

Corporate Governance Report

Last Update: December 17, 2021

FUJI OIL HOLDINGS INC.

Mikio Sakai, President and CEO

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Securities Code: 2607

<https://www.fujioilholdings.com/en/>

The corporate governance of FUJI OIL HOLDINGS INC (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views- Update

Through the realization of effective corporate governance, the Company aims to prevent the occurrence of situations that could harm the Company's corporate value, including legal violations, corruption, or scandals, as well as promote sustainable growth and increase our medium- to long-term corporate value. We position corporate governance as a vital framework for meeting the expectations of our stakeholders, including shareholders, clients and business partners, Company executives and employees, and general society, and ensuring fair and rapid decision-making.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code] - Update

■ Supplemental Principle 3-1 (iii) : Sustainability Efforts

Investment in Human Capital

The Company believes it is very important to develop organizations and people that can respond flexibly to all the changes in the environment surrounding our business to continue contributing to society. We conduct assessments on those applicable and prepare training plans to train the next-generation of managers. In addition, we are training personnel capable of working globally in the future by implementing an overseas dispatch training program for our Japanese employees. Furthermore, we will start considering a local personnel training program in line with our efforts to improve our rate of diversity overseas. We give training by level and have established a subsidy program for distance learning students to support the improvement in skills of our employees in Japan. We have also been systematically placing employees from the perspective of priority fields in business and management structure enhancement*. However, we

are now formulating our new medium-term management plan and are planning to place the human capital necessary in the form of responding to the management strategies and challenges indicated in that.

(*Reference: Supplemental Principle 5-2 (i): Business Portfolio)

The Company is promoting product development and business strategies which accurately capture the trends sought by the market in the expansion and conversion of business that responds to mid- to long-term changes in the business environment. We are reviewing our business portfolio in anticipation of future changes in the business environment and optimizing our production bases overall in a timely manner. Moreover, we have been determining the allocation of management resources for investment and other areas by verifying whether that would create cash flows which exceed the profitability set in the Group according to investment profit standards. The Company is currently formulating a new three-year medium-term management plan. We are considering the formulation of a basic business portfolio policy in that. We plan to announce our new medium-term management plan next year after it goes through the process of deliberations and an approval resolution by the Board of Directors. We plan to disclose the basic business portfolio policy and the situation of the allocation of management resources based on that in our financial briefing results materials and business reports.

■ Supplemental Principle 2-4 (i): Ensuring Diversity in the Promotion of Core Personnel

Concept of Ensuring Diversity

The Company believes that respecting and promoting diversity is a very important social responsibility for us as we are involved in business activities globally. We also think that diversity of personnel is indispensable to achieve sound business development and social contribution amid a greatly changing business environment.

We have not announced target achievement rates for the recruitment of women, foreigners and mid-career personnel from the perspective of promoting and placing the right personnel in the right places. Nevertheless, we are actively working on the promotion of women in particular to core positions by ensuring half of our new graduate recruits are women in addition to providing women with fair opportunities. The Company has disclosed our thoughts and efforts relating to diversity as below.

-Integrated Report (Pages 80 to 83)

https://www.fujioilholdings.com/en/pdf/ir/library/integrated_report/fujioil_integrated_report2021_01_en.pdf

-Sustainability Report

<https://www.fujioilholdings.com/en/sustainability/>

Personnel Training Policy, Internal Environment Development Policy and Other Situations to Ensure Diversity

The Company believes it is essential to secure key personnel in each region and to systematically train them to continuously promote and expand our global business. The Company is striving to train global leaders mainly in our overseas bases. In particular, we are visualizing (listing) our personnel in our overseas bases and the potential qualities possessed by the applicable personnel to promote the proactive

promotion of local employees at the executive management level. (That is, we are working to improve the rate of non-Japanese personnel in the management class.) The Company is also aiming to promote women and foreigners from the perspective of emphasizing diversity among our executive officers in the future.

We launched the Talent Development Committee in 2020 in Japan. Under this, we are building a personnel pool by selecting those applicable and implementing training measures to train the next-generation management personnel who will drive the Group. Moreover, we are promoting growth opportunities through promotion and job rotation while supporting the acquisition of the necessary management skills for those applicable.

(Corporate Governance Code Standards Revised in June 2021)

[Disclosure Based on the Principles of the Corporate Governance Code] – Update

■ Principle 3-1(i) : Corporate Philosophy / Medium-Term Management Plan / Corporate Governance Policy

The Company established the Fuji Oil Group Management Philosophy as our corporate philosophy and publish this Management Philosophy on our website.

<https://www.fujioilholdings.com/en/about/constitution/>

■ Principle 3-1(ii) : Basic Stance and Basic Policy on Corporate Governance

The Company established the Fuji Oil Holdings Corporate Governance Guidelines as principles and guidelines to be referenced in relation to corporate governance and these guidelines on our website.

https://www.fujioilholdings.com/pdf/en/ir/policies_and_systems/governance/guidelines.pdf

■ Supplemental Principle 3-1 (iii) : Sustainability Efforts **Sustainability Efforts**

The Group is promoting ESG management to pursue both the sustainable growth of the Group and the realization of a sustainable society by solving social issues through plant-based food ingredients. The role played by companies in realizing a sustainable society is increasingly important. The Group has introduced the concept of creating shared value (CSV) to further strengthen ESG management. We are aiming to maximize sustainable corporate value by enhancing both social value and economic value. We are doing this while meeting the expectations of our stakeholders at the same time.

The Company established the ESG Committee (Chair: Chief “ESG” Officer (C “ESG” O)) in 2015 as an advisory body of our Board of Directors and is operating it with the purpose to strengthen ESG management. In addition to identifying the material ESG issues of the Group and monitoring the progress, this committee discusses other issues relating to ESG activities and targets and strategies. Moreover, we invite experts from outside the Company to serve as advisors on this committee. With this, we are looking to incorporate the perspective of society.

-Sustainability Site

<https://www.fujioilholdings.com/en/sustainability/>

-ESG Data Book

<https://www.fujioilholdings.com/pdf/en/sustainability/download/esg2021.pdf>

-GRI Standard Comparison Chart

<https://www.fujioilholdings.com/pdf/en/sustainability/download/gri2021.pdf>

The Group announced our endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) in May 2019. We are disclosing information in regards to four items – governance, strategies, risk management, and indicators and targets – based on the recommendations of the TCFD.

-Risk Management System

<https://www.fujioilholdings.com/en/sustainability/governance/risk/>

Investment in Intellectual Property

The Company is utilizing the research achievements and advanced technological capabilities we have built up over many years to develop plant-based food ingredients based on vegetable fats and oils and proteins. We have been especially focusing our efforts in recent year on technology and intellectual property strategies aiming to create innovation with the concept of Plant-Based Food Solutions (PBFS) under the promotion of ESG management. Specifically, we are advancing an open & close strategy using both those we will actively convert to intellectual properties and those we will keep confidential as internal expertise. In addition to strengthening applications overseas for important patents in anticipation of future development overseas, we are reinforcing our intellectual properties in our core business (the fats and oils and chocolate fields) and future business (the PBFS field). With this, we are looking to improve our corporate value. Furthermore, the Company is promoting rejuvenation and improving the asset value of our intellectual properties by periodically taking an efficient inventory of our intellectual property portfolio and then putting it into future investment.

We opened Global Innovation Center Europe in Food Valley in the Netherlands in the fall of this fiscal year. Food Valley is where Wageningen University & Research that leads the world in the agriculture and food science fields is located. It is also where research institutions of global companies are found. The aim of the center is to create new value amid changes in society advancing globally. We will use this as a hub to disseminate cutting-edge information and to create new business relating to sustainability.

■Principle 1-4 : Cross-shareholding

Since the corporate governance code was adopted in 2015, we have worked to eliminate cross-shareholding in accordance with the spirit of Principle 1-4. We currently hold 21 stocks in our cross-shareholdings. Comparing the end of FY2015 with the end of FY2020, we sold all our cross-shareholdings in 12 stocks.

We have also continued to work on the partial sale of our cross-shareholdings. As a result, based on the total acquisition price of our cross-shareholdings as of the end of FY2015, we have reduced our cross-shareholdings to approximately 40% as of the end of FY2020.

