

Last Update: July 20, 2020  
FUJI OIL HOLDINGS INC.  
Hiroshi Shimizu, 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

<Fulfilling role as a corporate pension asset owner>

We manage reserves through the FUJI OIL PENSION FUND. We strive to ensure the appropriate management of conflicting interests that may occur between corporate pension beneficiaries and the company by receiving regular investment management status and stewardship reports from the investment institution consigned to manage the fund.

We started reinforcing personnel with a certain level of expertise and experience in this field in FY2020 in regards to the planned appointment and deployment of personnel with the appropriate qualities expected as the asset owner by the corporate pension required by this principle. We intend to take further steps to enhance the corporate pension structure in the future.[Principle 2-6]

(Revised June 1, 2018 – Corporate Governance Code Standards)

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

<Corporate Philosophy / Medium-Term Management Plan / Corporate Governance Policy>

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

([www.fujioilholdings.com/en/about/constitution/](http://www.fujioilholdings.com/en/about/constitution/))

We also drafted a Medium-Term Management Plan and publish this Plan on our website

([www.fujioilholdings.com/en/about/management\\_plan/](http://www.fujioilholdings.com/en/about/management_plan/)). [Principle 3-1(i)]

2) 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. [Principle 3-1(ii)]

#### <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 FY2019, we sold all our cross-shareholdings in six 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 FY2019.

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. When verifying whether the benefits and risks associated with our shareholdings correspond to the capital costs, the general judgment criterion will be whether it is possible to obtain a return above the shareholder capital costs calculated with CAPM.

Our approach to shareholder capital costs is as below.

Shareholder capital costs = Risk free rate\* +  $\beta$  value  $\times$  Risk premium (\*We use a weighted average risk free rate that takes into consideration the shareholding ratio of Japanese and overseas institutional investors for the risk free rate.) [Principle 1-4]

#### <Board of Directors>

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. [Supplemental principle 4-1-1]

#### <Management team compensation decisions, nomination policies, etc.>

1) 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(iii)]

2) 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. [Principle 3-1(iv)]

3) 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 3-1(v)]

#### **<Directors, Audit & Supervisory Board Members>**

1) 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. [Supplemental principle 4-14-2]

2) Under "Selection Criteria, etc., for Director Candidates and Auditor & Supervisory Board Member Candidates" in the Fuji Oil Holdings Corporate Governance Guidelines, the Company stipulates that the Company shall outline and publish standards related to the independence of outside directors. [Principle 4-9]

3) The current number of directors in the Company is nine (this includes three independent outside directors and one female director). The ratio of outside directors relative to the total number of directors is a third (outside directors / total number of directors). We believe in the importance of diversity (e.g., gender, nationality and expertise) in our Board of Directors' membership. Therefore, the nomination process for Board of Directors' candidates comprises an interview process conducted by the Nomination Advisory Committee, which is chaired by an outside director, to ensure objectivity and transparency in the nomination process. [Supplemental principle 4-11-1]

4) 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 4-11-2]

5) 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 (supplemental principle 4-11-3). 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 FY2019, 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

(Questionnaire)

Targets: ten directors and four Audit & Supervisory Board members

(Interview)

Confirmation of progress on issues: President

General questions for new directors and Audit & Supervisory Board members : one new director, one new Outside Audit & Supervisory Board member

Evaluation process: Interviews by third-party institution and anonymous analysis of results

#### 2. Questions:

I. Board of Directors structure and system

II. Board of Directors management and duties

III. Board of Directors matters for deliberation

IV. Board of Directors supervisory function

V. Nomination and Compensation Advisory Committee structure activity situation

VI. Activity situation concerning challenges in the previous year

#### 3. Evaluation results

The following was confirmed through the effectiveness evaluations of the Board of Directors involving third-party organizations: The leadership of the President and the awareness of the Board of Directors to improve governance are rising. In addition, the business environment is changing significantly and future shrinkage of the Japanese market is expected. Against this background, there is a high sense of danger with an urgent need to transform into a global company.

