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Corporate Governance

CORPORATE GOVERNANCE

The Nisshin Oillio Group, Ltd.

Last Update: December 27, 2023

The Nisshin Oillio Group, Ltd.

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Securities code: 2602

<https://www.nisshin-oillio.com/english/>

The corporate governance of The Nisshin Oillio Group, Ltd. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

The Nisshin Oillio Group seeks to continually serve as a corporate group that helps give rise to sustainability while earning the trust of its stakeholders, and under its Corporate Philosophy has accordingly cited its aim of contributing to the development of people, society, and the economy by maximizing its corporate value. Meanwhile, The Nisshin Oillio Group Vision 2030 contains strategic guidelines and the Corporate Vision towards 2030 with the aim of achieving growth by creating shared value with society, and accordingly establishes priorities (Our Priorities) for addressing social issues and creating value.

Under this policy, the Group will strive to establish a solid relationship with all stakeholders and build stronger trust, while enhancing its corporate governance.

[Corporate Vision towards 2030]

Our objective is to co-create new food functions, leveraging “The Natural Power of Plants” and the strengths obtained from mastering oils and fats. We shall strive to generate diverse value and deliver “energy for living” to everyone.

Reasons for Non-compliance with the Principles of the Corporate Governance Code

[Supplementary Principle 2.4.1: Ensuring diversity among core human resources]

We aim to create new value through the active engagement of diverse human resources and to link this to the competitiveness and growth potential of the Company. Strengthening and developing organizational capabilities is crucial for implementing The Nisshin Oillio Group Vision 2030, and we have designated human resource management as one of our priority areas. We are working to develop human resources and enhance inhouse systems to ensure diversity.

The appointment of employees to executive and managerial positions is fundamentally based on ability and putting the right person in the right position. Based on the belief that we can comprehensively achieve diversity among core human resources by creating environments where equal opportunities can be obtained, we do not set any particular numerical targets based on attributes such as nationality or career status. Although we do not set quantitative targets, we do strive to recruit excellent human resources without regard for nationality with respect to the appointment of foreigners to managerial positions, and our basic position is that local staff members are appointed to managerial and executive positions of overseas group companies, securing diversity in line with internationalization of business domains. With regard to mid-career hiring, further strengthening of human resources is indispensable in the globalization, marketing, and technology fields to achieve The Nisshin Oillio Group Vision 2030, and we are reinforcing mid-career recruitment of highly specialized human resources in each field and actively

promoting their appointment to managerial positions.

Regarding the appointment of women to managerial positions, we are aware that our lesser performance compared to other companies in the industry is an issue, and we set a target of raising the percentage of women in managerial positions to at least 20% by fiscal 2030 so that we can create environments that provide equal opportunities for participation in decision making as well as leadership opportunities (i.e., human resource development and environments that facilitate work), regardless of sex. For more information on human resource development measures intended to promote the advancement of women and the design of systems for supporting such advancement, see “III-3. Status of Measures to Ensure Due Respect for Stakeholders: Other—Promotion of the advancement of women.” The percentage of managerial positions filled by women in The Nisshin OilliO Group on a non-consolidated basis was 6.3% as of April 1, 2023.

For further information on policies on human resource development to ensure diversity and policies on the creation of internal environments, see “III-3. Status of Measures to Ensure Due Respect for Stakeholders.”

[Supplementary Principle 3.1.3: Issues concerning sustainability]

With regard to investment in intellectual property, we recognize that designing and disclosing intangible asset strategies are issues, and we will strive to enhance information disclosures.

[Sustainability Initiatives]

In line with the Corporate Vision towards 2030 and our strategic guidelines that are indicated in The Nisshin OilliO Group Vision 2030 formulated in March 2021, we will make sustainable growth into the future and contribute to the realization of the sustainable society with a concept that the creation of shared values (CSV) that are diverse through the resolution of social issues shall be a driver for growth. Based on the opportunities, risks, and social issues that are expected to arise in the future, we set six priority areas—good health for all, quality of life, global environment, contribution to the food value chain, supply chain connected by trust, human resource management—and we will take action in these areas.

Information regarding sustainability initiatives is disclosed in the Integrated Report.

[Investment in Human Capital]

For information on our views on and specific policies concerning investment in human capital, refer to “III-3. Status of Measures to Ensure Due Respect for Stakeholders.”

[Investment in Intellectual Property]

(1) Views on investment in intellectual property

The Nisshin OilliO Group uses its innovative technological capabilities and product development abilities, based on many years of research on vegetable oils and fats, to respond to diverse customer needs. To become a corporate group that generates diverse value and delivers “energy for living” to everyone, a goal under the Vision 2030, we are enhancing our technological capabilities regarding oils and fats, our core competence, as well as peripheral areas, and conducting research and development to create shared value in priority areas.

We will acquire diverse knowledge based on product development that leads to the timely market launch of products in response to customer needs and market trends and on technological development for the creation of new value from a medium- to long-term perspective and combine that knowledge and give it concrete form so that we can continue to provide valuable products and services. Furthermore, based on the recognition that the intellectual property created through such investment is a crucial management asset for the Group, we are accelerating the creation of shared value by incorporating it into growth strategies and value creation processes.

(2) Policy on the strategic use of intellectual property

Our policy on the strategic use of the Group's intellectual property is to secure superiority in business activities and a degree of freedom in research and development by acquiring intellectual property rights and responding to intellectual property risks and to promote increased profitability and the creation of shared value. Particularly in the area of oils and fats, which is our core competence, we endeavor to acquire sufficient intellectual property rights and to establish and protect brands so that we can make a leap forward to become a world-leading provider of oil and fat solutions and expand areas of value creation even further. We also perform analysis that combines intellectual property information with market and other information and internally distribute information that will contribute to decision making in business activities and research and development.

We also actively acquire related intellectual property rights when engaging in creative business activities with other companies and when expanding and globally developing our business sectors, and the strategic use of those rights contributes to the Group's sustainable growth.

(3) Issues for future consideration

We will assess the value of intellectual property rights previously acquired and endeavor to make their contributions visible. The Board of Directors will also engage in deeper deliberations to build value creation processes that actively use intellectual property rights and to establish intellectual property governance systems.

[Risks and Opportunities Associated with Climate Change]

In March 2021, the Group announced its support for the Task Force on Climate-Related Financial Disclosures (TCFD). In addition, we disclosed in March 2022 on our website four disclosure items (governance, strategy, risk management, and metrics and targets) and climate-change scenario analysis (climate-related risks/opportunities and measures for them) that were recommended under the TCFD.

Response to the TCFD Recommendations

<https://www.nisshin-oillio.com/english/sustainability/tcf/>

The Nisshin Oillio Group Vision 2030

https://www.nisshin-oillio.com/english/assets/pdf/vision2030/vision2030_en.pdf

Integrated Report

<https://www.nisshin-oillio.com/english/sustainability/report/>

[Supplementary Principle 4.2.2: Formulation of basic policies on sustainability initiatives]

We formulated The Nisshin Oillio Group Vision 2030 from the perspective of enhancing corporate value over the medium to long term.

With respect to investment in intellectual property, the Board of Directors will continue to deepen discussions on the allocation of management resources including intangible assets.

Disclosure Based on the Principles of the Corporate Governance Code **Updated**

[Principle 1.4: Cross-shareholdings]

Cross-shareholding policy

The social environment surrounding cross-shareholdings has changed significantly in recent years, amidst the markets' growing interest in cross-shareholding and the introduction and revision of the Corporate Governance Code. Also, the Company positioned the improvement of capital efficiency as a priority target in the Value Up+ medium-term management plan. In light of this, in fiscal 2020 the Company changed its policy so as to not engage in cross-shareholdings, in principle, except in cases where such cross-shareholding is considered to lead to maintaining and strengthening business competitiveness through capital and business tie-ups and business collaborations, or achieving

expeditious business growth and expansion through investment and other measures aimed at developing new business areas.

In accordance with this basic policy, we will carefully re-examine the significance for maintaining existing cross-shareholdings and work to reduce holdings. Since the reduction of cross-shareholdings may have significant impacts on business partners and markets, we are proceeding in stages while securing the understanding of business partners by engaging in dialogue.

Methods of verifying the reasonableness of holdings and details of verification by the Board of Directors

Each year, we comprehensively examine and verify the reasonableness of holdings in accordance with the following verification process and evaluation items. This verification process and the evaluation items are used as a transitional measure to implement a phased reduction in accordance with the revision of the basic policy, and we will consider enhancements to adopt new verification methods.

In accordance with the above, the Board of Directors verified at the meeting held in November 2022 the significance of holding the shares of each company and the benefits associated with holding those shares.

At the end of fiscal 2021, we held the shares of 81 companies (amount reported on the balance sheet: 18,477 million yen), and in fiscal 2022 we sold the shares of 19 companies (of which, all holdings of 14 were sold and holdings of five were partially sold; the amount of selling the holdings of 19 companies was 1,811 million yen). As a result, the number at the end of fiscal 2022 was reduced to 67 issues, and the amount recorded on the balance sheet decreased to 15,566 million yen. Also, the ratio of such holdings to consolidated shareholders' equity was 9.6%.

Verification process

(1) Perform qualitative and quantitative evaluations (see below for evaluation items) and then perform a comprehensive evaluation.

(2)-1. If a determination is made through the comprehensive evaluation that the holding is not reasonable, an improvement action plan is formulated and implemented, and the details are verified by the Board of Directors.

(2)-2. If a determination is made through the comprehensive evaluation that the holding is reasonable, the details are verified by the Board of Directors.

(3) If the Board of Directors verifies and determines that the holding is reasonable, the holding is maintained, and if the Board determines that it is not reasonable, a disposal is negotiated.

Evaluation items

Qualitative items: Purposes of holding, background of acquisition, existence of business relationship, strategic significance and benefits of holding, and risk relating to continuation of transactions and stability in the case of a disposal

Quantitative items: Sales and profits in the last two years (sales partners only), annual dividend income, stock valuation gains or losses, benefits and risks and the cost of capital associated with the holding

Criteria on the exercise of voting rights

We carefully examine each proposal and respect proposals by issuing companies when they are determined to contribute to enhancing shareholder value for the issuing company.

