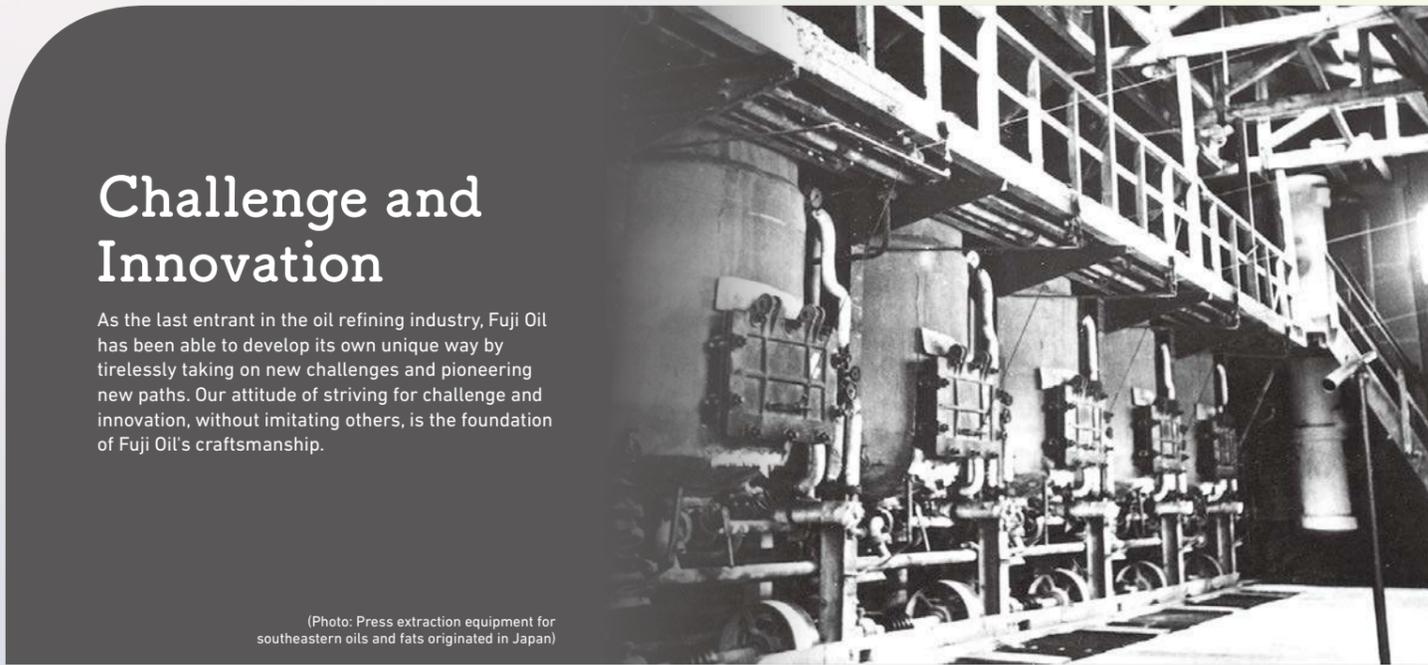


Challenge and Innovation

As the last entrant in the oil refining industry, Fuji Oil has been able to develop its own unique way by tirelessly taking on new challenges and pioneering new paths. Our attitude of striving for challenge and innovation, without imitating others, is the foundation of Fuji Oil's craftsmanship.

(Photo: Press extraction equipment for southeastern oils and fats originated in Japan)



Safety, Quality, and the Environment

As a food manufacturer, we are committed to ensuring food safety and quality, conducting business activities in an environmentally friendly manner, and ensuring the occupational safety of our employees, who are our most precious asset. We are committed to upholding this spirit as the premise of our management and a value that all of our employees should hold in their actions.



Contribute to the Happiness and Well-Being of People through Delicious and Healthy Food

Since our founding, we have heightened our technology and created new valuable materials, with southeastern oils and fats and soy protein ingredients at the core of our business. We have been pursuing, realizing, and evolving the possibilities of food ingredients, while maintaining our intent to contribute to the joy of eating and good health, which will also contribute to society and the earth.



