



AJINOMOTO

2005

Annual Report

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Corporate Information ■

Directors

Gen (R) Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali
Shunichi Komatsu
Adinan Bin Husin
Dato' Professor (Dr) Teo Chiang Liang
Dr. Goh Chin Siew
Tuan Hj. Mazlan Bin Ab. Rahman
Gew Ah Lek
Takuji Umeda
Dato' Hj. Shahrudin Bin Hj. Haron
Kenji Fukami
Makoto Tatsumi
Taisuke Oka

Chairman, Independent Non-Executive Director
Managing Director-Executive Director
Non-Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Executive Director
Executive Director
Executive Director
Independent Non-Executive Director
Executive Director
Executive Director
Executive Director

Bankers

Bank of Tokyo-Mitsubishi (Malaysia) Berhad
Citibank Berhad
Malayan Banking Berhad
Standard Chartered Bank Malaysia Berhad

Auditors

Hanafiah Raslan & Mohamad
Level 23A, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur
Tel: 2087 7000 Fax: 2095 5332

Solicitors

Lee, Ling & Partners

Secretary

Chua Siew Chuan (F)
(MAICSA 0777689)

Registered Office

Lot 5710, Jalan Kuchai Lama, Petaling, 58200 Kuala Lumpur
Tel: 7980 6958 Fax: 7981 1731

Share Registrar

Securities Services (Holdings) Sdn Bhd (36869-T)
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur
Tel: 2084 9000 Fax: 2094 9940

Stock Exchange Listing

Main Board of the Bursa Malaysia Securities Berhad

Chairman's Statement ■



Gen (R) Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali

On behalf of the Board of Directors, it is my pleasure to present to you the 44th Annual Report of Ajinomoto (Malaysia) Berhad for the financial year ended 31 March 2005.

REVIEW

This was a challenging year for the Company in view of escalating costs of raw materials and fuel. However, with the improved domestic economy in 2004 and higher consumer consumption the Company recorded a sales growth of 2% amounting to RM166.9 million, compared to the previous financial year sales of RM164.1 million.

New value added and improved-products, and further improvements in marketing and distribution played an important part in increasing our market share for food seasoning products.

Export of TENCHO gained momentum hence improving its contribution to the Company's sales revenue. There is still a growing demand for the Company's core product, AJI-NO-MOTO, a household brand, despite the challenges faced under AFTA. New variants of products under the SERI-AJI and AJI-SHIO series were added during the year. Newly launched TUMIX in the last financial year has started to contribute to the overall sales performance of the Company.

Profit before tax amounted to RM12.6 million compared to RM14.1 million for the previous financial year whilst net profit after tax was RM12.5 million, 4% higher than the previous year. The profitability performance is reflective of the commitment and direction of the management and staff in ensuring the growth of the Company despite having to face escalating competition, increase in the costs of raw and packaging materials, fuel prices, as well as fluctuating currencies.

The net profit after tax includes the gain of RM3.7 million from the disposal of the Company's residential property situated in the Mukim of Ampang.

PROSPECT

With the positive outlook of the Malaysian economy and expected continued growth in domestic demand the Company expects the food sector to continue to grow, barring unforeseen circumstances.

Prospects for 2005 remain challenging. The increasing cost of oil is expected to have an impact on raw and packaging materials costs. Competition is also expected to continue to

be keen. These factors will put margins under pressure. Management and staff will continue to pursue cost reduction initiatives including effective control on fixed costs in order to mitigate these cost pressures.

The Board, management and staff of the Company will continue to strive to improve the revenue and profits of the Company for the benefit of shareholders.

DIVIDENDS

As a reflection of the Company's continued and sustained dividend payment policy, the same dividend payout as 2004 is proposed. The Board recommends 4 sen per share less tax and 5 sen tax exempt dividend per share, payable on 16 September 2005. The above dividends are subject to shareholders' approval.

APPRECIATION

I would like to highlight some key personnel movements within the Company. Mr. Takashi Imai, Mr. Keizo Kawamoto and Mr. Tetsuhiko Yoshikawa resigned as Directors of this Company on 6 July 2005 as they have been posted to new assignments in the Ajinomoto Group. I wish to record our appreciation for their contributions to the Company during their tenure as Directors of the Company and wish them every success in their new postings.

I would like to welcome Mr. Shunichi Komatsu as our new Managing Director as of 6 July 2005. With the wealth of his experience and sound understanding of the seasoning food industry, I am confident he will steer Ajinomoto (Malaysia) Berhad through the challenges ahead so that the Company will continue to grow from strength to strength. The Board also warmly welcomes our newly appointed Directors, Mr. Makoto Tatsumi and Mr. Taisuke Oka.

Last but not least, I would like to express my deep appreciation to the management and staff for their unrelenting commitment and efforts in helping the Company meet its objectives and responsibility to its shareholders. To our customers and distributors, I would like to thank them for their loyalty and support, to the authorities, for their guidance and assistance. I wish to also record my thanks to my fellow Directors for their contributions, advice and unwavering support.

Gen (R) Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd. Ali
Chairman of the Board

Directors' Profile ■



Board of Directors as of 6 July 2005

Standing (Left to Right)

Gew Ah Lek, Dato' Professor (Dr) Teo Chiang Liang, Takuji Umeda, Taisuke Oka, Kenji Fukami, Dr. Goh Chin Siew, Tuan Hj. Mazlan Bin Ab. Rahman

Seated (Left to Right)

Dato' Hj. Shaharuddin Bin Hj. Haron, Shunichi Komatsu, Gen (R) Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali, Makoto Tatsumi, Adinan Bin Husin

Chairman, Independent Non-Executive Director

Gen (R) Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali | 70 years of age – Malaysian.

Gen (R) Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali was appointed Chairman of Ajinomoto (Malaysia) Berhad on 5 September 1995. He resigned as the Chairman of the Audit Committee on 1 November 2002 but remained as a Committee member. He is the Chairman of the Remuneration Committee and a member of the Nomination Committee. He attended all five Board meetings held in the financial year.

He holds a Diploma In Advance Management from the Harvard Business School and was conferred the Honorary Doctorate by the University of Salford, United Kingdom in January 1999.

He joined the Malaysian Armed Forces in 1953 and was first commissioned in the Royal Malay Regiment in 1956 after attending a series of Military Officer Cadet Courses both in Malaysia and overseas. He has served for 38 years and 9 months before retiring in April 1992 as the Chief of the Defence Forces. In May 1992, he joined Perwira Niaga Malaysia (PERNAMA) as Chairman.