On the other hand, it was confirmed that there were issues in governance toward becoming a global company (e.g., strengthening of the supervisory functions as the Board of Directors of a holdings company) as efforts to be tackled by the Board of Directors in the future. We will continue to improve issues in the Board of Directors based on the effectiveness evaluation reports of the Board of Directors by third-party organizations as our policy in the future.

The Board of Directors is promoting the continuous improvement of our corporate value based on the above evaluation results and our efforts by improving the functions of the Board of Directors and strengthening our corporate governance with the continuation of efficacy evaluations in the future.

[Supplemental principle 4-11-3]

<Other>

1) 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 1-7]

2) 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. [Principle 5-1]

(Revised June 1, 2018 – 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	28,509,732	33.17
The Master Trust Bank of Japan, Ltd. (Trust account)	4,476,300	5.21
Japan Trustee Services Bank, Ltd. (Trust account)	4,208,900	4.90
National Mutual Insurance Federation of Agricultural Cooperatives	2,639,000	3.07
Japan Trustee Services Bank, Ltd. (Trust account 9)	1,632,800	1.89
Fuji Oil Customer Shareholding Association	1,390,124	1.62
Itochu Sugar Co., Ltd.	1,130,000	1.31
JP MORGAN CHASE BANK 385174	1,114,800	1.30
Nippon Life Insurance Company	1,100,667	1.28
Sumitomo Mitsui Banking Corporation	1,078,398	1.25

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

Supplementary Explanation

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## 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

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

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## 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 - Updated	9
Appointment of Outside Directors	Appointed
Number of Outside Directors - Updated	3
Number of Independent Directors - Updated	3

#### Outside Directors' Relationship with the Company (1) - Update

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Kazuhiro Mishina	Academic											△	
Yuko Ueno	Person who has experience in working in other companies												
Hidenori Nishi	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) - Update

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Kazuhiro Mishina	○	<p>A professor at the Kobe University Graduate School of Business Administration.</p> <p>The Company donated to Kobe University, where Kazuhiro Mishina serves as a university professor, for the purpose of supporting research in FY2014. However, the amount of this donation was small at less than 500,000 yen. Therefore, there is no business relationship that will have an impact on his independence</p>	<p>Professor Mishina has a long history working on the front lines of research activities in the field of corporate economics, including business strategy and management theory. We hope to take advantage of Mr. Mishina's high level of expertise and vast experience by having him attend Board of Directors' meetings to provide an independent perspective on business monitoring and supervision in order to ensure the objective, neutral, and fair supervision of business execution. As there are no special interest relations between Mr. Mishina and the Company, we have judged there is no risk of conflicts of interest and designate Mr. Mishina as an independent director.</p>
Yuko Ueno	○	There are no applicable matters.	<p>Yuko Ueno has spent several years serving as a marketing consultant for many companies and municipal agencies.</p> <p>In addition to running her own company, she also has vast experience and knowledge serving as an outside director for listed companies. We hope to take advantage of Ms. Ueno's high level of expertise and vast experience by having her attend Board of Directors' meetings to provide an independent perspective on business monitoring and supervision in order to ensure the objective, neutral, and fair supervision of business execution. As there are no special interest relations between Ms. Ueno and the Company, we have judged there is no risk of conflicts of interest and designate Ms. Ueno as an independent director.</p>



Hidenori Nishi	○	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.	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.  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.
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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 - Update

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

Supplementary Explanation

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 director 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
- Matters related to compensation for directors and other management personnel when consulted by the Board of Directors

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
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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	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

		independence. Therefore, we will omit this in the overview.	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.	<p>Hirohiko Ikeda is an expert in corporate legal affairs with special knowledge as a lawyer. He has handled many corporate legal affairs and M&amp;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 means he has abundant experience and a high-level of insight.</p> <p>We are nominating Hirohiko Ikeda as an Outside Audit &amp; 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 &amp; 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>

**[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
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We designate as Independent Directors all outside directors who fulfill the qualifications as independent directors.
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**[Incentives]**

Incentive Policies for Directors - Update

Performance-linked Remuneration, etc.