Contribute to Our Customers

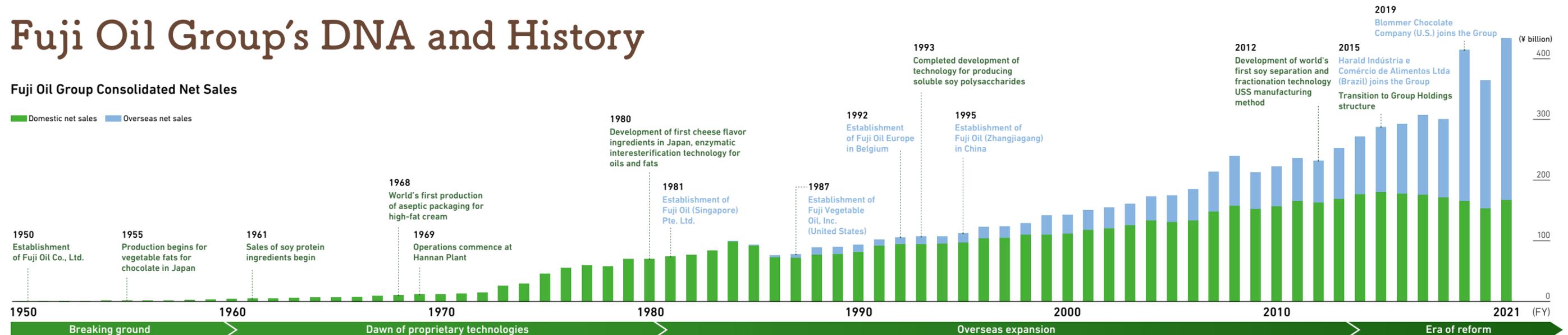
Since its foundation, Fuji Oil's basic philosophy has been that our first responsibility is to contribute to our customers and that we will also achieve growth by providing better products that our customers demand. This spirit is carried forward in the Basic Management Principles and in the Fuji Oil Group Management Philosophy formulated in 2015. We aim to be a company that pursues contributions to customers, consumers, and stakeholders, while achieving sustainable growth.



Fuji Oil Group's DNA and History

Fuji Oil Group Consolidated Net Sales

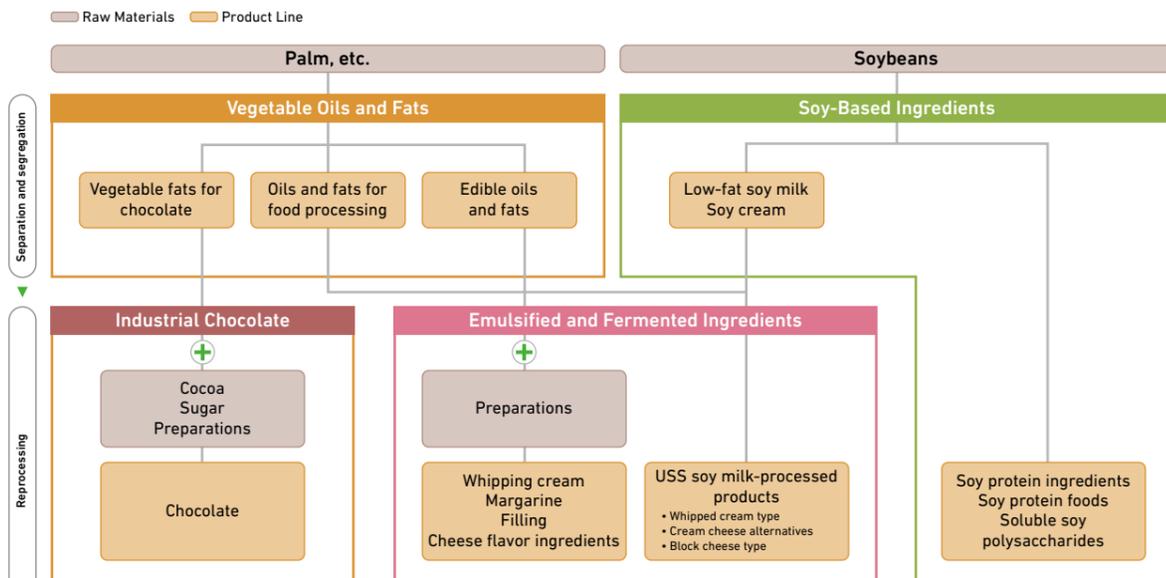
■ Domestic net sales ■ Overseas net sales



