

Corporate Governance

Management Structure (as of September 30, 2023)

Directors



Takahisa Kuno
 Representative Director and President
 Date of birth: October 29, 1961
 Responsible for corporate management and internal audit
 Apr. 1985: Joined the Company
 June 2008: Executive Officer
 Apr. 2014: Managing Officer
 June 2014: Director and Managing Officer
 June 2017: Representative Director and President (to present)
Significant concurrent position
 Chairman, Intercontinental Specialty Fats Sdn. Bhd.



Hidetoshi Ogami
 Representative Director and Senior Managing Officer
 Date of birth: February 1, 1961
 Responsible for corporate finance, digital innovation, strategic sourcing & supply management and meal & grain sales
 Apr. 1983: Joined the Company
 July 2004: Executive Officer
 June 2005: Director
 June 2011: Managing Officer
 June 2013: Director and Managing Officer
 June 2018: Director and Senior Managing Officer
 June 2019: Representative Director and Senior Managing Officer (to present)



Yasushi Kawarasaki
 Director and Senior Managing Officer
 Date of birth: August 31, 1958
 Responsible for production coordination, logistics management, Yokohama Isogo Complex, Mizushima Complex/Plant, environmental solutions, and safety management & disaster prevention
 Apr. 1984: Joined the Company
 June 2011: Executive Officer
 Apr. 2017: Managing Officer
 June 2018: Director and Managing Officer
 Apr. 2021: Director and Senior Managing Officer (to present)



Arata Kobayashi
 Director and Senior Managing Officer
 Date of birth: May 26, 1961
 Responsible for sustainable business management, personnel and general affairs, public relations & investor relations, quality assurance, and publicity & advertising
 Apr. 1985: Joined the Company
 May 2009: Executive Officer
 Apr. 2014: Managing Officer
 June 2016: Director and Managing Officer
 Apr. 2023: Director and Senior Managing Officer (to present)



Masato Saegusa
 Director and Senior Managing Officer
 Date of birth: September 22, 1960
 General Manager, Food Product Division
 Responsible for branch operation and Osaka Complex
 Apr. 1984: Joined the Company
 Apr. 2014: Executive Officer
 Apr. 2019: Managing Officer
 June 2021: Director and Managing Officer
 Apr. 2023: Director and Senior Managing Officer (to present)



Yoshiharu Okano
 Director and Managing Officer
 Date of birth: September 6, 1962
 Responsible for global business and fine chemicals business
 Apr. 1987: Joined Marubeni Corporation
 Apr. 2013: General Manager, Livestock Feed Operation
 Apr. 2015: General Manager, Second Grain Dept.
 Apr. 2017: Senior Operating Officer, Grain Division
 Apr. 2019: Joined the Company as Managing Officer
 June 2019: Director and Managing Officer (to present)
Significant concurrent position
 President, The Nisshin Oillio (China) Investment Co., Ltd.



Isao Yamamoto
 Outside Director
 Date of birth: May 2, 1957
 Apr. 1981: Joined Nomura Research Institute, Ltd.
 Jan. 1991: Head, Strategic Advisory Group, Nomura Research Institute
 Jan. 2002: Co-Head and Managing Director, Investment Banking Division, Merrill Lynch Japan Securities Co., Ltd.
 Nov. 2003: President & CEO, The Institute for Securities Investment & Governance K.K.
 July 2006: Auditor, MASSTUNE, Inc. (currently MINKABU THE INFONOID, Inc.)
 Sept. 2007: Director, MASSTUNE, Inc. (currently MINKABU THE INFONOID, Inc.)
 Nov. 2009: President, Enterprising Investment, Inc. (to present)
 June 2011: Outside Director, Sony Financial Holdings Inc. (currently Sony Financial Group Inc.)
 June 2019: Outside Director, the Company (to present)
 Oct. 2019: Board Member, Scenera, Inc. (to present)
Significant concurrent position
 President, Enterprising Investment, Inc.



Emi Machida
 Outside Director
 Date of birth: February 7, 1964
 Mar. 1990: Registered as Certified Public Accountant (to present)
 July 2004: Member, Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)
 July 2012: Resigned from Deloitte Touche Tohmatsu LLC
 Apr. 2013: Part-time Auditor, Deposit Insurance Corporation of Japan
 June 2016: Outside Audit & Supervisory Board Member, the Company
 June 2020: Outside Director, the Company (to present)
 June 2020: Outside Auditor, Yakult Honsha Co., Ltd. (to present)
Significant concurrent positions
 Certified Public Accountant
 Outside Auditor, Yakult Honsha Co., Ltd.



Naomi Eto
 Outside Director
 Date of birth: May 2, 1956
 Apr. 1979: Joined Bridgestone Tire Co., Ltd. (currently Bridgestone Corporation)
 Mar. 2009: Executive Officer, Bridgestone Tire Co., Ltd. (currently Bridgestone Corporation)
 Responsible for general affairs and corporate communications
 Sept. 2011: Executive Officer, Bridgestone Tire Co., Ltd. (currently Bridgestone Corporation)
 Responsible for environment
 Feb. 2014: Executive Officer, Zensho Holdings Co., Ltd. Senior General Manager, Group CC Dept.
 June 2014: Director, Zensho Holdings Co., Ltd. Senior General Manager, Group CC Dept.
 Jan. 2015: Director, Zensho Holdings Co., Ltd. Senior General Manager, Group General Affairs Dept.
 June 2020: Resigned as Director, Zensho Holdings Co., Ltd.
 June 2020: Outside Director, Morinaga & Co., Ltd. (to present)
 June 2022: Outside Director, the Company (to present)
 June 2022: Outside Director, Nippon Yakin Kogyo Co., Ltd. (to present)
Significant concurrent positions
 Outside Director, Morinaga & Co., Ltd.
 Outside Director, Nippon Yakin Kogyo Co., Ltd.

Audit & Supervisory Board Members



Katsuhito Oba
 Audit & Supervisory Board Member (full-time)
 Date of birth: March 12, 1962
 Apr. 1985: Joined the Company
 Apr. 2015: General Manager, Business Promotion
 June 2019: Audit & Supervisory Board Member (full-time) (to present)



Nobuyuki Watanabe
 Audit & Supervisory Board Member (full-time)
 Date of birth: May 26, 1963
 Apr. 1987: Joined the Company
 Apr. 2019: Executive Officer
 June 2022: Audit & Supervisory Board Member (full-time) (to present)



Tomotake Kusamichi
 Audit & Supervisory Board Member (Outside)
 Date of birth: October 18, 1972
 Oct. 2003: Registered as attorney at law (Dai-ichi Tokyo Bar Association) (to present)
 Apr. 2017: Vice-president, Dai-ichi Tokyo Bar Association
 Apr. 2018: Deputy Director, Tokyo District Office of Japan Legal Support Center (to present)
 June 2019: Outside Audit & Supervisory Board Member, the Company (to present)
Significant concurrent position
 Attorney at law