In the event of serious deficiencies in corporate governance such as the occurrence of misconduct or anti-social conduct, or in the case of a proposal that is determined to pose a risk of harm to shareholder value, we make a timely and appropriate decision on whether to approve or disapprove the proposal through dialogue with the relevant company.

[Principle 1.7: Related party transactions]

The Company's Regulations of the Board of Directors stipulate that competitive transactions and transactions that involve conflicts of interests by its Directors are matters to be approved by resolution of the Board of Directors. The status of such transactions is regularly reported to the Board. In addition, transactions between related parties are disclosed in securities reports and other documents after approval by the Board.

[Principle 2.6: Roles as an asset owner of corporate pension funds]

The Company manages pension assets in The Nisshin Oillio Group Corporate Pension Fund, and in addition to allocating human resources with appropriate qualifications relating to accounting, finance, and other areas, the Asset Management Committee manages investment policies, plans, progress, and performance in cooperation with the Company's accounting and finance departments and monitors investment institutions to ensure proper management. Going forward, we will continue to make every effort to ensure appropriate investment management.

[Principle 3.1: Full disclosure]

(1) The Company's Corporate Philosophy, The Nisshin Oillio Group Vision 2030, and the medium-term management plan are disclosed on the Company's website.

Corporate Philosophy

https://www.nisshin-oillio.com/english/about_us/philosophy/

The Nisshin Oillio Group Vision 2030

https://www.nisshin-oillio.com/english/assets/pdf/vision2030/vision2030_en.pdf

Medium-term management plan

https://www.nisshin-oillio.com/english/about_us/valueup/

(2) Information on the Company's fundamental approach to and basic policy on corporate governance is provided in I.1. Basic Views.

(3) The policy on determination of Director remuneration is described in section II.1. Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof. When determining remuneration amounts, the Compensation Advisory Committee conducts deliberations, and the Board of Directors makes a determination by resolution.

(4) With regard to policies on the nomination of candidates for Director or Audit & Supervisory Board Member and appointment of managerial executive personnel, the Company aims to build an optimal system where individuals will be able to appropriately fulfill their roles and responsibilities and properly address the management issues of the Group. Accordingly, candidates are nominated in line with the policy of considering individual experience, knowledge and expertise, the overall scale of the Board of Directors or the Audit & Supervisory Board, as well as the balance among the candidates who would comprise these bodies. The Company has established the Nomination Advisory Committee, which engages in deliberations, including the determination of the policy on appointment and dismissal of Directors, deliberation and evaluation of candidates for Director, and decision-making on a draft list of candidates. Based on these deliberations by the Nomination Advisory Committee, the Board of Directors decides on the candidates for Director and the managerial executive personnel. The candidates for Audit & Supervisory Board Member are decided by the Board of Directors upon obtaining the agreement of the Audit & Supervisory Board.

(5) The reasons for nominating individual Directors and Audit & Supervisory Board Members are described in the Notice of Convocation of the Annual General Meeting of Shareholders.

https://www.nisshin-oillio.com/english/inv/ir_library/down2.php?attach_id=1549&uid=8624

[Supplementary Principle 4.1.1: Scope of matters delegated to the management]

Matters to be resolved and reported by the Board of Directors, including fund procurement and transfer and disposal of major assets, are stipulated in the Regulations of the Board of Directors and its operational standards, and matters

to be resolved and reported by the Board of Corporate Officers are stipulated in the Regulations for the Operation of the Board of Corporate Officers and its operating standards. In addition, the Corporate Officer Regulations stipulate the authority and responsibilities of Corporate Officers.

[Principle 4.9: Independence standards and qualifications for independent Outside Directors]

Regarding the Company's criteria for the independence of Outside Directors and Outside Audit & Supervisory Board Members, in addition to the requirements for independent officers stipulated by the Tokyo Stock Exchange, pursuant to a resolution of the Board of Directors adopted in November 2015, an officer is determined to be independent if they meet none of 11 items below.

- (1) A major shareholder holding 10% or more of the Company's voting rights currently or within the past five years (or, if the major shareholder is a legal entity, an officer or employee thereof)
- (2) An officer or employee of a major client of the Company or its subsidiaries (2% or more of consolidated net sales) in the most recent fiscal year
- (3) An officer or employee of a company, of which the Company or a subsidiary of the Company is a major supplier (2% or more of the said company's consolidated net sales) in the most recent fiscal year
- (4) An officer or employee of a major lender to the Company in the most recent fiscal year
- (5) An executive of any of items 2-4 within the previous three fiscal years, counting from the most recent fiscal year
- (6) A partner or an employee of an Accounting Auditor of the Company or its subsidiaries currently or within the past three years. Otherwise, a partner or an employee of an Accounting Auditor of the Company or its subsidiaries, who was in an auditing role for the Company or the subsidiaries of the Company, within the past 10 years
- (7) A professional with legal, accounting, or other relevant expertise who received an average of 10 million yen or more in the past three years from the Company or the Company's subsidiaries, apart from compensation as an officer
- (8) An executive of an organization that has received over a certain amount of donations (an average of 10 million yen or more in the past three fiscal years, or 30% of the said organization's average annual total expenses, whichever amount is greater) from the Company or the Company's subsidiaries
- (9) A spouse or a relative within the second degree of kinship, or a relative in cohabitation with a person meeting items 1-8
- (10) An officer or employee of a corporation to which the Company dispatches officers
- (11) A spouse or a relative within the second degree of kinship, or a relative in cohabitation with an officer, or a significant employee of the Company or the Company's subsidiaries currently or within the past five years

[Supplementary Principle 4.10.1: Authority and roles of the Nomination Committee and Compensation Committee]

The Company has established a Nomination Advisory Committee and Compensation Advisory Committee as advisory bodies to the Board of Directors. The Nomination Advisory Committee determines policies for appointment and dismissal of Directors; deliberates on and evaluates Director candidates and determines a draft list of candidates; deliberates on plans concerning the successor to the President; and reports to the Board of Directors. The committee has a total of four members: the Representative Director and President, who serves as its chairman, and three Outside Directors. The Compensation Advisory Committee verifies the remuneration system for Directors, deliberates on the details of remuneration, and reports to the Board of Directors. The committee has a total of six members including the Representative Director and President, who serves as its chairman, three Outside Directors, and two Outside Audit & Supervisory Board Members. Both committees have a majority of Outside Officers as members from the perspective of strengthening independence, objectivity, and accountability.

[Supplementary Principle 4.11.1: Approach to the overall balance and scope of the Board of Directors and formulation and disclosure of a skills matrix]

The Board of Directors comprises nine Directors (three of whom are independent Outside Directors). The Board deliberates on and determines matters prescribed in laws and regulations and important managerial matters and is responsible for the management of the Group and supervision of the execution of business operations. The Board consists of Directors with abundant experience in managing the Company and highly independent Outside Directors with in-depth knowledge regarding corporate management. Policies and procedures relating to the appointment of Directors is described in I.1. Principle 3.1.

The knowledge, experience, capabilities, and so on that we consider necessary for a Director of the Company are listed, and a skills matrix that describes these attributes is provided in the Notice of Convocation of the Annual General Meeting of Stakeholders and the Integrated Report.

Notice of Convocation of the 151st Annual General Meeting of Stakeholders

https://www.nisshin-oillio.com/english/inv/ir_library/down2.php?attach_id=1549&uid=8624

Integrated Report

<https://www.nisshin-oillio.com/english/sustainability/report/>

[Supplementary Principle 4.11.2: Status of concurrent positions of Directors and Audit & Supervisory Board Members]

The status of concurrent posts with other companies (listed companies) for Directors and Audit & Supervisory Board Member is as described below.

Ms. Emi Machida, Outside Director: Audit & Supervisory Board Member (Outside Auditor) of Yakult Honsha Co., Ltd.

Ms. Naomi Eto, Outside Director: Director (Outside Director) of Morinaga & Co., Ltd. and Outside Director of Nippon Yakin Kogyo Co., Ltd.

Ms. Sayaka Sumida, Outside Audit & Supervisory Board Member: Audit & Supervisory Board Member (Outside) of Furukawa Electric Co., Ltd. and Outside Director (Audit and Supervisory Committee Member) of Advantest Corporation

[Supplementary Principle 4.11.3: Analysis and evaluation of the effectiveness of the Board of Directors]

In order to evaluate the effectiveness of the Board of Directors in fiscal 2022, we carried out a questionnaire-based survey of the Directors and Audit & Supervisory Board Members who comprise the Board of Directors (13 persons in total) with support from an external agency to ensure objectivity. Following discussions with the President and all of the Outside Directors and Outside Audit & Supervisory Board Members based on the details of the survey, we held discussions at the Board of Directors' meeting, and as a result of those discussions, we made a determination that the effectiveness of the Board of Directors is secured as a whole in the Company.

For more information, refer to The Survey Report on Evaluation of the Effectiveness of the Board of Directors (FY2022).

<https://www.nisshin-oillio.com/english/inv/management/governance/evaluation.html>

[Supplementary Principle 4.14.2: Training policies for Directors and Audit & Supervisory Board Members]

The Company supports the execution of duties by Directors and Audit & Supervisory Board Members by collecting and providing information on matters, such as economic conditions, industry trends, compliance with laws and regulations, corporate governance, and financial accounting, that they need to perform their roles and fulfill their responsibilities. In order to perform their roles and fulfill their responsibilities, the Company's Outside Directors and Outside Audit & Supervisory Board Members receive timely explanations from the departments or officers in charge

of the Company's group management strategies, management plan, business conditions, management environment, and management issues after assuming their positions so that they can develop sufficient understanding of these matters.