Fuji Oil Group Businesses

Global Development of Four Main Businesses

Business Strategy → P62

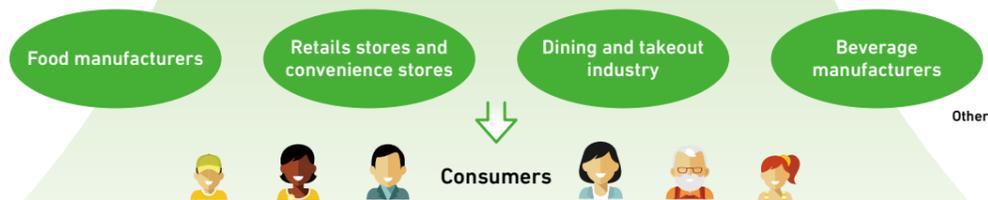


Creating the Next "Surprisingly Delicious" Food with Plant-Based Ingredients

Initiatives Focused on New Business Creation → P74



To Customers and Consumers



Creating Further Value in Response to Social Transformation

The Fuji Oil Group's Value Creation → P14

Our Constant Creation of Value



Our Value Going Forward



At a Glance (FY2021 Results)

Soy-Based Ingredients Business

Share (Company estimate) _____

Soy Protein Ingredients: No. 1 in Japan

Soluble Soy Polysaccharides: No.1 worldwide

Core Product Line



Emulsified and Fermented Ingredients Business

Share (Company estimate) _____

Fillings: No. 1 in China

Core Product Line



Net Sales (outer circle)

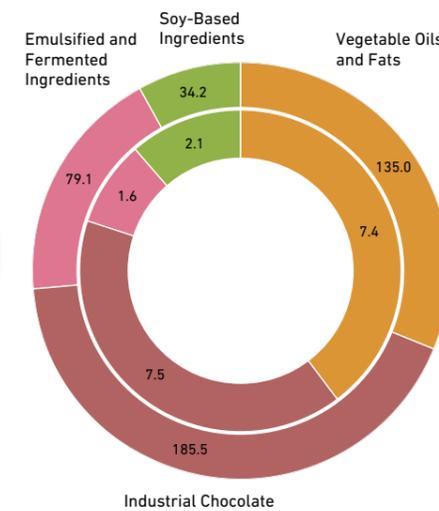
¥433.8 billion

Operating Profit (inner circle)

¥15.0 billion

(Unit: ¥ billion)

Note: The figures in the chart above do not include Group administrative expenses and consolidated adjustments



Vegetable Oils and Fats Business

Share (Company estimate) _____

Vegetable Fats for Chocolate (CBE)*1: World's top 3

*1 Vegetable fats for chocolate with the same physical properties as cocoa butter

Core Product Line



Industrial Chocolate Business

Share (Company estimate) _____

Industrial Chocolate: No. 3 worldwide, No. 1 in Japan

Core Product Line



*2 Chocolate made of cocoa butter derived from cocoa beans
*3 Chocolate made of other vegetable oils and fats

Results by Region

Net Sales (outer circle)
Operating Profit (inner circle)