Supplementary Explanation - Update

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.

The remuneration of the directors (excluding outside directors) consists of fixed remuneration, basic remuneration, and performance-linked remuneration that fluctuates according to business performance.

Performance-linked remuneration consists of performance-linked monetary remuneration (bonuses) with consolidated operating profit as single-year company performance serving as the KPI and performance-linked stock remuneration with the current term EPS (consolidated net income per share) in the mid-term plan and return on equity (ROE) serving as the KPIs. We have now established a remuneration system that will raise awareness of contributing to an improvement in mid- to long-term performance and an increase in corporate value. This will be achieved by directors sharing profits and risks from fluctuations in our stock price together with our shareholders through the introduction of performance-linked stock remuneration.

Outside directors and Audit & Supervisory Board members receive only basic remuneration from the point of view of their roles and independence.

Recipients of Stock Options

Supplementary Explanation

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**[Director Remuneration]**

Disclosure of Individual Directors' Remuneration

No Individual Disclosure

Supplementary Explanation - Update

Details of directors' compensation for our Company (FYE March 2020)

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

Directors (including outside directors) 325million yen

Audit & Supervisory Board members (including outside Audit & Supervisory Board members) 75million yen

Total (outside directors and outside Audit & Supervisory Board members) 400 (51) million yen

(Notes)

1. The above amount includes compensation for an Audit & Supervisory Board member who stepped down from the positions upon the adjournment of the 91th Ordinary General Meeting of Shareholders.

2. The above includes directors' bonuses for the current fiscal year.  
 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- Updated

Established

#### Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

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 92nd 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.

It was resolved to entrust the remuneration of directors to the Representative Director on the Board of Directors subject to an interview process conducted by the Nomination and Compensation Advisory Committee, the advisory body of the Board of Directors, within a range of the remuneration limit and performance-linked stock remuneration details determined at the 92nd Ordinary General Meeting of Shareholders. The remuneration of Audit & Supervisory Board members is determined through discussions with Audit & Supervisory Board members.

#### <Remuneration Determination 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>

It consists of basic remuneration, which is a fixed remuneration, and performance-based remuneration that fluctuates according to business performance.

Performance-linked remuneration consists of performance-linked monetary remuneration (bonuses) with consolidated operating profit as single-year company performance serving as the KPI and performance-linked stock remuneration with the current term EPS (consolidated net income per share) in the mid-term plan and return on equity (ROE) serving as the KPIs.

However, outside directors and Audit & Supervisory Board members only receive basic remuneration from the point of view of their roles and independence.

In the future, we will aim for a remuneration composition ratio of basic remuneration : monetary remuneration (bonuses) : stock remuneration = 1:1:1. This is designed to raise the ratio of performance-linked remuneration while improving performance and corporate value.

#### (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

The directors Mikio Sakai, Tomoki Matsumoto and Tatsuji Omori apply in regards to directors (senior).

##### b. Performance-linked coefficient\*2

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

Remarks

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 = Standard amount of remuneration by position\*3 × Performance-linked coefficient\*4 ÷ Price of shares in the Company acquired by the Trust\*5 (Rounded up when less than 100 points)

a. Standard amount of remuneration by position\*3

We set the consolidated net income performance target per share in FY2020 of 192 yen as the standard KPI in FY2020. The standard amount of remuneration when the standard KPI is achieved 100% is as follows.

#### 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

The directors Mikio Sakai, Tomoki Matsumoto and Tatsuji Omori apply in regards to directors (senior).

b. Performance-linked coefficient\*4

#### [Performance-linked Coefficient Calculation Method]

KPI achievement rate                      Performance-linked coefficient

175% or more:2.00

25% or more but less than 175%:(Standard KPI÷Standard KPI−0.25) × 1.33 (Rounded up to two decimal places)

Less than 25%:0

(note)

KPI achievement rate=Actual KPI ÷ Standard KPI × 100

Actual KPI=Actual consolidated net income per share in the applicable fiscal year

Standard KPI=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%.