[Principle 5.1: Supplementary Principle 5.1.2: Policies for constructive dialogue with shareholders]

We respond positively to a reasonable extent to requests for dialogue (interviews) from shareholders that contributes to the sustainable growth of the Company and improvement of corporate value over the medium to long term. Policies regarding the development of systems and measures to promote constructive dialogue with shareholders are as follows:

- (1) The Corporate Officer responsible for the Public Relations & Investor Relations Department is responsible for dialogue with shareholders overall.
- (2) The Public Relations & Investor Relations Department engages in dialogue with institutional investors and work with the Sustainable Business Management Department, Finance Department, and other related departments.
- (3) Meetings attended by the Representative Director and President include financial results briefings held four times a year, and briefings and small meetings on individual strategies for each business area held as needed.
- (4) Shareholder opinions and concerns learned through dialogue are summarized, examined, and reported to the Board of Directors every quarter.
- (5) The Company conducts periodic training to prevent insider trading.

Measures for Achieving Management with an Awareness of Capital Costs and Share Prices

Since the Company's stock price remains below one times the P/B ratio, we are aware that this is a significant management issue, and the Board of Directors continuously performs analysis and engages in discussion with the aim of improving the cost of capital and return on capital.

In line with the Corporate Vision towards 2030 and the strategic guidelines indicated in The Nisshin Oillio Group Vision 2030, we will seek to increase corporate value through sustainable business growth into the future, using the creation of shared value (CSV) with society by solving social issues as a driver.

To improve the P/B ratio, we believe that it will be important to take measures to increase intrinsic corporate value through business growth and to raise return on capital to a stable level that exceeds the cost of capital. Based on this belief, we revised our management target values for 2030 in May 2023. We raised the target value relating to return on capital from ROE of 8% to ROE of 10% and positioned this as the top-priority indicator. We will take action to achieve the goals set forth in The Nisshin Oillio Group Vision 2030 so that we can achieve profitability that reliably exceeds the cost of capital. We also set a target for 2030 of ROIC of 7% in order to reach ROE of 10%. We will conduct management from the perspective of both operating profit and invested capital and establish corporate structures that can achieve returns on capital commensurate with the cost of capital under any business environment.

At the financial results briefing for fiscal 2022 (the fiscal year ended March 2023), we explained about the Company's return on capital, cost of capital, and measures for raising corporate value under The Nisshin Oillio Group Vision 2030 and the Value Up+ medium-term management plan. We also explain measures for creating value under The Nisshin Oillio Group Vision 2030 and the progress of our business strategies at the financial results briefings conducted in May and November.

The Nisshin Oillio Group Vision 2030

https://www.nisshin-oillio.com/english/about_us/vision2030/

Partial Revision of Performance Targets of The Nisshin Oillio Group Vision 2030

https://www.nisshin-oillio.com/english/inv/ir_library/down2.php?attach_id=1541&uid=8605

Financial Results Briefing for the Year Ended March 31, 2023 (pp. 16 – 22: Initiatives to Raise Corporate Value)

https://www.nisshin-oillio.com/english/inv/ir_library/down2.php?attach_id=1548&uid=8621

Investor Relations

<https://www.nisshin-oillio.com/english/inv/>

Status of Dialogue with Shareholders

The status of dialogue with shareholders in the most recent fiscal year is as follows:

The Company held meetings with securities analysts and with analysts and fund managers from domestic and overseas institutional investors 125 times over the course of the year.

We also conducted four financial results briefings for institutional investors, and in March 2023, we held a business strategy meeting on initiatives to create value in the domestic oil and fat business.

In addition, we held two online meetings to brief individual investors during the year.

For dialogues with investors, the Public Relations & Investor Relations Department serves as the contact point and works with the Representative Director and President, the Corporate Officer responsible for the Public Relations & Investor Relations Department, Sustainable Business Management Department, Finance Department, and other related departments.

The main topics covered during such dialogues were details of financial results, trends in results, the status of progress of the medium-term management plan, individual business strategies, and ESG.

The status of dialogues with investors as well as the main opinions and concerns voiced by investors are reported to the Board of Director quarterly.

In light of the dialogues conducted with investors in fiscal 2022, the Board of Directors deliberated, and at the financial results briefing for fiscal 2022 (the fiscal year ended March 2023), we explained about the Company's return on capital, cost of capital, and measures for raising corporate value under The Nisshin Oillio Group Vision 2030 and the Value Up+ medium-term management plan.

Also, financial results briefing materials and summaries of the questions and answers at financial briefings are posted on the Company's website.

https://www.nisshin-oillio.com/english/inv/ir_library/

2. Capital Structure

Foreign Shareholding Ratio

10% or more and less than 20%

Status of Major Shareholders Updated

Name or Company Name	Number of Shares Owned	Percentage (%)
Marubeni Corporation	5,200,320	15.96
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,462,400	13.70
Custody Bank of Japan, Ltd. (Trust Account)	2,713,100	8.33
DFA INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Tokyo Branch of Citibank, N.A.)	636,000	1.95
Kikkoman Corporation	470,395	1.44
Taisei Corporation	462,000	1.42
MUFG Bank, Ltd.	379,399	1.16
Sompo Japan Insurance Inc.	353,096	1.08
STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing proxy: Settlement & Cleaning Services Department of Mizuho Bank, Ltd.)	345,800	1.06
Aioi Nissay Dowa Insurance Co., Ltd.	334,694	1.03

Name of Controlling Shareholder, if applicable (excluding Parent Company)	----
Name of Parent Company, if applicable	None

Supplementary Explanation

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Business Sector	Foods
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) in the Previous Fiscal Year	¥100 billion or more and less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more and fewer than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

5. Other Special Circumstances Which May Have Material Impact on Corporate Governance

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit & Supervisory Board Members
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Directors

Number of Directors Stipulated in Articles of Incorporation	20
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	9
Appointment of Outside Directors	Appointed
Number of Outside Directors	3
Number of Independent Directors	3

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Mr. Isao Yamamoto	From another company												
Ms. Emi Machida	CPA												
Ms. Naomi Eto	From another company								△				

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business of the Company or its subsidiary
- Person who executes business or a non-executive director of a parent company of the Company
- Person who executes business of a fellow subsidiary of the Company
- Person/entity for which the Company is a major business partner or a person who executes business for such person/entity
- Major business partner of the Company or a person who executes business for such business partner
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to compensation for Directors and Corporate Officers from the Company
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- Person who executes business for a business partner of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
- Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- Person who executes business for an entity receiving contributions from the Company (applies to self only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director/Auditor	Supplementary Explanation of the Applicable	Reasons for Appointment
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		Relationship	
Mr. Isao Yamamoto	○	---	<p>[Reasons for appointment as an Outside Director and overview of expected role]</p> <p>Mr. Isao Yamamoto has utilized his knowledge and experience in financial markets and overall corporate management, cultivated through years of activities as a securities analyst as well as a financial advisor, in the management of the Group. In particular, he has actively made statements on management strategies and enhancement of capital efficiency and invigorated the discussions at the Board of Directors meetings. The members of the Board of Directors had an off-site meeting in July 2022. The aim for the meeting was to consider the management issues intensively. He engaged in the meeting actively to give a presentation which led to the discussion for improvement on P/B ratio of the Company from the perspectives of his expertise.</p> <p>Furthermore, he has actively expressed his views to improve governance as a member of the Nomination Advisory Committee and the Compensation Advisory Committee, and these facts show that he has appropriately supervised and provided advice to management. For the reasons above, Mr. Yamamoto will remain appointed as an Outside Director as the Company expects to enhance the Board of Directors' functions with his expertise.</p> <p>[Reasons for appointment as an Independent Director/Auditor]</p> <p>Mr. Isao Yamamoto has been appointed as an Independent Director/Auditor with the expectation that his judgement will be objective and unconstrained by the practices of the Company based on his knowledge and experience in financial markets and overall corporate management, cultivated through years of activities as a securities analyst as well as a financial advisor, along with the determination that he does not have a stake in the Company and that there is no risk of a conflict of interest arising between him and our general shareholders.</p>
Ms. Emi Machida	○		<p>[Reasons for appointment as an Outside Director and overview of expected role]</p> <p>With her extensive knowledge and experience in her field of expertise as a Certified Public Accountant, Ms. Emi Machida has utilized her four-year experience of serving as an Outside Audit & Supervisory Board Member of the Company in the management of the Company. In particular, she has actively given her opinions from the perspectives of finance, accounting, risk management, and environmental, social and governance (ESG), etc. and invigorated the discussions at the Board of Directors meetings. Furthermore, she has actively expressed her views to improve governance as a member of the Nomination Advisory Committee and the Compensation Advisory Committee. These facts show that she has</p>

			<p>appropriately supervised and provided advice to management. For the reasons above, Ms. Machida will remain appointed as an Outside Director as the Company expects her to enhance the Board of Directors' functions with her expertise.</p> <p>[Reasons for appointment as an Independent Director/Auditor] Based on her expertise and experience as a Certified Public Accountant, Ms. Emi Machida has been appointed as an Independent Director/Auditor with the expectation that her judgement will be objective and unconstrained by the practices of the Company; moreover, from the fact that over 10 years have passed since she left an accounting firm that audits the Company and the fact that she did not personally conduct any audits of the Company or its subsidiaries during her time at this accounting firm, it has been determined that she does not currently have a stake in the Company and that there is no risk of a conflict of interest arising between her and our general shareholders.</p>
Ms. Naomi Eto	○	<p>Ms. Naomi Eto was Director of Zensho Holdings Co, Ltd. until June 2020. While the Company and its subsidiaries have been engaged in transactions with Zensho Holdings Co, Ltd., sales from our Group to Zensho Holdings Co, Ltd. for the fiscal year ended March 31, 2023 were less than 0.1% of the consolidated net sales.</p>	<p>[Reasons for appointment as an Outside Director and overview of expected role] Ms. Naomi Eto has utilized her extensive knowledge and experience in corporate governance, compliance, and sustainability based on her engagement in business operations in the management of the Company. In particular, she has actively given her opinions from the perspectives of environmental, social and governance (ESG), human capital management, and legal affairs, etc. and invigorated the discussions at the Board of Directors meetings. Furthermore, she has actively expressed her views to improve governance as a member of the Nomination Advisory Committee and the Compensation Advisory Committee. These facts show that she has appropriately supervised and provided advice to management. Based on this performance, Ms. Eto will remain appointed as an Outside Director as the Company expects her to enhance the Board of Directors' functions with her expertise.</p> <p>[Reasons for appointment as an Independent Director/Auditor] Based on her extensive experience in corporate governance, compliance, and sustainability gained by engaging in business operations, the Company expects that Ms. Eto's judgement will be objective and unconstrained by the practices of the Company. Ms. Eto previously conducted business at a business partner of the Company, but the transaction amounts were minimal, and it has been determined that she does not currently have a stake in the Company and that there is no risk of a conflict of interests arising between her and our general shareholders, and accordingly, Ms. Eto has been appointed as an Independent Director/Auditor.</p>

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee

Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chair (Chairperson)

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination Advisory Committee	4	0	1	3	0	0	Inside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Compensation Advisory Committee	6	0	1	3	0	2	Inside Director

Supplementary Explanation

The Nomination Advisory Committee conducts such reviews as the deliberation and evaluation of candidates for Director, and decision-making on a draft list of candidates, and then reports to the Board of Directors. The committee has a total of four members: The Representative Director and President, who serves as its chairperson, and three Outside Directors.

