

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) 7,451 (2) 1 year (3) 100%



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%
Significant concurrent position:
Attorney at law



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)

Corporate Officers

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

Masahiko Oka
Senior Managing Officer
General Manager of Processed Oil/Fat & Soy Protein Division; Responsible for Bulk Oil Delivery Support

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

Yoshiharu Okano
Managing Officer
Responsible for Fine Chemical business and businesses in China

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

Koji Miki
Executive Officer
General Manager of Financial Department

Takahiro Saito
Managing Officer
Assistant General Manager of Food Product Division

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

Eiji Yokoyama
Executive Officer
General Manager of Digital Innovation Department; Responsible for Sustainable Business Management Unit

Koyo Nonaka
Managing Officer
Deputy General Manager of Food Product Division; Responsible for Household-Use, Commercial-Use, and Wellness Foods Business Strategy

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

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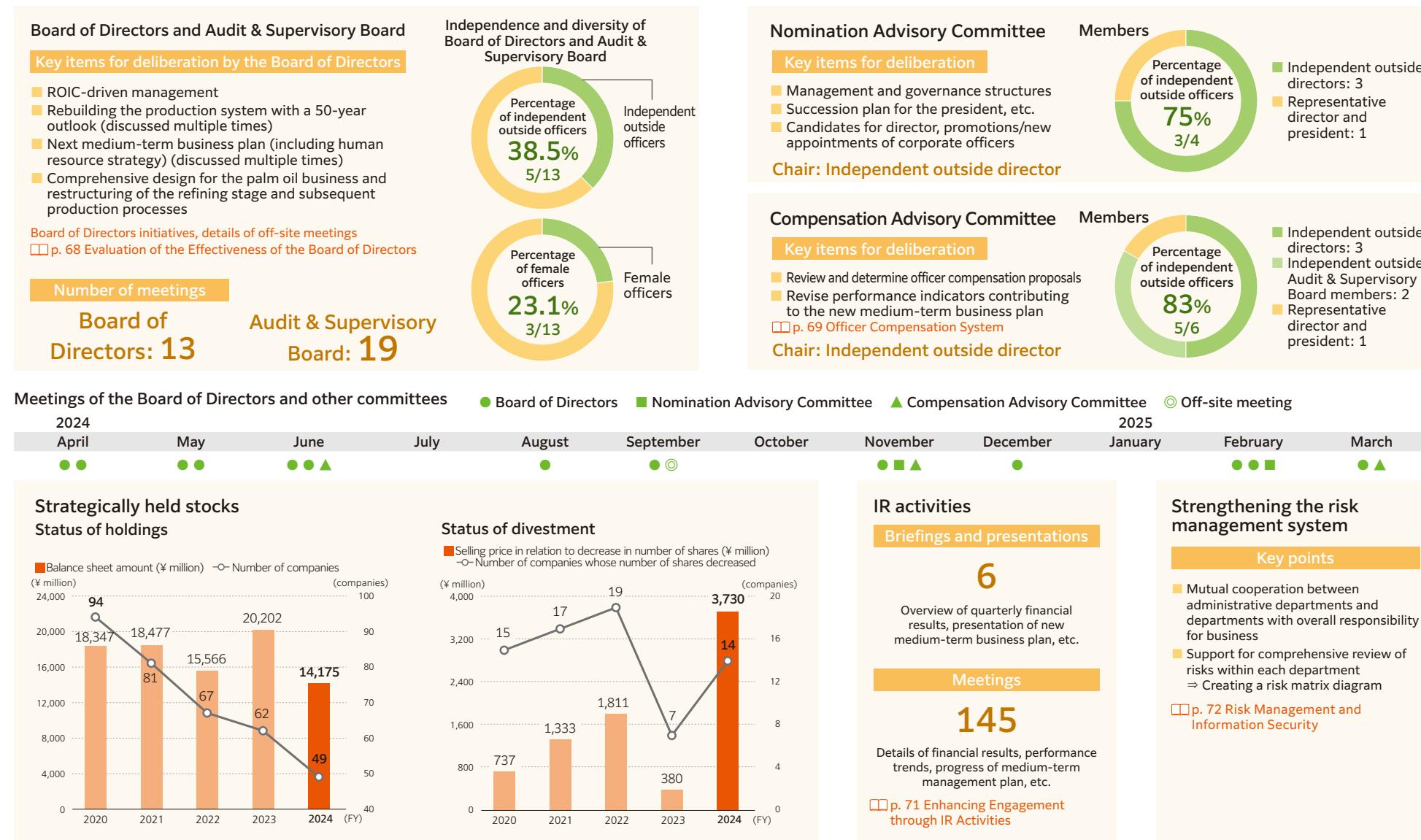
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Enhanced governance functions for *Value UpX*



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 responsibly and properly accommodate diversity.

