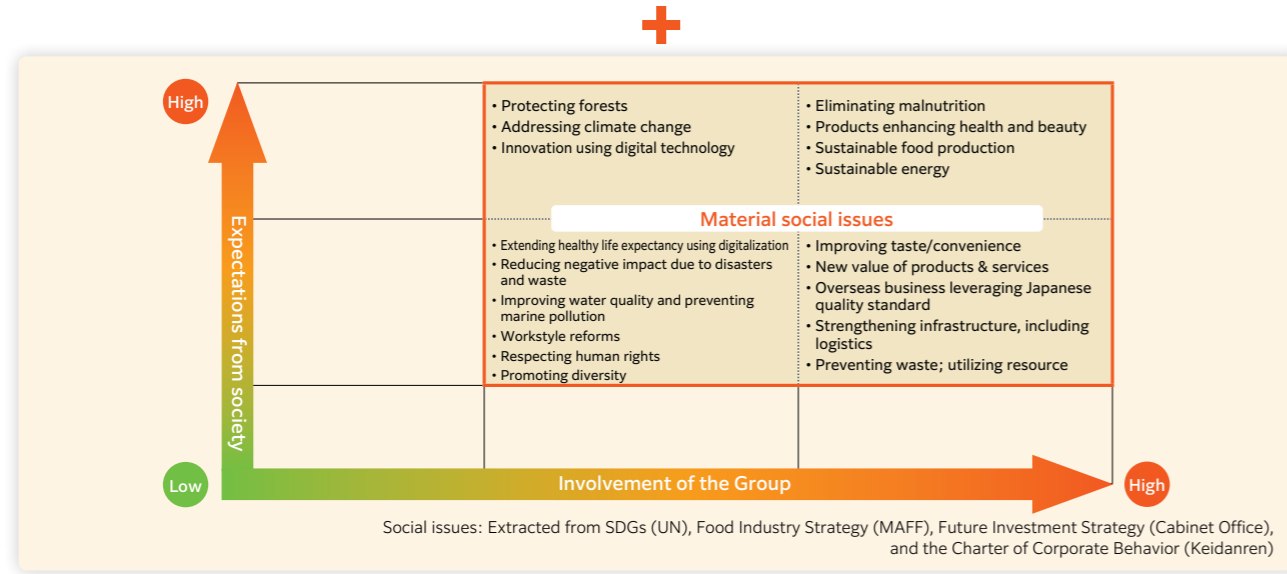
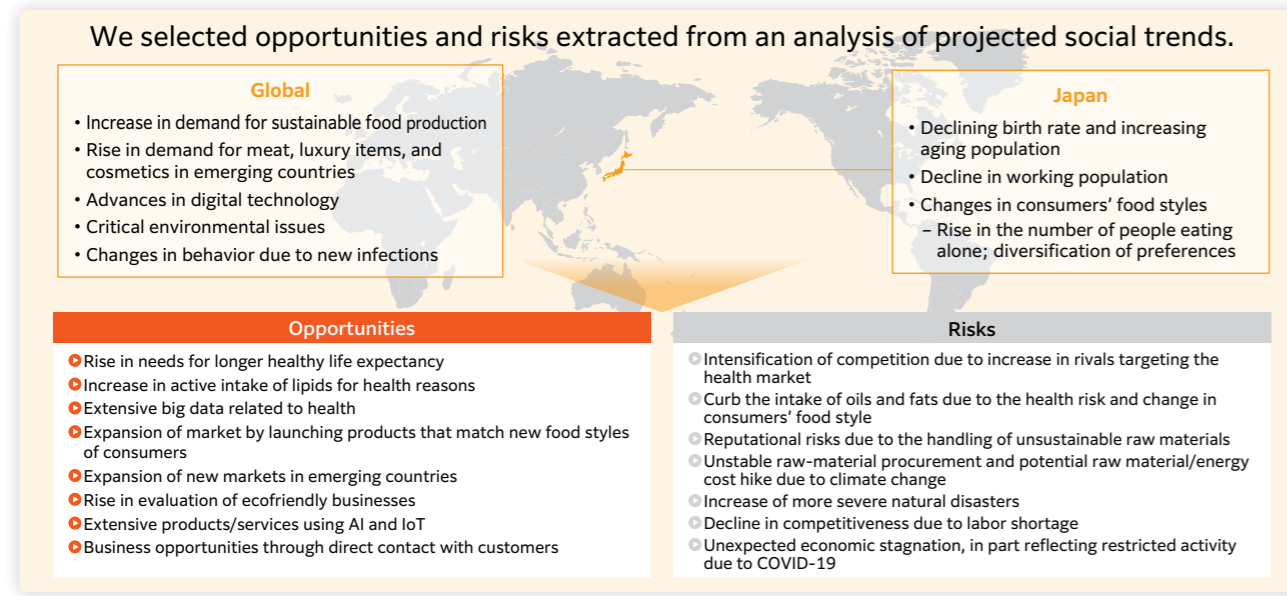


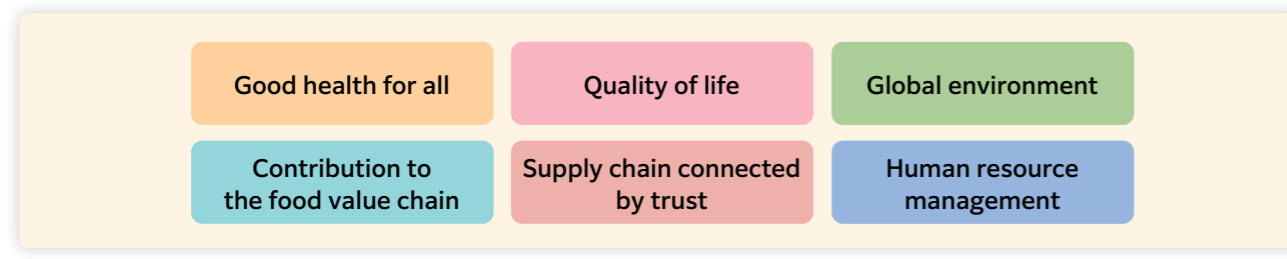
Identifying Our Priorities (Materialities) for Realizing the Goals of Vision 2030 and Governance

To achieve the goals of Vision 2030, we have identified six priorities that the Group should focus on. Creating shared value (CSV) together with society by resolving issues related to the priorities will drive our future growth. In addition to analyzing risk and opportunity for the Group based on the social trends predicted for 2030, we have also identified important social issues that are likely to impact upon value creation. We evaluated them based on two axes: “the scale of the needs being demanded by society” and “the degree of involvement by the Group.” Based on this analysis, we have made conclusive determinations, including on matters such as the Group’s areas of strength, identified six priorities, set CSV goals in those areas, and furthered initiatives toward the realization of the goals of Vision 2030.

Process for identifying priorities (during formulation of Vision 2030)



Our six priorities and CSV goals



Reviewing CSV Goals

Two years have passed since the Group formulated Vision 2030, and in that time the environment surrounding the business has changed dramatically, including changes in consumer awareness and purchasing behaviors, as well as increased demand from society for sustainable production and procurement. In response to this, we have recently identified new risks and opportunities of the Group and reconfirmed the social issues that require action. Through

the process outlined below, we have reviewed a number of our CSV goals, focused mainly on the issues of “Global environment,” “Supply chain connected by trust,” and “Human resource management.” We will continue to keep on top of changes in the environment and periodically review our goals in accordance with any such changes.

Key changes in the social environment highlighted following review of CSV goals

Priorities reviewed	Key changes in the social environment
Global environment	Increased demand for reductions in emissions of greenhouse gasses in response to worsening situation regarding the environment Expansion of initiatives targeting the prevention of loss of biodiversity as a result of deforestation, natural disasters, etc.
Supply chain connected by trust	Review of the government’s logistics policy and enactment of legislation to address various issues stemming from labor shortages in the logistics industry
Human resource management	Diversification of human resources and specialized abilities for creating new forms of value Expansion of investment in human capital

* For details on the Group’s CSV goals, refer to the Priorities pages (P.43 - P.60)

Governance system toward the achievement of the Group’s CSV goals

The Company has established the Management and Sustainability Committee, a deliberative committee of the Board of Directors. The committee deliberates on such matters as the sustainable growth of the Group, formulating basic policies to contribute to the sustainable development (sustainability) of society, and important issues to realize the Group’s vision. Examples of significant themes deliberated include identifying important risks and opportunities and considering social

issues that may impact upon the Company’s businesses as well as the setting and reviewing of priorities, CSV goals and other specific initiatives. The details of these deliberations are reported to the Board of Directors as appropriate, who then make resolutions on any such matters deemed particularly important.

* The Management Sustainability Committee was established in July 2023 to help further strengthen the Group’s corporate governance structure with a particular focus on the functions of the Board of Directors. For details on the Group’s corporate governance system, refer to P.66.

