

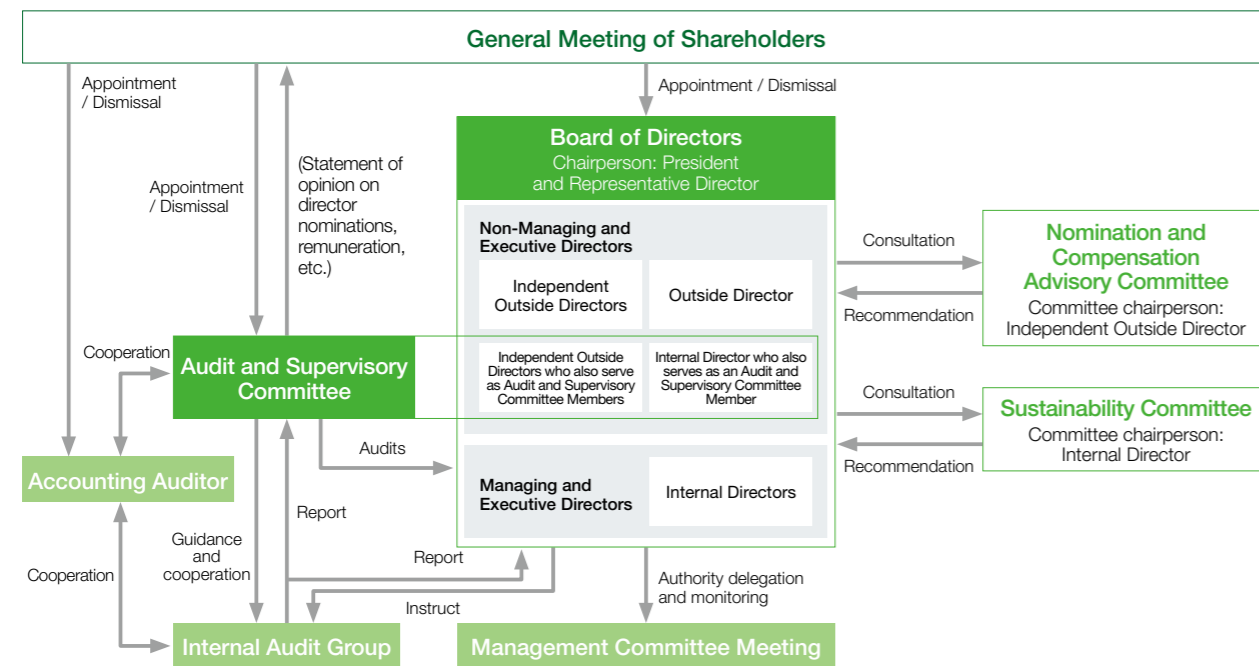
# Corporate Governance

The Fuji Oil Group recognizes that corporate governance is an essential and critical foundation of sustainable improvements to corporate value. Under the General Meeting of Shareholders, the Board of Directors and the Audit and Supervisory Committee play important roles for this purpose. Furthermore, we aim to realize aggressive business development and compliant and efficient management by delegating authority to the Management Committee Meeting. The Board of Directors is responsible for supervising (monitoring) decision-making bodies and business execution regarding important matters. The Audit and Supervisory Committee is responsible for auditing the execution of duties by Directors, excluding Audit and Supervisory Committee Members. The Management Committee Meeting, whose principal members are the President and CEO, Managing and Executive Directors, and Executive Officers, is responsible for discussions that contribute to the management of the Company and support flexible and appropriate decision-making by the President and CEO, who is the top officer.

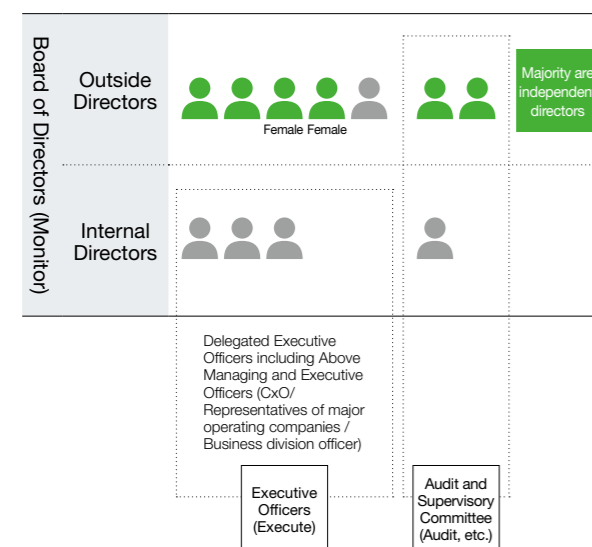
Effective internal governance (Group governance) is a prerequisite to ensuring the efficacy of corporate governance. With this in mind, we work to ensure awareness of business policies and work regulations throughout the entire Group. Additionally, our various business departments and the Internal Audit Division engage in monitoring activities.

## Governance Structure

(As of June 27, 2024)



## Audit and Execution Structure



## Expertise of Directors



Skills Matrix ▶ P89

## Main Organizational and Committee Structure

(As of June 27, 2024)

Company Name	FUJI OIL HOLDINGS INC	Institutional Design	Company with an Audit and Supervisory Committee					
Organizational System	Pure holding company	Number of Outside Directors	11, including 2 female directors (7 outside directors, of whom 6 are independent outside directors)					
Chairperson	Composition of directors						Reference: Number of meetings during FY2023 <sup>*1</sup>	
	Total	Directors excluding directors who also serve as Audit and Supervisory Committee Members			Audit and Supervisory Committee Members			
	Internal Directors	Independent Outside Directors	Non Independent Outside Director	Internal Director	Independent Outside Directors			
<b>Board of Directors</b>	<b>President and Representative Director (Mikio Sakai)</b>	11	3	4	1	1	2	16
<b>Audit and Supervisory Committee</b>	<b>Director Full-Time Audit and Supervisory Committee Member (Yusuke Togawa)</b>	3	—	—	—	1	2	12
<b>Nomination and Compensation Advisory Committee</b>	<b>Independent Outside Director (Toshiyuki Umehara)</b>	6	1	4	—	1	—	10
<b>Sustainability Committee<sup>*2</sup></b>	<b>Internal Director (Mikio Sakai, CEO)</b>	5 <sup>*3</sup>	3	1 Advisor	—	—	—	3
<b>Reference: Management Committee Meeting</b>	<b>President and Representative Director (Mikio Sakai)</b>	12 <sup>*4</sup>	3	—	—	1 Observer	—	26

<sup>\*1</sup> April 1, 2023 to March 31, 2024  
<sup>\*2</sup> Changed name from ESG Committee in FY2022  
<sup>\*3</sup> 3 Internal Directors + 2 Executive Officers  
<sup>\*4</sup> 3 Internal Directors + 9 Executive Officers

## Description of Bodies

<b>Board of Directors</b>	The body that makes decisions on legally mandated matters related to the management of Fuji Oil Holdings and important matters such as management policies and strategies and monitors the execution of business operations. It consists of Directors (including Audit and Supervisory Committee Members) entrusted by shareholders.
<b>Audit and Supervisory Committee</b>	The committee that conducts investigations on the status of business and assets of Fuji Oil Holdings; audits the execution of duties by Directors (excluding Audit and Supervisory Committee Members) using the internal control system; and cooperates with and directs the Internal Audit Group to audit the appropriateness of the operations of Group companies.
<b>Nomination and Compensation Advisory Committee</b>	The committee that deliberates on personnel matters related to appointment and dismissal, succession planning, and compensation of the Company's Directors and Executive Officers inquiring from the Board of Directors. From the viewpoint of objectivity and transparency in making decisions, most committee members are Independent Outside Directors, and the committee is chaired by an Independent Outside Director.
<b>Sustainability Committee</b>	The committee deliberates important issues and strategies to promote sustainability management taking into account the expectations and demands of society as an advisory body to the Board of Directors. It then reports its findings to the Board of Directors. With the CEO serving as the Chairperson, the committee consists of CxOs with voting rights, other Executive Officers, heads of business divisions, Outside Directors and ESG Advisors.
<b>Management Committee Meeting</b>	The body that deliberates on important matters related to the execution of business activities in the Fuji Oil Group and contributes to decision-making conducted by the President and Representative Director, Managing and Executive Directors, and Executive Officers.

## Changes in Governance Structure

(FY)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Separation of management supervision and business execution</b>		● Transition to holding company structure Delegation of authority to regional headquarters			● Revisions to Board of Directors' regulations*		● Definition of Monitoring Perspectives		● Shift to company with Audit and Supervisory Committee	
<b>Number of directors</b>	● 10		● 8	● 9	● 10	● 9	● 8	● 12		● 11
<b>Of whom, outside directors</b>	● 2				● 3		● 4	● 7		
<b>Committee (Advisory body to the Board of Directors)</b>		● Establishment of Nomination and Compensation Advisory Committee and ESG Committee						● Renamed ESG Committee to Sustainability Committee		
<b>Evaluation of effectiveness of the Board of Directors</b>					● Evaluation of effectiveness of Board of Directors					
<b>Remuneration system</b>					● Formulation of Policy on Revisions to the Remuneration System	● Implementation of performance-linked share-based remuneration system		● Adoption of ESG indicators, adoption of new remuneration system that changed Executive Officers from employment-type system to delegation-style structure		
<b>CEO succession plan</b>					● Start considering CEO succession plan	● Start to make use of CEO performance review meetings	● Build up CEO succession plan scheme	● Begin operation of CEO succession plan scheme		

\* In addition to existing decision-making and reporting, we also established opportunities for open-minded deliberation on governance and other matters.

