-

- Is the Company of the opinion that the starch price has hit the peak level?

**Response:**

Mr. Yong responded that there are various possibilities if the price is increasing or kept stable. The Company will continue to monitor the trend closely.

10. Yoong PS, *a shareholder*, expressed interest in the Company's latest quarterly results, noting that the margin has returned to a healthy level. He enquired whether this level of performance can be sustained in the upcoming quarters.

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

**Response:**

Mr. Sasaki replied that the strong operating profit in the first quarter was due to selling price increased in its major products, along with reduced freight costs and operating expenses. The Company will continuously monitor the situation.

11. Lew SB, *a shareholder*, enquired on the following:-

- Given the current economic situation, will rising raw material prices impact the business costs, and what are the management's views toward this issue?

**Response:**

Mr. Sasaki responded that the increase in raw material prices has impacted negatively on the Company's production costs, thus exerting pressure on the profit margins. The Company is diligently monitoring the situation.

- As the dividend payout ratio was consistently around 50% of net profit pre-COVID-19, why did the dividend payout for this year not meet the pre-COVID level? Could the management explain the reasons for this?

**Response:**

Mr. Sasaki explained that this is because the bank borrowing for construction and relocation to the new factory exceeds the current cash and cash equivalents, and hence, being prudent and in accordance with the Company's dividend policy, a 20% dividend ratio of the net profit was applied for this year. However as previously announced, the Company intends to issue a special dividend once the sale of Kuchai Lama land is completed.

12. Lim GT, *a shareholder*, enquired if the Company is enjoying tax exemption incentives by moving its factory to the current location. If so, to provide the details of tax exemptions.

**Response:**

Tan Sri Chairman replied that the question had been answered earlier.

13. Tan KK, *a shareholder*, enquired on the following:-

- When can we expect the dividend payout to return to 50%?
- When can we expect the profit margin to recover to the 2018 level?
- What is the current production line utilisation rate?
- After shifting to the new plant, did the production processes undergo any changes compared to the previous plant?

**Response:**

Tan Sri Chairman replied that all the above questions had been answered earlier.

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

- Does the new plant still produce monosodium glutamate ("**MSG**")? If not, what are the pros and cons?

**Response:**

Mr. Yong responded that the new plant is still supplying MSG for the Company.

14. Lee EF, *a shareholder*, suggested the Company to organise tours for lucky shareholders to visit the new factory and gain a better understanding of the product manufacturing processes.

**Response:**

Encik Azhan bin Mohamed thanked Lee EF for his support and replied that the Company would take note of this request and that visitors are always welcome to the new factory.

15. Lim GT, *a shareholder*, enquired about the specific steps the Company has taken to ensure the safety of ingredients from Japan, given the Japanese Government's decision to permit the Fukushima Nuclear Power plant to release nuclear-contaminated water into the sea.

**Response:**

Mr. Osawa replied that the raw materials used for the Company's products are mainly sourced from the sea surrounding Malaysia. Going forward, the Company will constantly monitor and adhere to guidelines provided by the Malaysian Government.

16. Chua CS, *a shareholder*, enquired on the following:-

- What is the current stock level of raw materials?

**Response:**

Mr. Yong stated that the Company typically keeps a raw material inventory level of three weeks.

- What is the order book for the upcoming 3-6 months?

**Response:**

Ms. Fujimoto responded that the Company has been receiving three-month orders from overseas customers due to strong customer demand at present.

17. Tan WY, *a shareholder*, enquired about the potential competitive pressure from emerging MSG players in China, such as Shandong Fufeng Group, Meihua Holdings Group Co., Ltd., and Ningxia Eppen Biotech Co., Ltd.

**Response:**

Ms. Fujimoto replied that the Company does face competition from imported MSG, including from China as described earlier. However, it is worth noting that "AJI-NOMOTO", which is HALAL certified by JAKIM, continues to be the number one brand in

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

Malaysia and the Middle East. Having said that, there are competition from other countries for flavour seasonings and menu seasonings.

18. Ho CS, *a shareholder*, enquired whether the Company plans to develop fast steamed dishes as a new product.

**Response:**

Ms. Fujimoto replied that the Company has the intention to introduce more frozen products to meet the customer demand. The frozen chicken gyoza, which was launched in the last quarter, has garnered positive comments from the public. The Company is confident to cultivate new demand.

19. George Gan CH, *a shareholder*, enquired whether the Company is considering conducting a face-to-face AGM.

**Response:**

Tan Sri Chairman responded by stating that the decision regarding a face-to-face AGM would depend on the prevailing circumstances and conditions at the time, considering that COVID-19 is still deemed endemic and so we are not out of the woods yet.

**Related questions for door gifts and e-vouchers**

- Teh @ KL, *a shareholder*, enquired whether there are any e-door gifts planned for shareholders.
- Chan AM, *a shareholder*, requested the Company to offer free gifts.
- Lee SB, who has been a long-time and loyal shareholder of the Company, requested the Board of Directors to consider providing an RM50 e-voucher for redeeming the Company's products, along with free shipping for shareholders. She sees this as a token of appreciation for shareholders who have dedicated their time and effort to participate in this remote participation and voting ("**RPV**").
- Loo YM, *a shareholder*, enquired whether shareholders would receive a generous door gift, such as a hamper.
- Ho CK, *a shareholder*, requested an Ajinomoto T-shirt for daily wear, expressing his deep affection for the Company and his intention to wear it every day.
- Teh PT, *a shareholder*, requested the BOD to consider providing an RM50 e-voucher for redeeming the Company's products, along with free shipping, as a token of appreciation for participating in the RPV.

**AJINOMOTO (MALAYSIA) BERHAD** 196101000252(4295-W)

Head Office:  
Lot L1-E-5A and L1-E-5B, Enterprise 4, Technology Park Malaysia,  
Lebuhraya Puchong - Sg. Besi, 57000 Bukit Jalil, Kuala Lumpur, Malaysia  
Tel: (603) 79806958

Manufacturing:  
No. 1 Persiaran Teknologi 6, Techpark 2@Enstek,  
71760, Bandar Enstek, Negeri Sembilan Darul Khusus, Malaysia  
Tel : (606) 7377000 Fax: (606) 7377001

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

**Response:**

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

Mr. Osawa added that a bundle of products worth RM40.00 would be posted to the shareholders and proxies who had attended and voted during the Meeting as a token of appreciation. With regards to the request of Ajinomoto T-shirt, Mr. Osawa replied that the Company took note of the suggestion.

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