Process for reviewing CSV Goals



Our Priorities for Realizing the Goals of Vision 2030

1 Good health for all

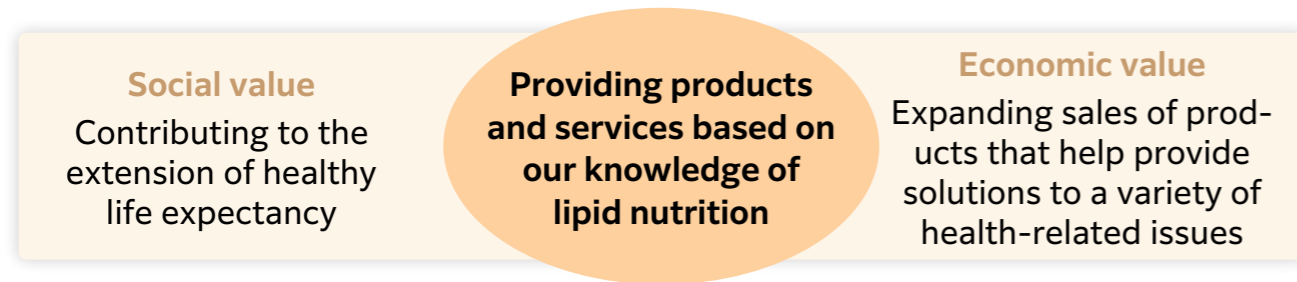
The Group has conducted research into vegetable oils and fats for many years. We continue to improve the nutritional value of our products and enhance our processing technologies so that we can provide oils and fats as delicious foods and safe, high-quality materials. By offering “delicious meals” and “diet-conscious lifestyles and habits” that suit different life stages and health conditions, we contribute to people’s healthy lifestyles for life-long vitality.



Shared value and social impact

Supporting mental and physical health through all stages of life

As part of our goal to build mental and physical health through all stages of life, we are working on a variety of initiatives aimed at tackling the issues of undernutrition, overnutrition, personal health, etc.



Koyo Nonaka
Executive Officer, Deputy General Manager, Food Product Division
Responsible for household-use business strategy, commercial-use business strategy, and wellness foods business strategy

Contributing to health-related issues through business development based on our knowledge of lipid nutrition

The Group’s core competence lies in oils and fats, and we have persevered in thoroughly honing our competence. For example, for more than 50 years, we have been researching and developing MCT oil, which has garnered much attention these days. As such, our knowledge on the way lipid nutrition can contribute to a person’s health is based on many years’ worth of knowledge accumulation. However, efforts to popularize this fact about lipid nutrition cannot be limited to just the Company. I feel that

claim to possess the functions of MCT, and its use is clearly widening.

Also, Japan is subject to the phenomenon of being a super-ageing society whereby frailty, the last step before a person requires nursing care, continues to be a social problem that needs addressing. The Company believes that it can contribute to alleviating this issue by making improvements to energy intake deficiencies from a nutrition standpoint. We believe that it is important that we make proposals not just to hospitals and the nursing care industry, but that we also look to make approaches to areas involved in the provision of day to day foods. In recent years, we have seen “pour-and-enjoy” fresh edible oils such as flaxseed oil and olive oil increasingly find their way to the dinner table. And, as part of that, I feel that efforts to encourage consumers to easily make up for energy deficiencies with a little extra intake of something delicious will serve as a meaningful route to help prevent frailty.

each manufacturer along the food value chain must help achieve this by demonstrating its own uniqueness. Oils and fats are but two materials and there is a limit to what we can achieve alone; however, being materials, one of their main strengths is that they can be effectively utilized in collaborations and co-creation activities with a wide variety of partners. In fact, one can see that the manufacturers of processed foods, convenience stores and the like are already selling a great many products which

Although one of our CSV goals is to “Disseminate nutritional information on lipids to 100 million people,” I feel that it is important that we learn how the information we disseminate to consumers resonates with them and whether it actually leads to behavioral changes or purchases. To help us achieve this, we are shifting to a more comprehensive approach to marketing that will include the use of digital technologies.

Key initiatives and vision

- We will expand the scope of products and services that we offer with regard to lipid nutrition and provide a variety of options accompanied by easy to understand information to help ensure the healthy lifestyles of our customers.
- We will develop and release delicious products that can provide energy from only small amounts by utilizing the high calories of oils and fats, with the aim of improving the nutritional intake of the elderly.
- We will continue to disseminate information concerning vegetable oils and fats with the aim of further transforming the image of vegetable oils and fats into a more positive one.
- We will leverage general consumer data concerning health statuses, preferences, etc., to better understand consumers and acquire knowledge concerning lipid nutrition and how it relates to personal health issues (improving one’s constitution, controlling one’s physical condition, etc.).
- We will make suggestions regarding diet-conscious lifestyles and habits to help our customers avoid nutritional deficiencies or imbalances and to enable them to intake the optimal amount and types of lipids.
- Through these initiatives, we will help improve the sales of the Group’s products and further extend the healthy life expectancy of people.

CSV goals



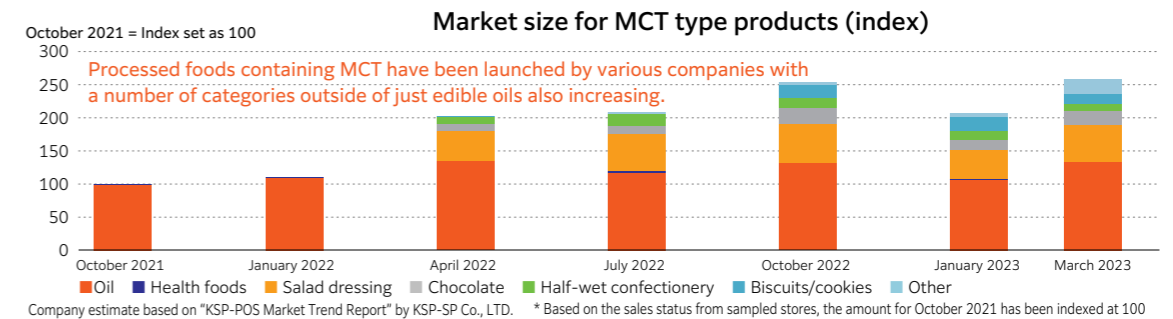
Initiative	FY2022 results	FY2023 targets	FY2024 targets	FY2030 targets
Improvement of growth rate for health science products that generate health and energy in diverse life stages (vs. FY2019)	126.6%	140%	150%	200%
Development of products that enhance people’s good health based on knowledge of lipid nutrition	Launched 11 products, including food with the functional claim of “reducing body fat and waist size” and nutritional supplements, such as “Nisshin MCT Dressing Sauce” (two versions), “Nisshin MCT Mayonnaise Sauce,” and “Nisshin MCT Resetta (remodel)” Food for Specified Health Uses	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)	34.84 million people (cumulative)	50 million people (cumulative)	60 million people (cumulative)	100 million people (cumulative)

Notifications of new functional claims with MCT Functional materials that can respond to an even broader scope of health-related issues

Medium-chain fatty acids, the main components of MCTs, are also contained in the nuts and seeds of Palmae plants such as coconut and palm as well as in breast milk, cow’s milk and other dairy products. Compared to long-chain fatty acids found in ordinary edible oils, MCTs are digested and absorbed more quickly and converted into energy more easily. In addition to being used in our own products as functional foods for “reducing body fat and waist size,” distributors and manufacturers of processed foods also use our products as raw materials. In response, we have been widely developing products that contain MCT as a raw

ingredient, with the market growing by approximately 250% in the 18 months since October, 2021. In 2023, we notified a new functional claim of “MCT facilitates fat burning in daily activities.”

Moving forward, we will develop, including through co-creation with other companies, MCTs as functional materials that can respond to personal health-related issues, such as those related to body constitutions and physical condition. In doing this, we will increase opportunities for consumers to more easily incorporate our products into their daily lives, helping people lead healthy and vibrant lives.



Our Priorities for Realizing the Goals of Vision 2030

2 Quality of life

“Good flavor” and “beauty” are important components of people’s personal values, and satisfying these values will help people lead happy lives. Through our pursuit of “good flavor” and “beauty,” we will continue enhancing people’s quality of life (QOL) and creating value that can be shared with society, and thus enrich people’s lives.



