

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!



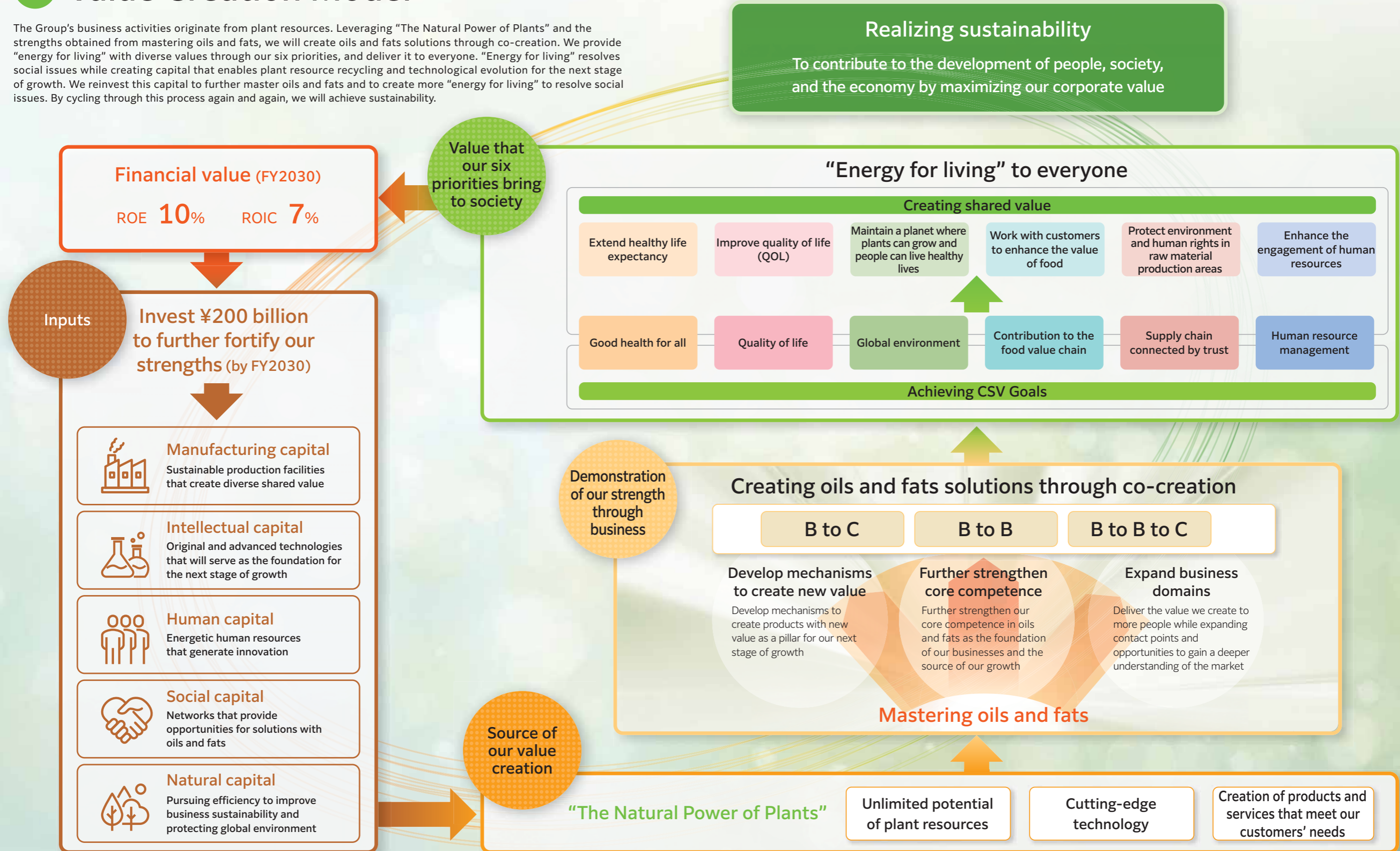
Creating diverse forms of value by mastering oils and fats



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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.



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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
 <h3>Manufacturing capital</h3> <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>	<h3>Manufacturing capital</h3> <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>
 <h3>Intellectual capital</h3> <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 	
 <h3>Human capital</h3> <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 	<h3>Human capital</h3> <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>
 <h3>Social capital</h3> <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 	
 <h3>Natural capital</h3> <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 	<h3>Natural capital</h3> <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.

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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

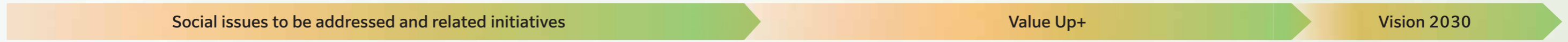
From demonstration of strengths to value provision

		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							

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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	<ul style="list-style-type: none"> 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