

Corporate Governance

Management information

Relevance to our business

Aside from making proper judgments and acting timely and decisively on each business decision, the Fuji Oil Group monitors the direction of our business and the appropriateness of our operations in a timely manner. We do this to respond to the expectations and demands of society and stakeholders, and to keep further improving our corporate value. Our stakeholders include shareholders, investors, customers and business partners. Corporate governance is the practice of creating a system and actually running the system for that purpose. We believe that it is crucial to constantly improve this system in order for the Group's business to develop steadily and continuously.

Basic approach

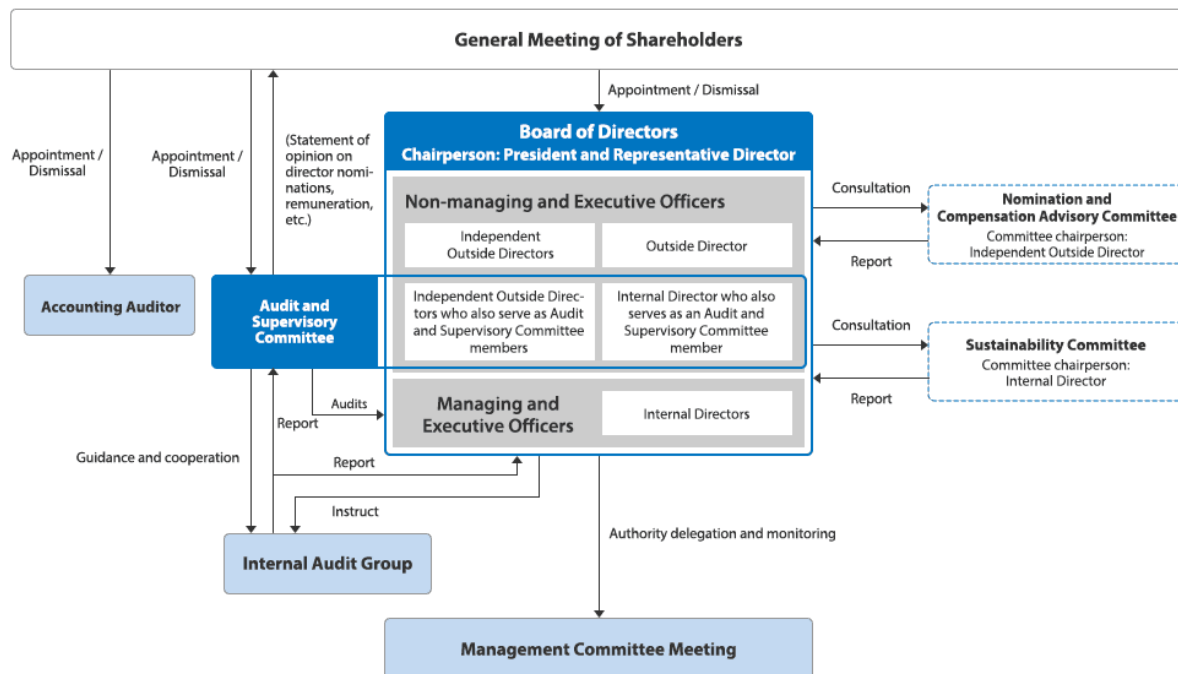
The Group aims to prevent situations that would harm corporate value, such as violation of laws and regulations, fraud and misconduct. We position corporate governance as an important mechanism for ensuring timely and decisive decision-making process and business operations.

From June 2022, Fuji Oil Holdings Inc. made the decision to shift from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee, with the goal of further strengthening corporate governance. Under the new Board of Directors system, we plan to further strengthen the audit and supervisory functions of the Board of Directors as well as promote the separation of audit and supervisory functions from business operations in order to enable faster management decision-making.

