



AJINOMOTO®

2007
Annual Report



The Ajinomoto Group Philosophy and Management Policies

The Ajinomoto Group Philosophy

Our philosophy is to contribute significant advances in Food and Health on a global basis and ultimately to create a better life for all.

The Ajinomoto Group Management Policies

Business Objectives

We aim to be a global corporation, which contributes to the general well-being of all people in the world, through our business domains of food and food-related products, amino acid-based fine chemicals and pharmaceuticals.

Business Ethos

By always putting customers first, synergizing our vast pool of creative resources and employing only superior technologies, we offer innovative products and services of the highest standards and quality.

Management Principle

We continue to respect all interested parties, including shareholders, customers, local communities, trading partners and employees, and manage operations on the basis of quick and concise decision-making that is fair and open, so realizing an appropriate return of profits to our shareholders and continually increasing our business value.

Social Responsibility

As an outstanding and socially aware corporate citizen, we endeavor to contribute to the harmony and progress of society.

Corporate Culture

We strive to maintain a creative, open, spirited, and confident atmosphere in which employees can strive for self-fulfillment and career advancement.

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Form of Proxy

TUMIX® and VONO® Introduction

Corporate Information

Directors

Gen (R) Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Chairman)
Mitsunobu Suzumi (Chief Executive Officer/Managing Director)
Adinan Bin Husin
Dato' Professor (Dr.) Teo Chiang Liang
Dr. Goh Chin Siew
Dato' Hj Shaharuddin Bin Hj Haron
Gew Ah Lek
Mazlan Bin Ab. Rahman
Makoto Tatsumi
Hiroyuki Furusawa
Hitoshi Sasaki

Bankers

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

Auditors

Hanafiah Raslan & Mohamad

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.
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur.
Tel: 2084 7077 Fax: 2094 9940

Stock Exchange Listing

Main Board of the Bursa Malaysia Securities Berhad

On behalf of the Board of Directors, it is my pleasure to present the Annual Report of Ajinomoto (Malaysia) Berhad for the financial year ended 31 March 2007.

RESULTS/PERFORMANCE

The Business environment for the Company remained challenging in 2006. Although crude oil prices calmed down since mid of the year, prices of many raw and packaging materials increased further. Stronger currency fueled competition with global competitors in the market place. We have positively reinforced sales organization and product lines, controlled factory expenses and achieved higher productivity. We also launched new variants of "VONO" – the thick and creamy instant soup, and renewed recipes and package designs of "TUMIX" – savory soup stock, to enhance further our market share and profitability. It was the second year since we integrated the manufacturing process, in addition, we have shortened the shutdown period for maintenance and coupled with lower depreciation costs have further improved our productivity and efficiency.

Revenue grew by 12 per cent or RM20 million for the year under review to RM191 million. The increase in revenue was primarily attributed to growth of sales volume in both domestic and export markets. Our efforts to control factory expenses together with achievement of higher productivity have contributed to our bottom line. The Company posted a higher Profit of RM18.7 million.

PROSPECTS

Given a continuously challenging business environment coupled with pressure from increasing raw and packaging material costs and growing global competition, we put further emphasis on strengthening and revitalizing our consumer brand "AJI-NO-MOTO". We also strengthen export sales activities in Asia and Middle East.

DIVIDENDS

In view of our performance in 2006, the Board of Directors is pleased to recommend a first and final dividends of 4 sen per share less tax and 6 sen tax exempt per share. The said dividends are subject to shareholders' approval.

APPRECIATION

Since the last Annual General Meeting, Mr. Shunichi Komatsu and Mr. Kenji Fukami have resigned from the Board. The Board wishes to record its appreciation to both of them for their invaluable contributions and guidance to the Company.

On behalf of the Board, I would also like to express my deepest appreciation to the management and staff for their dedication, commitment and untiring contributions, to our suppliers for their commitment to deliver services and goods according to our standards, and to our distributors and customers for their continued support and loyalty to our brands and to the Company. I also wish to put on record my sincere gratitude to my fellow Directors for their counsel and support.

Chairman



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

Directors' Profile

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

72 years of age - Malaysian

Chairman, Independent Non-Executive Director

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.

Gen (R) Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali joined Ajinomoto (Malaysia) Berhad soon after his retirement as the Chief of the Defence Forces in the Malaysian Armed Forces where he chalked up 40 years of dedicated service. During his tenure in the Malaysian Armed Forces, he had initiated the re-organisation and modernization of the Army.

He is also the Chairman of Country Height Holdings Berhad Group and sits on the Boards of Delloyd Ventures Berhad, Hong Leong Financial Group Berhad, Konsortium Logistik Berhad, Mines Resort Berhad, Excellence Golf Resort Berhad, Borneo Highlands Hornbill Golf & Jungle Club 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.



Mitsunobu Suzumi

49 years of age - Japanese

Managing Director - Executive Director

Mr. Suzumi was appointed as Chief Executive Officer/Managing Director on 1 July 2007. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee.