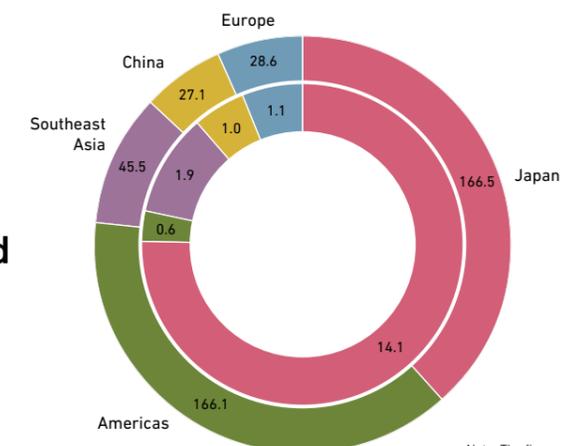
(Unit: ¥ billion)

Global Business Network

14 countries and regions

Number of Consolidated Subsidiaries

37



Note: The figures in the chart above do not include Group administrative expenses and consolidated adjustments

Message from the CEO

Expanding Food Options with Delicious and Healthy Plant-Based Ingredients

Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy. This embodies the Fuji Oil Group's newly formulated Vision for 2030.

Since its founding, the Fuji Oil Group has embraced "accomplishing customer satisfaction" as one of the Fuji Oil Basic Management Principles. By handling plant-based raw materials, such as southeastern oils and fats and soy protein, not offered by other companies, we have created products that differentiate Fuji Oil from its competitors. Fuji Oil is built on the rich history of its predecessors and their dedication to product development, by cultivating production technology to support stable product supply, and their tireless commitment to challenge and innovation. This history of dedication and commitment represents the DNA of the Fuji Oil Group.

Global food markets are undergoing dramatic change. The global economy faces destabilization due to the continuing impact of the COVID-19 pandemic and the geopolitical risks stemming from the situation in Ukraine. Furthermore, there is growing demand for stepped-up responses to human rights and environmental issues in the form of traceability along the entire supply chain. Amid such social transformation, as a manufacturer of intermediate ingredients, the Fuji Oil Group recognizes that to secure sustainable growth for the Group it has an overriding mission to contribute to customers and consumers by providing high-value-added products that help resolve social issues related to food.

One of the social contributions we must strive for is to expand our food options for consumers by offering a vast selection of menus featuring delicious and healthy products made from plant-based ingredients.

With shortages of food resources and environmental issues attributed to world population growth, there are high expectations that global consumption of plant-based foods will increase. However, I believe that "deliciousness" is an issue that must be addressed if society is to achieve a greater level of consumption of plant-based foods in people's daily lives. The flip-side of the food issue is that it is difficult for consumers to continue eating foods that they do not perceive as delicious, even if they know that consuming these foods will help resolve social issues. At the same time, "healthiness" is another important issue. Deliciousness and healthiness are irrevocably linked in the sense that by eating well you can at the same time extend your healthy lifespan. In this regard, well-being must also be considered when thinking about future food lifestyles.

The Fuji Oil Group is addressing these issues head-on. We have already achieved breakthroughs in technology that allow us to create deliciousness solely with plant-based ingredients. We also excel at developing products that provide various functionalities and we are engaged in research related to health and nutrition.

We will expand food options for consumers by combining technology related to the two pillars of deliciousness and healthiness to make further technological advances and expand the applicability of our technology. I have no doubt that the Fuji Oil Group will succeed in this endeavor because, since the early stages of its founding, it has focused on the potential of plant-based ingredients and used those ingredients as the basis for developing processing technology. With plant-based ingredients, we will pursue deliciousness and healthiness and achieve our vision of co-creating a sustainable future for food.

The Fuji Oil Group's Value Creation

→ P14

Mikio Sakai

President
Chief Executive Officer (CEO)
Fuji Oil Holdings, Inc.

Profile

Mr. Mikio Sakai joined the Fuji Oil Group in 1983. He has experience as president of major Group subsidiaries in regions such as China and the U.S. and was appointed as a director in June 2015. After serving as Chief Strategy Officer, in April 2019 he became Chairman of Blommer Chocolate Company, the Group's core chocolate business in North America. He has held his current role as President and CEO since April 2021.

