



"The Natural Power of Plants"

The Nisshin Oillio Group, Ltd.

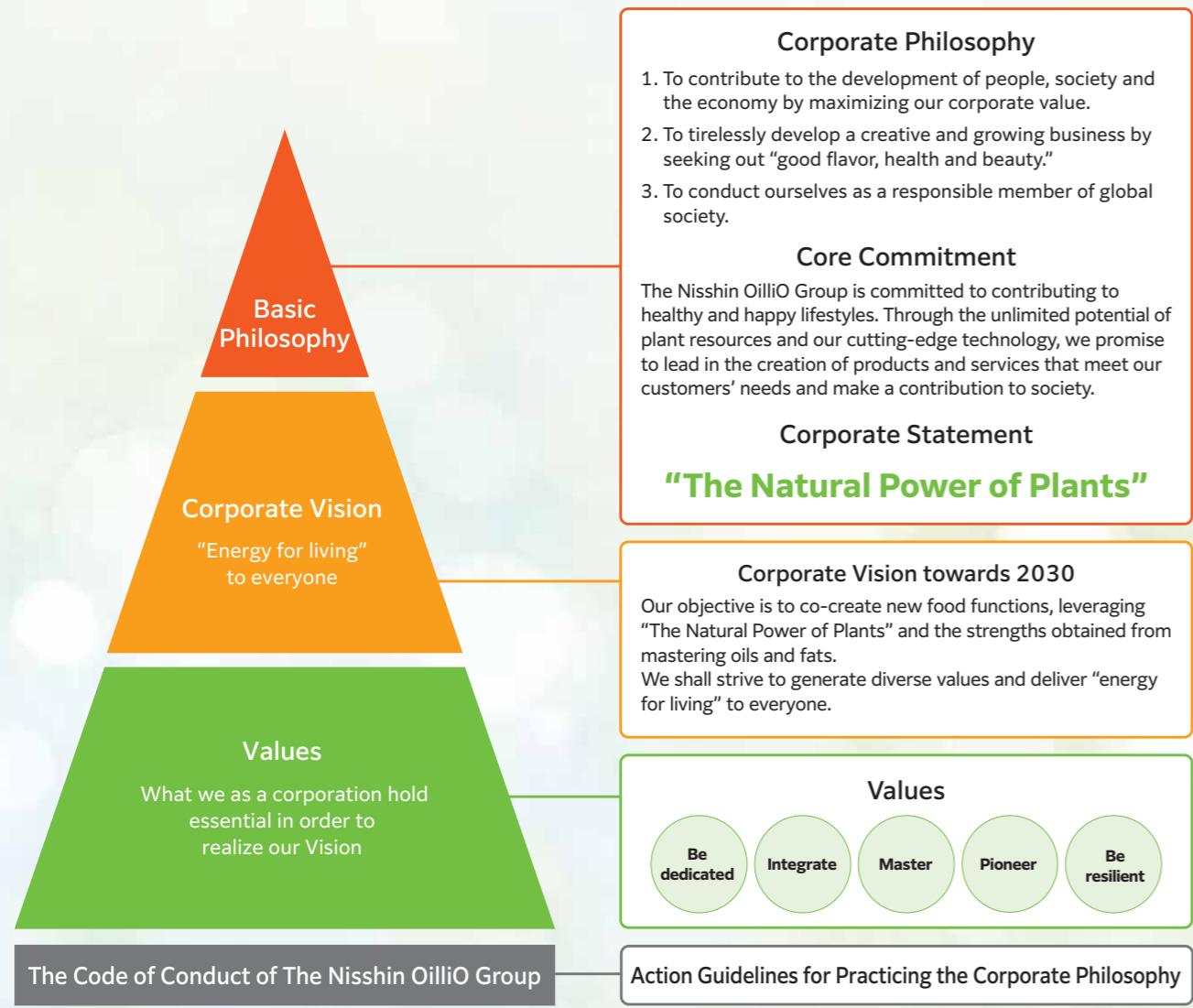
The Nisshin Oillio Group, Ltd.

Integrated Report 2024

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The Nisshin Oillio Group, Ltd.

1-23-1 Shinkawa, Chuo-ku, Tokyo 104-8285, Japan
Contact: Public Relations & Investor Relations Department
Phone: +81-3-3206-5109
Website: <https://www.nisshin-oillio.com/english/>
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The Five Values

Since its establishment in 1907, the Group has cherished a meticulous attitude of **being dedicated** in all aspects of our operations including product development, production, quality, and customer service. We have also valued the teamwork and organizational capabilities that **integrate** people—two aspects that are deeply rooted in our corporate culture—since our development from our starting point of manufacturing.

In addition, to achieve our Corporate Vision towards 2030, we are placing even greater importance on the following concepts.

- We must **master** our strength, or core competence in oils and fats, which is the source of our Group's competitiveness.
- To create diverse value, we must **pioneer** new domains by taking on the challenges of unknown business domains, business development areas, and technical fields.
- As we head into an era of rapid change, we face the challenge of determining which things must change and which must be held firm. In other words, **resilient** adaptability combines the acceptance of change and the need to make changes while also recognizing the enduring importance of our strengths.
- We must develop our business to be closer than ever before to customers by leveraging our **integration** with various networks.

Be dedicated, Integrate, Master, Pioneer, and Be resilient—these are the five Values that form the basis of all our actions.

The Essence of The Nisshin OilliO Group	1	The Nisshin OilliO Group Vision 2030	
Current State of the Group	3	Identifying Our Priorities (Materiality) to Achieve Our Goals and Governance	43
Message from the President	5	Priority 1: Good health for all	45
Our Value Creation Story		Priority 2: Quality of life	47
1. Trajectory of Growth	11	Priority 3: Global environment	49
2. Value Creation Model	13	Priority 4: Contribution to the food value chain	55
3. Inputs	15	Priority 5: Supply chain connected by trust	57
4. Group Strengths	17	Priority 6: Human resource management	61
5. Demonstrating Our Strengths in the Oils and Fats Value Chain	19	Corporate Governance	
6. CSV Goals in Our Priorities (Materiality)	21	Management Structure	65
Progress of Strategies		Dialogue with Outside Directors	67
Making the Group's Vision a Reality: Vision 2030 and the Value Up+ Medium-Term Management Plan	23	Corporate Governance	71
Seeking Further Growth in Pursuit of Vision 2030	27	Risk Management	79
Feature:		Compliance	80
Mastering Oils and Fats, and Harnessing Co-creation for Continuous Value Creation	29	Performance and Corporate Information	
Message from the Director in Charge of Finance	32	Management Discussion and Analysis (MD&A) of Financial Position and Results of Operation	81
Business Strategies / Fundamental Strategies		Financial/Non-Financial Highlights	83
Business Strategies	35	Company Information	85
Research & Development	39	Stock Information	86
Transforming Our Production System	41		
Progress of Digital Strategies	42		

The Nisshin OilliO Group Integrated Report 2024

The Nisshin OilliO Group has published the Integrated Report to better inform readers about the Group's medium- to long-term value creation from both financial and non-financial perspectives. This report introduces not only our initiatives for value creation through our business operations but also the story of our efforts toward sustainability.

In this Integrated Report, we illustrate the path of growth in seeking to realize Vision 2030, highlighting in particular the results and accomplishments accumulated in our medium-term management plan, Value Up+.

Editorial policy

The Nisshin OilliO Group has published the Integrated Report 2024 to better inform readers about our medium- to long-term value creation from both financial and non-financial perspectives. We hope that all stakeholders—especially shareholders and other investors—can come to understand the story of our long-term corporate value creation. In producing this report, we referred to the International Integrated Reporting Framework, published by the IFRS Foundation, as well as the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation, published by Japan's Ministry of Economy, Trade and Industry (METI).

Reporting period

April 1, 2023, to March 31, 2024
Some initiatives outside the above period are also included. The names of organizations and positions mentioned are valid as of September 30, 2024.

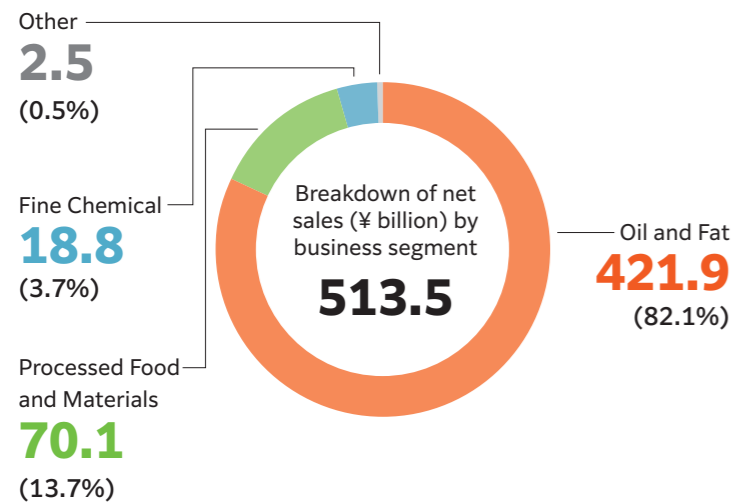
Scope of report

This report covers the entire Group, including The Nisshin OilliO Group, Ltd. and its consolidated subsidiaries (domestic and overseas). However, some initiatives pertain only to The Nisshin OilliO Group, Ltd. on a non-consolidated basis.

Organization names in this report

The Nisshin OilliO Group, Ltd. on a non-consolidated basis is referred to as the "Company," and the entire group including The Nisshin OilliO Group, Ltd. and its consolidated subsidiaries (domestic and overseas) is referred to as the "Group." Abbreviations are used in some cases for the following companies.
Company name / Abbreviation
Intercontinental Specialty Fats Sdn. Bhd. / ISF
Industrial Química Lasem, S.A.U. / IQL
The Nisshin OilliO (Shanghai) International Trading Co., Ltd. / NOST
T.&C. Manufacturing Co., Pte. Ltd. / T&C
PT Indoagri Daitocacao / IADC
Intercontinental Specialty Fats (Shanghai) Co., Ltd. / ISF Shanghai
Intercontinental Specialty Fats (Italy) S.r.l. / ISF Italy
Nisshin Global Research Center Sdn. Bhd. / NGRC

Strong presence in the edible oil market as a leading company in the field of vegetable oils



Oil and Fat

Oil and Meal
Processed Oil and Fat



Processed Food and Materials

Chocolate
Seasoning
Functional Materials and Foods
Soybean Materials and Foods



Fine Chemical

Fine Chemical Products
Environment and
Hygiene-Related Products



Share of edible oil in Japan
(sales volume)

No. **1**^{*1}

Ratio of strategic cooking oil
products^{*2} (household use)

60%

Global share of confectionery
fats (sales volume)

Approx. **9%**^{*3}

Global share of oils for cosmetics
(monetary value)

Approx. **9%**^{*3}

CO₂ emissions
(Scope 1 and 2)

18.6%^{*4}
(compared with FY2016)

Traceability to palm oil
plantations

92.7%

Number of employees

3,078 (consolidated)

Number of patents held in Japan
(including domestic subsidiaries)

690

Number of Research Division
personnel

154

^{*1} Researched by Nikkan Keizai Tsushin Co., Ltd.
^{*2} Functional products, healthy oils, etc.
^{*3} In-house estimate
^{*4} Preliminary figures

Current major locations

	Function	Business
Japan	Manufacturing/ Sales/Research	Oil and Fat Processed Food and Materials Fine Chemical
Malaysia	Manufacturing/ Sales/Research	Oil and Fat
China	Sales	Oil and Fat Fine Chemical
Singapore	Manufacturing/ Sales	Processed Food and Materials
Indonesia	Manufacturing/ Sales	Processed Food and Materials
Spain	Manufacturing/ Sales	Fine Chemical
Italy	Manufacturing/ Sales	Oil and Fat
U.S.	Sales	Oil and Fat Processed Food and Materials Fine Chemical



We deliver high value-added products to the world

Major locations

8 countries, **21** companies

Number of countries where our
products are distributed

54 countries

Europe
2 countries,
2 companies

Spain
Industrial Química
Lasem, S.A.U.

Italy
Intercontinental Specialty
Fats (Italy) S.r.l.

Asia
4 countries,
7 companies

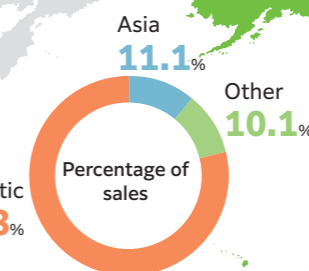
China
Shanghai Nisshin Oil & Fats, Ltd.
The Nisshin Oillio (China)
Investment Co., Ltd.
The Nisshin Oillio (Shanghai)
International Trading Co., Ltd.

Malaysia
Intercontinental
Specialty Fats Sdn. Bhd.

Japan
10 companies

Singapore
T.&C. Manufacturing Co.,
Pte. Ltd.

Indonesia
PT Indoagri Daitocacao



North America
1 country,
2 companies

U.S.
Nisshin Oillio America Inc.
IQL-USA Inc.



Takahisa Kuno

Representative Director and President
The Nisshin Oillio Group, Ltd.



Turning change into opportunity to set a foundation for further growth, and delivering “energy for living” to everyone

Response to the rapidly changing management environment

Overview of FY2023

In fiscal 2021, the Group launched its long-term vision, The Nisshin Oillio Group Vision 2030 (Vision 2030), and began shifting toward CSV (creating shared value) management. At the same time, we launched Value Up+, our specific medium-term management plan for the first four years of efforts toward achieving Vision 2030, and we are now in the final fiscal year of the plan. Although the environment surrounding our business has seen many transitions in the past three years, I feel we have been heading in the right direction to bring Vision 2030 into focus.

Consumption was on a recovery trend in fiscal 2023, particularly in restaurant dining and travel. However, the business environment was intensely volatile due to the prolonged situation in Ukraine and the rising cost of living due to soaring prices of raw materials and energy, among other factors. Despite these challenging circumstances, in fiscal 2023 we achieved consolidated net sales of ¥513.5 billion and a consolidated operating profit of ¥20.8 billion, meeting our Value Up+ performance targets for operating profit, ROIC, and ROE ahead of schedule. In the domestic oil and fat business, raw material prices began to decline after temporarily peaking, and we worked to set and maintain appropriate sales prices. We also began to see the results of various efforts, including expanding sales of value-added products such as confectionery fats, the creation of new markets for MCT and other items, and a strengthening of our ability to propose solutions.

This year also saw the effects of climate change become abundantly clear, including soaring raw material prices due to extreme heat and drought. Although the prices of our major raw materials—soybean, rapeseed, and palm oil—were relatively stable, prices of olive oil rose due to a decrease in crop yields as a result of drought in production areas. The same situation affected cacao, with a decline in crop yields causing prices to skyrocket, leading to concerns of a prolonged impact. Water shortages also led to

restrictions on access to the Panama Canal, a transit route for grain from North America, which greatly impacted logistics. As a business that handles plant resources, we have developed the capability to respond to these transient changes. However, recent events have far surpassed our previous experiences, and this past year brought an acute awareness of the need to face these issues resolutely on our path to sustainable growth.

Outlook for FY2024

In fiscal 2023, raw material prices began to decline from their peak, and we worked to set and maintain unit sales prices, which had a positive effect on our business performance. This effect has begun to dwindle in the current fiscal year, and we are also dealing with exchange rate fluctuations and various cost increases such as the soaring prices of olive oil and cacao. As such, we must move ahead with initiatives to respond to these factors and further increase profitability.

For example, in the domain of domestic oil product for household use, we must have an accurate grasp on the purchasing behavior of consumers, unearth and understand the insights of consumers who are becoming increasingly health conscious and seeking food with good flavor, and use this information to make new proposals to raise the value of oils and fats. In the commercial-use domain, the COVID-19 pandemic and labor shortages have led to major changes in onsite needs in food services for efficient food preparation. We will closely follow these market trends and expand sales opportunities through “collaborative-sales-to-identify-needs” marketing that develops solutions together with customers, all while steadily implementing measures such as marketing and expansion of sales of functional products.

In the overseas processed oil and fat domain, we will advance the global expansion of specialty fats such as confectionery fats, and move ahead with further sales expansion by improving quality and strengthening supply systems.

Message from the President

A year of laying the foundation for the next medium-term management plan

In the next medium-term management plan that will begin in fiscal 2025, we will need to define a clearer path to achieving an ROIC of 7% and illustrate a story that is easy to understand both within and outside the Company.

In fiscal 2023, we set an ROE of 10% and an ROIC of 7% as performance targets of Vision 2030. We have shared an awareness throughout the Company, including Outside Directors, of the ongoing issue of the P/B ratio being below 1x. Over these past two years, we have discussed this issue in depth, given it concrete consideration, and moved forward with various initiatives from the perspectives of reducing invested capital and improving investment efficiency, developing mechanisms for business growth, and implementing structural transformation of our business.

Through our IR activities, we have created more opportunities for dialogue with shareholders and investors so that they can better understand our strategies and initiatives for future growth. I also feel that in-house discussions are shifting due to an awareness of ROIC. For example, in some sales departments, employees are setting individual goals linked to ROIC, and in the production departments, investment decisions are being made from an ROIC perspective as well. This awareness of ROIC is changing our mindset towards capital efficiency.

Looking at the Group overall, these initiatives are still in their early stages. Awareness of capital efficiency can only generate results when it leads to concrete actions. We will strive to define the path to boosting capital efficiency at each level—from company-wide down to each business department and branch—and ensure this path is well understood throughout the Group.

Expanding our global market presence

As a growth strategy in Vision 2030, we are moving forward with initiatives to expand our global market presence in Asia (including Japan), Europe, and North America.

The market in North America, which is expected to grow even further, continues to change considerably. The Group will expend greater effort to cultivate business in this region, as there are definitely more opportunities in rapidly changing markets. In 2023, we established Nisshin Oillio America Inc., a business management company in North America. Our aim is to not only cultivate a specific market but also build a new proposal-type business model that can grasp the characteristics of local markets to meet their specific needs while working toward a goal of growing net sales to ¥50 billion by 2030. We will also keep a close eye on the exchange rate while continuing to build our business by combining multiple small beginnings in domains that leverage the Group's technology and knowledge, including food services (oils and fats for restaurants and ready-to-eat meals), confectionery fats, hardstocks (solid oils and fats used as raw materials for processed oils and fats and processed food), and cosmetic raw materials.

At ISF in Malaysia, we have strengthened production systems for confectionery fats that use palm oil as a raw material. In addition to expanding and enhancing facilities, we are gradually building a stronger supply chain to support our procurement and sales capabilities.

Cacao prices are currently soaring due to climate change and other factors, but this situation is also linked to an expansion in sales opportunities of confectionery fats. To capitalize on this, we will scale up and accelerate our efforts, which will hopefully produce positive results.

Major trends in cosmetic raw materials are plant-based preferences and attention to environment. While making the most of the Group's experiences and achievements, we will strive to increase the ratio of plant-derived materials used to meet market needs. Moreover, we will be providing technical support to better meet customers' needs and actively expand our global share.

biodiversity, and reducing CO₂ emissions in the supply chain. Our plant resources are the heart of the Group's business base, so to make CSV a growth driver to sustain our business, we must build a traceable and sustainable supply chain. Although we face many risk factors such as climate change and geopolitical crises, we will strengthen our supply chain all the way from raw materials production to delivery to customers, and remake it into a competitive edge for the Group.

As part of our approach to the priority of the "Global environment," we are steadily moving forward with a variety of initiatives such as reducing CO₂ emissions. Many consumers want to do their part to protect the environment in their daily lives. Efforts toward protecting the environment, including creating products that use less plastic and products and services that reduce food loss, will have a strong appeal and earn us a competitive advantage.

Becoming a global top provider of oils and fats solutions

Strengthening points based on CSV

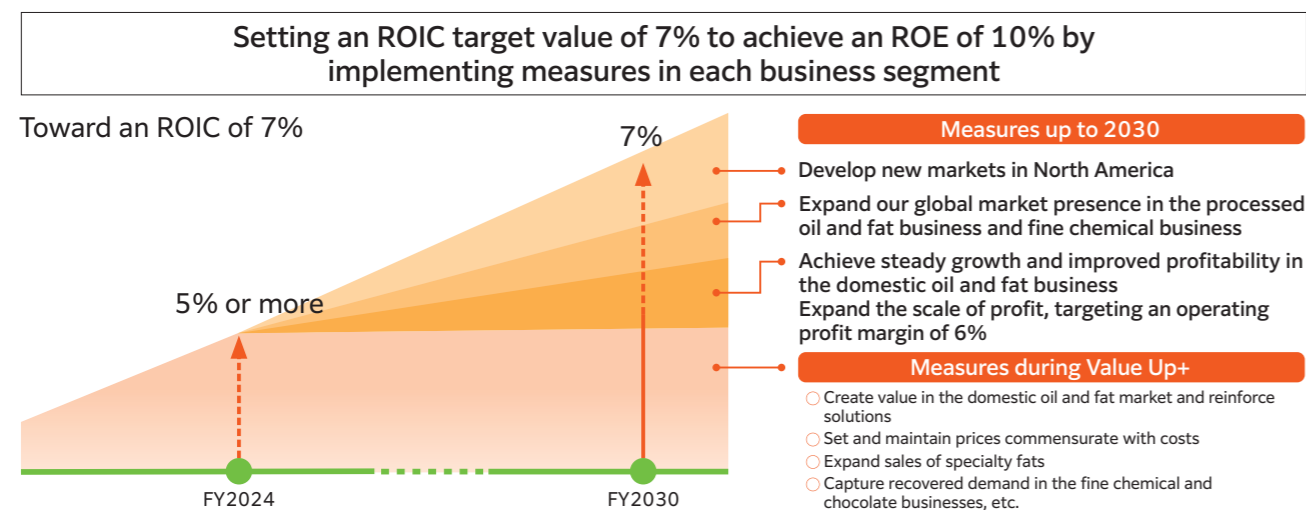
This year marks the 100th anniversary of *Nisshin Salad Oil*. To make the leap to becoming a global top provider of oils and fats solutions, we will need to leverage the strengths obtained from mastering oils and fats that we have cultivated over many years, create both social and economic value, and further reinforce the solidity of our value creation business model. As we head toward the next medium-term management plan, we must return once again to the starting point of CSV management as laid out in Vision 2030 to underpin the value creation and growth story in the six specific priorities (materiality) that will be the foundation of our future business model. Based on an ROIC perspective, we are determining what specific social issues the Group's initiatives will help to solve and how they will lead to growth for the Group, all in pursuit of our priorities: "Good health for all," "Quality of life," and "Contribution to the food value chain."

As an example, to pursue "Good health for all," we provide products and solutions that have a tangible effect on improving the body's constitution and physical condition through food. I believe this contributes to better support for the mental and physical health of people to underpin the era of 100-year lifespans. This, eventually, will lead to the growth of the Group's Oil and Fat and Processed Food and Materials businesses.

Our approach to two of our priorities, the "Supply chain connected by trust" and the "Global environment," has focused on responding to the demands of society up to this point. However, we have reframed our view of these two priorities and consider them to be strategic elements that provide value to customers.

To create a "Supply chain connected by trust," particularly in palm oil, I believe our competitive strength lies in control and management of three types of quality: functional quality of physical properties and nutrition, etc.; safety and security quality as a food product; and social quality, such as protecting human rights, maintaining

Measures to Achieve an ROE of 10% (by fiscal 2030)



Making Vision 2030 a Reality

Strengthening non-financial capital initiatives for sustainable growth

The Group is currently working to link the accumulated results of Value Up+ to the next medium-term management plan. We will also be focusing on strengthening the intellectual capital, manufacturing capital, and human capital that will become the foundation for sustainable growth to achieve Vision 2030.

Opening of Incubation Square (research and development base) —Intellectual capital

In May 2024, we opened Incubation Square, a research and development base located in the Yokohama Isogo Complex, as a center to promote co-creation with customers and to strengthen our research and development system. I have high hopes for this facility as part of our efforts toward contributing to the food value chain, acting as a hub for the co-creation of solutions that meet the needs of customers. At Incubation Square, researchers from around the world can communicate and share technology and information and work together to rapidly provide highly accurate solutions.

This facility will also serve as the Group's co-creation hub of R&D and production. The process of moving from laboratory-scale to actual production on a large scale is vital. By expanding the facilities for pilot-scale activities and continuing to develop and improve manufacturing processes, we will be able to more rapidly and flexibly meet our customers' expectations.

Every day, we receive requests from and hear from many customers, and providing solutions to those customers will allow us to build up our technology and knowledge. These experiences are necessary for us to become a global top provider of oils and fats solutions, and they are also the sparks of innovation that will drive the Group to new



Incubation Square Building B

heights in the future. Responding in detail to each customer request can be seen as slow and time consuming, but it is an important part of the support we provide to users. As values diversify and Japan's population declines, we must be able to continually make proposals that offer improvements in both quantity and value to build relationships of trust with customers. We have set our sights on expanding these mechanisms and ways of thinking to our major overseas locations in the future as well.

Boosting productivity at smart factories —Manufacturing capital

Modifications are underway at the Nagoya Plant to turn it into a model "smart factory." The primary purpose of this initiative is to boost productivity, but the labor savings generated will also be effectively utilized to strengthen our capabilities and pass on technology for future value creation, strengthening the site overall. It has also become clear that cutting-edge technology such as sensing and AI will play a major role in improving the accuracy of quality control beyond what's possible with manual labor.

Converting to a smart factory involves reviewing and changing each work process at the manufacturing site from the ground up. Although we encountered some difficulties during this process, proactive onsite ideas allowed us to overcome any issues. This also energized the employees involved and changed the way they approach their work. The consequences of converting the Nagoya Plant into a smart factory have also rippled out further than I ever expected.

This initiative is not only improving operating rates and reducing fixed costs but also boosting capital efficiency. The next step is to expand this initiative to other manufacturing plants. I would like us to gradually roll out this initiative by sharing the concepts and significance of converting to a smart factory, and harmonizing the process with the unique characteristics of each production plant.



Smart factory in action at the Nagoya Plant

Actively investing in becoming an organization of outstanding human resources —Human capital

The Group's approach to human resources has emphasized a small core of outstanding members. In transitioning from a conventional cost competitiveness-based approach to a value creation-based business model, we must nurture a substantial and extensive human resources base that leverages diversity. I would particularly like to focus on human resources in the fields of strategic marketing, technological innovation, and globalization, which will support our basic policy for growth in Vision 2030, and also human resources for the digital domain.

In addition to the human resources system reforms carried out last October, we revised the CSV goals for "Human resource management," one of the priorities of Vision 2030, earlier this year. We have set four initiatives for human resource-related materiality and corresponding CSV goals: Resonance with the Group philosophy and Vision, Establishing robust human resources, Active participation by diverse human resources, and Evolution into an organizational culture that creates innovation.

It is essential that each employee can resonate with the Group's philosophy and Vision while feeling a sense of engagement and satisfaction every day. To achieve this, we have been implementing various initiatives, including encouraging employees in our sales offices and production plants to jointly read the Integrated Report. We are also providing explanations of ROE and ROIC to create a shared awareness of issues. At some workplaces, we have employees read the Integrated Report from their own perspective and then prepare a commentary report. I feel that these seeds we have sown are slowly but surely starting to sprout.

I also believe that the growth of each employee is linked to the growth of the Group, so we must actively invest in human resources with a focus on continual human resources development and creating an environment in which employees can fully demonstrate their capabilities. These efforts will allow us to continue to be a corporate group that offers value to all stakeholders.

Becoming a corporate group that delivers "energy for living" to everyone

Building a base that will be the foundation for the next stage of growth

I believe that allowing each employee to apply their thoughts and sensitivities and work dynamically is of the utmost importance, and I regularly communicate this in my dialogues with employees. Put simply, we need all members of the workforce to give it their all. This includes having everyone fully use their own unique capabilities to produce results. This is more than just putting your mind and body wholeheartedly into your work. It means making full use of teamwork and value creation networks. If just one of these elements is missing, then things won't go well. If your mind is working but your body isn't, your work won't proceed smoothly. If your heart and mind isn't in your work, you won't be able to resonate and share with others. In an ideal world, each employee would be able to do all of these things, but in reality, team members are key to complementing and balancing each other while tackling tasks. Rather than just thinking only with our heads and letting theory guide us, we must strive to be a flexible and resilient organization that emphasizes diversity while also valuing onsite knowledge and sentiment.

The Nisshin Oillio Group is solidifying the foundation for our next stage of growth so that we can become a corporate group that delivers "energy for living" to everyone. With CSV as a growth driver, the Group will unite and continue to create new value and remain an intrepid corporate group to all stakeholders. I look forward to your continued understanding and support.



Our Value Creation Story

1 Trajectory of Growth

In the more than 110 years since its establishment in 1907, The Nisshin OilliO Group has been bringing delicious and healthy foods to the dining table, always remaining in step with the dietary habits of the times. By mastering oils and fats, we continuously work to co-create diverse forms of value as we seek to further expand the market for our products.

1907 to 1924

Founding

In 1907, Kihachiro Okura and Kyujiro Matsushita founded the company "Nisshin Soybean Crushing Co." The two characters in the name "Nisshin" mean "Japan" and "China." In 1924, we released *Nisshin Salad Oil*, Japan's first salad oil.

1907 Established as "Nisshin Soybean Crushing Co."

1924 Released *Nisshin Salad Oil*, Japan's first salad oil

1925 to 1959

Creating a food culture with salad oil

As gas, electricity, and water systems spread to houses and lifestyles progressed, a wave of Western food culture washed over Japan, bringing the increased use of salad oil in the home. The Company contributed to popularizing the use of salad oil in the home by offering consumers public demonstrations on how to use salad dressings and mayonnaise.

1951 Released edible oil gift set

1960 to 1979

Growth of core products and introduction of new businesses

As the types of foods diversified, *Nisshin Salad Oil* was able to grow as a leading brand of salad oil on the strength of Company efforts to improve quality, innovate technologically, and adopt new types of containers.

1963 Yokohama Isogo Plant opened

1970 Released *O.D.O* medium-chain triglycerides

1973 Full-fledged introduction of fine chemical business

1980 to 1999

New product and business domain development

We released a range of products that not only met the growing demand for healthy, gourmet, and luxury products, but also focused on ease-of-use.

1980 Released *Nisshin Mayo-Dore*, a purely plant-based mayonnaise-type seasoning

1992 Released *Nisshin Canola Oil*

1996 Launched *BOSCO Olive Oil*, Japan's first original olive oil brand

2000 to 2009

Birth of a new company

The Nisshin OilliO Group, Ltd. was established in 2002. In addition to developing products that provide added functionality such as foods for specified health uses, we also suggested ways to use our products to leverage their distinct characteristics and provided other information to customers, thereby contributing positively to their dietary habits.

2002 The Nisshin Oil Mills, Ltd., Rinoru Oil Mills Co., Ltd., and Nikko Oil Mills Co., Ltd. integrated their operations to form The Nisshin OilliO Group, Ltd.

2003 Released *Healthy Resetta*, a government-authorized food for specified health use (FOSHU)

2005 Capital participation in ISF (Malaysia)

2009 Capital participation in Daito Cacao Co., Ltd.

2010 to present

Continuing the quest to co-create diverse forms of value

We expanded our lineup of products in response to diversifying consumer demand for foodstuffs that are healthy, natural, and convenient. We also began proactively expanding overseas by establishing locations in Asia, Europe, and elsewhere.

2011 Capital participation in IQL (Spain)

2012 Released *Ene-Pudding*

2015 Released *Nisshin Flaxseed Oil* and *Nisshin Healthy Off*

2021 Released *Nisshin MCT Oil HC*, a food with functional claims

2021 Released *Nisshin Yamitsuki Oil*

2023 Released carton container-type products

Nisshin Salad Oil celebrated its 100th anniversary in 2024!



Creating diverse forms of value by mastering oils and fats

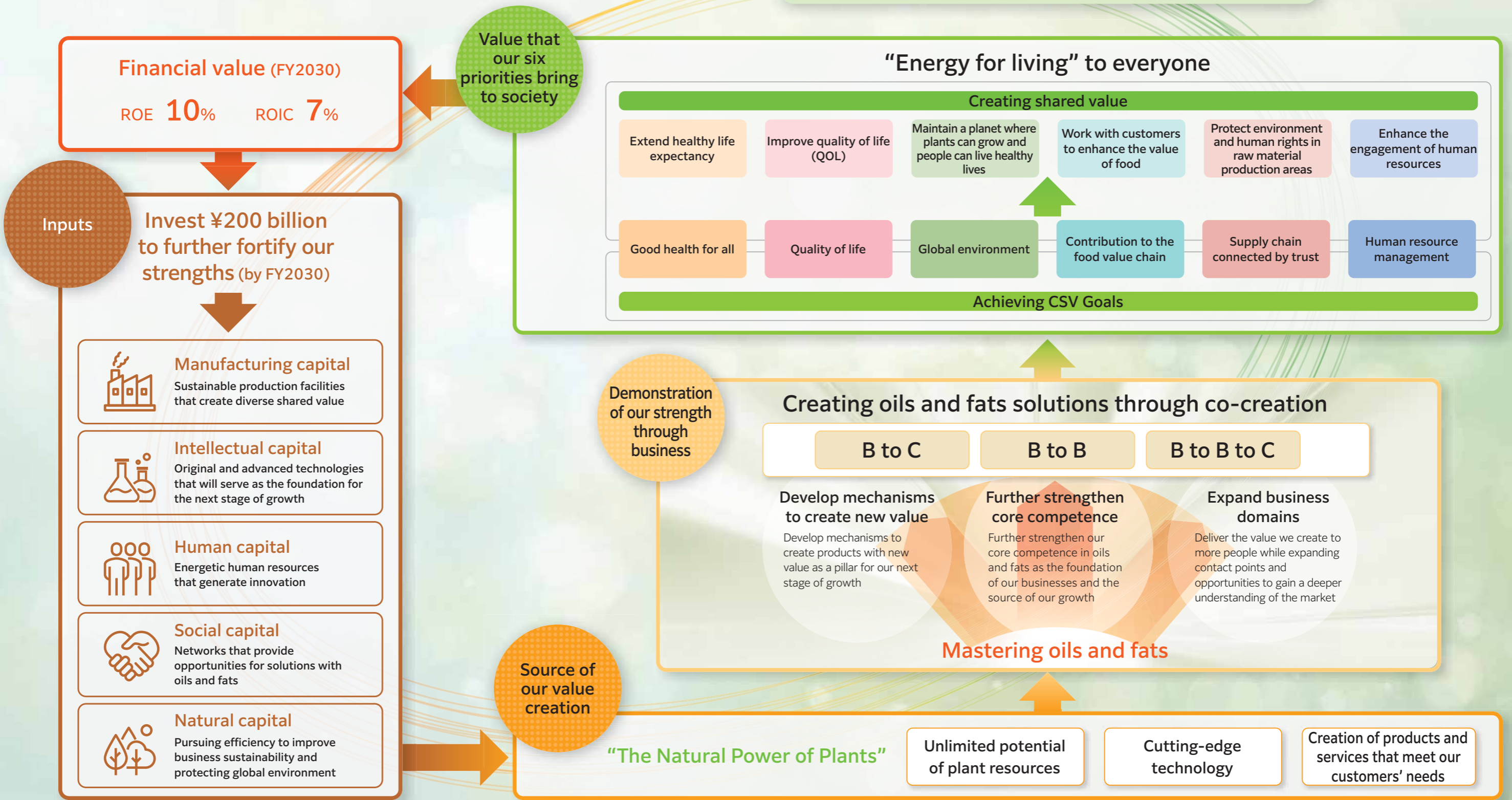


Our Value Creation Story

2 Value Creation Model

The Group's business activities originate from plant resources. Leveraging "The Natural Power of Plants" and the strengths obtained from mastering oils and fats, we will create oils and fats solutions through co-creation. We provide "energy for living" with diverse values through our six priorities, and deliver it to everyone. "Energy for living" resolves social issues while creating capital that enables plant resource recycling and technological evolution for the next stage of growth. We reinvest this capital to further master oils and fats and to create more "energy for living" to resolve social issues. By cycling through this process again and again, we will achieve sustainability.







