

Management information

Relevance to our business

The Fuji Oil Group began expanding to markets outside Japan on a full scale in the 1980s, and has major business sites in 14 countries around the world (as of July 2023). 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. In April 2023, we revised our vision to "Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy" in line with the current state of our businesses and the Group's circumstances. We also believe that a basic approach to Group governance is vital to providing a unified Group management in countries and regions with different values, cultures and business practices. To that end, we formulated the Fuji Management Regulations and other concrete Group policies in order to build an effective Group governance system.

* <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 https://www.fujioilholdings.com/en/sustainability/sustainability_management/

*² <https://www.fujioilholdings.com/en/sustainability/materiality/>

Goals / Results

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

FY2022 Goals	FY2022 Results	Self-assessment
Improve communication within the Fuji Oil Group to further enhance awareness of the Group Management Philosophy and execute Group strategy	In April 2023, as a preliminary step toward enhancing awareness of the Group Management Philosophy, we provided guidance on the revision of our vision to all Group companies. The revision of our vision began with management-level interviews, followed by two deliberations at the Fuji Oil Holdings Inc. Management Committee Meeting and a resolution by the Board of Directors	○
Revise our system for monitoring management execution to align with our recent transition to a company with an Audit and Supervisory Committee	Transitioned to a company with an Audit and Supervisory Committee, with the Board of Directors conducting oversight focused on monitoring management execution	○

Analysis

In FY2022, we carried out initiatives to improve Group governance. This included the revision of our vision in the Fuji Oil Group Management Philosophy and our system for monitoring management execution to align with our transition to a company with an Audit and Supervisory Committee. At the same time, we revised our Group policies in order to express our Group governance policies in a concrete manner. Based on these policies, we are building an effective Group governance system.

In FY2023, we will further carry out initiatives to disseminate our revised vision as well as enhance awareness of our Group Management Philosophy.

In line with the review of our business management structure, we will improve the monitoring of our management execution from the standpoint of our business segments and regional headquarters. Using financial and non-financial KPIs of management targets set forth in our Medium-Term Management Plan as indicators to measure the progress of the Fuji Oil Group's management strategy, we are committed to achieving our goals to enhance our corporate value and help greater society.

Next step

We recognize that strengthening the management cycle of management supervision and business execution between Fuji Oil Holdings Inc. and Group companies is our challenge. To address this issue, we will work on the following goals in FY2023.

- Disseminate our revised vision and enhance awareness of the Fuji Oil Group Management Philosophy
- Monitor management execution from the standpoint of our business segments and regional headquarters, in order to strengthen our global management

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 in order to ensure high value-added work, including the Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA), and U.S. Certified Public Accountant (USCPA).

Remote audits and onsite inspection are used for the operational audits. Remote audits employ system data analysis and online conference systems as used during the COVID-19 pandemic. We resumed onsite inspections depending on the situation and risks at subsidiaries outside Japan to assess and confirm the effectiveness of our internal control systems.