Mid-Term Management Plan: Reborn 2024

To realize our Vision for 2030, we broke down the nine years leading up to 2030 into three, 3-year phases and outlined a vision for medium- to long-term growth. Phase I of this vision is our new mid-term management plan, Reborn 2024 (fiscal 2022 to fiscal 2024). Our slogan for Reborn 2024 is “We will be reborn as a corporate group that is able to generate new value.” This slogan represents my personal desire to convey the Fuji Oil Group’s commitment to everyone, both to personnel within the Group and to external stakeholders.

In a difficult external environment where we face issues such as the continuing impact of COVID-19 and rising raw material prices, I recognize the Group has struggled to implement speedy responses both as a unified organization and as individual Group companies. It is critical that we strengthen our analysis of the external environment and the operating environment and conduct regular monitoring of important management metrics in order to avoid missing signs of change. The Fuji Oil Group has focused on B2B business since its founding but, moving forward, I want us to be reborn into a corporate group that is capable of increasing the speed of its business management and responding flexibly to change. We can accomplish this transformation by constantly working to identify trends in the external environment and among consumers, by taking a proactive approach, and by repeating the process of implementing specific measures and then validating those measures.

With that in mind, during the period of our new mid-term management plan Reborn 2024, we will focus on strengthening our business foundation. The new plan is rooted in the CEO management policy I introduced when I took over as CEO and the three basic policies outlined. Among the various themes related to those policies, I am particularly focused on three issues: restoring core profitability; undertaking profit management by strengthening the business axis; and utilizing human resources. I want to bring a sense of speed to implementing initiatives related to these three issues.

Strengthening the Foundation: Mid-Term Management Plan (Fiscal 2022 to Fiscal 2024) Reborn 2024

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CEO Management Policy	Key policy of the New Mid-Term Management Plan “Reborn 2024”	
Commitment to profit	Strengthening of business foundation (restoring profitability and creating new value)	<ul style="list-style-type: none"> ① Restore core profitability ② Concentrate allocation of management resources to growth and strategic areas ③ Revitalize product portfolio in existing businesses through high value-added solutions ④ Initiatives aimed at new business fields
Strengthening Group main office functions and strategies	Strengthening global management	<ul style="list-style-type: none"> ① Adopt business-specific ROIC ② Profit management by strengthening the business axis ③ Research / Technology development ④ DX
Enhancing efforts related to the sustainability demand by society	Enhancing sustainability (Sustainability strategy aligned with management strategy)	<ul style="list-style-type: none"> ① Distinctiveness through sustainable procurement ② Climate change response ③ Utilize human resources

To restore core profitability, I want to begin by realizing a recovery in Group profit to fiscal 2019 levels. Over the past two years, profit levels declined due to the impact of COVID-19 and rising raw material costs. However, the strength of our Group businesses has not declined. I believe a major cause of profit declines was our slowness to act in implementing cost management and appropriate price revisions when our operating environment saw the rapid rise in raw material costs. We will restore our core profitability by strengthening management and addressing these issues on a business-specific level.

To undertake profit management by strengthening the business axis, we will aggressively promote differentiation strategies as a Groupwide initiative. We will shift from our previous focus on sales volume to an appropriate approach that prioritizes profit amount and profit margin. We will also reevaluate our product portfolio to focus on high-value-added products. From April 2022, we shifted to a focus on business-specific management. Our transition to a structure that further strengthens our matrix management for each region and business will

lead to increased efficiency by enabling us to visualize profit management for each business and engage in centralized management of the supply chain for our key raw materials. Steps that encourage the Group to focus on investment efficiency will enable portfolio changes in ways that can be difficult for areas to decide on their own. Such steps will also promote resource allocation based on consideration of the cost of capital. Through these efforts, I want Fuji Oil to be reborn into a corporate group that can conduct business portfolio management. On a business-specific level, we will strengthen risk management by engaging in raw material position management and product cost management as well as implement appropriate price revisions. Overall, these efforts will increase the speed and efficiency of our business management.