Realizing sustainability
To contribute to the development of people, society, and the economy by maximizing our corporate value



Our Value Creation Story

3 Inputs

The core competence of The Nisshin Oillio Group lies in oils and fats. We will invest proactively to further strengthen the capital we have accumulated over the years in order to become a global top provider of oils and fats solutions.

Current state of the Group		Investments during Value Up+*1		Examples of investment
 <h4>Manufacturing capital</h4> <p>Sustainable production facilities that create diverse shared value</p>	<ul style="list-style-type: none"> Established 21 companies in 8 countries Stable and efficient operations achieved through continuous introduction of efficient equipment and operation management technology 	<p>Capital investment</p> <p>FY2013: ¥7.3 billion</p> <p>FY2023: ¥19.1 billion</p>	<p>Production capacity expansion</p> <p>¥23.6 billion</p> <ul style="list-style-type: none"> Increase production capacity for confectionery fats, etc. <p>Digital investment</p> <p>¥5.5 billion</p> <ul style="list-style-type: none"> Convert the Nagoya Plant into a smart factory <p>Investment in upgrades</p> <p>¥22.2 billion</p>	<h4>Manufacturing capital</h4> <p>Advanced refining technology is required in our business, for example in processes to improve the long-lasting functions of edible oils. To enhance our refining technology, we are installing next-generation refining equipment at our production plants. The state-of-the-art deodorization systems we are installing at our Yokohama Isogo and Mizushima Plant are scheduled to begin operating in 2027 as an early-stage step in the process. This equipment will give us more control over a broader array of refining conditions, and we aim to differentiate our products by improving conventional manufacturing methods and to dramatically expand the range of oils and fats we offer. It will also help reduce CO₂ emissions, thereby contributing to reducing our environmental impact.</p>
 <h4>Intellectual capital</h4> <p>Original and advanced technologies that will serve as the foundation for the next stage of growth</p>	<ul style="list-style-type: none"> Knowledge accumulated through many years of basic research into oils and fats, and expertise in product development to address customer needs and markets Strategic rollout of intellectual property to leverage our technologies and brand 	<p>Number of patents held</p> <p>FY2013: Approx. 290</p> <p>FY2023: Approx. 690</p>	<p>Mechanisms for co-creation</p> <p>¥7.4 billion</p> <ul style="list-style-type: none"> Enhance and implement incubation functions at the Yokohama Isogo Complex Functional material marketing 	
 <h4>Human capital</h4> <p>Energetic human resources that generate innovation</p>	<ul style="list-style-type: none"> Corporate culture that values teamwork and a meticulous, dedicated attitude in all aspects of our operations including production, quality, and customer service Fulfilling education and training system based on an education-first policy 	<p>Operating profit per employee</p> <p>FY2013: ¥1.9 million/employee</p> <p>FY2023: ¥6.5 million/employee</p>	<p>Proactive investment in human resources</p> <p>¥2.4 billion*2</p> <ul style="list-style-type: none"> Strengthen recruitment of highly specialized mid-career human resources Increase investment in developing human resources (strengthening specializations, reskilling) Design a system for achieving competitive compensation levels Build an environment that increases fulfillment and comfort at work 	<h4>Human capital</h4> <p>Aiming to harness digital technology to transform our business model and promote innovative business reforms, we provided training for all Company employees to improve their digital knowledge and skills and foster a mindset conducive to promoting the use of digital technology. To meet diverse learning needs and improve digital literacy, we had employees take 20 to 30 hours of e-learning courses over roughly 18 months on a wide range of topics, from basic understanding of DX to more advanced digital skills, analytical skills, and thinking skills. We will also provide specialized training to certain employees to develop the people who will be the driving force behind promoting the use of digital technology in the future.</p>
 <h4>Social capital</h4> <p>Networks that provide opportunities for solutions with oils and fats</p>	<ul style="list-style-type: none"> Japan: Connections with diverse sales channels from the factory to the dining table Overseas: Built a global network centered on processed oils and fats and fine chemical Built a supply chain that enables sustainable business operations 	<p>Number of countries with locations</p> <p>FY2013: 5</p> <p>FY2023: 8</p>	<p>Build a network for co-creation</p> <ul style="list-style-type: none"> Participation in value co-creation platforms, consortia, etc. <p>Further enhance sustainability of the supply chain</p> <ul style="list-style-type: none"> Ensure traceability and conduct human rights due diligence 	
 <h4>Natural capital</h4> <p>Pursuing efficiency to improve business sustainability and protecting global environment</p>	<ul style="list-style-type: none"> Promoting sustainable procurement by establishing the Basic Procurement Policy, Palm Oil Procurement Policy, Soybean Procurement Policy, and Cacao Procurement Policy Continuous CO₂ emissions reduction achieved through introduction of efficient equipment and advanced operation management technology 	<p>CO₂ emissions per unit of production*3</p> <p>FY2013: 0.272 t-CO₂/t</p> <p>FY2023: 0.111 t-CO₂/t</p>	<p>Environmental investment</p> <p>¥5.5 billion</p> <ul style="list-style-type: none"> Introduce environmentally friendly production facilities Introduce renewable energy facilities, mainly at the Sakai Plant 	<h4>Natural capital</h4> <p>Aiming to be hydrogen-ready by 2030, the Yokohama Isogo Complex is currently installing a high-efficiency gas turbine cogeneration facility capable of running on hydrogen. The key to starting hydrogen co-firing is procuring hydrogen in a realistic manner. Therefore, we will closely monitor the hydrogen supply network as we proceed with installing facilities for utilizing hydrogen as an energy source.</p> 

*1 M&A in addition to the above.

*2 The Company only. Cumulative amount from FY2022 to FY2024.

*3 Disclosed results for each fiscal year. FY2013 covers only the non-consolidated Company; FY2023 covers five companies including the Company and its subsidiaries.

Our Value Creation Story

4 Group Strengths

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

Becoming a global top provider of oils and fats solutions



Group Strengths Mastering Oils and Fats

Our Value Creation Story

5 Demonstrating Our Strengths in the Oils and Fats Value Chain

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

Group strengths

Mastering Oils and Fats

Develop mechanisms to create new value

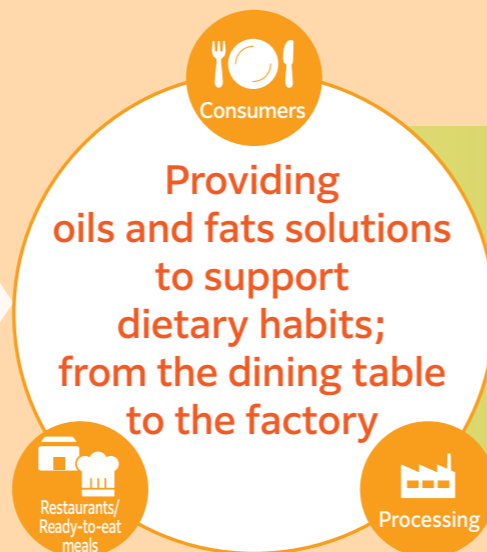
- Value creation through collaboration
- Value creation through new sales styles
- Product development and information dissemination that lead to market creation

Further strengthen core competence

- Technologies in oils and fats and their peripheral areas
- Procurement, production and logistics capabilities
- Brand and sales capabilities

Expand business domains

- Globalization
- Diversification of opportunities for consuming and purchasing oils and fats
- Expanding value provision



Further innovation through co-creation with a wide range of customers

A global top provider of oils and fats solutions

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

B-to-C

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

B-to-B

Absolute trust from global manufacturers

B-to-B-to-C

A business model realizable only by having diverse sales channels

From demonstration of strengths to value provision

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

Our Value Creation Story

6 CSV Goals in Our Priorities (Materiality) (Major KPIs)

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



Priorities	Specific efforts	Initiatives	FY2021 results (as of the first year)	FY2024 targets	FY2030 targets	
Good health for all Underpinning the era of 100-year lifespans by contributing to mental and physical health	Provide products and services that utilize our extensive knowledge of lipid nutrition	Increase the growth rate of health science products that generate health and energy at different life stages (compared with FY2019)* ¹	112%	150%	200%	
		Develop products to improve health issues by utilizing our lipid nutrition knowledge* ²	Released <i>Nisshin MCT Oil</i> and other foods with functional claims	Acquire evidence and release products involving preventing frailty and improving on metabolic syndrome (more than 20 products in total since FY2022)	Acquire evidence and develop products for resolving personal health issues (improving and controlling physical condition)	
		Expand the number of people provided with health information to promote optimal lipid intake (cumulative total since FY2021)* ³	8.08 million	Cumulative: 130 million	Cumulative: 400 million	
Quality of life Contributing to the realization of a higher quality of life, through the pursuit of good flavor and beauty	Provide products and services that deliver good flavor and beauty	Refine brands to offer a higher quality of life through good flavor for foods	Promoted efforts to create new flavored oil categories	Release and develop products that embody values we can share with customers	Corporate brand awareness: 90%	
		Create products that pursue good flavor and beauty	Released <i>Nisshin Yamitsuki Oil Asian Phakchi</i> and three <i>BOSCO Seasoning Oil</i> products to popularize the novel idea of seasoning with oil	Contribute to the enrichment of home dining by popularizing edible oils that make food taste better simply by pouring them on (expand touch points with customers, cultivate the flavored oil market)	Further contribute to food enrichment by creating new categories based on edible oils	
		Increase the growth rate of beauty-enhancing products (compared with FY2019)* ⁴	105%	150%	200%	
Global environment Tackling challenges to pass on the global environment to the next generation	Maintain a planet where plants can grow and people can live healthy lives	Reduce Scope 1 and 2 CO ₂ emissions (compared with FY2016)* ⁵	7.3% reduction	20% reduction	50% reduction	
		Reduce Scope 3 CO ₂ emissions (compared with FY2020, starting with Categories 1 and 4)	Calculated FY2019 and FY2020 results, set targets	By 2026, set science-based reduction targets and acquire commitments to them from suppliers covering 70% of emissions from purchased products and services and transport (upstream)	25% reduction	
		Reduce plastic containers/packaging and promote resource recycling	<ul style="list-style-type: none"> Discussed our course of action in response to the problems of plastic Decided to invest in an environmentally friendly container filling line at the Sakai Plant 	70% introduction rate of environmentally friendly materials in products in the household-use category (Target: edible oils and gifts)	<ul style="list-style-type: none"> Develop and realize systems for containers, technologies, and services conducive to resource recycling Reduce emissions per new plastic containers (bottle/cap) made from petroleum: 15% (compared with FY2022) 	
		Develop products/services that use plant resources and the Company's technology and have a positive environmental impact (cumulative total since FY2021)	<ul style="list-style-type: none"> Developed 10 products that have a positive environmental impact Developed new approaches and proposals for industrial applications (e.g., lubricants, inks, adhesives) 	Cumulative: 80 products	Products/services that have a positive environmental impact become the core driving force of growth	
Contribution to the food value chain Working with our customers to refine our technologies, products, and services for enhanced value	Refine technology, products, and services together with customers	Stable supply of food energy in Japan (percentage of total domestic energy)	7.5%	6% or more	6% or more	
		Provide solutions by demonstrating user support functions Increase the number of user support cases (compared with FY2019)	83%	130%	150%	
Supply chain connected by trust Building a strong and flexible supply chain based on integrity	Contribute to building a sustainable supply chain from upstream to downstream	Advance and fortify business operations based on respect for human rights		Launch full-scale due diligence on human rights in the supply chain	Lay the groundwork and establish mechanisms to prevent human rights violations from occurring in the supply chain	
		Improve the traceability ratio to plantations	Palm oil: 68.5% Palm kernel oil: 30.5%	Palm oil: Develop effective initiatives to achieve and maintain a 100% traceability ratio	Palm oil: 100%	
		Promote sustainable soybean procurement	Conducted a fact-finding survey on Brazilian soybean, considered joining the Round Table on Responsible Soy Association (RTS), etc.	Sustainable soybean procurement predicated on stable supply		
		Promote sustainable cacao procurement	Conducted a survey on the conditions of production areas and customer needs	Sustainable cacao procurement predicated on stable supply		
		Establish a sustainable, competitive logistics system	Increase the F-LINE co-distribution rate to make transport and loading more efficient Reduce the truck driver time spent at Company plants	20%	30%	
Human resource management Enhancing fulfillment among diverse human resources to improve organizational capacity and drive innovation	Improve the organizational capabilities and job satisfaction of diverse human resources	Resonance with the Group's philosophy and vision	Increase the empathy index for the Group's Corporate Philosophy and Vision 2030	Goal: For everyone in the Group to take action proactively while resonating with and having pride in the Group's philosophy, vision, and corporate value (Proper targets will be set after surveys in FY2024)		
		Establish robust human resource capacity	Maintain and expand annual training and education expenditure per full-time employee as a proactive investment in human resource development	¥78,000 or more	¥95,000 or more	
		Active participation by diverse human resources	Expand employees' pursuit and sense of growth through work Increase the percentage of management positions held by women* ⁶	Women participating in educational opportunities: 25.2%, Management positions held by women: 5.0%	8%	20%
		Evolve into an organizational culture that creates innovation	Increase the percentage of employees who feel fulfilled at work Reference: Non-consolidated Company figures	Conducted an engagement survey; 64.6% of respondents feel fulfilled at work	70%	80%

*1 MCT oil and processed foods, healthy oils, supplement-type oils, wellness foods, and other products that can contribute to measures against lifestyle diseases, frailty, and other maladies.
 *2 Products that can contribute to resolving undernutrition, overnutrition, and personal health issues.
 *3 Health information about lipids refers to information that helps resolve personal health issues (e.g., undernutrition and overnutrition, bodybuilding) and leads to correct understanding and increased value of oils and fats.

*4 Cosmetic ingredients (including products of IQL and NOST), health and sanitation management business of Settsu Inc.
 *5 Calculated using the latest emission factor at the time of drafting the report.
 *6 Base date: April 1 of the following fiscal year. The Company only

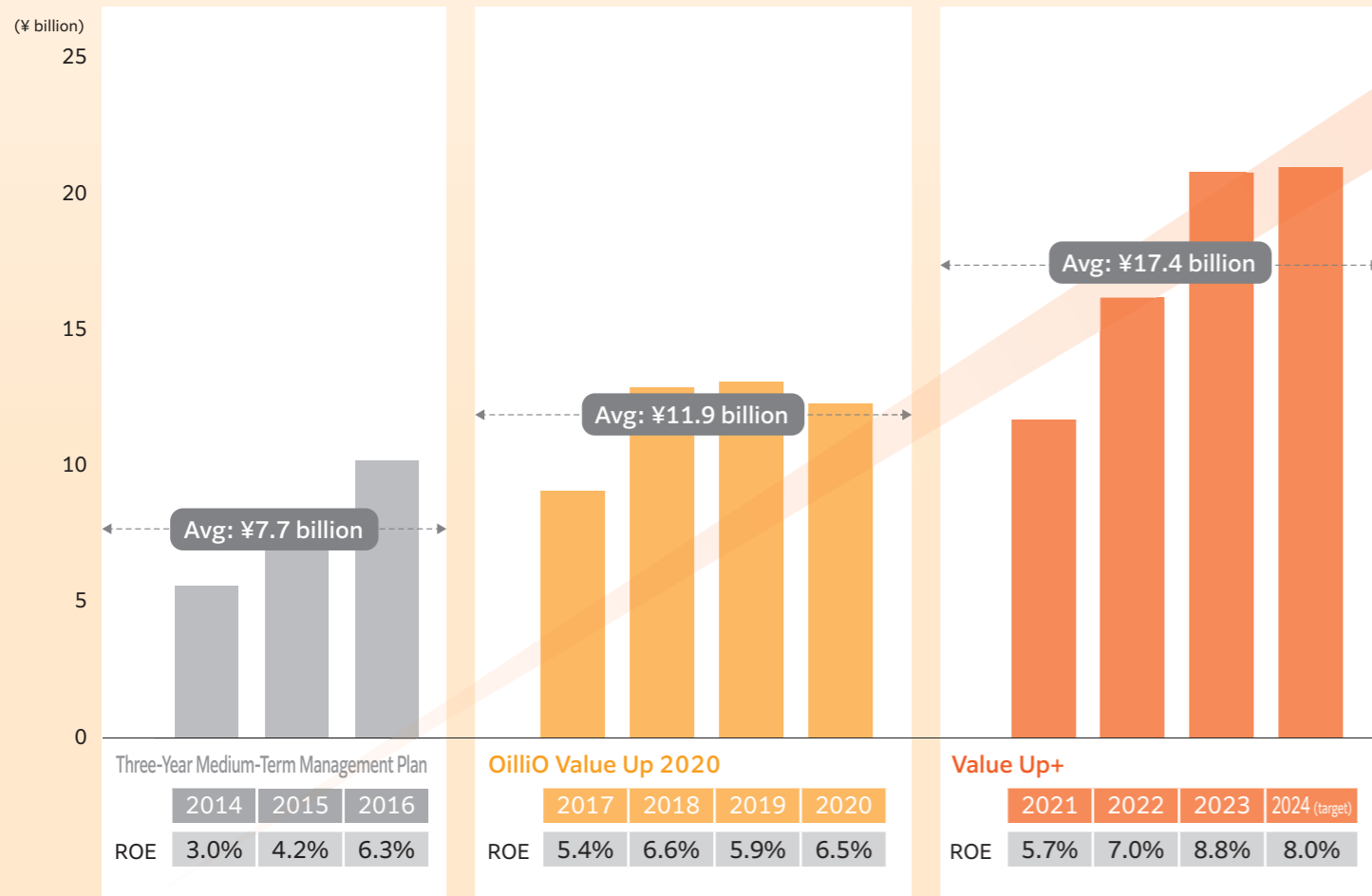
Progress of Strategies

Making the Group's Vision a Reality: Vision 2030 and the Value Up+ Medium-Term Management Plan

The Nisshin OilliO Group has demonstrated resilience to changes in the business environment, and has steadily expanded its earning capacity over the past decade. We will promote initiatives for further growth and realize Vision 2030.



Consolidated operating profit



The Nisshin OilliO Group Vision 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.

- The core competence of the Group lies in oils and fats. By continuing to master oils and fats, we can continue to create oils and fats solutions through co-creation.
- The value of oils and fats lies in the fundamental energy that people need to live. There are also no limits to how this energy can make meals more delicious, improve people's health through their nutritional components, and increase people's beauty and vitality.
- We have positioned the diverse values of the oils and fats that we provide through our six priorities, along with the energy produced by materials, technologies, and businesses that exhibit synergy with oils and fats, as “energy for living.”
- Our aim is to become a corporate group that delivers “energy for living” to as many people as possible.

Performance Targets

FY2030

ROE: **10%** ROIC: **7%**

Our Six Priorities

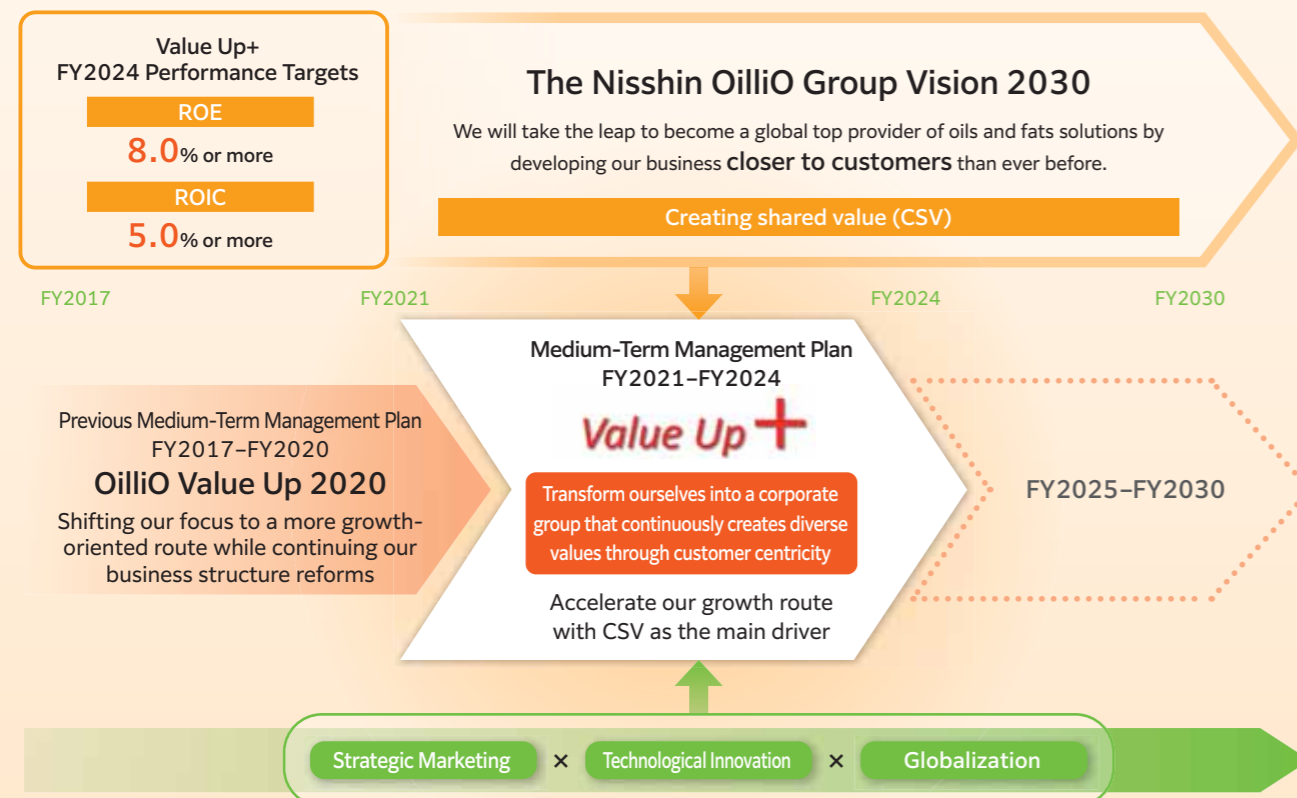
Good health for all	Quality of life	Global environment
Contribution to the food value chain	Supply chain connected by trust	Human resource management

Progress of Strategies

Medium-term management plan, Value Up+

As a specific growth strategy to realize The Nisshin OilliO Group Vision 2030, we have been promoting our medium-term management plan Value Up+ from fiscal 2021 through fiscal 2024. With Value Up+, we are working to accelerate our growth route with CSV as the main driver in accordance with our basic policy of transforming ourselves into a corporate group that continuously creates diverse values through customer centricity. By clearly stating that the

Group's core competence lies in oils and fats, and by further reinforcing it as a driving force for growth to expand the scope of value creation, we aim to pursue our strategy of increasing sales in Japan and take the leap to become a global top provider of oils and fats solutions.



	FY2021 results	FY2022 results	FY2023 results	FY2024 targets
Net sales	¥432.7 billion	¥556.5 billion	¥513.5 billion	¥535.0 billion
Operating profit	¥11.6 billion	¥16.1 billion	¥20.8 billion	¥21.0 billion
ROE*	5.7%	7.0%	8.8%	8.0% or more
Cumulative operating CF	-¥26.6 billion	-¥26.2 billion	¥10.4 billion	¥48.0 billion
ROIC*	4.1%	4.5%	5.1%	5.0% or more

* ROE: Profit ÷ ((Equity capital at start of period + Equity capital at end of period) ÷ 2)
 ROIC: (Operating profit after tax + Equity in earnings of affiliates) ÷ ((Invested capital at start of period + Invested capital at end of period) ÷ 2)

Review of FY2021–FY2023 and outlook for the final fiscal year of Value Up+

In fiscal 2021 and fiscal 2022, we focused on setting sales prices commensurate with costs under extremely challenging circumstances that included the lingering impact of the COVID-19 pandemic and historically high prices for oils and fats raw materials. As a result, net sales increased substantially. In fiscal 2023, we took steps to maintain and set appropriate sales prices as the market prices for soybean, rapeseed, and other major raw materials fell from their peaks in 2022. We also improved profitability through our solutions and value creation initiatives, and achieved our Value Up+ performance targets for operating profit, ROE, and ROIC* ahead of schedule. Throughout the Value Up+ period, we have demonstrated strong resilience to market fluctuations and steadily increased our ability to generate profits.

Given the circumstances, we reevaluated our performance targets for fiscal 2024 to expedite our progress toward the Vision 2030 targets of 10% ROE and 7% ROIC. Although we expect to face challenging circumstances due to factors such as the historically high price of olive oil, we will achieve our stated targets by steadily implementing measures focused on profitability. In fiscal 2024 (the final fiscal year of Value Up+), we will formulate a plan for fiscal 2025 and beyond, solidify our strategy for the next stage of growth, and take steps to make management more capital efficiency-conscious, all in an effort to achieve the performance targets of Vision 2030.

* As of fiscal 2023, Value Up+ performance targets for fiscal 2024 were net sales of ¥540 billion, an operating profit of ¥17 billion, an ROE of 8.0%, and an ROIC of 4.6%.

Progress on main KPIs in FY2023

We organize efforts to achieve the performance targets set out in Value Up+ in terms of growth, aggressive investment, sustainability, and efficiency, and manage KPIs accordingly.

The following are the main KPIs and the progress of associated efforts.

Note: Numbers in brackets are fiscal 2024 targets

Growth		
	FY2023 results	Main initiatives
B-to-C (Household-use in Japan)	"Pour-and-enjoy" fresh edible oil market: ¥42.2 billion [¥50 billion] Structural reform for cooking oil Ratio of strategic products*: 60% [60%] <small>* Functional products, healthy oils, etc.</small>	<ul style="list-style-type: none"> Released jointly developed products and strengthened PR activities from various angles to create a market for flavored oil Released <i>Nisshin Healthy Clear</i> as functional products focused on marketing to alleviate consumers' concerns about oxidation
B-to-B (Commercial-use and food processing in Japan/ Processed oils and fats/ Fine chemicals)	The number of user support cases for the Group: 127% (compared with FY2019) [130%] Expansion of sales volume of confectionery fats: 107% (compared with FY2019) [115%] Net sales growth of cosmetic oils: 139% (compared with FY2019) [150%]	<ul style="list-style-type: none"> Established the foundation for a new inbound sales style by launching a special website and strengthening support functions Continuing to introduce facilities to strengthen production capacity and expand sales of confectionery fats Released two strategic products and began market research and sales promotion activities
Sustainability		
Environment	Reduction of CO ₂ emissions (Scope 1 and 2): 18.6% (compared with FY2016, preliminary figures) [20%]	<ul style="list-style-type: none"> Implemented measures to reduce CO₂ emissions (including introducing solar power and biomass boilers and procuring green electricity) based on our decarbonization roadmap
Supply chain	Traceability ratio to palm plantations: 92.7%	<ul style="list-style-type: none"> Formulated action plans for sustainable procurement of soybean and cacao based on our procurement policies Implemented human rights due diligence based on the Self-Assessment Questionnaire (SAQ)
Aggressive investment		
Human resources	Management positions held by women: 7.3% Certified as "White 500" (Health & Productivity Management Outstanding Organization)	<ul style="list-style-type: none"> Identified material issues in the Group's human resources domain and set goals to empower diverse human resources as part of the process Actively supported employees to maintain and improve their health and productivity
Growth investments	Investment in expanding production capacity: ¥23.6 billion, Investment in DX: ¥5.5 billion (Cumulative estimate for Value Up+ period) Investment in human resources: ¥2.4 billion* (Cumulative estimate for 2022–2024)	<ul style="list-style-type: none"> Decided to install next-generation refining equipment that will also add value to products Promoted digital literacy education for all employees*
Efficiency		
Efficiency	ROIC: 5.1% [5.0% or more]	<ul style="list-style-type: none"> Promoted asset reduction, including selling cross-held shares Promoted shareholder returns

* The Company only

Progress of Strategies

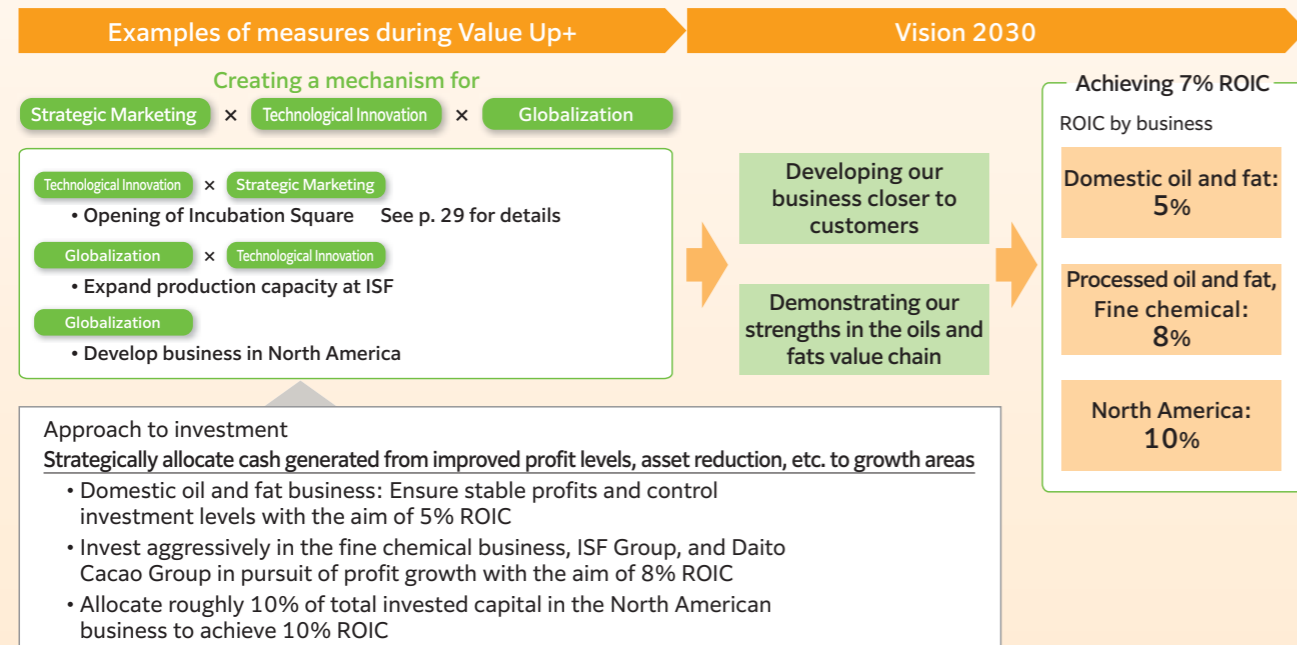
Seeking Further Growth in Pursuit of Vision 2030

Accelerating growth to realize our vision

Vision 2030 sets out the Group's Corporate Vision towards 2030 and guidelines for strategies thereunder, and includes the basic policy of developing our business closer to customers than ever before. Based on this policy, the Group is proceeding with initiatives aimed at taking the leap to becoming a global top provider of oils and fats solutions. Throughout the Value Up+ period, we have taken steps to

create mechanisms for further growth in the areas of Strategic Marketing, Technological Innovation, and Globalization in order to realize our vision.

Under the next medium-term management plan starting next fiscal year, we will leverage the cornerstones we laid during Value Up+ to achieve steady business growth.



Globalization × Technological Innovation Expand production capacity at ISF

ISF (Malaysia) has the strength to provide oils and fats solutions that meet the diverse needs of customers by combining advanced fractionation and enzymatic interesterification technologies.

We have expanded the capacity of ISF's enzymatic interesterification facilities to expand sales of confectionery fats, and are currently expanding their fractionation equipment to further enhance production capacity. With these investments, our production capacity of CBE* confectionery fats will more than double by the end of 2026

compared with fiscal 2021, and the extra production capacity should allow us to expand sales.

* Cocoa butter equivalent, a hard butter similar in composition to cocoa butter that can be blended with cocoa butter at any mix proportion. The mix proportion of oils and fats can be used to alter its physical properties.



Expanded enzymatic interesterification facilities

Globalization Develop business in North America

In November 2023, we established the business management company Nisshin OilliO America Inc. to begin operations in North America. In North America, we will engage in business in several fields where we can utilize the Group's expertise, including food service (oils and fats for ready-to-eat meals, restaurants, and food processing manufacturers), confectionery fats, and cosmetic ingredients.

In June 2024, we invested in Montana Specialty Mills, a company that processes and refines organic and non-GMO rapeseed and other oilseeds, with the aim of expanding our

business, mainly in food services. The next month, we exhibited at a world-class food science and innovation event.

We will continue our efforts to capture further business opportunities in the future.



Montana Specialty Mills

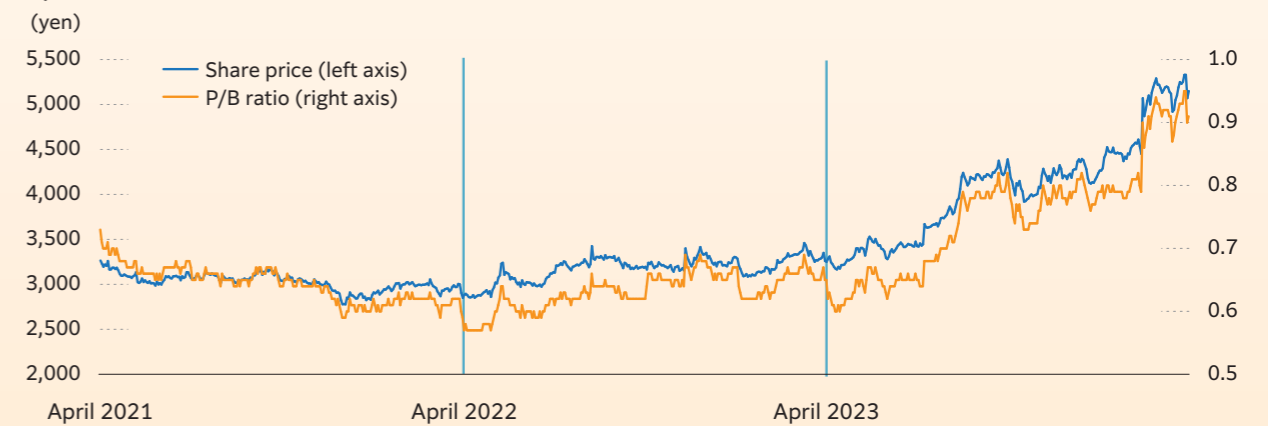
Enhancing dialogue with institutional investors to increase our corporate value

We consider the fact that our P/B ratio has persistently remained below 1.0x to be a management issue, and are sustaining our efforts to improve it by shifting to a capital efficiency-conscious management structure and boosting profitability. We also frequently engage in dialogue with investors and shareholders to help them understand our strategy and engender confidence in our future growth.