He holds a Bachelor of Liberal Arts in Asian studies degree from the College of Arts And Sciences, the University of Tokyo, Japan in 1981.

He joined Ajinomoto Co., Inc., Japan in 1981 and began his career with the International Department in Head Quarter 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.

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.



Adinan Bin Husin

61 years of age - Malaysian

Non-Independent Non-Executive Director

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 was an Expert Panel Member for the Intensification Research Priority Areas (IRPA) in food processing for the Ministry of Science Technology and Environment for more than 5 years. With his experience, involvement and active contribution to the local food industry, Malaysian Institute of Food Technology (MIFT) has bestowed on him 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.



Dato' Professor (Dr.) Teo Chiang Liang

57 years of age - Malaysian

Independent Non-Executive Director

Dato' 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 Holdings 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. In 2006, Dato' Teo was elected as an Exco member of the Malaysian Crime Prevention Foundation.

He 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 (contd.)

Dr. Goh Chin Siew

70 years of age - Malaysian

Independent Non-Executive Director

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 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.



Hitoshi Sasaki

44 years of age - Japanese

Executive Director

Mr. Sasaki was appointed to the Board of Ajinomoto (Malaysia) Berhad on 1 July 2007.

He holds a Master's degree from Department of Food Science & Technology, the School of Agriculture, Kyusyu University of Japan in 1987.

He joined Ajinomoto Co., Inc., Japan in 1987 and began his career in Central Research Laboratories and has held various positions in head office until his posting in 2007, to Ajinomoto (Malaysia) Berhad to assume the role of Chief Research and Development Officer 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.



Makoto Tatsumi

44 years of age - Japanese

Executive Director

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. He is a member of the Remuneration Committee.

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.



Mazlan Bin Ab. Rahman

55 years of age - Malaysian

Executive Director

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. Since April 2005 he had be reassigned as procurement manager. He is also the Managing Director of Malaysia Ve-Tsin Manufacturing Co. Bhd. since April 2005.

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 (contd.)

Gew Ah Lek

57 years of age - Malaysian

Executive Director

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.

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



Hiroyuki Furusawa

44 years of age - Japanese

Executive Director

Mr. Furusawa was appointed to the Board of Ajinomoto (Malaysia) Berhad on 3 July 2006. He attended all four Board meetings held in the financial year since his appointment.

Graduated with a Bachelor of Engineering from Waseda University of Japan in 1986.

He joined Ajinomoto Co., Inc., Japan in 1986 and began his career with the Central Laboratory and Food Development Laboratory 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.



Dato' Hj. Shaharuddin Bin Hj. Haron

69 years of age - Malaysian

Independent Non-Executive Director

Dato' Hj. Shaharuddin 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, Remuneration Committee and Nomination Committee. He holds a Bachelor of Arts (Hons) degree from University Malaya and a Masters in Economics from University of Pittsburgh, USA.

He had 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 of the Ministry of Domestic Trade and Consumer Affairs from 1992. Before that, 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, Gopeng 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 of Directors ("the Board") recognizes the importance of maintaining high standards of corporate governance within the Company as this would serve to protect shareholders' value as well as enhance the financial performance of the Company. In achieving this, the Board is pleased to state that the Company has applied the Principles and Best Practices of the Malaysian Code on Corporate Governance ("the Code") throughout the financial year ended 31 March 2007 and the extent of compliance with the Best Practices as set out in Part 1 and Part 2 of the Code.

The Board is committed to its policy of managing the affairs of the Company with transparency, integrity and accountability by ensuring that a sound framework of best corporate practices is in place at all levels and thus discharging its principal responsibility towards protecting and enhancing long-term shareholders' value and investors' interest.

The application of the Code and the extent of compliance with the best practices of corporate governance are reported hereunder.

THE BOARD OF DIRECTORS

The Board's overall responsibility for Corporate Governance amongst others includes setting out strategic policies and overseeing the investments and business of the Company. In fulfilling its fiduciary duties, the Board ensures that there are appropriate systems and procedures in place to manage the Company's significant risks. Key matters such as approval of annual and interim results, acquisitions and disposals, as well as material agreements etc are reserved for the Board. 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 six (6) Executive Directors, one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors. The composition of the Board complied with paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). Therefore the Board is of the view that the current composition of the Board facilitates effective and independent decision making and judgement.

The current composition of the Board fairly reflects the investment in the Company by shareholders other than the significant shareholders including the minority shareholders.

The Board comprises highly respectable and professional persons and 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 mixed skills and experience are vital for the successful direction of the Company. A brief profile of each Director is presented on pages 04 - 09 of this Annual Report.

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 of the Chairman and Managing Director are separate and each has a clear accepted division of responsibilities to ensure that there is a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Managing Director has the overall responsibilities over the Company's operating units, organisational effectiveness and implementation of Board policies and decisions.

Responsibility is vested on the Non-Executive Directors of the Company to ensure that the policies and strategies proposed by 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 is 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.