We have also been exercising voting rights for our individual cross-shareholdings by comprehensively taking into account compliance with our shareholding policy and contribution to an improvement in the corporate value of the issuing company.

We will continue to review the situation concerning our cross-shareholdings at the Board of Directors' meeting at the end of the fiscal year. We will consider the propriety of our shareholdings by closely examining in concrete terms whether the purpose of the shareholding is appropriate and whether the benefits and risks associated with that shareholding correspond to the capital costs for each of our individual cross-shareholdings. At the same time, we will work to reduce our cross-shareholdings for stocks that are not compatible with our shareholding policy.

■ Principle 2-6 : Functioning as the asset owner of the corporate pension

We manage deposits through the Fuji Oil Corporate Pension Fund (hereinafter, Fund) and promote the creation of a structure that enables us to function as the asset owner of the Fund.

1) On the human resources side, we appoint former members of the Public Pension Asset Management Committee, securities analysts, and other employees with the appropriate qualifications expected of corporate pension asset owners to serve as fund advisors. These advisors provide advice and support towards ensuring the Fund appropriately implements monitoring activities of consigned asset management institutions conducted by the Fund.

2) The Fund holds quarterly Asset Management Committee meetings to select asset management institutions based on the results of fund management monitoring by the consigned asset management institution. Furthermore, during the consignment of asset management by the Fund, we confirm that all asset management institutions (total of six institutions) have adopted the Stewardship Code.

3) To manage any conflicts of interest between corporate pension beneficiaries and the Company, we leave the selection of individual investment targets and judgments on the exercising of voting rights to the discretion of each asset management institution to ensure there are no conflicts of interest.

■ Supplemental principle 4-1-1 : Scope of decision-making by the Board of Directors and transition of authority to the management team, etc.

Under "Duties of the Board of Directors" in the Fuji Oil Holdings Corporate Governance Guidelines, the Company outlines and discloses provisions stipulating that excluding matters requiring resolutions by the Board of Directors in accordance with provisions outlined in law or internal regulations, decision-making related to the execution of business shall be delegated appropriately to managing directors and executive officers.

■Principle 3-1(iii) : Management team compensation decisions, nomination policies, etc.

The Company outlines compensation for directors as being within a range determined at the General Meeting of Shareholders in accordance with "Compensation, etc., for Directors and Audit & Supervisory Board Members" in the Fuji Oil Group Holdings Governance Guidelines, and decided by the Board of Directors following fair and transparent deliberation by the Nomination and Compensation Advisory Committee.

■Principle 3-1(iv) : Policy on nomination, election and dismissal of management team, etc.

Under "Selection Criteria, etc., for Director Candidates and Audit & Supervisory Board Member Candidates" in the Fuji Oil Holdings Corporate Governance Guidelines, the Company outlines selection standards and procedures for choosing director or Audit & Supervisory Board member candidates.

■Supplemental principle 3-1(v) : Explanation of reasons for nominating individual candidates for directors and audit & supervisory board members, etc.

The Company outlines that the reasons for nominating director / Audit & Supervisory Board member candidates must be deliberated by the Board of Directors and then reported to the Nomination and Compensation Advisory Committee, an advisory committee to the Board of Directors that is chaired by an outside director. As of the 88th Ordinary General Meeting of Shareholders, the individual reasons for nominating each director or Audit & Supervisory Board member candidate are disclosed via publication in the reference materials included with the convening notice for the Ordinary General Meeting of Shareholders. Furthermore, to ensure the independence of Audit & Supervisory Board member candidates, during the selection process highest priority is placed on the opinion of the Audit & Supervisory Board, which also references the Nomination and Compensation Advisory Committee report.

■Supplemental principle 4-14-2 : Training policy of Directors, Audit & Supervisory Board Members

Under "Support System and Training Policy for Directors and Auditors" in the Fuji Oil Holdings Corporate Governance Guidelines, the Company outlines and discloses provisions stipulating that directors and Audit & Supervisory Board members continuously be provided the information and knowledge concerning business activities required to monitor operations both at the time of their appointment and after their appointment. The Company also outlines guidelines for the training of directors and Audit & Supervisory Board members in order to provide the opportunities necessary to fulfill the roles required of them.

■Principle 4-9 : Criteria for determining the independence of independent outside directors and their qualifications

To ensure the independence of outside directors, we select independent director candidates based on the parameters for independence outlined in the financial instrument exchanges on which our Company is listed as well as in accordance with the standards for judging the independence of outside directors we outline. Our standards for judging the independence of outside directors are as outlined below.

Furthermore, to ensure the independence of outside directors, we believe it is appropriate to set maximum terms of six years for directors and eight years for Audit & Supervisory Board members.

As standards for judging the independence of outside directors and outside Audit & Supervisory Board members, we outline that candidates not be applicable to any of the following. This information is indicated in the Reference Documents for the General Meeting of Shareholders.

(1) Director, Audit and Supervisory Board Member (excluding Outside Director and Outside Audit and Supervisory Board Member), Executive Officer, or employee of the Company or a subsidiary of the Company (hereinafter, collectively referred to as the "Group")

(2) Director, Audit and Supervisory Board Member, Executive Officer, or employee of a major shareholder* of the Group

* Top ten major shareholders listed on the latest shareholder registry at the time of assuming office (including those holding Company's shares indirectly)

(3) Director, Audit and Supervisory Board Member, Executive Officer, or employee of person for whom the Group is a major business partner*

* Business partner defined as a party who receives payments from the Group amounting to the equivalent of 2% or more of the business partner's annual consolidated sales during the most recent fiscal year

(4) Director, Audit and Supervisory Board Member, Executive Officer, or employee of person who is a major business partner* of the Group

* (i) Business partner who makes payments to the Company amounting to the equivalent of 2% or more of the Group's annual consolidated sales during the most recent fiscal year

(ii) Business partner who provides loan to the Group amounts to the equivalent of 2% or more of the Group's total consolidated assets as of the end of most recent fiscal year

(5) Director, Audit and Supervisory Board Member, Executive Officer, or employee of a company to which the Group assigns Directors

(6) A consultant, accounting professional, or legal professional who received monetary and/or other economic benefit amounting to 10 million yen or more on average per annum over the past three years other than officers' remuneration from the Group

(7) A person who falls or fell under item (1) above currently or for the past ten years

(8) A person who falls or fell under any of items (2) to (6) above currently or for the past five years

(9) A spouse, relative within the second degree of kinship or other relative living together of a person who falls under any of items (1) through (8) above

■Supplemental principle 4-10-1 : Establishment of the Nomination and Compensation Advisory Committee

The Company has established the Nomination and Compensation Advisory Committee as an advisory body to the Board of Directors. In order to enhance transparency and objectivity, the committee is chaired by an independent outside director and consists of a majority of independent outside directors.

The Nomination and Compensation Advisory Committee deliberates on matters related to the nomination, succession planning, and compensation of senior management and directors, including the CEO, as requested by the Board of Directors, and reports to the Board of Directors.

■Supplemental principle 4-11-1 : Balance of board of directors and diversity of each director, skill matrix, etc.

Currently, we have eight directors (including 3 independent outside directors (of which one is female) and 1 outside director). Outside directors represent fifty percent of all directors.

When selecting director candidates, we believe that diversity (gender, nationality, expertise, etc.) among members of the Board of Directors is important. In the Reference Documents for the General Meeting of Shareholders, we include a skill matrix indicating the domains in which each director is able to apply his/her expertise and experience.

The matrix of skills required by the board of directors in light of the business strategy is as follows

<https://www.fujioilholdings.com/en/about/governance/system/>

Furthermore, during the nomination of director candidates, we work to ensure objectivity and transparency for the nomination process through the report issued by the Nomination and Compensation Advisory Committee, which is chaired by an outside director.

■Supplemental principle 4-11-2 : Concurrent positions held by outside directors and outside audit & supervisory board members

The status of Company directors and Audit & Supervisory Board members with simultaneous appointments at other listed companies is disclosed in the reference materials included with the convening notice for the Ordinary General Meeting of Shareholders and we disclose Ordinary General Meeting of Shareholders convening notices on the Company website.