We strive to create a positive cycle that enhances our corporate value by using the insights gained from such dialogue to provide feedback to management, refine

subsequent measures, and communicate the results thereof in further dialogue with investors. Our P/B ratio at the end of fiscal 2023 was in the 0.9x range—not quite at our target level. We will continue to engage in and enhance dialogue so that the stock and investment markets can understand our management policy, which seeks to improve capital efficiency, and the certainty of our growth story to realize our Corporate Vision towards fiscal 2030.

Share price and P/B ratio



Spotlight Closer to customers: Seminal life science research to develop a more accurate understanding of consumers

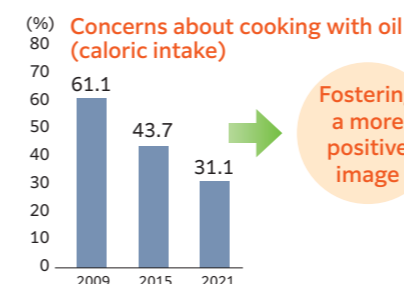
We began our life science research activities in 1994 with the aim of becoming a company that consistently proposes the culture of lifestyles. Since then, we have been working under the policy of developing an accurate understanding of consumers and providing solutions they can use in their daily lives. We analyze the attitudes and behaviors of consumers from our own unique perspective and without bias toward any particular business field, and share our findings with the public as well as our internal business departments for product development and sales promotion.

When we started these life science research activities, the household edible oil market was dominated by salad oil in terms of value. The market structure of edible oils has changed dramatically over the years. In the 2000s, canola oil

grew substantially, and in the 2010s, olive oil overtook canola oil to become the top category. Now, consumers have a healthier image of certain edible oils and the presence of flaxseed oil and other "pour-and-enjoy" fresh edible oil markets has increased. The image and household use of edible oils have also changed dramatically over the past 30 years.

Modern consumer values continue to change and diversify quite rapidly due to technological advances, globalization, and various media, making it increasingly important to continuously monitor and accurately understand their dietary attitudes and behaviors. We will continue to make projections to derive optimal solutions from our creative research and studies in pursuit of growth for the Group.

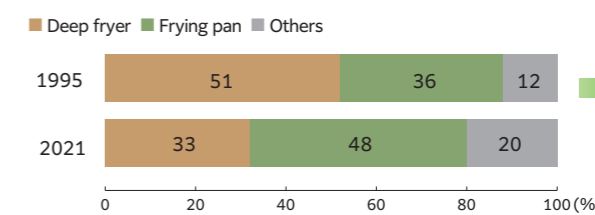
Image of edible oil



Fostering a more positive image

Developing products in line with actual cooking methods

Main cooking utensils used to make fried foods



Note: Figures in the graph above may not total 100 because they are rounded to the nearest whole number.



Edible oil suitable for small-batch cooking

Feature: Mastering Oils and Fats, and Harnessing Co-creation for Continuous Value Creation

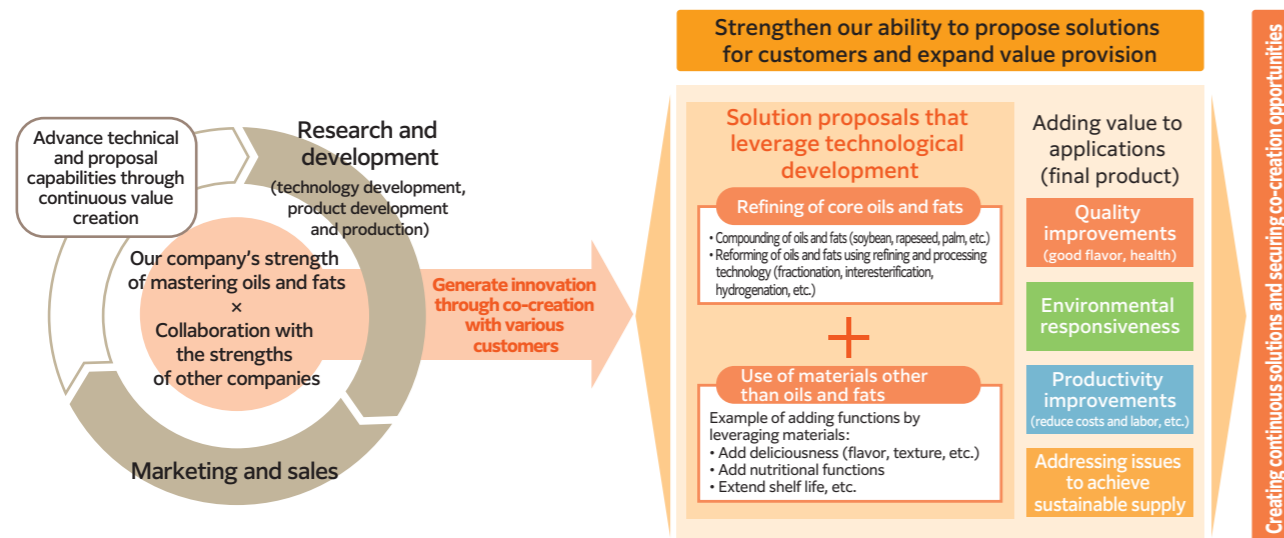
Becoming a company that finds solutions to issues together with customers through co-creation and advancing technologies in oils and fats and related areas

The global business environment continues to change rapidly, with a growing global population, climate change, and geopolitical risks. Under these circumstances, the Group will continue working to master oils and fats while coming up with solutions through co-creation. We will strive to make the leap to becoming a global top provider of oils and fats solutions.

To master oils and fats, we will advance our technologies and further strengthen our core competencies. By refining our technologies in oils and fats through research and development, and continuously creating value in close collaboration with the marketing and sales departments, we

will strengthen our ability to propose ideal solutions for customers and expand value provision. Co-creation combines our unique strengths in oils and fats with the strengths of other companies, which will become the driving force to propel this cycle. We will work to find solutions to social issues and help customers solve their issues through innovative co-creation while also expanding value provision.

To promote these initiatives, in May 2024 we opened the new Incubation Square (research and development base) in the Yokohama Isogo Complex. This facility will be a hub for technology and information exchanges with customers and accelerate value creation initiatives.



Masayuki Sato
Director and Managing Officer
General Manager of Technical Division, Responsible for Household-Use & Wellness Foods Business Strategy, Production, Environmental Solutions, and Safety Management & Disaster Prevention

Incubation Square as a new hub of value creation for further growth

Our mission is to continue to master our core competence of oils and fats to surpass the goals of Vision 2030 and achieve further growth. In particular, the application of processing technology increases functionality and expands the range of solutions we can offer. Continuing to refine processing technologies will be a key part of our efforts.

We launched Incubation Square to further refine this technology, find solutions to social issues through innovations in technology and collaborations within and outside the Company, and aim for new value creation. Incubation Square has comprehensive facilities for pilot-scale activities using oils

and fats processing technology. This has allowed us to rapidly and flexibly provide the samples customers need, as well as undertake small-scale production.

"Incubation" was included in the name as an image of creating the seeds of new technology and helping them germinate to the commercialization and business stages. "Square" evokes our hope that this facility will be like a town square, a hub where people come together with technology as a shared connection point. Incubation Square will be a hub of technology that deepens connections and collaborations with partners within and outside the Group. For example, this facility will play host to more in-depth collaborations in basic research with universities and other research institutions, and pool together collective wisdom and expertise to generate innovation. We will actively form partnerships with not only major companies but also venture companies, bringing together capabilities from within and outside the Group to solve issues and add value to products.

We, the technical units, have the mission of converting the Natural Power of Plants into products and services through oils and fats technologies. We will continue on the path to becoming a global top provider of oils and fats solutions using the innovative technologies and solutions generated at Incubation Square.

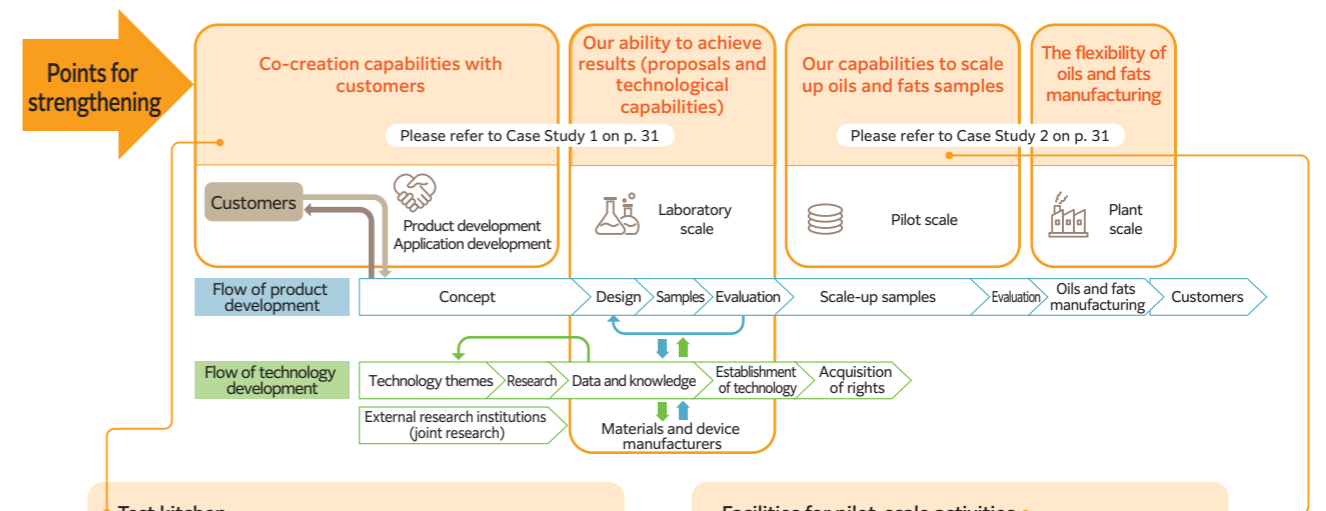
Opening Incubation Square to accelerate value creation

The new Incubation Square has strengthened the incubation functions that support an integrated process from initial development through to the commercialization and business stages, in addition to our more conventional research and development functions.

We have established new facilities, including a co-creation kitchen, pilot-scale facilities for production runs from manufacturing samples up to small-scale production, and a fine chemical lab. These facilities will strengthen our ability to propose solutions for our customers and also help generate innovations and rapidly develop them to the business stage. Incubation Square will be the Group's value creation hub, driving our growth to become a global top provider of oils and fats solutions.



Strengthening incubation functions



Test kitchen
In this kitchen, we develop products such as processed food and cooked food while working with customers to achieve new value creation.



Facilities for pilot-scale activities
These facilities include equipment for refining oils and fats, equipment for fractionation and interesterification of oils and fats, and equipment for developing margarine, cream, and other products. We work hand in hand with our customers, and handle the manufacturing from initial samples up to small-scale production.



Strengthening R&D and production technology capabilities with innovative ideas for co-creation

With the opening of Incubation Square, we relocated the fine chemical R&D department and assembled researchers from various fields all in the same place, including food, cosmetics, and chemical products. We expect exchanges among researchers from different specialty fields to lead to new realizations and discoveries, and generate new and fresh synergies. In

contrast to the trend toward automation and smart factories, the pilot-scale facilities will be mainly manually operated. Incubation Square will also act as a place for production department employees to improve their skills and gain a deeper understanding of processes by operating the facilities and machines themselves.

Value creation at Incubation Square

Case Study 1: Precise solutions to issues through co-creation with customers

We closely follow the individual needs and difficulties of our B-to-B customers, such as manufacturers of processed goods, mass merchandisers, convenience stores, and restaurants, against the backdrop of changing consumer behavior, diversifying health-related needs for food, the need to offer good flavor, labor shortages, and rising costs. By applying technology to develop products and applications, we are able to propose solutions to their issues. Traditionally, the sales department has been the contact point for customers, which then shares the issues raised with R&D to come up with technical proposals. Thanks to Incubation Square, we can work directly with customers while finding solutions to their issues. We have enhanced the food preparation equipment in the new test kitchen, where developers from various business categories discuss with our development team and work together selecting materials and producing an extensive range of samples. In addition to sensory evaluation data, we also use analytical equipment and quantify the textures, flavors, and physical properties and objectively share this data, which can lead to more efficient and satisfactory solutions to issues.

We have also enhanced our R&D environment for fine

chemical cosmetic ingredients. Ester oils are essential ingredients in the preparation of cosmetics. Manufacturing cosmetics requires various functions such as moisture retention, touch sensation, coloring, and gloss quality, and oils such as ester oils are used to achieve those functions. Using our new facilities, we are developing new ester oils with the specific physical properties and functions customers require, creating a solutions business that leverages the functions of our cosmetic ingredients. In the newly set up constant-temperature and constant-humidity room, we can control the temperature and humidity, and use various measurement devices to correctly and objectively observe and evaluate skin conditions. With this environment, we can better communicate directly with customers, and deliver high-quality and highly functional products that meet their needs.



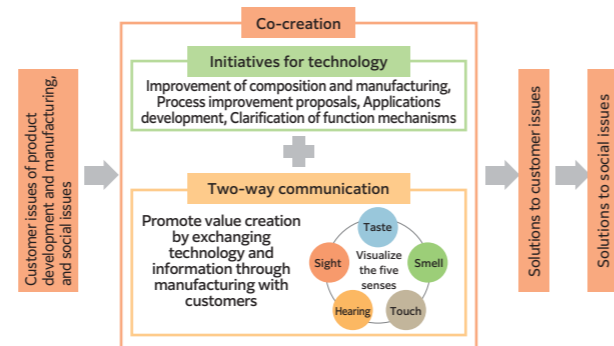
The constant-temperature and constant-humidity room allows for the measurement and detailed evaluation of skin under specific conditions



A glass fryer allows for checking the degree of frying from every angle



An electron microscope is used to check the inside of samples, and verify the relationship between structure and texture



Case Study 2: Enhanced pilot-scale facilities that accelerate co-creation and business development

In the development process of oils and fats for food processing, after evaluation at the laboratory-scale, samples need to be produced for evaluation on customers' own manufacturing lines. To secure the required sample quantity, we would need to make many individual samples at the laboratory-scale. However, this approach leads to issues, such as the manufacturing of samples using actual production equipment, which may affect other manufacturing schedules.

Our new facility features intermediate-sized facilities for pilot-scale production. We can now manufacture samples from as small as an 18-liter square can up to a drum (several hundred kilograms), with equipment and facilities for refining and processing oils and fats such as fractionation and

interesterification. This allows us to co-create with customers while carrying out manufacturing and evaluation, and improve the speed of development. By employing wireless technology, we have introduced mechanisms for centralized management of various manufacturing data, which also speeds up the process to production. This equipment can also be used for small-scale production, supporting the very starting stage of business toward commercialization.



Some of the facilities for pilot-scale activities

Message from the Director in Charge of Finance



Exploring management focused on capital efficiency, leading to further growth

Hidetoshi Ogami

Representative Director and Senior Managing Officer

Initiatives to improve P/B ratio

The Company's share price continues to have a P/B ratio of below 1x, and we continue to recognize this as an important management issue.

In fiscal 2023, return on capital achieved the fiscal 2024 performance targets set in the medium-term management plan, Value Up+, ahead of schedule, with an ROE of 8.8% and an ROIC of 5.1%, both above the planned levels. In spite of these results, our P/B ratio remains a major issue as it hovers around 0.9x. However, it is gradually improving.

In fiscal 2024, the final fiscal year of Value Up+, we have once again set targets of an ROE of 8% and above, and an ROIC of 5% and above. Though the recent cost of shareholders' equity is around 7%, regardless of the business environment we are operating in, we will aim to ensure profitability that is proportionate to capital costs and meet the expectations of all stakeholders. By doing so, we will resolve the issue of our P/B ratio being below 1x early on, and strive to achieve an even higher level.

Strengthening earning capacity by promoting ROIC management, and improving the efficiency of invested capital

In Vision 2030, we initially set the fiscal 2030 performance targets of net sales of ¥500 billion, operating profit of ¥30 billion, and an ROE of 8% and above. However, net sales rapidly expanded on the back of a historically steep rise in oil prices, and last year we revised the performance targets from being based on scale to return on capital indicators, and set new targets for 2030 of an ROE of 10% and an ROIC of 7%.

Initiatives carried out in each business are essential to achieve the ROE target. To achieve that target, in addition to making ROIC a management indicator in fiscal 2022, each business is moving forward with initiatives from two perspectives: improving profit margins and improving the efficiency of invested capital.

In the domestic oil and fat business, we expect to maintain general demand for oils and fats up to 2030. However, as we cannot expect any substantial expansion in

Progress of Strategies

Message from the Director in Charge of Finance

consumption, we will raise the ratio of functional products focused on marketing, while also working to expand profits and improve profit margins through co-creation-based value creation centered on Incubation Square.

On the other hand, domestic oil and fat business is also a business premised on stability, continuity, and efficiency, which generates a steady cash flow as a fundamental business. Based on the outlook of the market environment and general demand for oils and fats in the future, we will appropriately control investment levels and aim to steadily secure profits in the domestic oil and fat business with a target of an ROIC of 5% and above.

We need focused capital investment in growth areas to achieve further growth. The key points in our growth strategy include further sales expansion in the target markets of confectionery fats in the ISF Group, layering of the value chain by using materials such as chocolate and MCT in processed food and materials business, and strengthening access to growth markets in the fine chemical business. One of these target markets is North America, which is forecast to continue to grow. In recent years, naturality and traceability are seeing greater

emphasis, so by leveraging the Group's technologies and our robust supply chains, we can build a highly profitable business model that brings together the Group's collective strengths. In accordance with our growth strategy, we will actively allocate management resources in the ISF Group, Daito Cacao Group, and fine chemical business, and aim for an ROIC of 8%.

To achieve this target, it is important that we grow profits in spite of the tough environment we find ourselves in. We must drive our initiatives forward while firmly facing themes such as improving the efficiency of working capital at the site level. In Value Up+ as well, we have established KPIs on initiatives linked to improving ROIC in business administration, and I feel that we made steady progress in fostering and establishing an awareness of improving ROIC within the Company.

For investment funding, in addition to allocating cash flow generated by profit growth, it is important to control investments at an appropriate level for the Group overall by generating funds through reducing working capital and non-business assets, and carefully checking investment projects.

Promoting SCM reforms through investment in digital domains

We are optimizing inventory management by reforming supply chain management (SCM) to reduce working capital. In fiscal 2023 we invested in digital domains for supply and demand and site relocation planning, and carried out initiatives based on a new planning process. Production plans have traditionally been formulated based on sales plans. However, in the new planning process, we aim to build data-driven mechanisms for supply and demand management based on statistical methods, while leveraging past results and achievements. At present, we are piloting this process for selected plants and products, and tackling issues as they arise while aiming to improve ROIC and shorten the cash conversion cycle (CCC) by supply and demand management optimized to balance inventory reduction with stable supply.

Financial management policy

In the medium-term management plan Value Up+, we planned for an initial cumulative investment for growth of ¥80 billion over four years, including ¥50 billion in M&A investment. However, due to the effects of the COVID-19 pandemic and a revision of the M&A investment to

¥20 billion, we forecast a cumulative investment for growth of ¥56.2 billion over four years. We are also investing in updating obsolete facilities.

In this fiscal year, in addition to investment in Incubation Square and manufacturing equipment at other locations, we are also planning capital investment of around ¥10 billion including our subsidiaries ISF and Daito Cacao.

An important indicator of shareholder returns is the consolidated dividend payout ratio, which ensures that the benefits of higher returns on investment alongside growth in profits are distributed to our shareholders. We have set a policy of a consolidated dividend payout ratio of 40%. The dividend per share in fiscal 2023 was ¥170, an increase of ¥50 from the previous fiscal year amount of ¥120. In fiscal 2024 we will increase this amount by ¥10 to ¥180. Subsequently, we expect a cumulative four-year cash outflow of ¥15.9 billion. We are not planning to purchase treasury shares at present. However, we will aim to maintain a high profit level, and distribute those profits as dividends, which will steadily be reflected in shareholder returns.

The funding for these outflows will come from the sale of cross-held shares and reduction of inefficient assets, as well as from operating cash flow. We forecast cumulative inflows of ¥57 billion over four years, and we are planning to procure ¥42 billion in funding.

Under a financial policy that pursues an optimal capital structure with an emphasis on improving ROE while achieving a balance with financial soundness, we will strive to maintain financial soundness by aiming for an equity ratio in the mid 40% range and net D/E ratio of around 0.5x.

Becoming a global top provider of oils and fats solutions

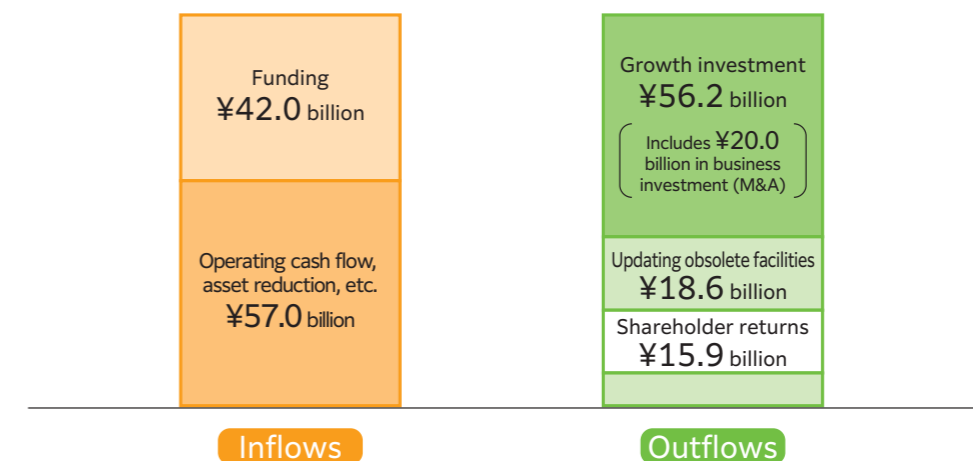
Bringing Strategic Marketing × Technological Innovation × Globalization initiatives to fruition is an essential step toward becoming a global top provider of oils and fats solutions. Alongside those efforts, it is imperative to enhance sustainability and resilience in our supply chains. We will rebuild and strengthen supply chains premised on responding to risks in the procurement of raw materials due to climate change, geopolitical risk, and other factors, and further heighten our commitment to sustainability. These efforts will provide us with a competitive edge as a co-creation partner.

This is the final fiscal year of Value Up+, so we will continue to produce steady results as we believe our efforts are on target. The next medium-term management plan will see the efforts we have applied to creating new mechanisms and initiatives bear fruit. We will reinvest that harvest to build the base for our next leap forward as we become a global top provider of oils and fats solutions.

We will continue to strengthen our ability to offer proposals and products with tangible value, raise corporate value through sustainable growth in Japan and overseas, and become a corporate group that all stakeholders trust and expect even great things from.



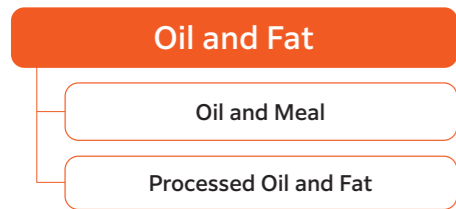
Cash allocation policy of the medium-term management plan Value Up+*



* Outlook for the cumulative four years from 2021 to 2024

Business Strategies / Fundamental Strategies

Business Strategies



Continue to increase the value of oils and fats, serving as the propulsion engine behind the Group

Business characteristics

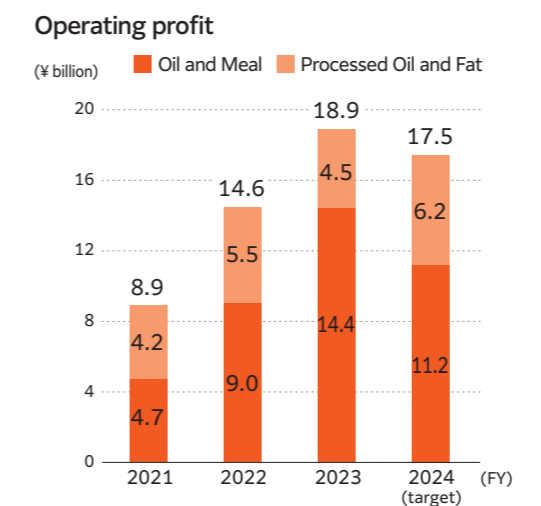
- | Oil and Meal | Processed Oil and Fat |
|--|--|
| <ul style="list-style-type: none"> Business primarily based in Japan on diverse plant resources, such as rapeseed, soybean, olive, sesame, and flaxseed Building relationships with a wide range of customers for household-use, commercial-use, and food processing, holding the largest share (by sales volume) of edible oil in Japan | <ul style="list-style-type: none"> Business with palm oil as the primary raw material expands both domestically and globally Overseas sales account for the majority of sales thanks to the trust we have earned from global manufacturers of processed foods Global share of confectionery fats—a strategic product for us—of approximately 9% (by sales volume) |

Opportunities and risks

Opportunities	Risks
<ul style="list-style-type: none"> Increasing number of people actively consuming oils and fats for health purposes Expansion of the market for home meal replacements and ready-to-eat meals to accommodate the diversification of eating styles, increasing value-added demanded by consumers Oils and fats must fulfill more sophisticated and diverse functions and roles, mainly to address labor shortages and food loss and accommodate changes in consumer behavior Advancing food industry and expanding business opportunities in developing countries 	<ul style="list-style-type: none"> Fewer people frying—a typical use of oils and fats—at home Increasing instability and cost of raw material procurement and logistics due to intensification of climate change, increasing global demand for oils and fats, and geopolitical factors Reduced profitability of the oilseed processing business due to contracting domestic livestock industry and competition against imported meal Uncertainty as to business viability in global markets due to quality defects and delays and omissions in regulatory compliance

Business strategies

- | Oil and Meal | Processed Oil and Fat |
|--|---|
| <ul style="list-style-type: none"> Given the structurally high prices of oils and fats raw materials, exchange rate fluctuations, and consumers' increasing focus on protecting their livelihoods, establish a profit base by instituting a new price equilibrium based on the improved value of edible oils. For household use, strengthen marketing aimed at capturing latent and emerging demand and create markets for oils valuable for health maintenance, flavored oils, and more. Additionally, despite the ongoing surge of raw material prices for olive oil, stimulate consumption in new segments through products and communication. For commercial use and food processing, deepen "collaborative-sales-to-identify-needs" marketing and propose solutions for users to increase sales of "customer-solution-type" frying oil and value-added oils. Promote efforts to establish marketing mechanisms and systems to realize an uninterrupted value creation scenario. To improve capital efficiency, implement these strategies to improve the operating profit margin and make efforts to optimize inventory. | <ul style="list-style-type: none"> The ISF Group will improve its position to be a first supplier to existing customers by introducing new supply methods and meeting further quality requirements. ISF (Malaysia) will soon earn a return on its investments through stable operation of its enhanced interesterification facilities. Proceed with investments in ISF (Malaysia) to increase the capacity of production facilities, and strengthen procurement capacity for further business expansion. Promote sales expansion in China and ASEAN markets by expanding our product lineup and enhancing applications. |



Market trends

Domestic market for edible oil for household use
 Approx. **¥116 billion** (FY2013) →
 Approx. **¥180 billion** (FY2023)

Global market for confectionery fats
2 million tons (2024)

Message

Masato Saegusa
 Director and Senior Managing Officer
 General Manager, Food Product Division;
 Responsible for branch operation

During the Value Up+ period, the environment surrounding edible oils for household-use and commercial-use changed rapidly; for example, the market contracted and consumers' lifestyles changed as a result of the historic rise in raw material prices and the COVID-19 pandemic. To vigorously promote value creation under such circumstances, we have begun systematizing a new form of marketing creation and taken steps to resolve emerging issues by integrating deeper customer understanding and sales style reform into existing product and sales strategies, mainly through digital utilization.

For example, as an initiative for deeper customer understanding for household-use edible oils, we are using ID-POS data to analyze customer behavior in real-world sales, aiming to build sales stories that capture consumer insights and link them to effective promotions adapted to environmental and market changes.

We view these marketing creation initiatives as investments to improve the quality of sales representatives and create extra capacity and time. By expanding digital investments, utilizing AI, investing in human resource development to leverage digital technology, and more, we will create a virtuous cycle of sales and profit growth that leads to higher ROIC by business.

Spotlight Achieving further market penetration of "pour-and-enjoy" fresh edible oil

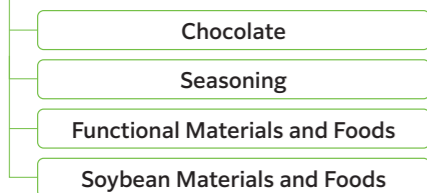
We have continued to promote edible oils as condiments to have on hand at the dinner table. The "Fresh Keep" bottles in our *Fresh Oil Series* are designed to prevent the oil from coming into contact with oxygen. These containers have made it possible for people to pour flaxseed, olive, and other oils directly onto their food without compromising freshness, and have made headway on dinner tables throughout Japan.

This year, we remodeled our "Fresh Keep" bottles to reduce plastic usage by approximately 19%. Additionally, thanks to increased attention on the health functions of omega-3 fatty acids, the market for flaxseed oil in the first quarter of fiscal 2024 has expanded approximately 50% year over year.

Moving forward, we hope to help increase the vitality of the market for edible oils by closely tracking the diverse needs of consumers.

Business Strategies

Processed Food and Materials



Creating a virtuous cycle that continues to enhance the value of oils and fats as part of the value chain



Business characteristics

- Chocolate and Seasonings are businesses that use oils and fats as base ingredients. We continue to refine application technologies in these sectors as part of the oils and fats value chain with the aim of improving the value of oils and fats
- In recent years, we have accelerated the global spread of our chocolate business
- The market for MCTs—a strategic product for functional materials and foods—is expanding

Opportunities and risks

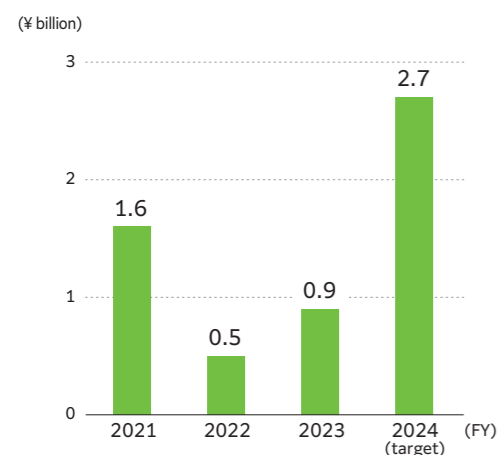
Opportunities

- Increasing demand for oils and fats for nursing meals and frailty and pre-frailty prevention as the population ages
- Expansion of business opportunities thanks to increasing global demand for chocolate
- Expanding natural products market and needs for plant-derived foods with high naturality
- Increasing number of consumers choosing traceable and sustainable products that contribute to well-being

Risks

- Intensifying competition in markets targeting elderly people and preventive medical care
- Increasing instability and cost of raw material procurement and logistics due to intensification of climate change and geopolitical factors
- Waning demand for high value-added products as real wages decline due to inflation

Operating profit



Business strategies

- Further develop our chocolate business in the Asian market by creating chocolate flavors that serve as strengths and leveraging the synergy of confectionery fats.
- Increase the number of products that use MCTs in the functional materials and foods business by continuing to approach manufacturers of processed foods, commercializing products, and following up with distributors.

Message



Shigeyuki Takeuchi
President and Representative Director
Daito Cacao Co., Ltd.

Daito Cacao manufactures chocolate products for commercial use under an in-house integrated system starting from processing cacao beans. During the first half of the Value Up+ period, although sales to the market for gifts declined due to the COVID-19 pandemic, we captured new demand by further strengthening collaboration between sales and development and meticulously responding to product proposals for convenience stores.

Recently, the price of cacao beans has surged to historic levels due to extreme weather in production areas and cacao tree diseases, which destabilized the procurement of beans from Ghana, a major production country. However, we continue to ensure high quality by using cacao beans from other areas and fully leveraging our stockpile of blending technology.

Looking ahead, we aim to achieve sustainable growth by further diversifying cacao bean production areas and utilizing three types of roasting equipment to expand sales of products that maximize the aroma and flavor of cacao beans and products that utilize Nisshin Oillio's oils and fats technology.

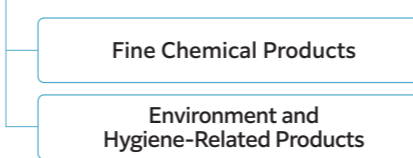
Spotlight New functional claim to capture further demand

We have filed a new functional claim for MCT oil: when used in combination with exercise, it maintains leg muscle strength, which declines with age in middle-aged and elderly people. With such labeling, we aim to create further demand for MCTs in the elderly and nursing care market in terms of preventing frailty.

Market trends

Global chocolate market
15 million tons (2024)
Household MCT oil market
¥0.9 billion (FY2019) → ¥3.4 billion (FY2023)

Fine Chemical



Leveraging the superiority of our ester synthesis technologies to become a leading company of cosmetic oils



Business characteristics

- High level of quality stability achieved for fine chemical on the strength of ester synthesis technology as the core technology
- Global share of cosmetic oils approximately 9% (by monetary value) thanks to the trust we have earned from domestic and global manufacturers of cosmetics
- Developing business across borders, with net sales for cosmetic ingredients outside Japan accounting for approximately 40%

Business strategies

- Strengthen our technical proposals and expand sales to global markets centered, on Asian markets with their potential for expansion in addition to Europe and the U.S.
- Discover the potential functions of specialty oils by leveraging our technical support functions, and expand our solutions business by developing high-naturality products.

Opportunities and risks

Opportunities

- Increasing domestic demand on the strength of a recovering inbound market
- Rising need for high-naturality cosmetic ingredients
- Increasing global demand for the safe use of chemicals
- Expanding cosmetics market due to development of emerging countries
- Growing needs for environmentally friendly products and businesses

Risks

- Uncertainty as to business viability in global markets due to quality defects and delays and omissions in regulatory compliance
- Uncertainty as to stability of procurement and rising cost of raw materials due to intensification of climate change and geopolitical factors
- Slowdown in market growth due to prolonged geopolitical risks
- Increased competition from environmentally friendly businesses

Message



Yoshiharu Okano
Director and Managing Officer
Responsible for global business and fine chemical business

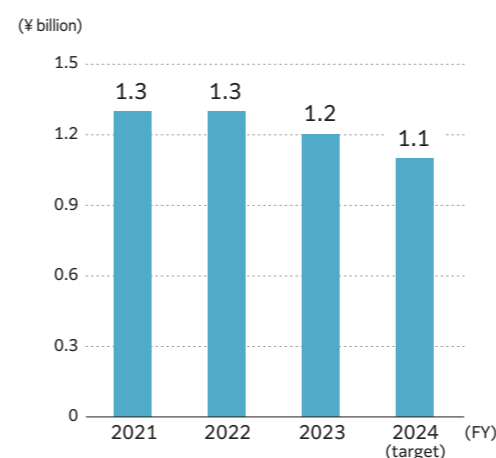
During the Value Up+ period, we focused on global expansion (mainly in growth markets such as China and Southeast Asia) and new product development (including new products with high functionality and naturality), mainly for cosmetic oil. Despite the slumping market for makeup due to the COVID-19 pandemic and other major changes in circumstances, measures to strengthen technical support functions and develop new functions to expand sales for skin care application products resulted in subsequent sales expansion. Looking ahead, we will further promote global expansion, build an efficient production system, and manage inventory properly, all with the aim of improving capital efficiency. We will also use Incubation Square to promote the development of environmentally friendly products and processes and other sustainability initiatives to serve as a driving force for further growth.

