



"The Natural Power of Plants"

The Nisshin Oillio Group, Ltd.

# Integrated Report 2025

The Essence of The Nisshin OilliO Group

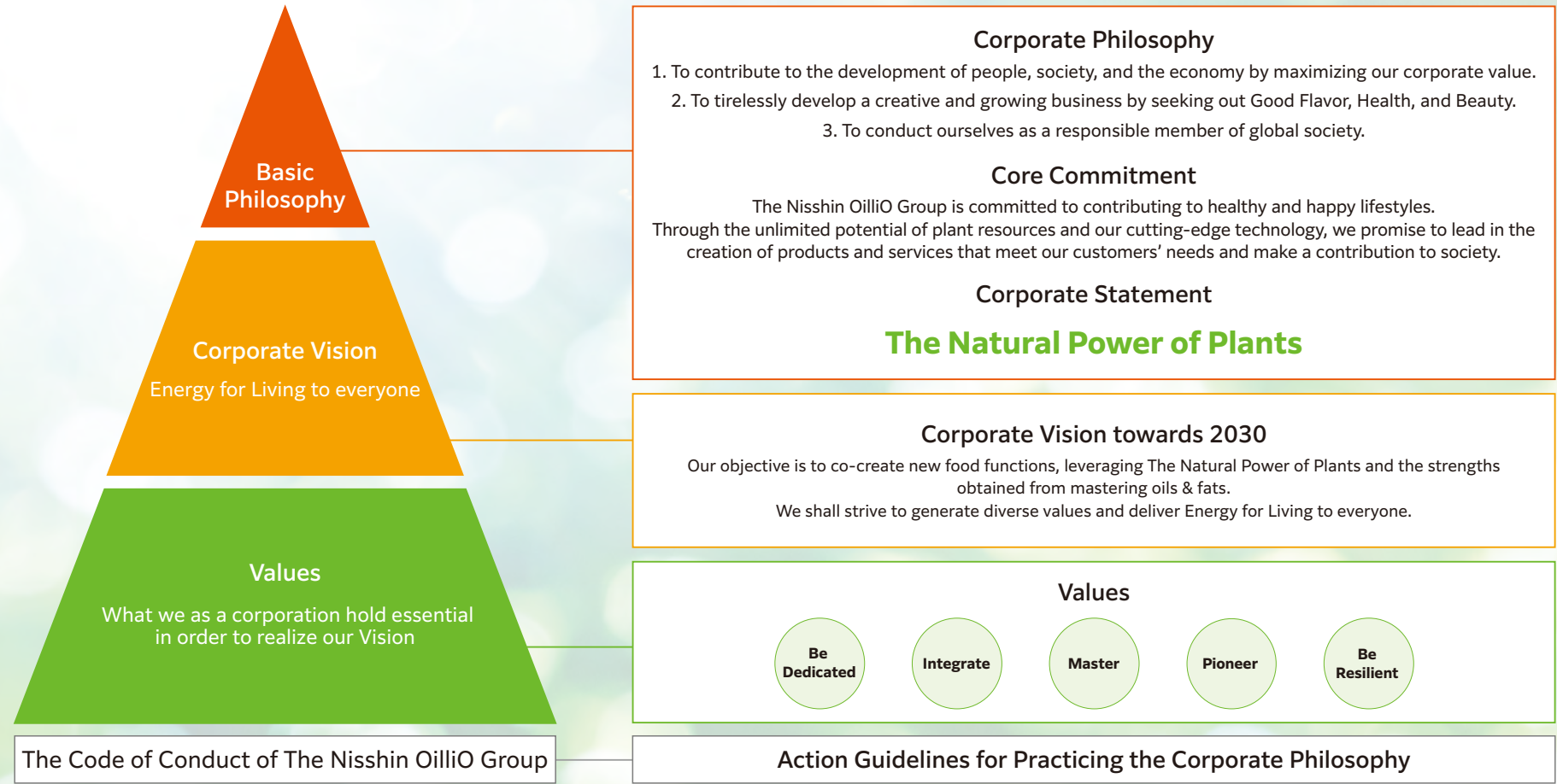
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The Five Values

Since its establishment in 1907, the Group has cherished an attitude of meticulous **dedication** to all aspects of our operations including product development, production, quality, and customer service. We have also valued the teamwork and organizational capabilities that **integrate** people—two aspects that are deeply rooted in our corporate culture—since our development from our starting point as a manufacturer. In addition, to achieve our Corporate Vision towards 2030, we are determined to pursue the following:

- We must **master** our strength, or core competence in oils and fats, which is the source of our Group's competitiveness.
  - To create diverse value, we must **pioneer** new domains by taking on the challenges of unknown business domains, business development areas, and technical fields.
  - As we head into an era of rapid change, we face the challenge of determining which things must change and which must be held firm. We need **resilient** adaptability that combines the acceptance of change and the need to make changes while also recognizing the enduring importance of our strengths.
  - We must develop our business to be closer than ever before to our customers by leveraging our **integration** with various networks.
- Be Dedicated, Integrate, Master, Pioneer, and Be Resilient**—these are the five Values that form the basis of all our actions.

# Integrated Report 2025 Highlights

The Nisshin OilliO Group has published the Integrated Report to better inform readers about the Group's medium- to long-term value creation strategy from both financial and non-financial perspectives. This report introduces not only our initiatives for value creation through our business operations but also the story of our efforts toward sustainability. In this report, we illustrate the path of growth in seeking to achieve Vision 2030, highlighting in particular the strategies of *Value UpX*, the new medium-term business plan we launched in fiscal 2025.

## Message from the President



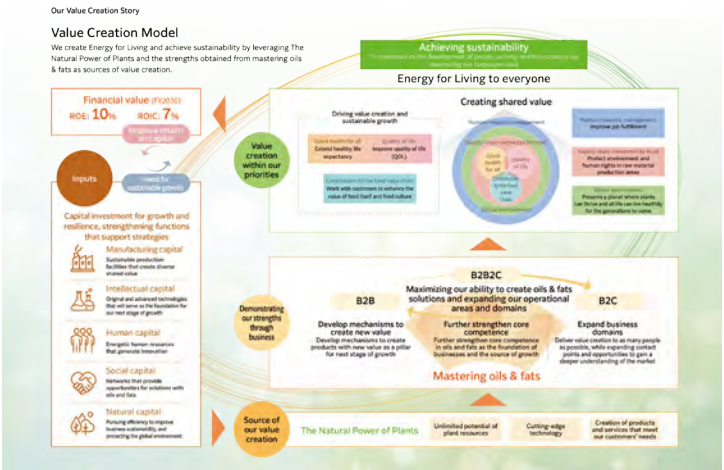
President Kuno discusses the four aspirations embodied in the title of our new medium-term business plan, *Value UpX*, as we strive to become a global top provider of oils & fats solutions.

## Strategies to Enhance Corporate Value

Under *Value UpX*, we will promote strategies for our next stage of growth.



## Our Value Creation Story



We create Energy for Living and achieve sustainability by leveraging The Natural Power of Plants and the strengths obtained from mastering oils & fats as sources of value creation.

## Message from the Director in Charge of Finance



Director Koike discusses ROIC management aimed at achieving our growth targets.

## Feature: Improving Return on Capital



The officers in charge of initiatives for sales, production, and logistics discuss how the Group integrates the three areas to shift conventional thinking and transform processes.

## The Nisshin OilliO Group Vision 2030

We have identified six priorities (materiality) to deliver Energy for Living to everyone.



## Dialogue with Outside Directors



Three Outside Directors discuss key points for strengthening governance to achieve Vision 2030.

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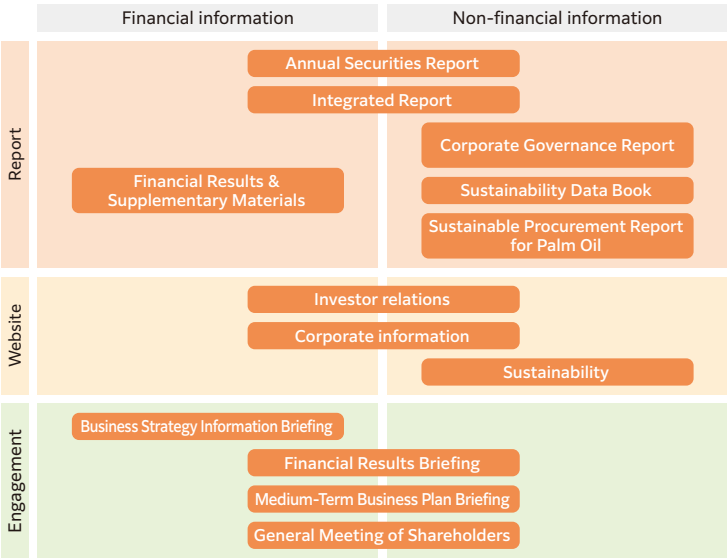
## Performance and Corporate Information



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Overview of Corporate Communication



**Editorial policy**  
The Nisshin Oillio Group has published the Integrated Report 2025 to better inform readers about our medium- to long-term value creation from both financial and non-financial perspectives. We hope that all stakeholders—especially shareholders and other investors—can come to understand the story of our long-term corporate value creation. In producing this report, we referred to the International Integrated Reporting Framework, published by the IFRS Foundation, as well as the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation, published by Japan’s Ministry of Economy, Trade and Industry (METI).

**Reporting period**  
April 1, 2024, to March 31, 2025  
Some initiatives outside the above period are also included. The names of organizations and positions mentioned are valid as of September 30, 2025.

**Scope of report**  
This report covers the entire Group, including The Nisshin Oillio Group, Ltd. and its consolidated subsidiaries (domestic and overseas). However, some initiatives pertain only to The Nisshin Oillio Group, Ltd. on a non-consolidated basis.

**Organization names in this report**  
The Nisshin Oillio Group, Ltd. on a non-consolidated basis is referred to as the “Company,” and the entire group including The Nisshin Oillio Group, Ltd. and its consolidated subsidiaries (domestic and overseas) is referred to as the “Group.” Abbreviations are used in some cases for the following companies:

**Company name / Abbreviation**  
ISF Group  
Intercontinental Specialty Fats Sdn. Bhd. / ISF  
Intercontinental Specialty Fats (Shanghai) Co., Ltd. / ISF Shanghai  
Intercontinental Specialty Fats (Italy) S.r.l. / ISF Italy  
Nisshin Oillio America Inc. / NOA  
T.&C. Manufacturing Co., Pte. Ltd. / T&C  
PT Indoagri Daitocacao / IADC  
Industrial Química Lasern, S.A.U. / IQL  
IQL-USA Inc. / IQL-USA  
The Nisshin Oillio (Shanghai) International Trading Co., Ltd. / NOST



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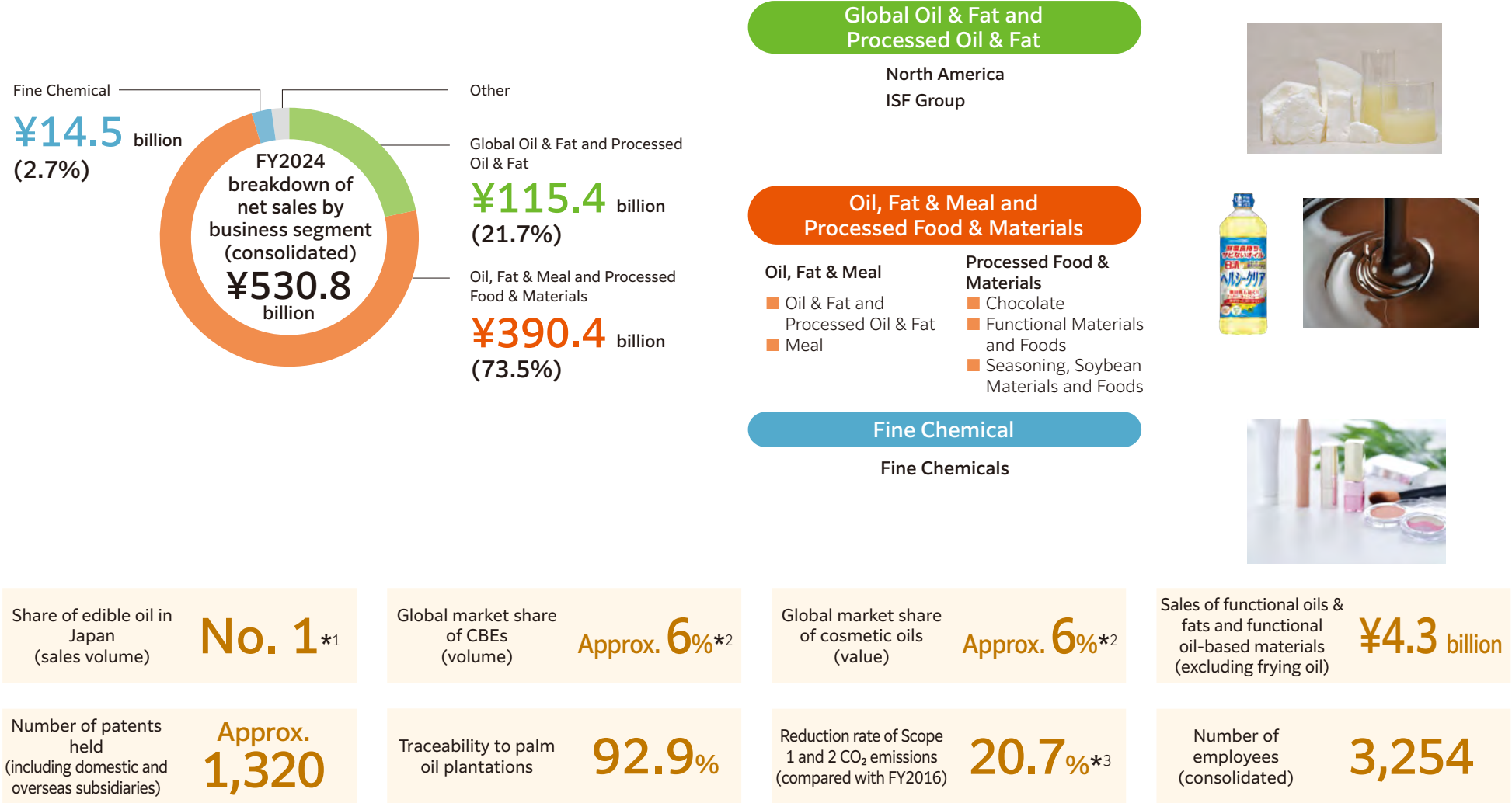
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Current State of the Group

A strong presence in the edible oil market as a leading company in the field of vegetable oils



Network (as of September 30, 2025)

Major locations

9 countries,  
20 companies

Number of countries where  
our products are distributed

57

Europe

2 countries,  
2 companies

Spain

Industrial Química  
Lasem, S.A.U.

Italy

Intercontinental Specialty  
Fats (Italy) S.r.l.

Asia

5 countries,  
8 companies

China

- Shanghai Nisshin Oil & Fats, Ltd.
- The Nisshin OilliO (China) Investment Co., Ltd.
- The Nisshin OilliO (Shanghai) International Trading Co., Ltd.
- Intercontinental Specialty Fats (Shanghai) Co., Ltd.

Malaysia

Intercontinental Specialty  
Fats Sdn. Bhd.

Singapore

T.&C. Manufacturing Co.,  
Pte. Ltd.

Indonesia

PT Indoagri Daitocacao

Thailand

The Nisshin OilliO Group, Ltd.  
Bangkok Representative Office

Japan

9 companies

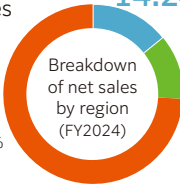
Japan  
73.9%

Japan

- The Nisshin OilliO Group, Ltd.
- Settsu Inc.
- Nisshin Shoji Co., Ltd.
- Nisshin Logistics Co., Ltd.
- NSP Co., Ltd.
- Daito Cacao Co., Ltd.
- Nisshin Shokai Co., Ltd.
- Marketing Force Japan, Inc.
- Nisshin Finance Co., Ltd.

Asia

14.2%



Others  
(Europe, North  
America, etc.)  
11.9%

North America

1 country, 2 companies

U.S.

- IQL-USA Inc.
- Nisshin OilliO America Inc.

Major Locations

	Functions	Businesses
Japan	Manufacturing/Sales/Research	Oil, Fat & Meal and Processed Food & Materials/Fine Chemical
Malaysia	Manufacturing/Sales/Research	Global Oil & Fat and Processed Oil & Fat
China	Sales	Global Oil & Fat and Processed Oil & Fat/ Oil, Fat & Meal and Processed Food & Materials/Fine Chemical
Singapore	Manufacturing/Sales	Oil, Fat & Meal and Processed Food & Materials
Indonesia	Manufacturing/Sales	Oil, Fat & Meal and Processed Food & Materials
Spain	Manufacturing/Sales	Fine Chemical
Italy	Manufacturing/Sales	Global Oil & Fat and Processed Oil & Fat
U.S.	Sales	Global Oil & Fat and Processed Oil & Fat/Fine Chemical



ISF (Malaysia)



IQL (Spain)



Domestic Network

Osaka Complex, Yokohama Isogo Complex (Yokohama Isogo Plant), Nagoya Plant, Sakai Plant, Mizushima Complex (Mizushima Plant), Incubation Square (Research Laboratory), Hokkaido Branch, Tohoku Branch, Kanto Shin-etsu Branch, Tokyo Branch, Tokai-hokuriku Branch, Osaka Branch, Chu-shikoku Branch, Kyushu Branch, Morioka Sales Office, Koriyama Sales Office, Niigata Sales Office, Nagano Sales Office, Tokyo Metropolitan Sales Office, Shizuoka Sales Office, Hokuriku Sales Office, Shikoku Sales Office, Okayama Sales Office, Kagoshima Sales Office

Four Domestic Production Plants

① Yokohama Isogo Complex  
Site area: Approx. 233,100 m<sup>2</sup>



② Nagoya Plant  
Site area: Approx. 98,800 m<sup>2</sup>



③ Sakai Plant  
Site area: Approx. 28,800 m<sup>2</sup>



④ Mizushima Complex  
Site area: Approx. 110,000 m<sup>2</sup>



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Launching our new medium-term business plan, *Value UpX*, to strive to become a global top provider of oils & fats solutions

T. Kuno

Takahisa Kuno  
Representative Director and President  
The Nisshin OilliO Group, Ltd.

Message from the President



*Value UpX*, the new four-year medium-term business plan, launched this fiscal year is the second medium-term business plan, created to align with the strategies of Vision 2030, the long-term vision we formulated in 2021. Building upon the foundation of growth we have established thus far, we will further develop our distinctive “winning formula” with *Value UpX*, evolve into an organization capable of generating innovation, and achieve accelerated growth. We are determined to become a global top provider of oils & fats solutions, to deliver Energy for Living for everyone.

Accelerating growth under *Value UpX*

By delving into the essence of CSV management as envisioned in Vision 2030 and integrating CSV with our business strategy, we will weave diverse value creation stories in our pursuit of operating profit of ¥28 billion (operating profit margin of 5% or more), ROE of 8% or more, and ROIC of 6% or more by fiscal 2028, the final year of the plan.

□□ p. 29 Performance Targets

- To accelerate growth, *Value UpX* employs four core aspirations represented by the “X” in its name:
- 1. Exponential growth
  - 2. Converting challenges into opportunities
  - 3. Institutionalizing innovation
  - 4. Transforming to improve return on capital.
- Together as a Group, we will carry out the

strategies and initiatives tied to these four aspirations—the four Xs—to achieve accelerated growth.

First X

Exponential growth

Under the previous medium-term management plan, *Value Up+*, we overcame market fluctuations caused by the COVID-19 pandemic and surging raw material prices, achieving record profits in all business segments. We were able to build solid relationships with customers and expand high value-added and functional products. Looking at the average annual growth rate of consolidated operating profit during recent medium-term management plans, we achieved steady growth: 4% and 9% under *Value Up* (FY2017–FY2020) and *Value Up+* (FY2021–FY2024), respectively.

We have also established an essential foundation for future growth by opening Incubation Square as an R&D facility that serves as a venue for co-creation, and making major global investments. In my view, the greatest achievements under *Value Up+* were our steady profit growth and the establishment of solid foundation for the next phase of growth. We will maximize these results, focus intently on growth rates and profit margins, and achieve exponential growth.

Specifically, we will accurately identify opportunities and achieve steady growth, having positioned four areas as core strategies to drive

growth under *Value UpX*: 1. Confectionery fats, 2. Cosmetic oils, 3. Functional oils & fats and functional oil-based materials, and 4. Market creation based on our knowledge of lipid nutrition.

1. Confectionery fats

Our focus to date has been on strengthening our supply capabilities through capital investment centered on ISF (Malaysia) and enhancing our skills in controlling and managing three types of quality: functional quality of physical properties and nutrition; safety and security quality as food products; and quality of social responsibility,



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such as protecting human rights, maintaining biodiversity, and reducing CO<sub>2</sub> emissions in the supply chain. We will effectively use this capacity to expand sales of confectionery fats made from palm oil and other raw materials in markets experiencing substantial change (e.g., declining cacao yields) and achieve a global share of at least 15% (volume-based) of cocoa butter equivalent (CBE) by fiscal 2028 (compared to our estimate of 6% in fiscal 2024).

2. Cosmetic oils

In our Fine Chemical business, we have established a “scenario” for success in China by broadly promoting our products to customers at local exhibitions and expanding our business by using our technical support locations to provide customers with timely solutions that meet their

specific needs. We will apply this scenario as a springboard to expand sales of specialty oils in the ever-expanding Southeast Asian market and the rest of the global market to achieve a global share of at least 10% (value-based) of cosmetic oils by fiscal 2028 (compared to our estimate of 6% in fiscal 2024).

3. Functional oils & fats and functional oil-based materials

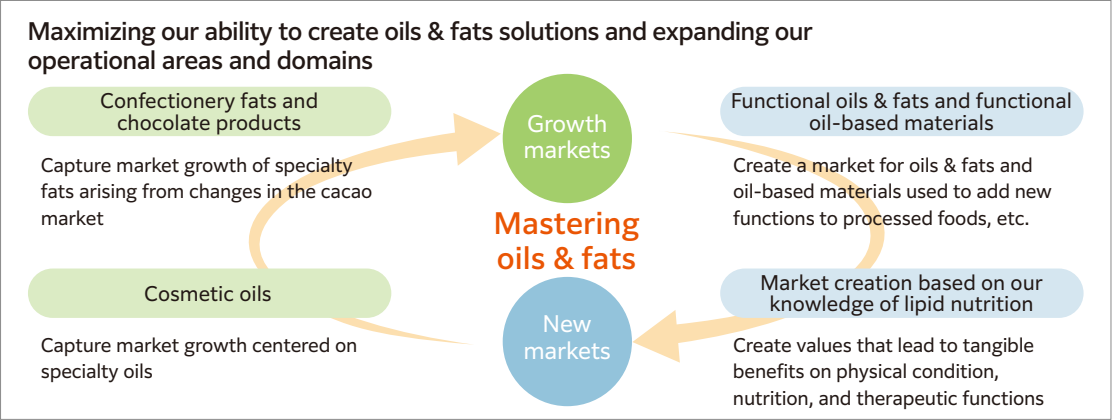
Labor shortages in commercial kitchens and food loss prevention measures among other changes are proceeding apace in the area of oils and fats for commercial use and for food processing in Japan, and we believe that the key to success lies in developing solutions for these issues. For example, extreme heat in recent years has resulted in inconsistent quality and higher prices

for rice. Our *Nisshin Cooked-Rice-Solutions Oil* helps people enjoy rice by preserving its freshly cooked flavor, contributing to resolve issues that are increasingly impacting broad swathes of society. We will capture customer needs and benefits, expand sales of functional oils & fats and functional oil-based materials, and aim for sales of ¥7 billion or more by fiscal 2028 (compared to ¥4.3 billion in fiscal 2024) for those oils & fats and materials.

4. Market creation based on our knowledge of lipid nutrition

Under *Value Up+*, we made progress with marketing medium-chain triglycerides (MCTs) as functional materials, and they now have a recognition rate of over 60%, indicating that they have penetrated the domestic market. We will contribute to improving consumers’ quality of life through products that create health and vitality in various life stages—including applying our time-tested knowledge of lipid nutrition to promote value involving physical condition—and translate those results into growth for the Group.

**Second X**  
**Converting challenges into opportunities**  
Our second X is the unknown factor for resolving present and future issues. It is the variable we



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must determine to achieve sustainable growth for the Group in this challenging business environment.

Reflecting on the way circumstances changed during the previous medium-term management plan, *Value Up+*, we can no longer assume that raw material procurement and product manufacturing and supply will be stable. There are many factors at play, including inconsistent yields of raw material crops and logistical impacts—particularly lower water levels in the Panama Canal—associated with climate change, as well as

increasingly severe labor shortages and tighter legal regulations on logistics in Japan.

Profit growth in household-use value-added products came to a standstill under *Value Up+*, in part because of a drought-driven, historically poor olive crop and the resulting surge in raw material prices, as well as supply chain disruptions stemming from geopolitical causes. Additionally, the U.S. government’s recent announcement of a plan to increase the blend ratio of biofuels has raised the global price of soybean oil, which has impacted the Company as a factor leading to increased costs of general-purpose oils. The entire edible oils market is being rocked by substantial changes, so we must act with alacrity to identify consumer needs and social issues to improve the value of edible oils and achieve sales at appropriate prices commensurate with costs.

Changing circumstances have also brought a variety of issues to the forefront that must be resolved if we are to achieve sustainable growth.

We will find values for *X* that solve all the essential problems in our value chain and fully commit to turning them into opportunities.

Third X  
Institutionalizing innovation

Our third *X* is the multiplicative power of co-creation, fusion, and investment to create a “winning formula.”

To attain the Group’s vision of becoming a global top provider of oils & fats solutions, we must improve our corporate structure to better generate innovation.

The Group draws its strength and competitive edge from the intangible assets it has cultivated and amassed over many years: customer connection, expertise, and intellectual property. To further enhance our competitive strength, we need to embrace co-creation initiatives that blend internal and external knowledge and experience. For example, our sincere commitment with customers in sales and marketing have earned us high levels of trust. We provide information online, promote inbound marketing to create opportunities for customer contact. Since the previous medium-term management plan, we successfully created touchpoints with customers who had been out of reach. Initiatives to upgrade customer touchpoints are underway to enhance co-creation and help maximize customer benefits by leveraging these relationships we have built.

Strategic efforts in implementing technological innovation, traceable supply chains, and digital innovation will also enhance the Group’s strengths and create a virtuous cycle of increased knowledge-based co-creation within and outside the Group.

To expedite this process, we will invest in strengthening R&D, our supply chain, digital and IT, sustainability, human resources, and more to

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advance our corporate structure and generate innovation through the cyclical creation of intangible assets. This is the “winning formula” for the Group to become a global top provider of oils & fats solutions.

☞ p. 17 Distinctive Winning Formula of The Nisshin OilliO Group

### Fourth X

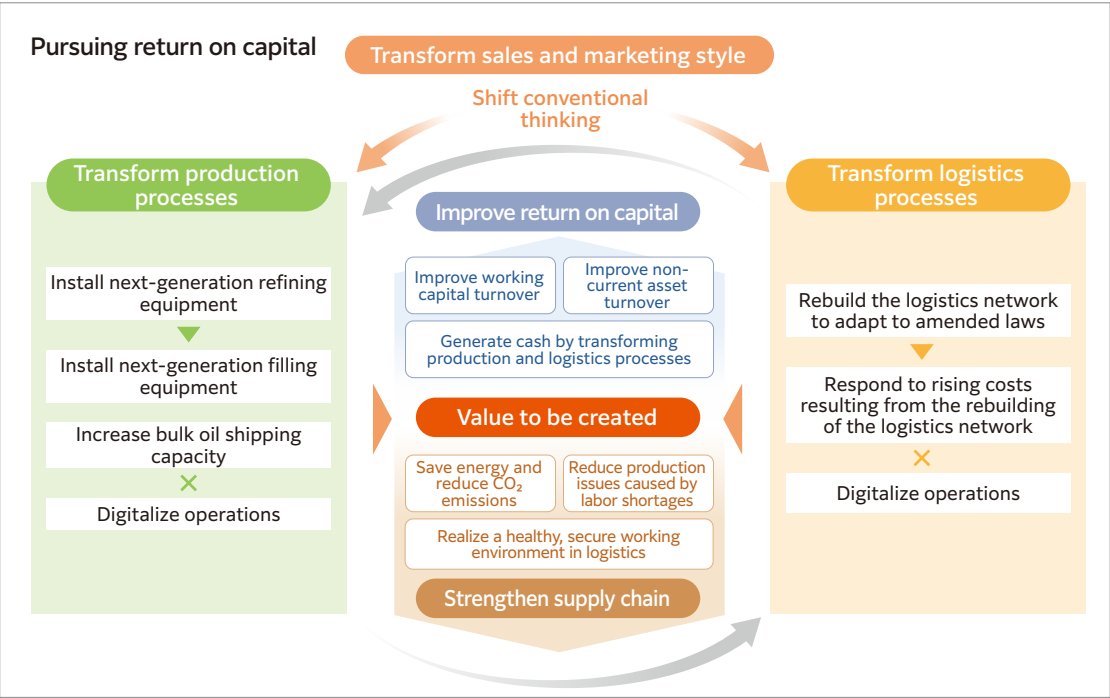
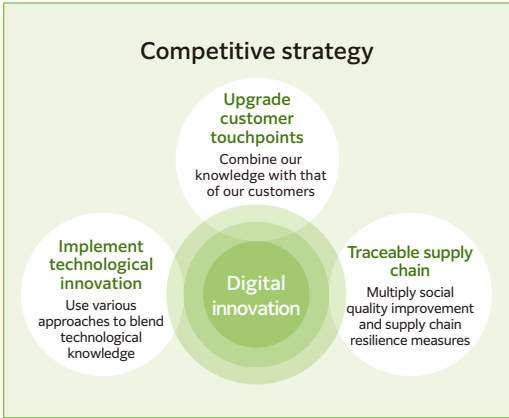
## Transforming to improve return on capital

Our fourth X represents a transformation that not only enhances return on capital but also strengthens supply chain resilience. We will advance this transformation while making the

necessary investments.

Under *Value UpX*, we must renew our focus on return on capital to achieve a virtuous cycle toward growth through ROIC management. During the previous medium-term management plan, inventory balance was disrupted in part by the COVID-19 pandemic, market fluctuations associated with surging raw material prices for soybeans and rapeseed, and inconsistent procurement due to a historically poor olive crop.

Also, the new limit on overtime hours in logistics increased the number of days the products spent in inventory. To achieve structural solutions to these problems, we need to pursue interlinked transformation of sales, production, and logistics. In sales and marketing, we are promoting a major shift from conventional thinking on sales promotion methods and product portfolios to draw an ideal blueprint and promote transformation in a more agile manner.



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In production, it is time to replace aging equipment with next-generation models. We will systematically upgrade equipment while taking steps to implement DX throughout production processes. Given the nature of our industry, the majority of the production process is automated by large-scale equipment and machinery, requiring substantial capital investment. We must, however, move beyond the long-cherished concept of “capacity utilization” and aim for a production system with the agility to supply the necessary volume when needed. We will also continue to optimize inventory control and improve logistics efficiency while promoting digitization in logistics.

□□ p. 44 Feature: Improving Return on Capital

Human resources to support future growth

With *Value UpX*, we have clearly stated the roles of the six priorities set out in Vision 2030, classifying some as areas that drive growth and others as areas that support our business foundation.

□□ p. 30 Strategy Overview

Among those priorities, human resource management is the driving force for the Group’s sustainability and growth. As I see it, the key to institutionalizing innovation—our distinctive “winning formula”—is how we use the information we gain from each customer touchpoint as an intangible asset for the Group.

We will actively invest in human resource development based on the belief that it is people who create new value using information obtained from the front lines that support the growth of the organization. Our employees’ resonance with the Group’s vision and a sense of fulfillment in their daily duties are force multipliers in our pursuit of a more innovative organizational culture. Amid labor shortages, shifting views on employment among young people, and many other social issues, building a strong, resilient human resources base will sustain the growth of the Group.

Providing a path to growth and enhancing corporate value

Under *Value UpX*, we will execute a growth strategy designed to achieve accelerated growth through fiscal 2028 and beyond. To achieve our lofty goals, we will invest ¥90 billion in the four areas targeted to achieve exponential growth in the first X—including building a global supply chain and making it more resilient, R&D to underpin our core strategies, digital and IT, and strengthening sustainability—and we will also conduct the M&As necessary to execute our strategy. To implement such investments and M&As, we will bolster our earning capacity and generate operating cash flow.

□□ p. 33 Message from the Director in Charge of Finance

The Group was able to grow to its current state

by seizing the opportunities presented by changes in society and lifestyles to create new value and markets. With unshakeable confidence based on our past growth, we will accurately ascertain the trajectory of the diversifying market environment and social issues, and promote the institutionalization of innovation to provide new value to our customers and society as we strive to become a global top provider of oils & fats solutions. I sincerely look forward to the continued understanding and support of our stakeholders.



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# Our Value Creation Story

To become a company that delivers Energy for Living to everyone, we will continue to create oils & fats solutions through co-creation, harnessing the core concepts of The Natural Power of Plants and the strengths obtained from mastering oils & fats.