Shared value and social impact

Contributing to an enriched lifestyle via the pursuit of “good flavor” and “beauty”

We provide “good flavor” to the dining table and work to improve the value of our brand to foster enrichment of people’s lives



Key initiatives and vision

- We will propose cooking methods that make ingredients even more delicious through the use of oils and fats, bountiful dining tables and opportunities for gatherings, and expand the dining scene where people can feel a sense of abundance.
- We will leverage the characteristics of oils and fats used in a wide range of foods to make tastes through co-creation with other ingredients and create new value.
- We will provide products that appeal to consumers, including foods made using natural methods and organic ingredients and safe, high quality, and functional oils for use in cosmetics.
- We will create the tastes that our customers desire by maximizing the natural deliciousness of ingredients such as chocolate and soy.
- Through these initiatives, we will create markets for products that appeal to customers, such as those known for bringing “good flavor,” “beauty,” and, more than anything, “naturalness.” In addition, we will also expand sales of our own products and improve “people’s quality of life (QOL).”

CSV goals

Initiative	FY2022 results	FY2023 targets	FY2024 targets	FY2030 targets
Provide “good flavor” to the dining table and refine our brand to foster enrichment of people’s lives	Promotion of development of products that utilize the Company’s specialized technologies	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	Launched six flavored oil products as products to spread a new way of using oil to add flavor	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 around the concept of edible oils
Improvement of growth rate for sales of products that help realize “beauty” (vs. FY2019)	126.6%	140%	150%	200%

Leveraging the technologies and relationships of trust we have fostered over the years to propose a new food culture



Junji Fukuda
General Manager,
Household-use Business Strategy
Division

In the hundred years since the launch of *Nisshin Salad Oil*, the Company has been contributing to food culture through its edible oils. For example, with the launch of *BOSCO* olive oil, as well as helping introduce olive oil to the dining table at home, we are also trying to inspire an Italian style dining culture in which people sit down together and chat in an easy-going manner as they enjoy their meals. It used to be the case that when we talked about the nice flavor of an oil it was in reference to the flavor of the dish made with that oil; however, through the Group’s efforts to popularize the use of olive oil in the market, there has been a greater understanding of the flavor of the oil itself, which has, in turn, led on to the development in recent years of “pour-and-enjoy” fresh edible oils and “flavored oils.”

However, influencing food culture through edible oils is not

something that can be done over night. In order for the Group to actualize a product, we must have in place the appropriate capacities for research and development and manufacturing technologies. To deliver a new product to the market, we must first have the sales and marketing capabilities to convince retailers and distributors of such products. The Company has built up relationships of trust with retailers over many years. I feel that we have laid the foundations by which we will be supported by our partners to make a variety of challenging proposals. In my opinion, combining these elements with the insights of consumers will deliver results in terms of “Creating new food cultures.”

Consumer demands are becoming increasingly diverse and complex as changes occur in society and the environment; however, the essence of what we are required to do as a food manufacturer, that is to say to respond to demands for good flavor, has not changed. We will continue to challenge ourselves to meet these demands through a process of trial and error free from the fear of failure.

Expanding our lineup of flavored oils to respond to diversified needs for good flavor

Flavors of edible oils are enhanced by aroma. Olive oil and sesame oil have a unique aroma, and they enrich the flavor and taste when poured over food or stir-fried. In addition, many of the aromatic ingredients contained in spices, herbs and potherbs are easily soluble in oil, and by skillfully dissolving them in edible oil using seasoning and flavoring techniques, it becomes possible to create a complex flavor that combines many ingredients in a single bottle of oil. In this way, we have developed flavored oils with outstanding flavors as seasonings, including the launch of *Nisshin Yamitsuki Oil*

and *BOSCO Seasoning Oil*. *PIETRO CHEF’S* was added to the lineup in 2023, with three brand comprising 10 different flavors on offer.

In recent years, demands concerning flavor have become increasingly diversified. Flavored oil allows users to easily change the taste of usual dishes to suit their own tastes. We will help provide consumers with richer dietary lifestyles through proposals for new dietary habits based on the idea of “adding flavor with oil” and through our diverse lineup of products.

● *Nisshin Yamitsuki Oil*



● *BOSCO Seasoning Oil*



● *PIETRO CHEF’S*



Our Priorities for Realizing the Goals of Vision 2030

3 Global environment

Since our business is based on plant resources, protecting the global environment and resources is key to the sustainability of our business. For the next generation, we will strive to minimize the environmental impact of our business activities with an eye to the future, with the aim of realizing a decarbonized and recycling-oriented society. At the same time, we will develop business domains that help resolve environmental issues.



Shared value and social impact

Taking on environmental challenges for the next generation

We will engage in efforts to utilize plant resources to reduce greenhouse gases, realize a recycling-oriented society, help find solutions to plastic-related issues, and to help prevent soil and water pollution



Eiji Yokoyama
General Manager, Production Coordination
General Manager, Environmental Solutions

Tackling issues facing the global environment through practical efforts and ambitious strategies

The global environment is for us, a company whose business is based on plant resources, a key theme in ensuring that we can continue to operate with stability. So that we may respond to the increasingly difficult tasks of decarbonization, recycling of used plastics, etc., we will study and research all possible means toward this and share our findings throughout the Group as part of efforts to realize our 2030 CSV goals.

is important that such practical efforts involve the participation of all employees who will hopefully bring their own unique perspectives and ideas, that we steadily turn our efforts at each manufacturing site into tangible results, and that we continually aim to do that little bit extra in terms of making reductions. Ambitious strategies must comprise "strategic defossilization" of energy sources through external collaborations. We will proactively work to introduce new technologies by working in collaboration with corporations that have decarbonization technologies, energy supply companies, local governments, etc.

Furthermore, we are also aiming for "HYDROGEN READY" by 2030. So that we may realize, as early as possible, the utilization of hydrogen as an energy source, we have decided to introduce high efficiency gas turbine co-generation facilities at our Yokohama Isogo Complex with an eye to implementing hydrogen mixed combustion. In preparation for the hydrogen supply that we expect to come to fruition in the near future, we will take on the challenge of becoming a leading force in the industry in terms of demand for the fuel.

In addition to these initiatives, we will ensure that the knowledge we have garnered through previous successful implementation cases, etc., is spread out laterally throughout the Group, which we hope will lead on to a virtuous circle in service of the realization of a sustainable society.

As we look to reduce our GHG emissions, we have established our "strategic roadmap to promote decarbonization" through which we aim to realize a 50% reduction by fiscal 2030. This is a highly ambitious target that requires a 6.7% reduction every year starting from fiscal 2024. Given that we expect an increase in our CO₂ emissions due to business expansion in future, we have decided to promote initiatives in two stages: (1) "Practical efforts" by which we will steadily build up means to more efficiently use energy; and (2) "Ambitious strategies" in which we will seek to acquire next-generation fuels such as hydrogen. It

Key initiatives and vision

- As part of aims to deliver carbon neutrality by 2050, we will proactively introduce a range of new technologies, such as hydrogen combustion, and promote efforts to reduce greenhouse gases across the entire supply chain.
- The Group's businesses both benefit from and impact upon ecosystems. We recognize that biodiversity has a significant impact on the sustainability of our businesses and, so, we have endorsed TNFD (Taskforce on Nature-related Financial Disclosures) and are making preparations for analyses and disclosures of the risks and opportunities surrounding matters related to biodiversity.
- We will promote efforts to reduce the amount of plastic used in containers and packaging, to use environmentally friendly materials, and to build systems for recycling.
- We will build a business that is able to find solutions to environmental issues, including through efforts to promote the use of vegetable oils in place of mineral oils in factory based applications and to consider new ways of utilizing biomass.
- Through these efforts, we will make sure that the next generation inherit a global environment in which the stable provision of plant resources, which serve as the base of the Group's businesses, can be ensured.

CSV goals



Initiative	FY2022 results	FY2023 targets	FY2024 targets	FY2030 targets
Reduction ratio of GHG emissions (Scope 1 and 2, vs. FY2016)	8.6% reduction*1	9% reduction	10% reduction	50% reduction
Reduction ratio of GHG emissions (Scope 3) (vs. FY2020: Initiatives begin from categories 1 and 4)	In collaboration with the Japan Oilseed Processors Association, we promoted the setting of quantitative targets for ensuring reductions in CO ₂ through the Canada-Japan Canola Consultations and the Japan-U.S. Partnership	Acquire science based reduction targets for FY2026 and commitment toward such from suppliers, who account for 70% of the emissions from purchased products and services and transportation (upstream)		25% reduction
Reduction of use of plastic containers and packaging and promotion of resource recycling	<ul style="list-style-type: none"> Introduced bio-polyethylene into some of the household-use products (1,000 g) Enhanced our ecofriendly container production system 	Introduction of environmentally friendly materials for household-use products and development of products based on reduced plastic resin designs	Introduction ratio of environmentally friendly materials for household-use products: 70%*2	Target to be set
Develop products and services that positively impact the environment utilizing plant resources (cumulative total from FY2021)	27 (cumulative)	50 (cumulative)	80 (cumulative)	Target to be set

*1 Calculated using the latest emission factor at the time of report preparation
*2 Among household-use products, edible oils and gifts are targeted.