■Supplemental principle 4-11-3 : Evaluation of the effectiveness of the Board of Directors

We have adopted an evaluation method with third party institution interviews and questionnaires to ensure objectivity and transparency in regards to evaluations of the effectiveness of the Board of Directors in our corporate governance code. We are utilizing this method to improve our corporate governance.

The overview of evaluations, the evaluation results and our future efforts in conducting evaluations of the efficacy of the Board of Directors are as below. In FY2020, we conducted this evaluation focused on

confirming the progress in regards to the issues revealed by the evaluation of the effectiveness of the Board of Directors in the previous fiscal year.

1. Evaluation overview (target, evaluation process, questions)

Target: (Survey)

10 directors and 4 Audit & Supervisory Board members

Normally, we also conduct interviews. However, this fiscal year we limited our evaluation to a survey focused on confirming the issues identified during the previous year.

Evaluation process: Third-party analysis of results to ensure anonymity

2. Questions:

I. Evaluation of process of problem improvements. II. Matters for deliberation by the Board of Directors.

III. Evaluation of responses to changes in operating environment (COVID-19, DX).

3. Evaluation results

The Company was evaluated positively for the functionality of the Nomination and Compensation Advisory Committee, the majority of members being independent outside directors, in relation to the drafting of a CEO succession plan and a directors' remuneration system (including incentives linked to medium- and long-term performance). At the same time, we also confirmed the need to further strengthen Group governance initiatives and enhance deliberations related to the state of monitoring functions for the Board of Directors.

Based on the above evaluate results and ongoing initiatives, our Board of Directors will continue to conduct efficacy evaluations and work to improve both Board of Directors' functions and corporate governance as we work towards continuous improvements to our corporate value.

■ Principle 1-7: Related party transactions

Under "Prevention of Trade Contrary to the Interests of Shareholders" in the Fuji Oil Holdings Corporate Governance Guidelines, the Company outlines and discloses provisions requiring that transactions involving a director, Audit & Supervisory Board member, major shareholder, etc. that are deemed important or irregular transactions shall be subject to approval by the Board of Directors.

■ Principle 5-1: Policy on Constructive Dialogue with Shareholders

Under "Dialog With Shareholders" in the Fuji Oil Holdings Corporate Governance Guidelines, the Company outlines and discloses provisions requiring the creation of a structure and initiatives to promote constructive dialog with shareholders.

(Revised June 1, 2021 – Corporate Governance Code Standards)

2. Capital Structure

Foreign Shareholding Ratio	From 10% to less than 20%
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[Status of Major Shareholders] - Updated

Name / Company Name	Number of Shares Owned	Percentage (%)
Itochu Food Investment, LLC	33,219,132	38.59
The Master Trust Bank of Japan, Ltd. (Trust account)	6,808,000	7.91
Custody Bank of Japan, Ltd. (Trust account)	3,282,700	3.81
National Mutual Insurance Federation of Agricultural Cooperatives	2,639,000	3.07
Fuji Oil Customer Shareholding Association	1,428,177	1.66
Itochu Sugar Co., Ltd.	1,130,000	1.31
Nippon Life Insurance Company	1,100,667	1.28
Sumitomo Mitsui Banking Corporation	1,078,398	1.25
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,058,276	1.23
The Norinchukin Bank	1,049,568	1.22

Controlling Shareholder (excluding parent company)	----
Parent Company	None

Supplementary Explanation

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, First Section
Fiscal Year-End	March
Type of Business	Foods
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

5. Other Special Circumstances which may have Material Impact on Corporate Governance

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	16
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	8
Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Directors	3

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Yuko Ueno	Person who has experience in working in other companies												
Hidenori Nishi	Person who has experience in working in other companies								△				
Toshiyuki Umehara	Person who has experience in working in other companies												
Shuichi Miyamoto	Person who has experience in working in other companies												

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

- e. Major client or supplier of the Company or an executive thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/Audit & Supervisory Board member
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company outside directors/Audit & Supervisory Board members are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Yuko Ueno	○	There are no applicable matters.	Yuko Ueno has spent several years serving as a marketing consultant for many companies and municipal agencies. In addition to running her own company, she also has vast experience and knowledge serving as an outside director for listed companies. For the aforementioned reasons, the Board of Directors of the Company has determined that she will be able to appropriately perform the duties of an Outside Director and has therefore nominated her as a candidate for Outside Directors a member of the Nomination and Compensation Advisory Committee, we look forward to her continued involvement in the nomination of director candidates and decisions on directors' compensation from an objective and neutral perspective.

Hidenori Nishi	○	<p>Kagome Co., Ltd., for which Hidenori Nishi was appointed President and Chairman of the Board of Directors, is developing the food business. This company has a business relationship with our company. However, the amount of this business is minimal (less than 0.1% of consolidated sales). Therefore, it will not affect Mr. Nishi's independence.</p>	<p>Mr. Nishi is also currently serving as an outside director at a listed company. We believe that we will be able to strengthen supervision of the business operations of our company and to further improve the effectiveness of our Board of Directors by utilizing his many years of experience in management.</p> <p>As there are no special interests between Mr. Nishi and the Company, we have judged there is no risk of conflicts of interest and designate Mr. Nishi as an independent director. He has been engaged for many years in companies developing food related business on a global basis and has a wealth of experience as a corporate executive. In addition, he is also profoundly knowledgeable about marketing and possesses advanced insights into the food field that is a business area of our company. For the aforementioned reasons, the Board of Directors of the Company has determined that he will be able to appropriately perform the duties of an Outside Director and has therefore nominated him as a candidate for Outside Director.</p>
Toshiyuki Umehara	○	<p>There are no applicable matters.</p>	<p>Mr. Umehara has worked for many years as an engineer and business manager at a manufacturer of electronic materials, which has many top-share products in a wide range of fields such as FPD materials, automobiles, and medical. He has a wealth of experience as a corporate manager and deep knowledge in the fields of technology and information along with a high level of insight into technology management, where the Company has an advantage, and in the information field, which the Company is enhancing. The Board of Directors of the Company expects Mr. Umehara to be able to properly execute duties as Outside Director due to the above mentioned reasons, and therefore, it has decided to nominate him as a candidate for Outside Director. For the aforementioned reasons, the Board of Directors of the Company has determined that he will be able to appropriately perform the duties of an Outside Director and has therefore nominated him as a candidate for Outside Director.</p>

Shuichi Miyamoto	<p>The Company and ITOCHU Corporation, at which Mr. Shuichi Miyamoto concurrently holds a position, have a business relationship related to the transactions of raw materials and product sales, etc. between the Company and ITOCHU Corporation and its group companies. In addition, ITOCHU FOOD INVESTMENT, LLC and ITOCHU SUGAR CO., LTD., both of which are subsidiaries of ITOCHU Corporation, are major shareholders of the Company and hold 39.9% of the Company's total issued shares (net of treasury shares). Due to the above mentioned reasons, the Company will not notify the Tokyo Stock Exchange of him as independent director/auditor under its provisions.</p>	<p>Reason for nomination as a candidate for Outside Director and outline of expected role Mr. Miyamoto joined a major Japanese trading company and has been consistently engaged in food-related business since then. He has a wide range of experience, including handling raw materials, secondment to business companies, and overseas assignments (Singapore and Thailand), and has been involved in overall food business and business company management overseas. He has been active in a number of operations in Japan and overseas as a manager since he became Chief Operating Officer of Provisions Division in April 2019.</p> <p>The Board of Directors of the Company expects Mr. Miyamoto to be able to properly execute duties as Outside Director due to the above mentioned reasons, and therefore, it has decided to nominate him as a candidate for Outside Director.</p> <p>In the event that he is elected, we expect that he will contribute to the enhancement of the Company's corporate value by providing advice and opinions in the areas of raw material procurement, new businesses, and overseas business management.</p>
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Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

Committee's Name	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
All Committee Members	Nomination and Compensation Advisory Committee	Nomination and Compensation Advisory Committee
Full-time Members	5	5
Inside Directors	0	0
Outside Directors	2	2
Outside Experts	3	3
Other	0	0
Chairperson	Outside Director	Outside Director

1. Purpose of establishing Nomination and Compensation Advisory Committee

As a company that has established an Audit & Supervisory Board, we have created a Nomination and Compensation Advisory Committee as a monitoring and supervision body for the Board of Directors.