He is also the Chairman of Country Height Holdings Berhad Group and sits on the Boards of Arab-Malaysian Corporation Berhad, Delloyd Ventures Berhad, Hong Leong Credit Berhad, Konsortium Logistik Berhad, IOI Oleochemical Industries Berhad, Mines Golf Resort Berhad (formerly Country Heights Golf Resort Berhad), Pioneer Oscar Berhad, Borneo Highlands Hornbill Golf & Jungle Club Berhad and various private companies.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.

Directors' Profile (con't) ■

Managing Director – Executive Director

Shunichi Komatsu

46 years of age – Japanese.

Mr. Komatsu was appointed as Chief Executive Officer/ Managing Director on 6 July 2005. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee.

He holds a Bachelor of Agriculture degree from the Faculty of Agricultural Economics, University of Tokyo, Japan in 1981.

He joined Ajinomoto Co., Inc Japan in 1981 and began his career with the Nagoya Branch Sales Department and has held various positions in Japan and overseas within the Ajinomoto Group of Companies.

He also sits on the Board of Malaysia Packaging Industry Berhad, Malaysia Ve-Tsin Manufacturing Co. Berhad and Ajinomoto (S) Pte Ltd. He is also a member of the Audit Committee of Malaysia Packaging Industry Berhad.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.

Non-Independent Non-Executive Director

Adinan Bin Husin

59 years of age – Malaysian.

En. Adinan was appointed to the Board of Ajinomoto (Malaysia) Berhad on 26 July 1991. He is a member of the Audit Committee and the Remuneration Committee. He is the Chairman of the Nomination Committee. He attended all five Board meetings held in the financial year.

He is a food technologist by training and holds a Master Degree in Food Science from University Hawaii, USA.

He was Director of Food Technology Centre, MARDI for 10 year and was subsequently appointed Director of Technical Services Centre in 1996. Whilst at the post, he was appointed as member of International and National committees which include FAO Expert/Consultative Group for Pacific Region Processing, Network for Education and Curriculum Development in Agro-Industries, National Coordinator of Small Scale Food Industries Asia, various Food/Agriculture related committees. He is an Expert Panel Member for the Intensification Research Priority Areas (IRPA) in food processing for the Ministry of Science Technology and Environment. With his experience, involvement and active contribution to the local food industry, Malaysian Institute of Food Technology (MIFT) has bestowed on him as a Fellow MIFT in 1999.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.

Independent Non-Executive Director

Dato' Professor (Dr) Teo Chiang Liang

55 years of age – Malaysian.

Dato' Professor (Dr) Teo was appointed to the Board of Ajinomoto (Malaysia) Berhad on 28 June 2001. He was appointed as the Chairman of the Audit Committee on 1 November 2002. He is also a member of the Nomination Committee and the Remuneration Committee. He attended all five Board meetings held in the financial year.

Graduated with a Bachelor of Arts (Honours) degree in Business Studies and M.Sc in Management & Administration from the United Kingdom, Dato' Teo obtained his training from The Chartered Bank and Pillar Naco Ltd in UK.

Since 1975, he joined and served the See Hoy Chan Group, a well diversified group of companies, in different levels of management. He was Secretary General of the Malaysian Association of Private Colleges & Universities from 1997 to March 2003. He was appointed as member of the MSC Education Advisory Panel in 1998. He is also a Life Member of the Malaysian Red Crescent Society. In 1998, The Nottingham Trent University in UK appointed Dato' Teo as Visiting Professor of the University and awarded an honorary degree of Doctor of Business Administration to him in 2001.

He sits on the Board of Malaysia Ve-Tsin Manufacturing Co. Berhad and Senawang Edible Oil Sdn Bhd.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.

Directors' Profile (con't) ■

Independent Non-Executive Director

Dr Goh Chin Siew

68 years of age - Malaysian

Dr. Goh was appointed to the Board of Ajinomoto (Malaysia) Berhad on 28 June 2001. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee. He attended all five Board meetings held in the financial year.

Dr. Goh is a medical consultant by profession. He graduated from University of Hong Kong, Medical Faculty in 1964, and was a Chan Weng Scholar. He is a fellow of the Royal Australasian College of Physicians (Occupational Medicine) and a member of the Academy of Medicine Malaysia. He was the medical director for Hamburg Re-Insurance Company, Germany, and medical director/advisor for several local and international insurance companies, besides being a practicing Occupational Health Physician, and family physician.

He sits on the Board of Malaysia Packaging Industry Berhad since 1990 and he is the audit committee chairman of Malaysia Packaging Industry Berhad.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company.

Executive Director

Kenji Fukami

46 years of age – Japanese.

Mr Fukami was appointed to the Board on 15 July 2004 and has attended four out of the five Board meetings held in the financial year.

Mr Fukami graduated from the Agricultural Department from Kyusyu University of Japan in 1982.

He joined Ajinomoto Co., Inc., Japan in 1982 and began his career in Central Research Laboratories and has held various positions in head office until his posting in 2003, to Ajinomoto (Malaysia) Berhad to assume the role of Chief Research and Development Officer of the Company.

He also sits on the Board of Malaysia Ve-Tsin Manufacturing Co. Berhad since 2003.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.

Executive Director

Makoto Tatsumi

42 years of age – Japanese.

Mr. Tatsumi was appointed to the Board of Ajinomoto (Malaysia) Berhad on 6 July 2005 and assumed the role of Executive Director, Finance of the Company.

Mr. Tatsumi graduated from the Faculty of Law, University of Tokyo, Japan in 1986.

He joined Ajinomoto Co. Inc., Japan in 1986 and began his career with the Fukuoka Branch, Sales Department and had served in various management capacities with the sales and purchasing departments in head office.

He currently also, sits on the Board of Malaysia Ve-Tsin Manufacturing Co. Berhad.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.

Directors' Profile (con't) ■

Executive Director

Tuan Hj. Mazlan Bin Ab. Rahman

53 years of age – Malaysian.

Tn. Hj. Mazlan was appointed to the Board of Ajinomoto (Malaysia) Berhad on 10 July 2000. He attended all five Board meetings held in the financial year.

Graduated with a Bachelor of Science (Hons) in Food Science from Universiti Kebangsaan Malaysia in 1976, he has attended a series of high level technical and management courses both in Malaysia and overseas, particularly in Japan. He is also a qualified Internal Auditor for the Environmental Management System.