Response to Task Force on Climate-related Financial Disclosures (TCFD)

Recognizing that addressing climate change, which has a major impact on plant growth, is an important management theme, our Group endorsed the recommendations of the TCFD in 2021, analyzes medium- to long-term risks and opportunities associated with climate change, and analyzes and grasps its financial impact.

In fiscal 2022, we conducted a review of our governance system, and moving forward, we plan to review the information we disclose in accordance with changes in the environment and to ensure that the correct procedure for responding to the TCFD guidelines is disseminated internally throughout the Group.

For details, see the Company website: <https://www.nisshin-oillio.com/english/sustainability/tcfd/>

Environmental targets 2030

In 2021, we formulated "Environmental Targets for 2030" with "Global environment" and "Supply chain connected by trust" as our main priorities, out of six priorities set out in Vision 2030. We have set long-term strategic goals for each of the four

themes in accordance with the environmental philosophy and policy pursued by the Group to date, and are working to achieve the vision set forth in Vision 2030.

Theme 1 Prevention of global warming

- Reduction of greenhouse gas emissions along the supply chain
- Promoting the use of renewable energy

Theme 2 Establishment of resource recycling

- Promoting recycling in the manufacturing process
- Effectively utilizing water resources in production activities

Theme 3 Conservation of plant resources/nature

- Promotion of sustainable procurement
- Promotion of nature conservation activities

Theme 4 Promotion of environmentally friendly development

- Reducing use of plastic containers and packaging, and promoting resource recycling
- Developing products and services that positively impact the environment utilizing plant resources

Theme 1 Prevention of global warming

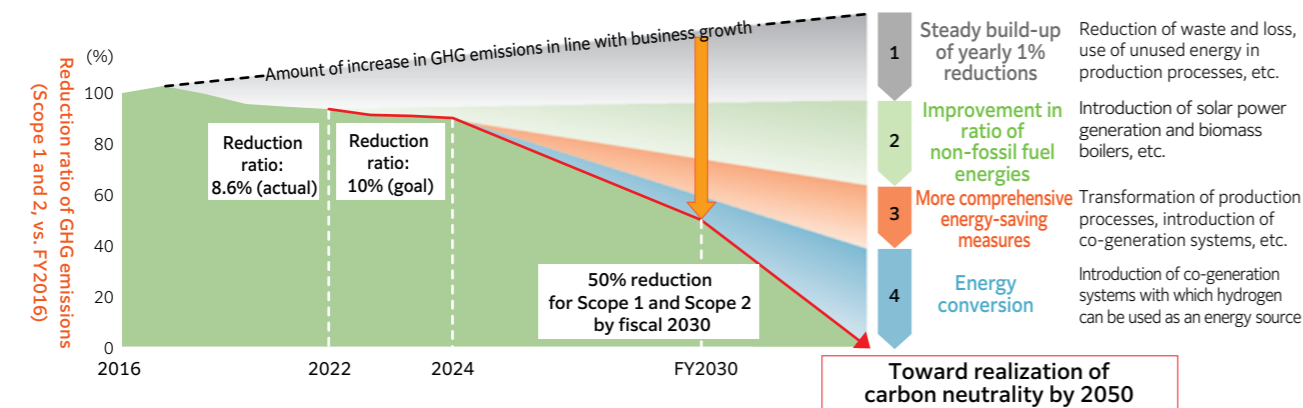
Implementation of review of targets toward the realization of carbon neutrality by 2050

In recent years, as risks associated with climate change become increasingly severe and the transition toward a decarbonized society becomes ever more pressing, movements toward a reduction in greenhouse gas emissions have begun to accelerate on a global scale. In response to this situation, the Group has revised its GHG emissions reduction targets for 2030 relating to Scope 1 and Scope 2 aiming towards carbon neutrality by 2050. We have also set new quantitative targets for 2030 with regard to Scope 3, and have begun efforts starting with categories 1 and 4, for which we have especially high emission rates.

One specific initiative is the formulation of the strategic roadmap to promote decarbonization targeting Scope 1 and Scope 2. We have steadily built up initiatives relating to the saving of energy in our manufacturing processes as well as made efforts to make even further improvements in the efficiency of our processes through the introduction of new

technologies. We have also been promoting the introduction of equipment targeting an increase in the ratio of use of non-fossil fuels. The Group introduced internal carbon pricing in 2021 which is used as an important index when formulating new measures or making decisions around capital investment. We have also begun the construction of systems and equipments for utilizing hydrogen as an energy source and have decided to introduce high efficiency gas turbine co-generation facilities at our Yokohama Isogo Complex with an eye to implementing hydrogen mixed combustion. With an eye on the development status of the hydrogen supply network, we are aiming to use hydrogen as an energy source at the complex from 2027 and onward. With this, we hope to become an industry leader in the utilization of hydrogen. We will also use it as a platform for its social implementation.

Strategic roadmap to promote decarbonization



Introduction of solar power generation equipment

We are proceeding with the introduction of solar power generation equipment across the Group as part of efforts to improve the ratio of non-fossil fuel energies that we use in our operations. Domestically, we have introduced solar power generation equipment using the PPA model* at the Yokohama Isogo Plant, Nagoya Plant, and Sakai Plant, which began providing power as of December, 2022. As a result of these installations, the combined power generating capacity of all three plants is now 700 kWp, with an annual power output of 1,027 MWh, with which we expect to reduce our annual GHG emissions by approximately 371t. Overseas, ISF (Malaysia) began installing solar panel equipment at its two plants in 2021, giving a power generating capacity of 1,440 kWp. In fiscal 2022, the amount of power generated was 1,569 MWh, delivering a reduction in GHG emissions of approximately 1,381 t. IQL (Spain) began installing solar panels in 2022 and has installed them on the rooftops of

almost all of its offices and warehouse buildings. The annual power-generation is 473 MWh. During the summer months, in which there are long sunny days, it expects that the panels will cover close to 20% of monthly energy usage.

* A system by which a power generation company installs solar power generation equipment at its own expense on the premises of a company or some other party with demand for such. The power generation company owns the equipment and is responsible for its maintenance. The power generated by the power generating equipment is then supplied to the demand-side party.



IQL (Spain) solar panels



ISF Dengkil Plant (Malaysia) solar panels

Theme 2 Establishment of resource recycling

Conducting demonstration experiments through industry-academia-government collaboration toward the realization of recycling plastic containers for edible oil

The plastic containers used for edible oils and seasonings are made from a wide variety of materials and removing the leftover contents of such containers that have been recovered is difficult. Currently there are no means to recycle or systems to collect these containers. The Company has set the aim of developing a recycling system and is working together with Kawasaki City (Kanagawa Prefecture) on a proof of concept for the recovery of used plastic containers used for edible oils and seasonings that have been disposed of by households in the Kawasaki City region (certain areas). We installed collection boxes in four locations within the city for people to dispose of used plastic containers that had been used for edible oils and seasonings. This enabled us to get a better picture of the actual situation regarding how many containers can be recovered and the levels of contamination within them. By conducting interviews with participating citizens and recycling businesses

who worked with us on the proof of concept test, we were able to clarify the issues in terms of the development of recycling technologies and the efficient recovery of containers. This initiative was selected by the Ministry of the Environment as a project for its "FY2022 Program for Supporting Municipalities to Promote Plastic Resource Circulation." Moving forward, we will demonstrate our recycling technology and think about ways to provide even more effective methods of collection as we work to find solutions to the challenges identified during the proof of concept initiative.



Recovery box

Theme 3 Conservation of plant resources/nature

Mangrove planting activity by ISF

ISF (Malaysia) has been planting mangroves since fiscal 2019. "Mangrove" is a generic term for plants that grow naturally in shallow waters such as estuaries in tropical and subtropical regions. In recent years, mangroves have attracted attention for their effectiveness as a CO₂ sink in combating global warming.

The area next to Sabak Bernam, Selangor, where the planting has been taking place, is an important region for the local communities, for whom fishing is the key to their livelihood and also serves as a riparian buffer zone. However, due to factors such as the unfinished constructions of aquaculture developments, the mangrove habitats are currently in an extremely bad state. Together with the environmental NPO Selangor with Global Environment Centre (GEC), ISF is aiming to revitalize and then conserve the dilapidated mangrove forests in the area and has formulated a plan to plant

8,000 mangrove trees over a three year period starting from 2022. In fiscal 2022, 2,500 trees were planted, with planting efforts continuing thereafter. We expect that planting 8,000 mangrove trees will result in 160 t of CO₂ being absorbed annually. Other initiatives we have been engaged in including efforts to raise awareness among local communities regarding sustainability, including the role that mangroves play in the ecosystem, with our aim being to work together with these local communities to conserve biodiversity.