Spotlight Opening a technical support center in China

We opened a technical support center for cosmetic ingredients in Shanghai. Now, we can be closer to customers and quickly provide solutions that meet local needs.



Operating profit



Market trends

Global cosmetics market
Average annual growth: **5%** (2021–2030)
Global natural cosmetics market
Average annual growth: **11%** (2021–2030)
(Source: Panorama Data Insights Ltd.)

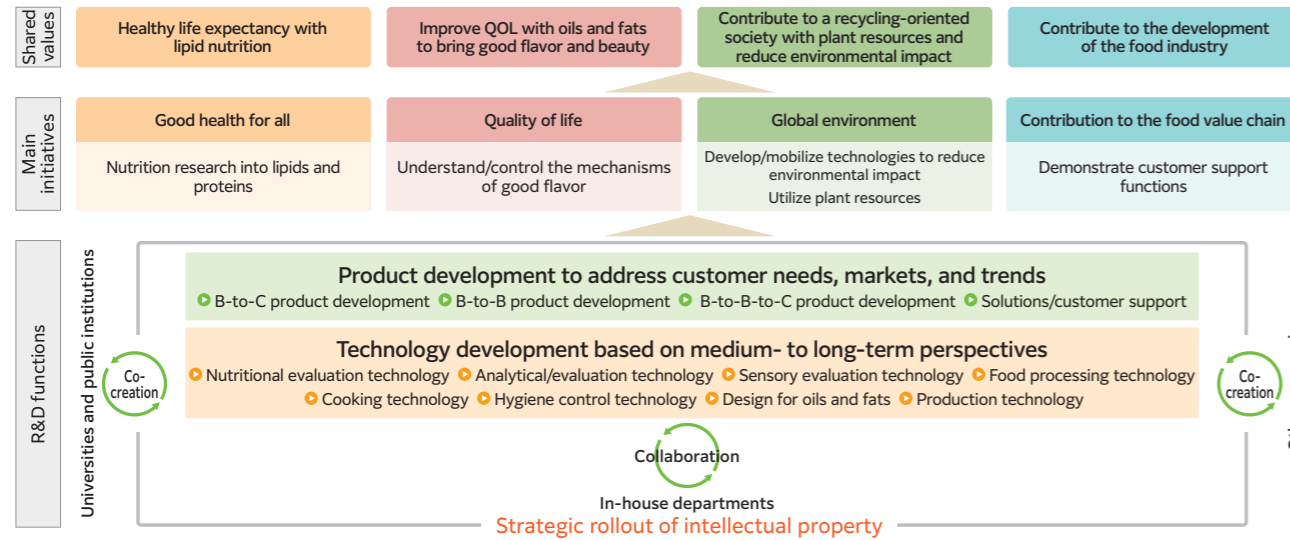
Research & Development



The Group responds to the diverse needs of its customers and to the issues facing society in terms of health, good flavor, convenience, reducing environmental impact, and other aims by leveraging its capabilities in technology and development based on its stockpile of expertise in the context of its research into vegetable oils and fats. Based on our strength in technology with regard to evaluating the nutritional value and good flavor of oils and fats (analysis, evaluation, and sensorial evaluation techniques) and the manufacturing and processing of oils and fats, we will increase collaboration and co-creation efforts both

within and outside the Group as part of our push to engage in research and development geared toward creating shared value under each of the priorities set out in Vision 2030.

With Incubation Square as the core of our new research and development base, we will further refine our technologies for oils and fats and related fields to strengthen the Group's R&D capabilities. We will also use Incubation Square as a place for co-creation with customers from Japan and overseas and exchanging technology and information to provide cutting-edge solutions based on diverse perspectives and ideas.



Our intellectual capital

Number of Research Division personnel

154

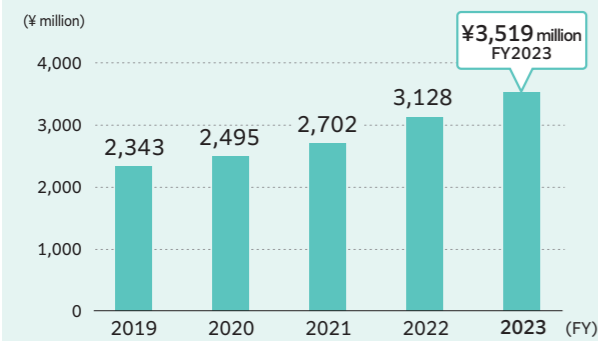
(FY2023, non-consolidated)

Number of joint research projects

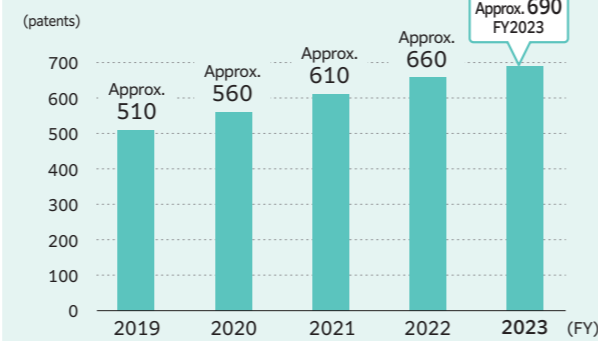
38

(FY2023, consolidated)

R&D expenses (consolidated)



Number of patents held in Japan (including domestic subsidiaries)



Intentional efforts to create the good flavor of animal meal from vegetable oils and fats

To realize "Quality of life" (one of our priorities), we engage in research and development to understand and control the mechanisms of good flavor by rigorously searching for answers as to why oils make food taste better. Through joint research with Tohoku University as part of this effort, we discovered that intentionally oxidizing MCTs—vegetable oils conventionally regarded as resistant to oxidation—allows us

to create aroma components such as lactone, which is found in dairy products, beef, and other animal products. We also understand the underlying mechanisms. This technology can be used to replace dairy ingredients with vegetable oils and fats, and to add dairy and beef flavors to plant-based foods. We will conduct pilot-scale trials with the aim of commercializing the technology.

Beginning research on useful substances obtained from microalgae to acquire new meal resources

We have joined the industry-academia collaborative project titled "Center of Innovation for Bio-Digital Transformation (Bio-DX)" and begun research on producing edible oils and fats and other useful substances obtained from microalgae and developing and functionally evaluating food applications, all with the aim of acquiring new meal resources and functional materials. As the circumstances surrounding food change with the growth of the world's population and the

diversification of food needs, one challenge is to secure new food resources so that everyone can continue to enjoy health and good flavor. Under this project, we will utilize our stockpile of technical expertise to establish technologies for extracting and purifying useful substances obtained from microalgae and fulfill a role in developing and functionally evaluating food applications.

Intellectual property strategy

Building a patent network to ensure competitive advantages, promoting strategic use of patents by evaluating their value and visualizing how they contribute to our business



Susumu Hikichi

General Manager, Intellectual Property Dept., Technical Division

The Group aims to build a robust patent network that is superior in both quality and quantity to ensure advantages in its business operations toward becoming a global top provider of oils and fats solutions. We currently hold approximately 690 patents in Japan, and have established a large patent network by acquiring multiple patents on specific themes. We continue working to secure rights through research and development while analyzing our patent network and clarifying points to be strengthened.

Companies in the food industry tend to conduct research in the same areas at the same time in response to the world's needs. Therefore, we strive to obtain a broad range of patents ahead of our competitors to ensure that our researchers feel free to engage in research and development with no restrictions.

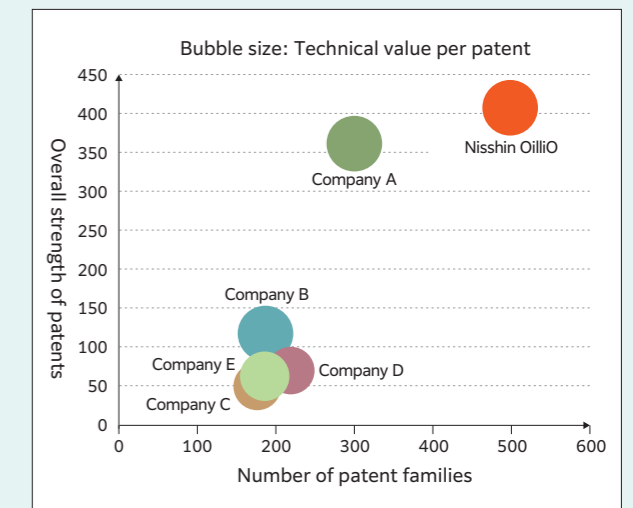
Looking ahead, we will evaluate the value of our intellectual property rights and visualize how they contribute to our business so that they can function as the basis for making decisions in promoting even more sophisticated business strategies. We evaluate the value of patents in terms of three attributes: their ability to keep competitors at bay, their ability to contribute to the Group, and their score on an objective patent analysis tool, which analyzes the number of patent citations, market size, and other factors to estimate the overall strength of each patent (see graph). By combining the evaluations of these three attributes, we hope to help build a patent network and encourage the use of patents in the Group's business.

To visualize how patents contribute to our business, we analyze the relationship between patent rights and net sales to determine whether products with growing sales are properly protected by patents, and which patents are contributing to net sales.

Recently, intellectual property rights have been joined by technology, know-how, brands, supply chains, and other

elements of corporate competitive advantages, all of which are being treated as intellectual property. Therefore, it is difficult for us to cover all competitive advantages on our own, and we will probably turn more and more to the concept of open innovation, in which we collaborate with other companies. We intend to further refine our strengths as a company and strategically promote co-creation within the Group and with other companies.

Nisshin Oillio and other companies in the edible oils and fats domain



This comparison using LexisNexis® PatentSight+ revealed that we hold as many high-quality patents as our competitors in the edible oils and fats domain, and as many patents in terms of quantity, demonstrating our superiority in overall strength.

Transforming Our Production System



A key objective of Vision 2030 is to create our various shared values through sustainable supply systems. To this end, we are transforming our production system into a next-generation structure that highlights the strengths of each production plant and enhances our collective strength through integrated management. Each production plant is

refining its strengths and rolling out its knowledge and best practices to other Group companies to enhance the collective strength of the Group. We have steadily built up initiatives at each plant—including converting the Nagoya Plant to a smart factory—and have begun horizontal deployment to other plants.

Key points Achieving sustainable supply systems that create diverse shared value

1. Thorough strengthening of our competitiveness in the oil and fat business
2. Establishing supply systems for a broad range of products
3. Addressing environmental issues



Examples of initiatives

We are proceeding with efforts to radically reform existing operations and introduce ICT to convert the Nagoya Plant into a smart factory with improved productivity and reformed work styles, a place where we can acquire and pass down our technologies. One such reform is promoting plant-wide activities to review and propose changes to consolidate and eliminate operations. As for introducing ICT, we have adopted a tanker truck shipment management system and a manufacturing management system for centrally managing data on manufacturing performance. The reforms and systems have not only reduced employee workloads, but also contributed to resolving logistical issues, for example reducing shipment weighing time. In fostering a culture of promoting operational reform, we have revitalized the entire plant, and will continue working as one toward completing the conversion into a smart factory.

Value-added labor productivity at the Nagoya Plant
8.8%
 [Generating the equivalent of approximately 18,600 hours/year] (FY2023)
 Note: An index representing the added value generated by each employee. Calculating the time created by converting the Nagoya Plant into a smart factory as added value.

We are taking steps to make our Sakai Plant a sustainability center based on the two-pronged approach of implementing environment-related technologies and realizing palm sustainability. Newly installed solar power generation equipment and biomass boilers are in full-scale operation, expanding the percentage of non-fossil energy used at the plant. Additionally, as part of our energy-saving and decarbonization efforts, we have decided to adopt heat pumps that use unused energy from the plant as a heat source. We have also installed equipment to produce RSPO SG-certified products, and are building a supply system to increase the percentage of certified palm oil.

Flow diagram of heat pump usage in the refining process

Roll out to entire Group

Transforming our production system into a next-generation structure by 2030

- Customer-driven value creation
- Leading the way in international competitiveness in the oil processing industry
- Implementation of environment-related technologies
- Making further improvements to productivity
- Realization of sustainable procurement
- Realizing workplaces that are rewarding to work in

Manufacturing capital characteristics

Number of production plants:
12, across 8 companies in 6 countries
 (FY2023)

(1) Japan: The Company (4 locations), Settsu (Sakai), Daito Cacao (Nakai)
 (2) Malaysia: ISF (Port Klang, Dengkil)
 (3) Spain: IQL
 (4) Singapore: T&C
 (5) Indonesia: IADC
 (6) Italy: ISF Italy

Scale of production:

Approx. 2.66 million tons
 (FY2023)

Note: Total for the Company, Settsu, Daito Cacao, ISF, and IQL

Progress of Digital Strategies

One of our growth scenarios for realizing Vision 2030 is strengthening our digital infrastructure. To this end, we are focusing on developing digital infrastructure as well as creating new business models and transforming operations through the use of AI, IoT, and other digital technologies.

To date, we have taken steps to convert the Nagoya Plant into a smart factory, reform supply chain management (SCM), and strengthen contact points with customers. Additionally, in terms of human resource development, we provide digital literacy education for employees, an internal proposal system, and more.

In recognition of these efforts, the Ministry of Economy, Trade and Industry renewed our DX certification in March 2024.

We view using AI as the starting point of our strategy to expedite the approach of utilizing digital technology, and will continue to strike out into unexplored territory and leverage the broad array of knowledge and data in the Group's possession to bolster our value chain and make our corporate structure stronger and more flexible.



Main initiatives

1. Reforming SCM

With the aim of reducing inventory and shortening the cash conversion cycle (CCC) while maintaining a stable supply of products, we have built an SCM planning system to draw up plans for balancing supply and demand. Additionally, to further refine planning operations, we are studying AI applications and considering the strategic optimization and restructuring of our supply chain using digital twin technology.

2. Strengthening contact points with customers

As part of our pursuit of deeper customer understanding through the use of ID-POS and other data, and sales style reform, we have established dedicated websites for each of our B-to-B business domains to provide information that will help our customers resolve their issues. We utilize marketing automation tools to strengthen relationships through customized communication for each customer. We are also strengthening our contact points with consumers by providing health information on lipids while utilizing dietary records, exercise habits, and other personal data.

3. Promoting AI utilization

We are introducing AI text generator tools and AI development platforms as our foundation for AI utilization. AI development platforms are infrastructure that allows users to build AI systems for prediction, classification, and other applications without programming; we have taken our first steps to leverage machine learning in research and development. We are also preparing AI utilization rules and AI introduction and utilization guidelines for these tools.

4. Promoting digital literacy education and an internal proposal system

For roughly 18 months, we provided e-learning-based training for all employees of the Company to raise their level of digital literacy. The program included content on digital knowledge and data analysis methods as well as courses on ways of thinking that are useful for problem solving. We are also implementing an internal proposal system aimed at cultivating human resources who can use digital technology to create new business models and reform the organizational culture, and are working to create a climate conducive to proactive innovation creation.

Message from an employee



Aiko Kobayashi
 Leader, Business
 Coordination Department
 Marketing Force Japan Inc.

Using an internal proposal system to improve the efficiency of market research for prepared foods

I applied for the Internal Proposal System for DX Ideas because, during my time working in the development of prepared foods, I realized that using digital technology could help streamline business operations.

For mass retailers, manufacturers, and others involved in developing prepared foods, the lack of reference information available on websites adds to the time and effort required to conduct market research; without that data, we have to actually go out and purchase products, deconstruct them, measure the ingredients, and so on. I thought that if we could develop a digital system that would enable us to share and analyze information on mass retailers' prepared foods, we could streamline operations, not only for ourselves, but for everyone else involved. I am also considering using AI to generate new menus by combining the acquired data on prepared foods with information on food trends. We have begun developing the system based on interviews with customers about the demo version, and plan to sell it in the future.

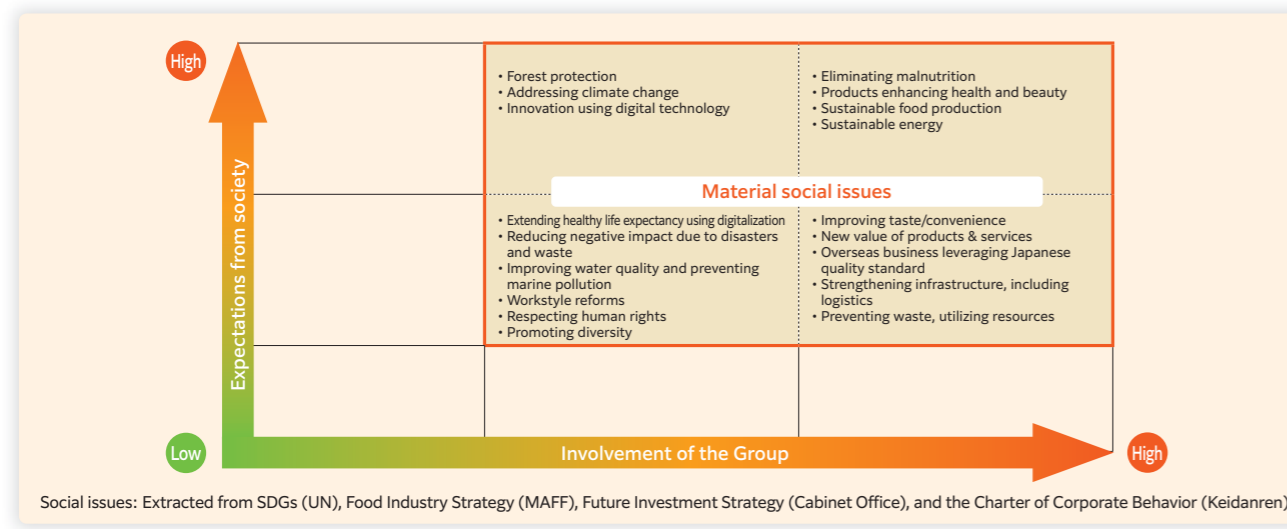
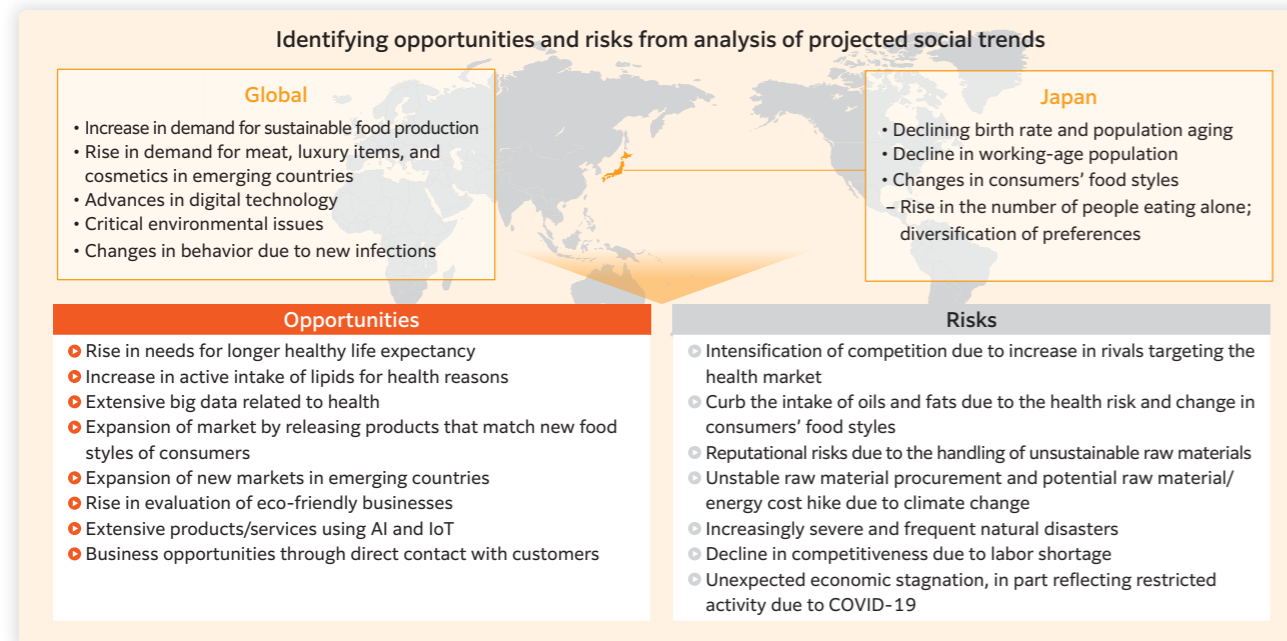
The proposal system has given us the opportunity to realize measures to resolve the issues we faced in our daily work, and now I am thinking about how we can further streamline and create new value by using digital technology in other operations.

The Nisshin Oillio Group Vision 2030

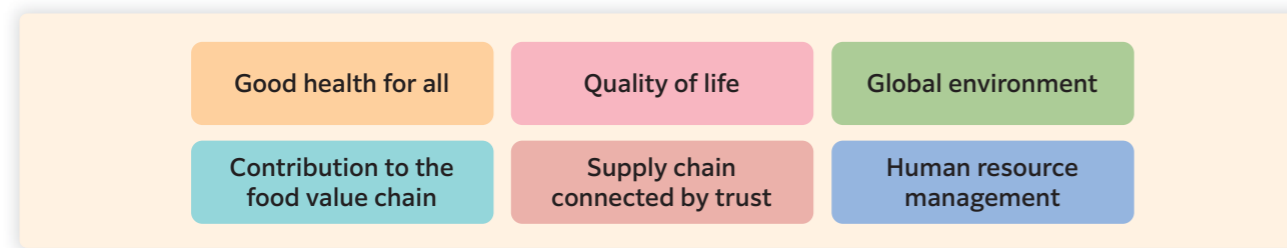
Identifying Our Priorities (Materiality) to Achieve Our Goals and Governance

To realize the Vision 2030, we identified six priorities on which the Group should focus its efforts. Our solutions in pursuit of these priorities will position creating shared value (CSV) as the driver of growth. In addition to analyzing risks and opportunities for the Group based on the social trends predicted for 2030, we also identified important social issues that are likely to impact value creation, and evaluated them based on expectations from society and the involvement of the Group. Based on this analysis, we have made conclusive determinations about the Group's areas of strength and other matters, identified six priorities, set CSV goals in those areas, and advanced initiatives toward realizing the goals of Vision 2030.

Process for identifying priorities (during formulation of Vision 2030)



Our six priorities and CSV goals



Reviewing CSV Goals

In the three years that have passed since the Group formulated Vision 2030, the environment surrounding our business has changed dramatically, including changes in consumer awareness and purchasing behaviors, as well as increased demand from society for sustainable production and procurement. Given these changes and the progress made in promoting various initiatives in line with Vision 2030 strategies, we have reviewed CSV goals and set new targets

for fiscal 2030 for priorities that did not yet have them (“Global environment,” “Supply chain connected by trust,” and “Human resource management”).

Under the new medium-term management plan beginning in fiscal 2025, we will further integrate our value creation story and business strategies for each priority to achieve growth through CSV.

Process for reviewing CSV Goals



Approach to goal setting in this review

Priorities	Initiatives and targets	Approach to environmental awareness and target setting
Global environment	Reduce plastic containers/ packaging and promote resource recycling (FY2030 target set)	<ul style="list-style-type: none"> • International treaties to eradicate plastic pollution are being discussed, efforts must be promoted across the entire lifecycle of plastics and we must move toward a recycling-oriented society • Targeted efforts to reduce the amount of new plastic made from petroleum and introduce edible oil plastic bottles into active container collection and recycling programs
	Develop products/services that use plant resources and have a positive environmental impact (FY2030 target set)	<ul style="list-style-type: none"> • Reorganize the initiative as products/services that provide new value to customers while having a positive environmental impact • Recognize the interdependence of the environment and the economy, and reset FY2030 targets to ensure economic growth with the aim of achieving sustainable growth
Supply chain connected by trust	Advance and fortify business operations based on respect for human rights (FY2030 target set)	<ul style="list-style-type: none"> • Human rights due diligence is becoming legislated in Europe and the U.S. We must recognize the high standards in Europe, the Group's main market and a global leader in respecting human rights • The goal is to demonstrate a willingness to prevent violations of human rights and put a series of cycles in motion from human rights due diligence to grievance handling, education, and disclosure in line with the UN Guiding Principles on Business and Human Rights
Human resource management (Reset initiatives)	Resonance with the Group's philosophy and vision	<ul style="list-style-type: none"> • The goal is to establish an organizational structure that ensures the achievement of CSV goals and the perpetuity of the Company • Set goals for our human resources to become people who make us an energetic, outstanding group that continues to create new value of good flavor, health, and beauty on a global stage (See p. 61 for details)
	Establish robust human resource capacity	
	Active participation by diverse human resources	
	Evolve into an organizational culture that creates innovation	

□ See p. 45–64 for details on each CSV goal

Governance system toward achieving the Group's CSV goals

The Company has established the Management Sustainability Committee, a deliberation committee of the Board of Directors. The committee deliberates on matters including the sustainable growth of the Group, formulating basic policies to contribute to the sustainable development (sustainability) of society, important issues to realize the Group's vision, and policies and strategies based on the recommendations of the TCFD and TNFD. Examples

of significant themes discussed by the committee include identifying important risks and opportunities and considering social issues that may impact the Company's businesses as well as setting and reviewing priorities, CSV goals, and other specific initiatives. The committee reports details of these deliberations to the Board of Directors as appropriate, which then makes resolutions on matters deemed particularly important.

Priorities for achieving Vision 2030

1 Good health for all

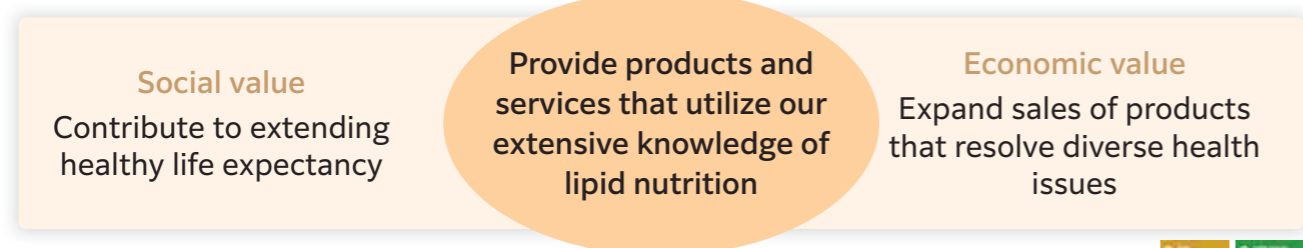
The Nisshin Oillio Group has extensively studied vegetable oils and fats in an effort to continue enhancing their nutritional value and processing technology to provide them as delicious foods and safe, high-quality ingredients and materials. By proposing delicious meals, diets, and dietary habits, we are dedicated to promoting active, healthy lifestyles in all stages of life and in diverse health conditions.



Shared value and social impact

Underpinning the era of 100-year lifespans by contributing to mental and physical health

We are addressing undernutrition, overnutrition, personal health issues, and other issues to contribute to mental health and physical health to underpin the era of 100-year lifespans.

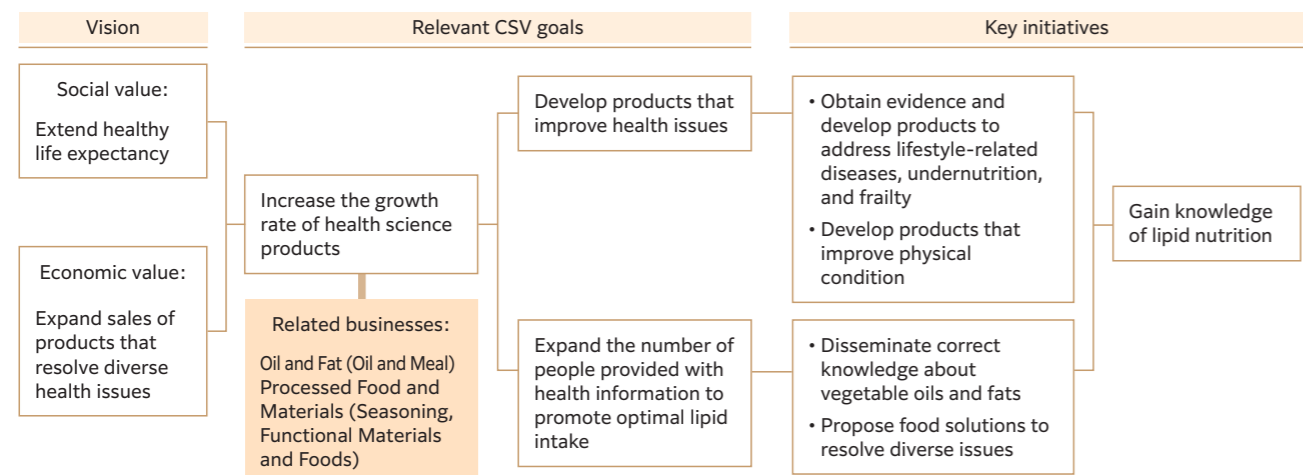


CSV goals

Initiatives	FY2023 results	FY2024 targets	FY2030 targets
Increase the growth rate of health science products that generate health and energy at different life stages (compared with FY2019)*1	133%	150%	200%
Develop products to improve health issues by utilizing our lipid nutrition knowledge*2	<ul style="list-style-type: none"> Acquired six pieces of evidence involving fat burning and preventing undernutrition and frailty (MCTs) Released nine products, including small-quantity, high-energy products 	Acquire evidence and release products involving preventing frailty and improving on metabolic syndrome (more than 20 products in total since FY2022)	Acquire evidence and develop products for resolving personal health issues (improving and controlling physical condition)
Expand the number of people provided with health information to promote optimal lipid intake (cumulative total since FY2021)*3	Cumulative: 89.41 million	Cumulative: 130 million	Cumulative: 400 million

*1 MCT oil and processed foods, healthy oils, supplement-type oils, wellness foods, and other products that can contribute to measures against lifestyle diseases, frailty, and other maladies.
 *2 Products that can contribute to resolving undernutrition, overnutrition, and personal health issues.
 *3 Health information about lipids refers to information that helps resolve personal health issues (e.g., undernutrition and overnutrition, bodybuilding) and leads to correct understanding and increased value of oils and fats.

Key initiatives toward realizing our Vision



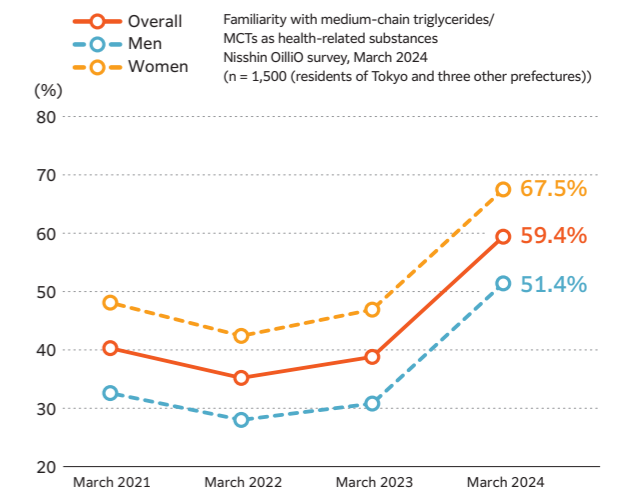
Achievements during Value Up+ and looking ahead

We have taken steps to acquire evidence and develop products involving lipid nutrition in an effort to utilize our knowledge of lipid nutrition to improve health issues. Specifically, we have filed a new functional claim for MCTs—in addition to reducing body fat and waist circumference*1, they facilitate fat burning in daily activities*1—and renewed *Nisshin MCT Oil HC* as a food with dual functional health claims in autumn 2024. Additionally, with the aim of revitalizing the market for MCTs, we have broadly promoted products containing MCTs by having distributors and processed food manufacturers adopt them as an ingredient, and have also disseminated health information through the media by creating stories that straightforwardly explain the functions of MCTs. These efforts have borne fruit—MCTs are now widely known, with familiarity increasing from 40.3% to 59.4% from March 2021 to March 2024. The market for MCTs in household edible oil is also expanding (from ¥1.8 billion in fiscal 2021 to ¥3.4 billion in fiscal 2023).

Looking ahead, we will contribute to preventing frailty and resolving other social issues in Japan's super-aging society in addition to supporting the physical condition of

healthy people and addressing other personal health issues by proposing products and diets based on our knowledge of lipid nutrition. Furthermore, we will link the results of these efforts to the growth of the Group.
 *1 In people with a high BMI

Familiarity with the terms "MCTs" and "medium-chain triglycerides"



Message from a partner



Mayuko Kuwabara
 Manager, Research & Development Dept. Div.3 Takanashi Milk Products Co., Ltd.

Working as good partners to provide health and good flavor through products that leverage the strengths of both companies

In 2023, we released *Mainichi MCT Yogurt*, a 400-g food with functional claims with MCT oil as an ingredient. We developed the product in response to a survey showing that many people prefer to eat MCT oil by pouring it over yogurt. Yogurt is a food that many people eat regularly to maintain their health and lose weight. Adding MCT oil—now well known in the market—enables us to provide body fat prevention in addition to the basic health value of lactobacilli and calcium intake normally provided through

yogurt. As a food with functional claims, the ability to clearly show evidence on the package is also a competitive advantage. In developing this product, we made no compromises on taste so that consumers can easily include it in their daily diets. MCT oil is tasteless and odorless, so it is a great match in that it allows us to preserve the natural flavor of milk in the yogurt.

The dairy industry exists alongside dairy farming, and it will remain our main business. However, amid substantial changes in the environment surrounding food, we have high hopes for "The Natural Power of Plants." We look forward to continuing to entertain active proposals and work together as good partners to deliver health and good flavor through food.



Priorities for achieving Vision 2030

2 Quality of life

Good flavor and beauty are important aspects of personal values, and fulfilling these values helps people live happy lives. Focusing on these aspects, we will continue to enrich people's lives by promoting a higher quality of life and creating value that can be enjoyed by everyone.



Shared value and social impact

Contributing to the realization of a higher quality of life, through the pursuit of good flavor and beauty

We are working to improve value as a brand that offers a higher quality of life through good flavor for foods.

