

# Our Story of Value Creation

## 1 Trajectory of Growth

In the 110 years since its establishment in 1907, The Nisshin OilliO Group has been bringing delicious and healthy foods to the dining table, always remaining in step with the dietary habits of the times.

Through the "mastering oils and fats," we are continuously working to co-create diverse forms of value as we seek to further expand the market for our products.

### 1907 to 1924

#### Founding

In 1907, Kihachiro Okura and Kyujiro Matsushita founded the company "Nisshin Soybean Crushing Co." The name Nisshin is made up of two characters denoting Japan and China. In 1924, we launched Japan's first salad oil, *Nisshin Salad Oil*.  
 1907 Established as "Nisshin Soybean Crushing Co."  
 1924 Launched Japan's first salad oil, *Nisshin Salad Oil*



#### Value provision (Shared value)

The launch of our salad oil helped popularize the habit of eating raw vegetables.

### 1925 to 1959

#### Creating a food culture with salad oil

As gas, electricity, and water systems spread to houses and life progressed, a wave of western food culture washed over the country, bringing with it the increased use of salad oil in the home. The Company contributed to popularizing the use of salad oil in the general household by offering consumers demonstrations at events on how to prepare salad dressings and mayonnaise.  
 1951 Launched edible oil gift set



We proposed methods for how to use salad oil at home, in response to the wave of westernization of food.

### 1960 to 1979

#### Growth of core products and introduction of new businesses

As the types of foods diversified, *Nisshin Salad Oil* was able to grow as a leading brand of salad oil on the back of Company efforts to improve quality, innovate technologically, and to adopt new types of container.  
 1963 Yokohama Isogo Plant opened  
 1973 Full-fledged introduction of Fine Chemical business



We helped increase awareness of salad oils and other edible oils.

### 1980 to 1999

#### New product and business domain development

We launched a range of products that not only met the growing demand for healthy, gourmet, and luxury products, but that also focused on ease-of-use.  
 1980 Launched *Nisshin Mayo-Dore* (purely plant-based mayonnaise-type seasoning)  
 1992 Launched *Nisshin Canola Oil*  
 1996 Launched Japan's first original olive oil brand, *BOSCO Olive Oil*



We created a new market for edible oils that met demands for healthy and gourmet options.

### 2000 to 2009

#### Birth of a new company

The Nisshin OilliO Group, Ltd. was established in 2002. In addition to developing products that provided added functionality such as foods for specified health uses, we also provided consumers with a range of information such as how to use the product in a way that leveraged the unique characteristics of our products, thereby contributing positively to the dietary habits of the population.  
**2002**  
 The Nisshin Oil Mills, Ltd., Rinoru Oil Mills Co., Ltd., and Nikko Oil Mills Co., Ltd. integrated their operations to form The Nisshin OilliO Group, Ltd.  
 2003 Launched *Healthy Resetta*, a government-authorized food for specified health uses (FOSHU)  
 2005 Capital participation in Malaysia's Intercontinental Specialty Fats Sdn. Bhd. (ISF)  
 2009 Capital participation in Daito Cacao Co., Ltd.



We contributed to new dietary habits, including providing products with added functionality.