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Trajectory of Growth

In the more than 110 years since its establishment in 1907, The Nisshin Oillio Group has been delivering “deliciousness and wholesomeness” to daily meals, always remaining in step with the dietary habits of the times.  
By mastering oils & fats, we continuously work to co-create diverse forms of value as we seek to further expand the market for our products.

Providing oils & fats solutions through B2C products



Providing solutions focused on B2B business



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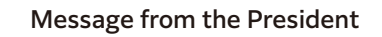
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We create Energy for Living and achieve sustainability by leveraging The Natural Power of Plants and the strengths obtained from mastering oils & fats as sources of value creation.



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Inputs

The core competence of The Nisshin OilliO Group lies in oils and fats.  
We will invest proactively to further strengthen the capital we have accumulated over the years to become a global top provider of oils & fats solutions.

	Main investments in <i>Value Up+</i> (FY2021–FY2024)	Points to be strengthened under <i>Value UpX</i> (FY2025–FY2028)
 <div><b>Manufacturing capital</b> Sustainable production facilities that create diverse shared value</div>	<ul style="list-style-type: none"><li>Expanded confectionery fats production facilities at ISF</li><li>Teamed with J-Oil Mills to establish Oilseed Processing Partners Japan, Ltd., a joint venture to rebuild the production system for the next 50 years</li><li>Made progress on smart factory conversion at the Nagoya Plant</li><li>Implemented small-scale manufacturing functions by opening Incubation Square</li></ul>	<ul style="list-style-type: none"><li>Expand supply capacity for high-quality, sustainable palm oil by strengthening production functions in Europe in the Global Processed Oil &amp; Fat domain</li><li>Strengthen edible oil production facilities at production plants in Japan; increase production capacity in the Fine Chemical domain</li><li>Implement more smart factory conversions; improve sustainability and competitiveness of production</li></ul>
 <div><b>Intellectual capital</b> Original and advanced technologies that will serve as the foundation for our next stage of growth</div>	<ul style="list-style-type: none"><li>Utilized AI and other means to strengthen digital infrastructure</li><li>Translated granted patents into sales revenue; established a robust patent network with advantages in both quality and quantity</li><li>Obtained new health evidence for lipids</li><li>Established co-creation infrastructure by opening Incubation Square</li></ul>	<ul style="list-style-type: none"><li>Accelerate innovation by using digital technology in research</li><li>Ensure competitive advantages with strategic use of intellectual property</li><li>Further promote functional materials marketing</li><li>Promote lipid nutrition research on physical condition</li></ul>
 <div><b>Human capital</b> Energetic human resources that generate innovation</div>	<ul style="list-style-type: none"><li>Strengthened recruiting of new graduates and highly specialized personnel; introduced rehiring system</li><li>Improved wage levels for younger workers; revised salaries for management positions</li><li>Invested in systems for talent management practices</li><li>Designed and implemented Global Human Resources Registration System, company-wide digital literacy education, internal proposal system for DX ideas, etc.</li></ul>	<ul style="list-style-type: none"><li>Execute strategy-linked human resource infrastructure enhancement (recruiting, training, assignment)</li><li>Develop a system for developing the next generation of managers</li><li>Acquire and develop global and DX human resources</li><li>Strengthen infrastructure through continuous development to cultivate strong practical capabilities</li><li>Further promote health management</li></ul>
 <div><b>Social capital</b> Networks that provide opportunities for solutions with oils and fats</div>	<ul style="list-style-type: none"><li>Strengthened incubation functions and established other network infrastructure for co-creation</li><li>Promoted inbound marketing</li><li>Established a global network by expanding overseas locations</li><li>Administered SAQ to raw material suppliers and logistics partners as an effort to respect human rights in the supply chain</li></ul>	<ul style="list-style-type: none"><li>Upgrade customer touchpoints through outbound sales and inbound marketing</li><li>Establish a sustainable global supply chain to enhance competitive advantages</li><li>Ensure traceability to palm oil plantations</li></ul>
 <div><b>Natural capital</b> Pursuing efficiency to improve business sustainability, and protecting the global environment</div>	<ul style="list-style-type: none"><li>Expanded environmentally conscious products; implemented a pilot project to recycle used PET bottles that once contained oil</li><li>Disclosed information based on TNFD recommendations; formulated a strategic roadmap to promote decarbonization; installed hydrogen co-firing-compatible cogeneration systems</li><li>Formulated Soybean Procurement Policy, Soybean Action Plan, Cacao Procurement Policy, and Cacao Action Plan</li></ul>	<ul style="list-style-type: none"><li>Create a mechanism to recycle collected plastic bottles</li><li>Promote efforts to be hydrogen-ready; increase the percentage of non-fossil energy</li><li>Steadily promote action plans based on the Palm Oil Procurement Policy, Soybean Procurement Policy, and Cacao Procurement Policy</li></ul>

**Capital investment**  
Approx. **¥90 billion**

**Investing in strengthening functions that support strategies**

**Digital & IT**  
Approx. **¥15 billion**

**R&D**  
Approx. **¥20 billion**

**Supply chain**  
Approx. **¥15 billion**

**Sustainability**  
(protecting the global environment and resources)  
Approx. **¥10 billion**

Note: The investment amounts include overlaps between the roughly ¥90 billion of capital investments and investments to enhance functions

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# Group Strengths

The Group's strength lies in mastering oils & fats.  
By maximizing this strength, we will create new value and strive to become a global top provider of oils & fats solutions.

## Becoming a global top provider of oils & fats solutions



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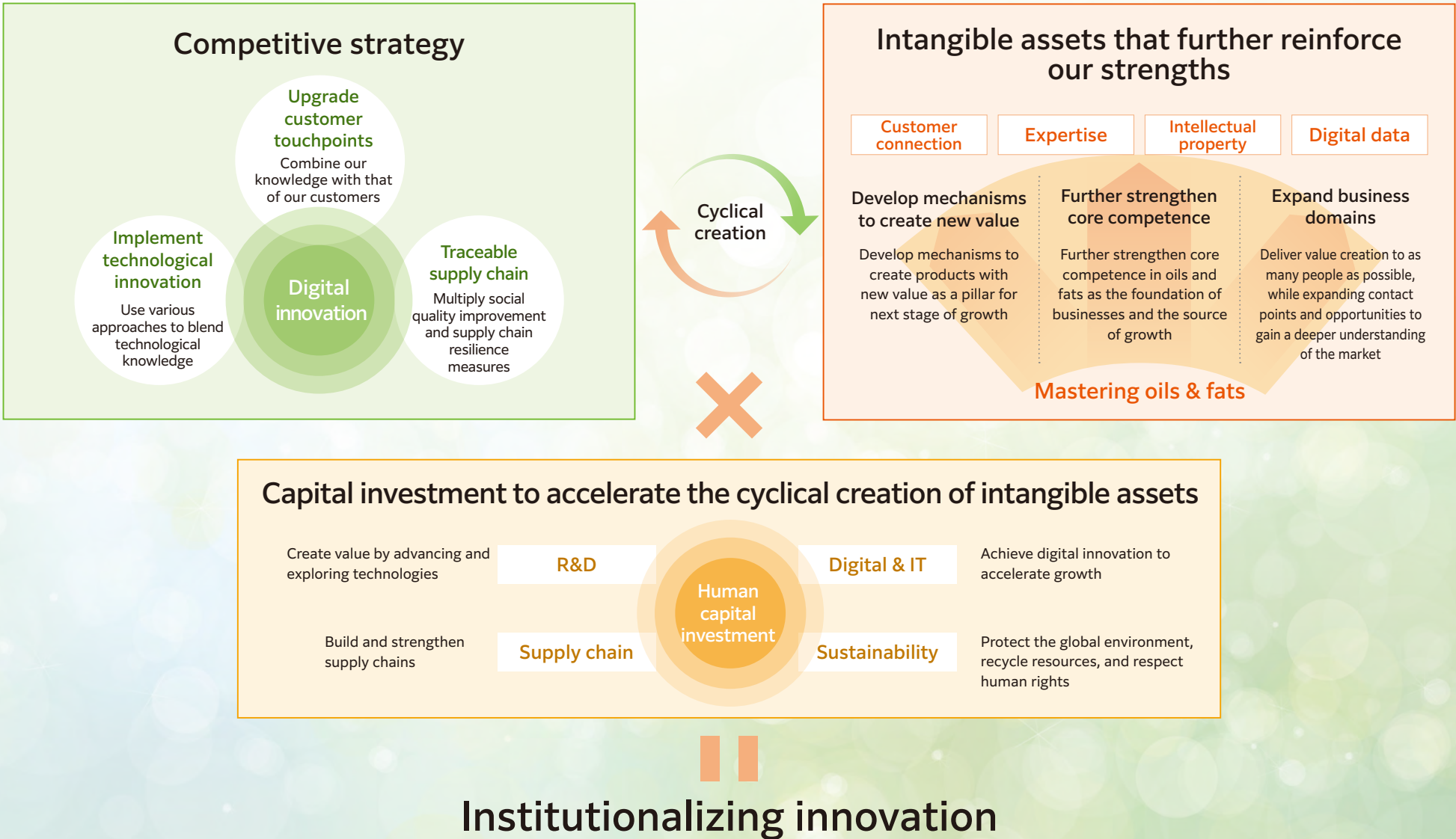
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# Distinctive Winning Formula of The Nisshin OilliO Group

We will evolve into a corporate structure that generates innovation through the cyclical creation of intangible assets, striving to become a global top provider of oils & fats solutions.



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# The Nisshin OilliO Group Vision 2030

We formulated Vision 2030 as a guiding principle for the goals we aim to achieve by 2030 and the strategies to reach them, striving to leap forward as a global top provider of oils & fats solutions.

To realize our vision, we have identified six priorities (materiality) on which the Group should focus its efforts to create shared value.



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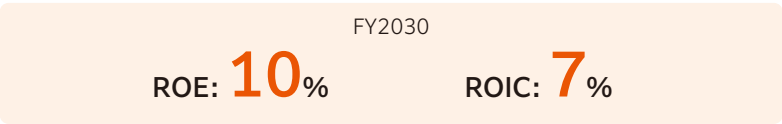
Overview of Vision 2030

The Nisshin Oillio Group Vision 2030

Our objective is to co-create new food functions, leveraging  
The Natural Power of Plants and the strengths obtained from  
mastering oils & fats.  
We shall strive to generate diverse values and deliver  
Energy for Living to everyone.

- The core competence of the Group lies in oils and fats. By continuing to master oils & fats, we can generate oils & fats solutions through co-creation.
- The value of oils and fats lies in the fundamental energy that people need to live. There are also no limits to how this energy can make meals more tasty, improve people's health through their nutritional components, and enhance people's beauty and vitality.
- We define the diverse values of the oils and fats delivered through our six priorities, along with the energy generated by materials, technologies, and businesses that synergize with oils and fats, as Energy for Living.
- Our aim is to become a corporate group that delivers Energy for Living to as many people as possible.

Performance targets



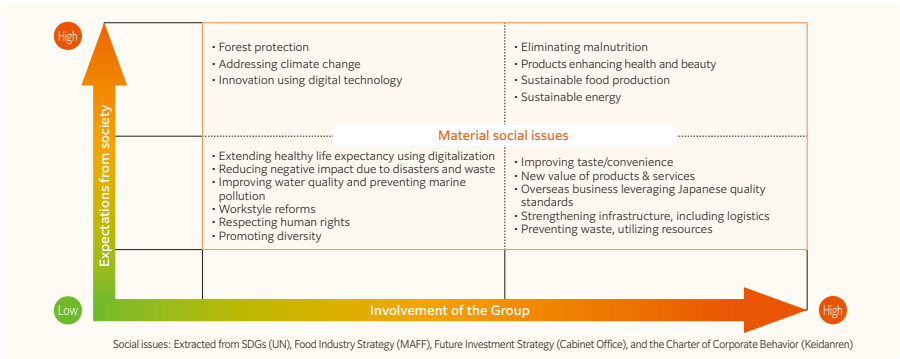
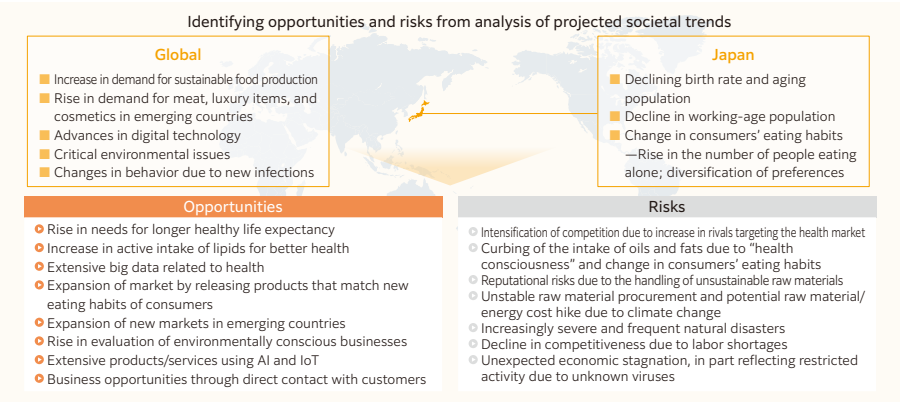
Our priorities



Process for identifying the six priorities

To achieve the corporate vision outlined in Vision 2030, we identified six priorities on which the Group must focus its efforts. Our solutions in pursuit of these priorities positioned creating shared value (CSV) with society as the driver of growth. Based on anticipated societal trends for 2030, we analyzed the Group's risks and opportunities. We also identified issues that could impact value creation, evaluated them using two axes—"expectations from society" and "involvement of the Group"—and pinpointed the material social issues. With this analysis, we have made conclusive determinations about the Group's areas of strength and other matters, identified six priorities, set CSV goals in those areas, and are advancing initiatives toward achieving our goals for 2030.

How priorities were identified (during formulation of Vision 2030)



Our priorities and CSV goals



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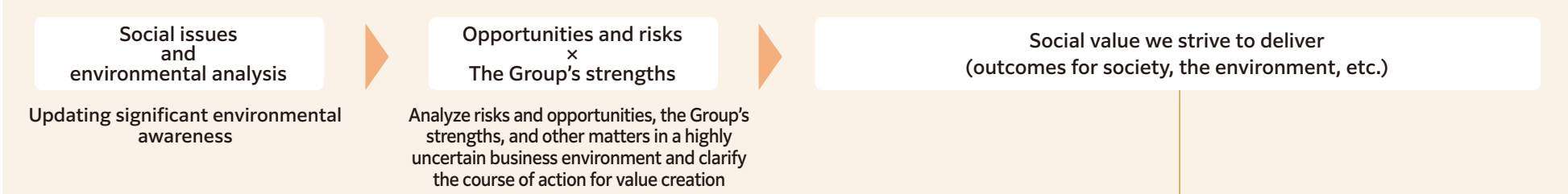
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Revising CSV Goals to Achieve Vision 2030

We have revised our CSV goals for fiscal 2025 and beyond in line with our new medium-term business plan *Value UpX*. Based on our analysis of social issues and the environment in and after 2030, and taking into account ideas of what we can and should do by leveraging our strengths, we set new CSV goals by backcasting from the social, environmental, and economic results (social value) the Group's corporate activities will ultimately bring.

For each priority, we reorganized two elements—social value we strive to deliver, and results through business activities (economic value) to be realized by the Group to create that social value—and positioned Good health for all, Quality of life, and Contribution to the food value chain as growth-driving priorities during the four years of *Value UpX*. By integrating our business strategies and CSV goals more firmly than ever before, we will achieve both the social and economic value to which the Group aspires.

Approach to CSV goals in this revision



We are living in an age where stable raw material procurement and product manufacturing & supply can no longer be taken for granted . . .

**Impact of environmental aspects on business**

- Increasingly unstable yields of raw material crops resulting from climate change
- Increasingly severe and frequent natural disasters
- Restrictions on access to the Panama Canal due to major droughts

**Impact of social aspects on business**

- Supply chain disruptions due to outbreaks of international conflict, etc.
- Increasingly severe labor shortage in Japan
- Stricter regulations on logistics

**Major opportunities and risks**

- Expanding health issues to which lipids can contribute
- Increasing nature-oriented and sustainability demand
- Diversification of preferences; change in consumers' eating habits
- Expanding food industry and increasing demand for cosmetics in regions with a growing middle class
- Increasingly severe human rights and environmental issues

**Examples of the Group's strengths**

**Mastering oils & fats**

- Analysis, evaluation, and nutrition research of oils and fats
- Oils and fats processing technologies, application skills
- Creating opportunities for co-creation with customers
- Sustainable procurement
- Production and logistics for stable supply

CSV goals in six priorities		Integration	Three-tiered strategy of Value UpX
Results through business activities		Performance indicators	
Growth-driving priorities	Good health for all	Products that generate health and vitality	Profit growth rate
	Quality of life	Value-added products that resonate with customers	Profit growth rate
	Contribution to the food value chain	Solutions that pursue user benefits Stable supply of oils, fats, and meal	Profit growth rate
	Supply chain connected by trust	Sustainable raw material procurement system Highly efficient and sustainable logistics network	Traceability to plantations Truck drivers' time spent at plants
	Global environment	Evolving into a company of choice in a decarbonized, recycling-oriented society	Reduction rate of CO <sub>2</sub> emissions Reduction rate of emissions per plastic container Profit growth rate of products that have a positive environmental impact
	Human resource management	Building a strong workforce Leveraging diverse talent Evolution of an organizational culture	Amount of investment in human resource development Percentage of management positions held by women Percentage of employees who feel a sense of fulfillment at work

p. 30 Three-tiered Strategy

- I. Growth strategy as a pillar of future profit growth
- II. Core strategy as a growth driver of Value UpX
- III. Fundamental strategy as the foundation of stable, sustainable growth



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# Priority 1

## Good Health for All



**Shared value** Addressing undernutrition, overnutrition, physical condition, and other personal health issues to contribute to mental and physical health which are critical in the era of 100-year lifespans

The Nisshin Oillio Group has extensively researched vegetable oils and fats, continuously improving both their nutritional value and processing technology. We are able to provide them as ingredients that enhance the flavor of foods, as well as safe, high-quality products. By proposing tasty daily meals, diets, and dietary habits, we are dedicated to promoting active, healthy lifestyles in all stages of life and in diverse health conditions.

CSV as a growth driver toward FY2030

Social value we strive to deliver (outcomes for society, the environment, etc.)	Results through business activities (What the Group must achieve to create social value)	Performance indicators	FY2025 targets	FY2028 targets	FY2030 targets
<ul style="list-style-type: none"><li>Increasing people's health with better nutrition tailored to their stages of life</li><li>Creating a lifestyle in which people can experience an overall sense of well-being</li></ul>	Products that generate health and vitality at different stages of life	Profit growth rate of products that contribute to nutritional improvements in each age group and an overall sense of well-being (compared with FY2023)	125%	165%	-

Approach to CSV goal setting

Health issues are becoming more widespread as lifestyles diversify and the population ages. As it becomes increasingly important to have the right knowledge and make the right choices—especially regarding lipid intake—expectations for the roles of lipids in maintaining and promoting health are mounting.

With cutting-edge research findings and extensive scientific evidence on lipid nutrition, the Group's strength lies in its time-tested ability to develop products that combine good flavor and high functionality. We believe that we can contribute to vibrant, healthy lifestyles by leveraging this strength to provide nutritional supplementation as well as optimal value tailored to different stages of life.

Value UpX commits us to providing products that generate health and vitality so that we can promote health through nutritional improvements tailored to different stages of life and support a lifestyle in which consumers can experience an overall sense of well-being.

For more information about related businesses, see [p. 37](#) and [p. 39](#)

Focus Products that generate health and vitality at different stages of life



Using The Natural Power of Plants to give people what they need for good health

- Propose diets and provide good products to ensure optimal intake of the right types of lipids
- Create a market for frailty prevention by raising awareness of the need for oils and fats in preventing frailty and pre-frailty and offering foods that capitalize on lipid nutrition



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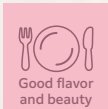
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Priority 2  
Quality of Life

**Shared value** Promoting a higher quality of life through our products and services by providing oils and fats that offer Good Flavor and Beauty

Good Flavor and Beauty are vital elements that shape personal values. Fulfilling these values leads to people living happier lives. By pursuing Good Flavor and Beauty, we enhance people’s quality of life and create shared societal value, continuously enriching daily living.

CSV as a growth driver toward FY2030

Social value we strive to deliver (outcomes for society, the environment, etc.)	Results through business activities (What the Group must achieve to create social value)	Performance indicators	FY2025 targets	FY2028 targets	FY2030 targets
<ul style="list-style-type: none"><li>Fulfilling the diverse values that consumers have about food</li><li>Providing enjoyment and satisfaction through tasty meals</li><li>Improving the sense of security with plant-based focus and environmental considerations</li><li>Increasing well-being through the experience of beauty</li></ul>	Products that are not only tasty, but also add diverse values that resonate with customers	Profit growth rate of marketing-based functional products in the household-use and wellness foods domains (compared with FY2023)	150%	200%	-
	Products that meet the needs of customers in the pursuit of beauty	Profit growth rate of specialty oils in the Fine Chemical domain (compared with FY2023)	160%	210%	-

Approach to CSV goal setting

Interest in nature and sustainability has spread worldwide of late. With this perspective of social values, consumers’ preferences and lifestyles are diversifying. The business environment surrounding the Group is changing significantly; for example, the expansion of the global middle class is driving increased demand for cosmetics. The Group’s strengths lie in its extensive expertise and technological capabilities with a broad variety of oil types, and its ability to propose new dietary lifestyles. We aim to apply these strengths to meet the values and needs of individuals and create new value in a changing society.

Under *Value UpX*, we will provide products that both deliver Good Flavors and respond to diverse values that resonate with customers and their demand for Beauty. We will enhance people’s quality of life and contribute to realizing a fulfilling life by improving their sense of well-being through the enjoyment and satisfaction of good food, the peace of mind from natural products, and the tangible experience of beauty.

For more information about related businesses, see □□p. 39 and □□p. 42

**Focus** Providing products that meet the needs of customers in the pursuit of beauty

In the Fine Chemical business, we will develop products that meet customer needs in terms of both “naturalness” and specialty, and provide only the finest cosmetic ingredients.

- “Naturalness” is the concept we use to emphasize the natural origin of product ingredients and manufacturing processes. It is an essential value standard that accommodates consumers’ growing health consciousness and environmental awareness. In the expanding market for natural cosmetics, we will develop and provide cosmetic ingredients that leverage the Group’s distinct knowledge and technology and the characteristics of plant-derived materials. Specifically, we intend to offer new products for skin care and makeup.
- Specialty refers to value-added products with high quality and functionality. We are expanding the range of our proposed applications from makeup to skin care, hair care, and more through persistent technological development based on dermatology, surface chemistry, and other scientific evidence, and by strengthening our technical support system.



- Examples of products**
- Salacos TG-810S, a new generation of plant-derived base oil with excellent adhesion, water resistance, and pigment dispersion, suitable for a wide range of products, such as lipstick and foundation
  - Salacos DG-HS, a plant-derived multifunctional polymer ester, ideal for products, such as sunscreen
  - Salacos DT8 and Salacos DP810, new emollients that can be formulated into base makeup and skincare products to provide a smooth feel and increase the moisture content of each layer
  - EMOLID ISN, a plant-derived ester with high cleansing performance that removes makeup that does not come off easily

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Priority 3

# Contribution to the Food Value Chain



**Shared value** Working with customers to refine our technologies, products, and services for enhanced value

Global demand for oils and fats is increasing, and as society and the environment change, people are using oils and fats more frequently and in different ways. The Group uses technology to further enhance the value of plant resources and to collaborate with customers to achieve the solutions they need. We contribute to the food value chain by creating value and consistently providing products and services that engender a sense of security.

## CSV as a growth driver toward FY2030

Social value we strive to deliver (outcomes for society, the environment, etc.)	Results through business activities (What the Group must achieve to create social value)	Performance indicators	FY2025 targets	FY2028 targets	FY2030 targets
■ Providing oils & fats solutions to new customers in the global market	Solutions that pursue user benefits in the B2B market	Profit growth rate of the Global Oil & Fat and Processed Oil & Fat business (compared with FY2023)	160%	210%	-
		Capital investment and policy advancement in the Global Oil & Fat and Processed Oil & Fat business	Add sales locations and enhance user support functions in Southeast Asia	Establish production and marketing infrastructure in North America, Europe, and Asia	-
■ Increasing the functions of oils & fats and maximizing user benefits through co-creation with customers		Profit growth rate of confectionery fats (compared with FY2023)	140%	175%	-
		Profit growth rate of marketing-based functional products for the domestic B2B market (compared with FY2023)	110%	130%	-
■ Stably supplying sustainable food energy in Japan	Stable supply of oils, fats, and meal that underpin the diet in Japan	ROIC of the Oil, Fat & Meal and Processed Food & Materials business	4.3%	5.5%	-
		Maintenance and establishment of stable supply systems for oils, fats, and meal with an eye on future demand trends	Formulate a plan and make strategic investments to rebuild production and supply systems	Reconstruct to optimize the supply system for oils, fats, and meal for the next 50 years (before 2035)	

## Approach to CSV goal setting

Over the past several years, the global food industry has developed and expanded alongside the world's growing population and middle class. As the functions required of oils and fats become increasingly diverse, opportunities to provide oils & fats solutions are also expanding. A good example is the increased demand for confectionery fats due to the decline of cacao yields caused by climate change and other factors. Meanwhile, the challenge in Japan is to rebuild production and supply systems in the oilseed processing business in preparation to maintain and expand international competitiveness.

The Group will leverage the technological capabilities and infrastructure for co-creation with customers; sustainable raw material procurement; and production and processing technologies cultivated under *Value Up+*, to provide solutions that pursue user benefits and reinforce the stable supply of oils, fats, and meal under *Value UpX*. Through these efforts, we will provide oils & fats solutions to new customers in the global market, create new functions of oils and fats through co-creation, and, in Japan, promote initiatives predicated on the stable supply of sustainable food energy.

For more information about related businesses, see □□ p. 37 and □□ p. 39

Focus

### ISF establishes joint venture sales company in Thailand to expand value proposition in Southeast Asia



ISF (Malaysia) teamed with PCE\* to establish Nitthai Specialty Oil & Fats Co., Ltd. in Thailand in July 2025. Thailand—the world's third largest producer of palm oil—has grown into a promising market for the palm industry given the broad range of food-related markets in the country and the large number of Japanese food companies operating there. By leveraging the ISF Group's expertise in palm oil processing and utilizing joint venture partner PCE's formidable palm oil supply chain assets, ISF will strengthen its ability to procure raw materials and sell products in Thailand, creating a strong driving force for the company's Asian market strategy.

\* Petchsriwichai Enterprise Public Company Ltd.

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Priority 4

# Supply Chain Connected by Trust



**Shared value** Building a strong, resilient supply chain that values integrity

As a vital supplier of the key ingredients and energy that underpin Japan’s food system, we strive to build a traceable, highly transparent supply chain by using sustainably produced raw materials, always respecting the gravity of our responsibility to deliver quality products to customers. We also strive to build trusting relationships with our customers and society at large by supplying safe products, ensuring highly transparent communication.

## CSV as a growth driver, and targets for FY2030

Social value we strive to deliver (outcomes for society, the environment, etc.)	Results through business activities (What the Group must achieve to create social value)	Performance indicators	FY2025 targets	FY2028 targets	FY2030 targets
Stably supplying food through building a supply chain with responsible quality and sustainability	Supply chain for sustainable raw material procurement to enhance competitive advantage	Traceability to palm oil plantations	94%	97%	100%
		Business activities based on human rights	Deploy human rights due diligence system to at least two major subsidiaries	Deploy human rights due diligence system to 10 major subsidiaries	Establish mechanisms to prevent human rights violations
		Measures for more sustainable and strategic procurement of raw materials (soybeans, cacao, etc.)	Soybeans: Study supply capacity of Tier 3 companies (local collection companies) that signed the Soy Moratorium* <sup>1</sup> Cacao: Publish results of sustainable cocoa bean initiatives	Soybeans: Procure 90% of soybeans from Tier 3 companies that signed the Soy Moratorium Cacao: Achieve production on plantations of Arriba cacao, an endemic variety in Ecuador	Sustainable raw material procurement predicated on stable supply
	Highly efficient and sustainable logistics network	Co-distribution rate through F-LINE	22%	27%	30%
		Truck drivers' time spent at plants* <sup>2</sup>	Average: Within 60 minutes	Average: Within 45 minutes	Average: Within 30 minutes

\*1 Eliminated forest clearing in and after July 2008  
\*2 Average of four Nisshin OilliO non-consolidated plants

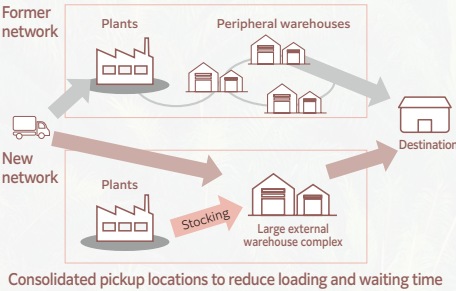
## Approach to CSV goal setting

Amid the increasing severity of human rights and environmental issues in the global community, companies are expected to take higher-level sustainability measures. Climate change and geopolitical risks are exacerbating the risks of supply chain disruptions and raw material procurement. Additionally, global population growth and increasing demand for biodiesel are heightening the risk of overwhelming demand for plant resources, making sustainability efforts a determining factor in companies’ endeavors to enhance sustainability and remain attractive to stakeholders.

Under *Value Up+*, the Group strived to achieve high traceability, implement business operations based on human rights, and streamline logistics. Under *Value UpX*, we will devote further energy to building a sustainable procurement system and a highly efficient, sustainable logistics network. From there, we will build a supply chain that combines social quality and sustainability in a highly uncertain environment to create social value in the form of a stable food supply.

### Focus Achieving a highly efficient and sustainable logistics network

To address logistics challenges, we must make further efforts to reduce truck drivers’ time spent at plants (specifically, time spent waiting and loading). At our Yokohama Isogo Plant, we consolidated multiple external warehouses into a single large external warehouse complex to reduce truck drivers’ time spent at plants, making our logistics network more efficient and sustainable. Accordingly, we will continue to promote initiatives to make our supply chain more resilient.



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Priority 5

Global Environment



Shared value Tackling challenges to pass on the global environment to the next generation

Our business is based on plant resources, and as such, the very sustainability of our business relies on protecting the global environment and resources. Our goal is to achieve a decarbonized, recycling-oriented society for the next generation. To make that future a reality, we are committed to minimize the environmental impact of our business operations and to build business domains that help resolve pressing environmental issues.

CSV as a growth driver, and targets for FY2030

Social value we strive to deliver (outcomes for society, the environment, etc.)	Results through business activities (What the Group must achieve to create social value)	Performance indicators	FY2025 targets	FY2028 targets	FY2030 targets
Achieving a decarbonized, recycling-oriented society	Evolving into a company of choice in a decarbonized, recycling-oriented society	Reduction rate of Scope 1 and 2 CO <sub>2</sub> emissions (compared with FY2016)	22% (Non-consolidated: 26%)	31% (Non-consolidated: 40%)	50%
		Reduction rate of Scope 3 CO <sub>2</sub> emissions (compared with FY2020, starting with Categories 1 and 4)	Category 1: Establish scientific calculation method for soybean and rapeseed GHG* <sup>1</sup> emissions: At least one country (out of four)	Category 1: Work with industry groups and governments of producing countries to establish scientific calculation methods for soybean and rapeseed GHG emissions: At least three countries (out of four) Start soybean procurement with GHG emission reductions visualized	25%
		Promoting resource recycling of plastic containers and packaging	Achieve resource recycling by recycling Company PET bottles that once contained oil and reusing them to hold our products* <sup>2</sup>	Expand recycling system for PET bottles that once contained oil, including those manufactured by other companies (deploy at multiple recyclers; use for non-oil products)	Develop and realize systems for containers, technologies, and services conducive to resource recycling
		Reduction rate of petroleum-based plastic used for containers (compared with FY2022)* <sup>3</sup>	5%	10%	15%
		Profit growth rate of products and services that have a positive impact on the environment, utilizing plant resources and Group technology (compared with FY2023)	110%	155%	-

\*1 Greenhouse gas    \*2 Resin (material) made from bottles that once contained oil derived from our manufacturing process (unshipped products) is used as raw material for bottles to hold our products    \*3 Including both bottles and caps

Approach to CSV goal setting

Around the world, efforts to achieve carbon neutrality are accelerating, and environmental regulations are being strengthened. These developments have increased the importance of products and services with high environmental value, making it essential for companies to be proactive in their environmental actions. Although this need for environmental actions creates new business opportunities, failure to act quickly enough carries the risk of declining competitiveness and compromised business continuity.

Under *Value Up+*, the Group promoted steady energy conservation measures and used renewable energy with the goal of achieving carbon neutrality by 2050, and developed reduced-plastic products to help create a recycling-oriented society. Under *Value UpX*, we will use these outcomes and the expertise we gained from these initiatives to further accelerate the spread of products involving reduced CO<sub>2</sub> emissions and plastic use, products involving resource recycling, and products that have a positive impact on the environment. We will also evolve into a company of choice in a decarbonized, recycling-oriented society.