He joined the Technical Department of Ajinomoto (Malaysia) Berhad in 1976. Over the years he moved up the corporate ladder and served under various capacities. In 2000, he was appointed as the first local Factory Manager in 36 years history of the Company.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.

Executive Director

Gew Ah Lek

55 years of age - Malaysian

Mr. Gew was appointed to the Board of Ajinomoto (Malaysia) Berhad on 10 July 2000. He is a member of the Audit Committee. He attended all five Board meetings held in the financial year.

He was the Chief Accountant and later promoted to Assistant General Manager of an established food and beverages company for 20 years. He joined Ajinomoto (Malaysia) Berhad in 1995 as Senior Sales Manager.

Graduated with Bachelor of Commerce (Accountancy) from Nanyang University, Singapore in 1972. He is a Fellow of Institute of Certified Public Accountants, Singapore; a Fellow of the Australian Society of Certified Practicing Accountants and a Chartered Accountant of the Malaysia Institute of Accountants.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.

Executive Director

Taisuke Oka

41 years of age – Japanese.

Mr. Oka was appointed to the Board of Ajinomoto (Malaysia) Berhad on 6 July 2005.

Mr. Oka graduated from the Department of Economics, Keio University, Japan in 1986.

He began his career in Ajinomoto Co. Inc., Japan with the Personnel Departments in 1986 and then served in various departments in head office and Nagoya branch. In 1999, he was posted to Ajinomoto (Malaysia) Berhad to assume the role of Marketing Advisor of the Company and subsequently assume the present role of Assistant Chief Marketing Officer.

He currently also, sits on the Board of Ajinomoto (S) Pte Ltd.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.

Directors' Profile (con't) ■

Executive Director

Takuji Umeda

42 years of age – Japanese.

Mr Umeda was appointed to the Board of Ajinomoto (Malaysia) Berhad on 31 October 2002 and he has attended all five Board meetings held in the financial year.

He obtained a Bachelor of Engineering from Hiroshima University of Japan in 1985.

He joined Ajinomoto Co., Inc., Japan in 1985 and began his career in the Process Development Laboratories and has held various positions in Tokyo, head office and its overseas affiliated companies prior to his posting to Malaysia to assume the role of Technical Advisor.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.

Independent Non-Executive Director

Dato' Hj. Shahrudin Bin Hj. Haron

67 years of age – Malaysian.

Dato' Hj. Shahrudin was appointed to the Board of Ajinomoto (Malaysia) Berhad on 31 October 2002 and has attended all five Board meetings held in the financial year. He also serves as member of the Audit Committee, Nomination Committee and Remuneration Committee. He holds a Bachelor of Arts (Hons) degree from University Malaya and a Master in Economics from University of Pittsburgh, USA.

He has served the Malaysian Government for thirty years. He began his civil service career in the Prime Minister's Department from 1963 to 1979, holding various positions in the Economic Planning Unit, including the position of the Secretary to the Foreign Investment Committee. He held the position of Director General of Insurance in 1979 to 1983 and was Secretary of the Finance Division of the Federal Treasury. He then served as Director General of the National Rice and Padi Board.

Prior to retirement, he was the Secretary General for the Ministry of Domestic Trade and Consumer Affairs from 1992. He was also the Secretary General for the Ministry of International Trade and Industry (MITI) from 1990 and the Secretary General of the Ministry of Public Enterprise in 1986.

Currently, he serves as the Chairman of Latitude Tree Holding Berhad and sits on the Board of Malayan Flour Mills Berhad, EON Berhad, Gopeng Berhad, Ladang Perbadanan – FIMA Berhad and various non-listed companies.

He has no conflict of interest with the Company or any family relationship with any other Director or shareholder of the Company. He has also not been convicted for any offences within the past ten years other than for traffic offences, if any.

Statement On Corporate Governance ■

The Board is committed to ensuring that the Company observes the principles of corporate governance as recommended in Part 1 of the Malaysian Code on Corporate Governance. The Board has therefore taken steps to adopt the best practices as recommended in Part 2 of the Malaysian Code on Corporate Governance.

The Board has considered the manner in which it has applied the Principles of the Code and to the best of its ability complied with the Best Practices of the Code. It also enhances shareholders' participation and value and safeguards the interest of other stakeholders.

THE BOARD OF DIRECTORS

The Board is responsible for the overall strategic direction of the Company and retains full and effective control of the responsibility for the Company's activities. In fulfilling its fiduciary duties, the Board ensures that there are appropriate systems and procedures in place to manage the Company's significant risks. In addition, the Board also has in place a capable and experienced management team to oversee the day-to-day operations of the Company.

Composition of the Board

The Board currently comprises seven (7) Executive Directors, one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors, which are in excess of the requirement to have one-third (1/3) of the Board members to be Independent Directors. Therefore the Board is of the view that the current composition of the Board facilitates effective and independent decision making and judgement.

The Board is of the opinion that the composition of the Board fairly reflects the investment in the Company by shareholders other than the significant shareholders including the minority shareholders. The profiles of the members of the Board are set out in pages 4 to 8.

The Board comprises highly respectable and professional persons which represents a diverse background of knowledge, expertise and experience. With their combined experience and knowledge they provide sound advice and judgements for the benefit of the Company and its shareholders. The Board has identified Dr. Goh Chin Siew as a Senior Independent Non-Executive Director, to whom concerns may be conveyed by shareholders and the public.

The roles and responsibilities of the Chairman, who is an Independent Non-Executive Director and the Chief Executive Officer/Managing Director, are distinct, separate and clearly defined. The Chairman is responsible for ensuring the Board's effectiveness and orderly conduct. The Chief Executive Officer/Managing Director has overall responsibility for the management and operation of the Company's business and the implementation of Board policies, strategies and decisions.

Responsibility is vested in the Non-Executive Directors of the Company to ensure that the policies and strategies proposed by the Management are fully discussed and critically examined, not only against the best long-term interests of shareholders, but also to ensure that they take proper account of the interests of employees, customers, suppliers and the communities within which it is represented. The presence of the Independent Non-Executive Directors are essential to provide the unbiased and independent view, advice and judgement as well as to safeguard the interest of other parties such as minority interest and the community.

All the Directors of the Company have attended the Mandatory Accreditation Programme ("MAP") organised by the Research Institute of Investment Analysts Malaysia ("RIIAM"), an affiliate of the Bursa Malaysia Securities Berhad. The Directors will continue to undergo the Continuous Education Programme ("CEP") and other relevant training programmes to further enhance their knowledge in the latest statutory and regulatory developments to enable them to discharge their responsibilities more effectively.