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] - Update

Outside directors do not have dedicated staff but we have systems for supporting them, including the Legal Affairs Group and Internal Audit Group providing support as necessary.

For outside Audit & Supervisory Board members, we established the Audit & Supervisory Board Section, which works based on directions from the Audit & Supervisory Board, to support Audit & Supervisory Board members. We believe it is best that the employees who assist the duties of Audit & Supervisory Board members be those dedicated to this task. At the present time, the employees engaged in this work do so while concurrently working in the Business Execution Department. We have obtained the consent of the Audit & Supervisory Board members for matters relating to independence (e.g., employee performance evaluations, transfers and treatment) of the applicable 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
—	—	—	—	—	—

Number of retired presidents/CEOs holding advisory positions (consultant, adviser, etc.)	—
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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) - Updated

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)

In October 2015, the Company established the Nomination and Compensation Advisory Committee to clarify the decision-making process for nominating and compensating directors and serve as an advisory

body to the Board of Directors. This committee met 15 times during our 92th fiscal period. A total of five members discussed and considered the selection of officer candidates and officer compensation. The members of this committee as of June 18, 2020 are the outside directors of Yuko Ueno and Hidenori Nishi as well as the president and the director in charge of general affairs with the outside director Kazuhiro Mishina serving as the chairperson.

#### ESG (Environment, Society, Governance) Committee

This committee makes recommendations and gives its findings to the Board of Directors after discussing important issues relating to the environment, society and governance (ESG). These include solutions through the creation of foods in the Fuji Oil Group, food safety, security and quality, sustainable procurement, the environment, diversity, occupational health and safety, governance, and risk management.

#### (Audit & Supervisory Board)

The Audit & Supervisory Board met 12 times during the 92th 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 4 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 2020)

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: 5 years)

Designated Limited Liability Employee, Seiko Ohashi, Executive Employee (consecutive years conducting audits: 3 years)

#### Structure of auxiliary employees involved in audit work

CPAs - 7, Persons who passed the accountant examination- 6, Other staff - 4

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

We believe functional and practical decision-making and business execution, and efforts to strengthen management monitoring and supervisory functions are vital to earning the trust and meeting the expectations of shareholders and stakeholders. To enhance our management monitoring and supervisory functions, our Company established a Board of Directors, which consists of 6 internal directors and 3 outside directors, as well as an Audit & Supervisory Board consisting of two internal Audit & Supervisory Board members and two outside Audit & Supervisory Board members. Additionally, we established a Nomination and Compensation Advisory Committee to deliberate consultations from the Board of Directors regarding director nominations and compensation. We believe it 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.

### III. Implementation of Measures for Shareholders and Other Stakeholders

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

	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) 92th Ordinary General Meeting of Shareholders (held June 18, 2020) Convening notice mailing date: June 1 (16 days prior) Convening notice pre-mailing web disclosure: May 25 (23days 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) 92th Ordinary General Meeting of Shareholders (held June 18, 2020) This year, the primary peak day for companies with financial accounting at the end of March is estimated to be June 26. 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 - Updated

	Supplementary Explanations	Explanation from representative
Preparation and Publication of Disclosure Policy	Published on company website. <a href="http://www.fujioilholdings.com/en/ir/policies_and_systems/disclosure_policy/">www.fujioilholdings.com/en/ir/policies_and_systems/disclosure_policy/</a>	
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-specific meetings with domestic and overseas analysts and institutional investors.	Yes