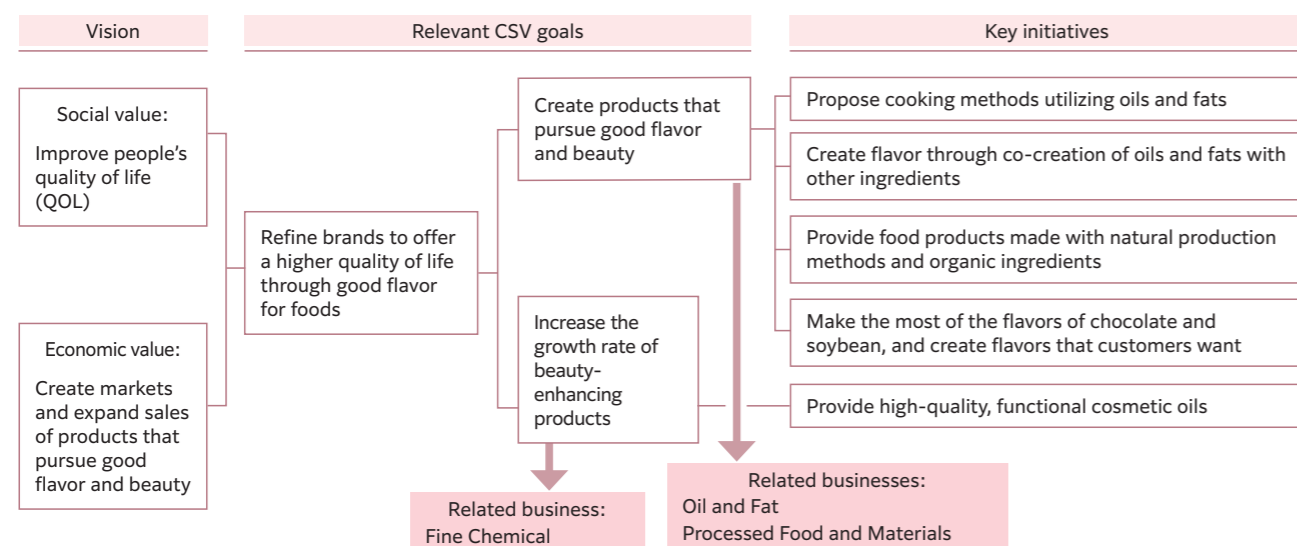


CSV goals

Initiatives	FY2023 results	FY2024 targets	FY2030 targets
Refine brands to offer a higher quality of life through good flavor for foods	Spring 2024: Released <i>Nisshin Healthy Clear</i> made with our ultra oxidation barrier manufacturing method that thoroughly inhibits oil oxidation	Release and develop products that embody values we can share with customers	Corporate brand awareness: 90%
Create products that pursue good flavor and beauty	Expanded awareness by introducing new flavored oil products and developing promotions (awareness: 25%)	Contribute to the enrichment of home dining by popularizing edible oils that make food taste better simply by pouring them on (expand touch points with customers, cultivate the flavored oil market)	Further contribute to food enrichment by creating new categories based on edible oils
Increase the growth rate of beauty-enhancing products (compared with FY2019)*1	126.6%	150%	200%

*1 Cosmetic ingredients (including products of IQL and NOST), health and sanitation management business of Settsu Inc.

Key initiatives toward realizing our Vision



Achievements during Value Up+ and looking ahead

This year marks the 100th anniversary since the release of *Nisshin Salad Oil*. With our long history of creating new value through edible oils, we have responded to consumers' needs by releasing *Nisshin Healthy Clear*, a product that delivers new value in the form of long-lasting freshness even after the bottle is opened. The product has been well received, with sales topping 1 million bottles in the first two months.

We have also taken steps to create a market for flavored oil as a product that pursues good flavor for foods. Flavored oil is oil infused with the flavors of spices, herbs, and other ingredients, and it has given us the power to create complex flavors by combining multiple ingredients in a single bottle. To promote flavored with oil as a new way of enjoying food to as many people as possible, we continue to hold tastings and sample distribution at events, social media, and online shopping. Awareness of *Nisshin Yamitsuki Oil*, a type of seasoned oil, increased from 19.2% in fiscal 2021 to 25.2% in fiscal 2023. As consumer values diversify, we continue our efforts to revitalize the market by offering products that meet a broad array of needs.

In fiscal 2023, to increase the growth rate of beauty-enhancing products amid growing interest in cosmetics developed around the concepts of natural and organic materials, we released new products with enhanced "naturalness" (preference for plant-based ingredients and attention to the environment) in terms of the cosmetic ingredients used to produce them. The growth rate of cosmetic oils and other beauty-enhancing products was 126.6% (compared with fiscal 2019), in part thanks to stronger technical proposals for sales to Asia, Europe, and the U.S., leading to growth in the fine chemical business.



Message from an employee



Kazuma Yoshimura
Manager, Household-Use Product Development, Household-Use & Wellness Foods Business Strategy

Developing a value-added product with the culmination of our technologies in response to consumer insight

Our concept for developing *Nisshin Healthy Clear*—a new product released this year—was to create oil that stays fresh for a long time and does not go bad. We arrived at this concept based on consumer insight: given the many inquiries customers have made about oxidation, we presumed that oxidation of oil makes consumers feel somewhat uneasy.

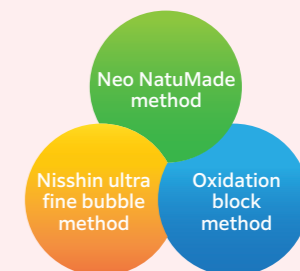
The new ultra oxidation barrier manufacturing method we developed and adopted on

this occasion is the culmination of our stockpile of oxidation control technologies. By combining three oxidation control technologies and reducing oxygen in the product to the extent possible, we created a product that

stays refreshing without feeling greasy for a considerable amount of time after the bottle is opened.

Although it came out near the 100th anniversary of the release of *Nisshin Salad Oil*, *Nisshin Healthy Clear* is not a commemorative product meant to capture past glory; it is a future-oriented product in every way. We hope consumers will add "lack of oxidation" to their criteria for selecting edible oils, and that our new product will help many people enjoy delicious food.

Ultra oxidation barrier manufacturing method



Priorities for achieving Vision 2030

3 Global environment

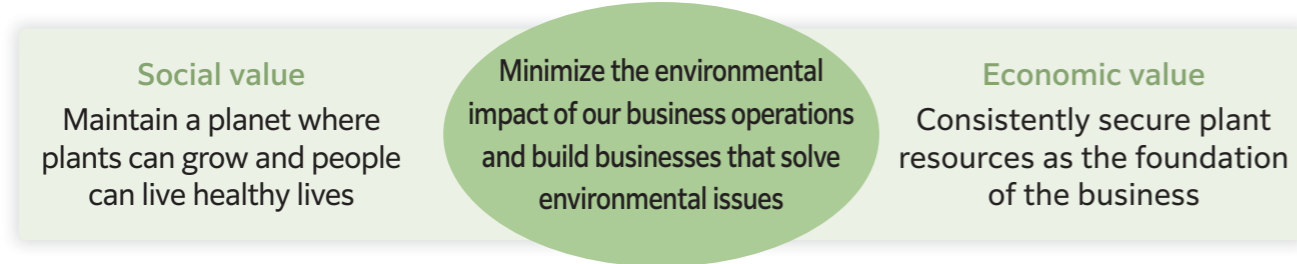
Our business is based on plant resources, and as such, the very sustainability of our business relies on protecting the global environment and resources. Our goal is to achieve a decarbonized, recycling-oriented society for the next generation. To make that future a reality, we are working hard to minimize the environmental impact of our business operations and to build business domains that help resolve pressing environmental issues.



Shared value and social impact

Tackling challenges to pass on the global environment to the next generation

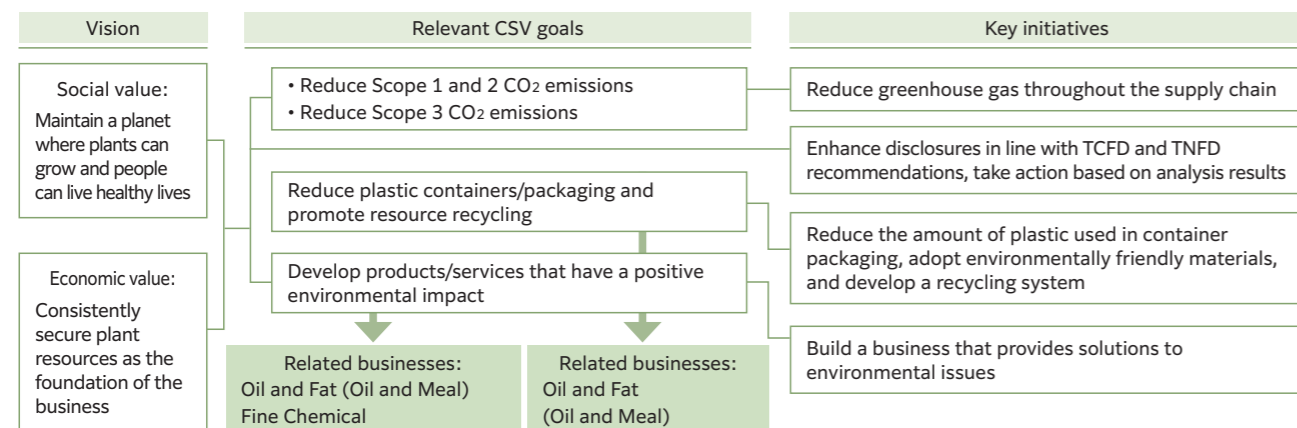
We are taking steps to reduce greenhouse gas emissions, realize a recycling-oriented society, resolve issues with plastic, and utilize plant resources to prevent soil and water contamination.



CSV goals

Initiatives	FY2023 results	FY2024 targets	FY2030 targets
Reduce Scope 1 and 2 CO ₂ emissions (compared with FY2016)	18.6% reduction (preliminary)	20% reduction	50% reduction
Reduce Scope 3 CO ₂ emissions (compared with FY2020, starting with Categories 1 and 4)	<ul style="list-style-type: none"> Set quantitative targets for FY2030 Began detailed discussions in September with US and Canadian industry groups via the Japan Oilseed Processors Association on methods of calculating CO₂ emissions from main raw materials (soybean, rapeseed) 	By 2026, set science-based reduction targets and acquire commitments to them from suppliers covering 70% of emissions from purchased products and services and transport (upstream)	25% reduction
Reduce plastic containers/packaging and promote resource recycling	<ul style="list-style-type: none"> Released three paper container products (Canola Oil, Canola Oil Halfuse, and Healthy Sesame Fragrant Oil) Introduced new containers with 30% recycled PET plastic and 39% less plastic than conventional bottles, released eight new products 	70% introduction rate of environmentally friendly materials in products in the household-use category (Target: edible oils and gifts)	<ul style="list-style-type: none"> Develop and realize systems for containers, technologies, and services conducive to resource recycling Reduce emissions per new plastic containers (bottle/cap) made from petroleum: 15% (compared with FY2022)
Develop products/services that use plant resources and the Company's technology and have a positive environmental impact (cumulative total since FY2021)	Cumulative: 41 products (Developed and released long-lasting oils, plant-based industrial oils and fats, etc. for reducing food loss)	Cumulative: 80 products	Products/services that have a positive environmental impact become the core driving force of growth

Key initiatives toward realizing our Vision



Response to recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Taskforce on Nature-Related Financial Disclosures (TNFD)

Past efforts and the path toward integrated response

- The Nisshin Oillio Group Biodiversity Policy https://www.nisshin-oillio.com/english/sustainability/environment/biodiversity_policy.html
- The Nisshin Oillio Group Water Policy https://www.nisshin-oillio.com/english/sustainability/environment/water_policy.html

Because our business operations are based on plant resources, and because climate change has a significant impact on plant growth, responding to climate change is an important management theme. With that in mind, we endorsed the TCFD recommendations in 2021, and since fiscal 2022, we have disclosed information through analysis of climate change-related risks and opportunities, financial impact simulations, and other aspects.

In 2023, we formulated The Nisshin Oillio Group Biodiversity Policy and The Nisshin Oillio Group Water Policy to promote conservation efforts, as the very sustainability of our business depends on

conserving the global environment and natural capital. We also began to identify and evaluate nature-related issues that require disclosure, using the framework of the TNFD recommendations as a guide.

Regarding governance and risk management pertaining to nature-related and other sustainability issues, the Management Sustainability Committee established by the Board of Directors discusses policies and strategies and manages risks, and the Board of Directors is responsible for resolving sustainability issues and overseeing the progress of the goals. Accordingly, we will promote an integrated response to nature-related and other sustainability issues.

Response to TCFD recommendations

TCFD <https://www.nisshin-oillio.com/english/sustainability/environment/tcf.html>

To improve the resilience of our long-term strategies for achieving carbon neutrality by 2050, we are continually considering ways to identify, assess, and respond to climate-related risks and opportunities. Regarding climate-related risks, we identify short-, medium-, and long-term risks and opportunities and qualitatively assess their financial impact. Notably, we used the 1.5°C/2°C and 4°C scenarios in our process of consideration. In fiscal 2023, we quantitatively

analyzed the financial impact of three factors for some of the risks: (1) increased costs due to carbon tax, ETS, and the like, (2) increased raw soybean prices due to decarbonization in agriculture, and (3) decreased profits due to shutdowns caused by meteorological disasters. We also examined measures to address risks and opportunities that could substantially affect the Group's business operations.

Risks covered by the financial impact analysis

	Financial impact		Impact	Likelihood	Timing	Details of financial impact analysis
	Transition risks	Physical risks				
Transition risks	Higher carbon taxes could increase the cost of energy, containers, transportation, and the like. Additionally, introducing a corporate CO ₂ emissions trading scheme could trigger expenses from purchasing allowances.		Large	High	Medium-term, long-term	(1) Increased costs due to carbon tax, ETS, and the like
	A shift away from conventional, environmentally taxing farming methods and stricter land use regulations could decrease production volumes and increase labor costs, leading to higher raw material prices.		Large	High	Short-term, medium-term, long-term	(2) Increased raw soybean prices due to decarbonization in agriculture
Physical risks	Areas where raw materials are produced could suffer due to increasingly frequent and severe natural disasters, reducing yields and causing raw material prices to soar. Additionally, if production plants are damaged, sales could decrease due to the temporary reduction in the production, sales, and logistics capacity.		Large	High	Short-term, medium-term, long-term	(3) Decreased profits due to shutdowns caused by meteorological disasters

Results of analysis

(1) Increased costs due to carbon tax, emissions trading systems (ETS), and the like

We used carbon prices under the 2°C and 1.5°C scenarios*1 for the Company and ISF (Malaysia) to calculate the annual cost of carbon prices in 2030 and 2050. In both scenarios, if we achieve our CO₂ emissions reduction targets, the cost for the two companies in 2030 will be ¥2.0 billion/year under the 2.0°C scenario and ¥2.61 billion/year under the 1.5°C scenario, suggesting that the cost will be roughly halved compared with the business-as-usual case.

(2) Increased raw soybean prices due to decarbonization in agriculture

We used the 1.5°C scenario from the NGFS*2 to calculate the annual increase in procurement costs due to changes in soybean prices in 2030 and 2050 for the United States and Brazil, major producers of soybean, one of our main raw materials. We found that the cost of

soybean from both the United States and Brazil will increase, representing the largest impact among risk items for which we calculated financial impacts (totaling ¥16.5 billion/year in 2030 and ¥25.9 billion/year in 2050).

(3) Decreased profits due to shutdowns caused by meteorological disasters We used the 4°C/2°C scenario from the IPCC*3 to calculate the reduction in annual operating profit in 2050 if domestic operations were suspended due to flooding. We found that even under the 4.0°C scenario—considered to have a large impact from meteorological disasters—the impact is only ¥176 million/year, the smallest among the risk items for which we calculated financial impacts.

*1 2°C scenario: APS scenario in World Energy Outlook 2022 (IEA); 1.5°C scenario: NZE scenario

*2 NGFS: Network for Greening the Financial System

*3 IPCC: Intergovernmental Panel on Climate Change

The Nisshin Oillio Group Vision 2030

Response to TNFD recommendations [TNFD https://www.nisshin-oillio.com/english/sustainability/environment/tnfd.html](https://www.nisshin-oillio.com/english/sustainability/environment/tnfd.html)

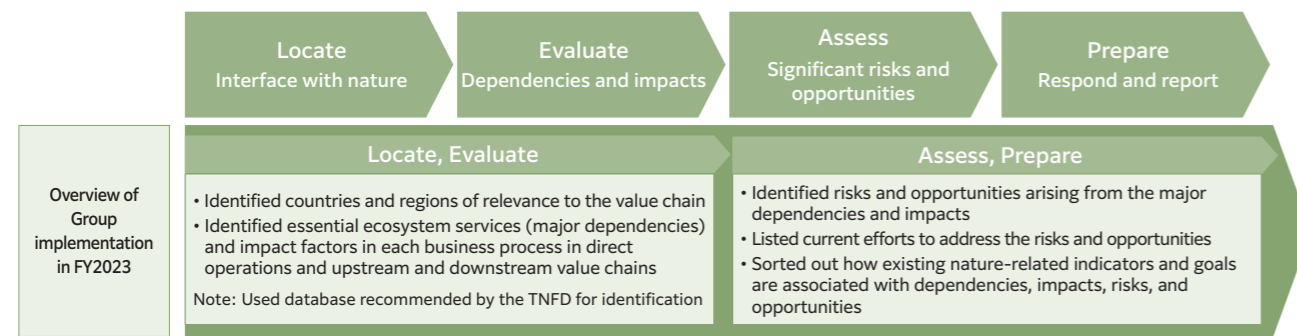
Recognizing that natural capital has a substantial bearing on the sustainability of our business, we began analyzing nature-related risks and opportunities in fiscal 2023 in reference to the framework published by the TNFD. We will also continue to enhance our disclosures.

Strategy

We have begun identifying and assessing nature-related issues (dependencies, impacts, risks, and opportunities) using the LEAP approach advocated by the TNFD. The LEAP approach was developed by the TNFD as an integrated approach to assessing interface with nature, dependencies and impacts on nature, nature-related risks and opportunities, and more.

In fiscal 2023, we identified major dependencies and impacts of the Group's business on nature, identified risks and opportunities, and listed relevant existing measures. We will continue to use the LEAP approach to identify priority areas, assess risks and opportunities, consider specific measures, and define indicators.

LEAP approach and overview of FY2023 implementation

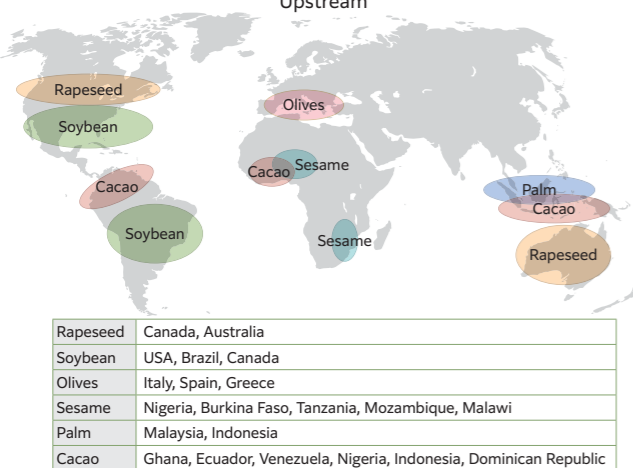


Dependencies and impacts of the Group on nature (Locate, Evaluate)

We identified dependencies and impacts on nature from direct operations as well as upstream and downstream value chains of the Group's Oil and Fat Business and Processed Food and Materials Business. Our upstream value chain includes the production of crops as raw materials and processes such as oilseed processing for palm oil and some

other raw materials; this analysis covered the production and processing of the Group's main raw materials: soybean, rapeseed, palm oil, cacao, olive oil, and sesame oil. As for our direct operations, we manufacture and process the raw materials we procure. In our downstream value chain, our customers manufacture and process the processed products we supply into finished products, which they distribute and retail to end users. As for our interface with nature, the figure below shows the dependencies and impacts we identified in each region.

Interface with nature



To identify dependencies and impacts on nature, we used ENCORE*1 to screen for particularly major dependencies and impacts. We listed the main processes and identified the general dependencies and impacts of each in direct operations and upstream and downstream value chains (Tables 1 and 2 on p. 52). We referred to the Global Industry Classification Standard (GICS)*2 to sort out the main processes.

Direct operations



*1 Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) is a tool developed jointly by the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) and other organizations under the initiative of the Natural Capital Finance Alliance (NCFA), an international financial industry association for the natural capital sector. ENCORE was introduced in version 1.0 of the TNFD framework as a useful tool for the Locate and Evaluate steps of the LEAP approach.

*2 The GICS is a standard jointly developed by US rating agency S&P and Morgan Stanley Capital International (MSCI), a provider of indexes and analytical tools for institutional investors, that classifies the world's industries into 11 sectors, 24 industry groups, 69 industries, and 158 sub-industries.

Table 1: Dependencies on nature

Value chain		Essential ecosystem services (major dependencies)														
		Supply services				Coordination services										
		Water	Biomass	Genetic resources	Other	Insect & wind pollination	Pest & disease control	Soil erosion control	Natural disaster damage mitigation	Consistent rainfall	Indoor air circulation through planting, etc.	Consistent climate	Waste decomposition	Soil fertility	Air & water purification	
Upstream	Soybean production															
	Rapeseed production															
	Olive production															
	Sesame production															
	Palm production															
	Cacao production															
	Oilseed processing (olive oil, sesame oil, palm oil)															
Direct operations	Manufacturing & processing															
Downstream	Manufacturing & processing															
	Transport															
	Sales															

● In the upstream value chain, the production processes for soybean, rapeseed, olives, sesame, palm, and cacao—the raw materials for edible oils and fats—are highly dependent on ecosystem services that support crop production, namely pollination by insects, drought control, and maintaining soil fertility. The functions of mitigating damage from floods, storms, and other natural disasters and controlling soil erosion in farmland are also essential services provided by natural capital.

● In terms of individual raw materials, cacao production was identified as more dependent on pollinators and more susceptible to changes in natural conditions.
 ● Additionally, dependency on water resources was identified in the manufacturing and processing processes of direct operations as well as those of customers in our downstream value chain.

Table 2: Impacts on nature

Value chain		Impact factors													
		Climate change		Changes in land, freshwater & ocean use			Pollution & decontamination			Resource use & replenishment					
		GHG emissions	Terrestrial ecosystems	Freshwater ecosystems	Marine ecosystems	Soil contaminants	Water contaminants	Solid waste	Noise & other disturbances	Non-GHG air pollutants	Water	Other resources			
Upstream	Soybean production														
	Rapeseed production														
	Olive production														
	Sesame production														
	Palm production														
	Cacao production														
	Oilseed processing (olive oil, sesame oil, palm oil)														
Direct operations	Manufacturing & processing														
Downstream	Manufacturing & processing														
	Transport														
	Sales														

● In raw material production processes in the upstream value chain, terrestrial ecosystem use and water and soil contamination were identified as impact factors. From the explanations in ENCORE, the documentary records, and other sources of information, we recognize that deforestation for the purpose of developing raw material production areas and excessive use of fertilizers and pesticides in cultivation have a negative impact on nature in terms of the use of terrestrial ecosystems and water and soil contamination.
 ● In terms of individual raw materials, palm oil was identified as having an impact on nature due to the GHG emissions, waste, and water use associated with the oilseed processing.
 ● Direct operations have a high potential for impact on nature due to GHG emissions, waste, and wastewater from manufacturing

plants during the manufacturing and processing processes. We also identified a high potential for impact on nature in the downstream value chain due to GHG emissions, waste, and wastewater from our customers during their manufacturing, processing, distribution, and sales processes.
 ● Important issues in the entire food product manufacturing and processing processes and products, and the use and disposal of plastic in containers and packaging. Plastics are especially concerning due to GHG emissions from their disposal and incineration, as well as the impact of plastics (microplastics) released into the ocean on marine ecosystems. The Group also recognizes these as important issues.

Risks and opportunities (Assess, Prepare)

We have identified risks and opportunities associated with particularly major dependencies and impacts of our business on nature, and have listed our current efforts to address them*.

* For more information, please visit our website <https://www.nisshin-oillio.com/english/sustainability/environment/tnfd.html>

Indicators and goals

The nature-related indicators we publish in our Sustainability Data Book include GHG emissions, air pollutant and chemical emissions, water consumption, volume of waste, volume of containers and packaging (including plastics), and percentage of sustainable raw material procurement. These indicators are also included in the core global indicators recommended by the TNFD for disclosure.

The Nisshin Oillio Group Vision 2030

Environmental Targets for 2030

We have formulated Environmental Targets for 2030 with two of our priorities (“Global environment,” “Supply chain connected by trust”) as the main initiatives, and have set strategic, long-term goals and are advancing initiatives for several themes (Preventing global warming, Promoting environmentally friendly development, Establishing resource recycling, and Plant resources/nature conservation).

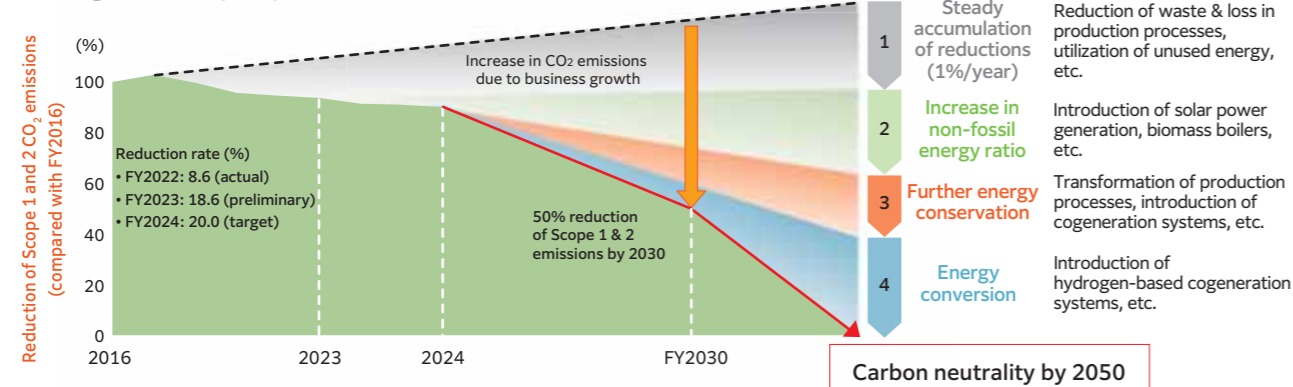
Preventing global warming Promoting Group-wide initiatives to achieve carbon neutrality by 2050

Our business operations are based on plant resources, and because climate change has a significant impact on plant growth, responding to climate change is an important management theme. Therefore, to achieve carbon neutrality (net zero CO₂ emissions) by 2050, we have set a target for 2030: 50% reduction of Scope 1 and 2 CO₂ emissions (compared with fiscal 2016). We have also set a new numerical target for 2030 for Scope 3 emissions (25% reduction compared with fiscal 2020), and have launched initiatives in the areas of raw material procurement, transport, and delivery, which account for a particularly high percentage of emissions. By fiscal 2023, we had reduced Scope 1 and 2 emissions by 18.6% (preliminary, compared with fiscal 2016), and we are making steady progress toward further reductions.

Specifically, we are furthering energy conservation in our production processes to reduce CO₂ emissions by 1% each year through 2030. Coupled with our introduction of new equipment such as heat pumps that utilize unused energy,

our efforts are beginning to compound. Additionally, to increase our percentage of non-fossil energy, we are installing solar power generation equipment throughout the Group, and ISF (Malaysia) has purchased green power equivalent to 48,000 tons of CO₂ (71.8% of ISF's energy usage in fiscal 2023 was non-fossil). We are also promoting cogeneration systems inside and outside Japan. The cogeneration system being installed at ISF's Dengkil Plant is scheduled to come online in December 2024, and the decision has been made to install a system at the Port Klang Plant in 2026. Aiming to be hydrogen-ready by 2030, the Yokohama Isogo Complex is currently installing a high-efficiency gas turbine cogeneration facility capable of running on hydrogen. We aim to begin using hydrogen at this facility to transition to non-fossil heat energy while closely monitoring the development of the hydrogen supply network. Combining these measures, we will work to reduce CO₂ emissions on all fronts.

Strategic roadmap to promote decarbonization (as of July 2024)



Message from a partner



Ryo Oota
Manager, ESP Business Promotion Department, Power Producer and Supplier Division
JFE Engineering Corporation

Exploring new ground for CO₂ reduction based on long-standing collaboration

We are an engineering company with expertise in the environmental and energy fields and experience constructing numerous plants. We provide decarbonization solutions that combine the energy-saving and decarbonization technologies we have developed over the years with our own renewable energy sources and insights on electricity supply and demand and electricity systems through our subsidiaries.

The Nisshin Oillio Group was an early mover in introducing cogeneration systems and high-efficiency equipment, and in 2017, they collaborated with us to launch an energy network initiative to optimize energy procurement and supply at production plants throughout Japan. As a result, they achieved a substantial reduction in CO₂ emissions in fiscal 2023 (18.6% reduction (preliminary) compared with fiscal 2016 for the entire Group).

The highly energy-efficient, state-of-the-art cogeneration system we are building will allow us to co-fire with hydrogen, replacing a portion of our city gas consumption. Although a practical supply of hydrogen is the key to realizing hydrogen co-firing, there are currently issues with delivery methods and costs. However, our many years of collaboration with The Nisshin Oillio Group put us in a good position to explore new ground together, and we believe that being the first in the region and the industry to utilize hydrogen will not only help us substantially reduce CO₂ emissions, but also have a significant social impact.

Promoting environmentally friendly development Releasing edible oil in new containers made with less plastic

In February 2024, we released edible oil in a new 800 g PET bottle made with approximately 39% less plastic than the previous 900 g PET bottle. We accomplished this substantial reduction by eliminating the handle on the 900 g PET bottle. We also used recycled PET plastic for part of the bottle and pull tab. We repeatedly tested the shape of the bottle to ensure that it fits easily in the palm of the hand, and included an indentation on the back of the bottle to make it easier to hold with either the right or left hand. As a result, the 800 g bottle fits easily in the palm of either hand and is easy to store.

The amount of cooking oil used in the average household has declined over the past several years, meaning that it takes longer for consumers to use up a bottle of oil. Therefore, reducing the volume from 900 g to an amount

more aligned with how customers use the product gives them fresh edible oil for the right amount of time and prevents waste.

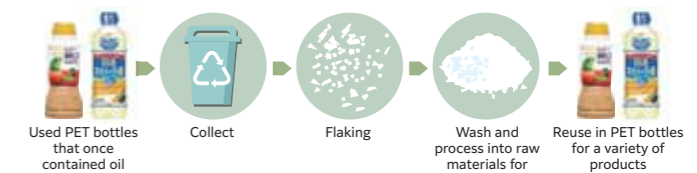


Slimmer bottle with indentations on the sides that fit the fingers, making it easy to hold

Establishing resource recycling Demonstrating collection of used plastic bottles that once contained oil

Plastic bottles that once contained edible oil and seasonings present challenges—namely removing the adhered oil from the inside of the container—and there is currently no system in place for recycling the plastic. We have been working with local governments to test the feasibility of collecting used PET bottles that once contained oil in an effort to ascertain the current status and issues surrounding recycling and collection of these materials. In May 2024, we launched a pilot project in cooperation with Kewpie Corporation to collect used PET bottles that once contained oil at retail stores. We will continue to collaborate with this fellow oil-handling company to efficiently explore new ground with

more testing and other activities and look into verifying a broad range of technologies to utilize these used containers. Looking ahead, we aim to create a society in which PET bottles containing products made with edible oil are recycled.



Plant resources/nature conservation Initiatives to restore eelgrass, which is attracting attention as a blue carbon sink

Since 2004, we have been participating in eelgrass (amamo) restoration activities organized by Amamo Revival Collaboration in Kanazawa-Hakkei, Tokyo Bay Area. Eelgrass is a type of seaweed, and areas where it grows in abundance are called eelgrass beds. Eelgrass beds help improve water quality and conserve biodiversity. Eelgrass is also attracting attention for its ability to absorb and fix CO₂, which helps prevent global warming. Employees from our Yokohama Isogo Complex and other locations participate in these activities, collecting flowering shoots and engaging in other efforts to cultivate eelgrass. CO₂ absorbed by marine vegetation is known as “blue carbon,” and efforts to restore

and conserve eelgrass, mangroves, and other carbon sinks are being promoted in Japan and abroad.



Collecting young flowering shoots containing seeds to grow new eelgrass

The Nisshin Oillio Group on the CDP A List for Forests and Water Security

For the first time, the Group received the highest ranking in a survey of companies' environmental initiatives conducted by CDP, an international NPO. We were named on the A List in two areas (Forests and Water Security) and earned an A- in the third area (Climate Change). In 2023, the A Lists for Forests and Water Security comprised 31 and 103 companies, respectively, and as of September

2024, the Group was one of a very small number of companies that made both lists.

2023 CDP A List companies <https://www.cdp.net/en/companies/companies-scores>



Priorities for achieving Vision 2030

4 Contribution to the food value chain

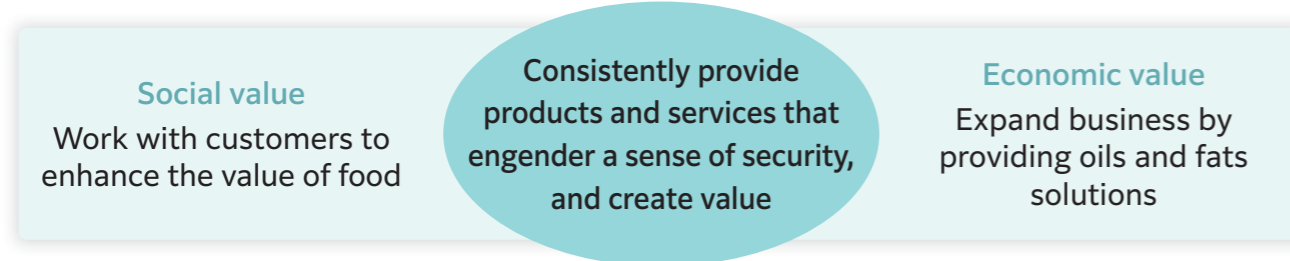
Global demand for oils and fats is increasing, and as society and the environment change, people are using oils and fats more frequently and in different ways. The Group uses technology to further enhance the value of plant resources and to collaborate with customers to achieve the solutions society needs. We contribute to the food value chain by creating value and consistently providing products and services that engender a sense of security.



Shared value and social impact

Working with our customers to refine our technologies, products, and services for enhanced value

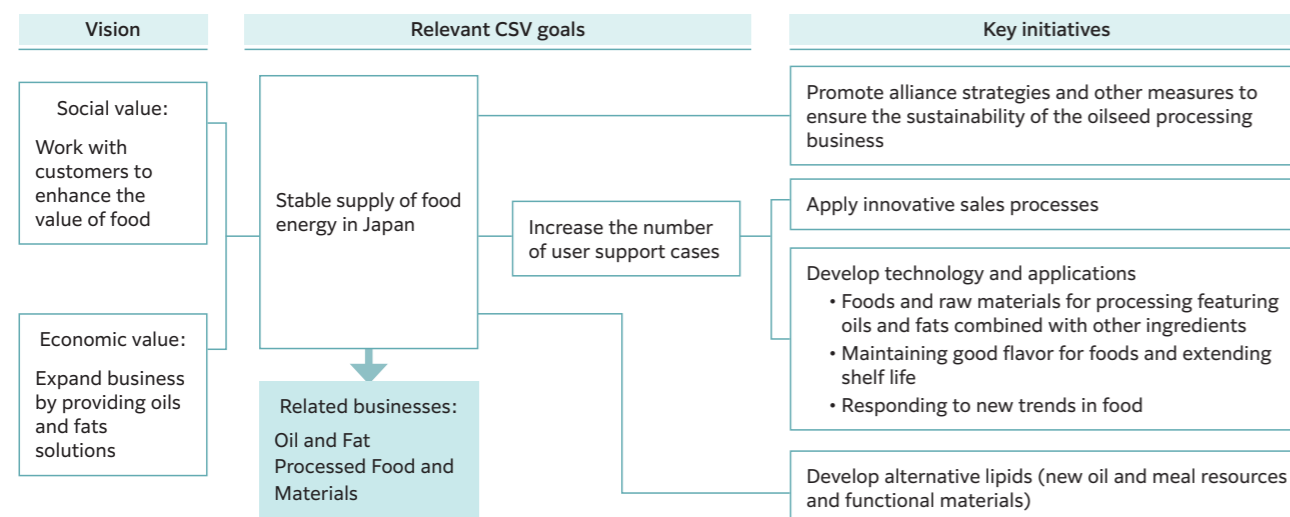
We are taking steps to provide a stable supply of oils, fats, and meal, develop food products with new value, sustain good flavor for foods, extend shelf life, eliminate future food shortages, and more.