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. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
4. Maintaining effective investors' and shareholders' communication policy;
5. Ensuring that the Company complies with applicable laws, regulations, rules, directives and guidelines of relevant authorities; and
6. 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.

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 2007 and each Director's attendance at the meetings were as follows:-

Directors	No. of Meetings Attended by the Directors in respect of the Financial Year Ended 31 March 2007*	Attendance (%)
Executive Directors		
Shunichi Komatsu (Managing Director)	5/5	100
Mazlan Bin Ab. Rahman	5/5	100
Gew Ah Lek	5/5	100
Makoto Tatsumi	5/5	100
Hiroyuki Furusawa**	4/4	100
Kenji Fukami	5/5	100
Taisuke Oka***	1/1	100
Takuji Umeda***	1/1	100
Non-Executive Directors		
General (R) Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali (Chairman)	5/5	100
Adinan Bin Husin	5/5	100
Dato' Professor (Dr.) Teo Chiang Liang	5/5	100
Dr. Goh Chin Siew	5/5	100
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 2007. The meetings were held on 25 May 2006, 21 July 2006, 22 August 2006, 20 November 2006 and 12 February 2007.

** Hiroyuki Furusawa was appointed as Executive Director on 3 July 2006.

*** Taisuke Oka and Takuji Umeda resigned as Executive Directors on 6 July 2006.

Statement On Corporate Governance (contd.)

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, 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 Management is delegated with the responsibility of meeting the objectives.

The Board has unrestricted access to all information within the Company, whether as a full Board or in their individual capacity, which is necessary for discharge of its responsibilities and may obtain independent professional advice at the Company's expense in furtherance of its duties. Wherever necessary, consultants and experts were invited to brief the Board on their areas of expertise or their report.

The Board has access to the advice and services of the Company Secretary who is responsible to ensure that Board meeting procedures are followed, and the applicable statutory and regulatory requirements are complied with.

Appointments to the Board

The Board has established a Nomination Committee ("NC"), consisting five (5) Directors who are Non-Executive Directors of the Company. This Committee is responsible for making recommendations to the Board on the optimum size of the Board and proposing new nominees to the Board. The Committee also assess the performance of the Directors of the Company by annually reviewing the profile of the required skills to ensure that the Board has an appropriate balance of expertise and ability. During the year, the NC reviewed the profiles of Mitsunobu Suzumi and Hitoshi Sasaki and recommended the nominations to the Board of Directors' for approval.

Directors' Training and Education

The Director who was appointed during the financial year namely, Hiroyuki Furusawa has attended and completed the Mandatory Accreditation Programme conducted by Bursatra Sdn. Bhd. The Directors will continue to attend relevant Continuing Education Programme (CEP) and other trainings to keep themselves updated on the expectations of their roles and other market developments where appropriate.

During the financial year ended 31 March 2007, the Company organised an in-house Directors' training entitled "Corporate Social Responsibility" and all Directors attended the training.

Makoto Tatsumi also attended Bursa Malaysia – MAICSA Roadshow – 2007 "Updates on Listing Requirements: Issues and Changes" on 5 June 2007.

Upon the revised Bursa Securities' Listing Requirements, the Board has assumed the onus of determining or overseeing the training needs of their Directors from year 2005 onwards. The members of the Board will attend various external professional programmes necessary to ensure that they are kept abreast on various issues facing the changing business environment within which the Company operates.

However, the Board encourages its Directors to attend talks, workshops, seminars and conferences to update and enhance their skills and to assist them in discharging their responsibilities towards corporate governance, operational and regulatory issues.

Re-election and re-appointment of Directors

Any Director appointed during the year is required under the Company's Articles of Association, to retire and seek re-election by shareholders at the following Annual General Meeting ("AGM") immediately after their appointment. The Company's Articles of Association also provides that, all Directors who are appointed by the Board are subject to retirement at the first AGM of the Company subsequent to their appointment. One third (1/3) of all the other Directors shall retire by rotation at each AGM 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.

The Directors to retire from office at the forthcoming Forty-Sixth AGM are Gew Ah Lek, Makoto Tatsumi, Dato' Professor (Dr.) Teo Chiang Liang, Mitsunobu Suzumi and Hitoshi Sasaki.

In addition, in accordance with Section 129 of the Companies Act, 1965, General (R) Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali who is over the age of 70 years will be seeking for re-appointment as Director of the Company at the forthcoming AGM.

The relevant information on the retiring Directors is disclosed in the Statement Accompanying the Notice of the AGM.

COMMITTEES

The Board of Directors delegates specific responsibilities to the respective Committees of the Board namely the Audit Committee, the Nomination Committee and the Remuneration Committee in order to enhance business and corporate efficiency and effectiveness. The Chairman of the respective Committees will brief the Board on the matters discussed at the Committee meetings and minutes of these meetings are circulated to the full Board.