# Board of Directors

## Major topics of discussion at Board of Directors' meetings in fiscal 2023

Classification	Major topics
<b>Roles and responsibilities of the Board of Directors</b>	Evaluation of effectiveness of Board of Directors, matters for consultation with the Nomination and Compensation Advisory Committee, and Audit and Supervisory Committee activity reports, etc.
<b>Reports on execution status</b>	Monthly reports and matters to be deliberated by Management Committee Meeting, etc.
<b>Corporate value improvement</b>	Response to important management issues (Blommer Chocolate Company (United States) structural reform), business strategies (investment projects and business portfolio), mid- to long-term research theme progress, sustainability strategies, and Sustainability Committee reports, etc.
<b>Risk management</b>	Response to Group significant risks, occupational accident and complaint reports and response, and environmental data reports, etc.
<b>Legal compliance and disclosures</b>	Financial results (quarterly, annual), General Meeting of Shareholders, and various disclosures
<b>Internal controls etc.</b>	Policies and regulations, internal reports, and internal audit activity reports and plans, etc.

## Main initiatives by the Board of Directors in fiscal 2023

We aimed to stimulate discussions from a mid- to long-term perspective and to enhance opportunities to explain the execution status in fiscal 2023 based on the deliberations in the evaluation of effectiveness of Board of Directors conducted last year. Based on those targets, we strived to improve the effectiveness of the Board of Directors by holding focused discussions with the multifaceted perspectives of each Director.

Discussion topics	Overview
<b>The Fuji Oil Group's sustainability strategy</b>	Report contents <ul style="list-style-type: none"> <li>Situation surrounding the Group's sustainability management                             <ul style="list-style-type: none"> <li>Increasing social demand to respond to climate change, biodiversity, human rights and other risks arising in the value chain, and to create value from a sustainability perspective</li> <li>Accelerating pace of sustainability-related legislation mainly in Europe</li> </ul> </li> <li>Current issues and responses in the Group's sustainability management and the Group's initiative policy for the next Mid-term Management Plan</li> </ul>
	Main discussions <ul style="list-style-type: none"> <li>Opinions were exchanged on the direction of the Group which is increasing corporate value by promoting a sustainability strategy linked to our business strategy to realize our vision.</li> </ul>
<b>Mid- to long-term research themes and measures for commercialization</b>	Report contents <ul style="list-style-type: none"> <li>Priority themes promoted by the Research Institute for Creating the Future, which is responsible for the Group's mid- to long-term research, and roadmaps and measures for commercialization</li> <li>Research Institute for Creating the Future's initiatives to contribute to sustainability management (promote open innovation etc.)</li> </ul>
	Main discussions <ul style="list-style-type: none"> <li>Opinions were exchanged on the importance of promoting research themes through milestone management based on changes in the external environment, intellectual property strategies, and research strategies which understand customer value in each country and region where each group company has a base.</li> </ul>
<b>Blommer Chocolate Company (United States) structural reform</b>	Report contents <ul style="list-style-type: none"> <li>Analysis of the impact on profitability from changes in the external environment since acquisition</li> <li>Importance of the company to the Group based on trends in the world's largest chocolate market of the United States and trends in competitors</li> <li>Blommer Chocolate Company's (United States) issues and its measures to respond to them</li> <li>Structural reform plan and promotion structure, etc.</li> </ul>
	Main discussions <ul style="list-style-type: none"> <li>In addition to Board of Directors' meetings, we established opportunities outside of those meetings to hold repeated careful discussions from the multifaceted perspectives of all the Directors in response to detailed explanations from executive those in charge of execution about the optimization of management resource allocation and business areas, differentiation strategies, and the appropriateness of the structural reform plan</li> </ul>

### Message

## Messages from Outside Directors

### Board of Directors: reborn to take on challenges

We have been focusing on decision-making and execution oversight to realize the three policies we set forth in Reborn 2024 in Board of Directors' meetings since fiscal 2022. We have been continuously working with everyone involved in execution to tackle the difficult issues identified through discussions based on opinions from diverse perspectives in a rapidly changing business environment where it is not possible to erase a sense of uncertainty. In particular, following on from the transfer of fixed assets relating to vegetable oils and fats business in North America, we have been working with those locally on structural reform at Blommer Chocolate Company (United States) to realize a high-value-added portfolio. We have conducted a review from acquisition to the present. Together with this, we have evaluated the Fuji Oil Group's competitiveness in the future commercial chocolate market. This evaluation clarified the priority business areas, production structure reorganization, management structure strengthening and other issues. We have been taking concrete measures for those issues since the end of fiscal 2023. The Board of Directors has been holding discussions in response to these complex issues. In addition, separate opportunities have been provided to Outside Directors in particular to ensure that there is sufficient information to consider the issues and that there are opportunities for multifaceted exchanges of opinions. I think many bitter and harsh words have been said to those within the Company at times. However, I believe that is an essential step to obtaining better results. We will enter a phase from fiscal 2025 in which we will implement the Mid-term Management Plan following on from Reborn 2024 with a new management structure. We will continue to face many more difficult issues, not only in terms of business. Nevertheless, I intend to contribute to the more effective operation of the Board of Directors.

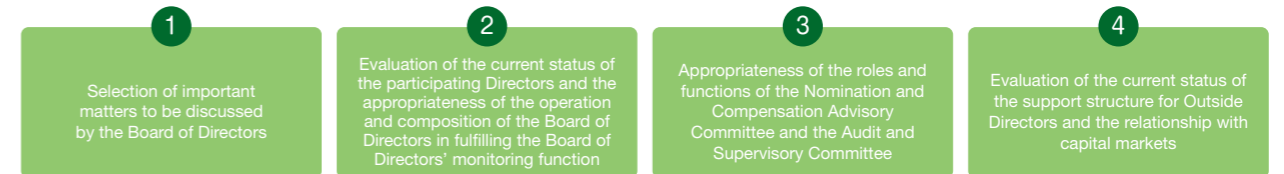


**Hidenori Nishi**  
Outside Director

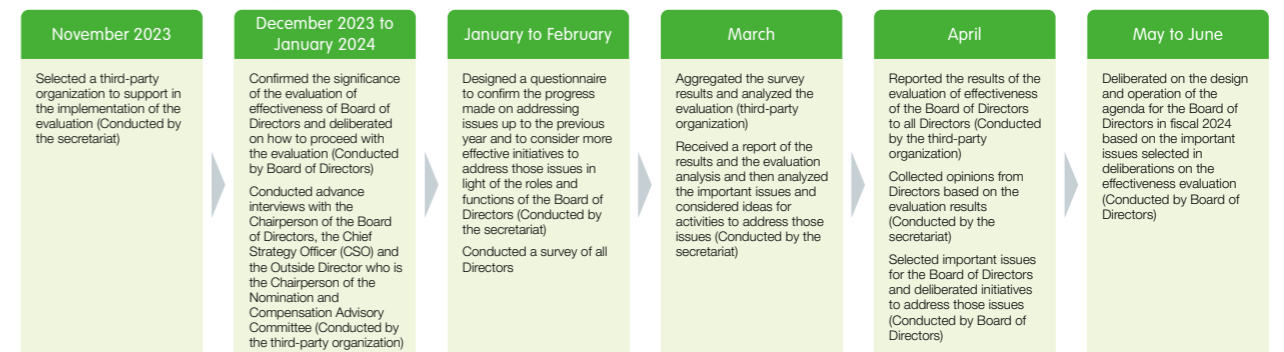
Independent / Outside

## Fiscal 2023 effectiveness evaluation of the Board of Directors

To evaluate the effectiveness of the Board of Directors for fiscal 2023, we conducted interviews with the President, the Chief Strategy Officer (CSO) in charge of the Secretariat of the Board of Directors and the Outside Director who is the Chairperson of the Nomination and Compensation Advisory Committee. We also conducted a survey of all Directors. The Secretariat of the Board of Directors conducted this survey with the support of a third-party organization for the following aims to consider even more concretely initiatives to address issues in light of the roles and functions of the Company's Board of Directors in addition to confirming progress made on addressing issues identified up to the previous year.



### Effectiveness evaluation process



### Points evaluated

As a result of the survey, the Company determined that both the Internal Directors and Outside Directors share a sense of issues and hold open discussions by participating in Board of Directors' meetings with an awareness of the roles they should play in aiming for a monitoring-type Board of Directors.

### Issues

On the other hand, the following issues were identified. The Board of Directors recognizes and shares the view it should aim to further improve its effectiveness through initiatives to address these issues.

#### 1. Issues related to operation

It is necessary to stimulate discussions from a mid- to long-term and bird's-eye perspective. The themes of those discussions should include the following:

- Appropriateness of management resource allocation to support the formulation and implementation of mid- to long-term business strategies
- Human resource development and measures to realize business strategies, etc.

#### 2. Issues related to roles and functions

Lively discussions should be encouraged by further increasing opportunities to explain and provide information on the execution status necessary for monitoring to Outside Directors to strengthen monitoring functions. Communication between Internal and Outside Directors should be further stimulated.