In the light of the recent amendments to the Listing Requirements of Bursa Malaysia Securities Berhad in relation to the attendance of CEP, the Board would now assume the onus of determining or overseeing the training needs of the Directors.

Statement On Corporate Governance (con't) ■

Board Responsibilities

In line with the practice of good corporate governance, the Board has established and implemented various processes to assist members of the Board in the discharge of their duties and responsibilities. The Board's duties and responsibilities include the following :-

1. Periodic review and adoption of the Company's business policies and strategies;
2. Management and staff succession planning;
3. Review of the adequacy and the integrity of the Company's internal controls and management information systems;
4. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
5. Maintaining an effective investors and shareholders communication policy;
6. Ensuring that the Company complies with applicable laws, regulations, rules, directives and guidelines of relevant authorities; and
7. Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Directors have also participated in factory visits as well as food tasting sessions on the Company's new products which underpins the Board's knowledge of the Company's production processes and product range.

Board Meetings

The Board meets at least four (4) times and, as and when required, during the financial year to, amongst others, review and approve the quarterly financial statements and the annual audited financial statements.

The number of Board meetings held during the financial year ended 31 March 2005 and each directors' attendance at the meetings were as follows:-

Directors	No. of Meetings Attended by the Directors in respect of the Financial Year Ended 31 March 2005*	Attendance (%)
Executive Directors		
Mr. Takashi Imai (Managing Director)	5/5	100
Tn. Hj. Mazlan Bin Ab Rahman	5/5	100
Mr. Gew Ah Lek	5/5	100
Mr. Tetsuhiko Yoshikawa	4/5	80
Mr. Takuji Umeda	5/5	100
Mr. Keizo Kawamoto	4/4	100
Mr. Kenji Fukami	4/4	100
Non-Executive Directors		
Y. Bhg. General (R) Tan Sri (Dr) Dato' Paduka Mohamed Hashim		
Bin Mohd Ali (Chairman)	5/5	100
Encik Adinan Bin Husin	5/5	100
Y. Bhg. Dato' Professor (Dr) Teo Chiang Liang	5/5	100
Dr. Goh Chin Siew	5/5	100
Y. Bhg. Dato' Hj. Shaharuddin Bin Hj. Haron	5/5	100

In advance of and during each Board meeting, members are each provided with relevant documents and information in a form and quality appropriate to enable them to discharge their duties.

Notes

* There were five (5) Board meetings held during the financial year ended 31 March 2005. The meetings were held on 26 May 2004, 15 July 2004, 25 August 2004, 22 November 2004 and 15 February 2005.

Statement On Corporate Governance (con't) ■

Supply of Information

The agenda for the Board meetings, together with appropriate reports and information on the Company's business operations, and proposal papers for the Board's consideration are circulated to all the Directors prior to the meetings in sufficient time. During the meeting, the management provided information and clarification on issues raised prior to every Board meeting.

The Board sets yearly objectives, which are guided by the parent company's corporate objectives and the management is delegated with the responsibility of meeting the objectives.

In order to execute the responsibilities effectively, the Directors have access to all information within the Company whether as a full Board or in their individual capacity. Directors also have direct access to the advice and service of the Company Secretary and may seek independent professional advice as and when necessary in discharging their responsibilities. Wherever necessary, consultants and experts were invited to brief the Board on their areas of expertise or their report.

Appointments to the Board

In order to comply with good practice for the appointment of new Directors through a formal and transparent procedure, the Board has set up a Nomination Committee to evaluate and recommend candidates for directorships to the Board.

Re-election of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to retirement at the first Annual General Meeting of the Company subsequent to their appointment. One third (1/3) of all the other Directors shall retire by rotation at each Annual General Meeting provided always that all Directors shall retire from office at least once in every three (3) years. The Directors retiring from office shall be eligible for re-election by the shareholders.

COMMITTEES

(1) Nomination Committee

The Nomination Committee was established with clearly defined terms of reference, comprising three (3) Executive Directors and five (5) Non-Executive Directors. The majority of the members are Independent Directors.

The Committee had one (1) meeting during the financial year.

The main responsibilities of this Committee are to propose and recommend new candidates to the Board of Directors, if necessary, and to review the structure, size and composition of the Board of Directors.

(2) Remuneration Committee

The Remuneration Committee was set up with clearly defined terms of reference comprising two (2) Executive Directors, and five (5) Non-Executive Directors. The majority of the members are Independent Directors.

• General (R) Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali	(Chairman, Independent Non-Executive Director)
• Adinan Bin Husin	(Non-Independent Non-Executive Director)
• Dato' Professor (Dr) Teo Chiang Liang	(Independent Non-Executive Director)
• Dr. Goh Chin Siew	(Independent Non-Executive Director)
• Dato' Hj. Shahrudin Bin Hj. Haron	(Independent Non-Executive Director)
• Takashi Imai	(Managing Director)
• Keizo Kawamoto	(Executive Director)

The Remuneration Committee is responsible for recommending to the Board the remuneration and compensation of the Executive Directors. The individuals concerned would abstain from discussion of their own remuneration.

The determination of the remuneration of the Executive Directors are based on the level of responsibilities, experience, contribution, individual performance and corporate performance in accordance with Ajinomoto's Group Remuneration Policy and the Holding Company's recommendations.

This statement is made in accordance with the resolution of the Board of Directors dated 25 May 2005.

Statement On Corporate Governance (con't) ■

The aggregate remuneration of the Directors for the financial year under review is as follows:-

	Executive Directors RM'000	Non-Executive Directors RM'000
Salaries and other emoluments	2,415	-
Fees	65	115
Bonus	58	-
Gratuity	37	34
Benefits In Kind	389	-

The number of Directors of the Company whose total remuneration during the financial year under review that fall within the following bands are as follows:-

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	5
RM50,001 – RM100,000	-	1
RM100,001 – RM150,000	1	-
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	2	-
RM250,001 – RM300,000	-	-
RM300,001 – RM350,000	1	-
RM350,001 – RM400,000	-	-
RM400,001 – RM450,000	2	-
RM450,001 – RM500,000	1	-
RM500,001 – RM550,000	-	-
RM550,001 – RM600,000	1	-
RM600,001 – RM650,000	-	-

The only area of non-compliance with the Malaysian Code on Corporate Governance is the disclosure of details of the remuneration of each Director. The Board believes that this information will not add significantly to the understanding and evaluation of the Group's governance.