(1) Nomination Committee

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

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

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. Shaharuddin Bin Hj. Haron	(Independent Non-Executive Director)
• Shunichi Komatsu	(Managing Director)
• Makoto Tatsumi	(Executive Director)

The primary function of the Remuneration Committee is to set up the policy framework and to recommend to the Board on the remuneration and other terms of employment of the Executive Directors. The determination of the remuneration for the Non-Executive Directors will be a matter of the Board as a whole with the Director concerned abstaining from deliberation and voting decision in respect of his individual 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.

The Remuneration Committee may meet at least once a year or more frequently as deemed necessary. During the financial year ended 31 March 2007, the Committee had three (3) meetings.

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

	Executive Directors RM '000	Non-Executive Directors RM '000
Salaries and other emoluments	2,233	-
Fees	125	155
Bonus	53	-
Gratuity	50	62
Defined contribution plan	51	-
Benefit In Kind	347	-

Statement On Corporate Governance (contd.)

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	-	4
RM50,000 – RM100,000	2	-
RM100,001 – RM150,000	-	1
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	-	-
RM250,001 – RM300,000	2	-
RM300,001 – RM350,000	-	-
RM350,001 – RM400,000	2	-
RM400,001 – RM450,000	1	-
RM450,001 – RM500,000	-	-
RM500,001 – RM550,000	-	-
RM550,001 – RM600,000	-	-
RM600,001 – RM650,000	1	-

The only area of non-compliance with the Code 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 Company'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 20 to 22.

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 20 to 22.

The Statement of Directors' Responsibility in respect of the Audited Financial Statements pursuant to paragraph 15.27(a) of the Listing Requirements and pursuant to the Statement of Directors' responsibility of the Companies Act, 1965 is set out on page 19 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 17 to 18.

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 20 to 22 of this Annual Report. The Board and the Audit Committee have always maintained a professional and transparent relationship with the Company's auditors.

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 providing reasonable assurance to shareholders of the fairness 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 that come to their attention in the course of the audit 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. Shareholders and investors are also able to access the latest corporate, financial and market information of the Company via Bursa Securities' website at www.bursamalaysia.com.

Annual General Meeting ("AGM")

The AGM and Extraordinary General Meeting remain the principal forum for dialogue with shareholders where they may seek clarifications on the Company's businesses. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. The Board will respond to any questions raised during the meeting to the best ability and knowledge to do so.

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.

Timely announcements are also made to the public with regard to the Company's quarterly results, corporate proposals and other required announcements to ensure effective dissemination of information relating to the Company and that accurate information are provided to the interested public at large.

This Statement on Corporate Governance was adopted at the Board of Directors' meeting held on 22 June 2007.

Additional Compliance Information

1. Utilisation of Proceeds

Not Applicable

2. Share Buy-Back

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

3. Options, Warrants or Convertible Securities

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

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

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

5. 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.

6. Non-Audit Fees

During the financial year, the amount of non-audit fees paid by the Company to the external auditors amounted to RM5,000/-.

7. Variation in Results

There were no material variations between the audited results for the financial year ended 31 March 2007 against the unaudited results for the year ended 31 March 2007 released by the Company previously.

8. Profit Guarantee

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

9. Material Contracts

Save as disclosed below, there were no other material contracts entered into by the Company involving Directors' and major shareholders' interests which were still subsisting at the end of the financial year or entered into since the end of the previous financial year: -

The Conditional Sale and Purchase Agreement (SPA) dated 4 June 2007 entered into between the Company and Malaysia Ve-Tsin Manufacturing Company Berhad for the sale and purchase of three (3) adjoining parcels of leasehold industrial land consisting of a portion of the land held under title PN 17537 Lot No. 23630 and the entire portion of the land held under titles PN 17535 Lot No. 23631 and PN 21150 Lot No. 14300, all situated within the Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur together with the buildings erected thereon, from Malaysia Ve-Tsin Manufacturing Company Berhad for a purchase consideration of RM19,350,000, upon the terms and conditions as set out in the Conditional SPA.

10. Revaluation Policy on Landed Properties

The Company has not adopted a policy of regular revaluation on its landed properties. As at 31 March 2007, the Company did not carry out any revaluation exercise on its landed properties.

11. Recurrent Related Party Transactions of Revenue or Trading Nature

The details of the transactions with related parties undertaken by the Company during the financial year are disclosed in Note 24 on pages 65 of this Annual Report.

INTRODUCTION

The Board of Ajinomoto (Malaysia) Berhad ("the Board") remains committed towards ensuring that a sound system of internal control exists in order to safeguard shareholders' investments and the Company's assets. The Board is pleased to provide a statement on the state of the internal control of the Company prepared in accordance with paragraph 15.27(b) of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") and the Statement on Internal Control - Guidance for Directors of Public Listed Companies.