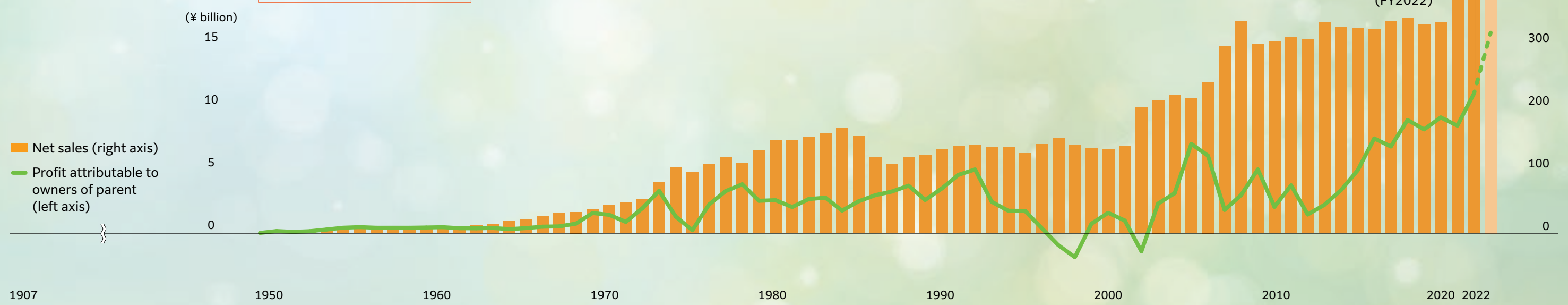
### 2010 to present

#### The challenge to co-create diverse forms of value

In response to diversifying consumer demand for foodstuffs that are healthy, natural, convenient, etc., we expanded our lineup of products. We also started proactively expanding overseas, through the establishment of bases in Asia and Europe.  
 2011 Capital participation in Industrial Quimica Lasem, S.A.U. (IQL) (Spain)  
 2012 Launched *Ene-Pudding*  
 2015 Launched *Nisshin Flaxseed Oil* and *Nisshin Healthy-Off*  
 2017 Launched *Nisshin MCT Oil HC*  
 2021 Launched *Nisshin Yamitsuki Oil*  
 2023 Launched carton container type products



We expanded our range of products in response to a diversification of consumer lifestyles.