Regular Investor Briefings for Overseas Investors	Conducted a caravan in North America. We will continue to conduct regularly in Europe and North America to engage with our 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. <a href="http://www.fujioilholdings.com/en/ir/index.html">www.fujioilholdings.com/en/ir/index.html</a>	
Establishment of Department and/or Manager in Charge of IR	The Company CFO manages all IR activities and the IR Team within the Finance and Accounting Division 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>The Group expressed “Work for People” as our value (sense of values that we should possess in our actions) in the Fuji Oil Group Management Philosophy (<a href="http://www.fujioilholdings.com/en/ir/policies_and_systems/constitution/">www.fujioilholdings.com/en/ir/policies_and_systems/constitution/</a>) that indicates our mission, vision, sense of values and principles of actions. This value means we conduct business activities while respecting the perspectives of our stakeholders. We promote ESG management to pursue both the sustainable growth of the Group and the realization of a sustainable society by solving social issues through business (Plant-Based Food Solutions) under the Fuji Oil Group Management Philosophy.</p> <p>We have established the ESG Management Group as a dedicated department under the Chief “ESG” Officer (C “ESG” O) to promote ESG management. The ESG Management Group plays the role in promoting solutions to social issues through communication with stakeholders and product/business processes. This is so that our group contributes to a sustainable society through our business.</p> <p>We established the ESG Committee as an advisory group for the Board of Directors. The ESG Committee incorporates the expectations of stakeholders with the participation of external experts. It then discusses strategies and challenges to promote ESG management. The content of the discussions by the ESG Committee are reported and conveyed to the Board of Directors.</p>

<p>Implementation of Environmental Activities, CSR Activities etc.</p>	<p>(CSR activities)  Our group is strengthening ESG management to continue contributing to society through our business. We have established ESG management and priority themes based on the expectations of stakeholders and the business strategy of our company in putting into practice ESG management. We will contribute to a sustainable society by promoting these ESG management and priority themes.  (<a href="http://www.fujioilholdings.com/csr/en">www.fujioilholdings.com/csr/en</a>)</p> <p>We believe that communication with stakeholders forms the foundation of ESG management. As a part of this, we issued our 2019 Sustainability Report in July 2019 and our 2019 Integrated Report in August 2019. We report on our views of ESG management and the progress of our efforts through these reports. This promotes dialogue with our stakeholders.</p> <p>(Environmental Protection Activities)  In accordance with the basic environmental policies, our group has set “The Environmental Vision 2030” as an environmental target for 2030.  In this vision, "CO2 emission reduction", "Reduction of water consumption", and "Reduction of waste" are set forth. Especially, "CO2 emission reduction" is to contribute to the achievement of the Paris Agreement and these targets were approved by the SBT Initiative in March 2020.  A reduction target for the total amount is set based on the Science Based Target concept. To achieve the environmental vision, business processes such as production technology innovation and the introduction of renewable energy we promote environmental conservation activities from various aspects of our services.  (<a href="http://www.fujioilholdings.com/en/csr/environment/">www.fujioilholdings.com/en/csr/environment/</a>)  Our Group uses agricultural produce as one of our main raw materials. As such, we promote sustainable procurement with a focus on the environment and human rights.  (<a href="http://www.fujioilholdings.com/en/csr/sustainable/">www.fujioilholdings.com/en/csr/sustainable/</a>)</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.  (<a href="http://www.fujioilholdings.com/en/ir/policies_and_systems/disclosure_policy/">www.fujioilholdings.com/en/ir/policies_and_systems/disclosure_policy/</a>)</p>