In fiscal 2022, the committee met two times (both meetings were held with full attendance). Details of the deliberations are set forth below.

First meeting (November 2022): Deliberation on future governance systems, succession plans, and management structures for fiscal 2023

Second meeting (February 2023): Deliberation on the election of directors in fiscal 2023

The Compensation Advisory Committee deliberates on the Policy on Determination of Details of Remuneration, etc. of Individual Directors, details of the remuneration, etc. of individual directors, verification of director remuneration programs, levels, performance indicators, and so on using survey data and other information, and other topics and reports to the Board of Directors. The committee has a total of six members: The Representative Director and President, who serves as its chairperson, three Outside Directors, and two outside Audit & Supervisory Board Members.

In fiscal 2022, the committee met three times (all three meeting were held with full attendance*). Details of the deliberations are set forth below.

First meeting (May 2022): Determination of individual bonus amounts based on Groupwide performance and individual evaluations in comparison with targets set at the beginning of the fiscal year (contribution to single-year performance, contribution to future performance (growth, capital efficiency, and ESG), fiscal 2021 stock-based compensation, and proposed officer remuneration for fiscal 2022 (including changes in the remuneration composition ratios and levels, changes in bonus performance indicators, change to a performance-linked system for stock-based compensation, etc.)

Second meeting (November 2022): Investigation of trends relating to officer remuneration programs and verification of the Company’s officer remuneration program based on research results from an external research organization concerning major domestic companies that are similar in size to the Company

Third meeting (March 2023): Deliberation on policies concerning disclosure of information including securities reports in light of the Cabinet Office Order on Disclosure of Corporate Affairs

* Ms. Naomi Eto attended all meetings of the Compensation Advisory Committee held after her appointment in June 2022.

Audit & Supervisory Board Member

Establishment of Audit & Supervisory Board	Established
Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	4
Number of Audit & Supervisory Board Members	4

Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Departments

Audit & Supervisory Board Members maintain close ties with the accounting auditors, regularly exchanging opinions and information to provide for effective and efficient auditing. The Internal Audit Department has also been established as a specialized unit for internal auditing. Audit & Supervisory Board Members and the Internal Audit Department hold meetings as required to exchange opinions and information regarding such matters as the plans and status of audits in providing for effective and efficient auditing. Additionally, the Internal Audit Department is subject to audits by Audit & Supervisory Board Members, who regularly carry out on-site audits as well as receive reports on the various audits conducted by the Internal Audit Department and inspect its records.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	2
Number of Independent Audit & Supervisory Board Members	2

Outside Audit & Supervisory Board Members’ Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Mr. Tomotake Kusamichi	Attorney at law													
Ms. Sayaka Sumida	CPA													

*Categories for “Relationship with the Company”.

(Use “○” when the Audit & Supervisory Board Member presently falls or has recently fallen under the category; “△” when the Audit & Supervisory Board Member fell under the category in the past; “●” when a close relative of the Audit & Supervisory Board Member presently falls or has recently fallen under the category; and “▲” when a close relative of the Audit & Supervisory Board Member fell under the category in the past.)

- Person who executes business of the Company or its subsidiary
- A non-executive director or an accounting advisor of the Company or its subsidiary
- Person who executes business or a non-executive director of a parent company of the Company
- An Audit & Supervisory Board Member of a parent company of the Company
- Person who executes business of a fellow subsidiary of the Company
- Person/entity for which the Company is a major client or a person who executes business for such person/entity

- g. Major client of the Company or a person who executes business for such client
- h. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to compensation for Directors and Corporate Officers
- i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to self only)
- k. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- l. Person who executes business for an entity receiving contributions from the Company (applies to self only)
- m. Other

Outside Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Director/Auditor	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Mr. Tomotake Kusamichi	○	— — —	<p>[Reasons for appointment as an Outside Audit & Supervisory Board Member]</p> <p>Mr. Tomotake Kusamichi possesses knowledge and experience in his field of expertise as an attorney at law. He has been appointed as an Outside Audit & Supervisory Board Member to improve auditing quality by way of utilizing this expertise.</p> <p>[Reasons for appointment as Independent Director/Auditor]</p> <p>Based on his expertise and experience as an attorney at law, Mr. Tomotake Kusamichi has been appointed as Independent Director/Auditor with the expectation that his judgement will be objective and unconstrained by the practices of the Company along with the determination that he does not have a stake in the Company and that there is no risk of a conflict of interest arising between him and our general shareholders.</p>
Ms. Sayaka Sumida	○	— — —	<p>[Reasons for appointment as an Outside Audit & Supervisory Board Member]</p> <p>Ms. Sayaka Sumida possesses knowledge and experience in her field of expertise as a Certified Public Accountant. She has been appointed as an Outside Audit & Supervisory Board Member to improve auditing quality by way of utilizing this expertise.</p> <p>[Reasons for appointment as Independent Director/Auditor]</p> <p>Based on her expertise and experience as a Certified Public Accountant, Ms. Sayaka Sumida has been appointed as Independent Director/Auditor with the expectation that her judgement will be objective and unconstrained by the practices of the Company along with the determination that she does not have a stake in the Company and that there is no risk of a conflict of interest arising between her and our general shareholders.</p>

Matters Concerning Independent Directors/Auditors

Number of Independent Directors/Auditors	5
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Other Matters Concerning Independent Directors/Auditors

All qualified Outside Directors and Audit & Supervisory Board Members are appointed as Independent Director/Auditor.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Compensation Scheme
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Supplementary Explanation for Applicable Items

Bonuses (performance-linked compensation) and stock-based compensation (medium- to long-term incentive compensation) are applicable. Note that this is consistent with what is described in “[Director Remuneration] Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof.”

Persons Eligible for Stock Options	
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Supplementary Explanation for Applicable Items

Director Remuneration

Status of Disclosure of Individual Directors' Remuneration	No Individual Disclosure
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Supplementary Explanation for Applicable Items **Updated**

Matters relating to approval by the General Meeting of Shareholders concerning compensation of Directors and Audit & Supervisory Board Members

At the 134th Annual General Meeting of Shareholders held on June 28, 2006, monetary compensation of no more than 600 million yen annually was approved as Director compensation (not including the employee wage portion for Directors who concurrently serve as employees). At the time of approval, there were 17 Directors.

Also, as stated above, a resolution was adopted at the 146th Annual General Meeting of Shareholders held on June 28, 2018 to introduce a stock-based compensation plan for Directors (excluding Outside Directors). At the time of the resolution, there were seven Directors (excluding Outside Directors). At the 150th Annual General Meeting of Shareholders held on June 24, 2022, a resolution was adopted to partially change and continue the stock-based compensation plan. At the time of the resolution, there were six Directors (excluding Outside Directors).

A resolution was adopted at the 134th Annual General Meeting of Shareholders held on June 28, 2006 approving monetary compensation of no more than 60 million yen annually as Audit & Supervisory Board Member compensation. At the time of the resolution, there were four Audit & Supervisory Board Members.

○Amounts of compensation paid to Directors and Audit & Supervisory Board Members in fiscal 2022

	Total amount of compensation	Amounts of Compensation by Type			Number of recipients
		Basic compensation	Bonus	Stock-based compensation	
Directors (excluding Outside Directors)	283 million yen	178 million yen	68 million yen	37 million yen	6
Audit & Supervisory Board Members (excluding Outside Members)	42 million yen	42 million yen	—	—	3
Outside Directors	32 million yen	32 million yen	—	—	4
Outside Audit & Supervisory Board Members	16 million yen	16 million yen	—	—	2

Notes:

1. The number of recipients includes one Audit & Supervisory Board Member and one Outside Director who retired during the current fiscal year.

2. The targets and results for performance indicators related to bonuses for the current fiscal year were as follows.

Performance Indicators		Fiscal 2022 target	Fiscal 2022 result
Financial indicators	Consolidated operating profit	13,000 million yen	16,186 million yen
Financial indicators	Consolidated operating profit (based on compound annual average growth rate)	14,481 million yen	16,186 million yen
Financial indicators	ROIC	3.6%	4.5%

* The method of calculating ROIC was After-tax operating profit/Average invested capital at the beginning and end of the period, but starting with results for fiscal 2022, a method that also reflects share of loss (profit) of affiliates accounted for using equity method was adopted.

When calculating company-wide performance indicators for fiscal 2022, the degree of achieving targets was calculated using the actual value of 4.3% based on the calculation method before the change.

3. The targets and results for performance indicators related to stock-based compensation for the current fiscal year were as follows.