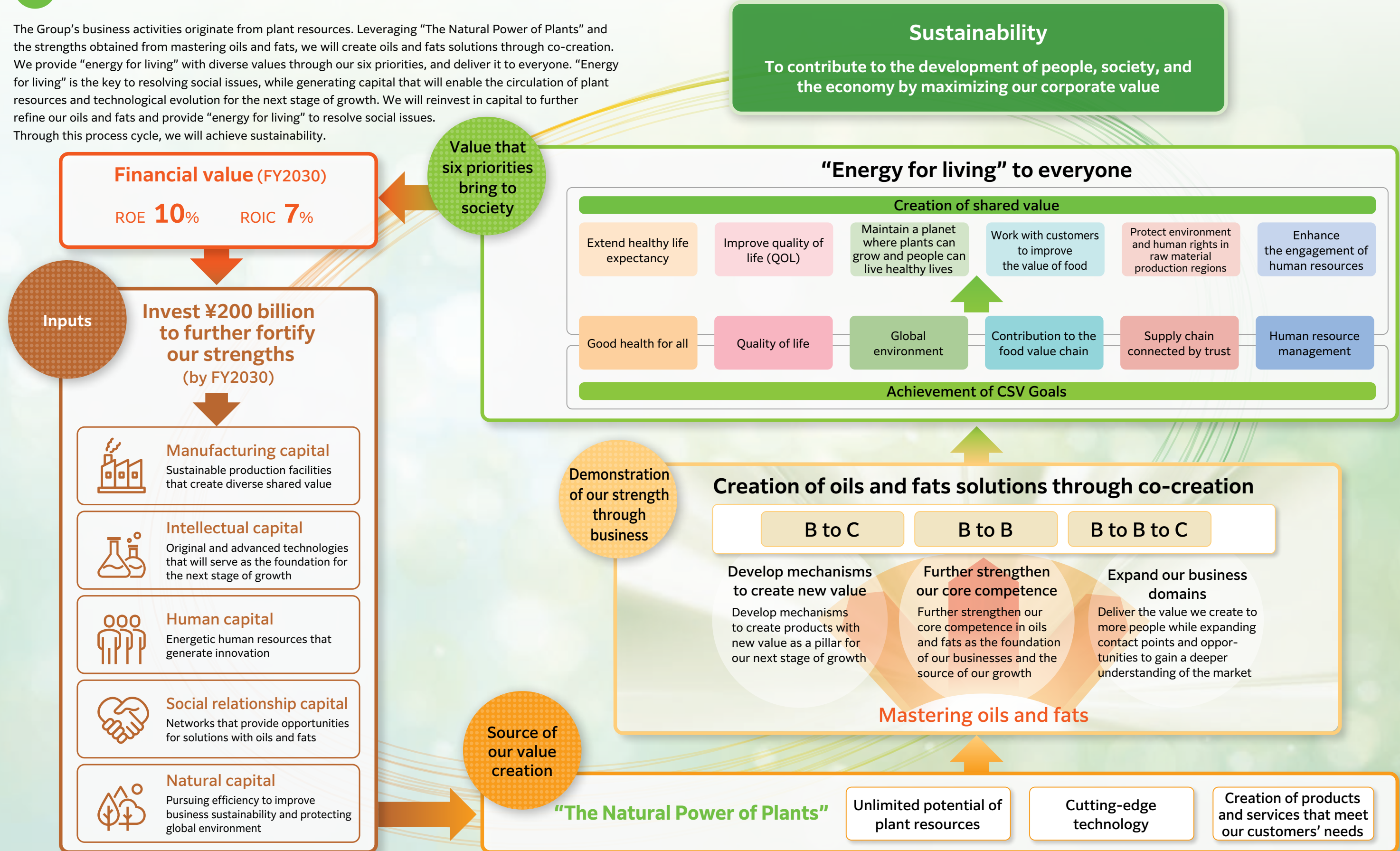




Our Story of Value Creation

## 2 Value Creation Model

The Group's business activities originate from plant resources. Leveraging "The Natural Power of Plants" and the strengths obtained from mastering oils and fats, we will create oils and fats solutions through co-creation. We provide "energy for living" with diverse values through our six priorities, and deliver it to everyone. "Energy for living" is the key to resolving social issues, while generating capital that will enable the circulation of plant resources and technological evolution for the next stage of growth. We will reinvest in capital to further refine our oils and fats and provide "energy for living" to resolve social issues. Through this process cycle, we will achieve sustainability.








## Our Story of Value Creation

### 3 Inputs

The core competence of The Nisshin OilliO Group lies in “oils and fats.” We will invest ¥100 billion during the period of our “Value Up+” medium-term management plan to further strengthen the capital we have accumulated over the years in order to become a global top provider of oils and fats solutions.