Focus Environmental Targets for 2030

Based on our Environmental Philosophy, Environmental Policy, and approach to CSV priorities, we have formulated and are working to achieve Environmental Targets for 2030 as specific initiatives to realize sustainability.

Theme	Key initiatives
Preventing climate change	<ul style="list-style-type: none"><li>■ Reduce GHG emissions in the supply chain (Scope 1, 2, and 3)</li><li>■ Promote the use of renewable energy</li></ul>
Establishing resource recycling	<ul style="list-style-type: none"><li>■ Promote recycling in production processes</li><li>■ Efficiently use water resources for production</li></ul>
Plant resources/nature conservation	<ul style="list-style-type: none"><li>■ Promote sustainable raw material procurement</li><li>■ Promote natural conservation activities</li></ul>
Promoting environmentally conscious development	<ul style="list-style-type: none"><li>■ Reduce plastic containers/packaging and promote resource recycling</li><li>■ Develop products/services that use plant resources and have a positive environmental impact</li></ul>

Details and results of Environmental Targets for 2030: <https://www.nisshin-oillio.com/english/sustainability/environment/target.html>

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Priority 6

# Human Resource Management



**Shared value** Enhancing fulfillment among diverse human resources to improve organizational capacity and drive innovation

Creativity rooted in diverse perspectives is essential for the sustainable growth of the Group. By realizing diversity and constantly striving to create opportunities for better health and education and a broader range of experiences for all employees, the sense of fulfillment shall be enhanced among the employees, thereby increasing organizational capacity and driving innovation at all points along the value chain.

## CSV as a growth driver, and targets for FY2030

Social value we strive to deliver (outcomes for society, the environment, etc.)	Results through business activities (What the Group must achieve to create social value)	Performance indicators	FY2025 targets	FY2028 targets	FY2030 targets
Creating innovation by enhancing fulfillment among diverse human resources and by enabling them to exercise their abilities	Resonance with the Group's philosophy and vision	Resonance index for the Group's Corporate Philosophy and Vision 2030	95% or more of employees resonating 15% or more of core group resonating strongly	95% or more of employees resonating 20% or more of core group resonating strongly	95% or more of employees resonating 25% or more of core group resonating strongly
	Building a strong workforce and leveraging diverse talent	Investment in human resource development (annual training and education expenditure per employee)	¥80,000 or more	¥88,000 or more	¥95,000 or more
		Percentages of employees who are "growth-oriented" and who "feel they are growing" through their work	Growth-oriented: 95% or more Feel they are growing: 82% or more	Growth-oriented: 95% or more Feel they are growing: 85% or more	Growth-oriented: 95% or more Feel they are growing: 90% or more
		Percentage of management positions held by women (non-consolidated)	10%	16%	20%
	Evolving into an organizational culture that creates innovation	Percentage of employees who feel a sense of fulfillment at work	70% or more	75% or more	80% or more

## Approach to CSV goal setting

We view human resources as the driving force for sustainability and growth. Accordingly, we will promote human resource management with an eye toward 2030 under two policies: building a strong and resilient human resources base, and creating an attractive company and organizational culture conducive to mutual success. To respond to rapidly changing market competition and meet customer needs, we must develop an organizational culture with comfortable work environments in addition to securing human resources capable of implementing strategies.

Under *Value UpX*, we will create environments where diverse human resources can demonstrate their abilities to the fullest, fueling the creation of new ideas and technology. With these environments in place, we will improve fulfillment among diverse human resources and promote value creation that contributes to society.

Focus

### Efforts to increase the resonance index for our Corporate Philosophy and Vision 2030

To realize Vision 2030, it is absolutely crucial for all Group employees to resonate with, take pride in, and take it upon themselves to act in accordance with our philosophy, Vision, and corporate value. Looking ahead, we will continue to strengthen information sharing, provide training and workshops, and create opportunities for dialogue between management and employees.

Key efforts to improve the resonance index

- Sending regular messages from top management (Intranet, Integrated Report, New Year's Briefing, etc.)
- Running feature articles in the Group newsletters to promote understanding of our philosophy and Vision
- Lectures from management in training for managers and job-level-specific training
- Reading through our philosophy and Vision during training for new hires
- Using Group awareness surveys to conduct fixed point observation, identifying issues to consider measures

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# Strategies to Enhance Corporate Value

To chart the path to realizing Vision 2030, we launched *Value UpX*, a new medium-term business plan covering fiscal 2025 to fiscal 2028. Following our distinctive “winning formula” of achieving and then building on Strategic Marketing × Technological Innovation × Globalization, we will promote strategies for our next stage of growth.



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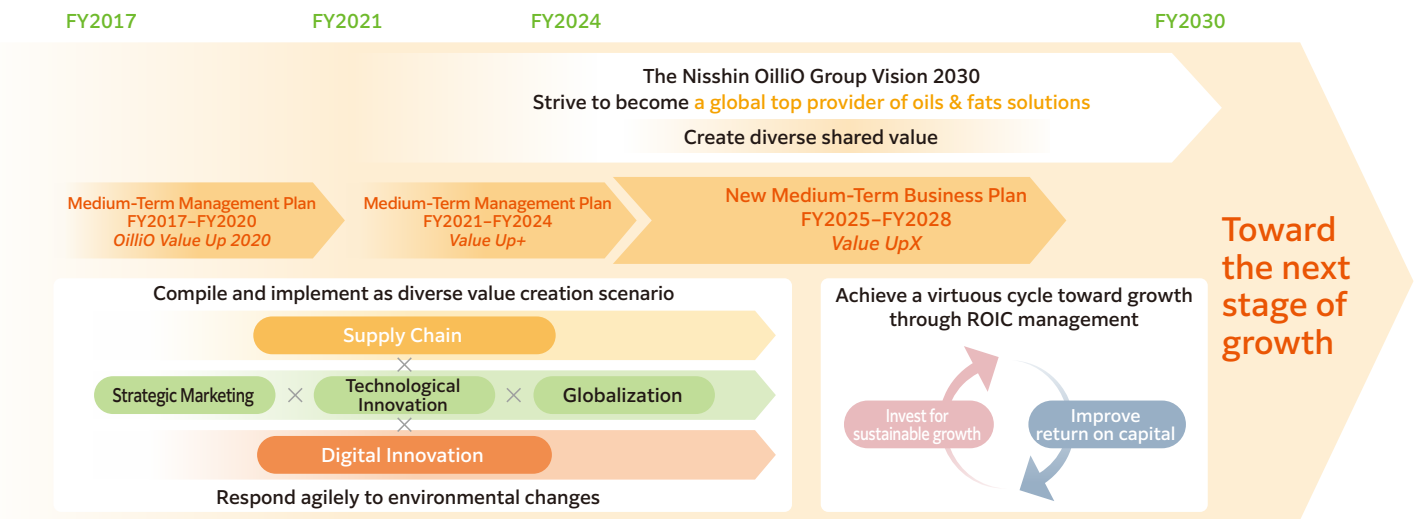
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Launch of New Medium-Term Business Plan *Value UpX*

Under *Value Up+*, our medium-term management plan covering fiscal 2021 to fiscal 2024, we achieved steady profit growth and established a foothold for further growth. In fiscal 2025, we launched our new medium-term business plan *Value UpX* as a specific growth strategy to build on what we achieved under *Value Up+* to realize The Nisshin Oillio Group Vision 2030. We will aim for our next stage of growth through a virtuous cycle of growth based on ROIC management and our distinctive “winning formula” by achieving and then building on the combination of strategic marketing, technological innovation, and globalization.

□ p. 17 Distinctive Winning Formula of The Nisshin Oillio Group  
□ p. 32 ROIC Management



Reflections on *Value Up+* Note: Numbers in brackets are fiscal 2024 targets

	Results	Key initiatives
Growth	B2C (Household-use in Japan)	“Pour-and-enjoy” fresh edible oil market: ¥44.8 billion [¥50 billion]
		Volume composition ratio of structural reform strategy products for cooking oil*: 57% [60%]
	B2B (Domestic commercial-use, food processing, processed oil and fat, fine chemical)	Number of the Group's product applications: 131% [130%]
		Expansion of sales volume of confectionery fats: 104% [115%]
Environment		Net sales growth of cosmetic oils: 167% [150%]
	Environment	Reduction of Scope 1 and 2 CO <sub>2</sub> emissions: 20.7% [20%]
	Supply chain	Traceability to palm plantations: 92.9%

\* Functional products, healthy oils, etc., in the cooking oil category (excluding value-added oils)

	Key initiatives
Aggressive investment	Human resources (HR)
	Growth investments
Efficiency	ROIC improvement

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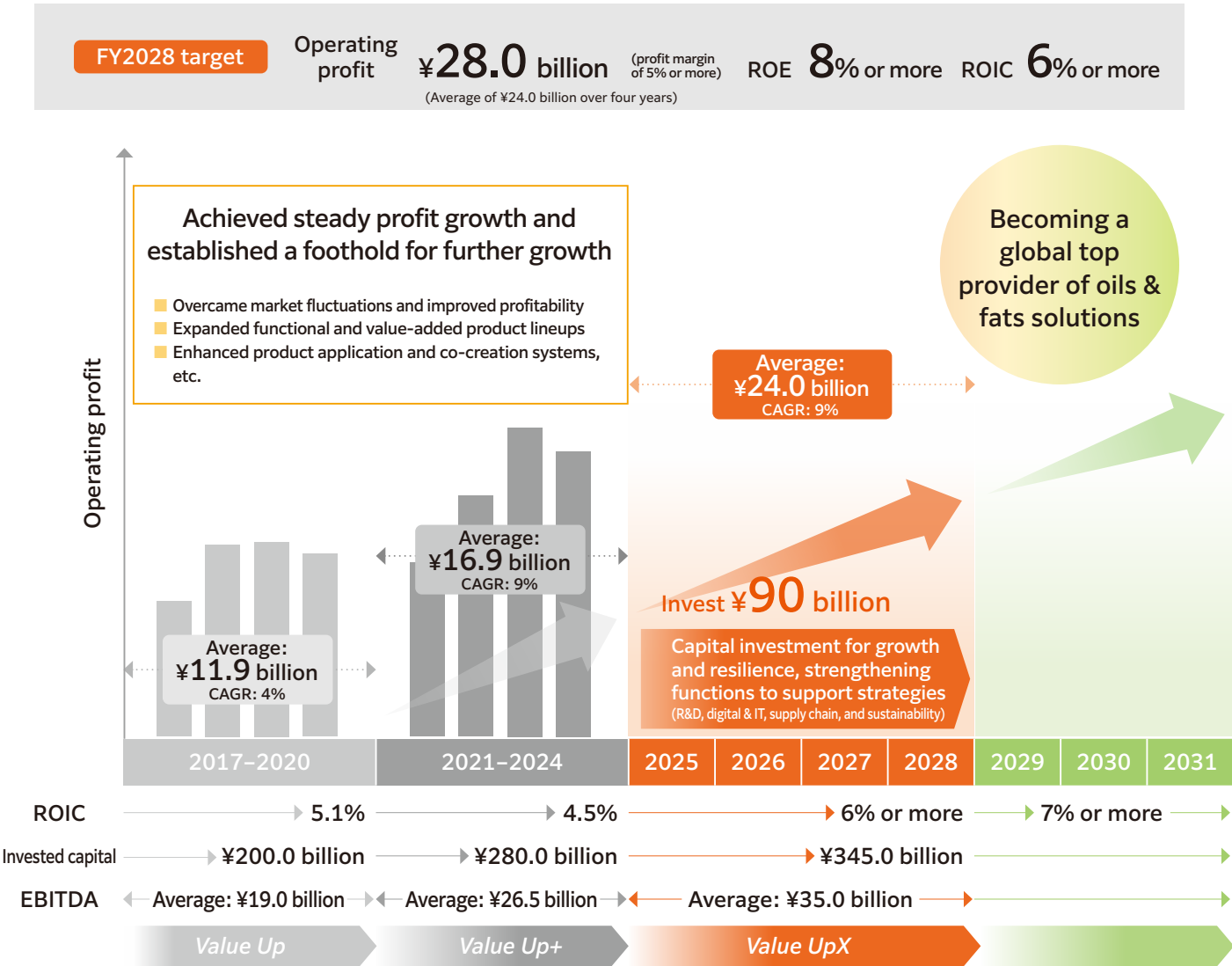
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Performance Targets

Under *Value UpX*, we are targeting an operating profit of ¥28 billion (profit margin of 5% or more) by fiscal 2028 and an average of ¥24 billion over the four years. We also plan to achieve an ROE of 8% or more and an ROIC of 6% or more.

To realize our vision, we will invest ¥90 billion in capital to grow and increase the resilience of our business and strengthen functions to support strategies (R&D, digital and IT, supply chain, and sustainability).

Furthermore, with our sights set on 2030, we will steadily promote initiatives for our next stage of growth—for example, steady improvement of profitability in the domestic oil and fat business, expanding our global market share of the processed oil and fat and fine chemical businesses, and developing and creating new markets in North America and other regions—to achieve an ROE of 10% or more and an ROIC of 7% or more.



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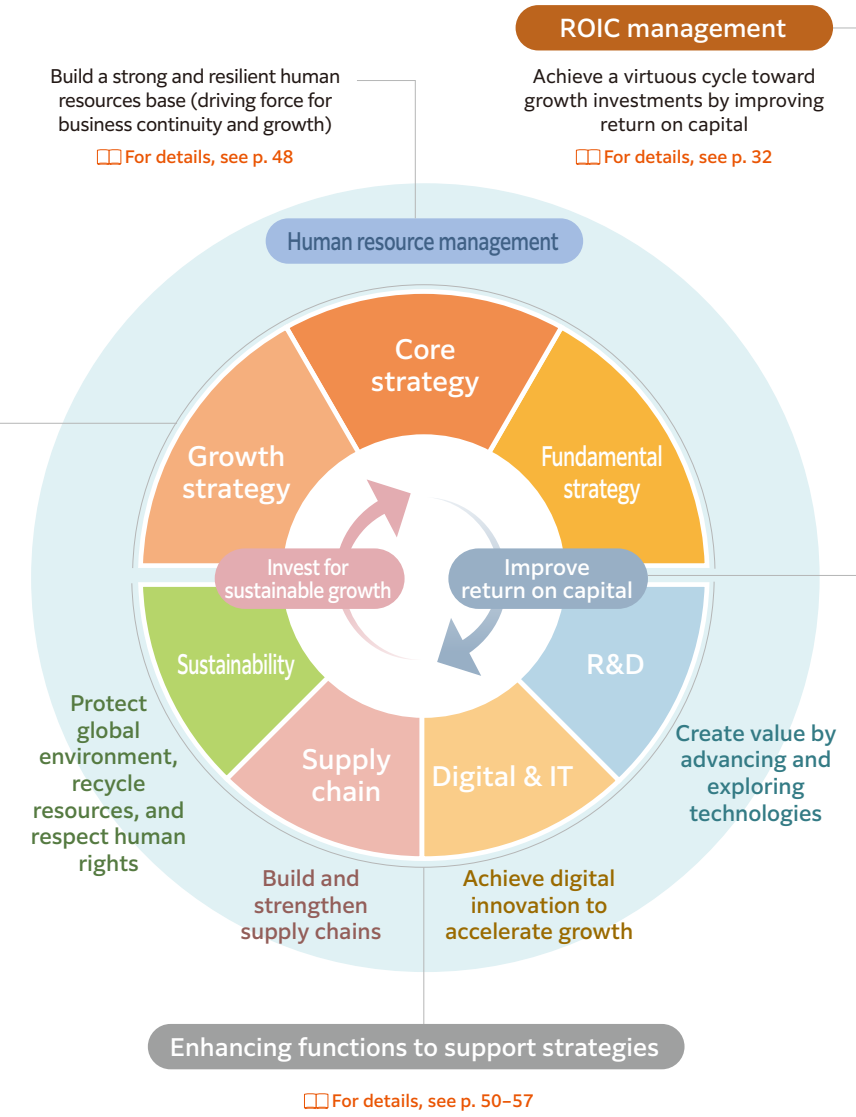
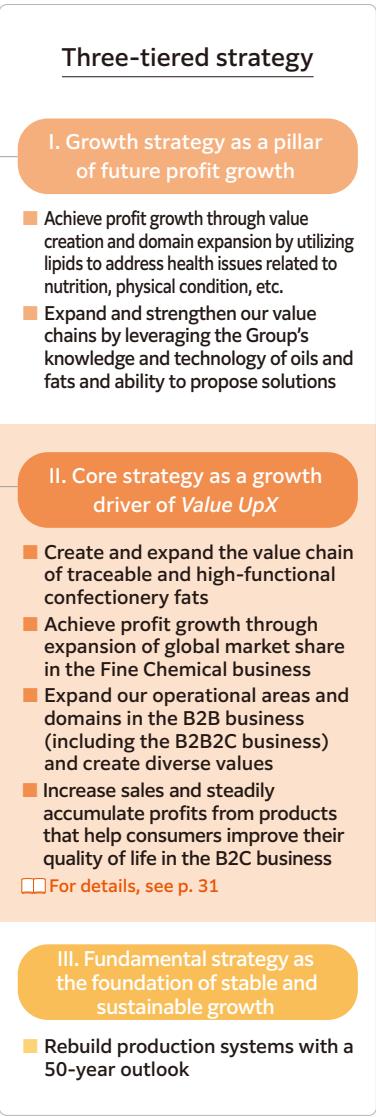
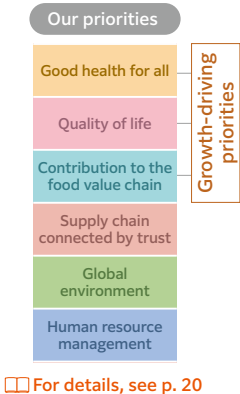
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Strategy Overview

Of our six priorities for achieving Vision 2030, we have positioned Good health for all, Quality of life, and Contribution to the food value chain as growth-driving priorities, and will integrate them with *Value UpX* strategies in order to achieve growth.

*Value UpX* includes both Vision 2030 and our next stage of growth in its scope and splits our strategies thereunder into three tiers, sketching out a broad timeline and illustrating our intent to achieve uninterrupted growth.

We will also strengthen the four functions that support the implementation of our strategies (R&D, digital and IT, supply chain, and sustainability) and build a strong and resilient human resources base to enhance their effectiveness. Additionally, we will take steps to improve return on capital through ROIC management in order to create a virtuous cycle toward further growth investments.



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Core Strategies

We aim to achieve further growth through initiatives in our growth-driving core strategies (maximize our ability to create oils & fats solutions and create value using lipid nutrition in B2B business).

Maximize our ability to create oils & fats solutions and expand our operational areas and domains

Create and expand the value chain of traceable and high-functional confectionery fats

- Develop and expand sales channels to capture changing demand for confectionery fats resulting from declining cacao yields
- Proactively make capital investments and develop technologies to expand sales of CBEs and other products

Global market share of cocoa butter equivalents (CBEs) (volume)

FY2028: **15% or more**  
(FY2024: 6%, Company estimate)

Achieve profit growth through expansion of global market share in the Fine Chemical business

- Expand sales of specialty oils at a rate that exceeds market growth, particularly in the growth market of Asia, thus increasing the global market share
- Establish bases, enhance technical support systems, and strengthen relationships with local partners in target regions to expand sales globally

Global market share of cosmetic oils (value)

FY2028: **10% or more**  
(FY2024: 6%, Company estimate)  
(Target: Highly profitable specialty oil market)

Expand our operational areas and domains in the B2B business (including the B2B2C business\*) and create diverse values

- Expand sales of functional oils & fats in Japan, further utilize palm oil, expand into domains such as functional oil-based materials, and broaden the target areas (e.g., global expansion for food services) through the pursuit of user benefits
- Expand ongoing efforts to market functional materials, including MCTs in the B2B2C business

North America: Sales of oils and fats for food processing and commercial use

FY2030: **¥50.0 billion**

Sales of functional oils & fats and functional oil-based materials (Except for frying oil)

FY2028: **¥7.0 billion or more**  
(FY2024: ¥4.3 billion)

\* Domains where we work with other companies to create new value based on markets

Create value primarily through a lipid-nutrition-based approach to health issues

Increase sales and steadily accumulate profits from products that help consumers improve their quality of life in the B2C business

- Increase the sales composition of marketing-based functional products that satisfy latent consumer demand and contribute to improving quality of life, by highlighting the products' values related to physical condition, providing good flavor, convenience and ease of use, and reducing environmental impact
- Expand sales of MCT oil and MCT processed foods (small in size, high-energy food products) in the food for the elderly market and "body-fat-burning" product market by bolstering marketing; conduct research and surveys on therapeutic functions for improving malnutrition and metabolism, etc., and develop markets using these functions

Domestic market size of edible oils for household use

FY2028: **¥190.0 billion or more**  
(FY2024: ¥181.2 billion\*)

(Value-based contribution to market growth)  
\* Company estimates based on INTAGE SCI-p



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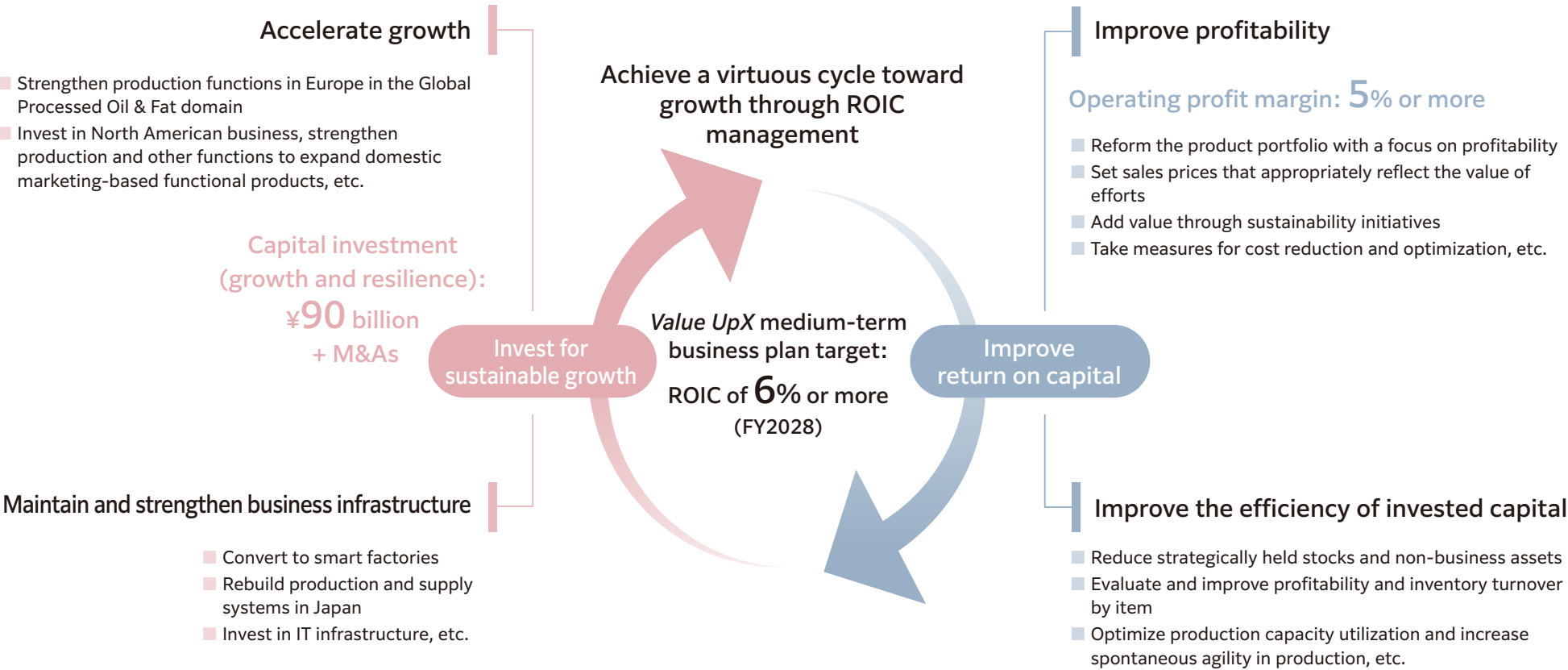
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# ROIC Management

We will invest aggressively to achieve growth through new value creation and ensure sustainability. We will then generate capital efficiently by improving return on invested capital (ROIC) in terms of both operating profit and invested capital.

We aim to create a virtuous cycle in which we use the funds we generate to return profits to shareholders and invest aggressively to facilitate further growth.



## Key points of our initiatives

- In terms of the positioning of business strategies in *Value UpX* and sustainable growth in the future, we will implement ROIC management in line with business strategy units as well as shareholder returns.
- We will conduct management based on the dual approach of business-specific ROIC management, in which each business strategy unit sets ROIC targets and manages strategic resource allocation, and indicator management, in which we set management indicators related to the main components of ROIC and link them to the formation of tasks for achieving ROIC targets.
- We will clarify issues for each business and incorporate them into specific measures and KPIs to steadily promote initiatives to improve profitability and efficiency of invested capital with the aim of achieving an operating profit margin of 5%.
- We will strive to further enhance shareholder returns while balancing growth investments, the level of our share price, and financial soundness. During *Value UpX*, we will pay a dividend of at least ¥180 per share, maintain a target consolidated dividend payout ratio of 40% (excluding one-time gains from selling assets and the like), and repurchase shares with a target of ¥20 billion.



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# Message from the Director in Charge of Finance



Promoting ROIC management to achieve our growth targets under *Value UpX*

**Kenji Koike**  
Director and Managing Officer  
Responsible for Corporate Finance  
and Oilseed Processing Management

My career and extensive experience at The Nisshin Oillio Group began early on in the Financial Department. In due course, I was given the opportunity to assume responsibility for raw material purchasing and sales and marketing of meal and other materials. I also served as the executive officer in charge of ISF, our 100% subsidiary in Malaysia. I was appointed to my current position in fiscal 2025 and am determined to vigorously pursue the financial targets of *Value UpX*.

## ROIC management, the core of *Value UpX*

Aggressive investment to achieve growth through new value creation and ensure sustainability

To become a global top provider of oils & fats solutions by 2030, we must enhance our return on capital, generate capital with greater vigor, and apply the gains to further growth investments. Under *Value UpX*, we will efficiently generate funds by improving both operating profit margin and invested capital turnover so that we can invest more aggressively to achieve growth through new value creation and ensure sustainability. We aim to create a virtuous cycle in which the funds we generate are used to both return profits to shareholders and invest in further growth.

In fiscal 2025, we reclassified our business segments and started ROIC management by each segment with the aim of improving Company-wide return on capital. The new business segments correspond to the business phases and characteristics of the market. As an interim step toward achieving ROIC of 7% by fiscal 2030, we have set the goal of achieving ROIC of 6% or more by fiscal 2028. Going forward, we will gradually implement changes to our management accounting systems and processes to set management methods best suited to our Group.

## Pursuing ROIC management distinct to The Nisshin Oillio Group

The Group has already implemented various measures to improve ROIC. They include forming high value-added products and appropriate sales prices, converting production plants in Japan into smart factories, reducing inventory through supply-chain management reforms, and making digital investments in supply-demand balancing and site relocation planning.

However, under the previous medium-term management plan, *Value Up+*, operating cash flow ended up at ¥31.6 billion (below the initial projection of ¥70 billion) due to inventory imbalances caused by the COVID-19 pandemic and the substantial increase in working capital caused by surging raw material prices. Under *Value UpX*, we will take steps to transform our sales and marketing style as well as production and logistics processes by shifting conventional thinking in pursuit of higher return on capital and a more resilient supply chain. Specifically, we anticipate improvements in accounts receivable collection, inventory efficiency, item optimization, and production equipment efficiency. To do so, it is crucial to clearly identify the gaps in achieving *Value UpX*'s performance targets while setting specific measures and KPIs, enabling each business segment to focus not only on the traditional P/L perspective but also on the B/S perspective. The Financial Department will provide targeted support for achieving the performance targets by regularly monitoring and analyzing the planning and implementation of measures for transformation in each business department. It will provide information that contributes to planning improvement measures and will work with the business departments to address the financial and accounting aspects necessary for transformation.

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Inventory turnover is considered as one of the key metrics. Manufacturers fulfill an essential responsibility in providing a stable supply of products. The role of the Financial Department will be to give each department its own inventory targets to meet as part of this responsibility, identifying responsible departments and focus areas, and promoting specific inventory reduction measures to reduce working capital. We also intend to leverage digital technology to improve cash management optimization to minimize the required cash on hand, and establish a framework that enables us to execute group financing in a flexible and agile manner, given the

widespread availability of funds.

I myself have always been keenly aware of the fundamental efficiency underlying ROIC in the departments I have managed and have conducted business operations accordingly. Examples of my duties include minimizing inventory predicated on stable supply, and planning and executing raw material procurement and oilseed processing plans that accommodate changes in demand for oils, fats, and meal. As a company that procures large volumes of raw materials on large ships, we have been taking steps on the front lines to more efficiently deliver raw materials to production plants and

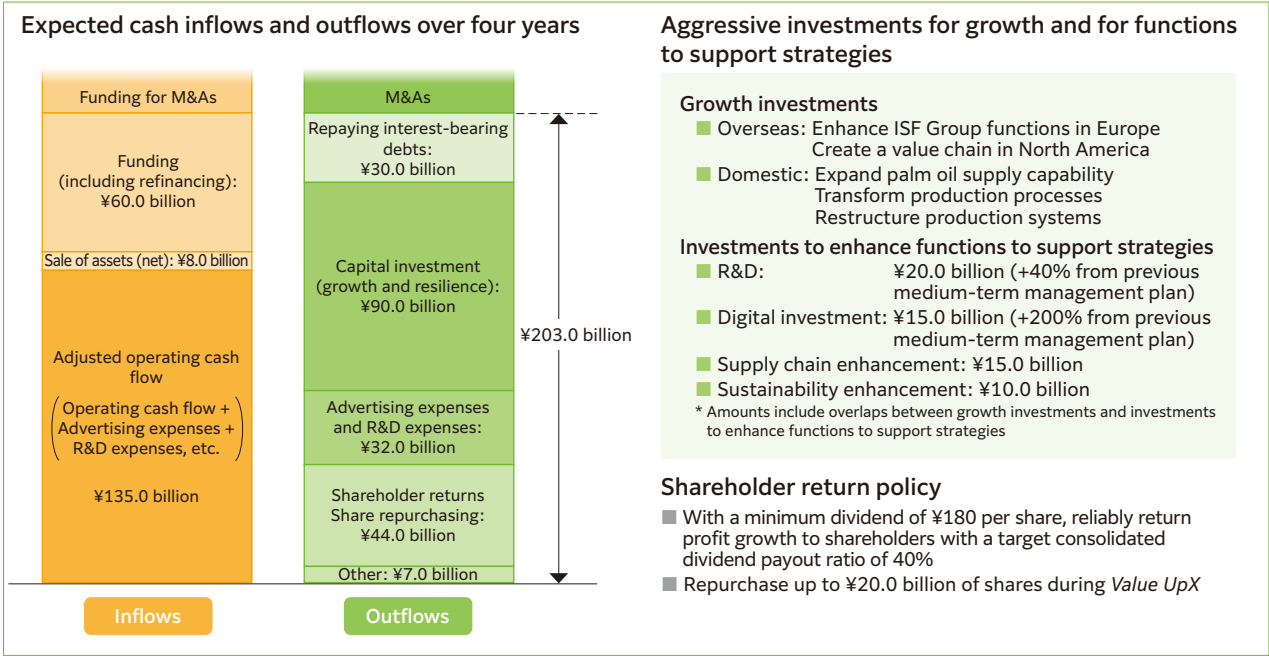
more thoroughly manage supply and demand to avoid creating unnecessary inventory. To ensure an ROIC management mindset permeates the Company, we must raise the awareness of each and every employee by incorporating approaches that look beyond conventional wisdom.

Financial strategy under the new medium-term business plan

Approach to cash allocation

Under *Value UpX*, we intend to invest in growth through capital expenditures and M&As while properly returning the benefits of profit growth to our shareholders. We are planning for capital investments totaling ¥90 billion over the four years for the purpose of growth and resilience.

Financial strategies of *Value UpX*



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Given that the Global Oil & Fat and Processed Oil & Fat business is a core business domain for future profit growth, we plan to aggressively invest capital in areas expected to bring the highest returns. Specifically, we will invest in supply chain expansion in Europe, North America, and Asia.

Regarding the supply chain, we will not only focus on measures to directly increase sales and profits, but also consider and implement functional enhancements and additions necessary for strengthening resilience. We have identified key risk factors, including environmental changes involving the manufacture and supply of our products, such as inconsistent raw material crop yields associated with climate change and the impact of droughts and international conflicts on maritime logistics. To ameliorate these risks, we will continue to diversify and strengthen raw material procurement, manufacturing plants, and the like based on a global overview of the situation without necessarily limiting ourselves to actions involving capital expenditure.

Additionally, the Oil, Fat & Meal and Processed Food & Materials business will strengthen manufacturing facilities at our production plants in Japan to underpin the stable, sustainable growth of the Group. Although these investments include addressing obsolescence, we will go beyond investing in upgrades in an effort to build new production systems.

We will also invest in strengthening R&D, digital and IT, and sustainability to enhance functions that support our strategies.