We must work on eliminating the asymmetry of information relating to business operation, execution status and other areas between Internal and Outside Directors to address the above issues. To achieve that, it is also necessary to further stimulate discussions with the multifaceted perspectives of each Director on the Company's mid- to long-term management issues. In response to the results of the evaluation of effectiveness of Board of Directors, the Company is deliberating on what discussions are necessary at Board of Directors' meetings, selecting the themes which should be the focus of discussions by the Board of Directors in fiscal 2024 and designing the annual agenda schedule. Moreover, the Secretariat of the Board of Directors holds discussions with the Directors in charge of each theme and the Secretariat of the Management Committee Meeting on this annual agenda. Linking this agenda with the agenda of the Management Committee Meeting encourages deliberations which contribute to management on the executive side.

In addition, as a company with an Audit and Supervisory Committee, there is a need for the Company to ensure the effectiveness of the Audit and Supervisory Committee to improve the effectiveness of the Board of Directors. We will again conduct an evaluation of effectiveness of the Audit and Supervisory Committee this year as part of the evaluation of effectiveness of Board of Directors. We will then share the evaluation results with not only Directors Who Also Serve as Audit and Supervisory Committee Members but with all the Directors. We will develop and operate a framework to effectively improve the Company's governance as a whole.

# Nomination and Compensation Advisory Committee

The Company established the Nomination and Compensation Advisory Committee as a discretionary advisory body to the Board of Directors. The Advisory Committee, inquiring from the Board of Directors, deliberates, reports to the Board of Directors, and monitors matters related to the nomination of Directors and Executive Officers and the director remuneration system. The committee consists of not less than three and not more than six Directors, appointed by resolution of the Board of Directors. From the viewpoint of enhancing objectivity and transparency in decision-making, the committee comprises a majority of independent Outside Directors and is chaired by an independent Outside Director.

## Major Activities in FY2023

<b>Selection of the Nomination and Compensation Advisory Committee Chair</b>	A chair is elected every fiscal year, decided by mutual election of committee members.
<b>Review of the composition and skills matrix of the Board of Directors</b>	The Committee reviewed items in the Directors' skills matrix and the distribution of skills, deliberated on the composition of the Board of Directors, including Outside Directors, and reported on these matters to the Board of Directors.
<b>Matters concerning nominations</b>	The Committee deliberated on new Director candidates, the Executive Officer structure and Executive Officer candidates, and reported on these matters to the Board of Directors.
<b>The Committee conducted monitoring and provided advice on human resource development</b>	The committee monitored the operation of the development of next-generation management personnel, including receiving progress reports and providing advice on the progress.
<b>Matters concerning remuneration for Directors</b>	The committee deliberated and reported to the Board of Directors on the performance-linked remuneration in fiscal 2023 and Directors remuneration and setting KPIs of performance-linked remuneration in fiscal 2024.

## CEO Reappointment Review

The Nomination and Compensation Advisory Committee has established a CEO Review Committee for the purpose of appropriately fulfilling their role in management during normal times and maximizing corporate value for various stakeholders, as well as the desirability of having the CEO continue in the position for the next fiscal year.

In fiscal 2023, a meeting was held with an independent Outside Director as a member of the CEO Reappointment Review Committee, and matters discussed were reported to the Nomination and Compensation Advisory Committee. Accordingly, the Nomination and Compensation Advisory Committee deliberated again and reported to the Board of Directors on the succession plan for the position of CEO.

## Message

### Messages from Outside Directors

#### Let's get it done in one go!

I was appointed as an Outside Director in 2021 in the middle of the COVID-19 pandemic. It has already been four years since then. The Group achieved a recovery in results in fiscal 2023 thanks to the tireless efforts of CEO Sakai, our other officers and our employees. This fiscal year is the final year of the Mid-term Management Plan Reborn 2024. We recognize that it is now the time to steadily implement our promised Blommer Chocolate Company (United States) structural reform and its growth strategy to demonstrate results as a capital-efficient company while making thorough preparations for it to become a operating holding company starting in fiscal 2025.

Against this background, I have been serving as the Chairperson of the Nomination and Compensation Advisory Committee since last year.

Four Independent Outside Directors representing the shareholders play a central role in important company matters (CEO reappointment review, succession plans and the remuneration system, etc.) on the Committee. The role of the Committee is to interview the CEO and to exchange opinions in-depth. It then reports its findings to the Board of Directors. I also participated in meetings with investors and analysts who have expectations in the Company in my position as Chairperson of the Committee. I will continue to serve as Chairperson again this year. I am determined to focus my energies on this important role.



**Toshiyuki Umehara**  
 Outside Director  
 Chairperson of the  
 Nomination and  
 Compensation Advisory  
 Committee  
 Independent / Outside

## Policy and Process for Appointing Directors

### Approach to Nominating Candidates for Directors

The skills matrix of the Board of Directors, specifying the expertise, experience, and expected role of each member, is provided below on the next page. We constantly take into consideration in regard to the composition of the Board of Directors based on expertise of skills matrix, attributes (as well as independence), years of service, gender, nationality, other aspects of diversity, changes in business environment, and other factors. Furthermore, to ensure the independence of Outside Directors, we believe it is appropriate to set maximum terms of six years for Independent Outside Directors.

### Skills Matrix (Especially Areas Where Candidates Can Be Expected to Demonstrate Their Expertise and Experience)

		Corporate Management	R&D and Technology	Global	Sustainability	Sales and Marketing	Production (Safety, quality, and the environment)	Finance and Accounting	Legal Compliance	Human Resource Development	IT / Digital Transformation	Supply Chain Management
Directors	Mikio Sakai	●		●	●	●				●		
	Hiroyuki Tanaka	●		●		●		●				●
	Sunao Maeda	●		●				●	●			
Outside Director	Hidenori Nishi*	●		●		●				●		
	Toshiyuki Umehara*	●	●	●			●				●	
	Tomoko Tsuji*	●	●		●							
	Rie Nakagawa*	●		●	●	●		●			●	●
Directors who also serve as Audit and Supervisory Committee Members	Yusuke Togawa							●	●	●		
	Hirohiko Ikeda*			●					●			
	Yasuhiro Tani*			●	●			●				

\* Independent directors

### Policy and process for appointing candidates for the Board of Directors

Based on the Fuji Oil Group Management Philosophy, our policy is to select candidates for the Board of Directors who embody the values of the Fuji Oil Group to a high degree, have a wealth of expertise and knowledge and a high level of insight, and can be expected to contribute to the further development of the Fuji Oil Group. Based on this policy, the Board of Directors selected Sunao Maeda as a candidate for the Board of Directors upon receiving reports from the Nomination and Compensation Advisory Committee in fiscal 2024.

In addition, the Audit and Supervisory Committee appointed Yusuke Togawa, a Director Who Also Serves as an Audit and Supervisory Committee Member, and Yasuhiro Tani, an Outside Director Who Also Serves as an Audit and Supervisory Committee Members, upon receiving opinions on their appropriateness from the Nomination and Compensation Advisory Committee.

### Policy on protecting the rights of minority shareholders

The Company has appointed an Outside Director from the ITOCHU Group, a major shareholder, to obtain management advice based on an objective external perspective, experience and knowledge. Nevertheless, the Group's business activities and management decisions are not restricted by our major shareholders. We execute business after deciding upon important matters relating to business execution in the Management Committee Meeting based on the policy we have established to prevent transactions contrary to the interests of our shareholders in the Fuji Oil Holdings Corporate Governance Guidelines.

When important or non-routine transactions with the ITOCHU Group arise, the ITOCHU Group and the Company mutually confirm the necessity of protecting minority shareholders and then discuss the appropriateness of entering into those transactions. Furthermore, the Board of Directors confirms we have not entered into any transactions with a conflict of interests by reviewing non-routine and highly important transactions with the ITOCHU Group at the end of each fiscal year. Together with this, it deliberates on the prevention of transactions with a conflict of interests on an ongoing basis.

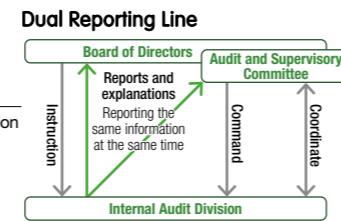
# Audit and Supervisory Committee

We transitioned to being a company with an Audit and Supervisory Committee based on a resolution at the Ordinary General Meeting of Shareholders in June 2022. The Audit and Supervisory Committee is working on organizational audits through strengthened cooperation with the Internal Audit Division to contribute to improving trust from stakeholders and organizational performance.

## Annual key auditing items and their implementation status

The Audit and Supervisory Committee further cooperated with the Internal Audit Division to engage in audit activities in accordance with their respective roles and functions in fiscal 2023. Moreover, the Committee resumed on-site visits to group companies outside Japan with the end of the COVID-19 pandemic. In addition, it engaged in new activities such as checking whether there will be any conflicts of interests between major and minority shareholders and evaluating its effectiveness as an audit and supervisory committee.