(3) The Audit Committee

The composition, responsibilities, terms of reference and activities during the financial year of the Audit Committee are set out under the Audit Committee Report on pages 18 to 19.

3.1 Financial Reporting

The Board is responsible for ensuring that the quarterly and annual audited financial statements of the Company present a fair and balance view and assessment of the Company's financial position, performance and prospects. The Audit Committee assists the Board in reviewing and scrutinising the information for disclosure to ensure accuracy, adequacy and completeness. The composition, summary of activities and terms of reference of the Audit Committee can be found in the Audit Committee Report on pages 18 to 19.

The Statement of Directors' Responsibility in respect of the Audited Financial Statements pursuant to paragraph 15.27(a) of the Listing Requirements is set out on page 17 of this Annual Report.

3.2 Internal Control

The Board recognises the importance of maintaining a sound system of internal controls which cover risk management, financial, organisational, operational and compliance controls. The Board acknowledges its responsibility and accountability for the Company's system of internal controls and for reviewing the effectiveness, adequacy and integrity of the system. The Board has delegated the implementation and monitoring of the internal control system to the Management of the Company and has appointed independent consultants to carry out the Internal Audit and Risk Management functions. The Committee assists the Board in overseeing this function.

Information on the Company's internal control is presented in the Statement on Internal Control on pages 15 to 16.

3.3 Relationship with Auditors

The roles of the Audit Committee, the internal and external auditors of the Company are described in the Audit Committee Report set out on pages 18 to 19 of the Annual Report. The Board and the Audit Committee have always maintained a professional and transparent relationship with the Company's auditors.

Statement On Corporate Governance (con't) ■

3.4 External Audit

The Company's independent external auditors fill an essential role by enhancing the reliability of the Company's financial statements and giving assurance to stakeholders of the reliability of the financial statements. The Company continues its professional relationship with the Company's Auditors, Messrs. Hanafiah Raslan & Mohamad through the Audit Committee.

The external auditors have an obligation to bring any significant defects in the Company's system of control and compliance to the attention of the management; and if necessary, to the Audit Committee and the Board.

SHAREHOLDERS' COMMUNICATION AND INVESTOR RELATIONS

Relationship with Shareholders

The Board recognises the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company. It ensures that timely releases of the quarterly financial results, circulars, press releases, corporate announcements and annual reports are made to its shareholders and investors.

Shareholders, investors and the general public can also obtain information on the Company by accessing the Company's website at www.ajinomoto.com.my. The Shareholders and investors are also able to access the latest corporate, financial and market information of the Company via Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com.my

Annual General Meeting (AGM)

Shareholders participation at the Company's AGM is always encouraged and welcomed. It is a useful opportunity for the Directors and management to communicate face to face with shareholders and to present the Company's business operations, performance and future plans.

Notice of the AGM, Annual Reports and circulars are sent out with sufficient notice before the date of the meeting to enable the shareholders to have full information about the meeting to facilitate informed decision-making. The Statement Accompanying the Notice of the AGM and explanatory notes on the proposed resolutions under Special Business are given to help the shareholders vote on the resolutions.

Additional Compliance Information ■

1. Share Buy-Back

The Company did not enter into any share buy-backs transactions during the financial year.

2. Options, Warrants or Convertible Securities

The Company has not granted any options nor issued any warrants or convertible securities during the financial year.

3. American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year.

4. Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company, its subsidiaries, directors or management by any regulatory bodies during the financial year.

5. Non-Audit Fees

During the financial year, the amount of non-audit fees paid by the Company to the external auditors amounted to RM4,000.

6. Variation in Results

There were no material variations between the audited results for the financial year ended 31 March 2005 against the unaudited results for the year ended 31 March 2005 released by the Company previously.

7. Profit Guarantee

The Company did not provide any profit guarantee during the financial year.

8. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests which were still subsisting, entered into since the end of the previous financial year.

9. Revaluation Policy on Landed Properties

The Company has not adopted a policy of regular revaluation on its landed properties. As at 31 March 2005, the Company did not carry out any revaluation exercise on its landed properties.

10. Recurrent Related Party Transactions of Revenue or Trading Nature

The details of the transactions with related parties undertaken by the Company during financial year are disclosed in Note 25 on page 54 of the Company's Annual Report.

Statement Of Internal Control ■

INTRODUCTION

Pursuant to paragraph 15.27 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Ajinomoto (M) Berhad ("the Board") is pleased to provide a statement on the state of internal control of the Company for the financial year ended 31 March 2005, which has been prepared in accordance with the Bursa Malaysia's Statement on Internal Control: Guidance for Directors of Public Listed Companies ("Guidance").

BOARD'S RESPONSIBILITIES

The Board recognises the importance of sound internal controls and risk management practices for good corporate governance and affirms its overall responsibility for the Company's system of internal control and risk management, and for reviewing the adequacy and integrity of the said system. Due to inherent limitations to any internal controls system, such a system is designed to manage rather than eliminate all risks that may impede the achievement of the Company's business objectives. The system can therefore only provide reasonable, and not absolute, assurance against material misstatement or loss.

RISK MANAGEMENT

The Board and Senior Management have evaluated the key risks relating to the Company's strategic and business plans. Furthermore, the responsibility of managing the risks of each Department lies with the respective Heads of Department and it is during the weekly / monthly management meetings that significant risks identified and the corresponding internal controls implemented are communicated to Senior Management.

The Company's risk management framework is adopted from its parent company's Risks Management Guideline System. A Risk Management Committee chaired by the Chief Financial Officer and key management staff meets periodically to identify, evaluate and manage risks. The Chief Financial Officer periodically briefs the Board on matters addressed by the Risk Management Committee.

The abovementioned procedures on risk management serve as the on-going process used to identify, evaluate and managed significant risks.

INTERNAL CONTROLS

The Company's system of internal controls comprises the following key elements:

I. Control Environment

The Board is committed towards maintaining an effective control environment and structure to facilitate the proper conduct of the Company's business. In overseeing the Company's business, the Board continually strives for an appropriate balance between control and empowerment. The Executive Directors ("EDs") are assisted by the line managers in managing the Company. Through their review of performance and operation reports, as well as attending management meetings, the EDs monitor the day-to-day affairs of the Company. Apart from the above meetings and reports, the EDs also informally meet to address any matters arising. Significant issues are brought to the attention of the Board, if necessary.

The quality of product is of prime importance to the Board. The compliance with the procedures outlined in the ISO9001:2000 accreditation and 'Hazard Analysis and Critical Control Point' (HACCP) accreditation to ensure quality assurance and control are strictly adhered to via regular internal and external quality audits.