> [Fuji Oil Holdings Corporate Governance Guidelines \(PDF, 74KB\)](#)

Corporate governance structure

(As of June 21, 2022)



Board composition

Directors (excluding Audit and Supervisory Committee members): 9				Audit and Supervisory Committee members: 3		Total
Representative Director	Managing and Executive Officers (Internal directors)	Independent Outside Directors (excluding Audit and Supervisory Committee members)	Outside Directors (excluding Audit and Supervisory Committee members)	Independent Outside Directors who also serve as Audit and Supervisory Committee members	Internal Directors who also serve as Audit and Supervisory Committee members	
1	3	4	1	2	1	12

Management system

In the Board of Directors, a Board Secretariat has been set under the Chief Strategy Officer (CSO) from FY2022 and is responsible for planning and administrating the Board of Directors. By keeping both the Secretariat of the Board of Directors and the Secretariat of the Management Committee under the supervision of the CSO, we aim to promote unity and interconnection between both meetings (to accurately reflect the requests and instructions from the Board of Directors in the business execution, among others), and enhance the effectiveness of corporate governance from the perspectives of both execution and monitoring. The Secretariat communicates and coordinates with relevant functions and business divisions within the company, or considers the recommendations of both internal and outside directors, to set the agenda and deliberations of the Board of Directors meetings. The Secretariat also appoints a third-party institution every year to evaluate the effectiveness of the Board of Directors through questionnaires and interviews with directors and Audit and Supervisory Board members, and provides the results as feedback to the Board of Directors. In response to this feedback, the Board of Directors deliberates on necessary measures that will further enhance corporate governance and issues directives for execution. Monitoring is then carried out to verify proper execution of these directives. Through this management PDCA cycle, the Board of Directors strives to enhance corporate governance.

The Sustainability Committee and the Nomination and Compensation Advisory Committee were established as advisory bodies to the Board of Directors. The Sustainability Committee deliberates on issues material to the Fuji Oil Group to carry out sustainability management, reports the results of its deliberations, and makes recommendations to the Board of Directors. The Nomination and Compensation Advisory Committee is formed by a majority of independent outside directors, including its chairperson. This Committee deliberates on matters referred to it by the Board of Directors, such as the appointment and dismissal of the CEO, its succession plans, and setting director compensation systems from the perspective of ensuring transparency and objectivity, and reports the results of its deliberations to the Board of Directors.

Goals / Results

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

FY2021 Goals	FY2021 Results	Self-assessment
Establish administration of the Board of Directors focused on monitoring function	<p>Carried out deliberations on the following at the board meetings in FY2021</p> <ul style="list-style-type: none"> Agenda items that should be adopted and deliberated on for monitoring purposes How to manage business execution to accommodate sufficient monitoring Separation of roles between the Board of Directors and the Management Committee Meeting (the highest decision-making body for business execution) for clearly defined administration of each meeting <p>However, the effectiveness evaluation of the Board of Directors conducted at the end of the fiscal year determined that “further efforts are needed to establish the monitoring function of the Board of Directors and improve business execution and management.”</p>	△

Analysis

In FY2021, the effectiveness evaluation of the Board of Directors was carried out from the standpoint of reviewing comprehensively the administration of the Board of Directors up to the present, in order to identify what more is required to truly make the system function and to enhance effective governance, before transitioning to a company with an Audit and Supervisory Committee. As a result, the Board of Directors held further discussions mainly on the following matters, and also confirmed that it will firmly establish KPIs on matters subject to monitoring to manage their progress.



- (1) Deliberations on policies and corporate strategies from the medium- to long-term perspective
- (2) Corporate strategy, management resource allocation and setting of both financial and non-financial management goals
- (3) Strengthening group governance
- (4) Comprehensive management of progress and KPIs on the above, and board meeting review discussions (when plan is not achieved, analyze the cause and review recovery plan)

Next step

Deliberations based on the effectiveness evaluation of the Board of Directors are not limited to a one-off meeting. We will continue monthly discussions with key themes set in a timely manner. To that end, we will draw up an annual schedule of matters for deliberation by the Board of Directors. In these deliberations, we will set specific targets and KPIs for (1) to (4) above, and follow up on their progress regularly. To review all of these efforts, we will conduct another effectiveness evaluation of the Board of Directors next fiscal year.

In addition, to make sure that there are no discrepancies between the ideas and instructions of outside directors and how they are understood by people in charge of business execution (company employees) during the course of discussions, we set timely opportunities for dialogues between outside directors and employees on specific matters such as methods of business control or procedures of making action plans.

* Refer to the following webpage and documents for details on other governance structures.

- > [Governance](#)
- > [Corporate Governance Report \(PDF, 861KB\)](#) 
- > [NOTICE OF THE 94TH ORDINARY GENERAL MEETING OF SHAREHOLDERS \(PDF, 261KB\)](#) 

Related documents

[ESG Data Book \(PDF 2.76MB\)](#) 