Key auditing items	Major auditing activities conducted
(1) Status of Group companies' management of business	Business audits conducted via interviews with the management teams of group companies <ul style="list-style-type: none"> <li>• Visits made to five group companies outside Japan (United States, Germany, Netherlands and Belgium)</li> <li>• Held interviews with management teams at major group companies and operating bases in Japan</li> </ul>
(2) Monitoring of the execution of duties by Directors and the process for determining Director nomination and remuneration	Interviews and exchanges of opinions with the management team <ul style="list-style-type: none"> <li>• Held meetings with the President &amp; CEO and others in charge of execution</li> <li>• Full-time Audit and Supervisory Committee Members participated as members of the discretionary Nomination and Compensation Advisory Committee</li> <li>• Monitored the status of examination and deliberation concerning the nomination and remuneration of Directors (as one of the supervisory functions of the Audit and Supervisory Committee)</li> </ul>
(3) Communication with accounting auditors	Exchange of opinions and discussions on a regular/irregular basis <ul style="list-style-type: none"> <li>• Held quarterly meetings to share input on audit-related themes</li> <li>• Held meetings for the accounting auditor to announce the status of audits on quarterly financial results (including exchanging opinions on major considerations in audits)</li> <li>• Discussed other important topics related to auditing</li> </ul>
(4) Cooperation with the Internal Audit Division	Initiatives relating to organizational audits in cooperation with the Internal Audit Division <ul style="list-style-type: none"> <li>• Jointly developed an annual audit plan and gave joint explanation of the plan to the Board of Directors</li> <li>• Head of the Internal Audit Division attended monthly meetings of the Audit and Supervisory Committee and reported on the status of the activities by the Internal Audit Division</li> <li>• Promoted collaboration through dual reporting line</li> </ul>
(5) Initiatives to prevent conflicts of interests between major and minority shareholders	All Audit and Supervisory Committee members interviewed the Director & CSO and the person in charge of the Purchasing Division responsible for the practical aspects of procuring raw materials. As a result of hearing about the status of transactions with major shareholders (mainly the process for purchasing raw materials), the Committee confirmed that there were no conflicts of the interests. The Committee reported the results to the Board of Directors.



## Evaluation of effectiveness of the Audit and Supervisory Committee

**Objective** There is no requirement for an evaluation of effectiveness of the Audit and Supervisory Committee in the Corporate Governance Code. Nevertheless, to improve mid- to long-term corporate value and to meet stakeholder expectations, the Audit and Supervisory Committee conducted an evaluation of effectiveness of the Audit and Supervisory Committee. The Committee conducted this evaluation to improve its effectiveness by proactively reviewing its activities as a body which plays a part in governance together with the Board of Directors in addition to submitting audit reports.

**Evaluation points** The Audit and Supervisory Committee classified auditing activities into 16 categories, set a total of 57 items to check and conducted a four-stage evaluation on each item to evaluate whether it is conducting systematic and efficient audits and whether it is fully demonstrating its functions.

**Issues** Similar to the issues identified in the evaluation on the Audit and Supervisory Committee in the evaluation of effectiveness of Board of Directors, we recognized the necessity of mutual understanding with the Board of Directors and active communication with other Directors as issues in the evaluation of effectiveness of the Audit and Supervisory Committee as well.

### Main evaluation items in the evaluation of effectiveness

- Composition, functions and operation of the Audit and Supervisory Committee
- Monitoring and verification of the internal controls system
- Monitoring of the legal compliance structure and risk management structure
- Three-way audit structure and group audit structure
- Monitoring and verification of financial reports and disclosures
- Responses based on the Corporate Governance Code
- Responses to sustainability

### Outline of Activity Plan for Fiscal 2024

In addition to its primary duties of monitoring the execution of duties by Directors and the decision-making process for nominating and remunerating Directors, the Audit and Supervisory Committee will focus on the following three items in fiscal 2024.

Key audit themes	Main activities planned
(1) Confirmation that there are no conflicts of interests between major and minority shareholders (as ongoing monitoring from fiscal 2023)	The Committee will interview those in charge of the relevant internal divisions and execution directly involved in transactions to purchase raw materials from ITOCHU Corporation, a major shareholder. It plans to share the results of those interviews with the Board of Directors and to make recommendations as necessary.
(2) Confirmation of the status of business management in major group companies (in Japan and outside of Japan)	While ensuring consistency with the Internal Audit Division's annual audit plan, the Audit and Supervisory Committee plans to conduct on-site audits of operating bases which it judges to be important and requiring priority audits for the Group's business management.
(3) Enhancement of three-way audits to strengthen cooperation with accounting auditors and the Internal Audit Division	The Committee intends to hold planned meetings as an opportunity to exchange information and opinions to learn toward strengthening cooperation and improving the audit quality and level.

## Message

### Messages from Audit and Supervisory Committee members

#### Aiming for highly effective audits

I have experience with various roles - human resources, corporate planning, financial accounting, business department supervision and information systems - at the regional headquarters in Japan. I have also had opportunities to use and improve the legal mindset and knowledge I gained from my major at university in that process. I am now serving as an Audit and Supervisory Committee member. I will continue to take advantage of those experiences to strengthen corporate governance and internal controls by exchanging information and sharing awareness with Internal and Outside Directors and cooperating closely with the Accounting Auditor and Internal Audit Division. I will respond flexibly to changes in the institutional design by monitoring the execution of duties by Directors and working with an emphasis on confirmation through dialogue on important points. At the same time, against this background, I will continue to conduct highly effective audits in a broad sense with the goal of contributing to improving the effectiveness of the Board of Directors.



**Yusuke Togawa**  
Committee Member  
Full-time Audit and Supervisory

#### Striving to improve governance to increase corporate value



**Hirohiko Ikeda**  
Committee Member  
Audit and Supervisory  
Independent / Outside

I have worked as a lawyer specializing mainly in corporate law with a focus on corporate governance and M&A-related areas for about 37 years. I am in charge of teaching corporate governance at Osaka University Law School. I believe the expectations placed on me by shareholders and investors are that I will apply my experience and expertise toward further strengthening and enhancing governance at the Company.

The Company has entered into business partnerships in various fields with ITOCHU Group, a major shareholder. I understand that this is creating synergies by leveraging the strengths of both companies. Moreover, the Board of Directors carefully examines important transactions between the Company and ITOCHU Group, especially in terms of the necessity of those transactions and the rationality of their terms, from the perspective of protecting the interests of minority shareholders. Nevertheless, the Audit and Supervisory Committee also received a detailed explanation from those in charge of executing those transactions to confirm the fairness of them in the previous fiscal year.

I will continue to cooperate with the Internal Audit Division to further improve the governance structure, including the management of conflicts of interests between major and minority shareholders, in the future. In this way, I want to do my best to contribute to improving the Company's mid- to long-term corporate value.

#### Ensuring the value relevance of non-financial information

"The percentage of a company's market capitalization contributed to by profits and net assets has steadily declined from more than 90% in the 1950s to approximately 50% at present" (*The End of Accounting and The Path Forward for Investors and Managers* by Lev & Gu, 2016)

This was a shocking statement for those involved in accounting around the world. It is now only possible to assess half of a company's value with its securities report alone. The remaining half is non-financial information. This is where the significance of integrated reports lies today.

I have been paying attention for a long time to the Group's excellent non-financial information disclosures as an accountant. I have now been given the responsibility for monitoring this from the inside as an Audit and Supervisory Committee member.

How is the Group striving to continually create corporate value with its six sources of capital? I would like to carefully examine the appropriateness of both the financial and non-financial information disclosed so that shareholders, investors and all other diverse stakeholders can accurately determine its path and propriety.



**Yasuhiro Tani**  
Committee Member  
Audit and Supervisory  
Independent / Outside

# Director Remuneration System

The remuneration of the Company's Directors (excluding Outside Directors and Outside Audit and Supervisory Committee Members) is based on a performance-linked remuneration system that aims to further clarify the link between director remuneration and the Company's business performance and equity value and to heighten the awareness of Directors regarding their contribution to improving the Company's business performance and corporate value over the medium to long term through their sharing of risks and interests regarding stock price fluctuations with shareholders.

- <Basic Policy>**
- Establish a remuneration structure that promotes the sharing of value with shareholders and other stakeholders
  - Establish a remuneration structure that raises awareness of improvements to medium- to long-term performance and increases in corporate value

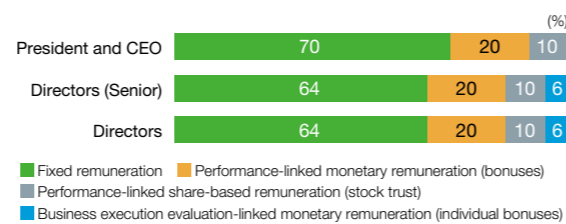
Director remuneration for fiscal 2024 was determined by the Board of Directors, within the total amount approved at the General Meeting of Shareholders, upon receiving advice and reports from the Nomination and Compensation Advisory Committee, which consists of a majority of Outside Directors. The Nomination and Compensation Advisory Committee deliberates on matters related to the total amount of director remuneration payments, the calculation method for remuneration amounts, and performance-linked indicators used in calculating remuneration amounts, and it reports the results to the Board of Directors.

## Director Remuneration System (Excluding Outside Audit and Supervisory Committee Members)

Item	Base remuneration (fixed remuneration)	Performance-linked		Executive performance-linked monetary remuneration (individual bonuses)
		Monetary remuneration (bonuses)	Share-based remuneration (stock trust)	
Internal President and CEO	✓	✓	✓	—
Internal Directors (excluding President)	✓	✓	✓	✓
Outside Directors	✓	—	—	—

## Remuneration Composition

(Ratio when the performance-linked coefficient is 1.0 for all target KPIs in fiscal 2024)



In the future, we will aim for a remuneration composition ratio of fixed remuneration : performance-linked monetary remuneration (bonuses) : performance-linked share-based remuneration = 1:1:1. This composition ratio is designed to raise the ratio of performance-linked remuneration while improving performance and corporate value. Outside directors receive only fixed remuneration in light of their roles and independence.