The Nomination and Compensation Advisory Committee is chaired by an outside director and examines Board of Director personnel and compensation. The Committee serves to strengthen corporate governance by ensuring objectivity and accountability related to decisions on appointments and compensation.

2. Role of Nomination and Compensation Advisory Committee

The Nomination and Compensation Advisory Committee carefully deliberates the following matters when consulted by the Company Board of Directors and issues a report on the Board of Directors.

(1) Human resource matters related to directors and other management personnel

-Policies and procedures related to directors and other management personnel

-Matters indicated in motions submitted to the General Meeting of Shareholders related to the nomination and removal of directors and Audit & Supervisory Board members

-Matters related to the nomination and removal of the representative director and managing directors

-Matters concerning the work assigned to directors

-Matters concerning the nomination and removal of executive officers

-Matters related to training policies and systems for directors and other management personnel

(2) Compensation matters related to directors and other management personnel

-Policies and systems related to directors and other management personnel compensation

-Matters indicated in motions submitted to the General Meeting of Shareholders related to compensation for directors and Audit & Supervisory Board members

-Matters concerning evaluations when deciding individual director compensation

3. Committee structure

The Nomination and Compensation Advisory Committee is comprised of three or more members nominated via a vote by the Board of Directors (however, at least half must be outside directors).

[Audit & Supervisory Board]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board members Stipulated in Articles of Incorporation	4
Number of Audit & Supervisory Board members	4

Cooperation among Audit & Supervisory Board members, Accounting Auditors and Internal Audit Departments

Audit & Supervisory Board members work in close cooperation with accounting auditors by receiving audit plans and reports from and via information exchanges with accounting auditors. Audit & Supervisory Board members work to improve the effectiveness of audits. They do this by visiting overseas group companies and other subsidiaries, holding meetings with the Internal Audit Group, cooperating in audit activities, meeting with accounting auditors and working with the Audit & Supervisory Board Member and Internal Audit Department and accounting auditors in addition to attending important meetings (e.g., the Management Council).

Appointment of Outside Audit & Supervisory Board members	Appointed
Number of Outside Audit & Supervisory Board members	2
Number of Outside Audit & Supervisory Board members designated as Independent Directors	2

Outside Audit & Supervisory Board member's Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Ryuta Uozumi	Certified public accountant										△			
Hirohiko Ikeda	Lawyer													

* Categories for "Relationship with the Company"

* "○" when the Auditor & Supervisory Board member presently falls or has recently fallen under the category;

"△" when the Auditor & Supervisory Board member fell under the category in the past

* "●" when a close relative of the Auditor & Supervisory Board member presently falls or has recently fallen under the category;

"▲" when a close relative of Auditor & Supervisory Board member fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or accounting advisor of the Company or its subsidiaries

c. Non-executive director or executive of a parent company of the Company

d. Audit & Supervisory Board member of a parent company of the Company

e. Executive of a fellow subsidiary company of the Company

- f. A party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/Audit & Supervisory Board member
- i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board member himself/herself only)
- k. Executive of a company, between which and the Company outside directors/Audit & Supervisory Board members are mutually appointed (the Audit & Supervisory Board member himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board member himself/herself only)
- m. Others

Outside Audit & Supervisory Board member's Relationship with the Company (2)

Name	Designation as Independent Audit & Supervisory Board member	Supplementary Explanation of the Relationship	Reasons of Appointment
Ryuta Uozumi	○	The Company has a business relationship with KPMG AZSA LLC where Ryuta Uozumi was a representative partner. Nevertheless, this is not a business relationship that will impact his independence. Therefore, we will omit this in the overview.	Mr. Uozumi has knowledge of finance and accounting as a certified public accountant. We hope to maintain an objective, neutral and fair audit structure by getting him to monitor and supervise the management of our company as an outside Audit & Supervisory Board member. As there are no special interests between Mr. Uozumi and the Company, we have judged there is no risk of interest and designate Mr. Uozumi as an independent director.
Hirohiko Ikeda	○	There are no applicable matters.	Hirohiko Ikeda is an expert in corporate legal affairs with special knowledge as a lawyer. He has handled many corporate legal affairs and M&As through his many years of experience as a lawyer. In addition, he has global legal affairs experience. For example, he has experience as a lawyer in the United States and in researching the litigation and audit systems in the Asia-Pacific. Moreover, he also focuses on nurturing young people as a university lecturer. This

			<p>means he has abundant experience and a high-level of insight.</p> <p>We are nominating Hirohiko Ikeda as an Outside Audit & Supervisory Board Member to maintain an objective, neutral and impartial audit structure by monitoring and supervising the management of the Company. We have determined that he satisfies the independence requirements stipulated by the Tokyo Stock Exchange. Accordingly, we have made the judgment that he will be an Outside Audit & Supervisory Board Member at no risk of having a conflict of interest with general shareholders.</p> <p>Therefore, we have designated him as an independent officer of the Company.</p>
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[Independent Directors/Audit & Supervisory Board members]

Number of Independent Directors/Audit & Supervisory Board members	5
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Matters relating to Independent Directors/Audit & Supervisory Board members

We designate as Independent Directors all outside directors who fulfill the qualifications as independent directors.

[Incentives]

Incentive Policies for Directors	Performance-linked Remuneration, etc.
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Supplementary Explanation

The Company reviews our officer's remuneration system under our basic policy on corporate governance. The aim of this is to continuously improve the corporate value of the Group, to promote the sharing of value with our stakeholders, and to ensure that the duties of directors involved in management supervision and business execution are performed appropriately. The Nomination and Compensation Advisory Committee, which is mostly made up of outside directors, repeatedly discusses the state of director remuneration. With this, we have introduced a new officer's remuneration system that further clarifies the linkage between the remuneration of directors and the performance and stock price of the Company after undergoing deliberations by the Board of Directors.

Recipients of Stock Options	
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Supplementary Explanation

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	No Individual Disclosure
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Supplementary Explanation

Details of directors' compensation for our Company (FYE March 2021)

The total amount of director's compensation allocated for Company directors and Audit & Supervisory Board members is as follows.

- Directors (including outside directors) 270 million yen
- Audit & Supervisory Board members (including outside Audit & Supervisory Board members) 75 million yen
- Total (outside directors and outside Audit & Supervisory Board members) 345 (54) million yen

(Notes)

1. The above amount includes compensation for 2 directors and 2 Audit & Supervisory Board members who stepped down from the positions upon the adjournment of the 92th Ordinary General Meeting of Shareholders.
2. The above includes director's bonuses (performance-linked monetary remuneration) and stock compensation (performance-linked non-monetary remuneration).
3. The above directors' compensation total amount does not include wages for directors with managerial duties as Company employees.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods
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In terms of the officer's remuneration in the Company, it was resolved to keep the monetary remuneration limit for Directors to within 600 million yen a year (and to keep it to within 50 million yen for outside Directors among that) and within 200 million yen a year as performance-linked stock remuneration (only for directors executing business) at the 92th Ordinary General Meeting of Shareholders held on June 18, 2020. Furthermore, it was resolved to keep the remuneration limit of Audit & Supervisory Board members to within 100 million yen a year at the 89th Ordinary General Meeting of Shareholders held on June 22, 2017. Moreover, outside directors and Audit & Supervisory Board members receive only fixed remuneration.

Directors' remuneration is determined via a vote by the Board of Directors based on recommendations by the Nomination and Compensation Advisory Committee, which serves as an advisory body to the Board of Directors. Compensation amounts are within the maximum remuneration and performance-linked stock compensation decided via a resolution passed at the 92th Ordinary General Meeting of Shareholders. Compensation for Audit & Supervisory Board members is determined based on deliberation by the Audit & Supervisory Board.

At the Board of Director's meeting held on June 18, 2020, we voted on the following concerning policies related to individual remuneration for directors. Prior to the vote by the Board of Directors, the Nomination and Compensation Advisory Committee was consulted on agenda details and recommendations were received from the committee.