		Fiscal 2022 target	Fiscal 2022 result	Fiscal 2024 Target
Non-financial indicators (ESG targets)	Reduction ratio of GHG emissions (Scope 1 and 2, compared to fiscal 2016)	8.0%	8.6%	10.0%
Non-financial indicators (ESG targets)	Medium-term target percentage of women in managerial positions	6.0%	6.3%	8.0%

* The reference day for the fiscal 2022 target and result for the percentage of women in managerial positions is April 1, 2023, and the reference day for the fiscal 2024 target is April 1, 2025.

4. The total amount of compensation for Directors does not include the employee wage portion for Directors who concurrently serve as employees.

5. The amount paid to Directors includes the amount of Director compensation (bonuses) to one Director assigned to the Company from outside of the Company, which is paid by the Company to the assignor company.

6. Bonuses include the estimated amount of payment, and the difference between the total amount of bonuses paid in July 2022 and the estimated amount disclosed in the business report for the preceding fiscal year.

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

Established

Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

Details of Individual Compensation and Method of Calculating Amounts

- Compensation for Directors, excluding Outside Directors, consists of basic compensation as a fixed compensation, bonuses as performance-linked compensation, and stock-based compensation as a medium- to long-term incentive. Compensation for Outside Directors and Audit & Supervisory Board Members consists of only basic compensation, as emphasis is placed on the performance backed by their expertise and experience from their respective independent viewpoints.
- The typical composition ratios of basic compensation, bonuses, and stock-based compensation for Directors (excluding Outside Directors) are as follows: approximately 58%, 27% and 15%, respectively, for the Representative Director and Chairman, and Representative Director and President; and approximately 68%, 17% and 15%, respectively, for other Directors (excluding Outside Directors).

Details of Each Type of Compensation and Method of Calculating Amounts

a) Basic compensation (fixed compensation)

The basic compensation is intended to increase Directors' motivation to accomplish their duties as well as clarify their responsibilities. It is determined by position, in light of the significance of their duties, and paid in cash as monthly fixed compensation.

b) Bonuses (performance-linked compensation)

Bonuses as performance-linked compensation are aimed at enhancing the link between compensation and performance and raising motivation toward achieving the medium-term management plan. The amount is determined based on the performance for the fiscal year (from April to March) and paid in cash in July of the following fiscal year.

The amount of the bonus paid to each individual in the current fiscal year will be determined according to the following formula, based on Groupwide performance and personal evaluations, as well as qualitative factors.

(Formula)

Individual bonuses = Basic bonus by position x Bonus factor

Bonus factor = Groupwide performance factor x Individual evaluation factor ± Qualitative factor

The Groupwide performance factor is determined based on the three financial indicators specified below. The degree of achievement of each is multiplied by the evaluation weight and determined within the range of 0.5–1.5.

These performance indicators were adopted with the aim of appropriately evaluating and reflecting the enhancement of corporate value in terms of profit and capital efficiency.

(Indicators, Weight of Evaluation, and Targets of Groupwide Performance)

Financial indicators	Consolidated operating profit	Single-year target	70%	Fiscal 2023 target: 16,000 million yen
Financial indicators	Consolidated operating profit	Single-year target based on compound average growth rate	10%	Fiscal 2023 target: 15,697 million yen
Financial indicators	ROIC	Single-year target	20%	Fiscal 2023 target: 4.4%

* The "single-year target based on compound average growth rate" is the target value set each fiscal year based on an average annual growth rate of 8.4%, which is calculated based on the level of consolidated operating profit (12,324 million yen) for fiscal 2020, the final year of the previous medium-term management plan, and the target for fiscal 2024 (17,000 million yen), the final year of the current medium-term management plan.

The individual evaluation factor is determined in the range of 0.8–1.2, depending on the achievement of the KPIs of the business for which the Director is responsible.

The qualitative factor may be used to add to or deduct from the bonus factor, upon deliberation regarding the effects of the actions as strategic responses to deal with unforeseen and unavoidable changes in the business environment and situation.

In principle, the bonus factor is determined in the range of 0.4–1.8 (maximum 0–2.0 including qualitative factor) based on the above indicators.

c) Stock-based compensation (medium- to long-term incentive compensation)

Stock-based compensation further clarifies the link between compensation for Directors and stock value. It also aims to raise the Directors’ awareness of contributing to the improvement of the medium- to long-term growth of business performance and an increase in corporate value, by sharing the profits and risks from fluctuations in stock prices with shareholders. A resolution was adopted at the 146th Annual General Meeting of Shareholders held on June 28, 2018 to introduce a stock-based compensation plan using a trust. The system is a stock grant trust for Directors (excluding Outside Directors) with an initial trust period of approximately three years, a trust limit of 150 million yen, and a maximum of 30,000 points per year. In accordance with the stock grant regulations, points based on the base amount set by position are granted in June of each year, and in principle, shares are delivered in a lump sum at the time of retirement, in proportion to the accumulated number of points granted (30% of such compensation is paid in cash for the purpose of allocating funds for tax payments).

A resolution was adopted at the 150th Annual General Meeting of Shareholders held on June 24, 2022 to maintain the system with some changes. The objective of the changes is to raise awareness of contributing to improvement of medium- to long-term performance and increased corporate value by changing stock-based compensation to a performance-linked system, increasing the trust limit to 300 million yen with a trust period of three year, and increasing the maximum number of points granted to Directors to 60,000. The stock-based compensation to be paid consists of a fixed compensation of 80% and a performance-linked compensation of 20%. Points linked to business performance will be determined based on the degree of achievement of ESG targets set for the period of medium-term management plan as non-financial indicators (contribution to sustainability), among other things, and the payment rate will be determined from 0% to 200% based on the table below. (The degree of achievement of targets for fiscal 2024, the final year of the current medium-term management plan, will be reflected in the points granted for fiscal 2024, and for fiscal 2022 and fiscal 2023, the progress in each fiscal year will be confirmed, and in principle, the payment rate will be 100%.)

These performance indicators were adopted with the aim of strengthening sustainability management including a medium- to long-term perspective by setting the achievement of ESG targets as a major management goal toward the realization of a sustainable society.

(Indicators, Weight of Evaluation, and Targets of Groupwide Performance)

Non-financial indicators	(Contribution to sustainability)	Medium-term target for reduction ratio of GHG emissions (Scope 1 and 2; compared to fiscal 2016)	50%	Fiscal 2024 target	10.0%
	Degree of achievement of ESG targets	Medium-term target percentage of women in managerial positions	50%	Fiscal 2024 target	8.0%

*The reference day for the fiscal 2024 target and result for the percentage of women in managerial positions is April 1, 2025.

Remuneration Determination Process

In setting the policy regarding the determination of the details of individual compensation for Directors and determining the compensation of each Director, the Compensation Advisory Committee, which is an advisory body to the Board of Directors, deliberates on the overall compensation plan for Directors and advises the Board of Directors accordingly. The Board then makes decisions with reference to the advice from the committee.

As the Board of Directors determines the amount of compensation for each Director in accordance with the

above procedures, the Board believes that the details of such compensation are in line with the determination policy.

The amount of compensation for Audit & Supervisory Board Members is determined through discussions by the Audit & Supervisory Board Members.

Support System for Outside Directors and/or Outside Audit & Supervisory Board Members

Updated

With regard to Outside Directors, the Sustainable Business Management Department serves as a contact point for various communications, provision of information, and so on as needed.

With respect to Outside Audit & Supervisory Board Members, the standing Audit & Supervisory Board Members serve as contact points for various communications, provision of information, and so on as needed, and staff members assigned to the Audit & Supervisory Board provide assistance.

Status of Person Who Has Retired as Representative Director/President

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon*) after Retiring as Representative Director/President

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration)	Date when former role as president/ CEO ended	Term
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Number of Persons Holding Advisory Positions (*Sodanyaku, Komon*) after Retiring as Representative Director/President

0

Other Related Matters

None

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

The Board of Directors comprises nine Directors (three of whom are independent Outside Directors) and is chaired by the Representative Director and President. The Board deliberates on and determines matters prescribed in laws and regulations and important managerial matters. The Board also has responsibility for management of the Group and supervision of the execution of business operations. The Board comprises Directors with abundant experience in managing the Company and highly independent Outside Directors with in-depth knowledge regarding corporate management and business execution.

The Company has adopted the Corporate Officer System in order to implement quick decision-making that responds readily to changes in the business environment. Corporate Officers are given authority for execution of business operation by the Board of Directors, and, in accordance with the management plan and policies of the Board of Directors, execute business operations under the supervision of the Directors.

In addition, the Board of Corporate Officers, chaired by the President and comprising all the other Corporate Officers, is established. The Board of Corporate Officers decides on significant issues within the authority delegated by the Board of Directors, and checks and reports on the progress of business operations. The standing

Audit & Supervisory Board Members attend the Board of Corporate Officers' meetings in order to audit the execution of business operations.

The Audit & Supervisory Board comprises four Audit & Supervisory Board Members (two of whom are independent Outside Members). The members conduct audits of Directors' performance of duties and Corporate Officers' execution of business. They attend meetings of the Board of Directors and other important meetings and review the status of business operations and assets. The members maintain close ties with the accounting auditor and the Internal Audit Department, and exchange opinions and information to provide for effective and efficient auditing. Also, two auxiliary staff members assigned by the Internal Audit Department support the audit work of the Audit & Supervisory Board Members, thereby strengthening collaboration with the Internal Audit Department and enhancing and reinforcing audit functions.

The Nomination Advisory Committee conducts deliberations, including those to consider and evaluate candidates for Director, as well as decision-making on a draft list of candidates, and reports to the Board of Directors. The four members comprising the Committee are the Representative Director and President, who chairs the Committee, and three Outside Directors.

The Compensation Advisory Committee conducts deliberations, including those to verify the compensation system for Directors, and details of compensation, and reports to the Board of Directors. The six members comprising the Committee are the Representative Director and President, who chairs the Committee, three Outside Directors, and two Outside Audit & Supervisory Board Members.

In addition, deliberation committees are established in accordance with needs. The following deliberation committees are currently established.

