

## Management information

### Relevance to our business

Being one of the first super-aged societies in the world, Japan faces expanding healthcare costs and the potential collapse of its social welfare systems. One key to address this issue is extending healthy-life expectancy and supporting older people to live better and more meaningful lives. The Fuji Oil Group promotes well-being in an aging world by addressing some of the physical and mental health issues of older people and by providing healthy food ingredients made from plant-based oils, fats and proteins.

### Basic approach

The Fuji Oil Group has carried out many years of research into the health functions and benefits of plant-based food ingredients such as soy, oils, and fats. Our research indicates a great potential of stabilized DHA/EPA<sup>\*1</sup> and soy peptides<sup>\*2</sup> for addressing age-related health issues, including dementia, mental illness, lifestyle diseases, and frailty.<sup>\*3</sup> We aim to help older people stay healthy in body and mind by providing these food ingredients to our customers and the consumers they serve, and by building a network of partners with municipalities and other relevant organizations.

<sup>\*1</sup> Docosahexaenoic acid (DHA) and eicosapentaenoic acid (EPA) are two types of essential fatty acids — meaning that they cannot be synthesized by the body but must be obtained from food. Studies have shown that DHA and EPA have several health benefits, including supporting memory and concentration and reducing neutral fats in the body.

<sup>\*2</sup> Peptides are substances created in the process of breaking down proteins. Peptides formed by enzymatic breakdown of soy proteins are called soy peptides.

<sup>\*3</sup> A state between good health and the need for living assistance that is associated with declining motor and cognitive function with increasing age.

### Management system

Based on an ESG materiality assessment conducted in FY2022, we changed the name of this material ESG issue<sup>\*1</sup> from “provision of healthy food,” which was used until FY2021, to “solutions for healthy aging and well-being.” This theme forms part of the “health and nutrition” category of our material ESG issues. The Chief Technology Officer (CTO) oversees initiatives in this area, while the Sustainability Committee,<sup>\*2</sup> an advisory body to the Board of Directors, monitors progress and results.

<sup>\*1</sup> Follow the link below to learn more about material ESG issues.

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

<sup>\*2</sup> Follow the link below to learn more about the Sustainability Committee.

> [https://www.fujioilholdings.com/en/sustainability\\_management/](https://www.fujioilholdings.com/en/sustainability_management/)

### Goals / Results

○ At least 90% complete △ At least 60% complete ✕ Less than 60% complete

FY2021 Goals	FY2021 Results	Self-assessment
Verify the functional effects of next-generation core technologies that help to solve health issues in aging societies	<ul style="list-style-type: none"> <li>Published research presenting new evidence on the health functions of stabilized DHA/EPA</li> <li>In a collaborative partnership, the Fuji Oil Group and Omu Milk Products Co., Ltd. registered a DHA-fortified milk beverage as a food with function claims (FFC)</li> </ul>	△
Prepare an action plan for delivering well-being solutions to aging societies	Based on industry and technology research, made plans for building a network of partnerships dedicated to preventing dementia	○

### Analysis

Our research shows new evidence on the potential benefits of stabilized DHA/EPA for preventing dementia and maintaining bone health. The research received high accolades from business and academic circles, was published in an academic journal, and received an Award for Achievement in Technological Research from the Japan Society for Bioscience, Biotechnology, and Agrochemistry (JSBBA).

Pre-symptomatic care is critical for preventing dementia. We need to do more than provide foods that contribute to prevention; we also need to build social systems that encourage prevention. To achieve this, we researched healthtech\* and policy initiatives for measuring and detecting dementia risk before onset. We also drafted plans to build a network of partners that will facilitate dementia prevention.

Going forward, we aim to address age-related health issues through pre-symptomatic care by substantiating the various health advantages of our products and by building a network of partners with healthtech companies, municipalities, and other external stakeholders. We also identified technical barriers to using next-generation core technologies, and therefore decided to review our technology strategy and partnerships.

\* Technologies that combine AI and IoT-powered sensing technologies with wearables and other digital devices to improve healthcare, such as through health management, prevention, and nursing care.

## Next step

Establishing evidence and advantages of the health functions of the ingredients we supply, in addition to motivating older people to practice prevention, are important for addressing age-related physical and mental health issues. With these in mind, we set the following goals for FY2022.

- Establish differentiated advantages of the health functions of stabilized DHA/EPA
- Build a network of partners dedicated to dementia prevention

## Specific initiatives

### Publishing research on bone health maintenance and the prevention of age-related cognitive decline

A joint study conducted with Shimane University Faculty of Medicine showed that intake of a milk beverage containing stabilized DHA/EPA (developed by Fuji Oil Co., Ltd.) protected against age-related cognitive decline in healthy older people. A subgroup analysis from the same study also showed benefits of the beverage for maintaining bone health. These findings were published in the Journal of Oleo Science, a publication of the Japan Oil Chemists' Society. We expect that this research can contribute to the greater well-being for older adults, as osteoporosis and bone fractures can significantly reduce quality of life in old age.

In partnership with the Fuji Oil Group, our Group company Omu Milk Products Co., Ltd. has also registered a DHA-fortified milk beverage as a food with function claims (FFC). The beverage developed by Omu Milk Products Co., Ltd. based on scientific evidence published in the Journal of Functional Foods in 2020 contains a lower amount of DHA (297 mg) than conventional products. The reduced DHA content mitigates the risk of unpleasant fishy smell and taste, a problem with DHA/EPA caused by oxidation. This should open doors for using this ingredient in a broader range of food applications — making delicious DHA-enriched foods accessible to more consumers.

## External recognition

In November 2021, a cross-sector initiative to prevent frailty, locomotive syndrome, and dementia was awarded by the Japan Ministry of Health, Labour and Welfare (MHLW) in its 10th Smart Life Project (Let's extend health life expectancy!) Awards program. This awarded initiative is a collaboration between Osaka Kawasaki Rehabilitation University, Kaizuka city in Osaka Prefecture and Fuji Oil Co., Ltd. for preventing long-term nursing care and living assistance for older adults. The Smart Life Project Awards, hosted by the MHLW and Japan Sports Agency, promotes efforts to prevent lifestyle diseases by recognizing outstanding contributions in this field.

In March 2022, Fuji Oil Co., Ltd. also received the Award for Achievement in Technological Research from the Japan Society for Bioscience, Biotechnology, and Agrochemistry (JSBBA). The awarded research led to the development and commercial application of PRORARE®, a DHA/EPA oil with advanced oxidation stabilization properties. We see the award as recognition of our technological assessment and the future commercial value of stabilized DHA/EPA. We plan to build on our success with the award to pursue further market opportunities and better health outcomes for older individuals.



10th Smart Life Project (Let's extend healthy life expectancy!) Awards



Medal of the Award for Achievement in Technological Research from JSBBA