<Basic Policy>

Establish a remuneration structure to share value with shareholders and other stakeholders.

Establish a remuneration structure that raises awareness to improve mid- to long-term performance and to increase corporate value.

The process to determine the remuneration limit is determined by the Board of Directors subject to the deliberations and interview process conducted by the Nomination and Compensation Advisory Committee that consists mainly of outside directors.

<Remuneration Structure>

The remuneration structure for directors (excluding outside directors) consists of basic remuneration (fixed remuneration based on position), performance-linked monetary remuneration (bonus), and performance-linked stock remuneration (stock trust).

The remuneration structure is designed so that ratio of performance-linked remuneration increases as performance and corporate value improves with a goal of each remuneration type being equally distributed between basic remuneration, bonus, and stock remuneration over time.

- ◆ For basic remuneration (fixed remuneration based on position), we determine a basic remuneration amount based on position.
- ◆ Performance-linked monetary remuneration (bonuses) is an incentives linked to annual corporate earnings. We set consolidated operating profit as a KPI and the remuneration amount is paid out at a rate between 0% and 200% based on level of achievement.
- ◆ Performance-linked non-monetary remuneration (stock trust) is designed so that directors share profit and risks associated with fluctuations in stock price with our shareholders, and includes incentives linked to improvements in annual corporate performance and increases in corporate value. We set the annual EPS (consolidated net income per share) and ROE (consolidated return on equity) outlined in our Medium-Term Management Plan as KPIs, with stock remuneration fluctuating between 0% and 200% based on the level of achievement. Furthermore, the timing of stock allocation to directors is the time of retirement from the position of director.

In light of their roles and to ensure objectivity, remuneration to outside directors includes basic remuneration only.

In light of their roles and to ensure objectivity, remuneration to Audit & Supervisory Board members is comprised of basic remuneration only. Remuneration amounts are determined based on deliberation by the Audit & Supervisory Board based on a consideration of roles and responsibilities up to a maximum remuneration amount for Audit & Supervisory Board members determined via a resolution by the General Meeting of Shareholders. Furthermore, we reference survey data by expert external institutions when determining remuneration levels for Audit & Supervisory Board members.

(Performance-linked Remuneration for Directors)

The following gives an overview of the details of the variable remuneration for Directors – performance-linked monetary remuneration (bonuses) and performance-linked stock remuneration.

i) Performance-linked Monetary Remuneration (Bonuses)

We have adopted consolidated operating profit as the single-year performance-linked indicator (hereinafter referred to as “KPI”) for performance-linked monetary remuneration (bonuses). This is to raise awareness of improving corporate performance each fiscal year. We calculate the amount to be paid according to the achievement level with respect to the KPI. We determine the amount of remuneration for performance-linked monetary remuneration (bonuses) based on performance in the applicable fiscal year. We then pay that in the next fiscal year. Accordingly, FY2021 will see us pay the amount of remuneration determined based on performance in FY2020. There is an upper limit of 200 million yen as the total amount that can be paid in one fiscal year. We determine the individual amount of payment to each director according to the following formula.

Formula

Individual amount of payment = Standard amount of remuneration by position*1 × performance-linked coefficient*2

a. Standard amount of remuneration by position*1

We set the FY2020 consolidated operating profit of 23.7 billion yen as the standard KPI in FY2020. The standard amount of remuneration when the standard KPI is achieved 100% is as follows.

President	19 million yen
Directors(Senior)	9.5 million yen
Directors	7.6 million yen

b. Performance-linked coefficient*2

FY2020 earnings resulted in consolidated operating profit of 17.911 billion yen, a KPI achievement rate of 75.57%. This results in a performance-linked coefficient of 0.52.

(Performance-linked Coefficient Calculation Method)

KPI achievement rate performance-linked coefficient:

150% or over: 2.00

50% or over but less than 150%: $(\text{Actual KPI} \div \text{Standard KPI} - 0.5) \times 2$ (Round up to two decimal places)

Less than 50%: 0

(note)

KPI achievement rate = $\text{Actual KPI} \div \text{Standard KPI} \times 100$

Actual KPI = Actual amount of operating profit in the applicable fiscal year

Standard KPI = Standard amount of operating profit in the applicable fiscal year

The limit of individual payments to Directors is as follows.

President 50 million yen

Directors(Senior) 25 million yen

Directors 20 million yen

ii) Performance-linked Stock Remuneration

The performance-linked stock remuneration system (hereinafter “the System”) further clarifies the linkage between the remuneration of Directors and the performance and stock price of the Company. The objective is to raise awareness to improve mid- to long-term performance and to increase corporate value by directors sharing profits and risks from fluctuations in the share price with shareholders. In addition, we employ single-year EPS (consolidated net income per share) and consolidated ROE as the KPIs to raise awareness of improving corporate performance each fiscal year and to further share value with stakeholders.

The System is a stock remuneration system. A trust established by the Company through contribution of money (hereinafter “the Trust”) acquires shares in the Company. The number of shares in the Company equivalent to the number of points awarded by the Company to the directors is then given to the directors through the Trust. One share is given for each point awarded. Moreover, in principle, the period in which directors receive shares in the Company according to the points they have been awarded is up until when they retire as directors. The number of points awarded to directors is determined by the performance (consolidated EPS and consolidated ROE) in one fiscal year. However, the number of points awarded to directors on their retirement is finalized on the performance-linked indicator settlement date in the final fiscal year when they retire.

The upper limit of the money that the Company will contribute to the Trust as the amount to acquire the shares in the Company necessary for the Trust to give them to those concerned is 200 million yen per fiscal year. In addition, the upper limit on the total number of points to be awarded to those eligible for the Trust is 100,000 points per fiscal year. The individual points to be awarded to each Director is determined with the following formula.

Formula

Individual payment points = $\text{Standard amount of remuneration by position} \times 3 \times \text{Performance-linked coefficient} \div \text{Price of shares in the Company acquired by the Trust}$ (Rounded up when less than 100 points)

a. Standard amount of remuneration by position*3

Our KPI for FY2020 was a consolidated net profit of 192 yen per share with the following representing the base remuneration amount for a 100% KPI achievement rate.

Amount of Remuneration by Position

The standard amount of remuneration when achieved is as follows.

President 17.3 million yen

Directors (Senior) 8.7 million yen

Directors 6.9 million yen

b. Performance-linked coefficient*4

FY2020 results were consolidated net profit of 128.14 yen per share, representing a 66.74% KPI achievement rate. This results in a performance-linked coefficient of 0.56.

[Performance-linked Coefficient Calculation Method]

KPI achievement rate : Performance-linked coefficient

175% or more:2.00

25% or more but less than 175%: $(\text{Standard KPI} \div \text{Standard KPI} - 0.25) \times 1.33$ (Rounded up to two decimal places)

Less than 25%:0

(note)

$\text{KPI achievement rate} = \text{Actual KPI} \div \text{Standard KPI} \times 100$

$\text{Actual KPI} = \text{Actual consolidated net income per share in the applicable fiscal year}$

$\text{Standard KPI} = \text{Standard consolidated net income per share in the applicable fiscal year}$

This is a stock remuneration system in which the calculated amount of remuneration is reduced by 10% and then paid when the consolidated ROE is no more than 5%.

c. Price of shares in the Company acquired by the Trust (*5)

For stock allocated to the Trust, the Board of Directors votes on the acquisition method, number of shares allocated, and allocation price. This information shall be disclosed externally on the same day. While there are two methods of acquiring stock, the disposal of retained treasury stock or acquisition through a stock exchange (including after-hours trading), the price of stock allocated to the Trust will be the following stock price.

For disposal of retained treasury stock: The final stock price of Company stock on the Tokyo Stock Exchange on the business day immediately prior to Board of Director's meeting convened to vote on third-party allocation related to this structure (allocation to stock trust).

For acquisition through a stock exchange: The price of Company stock purchased from a stock exchange after a resolution by the Board of Directors concerning the acquisition of stock in relation to this structure.

Furthermore, the stock price when calculating points allocated to individual directors shall be calculated based on the average price of retained stock at the time of points allocation by the Trust.

The upper limits on the individual payment points (1 point = 1 share) to each director are as follows.