We expect to return roughly ¥44 billion in total to shareholders over the four years, including cash dividends and repurchasing shares.

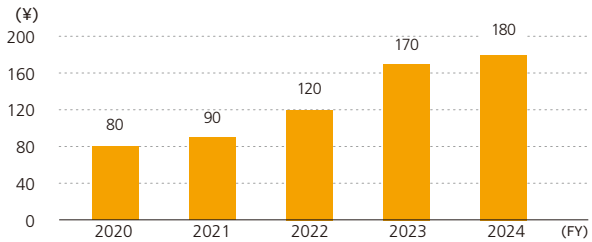
In terms of cash inflow, we plan to sell strategically held

stocks and inefficient assets to accompany cash flows from operating activities, resulting in a cumulative cash inflow of roughly ¥110 billion over the four years. For the part that cannot be covered by revenues, we plan to raise ¥60 billion (including refinancing). We will closely monitor market trends and scrutinize capital requirements, the timing of procurement, and the like in pursuit of efficient, responsive funding.

Shareholder returns

Shareholder returns are our utmost commitment. We must reliably return the benefits of our profit growth to our shareholders. We consider the consolidated dividend payout ratio to be a key indicator, and under *Value UpX*, we plan to pay dividends with a target ratio of 40% (excluding one-time gains from selling assets and the like). To enhance the stability of this proactive return of profits and improve return on capital, we have revised our shareholder return policy and established a new minimum annual dividend of ¥180 per share. We also plan to repurchase up to ¥20 billion worth of shares during *Value UpX*, with a maximum of ¥10 billion in fiscal 2025.

Annual dividend per share



Balance sheet indicators

Under *Value UpX*, we will retain our policy to pursue an optimal capital structure with an emphasis on improving

ROE while achieving a balance with financial soundness. We shall strive to maintain financial soundness by aiming for an equity ratio in the mid 40% range and a net D/E ratio of around 0.5x.

Due to revenue growth in fiscal 2023, which enabled the repayment of borrowings, the net D/E ratio at the end of fiscal 2024 stood at 0.39x. Under *Value UpX*, we plan to appropriately leverage this financing capacity while utilizing the available funds.

Strengths and significance of The Nisshin Oillio Group

Aiming for dramatic growth globally with a business portfolio based on oils & fats

I feel that the Group's strength is its integrity. As a manufacturer, we are committed to the spirit of craftsmanship, pursuing quality, providing a stable supply of products to our customers, and fulfilling our responsibilities to our suppliers. Our greatest strength is the fact that these commitments are firmly rooted in the sense of mission felt by each and every one of our employees. The Group's business portfolio mainly comprises all aspects of vegetable oil & fat production—from crushing to refining and processing—but also includes chocolate, soy protein, and fine chemicals. In each of our businesses, we remain committed to contributing to healthy and fulfilling lifestyles. Although we expect to face increasing uncertainty ahead, I believe this business portfolio will allow us to respond flexibly and with strength. We are gradually expanding our business presence in Asia, Europe, and North America, and our efforts have borne fruit and positioned us to gain more footholds for further global expansion. For my part, I will expend every effort in financial management so that we can achieve dramatic growth in the future.

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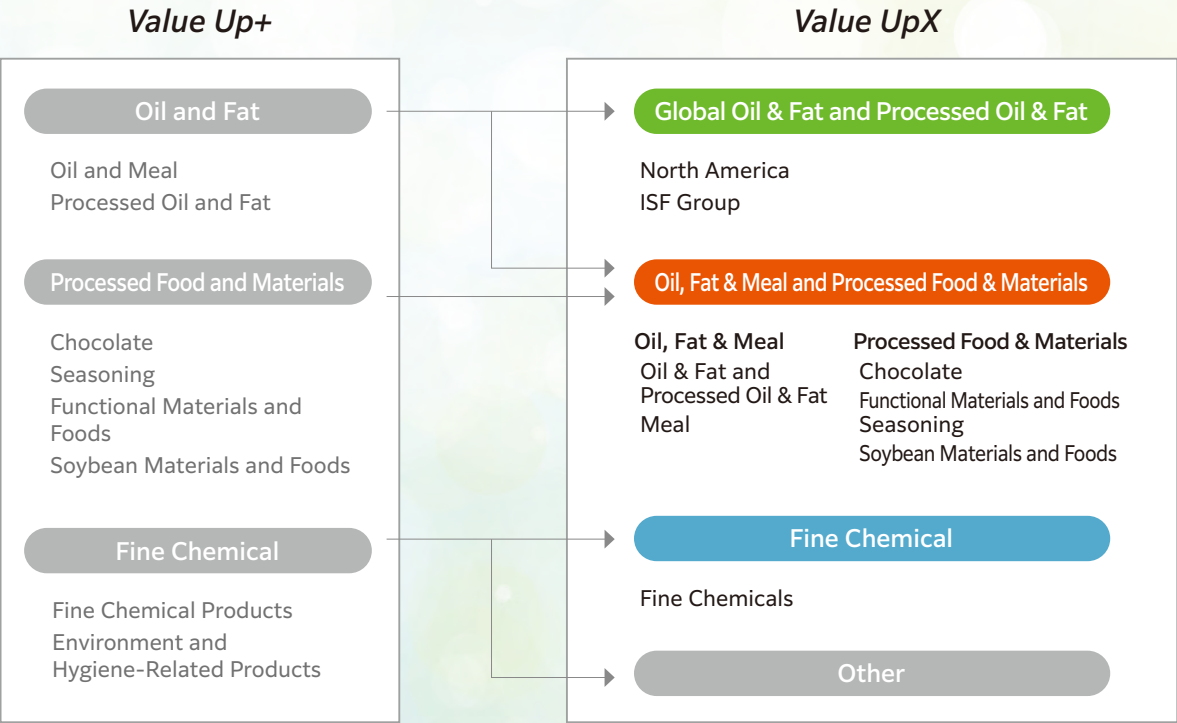
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# Business Strategies

To coincide with the launch of *Value UpX*, we reclassified our business segments to Global Oil & Fat and Processed Oil & Fat, Oil, Fat & Meal and Processed Food & Materials, and Fine Chemical.

In each of these segments, we will invest in sustainable growth and implement measures to improve return on capital to achieve a virtuous cycle toward growth.



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# Global Oil & Fat and Processed Oil & Fat

Expanding our value chains by leveraging our knowledge and technology of oils and fats and ability to propose solutions



Main businesses

- ISF Group
- North American business

Subsidiaries

ISF, ISF Shanghai, ISF Italy, Nisshin Oillio America (NOA)

## Business characteristics

- Palm-based business operated primarily by the ISF Group. ISF's global market share for CBEs\*, one of our strategic confectionery fat products, is 6% (Company estimate).
- ISF Group operates in Malaysia, Europe, and China. ISF established a new joint venture sales company in Thailand to increase presence in the Southeast Asian market.
- North American business for oils and fats for processing and commercial use is operated primarily by NOA. Proceeding to the business building stage based on market research and marketing conducted to date. NOA plans to develop oils and fats for the confectionery and food service industries.

\* CBE: Cocoa butter equivalent. CBE is hard butter with a composition similar to cocoa butter and can be blended with cocoa butter in any mix proportion. The mix proportion of oils and fats can be used to alter its physical properties.

## Market environment, opportunities and risks

### Market environment

- Surging cocoa bean market prices in 2024 accelerated the expansion of the confectionery fats market. To meet growing demand in this market, we must enhance and strengthen functions at key locations for global sales expansion.
- The North American market is increasingly natural-oriented. Demand for sustainable raw materials—mainly from processed food manufacturers—has increased the need to rebuild supply chains, creating opportunities for market entry.

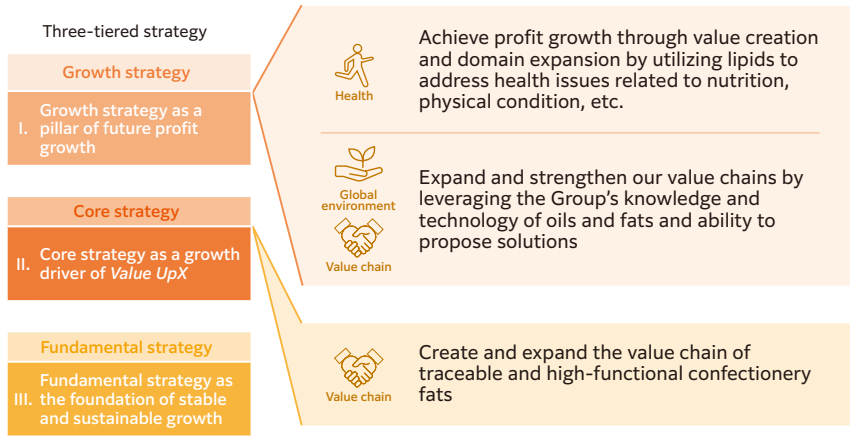
### Opportunities

- Increased demand for confectionery fats in response to surging market prices due to reduced production of cocoa beans
- Opportunities for market entry arising from the growing need to rebuild supply chains in response to tighter sustainability-related regulations
- Increasingly natural-oriented demand in North America

### Risks

- Changes in supply-demand balance due to intensified climate change and increased global demand for oils and fats
- Increasing instability and cost of raw material procurement and logistics due to intensification of geopolitical factors
- Higher initial investment and operating costs due to inflation, higher labor costs, etc.

## Relationship between Value UpX strategy development and Vision 2030 priorities



□□ p. 30 Three-tiered Strategy

## Global expansion of the ISF Group enters a new stage

Since its establishment in 1980, the ISF Group has been a pioneer in specialty fats and has continued to refine its technology. In recent years, we have actively promoted investments focused on enhancing productivity. To better meet customer and market needs, we continue our efforts to improve quality (particularly food safety and security), advance sustainable initiatives, and strengthen our supply chain resilience. We are already seeing some results of these efforts in the sale of confectionery fats, and under *Value UpX*, we will reap the benefits of these investments at an accelerated pace while also making further investments with our sights set on our next stage of growth.

In 2025, we strengthened the business of existing group companies and also established a new joint venture sales company with PCE\* in Thailand. PCE is a company that has a robust supply chain in the region. With PCE, we will take bold steps to increase our presence in the Asian market, enhancing sales capabilities in Thailand and neighboring countries. We will also continue to develop our business in the European and North American markets.

\* Petchsrivichai Enterprise Public Company Ltd.



**Toshio Fujimori**  
CEO, Intercontinental Specialty Fats Sdn. Bhd.



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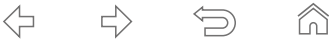
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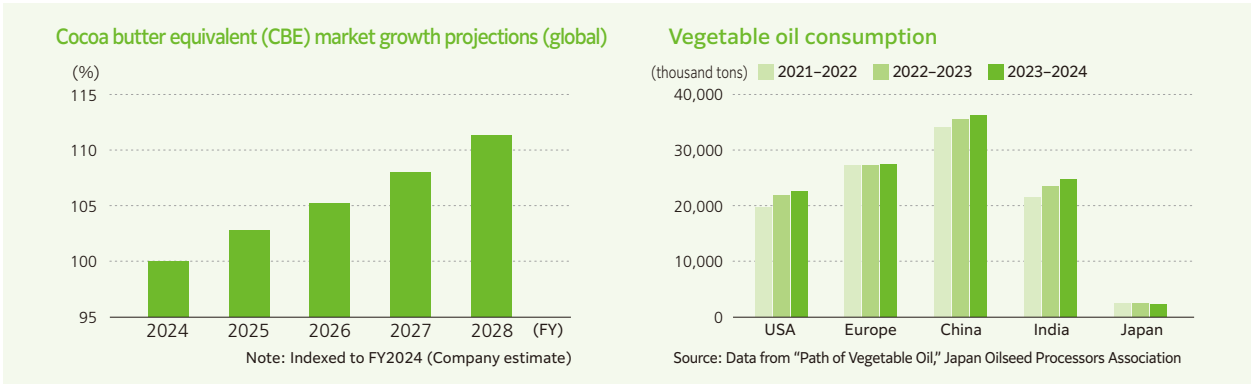
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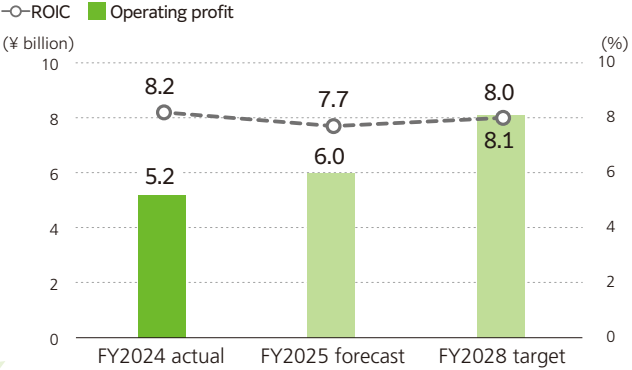




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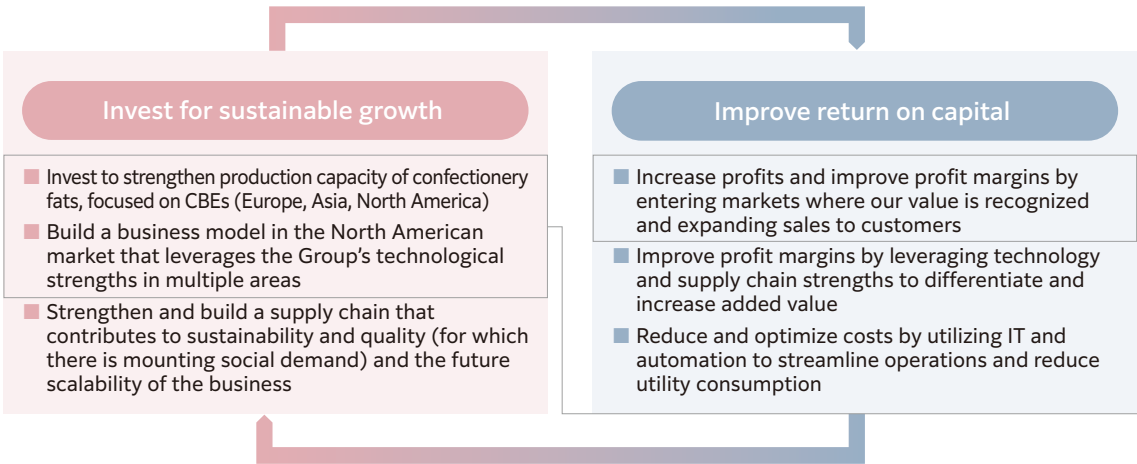


Performance and targets (as of May 2025)



To achieve a virtuous cycle toward growth

To scale up profits and improve profitability, we will further expand global sales of highly profitable confectionery fats and firmly establish a business foundation in North America



**Spotlight** Leveraging technology developed in Japan to expand market share in North America

Our North American business is one of the core strategies that will serve as a growth driver in our medium-term business plan *Value UpX*. With technology at the core, we will promote a "mosaic" strategy under which we seek to capture domestic demand by simultaneously developing multiple markets and products, all with the aim of improving ROIC through efficient capital investment and a highly profitable business structure.

For the confectionery industry, we will strive to swiftly diversify our customer base by expanding high value-added oils and fats such as confectionery fats, backed by our technology, starting from ISF's existing business areas. For the food service industry, we will take steps to capture more health-conscious demand by increasing production capacity of non-GMO canola oil by Montana Specialty Mills.

We will also use our ability to propose oils & fats solutions and applications—which we developed in Japan—to meet the needs of the growing market for home meal replacements, and optimize our products complying with local regulations and meeting local preferences. In the seasonings domain, we will collaborate with WAKOU USA, a subsidiary of the Group affiliate Wakou Shokuhin, to promote our business around the expanding market for Japanese food. We will organically expand other businesses with the aim of achieving net sales of ¥50 billion or more by fiscal 2030.

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Oil, Fat & Meal and Processed Food & Materials

Creating diverse value through co-creation with customers



Business characteristics

- In the Oil, Fat & Meal business, we sell edible oils made from rapeseed, soybean, palm, olive, sesame, flaxseed, and a diverse range of other plant resources to a broad variety of customers for household use, commercial use, and processing. Thanks to the high level of trust we have earned, we have the top share by sales volume in Japan. As a leading manufacturer of edible oils in Japan, we offer products that help uncover potential customer needs and resolve social issues through the technology we have developed for producing and processing oils and fats, and through co-creation with our customers. We sell the meal remaining after soybean and rapeseed processing mainly as feed for the livestock industry.
- In the Processed Food & Materials business, we use the Group's materials in our operations in the areas of Chocolate, Functional Materials and Foods, and Seasoning, Soybean Materials and Foods. In the Chocolate segment, Daito Cacao leads our promotion of global business development while leveraging its strengths in flavor creation. In the Functional Materials and Foods segment, we are expanding the market for MCTs by continuing to approach processed food manufacturers and distributors.

Market environment, opportunities and risks

Market environment

- In the Oil, Fat and Meal business, while global demand for oils and fats is rising and the costs are increasing, the household edible oils market is declining due to heightened cost-consciousness and changes in consumer cooking habits. In contrast, the market for edible oils for commercial use is recovering due to stronger inbound demand and the return of domestic consumer activity. So the overall domestic edible oil market has held steady. We must improve the value of edible oils by accurately ascertaining consumer needs and social issues.
- In the Chocolate segment of the Processed Food & Materials business, the price of cocoa beans has surged due to extreme weather events in production areas and cacao tree diseases; we must ensure stable procurement and high quality of cocoa beans.

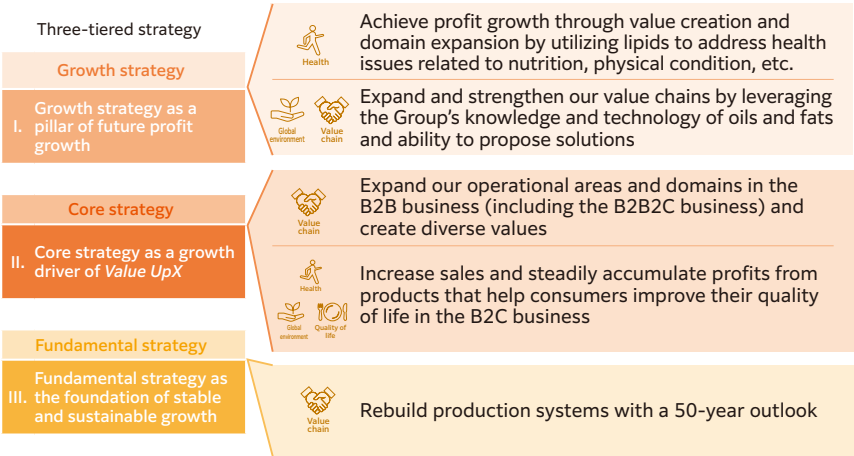
Opportunities

- Increased opportunities to address challenges involving food loss, labor shortages in food preparation, and other changes in the environment surrounding food
- New ability to accurately ascertain consumer needs by using big data
- Expansion of the market for home meal replacements and ready-to-eat meals to accommodate the diversification of eating habits, increasing consumer demand for value added
- Increased awareness of caregiving and frailty & pre-frailty prevention for a super-aged society
- Increase in global demand for chocolate

Risks

- Increasing demand for oils and fats associated with global biofuel policies
- Increasing instability and cost of raw material procurement and logistics due to intensification of climate change and geopolitical factors
- Further heightened awareness among consumers to protect their livelihoods as inflation causes real wages to decline
- Decreasing domestic demand for oils and fats due to population decline, decreasing demand for feed due to increase in meat imports and decrease in number of workers

Relationship between Value UpX strategy development and Vision 2030 priorities



□ p. 30 Three-tiered Strategy

Combining quantity and price with high-quality solutions to increase business value

Under the previous medium-term management plan *Value Up+*, we made efforts to create value and expand our business through oils and fats, and steadily increased our earning capacity. In the commercial-use area, we pursued collaborative-sales-to-identify-needs marketing and promoted market revitalization by solving issues in technical terms through close collaboration with customers and providing continuous solutions. In the household-use area, we endeavored to form new markets through such efforts as structural reforms of cooking oil and establishing a market for "pour-and-enjoy" fresh edible oil.

That said, our performance in fiscal 2024 was challenging in part due to failure to respond quickly enough to changes in the market environment. To overcome these challenges and convert them into results, we will combine high-quality solutions to customers' problems with the conventional concept of business scale based on multiplying volume and price in an effort to raise the quality of our business.

Specifically, we will strive to stabilize our earnings base by proactively promoting value proposals that help solve customers' problems, and by identifying and implementing factors that mitigate surging raw material prices and other risks. This multifaceted approach should enable us to sustainably increase our business value.



**Masato Saegusa**  
Director and Senior Managing Officer  
General Manager of Food Product Division; Responsible for Branch Operations

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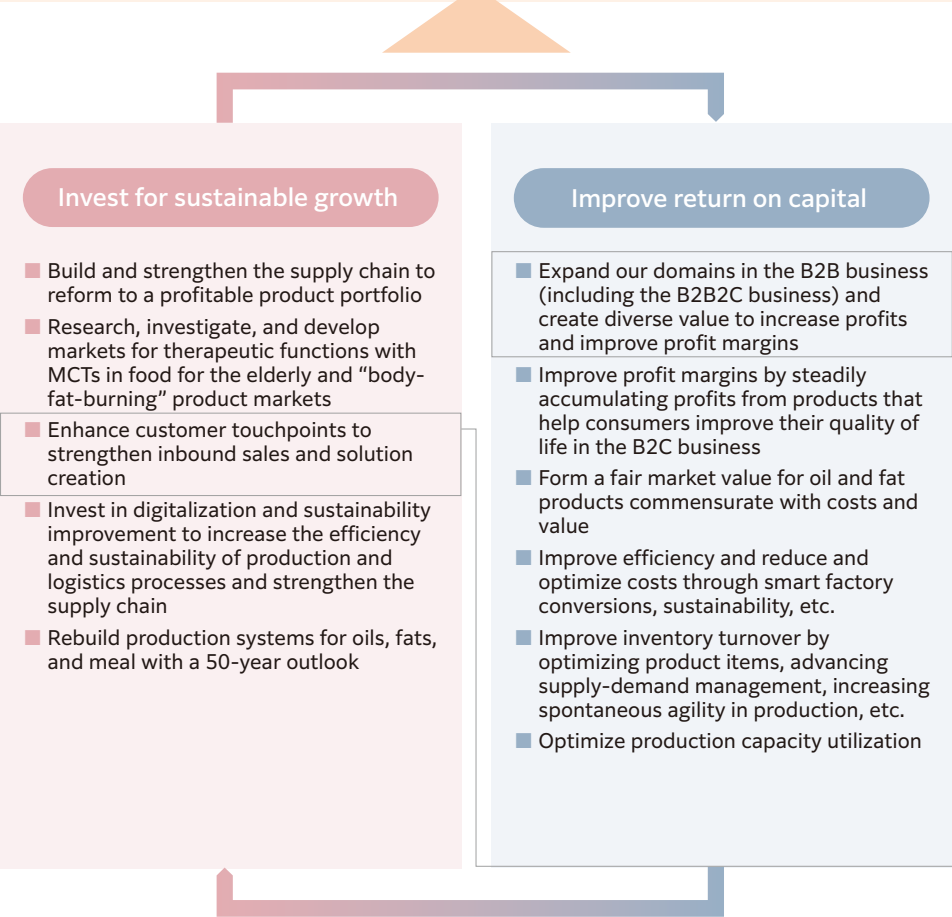
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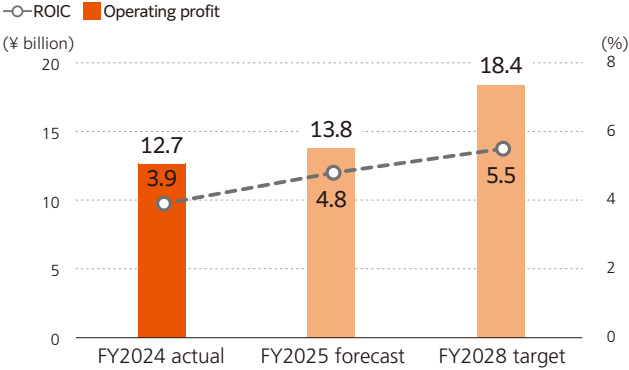


To achieve a virtuous cycle toward growth

- We must ensure proper margins on general-purpose oil through appropriate sales price formation along with reforming to a more profitable product portfolio, all to achieve stable profit growth and improve profit margins.
- We will enhance efficiency through the transformation of our sales and marketing approach and production and logistics processes.



Performance and targets (as of May 2025)

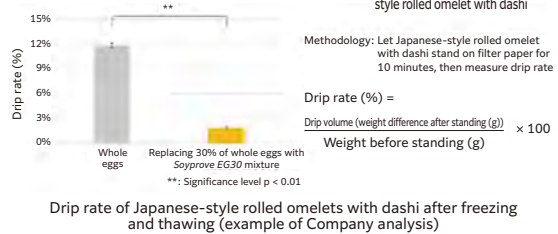


Spotlight Releasing soybean powder formulation Soyprove EG30

In January 2025, we released *Soyprove EG30*, a soybean powder formulation used to make processed egg products juicier and improve their texture. The defining characteristic of the product is that it maintains the texture of processed egg products by preventing them from hardening when refrigerated or frozen and then thawed. It also helps maintain the tastiness of Japanese-style rolled omelets with dashi by reducing the dripping that often occurs when they are thawed.

With eggs—a major ingredient in a wide range of products—the risk of an epidemic is always a concern, as evidenced by the significant impact of the avian influenza outbreak in 2022. Accordingly, we have developed a soybean powder formulation specifically for processed egg products. Processed food manufacturers now turn to it for Japanese-style rolled omelet dishes as well as confectionery, baking, and other areas where eggs are used.

We intend to continue developing materials with functions that help resolve issues surrounding food.



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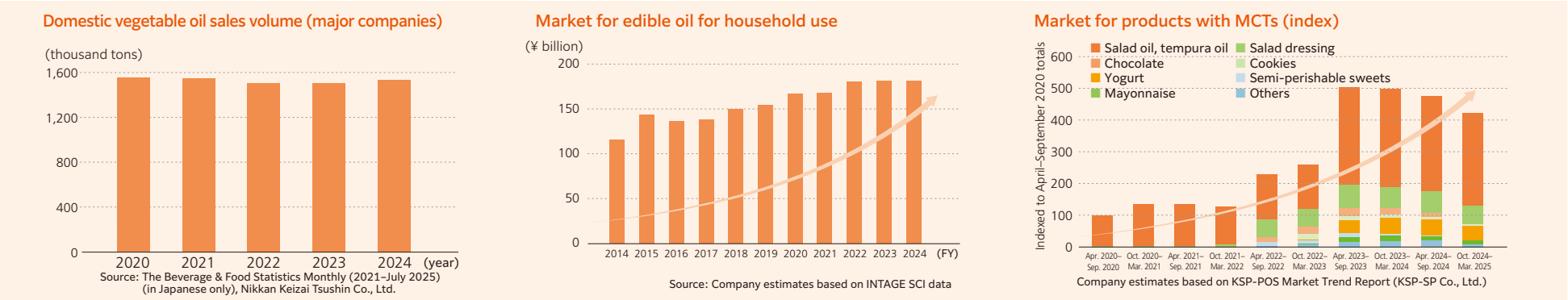
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Market trends



Spotlight

Providing solutions with functional oils & fats and functional oil-based materials developed under a team collaboration

Functional oils & fats and functional oil-based materials are value-added products that accommodate diversifying customer needs by maximizing all kinds of functional materials. Through “scrum” development—cross-departmental collaboration that integrates development, production, and sales—we aim to realize continuous solutions by establishing a short development cycle and a system that expedites delivery to the market.

To provide solutions, we must be professionals in oil and all other components of the food industry. We will use functional oils & fats and functional oil-based materials to create solutions to various issues surrounding food, such as maintaining quality, improving taste and health value, and preventing food loss and labor shortages. By co-creating with customers to resolve the issues and build partnerships, and with the infinite possibilities of our oils & fats and materials, we will play a key role in the core strategies of *Value UpX*.



Left: **Tetsuya Nishida**  
Manager, Food Service Products Group, Commercial-Use Business Strategy

Right: **Nobutaka Kondo**  
Manager, Planning & Development, Processed Foods Development

Spotlight

Evidence-based marketing of MCT

We have used our findings from many years of research into medium-chain triglycerides (MCTs) to meet our customers' needs regarding body fat. We have also demonstrated how, when paired with exercise, MCTs help middle-aged and elderly people maintain leg muscle strength and reduce daily fatigue.

We will also develop new foods with functional claims to meet lifestyle improvement needs in those age groups. Our new functional claim for MCTs—“enhances the metabolism (breakdown) of consumed fats in people with high BMI”—should further enhance the value of MCTs in food products and help expand their adoption in the B2B2C market. As a measure to prevent frailty and undernutrition in elderly people, we will devote more energy to developing products for hospitals and elderly care facilities that take advantage of how easily MCTs are converted to energy.

We will further promote evidence-based marketing of functional materials as a core strategy of *Value UpX*.



**Yumiko Moriya**  
Manager, Wellness Foods Group, Wellness Foods Business Strategy

Spotlight

“Flavorful Daito Cacao”: Strengths over a century and future strategies

In December 2024, Daito Cacao celebrated its 100th anniversary as a manufacturer of chocolate for commercial use, with a motto of “from cocoa beans to chocolate,” producing completely in-house. We are thoroughly committed to taste and flavor, and have earned our reputation as the place to go for great-tasting chocolate. Our strength lies in our ability to develop products with flavors that balance the taste of chocolate and other ingredients, thanks to our proprietary evaluation techniques.

Looking ahead to the next 100 years, we will expand our presence in the commercial-use market by developing products that meet customer needs through further improvement of the functionality and quality of chocolate with the tastes we have continued to refine and Nisshin Oillio's oils and fats technology. We will also take steps to create more sustainable chocolate by diversifying suppliers and reducing environmental impact.

As the only manufacturer in Japan specializing in chocolate ingredients, we will continue to grow by boldly tackling challenges, leveraging our sustainable, dependable supply system and high-quality products.



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Main businesses  
■ Fine chemicals

Subsidiaries  
IQL, IQL-USA, NOST



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Business characteristics

- We aim to expand our global presence by providing plant-derived and high-functioning raw materials to companies in cosmetics, foods, pharmaceuticals, industrial goods, and a broad range of other fields.
- We support various industries, meeting user needs by drawing out the functions of cosmetic oils through our design, synthesis, and refining technology.
- Our initiatives such as technical support functions to strengthen our solution proposals have earned us the trust of our customers in many countries. We will continue to provide support in collaboration with distributors to build trust and encourage more adoption.
- We invested in Indonesian trading company Takaha in December 2024 and opened our Bangkok Representative Office in April 2025 to promote market development and strategic planning in Southeast Asia.
- We will strengthen R&D capabilities, production capacity, and technical support functions to further develop the Chinese and Southeast Asian markets and promote globalization. We will leverage digital innovation to accelerate business expansion.

Market environment, opportunities and risks

Market environment

- Domestic market is expected to return to pre-pandemic scale in the next few years as inbound consumption and demand for makeup recover.
- Emerging startups in many countries are enjoying success with social media marketing (influencers, advertising, etc.), which is particularly effective for cosmetics.
- US market is strong, but concerns remain about the impact of tariffs. European market is still recovering. Chinese market tends to prefer local products. Growth is expected to continue in the “Big 5” ASEAN markets.
- Cosmetics OEM and ODM companies are expanding globally due to increasing demand from fabless companies and expanding exports.
- Pro-nature and pro-animal welfare sentiment is on the rise, especially in Europe; Regulation on Deforestation-free Products (EUDR) and the like require stronger traceability (including in supply chains).

Opportunities

- Promote new products to capitalize on the recovery of global demand for makeup
- Capture demand from fabless companies through technical support and sales promotion in collaboration with distributors
- Expand sales of plant-derived products and products with natural origin index and sustainability promoted
- Accelerate development of Southeast Asian markets and increase presence with Bangkok Representative Office and Takaha

Risks

- Failure to respond quickly enough to tighter regulations (Act on the Regulation of Manufacture and Evaluation of Chemical Substances; Halal; REACH; EUDR; etc.)
- Failure to respond quickly enough to requirements in different markets (emphasizing sustainability and environmental considerations in the EU, Halal certification in Southeast Asia, etc.)
- Decrease in consignments from the U.S. due to its high tariff policy

Relationship between *Value UpX* strategy development and Vision 2030 priorities

Three-tiered strategy

Growth strategy

Growth strategy as a  
I. pillar of future profit  
growth

Core strategy

Core strategy as a growth  
II. driver of *Value UpX*

Fundamental strategy

Fundamental strategy as  
III. the foundation of stable  
and sustainable growth



Achieve profit growth through expansion of  
global market share in the Fine Chemical  
business

Global market share of cosmetic oils (value)

Global expansion and market development of cosmetic oils

Under *Value Up+*, the average annual growth rate of net sales and operating profit for the Fine Chemical business increased to roughly 12% and 14%, respectively\*<sup>1</sup>. Cosmetic oils enjoyed particularly high growth in China and elsewhere, driven by skin care, cleansing, and indie-brand makeup products, and buoyed in part by the post-pandemic economic recovery. In December 2024, we invested in Indonesian trading company Takaha to formulate strategies for market development, for example, strengthening our Halal response\*<sup>2</sup>.