Group employees participate in tree planting activities

Theme 4 Promotion of environmentally friendly development

Launch of edible oil in carton containers that are both environmentally considerate and easy to use

In September 2023, we launched a carton type container for some of the popular oil products as a new option to help meet the demand from customers for greater choice with regard to the use of environmentally friendly materials. In addition to reducing the amount of plastic used in the container by roughly 55% relative to our 400-g PET bottle product, we are also using environmentally conscious materials such as FSC-certified paper and biomass plastics in the product. After use, it can be folded up into a small size, reducing the volume it takes up when disposed of. Furthermore, to help improve

usability for customers, we have added a slit that allows customers to easily see the amount of oil remaining along with a 2-way cap that can be used according to the amount of oil required.



Lineup of carton container products

* An international system that certifies appropriate management of forests with the aim of achieving sustainable use and conservation of forests

Our Priorities for Realizing the Goals of Vision 2030

4 Contribution to the food value chain

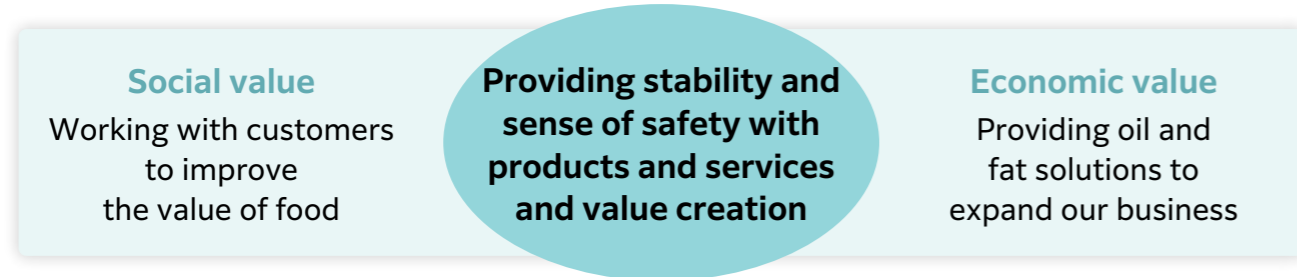
Amid rising global demand for oils and fats, the ways in which people use them are diversifying alongside changes in society and the environment. With this in mind, we will deploy technologies to further enhance the value of plant resources and realize solutions that society demands through co-creation with our customers. Through the stable provision of products and services that offer peace of mind and create value, we will contribute to the food value chain.



Shared value and social impact

Enhancing values with customers

We are working to ensure the stable supply of oils, fats and meal, develop foods with new value, maintain good flavors in food, extend expiry dates, and find solutions to future food solutions, etc.



Key initiatives and vision

- We will promote alliance type strategies toward ensuring the sustainability of the oil processing business.
- We will promote emergent sales processes and strengthen proposals and sustainable development targeting the finding of solutions to constantly changing customer issues.
- We will develop applications for products through combinations of oils and fats with other materials so as to develop new foods and raw materials for food processing.
- We will deepen our technological development to maintain the good flavor of foods and to extend best-before dates.
- We will work on developing alternative lipids with the aims of “building new production schemes” and “acquiring new meal resources and functional materials.”
- We will respond to new food trends, such as finding replacements for meat and dairy products through plants, which are expected to help eliminate future food shortages and whose market continues to grow.
- Through these initiatives, we, as a key player in the food value chain, will continue to ensure the stable provision of oils, fats and meal. Additionally, we will work to improve the value of our customers’ products, who mainly operate in the eat-in and eat-out sector or are manufacturers of processed foods, by which we will expand our sales and business as a Group.

CSV goals



Initiative	FY2022 results	FY2023 targets	FY2024 targets	FY2030 targets
Ensure a stable supply of food energy in Japan (ratio of total domestic energy)	7.5%	6%+	6%+	6%+
Improvement of growth rate for customer support solutions (vs. FY2019)	112%	120%	130%	150%

Providing solutions that meet customer demands to improve customer satisfaction



Ichirou Hidaka
General Manager, Product Application Development Center

At the Product Application Development Center, we use application technologies to propose functions that leverage the value of oil and fat, soy ingredients, etc., to meet the demands of, and tackle the issues facing, customers, primarily customers in the commercial-use and food processing domains as well as confectioners and bakers. This is leading to the provision of new solutions and the development of new markets.

In response to recent changes in the environment surrounding food, such as increased awareness of environmental issues and soaring costs for food resources and materials, we have been engaged in efforts to help customers tackle the issues they are facing through proposals linked to the use of technology for improving the taste of ingredients and how long they last or the use of more environmentally-friendly packaging.

Furthermore, in addition to looking to develop new markets in collaboration with our sales teams, we have also been working to strengthen our follow-up services for customers. We are aiming to improve customer satisfaction levels by visiting customers’ worksites or having them visit us so as to provide information on trends in different types of dishes, to provide strategic follow-up and solutions for specific products, etc. and by providing timely and highly accurate technical follow-ups. As the declining birthrate continues apace domestically, it is expected that an increasing number of our customers will direct their attention overseas. As well as making further efforts to increase our level of collaboration with our overseas Group companies and ensure we have the tools in place to better capture markets on a global level, we will also refine our application skills so that we may maximize our ability to demonstrate the value of oils and fats.

By understanding the changes in the environment and the demands of the market from the customer point of view, we are able to provide oil and fat based products and solutions that appeal on grounds of “good flavor,” “less food waste,” and “convenience.” In addition to this, we also contribute to the food value chain by offering solutions in response to changing circumstances in society, such as rising costs and the growing popularity of plant based foods.

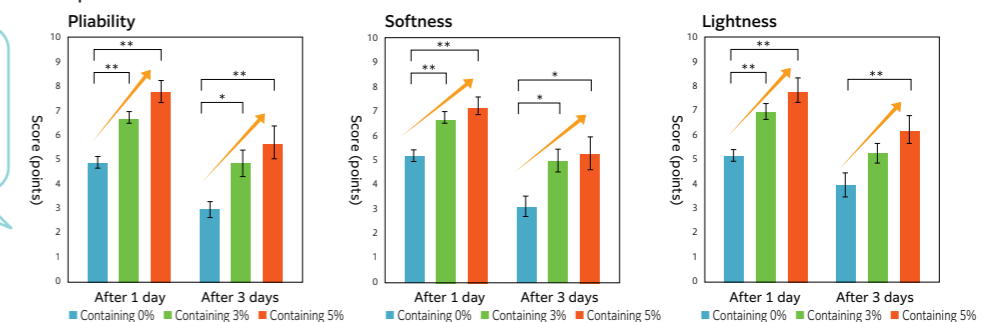
Extending the shelf life of bread through the development of functional oils and fats

Oils and fats play a major role in delivering the chewy and crunchy textures that comprise much of the appeal of breads and confectionary. Because of the importance it plays in ensuring the delicious flavor that one expects, it is vital that the texture is maintained to avoid a situation in which the value of the product is lost, thereby leading to waste. Through our customer support functions, we have identified the need to maintain a soft texture through the combination of oils and fats and functional ingredients if we are to reduce food waste in the production of bread. And, in service of this, we have developed functional oils and fats that can help resolve these issues.

By kneading functional oils and fats into the dough and increasing the dough’s water content, we have found that the ideal light and soft texture of the bread can be maintained over a longer time period, thereby extending its shelf-life.

In utilizing these customer support functions, we will demonstrate our ability to address customer issues with oils and fats and help improve the value of the products of our business partners, which should, in turn, provide greater opportunity for growth of the Group’s businesses.

Using functional oils and fats to improve people’s perceptions of a bread’s pliability, softness, and lightness



[Testing method] Baked buns containing 3% or 5% functional oils and fats. The buns containing no functional oils and fats were frozen one day after baking. The defrosted product was then marked out of five for each evaluation item. Sensory evaluation was performed by 10 members of the Company’s application development team one and three days after baking. ** Difference at 1% level of significance * Difference at 5% level of significance

Our Priorities for Realizing the Goals of Vision 2030

5 Supply chain connected by trust

As a supplier of important materials and energy contained in Japanese food, we will strive to build a stable supply chain for the future by using raw materials that are produced in a sustainable manner and always focusing on the quality of our products until they are delivered to our customers. We will also build relationships of trust with our customers and society through the supply of safe products and highly transparent communication.



Shared value and social impact

Making a more resilient and flexible supply chain with integrity

We are engaged in efforts to protect the environment and human rights in upstream raw material production regions, ensure no deforestation, no peat, no exploitation; improve the sustainability of downstream logistics, and to provide safe and secure oils and fats



Khoo Yoke Lian
CMO, ISF

Sustainable palm oil procurement from ISF across the entire Group

As a global company, we must ensure that there is transparency in our palm oil supply chains owing to the potential risks associated with deforestation and labor practices. ISF has been working on procuring RSPO certified oil since 2011 with 50% of all current raw materials procurement being RSPO*1 SG*2 certified oil. Through this procurement, we are striving to be ethical and sustainable in our

business operations. We are also committed to on-going efforts to discover and improve upon these efforts so that we may have a positive impact on the environment, local communities and the industry as a whole.

sustainability; however, the situation has changed greatly these past years, with a lot of companies now announcing support for "NDPE*3." In addition, in accordance with EUDR*4, any companies who cannot prove that there has been no deforestation within their palm oil supply chains will be prohibited from selling their products in the EU. This is expected to have a huge impact on the procurement of palm oil destined for the EU market in future.