BOARD RESPONSIBILITY

The Board affirms its responsibility for establishing and maintaining a sound system of internal control and risk management practices as well as reviewing the adequacy and integrity of the internal control system. The Board has delegated the abovementioned responsibility to the Audit Committee. Through the Audit Committee, the Board is kept informed of all significant control issues brought to the attention of the Audit Committee by the Management, the internal audit function and the external auditors.

As there are inherent limitations in any system of internal control, such a system can only manage rather than eliminate all risks that may impede the achievement of the Company's corporate objectives. Therefore, the system of internal control can only provide reasonable assurance rather than absolute assurance against material misstatement or loss. In devising control procedures, due consideration is given to the cost of implementation as compared to the expected benefits.

RISK MANAGEMENT FRAMEWORK

The Board acknowledges that the Company's business activities involve some degree of risk and key management staff and Heads of Department are delegated the responsibility to manage identified risks within defined parameters and standards.

The Risk Management Committee which adopts the risk framework from the parent company's Risk Management Guideline System is chaired by the Chief Financial Officer and includes other key management staff. Identifying, evaluating and managing the significant risks faced by the Company is an ongoing process which is undertaken at each department. During the year under review, this process was exercised through periodic management meetings held to communicate and deliberate key issues and risks amongst Management team members and where appropriate, controls are devised and implemented. Significant risks identified are escalated to the Board for their attention by the Chief Financial Officer at their scheduled meetings.

The abovementioned practices/initiatives by the Management serves as the ongoing process used to identify, assess and manage key business, operational and financial risks faced by the Company.

INTERNAL AUDIT FUNCTION

The Company's internal audit function is outsourced to external consultants. The outsourced internal auditors assist the Board and the Audit Committee in providing independent assessment of the adequacy and effectiveness of the Company's internal control systems. Internal audit plans are tabled to the Audit Committee for review and approval to ensure adequate coverage.

Periodically and in accordance with the approved internal audit plan, the Company's internal auditors perform audit reviews on business processes and the results of their review are brought to the attention of the Audit Committee through their audit reports. Follow-up reviews are also conducted to ensure that the recommendations for improvement have been implemented by the Management on a timely basis.

During the financial year under review, the weaknesses in internal control identified have been appropriately addressed. Notwithstanding this, the Company will continue to take measures to enhance and strengthen the internal control environment.

The internal audit team did not perform any review and assessment of Ajinomoto (Malaysia) Berhad's associate companies as this was deemed not necessary for the period under review.

Statement On Internal Control (contd.)

OTHER KEY ELEMENTS OF INTERNAL CONTROLS

The other key elements of the Company's internal control system are as follows:

- Clearly defined and structured lines of reporting and responsibility within the Organisation, including authorisation levels for all divisions within the Company.
- Regular internal audit visits to assess the adequacy and effectiveness of internal controls, to monitor compliance with procedures, and the review and assessment of risks the Company's operations are exposed to.
- The quality of staff underpinned by a rigorous recruitment process, performance appraisal and annual training programs.
- The quality of product is of prime importance to the Board. The compliance to procedures outlined in the ISO9001:2000 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.
- There is a comprehensive budgeting and forecasting system, with an annual business plan and budget approved by the Board and the Holding Company. The results of the Company's business are reported on a monthly basis. Forecasts are revised on a semi-annual basis. Monthly operational meetings and regular weekly meetings are conducted among senior management staff to evaluate and monitor the progress of the business operations.

CONCLUSION

For the financial year under review, issues highlighted by the Management, the Internal Audit Function and the External Auditors in relation to the Company's internal control system have been adequately addressed. The Board remains committed towards operating a sound system of internal control. Therefore, reviews of internal controls will be continuously carried out to ensure the ongoing adequacy and effectiveness of the Company's system of internal control.

This Statement on Internal Control was adopted at the Board of Directors' meeting held on 22 June 2007.

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 Economic Entity and the Company as at the end of the financial year and of its results and cash flows for that year then ended.

The Directors consider that in preparing the financial statements,

- the Economic Entity and the Company has used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgments and estimates have been 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 Economic Entity and 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

INTRODUCTION

The Board of Directors of the Company is pleased to present the report of the Audit Committee for the financial year ended 31 March 2007.

PURPOSE

The Audit Committee assists the Board in carrying out its responsibilities and meeting the Corporate Governance requirements. It reviews the quarterly financial information before recommending to the Board for adoption and release to the Bursa Securities 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 Reports of the Independent Internal and External Auditors.

Composition and Meetings

The members of the Audit Committee, attendance at each Audit Committee Meeting during the financial year ended 31 March 2007 are as follows:

Directors		Status	Attendance
Dato' Professor (Dr.) Teo Chiang Liang	Chairman	Independent Non-Executive Director	4/4
Gen (R) Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd. Ali	Member	Independent Non-Executive Director	4/4
Adinan Bin Husin	Member	Non-Independent Non-Executive Director	4/4
Dato' Hj. Shaharuddin Bin Hj. Haron	Member	Independent Non-Executive Director	4/4
Dr. Goh Chin Siew	Member	Independent Non-Executive Director	4/4
Shunichi Komatsu	Member	Executive Director	4/4
Gew Ah Lek	Member	Executive Director	4/4

* The meetings were held on 25 May, 2006, 22 August, 2006, 20 November, 2006 and 12 February, 2007 respectively.