Present state

Invest ¥100 billion during the period of Value Up+\*1

Present state		Invest ¥100 billion during the period of Value Up+*1	
 <p><b>Manufacturing capital</b> Sustainable production facilities that create diverse shared value</p>	<ul style="list-style-type: none"> <li>Established 20 companies in 8 countries as our bases</li> <li>Stable and efficient operations achieved through continuous introduction of efficient equipment and operation management technology</li> </ul> <p><b>Capital investment</b></p> <p>FY2012: ¥6.6 billion → FY2022: ¥10.2 billion</p>	<p><b>Expand production capacity</b> ¥10 billion</p> <ul style="list-style-type: none"> <li>Increase production capacity for oils and fats for chocolate, etc.</li> </ul>	<p><b>Investment in DX</b> ¥5 billion</p> <ul style="list-style-type: none"> <li>Convert the Nagoya Plant into a smart factory</li> </ul> <p><b>Investment in upgrades</b> ¥20 billion</p>
 <p><b>Intellectual capital</b> Original and advanced technologies that will serve as the foundation for the next stage of growth</p>	<ul style="list-style-type: none"> <li>Knowledge accumulated through many years of basic research into oils and fats, and expertise in product development to address customer needs and markets</li> <li>Strategic rollout of intellectual property to leverage our technologies and brand</li> </ul> <p><b>Number of patents held</b></p> <p>FY2012: Approx. 240 → FY2022: Approx. 640</p>	<p><b>Mechanisms for co-creation</b> ¥10 billion</p> <ul style="list-style-type: none"> <li>Enhance and implement incubation functions at the Yokohama Isogo Complex</li> <li>Functional material marketing</li> </ul>	
 <p><b>Human capital</b> Energetic human resources that generate innovation</p>	<ul style="list-style-type: none"> <li>Corporate culture that values teamwork and a meticulous and dedicated attitude in all aspects of our operations including production, quality and customer service</li> <li>Fulfilling education and training system based on the policy of “education first”</li> </ul> <p><b>Operating profit per employee</b></p> <p>FY2012: ¥1.5 million/employee → FY2022: ¥5.4 million/employee</p>	<p><b>Proactive investment in human resources</b> ¥2 billion*2</p> <ul style="list-style-type: none"> <li>Strengthen recruitment of highly-specialized mid-career human resources</li> <li>Increase investment in developing human resources (strengthening of specializations, reskilling)</li> <li>Design a system for achieving competitive compensation levels</li> <li>Build an environment that increases employee job satisfaction and comfort</li> </ul>	
 <p><b>Social relationship capital</b> Networks that provide opportunities for solutions with oils and fats</p>	<ul style="list-style-type: none"> <li>(Domestic) From factory to the dining table: Connections with diverse sales channels</li> <li>(Overseas) Built a global network centered on processed oils and fats and fine chemicals</li> <li>Built a supply chain that enables sustainable business operations</li> </ul> <p><b>Number of countries with bases</b></p> <p>FY2012: 5 countries → FY2023: 8 countries</p>	<p><b>Build a network for co-creation</b></p> <ul style="list-style-type: none"> <li>Participation in value co-creation platforms, consortia, etc.</li> </ul>	<p><b>Further enhance sustainability of the supply chain</b></p> <ul style="list-style-type: none"> <li>Ensure traceability and conduct human rights due diligence</li> </ul>
 <p><b>Natural capital</b> Pursuing efficiency to improve business sustainability and protecting global environment</p>	<ul style="list-style-type: none"> <li>Promoting sustainable procurement by establishing the Basic Procurement Policy, Palm Oil Sourcing Policy, Soybean Sourcing Policy and Cacao Sourcing Policy</li> <li>Continuous CO2 emissions reduction achieved through introduction of efficient equipment and advanced operation management technology</li> </ul> <p><b>CO2 emissions per unit of production</b></p> <p>FY2012: 0.269 t-CO2/t → FY2022: 0.121 t-CO2/t</p>	<p><b>Environmental investment</b> ¥5 billion</p> <ul style="list-style-type: none"> <li>Introduce environmentally friendly production facilities</li> <li>Introduce renewable energy facilities, mainly at the Sakai Plant</li> </ul>	

Examples of investment



**Manufacturing capital**  
ISF (Malaysia) boasts the strength to provide oils and fats solutions that meet the diverse needs of customers through the combined utilization of advanced

fractionation and enzymatic interesterification technologies. Interesterification technology using proprietary powdered enzymes has low environmental impact and high productivity, making it an important technology in the manufacturing of oils and fats for chocolate. So that we may increase our sales of oils and fats for chocolate, we have decided to increase investment in our interesterification capabilities, which we aim to have up and running by 2024.



**Intellectual capital**  
We are in the process of building an incubation center (tentative name) at our Yokohama Isogo Complex. Its completion will expand our pilot facilities, linking

lab scale operations to actual manufacturing. We are also aiming to use the facility as a place for the exchange of technology and information, for increasing opportunities to work with our customers, to help find solutions to various problems, and the co-creation of new forms of value. By leveraging these functions that the facility will provide, we will be able to quickly respond to any issues facing our customers. Preparations are under way to maximize the utilization of this facility upon its completion for operation in the spring of 2024.



**Natural capital**  
Co-generation systems use natural gas and other sources to generate electricity and allow waste-free use of energy by utilizing the heat generated during

this process. Thus far, we have installed co-generation systems at our Yokohama Isogo Complex and Nagoya Plant in Japan, which we are using to help us reduce our greenhouse gas emissions. We have decided to introduce this system at ISF (Malaysia) and are proceeding with construction with the aim of having it operational at some point within fiscal 2024. When the system is in operation, we expect to deliver approximate reductions in greenhouse gas emissions of 14,000 t per year.