CSV goals

Initiatives	FY2023 results	FY2024 targets	FY2030 targets
Stable supply of food energy in Japan (percentage of total domestic energy)	7.3%	6% or more	
Provide solutions by demonstrating user support functions	127%	130%	150%
Increase the number of user support cases (compared with FY2019)			
-	Began participating in industry-academia-government collaboration projects to acquire new oil and meal resources and functional materials (development of alternative algae-based lipids)	-	

Key initiatives toward realizing our Vision



Achievements during Value Up+ and looking ahead

User support is the act of pairing our dependable technical expertise with proposals of optimal products, operations, and services in the commercial-use and food-processing domains to meet the needs of customers such as processed food manufacturers, ready-to-eat meal companies, and restaurants. User support is essential for resolving social issues in the food value chain and enhancing the value our customers create.

During the Value Up+ period, we have continuously provided solutions in response to changes in consumer behavior rooted in the COVID-19 pandemic, as well as to labor shortages, convenience, and good flavor. Additionally, to reduce food loss—an issue throughout the food industry—we have extended the shelf lives of some of our edible oil for household use since fiscal 2023, and for commercial use and food processing, our functional oils and fats and other solutions have allowed our customers to extend the shelf lives of their products made

with our products. Amid the rising prices of ingredients and materials, it is also important to propose solutions that help customers control costs without compromising the taste and quality of their products.

These activities are conducted by The Nisshin Oillio Group as well as ISF (Malaysia) and Daito Cacao, and are driving the Group's growth. We also plan to utilize Incubation Square (our new research and development base) to expand the range of oils and fats solutions through co-creation with our customers.

Additionally, to address future long-term issues in the Japanese oil processing industry, we teamed with J-Oil Mills, Inc. in October 2023 to establish Oilseed Processing Partners Japan, Ltd., an oilseed processing joint venture in western Japan. We intend to continue contributing to the advancement of the domestic food and livestock industries by maintaining and strengthening our system for providing a stable supply of oils, fats, and meal.

Message from an employee



Chia Swee Gee
Senior Manager,
R&D Division, ISF

Leveraging our extensive expertise in confectionery fats to provide optimal solutions for each customer

ISF sells palm oil-based confectionery fats to customers around the world. The ideal mouthfeel of a chocolate product depends on the manufacturer's intent with the product. To help our customers achieve the optimum mouthfeel for their end products with our confectionery fats, we propose custom solutions based on our extensive expertise in confectionery fats to adjust blends and processing conditions. Additionally, these confectionery fats must be safe to eat, and must be produced using sustainable raw materials.

With the recent rise in cacao prices, we have been receiving more and more inquiries from customers about developing new products made with our confectionery fats. We are committed to maximizing value for our

customers by meeting these needs through our technologies and ability to develop applications.

We will continue to provide innovative and comprehensive solutions by strengthening collaboration with our customers and more efficiently utilizing the knowledge and resources of Nisshin Oillio and other Group companies to further refine our technologies.



Priorities for achieving Vision 2030

5 Supply chain connected by trust

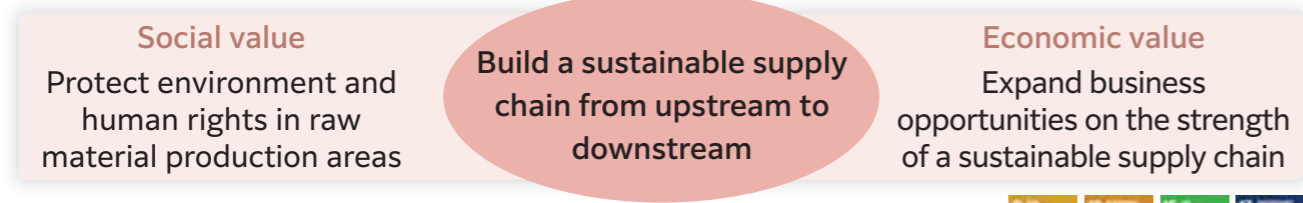
As a supplier of the key ingredients and energy that underpins the supply of food in Japan, we strive to build a supply chain that will remain dependable into the future by using sustainably produced raw materials and by always respecting the gravity of our responsibility to deliver quality products to customers. We also strive to build trusting relationships with our customers and society at large by supplying safe products and ensuring highly transparent communication.



Shared value and social impact

Building a strong, flexible supply chain based on integrity

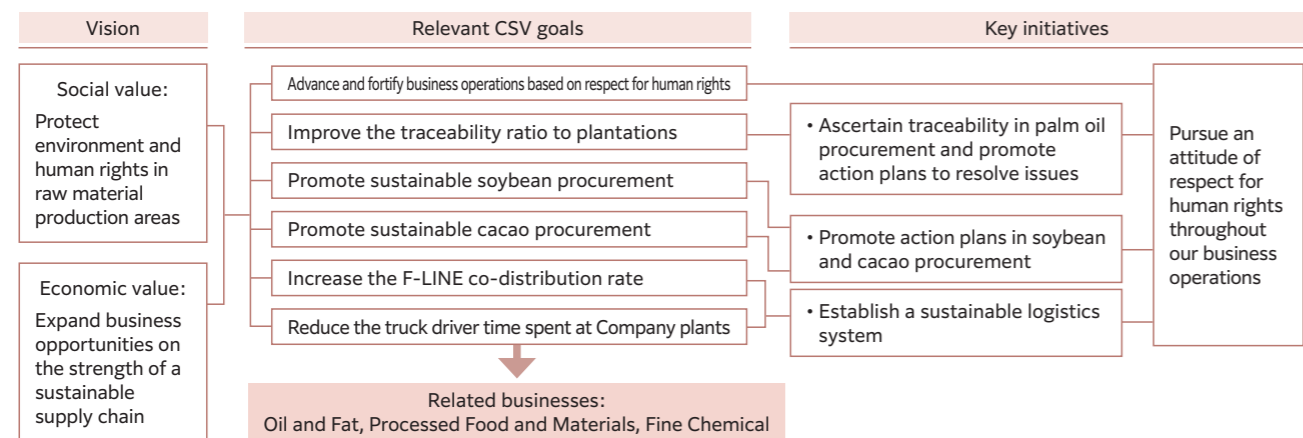
We are taking steps to protect the environment and human rights in upstream areas where raw materials are produced; eliminate deforestation, peatland development, and exploitation; improve the sustainability of downstream logistics, and provide a reliably safe supply of oils and fats.



CSV goals

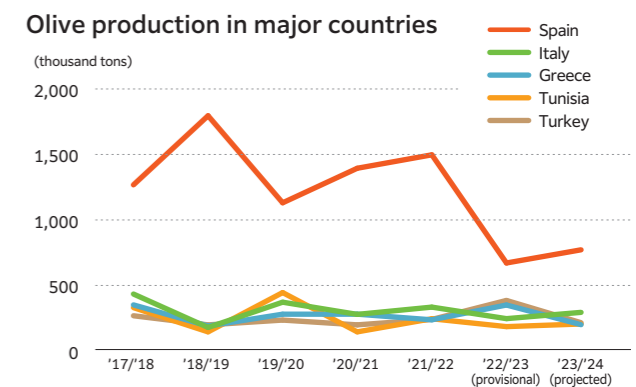
Initiatives	FY2023 results	FY2024 targets	FY2030 targets
Advance and fortify business operations based on respect for human rights	Established Supplier Guidelines, began providing guidance to high-priority suppliers, administered the Self Assessment Questionnaire (SAQ) and made site visits to manufacturing contractors	Launch full-scale due diligence on human rights in the supply chain	Lay the groundwork and establish mechanisms to prevent human rights violations from occurring in the supply chain
Improve the traceability ratio to plantations	Palm oil: 92.7% (January–December)	Palm oil: Develop effective initiatives to achieve and maintain a 100% traceability ratio	Palm oil: 100%
Promote sustainable soybean procurement	• Formulated an action plan based on traceability, Scope 3 emissions reduction, etc. • Began engaging with suppliers and producer organizations	Sustainable soybean procurement predicated on stable supply	
Promote sustainable cacao procurement	Formulated an action plan based on cacao procurement traceable to plantations, release of products made from certified cacao, conservation of rare beans, etc.	Sustainable cacao procurement predicated on stable supply	
Establish a sustainable, competitive logistics system	Increase the F-LINE co-distribution rate to make transport and loading more efficient Reduce the truck driver time spent at Company plants	Average: 88 minutes (as of March 2024)	Average: 30 minutes or less

Key initiatives toward realizing our Vision



The situation for raw materials for olive oil

Approximately 60% of the world's olive oil is produced in Europe along the Mediterranean coast, mainly in Spain and Italy. Climate change has resulted in poor olive harvests over the past several years, threatening the global supply-demand balance and depleting inventory in Japan. In Spain, which produces more than 40% of the world's olives, production declined dramatically in the seasons following the record-breaking drought of 2022 and lack of rainfall in 2023. To ensure stable olive procurement in such challenging circumstances, improving the resilience of the supply chain has become a critical issue.



Planting olive trees in groves that produce the raw materials for BOSCO Olive Oil

BOSCO Olive Oil is made primarily from olives grown in Italy, where crop failures have persisted for the past several years and, according to estimates, the ongoing spread of the plant-killing *Xylella fastidiosa* may kill enough olive trees over the next 50 years to cause up to €5.2 billion in economic losses. Additionally, many trees in Italian olive groves are aging to the point where productivity is declining. To help stabilize olive production in such a severe environment, we have begun planting olive trees in Italy. In 2024, we planted approximately 1,200 olive trees of a highly *Xylella fastidiosa*-resistant variety in two groves that produce olives used to make BOSCO Olive Oil. We will

continue planting trees and working together with producers to resolve issues and sustain our delivery of olive oil to our customers into the future.



Olive trees withered by *Xylella fastidiosa*



Growers and employees working together to plant an olive tree

Message from a partner



Nicola Pantaleo
Olive grower

Collaborating to plant trees to preserve flavorful olives for the next generation

In our groves, we use multiple cultivation methods to produce many different olive varieties. Extra virgin olive oil made from our olives is characterized by the green fruitiness of early harvest olives with just the right balance of bitterness and sharpness. This complex flavor suits any cuisine, from Italian and other Western styles to *washoku*, the pride of Japan. Olive production in Europe

faces many challenges, including drought, and *Xylella fastidiosa* in southern Italy. We have been addressing these challenges by installing subsoil irrigation and fertilization systems, and now we are planting trees as well. We feel that these efforts will strengthen our relationship with The Nisshin OilliO Group. We look forward to watching these young trees grow year by year to replace the old olive trees that have withered from *Xylella fastidiosa*. Despite the distance between Italy and Japan, I feel that we share the same desire to leave the next generation with an environment conducive to cultivating plant resources. We will use each other's wisdom and collaborate to improve the environment in which we live and work.

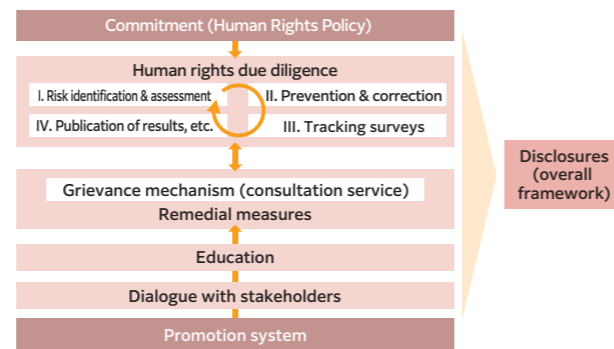
The Nisshin Oillio Group Vision 2030

Human rights efforts

Recognizing that our business may directly or indirectly affect human rights throughout our supply chain, the Group has established The Nisshin Oillio Group Human Rights Policy to respect the human rights of everyone involved in our business, and will promote Groupwide efforts to respect human rights in line with the United Nations Guiding Principles on Business and Human Rights. The Group respects human rights as defined in the International Bill of Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO Declaration on Fundamental Principles and Rights at Work. Our main human rights efforts include establishing a human rights due diligence system for our supply chain and remedial measures under our grievance mechanism, and we publish the details of our efforts on our website as appropriate.

Details of efforts for human rights https://www.nisshin-oillio.com/english/sustainability/human_rights/

Overview of the Group's human rights efforts



Roadmap

	2022	2023	2024-2025	2026 and beyond
Human rights due diligence	<ul style="list-style-type: none"> Ascertaining the presence of human rights-related issues within the Group Identifying and analyzing human rights risks 	<ul style="list-style-type: none"> Building a human rights due diligence system, beginning with high-priority suppliers (Establishment and dissemination of Supplier Guidelines, SAQ surveys, on-site audits) 	<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"> Continuing initiatives 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"> Exchanging opinions both internally and externally to expand grievance system 	<ul style="list-style-type: none"> Building a grievance mechanism 	<ul style="list-style-type: none"> Operations based on grievance mechanism, continuous improvements
Information disclosure		<ul style="list-style-type: none"> Disclosing information on the Company's website and in Integrated Reports 	<ul style="list-style-type: none"> Updating information as necessary on the Company's website, in Integrated Reports, and through other means 	

Conducting human rights due diligence

In light of the Group's human rights risks, in fiscal 2023, we established The Nisshin Oillio Group Supplier Guidelines and took steps to inform everyone about them. Then, we administered the SAQ to roughly 40 high-priority manufacturing contractors in terms of impact on our business, marketability and regional characteristics, the existence or absence of legal regulations, and the like, and visited two of them to explain and discuss The Nisshin Oillio Group Human Rights Policy and engage in other forms of dialogue. We will continue to implement these initiatives in the future.

Considering the grievance mechanism

At present, the Group's grievance mechanism (consultation service) is operated by the Company and ISF (Malaysia) for palm oil. If the Group were to violate the Palm Oil Procurement Policy, we would take steps to respond to requests for consultation and complaints from external stakeholders and disclose the details of these actions on our website and the website of ISF (Malaysia) in an effort to ensure transparency. We have established The Nisshin Oillio Group Corporate Ethics Hotline for whistleblowing and other internal reporting systems. The hotline also covers requests for consultation and reports regarding human rights.

Efforts to build a sustainable supply chain

Based on our belief that resolving environmental and social issues involving raw materials and building a sustainable supply chain are initiatives directly related to the sustainable growth of the Group, we take steps to resolve these issues through our business operations. Accordingly, we have established procurement policies for palm oil,

soybeans, and cacao under The Nisshin Oillio Group Basic Procurement Policy, which serves as a guideline for all raw materials, services, and other procurement activities. Additionally, in fiscal 2023, we formulated action plans for soybeans and cacao and reviewed the Palm Oil Action Plan to promote Groupwide efforts.

Sustainable palm oil procurement

Over the past several years, amid rapidly mounting demand for respect for the environment and human rights, we will continue to improve the quality of physical properties (functional aspects) and the quality of safety and security, and make social quality improvements the driving force behind the growth of our palm oil business. Toward this end,

we have made it a top priority to strengthen management by establishing traceability to plantations, and are promoting various initiatives to resolve issues in collaboration with farms, oil mills, and other upstream stakeholders as well as processing manufacturers, consumers, and other downstream stakeholders.

For details on the action plan and Sustainable Procurement Report for Palm Oil, please visit our website. https://www.nisshin-oillio.com/english/sustainability/sustain/palm_action_plan.html

Status of action plan initiatives

1. Establish a traceable, transparent supply chain

To ascertain traceability to small plantations, we have worked with NPOs to host workshops with FFB dealers*1 to impart the significance of the NDPE*2 Declaration and gain an understanding of the status of FFB distribution, thereby vastly improving traceability. We have also deployed our RSPO SG-certified oil framework, which enables us to trace back to oil mills, conducted interviews to promote understanding of traceability to plantations, and improved traceability to 92.7% in fiscal 2023.

2. Protect forests and respect human rights by helping small-scale farmers increase productivity & profitability

In fiscal 2023, we began a three-year plan with European confectionery company Ferrero and Hap Seng, one of our main sourcing plantations, to provide practical support to help small farmers acquire RSPO certification. Under the plan, the Group will procure SG-certified oil and supply it to Ferrero. Additionally, ISF participates in the POCG*3 working group and provides indirect support, including disclosing the status of suppliers' NDPE policy compliance.

3. Promote human rights efforts and collaboration with stakeholders

We promote human rights efforts through engagement with plantations and oil mills. With the support of Earthworm (an

NPO), we worked with Ferrero and KULIM, one of the Group's main sourcing plantations, to conduct a survey on the work environments of plantation workers and the hiring of foreign workers, and identified issues to be addressed for improvements in the future. We also hold workshops for small and medium-sized oil mills—our direct suppliers—to promote understanding of NDPE and MSPO revision points, and to assist them in acquiring certification.

4. Reduce Scope 3 CO₂ emissions in the palm oil supply chain

In an effort to reduce Scope 3 CO₂ emissions, we have lobbied Malaysian palm oil related government agencies to set Scope 3 CO₂ emissions reduction targets. We will also contribute to reducing Scope 3 CO₂ emissions by expanding procurement of RSPO- and MSPO-certified oils that promote CO₂ reductions. Our other activities include effectively using methane gas generated in the palm oil production process as an energy source, and planting mangroves to serve as carbon sinks.

*1 FFB dealers: Intermediaries who purchase fresh fruit bunches (FFB) harvested from small-scale palm plantations and sell them to oil mills

*2 NDPE: No Deforestation, No Peat, No Exploitation

*3 POCG: The Palm Oil Collaboration Group, a working group that aims to take and accelerate effective action toward achieving NDPE, led by Proforest (an NPO) and comprising companies involved in the palm oil supply chain

Sustainable soybean procurement

We are making efforts to resolve issues throughout the supply chain, including environmental considerations in soybean production areas and continuous monitoring to gain an understanding of actual conditions. In fiscal 2023, with the aim of improving traceability and reducing CO₂ emissions, we conducted surveys and interviews with Tier-1 suppliers and visited suppliers in production areas to gain an

Action plan details https://www.nisshin-oillio.com/english/sustainability/sustain/soy_action_plan.html

understanding of the actual situation and hold discussions, and also initiated more detailed discussions toward reducing CO₂ emissions with producers' organizations through industry associations. We have also joined the Round Table on Responsible Soy Association (RTRS) and will continue to study demand through dialogue with users with the aim of procuring RTRS-certified soybeans.

Sustainable cacao procurement

Daito Cacao, a manufacturer and seller of chocolate for commercial use, has been working on cacao flavor sustainability since 2021. To preserve the distinctively flavored Arriba variety, which is endemic to Ecuador, Daito Cacao is grafting Arriba cuttings onto disease-resistant rootstock and improving cultivation methods to maintain flavor and quality and increase productivity. Additionally, to establish new cacao

Action plan details https://www.nisshin-oillio.com/english/sustainability/sustain/cacao_action_plan.html

procurement routes that ensure traceability, Daito Cacao has evaluated flavor, quality, and other cacao attributes and has plans for experimental procurement in 2024. Furthermore, to expand certified cacao products that help resolve environmental and social issues, Daito Cacao expanded the Anthem series of products made with carefully selected ingredients to include products made with certified cacao.

Addressing the new limit on overtime hours in logistics

The logistics industry faces many challenges, including dealing with the new limit on overtime hours that took effect in 2024. In December 2023, we joined other companies in formulating a voluntary action plan for optimizing logistics and improving productivity, and are implementing various efforts to resolve issues.

Specifically, we extended the lead time from order receipt to delivery in order to strengthen our vehicle collection capability, standardize warehouse operations, and reduce overnight work at relay locations.

We also leased a large-scale external warehouse near the

Yokohama Isogo Plant to consolidate inventory scattered in and around the plant premises. Consequently, we have made headway in reducing drivers' waiting, loading, and unloading time and increasing efficiency by expanding space for shipping operations.

Additionally, given the reduction in the distance that can be driven in a day due to the new restrictions on drivers' working hours, we are taking steps to shorten daily driving distances by promoting the use of relay stations for long-distance transport between locations.

Priorities for achieving Vision 2030

6 Human resource management

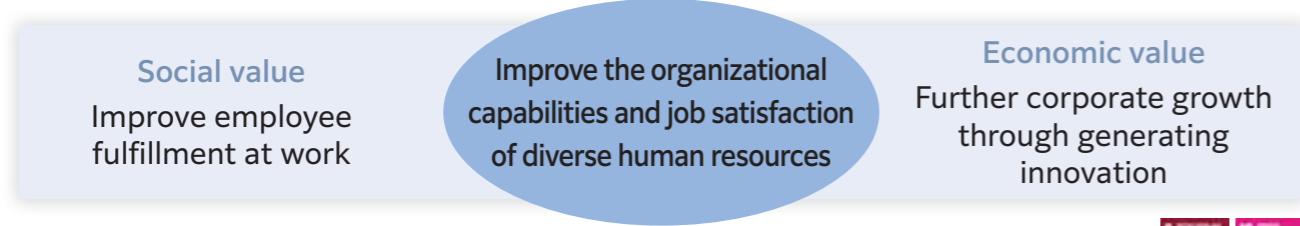
Creativity rooted in diverse perspectives is essential for the sustainable growth of the Group. By realizing diversity and constantly striving to create opportunities for better health and education and a broader range of experiences for all employees, we can enhance employee fulfillment, thereby increasing organizational capacity and driving innovation at all points along the value chain.



Shared value and social impact

Enhancing fulfillment among diverse human resources to improve organizational capacity and drive innovation

We are taking steps to provide work environments and systems that enable diverse human resources to fully exhibit their skills, improve employee fulfillment at work, foster a new corporate culture, and support the active participation by diverse human resources.



CSV goals		FY2023 results	FY2024 targets	FY2030 targets
Resonance with the Group's philosophy and vision	Increase the empathy index for the Group's Corporate Philosophy and Vision 2030	The aim is for everyone in the Group to take action proactively while resonating with and having pride in the Group's philosophy, vision, and corporate value. (Proper targets will be set after surveys in FY2024)		
Establish robust human resource capacity	Maintain and expand annual training and education expenditure per full-time employee as a proactive investment in human resource development	¥78,631	¥78,000 or more	¥95,000 or more
Active participation by diverse human resources	Expand employees' pursuit and sense of growth through work	The aim is for employees to be motivated to grow and feel growth through their work. (Proper targets will be set after surveys in FY2024)		
	Increase the percentage of management positions held by women (non-consolidated)	7.3%	8%	20%
Evolve into an organizational culture that creates innovation	Increase the percentage of employees who feel fulfilled at work	The aim is to foster a pioneering organizational culture in which employees who feel fulfilled at work engage in innovative communication and co-creation inside and outside the Company. (Proper targets will be set after surveys in FY2024)		
	Reference: Non-consolidated Company figures	65.5%	70%	80%

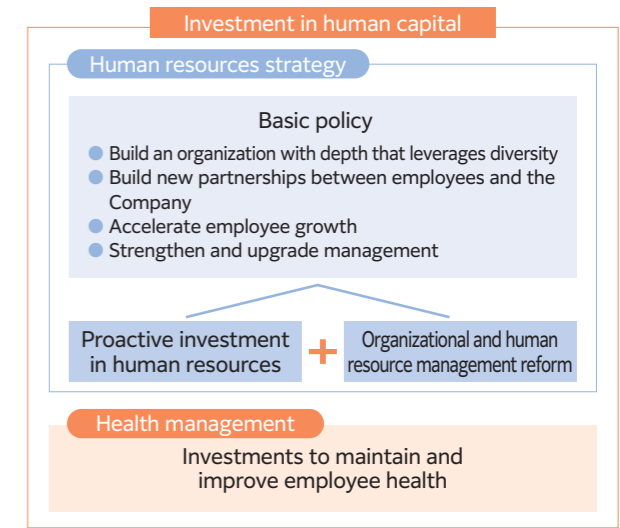
Key initiatives toward realizing our Vision



Investing in human capital

For the Group to achieve sustainable growth, we must create an environment in which employees resonate with the Company's vision, are passionate about their work, and are motivated by a sense of fulfillment. To realize Vision 2030, the Group is promoting proactive investment in human resources and organizational and management reform to strengthen organizational capacity driven by the growth and fulfillment of our employees.

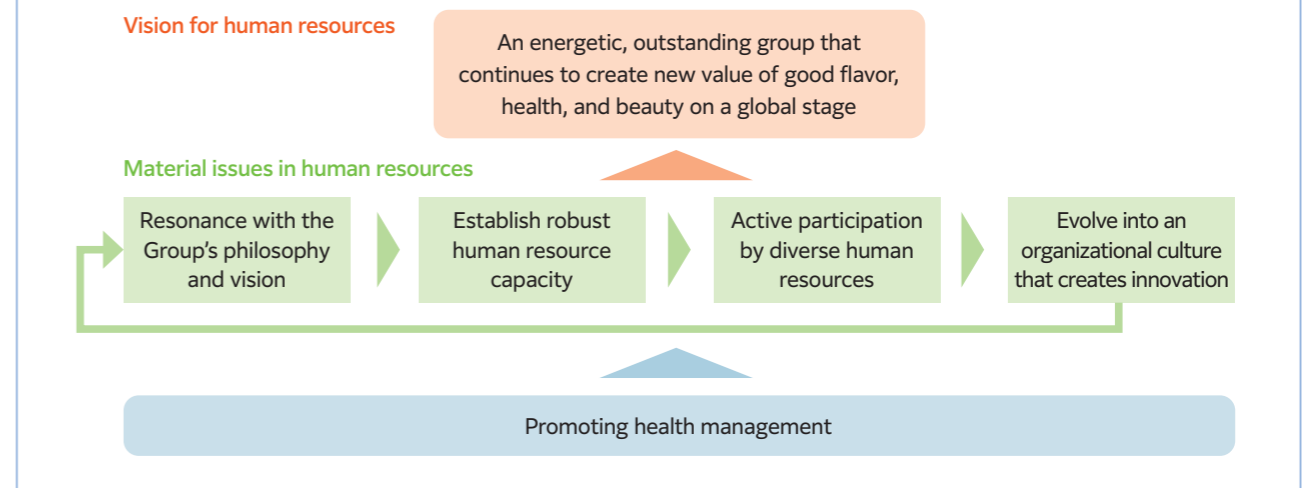
By systematically enhancing human resources, investing in training, creating comfortable work environments, and implementing other initiatives that contribute to employee growth and help them exhibit their skills over the long term, we will foster and institutionalize an organizational culture in which all employees have a strong desire to realize our vision, act proactively while enhancing their skills, and grow continuously.



Achievements during Value Up+ and looking ahead

As part of human capital management, we introduced a new personnel system in October 2023 based on the basic principle of "Value Up employees and organizations with their diverse strengths," and reformed the performance assessment, benefits, and human resource development systems to empower all employees to aim higher and achieve growth and success. Our goals are to maximize everyone's motivation and skills and achieve more targeted human resource management.

Additionally, in April 2024, we revised the concept of CSV goals for human resource management to be more contemporary in terms of Group management. To link it with our vision and business strategies, we have redefined our vision for human resources who will contribute to realizing our vision, identified material issues in the human resources domain, and set goals for 2030 for each material issue and CSV goals linked to them in order to enhance the certainty of achieving our vision.



The Nisshin Oillio Group Vision 2030

Initiatives to address material issues in human resources

Material issue 1: Resonance with the Group's philosophy and vision

Goal for FY2030 ● Through internal branding, all Group employees resonate with, take pride in, and take every action with awareness of our Corporate Philosophy, Vision, and corporate value

To unite as a Group in realizing Vision 2030, all Group employees absolutely must resonate with, take pride in, and take it upon themselves to act in accordance with our Corporate Philosophy, Vision, and corporate value. Accordingly, we are taking steps to further employees' understanding of our Corporate Philosophy and Vision through messages from top management, level-based

training opportunities, and Integrated Reports, Group newsletters, and other media. Looking ahead, we will further strengthen information sharing, provide training and workshops, and create opportunities for dialogue between management and employees to promote a common understanding throughout the Group across countries, regions, and business units.

Message from an employee



Ren Takada
Extraction Section,
Nagoya Plant

Realizing the value of daily work by furthering understanding of Vision 2030

Last year, I read Integrated Report 2023, analyzed how the Nagoya Plant Extraction Section is involved in the CSV goals, and created a report to explain it to my colleagues.

As an operator in the plant, I am involved in the process of producing raw oil and meal from soybean and rapeseed. On this occasion, by deepening my understanding of the CSV goal of a stable supply of food energy in Japan from our priority of the "Contribution to the food value chain," I realized that the oils, fats and meal we produce undergo numerous processes before reaching our many customers.

Thanks to these efforts, I feel prepared to explain what I do at work in my own words. It reminded me that my daily work is important to society in that it supports Japan's food energy, and gave me a more positive attitude for doing my job.

Material issue 2: Establish robust human resource capacity

Goals for FY2030 ● Proactively train and acquire highly specialized personnel and place them in Incubation Square as venues for solutions as well as global positions, corporate divisions, and other locations
● Demonstrate competitiveness through solid, unwavering practical capabilities in production and sales

Amid the swiftly changing business environment, and as strategic themes become more sophisticated and problems become increasingly complex to solve, we must further enhance and solidify the capabilities of each individual, including highly specialized personnel and those who underpin solid, unshakable practical capacities. We have a policy of prioritizing human resource development—known as the principle of education first—and have long positioned it as an important management theme and made it a part of our corporate structure. We will spread this good culture

throughout the Group and actively invest in human resources to realize Vision 2030.

Under our Global Human Resources Registration System, which we launched in fiscal 2023, we provide specialized training programs and preferential assignments to overseas Group companies for those who choose to answer the open call to register. We also devote energy to enhancing our human resources by enriching education and training programs and hiring experienced personnel.

Message from an employee



Haruna Ishikawa
Nisshin Global Research
Center Sdn. Bhd.

Experiencing working overseas through the Global Human Resources Registration System

Under the Global Human Resources Registration System, I am currently working at NGRC, a research and development center in Malaysia. I registered for the system because I wanted opportunities to participate in international conferences and conduct global clinical trials in collaboration with overseas research institutes and companies after having attended international conferences on nutrition and hearing about nutrition challenges in Malaysia from NGRC employees. These past experiences left me with the sense that nutrition issues, regulations, and trends differ from country to country and region to region, and the conclusion that there was much to be learned by speaking directly with overseas companies and researchers. Although I had studied English before, I took advantage of an educational assistance program to further refine my language skills.

Thanks to this system, opportunities to work overseas are available, even to relatively young employees like me. Although I feel uncertain because of the change in environment, I am making a conscious effort to gain a lot of experience in my work and personal life. I intend to use my current work experience; in the future, I want to be involved in promoting products overseas and take on the challenge of developing new technologies.

Material issue 3: Active participation by diverse human resources

Goals for FY2030 ● More sophisticated human resource management draws out the abilities and skills of the diverse individuals working for the Company, and all employees experience growth and success
● Expand horizons by gaining ample career experience both inside and outside the Company while young
● Shift mindset toward output-oriented work style (move away from working long hours)

We believe that utilizing the diverse strengths of each and every employee is essential for growing sustainably and enhancing our corporate value. To become a place where everyone can grow and succeed, we provide opportunities to tackle challenges and grow, and take steps to improve internal environments in pursuit of more comfort at work.

Managers must have advanced management skills so that the employees who work under them can demonstrate their originality and independence. Therefore, we provide training for managers to shift their focus to management that draws out the individuality and initiative of their subordinates, and to improve their skills in supporting career development. In fiscal 2024, we revised our career design system to enable employees to exhibit their diverse personalities to the fullest. Specifically, the revamped system enables managers to understand the skills and individuality of their subordinates, enhances employees' career interviews with supervisors, and empowers employees to take action and seek guidance

and support from their supervisors and the rest of the Company. Our internal environment accommodates highly productive, flexible work styles commensurate with the characteristics of each job, and allows employees to step up their performance and flourish while dealing with various personal circumstances, for example caring for family members. To ensure that all employees can play an active role at the Company regardless of gender, age, and other non-work-related attributes, we are continuing our efforts to train them through systematic education and job rotation, and enhance support for balancing work with family care.



Managers undergoing management training

Material issue 4: Evolve into an organizational culture that creates innovation

Goals for FY2030 ● Fostering of a pioneering organizational culture in which employees engage in proactive, innovative communication and co-creation inside and outside the Company
● Institutionalization of an evaluation system that encourages pioneering
● Assurance of psychological safety and maximization of individual strengths

We believe that personal growth through work and a sense of contribution to society and the organization lead to fulfillment at work, and that fulfillment at work is the driving force behind independence. We will build an environment in which employees and the Company enhance each other, and foster a culture in which employees actively engage in innovative communication and co-creation both inside and outside the Company to tackle challenges, which will serve as a foundation for innovation.

In creating this culture, one of the most important measures is to establish a culture of volunteering, in which people who step forward are the ones who receive opportunities. Since fiscal 2022, we have implemented an internal proposal system that solicits business innovation

ideas based on data and digital technology from employees. Teams that pass the internal screening process undergo tests with prototypes and evaluation for feasibility, and ideas adopted through this process are implemented under the leadership of the individuals and teams that proposed them. Additionally, since fiscal 2021, we have regularly surveyed employee engagement and applied our findings to Company-wide human resources strategy and workplace management. We disclose our findings to officers and managers, and each department and section defines their own points for improvement, eventually formulating action plans and taking steps to improve.

(See p. 42 for a message from an employee making use of the internal proposal system.)

Material issue 5: Promoting health management

Goal for FY2030 ● Health management is serving as a foundation for employees to enjoy physical and mental health and work with motivation and at full energy, and is creating a healthy, attractive company for employees

We view initiatives for employee health as the foundation for corporate development, and actively provide support for maintaining and improving employee health and productivity so that everyone can work at full energy and lead a healthy, fulfilling life. Under the oversight of the Health and Productivity Management Department, managers, health promotion staff at each location, health insurance associations, and labor unions work together to develop measures under the key themes of preventing lifestyle diseases, promoting smoking cessation, and mental health. Examples of efforts to encourage employees to be more

aware of their health include online health seminars where employees can learn various ways to maintain good health; health measurement events to measure body composition, vascular age, stress levels, and other attributes; and smoking cessation campaigns to support employees who are trying to quit smoking.



Certified as a Health & Productivity Management Outstanding Organization (White 500) for the sixth time

Corporate Governance

Management Structure (as of September 30, 2024)

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 (current role)



Hidetoshi Ogami
 Representative Director and Senior Managing Officer
 Date of birth: February 1, 1961
 Responsible for corporate finance, investor relations, digital innovation, and oilseed processing management
 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 (current role)



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



Masato Saegusa
 Director and Senior Managing Officer
 Date of birth: September 22, 1960
 General Manager, Food Product Division; Responsible for branch operation
 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 (current role)



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



Masayuki Sato
 Director and Managing Officer
 Date of birth: October 28, 1965
 General Manager, Technical Division; Responsible for household-use & wellness foods business strategy, production, environmental solutions, and safety management & disaster prevention
 Apr. 1991: Joined the Company
 Dec. 2017: General Manager, Yokohama Isogo Plant
 Apr. 2019: Executive Officer
 Apr. 2023: Managing Officer
 June 2024: Director and Managing Officer (current role)



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. (currently BofA Securities Japan 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. (current role)
 June 2011: Outside Director, Sony Financial Holdings Inc. (currently Sony Financial Group Inc.)
 June 2019: Outside Director, the Company (current role)
 Oct. 2019: Board Member, Scenera, Inc. (current role)
Significant concurrent positions
 President, Enterprising Investment, Inc.