## Remuneration System for Audit and Supervisory Committee Members

In light of their roles and independent standing, remuneration for Directors who are Audit and Supervisory Committee Members is comprised solely of fixed remuneration. Remuneration is discussed by the Audit and Supervisory Committee and set to an amount within the maximum total remuneration amount prescribed via a resolution by the General Meeting of Shareholders. Furthermore, we also reference survey data from external expert bodies concerning remuneration levels for Directors who are Audit and Supervisory Committee Members.

## Total Amount of Remuneration by Position, Total Amount by Type of Remuneration, and Number of Eligible Recipients

Position	Number of eligible recipients	Total amount by type of remuneration (millions of yen)				Total amount of remuneration (millions of yen)
		Fixed remuneration	Monetary remuneration (bonuses)	Share-based remuneration (stock trust)	Business execution evaluation-linked monetary remuneration (individual bonuses)	
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	4	118	27	8	4	159
Audit and Supervisory Committee Members (excluding Outside Directors)	1	27	—	—	—	27
Outside Directors	9	70	—	—	—	70
<b>Total</b>	<b>14</b>	<b>216</b>	<b>27</b>	<b>8</b>	<b>4</b>	<b>257</b>

Notes: 1 The above amount includes compensation for two Directors who stepped down from their positions upon the adjournment of the 95th Ordinary General Meeting of Shareholders held on June 28, 2023.  
 2 The above Directors' compensation total amount does not include wages for Directors with managerial duties as Company employees.  
 3 At the 94th Ordinary General Meeting of Shareholders convened on June 21, 2022, a resolution was passed to set remuneration amounts for directors (excludes directors serving as Audit & Supervisory Committee members) as an amount not to exceed six million yen per year (of which, remuneration to outside directors shall be an amount not to exceed one million yen per year). Furthermore, remuneration amounts for directors (excludes directors serving as Audit & Supervisory Committee members and outside directors) shall include directors' bonuses and shall not include employee wages. The number of directors as of the adjournment of said Ordinary General Meeting of Shareholders was nine (of whom, five were outside directors).  
 4 The above includes performance-linked monetary remuneration (bonuses) for the fiscal year.  
 5 The Company has adopted performance-linked stock remuneration (stock ownership plan) as non-monetary remuneration for directors (excludes directors serving as Audit & Supervisory Committee members and outside directors). At the 94th Ordinary General Meeting of Shareholders convened on June 21, 2022, a resolution was passed concerning the details of the performance-linked stock remuneration (stock ownership plan). Via said resolution, the trust period of the stock ownership plan was set to three years (pursuant to a resolution by the Company board of directors, said trust period may be extended to a period not to exceed five fiscal years) and 6 million yen was set as the total maximum amount to be contributed by the Company as funds for the acquisition of Company stock to be issued to eligible directors (excludes directors serving as Audit & Supervisory Committee members and outside directors). The number of directors as of the adjournment of said Ordinary General Meeting of Shareholders was four (excludes directors serving as Audit & Supervisory Committee members and outside directors).  
 6 The amount for performance-linked stock remuneration (stock ownership plan) is indicated as the amount recorded as expenses in accordance with the stock remuneration system for which a resolution was passed at the 94th Ordinary General Meeting of Shareholders convened on June 21, 2022.  
 7 At the 94th Ordinary General Meeting of Shareholders convened on June 21, 2022, as resolution was passed setting remuneration for directors serving as Audit & Supervisory Committee members as an amount not to exceed one million yen per year. The number of directors serving as Audit & Supervisory Committee members as of the adjournment of said Ordinary General Meeting of Shareholders was three.

## Performance-Linked Monetary Remuneration (Bonuses)

- Objective**
- Heighten awareness regarding improvements to business performance every fiscal year

Individual Amount of Payment

### Standard Amount of Remuneration by Position

• FY2024  
**Target KPI: Consolidated operating profit of ¥20.0 billion in FY2024**  
 Note: Amount of target remuneration in the case of 100% achievement of standard KPI

Position	Base remuneration	Eligible directors
President and CEO	¥16.0 million	1
Directors (Senior)*	¥ 8.0 million	2
Directors	¥ 6.4 million	0

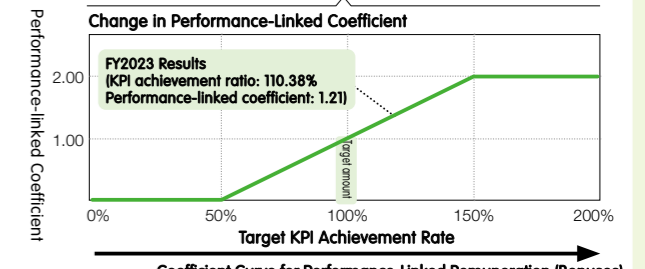
\* Director Hiroyuki Tanaka, Director Sunao Maeda

### Performance-Linked Coefficient

KPI achievement ratio	Performance-linked coefficient
150% or more	2.00
50%–150%	(Actual KPI ÷ Target KPI – 0.5) × 2 Round up to two decimal places
Less than 50%	0

• KPI achievement ratio = Actual KPI ÷ Target KPI × 100  
 • Actual KPI = Actual amount of consolidated operating profit for the fiscal year under review  
 • Target KPI = Target amount of consolidated operating profit for the fiscal year under review

KPI	Consolidated operating profit (Reason for selection: Connection to yearly KPIs, improvements to sustainable business performance and financial value)
Determination of amount and payment	Amount of remuneration is determined according to the performance results of the fiscal year under review and paid in the following fiscal year.
Total amount of payment	Up to ¥200 million
Maximum amount of payments to Directors	President and CEO ¥50 million Directors (Senior) ¥25 million Directors ¥20 million



- Payment of target remuneration amount × 1.00 for 100% achievement of KPI
- No payment for under 50% achievement of KPI
- Payment of target amount × 2.00 for over 150% achievement of KPI

## Performance-Linked Share-Based Remuneration (Stock Trust)

- Objective**
- Further clarify the link between director remuneration and the Company's business performance and equity value and heighten the awareness of Directors regarding their contribution to improving the Company's business performance and corporate value over the medium to long term through their sharing of risks and interests regarding stock price fluctuations with shareholders
  - Expand the sharing of value with stakeholders by heightening awareness regarding improvements to business performance every fiscal year

Individual Payment Points (Thousand points)

Position	Maximum number of points*
President and CEO	25.0
Directors (Senior)	12.5
Directors	10.0

\* Maximum number of points awarded to eligible recipients: 100,000 points per fiscal year

### Target Amount of Remuneration by Position

• FY2024  
**Standard KPI: FY2024 EPS target of ¥116.33**  
 Note: Target amount for 100% achievement of KPI

Position	Base remuneration	Eligible Directors
President and CEO	¥8.1 million	1
Directors (Senior)*	¥4.1 million	2
Directors	¥3.3 million	0

\* Director Hiroyuki Tanaka, Director Sunao Maeda

### Performance-Linked Coefficient

KPI achievement ratio	Performance-linked Coefficient
175% or more	2.00
25%–175%	(Actual KPI ÷ Target KPI – 0.25) × 1.33 Round up to two decimal places
Less than 25%	0

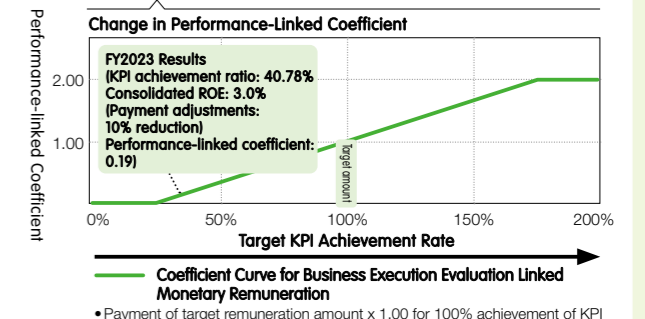
• KPI achievement ratio = Actual KPI ÷ Target KPI × 100  
 • Actual KPI = Actual amount of net income per share (EPS) for the fiscal year under review  
 • Target KPI = Target amount of net income per share (EPS) for the fiscal year under review  
 Note: The coefficient will be reduced by 10% when consolidated ROE is 5% or below

### Price of Shares in the Company Acquired by the Trust

For shares acquired by the trustee, the method of acquisition, the number of acquired shares, and the price of acquired shares are determined at the meeting of the Board of Directors and disclosed to the public on the same day.