Other	<p>(Activities diversity promotion )</p> <p>The Group places diversity at the core of our management policy as something that is indispensable to achieve innovation. In addition, we set “Embracing Diversity” as our diversity vision in FY2019. We declared that our various employees around the world will continue to inspire each other and create innovation.</p> <p>We have promoted the following five policies under the slogan of “Building Motivating Careers” by overcoming life events for the advancement of women in the workplace in Japan.</p> <p>Embracing the slogan of "Building Motivating Careers", we approach promoting women's engagement based on five major strategies.</p> <ol style="list-style-type: none"> <li>1. Conduct childcare leave follow-up seminars with participation from not only workers with children, but also from their superiors.</li> <li>2. Financial support for the use of childcare and family care services</li> <li>3. Support childcare support</li> <li>4. Promote the use of childcare leave by male employees</li> <li>5. Realize flexible work styles with the introduction of flex-time and telecommuting</li> </ol> <p>As a result of these efforts, our ratio of female managers is 10.54% and the ratio of workers who look after children among female managers is 45.16%.</p> <p>We will work on the following as priority issues in particular in 2020.</p> <ol style="list-style-type: none"> <li>1.Promote the advancement of elderly employees in the workplace</li> <li>2.Establish diversity department goals and department promotion officers</li> <li>3.Change awareness of managers (give seminars)</li> <li>4.Cultivate workplaces for those with disabilities</li> </ol> <p>(<a href="http://www.fujioilholdings.com/csr/en/social/diversity/">www.fujioilholdings.com/csr/en/social/diversity/</a>)</p>
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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 - Updated

Our Group has developed and maintains internal control systems and processes to promote workflow efficacy and efficiency, the reliability of financial reporting, ensure legal compliance, ensure financial health, and reinforce risk management.

1. Outline Principles in our Fuji Oil Group Management Philosophy and reinforce policies among employees.
2. The Legal Affairs Department plays a central role in preparing for situations which violate our Principles and Corporate Ethics to address compliance. At the same time, our Principles serve as our corporate culture through which we reinforce compliance education and training. If managerial corrective actions in response to a compliance infraction do not function, employees are encouraged to file a report through our whistleblowing system. We are ensuring management efficacy by outlining Internal Reporting Regulations and establishing a Whistleblowing Helpline at an external legal office.
3. We established Basic Information Management Guidelines and other internal regulations for information management to ensure appropriate information storage and management.
4. We have addressed risk management by outlining the Risk Management Regulations. The Risk Management Department has established a risk management system that includes designating a managing supervisor for each major risk category within each group in addition to managing business risks as important themes of the ESG Committee.
5. We clarify the decision-making process by outlining internal regulations concerning division of labor and decision-making regulations.
6. We have established internal regulations to clarify work authority and responsibilities to evaluate, manage, and control the mission and workflow processes of each organization. We also use monitoring functions to continuously monitor the efficacy of internal control systems.
7. We have established standards for decision making in our group and for other organizations according to the Fuji Management Regulations as a structure to ensure the appropriateness of operations in our corporate group that consists of our company and our subsidiaries. Each company in our group has built a structure in accordance with this. We have made it compulsory to receive the approval of our company and to make a report about the important items established in our Group Guidelines (Operating Regulations for Concerning Decision Authority) for group companies.  
To promote Group risk and compliance management, we have established appropriate risk management systems and compliance systems in line with company scope and organizational structure. Furthermore, we provide advice and guidance to ensure appropriate compliance with the Principles outlined in the Fuji Oil Group Management Philosophy.  
Furthermore, the Audit Group and Audit & Supervisory Board members collaborate to conduct audits related to the appropriateness of Group companies' activities, and provide advice or warnings concerning corrections as necessary. Furthermore, we have established a structure for reporting audit results to the Group representative director and our Board of Directors.
8. To ensure the appropriateness of financial reporting and ensure the effective and appropriate submission of internal control reports mandated in the Financial Instruments and Exchange Act, our internal controls system functions to continuously evaluate and improve systems.

### 2. Basic Views on Eliminating Anti-Social Forces

Our Company and our Corporate Group have outlined the Fuji Oil Group-Business Conduct Guidelines as the basis for our compliance structure. We outline a basic policy prohibiting contact or engagement with illegal entities or antisocial forces that threaten public safety or social order. We are a member of the Corporate Defense Federation Council through which we partner with police to conduct necessary information exchanges. We also proactively cooperate with legal advisors to ensure rapid and appropriate response to antisocial forces.