TERMS OF REFERENCE

1. Composition of members

The Board shall elect the Audit Committee members from amongst themselves, comprising no fewer than three (3) Directors, where the majority shall be Independent Directors.

In this respect, the Board adopts the definition of "Independent Director" as defined under the Bursa Malaysia Securities Berhad (Bursa Securities) Listing Requirements.

At least one member of the Audit Committee must be:-

- (a) a member of the Malaysian Institute of Accountant ("MIA"); or
- (b) if he is not a member of MIA, he must have at least 3 years of working experience and:
 - i. he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - ii. he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

- (c) fulfils such other requirements as prescribed by the Exchange.

No Alternate Director of the Board shall be appointed as a member of the Audit Committee.

Retirement and resignation

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

2. Chairman

The Chairman of the Audit Committee, elected from amongst the Audit Committee members, shall be an Independent Director. The Chairman of the Committee shall be approved by the Board of Directors.

3. Secretary

The Secretary of the Audit Committee shall be the Company Secretary.

4. Meetings

The Audit Committee meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

In the absence of the Chairman, the other Independent Director shall be the Chairman for that meeting.

The members of the Audit Committee and the head of internal audit will normally be in attendance at the meetings. Representatives of the external auditors are to be in attendance at meeting where matters relating to the audit of the statutory accounts and/or external auditors are to be discussed.

Other Directors, officers and employees of the Company and/or Group may be invited to attend, except for those portions of the meetings where their presence is considered inappropriate, as determined by the Audit Committee.

Minutes of each meeting shall be kept and distributed to each member of the Audit Committee and also to the other members of the Board of Directors. The Audit Committee Chairman shall report on each meeting to the Board of Directors.

5. Quorum

The quorum for the Audit Committee meeting shall be the majority of members present who must be Independent Directors.

6. Objectives

The principal objectives of the Audit Committee is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Company. In addition, the Audit Committee shall:-

- evaluate the quality of the audits conducted by the internal and external auditors;
- provide assurance that the financial information presented by management is relevant, reliable and timely;
- oversee compliance with laws and regulations and observance of a proper code of conduct; and
- determine the adequacy of the Company's control environment.

Audit Committee Report (contd.)

7. Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board of Directors and at the expense of the Company,

- (a) authorise to investigate any activity within its terms of reference. All employees shall be directed to co-operate as requested by members of the Audit Committee.
- (b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company.
- (c) obtain, at the expense of the Company, other independent professional advice or other advice and secure the attendance of outsiders with relevant experience and expertise if it considers necessary.
- (d) be able to convene meetings with the external auditors, without the attendance of the executive members of the Audit Committee, whenever deemed necessary.
- (e) be able to make relevant reports when necessary to the relevant authorities if a breach of the Listing Requirements occurred.

8. Duties and Responsibilities

The duties and responsibilities of the Audit Committee are as follows:-

- To review the maintenance and control of an effective accounting system;
- To review the Company's public accountability and compliance with the law;
- To ensure the adequacy of internal and external audit procedures;
- To evaluate the quality of external auditors and make recommendations concerning their appointment and remuneration and to consider the nomination of a person or persons as external auditors;
- To provide liaison between the external auditors, the management and the Board of Directors and also to review the assistance given by the management to the external auditors;
- To review the findings of the internal and external auditors;
- To review the quarterly results and financial statements and annual report prior to submission to the Board of Directors;
- To monitor any related party transactions that may arise within the Company and to report, if any, transactions between the Company and any related party outside the Company which are not based on arms-length terms and on terms which are disadvantageous to the Company;
- To report its findings on the financial and management performance, and other material matters to the Board of Directors;
- To act in line with the directions of the Board of Directors; and
- To consider and examine such other matters as the Audit Committee considers deem and appropriate.

In 2006/7, Ajinomoto (Malaysia) Berhad continues to uphold 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 continues with various proactive approaches to further reduce the environmental impact arising from our operations, consistent with our commitment to sustainable development and business growth. Progress was also made in the continuing reduction of environmental loads, and the introduction of waste segregation for promoting reuse and recycling activities.

Surveillance from SIRIM on our Environmental Management System was conducted as planned in January 2007. Ajinomoto (Malaysia) Berhad had managed to successfully continue ISO 14001:2004 certification, the globally recognized environment management system which was acquired in February 2006. We further improve and enhance the platform and management tools of our Environmental Management System (EMS) during the preparation for surveillance audit. All the significant environment impacts Raised due to the company's operational activities were assessed and evaluated using established Environmental Impact Assessment Model. The Ajinomoto (Malaysia) Berhad EMS committee had prepared effective control measures and management programs to manage all such identified significant environmental impacts.