II. Reporting and Review

An organisational structure with formally defined lines of responsibility and delegation of authority is in place. A review and approval process in accordance with the Company's reporting hierarchy has been established. Clear reporting structure ensures financial and operational reports are periodically prepared and presented to management or Board for discussion and review on a timely basis. Ad-hoc and scheduled meetings are held at operational and management levels to identify, discuss and resolve business and operational issues.

There is a comprehensive budgeting and forecasting system, with an annual business plan and budget approved by the Board. The results of the Company's business are reported on a monthly basis. Forecasts are revised on a semi-annual basis. Regular senior management meetings are held to evaluate and monitor the progress of the business operations.

Statement Of Internal Control (con't) ■

III. Management Structure

The Board maintains control over appropriate strategic, financial, operational, risk management and compliance issues. The Company's management ensures that the Board approves all major decisions. The Board includes independent non-executive and non-independent non executives Directors.

IV. Audit Committee

Please refer to Audit Committee Report on page 18 to 19 for more details.

V. Internal Audit

The Company's internal audit function is outsourced to external consultants. The internal audit function reviews adequacy and effectiveness of the internal control systems based on an internal audit plan approved by the Audit Committee. The results of internal audit reviews are formally reported to the Audit Committee at their quarterly meetings. The internal audit reviews conducted did not reveal significant weaknesses which would result in material losses, contingencies or uncertainties that would require disclosure in the annual report.

The internal audit team did not perform any review and assessment of Ajinomoto (Malaysia) Berhad's associate companies.

ASSURANCE

The Board is of the view that the system of internal controls is adequate and is fully aware that the system of internal control and risk management practices must continuously evolve to support the Company's operations. As such, reviews of controls procedures will be continuously carried out to ensure ongoing adequacy and effectiveness of the system of internal controls.

This Statement on Internal Control is made in accordance with the resolution adopted by the Board at its meeting held on 6 July 2005.

Statement Of Directors' Responsibility In ■ Relation To The Financial Statements

This statement is prepared as required by the Listing Requirements of the Bursa Malaysia Securities Berhad.

The Directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its result and cash flow for that year then ended.

The Directors consider that in preparing the financial statements,

- the Company have used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgments and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Company, and which enable them to ensure that the financial statements comply with the Companies Act 1965.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.

Audit Committee Report ■

TERMS OF REFERENCE

PURPOSE

The Audit Committee assists the Board in carrying out its responsibilities and meeting the Corporate Governance requirements. It reviews the quarterly financial information for accuracy and fairness before recommending to the Board for adoption and release to the Kuala Lumpur Stock Exchange and shareholders, the systems of internal controls which management and the Board of Directors have established, and makes recommendations to management on actions to be taken, if any, based on the Report of the Independent Internal Auditors.

Composition and Meetings

The members of the Audit Committee, attendance at each Audit Committee Meeting during the financial year ended 31 March 2005 are as follows:

Name		Status	Attendance*
Dato’ Professor (Dr) Teo Chiang Liang	Chairman	Independent Non-Executive Director	5/5
Gen (R) Tan Sri (Dr) Dato’ Paduka Mohamed Hashim Bin Mohd Ali	Member	Independent Non-Executive Director	5/5
Adinan Bin Husin	Member	Non-Independent Non-Executive Director	5/5
Dato’ Hj Shaharuddin Bin Hj Haron	Member	Independent Non-Executive Director	3/5
Dr. Goh Chin Siew	Member	Independent Non-Executive Director	5/5
Takashi Imai	Member	Executive Director	5/5
Gew Ah Lek	Member	Executive Director	5/5

** The meetings were held on 26 May, 2004, 15 July, 2004, 25 August, 2004, 22 November, 2004 and 15 February, 2005 respectively.*

The Committee shall be appointed by the Board of Directors from amongst its members and shall consist of not less than 3 members of whom a majority shall be Independent Directors. The Committee shall include at least one person who is a member of the Malaysian Institute of Accountants (MIA) or alternatively a person who must have at least 3 years' working experience and have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967 or is a member of one of the associations specified in Part II of the said Schedule. No alternate Director shall be appointed as a member of the Committee.

The Committee shall elect a Chairperson from amongst its members who shall be an Independent Non-Executive Director. It is the responsibility of the Chairman to schedule all meetings of the Committee and provide the Committee members with a written agenda for all meetings. In the event that a member of the Audit Committee resigns, dies or for any other reason ceases to be a member, with the result that the number of members is reduced to below three, the Board of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

The Board shall review the term of office of the Committee no less than every three years.

Meetings

The Committee shall meet at least four times a year. In addition, the Chairperson shall convene a meeting of the Committee if requested to do so by any member, the management or the internal or external auditors to consider any matter within the scope and responsibilities of the Committee.

The Chief Financial Officer, the Head of Internal Audit, Company Secretary and a representative of the external auditors shall normally attend meetings. However, the Committee may invite any person to be in attendance to assist it in its deliberations.

A quorum shall consist of a majority of Independent Non-Executive committee members and shall not be less than two.

Audit Committee Report (con't) ■

Function

The duties and responsibilities of the Audit Committee shall be:

- To review any financial information for publication, including quarterly and annual financial statements before submission to the Board of Directors.
- To review with the external auditors their audit plan, scope and nature of audit for the Company
- To review external auditors' audit report, areas of concern arising from the audit and any other matters the external auditors may wish to discuss.
- To assess the adequacy and effectiveness of the systems of internal control and accounting control procedures of the Company by reviewing the external and/or internal auditors' management letters and management responses.
- To discuss problems and reservations arising from the interim and final audits and any matters the auditors may wish to discuss.
- To review the internal audit plan and processes, consider the major findings of internal audit, fraud investigations and actions and steps taken by management in response to audit findings.
- To review the adequacy and relevance of the scope, functions and resources of internal audit and the necessary authority to carry out its work.
- To determine extent of cooperation and assistance given by employees.
- To review any related party transactions and conflict of interest situations that may arise within the Company.
- To consider the appointment of the external auditors, the terms of reference of their appointment and any question of resignation and dismissal before making recommendations to the Board.
- To undertake such other responsibilities as may be agreed to by the Committee and the Board.