[Committee established by the Board of Directors]
Management Sustainability Committee

[Deliberation committees established by the Board of Directors]
Risk Management Committee, Investment and Financing Committee, Corporate Ethics Committee, and Internal Control Committee

[Deliberation body that addresses the execution of business]
Business Strategy Meeting

[Deliberation committees established by the Board of Corporate Officers]
Quality Management Committee

* On June 23, 2023, the Board of Directors abolished the Sustainability Committee and established the Management Sustainability Committee as a new committee. The new committee proposes fundamental policies for achieving sustainable growth by the Group and sustainable development of society (sustainability), deliberates on important issues for achieving the Group's long-term vision.

Specific topics: Capital policy, identification and review of material issues, setting CSV targets that take responses to sustainability issues into consideration, business portfolio, and others.

* On June 23, 2023, the Management Council was abolished and the Business Strategy Meeting was established as a new deliberation body that addresses the execution of business. The members of the Meeting deliberate on issues of business strategies for achieving the Group's medium-term management plan to enhance the accuracy of business execution.

* On June 23, 2023, the Council of Outside Directors and Outside Audit & Supervisory Board Members was established as a forum for exchanging information and opinions regarding the Company's management issues from the perspective of highly-independent Outside Directors and Outside Audit & Supervisory Board Members for achieving management strategies.

The current Corporate Governance System has been adopted with the rationale that soundness and accountability in management and execution of business operations are secured through these committees.

The Board of Directors met 12 times in fiscal 2022. Of the nine Directors, eight Directors and two of the four Audit & Supervisory Board Members attended all 12 meetings of the Board of Directors.

Ms. Naomi Eto, who is an independent Outside Director, attended all eight of the meetings held following her appointment to the Board in June 2022.

Standing Audit & Supervisory Board Member Mr. Nobuyuki Watanabe attended all eight of the meetings held following his appointment to the Board in June 2022.

Outside Audit & Supervisory Board Member Ms. Sayaka Sumida attended 11 of the 12 Board of Directors meetings.

The Audit & Supervisory Board met 19 times, and two of the four Audit & Supervisory Board Members attended all of the meetings.

Outside Audit & Supervisory Board Member Ms. Sayaka Sumida attended 18 of the 19 Audit & Supervisory Board meetings.

Standing Audit & Supervisory Board Member Mr. Nobuyuki Watanabe attended all 12 of the Audit & Supervisory Board meetings held following his appointment in June 2022.

Audit & Supervisory Board Members are auditing professionals such as an attorney at law and a Certified Public Accountant; a person with extensive experience in the Company's business with involvement in the finance and accounting, management planning, and logistics divisions in addition to a wealth of expertise and experience in the Company's business and considerable knowledge of finance and accounting; or a person with abundant expertise and experience in business operations stemming from extensive participation in the operations of the Company at its business divisions over many years.

In the current fiscal year, the Audit & Supervisory Board took action with the following at its priority audit items:

- (1) Progress of the medium-term management plan "Value UP+";
- (2) The development and operational status of risk management and internal control systems as a corporate group;
- (3) The execution status of business management/governance systems and the status of performance of roles and functions; and
- (4) The status of efforts regarding timely and appropriate disclosures of information.

Audit & Supervisory Board Members conduct audits in accordance with the audit policy and audit plans established by the Audit & Supervisory Board as well as the assigned roles. Audit & Supervisory Board Members attend Board of Directors meetings and make proposals based on the Audit Report and Audit Findings while providing opinions as needed. In addition, opinions are exchanged, and proposals are made at regular quarterly meetings with the Representative Director and President, and Statutory Auditor's Meeting of Group subsidiaries is held twice annually to share information on the status of audit implementation and findings at individual companies, exchange opinions, and thus enhance the internal controls of the Group. The Board strives to maintain and improve effectiveness through discussions with individual directors and corporate officers, visits to and audits of individual departments and subsidiaries, and regular discussions between Audit & Supervisory Board Members and corporate staff departments.

Audit & Supervisory Board Members hold quarterly meetings to exchange opinions with the accounting auditor and at other times as necessary to facilitate collaboration. With regard to key audit matters (KAM), they hold discussions with the accounting auditor in the process of identifying, narrowing, and selecting themes, receive reports from the accounting auditor regarding the status of audit implementation, and request explanations as needed.

In addition to the above, evaluations of the effectiveness of the Audit & Supervisory Board are being conducted in the current fiscal year on a trial basis as an initiative to further enhance the effectiveness of audits

by the Audit & Supervisory Board Members.

The Internal Audit Department (two full-time staff and two staff with additional duties) was established as the section with jurisdiction over internal audit capacities at the Company. An internal audit of the compliance status for business rules and regulations is conducted for the Company and each Group subsidiary based on the annual audit plan. The internal audit is intended to ensure that operations are executed in a sound and appropriate manner from the viewpoints of corporate governance and compliance.

In light of Supplementary Principle 4-13(3) of the Corporate Governance Code, reporting lines include reports not only to the Representative Director and President, but also periodic reports to the Board of Directors and the Audit & Supervisory Board.

In addition, evaluations of the operational status for internal control systems pertaining to financial reporting are conducted.

The Company concluded an auditing agreement with Deloitte Touche Tohmatsu LLC for Deloitte to serve as a financial auditor for audits of matters relating to accounts, and the Company has undergone fair and lawful audits. No relationships of interest exist between Deloitte Touche Tohmatsu LLC, or its managing members, and the Company.

The information including the names of the Certified Public Accountants participating in the accounting audit for the current consolidated accounting period is as follows.

Continuous auditing period: 72 years from the fiscal year ended March 31, 1952

Certified Public Accountants who have been involved in the execution of audit engagements: Mr. Katsumi Takizawa, Mr. Yasuhiro Kawaguchi, appointed as limited liability employees, managing members

Composition of assistants for audit engagements: 34 assistants for audit engagements

The assistants for accounting audit engagements at the Company are comprised of 10 Certified Public Accountants, three officers who have passed the Certified Public Accountant Examination, and 21 others.

Based on the provisions of Article 427 Paragraph 1 of the Companies Act, the Company has concluded an agreement with Outside Directors Mr. Isao Yamamoto, Ms. Emi Machida, Ms. Naomi Eto, and Outside Audit & Supervisory Board Members Mr. Tomotake Kusamichi and Ms. Sayaka Sumida, regarding liability for damages as stipulated in Article 423 Paragraph 1 of the Companies Act, to limit each liability to the higher amount of either five million yen or the minimum liability amount stipulated in Article 425 Paragraph 1 of the Companies Act, when acting in good faith and in the absence of gross negligence in the performance of their work duties.

3. Reasons for Adoption of Current Corporate Governance System

Kindly refer to: I. 1. Basic Views, and II. 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System), regarding the rationale for adoption of the current corporate governance system.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Shareholders Meeting	Posting date for the Convocation Notice of the 151st Annual General Meeting of Shareholders: June 2, 2023 Also published early on the Company website in advance of posting, on May 29, 2023.
General Meeting of Shareholders scheduled to avoid days when many other companies hold their shareholders' meetings	Date for Annual General Meeting of Shareholders June 23, 2023 (date of last year's meeting: June 24, 2022)
Electronic Exercise of Voting Rights	Have introduced an exercise of voting rights system using the internet and other means since the 138th Annual General Meeting of Shareholders held on June 25, 2010.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	Have participated in a platform for the electronic exercise of voting rights (TSE Platform) for institutional investors since the 138th Annual General Meeting of Shareholders held on June 25, 2010.
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	Published an English language version of the Convocation Notice (its Summary) for the 151st Annual General Meeting of Shareholders, which was held on June 23, 2023, early on the Company website in advance of posting, on May 29, 2023.
Other	With regard to convocation notices of the General Meeting of Shareholders, endeavor to include information useful to all shareholders other than that prescribed by law.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a Representative Director or a Representative Corporate Officer
Formulation and Publication of Disclosure Policies	Disclosure Policy https://www.nisshin-oillio.com/english/inv/management/disclosure_policy/	
Investor Briefings Held Regularly for Individual Investors	Hold briefings for individual investors hosted by securities companies and others.	Held
Regular Investor Briefings Held for Analysts and Institutional Investors	Hold quarterly financial results briefings.	Held
Online Disclosure of IR Information	Published financial information, financial results briefing, timely disclosure information other than financial results, etc. on the Company website. https://www.nisshin-oillio.com/english/	
Establishment of Department and/or Placement of a Manager in Charge of IR	Department in charge of IR: Public Relations & Investor Relations Department Manager in charge of IR: Arata Kobayashi, Director and Senior Managing Officer Stock Exchange communications liaison: Koutaro Ishibashi, General Manager of Public Relations & Investor Relations Department	

3. Status of Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	They are stipulated in The Nisshin Oillio Group Code of Conduct revised as of April 1, 2022. “The mission of The Nisshin Oillio Group is to realize people’s happiness and to continue contributing to social and economic development, under the core concept of “good flavor, health, and beauty” and as a corporate group whose existence is valued by all stakeholders, including customers, business partners, shareholders and investors, employees, and society.” Please refer to The Nisshin Oillio Group Code of Conduct. https://www.nisshin-oillio.com/english/about_us/model/ In fiscal 2022, briefings (including online briefings) were conducted at the Company and subsidiaries to fully inform personnel about the objectives of the revised Code of Conduct.
Implementation of Environment Preservation Activities and CSR Activities	Starting in fiscal 2000, we compiled an environmental report. In fiscal 2006 we began issuing a corporate social responsibility (CSR) report, which included this environmental report. In fiscal 2015 we integrated this CSR report and our company brochure into a corporate report. As of fiscal 2021, on the occasion of the formulation of The Nisshin Oillio Group Vision 2030, we replaced this corporate report with the Integrated Report, which aims to convey our medium- to long-term initiatives to

enhance the Group's corporate value. We also issue the Sustainability Data Book containing data relating to environmental, social, and governance (ESG) factors.

The Group continuously promotes initiatives toward the realization of a sustainable society. Among other things, we have signed the United Nations Global Compact and are in agreement with the Sustainable Development Goals (SDGs).