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Dialogue with Outside Directors

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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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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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

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.

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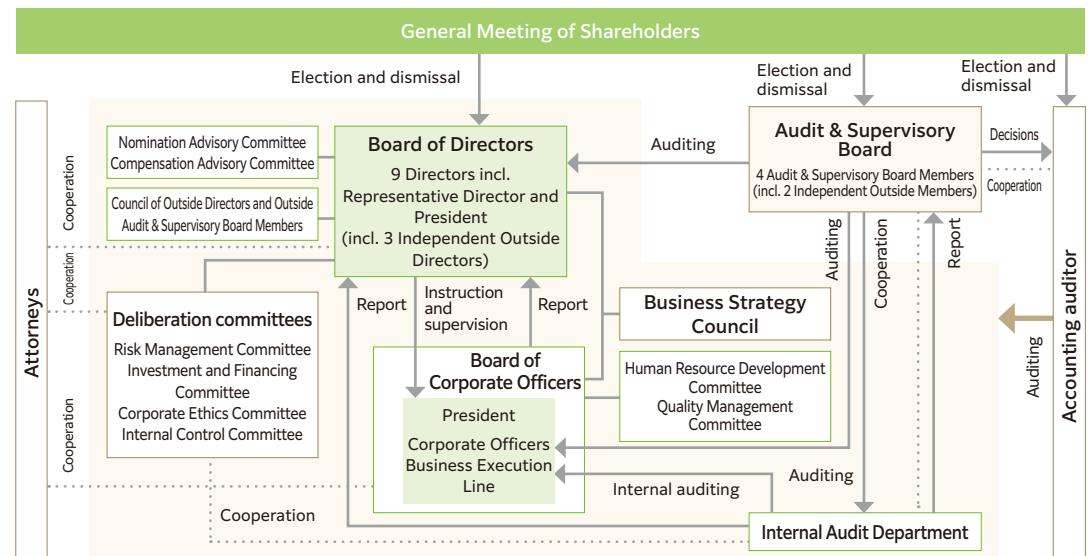
Corporate Governance Structure

Basic policy

The Nissin 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 Nissin 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 Nissin OilliO Group will strive to develop positive relationships and build trust with its stakeholders, while enhancing its corporate governance.

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

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.
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.
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.
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.

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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>

Identifying issues and enhancing effectiveness through continuous improvement

FY2023 effectiveness evaluation

Priority issues to be discussed and addressed in FY2024

- Holding sufficient discussions on potential risks in the management strategies and plans of the Group overall, and ways to address those risks
- On-going considerations and monitoring of policies for improving the P/B ratio
- Strengthening internal control in Group companies and Group governance
- Human capital management

Initiatives in FY2024

Deepen discussions on significant management issues

Key items for deliberation by the Board of Directors

- ROIC-driven management
- Rebuilding the production system with a 50-year outlook (discussed multiple times)
- Next medium-term business plan (including human resource strategy) (discussed multiple times)
- Comprehensive design for the palm oil business and the restructuring of the refining stage and subsequent production processes

Topics discussed at the FY2024 off-site meeting

- Strategies for technology to achieve oils & fats solutions
- Ways forward for the further expansion of oils & fats solutions (marketability of functional oil, and business strategies)
- Business proposals for confectionery fats with a focus on 2030 and beyond
- Ways forward in the medium to long term for the household-use business
- Aiming for growth in the wellness foods business, with a focus on 2030
- Digital innovation strategies
- Aiming for the formulation of the next medium-term business plan

Further enhance the monitoring functions of the Board of Directors

Discussions were held within the Management Sustainability Committee, a deliberation committee for the Board of Directors, on broader sustainability issues.

Key topics discussed

- Setting of opportunities and risks as priority areas (identification of material risks)
- The next medium-term business plan and revised CSV (Creating Shared Value) goals (deliberations conducted on multiple occasions)
- Strategic roadmap to promote decarbonization
- Approach to new sustainability disclosure standards
- Strategic investor relations

The formulation of the next medium-term business plan was deliberated, based on issues identified at the off-site meeting and the strategy for medium- to long-term value creation.