Every employee at ISF, from management and down, understands our commitment to ensuring the sustainable procurement of palm oil and works in unison to help realize that, including through programs to help improve the livelihoods of smallhold farmers, the strengthening of local communities, and the promotion of responsible practices across the industry. By strengthening our governance around the matter of palm oil sustainability across the entire Group, we hope to see yet more progress in such initiatives in future too.

*1 Roundtable on Sustainable Palm Oil
*2 Segregation (one of the RSPO's authentication methods)
*3 No Deforestation, No Peat, No Exploitation
*4 EU deforestation regulations

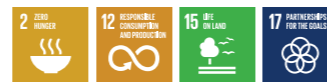
business operations. We are also committed to on-going efforts to discover and improve upon these efforts so that we may have a positive impact on the environment, local communities and the industry as a whole.

Our initiatives relating to palm oil sustainability have evolved over time. When we first began efforts to tackle the problem, the industry as a whole was largely uninterested in matters of

Key initiatives and vision

- We promote human rights education and pursue a stance of respecting human rights across all business operations.
- As part of the palm oil procurement process, we recognize that being able to ensure traceability all the way back to the plantation is of utmost importance if we are to protect the environment and human rights in raw material production regions. To that end, we are formulating an action plan toward ensuring such and helping find solutions to related issues.
- We will promote the formulation of an action plan so that we may expand our efforts toward sustainable procurement to include soybeans and cacao.
- As part of efforts to help find solutions to a range of issues, including labor shortages and harsh working environments, we will build a sustainable logistics system based on alliances within the Company and industry.
- We will develop proprietary technologies that will allow us to provide high quality products that can give us a competitive edge such as technologies for controlling trace elements.
- Through these initiatives, we will build a sustainable supply chain from upstream to downstream whereby we will expand our business opportunities by making this supply chain one of the key competitive strengths of the Group.

CSV goals



Initiative	FY2022 results	FY2023 targets	FY2024 targets	FY2030 targets
Developing and deepening business operations based on a respect for human rights	Dissemination of human rights policy throughout the Group Began operations on human rights due diligence	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: 90.9% (Jan. to Dec. 2022)	Palm oil: Developing effective initiatives to realize and maintain 100% traceability		Palm oil: 100%
Promoting sustainable sourcing of soybeans	Formulated a sourcing policy for soybeans, announced in July	Formulation and publication of sustainable sourcing action plan	Sustainable sourcing of soybeans premised on stable supply	
Promoting sustainable sourcing of cacao	Formulated a sourcing policy for cacao, announced in July		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	14%	20%	20%	30%
Reducing the amount of time truck drivers spend at work (within the Company's plants)		Avg: 90 mins as of end of FY2023	Avg: 60 mins	Avg: within 30 mins

Initiatives to respect human rights

Respect for human rights is a natural responsibility demanded of companies by society. It is also a business risk management issue. The Group is committed to establishing a human rights policy, human rights due diligence, and grievance mechanisms as the main framework of its efforts, and to disclose the status of its activities to the public as appropriate.

As part of our human rights due diligence, in fiscal 2022 we conducted a survey of domestic and overseas Group companies to better ascertain the presence of human-rights related issues in the Group. Based on the results of this survey, we categorized the Group's business domains including our procurement partners, as follows: agricultural, general manufacturing, and non-manufacturing. We

then organized and analyzed any human rights risks present based on severity and likelihood in accordance with those human rights deemed to be of a global standard. Based on this, we then formulated a roadmap for future human rights related initiatives.

Furthermore, so that we could ensure that such initiatives are promoted throughout the Group, we held briefing sessions for the management of each of the Group companies where we disseminated our vision for initiatives concerning respect of human rights.

From fiscal 2023 and onward, we will steadily proceed with such activities while constantly looking to find ways to improve our roadmap as we aim to realize our vision of a "Supply chain connected by trust."

Roadmap

	FY2022	FY2023-2025	FY2026-
Human rights due diligence	<ul style="list-style-type: none"> Ascertaining the presence of human-rights related issues within the Group Analyzing and identifying human rights risks 	<ul style="list-style-type: none"> Building a human rights due diligence system and strengthening traceability for all suppliers 	<ul style="list-style-type: none"> Continued implementation based on human rights due diligence system
Grievance mechanism	<ul style="list-style-type: none"> Review of existing systems, including Corporate Ethics Hotline 	<ul style="list-style-type: none"> Building of a grievance mechanism 	<ul style="list-style-type: none"> Operations based on grievance mechanism, continuous improvements
Information disclosure	<ul style="list-style-type: none"> Appropriate disclosing of information on the Company website, in integrated reports, etc. 		

For details, see the Company website: https://www.nisshin-oillio.com/english/sustainability/human_rights/

■ Sustainable sourcing of palm oil

Importance of traceability in ensuring sustainable sourcing of palm oil

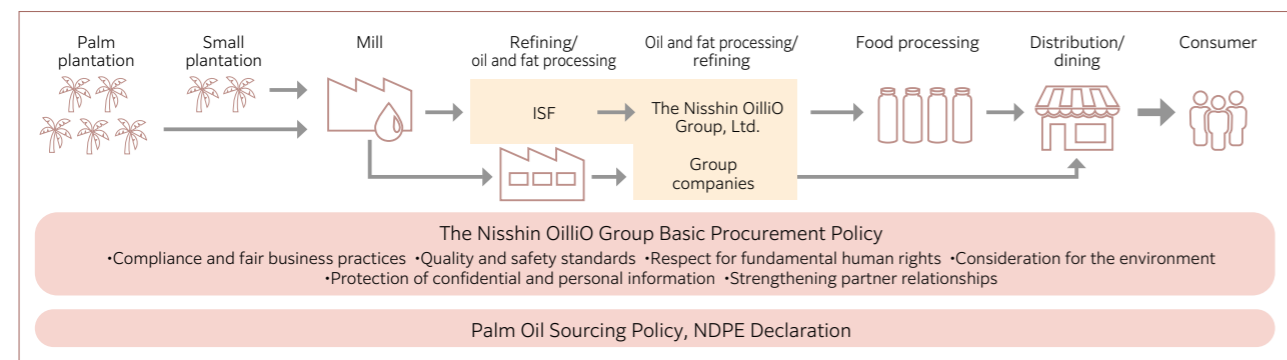
The Group manufactures frying oil, margarine and shortening, and oils and fats for chocolate and other products using palm oil as raw materials produced primarily in Malaysia and Indonesia. Palm oil is easily processable and produces a high per unit yield. For this reason, it is used in a wide range of products, including foods, and has become the most produced and used vegetable oil in the world. However, when it comes to palm oil, there is a range of social issues including the preservation of the natural environment and biodiversity at its production regions and the respecting of human rights of indigenous populations and the people working at the plantations. In light of this, the Group is aiming to build a sustainable palm oil supply chain and is working on initiatives aimed at realizing this.

In 2018, we established the “Nisshin Oillio Group Basic

Procurement Policy” as an overall policy for matters of procurement which we have requested that all our suppliers comply with. We have also established the “Palm Oil Sourcing Policy,” and have declared that we will build a traceable and transparent palm oil supply chain that complies with NDPE*. In order to realize the goals of NDPE, it is important that we understand whether there is preservation of forests and respect of human rights at the plantations and mills of our procurement partners and that we provide technical and financial support as necessary. The first step on this journey is to work with all stakeholders on the supply chain to ensure there is traceability along the chain, starting from the plantations and crushing plants all the way through to the refinery and eventually the Group itself. In light of this, the Group has set the CSV goal of achieving 100% traceability all the way back to the plantation by fiscal 2030 (90.9% as of fiscal 2022).

* No Deforestation, No Peat, No Exploitation

Palm Oil Supply Chain



■ Action plan for 2030: Improving traceability and environment/human rights related initiatives

(1) Building a traceable and transparent supply chain

RSPO’s SG certified oil can be traced back to the mills using that system. In 2022, we improved the ratio of SG certified oil procurement to 51% and, using fact-finding surveys, we also improved traceability back to plantations to 90.9%. By maintaining a ratio of RSPO SG certified oil—one of the indicators used for our action plan—of at least 50% and by making 100% of our oil certified oil, including MSPO*, we are aiming for a plantation traceability ratio of 100%.