The company besides complying 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 Objectives.

One such significant progress towards environmental load reduction is the introduction of Biological Denitrification (BDN) process, a new additional step in our wastewater treatment, to treat the ammonical nitrogen in the wastewater. This is a new and advanced wastewater treatment technology adopted from the parent Company in Japan, and had been fully implemented and optimized from June 2005.

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). We had introduced solid waste segregation using different color collection bins since December 2005 to further promote segregation for reuse and recycle. In 2006/07, the total Solid waste generated increased slightly by 5% due to extraordinary contribution from maintenance of factory perimeter (cutting of trees which were posing danger to company facilities). However the recycle volume still managed to increase by about 3% compared to previous year.

Efficient use of natural resources-specifically energy and water which are used in large quantities in the manufacturing process-not only contributes towards environmental preservation but will also reduce our operating costs. The company had therefore continued with some energy saving projects focusing on reduction of electricity, water and steam consumptions. Our "Energy Saving Project Team" comprising members from various department continued to monitor, studied, planed and implemented viable measures towards utility cost reduction.

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 environment 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.

AJI-NO-MOTO® Campaign



TV Commercial



Website



Consumer Contest

AJI-NO-MOTO® “Discover The Secret of Japanese Food Campaign”



Internal Announcement



Internal Cooking Contest



Press Ad, Magazine Ad and Radio Ad



AJI-NO-MOTO® (MSG) has been around for almost 100 years is a household name in Malaysia. It is very popular as a natural flavour enhancer for foods.

Beginning August 2006, Ajinomoto (Malaysia) Berhad launched a new campaign based on the theme “DASHI” which is a basic Japanese cooking stock. Ajinomoto Co., Inc., was the first to discover how to turn “DASHI” into granules. The concept behind this campaign is to drive the message of “Discover the Secret of Japanese Food”.

To reinforce the thematic campaign and to reward loyal customers, Ajinomoto (Malaysia) Berhad launched the “Discover The Secret Contest” held from 1st October to 31st December 2006. The campaign was supported by media advertisements, announcement in Ajinomoto (Malaysia) Berhad website (www.ajinomoto.com.my) and internal activities such as cooking competition.

Along with this campaign, Ajinomoto (Malaysia) Berhad aims to convey the correct information and strengthen the brand power of AJI-NO-MOTO® in Malaysia market.

Company Activities



New Outlook of Ajinomoto (Malaysia) Berhad Website

To strengthen the relationship with the general public, Ajinomoto (Malaysia) Berhad has revamped the website with new concept and outlook in August 2006. The website features "happy and healthy lifestyle" and relates AJI-NO-MOTO® (MSG) to Japanese foods which is perceived as one of the healthiest cuisine in the world. In order to establish a closer relationship with consumers, the Company created a member site in the website called the **UMAMI Zone**. Many interesting information are included in this member site such as delicious local & Japanese recipes, health tips, consumer contest and informative Japanese topic (eg: dining tips, costumes, festivals, arts etc.).

Cintai Malaysia Exhibition

The exhibition was held in Putra World Trade Centre (PWTC) on 6 until 10 September 2006. Ajinomoto (Malaysia) Berhad participated in products promotion such as selling, cooking demonstration, sampling with leaflet, TV advertisement presentation, etc.



Donations to the Flood Victims

Besides committing to improve Food and Health, AJINOMOTO® also actively participated in the CSR activities. For example, at the beginning of year 2007, Ajinomoto (Malaysia) Berhad had donated substantial amount of easy-to-prepare VONO® and SERI-AJI® products.

"AJINOMOTO® Bersama Sekolah" Secondary School Project

The project involved 110 schools with 15,000 students participated from 13 April until 19 July 2006. Objectives of the project were to educate about the correct information on Monosodium Glutamate (MSG) and introduce AJINOMOTO® products applications to the students in order to increase their awareness on the products. In addition, "Count & Win Contest" was organised for the students. The prize giving ceremony was held on 20 September 2006.



Factory Visit To Ajinomoto (Malaysia) Berhad

In order to establish a close relationship with the general public, Ajinomoto (Malaysia) Berhad has taken the initiative to direct communicate with consumers by disseminating information about Company profile, products knowledge and applications. In the financial year of 2006/2007, the Company had welcomed almost 3,000 visitors to the factory.