Acquisition Method	Price of acquired shares
Disposal of treasury stock held by the Company	Closing price of Company shares on the Tokyo Stock Exchange (TSE) on the business day prior to the meeting of the Board of Directors to determine third-party assignment (shares incorporated into trust) under the system
Stock exchange market (including after-hours trading)	Price of Company shares purchased from the stock exchange market after determination of share acquisition under the system at the meeting of the Board of Directors

KPI	Single-year consolidated EPS and ROE (Reason for selection: Connection to KPIs in mid-term management plan, improvements to medium- to long-term business performance and corporate value)
Overview of system	Under this share-based remuneration system, Fuji Oil Holdings will establish a trust, which will hold the assets to be paid as performance-linked remuneration. The trustee will purchase shares in Fuji Oil Holdings, hold the shares, and then deliver them to each Director in an amount commensurate with the points the Director has earned. Under this system, 1 point shall be equivalent to 1 share.
Eligibility period	In principle, upon retirement of the Director
Maximum amount of trust principal	Maximum amount: ¥200 million per fiscal year



- Payment of target remuneration amount × 1.00 for 100% achievement of KPI
- No payment for under 25% achievement of KPI
- Payment of target amount × 2.00 for over 175% achievement of KPI

## Business Execution Evaluation-Linked Monetary Remuneration (Individual Bonuses)

- Objective**
- Clarify the executive responsibilities and results of Internal Directors and reflect the degree at which performance is demonstrated in their remuneration
- Business Execution Evaluation**
- To be determined by the President and CEO based on the degree of achievement of company-wide performance, performance of departments in charge, an individual priority issues, as well as specific indicators and targets\* for issues in their own departments are priority areas for ESG management. Targets included in the evaluation are weighted uniformly at 10%.
- \* Set ESG goal linked with "enhancing sustainability," a basic policy of Reborn 2024

Individual Amount of Payment

### Target Amount of Remuneration by Position

Position	Base remuneration	Eligible directors
Directors (Senior)*	¥2.3 million	2
Directors	¥1.8 million	0

\* Director Hiroyuki Tanaka, Director Sunao Maeda

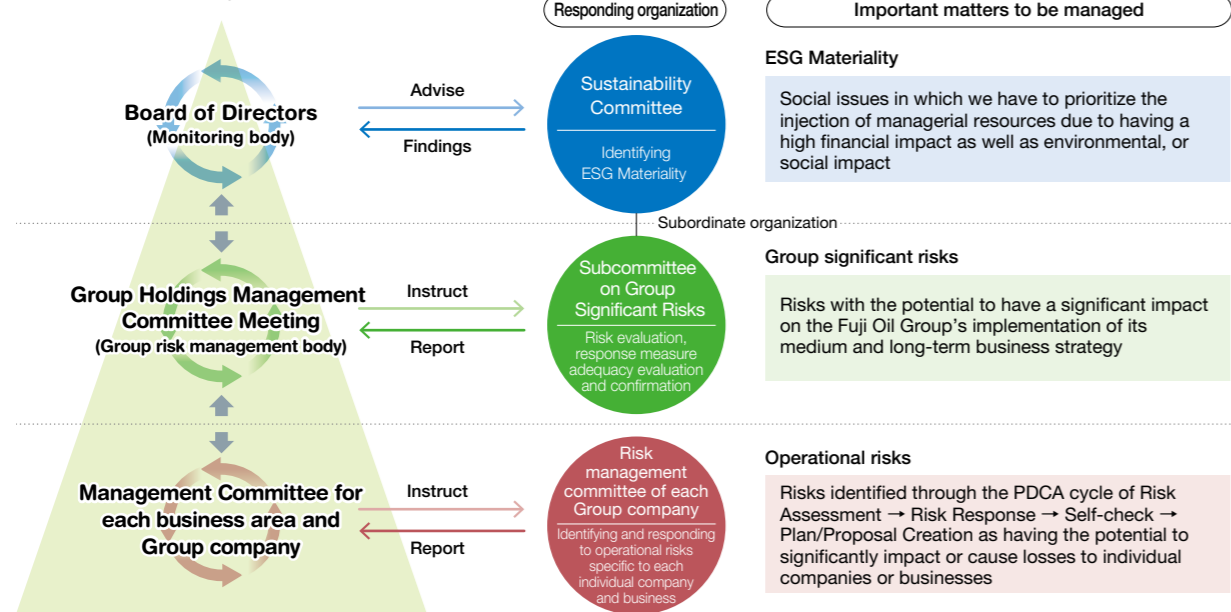
### Performance-Linked Coefficient (0–2.00)

# Risk Management

The Fuji Oil Group operates its four main businesses in Japan, the Americas, Europe, Southeast Asia, and China. As such, our Group value chain is subject to various latent risks, including being impacted by social issues and changes in the economic environment. Our Group positions the Fuji Oil Holdings Management Committee as the body responsible for group-wide risk management. We use information sources that reflect the environment influencing Group operations to make a comprehensive analysis of factors such as the potential degree of impact on operations, the probability of occurrence, and the timing of manifestation. Based on this analysis, we identify group significant risks and then propose and implement response measures. We then confirm progress, evaluate efficiency, and promote improvements to these measures. Furthermore, under the supervision of the Board of Directors, we are building a corporate risk management system to manage risks.

## Fuji Oil Group Risk Management Structure

### Group Risk Management Structure



## Group Significant Risks

### Identifying group significant risks

Fuji Oil Holdings works to comprehensively ascertain risks, including Group strategy risks, financial risks, and ESG materiality where the “degree of impact on the Group caused by social and/or environmental issues” would be significant. The Subcommittee on Group Significant Risks evaluates and discusses these risks, after which the Group Holdings Management Committee (the Group risk management body) identifies significant risks that should be recognized and addressed on the Group level. The Management Committee further issues a report to the Board of Directors, which serves as the risk monitoring body.

Additionally, to respond to risks unique to each Group company, the Risk Management Committee of each company takes the lead on conducting risk assessments to create risk maps, which are then used to identify operational risks specific to each company.

### Responding to and monitoring group significant risks

We designate supervisors and outline response measures for identified group significant risks. To confirm the status of response measure implementation as well as the reevaluation and selection of group significant risks by the supervisors of the divisions in charge of risk management, supervisors for group significant risks issue regular reports to be confirmed by the Board of Directors, which serves as the monitoring body. To promote risk mitigation, the status of progress for issues related to each of the 12 group significant risks identified in FY2023 were discussed at Subcommittee on Group Significant Risks, and the results of these meetings were reported as necessary to the Management Committee. After the status of progress for response measures is issued to the Group Holdings Management Committee, the supervisors of group significant risk will issue reports to the Board of Directors. Furthermore, the Board confirmed the causes of manifested risks and the appropriateness and timeliness of response measures.

# Fuji Oil Group Significant Risks

Our group identified the following 12 significant risks that could have a significant impact on investor judgments and as requiring management. The Group has designated a risk response supervisor for each risk, and has formulated response policies. Please note that statements regarding future matters are determined to be reasonable by the Company based on information available as of March 31, 2024.