## V. Other

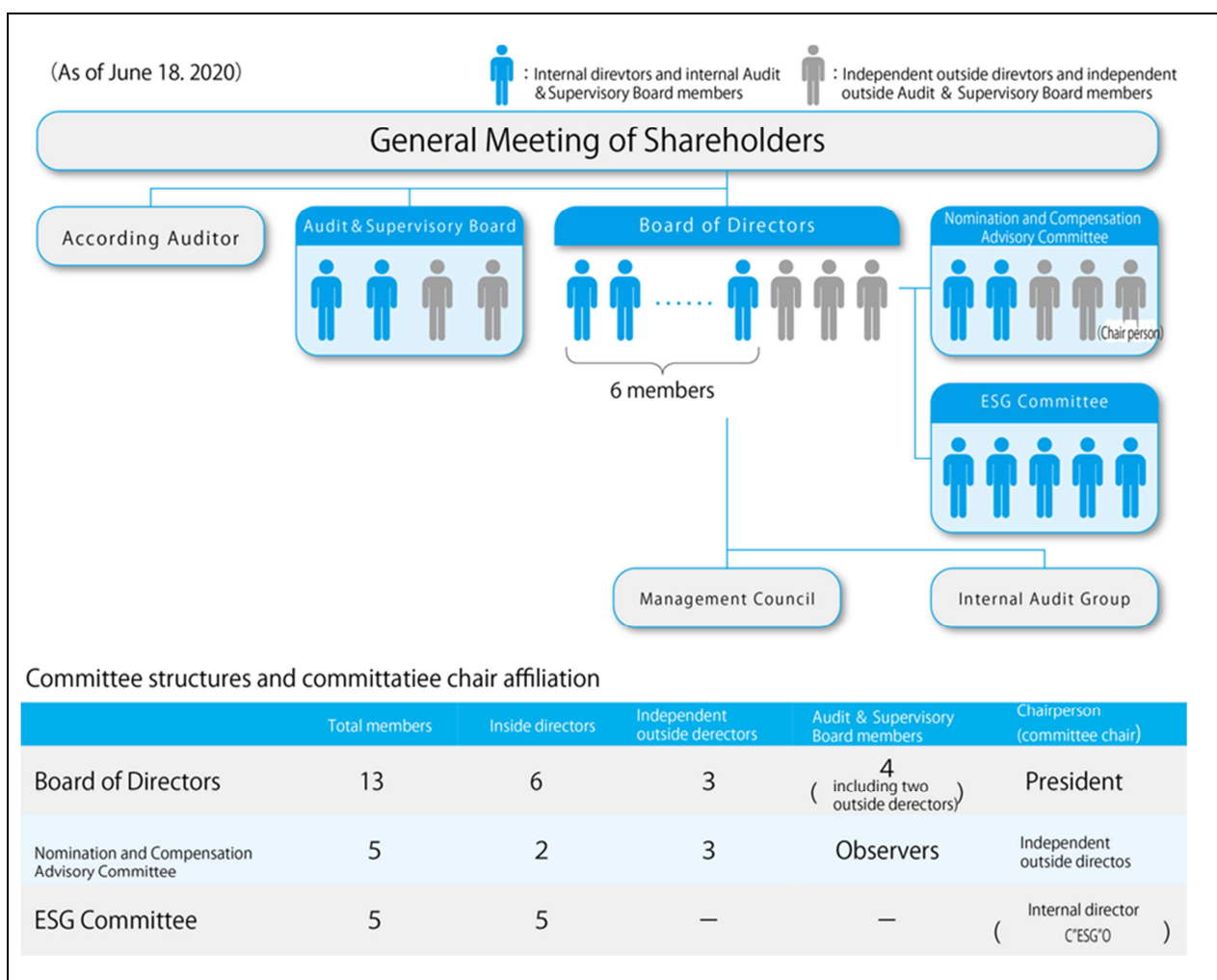
### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures - Updated	Not Adopted
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Supplementary Explanation

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### 2. Other Matters Concerning to Corporate Governance System



## Internal systems related to timely disclosure