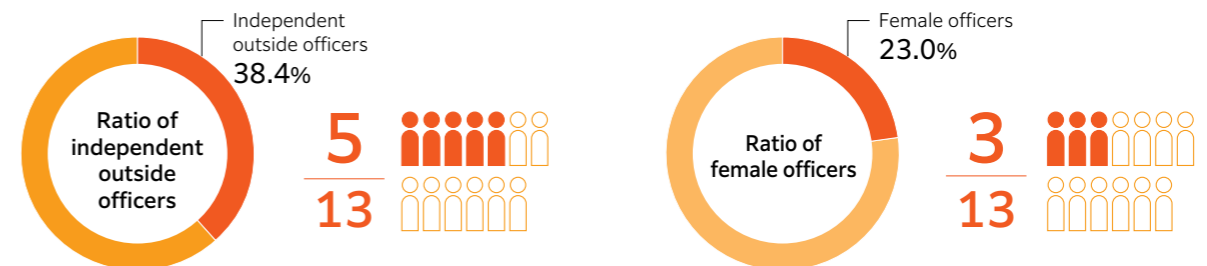
Sayaka Sumida
 Audit & Supervisory Board Member (Outside)
 Date of birth: January 28, 1961
 May 1988: Registered as Certified Public Accountant (to present)
 May 1999: Member, Asahi & Co. (currently KPMG AZSA LLC)
 May 2006: Partner, KPMG AZSA LLC
 July 2010: Executive Board Member, Japanese Institute of Certified Public Accountants
 Feb. 2017: Business Accounting Council Member, Financial Services Agency
 Mar. 2020: Resigned from KPMG AZSA LLC
 June 2020: Outside Audit & Supervisory Board Member, the Company (to present)
 June 2020: Outside Audit & Supervisory Board Member, Furukawa Electric Co., Ltd. (to present)
 June 2020: Outside Director and Audit and Supervisory Committee Member, ADVANTEST CORPORATION (to present)
Significant concurrent positions
 Outside Audit & Supervisory Board Member, Furukawa Electric Co., Ltd.
 Outside Director and Audit and Supervisory Committee Member, ADVANTEST CORPORATION

Corporate Officers

- | | | | |
|--|--|--|---|
| <p>Masahiko Oka
 Managing Officer
 General Manager, Processed Oil/Fat & Soy Protein Division
 Responsible for bulk oil delivery support</p> | <p>Hiroshi Nashinoki
 Managing Officer
 General Manager, Strategic Business Development, North America
 Responsible for Product Application Development Center</p> | <p>Masayuki Sato
 Managing Officer
 General Manager, Technical Division</p> | <p>Katsuaki Yamanouchi
 Executive Officer
 Assistant General Manager, Technical Division</p> |
| <p>Takahiro Saito
 Executive Officer
 General Manager, Tokyo Branch
 General Manager, Retail Support Marketing Dept.</p> | <p>Taiji Teraguchi
 Executive Officer
 Responsible for market development, national account sales, and Product Application Development Center</p> | <p>Kenji Koike
 Executive Officer
 General Manager, Marketing, Processed Oil/Fat Dept.
 Assistant General Manager, Processed Oil/Fat & Soy Protein Division</p> | <p>Takashi Segawa
 Executive Officer
 General Manager, Personnel & General Affairs Dept.
 General Manager, Health and Productivity Management Dept.
 Responsible for Business Support Center</p> |
| <p>Hitoshi Kyuma
 Executive Officer
 General Manager, Strategic Sourcing & Supply Management
 General Manager, Meal & Grain Sales</p> | <p>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</p> | <p>Osamu Kawabe
 Executive Officer
 Representative Director, Oilseed Processing Partners Japan, Ltd. (scheduled to assume position on Oct. 2, 2023)</p> | |

* Includes some positions scheduled to be assumed on Oct. 2023

Independence and Diversity of Board of Directors and Audit & Supervisory Board



Dialogue with Outside Directors

Expecting further enhancement of corporate value through solution provision and proactive information dissemination

The Nisshin OilliO Group strives to achieve on-going improvements to its corporate value by incorporating the views and opinions of its outside directors into the Group's management. What is needed to further increase corporate value in the future? We sat down with directors Yamamoto, Machida, and Eto to discuss about the current issues facing the Group and its long-term vision.



Naomi Eto
Outside Director

Isao Yamamoto
Outside Director

Emi Machida
Outside Director

What is the role of an outside director?

Yamamoto Our governance structure is evolving as we move into the second half of the medium-term management plan, to which end we have started a new management sustainability committee. We are busy considering strategies for the next medium-term plan, and I am participating as someone who can bring a different perspective to the team. By leveraging my prior experiences working as a securities analyst and in investment banking and venture capital businesses, I hope to contribute to improvements in the quality of decision making by the Board of Directors from the viewpoint of capital markets.

Machida Thus far, I have worked as an advisor on matters concerning accounting audit, internal control, and risk, as well as work relating to public offering of shares. In addition to offering specialist advice on matters of finance, disclosures, and risk, I also try to speak from the perspective of a consumer. Also, while executives must respond to each of the issues at hand, I think it

is important for outside directors to ask questions from a much broader perspective regarding the positioning and roles of these respective issues in relation to the future.

Eto I have long been involved in work positioned at the point of contact between companies and society, such as public and shareholder relations for the manufacturing and restaurant industries. I would like to make proposals regarding risk and compliance centered around responding to demands from society and promoting corporate understanding within society. Also, while medium-term management plans are typically designed to be implemented over a three-to-four-year period, I, as an outside director, feel that it is important to raise issues from the perspective of business plans that are ten years or more in scope. For the manufacturing industry in particular, research and development take a long time. In times of rapid change and of the world undergoing significant transformation, I never miss an opportunity to ask executives if they're thinking about the future.

What are your thoughts on the current challenges to improving corporate value?

Yamamoto The Company's P/B ratio continues to be below 1x and this was a major theme at the first off-site meeting of the Board of Directors held last year. When we proposed the idea to President Kuno, he immediately decided to make it an issue to be addressed. We discussed measures to analyze internal and external issues as to why P/B ratio is low and ways to increase profitability and growth so as to improve it, as well as proactive ways to handle investor relations to better communicate this to the market and how to target investors.

Eto There have been frequent discussions over this past year with regard to how best to improve the P/B ratio, and I feel that awareness of the issue is increasing among management. I think efforts to improve the situation need to be tackled from three perspectives. The first concerns the Group's earning capacity. Now that we have put in place the foundations for improving our earning capacity, the opinions of analysts have changed significantly. The second perspective concerns obtaining the understanding of external parties. With the foundations in place, we now need to foster an understanding from people external to the Company with regard to future initiatives to expand overseas. The third perspective is about expectations for the Group's earning capacity in future. Making the Group global is, of course, important, but at the heart of that is, more than anything, our technological capacity. I think it might be a good idea for the Group to challenge and communicate the message at an even higher level.