Our goal under *Value UpX* is to achieve a global market share of 10% or more for cosmetic oils, and we are strengthening our ability to accommodate the needs of each country and region in terms of regulations, plant-based/environmental considerations and more. In April 2025, we opened our Bangkok Representative Office to serve as our sales and marketing base for the Southeast Asian market. We will increase the Group's presence by expanding specialty oil sales at a level above market growth—particularly in the growth market of Asia—establishing bases for global sales expansion, strengthening relationships with local partners, and expanding our technical support system. We will also create environments where all business department employees can demonstrate their creativity and initiative, use AI and digital technology to advance R&D capabilities and strengthen our market development capabilities, and realize customer-focused development, sales, and marketing with the aim of establishing ourselves as a global top provider of oils & fats solutions.

\*1 Values in current segment    \*2 Halal response: Producing and providing goods and services in accordance with Islamic law

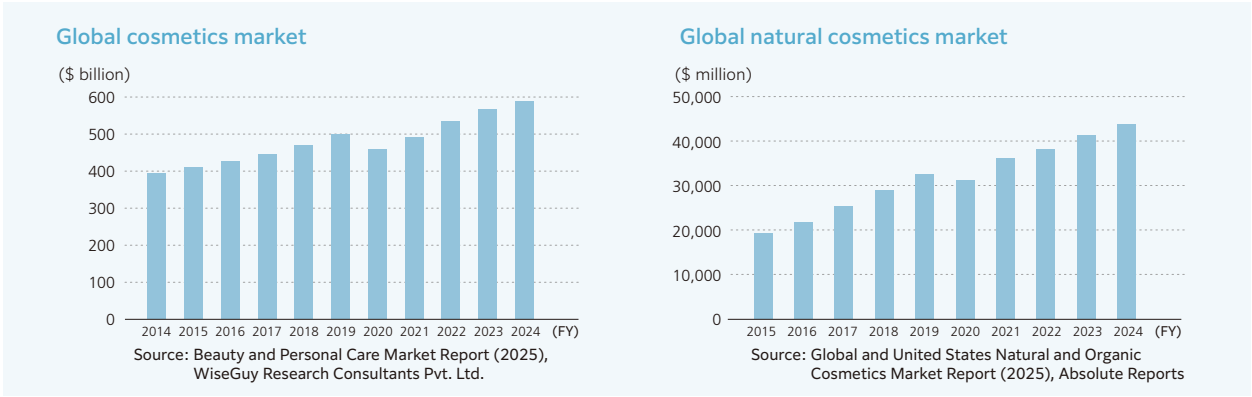


Yoshiharu Okano

Managing Officer  
Responsible for Fine Chemical  
business



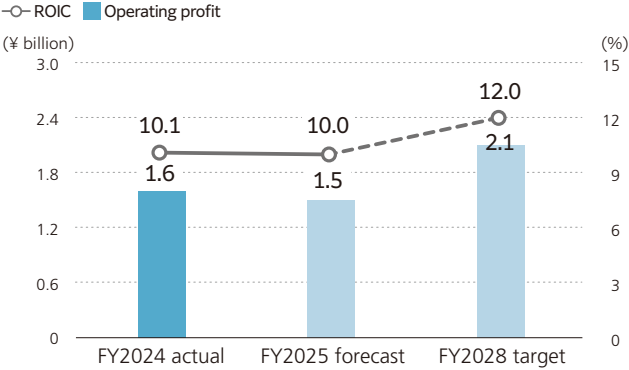
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To achieve a virtuous cycle toward growth



Performance and targets (as of May 2025)



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Feature: Improving Return on Capital

Improving return on capital by integrating sales, production, and logistics to shift from conventional thinking and transform processes



Masayuki Sato

Director and Managing Officer  
General Manager of Production Division

Koyo Nonaka

Managing Officer  
Deputy General Manager of Food Product Division

Osamu Kawabe

Executive Officer  
Responsible for Logistics

Under *Value UpX*, we will implement interlinked transformation of sales, production, and logistics to improve return on capital. The officers in charge of sales, production, and logistics were invited to discuss specific strategies for this transformation.

□□p. 10 Fourth X: Transforming to improve return on capital

Q: What did the Company achieve under the previous medium-term management plan, *Value Up+*? What were some of the challenges?

**Nonaka:** Looking back on *Value Up+* and previous efforts from my position in charge of sales, marketing, and other elements of the food business, we have taken the initiative in edible oils for household and commercial use, wellness foods, and other areas to bring about substantial changes in the market structure of edible oils. For household-use, we promoted new ways to use oil, changed to new containers, and made other efforts that led to the creation of a new market for “pour-and-enjoy” fresh edible oil, in addition to traditional uses such as frying and stir-frying. In the market for edible oils for commercial use, more restaurant and food service operators are opting for compact-sized plastic-bag packaging instead of the conventional square cans to improve work environments and otherwise capitalize on how much easier they are to use. In the wellness area, we have built the MCT oil market for consumers from the ground up, achieving a market scale of roughly ¥3 billion and an MCT awareness rate of around 60%. Our efforts to identify customer needs and take proactive steps to create new value



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propositions and markets have also contributed to improving profitability.

However, given the surge in olive oil prices in fiscal 2024, it is more important than ever to manage risks associated with inconsistent raw material procurement and prices, and we must also rebuild our product portfolio to stabilize our profit structure.

**Sato:** In my area, production, our new R&D facility—Incubation Square—has enabled us to swiftly and flexibly provide customers with the samples they need, and to produce small batches until new businesses or products are on track. We also invested aggressively in physical assets for the oilseed processing and refining processes. We made these capital investments in part to counter obsolescence, but it should also help us establish a production system with a 50-year outlook, further enhance product quality, increase spontaneous agility, and reduce environmental impact.

That said, we consider the discrepancy between the capacity of some production processes associated with the diversification of product items to be an issue. The production side alone cannot solve this problem, so we must take a comprehensive view of the product

mix and logistics and production efficiency to achieve overall optimization.

**Kawabe:** Looking back on the four years of *Value Up+* as the person in charge of logistics, one major initiative was reorganizing the logistics network in the Kanto region by consolidating inventory locations scattered around the Yokohama Isogo Plant and establishing a new base for deliveries. We also extended the lead time from order receipt to delivery of packaged products, reducing the average time truck drivers spend at plants for product shipments to 59 minutes per truck at all locations (down 30 minutes from the previous year), an achievement we believe will help solve social logistics problems.

However, driver shortages and other logistics issues are expected to become even more serious. If logistics vulnerabilities prevent us from making timely deliveries to customers, we will lose credibility as a supplier. So, taking this into consideration, we need to place greater importance on our efforts to strengthen logistics.

**Q: What kinds of process transformations are you promoting in your departments to improve return on capital?**

**Nonaka:** As the business environment and needs change, we must shift our strategies to ensure stable, sustainable growth. The established wisdom is that you earn revenue by multiplying volume and price, but we believe you need another factor—an *X*—for sustainable growth. This is one of the ideas behind the “*X*” in *Value UpX*. We are persistently searching throughout the entire value chain for ways to improve

the value of edible oils, and thereby our profitability, by multiplying these *X* factors in our own way.

Additionally, to instill the concept of ROIC in sales and marketing staff, we now interpret invested capital in a way that directly includes these staff members. Suppose  $ROIC = \text{Operating profit} / \text{Sales and marketing staff}$ . We can break that down into  $ROIC = \text{Operating profit} / \text{Net sales} \times \text{Net sales} / \text{Sales and marketing staff}$ . In other words, to improve ROIC, we must improve the product of operating profit margin and sales and marketing productivity, and to improve that product, we must transform our sales and marketing style to shift the thinking and behavior of our sales and marketing staff. If we can enhance organizational and individual capabilities by systematically introducing inbound marketing, transferring and modeling sales expertise, using data with greater sophistication, and using generative AI and other technology, then sales and marketing efficiency will increase and we will capture apparent demand and discover latent demand. This new value creation will help improve our operating profit margin, thereby contributing to our growth. This



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Feature: Improving Return on Capital

is the virtuous cycle of growth we should create.

**Sato:** We define smart factory conversion as “efforts to improve productivity, reform work styles, and create places to acquire and pass down our technologies by radically reforming operations and introducing ICT,” and we are engaging in activities accordingly. At the Nagoya Plant—our model plant—we are overhauling operations with participation by all employees in an effort to shift from conventional thinking, and, using the time created by introducing systems and automation, we are furthering our growth initiatives and passing down technology. We are also introducing next-generation refining and filling equipment to improve quality to meet customer needs, strengthen compliance with laws and regulations and environmental response, and **increase spontaneous agility in production** to further reduce inventory and losses from changeover. We will leverage digital technology and focus on the responsibilities and actions of all employees in promoting our distinctive, creative smart factory conversions to streamline and improve the competitiveness of our workplaces.

**Kawabe:** In logistics, we are working on **radically reforming logistics processes for overall supply chain optimization**, focusing primarily on ensuring sustainability and stability. We intend to further reduce the time truck drivers spend at plants by consolidating loading warehouses at each location, promoting palletization, and switching to a relay system for long-distance transport, while simultaneously promoting automated transport as part of a next-generation logistics system.

Meanwhile, logistics costs have been increasing significantly due to logistics restructuring to ensure

sustainability in addition to calls from logistics operators to raise freight rates amid logistics challenges, and we expect them to continue to rise. To control costs, we must manage supply and demand consistently from production to sales. Days in inventory has been set as a KPI, so the production, logistics, and sales departments will work together to optimize this metric. We are promoting the use of AI and other digital technology to share and visualize supply chain information on production, inventory, and sales in real time and predict demand fluctuations.

**Q: What role will each department play in implementing the interlinked transformation of sales, production, and logistics to improve return on capital and strengthen the supply chain?**

**Sato:** We will transform production processes by amassing production technology and idea-rich expertise. Our aim is to improve return on capital by enhancing the capabilities of our employees, specifically their ability to adapt to new technologies and business methods. However, there are limits to what we in production can accomplish on our own. To maintain proper inventory, we must **produce goods with a correct understanding of sales plans and logistical circumstances**. We should also identify bottlenecks on the front lines of logistics and work together to devise reality-based improvement measures to streamline production activities. I want each department to understand the others’ issues and roles and lead with empathy as we work on them so that we all feel like we are changing and improving.

**Kawabe:** I agree completely. Logistics functions as a



control tower for the entire supply chain, so we intend to work more closely with the other departments to propose and implement many potential reforms. Given that inventory is a component of the cost of capital, production efficiency and its other components should be optimized. Additionally, to control logistics costs, as I mentioned earlier, we must review past business practices and systems in terms of what we know today, and take comprehensive and radical efforts in all areas, including production and sales.

**Nonaka:** Sales and marketing involve manufacturing and selling products with the market’s perspective in mind, but sales and marketing staff must engage in their duties with a firm awareness of production and logistics aspects as well, for example, the product mix and design, and demand forecasting when considering overall optimization. Shifting to such an awareness should eventually make the entire company more efficient and sustainable. To make this possible, we intend to **provide leadership toward overall optimization** by ensuring that everyone in our organization is acutely aware of the connection between sustainable growth and improved return on capital.



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# Implementing Our Strategies

To achieve the next stage of growth envisioned under *Value UpX*, we will build a strong and resilient human resources base and strengthen the four functions that underpin our strategies (R&D, digital and IT, supply chain, and sustainability).

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Human Resource Management

Accelerating our institutionalization of innovation by evolving into an energetic, outstanding group



Takashi Segawa  
Executive Officer  
General Manager of HR;  
General Manager of Health and  
Productivity Management;  
Responsible for HR Strategy

To achieve our vision under *Value UpX*, we must undertake further efforts to foster an organizational culture that creates innovation. This is a key issue in human resource management. In the current business environment replete with both opportunities and risks, value is created when employees with diverse experiences, capabilities, and sensitivities engage in free, broad-minded discussion and lift each other up. Accordingly, we will create growth opportunities for everyone to enhance and demonstrate their expertise, and expect members in the managerial position to further demonstrate their management skills to capitalize on the diversity of Group employees.

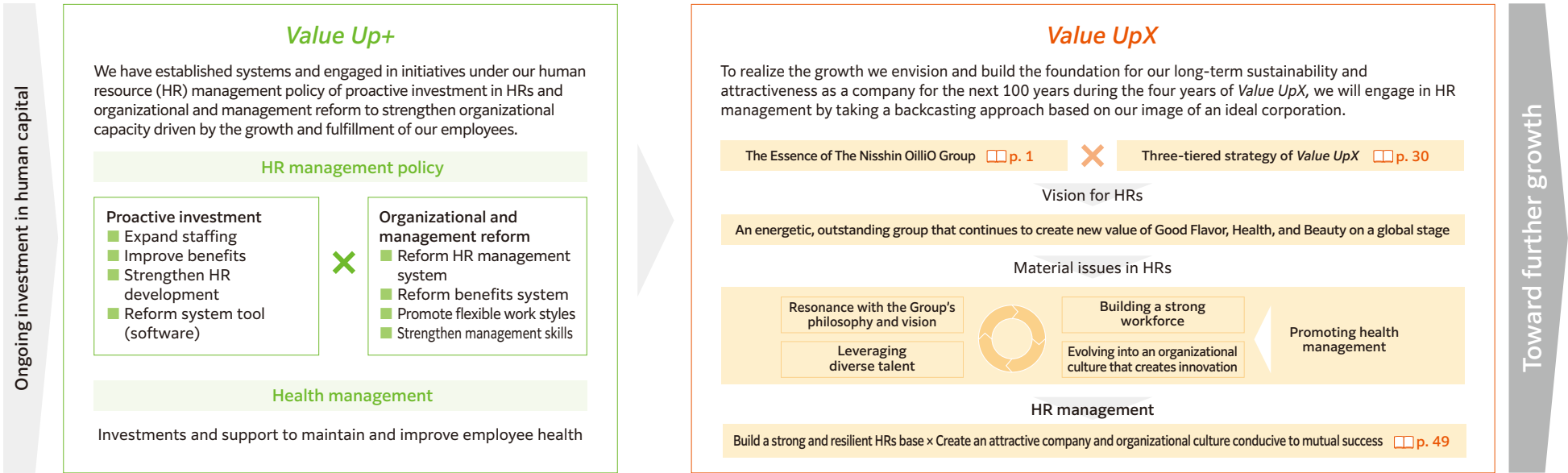
For the Group to continue to be an attractive place to work, we must be a company conducive to mutual success. We can accomplish this if all employees take ownership of the Group's philosophy and vision, and enhance their value with professionalism and pride. The key is to implement measures that will enable everyone to discover their desire to grow and realize what the Company expects of them.

We have created environments where highly motivated employees can step forward to take on challenges and demonstrate their initiative and proactivity. We will implement new measures to further foster a transformation-oriented mindset, including instituting programs for proposing new businesses and taking on more challenging positions, supporting activities to reform operations, and taking action to spread our philosophy and vision.

We must also pursue both creativity and efficiency in employees' work styles in an effort to further improve return on capital. Accordingly, we will take steps to realize and institutionalize smarter work styles by using AI and other digital tools to increase productivity and expand time dedicated to more creative work.

This kind of human resource management underpins the sustainable growth of the Group, and we will continue to invest proactively in human resources to form an energetic, outstanding group.

Managing the Group's human capital to achieve Vision 2030



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Human Resource Management

Human resource management policy under Value UpX

A strong, resilient human resources base is the driving force behind the strategies of the new medium-term business plan Value UpX. Amid constantly changing customer expectations and needs and an increasingly challenging business environment, the organizational culture must support strategies as much as the human resources base, the main driver of strategy execution. We are striving to strengthen our human capital under a human resource management policy of building a strong and resilient human resources base, and creating an attractive company and organizational culture conducive to mutual success.

1 Building a strong and resilient human resources base

We are taking steps to build a stronger, more resilient human resources base as we strive to become a global top provider of oils & fats solutions. A strong human resources base is one that ensures the quality and quantity of human resources capable of driving growth and core strategies even in a rapidly changing business environment, and establishes a system that maximizes capabilities by having the optimum person in the optimum position. To achieve a strong human resources base, we are taking steps to strengthen our recruiting of highly specialized and experienced people, diversify their experience through selective and open training and job rotation, and more. We are also striving to maximize organizational capacity to support core strategies and conducting engagement surveys to visualize and improve on organizational issues. A resilient human resources base refers to the strength that enables both the organization and its people to adapt flexibly and achieve sustainable growth even in uncertain and complex environments. We aim to build such a base by undertaking initiatives such as restructuring our evaluation system to encourage challenges, revising our career design system, and strengthening the management capabilities of supervisors.

Strong human resources base    Developing global human resources

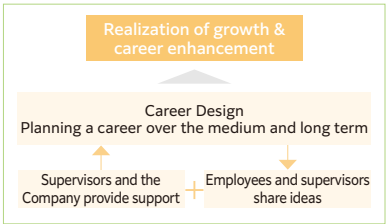
We offer priority placement in global operations (both domestic and international) and targeted educational programs to employees who submit applications to our open calls. We are also proactively training employees to develop their capabilities as global human resources, for example by providing study-tour training overseas and subsidizing language study expenses.



Study-tour training at ISF

Resilient human resources base    Career design system

We revised and upgraded our existing system in fiscal 2024 to make it easier for employees to plan their careers over the medium and long term and to provide stronger support from their supervisors and the Company. Specifically, we enhanced career interviews, and established a system that allows employees to proactively advance their abilities and demonstrate their diverse personalities. Also, the new system allows supervisors to better understand employees' career aspirations.



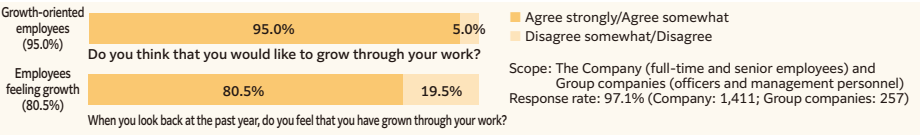
Career design system overview

2 Creating an attractive company and organizational culture conducive to mutual success

Our goal is to foster a healthy, forward-thinking organizational culture where employees take pride in their company and work; to cultivate a mindset that embraces change, challenges employees to create new value, and allows each individual to leverage their strengths and work with enthusiasm. A company "conducive to mutual success" refers to a state in which the company and its employees build a relationship of mutual growth under healthy tension. We are creating an environment that supports continuous growth by investing in education and training while providing opportunities for growth and challenge so that talent responsible for value creation can thrive in the long term. Furthermore, an "attractive organizational culture" is one in which each employee experiences personal growth and can collaborate positively to realize our Group's vision. Through the career-oriented internal recruitment system and opportunities for dialogue with the management, we will enhance the vitality of the entire organization and build a foundation that supports sustainable growth.

Creating an attractive company and organizational culture    Group awareness surveys

In fiscal 2024, we began conducting an annual survey on understanding and resonance with our Corporate Philosophy and Vision, growth orientation and sense of growth through work, and values and feelings regarding fulfillment at work. Issues and hypotheses revealed by the survey results are reflected in human resource measures, leading to value creation and innovation throughout the Group.



The 2024 survey indicated that both employees' desire to grow and sense of growth through work are at high levels. However, the slight difference between the two could be an issue. To further facilitate employees' high willingness to pursue growth, we will also enhance opportunities for pioneering and learning and develop measures that better help them see how they have grown.

Note: Engagement surveys conducted by the Company alone since fiscal 2019

Efforts for health management

We view initiatives for employee health as the foundation for corporate development, and actively provide support for maintaining and improving employee health and productivity so that everyone can work at full energy and lead a healthy, fulfilling life.

Efforts for health management  
[https://www.nisshin-oillio.com/english/sustainability/health\\_management/](https://www.nisshin-oillio.com/english/sustainability/health_management/)

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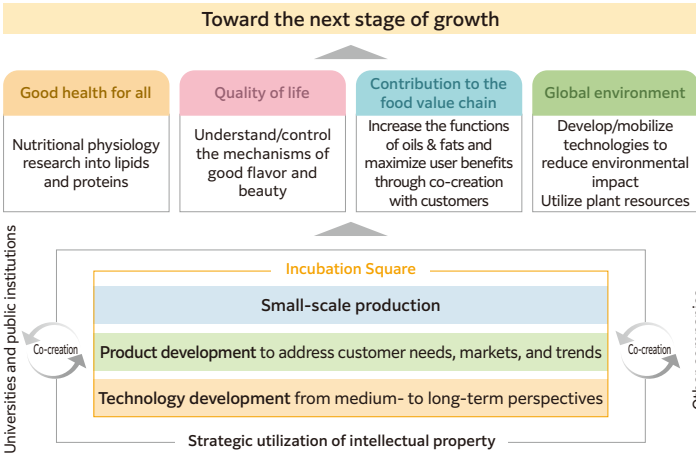
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R&D and Intellectual Property

Overview of R&D

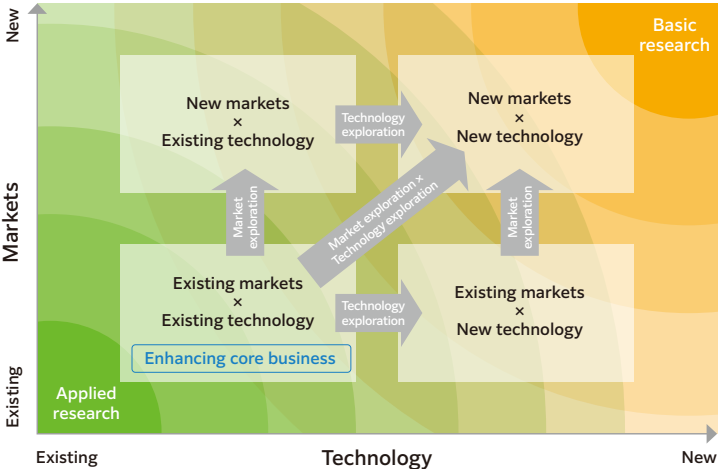
The Group responds to the diverse needs of its customers and to the issues facing society in terms of health, good flavor, convenience, reducing environmental impact, and other aims, by leveraging its capabilities in technology and development based on its stockpile of expertise in the context of its research into vegetable oils and fats. With Incubation Square (opened in fiscal 2024) as the core, we are refining our technologies for oils and fats and related fields to strengthen our R&D capabilities. We will also use Incubation Square as a place to exchange technology and information with customers from Japan and overseas to incorporate diverse perspectives and ideas and thereby provide cutting-edge solutions.



Advancing and exploring technology

To become a global top provider of oils & fats solutions, we must strengthen our R&D and create value by advancing and exploring technology. Accordingly, we promote (1) applied research in which we aim to create market value through practical application and commercialization by further enhancing existing technology, and (2) basic research in which we aim to create value over the medium and long term by amassing scientific knowledge and looking to the future.

We also aim to develop new markets and create social value by flexibly integrating and coordinating the knowledge and technology of all departments involved in the Group's R&D and by accurately ascertaining customer needs.



Information on R&D and intellectual property			
R&D expenses (consolidated)		Number of patents held (including domestic and overseas subsidiaries)	
¥2,702 million	¥4,079 million	Approx. 1,190	Approx. 1,320
(FY2021)	(FY2024)	(FY2021)	(FY2024)



**Hidetaka Uehara**  
Executive Officer  
General Manager of Applied Research Laboratory; Responsible for Household-Use & Wellness Foods Business Strategy Center

Advancing core technologies and blending them with external technology to promote the growth

The key to realizing the growth strategy set out in *Value UpX* is to further promote value co-creation by mastering the Group's core technologies of oils and fats in three areas: production, usage, and visualization of value. In the area of existing markets and existing technology, we will combine elements from our stockpile of technology and knowledge to make technological proposals, thereby increasing customer benefits and enhancing our core business. We will then combine the new technological experience and knowledge gained by enhancing our core business and basic research with technology from customers, manufacturers, and other external entities. This is how we acquire new technology and develop new markets.

Incubation Square is our venue for co-creation with customers, and 161 companies have visited it since its opening last year (as of March 2025). With interest from food and cosmetics companies and other customers as well as manufacturers, universities, and other research institutions, we are continuing

to expand our co-creation efforts. To develop new markets and fields, we must understand how our customers use oils and fats. At Incubation Square, we can roll up our sleeves and work together to make prototypes and more, so the venue is being used effectively toward developing that understanding. We also strengthened our small-scale production functions and manufactured 10 products in fiscal 2024. These results give us the necessary tools to respond swiftly to new needs.

Opening Incubation Square has provided us with more opportunities for cross-departmental action in the context of co-creating with customers, and also further strengthened information sharing within the Company. Through this fusion of different types of knowledge, we will amass intangible assets that give the Group competitive advantages and work from a technological perspective toward becoming a global top provider of oils & fats solutions.

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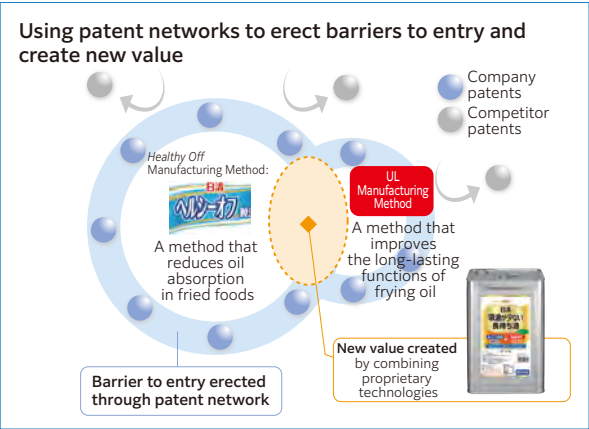
R&D and Intellectual Property

Target initiatives under Value UpX

1 Ensuring competitive advantages with strategic use of intellectual property

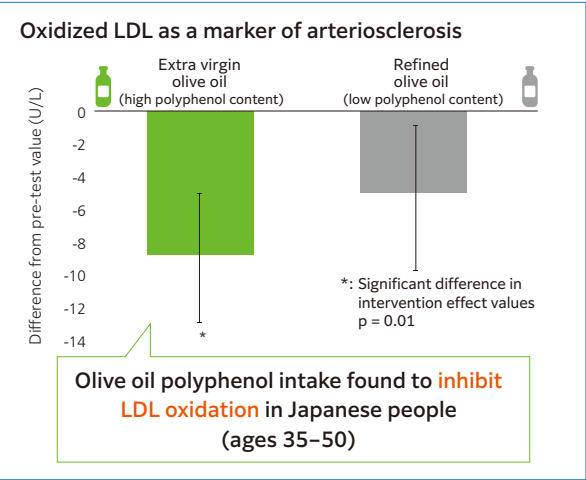
We use the Group's expertise, knowledge, and other intangible assets accumulated through technological development in a wide range of product development. Our intellectual property strategy revolves around erecting high barriers to entry and protecting technologies and products by creating a patent network for key technologies and markets. We also combine patent networks in an effort to create new value. For example, with our *Healthy Off* Manufacturing Method for reducing oil absorption in fried foods, we have erected a high barrier to entry by building patent networks in both the household-use and commercial-use markets. The method created a new market for limiting oil absorption in fried foods, and also protects our technology and products. We have combined it with our Ultra-Long (UL) Manufacturing Method that makes frying oil last longer to develop commercial-use products that support new value propositions.

Intellectual property, including trademarks and other assets as well as patents, is a valuable intangible asset that gives the Group competitive advantages. By accumulating intangible assets in the form of new knowledge generated through research and development, we will create a cycle of generating new knowledge and contribute to the institutionalization of innovation.



2 Acquiring evidence for lipid nutrition and contributing to vibrant, healthy lifestyles

In pursuit of good health for all—one of our six priorities—we are applying our knowledge of lipid nutrition to address health issues at different stages of life in an effort to create new value. Much research has been conducted on the health benefits of olive oil, especially in Europe, and researchers have found that the polyphenols in olive oil inhibit the oxidation of LDL, which is involved in the progression of arteriosclerosis. The effects of olive oil polyphenols on Japanese people were unclear because no major clinical studies had been conducted on Japanese subjects. To address this, we conducted a clinical study and found that olive oil polyphenols also inhibit LDL oxidation in Japanese people. Our findings indicate that including olive oil in the Japanese diet may help prevent arteriosclerosis. We will continue to acquire new evidence for lipid nutrition and contribute to healthy lifestyles that last for people's entire lives.



3 Developing ester oils for cosmetics to meet global market needs

Ester oils for cosmetics—cosmetic oils, the mainstay of the cosmetic ingredients segment of our Fine Chemical business—are high value-added products that rely on our core technology of ester synthesis to provide moisturizing, texture, coloring, gloss, and other key cosmetic functions.

Given the mounting global demand for plant-based, environmentally conscious cosmetic ingredients in the past several years, we are promoting the development of innovative plant-derived products. We have developed many new emollients and multifunctional esters that improve functionality and quality in skin care, cleansing, sun care, and makeup applications, and we presented them at the largest cosmetics industry technology exhibition in Japan this year to great acclaim from many manufacturers of cosmetics.

We are also active in the solution business, exploring new possibilities for the application and functionality of existing products. We are establishing evidence through joint research with universities and other entities, and finding and proposing new applications for our products to support our customers' product development. Additionally, at Incubation Square, we use our multifaceted analysis and evaluation facilities to provide objective, reliable evaluation methods that match our customers' needs. We also provide technical reviews to exchange opinions directly with customers in Japan and around the world, providing information to understand our strengths and develop their cosmetics products.



Discussion with customers visiting us from overseas

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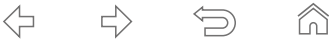
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Promoting digital innovation to achieve dramatic growth



Kazuhiro Sekiguchi  
Executive Officer  
General Manager of Digital Innovation  
Department

Amid the dizzying progress of AI and other digital technologies, we recognize that the most digitally prepared companies will win the race. To achieve the dramatic growth we envision, we must use the digital technology in our value chain to drastically improve productivity and generate creative value. Accordingly, we will continue to create value by improving productivity through automation and other forms of streamlining, digitizing the expertise cultivated within our group, and leveraging it as intangible asset through dedicated systems.

To advance our corporate structure to generate innovation, we will combine digital innovation with upgraded customer touchpoints, implementation of technological innovation, and traceable supply chains to serve as a source of competitive strength.

For example, upgraded customer touchpoints will satisfy potential

customer needs through management of data obtained in both outbound and inbound sales processes. As for implementation of technological innovation, we will build digital infrastructure for R&D and use data-enabled forecasting and simulation technology to shorten development time and create innovation. With traceable supply chains, we are looking into introducing digital authentication technology to ensure reliable traceability.

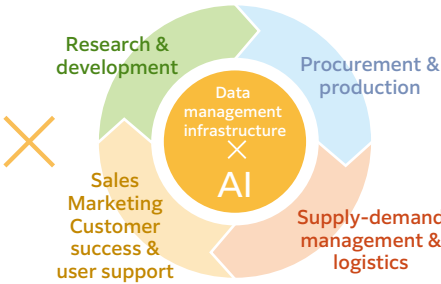
To become a global top provider of oils & fats solutions, we will continue to explore new markets and products and tackle challenges beyond existing frameworks. We will accelerate the strategies set out in *Value UpX* by aggressively investing capital in digital and IT, establishing digital innovation as part of our corporate culture, and continuing to rise to the challenge of exploring the “unrealized” domain.

Digital infrastructure for 2030

- To transform into a resilient and robust corporate structure, we will leverage the Group's extensive knowledge, data, and digital technology to strengthen our value chain.
- We aim to foster a corporate climate and culture where utilizing AI (machine learning, generative AI, autonomous AI agents) is a given, so that we can drastically improve productivity and accelerate innovation.

Three-tiered strategy of *Value UpX*

- I. Growth strategy as a pillar of future profit growth
- II. Core strategy as a growth driver of *Value UpX*
- III. Fundamental strategy as the foundation of stable and sustainable growth

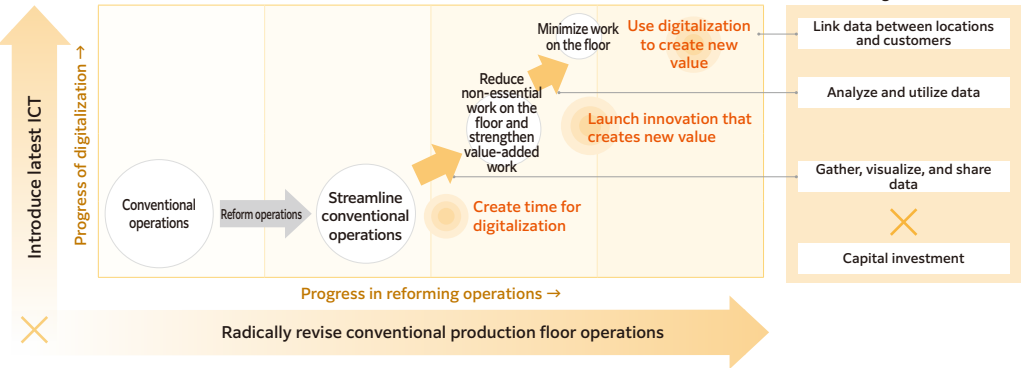


Transforming production structure × Promoting digital strategy

Our production departments are proceeding with efforts to create “smart factories.\*” At our Nagoya Plant—a model “smart factory”—close communication between management and front-line employees is used to identify issues. Using digital technology to fundamentally reform operations helps create innovation.