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 and Senior General Manager, Group CC Dept., Zensho Holdings Co., Ltd.
 June 2014: Director and Senior General Manager, Group CC Dept., Zensho Holdings Co., Ltd.
 Jan. 2015: Director and Senior General Manager, Group General Affairs Dept., Zensho Holdings Co., Ltd.
 June 2020: Resigned as Director, Zensho Holdings Co., Ltd.
 June 2020: Outside Director, Morinaga & Co., Ltd.
 June 2022: Outside Director, the Company (current role)
 June 2022: Outside Director, Nippon Yakin Kogyo Co., Ltd. (current role)
Significant concurrent positions
 Outside Director, Nippon Yakin Kogyo Co., Ltd.



Satoko Shisai
 Outside Director
 Date of birth: November 11, 1963
 Apr. 1986: Joined IBM Japan, Ltd.
 Apr. 2009: Vice President, Government Cluster of IBM Japan, Ltd.
 Oct. 2015: Vice President, Security of IBM Japan, Ltd.
 Jan. 2018: Vice President, Government Office System, Enterprise Business of IBM Japan, Ltd.
 Apr. 2019: Resigned as Vice President, IBM Japan, Ltd.
 May 2019: Vice President and Head, IT Supervisory Division, Chugai Pharmaceutical Co., Ltd.
 Oct. 2019: Vice President and Head, Digital & IT Supervisory Division, Chugai Pharmaceutical Co., Ltd.
 Apr. 2022: Executive Vice President and Head, Digital Transformation Unit, Chugai Pharmaceutical Co., Ltd.
 Apr. 2022: Independent Director, Panasonic Connect Co., Ltd. (current role)
 Dec. 2023: Outside Director, Mitsubishi Research Institute, Inc. (current role)
 Mar. 2024: Resigned as Executive Vice President, Chugai Pharmaceutical Co., Ltd.
 Apr. 2024: Representative, AISHS Consulting, Inc. (current role)
 June 2024: Outside Director, Nippon Yusen Kabushiki Kaisha (current role)
 June 2024: Outside Director, the Company (current role)
Significant concurrent positions
 Independent Director, Panasonic Connect Co., Ltd.
 Outside Director, Mitsubishi Research Institute, Inc.
 Representative, AISHS Consulting, Inc.
 Outside Director, Nippon Yusen Kabushiki Kaisha

Audit & Supervisory Board Members



Katsuhito Oba
 Audit & Supervisory Board Member (standing)
 Date of birth: March 12, 1962
 Apr. 1985: Joined the Company
 Apr. 2015: General Manager, Business Promotion
 June 2019: Audit & Supervisory Board Member (standing) (current role)



Nobuyuki Watanabe
 Audit & Supervisory Board Member (standing)
 Date of birth: May 26, 1963
 Apr. 1987: Joined the Company
 Apr. 2019: Executive Officer
 June 2022: Audit & Supervisory Board Member (standing) (current role)



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)
 Apr. 2017: Vice-president, Dai-ichi Tokyo Bar Association
 Apr. 2018: Deputy Director, Tokyo District Office of Japan Legal Support Center
 June 2019: Outside Audit & Supervisory Board Member, the Company (current role)
Significant concurrent positions
 Attorney at law



Keiko Mizuguchi
 Audit & Supervisory Board Member (Outside)
 Date of birth: July 21, 1958
 Apr. 1986: Joined Morgan Bank (currently JP Morgan Chase Bank, N.A.), Tokyo Branch
 Apr. 1995: Associate Director, Standard & Poor's International Ratings, Ltd.
 Apr. 1998: Director, Aoyama Audit Corporation (later Chuo Aoyama PricewaterhouseCoopers)
 Chief Analyst, Japan Credit Rating Agency, Ltd.
 Feb. 2013: Member of Business Accounting Council
 Apr. 2013: Commissioner of Certified Public Accountants and Auditing Oversight Board (part-time)
 Apr. 2017: Counselor and Chief Analyst, Japan Credit Rating Agency, Ltd.
 June 2021: Outside Auditor, Nihon Unisys, Ltd. (currently BIPROGY Inc.) (current role)
 Apr. 2022: ESG Economist, Asian Development Bank Institute (part-time)
 Apr. 2023: Temporary Member of Accounting Standards Subcommittee, Committee on the System of Evaluating Incorporated Administrative Agencies, Ministry of Internal Affairs and Communications (part-time) (current role)
 Apr. 2023: Member of Registration Examination Committee for Registered Auditors of Listed Companies, Japanese Institute of Certified Public Accountants (part-time) (current role)
 Jan. 2024: Senior Fellow, Dai-ichi Life Research Institute Inc. (part-time) (current role)
 June 2024: Outside Audit & Supervisory Board Member, the Company (current role)
Significant concurrent positions
 Outside Auditor, BIPROGY Inc.

Corporate Officers

Masahiko Oka
 Senior Managing Officer
 General Manager, Processed Oil/Fat & Soy Protein Division;
 Responsible for bulk oil delivery support

Hiroshi Nashinoki
 Managing Officer
 General Manager, Strategic Business Development, North America

Takahiro Saito
 Managing Officer
 General Manager, Tokyo Branch;
 General Manager, Retail Support Marketing Dept.

Taiji Teraguchi
 Managing Officer
 Responsible for market development, CDN development, national account sales, and Product Application Development Center

Kenji Koike
 Executive Officer
 General Manager, Marketing, Processed Oil/Fat Dept.;
 Assistant General Manager, Processed Oil/Fat & Soy Protein Division (Responsible for ISF)

Takashi Segawa
 Executive Officer
 General Manager, HR; General Manager, Legal & General Affairs;
 Responsible for health and productivity management and HR strategy

Hitoshi Kyuma
 Executive Officer
 General Manager, Oilseed Processing Management

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

Osamu Kawabe
 Executive Officer
 General Manager, Yokohama Isogo Complex;
 Responsible for logistics

Katsushi Inoue
 Executive Officer
 General Manager, Osaka Branch;
 General Manager, Osaka Complex

Kazuhiro Sekiguchi
 Executive Officer
 General Manager, Digital Innovation;
 Responsible for sustainable business management unit

Takayuki Mori
 Executive Officer
 General Manager, Yokohama Isogo Plant

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



Dialogue with Outside Directors

Managing business with awareness of capital costs to make the leap to becoming a global top provider



Satoko Shisai
Outside Director

Isao Yamamoto
Outside Director

Naomi Eto
Outside Director

As the level of attention on Outside Directors rises, what role do they play?

Yamamoto My career so far has been consistently related to financial and capital markets, including working as a securities analyst and at investment banks and venture capital companies. From a finance perspective, I consider it my role to raise the quality of Directors' decision making. My experiences to date have brought me into regular contact with institutional investors, so I have acquired an understanding of what institutional investors place emphasis on and what issues they are aware of.

We are currently reviewing the outline of the next medium-term management plan that will begin in 2025, and also discussing ROE and ROIC targets. I think we need to have a substantive understanding of how these targets will lead to an improvement of the P/B ratio. We view the P/B ratio being below 1x as an issue that needs to be resolved as soon as possible. However, once we have accomplished that, I believe

it will be difficult to close the gap between our intrinsic corporate value and share price without an awareness of the level of corporate value that we are aiming for.

Eto Mr. Yamamoto is an expert on finance. My background is in public relations and general affairs in the manufacturing and restaurant industries, working as a contact point between companies and society. I often voice my views based on these experiences, particularly on risk and compliance as well as Group governance, including from a global perspective.

As an Outside Director, I always feel that it is important to keep studying diligently so that I am in tune with what is happening in society as a whole. It is not enough to just draw on one's experiences so far, especially in today's world of ever-changing needs and wants. I think IR activities and analyst reports made at Board of Directors meetings are valuable ways of knowing how investors view the Company.

Shisai I have worked at IT and pharmaceutical companies, and this June I was appointed as an Outside Director of the Company. I also serve as an Outside Director at three other companies, and I feel that currently all four companies share the aim of developing management with an awareness of capital costs and share prices. Recently, Outside Directors are being called on to fulfill varied and diverse roles. Even though as Outside Directors we are "outside" of the Company, once we are appointed as Directors, it is important to recognize that we are part of management. So, while drawing on my own experiences, I hope to actively express my views to improve management.

When I was working at a pharmaceutical company, I explained non-financial information as an officer in charge of the digital domain at investor briefings and meetings between investors and officers, and received a variety of questions from investors. I feel that institutional investors have become increasingly interested in non-financial information and digital transformation (DX) in recent years.

Making the leap to becoming a global top provider of oils and fats solutions

Yamamoto We are making steady progress on the path to becoming a global top provider of oils and fats solutions by 2030. We set up a business management company in the U.S. to prepare for expansion into the North American market, which was at the conceptual stage when we issued the Integrated Report last year. The North American market is reported to consume vegetable oils at a rate around 7 times higher than Japan. It also has distinctive needs such as being natural-oriented, so I think we can leverage the Company's technology capabilities in this market. The issue to consider is what specific measures we should take to enter this market.

For the next medium-term management plan, we need to specify in writing what we mean by "a global top provider of oils and fats solutions," and communicate in a simpler way how we will apply the Company's strengths in technology in our priority areas and how to link these strengths and priorities to global growth.

In terms of establishing a foothold for global growth, I praise the Company for becoming more resilient to changing conditions in the raw materials market in recent years, both in Japan and overseas.

Eto I agree. It is quite remarkable how the Company was able to secure target profits in this year of volatility in raw materials prices, and this achievement has surely earned the confidence and trust of investors.

Although we have received reports on the progress of expansion into North America, we still do not have a clear picture of the Company's global expansion overall. With the



newly established Incubation Square, it is important to further specify exactly how the Company will use its technology—and in which domains—to compete on a global scale, and to raise a sense of anticipation about growth in the coming years. While we need to work on improving areas such as our current earning capacity and capital costs to resolve the issue of the P/B ratio being below 1x, it is also important to enhance expectations about the future.

Shisai I think having a human capital management perspective is also extremely important in global expansion. The common belief is that Japanese companies are relatively poor at recruiting human resources on a global level and having them participate in management. As a global-level company, we must put in place mechanisms for appointing the right personnel, and carefully consider measures to deal with human rights issues. I am very much looking forward to finding out what kind of human resources the Group has, and to communicating with employees in Japan and overseas.

Achieving the CSV goals

Eto In the process of achieving the CSV goals, the Company will speedily and appropriately update those goals to align with the demands of society at the time and the current status in meeting the goals. I think it is wonderful that the Company is always pursuing higher goals. For example, when the Company recognized that the CO₂ emission reduction targets were not sufficient, it updated those targets without waiting for the next medium-term management plan. I am also eager to see what targets will be set for global expansion in the next medium-term management plan that will begin next year. The Company has firmly established earning capacity in our domestic business. So, now we need to consider how to set targets for business expansion with added value. It is also important to identify what technologies to set targets for.

Corporate Governance

Dialogue with Outside Directors



In addition to providing solutions for the immediate challenges customers are facing, I expect the Company to consider how to raise profits in the medium to long term by finding solutions to social issues.

Yamamoto Right now, as we prepare for the next medium-term management plan, we are once again discussing the priorities and CSV goals that were set when the current medium-term management plan was being formulated. What types of social issues is the Company striving to find solutions for? To provide solutions, we must leverage the Group's distinctive technologies and strengths, provide solutions that create social value, and further solidify the framework for raising profits. In doing so, we must also engage in sustainable value creation that does not harm the environment or violate human rights. Decarbonization is a major environmental issue. How will the Company deal with rising carbon emissions as production volume increases? What technological measures can be employed to curb CO₂ emissions, even as production volume increases? Even if there is no clear way at present to solve these issues using technology, it is important that we seriously address them and keep working toward solutions.

Shisai Recently, a growing number of companies are not setting medium-term management plans and are instead focusing on growth strategies formulated by backcasting from long-term targets set for 2030, 2040, and beyond. Corporate management in Japan is freeing itself from cost reductions and transitioning to measures such as bold investment and shareholder returns. As we aim for dramatic growth for the future, it is important to have big and bold dreams and set targets to achieve them. In planning medium- to long-term investment strategies, we need to have resilience to climate change and other risks and work on securing supply chains.

Being both outstanding and diverse

Yamamoto Being in regular contact with employees of the Company, I am amazed to see how the thought process of each individual is actually quite diverse. Looking at the Group overall, there is probably even more diversity in our human resources. To become an even more diverse organization, it may be of value to know what kind of ideas and challenges the people in our Group—both in Japan and overseas—are facing.

Also, from a finance perspective, it is important to focus on small and outstanding teams to ensure a profitable structure. Meanwhile, the type of innovation that creates substantial value comes from views that do not align with popular opinion. So, we also need to have room in the organization for people with such views. Continuing to value the small and outstanding team-focused approach while carrying out management with room for human resources with a diverse range of capabilities to demonstrate their full potential will perhaps become an important management issue in the long term, say 30 or 40 years from now.

Eto When I was appointed Director, I stated that in order to meet the requirements of capital markets and the Tokyo Stock Exchange, and among the many things required to achieve global growth including technology development, it is worthwhile to not only have a small and outstanding team-focused approach but also allocate a substantial amount of personnel in the areas where they are needed. Particularly in the management department, I feel that they may be struggling to handle greater workloads than before with only a small staff.

There are many people who have worked at the Company for a relatively long time, so I think we have amassed a pool of somewhat homogenous human resources. On the other hand, when people like myself from outside of the Company make astounding statements, and such statements are well received and considered, I feel that we have the groundwork to leverage diversity if we can expand it within the Company. From the perspective of participation of women as well, I can see that the Company is making in-depth efforts such as checking the percentage of female participation in training. However, I hope we will promote bolder initiatives. By expanding diversity in the organization, we can accelerate the path to growth.

Shisai As the Japanese market continues to shrink, a common concern of Japanese companies is how to find and raise the level of human resources while investing to expand business on a global scale. In the future, if half or more of the Company's business will be in overseas markets, this will require a reversal in direction from the small and

outstanding team-focused approach. I worked for many years in the IT industry, and during that time I witnessed both the dynamism of Japanese companies expanding globally at an extremely fast pace, and the radical transformations in human resources as well. This may become the Company's benchmark moving forward.

Aiming for ROIC management

Eto We have been working on solving the issue of the P/B ratio being below 1x, but I feel that we are experiencing difficulties in establishing ROIC management. For example, it is extremely difficult to divide ROIC by department, even when looking at the features of each business. We are currently discussing in depth how to divide up ROIC so that we can accurately identify high value-added products.

Yamamoto That is a hurdle for the Company to fully step into ROIC management. How do we organize ROIC by department? How do we understand invested capital by department? We can create meal, oils, and fats by extracting oil from the raw materials of rapeseed and soybean. This leads to sales of meal as well, and sales of oils and fats by multiple departments. Dividing up ROIC by business requires a good understanding by those involved. We are discussing the rollout of a reverse ROIC tree and KPI, but we may need a little more time to present specific targets. Another concern is whether it is good enough to have high added value. General-purpose oil does not have a high profit margin, but demand is stable and the capital costs that reflect risks are also not high. Moreover, it is also the Company's social mission to stably supply general-purpose oil. The challenge for the Company in tackling ROIC management is if we can do so in a way that is satisfactory while backing up the numbers.

Shisai ROIC management is what every company is aiming to achieve. However, it appears that some companies are focusing too much on quantifying ROIC by business. I think we need to make sure that we are moving in the desired direction overall, and that returns on investments are properly reflected in each business. We need to be careful not to get caught up in numbers and not see the reality of the situation.



Issues in aiming for medium- to long-term growth

Shisai It is no easy task for a company with a long-standing and established brand to aim for further growth. There are many things we need to consider to achieve that, including how we can grow the oil and fat business, which is our backbone, and how we should approach our business portfolio. I am looking forward to learning from everyone else's experiences and being involved in the Company's growth process.

Eto In addition to improving added value in the domestic business, I think that expanding our presence in the global market will lead to future growth. We must pay attention to the Group's governance as we expand our business. As we aim for global growth, we should keep a close eye on whether or not the mechanisms for regulating the Group overall are functioning properly while also respecting the autonomy of Group companies.

Yamamoto I think it will become increasingly important to communicate clearly both within and outside the Company about ensuring profitability and growth. We need management with an awareness of share price and capital costs, as is required by the Tokyo Stock Exchange, and management focused on profitability and growth as well as dialogue with investors. Without continuous dialogue with investors and an understanding of capital costs to set an appropriate share price, our capacity to procure funding for growth will be limited. As an Outside Director, I look forward to working with everyone at the Company and Group over the medium to long term to ensure the robust financial and non-financial capital needed to improve profitability and growth.

Corporate Governance

Basic Policy

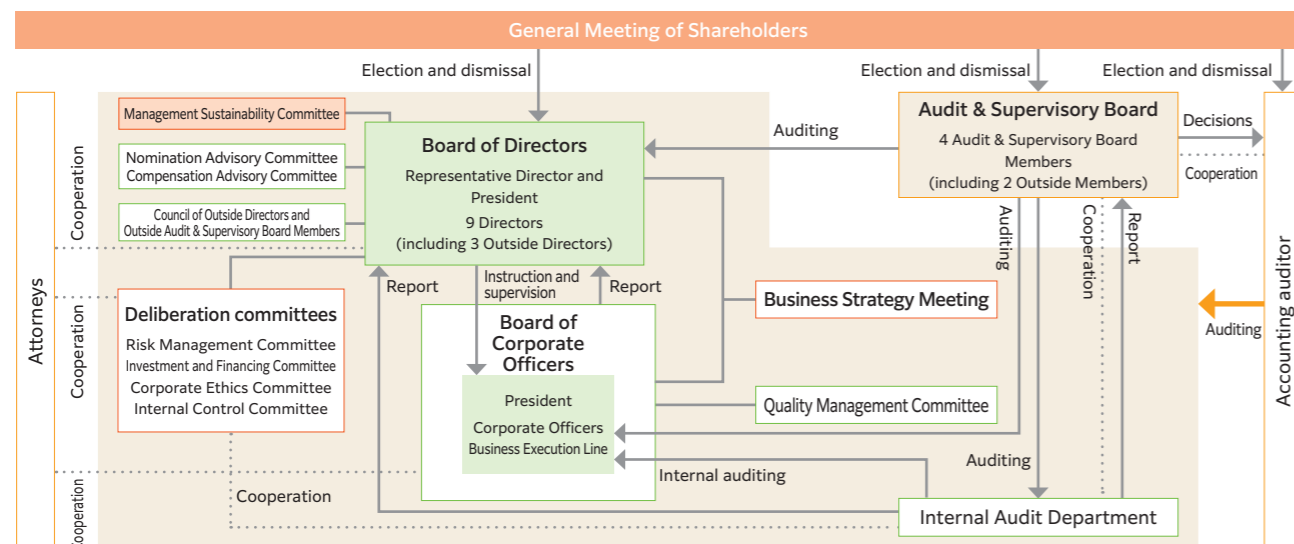
The basic philosophy of The Nisshin Oillio Group is to contribute to the development of people, society and the economy by maximizing its corporate value. The Group seeks to contribute to realizing sustainability with the aim of continuing to be trusted by all stakeholders. In The Nisshin Oillio Group 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 shared value 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 standing Audit & Supervisory Board Members attend the Management Sustainability Committee, Risk Management Committee, Internal Control 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 standing Audit & Supervisory Board Members and corporate staff divisions.

Meeting Bodies, etc.	Mission	Number of independent outside officers
Board of Directors	<ul style="list-style-type: none"> Deliberating on and determining matters stipulated 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 Corporate 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 and Outside Audit & Supervisory Board Members	<ul style="list-style-type: none"> Improving understanding of our business among outside officers 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	Finance/ Accounting	Human resource management	Legal affairs/ Risk management	Sales/Marketing	Production/ R&D	International experience	IT/Digital
Directors	Takahisa Kuno	●	●	●			●			
	Hidetoshi Ogami	●	●	●	●		●			●
	Arata Kobayashi		●		●	●				
	Masato Saegusa						●			
	Yoshiharu Okano					●	●		●	
	Masayuki Sato		●					●	●	
	Isao Yamamoto	●	●	●					●	
	Naomi Eto	●	●			●				
Audit & Supervisory Board Members	Satoko Shisai	●							●	●
	Katsuhito Oba					●	●			
	Nobuyuki Watanabe			●		●				
	Tomotake Kusamichi					●				
	Keiko Mizuguchi		●	●		●			●	

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.

Reason for selection of skills

Skill	Reason for selection
Corporate management	As we strive to realize Vision 2030, through dialogue with various stakeholders, we will be required to use the experiences and results of corporate management to make important management decisions on business investments and other areas from a long-term perspective.
Sustainability/ESG	The Group is aiming for sustainable growth driven by creating shared value (CSV) with society, through finding solutions to issues in the six priority areas (materiality). This will require knowledge and experiences in the environment, society, and governance.
Finance/Accounting	We need to improve return on capital and achieve profitability that is definitely above the cost of shareholders' equity in order to move forward with initiatives to realize Vision 2030.
Human resource management	Creativity rooted in diverse perspectives is essential for the sustainable growth of the Group. We need knowledge and experiences in human resources strategies to prepare a work environment that welcomes a diversity of human resources, and build a strong organization that can bring about innovation.
Legal affairs/ Risk management	To achieve sustainable growth, the Group needs to properly understand and respond to various risks in business operations. This also requires knowledge and experiences in the law and corporate governance to realize highly effective supervision and to build a risk management system.
Sales/Marketing	Drawing on knowledge in sales and marketing, we need to forge ahead with developing mechanisms to create new value, further strengthening core competence, and expanding business domains, as well as to create oils and fats solutions through co-creation.
Production/R&D	Our original and advanced technologies used in mastering the core competence of oils and fats are essential in becoming a global top provider of oils and fats solutions. Production is an important foundation for us to strengthen the competitiveness of oils and fats. Therefore, we are required to respond flexibly to various changes in the environment surrounding the manufacturing sector.
International experience	We need to leverage our international knowledge and business experiences overseas to drive forward initiatives to expand into new markets and create even more value, so that we can become a global top provider of oils and fats solutions.
IT/Digital	We need to move forward with digital transformation (DX) and leverage the knowledge and experiences in building an information base that uses digital technologies to promote investments in transformations that will ensure the future sustainability of our business and a competitive advantage.

Initiatives to Improve Effectiveness of the Board of Directors

1. Initiatives in Fiscal 2023 to Improve Effectiveness

Based on the evaluation of the previous fiscal year (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

Along with intensive deliberation at the Board of Directors meetings on important management topics, we held an off-site meeting that all Board members attended and engaged in discussions throughout the day, resulting in a lively exchange of opinions.

Key items for deliberation by the Board of Directors

- Achieving the ROIC targets (2 times)
- Specific initiatives with regard to growth and profitability in light of the Corporate Vision towards 2030
- Management plan for fiscal 2024
- Targets and policies on initiatives to improve corporate value in the Company, and disclosure details
- Shareholder returns policy
- Progress of the North American business concept

Agenda of off-site meeting for fiscal 2023

- Value creation through marketing and technology
- Initiatives for alternatives to lipids and potential for development of related technologies
- Value creation strategies and initiatives in domestic business domain targeting fiscal 2030
- Creating of new marketing for the Food Product Division
- Marketing strategy for the Processed Oil/Fat & Soy Protein Division
- North American business concept

■ (2) Strengthening risk management and other monitoring functions of the Board of Directors

We have made the following improvements that will strengthen the monitoring functions of the Board of Directors.

- Newly setting up the Management Sustainability Committee in July 2023 to deliberate important issues, including drafting basic policies for realizing the sustainable growth of the Group and the sustainable development of society

Main themes deliberated at the Management Sustainability Committee

- Review of CSV, establishment of new targets for fiscal 2030 (discussed multiple times)
- Specific efforts to realize the North American business concept
- Prioritization of risks and opportunities (e.g., identifying new risks and opportunities, reconfirming social issues, verifying priority areas)
- Achieving the ROIC targets (approach to portfolio management)
- Response to TCFD recommendations
- Establishment of Biodiversity Policy and Water Policy
- Sustainable procurement of soybean and cacao, and action plans
- Consideration of specific themes highlighted at the off-site meeting in relation to certain issues (growth scenarios for improving corporate value, capital investment plan for domestic locations, etc.)

2. Details of the Evaluation of the Effectiveness of the Board of Directors for Fiscal 2023

The Company conducted a questionnaire-based survey of Directors and Audit & Supervisory Board Members (13 people in total) that comprise the Board of Directors to evaluate the effectiveness of the Board of Directors in fiscal 2023, with the use of an external organization to ensure objectivity.

Survey items

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

3. Evaluation Results

Based on the results of this evaluation, we concluded that the effectiveness of the Board of Directors was generally ensured. The evaluation scores have risen each year in the three times it has been carried out since fiscal 2021, and this rise in scores is deemed to be linked to initiatives to improve the effectiveness of the Board of Directors. This fiscal year as well, we have listed below the items that were highly evaluated in the survey results and the issues for deliberation and response as a matter of priority as extracted from items with room for improvement. We will take measures to address these issues.

(1) Highly evaluated items

- Holding sufficient discussions with a recognition of consistency in management strategies and plans with sustainable growth of the Company and the creation of medium- to long-term corporate value
- 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
- By reference from shareholders, 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 corporate value, and that they are fulfilling that role to the extent required

(2) Items for deliberation and response during fiscal 2024 as a matter of priority as extracted from items with room for improvement

- Holding sufficient discussions on potential risks in the management strategies and plans of the Group overall, and ways to address those risks
- On-going considerations and monitoring of policies for improving the P/B ratio
- Strengthen internal control in Group companies and Group governance
- Human capital management

4. Initiatives to Further Improve Effectiveness

In order to further improve the effectiveness of the Board of Directors, in addition to matters extracted from the survey that require deliberation and response as a matter of priority, we will deepen our level of discussion also on the risks and opportunities that impact the Company's business, and form responses as necessary. In fiscal 2024 as well, we will continue to hold off-site meetings for attendance by the members of the Board of Directors, and intensively discuss management issues while seeking to deepen communication between internal and outside officers.

We are aiming to make the leap toward becoming a global top provider of oils and fats solutions by striving to improve corporate value and through initiatives that will help to improve the effectiveness of the Board of Directors.

Continued holding of off-site meetings

In fiscal 2024, 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.

Agenda of off-site meeting for fiscal 2024

- Strategies for technology to realize oils and fats solutions
- Way forward for the further expansion of oils and fats solutions (marketability of functional oils, and strategies)
- Business proposals for confectionery fats with a focus on 2030 and beyond
- Way forward in the medium to long term for the household-use business
- Aiming for growth in the wellness foods business, with a focus on 2030
- Innovation strategies using digital technology
- Aiming for the formulation of the next medium-term management plan



Officer Compensation System

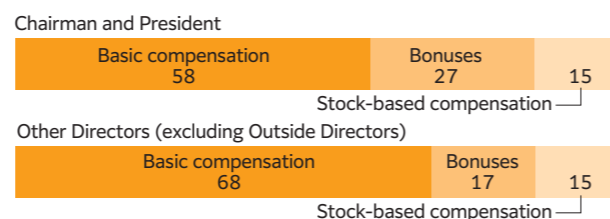
Compensation for Directors of the Company, excluding Outside Directors, consists of basic compensation as fixed compensation, bonuses as performance-linked compensation, and stock-based compensation as medium- to long-term incentive compensation. Compensation for Outside Directors and Audit & Supervisory 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)



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

$$\text{Individual bonuses} = \text{Basic bonus by position} \times \text{Bonus factor}$$

$$\text{Bonus factor} = \text{Groupwide performance factor} \times \text{Individual evaluation factor} \pm \text{Qualitative factor}$$

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

	Performance indicators	Evaluation weight	FY2023 targets	FY2023 results	FY2024 targets
Consolidated operating profit	Achievement of single-year targets	70%	¥16,000 million	¥20,840 million	¥21,000 million
	Achievement of annual average growth targets	10%	¥15,697 million	¥20,840 million	¥17,000 million
ROIC	Achievement of single-year targets	20%	4.4%	5.1%	5.0% or more

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 capital 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.

	Performance indicators	Evaluation weight	FY2023 targets	FY2023 results	FY2024 targets
ESG targets	Reduction ratio of Scope 1 and 2 CO ₂ emissions	50%	9.0%	18.6% (preliminary figures)	20.0%
	Medium-term target for the percentage of management positions held by women*	50%	7.0%	7.3%	8.0%

* The targets and results for the percentage of management positions held by women are calculated with the base date of April 1 of the following fiscal year.

Amount of compensation, etc. of Directors and Audit & Supervisory Board Members in the fiscal year ended March 31, 2024

Officer classification	Total compensation, etc. (¥ million)	Total compensation, etc. by category (¥ million)			Number of eligible officers
		Basic compensation (fixed compensation)	Bonuses (performance-linked compensation)	Stock-based compensation (non-monetary compensation)	
Directors (excluding Outside Directors)	300	184	73	42	6
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	42	42	-	-	2
Outside Directors	32	32	-	-	3
Outside Audit & Supervisory Board Members	16	16	-	-	2

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 reports 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 deliberates on the 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., and other matters, and reports their conclusions to the Board of Directors. The Compensation Advisory Committee comprises six members, including the Representative Director and President, three Outside Directors, and two Outside Audit & Supervisory Board Members. Based on the policy of selection by mutual vote from Outside Directors, which has been implemented since April 2024, Ms. Naomi Eto was appointed as the Chair of the Compensation Advisory Committee.

In fiscal 2023, 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 of Compensation Advisory Committee

- First meeting (May 2023): Determination of individual bonus amount based on Groupwide performance for fiscal 2022 and individual evaluations regarding the goals set at the beginning of the period (contributions to single-year performance, contributions to the Group's future), stock-based compensation for fiscal 2022, and draft of officer compensation for fiscal 2023 (changes in composition ratio/levels of compensation, bonus results factor)
- Second meeting (November 2023): Review of 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 deliberations on points for review of the officer compensation system for the next medium-term management plan
- Third meeting (March 2024): Deliberations on the direction of the officer compensation system for the next medium-term management plan (composition ratio/levels of compensation, performance indicators, compensation governance) and the compensation limits for Audit & Supervisory Board Members

Nomination and Election of Officers

In regard to the policy for the nomination of candidates for Director or Audit & Supervisory Board Member and selection of the management executive team, 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 and three

Outside Directors. The Nomination Advisory Committee engages in deliberations, including 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, succession plan for the President, and reports the findings to the Board of Directors.

Based on the policy of selection by mutual vote from Outside Directors, which has been implemented since April 2024, Mr. Isao Yamamoto was appointed as the Chair of the Nomination Advisory Committee. In fiscal 2023, 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 (September 2023): Deliberations on candidates for outside officer for fiscal 2024
- Second meeting (December 2023): Deliberations on the succession plan, and candidates for outside officer and the management system for fiscal 2024

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 capital 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

Evaluation items

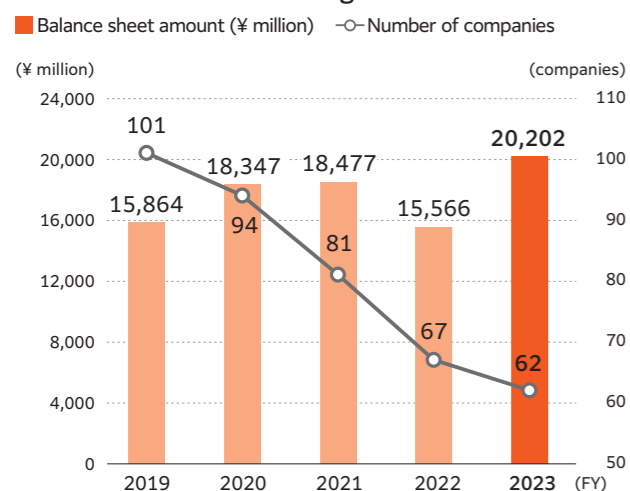
The Company evaluates and reviews qualitative items such as the purpose of holdings, etc., and quantitative items such as net sales and profit for the two most recent years, dividend income, and profit (loss) on valuation of shares.

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

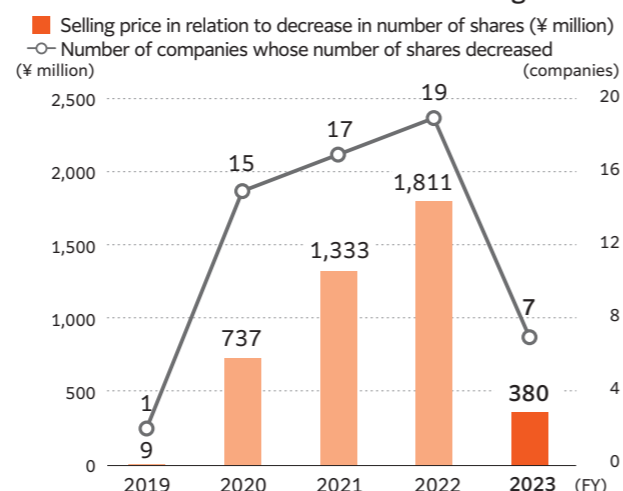
through capital and business tie-ups and business collaborations, or achieving expeditious business growth and expansion through investment and other measures aimed at developing new business areas.

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

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) Strengthening our strategies for targeting investors domestically and overseas
- (2) Strengthening information disclosures (financial/non-financial information) in light of encouraging new investments and continued holdings
- (3) Enhancing and accelerating 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 fostering 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 Representative Director and President and the members of the management, the IR Dept., Sustainable Business Management, and the Financial Dept.

We held 128 briefings and meetings in total in fiscal 2023 for securities analysts and institutional investors in Japan and from overseas. The briefings include the Financial Results Briefings held four times a year, and the Business Strategy Information Briefing Session (March 2024) on value creation

initiatives in research and development.

We also held online briefings for individual investors, and uploaded seminar videos on the internet for investors to access.

The status of the dialogues and the valuable opinions and concerns gained from investors 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 2023 Financial Results Briefing regarding changes to financial targets under Vision 2030 and strategies for achieving them.

Status and details of IR dialogues in fiscal 2023

	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 • Growth strategy for achieving the Vision 2030 performance targets • Thoughts on the shareholder returns policy from hereon, etc.
Business strategy information briefing session	1	Value creation initiatives in research and development	<ul style="list-style-type: none"> • Creating continuous solutions using the Company's technology • Building a foundation for the co-creation of value by strengthening incubation functions • Research and development with a focus on future demand for oils and fats, etc.
Briefings 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 improve the P/B ratio
Meetings	123	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- to medium-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.