Yamamoto With regard to the Group's earning capacity, I think it is encouraging that we have been able to show leadership in the industry this past two years, during which market prices for raw materials had soared, in the form of reformulating prices, which I think has established a foundation for us to become more offensive. If we are to grow, we cannot take drastic measures unless we have the strength to make upfront investments.

Machida Amid discussions on P/B ratio and ROE, we have recently seen a focus on ROIC in particular, with discussions on how to improve it within a situation where assets such as inventories and accounts receivables are expanding. We will continue to make upfront investments in terms of capital investments while ensuring that we keep control of the overall balance. I believe that we were able to produce results in fiscal 2022 under difficult circumstances, setting the stage for the next step for the Group.

Yamamoto In terms of growth, we discussed specific measures at the off-site meeting targeting the North American market, after which, projects aimed at their implementation got rolling very quickly. Also, my impression is that, in response to the results of the evaluation of the effectiveness of the Board of Directors, the Board of Directors is steadily tackling the issues facing them, including the introduction, two years ago, of deliberative discussion time prior to decision-making at board meetings.

Machida Before the holding of Board of Directors meetings, we always receive advance explanatory materials and engage



in frank conversations with the next-generation leaders of the Group. I am really grateful that we are given the opportunity to understand the items up for deliberation ahead of time, before voicing our opinions. For some of the items up for deliberation, I sometimes ask purposely provocative questions with the hope of encouraging discussion among the members.

Eto I assumed the role of outside director one year ago and think that the system of having advanced explanations, set items for deliberation, resolutions, and discussions, which all take place before any decision making, is well thought out. As the advanced explanatory materials provide us the opportunity to get to know about the backgrounds of the relevant people in charge of particular divisions and initiatives, I was originally under the impression that the system was designed to work alongside the Nomination Advisory Committee, but I guess it had already been subject to some major changes by that point. Although everyone is working very diligently and seriously, Mr. Yamamoto occasionally likes to step on the accelerator of initiatives a little bit.

Yamamoto The Nisshin OilliO Group is a very constant and dedicated company and, so, I think it's necessary sometimes to give it a little push. I think it would be a good idea if we stretched ourselves beyond boundaries a little more during these lively discussions on the Group's growth.

What does the Group need to reach the next level? And what are your expectations?

Yamamoto In order for the Group to realize its vision of becoming a global top provider of oils and fats solutions, it is particularly essential that we develop global human resources. In order to expand our global human resources, it is also necessary to think about the Group's compensation system. It is important that we also consider initiatives relating to diversity. In the latter-half of the 2020s, I imagine it will become more commonplace for non-Japanese people to become executive officers, and so I think we can assume that there will be local people who will be in charge of certain subsidiaries. Therefore, it is important that we prepare for that.

Eto I too think that human resources and technical capacity are important. We must, based on corporate strategy, ascertain what we lack in terms of human resources and technical

Dialogue with Outside Directors



capacity with an eye to the future. Speaking honestly, I think we need a little more diversity in our human resources. I think the Group should show a little more urgency in dealing particularly with the ratio of female managers. After all, I think that there are many opportunities in the food industry for female employees to play an active role.

Machida I heard that there were a lot of challenges in bringing ISF to where it is today, but I think that we need to leverage that experience and what we learned from those challenges in the development of the Group's global human resources. I believe that there are frequent exchanges of human resources at an operational level with ISF, but I don't think this situation is communicated particularly well.

I also believe that to realize the Group's Vision 2030, delivering "energy for living" to everyone, will be deeply intertwined with future global issues surrounding food security. To support people's dietary livelihoods, we must improve the functionality of the edible oils and fats and deliver nutrition to all regions of the world. And for that, we must also address global environmental issues. Global corporations are facing stricter demands on their activities concerning the environment than ever before, particularly in Europe. In order to achieve carbon neutrality by 2050, we must, as a company involved in the handling of plant resources, initiate activities from a wide perspective of such issues.

Eto When it comes to "mastering oils and fats" too, I think there are still areas where we can make more of "The Natural Power of Plants." If the Group can clearly articulate what kind of company it aims to be under the vision "Becoming a global top provider of oils and fats solutions" and tackle the issues of technology development from the perspective of finding solutions to global issues from a broader stance, I believe that it will be able to deliver technology that can respond to issues of biodiversity and food shortages brought about by population growth. I think such achievements will serve as a great strength to the Group, and it is our responsibility as a company that operates in this kind of business. It is my hope that the persons who go on to serve as the next leaders of the Group focus on development and the challenge of growing the business with an eye toward the future of the planet. Seeing as how we are moving out into the world as one of the leading

manufacturers in Japanese industry, I would like for us to adopt the stance of helping develop "solutions for all."

Yamamoto Yes, indeed. I strongly agree with that. I would like The Nisshin OilliO Group to internalize the spirit of wanting to help find solutions to global issues and to demonstrate that positivity to the outside. And I feel that the Group has the capacity to do just that. Furthermore, looking at the present situation, which is to say the management of the Group over the next two to three years, I think that we need to ensure that there is an optimal system in place for pursuing synergy between the various companies making up the Group's business portfolio, and to think about how we will best achieve that.

Machida From the perspective of Group management, we must make sure that we verbalize the Group's aims as we proceed to expand overseas and that we become more integrated and be on the same page. Then our corporate image will be stronger and enable us to better communicate with investors.

Yamamoto In terms of information disclosure, I feel that we must be innovative in how we communicate the information. Over the past few years, the concept behind edible oils has changed from being focused on transferring heat during cooking or as an energy source to one centered around being a "pour-and-enjoy" fresh edible oil or a supplement-type oil; from having a negative image in terms of health to one that generates new positive values regarding health and nutrition; moving from the kitchen to the dining table. In doing this, we have made proactive efforts to disseminate information with regard to the downstream side of things on the supply chain, but, moving forward, we must also make more efforts to disseminate information upstream in addressing global issues. I think, because we are conscientious, we have not been particularly great at communicating these initiatives.

Machida While we have been engaged in various measures to ensure the traceability of our raw materials and the stable supply of products, it is my impression that these measures, unfortunately, have not been communicated well. Integrated reports are a suitable tool for disseminating information due to the freedom and potential that they offer, and so I hope that they will be used more actively in future for communication with stakeholders.