* Malaysian Sustainable Palm Oil

(2) Conducting plantation working environment surveys in collaboration with stakeholders

In fiscal 2022, with the support of NPOs, we conducted a survey on working environments and employment targeting the Group, plantations, and one of our customers, a major chocolate manufacturer in Europe, whereby we then formulated improvement recommendations and an action plan. This was a meaningful initiative in the sense that it involved collaboration between so many stakeholders along the supply chain; from upstream to downstream.

(3) Protecting forests and respecting human rights by supporting smallhold farmers

In fiscal 2023, we will begin support of our plantations, our major European chocolate manufacturer customer, and smallhold farmers. This is an initiative by which we will provide support to plantations in obtaining RSPO certification and by which the Group procures certified oil and supplies it to the customers. By increasing the productivity of smallhold farmers, we can help curb expansion of plantations that involve the development of forests, which should lead to more respect for human rights by ensuring more stable incomes, the prevention of child labor, improvements in working environments, etc.

(4) Promoting Scope 3 reductions in the palm oil supply chain

The Group is building relationships of trust with various stakeholders, including plantations, mills, and distributors, so as to promote GHG emissions reductions in the palm oil supply chain, whereby we aim to make a 25% reduction by fiscal 2030 (vs. fiscal 2020). Since fiscal 2019, we have been planting mangroves in Malaysia as part of efforts to increase sources for absorbing CO₂ and to restore ecosystems.

For details on the action plan, see the Company website: https://www.nisshin-oillio.com/company/sustainability/sustain/procurement_policy2.html.

■ Sustainable sourcing of soybeans

We formulated the Group’s Soybean Sourcing Policy in July 2022, whereby we are working to make improvements in matters of environmental considerations and respect for human rights in areas of soybean production through the supply chain. We have been conducting surveys on soy production and logistics in production regions for some time, based upon which we are considering measures to improve sustainability together with our suppliers. Within fiscal 2023, we plan to formulate a targeted action plan, including becoming member of a certification body.



Toshihiro Nonaka
Manager, Oil & Oilseeds Group, Strategic Sourcing & Supply Management

■ Building a sustainable logistics system

Against the backdrop of a chronic driver shortage, we are now in an era in which shippers are screened by transportation companies. From April 2024, the maximum annual overtime limit for vehicle drivers will be set to 960 hours. This will make truck supply and demand even more tight and may lead to a situation where the fear of articles “not being able to be shipped” would be an unfortunate reality.

In light of this situation, we plan to lease a large external warehouse near our Yokohama Isogo Plant during fiscal 2023 where we will consolidate our inventory stored in and around the Isogo Plant. By doing this, we expect that we will shorten the time drivers are required to wait for cargo and for handling it. We also expect that it will improve the efficiency of work by increasing the amount of space given for shipping work.

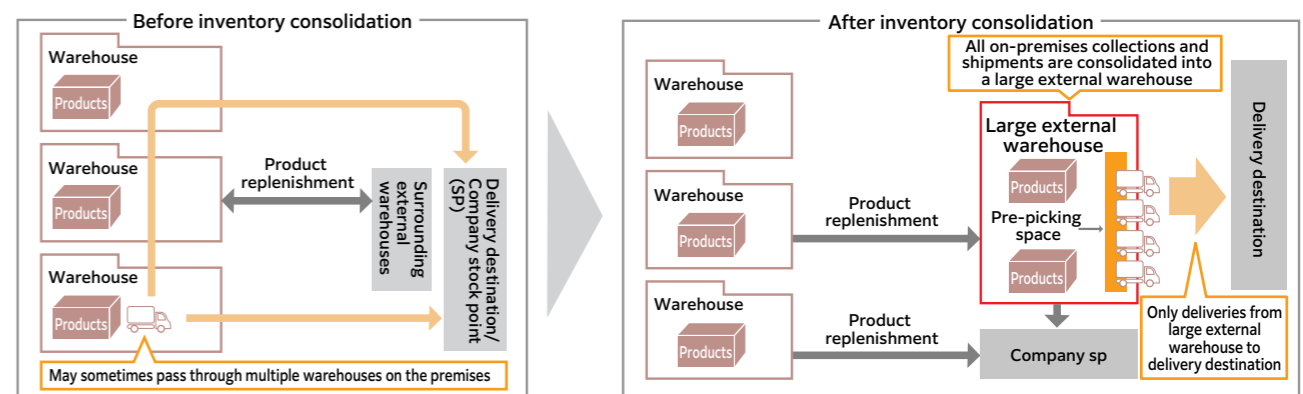
■ Sustainable sourcing of cacao

We manufacture and sell chocolate for commercial use to which end we have joined the World Cacao Foundation (WCF) and have obtained certification from the Rainforest Alliance (RA). These initiatives are a part of efforts to help find solutions to social and environmental issues that may arise along the cacao supply chain. We are currently in the process of formulating an action plan involving initiatives such as the development of RA certified products and the strengthening of traceability. In accordance with the Group’s Cacao Sourcing Policy, the Group is working as a single entity to help find solutions to various issues.



Hirotaka Hidaka
General Manager, Business Promotion Office Daito Cacao Co., Ltd.

Before-After Inventory Consolidation at Warehouse (Figure)



■ Reconstructing IT systems of quality standards

In operating our unique quality management system, “Oillio QMS,” the Company is building a system for delivering safe and secure products and services to customers and for ensuring that there are on-going improvements.

The Company has established quality standards for its production activities, covering each of the raw material, semi-finished, and final product stages which we utilize for quality management purposes. We have also internally developed a new centralized management system called “Q-base” for

managing quality standards data, which we put into operation in July 2023. “Q-base” not only allows for quality standards data to be shared between production management systems, but also allows for us to quickly establish quality standards for new products, etc., thereby contributing to accurate, efficient, and speedy quality management. This will also help us build the information infrastructure required for the smart factory transformation we are currently pursuing at our domestic production bases.

Our Priorities for Realizing the Goals of Vision 2030

6 Human resource management

Creativity based on diverse perspectives is essential for the sustainable growth of the Group. We strive to realize diversity and work constantly to emphasize employees' health and education, and create opportunities for employees to gain a wide range of experience. This will enable us to increase the job satisfaction of every employee and thus enhance our organizational capabilities and drive innovation in every aspect of our value chain.



Shared value and social impact

Enhancing the engagement of diverse human resources and improving organizational strength

We are engaged in initiatives to provide working environments and systems that enable diverse human resources to fully demonstrate their abilities, to improve employee job satisfaction, to foster a new corporate culture, and to empower diverse human resources



Takashi Segawa
Executive Officer
General Manager, Personnel & General Affairs Dept.
General Manager, Health and Productivity Management Dept.
Responsible for Business Support Center

From a small elite-focused approach to a diverse and substantial organization

For a long time, the Company demonstrated its competitive edge through its human resources education system based on the principle of "education first" and by maintaining an efficient and muscular key personnel system based on a small and elite selection of employees. With the aim of encouraging all our employees to aspire to be the very best, we now provide employees with tasks from a young age with a view to allowing them to move their way up through the organization and

organization built on a breadth and depth that can leverage diversity. We must concentrate the knowledge and wisdom of diverse human resources and expand the areas in which the Group operates and its potential so that we may expand on a global level, develop new markets, and challenge ourselves to tackling even greater technological issues. In service of this, we are promoting the strategic training and recruitment of experienced specialist mid-career hires and working to strengthen our human resources capacity through measures including the establishment of a global human resources registration system and developing a pool of candidates to join our team of global human resources.

We will start a new personnel system in October 2023. This new personnel system aims to build an energetic culture in our organization driven by growth and job satisfaction. In addition to strengthening our management capabilities so as to allow us to maximize the diverse individualities of employees (capabilities, experience, values, etc.), we will also provide employees with opportunities to challenge themselves and grow for which we will reward their hard work. In doing this, we hope to connect employee growth to the sustainable development of the Company.

challenge them to take on a broad variety of work. Fostering the next generation is now the most important task of leaders within the Group and forms a key part of the Company's DNA.

However, as the market environment grows in complexity and the issues that require addressing become even more difficult to find solutions to, I feel that it is important that we evolve away from a system based on a small elite to an

Investment in human capital

If we are to realize sustainable development for the Group, it is essential that we build an environment in which employees share in our vision as a company and that they are keen to dedicate themselves to their job with passion and with a sense of job satisfaction. As part of this, we are promoting proactive investments in human resources and in the reform of our organization and management so that we can strengthen the organizational capabilities of the Group using the growth and job satisfaction of each employee as a driver to realize Vision 2030.

By strategically implementing initiatives that help employees realize their own individual growth and demonstrate their capabilities from a long-term perspective, including the expansion of our human resources, investment in education, and the building of an environment in which employees feel comfortable in their work, we will foster and solidify an organizational culture in which all employees are committed to helping the Company realize its vision as well as one that enables them to improve their own capabilities and act with autonomy as they grow.