Risk type	No.	Risk category	Group significant risk	Direction of risk response	Officer or Division Head in charge				Correlation to ESG Materiality
					GRC	OTC	CAO	ESG Management	
Strategy Risk	1	Group management	Risk of significant deviations from business plans due to rapid changes in the business environment (raw material prices, financial markets, geopolitics, etc.) due to insufficient functioning of governance.	To maintain and grow the corporate value of our Group, we will strengthen Group governance by promoting the following: <ul style="list-style-type: none"> <li>Promote awareness and reinforce the Group governance structure and rules</li> <li>Build a business axis-based group support structure and strengthen management</li> <li>Conduct thorough preliminary evaluation of investment projects and post-investment reviews (monitor asset efficiency)</li> <li>Respond rapidly to changes in laws and regulations related to business operations</li> <li>Provide education to human resources responsible for management of group companies</li> </ul>	●				GRC Group governance
	2-1	Business transformation/reform	Risk that Group profitability could decline due to the inability to provide high added value in existing areas in response to changes in the market environment, or delays in new business creation	<ul style="list-style-type: none"> <li>Build a system to enable the promotion of product development and business strategies that accurately capture market trends</li> <li>Reevaluate business portfolio based on assumption of future business environment changes, overall optimization of production bases</li> </ul>	●				Creation of sustainable food resources
	2-2		Risk of delays in the development of competitive products and technologies that respond to changes in market needs and lead to new businesses, which could result in a decline in Group growth potential	<ul style="list-style-type: none"> <li>Promote new core technology and product development based on needs</li> <li>Strengthen R&amp;D information management structure and promote prompt information sharing</li> </ul>		●			
2-3	Risk that the Group's competitive advantage could decline due to reliance on individualized business processes caused by delays in digitalization or a failure to make appropriate data-driven management decisions		<ul style="list-style-type: none"> <li>Adopt an ERP package to build a global integrated management platform</li> <li>Improve global business management using operational data gained from ERP</li> </ul>	●					
Financial Risk	3	Finance and tax	Risk of drastic fluctuations in financial markets (exchange rates, interest rates) (non-operating valuation losses) Risk of higher-than-expected tax burden due to international taxation and divergence of opinions with authorities	<ul style="list-style-type: none"> <li>Use hedging methods such as foreign exchange contracts and diversified hedging based on specified rules</li> <li>Adjust long-short debt balance based on interest rate trends</li> <li>Build a management structure for international tax risk avoidance and appropriate payment of taxes</li> </ul>		●			—
Disasters and accident risk	4	Disasters, accidents, and infectious diseases	Risk of death or injury to employees due to disasters, accidents, infectious diseases, etc., or damage to the company or supply chain that results in a suspension of factory operations and product supply	<ul style="list-style-type: none"> <li>Develop a BCP that incorporates a mutually complementary system within the Group to prepare for the occurrence of natural disasters</li> <li>Develop a response manual in the event of a crisis, risk transfer through insurance</li> <li>Permeate risk prediction activities on Group level and further strengthen management activities at Group companies with a high risk of accidents</li> <li>Review COVID-19 response and strengthen infectious disease BCP response, including incorporating employee safety and supply chain stabilization</li> </ul>				●	Product safety and quality
	5-1	Geopolitical risks in regions related to operations	Risk of business activities being restricted due to the outbreak of war or conflict, economic security issues, political, economic, or social turmoil resulting in a temporary suspension of business or supply chain disruption	<ul style="list-style-type: none"> <li>Have Group Holdings take a lead role in risk assessment, response measure development, and the revaluation of business portfolios.</li> <li>Promote risk management PDCA activities by Group companies</li> </ul>				●	GRC Risk management system
	5-2		Risk of death or injury to employees due to war, terrorism, riots, kidnapping, strikes, etc.	<ul style="list-style-type: none"> <li>Gather information on Group company locations and strengthen overseas safety education for employees</li> </ul>		●			
Products	6	Food safety	Risk of health damage, major losses, and loss of market and customer trust due to serious safety or quality issues	<ul style="list-style-type: none"> <li>Adopt global quality control standards and outline safety standards</li> <li>Structure capable of providing technical support for rapid global expansion</li> <li>Establish procedures for initial response in the event of a violation, establish a global support structure, and use insurance to mitigate risks</li> </ul>				●	Product safety and quality
Environment and human rights	7-1	Environment and human rights	Risk that business activities could be restricted or that the Group could suffer a loss of social trust due to insufficient or delayed responses to environmental issues	<ul style="list-style-type: none"> <li>Formulate and comply with the internal environmental numerical targets (Environmental Vision 2030)</li> </ul>				●	Climate change Water resources Circular economy
				<ul style="list-style-type: none"> <li>Promote climate change response and information disclosure through scenario analysis based on TCFD recommendations</li> <li>Promote biodiversity measures and information disclosure based on the TNFD approach</li> <li>Reduce food loss and practice upcycling</li> </ul>		●		Climate change Biodiversity Circular economy	
Operation risk	8	Raw material prices	Risk of damage to profits due to cost increases for main raw material caused by market fluctuations	<ul style="list-style-type: none"> <li>Build a Group management structure for raw material balance, including mutual complementing (accommodation) between sites</li> <li>Manage hedge transactions appropriately based on Group policies regarding raw material purchasing and hedging</li> </ul>	●				—
				<ul style="list-style-type: none"> <li>Maintain collaborative relationships with suppliers, industry partners, and NGOs, and strengthen supply sources by promoting in-house programs</li> <li>Prevent and reduce environmental and human rights risks along the supply chain by establishing sourcing policies</li> <li>Cooperate with customers, suppliers, and industry organizations to comply with EUDR and other laws and regulations</li> </ul>		●		Sustainable procurement	
Procurement	9-1	Supply chain	Risk of disruption to securing key raw materials (palm, cacao, shea, soybeans, etc.) due to climate change, environmental and human rights issues that occur along the supply chain	<ul style="list-style-type: none"> <li>Disperse risks by diversifying raw material oils and fats</li> <li>Research environmentally friendly products and technologies</li> </ul>			●		Creation of sustainable food resources
				<ul style="list-style-type: none"> <li>Risk that the use of existing raw materials and manufacturing methods could be restricted due to changes in regulations and social trends in each country, thus making it impossible to supply products desired by markets and customers</li> </ul>					
Legal and information system	10	Legal and compliance	Risk of violation of laws and regulations in each country	<ul style="list-style-type: none"> <li>Strengthen the global management structure of the Legal Affairs Division</li> <li>Ensure thorough compliance management on a company-wide level</li> </ul>		●			GRC Fair Business Practices
Labor and human resources	11	Information/security	Risk of information leaks or damage due to insufficient IT governance/security	<ul style="list-style-type: none"> <li>Strengthen information security measures by bringing in external experts</li> <li>Provide education and awareness activities to improve information management awareness</li> <li>Secure advanced IT security personnel (internal and external)</li> </ul>		●			GRC Information security management
				<ul style="list-style-type: none"> <li>Risks that could hinder business continuity due to the occurrence of the following:                             <ul style="list-style-type: none"> <li>Lack of human resources to support the global management structure</li> <li>Lack of innovative human resources capable to adapting to diverse perspectives</li> <li>Difficulty securing personnel necessary for plant operations</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Create global human resource development and utilization programs</li> <li>Promote DE&amp;I and utilize senior human resources</li> <li>Create an environment for securing human resources for the plants of each Group company</li> </ul>		●		DE&I Securing and developing human resources

\* Governance, Risk and Compliance

# Follow-up Structure for Outside Directors

The secretariat to the Board of Directors works to provide information to Outside Directors by holding preliminary briefings before Board of Directors' meetings and providing monthly reporting to the Board of Directors on matters discussed by the Management Committee (executive side). In cooperation with related internal functions, newly appointed Outside Directors are provided a summary of Group business and organization, main relevant regulations such as Board of Directors regulations, and an overview of operations by the Board of Directors (effectiveness evaluation results). We strive to provide necessary support so that newly appointed Outside Directors can more smoothly participate in discussions at Board of Directors' meetings.

## Support Structure for Officers

We provide continuous support to improve the quality of Directors and other members of senior management.

### Details of FY2023 activities:

- (i) We held discussions to further understanding of the Company's current position based on outside opinions and to plan for improvements. (Target: All Directors, including Outside Directors, and Executive Officers)
- (ii) To further understanding of the roles and functions expected of Directors, we provided opportunities to attend seminars on trends in corporate governance practices in Japanese companies and on the current status of the Boards of Directors. (Target: All Directors, including Outside Directors)

### Topics

We provided opportunities for Outside Directors to communicate with employees, including visits to major business sites and participation in results briefings. In FY2023, upon assuming as an Outside Director, Mr. Nakagawa was provided an overview of operations from those in charge of business and operating divisions at the group headquarters, an explanation of the Group's status and issues, and an opportunity to directly exchange opinions with employees by visiting the Fuji Oil Co., Ltd. Hannan Office.



## Message

### Messages from Outside Directors

#### The ideal state of the Board of Directors for increasing corporate value

Since being appointed as an Outside Director, I have taken a head-on approach to addressing the Fuji Oil Group's strategies and issues. Changes in the external environment during this period have been extremely dramatic, with the futures price of cocoa beans, a main raw material for the Group, reaching an all-time high; at times, even exceeding the futures price of copper. Furthermore, the Fuji Oil Group was forced to record extraordinary losses for its North American chocolate business due to aging factory equipment, soaring interest rates and raw material prices, and significant changes in the labor market. It was a difficult year during which business management proved difficult.

In this environment of uncertainty, I feel that it is increasingly important and essential to have open and frank discussions about company business strategy. Each Outside Director applies their own knowledge and experience to engage in management from a perspective different from the thinking of internal directors. I will strive to contribute to increasing the corporate value of the Fuji Oil Group, which is entering the final year of its Mid-Term Management Plan, Reborn 2024, by diligently engaging in discussions and providing honest recommendations at Board of Directors' meetings.



**Yoshihiro Tachikawa**  
Outside Director

Outside

# Group Governance

## Concept of group governance

The Group began to expand overseas on a full-scale basis in the 1980s. We now have major bases in 14 countries. The pace of social change is continuing to accelerate. Against this backdrop, we need to quickly respond to social issues and needs in each country and region for the Group to continue creating value for society. On the other hand, we believe the concept of group governance is important to promote the management of our entire group in countries and regions with different values, cultures and business practices. We recognize the need to prioritize strengthening our management and business foundations nowadays when there is increasing uncertainty in the business environment. Accordingly, we strive to strengthen global business management, governance and compliance by emphasizing cooperation between the functional departments of Fuji Oil Holdings and overseas group companies and by exercising and monitoring control functions along both the function-axis and business-axis in the execution of business operations. There is a growing need to examine and consider responses in each business and to then promote those responses even more promptly in response to rapid changes in the global economic and social environment since the COVID-19 pandemic and geopolitical risks. We will continue to strengthen business management on the function-axis we have cultivated so far. At the same time, we have decided to transition to an operating holding company system on April 1, 2025. The aim of the transition is to promote and strengthen business strategies by centrally managing and optimally allocating management resources, including human resources, along the business-axis.

## Internal Control Framework

The Fuji Oil Group enacted the Fuji Oil Group Management Philosophy in October 2015 to share our values among our officers and all our employees and to serve as the grounds establishing the priority standards for the judgement and actions that are the basis of group governance. Moreover, we have established basic policies for group management including the Fuji Oil Management Regulations to embody the Fuji Oil Group Management Philosophy. At the same time, we are promoting the construction of an effective group governance structure by establishing regulations which define the procedures for each functional department to appropriately execute business.

<b>Fuji Oil Group Management Philosophy</b>	<ul style="list-style-type: none"> <li>• Embodies the values and standards of conduct the Group shares throughout the organization toward realizing its vision and our mission and represents the foundation of the Group's management</li> <li>• Activities conducted to promote awareness of the Group Management Philosophy</li> </ul>	Fuji Oil Group Management Philosophy ▶ P1 Strengthening Communication ▶ P55
<b>Group Policy Operating and Work Regulations</b>	<ul style="list-style-type: none"> <li>• To realize the Fuji Oil Group Management Philosophy, we formulated the Group Policy</li> <li>• Total of 30 Group Policy regulations and rules, including operating regulations in regard to decision-making authority, regulations on the division of duties, and work regulations that stipulate the procedure for the appropriate execution of duties by each function and department</li> </ul>	

## Internal audits

The Internal Audit Group audits the Company and the Group's companies in terms of the establishment and operation of internal control systems and processes, including internal controls related to financial reporting, based on the Internal Audit Regulations. The Internal Audit Group gives reports to the Board of Directors in a timely fashion on the results of the internal audits of the Company and the Group's companies and recommendations relating to the appropriateness of operations. In addition, to improve the efficiency of internal audits, the Internal Audit Group operates in cooperation with the Internal Audit Division of FUJI OIL CO., LTD., a Japanese operating company (subsidiary).