Corporate Governance

Basic Policy

The basic philosophy of The Nisshin OilliO Group is to contribute to the development of people, society and the economy by maximizing its corporate value. The Group seeks to contribute to realizing sustainability with the aim of continuing to be trusted by all stakeholders. In The Nisshin OilliO Group Vision 2030, the Group has established priorities for solving social issues and creating value, and set forth strategic guidelines to achieve growth through the creation of value that is shared with society and the Corporate Vision towards 2030. Under

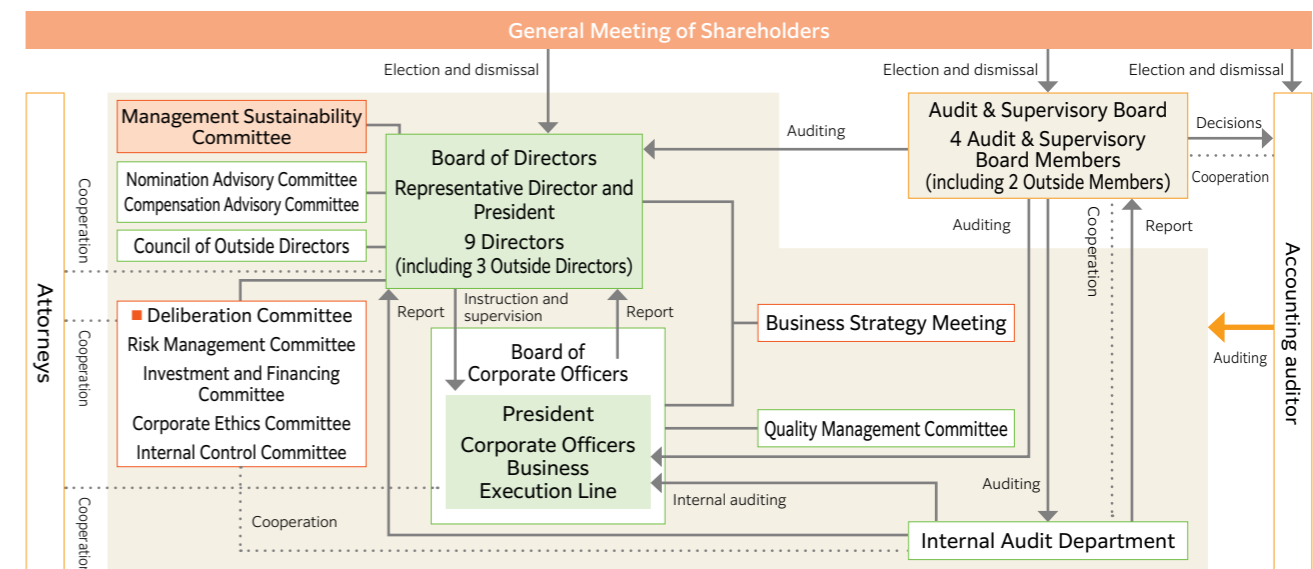
this policy, the Group will strive to establish a solid relationship with all stakeholders and build stronger trust, while enhancing its corporate governance.

Corporate Vision towards 2030

Our objective is to co-create new food functions, leveraging "The Natural Power of Plants" and the strengths obtained from mastering oils and fats. We shall strive to generate diverse values and deliver "energy for living" to everyone.

Outline of Corporate Governance

Corporate Governance System



Notes: 1. The full-time Audit & Supervisory Board Members attend Management Sustainability Committee, Risk Management Committee, and Business Strategy Meetings as observers.
2. Aside from the above, a meeting body has been organized to secure the effectiveness of auditing, through activities such as regular information exchange and sharing between full-time Audit & Supervisory Board Members and corporate staff divisions.

Meeting Bodies, etc.	Mission	Number of independent Outside Directors and Members
Board of Directors	<ul style="list-style-type: none"> Deliberating on and determining matters prescribed in laws and regulations and important managerial matters Management of the Group and supervision of the execution of business operations 	3/9
Audit & Supervisory Board	<ul style="list-style-type: none"> Conducting audits of Directors' performance of duties and Executive Officers' execution of business 	2/4
Board of Corporate Officers	<ul style="list-style-type: none"> Deciding on significant issues within the authority delegated by the Board of Directors Reporting and checking on the progress of business operations 	—
Nomination Advisory Committee	<ul style="list-style-type: none"> Deliberating and evaluating candidates for Director, and decision-making on a draft list of candidates 	3/4
Compensation Advisory Committee	<ul style="list-style-type: none"> Reviewing of the compensation system for the Directors, and deliberating on details of compensation 	5/6
Management Sustainability Committee	<ul style="list-style-type: none"> Drafting basic policies for realizing the sustainable growth of the Group and the sustainable development of society (sustainability) Deliberating important issues relating to the realization of the Group's long-term corporate vision 	1/10
Business Strategy Meeting	<ul style="list-style-type: none"> Deliberating issues facing business strategy relating to the realization of our medium-term management plan 	—
Council of Outside Directors	<ul style="list-style-type: none"> Improving understanding of our business among Outside Directors and strengthening cooperation Exchanging of opinions to help improve the operations of Directors 	5/5

Skills matrix of Directors and Audit & Supervisory Board Members

	Name	Corporate management	Sustainability (ESG)	Business investment	Finance/Accounting	Human resource management	Legal affairs/Risk management	Sales/Marketing	Production/R&D	International experience	IT/Digital
Directors	Takahisa Kuno	●	●	●	●	●		●			
	Hidetoshi Ogami	●	●	●	●	●		●			●
	Yasushi Kawarasaki		●						●	●	
	Arata Kobayashi		●			●	●				
	Masato Saegusa							●			
	Yoshiharu Okano			●			●	●		●	
	Isao Yamamoto	●	●	●	●					●	
	Emi Machida		●		●		●				
Audit & Supervisory Board Members	Naomi Eto	●	●				●				
	Katsuhito Oba						●	●			
	Nobuyuki Watanabe				●		●				
	Tomotake Kusamichi						●				
	Sayaka Sumida				●		●			●	

Note: The above table does not represent the complete range of knowledge and expertise that the Directors and Audit & Supervisory Board Members (including candidates for such) possess.

Initiatives to improve effectiveness of the Board of Directors

1. Initiatives in Fiscal 2022 to Improve Effectiveness

Based on the evaluation results for fiscal 2021, in fiscal 2022, we took the following actions to further improve the effectiveness of the Board of Directors.

■ (1) Increasing the depth of deliberations on important management issues

In addition to “Deliberations,” which was included in the agenda of the Board of Directors meeting in fiscal 2021, we established an “off-site meeting” in fiscal 2022, where all members of the Board of Directors would participate. This endeavor would increase the time for intensive deliberation on important management topics and let the members hold discussions throughout the day, resulting in a lively exchange of opinions.

Key items for deliberation by the Board of Directors

- Strategic roadmap to promote decarbonization
- Progress report regarding conversion of the Nagoya Plant into a smart factory
- Formulation of the “Soybean Sourcing Policy” and the “Cacao Sourcing Policy”
- Specific initiatives with regard to growth and profitability in light of the Corporate Vision towards 2030
- Medium- to long-term investment plans
- Management plan for fiscal 2023
- Initiatives for enhancing corporate value based on demands from the capital market

Agenda of off-site meeting for fiscal 2022

- Supply chain strategy for oils and fats and meal materials
- Issues facing efforts to improve P/B ratio and countermeasures
- Growth scenarios in view of improvements to the Group's corporate value
- Investor relations strategy in view of taking leap to become a global top provider of oils and fats solutions

■ (2) Strengthening the monitoring functions of the Board of Directors

In order to strengthen the monitoring functions of the Board of Directors, we held discussions on the following themes:

- Impact of the Russian invasion of Ukraine on plans for large-scale capital investment
- Reviewing the level of capital costs in the business strategy
- Consideration of specific themes highlighted at the off-site meeting in relation to certain issues

(Growth scenarios in view of improvements to the Group's corporate value, building a global business, capital investment planning in domestic bases, etc.)