With regard to the utilization of human resources, I believe that if we cannot draw on the strengths of our diverse employees in our operations we will not be able to ensure our competitiveness and improve our corporate value. The percentage of our employees who are seeking diverse workstyles is increasing. And there are various ways in which they can contribute to the Company. With that in mind, we are advancing our efforts related to diversity, equity and inclusion (DE&I). To respond to diversifying values and improve our corporate value, we will open up career opportunities within the Group, such as posts and projects, regardless of nationality, gender, or age. We will select diverse people objectively by evaluating achievements and potential. By 2030, we will also improve the diversity (nationality, gender, etc.) of executive officers who are members of the Board of Directors and the Management Committee.

We also need to reform our human resource system in order to make the most of our personnel diversity. Specifically, the personnel systems of Japanese companies, based on the framework of lifetime employment, are more uniform than overseas systems, and I feel that hinders diversity acceptance and the utilization of talented personnel in Japan. By making our personnel systems more flexible, employees will be able to choose a career plan based on factors such as their own ambitions and familial circumstances. Also, more flexible personnel systems will enable us to adopt open recruitment for positions in the same way as is done overseas.

Instead of adhering to a framework of lifetime employment, I want us to provide workplaces where personnel who seek to contribute to the Group’s philosophy and mission can play active roles, regardless of their history of employment with the Group, even in cases of short-term employment.

We will also strengthen dialogue with employees. I regret the fact that communication between management and Group employees has been insufficient thus far due to the increase in employee numbers resulting from business expansion and because of the COVID-19 pandemic. Employees and management need to communicate with each other about what they are thinking, the issues they are facing, and their thoughts on the future. At the same time, management needs to communicate regarding recent changes in our business environment and on the details of dialogue with investors. By improving communication among the various members of the Group, we are committed to creating a sound and stable organization in which personnel feel they are able to share their concerns and mistakes immediately with team members, including their superiors.

Sustainability Management and Corporate Governance

Amid major social changes, efforts to address human rights and global environmental issues will not only reduce business risks but also contribute to differentiation and improved management speed, which will in turn lead to value for consumers. That is why the Group regards efforts toward resolving these issues as important.

Most of the key raw materials for the products offered by the Group are sourced in Asia and Africa and are the result of the local climates and the people who work in the countries in those regions. Without those natural and human resources, we would be unable to provide high product quality or realize stable supplies. Food is essential to life, and people expect high quality



Introduction

Human Resources to Support Value Creation

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and stable supply. That is why, we recognize that providing solutions to various social issues throughout our value chain, from raw materials to consumers, is a prerequisite for the continuation of our business. All people working in the Fuji Oil Group are expected to regard sustainability management as an absolute must in their daily work. We must all constantly challenge ourselves to make concrete improvements toward building a sustainable food value chain.

For this reason, more than ever before it is essential that we work together with stakeholders along our value chain, including raw material suppliers, customers, and partners. The continued development of the Fuji Oil Group also depends on us striving for a sustainable future for food and further strengthening our co-creation activities toward the establishment of a stable food chain.

For all Group employees to work together toward enhancing co-creation with stakeholders while further promoting sustainability management, we are implementing reforms to clarify execution responsibilities.

In fiscal 2019, we established the position of C“ESG”O to promote and drive sustainability management. However, from fiscal 2022, we have eliminated the position to transition to a structure that better enables us to tackle sustainability as a Companywide issue. Furthermore, we changed the name of the ESG Committee to the Sustainability Committee and restructured the organization into a forum for discussions mainly focused on environment (E) and society (S). Governance (G) was redefined as a matter of importance that should be promoted by the Board of Directors and the Management Committee.

We also organized our ESG materiality into three categories: Value creation; Safety, quality, and environment; and Business foundation.

Along with sustainability management, ensuring fair, transparent, and appropriate governance is a major requisite for management. I feel that governance is often understood in terms of management and supervision in Japan. However, the word governance is derived from the Latin word *gubernare*, which refers to steering a ship. The essence of governance is to unite all members of a group, to thoroughly implement compliance and risk management, and to work toward realizing goals efficiently and with a sense of speed to improve corporate value. I want the Fuji Oil Group to be a corporate group that does not imitate others and always takes on challenges, and I firmly believe that the execution of business management should be about continuously tackling new challenges.