\* Factories (plants) that undertake sustainable, progressive production activities by fundamentally reforming existing operations to improve productivity, reform work styles, and create places to acquire and pass down technological capabilities with an outlook for future collaboration between plants.

Creating innovation by promoting “smart factories”



Digital & IT

Target initiatives under Value UpX

1 Using data and AI technology to strengthen the value chain

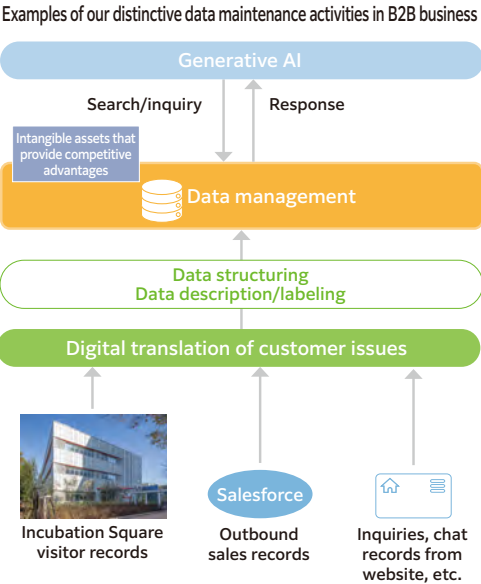
To improve productivity and generate creative value, we are accelerating our development of data management infrastructure and use of AI in R&D and sales.

In R&D, we are in the process of digitizing laboratory notebooks to make tacit knowledge explicit, using AI analysis of our stockpile of knowledge, papers, and market trend data to verify the effectiveness of our innovative idea creation. This will help us shift from a conventional development process that relies on empirical rules to more efficient, data-driven R&D. In sales, we are striving to improve our ability to propose solutions by gathering and using AI to analyze data on business discussions with customers. We will also use the AI analysis to generate optimized proposals for individual customers and automate the sales process in an effort to improve productivity.

Efforts to use generative AI to propose oils & fats solutions

Our Product Application Development Center provides manufacturers of confectionery, bakery, and processed food products, convenience stores, mass retailers, and other customers with solutions that capitalize on the functions of oils, fats, and soybean materials. The center is building a generative AI-based product development support system to mass-produce highly distinctive product development ideas. The system will generate issue analysis and improvement proposals when the user enters the name of the food product, and is expected to expedite and improve accuracy in the development of functional oils & fats, functional oil-based materials, and other products. Using AI in this system will strengthen our ability to provide value to our customers, leading to sustainable business growth.

Support for creating new products and technology ideas by pairing our stockpile of technical knowledge with market trends



2 Using digital technology in supply chain management

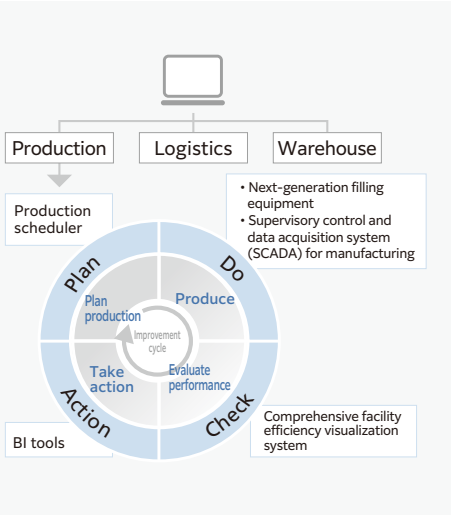
The Group promotes the use of digital technology to improve return on capital and strengthen the supply chain. We are taking steps to establish a system that enables us to respond more swiftly and flexibly to fluctuations in supply and demand throughout the value chain—from raw material procurement to production, distribution, and sales—as well as to increasing demand for quality and traceability and the impact of geopolitical risks, climate change, and other factors on raw material procurement.

Specifically, we are promoting multistage initiatives focusing on advancing supply-demand coordination, traceability, and risk management as core elements of supply chain strengthening.

For advancing supply-demand coordination, we have begun using a tool that can simulate the ideal layout of production facilities tied to forecasts of future demand. We are also in the process of verifying the utility of AI and other digital technology in improving the accuracy of demand forecasting. As for traceability, we aim to contribute to further improvement of product safety and reliability, for example by adding certification information and quality records from raw material procurement to production. For risk management, we are considering efforts to improve supply chain transparency and availability by centrally managing supplier data that will facilitate regular risk assessments and swift formulation of recovery plans when incidents occur.

Introducing and digitizing next-generation filling equipment to realize the smart factory concept

At our Nagoya Plant, we established a PDCA mechanism to centrally manage the edible oil filling line and create a continuous improvement cycle through centralized operations using next-generation filling equipment and control systems, system installation and network linkage for each process from production planning to evaluation of results. Looking ahead, we aim to establish a sustainable, competitive smart factory by incorporating AI technology into each system to achieve a completely automated filling process.



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# Supply Chain/Sustainability



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Improving social quality as the first step to increasing competitiveness



Hiroshi Hasegawa  
General Manager of Corporate Sustainability Strategy

The Group promotes sustainability activities with the aim of achieving sustainable growth and a sustainable society by leveraging The Natural Power of Plants and the strengths obtained from mastering oils & fats. We implement our sustainability activities around the six priorities set out in Vision 2030 and ensure that they are closely connected to our new medium-term business plan *Value UpX*.

Specifically, given that the Group's business is based on plant resources, the core of our strategy is a two-pronged approach to achieving sustainable growth and enhancing our corporate value, namely (1) conserving and restoring the global environment and (2) establishing a supply chain connected by trust.

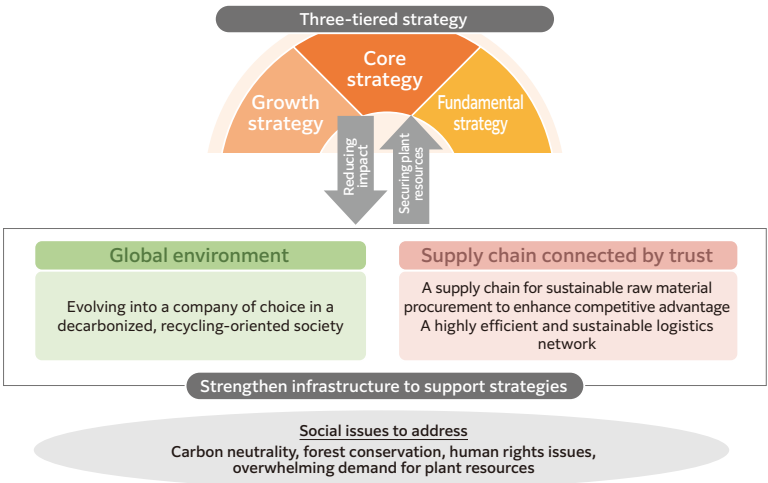
Our decarbonization efforts to conserve and restore the global environment involve furthering energy-saving and increasing the percentage of non-fossil energy in addition to adopting internal carbon pricing, switching to high-efficiency equipment, and introducing hydrogen and other decarbonization technology. In this way we will link environmental investment to our future business activities. Our plastic recycling efforts involve reducing the weight of

plastic containers, introducing recycled and bio materials, and investing in technologies to recycle plastic containers that once contained oil with the aim of creating new value in this area.

We consider the establishment of a supply chain connected by trust to be the foundation of business stability and the driving force for growth, and are taking measures toward that end, including diversifying raw material production areas and suppliers to reduce raw material procurement risks. With palm oil in particular, we aim to make improved social quality a competitive edge in the business, and thus are working to solve issues in production areas once we have ensured traceability to palm plantations, specifically by increasing the percentage of certified oil procurement, supporting smallholders, collaborating with NPOs and NGOs, and respecting human rights in the supply chain.

This positioning of sustainability as a strategic element and further efforts to improve coherence between our economic and sustainability activities should help us strive to become a global top provider of oils & fats solutions.

Initiatives for the global environment and sustainable supply chains to achieve sustainable growth and enhance corporate value



Using an international disclosure framework to improve the level of our environmental and human rights initiatives  
The Nisshin OilliO Group on the CDP A List for Climate Change and Water Security

The Group participates in surveys conducted by CDP, an international NPO, to promote the disclosure of environmental information and improve the level of its initiatives. By referring to CDP survey questions, requirements, and evaluations, we can objectively determine the quality of our efforts at the global level and use what we learn to identify and improve specific issues and to communicate with stakeholders. As a result of our scores in 2024, we were named on the top-rated A List in two areas (Climate Change and Water Security) and earned an A- in the third area (Forests). ISF (Malaysia) was also selected as an A-List company in Forests and Water Security.

2024 CDP A List companies <https://www.cdp.net/en/data/scores>





Supply Chain/Sustainability

Moving toward integrated disclosure based on TCFD and TNFD recommendations

Approach to climate change and biodiversity

The Nisshin Oillio Group engages in business based on plant resources; therefore, the very sustainability of our business relies on conserving and restoring the global environment and natural capital. We import our main raw materials—soybean, rapeseed, palm oil, cacao, olive oil, and sesame—from all over the world, and thus depend on certain natural capital and specific production areas. We also recognize that our business activities impact natural capital in the value chain.

We endorsed the TCFD recommendations in 2021 and have disclosed information through analysis of climate change-related risks and opportunities, financial impact simulations, and other aspects. In fiscal 2024, we referenced the LEAP approach advocated by TNFD in our analysis of nature-related risks and opportunities. Given how closely climate change and conserving and restoring natural capital are linked to human rights risks in the procurement of plant resources, we address these issues in an integrated manner.

Governance

Basic policies, strategies, and measures regarding climate change and nature-related issues and other sustainability issues are approved by the Board of Directors after deliberation by the Business Strategy Council, a deliberation body for the execution of business. We have also established the Corporate Sustainability Strategy, the Environmental Solutions, and other specialized departments to strengthen our strategy execution functions.

Key initiatives in FY2024

- Discussion on updating the strategic roadmap to promote decarbonization
- Deliberation on the global trend of mandating sustainability disclosures and issues to be addressed by the Group
- Ongoing deliberation on reassessing priorities and revising CSV goals (including natural capital)

Registering as a TNFD Adopter

We disclosed information based on the TNFD recommendations in September 2024, and registered as a TNFD Adopter in March 2025. Through this registration, we have reiterated our commitment to disclosing information in line with the TNFD recommendations.



Response to TCFD recommendations <https://www.nisshin-oillio.com/english/sustainability/environment/tcfd.html>  
Response to TNFD recommendations <https://www.nisshin-oillio.com/english/sustainability/environment/tnfd.html>

Strategy: Address sustainability and the supply chain based on TCFD and TNFD recommendations

1. Analyze risks and opportunities in the value chain Scenario analysis based on TCFD and TNFD

In reference to the LEAP approach advocated by TNFD, we identify and assess nature-related issues (dependencies, impacts, risks, and opportunities) and promote initiatives to address the risks and opportunities we identify. Given the significant impact of climate change on the Company, we also analyze its financial impact based on the TCFD recommendations.

Risks, opportunities, and measures for each (excerpt)

	Upstream	Direct operations	Downstream	
Natural capital	Changes in raw material yields and prices	Shutdowns caused by climate-related disasters	Reduction in transport costs by optimizing logistics	Sustainable raw material procurement
Climate change	Increased costs associated with carbon taxes, ETS, and other regulatory compliance			Reduce GHG emissions
Land use	Tighter regulations on deforestation/ Increased demand for environmentally conscious raw materials			
Pollution & decontamination	Tighter regulations on plastics/Reduction of plastic use to enhance product competitiveness			Reduce plastic containers/ packaging and promote resource recycling

Financial impact of climate change

	Description	Financial impact
Transition risk	Increased costs due to carbon taxes, emissions trading systems (ETS), and the like	2°C scenario: ¥2.0 billion/year (2030) 1.5°C scenario: ¥2.61 billion/year (2030)
	Increased raw soybean prices due to decarbonization in agriculture	1.5°C scenario: ¥16.5 billion (2030) ¥25.9 billion (2050)
Physical risk	Decrease in profits due to shutdowns caused by climate-related disasters	4°C scenario: ¥176 million (2050)

2. Transition plan for recycling plastics

Plastics with oil on them have a reputation for being difficult to recycle. To create a collection system and establish recycling technology for plastic containers that once contained oil, we are collaborating with Kewpie Corporation to pilot collection efforts in stores and prove technology for recycling used PET bottles that once contained oil. We are also promoting awareness of resource recycling by collecting plastic bottles from employees internally and telling them about issues in plastic bottle collection and recycling.



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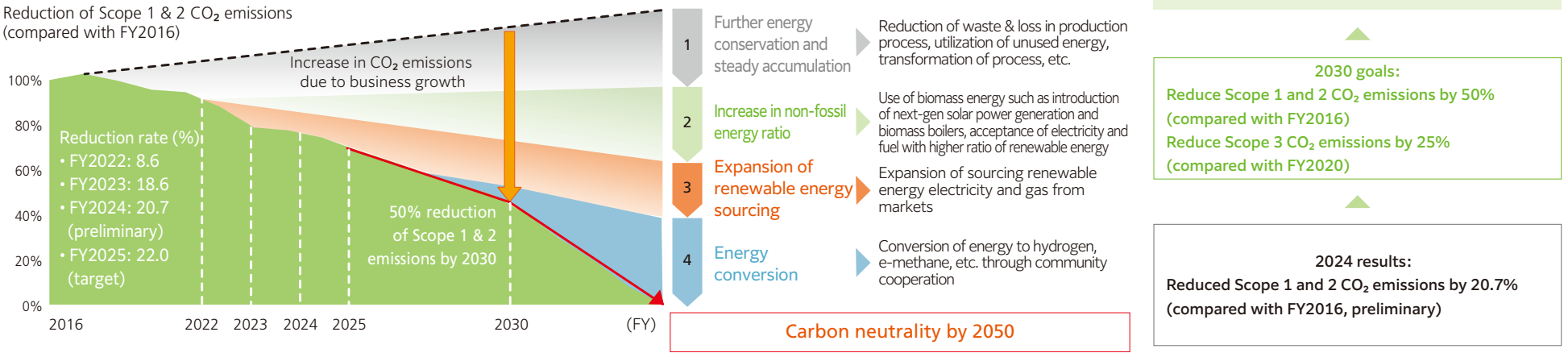
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3. Transition plan for decarbonization

The entire Group is united behind efforts to achieve carbon neutrality by 2050. Accordingly, we are furthering energy conservation in our production processes to reduce CO<sub>2</sub> emissions by 1% each year. Additionally, to tap into cogeneration systems in Japan and overseas, we brought new systems online at the ISF (Malaysia) Dengkil Plant in December 2024 and our Yokohama Isogo Complex in April 2025. We also plan to introduce a system at the ISF Port Klang Plant in fiscal 2026.

Strategic roadmap to promote decarbonization (as of July 2025)



Moving toward hydrogen-ready status

To achieve carbon neutrality by 2050, we are taking steps to become hydrogen-ready—prepared to use hydrogen as soon as supply infrastructure is in place—by 2030 at our Yokohama Isogo Complex.

In April 2025, we launched a new cogeneration system at the complex. The system is compatible with hydrogen co-firing, and will run on city gas until the hydrogen supply is ready, hopefully by 2027.

Additionally, NEDO approved our feasibility study proposal on hydrogen engine conversion for existing heavy-duty vehicles, which includes our plant tour bus. We will conduct the study in collaboration with NPR-RIKEN CORPORATION and Tokyo City University. We also entered a partnership agreement with the City of Yokohama for this initiative in July 2025. We intend to use the results of the study to continue working toward the realization of hydrogen engine conversion projects in fiscal 2026 and beyond.

We will continue to provide our manufacturing locations as venues for tackling the challenge of implementing hydrogen in society in order to realize a stable, sustainable energy supply for the future.



Cogeneration system compatible with hydrogen co-firing launched at our Yokohama Isogo Complex

Accelerating green energy procurement in Japan and overseas

We are actively advancing green energy procurement domestically and internationally; ISF (Malaysia) has an agreement with Gas Malaysia Energy and Services (GMES) to introduce International Sustainability and Carbon Certification (ISCC) PLUS-certified biogas. Under the agreement, ISF (Malaysia) will reduce CO<sub>2</sub> emissions by using methane gas recovered from wastewater in palm processing as an alternative to natural gas. This marks the Group's first initiative to replace natural gas with biogas.

In Japan, our Sakai Plant began procuring non-fossil certificates for electricity in fiscal 2024 and successfully made the electricity at the food product filling plant carbon neutral. In fiscal 2025, we plan to procure more non-fossil certificates to cover the increased emissions associated with business growth. Additionally, Daito Cacao and Settsu have begun purchasing green electricity. We intend to continue working together as a Group toward decarbonization.

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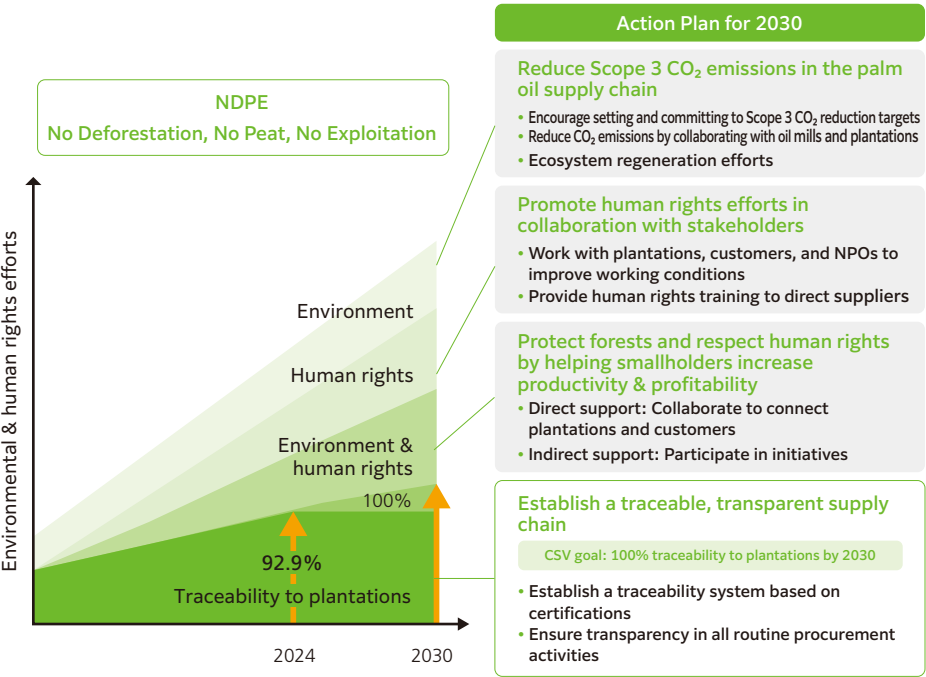
4. Transition plan for sustainable raw material procurement

Initiatives for sustainable palm oil procurement (Palm Oil Action Plan)

We view the resolution of environmental and human rights issues involving palm oil—one of our key raw materials—and the enhancement of its sustainability as initiatives that will directly lead to the sustainable growth of the Group. Toward that end, we must develop a full understanding of our supply chain and then implement the following initiatives in tandem:

- 1 Take steps to resolve environmental and human rights issues upstream at plantations and oil mills
- 2 Share social value created by resolving environmental and human rights issues with downstream processing manufacturers and consumers

Given this, we have positioned ISF (Malaysia), which serves as an important link from plantations to customers, at the core of our efforts to resolve environmental and human rights issues in the palm oil supply chain, and have promoted specific initiatives based on our Action Plan for 2030. We also aim to build a highly transparent supply chain by involving NGOs and other third parties and participating in relevant initiatives.



The Group's efforts to achieve sustainable raw material procurement revolve around ISF, which is located in a major palm oil-production area. Specifically, we are using certified oil to improve traceability to plantations. We are also working to build a highly transparent supply chain by collaborating with European confectionery companies and major sourcing plantations to help smallholders obtain RSPO\* certification, and participating in workshops of refiners, oilseed processors, plantations, and other organizations to share and address issues toward realizing NDPE. We are also working with NGOs and local communities on afforestation activities to protect forests.

In the future, ISF will serve as a link between plantations and oilseed processors on the one hand and food and confectionery manufacturers and other palm oil users in Japan and around the world on the other with the aim of establishing a framework for a stable supply of socially responsible and traceable palm oil.

\* Roundtable on Sustainable Palm Oil

Initiatives for sustainable cacao procurement (Cacao Action Plan)

Over the past several years, cocoa prices have surged due to unfavorable weather and disease in major production areas, increased global demand, and speculative activity. Daito Cacao, which manufactures and sells chocolate for commercial use, is making efforts to establish procurement routes that ensure traceability for sustainable cacao procurement. For example, the company evaluated the flavor and quality of new cacao and began procuring Nigerian cacao in October 2024. The company has also sold the ANTHEM series of chocolate products for commercial use made from certified cocoa beans since 2023, with the aim of improving the lives of plantation residents and workers and preventing deforestation. Daito Cacao is working to maintain flavor and quality and stabilize yields by participating in efforts to conserve the distinctively flavored Arriba variety, which is endemic to Ecuador, at plantations in the country. The company's plans for fiscal 2025 include a local test harvest.

Progress on the goal to establish a traceable, transparent supply chain

Palm Oil Action Plan

Initiatives	FY2024 results	FY2025 goal	FY2030 goal
Improve traceability to plantations	Palm oil: 92.9% (January–December)	Palm oil: Develop effective initiatives to achieve and maintain 100% traceability	Palm oil: 100%

Cacao Action Plan

Initiatives	FY2024 results	FY2025 goal	FY2028 goal
<ul style="list-style-type: none"><li>Establish procurement routes that ensure traceability</li><li>Expand certified cocoa products</li><li>Conduct flavor sustainability activities</li></ul>	Began procuring Nigerian cocoa beans that are traceable to plantations and are part of environmental and human rights support programs	Publish results of sustainable cocoa bean initiatives	Achieve production on plantations of Arriba cacao, an endemic variety in Ecuador



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# Corporate Governance

The Nisshin OilliO Group seeks to continually serve as a corporate group that helps build sustainability while earning the trust of its stakeholders. Accordingly, we will endeavor to enhance trust while strengthening corporate governance.



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Management Structure (as of September 30, 2025)

Directors

(1) Number of shares held (including shares to be delivered under the stock-based compensation plan) (as of March 31, 2025) (2) Tenure as director/Audit & Supervisory Board member (3) Attendance at Board of Directors' meetings (FY2024)



**Takahisa Kuno**  
Representative Director and President  
Date of birth: October 29, 1961  
Responsible for Corporate Management and Internal Audit Department  
(1) 30,125 (2) 11 years (3) 100%



**Masato Saegusa**  
Director and Senior Managing Officer  
Date of birth: September 22, 1960  
General Manager of Food Product Division; Responsible for Branch Operations  
(1) 12,473 (2) 4 years (3) 92%



**Masayuki Sato**  
Director and Managing Officer  
Date of birth: October 28, 1965  
General Manager of Technical Division and General Manager of Production Division  
(1) 7,451 (2) 1 year (3) 100%



**Taiji Teraguchi**  
Director and Managing Officer  
Date of birth: October 24, 1965  
Responsible for B2B Marketing, CDN Development, National Account Sales, and Product Application Development Center  
(1) 8,012 (2) Newly appointed



**Kenji Koike**  
Director and Managing Officer  
Date of birth: June 14, 1968  
Responsible for Corporate Finance and Oilseed Processing Management  
(1) 6,758 (2) Newly appointed



**Chiharu Takeshima**  
Director and Managing Officer  
Date of birth: June 5, 1969  
Responsible for Global Business and Strategic Business Development, North America  
(1) 0 (2) Newly appointed



**Isao Yamamoto**  
Outside Director  
Date of birth: May 2, 1957  
(1) 3,000 (2) 6 years (3) 100%  
Significant concurrent position: Representative Director of Enterprising Investment, Inc.



**Naomi Eto**  
Outside Director  
Date of birth: May 2, 1956  
(1) 1,000 (2) 3 years (3) 100%  
Significant concurrent position: Outside Director of Nippon Yakin Kogyo Co., Ltd.



**Satoko Shisai**  
Outside Director  
Date of birth: November 11, 1963  
(1) 200 (2) 1 year (3) 100%  
Significant concurrent positions: Outside Director of Mitsubishi Research Institute, Inc. Representative of AISHIS Consulting, Inc. Outside Director of Nippon Yusen Kabushiki Kaisha



**Katsuhito Oba**  
Audit & Supervisory Board Member (standing)  
Date of birth: March 12, 1962  
(1) 900 (2) 6 years (3) 100%



**Nobuyuki Watanabe**  
Audit & Supervisory Board Member (standing)  
Date of birth: May 26, 1963  
(1) 3,200 (2) 3 years (3) 100%



**Tomotake Kusamichi**  
Outside Audit & Supervisory Board Member  
Date of birth: October 18, 1972  
(1) 800 (2) 6 years (3) 100%  
Significant concurrent position: Attorney at law



**Keiko Mizuguchi**  
Outside Audit & Supervisory Board Member  
Date of birth: July 21, 1958  
(1) 100 (2) 1 year (3) 100  
Significant concurrent positions: Member of Committee on the System of Evaluating Incorporated Administrative Agencies, of Ministry of Internal Affairs and Communications; Member of Registration Examination Committee for Registered Auditors of Listed Companies, of Japanese Institute of Certified Public Accountants; Senior Fellow of Dai-ichi Life Research Institute Inc. (part-time)



**Arata Kobayashi**  
Senior Managing Officer  
Responsible for Corporate, Publicity & Advertising, and Quality Assurance

**Takashi Segawa**  
Executive Officer  
General Manager of HR; General Manager of Legal & General Affairs; General Manager of Health and Productivity Management; Responsible for HR Strategy

**Takayuki Mori**  
Executive Officer  
General Manager of Production Management Department; Responsible for Yokohama Isogo Plant, Nagoya Plant, Sakai Plant, Mizushima Plant, Mizushima Complex, and Safety Management & Disaster Prevention



**Hitoshi Kyuma**  
Executive Officer  
General Manager of Oilseed Processing Management Department

**Hidetaka Uehara**  
Executive Officer  
General Manager of Applied Research Laboratory; Responsible for Household-Use & Wellness Foods Business Strategy Center



**Osamu Kawabe**  
Executive Officer  
General Manager of Yokohama Isogo Complex; Responsible for Logistics

**Koji Miki**  
Executive Officer  
General Manager of Financial Department



**Katsushi Inoue**  
Executive Officer  
General Manager of Tokyo Branch; Responsible for Retail Support Marketing

**Eiji Yokoyama**  
Executive Officer  
General Manager of Production Planning Department; General Manager of Environmental Solutions



**Kazuhiro Sekiguchi**  
Executive Officer  
General Manager of Digital Innovation Department; Responsible for Sustainable Business Management Unit



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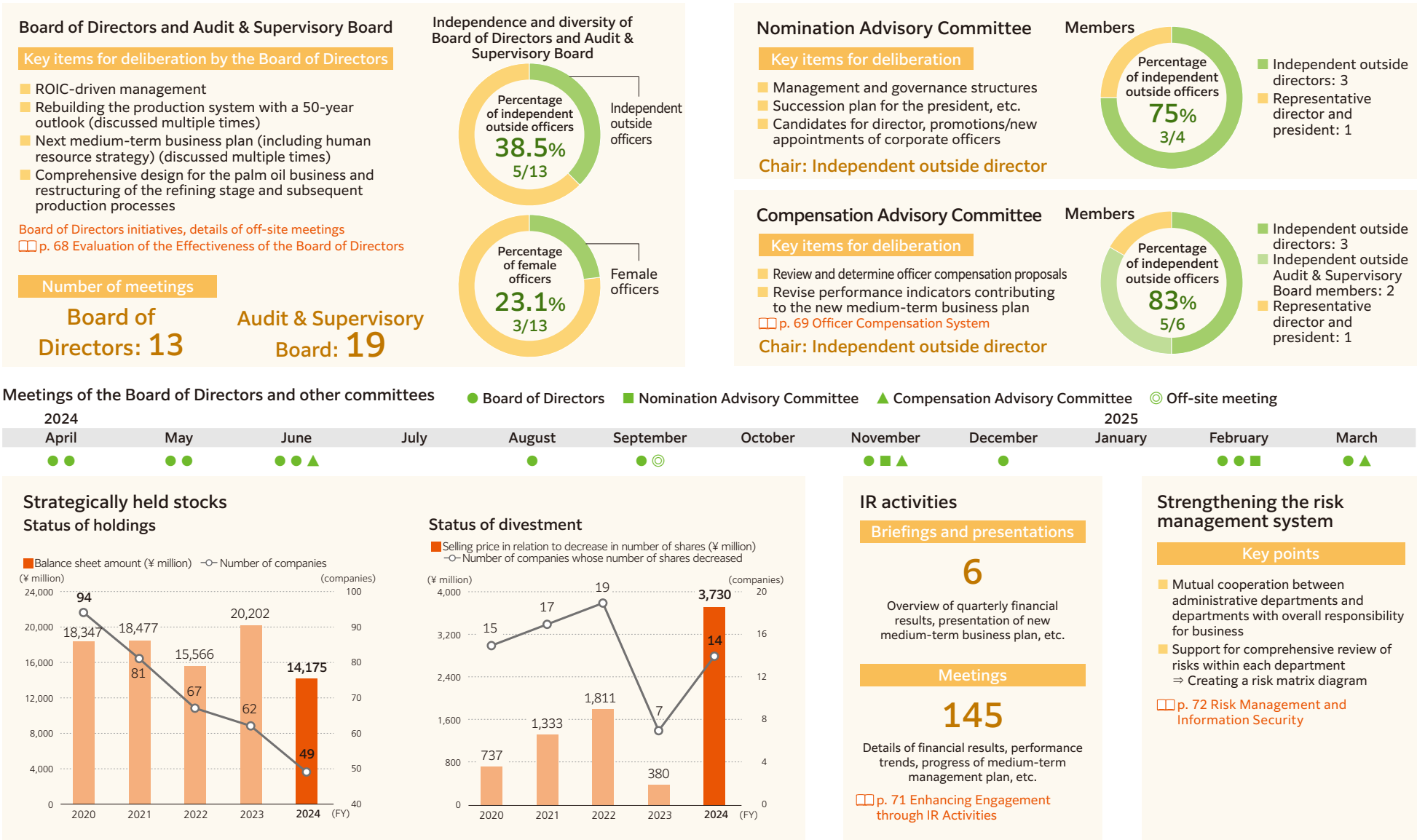
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**Meetings of the Board of Directors and other committees**

● Board of Directors   ■ Nomination Advisory Committee   ▲ Compensation Advisory Committee   ◎ Off-site meeting

2024	April	May	June	July	August	September	October	November	December	2025	January	February	March
●●		●●	●●▲		●	●◎		●■▲	●			●●■	●▲

**Strategically held stocks**

**Status of holdings**

■ Balance sheet amount (¥ million)   ○ Number of companies

(FY)	2020	2021	2022	2023	2024
Balance sheet amount (¥ million)	18,347	18,477	15,566	20,202	14,175
Number of companies	94	81	67	62	49

**Status of divestment**

■ Selling price in relation to decrease in number of shares (¥ million)   ○ Number of companies whose number of shares decreased

(FY)	2020	2021	2022	2023	2024
Selling price (¥ million)	737	1,333	1,811	380	3,730
Number of companies	15	17	19	7	14

**IR activities**

**Briefings and presentations**

**6**

Overview of quarterly financial results, presentation of new medium-term business plan, etc.

**Meetings**

**145**

Details of financial results, performance trends, progress of medium-term management plan, etc.

□□ p. 71 Enhancing Engagement through IR Activities

**Strengthening the risk management system**

**Key points**

- Mutual cooperation between administrative departments and departments with overall responsibility for business
- Support for comprehensive review of risks within each department  
⇒ Creating a risk matrix diagram

□□ p. 72 Risk Management and Information Security



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Dialogue with Outside Directors

Launching new medium-term business plan *Value UpX*

Strengthening our governance structure to achieve Vision 2030



Satoko Shisai  
Outside Director

Isao Yamamoto  
Outside Director

Naomi Eto  
Outside Director

Launching new medium-term business plan *Value UpX*

Key points in formulating the plan

**Eto** Since last summer, I have participated in discussions about formulating *Value UpX* and the plan was continuously examined at Board of Directors' meetings. During that time, I came to realize that there are two important areas: strengthening technology as the foundation for improving added value, and global strategy with our sights set on future growth markets. The four years of *Value UpX* will be a time of preparation to ensure that we achieve our envisioned growth as well as Vision 2030 to become a global top provider of oils & fats solutions. While formulating *Value UpX*, we focused on creating a convincing story while providing solid supporting evidence and materials to illustrate the strategies and technology we shall leverage to differentiate ourselves from our competitors in preparation for full-scale globalization.

**Shisai** I agree that globalization is a vital subject. We should consider whether we are truly ready to become a global company and the exact steps we need to take if we are serious about achieving this goal. Although ISF and some of our other businesses are active globally, we must take steps toward true globalization to go beyond surface-level overseas expansion. To fuel overseas expansion, we must hire and utilize diverse human resources. The key will be how earnestly we incorporate diversity and global perspectives into our human resource strategy, which is the core of our management. This means we must further enhance our strategies and strengthen our systems and mechanisms to responsively and properly accommodate diversity.