2. Details of the Evaluation of the Effectiveness of the Board of Directors for Fiscal 2022

The Company conducted a questionnaire-based survey of Directors and Audit & Supervisory Board Members (13 people in total) comprising the Board of Directors to evaluate the effectiveness of the Board of Directors in fiscal 2022, with the support of an external organization to ensure objectivity. Based on the survey results, the President and all Outside Officers had a discussion, and then the Board of Directors discussed the survey results at the Board meeting to finalize evaluation.

Survey items

- | | |
|--|--|
| (1) Composition of the members of the Board of Directors | (7) Support system for Directors and Audit & Supervisory Board Members |
| (2) Operation of Board meetings | (8) Training |
| (3) Discussions at Board meetings | (9) Dialogues with shareholders (investors) |
| (4) Monitoring functions of the Board of Directors | (10) Self-initiated measures |
| (5) Performance of the Internal Directors | (11) Overall evaluation |
| (6) Performance of the Outside Directors | |

3. Evaluation Results

We concluded that the effectiveness of the Board of Directors was generally ensured. Individual topics related to the survey results are as follows.

(1) Highly evaluated items

- Basic policy on sustainability and initiatives and disclosures toward the improvement of such
- The Outside Directors understand their role of supervising management from the perspective of sustainable growth of the company and medium- to long-term improvement in the corporate value and that they are fulfilling that role to the extent required.
- Feedback to the Board of Directors with regard to the status of dialogue with shareholders (investors)
- A compensation plan for management has been set up in which determinations on specific compensation amounts are made based on information provided by the Compensation Advisory Committee

(2) Items for deliberation and addressing during fiscal 2023 as a matter of priority as extracted from “Items with room for improvement”

- On-going considerations and monitoring of policies for improving the P/B ratio
- Systematic identification, consideration, and monitoring of significant risks and opportunities associated with the Group's corporate strategies
- Improving the effectiveness of the Group's management systems over its various business domains, the business strategies of Group companies, and the results from investments, etc.
- Setting more appropriate KPIs in terms of both financial and non-financial aspects to help improve sustainable improvements in the corporate value of the company

4. Initiatives to Further Improve Effectiveness

In order to further improve effectiveness, we will deepen our level of discussion regarding matters extracted from the survey that require deliberation and addressing as a matter of priority and will form responses as necessary. In fiscal 2023, we will continue to hold off-site meetings for attendance by the members of the Board of Directors to intensively discuss management issues. We will also continue efforts to improve the effectiveness of the Board of Directors by seeking to deepen communication between internal and outside officers.

(1) Establishment of Management Sustainability Committee

In July 2023, we established the Management Sustainability Committee as a space for tackling sustainability-related issues from a broad perspective and have positioned the committee as a core part of our corporate governance policy (the previous Sustainability Committee has been discontinued). By deliberating important issues and employing the PDCA cycle toward the realization of the Corporate Vision, this committee will help us improve accuracy and strengthen the effectiveness of the Group's governance.

Examples of themes deliberated at the Management Sustainability Committee

- Formulating management plans and monitoring the progress of such plans
- Formulation of priorities relating to risks and opportunities
- Individual sustainability themes (decarbonization, supply chains, human rights, etc.)
- Medium- to long-term investment plans
- Dialog with the market, sharing of information, and related responses (CGC responses, deliberation of important themes for integrated reporting, etc.)

(2) Continued holding of off-site meetings

In fiscal 2023, we will continue to hold off-site meetings for attendance by the members of the Board of Directors to intensively discuss management issues. We will also continue efforts to improve the effectiveness of the Board of Directors by seeking to deepen communication between internal and outside officers.

Themes of off-site meeting for fiscal 2023

- Value creation through marketing and technology
- Research initiatives into alternatives to lipids and potential for development of related technologies
- Market Development strategy, Product Application Development Center strategy, National Account Sales Department strategy
- Creating of new marketing for the Food Product Division
- Marketing strategy for the Processed Oil/Fat & Soy Protein Division
- North American business concept

Off-site meeting held in September 2023



Compensation Plans for Directors and Audit & Supervisory Board Members

Compensation for Directors of the Company, excluding Outside Directors, consists of basic compensation as a fixed compensation, bonuses as performance-linked compensation, and stock-based compensation as a medium- to long-term incentive. Compensation for Outside Directors and Audit & Supervisory Board Members consists of only basic compensation, as emphasis is placed on the performance backed by their expertise and experience from their respective independent viewpoints.

Basic policy on compensation for Directors

- Must encourage the realization of the Corporate Philosophy
- Should be designed in such a way that it reflects the Company's medium-term corporate strategy and it should incentivize sustainable improvements in the Group's corporate value
- Should be at a level that allows the Group to secure quality personnel with management capabilities
- Should be designed to be transparent, fair, and rational from the perspective of accountability to shareholders, general employees, and other stakeholders, and decisions should be made to ensure this based on appropriate processes

Composition Ratios of Compensation

The standard composition ratios of basic compensation, bonuses and stock-based compensation for Directors excluding Outside Directors are as follows: approximately 58%, 27% and 15%, respectively, for the Representative Director and Chairman and the Representative Director and President, and approximately 68%, 17% and 15%, respectively, for other Directors (See the figure on the right).

Chairman and President		
Basic compensation	Bonuses	15
58	27	
		Stock-based compensation
Other Directors (excluding Outside Directors)		
Basic compensation	Bonuses	15
68	17	
		Stock-based compensation

Calculation Method

Basic compensation (fixed compensation)

The basic compensation is aimed at increasing the Directors' motivation to accomplish their duties as well as clarifying their responsibilities. It is determined by position, in light of the significance of their duties, and paid in cash as monthly fixed compensation.

Bonuses (performance-linked compensation)

Bonuses as performance-linked compensation are aimed at enhancing the link between compensation and performance, and raising awareness toward achieving the medium-term management plan. The amount is determined based on the performance for the fiscal year (from April to March of the following year) and paid in cash in July of the following year.

Bonuses for individual Directors are determined using the following formula, based on Groupwide performance and

individual evaluation, as well as a qualitative factor.

Formula

Individual bonuses = Basic bonus by position x Bonus factor
 Bonus factor = Groupwide performance factor x Individual evaluation factor ± Qualitative factor

The basic bonus amount by position is determined based on the aforementioned standard composition ratios for compensation.