[The Nisshin Oillio Group Vision 2030]

In line with the corporate vision towards 2030 and our strategic guidelines that are indicated in The Nisshin Oillio Group Vision 2030 formulated in March 2021, we will make sustainable growth into the future and contribute to the realization of the sustainable society with a concept that the creation of shared values (CSV) that are diverse through the resolution of social issues shall be a driver for growth.

https://www.nisshin-oillio.com/english/assets/pdf/vision2030/vision2030_en.pdf

Progress on achieving the CSV targets in the six priorities in The Nisshin Oillio Group Vision 2030 is disclosed in the Integrated Report, the Company's website, the Convocation Notice of General Meetings of Shareholders, and securities reports.

[Initiatives relating to climate change and the environment]

Our business is based on plant-based resources and we believe that the protection of the global environment and resources constitutes business sustainability, and we undertake the following initiatives with the aim of achieving a decarbonized society and a recycling-based society.

Responses to climate change

- We analyzed our governance relating to climate change as well as risks and opportunities and disclosed response measures in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- We revised the CO₂ emission reduction targets (from 2016 levels) in Scope 1 and 2 from 31% reduction to 50% reduction by 2030 to achieve carbon neutrality by 2050.
- We formulated a "Strategic Roadmap for Promoting Decarbonization" to reduce CO₂ emissions and are promoting measures for reduction throughout the Group.
- In fiscal 2022, Scope 1 and Scope 2 CO₂ emissions were down 8.6% (compared to fiscal 2016) as a result of investment in new facilities installed at production sites in Japan and other measures.
- Scope 3 CO₂ emissions reduction target of "25% reduction by 2030 (compared to fiscal 2020)" was newly set.
- To reduce Scope 3 CO₂ emissions, we are working with the Japan Oilseed Processors Association and through the Canada-Japan Canola Consultations and the US-Japan Climate Partnership, are encouraging suppliers to set quantitative targets.
- We installed solar power generating facilities at major Group production sites.
- We introduced internal carbon pricing as decision-making criteria for investment and encourage investment that will contribute to CO₂ emissions reductions.

Procurement of raw materials that takes sustainability into consideration

- In accordance with our Palm Oil Sourcing Policy, we formulated an action plan and are taking action to procure certified palm oil that takes sustainability into

	<p>consideration and to create traceable and transparent supply chains.</p> <ul style="list-style-type: none"> • We created procurement policies for soybeans and cacao and posted them on the Company’s website. <p>Reduction of plastic containers and packaging</p> <ul style="list-style-type: none"> • In addition to continuously reducing the weight of plastic containers, we introduced containers made of bio-polyethylene, an environmentally-friendly material, for some household-use products. • We are promoting the use of environmentally-friendly containers at production sites and in fiscal 2022 decided to make additional investments in filling lines for new environmentally-friendly PET containers at the Yokohama Isogo Plant. • In September 2023, we launched paper carton-type products that are both environmentally friendly and easy to use as our household-use product. <p>[The Nisshin OilliO Group Human Rights Policy] In March 2022, we formulated The Nisshin OilliO Group Human Rights Policy based on the UN Guiding Principles on Business and Human Rights and informed Group companies about the policies in fiscal 2022. Also, Intercontinental Specialty Fats Sdn. Bhd.(ISF), a Group company, formulated a Labor and Human Rights Policy. In fiscal 2023, we will address human rights issues throughout the entire supply chain by creating mechanisms for human rights due diligence, creating systems for responding to grievances, and taking other measures.</p>
<p>Formulation of Policies on Provision of Information to Stakeholders</p>	<p>We stipulate a disclosure policy and conduct timely and appropriate information disclosure.</p>
<p>Other</p>	<p>[Investment in Human Capital] (1) Stance on Human Capital To achieve the objectives of Vision 2030 and Value Up+, the Group has a policy of actively investing in human capital in order to reinforce organizational capabilities with the growth and job satisfaction of each employee as drivers. Based on the idea that human resources are the greatest source of corporate value enhancement, we will systematically implement initiatives that contribute to employee growth and the fulfillment of their abilities from a long-term perspective, including the expansion of human resources, investment in training, and the creation of a comfortable working environment. We will foster an organizational culture in which all employees have a strong desire to realize our Vision, act proactively while enhancing their own abilities, and continue to grow.</p> <p>(2) Policy on Human Resource Development We have positioned human resource development as a top-priority management topic for many years, and based on the principle of putting the highest priority on training, we focus on developing and demonstrating the abilities of employees and work to maximize organizational capabilities by fostering strong individuals.</p> <p>In addition, we are pursuing improvements in productivity more than ever to achieve the growth scenario set forth in the Vision 2030 and recognize that personnel with diverse skills, experience, sensibilities, and value are essential for the acquisition of new markets and creation of new value. To build strong organizational and human resource foundations with a depth and breadth, each employee will continuously</p>

enhance his or her strengths, and by reinforcing the recruiting of experienced personnel, we will establish an environment where we can leverage the diverse strengths and individuality of each employee as an organization.

Going forward, we will continue to reinforce the development and reskilling of human resources who will lead future generations based on the idea that employee growth is a source for sustainable growth by the Company. We will secure and use the diverse human resources necessary to carry out our business strategies.

(3) Policy on the Development of Internal Environments

Based on the belief that it is the Company's responsibility to provide healthy working environments where employees can fully demonstrate their capabilities, we take action to establish comfortable working environments where employees can work with peace of mind by creating flexible and productive workstyles, invigorating internal communication, providing support for employees to balance their work with childcare, family care, and medical treatment, encouraging employees to take paid vacation time, and so on.

(4) Policy on Health Management

Based on the idea that the health of employees is the foundation for their happiness and that of their families and is also the most important asset for the Company's sustainable development, we proactively support employees in maintaining and improving their health and raising productivity so that each employee can work with enthusiasm and enjoy a healthy and enriching life. When implementing initiatives, the top management of the Company is the person with ultimate responsibility of health management; and the Health and Productivity Management Department, a dedicated department, plays a central role in promoting health management, working together with each business site, health insurance union, and labor union to promote company-wide efforts.

The Company was selected as one of the "White 500" companies that conduct outstanding health and productivity management under the 2023 Certified Health and Productivity Management Organization Recognition Program operated by the Ministry of Economy, Trade, and Industry of Japan and the Nippon Kenko Kaigi.

[Promotion of the advancement of women]

The Company aims to create new value through the activities of diverse human resources, thereby improving the Company's competitiveness and growth potential. Regarding the promotion of women's advancement, we are actively hiring women, supporting career development, creating workplace environments where women can fully participate, and expanding the stage for activities by female employees by encouraging their active participation in training programs to foster core human resources of the future and companywide projects. Also, our utilization of systems enabling flexible workstyles, such as working from home, flextime, and per-hour paid leave, has become entrenched. Furthermore, we make effective use of programs to support a work-parenting balance, including childcare leave (up to elementary school age), a short-time work system (up to the third grade of elementary school), and the reemployment of employees retiring due to marriage, childbirth, and so on. We aim to increase productivity and achieve a good work-life balance by reviewing working styles

and how employees take time off company-wide, including male employees, such as by encouraging male employees to take childcare leave. As an outstanding company in the promotion of women's activities and childcare support, the Company has received level-two *Eruboshi* and Platinum *Kurumin* certification from the Ministry of Health, Labor, and Welfare of Japan.

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development Updated

(1) Management Administration Organization

For an overview of the Board of Directors and other aspects of corporate governance, refer to II. 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System).

In addition, we have established the Sustainability Committee to spearhead business activities leveraged by the Group's own style of CSV (creating shared value). Through these efforts, we strive to realize sustainability, which will lead to sustainable growth of the Group and the sustainable development of society. In fiscal 2022 we monitored the progress of CSV targets in priority areas under The Nisshin OilliO Group Vision 2030, reexamined the value that the Group seeks to create in priority areas from the perspective of today, and deliberated on the particulars of CSV targets.

We also conducted seminars and discussions, centered on members of the Sustainability Committee, concerning global trends in ESG taught by outside experts.

Regarding our setup to ensure that Directors execute their duties and Corporate Officers execute their work efficiently, we have set up the Management Council as a body to assist the President's decision making. Standing members of the Audit & Supervisory Board attend meetings of the Management Council as observers. The Corporate Officers in charge of each division are responsible for achieving targets outlined in management plans. Toward achievement of our Group's medium-term management plan, supervision of the progress of divisional management plans is carried out in the Board of Corporate Officers, which meets every month.

Key investment and financing projects, such as capital investment, M&A, and business restructuring, including those related to subsidiaries, are referred to the Investment and Financing Committee in accordance with the Investment and Financing Rules and the Committee deliberates on whether a project should be implemented from perspectives including consistency with management strategies, investment profitability taking into consideration capital costs and internal carbon pricing, medium- to long-term investment strategies, and business continuity.

We also monitor projects that are underway.

* As of June 23, 2023, the Sustainability Committee was abolished and the Management Sustainability Committee was established.

* As of June 23, 2023, the Management Council was abolished, and the Business Strategy Meeting was established.

(2) Compliance Setup

Regarding our compliance setup, we have established the Corporate Ethics Committee and other bodies and collaborate with corporate legal counselors and others as necessary. Basic compliance that Directors should observe, penalties for violations, and other matters are stipulated in the Regulations on Ethics for Directors.

Furthermore, we work to disseminate The Nisshin OilliO Group Code of Conduct (revised April 2022), which are conduct guidelines for all officers and employees to carry out our corporate philosophy. We also accept whistleblower reports via a corporate ethics hotline. Such reports are discussed in the Corporate Ethics Committee, and efforts are made to prevent any reoccurrence. In addition, our legal affairs division keeps an eye on the Group's observance of laws and ordinances and implements legal affairs education.