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**Yamamoto** When I attended meetings of the Management Sustainability Committee\* in fiscal 2024, I had the opportunity to provide input on many aspects of policy making and the preliminary preparation stages of the medium-term business plan. In terms of corporate finance, my area of expertise, the amount of time spent discussing ROIC at Board of Directors’ meetings has increased. We have also discussed ROIC within the Council of Outside Directors and Outside Audit & Supervisory Board Members and undergone the process for presenting the results at Board meetings. In the previous mid-term plan, we shifted our thinking and discussions from focusing on volume and utilization rates to enhancing profitability. This shift yielded certain results. Although we could not fully counter the surge in raw material prices for some products and other cost fluctuations in 2024, I think ROIC management allowed us to limit the decline in profits to a small extent.

In my opinion, we are finally having more in-depth discussions on departmental ROIC, cash flows, and other specific operational methods since incorporating ROIC as a performance target in fiscal 2023. Since the end of fiscal 2024, we have also made progress discussing how to set and monitor management non-sales indicators and targets. The task we now face is setting goals that encourage people on the front lines to take ownership.

\* The Management Sustainability Committee was dissolved following the fiscal 2025 revision of the committee and meeting structure.

**Distinctive winning formula of The Nisshin Oillio Group**  
**Yamamoto** When we talk about our “winning formula” for oils & fats solutions, outsiders may have a difficult time understanding what we mean. Our “winning formula” is the way we co-create value with our suppliers and

customers. A typical example of this is how we respond with sincerity to every one of our customers’ needs. But what that actually looks like is not always clear when viewed from outside. Restrictions on public disclosure prevent us from sharing information about many of the specific efforts we take with customers. Explanations given at Board meetings and off-site meetings have helped us understand more. We must communicate clearly and effectively our value co-creation initiatives and results to the outside world.

**Shisai** We have had many discussions focusing on that phrase, “the Group’s distinctive winning formula.” While we should continue to push the boundaries in the familiar business of oils and fats, it is sometimes necessary to explore areas that are outside the Group’s comfort zone. We spent a lot of time considering how to get investors and stakeholders to understand the Group’s distinctive “winning formula.”

**Yamamoto** At the heart of value co-creation is ingenuity and swift action to solve customers’ problems. Enabling quick responses and user participation are crucial. Leveraging digital infrastructure such as AI to facilitate swift and effective processes will be a key factor determining success or failure. I believe it is also important to share actual examples of successes and challenges to foster a pioneering mindset.

**Shisai** My specialty is IT, so I recommended that we promote digital innovation more actively to underpin our growth, core system, and infrastructure strategies. Under the previous medium-term management plan, investments in digital technology, IT, and R&D were considered costs in many cases. However, I see these investments and other infrastructure as being for growth, and I recommended that they be positioned as an item



under the ¥90 billion of growth investments.  
While individual departments are progressing in their digitization efforts, the bigger picture is not clear. This challenge should be addressed in an integrated manner throughout the entire value chain and all departments. Sales and marketing, R&D, and corporate departments should join IT departments in proactively using digital technology. Our corporate departments in particular could benefit greatly from the productivity improvements that come from operational efficiency as most are run with a small number of personnel. Intellectual property departments should also leverage AI to improve their competitiveness.  
**Eto** If we break down the parts of the medium-term business plan, each department has a broad range of tasks and roles. We need to set proper KPIs to serve as “winning formula” indicators so that people on the front lines have a clearer picture of the vision. Especially internally, we readily point to indicators like overseas sales as a percentage of total sales and added value, but the key is to define added value and set proper targets. Naturally, the necessary standards and contents vary by department, so it would be



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Dialogue with Outside Directors



best to design KPIs that employees can understand and pursue, and present them in ways that we Outside Directors can easily understand.

**Shisai** When I first saw the draft of *Value UpX*, I could sense the enthusiasm for growth, and I remember mentioning that reading the plan made me feel very excited. We should closely monitor progress and achievement levels to ensure that pursuing these lofty goals leads to results. To sustain expectations and motivation for change and translate them into growth, we must create working environments where employees can feel the difference in the Company, and we must also provide more opportunities for pioneering. Introducing ROIC brought the KPIs into clearer focus and tightened numerical control, but I still think we do not fully understand where the real hurdles that stand in the way of achieving goals lie at every location on the front lines. A foreign-owned company I was with previously encourages visualization of numbers and aggressive exploration, and they also consider withdrawing from endeavors that do

not produce results. For a company to grow, each employee must understand that their work is connected to achieving the medium-term business plan. We cannot grow by maintaining the status quo. Over the four years of *Value UpX*, employees must feel that the Company has changed.

Achieving Vision 2030 to become a global top provider of oils & fats solutions

CSV goals

**Eto** I think the Company's approach to CSV is an excellent framework that presents a common denominator between financial goals on the business side, and ESG and other non-financial goals. That said, when the entire medium-term business plan was expressed in terms of CSV, it felt very qualitative, and it was sometimes difficult to understand the course of action. To be specific, I thought it was necessary to clearly communicate how CSV is connected to global expansion and value enhancement. While the course of action for achieving the goals in *Value UpX* did not change substantially, the fact that they are now linked to specific quantitative indicators looks to me like significant progress.

**Yamamoto** While formulating *Value UpX*, one focus of our discussions was determining how to link the creation of social value to economic value. We discovered the connection during the discussion and then went even deeper.

For example, the Company's major aim is to become a global top provider of oils & fats solutions, but I was not clear on what that exactly looks like. To get a better picture of the vision, I challenged the Company to identify specific benchmark enterprises and take concrete steps toward

the vision with those companies in mind.

Under *Value UpX*, CSV goals are more aspirational in terms of environmental actions, which I feel has heightened the organization's pioneering mindset. As Ms. Shisai mentioned earlier, it will be important for everyone on the front lines to seriously pursue lofty goals with a sense of ownership, and for every employee to maintain a strong willingness to take on challenges.

**Shisai** Regarding CSV goals, it seems difficult to understand which products contribute to social value and to what extent. Although each business is evaluated based on categories such as Good Flavor and Health, the reality is that many products are mixed together, making it difficult to quantitatively determine their contribution. In the future, the Company needs a more detailed system for evaluating CSV goals. Developing a system that provides detailed output and recognizing the actual amount of value added should make each product's contribution of social value to the business more visible, further clarifying the Company's stance toward creating social value.

**Advancing diversification of human resources to support growth**

**Eto** The CSV goal (the social value we seek to achieve) in human resource management is "Creating innovation by enhancing fulfillment among diverse human resources and by enabling them to exercise their abilities." Earlier, Ms. Shisai mentioned that diversity of human resources is necessary for true globalization. In my view, the Company is characterized by an integrity-driven corporate culture and is quite homogeneous and "good-mannered." The organization would be more vibrant with a more diverse workforce in terms of gender, nationality, experience at other companies, and the like. The timing of capital and



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Dialogue with Outside Directors

digital investments, overseas expansion, and other investments also presents opportunities to develop human resources. I expect that the challenges the Company faces and the new experiences it gains will provide great opportunities for growth.

**Shisai** Topics pertaining to human resources are rarely discussed at Board meetings, and I have asked for information on personnel policies. On each occasion, human resources department has explained the current personnel system and makeup of employees in detail, giving us many opportunities to discuss human resources. These discussions offer valuable information for understanding how the Company is changing and the challenges it faces. In the future, I hope to see the Board of Directors provide a forum for thorough discussion on this topic.

Enhancing corporate value

**Eto** To advance globalization, differentiate ourselves from competitors, and enhance our core technologies, we should not only pursue short-term results but also thoroughly examine value-added business models and business portfolios to build a foundation for growth. We should also strengthen governance for managing intellectual property to promote global expansion in the future. The key to sustainable growth—especially when expanding into overseas markets and working with local subsidiaries—is group-wide management of technological assets. Developing rules and supervision systems toward that end and otherwise improving operation by managerial departments is the secret to success. I hope to support future intellectual property strategies while observing the development of the rules.

I eagerly anticipate the pursuit of profits under fair competition commensurate with the Group’s technological capabilities and investment in growth to enhance corporate value.

**Shisai** Since I became an Outside Director last year, I feel that it is no easy task to raise shareholders’ expectations as the top edible oil company in Japan in a mature industry. Investors asked questions about specific measures for B2B2C and the breakdown of the ¥90 billion investment announced as part of *Value Up+*, seeking more specific answers in particular about the breakdown and benefits of the investment. Structural reforms—namely changing the sales and marketing style through a shift in thinking, and transforming production and logistics processes—must also be undertaken to change the business portfolio and meet market expectations. As I see it, the share price and investors’ assessment of the Company may be improved if the Company clearly demonstrates its potential for evolution that will be valued in the future, highlighting how it has changed from a business that merely sells oils and fats. As an Outside Director, I will always keep stakeholder perspectives in mind and actively engage in discussions with the executives.

**Yamamoto** Given that the Company’s P/B ratio is still below 1x, the challenge is to convincingly demonstrate profitability and growth potential to set the stage for market expectations. For example, the Company must clarify the target market and market share for its CSV goals and present them to the world in a form that enables us to visualize what are commonly known as the total addressable market (TAM), the serviceable available market (SAM), and the serviceable obtainable market (SOM). A large TAM is likely to boost investor expectations, and the prospect of acquiring the SAM will



lead to higher expectations, namely the P/E ratio. Ultimately, the key is to be able to demonstrate sustainable ROIC, ROE, and other concrete results in the form of a SOM.

We must further expand dialogue with investors to foster their understanding of our “winning formula.” We must get even more creative with attempts to communicate with different investor bases in terms of IR marketing. It is crucial to enhance the dissemination of information that may lead to investment decisions by investors monitoring benchmark companies. The Company’s efforts are gradually yielding results, and we Outside Directors will continue to make concerted efforts to achieve an improved P/B ratio throughout *Value UpX*.



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# Messages from Audit & Supervisory Board Members



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## Effectiveness evaluations to continuously improve audit efficacy

Katsuhito Oba  
Standing Audit & Supervisory Board Member



As a company with an Audit & Supervisory Board, our strength is our ability to conduct audits with a high degree of freedom, independent of the Board of Directors and without outside interference. As a principle of auditing, we advocate preventive audits—audits that prevent problems—rather than waiting until something has happened to take action. Accordingly, I take it upon myself to gather information and seek answers, leaving nothing in doubt. I make a point in offering advice or suggestions according to the seriousness of my findings. The independent nature of the Audit & Supervisory Board means that we must review and improve ourselves to ensure that we are fulfilling the roles expected of us. For the past three years, the Audit & Supervisory Board has made efforts to evaluate our own effectiveness. The evaluations are characterized by a focus on the specific actions and approaches we should take to fulfill our responsibilities as Audit & Supervisory Board members when evaluating how well we have met those responsibilities, and interviews conducted by outside directors to ensure the objectivity of the evaluations. The issues identified in this process are reflected in the following year's activities to improve the effectiveness of our audits. As the Company pursues further growth based on Vision 2030 and our new medium-term business plan, *Value UpX*, our business domains and target markets will expand, and corporate governance and internal control will be increasingly important components of the corporate foundation. In my seventh year as an Audit & Supervisory Board member, I intend to utilize my past experiences to fulfill my responsibilities with the pride befitting my position, and contribute to strengthening the corporate governance of the Group so that we can meet the expectations of shareholders and other stakeholders.

## Monitoring efforts to strengthen corporate functions geared toward further global expansion

Keiko Mizuguchi  
Outside Audit & Supervisory Board Member



My experience includes financial analysis at foreign-owned financial institutions and ratings agencies, advisory work at a major auditing firm, and writing on sustainability at a think tank, all centered on corporate disclosure and corporate evaluation based on dialogue with management. I also draw upon my experience in deliberations on corporate disclosure and accounting systems and in auditing firm evaluations in my official capacities (member of Business Accounting Council, Certified Public Accountants and Auditing Oversight Board, Working Group on Corporate Disclosure of the Financial System Council, and Accounting Standards Board of Japan) to make recommendations and raise issues as an outside Audit & Supervisory Board member. The Company's Audit & Supervisory Board implements the audit plan to the letter, and the standing members thoughtfully deliver reports at our meetings to close the information gap with outside Audit & Supervisory Board members, listening carefully to the opinions of all the members. All of this makes me feel that the effectiveness of the Audit & Supervisory Board is quite high.

The Company needs its global stakeholders to understand its competitive advantages (technological capabilities, ability to procure sustainable palm oil, etc.) in its endeavor to become a global top provider of oils & fats solutions. For example, if a major global company looking to fulfill the requirements of the European Union's Corporate Sustainability Reporting Directive (CSRD) chooses the Company as a stable business partner for our competitive advantages and pays the premium, the Company could enjoy increased profits with improved ROIC. Given the prospect of further business expansion overseas, which is challenging for the head office to monitor, the Company absolutely must establish a system for identifying and controlling new risks. We are taking steps to clarify and institutionalize the Company's vision in Japan and around the world while also focusing on developing systems, including strengthening corporate functions for putting the right people in the right positions for global business and overseeing its global business portfolio. Expanding our focus to include future-oriented business reforms, I intend to contribute to strengthening corporate governance.

Corporate Governance Structure

Basic policy

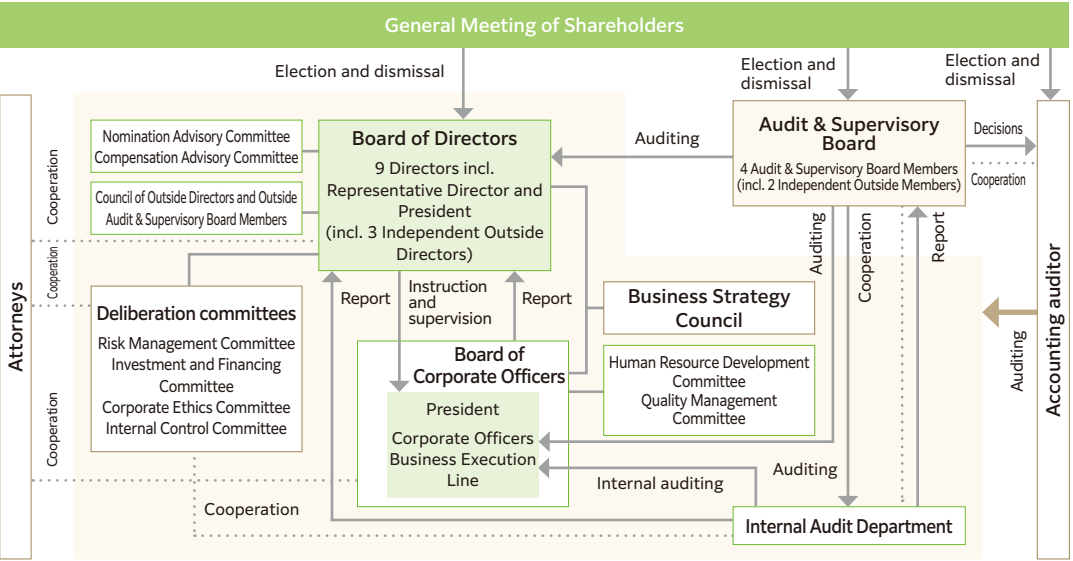
The Nisshin OilliO Group seeks to continually serve as a corporate group that helps build sustainability while earning the trust of its stakeholders, and under its Corporate Philosophy, it has cited its aim of contributing to the development of people, society, and the economy by pursuing and maximizing its corporate value. Meanwhile, The Nisshin OilliO Group Vision 2030 (hereinafter, "Vision 2030") contains strategic guidelines and objectives for 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. On this basis, The Nisshin OilliO Group will strive to develop positive relationships and build trust with its stakeholders, 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 & fats. We shall strive to generate diverse values and deliver Energy for Living to everyone.

Outline of corporate governance

Corporate governance structure chart



Notes: 1. Standing Audit & Supervisory Board members attend meetings of the Risk Management Committee, the Internal Control Committee, and the Business Strategy Council as observers.  
2. Aside from the above, a meeting body has been organized to ensure the effectiveness of auditing through regular information exchange and sharing between standing Audit & Supervisory Board members and corporate staff divisions.

Meeting body	Role	Number of independent outside officers/ Total number of members
Board of Directors	<ul style="list-style-type: none"><li>Deliberating on and determining matters stipulated in laws and regulations and key managerial matters</li><li>Management of the Group and supervision of business execution</li></ul>	3/9
Audit & Supervisory Board	<ul style="list-style-type: none"><li>Conducting audits of directors' performance of duties and corporate officers' business execution</li></ul>	2/4
Board of Corporate Officers	<ul style="list-style-type: none"><li>Deciding on significant issues within the authority delegated by the Board of Directors</li><li>Reporting and checking on the progress of business execution</li></ul>	-
Nomination Advisory Committee	<ul style="list-style-type: none"><li>Deliberating and evaluating candidates for director, and decision-making on a draft list of candidates</li></ul>	3/4
Compensation Advisory Committee	<ul style="list-style-type: none"><li>Reviewing of the compensation system for the directors, and deliberating on details of compensation</li></ul>	5/6
Business Strategy Council	<ul style="list-style-type: none"><li>Deliberating issues facing business strategy relating to the realization of the medium-term business plan</li></ul>	-
Council of Outside Directors and Outside Audit & Supervisory Board Members	<ul style="list-style-type: none"><li>Improving understanding of our business and strengthening cooperation</li><li>Exchanging of opinions to help improve the operations of directors</li></ul>	5/5



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Skills Matrix for Directors and Audit & Supervisory Board Members

The Nisshin OilliO Group has identified the skills necessary to achieve The Nisshin OilliO Group Vision 2030 (Vision 2030). The following are the skills possessed by the directors and Audit & Supervisory Board members, and our reasons for selecting those skills.

	Name		Corporate management	Sustainability/ESG	Finance/Accounting	Human resource management	Legal affairs/Risk management	Sales/Marketing	Production/R&D	International experience	IT/Digital
Directors	Takahisa Kuno	Male	●	●	●	●		●			
	Masato Saegusa	Male						●			
	Masayuki Sato	Male		●					●	●	
	Taiji Teraguchi	Male						●	●	●	
	Kenji Koike	Male			●			●			
	Chiharu Takeshima	Male		●				●		●	
	Isao Yamamoto	Male Outside	●	●	●					●	
	Naomi Eto	Female Outside	●	●			●				
	Satoko Shisai	Female Outside	●							●	●
Audit & Supervisory Board Members	Katsuhito Oba	Male					●	●			
	Nobuyuki Watanabe	Male	●		●	●	●				
	Tomotake Kusamichi	Male Outside					●				
	Keiko Mizuguchi	Female Outside		●	●		●			●	

Note: The above table does not represent the complete range of knowledge and expertise that the directors and Audit & Supervisory Board members possess.

Reasons for selection of skills

Corporate management	As we strive to achieve Vision 2030, through dialogue with various stakeholders, we will be required to use the experiences and results of corporate management to make key management decisions on business investments and other areas from a long-term perspective.	Sales/Marketing	Drawing on knowledge in sales and marketing, we need to forge ahead with developing mechanisms to create new value, further strengthening core competence, and expanding business domains, as well as to create oils & fats solutions through co-creation.
Sustainability/ESG	The Group is aiming for sustainable growth driven by creating shared value (CSV) with society, through finding solutions to challenges in the six priorities (materiality). This will require knowledge and experience in the environment, society, and governance.	Production/R&D	Our original and advanced technologies used in mastering the core competence of oils and fats are essential in becoming a global top provider of oils & fats solutions. Production is an important foundation for us to strengthen the competitiveness of oils and fats. Therefore, we are required to respond flexibly to various changes in the environment surrounding the manufacturing sector.
Finance/Accounting	We need to improve return on capital and achieve profitability that is definitely above the cost of shareholders' equity in order to move forward with initiatives to achieve Vision 2030.	International experience	We need to leverage our international knowledge and business experience overseas to drive forward initiatives to expand into new markets and create even more value, so that we can become a global top provider of oils & fats solutions.
Human resource management	Creativity rooted in diverse perspectives is essential for the sustainable growth of the Group. We need knowledge and experience in human resource strategies to prepare a work environment that welcomes a diversity of human resources, and to build a strong organization that can bring about innovation.	IT/Digital	We need to move forward with digital transformation (DX) and leverage the knowledge and experience in building an information base that uses digital technologies to promote investments in transformations that will ensure the future sustainability of our business and a competitive advantage.
Legal affairs/Risk management	To achieve sustainable growth, the Group needs to properly understand and respond to various risks in business operations. This also requires knowledge and experience in the law and corporate governance to achieve highly effective supervision and to build a system for risk management.		

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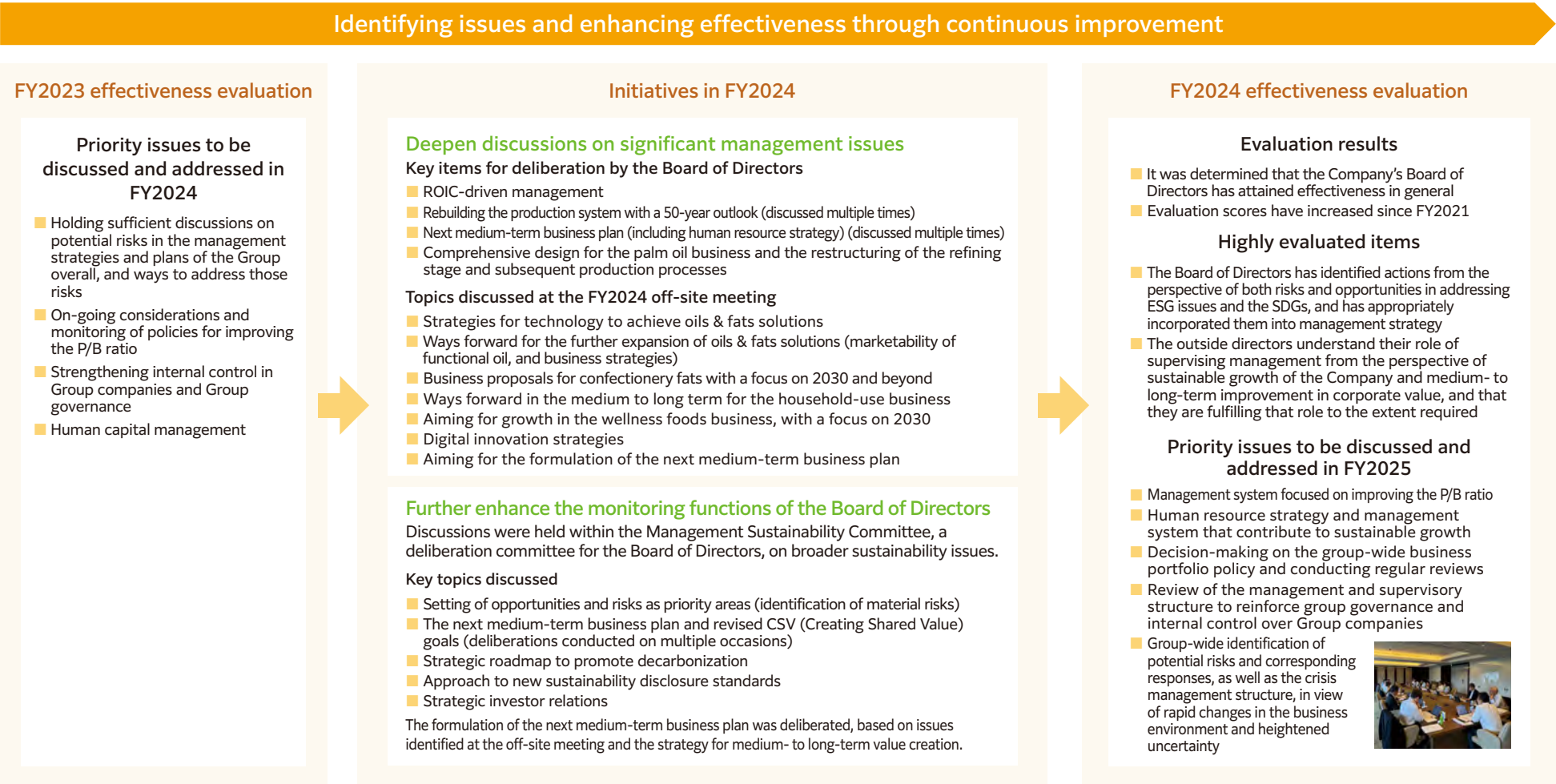
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# Evaluation of the Effectiveness of the Board of Directors

Using effectiveness evaluations to continuously strengthen corporate governance

Each year the Company conducts an evaluation of the effectiveness of the Board of Directors by the directors and Audit & Supervisory Board members. For these evaluations, we conduct questionnaire-based surveys with support from a third-party institution to ensure objectivity. We also engage in other efforts, including holding off-site meetings separately from regular Board of Directors' meetings. These off-site meetings are attended by all members of the Board of Directors and involve day-long discussions in pursuit of dedicating sufficient time for intensive deliberation.

Analyzing and evaluating the effectiveness of the Board of Directors  
<https://www.nisshin-oillio.com/english/inv/management/governance/evaluation.html>



Officer Compensation System

Compensation system to promote *Value UpX*

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 (chaired by an outside director) 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. The committee examines the officers' compensation program, reports to the Board of Directors on the appropriateness of the levels and percentages of fixed compensation, performance-linked bonuses, and medium- to long-term incentive compensation, taking into consideration trends at other companies, and otherwise focuses on transparency in making decisions on officer compensation. Notably, the compensation system was revised in fiscal 2025 to promote *Value UpX*.

Basic policy on director compensation

- Must encourage the realization of the Corporate Philosophy
- Must be designed in such a way that it reflects the Company's medium-term corporate strategy and must incentivize sustainable improvements in the Group's corporate value
- Must be at a level that allows the Group to secure quality personnel with management capabilities
- Must be designed to be transparent, fair, and rational from the perspective of accountability to shareholders, general employees, and other stakeholders, and decisions should be made to ensure this based on appropriate processes

Breakdown of compensation

Chairman and President

Basic compensation 58%	Bonuses 27%	Stock-based compensation 15%
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Other directors (excluding outside directors)

Basic compensation 68%	Bonuses 17%	Stock-based compensation 15%
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Basic compensation comprises 100% of compensation for outside directors and Audit & Supervisory Board members

■ Basic compensation (fixed compensation)

- Aimed at increasing the directors' motivation to accomplish their duties as well as clarifying their responsibilities, determined by position, in light of the significance of their duties, and paid in cash as monthly fixed compensation

■ Bonuses (performance-linked compensation)

- Performance-linked compensation aimed at enhancing the link between compensation and performance, and raising awareness toward achieving the medium-term management plan, determined based on the performance for the fiscal year (from April to March of the following year) and paid in cash in July of the following year
- Bonuses for individual directors are determined using the following formula, based on group-wide performance and individual evaluation, as well as a qualitative factor  
Individual bonuses = Basic bonus by position x Bonus factor  
Bonus factor = Group-wide performance factor x Individual evaluation factor ± Qualitative factor

- The group-wide performance factor is determined based on the financial indicators indicated below. Each of the degrees of achievement is multiplied by the evaluation weights and added together, and then determined within the range of 0.5 to 1.5
- The individual evaluation factor is determined within the range of 0.8 to 1.2, depending on the achievement of the major 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 accordance with the above indicators, the bonus factor is determined within the range of 0.4 to 1.8, in principle (the maximum range is between 0 and 2.0, including the qualitative factor)

Revision of performance indicators

To coincide with the launch of *Value UpX*, performance indicators for bonuses were revised as follows in fiscal 2025.

Financial indicators used as performance indicators in and after FY2025

Determination factor	Evaluation weight	FY2025 target	Reasons for choice of indicator	
Consolidated operating profit	Single-year target	70%	¥21,000 million	Key indicator of the Group's steady profit growth
ROIC	Single-year target	30%	5.3%	Key indicator of profitability and growth potential from the perspective of capital efficiency

Reference: Financial indicators used as performance indicators through FY2024

Determination factor		Evaluation weight	FY2024 target	FY2024 actual
Consolidated operating profit	Single-year target	70%	¥21,000 million	¥19,278 million
	Single-year target (based on compound annual average growth rate)	10%	¥17,000 million	¥19,278 million
ROIC	Single-year target	20%	5.0% or more	4.6%

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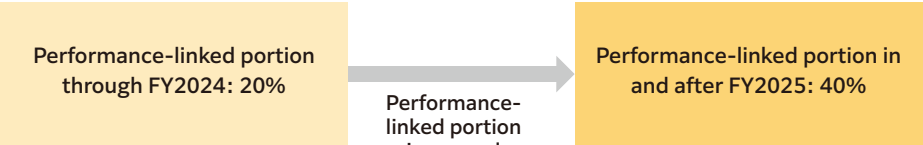
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Officer Compensation System

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

- Stock-based compensation is provided through a trust arrangement to enhance the linkage between directors' compensation and stock value, thereby fostering greater awareness among directors of their role in contributing to medium- to long-term performance improvement and corporate value growth. This is achieved by having directors share in the profits and risks associated with stock price fluctuations alongside shareholders.
- Stock-based compensation to be paid consists of a fixed portion and a performance-linked portion



- Points for the performance-linked portion are determined based on the achievement of ROE targets and ESG targets (contribution to sustainability) set for the period covered by the medium-term business plan, within a range of 0% to 200%

Revision of performance indicators

To coincide with the launch of *Value UpX*, performance indicators for stock-based compensation were revised as follows in fiscal 2025.

Performance indicators for stock-based compensation in and after FY2025

Determination factor		Evaluation weight	FY2028 target	Reasons for choice of indicator
ROE	Medium-term target	50%	8.0% or more	Key indicator of profitability and growth potential from the perspective of enhancing shareholder value
Achievement of ESG targets	Medium-term target for the reduction rate of Scope 1 and 2 CO <sub>2</sub> emissions (compared with FY2016)	50%	31%	Key initiative that contributes to mitigating climate change, fulfills our social responsibility, and leads to our long-term growth and increased competitiveness

Reference: Performance indicators for stock-based compensation through FY2024

Determination factor		Evaluation weight	FY2024 target	FY2024 actual
(Contribution to sustainability) ESG targets	Medium-term target for the reduction rate of Scope 1 and 2 CO <sub>2</sub> emissions (compared with FY2016)	50%	20%	20.7% (preliminary)
	Medium-term target for the percentage of management positions held by women (at the Company)	50%	8%	8.4%

We have set a CSV target for the percentage of management positions held by women and will continue to focus our efforts on achieving this target.

Amount of compensation, etc., of directors and Audit & Supervisory Board members in FY2024

Officer classification	Total compensation, etc. (¥ million)	Total compensation, etc., by category (¥ million)			Number of eligible officers
		Basic compensation (fixed compensation)	Bonuses (performance-linked compensation)	Stock-based compensation (non-monetary compensation)	
Directors (excluding outside directors)	276	182	52	41	7
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	44	44	–	–	2
Outside directors	32	32	–	–	4
Outside Audit & Supervisory Board members	18	18	–	–	3

Total amount of compensation, etc., by officer classification and by category and number of eligible officers  
Notes: 1. Persons that received compensation include one director, one outside director, and one outside Audit & Supervisory Board member who retired during fiscal 2024.  
2. The total amount of compensation for directors does not include the employee wage portion for directors who concurrently serve as employees.  
3. Bonuses include the estimated amount of payment, and the difference between the total amount of bonuses paid in July 2024 and the estimated amount disclosed in the annual securities report for the preceding fiscal year.



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Enhancing Engagement through IR Activities

Based on our healthy growth and stable business results, the Group has a policy of improving its corporate value, while building positive relationships with shareholders and investors through the appropriate disclosure of information and constructive dialogue.

Our Aim

In addition to striving to become a global top provider of oils & fats solutions, we must also increase our presence in the stock and investment markets as we seek to become a company recognized globally

Results of key IR activities

With the aim of fostering understanding and expectations with regard to strategies and measures aimed at realizing the Group’s Vision, the Group has committed to enriching the content of dialogue with shareholders and investors while maintaining collaboration among all corporate and other divisions, including the representative director and president, the officer in charge of the sustainable business management unit, and other members of the management; the departments in charge of IR, corporate planning, corporate sustainability strategy, and finance. In fiscal 2024, we held 151 meetings (including briefings) for securities analysts and analysts and fund managers of Japanese and foreign institutional investors. These meetings include the four annual financial results briefings for institutional investors and our presentation of *Value UpX* in March 2025. The Board of Directors receives feedback on the status of dialogue with institutional investors and the main opinions of investors from the IR Department on a quarterly basis, underpinning efforts to further enhance our corporate value. For example, in response to investors’ views at the briefing on our new medium-term business plan in March, we disclosed and explained the target values for each segment under *Value UpX* and our strategies for achieving them in greater detail at the full-year financial results briefing for fiscal 2024 held in May. Details about these briefings are available to all investors on our website.