The Groupwide performance factor is determined based on the three financial indicators in the table below. Each of the degrees of achievement are multiplied by the evaluation weights and added together, and then determined within the range of 0.5 to 1.5.

Determinant factors		Evaluation weight	FY2022 targets	FY2022 results	FY2023 targets
Consolidated operating profit	Single-year target	70%	¥13,000 million	¥16,186 million	¥16,000 million
	Single-year target based on annual average growth rate*1	10%	¥14,481 million	¥16,186 million	¥15,697 million
ROIC	Single-year target	20%	3.6%	4.5%*2	4.4%

*1 "Single-year target based on annual average growth rate" is based on the level of consolidated operating profit for fiscal 2020 (¥12,324 million), which was the final year of the previous medium-term management plan. It is a target value that is set for each fiscal year based on an annual average growth rate of 8.4% which was calculated from the target value for fiscal 2024 (¥17,000 million), which is the final year of the current medium-term management plan.

*2 ROIC was previously calculated as operating profit after-tax/average invested capital at the end of the period. However, from the results for fiscal 2022, it has been changed to a method that reflects "Share of loss (profit) of entities accounted for using equity method." Further, in calculating the Groupwide performance factor for FY2022, the degrees of achievement are calculated using the actual value of 4.3%, which is based on the calculation method before these aforementioned changes were made.

The reason that we selected these three financial indicators is that we wanted to appropriately evaluate and reflect growth in corporate value from the perspective of profit and asset efficiency. The individual evaluation factor is determined within the range of 0.8 to 1.2, depending on the achievement of the KPIs of the business for which the Director is responsible. The qualitative factor may be used to add to or deduct from the

bonus factor, upon deliberation regarding the effects of the actions as strategic responses to deal with unforeseen and unavoidable changes in the business environment and situation.

In accordance with the above indicators, the bonus factor is determined within the range of 0.4 to 1.8, in principle (the maximum range is between 0 and 2.0, including the qualitative factor).

Stock-based compensation (medium- to long-term incentive compensation)

Stock-based compensation further clarifies the link between compensation for Directors and stock prices. It also aims to raise the Directors' awareness of contributing to the improvement of the medium- to long-term growth of business performance and an increase in corporate value, by sharing the profits and risks from fluctuations in stock prices with shareholders. It is paid through the stock-based compensation plan, which uses a trust. Under this system, shares are delivered at the time of retirement, in proportion to the number of points granted. (Of this, 30% is paid in cash for use as funds for paying tax.)

Stock-based compensation to be paid consists of a

fixed portion of 80% and a performance-linked portion of 20%. The percentage of points for the performance-linked portion is determined within the range of 0% to 200% according to the table below, based on the achievement of ESG targets set for the period of medium-term management plan as non-financial indicators (contribution to sustainability).

These performance indicators are adopted with the aim of further strengthening sustainability management by setting the achievement of ESG targets as a major management goal toward the realization of a sustainable society, including medium- to long-term perspectives.

Determinant factors		Evaluation weight	FY2022 targets	FY2022 results	FY2023 targets
(Contribution to sustainability) Achievement of ESG targets	Medium-term target for reduction ratio of GHG emissions (Scope 1 and 2, vs. FY2016)	50%	8.0%	8.6%	10.0%
	Medium-term target for ratio of female managers*	50%	6.0%	6.3%	8.0%

* The base date for targets and results for fiscal 2022 in terms of the ratio of female managers was calculated as April 1, 2023, while the base date for the targets for fiscal 2024 is to be calculated as April 1, 2025.

Process for Determining Compensation

When determining the policies for determining individual compensation, etc., of Directors and for determining the individual compensation, etc. for Directors, the Compensation Advisory Committee deliberates the general content of the compensation system for Directors and report their conclusions to the Board of Directors who then make the final decision. As the compensation amount for each individual Director is determined based on the above procedure, the Board of Directors judges that the decisions are in accordance with the policy for determining such compensation.

Compensation Advisory Committee

The Compensation Advisory Committee comprises six

members, including the Representative Director and President, who chairs the Committee, three Outside Directors and two Outside Audit & Supervisory Board Members. The Committee mainly deliberates on the following matters, the contents of which are then reported to the Board of Directors.

- Policy on determining the details of compensation, etc., for individual Directors
- Details of compensation, etc., for individual Directors
- Review of Director compensation systems, levels, results, performance indicators, etc., based on survey data, etc.

In fiscal 2022, the Compensation Advisory Committee met a total of three times. The contents of the deliberations of these meetings are as detailed below.

Results of Activities

First meeting (May 2022) - Determinations made on the following:

- Individual bonus amount based on Groupwide performance for fiscal 2021 and individual evaluations regarding the goals set at the beginning of the period (contributions to single-year performance, contributions to the Group's future (growth, asset efficiency, ESG))
- Stock-based compensation for fiscal 2021
- Proposal for officer compensation for fiscal 2022 (changes in composition ratio/levels of compensation, changes in bonus results factor, change to a performance-linked stock-based compensation system)

Second meeting (November 2022):

Reviewing trends in officer compensation systems based on the results of a survey conducted by an external organization targeting major domestic business groups that are similar in business scale to the Group and reviewing the Group's own officer compensation system

Third meeting (March 2023):

Deliberating policies on information disclosures for securities reports, etc., based on the "Cabinet Office Order on Disclosure of Corporate Affairs"

Nomination and Election of Directors and Audit & Supervisory Board Members

In selecting the candidates for Director or Audit & Supervisory Board Member, the Company aims to build an optimal system where individuals will be able to appropriately fulfill their roles and responsibilities, and properly address the management issues of the Group. Accordingly, the candidates are nominated in line with the policy of considering individual experience, knowledge and expertise, the overall scale of the Board of Directors or the Audit & Supervisory Board, as well as the balance among the candidates who would comprise these bodies. The Company has established the Nomination Advisory Committee, which engages in deliberations, including the determination of the policy on election and dismissal of Directors, deliberation and evaluation of candidates for Director, and decision-making on a draft list of candidates. Based on these deliberations by the Nomination Advisory Committee, the Board of Directors decides on the candidates for Director and the management executive team.

Nomination Advisory Committee

The Nomination Advisory Committee comprises four members, including the Representative Director and President, who chairs the Committee and three Outside Directors. The Nomination Advisory Committee engages in deliberations, including deliberation and evaluation of candidates for Director, and decision-making on a draft list of candidates, and reports the findings to the Board of Directors.

In fiscal 2022, the Nomination Advisory Committee met a total of two times. The contents of the deliberations of these meetings are as detailed below.