Authority

The Committee shall have the authority to investigate any matter within its terms of reference. The Committee shall have the resources, including full and unrestricted access to any information pertaining to the Company, which are required to perform its duties. The Committee shall be empowered to obtain independent professional or other advice and have direct communication channels with the external auditors and persons carrying out the internal audit function or activity. The Committee shall be able to convene meetings with the external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

Summary of Activities

The activities of the Audit Committee during the financial year ended 31 March 2005 are as follows:-

- Review external audit scope and audit plan;
- Review external audit results and audit reports;
- Review Internal Audit's plan and programmes;
- Review Internal Audit reports, recommendations and Management responses and suggest additional improvement opportunities in the areas of internal control, systems and efficiency improvement;
- Review Annual Report and the audited financial statements of the Company prior to submission to the Board for their perusal and approval;
- Review the Company's compliance with the Bursa Malaysia Securities Berhad Listing Requirements, MASB and other relevant legal and regulatory requirements with regards to the quarterly and year-end financial statements;
- Review unaudited financial results announcements before recommending them for the approval of the Board.

Internal Audit Function

The Audit Committee is supported by an independent and adequately resourced internal audit function. The Committee is aware of the fact that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control.

The main role of the internal audit function is to review the effectiveness of the system of internal control and this is performed impartially and professionally.

During the financial year, the internal audit activities have been carried out according to the internal audit plan, which had been approved by the Audit Committee.

Retail Products ■



Industrial Products ■



Activities Highlight ■

Expansion of TENCHO Plant



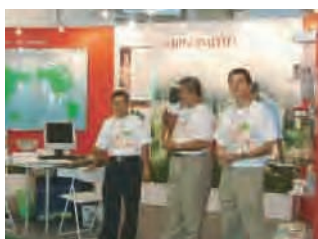
The inauguration ceremony of expanded TENCHO plant was officiated by Mr Kunio Egashira, President and Chief Executive Officer of Ajinomoto Co Inc on 29 April 2004.

Visit from Human Resource Minister



Minister of Human Resource, Y. Bhg. Datuk Wira Dr Fong Chan Onn visited Ajinomoto on 16 September 2004. In conjunction with his visit, he presented the appreciation certificates, top salesman award, and launched the occupational health and safety policy.

ECO Products International Fair 2004



Ajinomoto participated in the exhibition from 2 to 4 September 2004. Exhibit content at Ajinomoto booth includes Ajinomoto Group Environmental Policy, Ajinomoto Eco-friendly Global Network, environmental performance, etc. Approximately 8,500 persons visited the said exhibition.

Ajinomoto Secondary School Project



The project was held from March to July 2004. It was one of the company's approach to educate students on MSG and on the company's products. The project covered 16,400 students in 101 secondary schools nationwide.

Ajinomoto Sponsored Glutamate Seminar



Ajinomoto sponsored the Glutamate Seminar organised by The Glutamate Club of Malaysia (TGCM) and Malaysian Institute of Food Technology (MIFT) on 14 December 2004. Approximately 150 participants from food manufacturing, regulatory agency, academics, home economists, food science and nutrition students attended the seminar.

Ajinomoto Corporate Citizenship Day 2004



On 21 August 2004, Ajinomoto organised a social activity targeted at the under privileged primary schools.

COOK@HOME TV Cooking Program



Ajinomoto sponsored a 3 minutes TV cooking show on TV2, aired every Monday to Friday, from 29 December 2003 to 18 June 2004. The show was conducted by celebrity chef, Amy Beh.

Environmental Report 2005 ■

In this year, Ajinomoto (Malaysia) Berhad continues to uphold and enhance its commitment to the environment through involvement in activities focusing on environment protection and preservation, in line with Ajinomoto Group Basic Environmental Policy of harmonizing the Company's activities with the environment.

The Company had taken several proactive approaches in order to further reduce the environmental impact arising from our operations, consistent with our commitment to sustainable development and business growth.

The Company besides continuing to comply with all the current requirements of the environmental legislation of the country is also in the process of formulating detailed plans and preparations to comply with more stringent requirements of Ajinomoto Group Environmental Goals.

As a milestone step to lessen the environment impact of wastewater discharged from the manufacturing process and therefore ensuring sustainable business growth, the Company decided to integrate the existing process of manufacturing Monosodium Glutamate from a combination of direct fermentation process and glutamic acid purification to a single process of only glutamic acid purification, from October 2004.

The Company decided to take this bold and proactive measure of Monosodium Glutamate integration process after conducting thorough studies on the previous processes for ways of reducing environment load, and reached the conclusion that by process integration and cessation of glutamic acid fermentation the environmental load will be dramatically reduced. In fact the biological oxygen demand load and the total wastewater discharge volume were both reduced by 70% after the successful Monosodium Glutamate process integration.

Another significant progress towards environmental load reduction is the introduction of a new additional step in our wastewater treatment, wherein the biological "de-nitrification process" is incorporated to treat the ammonical nitrogen in the wastewater. This is a new and advanced wastewater treatment technology adopted from the parent Company in Japan.

Significant investment was also made to other areas of the wastewater treatment plant, such as the revamp of process equipment layout, introduction a new computer aided system to enhance the control and monitoring of the effluent treatment process. These upgrading of facilities had contributed towards ensuring reliable and stable operation so that the environmental parameters of the discharge water from our plant after treatment process stay within permitted levels all the time.

Our commitment to sustainable growth demands that we continually seek ways to manage solid wastes in accordance with the 3R concepts (i.e. Reduce, Reuse and Recycle). In fact 100% of the solid by-products derived from used sub-raw materials for our manufacturing process with residual nutrients are now being recycled by fertilizers blenders as their input components. As the next target, we are progressively making every effort to recycle all the other general solid wastes, starting with discarded flexi packaging materials and paper boxes, which are already being recycled to approved recycle centres.

Efficient use of natural resources-specifically energy and water, which are used in large quantities in the manufacturing process-reduces our costs and contributes towards environmental preservation. As a direct result of our Monosodium Glutamate process integration, the water and energy consumption had been reduced by about 70% and 30 % respectively, thereby contributing to the conservation of precious water resources and the reduction of CO₂ emission.

Realizing that a formal environmental system is an essential and fundamental platform for managing environmental activities, the Company has set the target to acquire ISO 14001 standards certification by end of March 2006, establishing it as another management tool for our sound environment practices, in addition to the environmental management system prescribed by the Ajinomoto Group Environmental Policy and Environmental Regulation. To ensure successful certification the Company is allocating the necessary organizational resources-human and financial- for pursuing activities related to ISO 14001 requirements.