President 25.0 thousand points

Directors(Senior) 12.5 thousand points

Directors 10.0 thousand points

[Supporting System for Outside Directors and/or Audit & Supervisory Board Members]

Although we do not designate dedicated staff for outside directors, we have established a system whereby workers from the head office administrative divisions or Secretariat to the Board of Directors are assigned to provide support as necessary. For outside Audit & Supervisory Board members, we assign employees to assist the work conducted by Audit & Supervisory Board members and provide support for Audit & Supervisory Board member work in accordance with instructions provided by the Audit & Supervisory Board. While we believe it preferable to assign dedicated staff to assist the work of Audit & Supervisory Board members, at present these roles are being fulfilled by employees assigned to the Business Operations Division.

Furthermore, we have received approval from Audit & Supervisory Board members concerning personnel evaluations, transfers, treatment, and other matters related to ensuring the independence of assigned employees.

[Retired presidents/CEOs holding advisory positions (consultant, adviser, etc.)]

Information on retired presidents/CEOs holding advisory positions (consultant, adviser, etc.)

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term
Hiroshi Shimizu	Senior Advisor	Role: To provide advice concerning social contributions, management, and other matters related to activities conducted with external organizations.	-Work position: Full-time -Compensated position: Yes -Date of resignation as president: March 31, 2021 -Date of resignation as director: June 23, 2021 Senior Advisor Shimizu has been involved in a wide range of projects that contribute to the public good, including promoting research at the Fuji Foundation for Protein Research. While the Mr. Shimizu does provide advice based on his many years of experience and knowledge related to Company operations, the Senior Advisor does not attend Board of Directors' meetings, Management	3/31/2021	The Senior Advisor is appointed via a resolution by the Board of Directors and is for a term of one year.

			Committee meetings, or any other committee meetings, and does not have any authority to be involved in management decisions.		
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Number of retired presidents/CEOs holding advisory positions (consultant, adviser, etc.)	1
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Others

At the regular Board of Directors' meeting held in May 2016, the Company voted to eliminate the former system that allowed retired directors or Audit & Supervisory Board members take a position as consultant or adviser (both positions eligible for pay) regardless of their specific position or duties after stepping down. At the same time, the vote enables the Company to assign or consign work to said persons as consultants in cases where there are duties or positions suited to retired directors or Audit & Supervisory Board members and they are deemed appropriate for said position. Additionally, at the same Board of Directors' meeting the Company voted to abolish the system through which the representative director assumes the position of Company chairperson upon retirement from the position of representative director.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

The functions and operations of each organization and department in the current system are as follows.

1. Basic explanation of company organization

The Company established the Board of Directors as the decision-making and supervisory body related to important matters and the Audit & Supervisory Board as an auditing body. As voluntary agencies, the Company also established the Management Council, the Nomination and Compensation Advisory Committee, and the ESG Committee. To accelerate decision-making, our Group switched to a pure holding company structure to separate the supervision and execution of operations. We are advancing with the consignment of authority to the operating companies that serve as regional headquarters. On the other hand, as a global headquarters, the Company conducts Group management strategy planning and provides Group subsidiary management and support.

2. Details of company organizations

(Board of Directors)

We outline Board of Directors Regulations and in principle conduct monthly Board of Directors' meetings and, as necessary, Provisional Board of Directors' meetings. The Board of Directors deliberates and votes legally mandated matters and important matters, and report on operations conducted by members of the Board of Directors.

(Management Council)

The Management Council is an advisory body to the president that meets twice a month. The members consists mainly of the president and managing directors. The Council sufficiently deliberates issues at the Management Council meetings and monitors activities to contribute to decision-making conducted by the president and Board of Directors. This ensures the creation and enhancement of a system for legal compliance and the efficient execution of business activities.

(Nomination and Compensation Advisory Committee)

To provide transparency in the processes for nominating directors and determining directors' remuneration, in October 2015 we established the Nomination and Compensation Advisory Committee to serve as an advisory body to the Board of Directors. During the 93th fiscal period, the Committee met 16 times. As of June 23, 2021, the Committee consists of five members, including Independent Outside Director Yuko Ueno, who serves as Committee chair, Independent Outside Directors Hidenori Nishi and Toshiyuki Umehara, our representative director and president, and Director in Charge of General Affairs. Furthermore, Independent Outside Audit & Supervisory Board Member Hirohiko Ikeda serves as an observer. Together, the Committee deliberates and evaluates the nomination of director candidates and matters concerning remuneration for directors.

(ESG (Environment, Society, Governance) Committee)

This Committee deliberates major issues related to Fuji Oil Group ESG (environment, society, governance) related to food creation, sustainable procurement (major raw materials), food security, safety, and quality, labor health and safety, climate change, conservation of water resources, resource conservation and the reduction of waste products, reducing food loss, environmentally-friendly manufacturing, diversity, risk management, and governance, and provides recommendations and advice to the Board of Directors.

(Audit & Supervisory Board)

The Audit & Supervisory Board met 16 times during the 93th fiscal period to vote on audit policies and audit plans, and report, vote, and decide on important matters related to audits.

3. Status of audits

Internal audits are conducted by the 5 members of the Internal Audit Department in accordance with the Internal Audit Regulations. The Internal Audit Group audits our company and our group companies in terms of the development and operation of internal control systems and processes – including internal control pertaining to financial reporting. The Internal Audit Group made timely reports to the Board of Directors about results of the internal audits on the Company and group companies and recommendations concerning the adequacy of operations.

Audit & Supervisory Board members (four, of which two are outside Audit & Supervisory Board members) attend Board of Directors meetings and other important internal meetings. Additionally, they exchange

opinions with the representative director, interview with business divisions and corporate staff departments, examine subsidiaries, and partner with an auditing firm. Through these initiatives, we work to improve the efficacy and efficiency of audits.

4. Status of accounting audit (FYE March 2021)

We have concluded an accounting audit contract with KPMG AZSA LLC. There are no particular interests of note between our Company and KPMG AZSA LLC or the KPMG AZSA LLC managing executives who work on our audits. Furthermore, KPMG AZSA LLC institutes voluntary measures to ensure that managing executives are not involved in our Company accounting audits beyond a specified period of time.

The name and audit history of the CPA in charge of audits as well as the structure of employees involved in audit work are as follows.

(Name of CPA in charge of audits)

-Designated Limited Liability Employee, Tomoyuki Ono, Executive Employee (consecutive years conducting audits: 6 years)

-Designated Limited Liability Employee, Seiko Ohashi, Executive Employee (consecutive years conducting audits: 4 years)

(Structure of auxiliary employees involved in audit work)

2 business operations employees, one manager, and 6 assistants

3. Reasons for Adoption of Current Corporate Governance System -Updated

We believe that dynamic and practical decision-making and business execution as well as working to enhance the monitoring and supervision of management are critical to earning the trust and meeting the expectations of stakeholders. To strengthen management monitoring and supervision functions, we adopted a structure that includes the creation of a Board of Directors consisting of four full-time directors and four outside directors (of whom, three are independent directors) and an Audit & Supervisory Board consisting of two full-time Audit & Supervisory Board members and two outside Audit & Supervisory Board members. Additionally, we have established a discretionary Nomination and Compensation Advisory Committee, which is tasked by the Board of Directors to provide recommendations on director nominations and remuneration. In this way, we believe it is important to make continuous efforts to improve our corporate governance structure.

Our reasons for establishing an Audit & Supervisory Board to enable the full-time Audit & Supervisory Board members to gather internal information that contributes to audits and share that information with internal Audit & Supervisory Board members. Furthermore, this enables collaborations that ensure information is reported to outside Audit & Supervisory Board members. Furthermore, from the perspective of management monitoring functions, independent outside Audit & Supervisory Board members who are

also attorneys or CPAs providing their expert opinions with the Board of Directors contribute to appropriate deliberations and the supervision of business execution by the Board of Directors.

We recognize that efforts represented by ESG (the environment, society and governance) are a priority management issue to contribute to a sustainable society and to improve our corporate value. We have established an ESG Committee as an advisory committee to the Board of Directors. This committee discusses important ESG issues relating to our business. The ESG Committee is chaired by the Chief “ESG” Officer (C “ESG” O) who oversees the promotion of our ESG efforts as the director in charge. We believe the adoption of these structures makes it possible to achieve highly transparent and sound management.