Results of activities of Nomination Advisory Committee

- First meeting (November 2022):
Deliberations on the future governance system, succession plans, and management structure for fiscal 2023
- Second meeting (February 2023):
Deliberations on election of Directors for fiscal 2023

Initiatives Regarding Cross-Shareholdings

The social environment surrounding cross-shareholdings has changed significantly in recent years, amidst the markets' growing attention to cross-shareholding and the introduction and revision of the Corporate Governance Code. In addition, under the Group's medium-term management plan, "Value Up+," improving asset efficiency is an important goal. Against this backdrop, in fiscal 2020, the Company shifted its policy so as to not engage in cross-shareholdings, in principle, except in cases where such cross-shareholding is considered to lead to maintaining and strengthening

business competitiveness through capital and business tie-ups and business collaborations, or achieving expeditious business growth and expansion through investment and other measures aimed at developing new business areas.

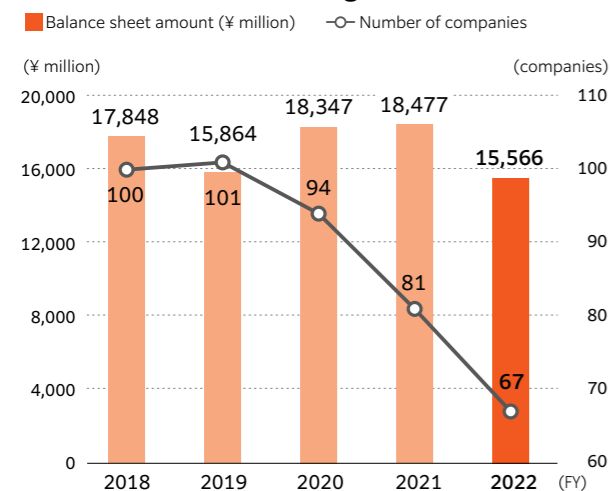
In line with this basic policy, the Company has re-examined the reasons for each of the existing cross-shareholdings, and is working to reduce cross-shareholdings in phases while obtaining the understanding of its business partners through mutual dialogue because the reduction may have a significant impact on them and the markets.

Evaluation items

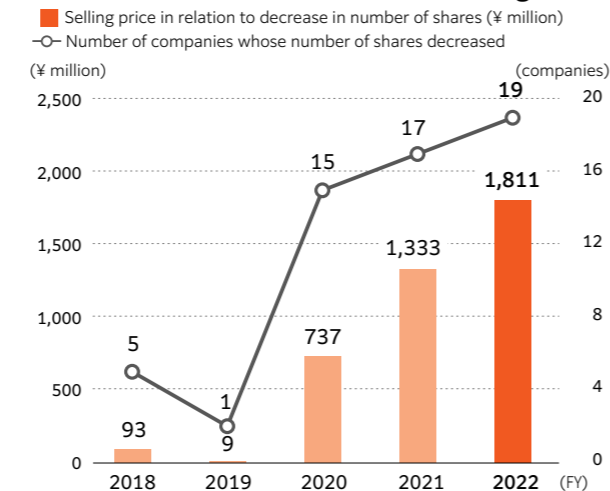
The Company evaluates and reviews qualitative items such as the purpose of holdings, etc., and quantitative items such as net sales and profit for the two most recent years, dividend income, and profit (loss) on valuation of shares.

Qualitative items	Purpose of holdings, history of acquisition, presence/absence of business relationship with Group, strategic significance/benefits of holdings, risks relating to business transaction continuity/stability in event of sale
Quantitative items	Net sales and profits for the most recent two years (sales partners only), annual dividend income/profit (loss) on valuation of shares, and benefits/risks and capital costs associated with holdings

Status of Cross-shareholdings



Status of Reductions in Cross-shareholdings



Enhancing Engagement through IR Activities

Based on our healthy growth and stable business results, the Group has a policy of improving its corporate value, while building positive relationships with shareholders and

investors through the appropriate disclosure of information and constructive dialogue.

Our Aim

In addition to making the leap to becoming a global top provider of oils and fats solutions, we must also increase our presence in the stock and investment markets as we seek to become a company recognized globally

IR Activity Policies

- (1) Expanding the scope of IR activities overseas and strengthening our targeting strategies domestically
- (2) Strengthening information disclosures (financial/non-financial information) in light of encouraging new investments and strengthened holdings
- (3) Accelerating and enhancing English language disclosures as part of infrastructure development for overseas IR activities
- (4) Strengthening our approaches for new customer bases for individual investors

Results of key IR activities

With the aim of improving understanding and expectations with regard to strategies and measures aimed at realizing the Company's Corporate Vision, we are striving to improve the content of dialogue with shareholders and investors while maintaining collaboration with all relevant divisions, including the President and the members of the management, the PR and IR Dept., the Corporate Planning Dept., the Financial Dept., and Corporate Sustainability Management.

During fiscal 2022, we held a total of 125 meetings (including information briefings) primarily with securities analysts, domestic and overseas institutional investor analysts and fund managers. With regard to information briefing sessions for institutional investors, we held a business strategy briefing session in March 2023, themed on "value

creation initiatives in the domestic oil and fat business," in addition to four financial results briefings held across the year. We also held two online information briefing sessions for individual investors during the year.

The status of the dialogues and the valuable opinions and concerns gained from the dialogues are reported to the Board of Directors on a quarterly basis as feedback to management. Based on what we have learned, we continued with our deliberations and linked them to efforts to enhance corporate value, by, for example, providing clear explanations at the fiscal 2022 Financial Results Briefing regarding changes to financial targets under Vision 2030 and strategies for achieving them.

Status and details of IR dialogues in fiscal 2022

	Number of sessions	Details	Key questions and details of dialogue
Financial results briefing	4	Overview of quarterly financial results, progress of medium-term management plan, etc.	<ul style="list-style-type: none"> • Trends and outlook for sales prices in response to fluctuations in raw materials costs • Status of growth strategy from the medium-term management plan • Specific measures for improving return on capital, etc.
Business strategy information briefing session	1	Initiatives to create value in the domestic oil and fat business	<ul style="list-style-type: none"> • Changes in profitability due to the value added nature of the market • How to demonstrate the Company's competitive advantage for future earnings' growth • Strategy for future sales prices in line with changes in the cost environment, etc.
Online information briefing sessions for individual investors	2	Business overview, growth strategy, etc.	<ul style="list-style-type: none"> • Background, status, and outlook for sales price revisions • Impact on medium- to long-term strategy due to changes in the environment • Status of initiatives to reduce GHG emissions, etc.
Meetings	118	Details on financial results, trends in business performance, progress of medium-term management plan, individual business strategies, ESG, etc.	<ul style="list-style-type: none"> • Trends in short-term business performance, assumptions and thinking behind outlook • In-detail look at the Group's respective business domains toward achieving the medium-term management plan • Status of ESG-related initiatives focused on achieving CSV goals, etc.

Corporate Governance

Risk Management

Basic Policy

The Group defines “risk” as any uncertainty that could have a negative influence on efforts to realize Vision 2030 and the medium-term management plan Value Up+, as well as on businesses that the Group operates. Thus the Group is engaged in efforts to manage and control such risk. In

addition to producing stable revenue through our main risk management initiatives, we aim to fulfill our social responsibilities, further increase our corporate value, and achieve growth.