Analysis Of Shareholdings As At 29 June 2007

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

DISTRIBUTION OF SHAREHOLDINGS AS AT 29 JUNE 2007

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	146	6.80	3,468	0.01
100 – 1,000	472	21.99	289,293	0.48
1,001 – 10,000	1,285	59.88	4,392,646	7.22
10,001 – 100,000	219	10.21	5,538,394	9.11
100,001 – 3,039,925 (*)	21	0.98	6,853,285	11.27
3,039,926 and above (**)	3	0.14	43,721,448	71.91
TOTAL	2,146	100.00	60,798,534	100.00

Remarks: * Less than 5% of Issued Shares
 ** 5% and above of Issued Shares

SUBSTANTIAL SHAREHOLDERS AS AT 29 JUNE 2007

The substantial shareholders of Ajinomoto (Malaysia) Berhad based on the Register of Substantial Shareholders of the Company and their respective shareholdings as at 29 June 2007 were as follows:-

Substantial Shareholders	No. of Shares			
	Direct	%	Indirect	%
Ajinomoto Co., Inc.	30,445,445	50.08	-	-
Amanah Raya Nominees (Tempatan) Sdn. Bhd. - Skim Amanah Saham Bumiputera	8,856,870	14.57	-	-
Tam Chi Kok Gabriel	4,419,133	7.27	-	-

DIRECTORS' SHAREHOLDINGS AS AT 29 JUNE 2007

Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Adinan Bin Husin	-	-	-	-
General Tan Sri (Dr.) Dato' Paduka Mohamed Hashim Bin Mohd Ali	-	-	-	-
Gew Ah Lek	6,000	0.01	-	-
Mazlan Bin Ab. Rahman	-	-	-	-
Dato' Professor (Dr.) Teo Chiang Liang	-	-	150,000 ⁽¹⁾	0.25
Dr. Goh Chin Siew	-	-	-	-
Shunichi Komatsu	2,398	0.00	-	-
Dato' Hj. Shaharuddin Bin Hj. Haron	-	-	-	-
Makoto Tatsumi	-	-	-	-
Kenji Fukami	-	-	-	-
HiroYuki Furusawa	-	-	-	-

⁽¹⁾ Deemed interested by virtue of his and/or persons associated with him who has/have more than 15% equity interest in Teo Soo Cheng Sdn. Bhd. and See Hoy Chan Holdings Sendirian Berhad respectively.

Analysis Of Shareholdings As At 29 June 2007 (contd.)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 29 JUNE 2007

No.	Shareholders	No. of Shares	%
1.	Ajinomoto Co., Inc.	30,445,445	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.	Lonpac Insurance Bhd	1,307,454	2.15
5.	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
6.	See Hoy Chan Agencies Sendirian Berhad	775,500	1.28
7.	Tee Teh Sdn. Berhad	564,508	0.93
8.	Cartaban Nominees (Asing) Sdn. Bhd. <i>DBS Vickers (Hong Kong) Limited For Ng Fung Yee</i>	392,562	0.65
9.	JF Apex Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teo Siew Lai (Margin)</i>	377,300	0.62
10.	Ta Nominees (Tempatan) Sdn Bhd. <i>Pledged Securities Account For Lee Kin Kheong</i>	294,500	0.48
11.	Teo Kwee Hock	270,000	0.44
12.	Tay How Seng	260,059	0.43
13.	HLG Nominee (Asing) Sdn. Bhd. <i>OCBC Securities Private Limited for Tan Hin Tat</i>	170,527	0.28
14.	Eu Lee Chuan Enterprise Sdn. Berhad	160,000	0.26
15.	Malaysia Ve-Tsin Mfg. Co. Bhd.	149,400	0.25
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 Khee Sin @ Joseph Lai	119,536	0.20
19.	Tee Keng Sing	113,662	0.19
20.	Inter-Pacific Equity Nominees (Asing) Sdn. Bhd. <i>Kim Eng Securities Pte Ltd for Tan Pheck Gee</i>	113,011	0.19
21.	Chan Heng Koon	108,000	0.18
22.	LKK Realty Sdn Bhd.	104,000	0.17
23.	Cimsec Nominees (Asing) Sdn. Bhd. <i>Exempt An For CIMB-GK Securities Pte Ltd</i>	102,300	0.17
24.	EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account For Chee Sai Mun (Epic-Tsh 1)</i>	100,400	0.17
25.	See Hoy Chan Sdn. Berhad	100,000	0.16
26.	Poseidon Sendirian Berhad	99,600	0.16
27.	Yong Sai Moi @ Yong Chan Ying	95,628	0.16
28.	Chia Choon Kwang @ Chai Choon Kwang	92,081	0.15
29.	Mayban Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Kwan Keng Kwek</i>	88,500	0.15
30.	Leong Kok Tai	82,500	0.14
Total		51,133,042	84.10

Financial Highlights

Figures are based on company level results

	2003 RM '000	2004 RM '000	2005 RM '000	2006 RM '000	2007 RM '000
REVENUE	151,009	164,126	166,869	170,593	190,629
PROFIT BEFORE TAXATION	14,894	14,146	12,589	6,851	21,030
NET PROFIT	12,173	12,059	12,519	6,010	18,670
SHAREHOLDERS FUNDS	123,118	128,693	136,421	137,640	151,519
PER SHARE					
• GROSS EARNINGS	24.5	23.3	20.7	11.3	34.6
• NET EARNINGS	20.0	19.8	20.6	9.9	30.7
• NET TANGIBLE ASSET	202.5	211.7	224.4	226.4	249.2

