

Management information

Relevance to our business

The Fuji Oil Group began expanding to overseas markets on a full scale in the 1980s, and has major business sites in 14 countries around the world (as of July 2022). Amid accelerating social changes, continuing to create value for society requires the Group to respond promptly to the social issues and needs in each region in which it operates. To localize management and pursue the Group's total optimization, the Fuji Oil Group has adopted a management system based on a pure holding company structure since October 2015. We believe that Group governance is essential as the basis of Group management.

Basic approach

To mark our transition to a holding company structure in October 2015, we established the Fuji Oil Group Management Philosophy* to ensure that our corporate values are shared among all Fuji Oil Group employees.

To put the Group Management Philosophy into practice, we formulated Group policies for managing the Group and building an effective Group governance system.

* Refer to the link below for the Fuji Oil Group Management Philosophy.

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

Management system

The Chief Strategy Officer (CSO) oversees initiatives in the area. The Sustainability Committee,*¹ an advisory body to the Board of Directors, monitors the progress and results of initiatives as a material ESG issue.*²

*¹ Follow the link below to learn more about the Sustainability Committee.

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

*² Follow the link below to learn more about material ESG issues.

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

Goals / Results

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

FY2021 Goals	FY2021 Results	Self-assessment
Amend Group policies to clarify the responsibilities and scopes of authority of management supervisory and executive roles in the Fuji Oil Group	Clarified the reasoning behind directors' appointments at each Group company and further developed the management cycle for improving Group governance.	○
Reset communication methods with regional headquarters for enhance awareness of the Group Management Philosophy and ensuring implementation of Group strategies	<ul style="list-style-type: none"> Enhanced awareness of the Group Management Philosophy through an e-learning course for employees, thus promoting Group cohesiveness Carried out an employee relations (ER) program to improve communication at Fuji Oil Holdings Inc. and Group companies. Promoting Group activation and mutual understanding through this program helped to strengthen the Group overall Stimulated communication between Fuji Oil Holdings Inc. and Group companies by providing explanation of Group policies and communication tools during the pre-departure training for employees preparing for an assignment at another Group company outside Japan 	○
Strengthen coordination with the Internal Audit Group for confirming the status of management execution (execution monitoring)	Deepened the partnership between the Internal Audit Group and the Corporate Planning Group by sharing the results of internal control audits and operational audits conducted by the Internal Audit Group and the results of separate operational audits conducted by functional groups; and by sharing ideas on how to develop more effective internal systems for monitoring management execution	○

Analysis

We completed the actions planned for all targets in FY2021.

We continue to carry out initiatives for group governance, such as those aimed at embedding the Group Management Philosophy and Group policies into Group operations and culture. We see financial KPIs and non-financial KPIs, which are used as management targets for monitoring management execution, as measures of Group progress in addressing sustainability issues. By pursuing these KPIs, we aim to contribute to society and improve our corporate value.

Next step

We recognize that to improve group governance, we need to strengthen the management cycle of management supervision and business execution between Fuji Oil Holdings Inc. and Group companies. To address this issue, we will work on the following goals in FY2022.

- Improve communication within the Fuji Oil Group to further enhance awareness of the Group Management Philosophy and execute Group strategy
- Revise our system for monitoring management execution to align with our recent transition to a company with an Audit and Supervisory Committee

Specific initiatives

Internal control system

The Internal Audit Group conducts internal control audits and operational audits, while the functional groups conduct separate operational audits. Members of the Internal Audit Group are selected based on their qualifications that ensure high value-added work, including the Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA), Certified Fraud Examiner (CFE), and U.S. Certified Public Accountant (USCPA). For the operational audits, we conduct remote audits using system data analysis and online conference systems to assess and confirm the effectiveness of internal control systems, even when the COVID-19 situation does not allow for site visits.