Risk Management

Basic Policy

We define risk as any uncertainty that could have a negative impact on our business and the realization of Vision 2030 and Value Up+ (our medium-term management plan), and we control risks accordingly. In addition to producing stable

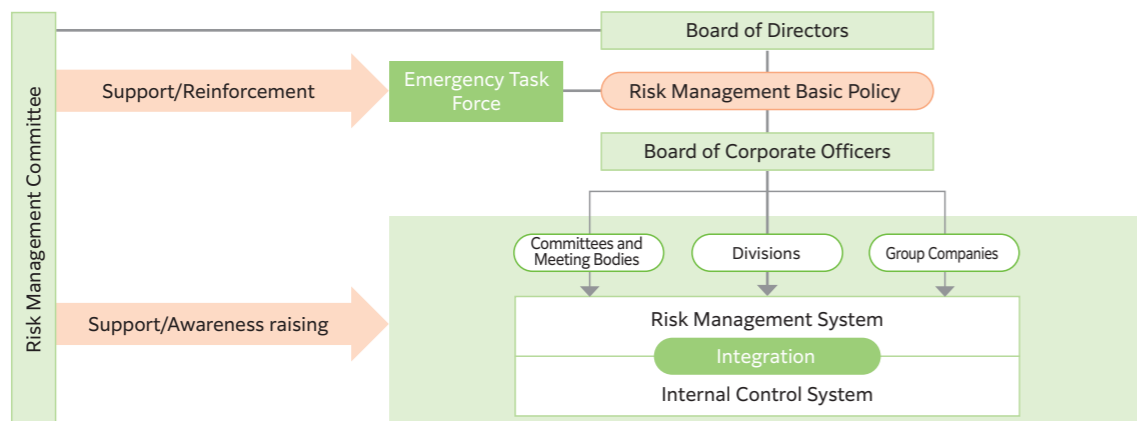
revenue through our proactive risk management efforts, we aim to fulfill our social responsibilities, further enhance our corporate value, and achieve growth.

Risk Management System

The Risk Management Committee comprehensively manages risks for the Group. It has prepared an emergency system for responding to crises when risks materialize. The Risk Management Committee inventories risks, and creates risk maps based on the degree 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 materialize, which it then sets as major

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 their assessment of Companywide risks, policy and status of response, and other matters to the Board of Directors.

We will strengthen the Risk Management System, taking into account the risks that occurred in the previous fiscal year.



Risks Related to Business

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

Risk Matrix (Important risks identified)

Level of impact ↑ Highly significant Moderately significant Less significant	Highly significant	(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.)
	Moderately significant	(14) Reduced competitiveness and/or business continuity risks caused by personnel shortages and insufficient personnel development	(13) Securing important outside contractors (logistics contractors)
	Less significant	(3) Earthquakes and tsunamis (12) Large-scale accidents	
	Low	Medium	High
	Likelihood of occurrence →		

Compliance

Basic Policy

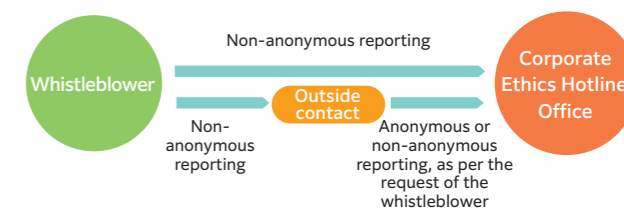
The Group considers compliance as more than merely complying with laws and regulations, but also with business ethics and societal norms. As such, the Code of Conduct of The Nisshin OilliO Group is positioned as a set of action guidelines for both complying with societal norms and realizing the Group's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



Monitoring

The Company 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. Important themes include labor management (harassment-free workplace, etc.), transactions (the status of the passing on

of prices to customers, etc.), quality management, information management (intellectual property, protection of personal information, etc.), human rights, the environment, anti-corruption, and so on. This monitoring process provides opportunities for reflection and insights with regard to the measures being carried out.

Compliance Education

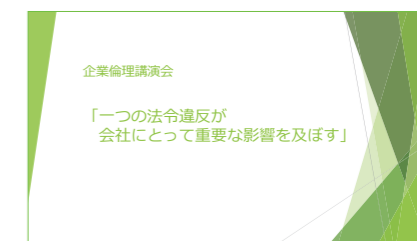
The Group conducts ongoing education and awareness-raising activities for officers and employees with the aim of promoting and reinforcing compliance.

For compliance education in fiscal 2023, the Company's officers and employees attended lecture meetings on corporate ethics. These meetings were presented by lawyers on themes such as lessons from the scandals and misconduct of other companies, reminders about what actions can constitute harassment, and human rights risks in supply chains. We also held online training sessions on themes such as protection of personal information, credit management, and proper subcontracting type transactions.

Along with these initiatives, we also held the quiz-style Compliance Challenge in fiscal 2023, with the aim of spreading and establishing compliance and the Code of

Conduct of The Nisshin OilliO Group.

A notebook-sized booklet of the Code of Conduct of The Nisshin OilliO Group is distributed to officers and employees.



Materials of the lecture meetings on corporate ethics

On March 13, 2024, the Company was subject to an on-site inspection by the Japan Fair Trade Commission (JFTC) on suspicion of violations of the Antimonopoly Act in regards to the sale of sesame oil. We are taking this on-site inspection very seriously, and are cooperating fully with the investigation by JFTC.

Performance and Corporate Information

Management Discussion and Analysis (MD&A) of Financial Position and Results of Operation

Business Performance

Recognition, analysis and review of business performance for fiscal 2023

Analysis of business performance

(1) Status of business performance

In fiscal 2023, the global economy saw solid performance in the U.S. economy, primarily driven by robust personal consumption amid rising share prices and other factors. However, there are concerns of a slowdown in the global economy due to factors such as the cumulative effects of monetary tightening.

Meanwhile, the Japanese economy saw a recovery in consumption, particularly in restaurant dining and travel sectors, following the reclassification of COVID-19 to a Class 5 infectious disease. However, overall activity remained weak due to price hikes caused by soaring energy costs and surging raw material prices.

Under such circumstances, the Group is continuing to advance the Value Up+ medium-term management plan (FY2021-FY2024) under the basic policy of "Transform ourselves into a corporate group that continuously creates diverse values through customer centrality." The Group is accelerating its growth route with its CSV goals set in six priority areas as growth drivers. Leveraging "The Natural Power of Plants" as a starting point for value creation, the Group will also aim for sustainable growth while creating diverse shared value with society.

The Group has set achieving an ROE level that exceeds the cost of shareholders' equity as a key performance target. In fiscal 2022, ROIC was added to the performance targets, and the Group has been working harder than ever to enhance its profitability and asset efficiency. Furthermore, the Group has developed a framework (Achievement Chart) of KPIs and specific initiatives under the four pillars of growth, aggressive investment, sustainability, and efficiency. The Group will continue to make progress to achieve its performance targets of an ROE of 8.0% or higher and an ROIC of 5.0% or higher in fiscal 2024.

(2) Status by business segments

Oil and Fat Business (Oil and Meal, Processed Oil and Fat)

In the oil and fat business segment, in terms of oil and meal, raw material prices have been on a declining trend after peaking, despite concerns over reduced production of raw materials caused by unfavorable weather and the yen's depreciation against the dollar. In response, the Group worked to maintain and form appropriate sales prices. In addition to expanding sales of value-added products, the Company focused on creating new markets and strengthening solution proposals. As a result, the oil and fat business segment overall reported a decrease in net sales due to a decrease in the meal sales volume and the decline in unit sales prices of domestic oil and fat and overseas processed oil and fat. However, operating profit increased mainly due to sale of domestic oils and fats at appropriate prices.

Processed Food and Materials Business

In the processed food and materials business segment, despite the effects of rising prices of raw materials and higher energy costs, both net sales and operating profit increased due to higher sales volumes of chocolate products and adjustments to appropriate sales prices.

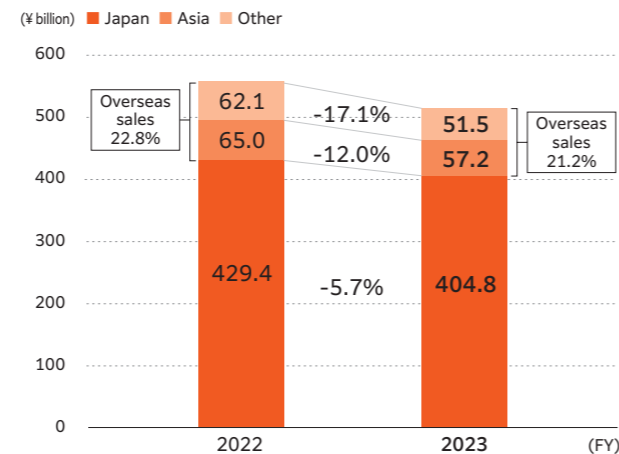
Fine Chemical Business

In the fine chemical business segment, sales were strong in both the domestic and Chinese markets thanks to the reclassification of COVID-19 to a Class 5 infectious disease. Our subsidiary in Spain, Industrial Química Lasem, S.A.U. (IQL), saw exceptional demand from the relaxation of COVID-19 response measures in the previous period. However, the backlash from this special demand had a significant impact in the current period, resulting in a decrease in both net sales and operating profit.

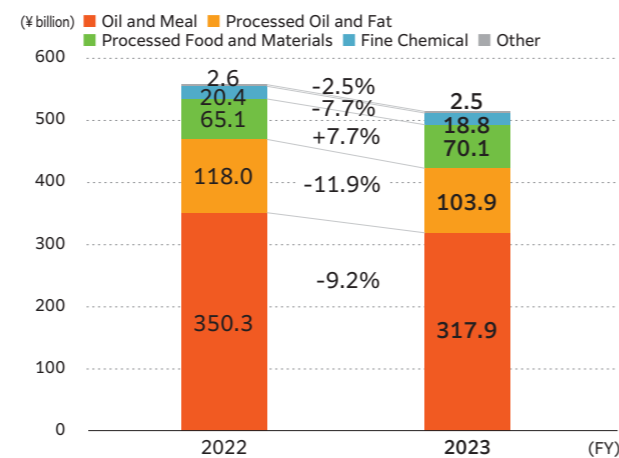
Other

In the other business segment, including IT systems, net sales decreased while operating profit increased.

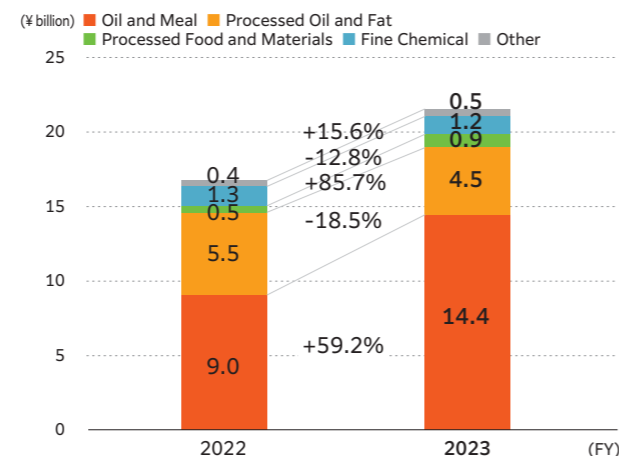
Net sales by region



Net sales by segment



Operating profit by segment



(Does not include inter-segment eliminations and adjustments)

Financial Position and Cash Flows

Status of financial position and business performance

(1) Status of financial position

Total assets on March 31, 2024 were ¥393,382 million, up by ¥18,929 million from the end of the previous consolidated fiscal year. The main reasons for this increase were increases of ¥7,397 million in cash and deposits, ¥2,348 million in trade receivables, ¥4,084 million in property, plant and equipment, and ¥12,158 million in investment securities. This increase in total assets was partially offset by a decrease of ¥8,426 million in inventories.

Liabilities were ¥200,820 million, down by ¥2,214 million from the end of the previous consolidated fiscal year. The main reasons for the decrease were decreases of ¥3,289 million in trade payables, ¥18,186 million in short-term borrowings, and ¥5,000 million in bonds payable. This decrease in liabilities was partially offset by increases of ¥10,000 million in current portion of bonds payable, ¥3,173 million in accounts payable - other, ¥1,631 million in accrued expenses, ¥1,188 million in income taxes payable, ¥4,318 million in long-term borrowings, and ¥1,507 million in lease liabilities.

Net assets were ¥192,562 million, an increase of ¥21,143 million from the end of the previous consolidated fiscal year. The main factors for this were increases of ¥10,750 million in retained earnings and ¥9,307 million in accumulated other comprehensive income.

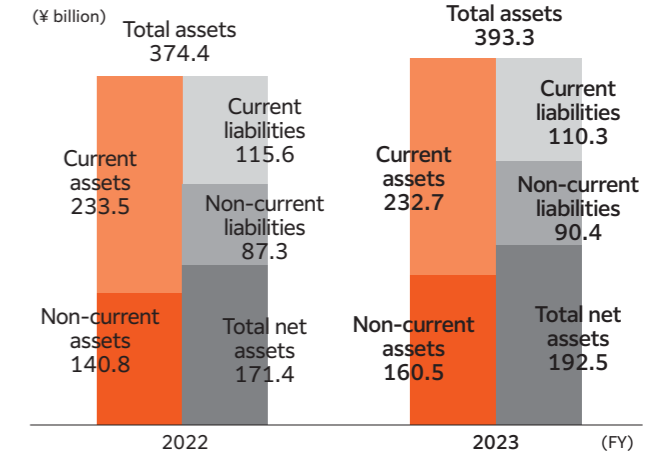
(2) Status of cash flows

Operating activities provided net cash of ¥36,715 million. The main factors increasing cash were profit before income taxes of ¥21,169 million, depreciation of ¥9,287 million, and a decrease in inventories of ¥10,022 million. The main factors decreasing cash were an increase in trade receivables of ¥1,286 million, a decrease in trade payables of ¥4,274 million, and income taxes paid of ¥5,025 million.

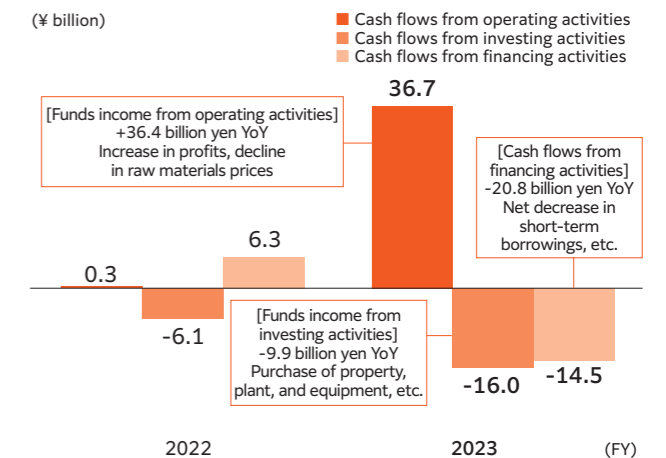
Investing activities used net cash of ¥16,083 million. The main factor decreasing cash was purchase of property, plant and equipment of ¥14,763 million.

Financing activities used net cash of ¥14,586 million. The main factors increasing cash were proceeds from long-term borrowings of ¥5,064 million and proceeds from bond issuance of ¥5,000 million. The main factors decreasing cash were a net decrease in short-term borrowings of ¥18,653 million, repayments of long-term borrowings of ¥947 million, and dividends paid of ¥4,378 million.

Changes in total assets



Changes in cash flow



Capital Expenditure and Research & Development

Status of capital expenditure

In accordance with our basic policy of continuing with business restructuring, by shifting focus to a more growth-oriented path, the Group made capital expenditure of ¥19,113 million, mainly in the oil and fat and processed food and materials businesses, with emphasis on the profitability of investments, taking into consideration strategic

characteristics, importance and urgency. Investments amounted to ¥16,045 million in oil and fat business, ¥2,277 million in processed food and materials business, ¥725 million in fine chemical business, and ¥65 million in the other business.

Status of research & development

Total R&D expenses in fiscal 2023 were ¥3,519 million (¥3,128 million in fiscal 2022). The breakdown of R&D expenses by segment is as follows.

FY2023

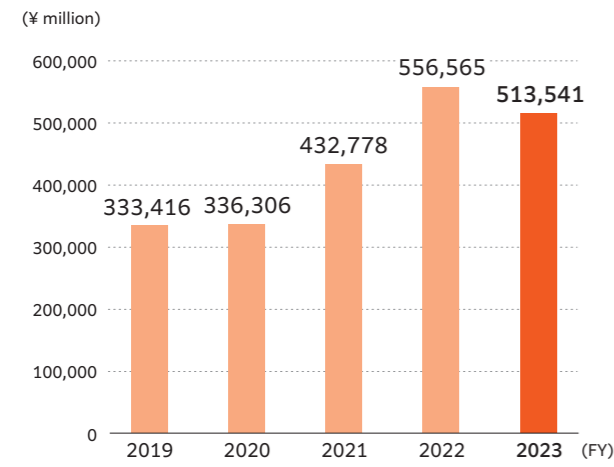
Segment	Oil and Fat Business	Processed Food and Materials Business	Fine Chemical Business	Total
Amount (¥ million)	¥2,332 million	¥579 million	¥607 million	¥3,519 million

Performance and Corporate Information

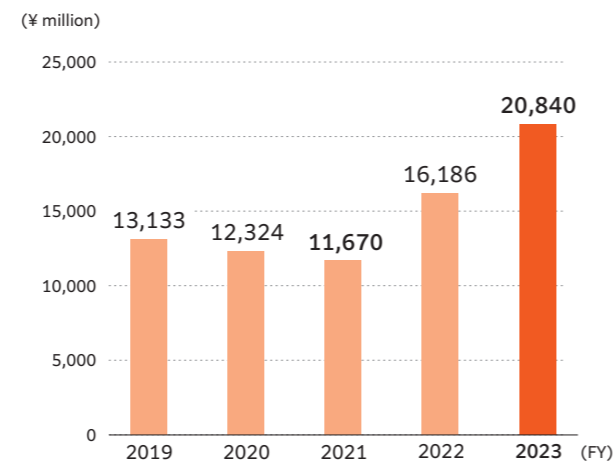
Financial/Non-Financial Highlights

Financial Highlights

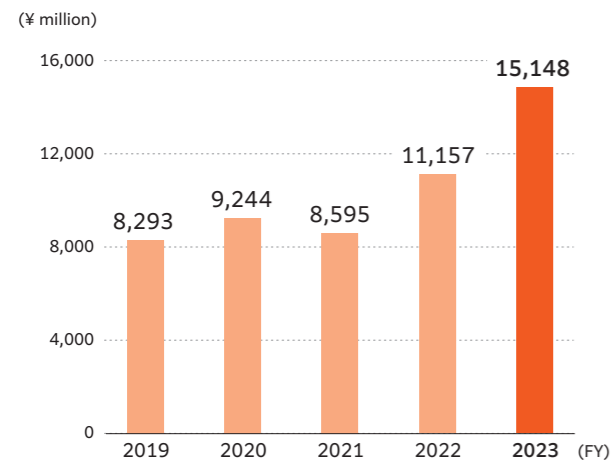
Net sales



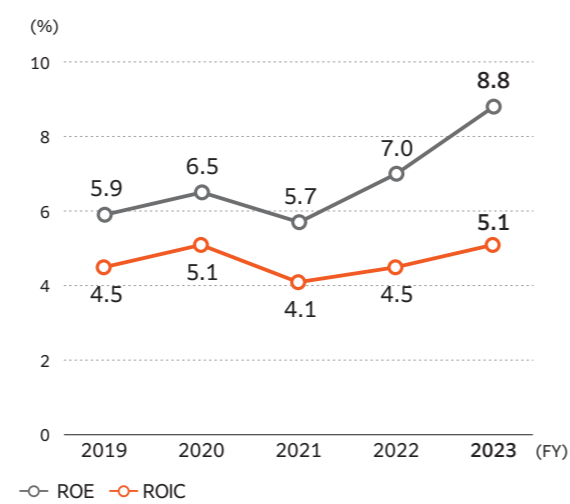
Operating profit



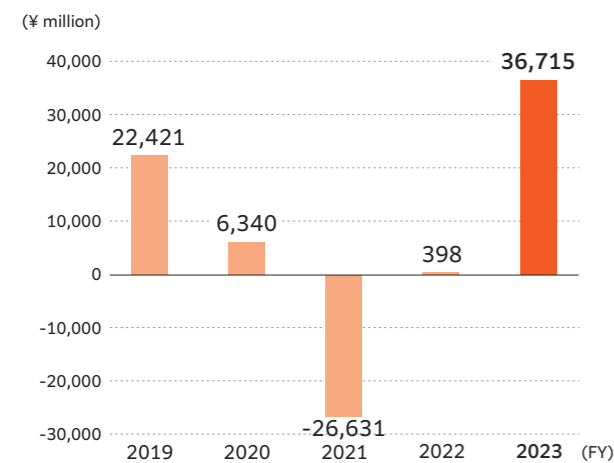
Net profit attributable to owners of parent



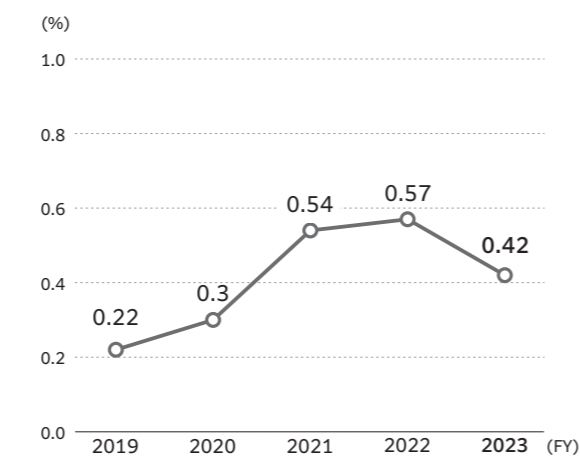
ROE/ROIC



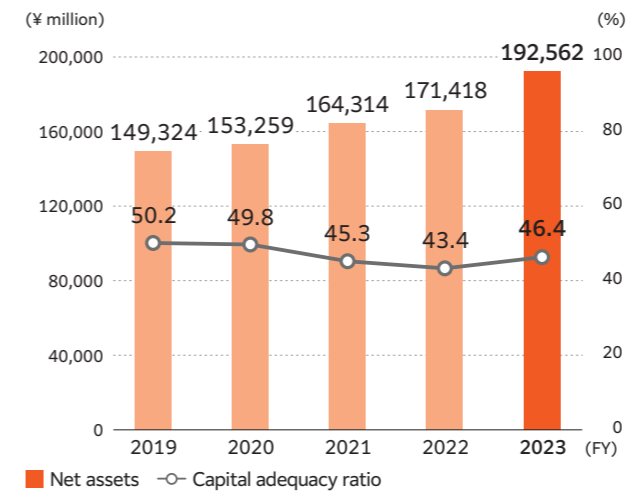
Cash flows from operating activities



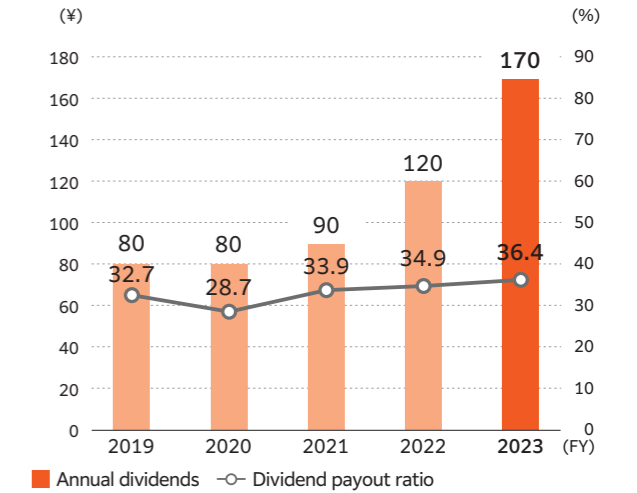
Net D/E ratio



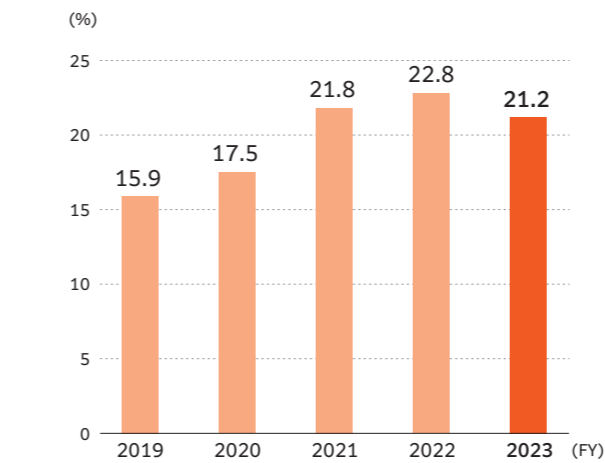
Net assets/Capital adequacy ratio



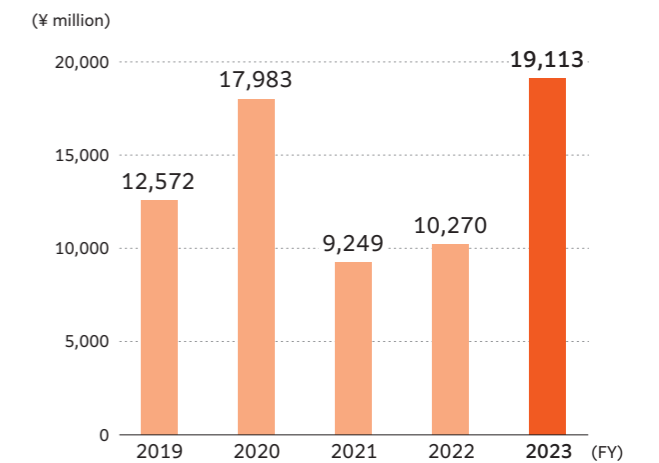
Annual dividends/Dividend payout ratio



Overseas sales ratio

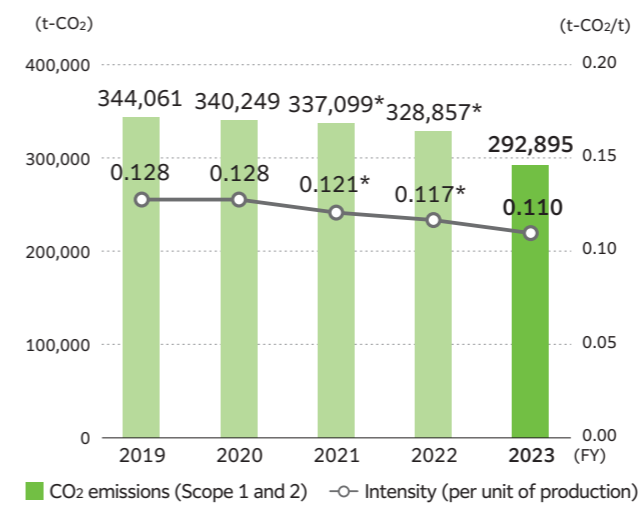


Capital expenditure

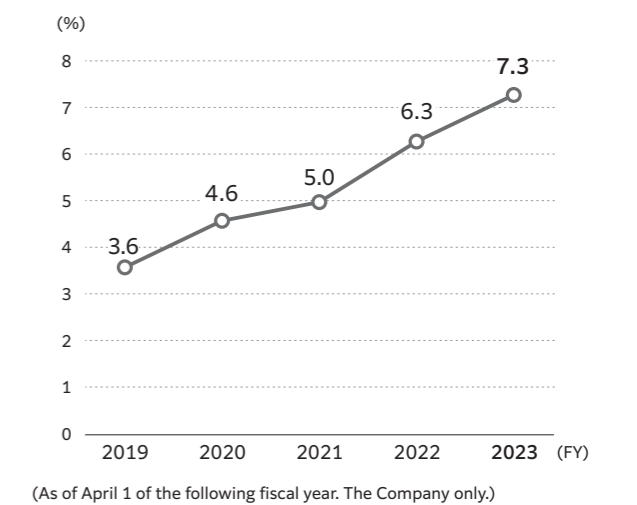


Non-Financial Highlights

CO2 emissions (Scope 1 and 2)/Intensity (per unit of production)



Percentage of management positions held by women



* The figures have been revised as a result of a review of calculation methods in FY2021 and FY2022.

For non-financial information, please refer to Sustainability Data Book on our website.
<https://www.nisshin-oillio.com/english/sustainability/report/data.html>



Performance and Corporate Information

Company Information

Corporate Profile

Company name	The Nisshin Oillio Group, Ltd.
Head office	1-23-1 Shinkawa, Chuo-ku, Tokyo 104-8285 Japan
Telephone	+81-3-3206-5005
Paid-in capital	¥16,332 million (as of March 31, 2024)
Net sales	¥513,541 million (consolidated; fiscal year ended March 31, 2024)
Number of employees	3,078 (consolidated; as of March 31, 2024)

Directors and Audit & Supervisory Board Members

Representative Director and President	Takahisa Kuno		
Representative Director	Hidetoshi Ogami		
Directors	Arata Kobayashi Yoshiharu Okano	Masato Saegusa Masayuki Sato	
Directors (Outside)	Isao Yamamoto Satoko Shisai	Naomi Eto	
Audit & Supervisory Board Members (standing)	Katsuhito Oba Nobuyuki Watanabe		
Audit & Supervisory Board Members (Outside)	Tomotake Kusamichi Keiko Mizuguchi		

Domestic Network

Osaka Complex, Yokohama Isogo Complex (Yokohama Isogo Plant), Nagoya Plant, Sakai Plant, Mizushima Complex (Mizushima Plant), Incubation Square (Research Laboratory), Hokkaido Branch, Tohoku Branch, Kanto Shin-etsu Branch, Tokyo Branch, Tokai-hokuriku Branch, Osaka Branch, Chu-shikoku Branch, Kyushu Branch, Morioka Sales Office, Koriyama Sales Office, Niigata Sales Office, Nagano Sales Office, Tokyo Metropolitan Sales Office, Shizuoka Sales Office, Hokuriku Sales Office, Shikoku Sales Office, Okayama Sales Office, Kagoshima Sales Office, Yokohama Kanagawa Office

Four Domestic Production Plants

Yokohama Isogo Complex
Site area: Approx. 233,100 m²



Nagoya Plant
Site area: Approx. 98,800 m²



Sakai Plant
Site area: Approx. 28,800 m²



Mizushima Complex
Site area: Approx. 110,000 m²



Major Group Companies (Japan)

Settsu Inc.
Nisshin Shoji Co., Ltd.
Nisshin Logistics Co., Ltd.
NSP Co., Ltd.
Daito Cacao Co., Ltd.
Nisshin Shokai Co., Ltd.
Marketing Force Japan, Inc.
Nisshin Finance Co., Ltd.
The Golf Joy Co., Ltd.
Oilseed Processing Partners Japan, Ltd.
PIETRO Co., Ltd.
Wakou Shokuhin Co., Ltd.
Saiwai Trading Co., Ltd.

Major Group Companies (Overseas)

Shanghai Nisshin Oil & Fats, Ltd.
The Nisshin Oillio (China) Investment Co., Ltd.
The Nisshin Oillio (Shanghai) International Trading Co., Ltd.
Intercontinental Specialty Fats Sdn. Bhd.
Industrial Química Lasem, S.A.U.
T.&C. Manufacturing Co., Pte. Ltd.
PT Indoagri Daitocacao
Intercontinental Specialty Fats (Shanghai) Co., Ltd.
Intercontinental Specialty Fats (Italy) S.r.l.
Nisshin Oillio America Inc.
IQL-USA Inc.
COFCO Nisshin (Dalian) Co., Ltd.
President Nisshin Corp.
Zhangjiagang President Nisshin Food Corp.

Notes: 1. Information on this page is valid as of September 30, 2024, except where otherwise noted.
2. Major Group companies include equity-method affiliates.

Stock Information

Status of Shares (as of March 31, 2024)

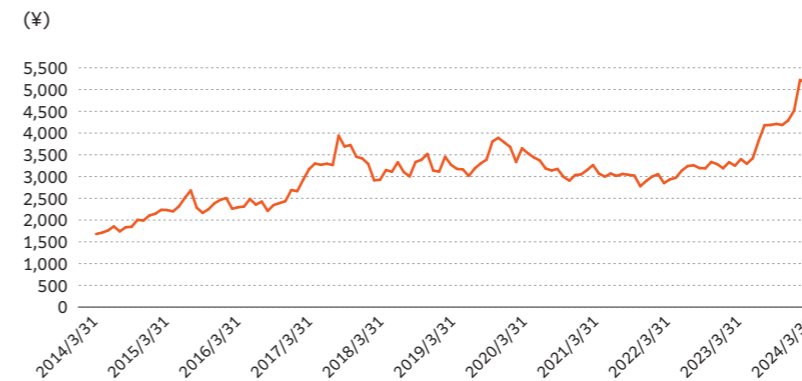
Authorized	77,670,000 shares
Issued	32,576,803 shares (excluding 1,139,454 shares of treasury stock)
Number of shareholders	40,428

Principal Shareholders (as of March 31, 2024)

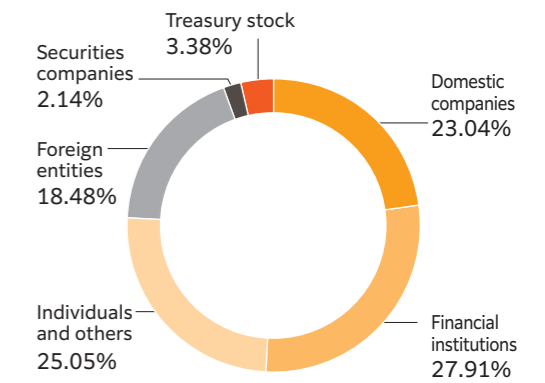
	Shareholdings (thousands)	Percentage of total shares (%)
Marubeni Corporation	5,200	15.96
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,407	13.53
Custody Bank of Japan, Ltd. (Trust Account)	2,647	8.13
DFA International Small Cap Value Portfolio	624	1.92
STATE STREET BANK AND TRUST COMPANY 505223	477	1.47
Kikkoman Corporation	470	1.44
Taisei Corporation	462	1.42
Sompo Japan Insurance Inc.	353	1.08
STATE STREET BANK WEST CLIENT - TREATY 505234	347	1.07
Aioi Nissay Dowa Insurance Co., Ltd.	334	1.03

Notes: 1. The Nisshin Oillio Group holds 1,139,454 shares of treasury stock, but it is not listed among the principal shareholders above.
2. The percentage of total shares issued is calculated excluding treasury stock.

Changes in Share Price



Breakdown of Shareholders (as of March 31, 2024)



Domestic companies	310 entities; 7,768,812 shares
Financial institutions	31 entities; 9,411,069 shares
Individuals and others	39,777 entities; 8,444,309 shares
Foreign entities	276 entities; 6,229,614 shares
Securities companies	33 entities; 722,999 shares
Treasury stock	1 entity; 1,139,454 shares

Note: The pie chart shows the percentage of shares.

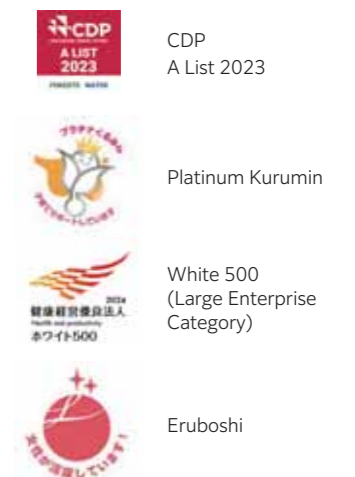
Inclusion in Indexes

2024 CONSTITUENT MSCI Nihonkabu ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



Third-Party Certifications



Websites

	Corporate Information Site https://www.nisshin-oillio.com/english/
	Investor Relations https://www.nisshin-oillio.com/english/inv/
	Sustainability https://www.nisshin-oillio.com/english/sustainability/
	Sustainability Data Book https://www.nisshin-oillio.com/english/sustainability/report/data.html

Indexes, External Initiatives, and Third-Party Certifications
<https://www.nisshin-oillio.com/english/sustainability/certification/>