\*1 The investment includes ¥50 billion (plan) for M&A.  
\*2 The Nisshin OilliO Group, Ltd. only



**Our Story of Value Creation**

# 4 Group Strengths

The Group's strength lies in the "mastering oils and fats." By maximizing this strength, we will create new value and take the leap to become a global top provider of oils and fats solutions

## Becoming a global top provider of oils and fats solutions

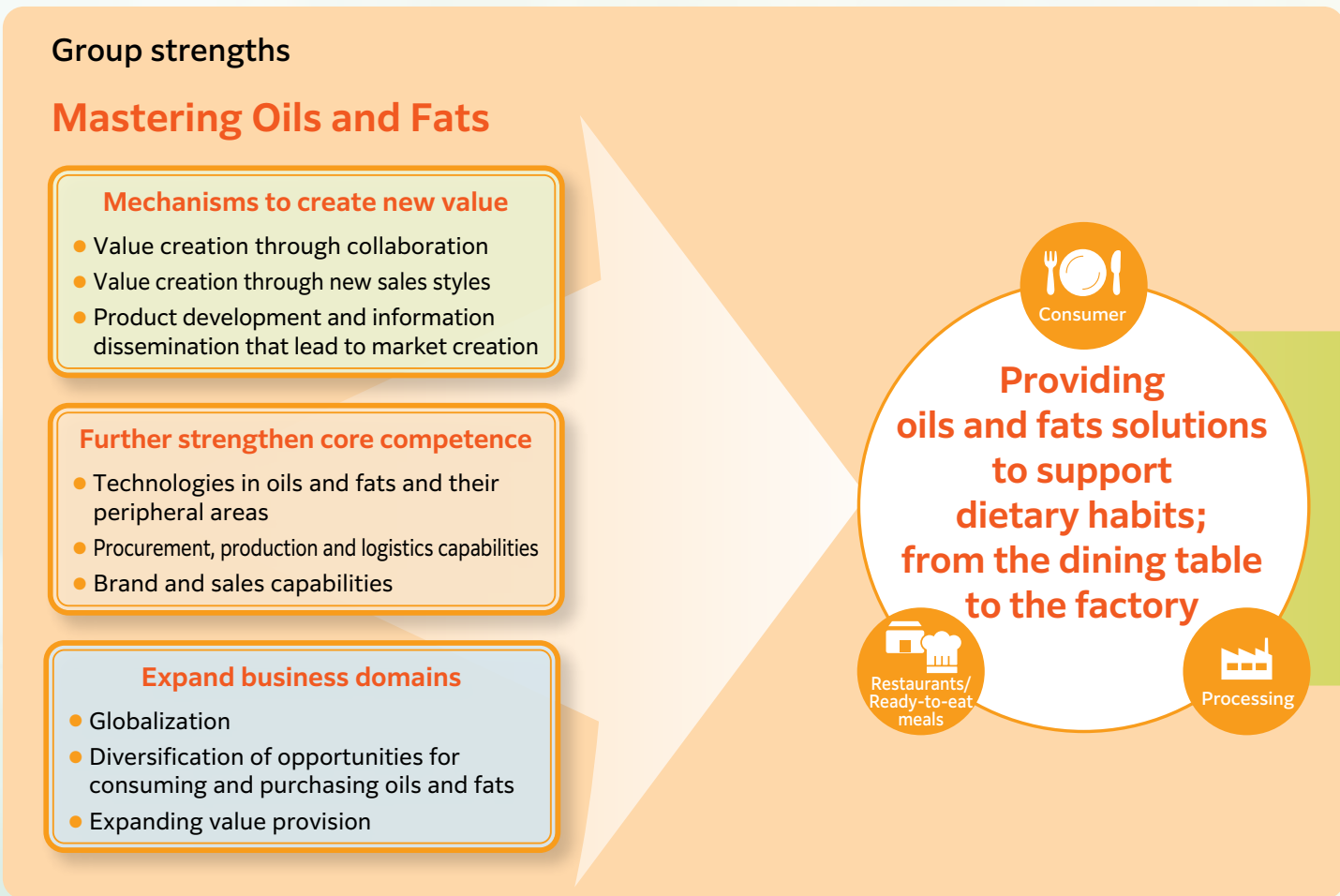


### Group Strengths Mastering Oils and Fats

Our Story of Value Creation

# 5 Demonstrating Our Strengths in the Oils and Fats Value Chain

By “mastering oils and fats,” the Group provides oils and fats solutions to support the dietary habits of a wide variety of customers; from the dining tables of consumers to the kitchens of restaurants and ready-to-eat meal businesses, all the way to the factories of processed food manufacturers. By utilizing the knowledge we obtained through our interactions with a diverse range of customers in instances of co-creation, we are able to innovate further and increase our ability to help customers tackle issues and to create new value. Rolling this process out globally will enable us to realize our vision of “becoming a global top provider of oils and fats solutions.”



## A global top provider of oils and fats solutions

The Group will be recognized globally for its ability to find solutions and create new value through its use of advanced technologies in the oils and fats and related domains.

**BtoC**  
An unshakable position as the No.1 brand of cooking oil for household-use in Japan

**BtoB**  
Absolute trust from global manufacturers

**BtoBtoC**  
A business model realizable only by having diverse sales channels

### From demonstration of strengths to value provision

		Mechanisms to create new value			Further strengthen our core competence			Expand our business domains		