As a responsible corporate citizen, Ajinomoto (Malaysia) Berhad has always put environmental concern at the forefront of our activities. We have initiated many programmes to address the various environmental issues emerging from our operations and will continue to aggressively set highly challenging targets to progressively reduce the impact of emissions and discharges, in line with Malaysian legislation and all related global standards. We believe these proactive approaches will inspire our creativity and will challenge each employee to help ensure the Company's sustainable growth as well as contributing towards environment protection.

Analysis of Shareholdings ■

As At 30 June 2005

Authorised Share Capital	:	RM80,000,000.00
Issued and Paid-Up Share Capital	:	RM60,798,534.00
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One vote per ordinary share on a show of hand or one vote per ordinary share on a poll.

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 JUNE 2005

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	128	6.81	2,956	0.00
100 – 1,000	406	21.61	225,766	0.37
1,001 – 10,000	1,175	62.53	3,692,069	6.07
10,001 – 100,000	149	7.93	3,506,076	5.77
100,001 to less than 5% of issued shares	17	0.90	6,435,519	10.58
5% and above of issued shares	4	0.21	46,936,148	77.20
TOTAL	1,879	100.00	60,798,534	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2005

The substantial shareholders of Ajinomoto (Malaysia) Bhd. based on the Register of Substantial Shareholders of the Company and their respective shareholdings as at 30 June 2005 were as follows:-

Substantial Shareholders	Direct	No. of Shares	Indirect	%
Ajinomoto Co., Inc.	30,445,445	50.08	-	-
Pemegang Amanah Raya Malaysia	-	-	-	-
- Skim Amanah Saham Bumiputera	8,856,870	14.57	-	-
Gabriel C. K. Tam	4,419,133	7.27	-	-
Lembaga Tabung Haji	3,214,700	5.29	-	-

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2005

Directors	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
Y. Bhg. General (Rtd) Tan Sri (Dr) Dato' Paduka Mohamed Hashim Bin Mohd Ali	-	-	-	-
Adinan Bin Husin	-	-	-	-
Gew Ah Lek	6,000	0.01	-	-
Mazlan Bin Ab Rahman	-	-	-	-
Y. Bhg. Dato' Professor (Dr.) Teo Chiang Liang	-	-	150,000	0.25
Dr. Goh Chin Siew	-	-	-	-
Takashi Imai	2,398	0.00	-	-
Tetsuhiko Yoshikawa	-	-	-	-
Takuji Umeda	-	-	-	-
Y. Bhg. Dato' Hj. Shaharuddin Bin Hj. Haron	-	-	-	-
Keizo Kawamoto	-	-	-	-
Kenji Fukami	-	-	-	-

Analysis of Shareholdings ■

As At 30 June 2005 (con't)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 JUNE 2005

No.Shareholders	No. of Shares	%
1. Ajinomoto Co., Inc.	30,445,44	50.08
2. Amanah Raya Nominees (Tempatan) Sdn. Bhd. - <i>Skim Amanah Saham Bumiputera</i>	8,856,870	14.57
3. Tam Chi Kok Gabriel	4,419,133	7.27
4. Lembaga Tabung Haji	3,214,700	5.29
5. HDM Nominees (Asing) Sdn. Bhd. - <i>DBS Vickers Secs (S) Pte Ltd for Ettrick Company Limited</i>	1,307,454	2.15
6. Mayban Nominees (Asing) Sdn. Bhd. - <i>Bank of East Asia (Nominees) Pte Ltd for the Bank of East Asia Ltd Singapore</i>	1,131,030	1.86
7. See Hoy Chan Agencies Sendirian Berhad	775,500	1.28
8. Tee Teh Sdn. Bhd.	564,508	0.93
9. Teo Kwee Hock	463,100	0.76
10. ECM Libra Securities Nominees (Asing) Sdn. Bhd. - <i>ECM Libra Securities Limited for Fok Ng Fung Yee</i>	392,562	0.65
11. Malaysia Ve-Tsin Mfg. Co. Bhd.	313,458	0.52
12. Tay How Seng	260,059	0.43
13. Wong Chong Che	209,001	0.34
14. HLG Nominee (Asing) Sdn. Bhd. - <i>OCBC Securities Private Limited for Tan Hin Tat</i>	170,527	0.28
15. See Hoy Chan Sdn. Berhad	157,675	0.26
16. Teo Soo Cheng Sdn. Bhd.	120,000	0.20
17. Malaysia Nominees (Tempatan) Sendirian Berhad - <i>Oriental Realty Sdn. Bhd.</i>	119,536	0.20
18. Lai Khée Sin @ Joseph Lai	119,536	0.20
19. Tee Keng Sing	113,662	0.19
20. Eng Nominees (Asing) Sdn. Bhd. - <i>Kim Eng Securities Pte Ltd for Tan Pheek Gee</i>	113,011	0.19
21. JF Apex Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Teo Siew Lai</i>	104,900	0.17
22. Poseidon Sendirian Berhad	99,600	0.16
23. RHB Nominees (Asing) Sdn. Bhd. - <i>GK Goh SPL for See Fong Mun</i>	99,000	0.16
24. Yong Sai Moi @ Yong Chan Ying	95,628	0.16
25. Chia Choon Kwang @ Chai Choon Kwang	87,081	0.14
26. Citicorp Nominees (Tempatan) Sdn. Bhd. - <i>Pledged Securities Account for Wong Chong Che</i>	85,000	0.14
27. Goh Yai Heng	78,000	0.13
28. Chong Shee Jan	70,069	0.12
29. Syed Badarudin Jamalullail Bin Syed Putra Jamalullail	63,078	0.10
30. Eng Guan Chan, Sdn. Berhad	60,000	0.10
TOTAL	54,109,123	89.03

Financial Highlights ■

	2000/1* RM'000	2002 RM'000	2003** RM'000	2004** RM'000	2005** RM'000
REVENUE	173,091	142,648	151,009	164,126	166,869
PROFIT BEFORE TAXATION	17,373	13,627	14,894	14,146	12,589
NET PROFIT	11,722	10,350	12,173	12,059	12,519
SHAREHOLDERS FUNDS	106,728	117,079	123,118	128,693	136,421
PER SHARE (sen)					
GROSS EARNINGS	42.9	33.6	24.5	23.3	20.7
NET EARNINGS	28.9	25.5	20.0	19.8	20.6
NET TANGIBLE ASSET	263.3	288.9	202.5	211.7	224.4

* The previous financial period is for a period of 15 months from 1 January 2000 to 31 March 2001

** Based on an enlarged share capital of 60,798,534 subsequent to bonus issue of 20,266,178 shares