(3) Risk Management Setup

Regarding risk management, the Risk Management Committee comprehensively oversees Groupwide risks. When a risk does surface, this committee establishes emergency arrangements and responds to the crisis. The Risk Management Committee compiles a risk matrix based on the degree of their impact and frequency and

administers countermeasures for specific risks. In addition, after the priority ranking of risks based on the degree of their impact if they arise, the committee specifies them as critical risks and implement risk management by means of the plan-do-check-act (PDCA) cycle centering on the supervisory division.

The Risk Management Committee reports to the Board of Directors about the results of the assessment of Groupwide risks, response policy, conditions, and other matters. Standing members of the Audit & Supervisory Board have attended meetings of the Risk Management Committee as observers since fiscal 2021. In addition, a constant review of regulations on accounting, credit management, and information security management and other rules is conducted, and revisions are made, or new regulations established as necessary. The Internal Audit Department supervises the status of compliance with regulations in business operation.

Regarding our information management setup, from the perspective of ensuring a setup in which the Board of Directors can check the state of performance by Corporate Officers, the Company has established internal regulations including rules and operation standards for the Board of Directors, operating rules for the Board of Corporate Officers, document management regulations, and so on. To enhance convenience in the collection of information by outside Directors and outside members of the Audit & Supervisory Board, we provide them with the same information system environment as that for internal Directors and Corporate Officers.

(4) Ensuring the Appropriateness of Management in the Corporate Group Consisting of the Company and Its Subsidiaries

The Sustainable Business Management Department engages in the overall management of subsidiaries and comprehensively evaluates strategies as a corporate group and the appropriateness of operations of each subsidiary. To clarify the structure of management responsibility, Corporate Officers are appointed to be responsible for each subsidiary from among our Corporate Officers. The responsible Corporate Officers provide guidance and supervision for the proper execution of business operation by subsidiaries. The Internal Audit Department periodically conducts internal audits of subsidiaries.

Regarding the management of subsidiaries, directors appointed by the parent company supervise the performance of business operation to both realize the development of the subsidiaries as independent companies and maximize their corporate value in the consolidated Group. In addition, regarding domestic subsidiaries in Japan, statutory auditors are appointed by the parent company and, even in cases where it is possible for the subsidiary concerned to set rules limiting the scope of audit, authority to audit operations is granted to statutory auditors. Regarding accounting audits for overseas subsidiaries, audits for Nisshin Oillio (China) Investment Co., Ltd. and seven other companies are commissioned to local offices of Deloitte Touche Tohmatsu Limited group, to which our certified public accountants belong. Auditing of the financial statements of PT Indoagri Daitocacao is handled by the local office of Ernst & Young Global Limited.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

Regarding antisocial forces and unreasonable pressure, we will respond unyieldingly and resolutely as mentioned in The Nisshin Oillio Group Code of Conduct, and if necessary, on the premise of legal action.

Specifically, we have designated the Personnel & General Affairs Department as our overall responding body. As well as collaborating with the police, we endeavor to improve the internal setup by, for example, regularly gathering information through participation in training sessions organized by the Special Violence Prevention Measures Association of the Tokyo Metropolitan Police Department.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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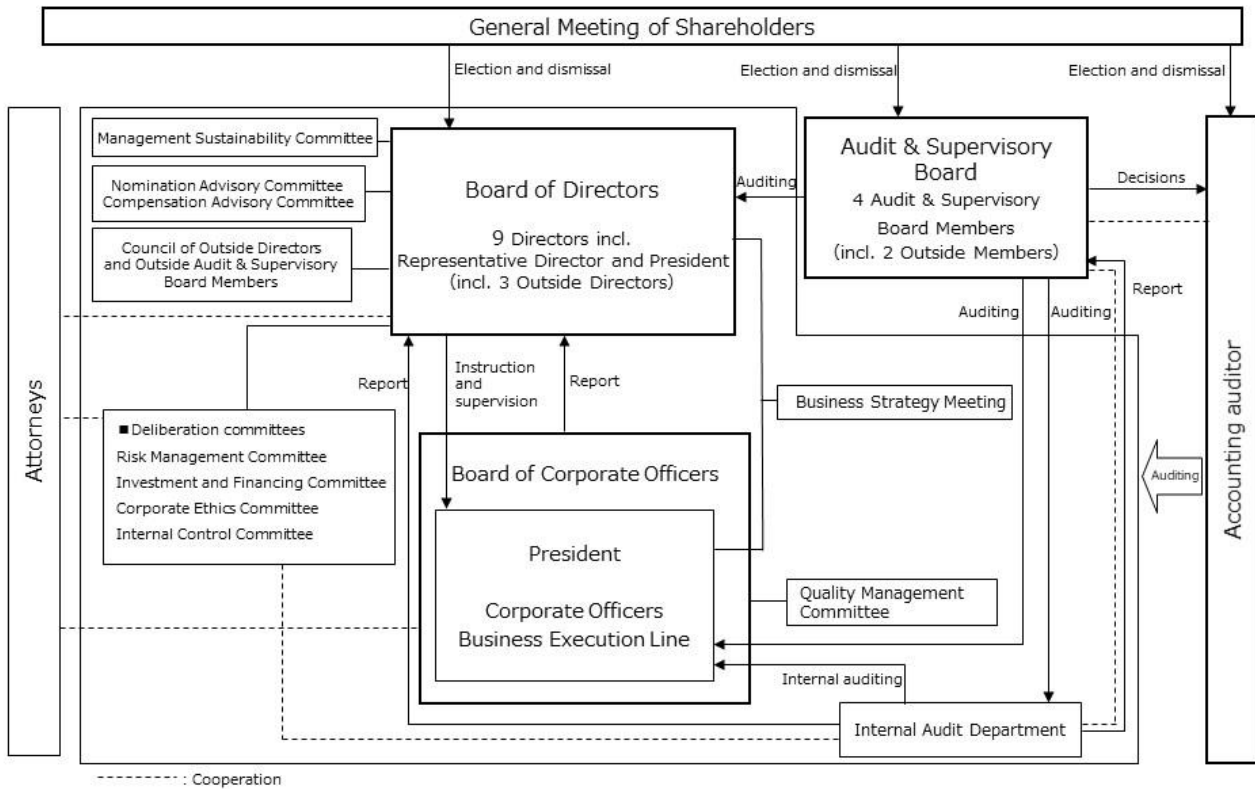
Supplementary Explanation for Applicable Items

After carefully checking the intentions of parties engaging in large-scale purchases of our company's shares, the Company provides adequate information for shareholders to properly judge the pros and cons of the large-scale purchase concerned (including the opinion of our Board of Directors respecting the views of independent Outside Directors). We also adopt appropriate measures within the scope allowed by the Financial Instruments and Exchange Act, the Companies Act, and other relevant laws and regulations, including efforts to ensure adequate time for consideration.

2. Other Matters Concerning the Corporate Governance System **Updated**

- (1) Regarding the internal control system based on the Financial Instruments and Exchange Act, we have set up the Internal Control Committee to decide policies for its improvement, operation, and so on; the Internal Audit Department is responsible for its evaluation. In addition, the Internal Audit Department implements internal auditing to ensure that business operations are executed soundly and appropriately from the perspectives of corporate governance and compliance.
- (2) The Integrated Report is published to communicate the Group's medium- and long-term efforts to enhance corporate value and was issued in September this year. (The English version is scheduled to be published in December.)

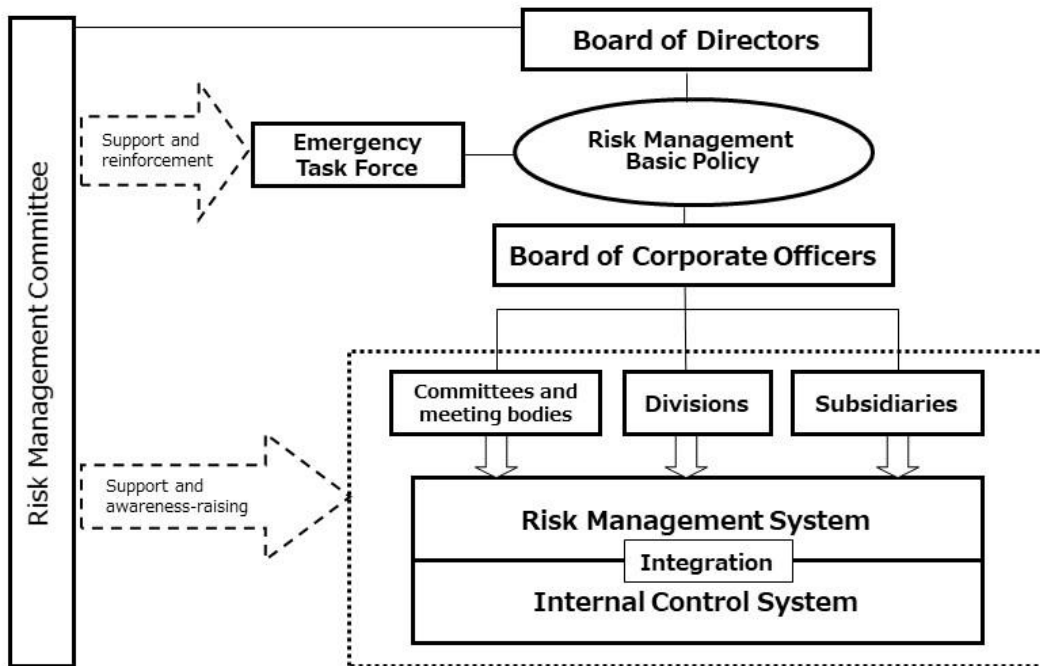
Corporate Governance and Internal Control System



Notes:

1. The standing Audit & Supervisory Board Members attend meetings of the Management Sustainability Committee, Risk Management Committee and Business Strategy Meeting as observers.
2. Aside from the above, a meeting body has been organized to secure the effectiveness of auditing, though activities such as regular information exchange and sharing between standing Audit & Supervisory Board Members and corporate staff divisions.
3. For information on changes to the system as of June 23, 2023, please refer to "II-2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)."

Risk Management System



Internal System for Timely Disclosure