Direct communication by the Group	Indirect influence from the Group	Value creation through collaboration	Value creation through new sales styles	Product development and information dissemination that lead to market creation	Technologies in oils and fats and their peripheral areas	Procurement, production and logistics capabilities	Brand and sales capabilities	Globalization	Diversification of opportunities for consuming and purchasing oils and fats	Expanding value provision
	<b>BtoC</b> <b>BtoBtoC</b>	Co-creation leading to the realization of “good flavor, health, and beauty”	Contributing to healthy dietary habits through lipid nutrition	Creating new food cultures through edible oil	Improving the quality of life for global consumers	Creating opportunities to more easily incorporate oils and fats into people’s lives				
	<b>BtoB</b>	↑ Creating a space and system for developing customer products in collaboration with customers to increase the scope and quality of our efforts to help find solutions to issues and to create value	↓ Expanding sales of customer products through the creation of markets for lipids and healthy products	Providing products and solutions that can help resolve the various onsite issues faced by our customers	↑ Improving the quality of final products through the provision of Japan-quality detail-oriented oils and fats solutions	Expanding the scope of customer products, businesses and services based on the use of oils and fats				
	<b>BtoB</b>			Providing oil and fat products and solutions that will help increase the value of customer products						



Our Story of Value Creation

# 6 CSV Goals in Our Priorities (Materialities)

The Group will create shared value with society through solutions to issues related to our six priorities: "Good health for all," "Quality of life," "Global environment," "Contribution to the food value chain," "Supply chain connected by trust," and "Human resource management." In achieving the CSV goals of our six priorities, we will deliver "Energy for living" to everyone and help realize sustainability.