Risk Management System

The Risk Management Committee comprehensively manages risks for the Group. It has prepared an emergency system for dealing with risks that have materialized, and for undertaking crisis responses against them. The Risk Management Committee has created risk maps based on the level of impact and likelihood of occurrence through which it manages measures for dealing with individual risks. In addition, the committee prioritizes these measures based on the potential impact level of any such risks that may emerge, which it then sets as key risks. The committee then engages in risk management using the PDCA (Plan-Do-Check-Act) cycle centered around the designated department.

The Risk Management Committee reports to the Board of Directors on Group-wide risk evaluations along with policies, statuses, etc., regarding responses to these risks. Since fiscal 2021, full-time Audit & Supervisory Board Members have attended Risk Management Committee meetings as observers. Furthermore, up-to-date reviews on various

issues, including rules for accounting, credit management, and information security management, are performed on an on-going basis, with revisions and preparations for new rules and regulations then implemented as required. The Internal Audit Department then audits the status of compliance with regard to these various regulations in the Group’s business operations.

With regard to the Company’s information management system, we have established rules and regulations and operating standards for the Board of Directors as well as rules and regulations for the management operations of the Board of Corporate Officers and the management of documentation to ensure that the system enables the Board of Directors to confirm the status of business execution by Corporate Officers. In order to improve the convenience of information gathering for Outside Directors and Outside Audit & Supervisory Board Members, we have allowed access to the same IT system as that used by Internal Directors and Corporate Officers.

Risks Related to Business

We consider the following risks to be of particular importance to the Group and its business activities.

- (1) Fluctuations in foreign exchange market and the global prices of ingredients
- (2) Changes in the product market, both in Japan and overseas
- (3) Earthquakes, tsunamis, and extreme weather (storm, flood damage, etc.)
- (4) Quality-related risks (food safety)
- (5) Ingredient procurement
- (6) Climate change and environment
- (7) Human rights
- (8) Response to changes in consumer needs
- (9) Operation of overseas sites
- (10) Infectious and communicable diseases, etc. (response to COVID-19)
- (11) Information security
- (12) Large-scale accidents
- (13) Securing important outside contractors (logistics contractors)
- (14) Reduced competitiveness and/or business continuity risks caused by personnel shortages and insufficient personnel development

Risk Matrix (Important risks identified)

Level of Impact ↑ Highly significant Moderately significant ↓ Less significant	(3) Earthquakes and tsunamis (12) Large-scale accidents	(4) Quality-related risks (food safety) (5) Ingredient procurement (6) Climate change and environment (7) Human rights (8) Response to changes in consumer needs (9) Operation of overseas sites (10) Infectious and communicable diseases, etc. (11) Information security	(1) Fluctuations in exchange rates and the global prices of ingredients (2) Changes in the product market, both in Japan and overseas (3) Extreme weather (storm, flood damage, etc.)
		(14) Reduced competitiveness and/or business continuity risks caused by personnel shortages and insufficient personnel development	(13) Securing important outside contractors (logistics contractors)
	Low	Medium	High
Likelihood of occurrence →			

Compliance

Basic Policy

The Group considers compliance as more than merely complying with laws and regulations, but also with business ethics and societal norms. As such, the Code of Conduct of The Nisshin OilliO Group is positioned as a set of action guidelines for both complying with societal norms and realizing the Group’s Corporate Philosophy. All Directors, Corporate Officers and employees of The Nisshin OilliO

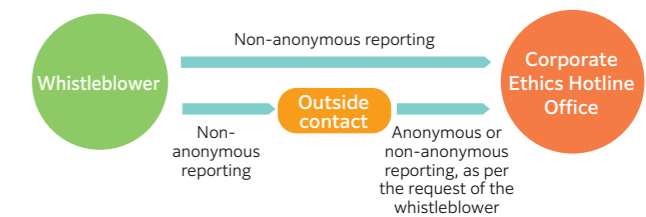
Group have a full and complete understanding of the Code of Conduct, and actively conduct business operations with a strong sense of responsibility.

As members of society, we comply with all relevant laws and regulations, and behave in a manner that conforms to societal ethics and conventional wisdom.

Group Corporate Ethics System

In addition to the standard organization reporting routes, the Group has also established The Nisshin OilliO Group Corporate Ethics Hotline. The hotline enables employees throughout the Group, including subsidiaries, to directly provide management with important information regarding corporate ethics violations or legal violations in the field. The information submitted via the hotline is reviewed by the Corporate Ethics Committee and is dealt with appropriately. The Group takes due care to protect the privacy of whistleblowers and responds with strict actions on a corporate level against any unfavorable treatment of or retribution against them.

The Nisshin OilliO Group Corporate Ethics Hotline



Efforts to Promote Compliance

Monitoring

The Group regularly monitors the status of measures to address the legal risks and compliance in various fields on a Groupwide basis, both in Japan and overseas, and also is committed to the promotion of compliance. In addition to existing important themes such as ensuring a harassment-free workplace, intellectual property protection, trade secret management, human rights protection, insider trading prevention, anti-corruption, and promotion of the whistleblower system, matters related to current issues are also taken into consideration, including workstyle reforms, the status of the passing on of prices to customers, and partnership building declarations. This monitoring process provides opportunities for reflection and insights with regard to the measures being carried out.

Compliance Education

The Group conducts ongoing education and awareness-raising activities for Directors, Corporate Officers and employees with the aim of promoting and reinforcing compliance.

In light of the situation in which more flexible workstyles such as working-from-home are becoming more embedded, we expanded the content of the online training section of the compliance training for fiscal 2022 to include themes such as protection of personal information, contracts, and proper subcontracting type transactions.

We are also looking for ways to enrich the content of the standard group training sessions, to which end we have run, among other things, a legal affairs seminar targeting newly appointed Directors at our subsidiaries.

Revision of Code of Conduct

The Code of Conduct of The Nisshin OilliO Group is a set of action guidelines for realizing the Group’s Corporate Philosophy. In April 2022, we revised the Code of Conduct in light of our initiatives to realize Vision 2030.

The revised Code of Conduct also specifies the pursuit of value for each stakeholder, environmental initiatives, posture of constant search, creation and reform, compliance with laws and societal ethics, and fair business practices and anticorruption.

In order to ensure that the purpose of the revised Code of Conduct is understood well throughout the Group, we implemented information briefing sessions (including online) at the Company and subsidiaries. Furthermore, any issues relating to the Code of Conduct were covered and addressed in the yearly Compliance Challenge.

All Directors, Corporate Officers and employees of the Group have a full and complete understanding of the Code of Conduct, comply with all relevant laws and regulations as members of society, and actively conduct business with a strong sense of responsibility to behave in a manner that conforms to societal ethics and conventional wisdom.



Information briefing session relating to Code of Conduct taking place at a subsidiary company