Key initiatives and vision

- In order to realize the Group's vision, we will proactively invest in human capital for the purposes of expanding our human resources as required for value creation and for strengthening and developing our organizational capabilities. In particular, we will make focused investments in education for human resources that will promote global business.
- So that we can reach a position in which our vision is realized, we will raise the base level of literacy with regard to lipid nutrition, environment, information throughout the Group.
- We will build an environment that welcomes diverse human resources required for the Group to create new forms of value. We will also lay the foundations for delivering innovation through constructive communication between employees.
- We will improve managerial diversity and incorporate a broad range of perspectives into decision making processes. To this end, we will implement strategic type education.
- We will enhance communication between management and employees, promote "smart work" (flexible working environment, with IT) and other measures to improve "ease of work" and "job satisfaction," and increase employee engagement.
- Through these initiatives, we will create a robust organization capable of triggering innovation intermittently. Thus we will make the leap to "become a global top provider of oils and fats solutions."

CSV goals



Initiative	FY2022 results	FY2023 targets	FY2024 targets	FY2030 targets
Reinvigorating and developing organizational capabilities				
Building the foundations for DX promotion	Company-wide introduction of digital literacy type education system	Achieve 100% company-wide digital literacy type education	Implementation of specialized education for fostering personnel for DX promotion and workplace placement	Target to be set
Expansion of global human resources	Introduction of registration system for 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	<ul style="list-style-type: none"> Implementation of action plan at all divisions targeting improvements in employee engagement Percentage of employees feeling highly engaged in their work: 63.0% 	66%	70%	80%
Increasing employee diversity				
Increasing female manager ratio	Percentage of female participation in educational opportunities to develop core human resources: 23.4% Female manager ratio: 6.3% (as of April 1, 2023)	7%	8%	20%

Investment in human capital

Human resources strategy

Basic policy

- Build an organization with depth that leverages diversity
- Build new partnerships between employees and the Company
- Accelerate employee growth
- Strengthen management and make it more sophisticated

Proactive investment in human resources + Organization and human resource management transformation

Health management

Investments to maintain and improve the health of the employees

Human capital investment

We will proactively invest in human resources as our most important capital for value creation. We will enhance organizational capabilities by fostering an energetic organizational culture that maximizes the abilities and innovation of each employee with diverse experiences and values, thereby realizing the corporate vision set forth in Vision 2030.

Human capital investment and KPI

Human resources strategy Proactive investment in human resources and organization and human resource management transformation

Building of robust human resources

- **Build the optimum human resources portfolio to robustly execute our corporate strategy**
- Increase educational opportunities
- Strengthen the training of specialized human resources
- Increase the employee base level for business and digital skills
- Clarification of the expected duties and mission for each employee; strengthen and demonstrate specialist skills

Building an organization that generates innovation

- **Provide opportunities for diverse human resources to fully demonstrate their unique capabilities and characteristics**
- Diversification of decision-making personnel (promote active participation of female employees, acquisition of highly specialized human resources)
- Management that leverages diversity

Improving employee job satisfaction

- **Ensure employee well-being and build a healthy and energetic organizational culture**
- Realization of a competitive system for the treatment of employees
- Promotion of flexible and diverse working styles
- Providing opportunities for employees to challenge themselves and grow
- Initiatives to improve engagement across the Company and organizations

	FY2022 results	FY2024 targets	FY2030 targets
Annual education and training expenses per full-time employee	¥68,000	¥80,000	Set based on necessary skills development and optimal education method
Building the foundations for DX promotion	Group-wide introduction of digital literacy type education system	Implementation of specialized education for fostering personnel for DX promotion and workplace placement	Set based on business strategy, etc.
Education of global human resources	Introduction of registration system for global human resources Training to foster a global mindset (attended by 53 persons)	Increasing registered employees Placement in global operations (Total of 10 employees between FY2023 and FY2024)	Set with an eye to future global expansion
Ratio of experienced human resources to new hires in managerial and general courses	34.9%	Proactively recruit as appropriate in accordance with the development of our business strategy	Set in consideration of the optimum human resources portfolio as based on future business strategies
Ratio of female managers	6.3% <small>(as of April 1, 2023)</small>	8%	20%
Ratio of employees taking annual paid leave	75.6%	80%	90%
Ratio of employees taking childcare leave	Male: 70.0% Female: 100%	100% for both male and female employees	

* Results based on Company data

Outputs

Percentage of employees feeling highly engaged in their work

FY2022 results	FY2024 targets	FY2030 targets
63.0%	70.0%	80.0%

Company culture that values detail-oriented and dedicated attitudes and teamwork

+

Transforming into an organizational culture with energetic and diverse human resources

→

Improving employee engagement

Creating value through innovation

Improving productivity

Becoming a global top provider of oil and fat solutions

Health management Investments to maintain and improve employee health

- **Being a company in which each employee works with energy and enthusiasm**
- Setting "lifestyle diseases prevention," "promotion of smoking cessation," and "mental health" as priority measures

External evaluation regarding health management	Certified as Health & Productivity Management Outstanding Organization (White 500)	Aim to maintain certification
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Productivity improvement (operating profit per person)
* Full-time employees, non-consolidated

FY2022 results	FY2024 targets	FY2030 targets
¥5.7 million	¥6.4 million	Target to be set

■ Proactive investment in human resources

Active roles of diverse human resources

We believe that leveraging the diverse strengths of each employee is important for achieving sustainable growth and improving our corporate value. To that end, we are promoting education and the building of an in-house environment in which our human resources can work to their fullest based in their own diverse capabilities, experience, sensitivities, and values.

One way we are doing this is by working to promote the active participation of female employees and proactively recruiting female employees. Furthermore, in order to build an environment in which it is easier for female employees to access opportunities to participate in decision making and in leadership roles, we are engaged in efforts to provide strategic education and job-rotation type training. We are also expanding our support for female employees to achieve a better work-life balance, starting with efforts around childcare.

In addition, in securing the specialized human resources required to promote our corporate strategy toward further growth, we are seeking to expand our recruitment of external human resources, to strengthen our training of internal human resources, and to improve training for those human resources who will be responsible for the next generation.

Education of global human resources

As part of its aim to "become a global top provider of oil and fat solutions," the Company has launched a global human

resources registration system for recruiting employees who will play an active role on the global stage. We accept applications from candidates who will show an independent spirit to take on new challenges in helping the Group's overseas companies and domestic companies grow their overseas businesses, from which we will form a pool of candidates. In addition to using this system for placing employees, it is also used to provide registered employees with educational programs based around their various experiences overseas and language abilities. This is used to encourage these global human resources to improve their capabilities and to work to their fullest.

Building the foundations for DX promotion

With the aim of laying the foundations for a transformation of our business model and for innovative reform of our business operations, we are implementing an educational program which all employees will participate in designed to improve their knowledge and skills regarding digital utilization and for fostering a mindset that will help deliver digital transformation. Furthermore, in order to promote digital transformation and lay the foundations for innovation among employees, we held an in-house appeal for ideas regarding digital transformation back in 2022. The four teams that passed the final round continue to work with great energy toward the actualization of their proposals with the support of the Company.

■ Organization and human resource management transformation

Utilization of engagement surveys

Since 2021, we have been conducting periodic surveys regarding the state of engagement of our employees. To help improve the job satisfaction of employees, we utilize the results of these surveys to help build Group-wide human resource strategies and to manage workplaces. After the survey, we analyze the results, identify issues, and consider possible countermeasures. We also release the results of the survey by organization to corporate officers and managers whereby those managers then lead efforts to come up with points for improvement for their own organization on a division/department level of granularity. All this feeds into our efforts to formulate an action plan and take actions to improve employee engagement.

Reforming our personnel system

In October 2023, we will introduce a new personnel system that will form the basis for an energetic organizational culture and through which we aim to build a strong relationship of trust between the Company and employees and through which we hope that both will grow together. The basic philosophy of the new personnel system is to "Value Up employees and organizations with their diverse strengths." In order that all our employees can aim high and demonstrate their individuality in realizing growth and results, we are making reforms focused on goal management/evaluation systems, systems for treatment of employees, and education and training systems. In doing this, we will look to draw out to the maximum extent the ambition and capabilities of each employee, allowing the Company to realize an even more in-depth form of human resource management.

■ Promotion of health management

We proactively support efforts to maintain and improve the physical and mental health of our employees so that they may work with job satisfaction and great energy and lead healthy and fulfilling lives. We are developing a range of measures focusing on "lifestyle diseases prevention," "promotion of smoking cessation,"

and "mental health" in collaboration with management, persons in charge of health promotion at each business site, the health insurance union, and the labor union, with efforts led primarily by the Health and Productivity Management Department, which is the organization tasked with overseeing these efforts.

For health indicators and their progress, please visit our website: https://www.nisshin-oillio.com/company/sustainability/health_management/