We are constantly reviewing the optimal corporate governance system in response to changes in the business and management environment.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	We practice the early delivery of the General Meeting of Shareholders' convening notice and conduct internet disclosure prior to delivery. (Status of implementation) 93th Ordinary General Meeting of Shareholders (held June 23, 2021) Convening notice mailing date: June 4 (19 days prior) Convening notice pre-mailing web disclosure: May 25 (29days prior)
Scheduling General Meeting of Shareholders Avoiding the Peak Day	We set a date for the Ordinary General Meeting of Shareholders that, to the extent possible, avoids primary peak day. (Status of implementation) 93th Ordinary General Meeting of Shareholders (held June 23, 2021) This year, the primary peak day for companies with financial accounting at the end of March is estimated to be June 29. As such, we have set our meeting to a date prior to that peak date.
Allowing Electronic Exercise of Voting Rights	We allow shareholders to exercise voting rights over the internet via a PC or smartphone.
Participation in Electronic Voting Platform	We also allow the use of the electronic voting platform.
Providing Convocation Notice (Summary) in English	We provide an English version of our meeting notice summary and publish it to our website.
Other	1. We publish our convening notice on our website. 2. After the conclusion of the General Meeting of Shareholders, we publish meeting details and voting results on our website.

2. IR Activities

	Supplementary Explanations	Explanation from representative
Preparation and Publication of Disclosure Policy	Published on company website. https://www.fujioilholdings.com/en/ir/policies_and_systems/disclosure_policy/	
Regular Investor Briefings for Individual Investors	Regular Investor Briefings for Individual Investors Holding IR seminars for individual investors	No
Regular Investor Briefings for Analysts and Institutional Investors	We hold earnings conferences for annual accounting and after first half accounting, during which the president explains earnings and responds to Q&A. We also hold teleconferences for the first and third quarters during which the CFO explains earnings and responds to Q&A. Additionally, the president and other members of management attend theme-	Yes

	specific meetings with domestic and overseas analysts and institutional investors.	
Regular Investor Briefings for Overseas Investors	Normally, we conduct individual investor visits mainly in Europe, North America, and the Asia region. As visits were difficult this year due to COVID-19, we focused on online conferences and individual meetings, and focused on engagement with institutional investors.	Yes
Posting of IR Materials on Website	We publish marketable securities reports, quality reports, earnings summaries, timely disclosure of information other than earnings information, General Meeting of Shareholders convening notices, earnings conference materials, shareholder briefings, corporate governance reports, and other information related to stocks. https://www.fujioilholdings.com/en/ir/	
Establishment of Department and/or Manager in Charge of IR	The Company CFO manages all IR activities and the IR Team within the Finance & IR Group serves as the department responsible for IR. The IR Team collaborates with relevant internal departments and Group companies to promote fair and accurate IR activities. Director in charge of IR: Tomoki Matsumoto, Director and Chief Financial Officer (CFO)	

3.Measures to Ensure Due Respect for Stakeholders - Updated

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>In our Fuji Oil Group Management Philosophy (https://www.fujioilholdings.com/en/about/constitution/), we declare our commitment to contributing to the happiness and well-being of the people by offering delicious and healthy food. We believe that basic principles of our Group Management Philosophy, to achieve sustainable improvements in corporate value and achieve sustainable development for society, respect the position of and meet the expectations of stakeholders. Through our business activities, we are aiming to realize a sustainable society.</p> <p>Our promotion structure consists of the Sustainability Development Group, a dedicated division overseen by the Chief ESG Officer (C"ESG"O). The Group is responsible for communication with stakeholders, highly transparent information disclosure, and for promoting resolutions to societal problems through our products and business processes.</p> <p>We also have established the ESG Committee as an advisory body to the Board of Directors. The ESG Committee solicits participation by outside experts to incorporate societal expectations and engages in deliberations on strategy and issues related to promoting ESG management. The details of ESG Committee deliberations are submitted to the Board of Directors as reports and recommendations.</p>

<p>Implementation of Environmental Activities, CSR Activities etc.</p>	<p>(ESG activities) Our Group is enhancing ESG management in order to continue making contributions to society through our operations. ESG management involves defining ESG materiality based on stakeholder expectations and our business strategy, and promoting these initiatives to contribute to the realization of a sustainable society. https://www.fujioilholdings.com/en/sustainability/</p> <p>We believe that communication with stakeholders represents the foundation of ESG management. With that in mind, we released our 2021 Sustainability Report in July 2021 and released our 2021 Integrated Report in September 2021. Through these reports, we promote a dialogue with stakeholders by introducing our approach to ESG management and reporting on the status of our initiatives.</p> <p>(Environmental Conservation Activities) We have set "Environmental Vision 2030" as our environmental target for 2030 based on our basic environmental policy. In this vision, we have set the goals of "reducing CO2 emissions," "reducing water consumption," and "reducing waste. In particular, with regard to CO2 emissions reduction, we have adopted the concept of Science Based Targets in order to contribute to the achievement of the Paris Agreement, and have set reduction targets for Scope 1, 2 and 3. In order to achieve our environmental vision, we are promoting environmental conservation activities in various aspects of our business processes, including innovations in production technology and the introduction of renewable energy. https://www.fujioilholdings.com/en/sustainability/environment/management/</p> <p>In addition, since our group uses agricultural products such as palm oil as its main raw material, we are promoting sustainable procurement activities in consideration of the environment and human rights. https://www.fujioilholdings.com/en/sustainability/social/procurement/</p>
<p>Development of Policies on Information Provision to Stakeholders</p>	<p>We believe it vital that we provide transparent information disclosure to all stakeholders, including shareholders, investors, clients, business partners, NGO, and the local community. We emphasize the voluntary disclosure of management information, including corporate information, financial information, and information concerning ESG. We outline our approach to information disclosure in our Disclosure Policy. https://www.fujioilholdings.com/en/ir/policies_and_systems/disclosure_policy/</p>
<p>Other</p>	<p>(About diversity promotion) We believe diversity is critical to achieving innovation and thus place diversity at the core of our management policies. Since FY2019, we outlined "Enjoying Diversity" as our diversity vision and declared our commitment to stimulating innovation by a diverse group of global personnel.</p>

	<p>In Japan, we promote the following five policies related to promoting the advancement of women in the workplace.</p> <ol style="list-style-type: none"> 1. To provide support after return from maternity leave, provide an environment that allows employees with children and their supervisors to work together towards solutions. 2. Support fees associated with the use of childcare and nursing care services. 3. Support childcare activities 4. Promote use of childcare leave by male employees (FY2020: 51 applicable employees, used by 37 employees; 73% rate of use) 5. Adopt systems that enable diverse workstyles <p>In addition to our existing flextime system and telecommuting system, in FY2020 we eliminated the core time component of the flextime system to enable even more flexible workstyles. Through workstyle reform, not only will we reduce risks associated with COVID-19, we will streamline operations and maximize results.</p> <p>As of the end of FY2020, the percentage of women in management positions was 11.30%.</p> <p>We recognize that efforts throughout the Group were insufficient and, in FY2021, will engage in diversity management to address the following issues.</p> <p><Group overall></p> <ul style="list-style-type: none"> -Permeate Group Management Philosophy -Recognition of region-specific problems and ascertaining status of activities -Selection and development of next-generation/future management personnel -Promote local hiring for posts held by dispatched Japanese employees -Foster development of overseas managerial candidates who fit the global business environment. <p><Japan></p> <ul style="list-style-type: none"> -Promote diverse workstyles -Ensure fairness -Support long-term engagement by persons with disabilities
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IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

We build and maintain an internal control system and processes to ensure work efficacy and efficiency, the credibility of financial reporting, compliance with relevant laws, the conservation of financial assets, and to reinforce risk management. The details of this system are outlined below. Furthermore, organization and internal regulation names are current as of the date of submission.