### FY2023 Results

<b>Internal audit results</b>	<ul style="list-style-type: none"> <li>• Business audits: Conducted business audits on 12 Group companies outside Japan in the seven countries of Singapore, Malaysia, China, Ghana, Belgium, Germany and the United States</li> <li>• Evaluated internal controls: Evaluated Companywide internal controls related to financial reporting for the Fuji Oil Group and 21 consolidated subsidiaries; evaluated internal controls related to business processes for five consolidated subsidiaries</li> </ul>
<b>Internal audit results</b>	<ul style="list-style-type: none"> <li>• Reported to Board of Directors, Management Committee Meeting, Audit and Supervisory Committee Members, and departments in charge of Group internal control functions (ESG department, compliance departments, accounting departments, safety/quality/environment departments, etc.); promoted improvements to internal control systems by directly raising issues and making improvement proposals</li> <li>• Strengthened mutual cooperation with accounting auditor KPMG AZSA LLC and Audit and Supervisory Committee Members</li> </ul>
<b>Internal Audit Division structure (as of March 2024)</b>	<ul style="list-style-type: none"> <li>• Planning to increase the sophistication of audits, staffed the Internal Audit Group with those who have the qualifications of Certified Internal Auditors (CIAs), Certified Information System Auditors (CISAs), Certified Fraud Examiners (CFEs) and Qualified Internal Auditors (QIAs)</li> </ul>



From left: Yasuhiro Tani, Yusuke Togawa, Toshiyuki Umehara, Sunao Maeda, Rie Nakagawa and Mikio Sakai

From left: Hidenori Nishi, Hiroyuki Tanaka, Tomoko Tsuji, Yoshihiro Tachikawa and Hirohiko Ikeda

## List of Directors (As of July 1, 2024)

### Mikio Sakai (Born 1959)

President  
Chief Executive Officer (CEO)

- Apr. 1983 Joined the Company
- Jun. 2015 Director
- Apr. 2016 Managing Executive Officer  
Chief Strategy Officer (CSO)
- Apr. 2019 Senior Executive Officer  
Chairman of Blommer Chocolate Company
- Apr. 2020 President of FUJI SPECIALTIES, INC
- Apr. 2021 President and Chief Executive Officer (CEO) (to present)

### Hiroyuki Tanaka (Born 1968)

Director, Senior Executive Officer  
Chief Strategy Officer (CSO)  
Division Head of Chocolate Division  
Chairman of HARALD INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA

- Apr. 1990 Joined ITOCHU Corporation
- Oct. 2020 Director of Blommer Chocolate Company (to present)
- Apr. 2021 Chairman of HARALD INDÚSTRIA E COMÉRCIO DE ALIMENTOS LTDA (to present)
- Apr. 2022 Joined the Company  
Senior Executive Officer (to present)  
Chief Strategy Officer (CSO) (to present)
- Jun. 2022 Director (to present)

### Sunao Maeda (Born 1967)

Director, Senior Executive Officer  
Chief Financial Officer (CFO), Legal, Information Disclosure

- Apr. 1990 Joined the Company
- Jun. 2018 Group Leader, Corporate Planning Group
- Jun. 2021 Executive Officer President, FUJI EUROPE AFRICA B.V. (General Manager, Europe)
- Jul. 2023 Senior Executive Officer (to present)  
Chief Financial Officer (CFO) (to present)
- Jun. 2024 Director (to present)

### Rie Nakagawa (Born 1968)

Outside Director\*1  
Independent Director

Independent / Outside

- Aug. 2003 Joined MISUMI, Inc.\*2
- Oct. 2013 President of FA Processed Products Business, MISUMI Group, Inc.
- Oct. 2015 Representative CEO of FA Business, MISUMI Group, Inc.
- Oct. 2020 Representative CEO of User Service Platform, MISUMI Group, Inc.
- Jan. 2022 Representative CEO of Sustainability Platform, MISUMI Group, Inc
- Dec. 2022 Retired from MISUMI Group, Inc.  
Director and COO, Grameen Nippon (to present)
- Jun. 2023 Outside Director (to present)
- Jun. 2024 Outside Director of Duskin Co.,Ltd. (to present)

### Yoshihiro Tachikawa (Born 1971)

Outside Director\*1

Outside

- Apr. 1993 Joined ITOCHU Corporation
- Mar. 1998 Retired from ITOCHU Corporation
- Feb. 2003 Joined ITOCHU Corporation
- Apr. 2008 Assigned as President and CEO, JAPAN NUTRITION Co., Ltd
- Apr. 2020 General Manager of the Grain & Feed Department, ITOCHU Corporation
- Apr. 2023 Chief Operating Officer of Manager, Food Resources Division, ITOCHU Corporation (to present)
- Jun. 2023 Outside Director (to present)

### Yusuke Togawa (Born 1963)

Director  
Full-time Audit and Supervisory Committee Member

Audit and Supervisory Committee

- Apr. 1986 Joined the Company
- Oct. 2012 Head of Management Office, Emulsification & Fermented Food Division
- Apr. 2018 General Manager of Management Administration Department
- Apr. 2021 General Manager of Corporate Planning Division
- Jun. 2024 Director (Standing Audit and Supervisory Committee Member) (to present)

### Hidenori Nishi (Born 1951)

Outside Director\*1  
Independent Director

Independent / Outside

- Apr. 1975 Joined Kagome Co., Ltd.
- Apr. 2009 President & Representative Director, Kagome Co., Ltd
- Jan. 2014 Chairman of the Board of Directors & Representative Director, Kagome Co., Ltd
- Jun. 2014 Outside Director, Nagase & Co., Ltd.
- Mar. 2016 Chairman of the Board of Directors, Kagome Co., Ltd.
- Jun. 2019 Outside Director (to present)
- Jun. 2020 Outside Director, Terumo Corporation (to present)

### Toshiyuki Umehara (Born 1957)

Outside Director\*1  
Independent Director

Independent / Outside

- Apr. 1984 Joined Nitto Denko Corporation
- Jun. 2019 Representative Director, Senior Executive Vice President, CTO, General Manager of Corporate Technology Sector, Nitto Denko Corporation
- Jul. 2020 Executive Director, Hokkaido University (part-time) (to present)
- Aug. 2020 Project Professor, Keio University
- Jun. 2021 Outside Director (to present)
- Jun. 2022 Outside Director of Daiichi Kigenso Kagaku Kogyo Co., Ltd. (to present)  
Outside Director of ShinMaywa Industries, Ltd. (to present)

### Tomoko Tsuji (Born 1956)

Outside Director\*1  
Independent Director

Independent / Outside

- Apr. 1979 Joined Ajinomoto Co., Inc.
- May 2015 Executive Officer, General Manager of Material Development Department, Yoshinoya Group Product Division, Yoshinoya Holdings Co., Ltd. (to present)
- Jun. 2020 Outside Director, Sundrug Co., Ltd. (to present)
- Jun. 2022 Outside Director (to present)

### Hirohiko Ikeda (Born 1960)

Outside Director, Audit and Supervisory Committee Member\*1  
Independent Director

Audit and Supervisory Committee

Independent / Outside

- Apr. 1987 Registered as an attorney; joined Oh-Ebashi LPC & Partners
- May 1991 Graduated from University of Virginia School of Law
- Sep. 1991 Worked at Weil, Gotshal & Manges LLP in New York
- Jun. 1992 Registered as an attorney in New York State
- Apr. 1993 Partner of Oh-Ebashi LPC & Partners (to present)
- Apr. 2010 Visiting Professor, Osaka University Law School (to present)
- Jun. 2020 Audit & Supervisory Board Member
- Jun. 2022 Outside Director (Audit and Supervisory Committee Member) (to present)
- Jun. 2023 Outside Director, The Kyoto Shimbun Holdings Co., Ltd. (to present)

### Yasuhiro Tani (Born 1956)

Outside Director, Audit and Supervisory Committee Member\*1  
Independent Director

Audit and Supervisory Committee

Independent / Outside

- Oct. 1981 Joined Asahi & Co.\*3
- Apr. 1985 Registered as a certified public accountant
- Apr. 1986 Representative of the Tani Certified Public Accountant Office (to present)
- May 2003 Registered as a tax accountant
- Sept. 2004 Visiting Professor, Beijing Central University of Finance and Economics
- Apr. 2006 Professor, Graduate School of Management, GLOBIS University (to present)
- Jun. 2020 Outside Corporate Auditor of Rohto Pharmaceutical Co., Ltd. (to present)
- Mar. 2021 Outside Director of Noritz Corporation (Audit and Supervisory Committee Member) (to present)
- Jun. 2024 Outside Director (Audit and Supervisory Committee Member) (to present)

\*1 Directors Hidenori Nishi, Toshiyuki Umehara, Tomoko Tsuji, Rie Nakagawa, Yoshihiro Tachikawa, Hirohiko Ikeda and Yasuhiro Tani are outside directors pursuant to Article 2 (3) (v) of the Ordinance for Enforcement of the Companies Act.

\*2 Currently, MISUMI Group, Inc.

\*3 Currently, KPMG AZSA LLC