IR activity policies

- Activity Policy 1

Deepen strategic approaches by considering investor attributes both domestically and internationally
- Activity Policy 2

Strengthen approach and dialogue measures for each institutional investor group
- Activity Policy 3

Strengthen disclosures to encourage new investments and continued holdings, including by individual investors
- Activity Policy 4

Enhance disclosures on the website as part of IR infrastructure development

Status and details of IR dialogues in fiscal 2024

	Number of sessions	Topics	Main dialogues
Financial Results Briefing	4	Overview of quarterly financial results, progress of medium-term management plan, etc.	<ul style="list-style-type: none"><li>Status of measures to restore revenue in the domestic oil and fat business</li><li>Global expansion and growth potential of the processed oil and fat and fine chemical businesses</li><li>Shareholder returns policy, etc.</li></ul> <a href="https://www.nisshin-oillio.com/english/inv/ir_library/financial_results_briefing.html">https://www.nisshin-oillio.com/english/inv/ir_library/financial_results_briefing.html</a>
New Medium-Term Business Plan Briefing	1	Strategies, goals, etc., of <i>Value UpX</i> medium-term business plan	<ul style="list-style-type: none"><li>Probability of achieving average profit target during the plan</li><li>Demonstration of competitive advantages to realize distinctive winning formula</li><li>Four-year approach to cash allocation, etc.</li></ul> <a href="https://www.nisshin-oillio.com/english/about_us/business_plan/">https://www.nisshin-oillio.com/english/about_us/business_plan/</a>
Overseas Processed Oil and Fat Business Briefing	1	Basic information on confectionery fats, etc.	<ul style="list-style-type: none"><li>Market outlook for cocoa beans</li><li>Background of price trends for CBEs and other confectionery fats products and their impact on the Company’s performance, etc.</li></ul>
IR meetings	145	Details of financial results, performance trends, market trends, progress toward achieving plans, non-financial information, etc.	<ul style="list-style-type: none"><li>Trends in short- to medium-term business performance, assumptions and thinking behind outlook</li><li>Implementation of growth strategies in each segment; probability of achieving the planned targets</li><li>Status of sustainability initiatives, etc.</li></ul>

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# Risk Management and Information Security

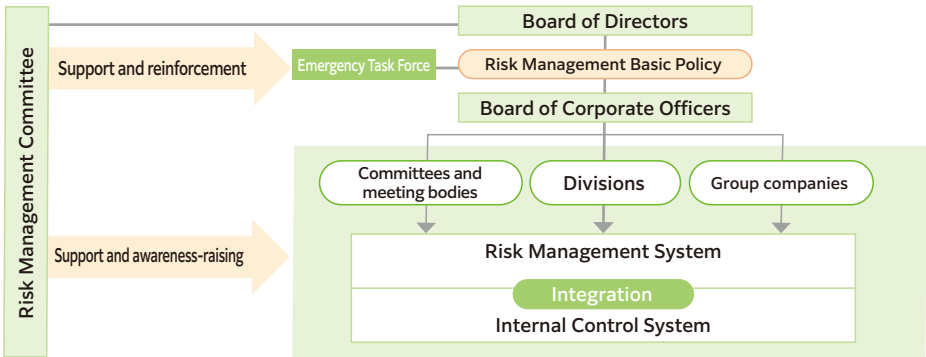
Strengthening the risk management system in terms of the value chain

Descriptions of material risks and measures for addressing them (from the Annual Securities Report)

<https://contents.xj-storage.jp/xcontents/26020/32a164c0/3733/4f58/ab59/e5dd8e6969ee/S100W0C9.pdf#page=43> (in Japanese only)

The Group defines uncertainties that will have a negative impact on the achievement of the corporate vision in its Vision 2030 and medium-term business plan *Value UpX*, as well as its business endeavors as “risks,” and carries out risk control efforts to mitigate them. Our Risk Management Committee comprehensively manages the group-wide risks and prepares an emergency system for responding to crises when risks materialize.

## Risk management system



## Promoting efforts to strengthen the system

In light of recent changes in the business environment, we are working to strengthen our risk management system.

### Key points of system strengthening

- 1. Mutual cooperation between administrative departments and departments with overall responsibility for business**  
To deal with material risks, we have shifted to a system involving mutual cooperation between administrative departments, which deal with risks directly related to the execution of their own business, and departments with overall responsibility for business which manage risks in specialized areas that arise throughout the organization or in multiple departments.
- 2. Support for comprehensive review of risks within each department**  
To exhaustively identify and organize risks, we created a new matrix diagram based on the four types of risks (strategic risks, financial risks, hazards, and operational risks) and the value chain, and have deployed it throughout the Group. This reinforces our comprehensive reviews of risks within each department.

## Risk matrix

	Value chain					
	Technological & product development, pre-marketing	Procurement	Production	Sales & logistics	Marketing & sales	Customer support
Overall management						
Strategic risks	Risks assumed when companies make strategic decisions					
Financial risks	Risks that could damage cash flow, profitability, and financial health					
Hazards	Natural disaster risks: Risks to corporate activities and business posed by natural disasters					
■ Risks that cannot be controlled by the Group alone due to external factors	Accidents and breakdowns: Risk of production stoppages due to accidents or breakdowns in production equipment					
■ Preparation for emergencies is key	Cyber security/information system risks: Risks of business interruption or leakage of confidential data due to attacks on IT systems, system failures, etc.					
Operational risks	Risks related to products and services: Risks related to incidents and accidents caused by defects in the products and services provided by the Company					
■ Risks that require mutual cooperation and response between administrative departments and departments with overall responsibility for business	Sustainability and environmental risks: Risks that hinder the pursuit of sustainable business activities and society					
■ Regular monitoring and quick action are key	Legal and compliance violation risks: Risks that a company will violate laws, regulations, internal rules, etc., in the course of its business activities					
	Human resources and labor risks: Risks related to employee work due to deviation from established rules, etc.					

## Risks related to legal compliance

- In fiscal 2024, we organized risk items as equivalent to material risks and worked to raise awareness throughout the Group through training and other measures.
- In fiscal 2025, we added the risks related to legal compliance to the Group’s material risks, and manage them accordingly.

### Information security: Relevant regulations, systems, security education, etc.

The Group regularly provides education and training to its employees in addition to taking technical measures such as introducing multiple security tools in order to ensure the stable operation and reliability of its information systems and prevent external attacks, information leaks, and other risks. Over the past several years, we have undergone objective risk assessments by outside experts and taken measures based on the results. We have also established a response manual and communication system for security incidents, regularly evaluate and review the status of our measures at information security meetings, and strive to make continuous improvements. Notably, we have introduced a standard information security policy for all Group companies to strengthen governance throughout the Group.



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## Performance and Corporate Information



Compliance

Practicing and institutionalizing ethics and norms

The Group considers compliance as more than merely complying with laws and regulations, but also with business ethics and societal norms. As such, the Code of Conduct of The Nisshin OilliO Group is positioned as a set of action guidelines for both complying with societal norms and realizing the Group's Corporate Philosophy. All officers and employees of The Nisshin OilliO Group have a full and complete understanding of the Code of Conduct, and actively conduct business operations with a strong sense of responsibility. As members of society, we comply with all relevant laws and regulations, and act in a manner that conforms to societal ethics and conventional wisdom.

**Group corporate ethics system**

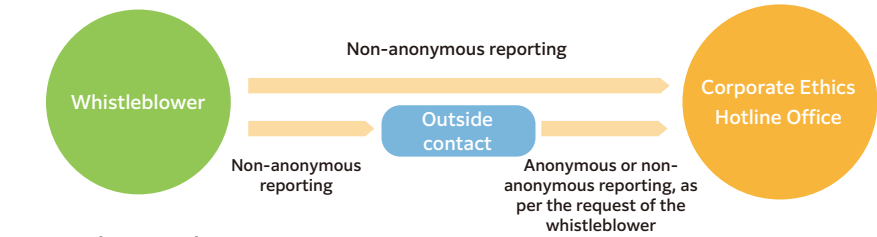
The Group has established The Nisshin OilliO Group Corporate Ethics Hotline as a reporting system separate from standard organizational reporting channels to convey crucial information regarding corporate ethics and legal violations throughout the Group (including subsidiaries) directly from worksites to management. The information submitted via the hotline is reviewed by the Corporate Ethics Committee and is dealt with appropriately. The Group takes due care to protect the privacy of whistleblowers, and responds with strict action on a corporate level against any unfavorable treatment of or retribution against them.

Compliance activities

■ Monitoring

The Company regularly monitors the status of measures to address the legal risks and compliance in various fields on a group-wide basis, and is also committed to the promotion of compliance. With main themes including legal compliance system, labor law (labor management, elimination of harassment, etc.), competition law (cartel prevention, compliance with the Subcontract Act, etc.), quality management, information management (intellectual property rights, personal information protection, etc.), and anti-corruption, we are taking steps to enhance risk management by sustaining the PDCA cycle through improvements, measures to enhance literacy, and other measures based on objective facts derived from observations of organizational conduct.

The Nisshin OilliO Group Corporate Ethics Hotline



■ Compliance education

The Group conducts ongoing education and awareness-raising activities for officers and employees with the aim of promoting and reinforcing compliance. In fiscal 2024, we invited attorneys to provide education on compliance with the Antimonopoly Act. During the first half, we hosted training on preventing cartels, bid rigging, and bid-winner adjustments. During the second half, we held a lecture titled “Price Pass-Throughs and the Antimonopoly & Subcontract Acts” to ensure that, as prices continue to rise, our actions as an ordering party do not constitute abuse of a superior bargaining position under the Antimonopoly Act or the Subcontract Act.

Along with these initiatives, we also held the quiz-style Compliance Challenge for all employees in fiscal 2024, with the aim of spreading and establishing compliance and the Code of Conduct of The Nisshin OilliO Group. A notebook-sized booklet of the Code of Conduct of The Nisshin OilliO Group is distributed to officers and employees.

**FY2024 Compliance Challenge**

Participation rate: **100%**

Number of participants: **3,478**

Target: Employees of The Nisshin OilliO Group and domestic and overseas affiliates

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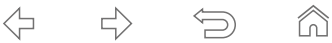
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Performance and Corporate Information



# Performance and Corporate Information



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Management Discussion and Analysis (MD&A) of Financial Position and Results of Operations

Operating results

In fiscal 2024, the global economy maintained solid growth as exemplified by the recovery in personal spending in various countries due to the easing of inflationary pressure coming off of the shift to monetary easing. In Japan, the impact of rising prices yielded some stagnation in consumption, particularly of foodstuffs. However, the likes of improved income gave way to a recovery in personal spending, and inbound demand grew against the backdrop of the depreciated yen. Due largely to such factors, the economy recovered moderately. Under such circumstances, the Group mobilized its basic policy, “Transform ourselves into a corporate group that continuously creates diverse values through customer centricity,” in advancing the *Value Up+* medium-term management plan. The Group is accelerating its growth trajectory through its CSV goals that serve as growth drivers within each of the six priorities under its Vision 2030. Leveraging The Natural Power of Plants as a foundation for value creation, the Group will also pursue sustainable growth while cultivating diverse values that can be shared with society. Additionally, under the *Value UpX* new medium-term business plan launched in fiscal 2025, the Group will make progress to achieve its fiscal

2028 performance targets of ROE of 8.0% or higher and ROIC of 6.0% or higher and improve profitability and asset efficiency.

Overview by segment

Oil and Fat

In terms of the oil and meal category, eating out and tourism picked up due to a recovery in domestic flows of people, along with an increase in inbound demand, resulting in higher sales volumes of products for commercial-use and for food processing. Where sales prices are concerned, while prices of raw materials fell over the previous fiscal year, a harsh cost environment characterized by the rising costs involved with the oils and fats business as a whole, including logistics and depreciation of the yen against the US dollar, prompted us to push forward with the revision. However, due to conditions in the oil and meal product market and heightened awareness among consumers to protect their livelihoods, the revision of sales prices was delayed beyond the original schedule. This, plus effects from higher olive oil costs, resulted in a decline in sales and profit. The Oil and Fat segment overall reported an

increase in net sales, but despite higher sales and profit for processed oil and fat, the operating profit decreased.

Processed Food and Materials

In the Processed Food and Materials segment, net sales and operating profit increased due to sales of chocolate products and functional materials and foods at appropriate prices. In chocolate products, Daito Cacao made progress in setting appropriate sales prices against costs amid rising raw material prices, leading to increases in net sales and operating profit. In the functional materials and foods business, net sales decreased due to decreases in unit sales prices in response to lower costs for MCT and other factors. However, operating profit increased due to higher sales volume of low-volume, high-energy foods and sales at appropriate prices.

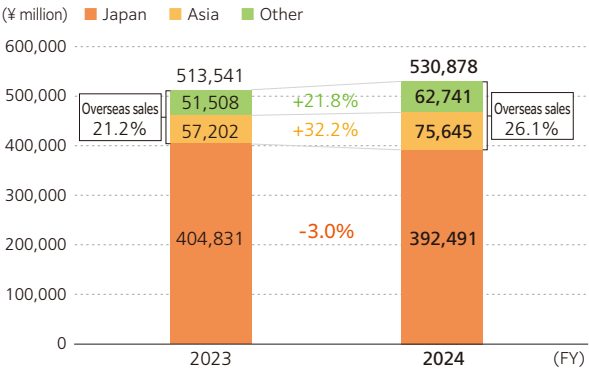
Fine Chemical

In the Fine Chemical segment, sales of cosmetic ingredients trended favorably, primarily in the makeup market. As a result, net sales and operating profit increased.

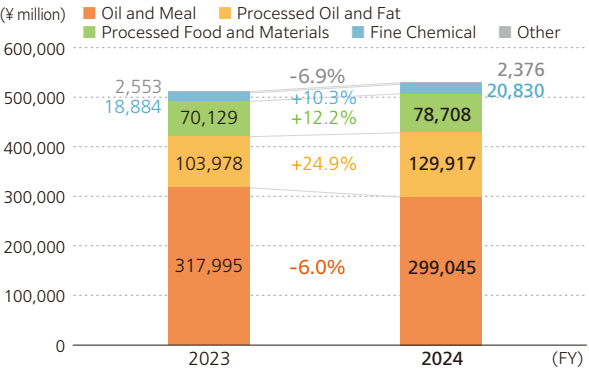
Other

In the other business segment, both net sales and operating profit decreased.

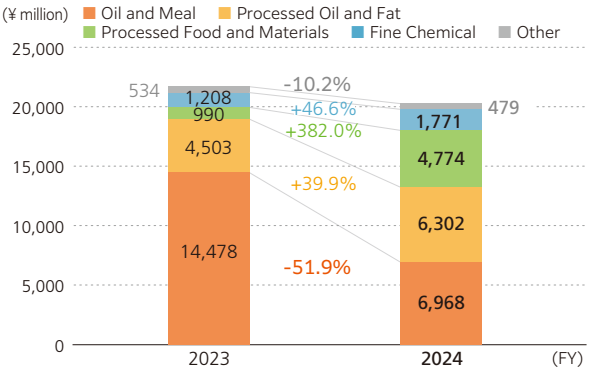
Net sales by region



Net sales by segment



Operating profit by segment



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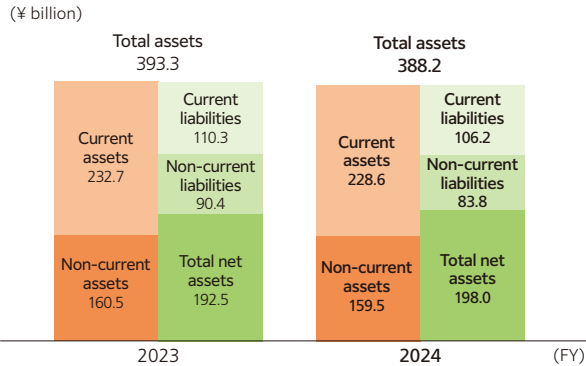
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Financial position

Total assets on March 31, 2025, stood at ¥388,242 million, down by ¥5,140 million from the previous fiscal year-end. The main reasons for this decrease were decreases of ¥3,286 million in cash and deposits, ¥6,943 million in trade receivables, and ¥6,086 million in investment securities. This decrease in total assets was partially offset by increases of ¥5,667 million in inventories and ¥4,952 million in property, plant and equipment.

Total liabilities stood at ¥190,156 million, down by ¥10,664 million from the previous fiscal year-end. The main reasons for the decrease were decreases of ¥10,000 million in current portion of bonds payable, ¥1,817 million in accounts payable - other, ¥917 million in accrued expenses, ¥3,042 million in income taxes payable, and ¥6,008 million in long-term borrowings. This decrease in liabilities was partially offset by increases of ¥1,175 million in trade payables and ¥9,824 million in short-term borrowings. Total net assets stood at ¥198,086 million, an increase of ¥5,523 million from the previous fiscal year-end. The main factor was an increase of ¥6,752 million in retained earnings, but this increase in net assets was partially offset by a decrease of ¥2,252 million in accumulated other comprehensive income.

Changes in total assets



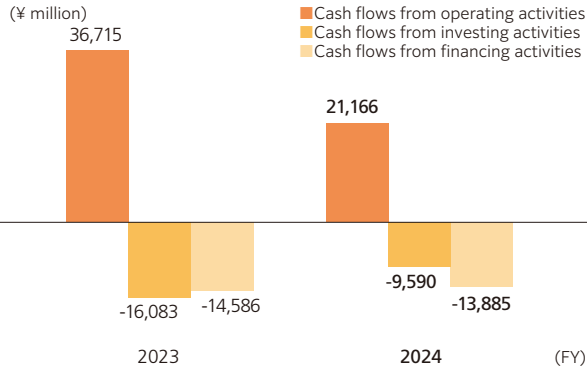
Cash flows

Operating activities provided net cash of ¥21,166 million. The main factors increasing cash were profit before income taxes of ¥19,855 million, depreciation of ¥10,463 million, a decrease in trade receivables of ¥7,520 million, and an increase in trade payables of ¥1,090 million. The main factors decreasing cash were an increase in inventories of ¥5,001 million and income taxes paid of ¥7,921 million.

Investing activities used net cash of ¥9,590 million. The main factor decreasing cash was purchase of property, plant and equipment of ¥15,474 million.

Financing activities used net cash of ¥13,885 million. The main factor increasing cash was net increase in short-term borrowings of ¥4,390 million. The main factors decreasing cash were repayments of long-term borrowings of ¥999 million, redemption of bonds of ¥10,000 million, and dividends paid of ¥6,488 million.

Changes in cash flow



Capital investment and R&D

**Capital investment**

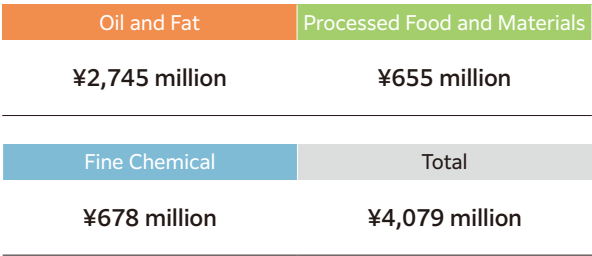
In accordance with our basic policy of continuing with business restructuring while shifting focus to a more growth-oriented path, the Group made capital expenditures of ¥14,934 million, mainly in the Oil and Fat business and the Processed Food and Materials business, with emphasis on the returns on investment and taking into consideration strategic factors, importance and urgency.

Capital expenditures amounted to ¥12,012 million in the Oil and Fat business, ¥2,398 million in the Processed Food and Materials business, ¥450 million in the Fine Chemical business, and ¥73 million in Other businesses.

**R&D**

Total R&D expenses in fiscal 2024 amounted to ¥4,079 million (¥3,519 million in the previous fiscal year), and R&D expenses by segment are as follows.

R&D expenses



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(¥ million)											
Fiscal year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Performance, etc.											
Net sales	329,267	327,836	324,909	337,998	343,059	333,416	336,306	432,778	556,565	513,541	530,878
Cost of sales	279,946	278,591	271,036	285,084	284,115	271,899	275,916	375,791	490,942	439,224	456,094
Selling, general and administrative expenses	43,746	42,115	43,639	43,811	45,994	48,383	48,065	45,317	49,436	53,476	55,504
Operating profit	5,574	7,129	10,234	9,102	12,948	13,133	12,324	11,670	16,186	20,840	19,278
Operating profit margin (%)	1.7	2.2	3.1	2.7	3.8	3.9	3.7	2.7	2.9	4.1	3.6
Profit before income taxes	6,285	7,529	11,075	10,125	13,148	12,724	12,192	12,095	15,323	21,169	19,855
Profit attributable to owners of parent	3,447	5,020	7,569	6,930	9,044	8,293	9,244	8,595	11,157	15,148	12,850
Capital expenditure	6,511	9,461	7,699	10,351	12,050	12,572	17,983	9,249	10,270	19,113	14,934
Depreciation	5,813	6,022	6,152	6,385	7,014	7,485	8,061	8,876	9,388	9,287	10,463
R&D expenses	1,857	1,768	1,871	2,157	2,299	2,343	2,495	2,702	3,128	3,519	4,079
Cash flows from operating activities	12,705	6,800	13,697	5,667	20,718	22,421	6,340	-26,631	398	36,715	21,166
Cash flows from investing activities	-4,303	-7,947	-5,697	-10,795	-11,270	-14,242	-14,626	-9,327	-6,143	-16,083	-9,590
Cash flows from financing activities	-6,966	1,078	-405	11,776	-16,949	2,244	-5,814	34,473	6,342	-14,586	-13,885
Cash and cash equivalents at end of period	7,402	6,721	13,995	20,903	13,140	23,552	9,256	7,875	10,899	16,483	14,420
Financial information											
Total assets	241,625	232,309	245,831	273,152	265,285	277,425	292,154	344,506	374,453	393,382	388,242
Equity capital	120,182	116,638	123,204	133,230	139,561	139,343	145,552	156,225	162,559	182,622	187,146
Interest-bearing debt	46,472	47,505	48,245	61,620	45,686	53,985	55,217	93,566	105,814	96,946	90,762
Cash and deposits	9,096	8,162	14,522	18,514	14,890	25,317	11,036	9,977	13,036	20,434	17,147
Per-share information											
Basic earnings per share (¥)	103.75	151.08	227.83	203.94	264.96	244.66	278.34	265.24	344.25	467.37	396.41
Dividend*1 (¥)	50	50	50	60	80	80	80	90	120	170	180
Financial indicators											
ROE (%)*2	3.0	4.2	6.3	5.4	6.6	5.9	6.5	5.7	7.0	8.8	7.0
ROIC (%)*3	2.7	3.4	4.6	3.9	5.3	4.5	5.1	4.1	4.5	5.1	4.6
Equity ratio (%)	49.7	50.3	50.1	49.0	52.6	50.2	49.8	45.3	43.4	46.4	48.2
CCC (days)*4	93.77	95.09	96.21	94.73	94.25	94.32	97.36	95.71	96.86	115.15	109.37
Non-financial indicators											
Number of employees (consolidated)	2,665	2,692	2,731	2,769	2,786	2,900	3,001	2,987	3,001	3,078	3,254

\*1 Figures from FY2014 to FY2017 adjusted to reflect the 1-for-5 reverse stock split conducted on October 1, 2017  
\*2 ROE = Profit / ((Equity capital at beginning of period + Equity capital at end of period) / 2)  
\*3 ROIC = (Operating profit after tax + Equity in earnings of affiliates) / ((Invested capital at beginning of period + Invested capital at end of period) / 2)  
\*4 CCC = Trade receivables turnover period + Inventories turnover period - Trade payables turnover period



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Performance on CSV Goals for FY2024

Good health for all

CSV Goal	FY2024 target	FY2024 actual
Increase the growth rate of health science products that generate health and energy at different life stages (compared with FY2019)* <sup>1</sup>	150%	143%
Develop products to improve health issues by utilizing our lipid nutrition knowledge* <sup>2</sup>	Acquire evidence and release products involving preventing frailty and improving on metabolic syndrome (more than 20 products in total since FY2022)	■ Acquired five pieces of evidence involving “fat burning,” preventing frailty (maintaining leg muscle strength of middle-aged and elderly people), reducing fatigue, etc. ■ Released or updated six products promoting “fat burning,” nutritional supplementation, etc.: 35 products in total since FY2022
Expand the number of people provided with health information to promote optimal lipid intake (cumulative total since FY2021)* <sup>3</sup>	Cumulative: 130 million	Cumulative: 150 million

\*1 MCT oil and processed foods, healthy oils, supplement-type oils, wellness foods, and other products that can contribute to measures against lifestyle-related diseases/disorders, frailty, and other maladies.  
\*2 Products that can contribute to resolving undernutrition, overnutrition, and personal health issues.  
\*3 Health information about lipids refers to information that helps improve on undernutrition and overnutrition and resolve personal health issues, and leads to correct understanding and increased value of oils and fats.

Quality of life

CSV Goal	FY2024 target	FY2024 actual
Refine brands to offer a higher quality of life through Good Flavor for foods	Release and develop products that embody values we can share with customers	Released new products that taste good and are healthy and otherwise enjoyable to counter the expanded rice bran oil market, surging olive oil prices, etc.
Create products that pursue Good Flavor and Beauty	Contribute to the enrichment of home dining by popularizing edible oils that make food taste better simply by pouring them on (expand touchpoints with customers, cultivate the flavored oil market)	■ Introduced new products to revitalize the flavored oil market ■ The flavored oil market size: +168% YoY
Increase the growth rate of beauty-enhancing products (compared with FY2019)* <sup>4</sup>	150%	146%

\*4 Cosmetic ingredients: Nisshin OilliO, IQL, NOST  
Chemical products (health and sanitation management business): Settsu

Global environment

CSV Goal	FY2024 target	FY2024 actual
Reduce Scope 1 and 2 CO <sub>2</sub> emissions (compared with FY2016)	20%	20.7% (preliminary)
Reduce Scope 3 CO <sub>2</sub> emissions (compared with FY2020, starting with Categories 1 and 4)	By 2026, acquire science-based reduction targets and commitments to them from suppliers covering 70% of emissions from purchased products and services and transport (upstream)	■ Held detailed discussions with Canadian industry groups via the Japan Oilseed Processors Association on methods of calculating CO <sub>2</sub> emissions; conducted interviews with Brazilian industry groups ■ Utilized environmentally conscious vessels (docked at Nagoya Plant in November) ■ Requested cooperation from suppliers to visualize and reduce CO <sub>2</sub> emissions
Reduce plastic containers/packaging and promote resource recycling	70% introduction rate of environmentally conscious materials in products in the household-use category* <sup>5</sup>	■ Introduction rate of environmentally conscious materials in products in the household-use category: 52% ■ Reduction of petroleum-based plastic used for containers: 3.9%
Develop products/services that use plant resources and the Company's technology and have a positive environmental impact (cumulative total since FY2021)	Cumulative: 80 products/services	Cumulative: 54 products/services ■ Expanded adoption of our products as mineral oil substitutes and in other new industrial applications ■ Promoted development of products that contribute to food loss, plant-based and environmentally conscious cosmetic ingredients, etc.

\*5 Edible oil products in the household-use category

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Performance on CSV Goals for FY2024

Contribution to the food value chain

CSV Goal		FY2024 target	FY2024 actual
Stably supply food energy in Japan (percentage of total domestic energy)		6% or more	7.6%
Provide solutions by demonstrating product application development functions Increase the number of cases (compared with FY2019)		130%	131%
Progress and results of other major initiatives			Launched Incubation Square, a center for co-creation with customers, in May (161 visitors)

Supply chain connected by trust

CSV Goal		FY2024 target	FY2024 actual
Advance and fortify business operations based on respect for human rights		Launch full-scale due diligence on human rights in the supply chain	Conducted SAQ*6 for high-priority soybean, rapeseed, and palm oil procurement and logistics partners
Improve traceability to plantations (palm oil)		Develop effective initiatives to achieve and maintain 100% traceability	92.9% (Jan–Dec)
Promote sustainable soybean procurement		Sustainable soybean procurement predicated on stable supply	Explained supplier guidelines to suppliers, conducted CSR questionnaire Promoted study on soybean procurement that allows visualization of CO <sub>2</sub> emissions during soybean production Considered procurement of RTRS-certified*7 and traceable soybeans
Promote sustainable cacao procurement		Sustainable cacao procurement predicated on stable supply	Began procuring Nigerian cocoa beans that are traceable to plantations and are part of environmental and human rights support programs
Establish a sustainable, competitive logistics system	Increase the F-LINE co-distribution rate to make transport and loading more efficient	20%	14%
	Reduce truck drivers' time spent at Company plants	Average: 60 minutes	Average: 65 minutes (as of March 2025)

\*6 Self-Assessment Questionnaire  
\*7 RTRS: Round Table on Responsible Soy Association

Human resource management

CSV Goal		FY2024 target	FY2024 actual
Resonate with the Group's philosophy and vision	Increase the resonance index for the Group's Corporate Philosophy and Vision 2030	Set goals after investigating circumstances	93.9% of employees resonating 13.3% of core group resonating strongly
Build a strong workforce	Maintain and expand annual training and education expenditure per full-time employee as a proactive investment in human resource development	¥78,000 or more	¥72,000
Leverage diverse talent	Expand employees' growth orientation and sense of growth through work	Set goals after investigating circumstances	Growth-oriented: 95% Feel they are growing: 80.5%
Evolve into an organizational culture that creates innovation	Increase the percentage of management positions held by women (non-consolidated)	8%	8.4%
	Increase the percentage of employees who feel fulfilled at work	Set goals after investigating circumstances	69.9%
	Increase the percentage of employees who feel fulfilled at work (non-consolidated)	70%	68.7%

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Company Information

Corporate Profile

Company name	The Nisshin Oillio Group, Ltd.
Head office	1-23-1 Shinkawa, Chuo-ku, Tokyo 104-8285 Japan Tel: +81-3-3206-5005
Paid-in capital	¥16,332 million (as of March 31, 2025)
Net sales	¥530,878 million (consolidated; fiscal year ended March 31, 2025)
Number of employees	3,254 (consolidated; as of March 31, 2025)

Principal Shareholders (as of March 31, 2025)

Shareholder	Number of shares held (thousands)	Percentage of total shares (%)
Marubeni Corporation	5,200	15.96
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,689	14.40
Custody Bank of Japan, Ltd. (Trust Account)	2,769	8.50
DFA International Small Cap Value Portfolio	624	1.92
Kikkoman Corporation	470	1.44
STATE STREET BANK AND TRUST COMPANY 505223	413	1.27
STATE STREET BANK WEST CLIENT – TREATY 505234	353	1.09
Sompo Japan Insurance Inc.	353	1.08
STATE STREET BANK AND TRUST COMPANY 505001	352	1.08
Nippon Life Insurance Company	319	0.98

Notes: 1. The Nisshin Oillio Group holds 1,140,286 shares of treasury stock, but it is not listed among the principal shareholders above.  
2. The percentage of total shares issued is calculated excluding treasury stock.

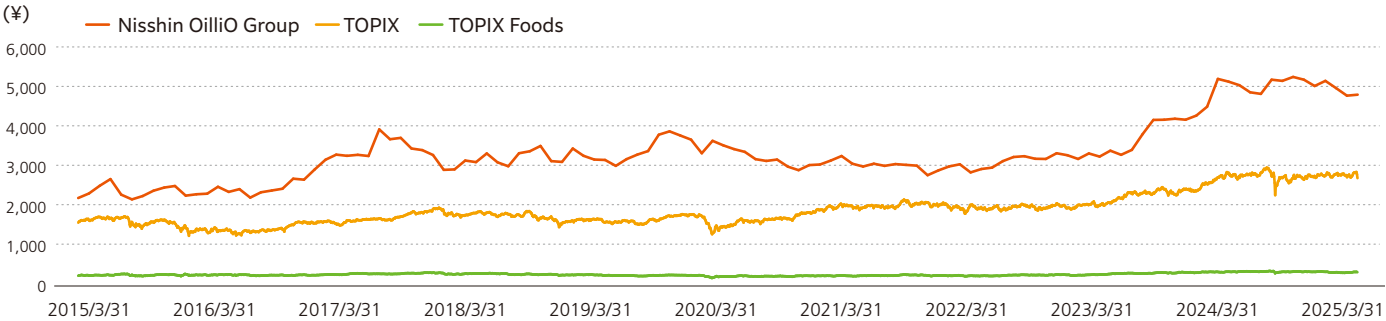
Status of Shares (as of March 31, 2025)

Authorized	Issued	Number of shareholders
77,670,000 shares	32,575,971 shares (excluding 1,140,286 shares of treasury stock)	54,363

Breakdown of Shareholders (as of March 31, 2025)

	Percentage of shares (%)	Number of shareholders	Number of shares held
Domestic companies	22.33	338	7,529,312
Financial institutions	26.96	24	9,091,017
Individuals and others	27.94	53,640	9,419,431
Foreign entities	17.07	324	5,753,785
Securities companies	2.32	36	782,426
Treasury stock	3.38	1	1,140,286

Changes in Share Price



Indexes, External Initiatives, and Third-Party Certifications  
<https://www.nisshin-oillio.com/english/sustainability/certification/>

Inclusion in Indexes

2025 CONSTITUENT MSCI NIHONKABU  
ESG SELECT LEADERS INDEX

The inclusion of The Nisshin Oillio Group, Ltd. in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute sponsorship, endorsement or promotion of The Nisshin Oillio Group, Ltd. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.



Third-Party Certifications



CDP A List 2024



Platinum Kurumin



White 500 (Large Enterprise Category)



Eruboshi



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