In June 2022, we changed the institutional design of the Board of Directors and transitioned to a company with an Audit and Supervisory Committee. In addition to strengthening management monitoring functions and raising corporate governance to an even higher level, we will work to speed up management by promoting the division of roles between business execution and management supervision. Governance is a continuously evolving concept, and we intend to evolve it further by 2030, when we are set to achieve our Vision for 2030.

The role played by outside directors has become even more important. The Board of Directors engages in lively exchanges of opinions, with the outside directors providing their opinions on our management direction by drawing on their experience and background and from their perspectives as external stakeholders. We also welcomed their various suggestions and advice when formulating the new mid-term management plan, and I believe we were able to formulate a highly feasible plan.

Continuous dialogue with investors is also an important element of corporate governance. Through proactive dialogue, I will present the Company's position as well as the direction in which I am seeking to take the Company. Also, by discussing management issues from the perspective of our KPIs, such as return on invested capital (ROIC), I will work to improve our corporate value.

All members of management are moving in the same direction toward the achievement of Vision for 2030. I believe that the role of the executive officers is to constantly take on challenges to realize that goal and that a new critical mission of the Board of Directors is to manage and supervise business execution from a third-party perspective. Step by step, we will move steadily toward achieving a governance system that performs its desired functions.

Fuji Oil Group Risk Management

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Governance

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Reborn 2024 to Pursue Medium- to Long-Term Growth

To achieve further development of the Fuji Oil Group through both social contribution and sustainable growth, it is vital we effectively execute our mid-term management plan Reborn 2024 and realize our Vision for 2030.

During the period of the current mid-term management plan, which represents Phase I of Vision for 2030, our first priority is the recovery of Group profit to previous levels. At the same time, we will promote the development of new business pillars that we will align with the Vegetable Oils and Fats Business and the Industrial Chocolate Business.

Since its founding, the Fuji Oil Group has remained committed to plant-based ingredients and has contributed to customers and society by creating innovative products based on its unique manufacturing methods and product development technology. This DNA is also represented in our company name “Fuji (不二),” which means “like no other.”

In July 2022, we announced our flagship initiative GOODNOON. The entire Group will promote the development of product groups made from plant-based ingredients and that focus on deliciousness and texture. Without being bound by conventional frameworks, we will also engage in information dissemination through social media marketing and other platforms, adopt new sales methods such as e-commerce, and challenge ourselves to introduce new product formats such as ready-to-eat and ready-to-use products while promoting sales in the home meal and food service markets. During the period of the current mid-term management plan, we will continue to promote our research structure, production, and sales in the Japanese market. And we intend to introduce our newly developed products to the world during the period of the next mid-term management plan. In 2030, we are targeting sales of ¥100 billion from products that match the GOODNOON concept.

From the perspective of ongoing changes in world affairs and risk management, we believe that to achieve sustainable growth as a group, we must grow our overseas business to a profit level that is on par with Japan. The strengthening of our overseas business is an urgent task for the period of the current mid-term management plan, but to do so will involve more than simply increasing sales volume. Through efforts to increase the sales ratio of high-value-added products that represent the distinctive nature of the Fuji Oil Group and to expand our customer base, we will raise the profitability of our overseas business.

From a stakeholder perspective, the Fuji Oil Group is expected to achieve sustainable growth while contributing to society. My mission as CEO is to pass the Company on to future generations in a better shape than when I took over. The Fuji Oil Group has a history of more than 70 years, but it is impossible for the products and processes of the past to continue to be successful. A company is a living thing, and it will not survive unless it continues to adapt. The future survival of the Fuji Oil Group will depend on the three-year period from fiscal 2022 to fiscal 2024 and it being reborn into a corporate group that is able to generate new value.

September 2022

Mikio Sakai
 President
 Chief Executive Officer
 Fuji Oil Holdings, Inc.

Research and Development

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Initiatives Focused on New Business Creation

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