1. System for ensuring compliance with laws and our Articles of Incorporation for operations executed by directors and employees

(1) When we transitioned to a Group structure in October 2015, in addition to carrying on the spirit of our existing Basic Management Principles, we also created a new Fuji Oil Group Management Philosophy outlining our mission and vision, the values governing our actions, and our Code of Conduct. All directors and employees act in accordance with this Philosophy.

(2) We created a Nomination and Compensation Advisory Committee as a discretionary advisory body to the Board of Directors to promote transparency in the processes for nominating directors and deciding on remuneration for directors.

(3) In the event of an act that violates the Fuji Oil Group Management Philosophy Code of Conduct, laws, or compliance regulations, and corrective actions is not taken through our organization, employees may report said acts through our Whistleblower Hotline. We take steps to ensure no reporting parties are subjected to unfair treatment due to the act of whistleblowing. Furthermore, we outline Whistleblowing Regulations and have established a Whistleblowing Consultation Desk overseen by an external attorney to ensure the effectiveness of this system. For overseas Group companies, we have established a Compliance Helpline featuring multilingual support to strengthen our compliance structure for the entire Fuji Oil Group.

(4) Our basic policy is to not have any contact with illegal forces and to maintain a firm stance against any antisocial forces that threaten the order or security of society.

(5) We have established an Internal Audit Group to serve as an internal audit division. The Internal Audit Group conducts internal audits and submits reports to the Board of Directors on the status of internal compliance with laws, the Articles of Incorporation, and internal regulations.

2. Structure for preserving and managing information related to the execution of duties by directors

We ensure the appropriate storage and management of records mandated by law as well as documents containing important information related to the execution of duties (including electronic records) in accordance with our Document Management Regulations, Basic Information Management Regulations, and other internal regulations.

3. Regulations and other structures related to managing the risk of losses

Risks recognized by management, our materiality map, and risk maps for Fuji Oil Group companies, and other information sources related to the operating environment impacting our Group are overseen by the Risk Management Committee. The Management Council further selects important risks relevant to the Group for the proposal and implementation of responses, progress confirmation, and assessment and improvement. Furthermore, the Management Council submits reports to the Board of Directors, which serves as a monitoring body, at least once per year on the details of their evaluations and responses. In the event of risk occurrence, depending on the scope of impact on the entire Group, we will establish an emergency response HQ with the presidents of each Group company serving as division managers to implement a rapid response.

4. Structure for ensuring the efficient execution of duties by directors

(1) To promote rapid decision-making, we outline internal regulations concerning the division of labor and workplace authority to clarify authority and responsibilities. Additionally, the Management Council, whose members include the president and executive officers, deliberate on important matters twice monthly to contribute to decision-making by the board of directors.

(2) We outline Board of Directors' regulations and, at Board of Directors' meetings held monthly, decide on important matters related to management and monitor the status of the execution of duties.

(3) We outline a Medium-Term Management Plan to clarify our goals as a company and to clarify the performance goals of each director.

(4) We have established a management accounting system to ensure our ability to accurately ascertain the status of management performance in a timely manner. Through the practical application of this system, we have established a structure that enables speedy response to change.

5. Structure for ensuring appropriate operations at the corporate group comprising the company and its subsidiaries

(1) We created the Fuji Management Regulations to outline the governance of Group companies, and to specify the divisions and persons responsible for Group company management. We require that all Group companies receive our approval for and report on the important matters outlined in our Decision-Making Authority Standards and Operating Regulations.

(2) We maintain responsibility and authority over the management of Group companies. In addition to providing advice and guidance to ensure the appropriate application of the Fuji Oil Group Management Philosophy and any other Fuji Oil Group policies and regulations, we also manage overall Group risks and compliance by creating appropriate and necessary risk management structures and compliance structures based on company scope and organizational structure.

(3) The Internal Audit Group (internal audit division) and Audit & Supervisory Board members cooperate to conduct audits to confirm the appropriateness of Group companies. When corrective action is necessary, the Internal Audit Group provides advice and/or warnings and submits reports on audit results to the Board of Directors.

(4) Through the Fuji Management Regulations and other relevant regulations, we outline standards concerning Group division of labor, our command structure, authority and decision-making, and other standards related to our organization. We also ensure that subsidiaries establish equivalent structures.

6. Matters concerning employees assisting with the work of Audit & Supervisory Board members

As necessary, Audit & Supervisory Board members may designate employees to assist with their work. While, from the perspective of work, objectivity and efficiency, it is preferable to assign dedicated staff to assist the work of Audit & Supervisory Board members, in some cases these roles are fulfilled by employees with responsibilities in other divisions. In these cases, Audit & Supervisory Board members conduct competency and personnel evaluations for employees assigned as assistants, and work assignment transfers for said employees are subject to the consent of the Audit & Supervisory Board.

7. Structure for reporting to the Audit & Supervisory Board

(1) Audit & Supervisory Board members may attend Board of Directors' meetings, Management Council meetings, and other important meetings to gather information from directors, etc. concerning the status of operations and browse relevant documents.

(2) Directors shall provide timely reports to Audit & Supervisory Board members on the following matters.

1. Events significantly damaging to or with the potential to significantly damage the company's credit
2. Events significantly impacting or with the potential to significantly impact company performance in a negative way
3. Violations of law, the Articles of Incorporation, or the Fuji Oil Group Management Philosophy that have a major impact of the potential to have a major impact.
4. Matters equivalent to the above.

(3) Directors and employees shall, when requested by an Audit & Supervisory Board member, submit timely and accurate reports.

(4) Group directors and employees shall, when requested by an Audit & Supervisory Board member, submit timely and accurate reports concerning their execution of duties.

(5) The Company prohibits any unfair treatment of Group directors or employees for having submitted reports to a Group Audit & Supervisory Board member, and we ensure awareness of this policy among Group directors and employees.

(6) Details of matters reported to the Whistleblowing Desk (Japan) and the Compliance Hotline (overseas) are reported, either directly or indirectly, to the full-time Audit & Supervisory Board members.

8. Other structures for ensuring the effective implementation of audits by Audit & Supervisory Board members

(1) Audit & Supervisory Board members may browse major reports and other important documents related to business execution and, as necessary, may request explanations from directors and employees.

(2) Audit & Supervisory Board members regular engage in the exchange of opinions with the representative director and also cooperate with the Internal Audit Group (internal audit division) and the accounting auditor to promote appropriate communication and effective audit work.

(3) The Audit & Supervisory Board may, at its own discretion, hire external experts when necessary for forming an independent opinion.

(4) When an Audit & Supervisory Board member requests an advance, etc. for expenses outlined in Companies Act Article 388 in relation to the execution of their duties, following deliberations by relevant departments, excluding when said expenses or liabilities are deemed unnecessary to the implementation of duties by the Audit & Supervisory Board member, the Company will immediately handle said expenses or liabilities.

9. Structure for ensuring appropriateness in financial reporting

To ensure the appropriateness of financial reporting and to promote the submission of effective and appropriate governance reports as outlined in the Financial Instruments and Exchange Act, we constantly evaluate and implement improvements to ensure our internal controls system functions appropriately.

2. Basic policy for eliminating antisocial forces and the status of its development

The Company and the Fuji Oil Group have established the Fuji Oil Group Business Conduct Guidelines as the basis of our compliance system. And our basic policy is to have no contact with illegal forces and to take a firm stance against antisocial forces that threaten the order and safety of civil society.

In addition, we belong to the Corporate Defense League, an external organization, and exchange necessary information in cooperation with the police. At the same time, we will take prompt and resolute action against antisocial forces by proactively obtaining the cooperation of our legal advisors.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

2. Other Matters Concerning to Corporate Governance System

(As of June 23, 2021)

	Chairperson	Total	Internal Directors	Independent Outside Directors	Outside Directors	Standing Audit & Supervisory Board Member	Independent Outside Audit & Supervisory Board Member
Board of Directors	President	12	4	3	1	2	2
Nomination and Compensation Advisory Committee	Independent outside director	5	2	3	-	-	Observer
Audit & Supervisory Board	Standing Audit & Supervisory Board member	4	-	-	-	2	2
ESG Committee	Internal director (C"ESG"O)	4	4	-	-	-	Advisor

Internal systems related to timely disclosure