Priorities	Specific efforts	Initiatives	FY2023 targets	FY2024 targets	FY2030 targets	
<b>Good health for all</b> Supporting mental and physical health through all stages of life	Provide products and services based on our knowledge of lipid nutrition	Improvement of growth rate for health science products that generate good health and energy in diverse life stages (vs. FY2019)	140%	150%	200%	
		Development of products that enhance people's good health based on knowledge of lipid nutrition	Acquire evidence relating to frailty-prevention and metabolism improving functions and launch products (at least seven products)	Acquire evidence relating to frailty-prevention and metabolism improving functions and launch products (cumulative total of at least 20 products from fiscal 2022)	Acquire evidence relating to solutions to personal health-related issues (improving body constitution and controlling physical condition and develop products)	
		Increasing the number of people provided with health information relating to optimal intake of lipids (cumulative total from FY2021)	50 million people (cumulative)	60 million people (cumulative)	100 million people (cumulative)	
<b>Quality of life</b> Contributing to an enriched lifestyle via the pursuit of "good flavor" and "beauty"	Provide products and services that deliver "good flavor" and "beauty"	Provide "good flavor" to the dining table and refine our brand to foster enrichment of people's lives	Development and launch of products that provide new value to customers on occasion of the 100th anniversary of <i>Nisshin Salad Oil</i>		Corporate brand recognition rate: 90%	
		Creation of products that highlight the "good flavor" and "beauty" of food	Contribute to the richness of the dining tables through the popularization of edible oils that can make food delicious simply through pouring		Contribute further to the enrichment of food by creating new categories based on the concept of edible oils	
		Improvement of growth rate for sales of products that realize "beauty" (vs. FY2019)	140%	150%	200%	
<b>Global environment</b> Taking on global environmental challenges for the next generation	Maintain a planet where plants can grow and people can live healthy lives	Reduction ratio of GHG emissions (Scope 1 and 2, vs. FY2016)	9% reduction	10% reduction	50% reduction	
		Reduction ratio of GHG emissions (Scope 3) (vs. FY2020: Initiatives begin from categories 1 and 4)	Obtain science-based reduction targets and commitments by 2026, from suppliers covering 70% of purchased products/services and transportation (upstream) emissions.		25% reduction	
		Reduction of use of plastic containers and packaging and promotion of resource recycling	Introduction of environmentally friendly materials for household-use products and development of products based on the concept of reducing plastic resin	Introduction ratio of environmentally friendly materials for household-use products: 70%*	Target to be set	
		Develop products and services that positively impact the environment utilizing plant resources (cumulative total from FY2021)	50 (cumulative)	80 (cumulative)	Target to be set	
<b>Contribution to the food value chain</b> Enhancing values with customers	Refine technology, products, and services together with customers	Ensure a stable supply of energy from food in Japan (ratio of total domestic energy)	6%+	6%+	6%+	
		Improvement of growth rate for customer support solutions (vs. FY2019)	120%	130%	150%	
<b>Supply chain connected by trust</b> Making a more resilient and flexible supply chain with integrity	Contribute to build a sustainable supply chain from upstream to downstream	Developing and deepening business operations based on respect for human rights	Begin human rights due diligence for high priority suppliers	Full-scale human rights due diligence operations on the supply chain	Target to be set	
		Improving traceability to plantations	Palm oil: Developing effective initiatives to realize and maintain 100% traceability		Palm oil: 100%	
		Promoting sustainable sourcing of soybeans	Formulation and publication of sustainable sourcing action plan		Sustainable sourcing of soybeans premised on stable supply	
		Promoting sustainable sourcing of cacao			Sustainable sourcing of cacao premised on stable supply	
		Building a sustainable and competitive logistics system	Expanding F-LINE co-distribution functions to improve loading efficiency	20%	20%	30%
<b>Human resource management</b> Enhancing the engagement of diverse human resources and improving organizational strength	Improve the organizational capabilities and job satisfaction of diverse human resources	Building the foundations for DX promotion	Achieve 100% Groupwide digital literacy type education	Implementation of specialized education for fostering personnel for DX promotion and workplace placement	Target to be set	
		Reinvigorating and developing organizational capabilities	Expansion of global human resources	Beginning of educational program for registered employees on the global human resources registration system	Increase of registered employees on the global human resources registration system; global workplace placement (FY2023 to 2024 - Total 10 employees)	Target to be set
		Increase percentage of employees feeling highly engaged in their work	66%	70%	80%	
		Increasing employee diversity	Increasing female manager ratio	7%	8%	20%

**Realizing sustainability**  
By helping find solutions to social issues through our business activities, we will create shared value with society and realize sustainable growth for the Group and the sustainable development of society

\* Applies to edible oils and gifts among the household-use products.