FY2024 effectiveness evaluation

Evaluation results

- It was determined that the Company's Board of Directors has attained effectiveness in general
- Evaluation scores have increased since FY2021

Highly evaluated items

- The Board of Directors has identified actions from the perspective of both risks and opportunities in addressing ESG issues and the SDGs, and has appropriately incorporated them into management strategy
- The outside directors understand their role of supervising management from the perspective of sustainable growth of the Company and medium- to long-term improvement in corporate value, and that they are fulfilling that role to the extent required

Priority issues to be discussed and addressed in FY2025

- Management system focused on improving the P/B ratio
- Human resource strategy and management system that contribute to sustainable growth
- Decision-making on the group-wide business portfolio policy and conducting regular reviews
- Review of the management and supervisory structure to reinforce group governance and internal control over Group companies
- Group-wide identification of potential risks and corresponding responses, as well as the crisis management structure, in view of rapid changes in the business environment and heightened uncertainty



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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%
Other directors (excluding outside directors)		

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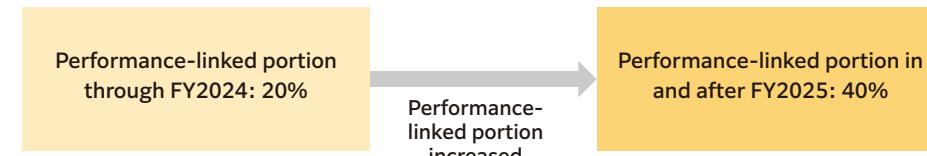
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■ Stock-based compensation (medium- to long-term incentive compensation)

- 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 ₂ 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 ₂ 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)		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"> ■ Status of measures to restore revenue in the domestic oil and fat business ■ Global expansion and growth potential of the processed oil and fat and fine chemical businesses ■ Shareholder returns policy, etc.
			https://www.nissin-oillio.com/english/inv/ir_library/financial_results_briefing.html
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"> ■ Probability of achieving average profit target during the plan ■ Demonstration of competitive advantages to realize distinctive winning formula ■ Four-year approach to cash allocation, etc.
			https://www.nissin-oillio.com/english/about_us/business_plan/
Overseas Processed Oil and Fat Business Briefing	1	Basic information on confectionery fats, etc.	<ul style="list-style-type: none"> ■ Market outlook for cocoa beans ■ Background of price trends for CBEs and other confectionery fats products and their impact on the Company's performance, etc.
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"> ■ Trends in short- to medium-term business performance, assumptions and thinking behind outlook ■ Implementation of growth strategies in each segment; probability of achieving the planned targets ■ Status of sustainability initiatives, etc.

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Risk Management and Information Security

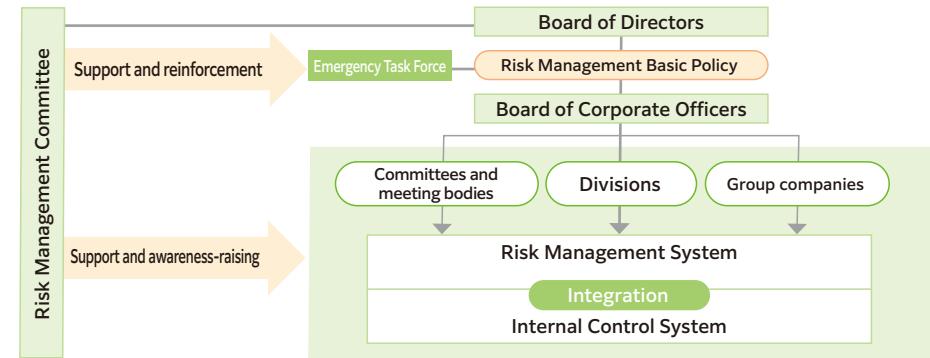
Strengthening the risk management system in terms of the value chain

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

Overall management	Value chain					
	Technological & product development, pre-marketing	Procurement	Production	Sales & logistics	Marketing & sales	Customer support
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					
	■ Preparation for emergencies is key					
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					
	Sustainability and environmental risks: Risks that hinder the pursuit of sustainable business activities and society					
	Legal and compliance violation risks: Risks that a company will violate laws, regulations, internal rules, etc., in the course of its business activities					
	■ Regular monitoring and quick action are key					
	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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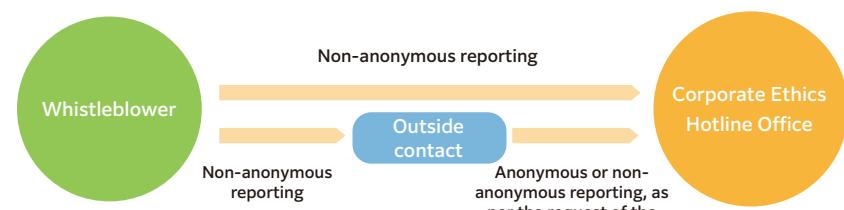
Practicing and institutionalizing ethics and norms

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 Nissin 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 Nissin 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 Nissin 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.

The Nissin 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 Nissin OillIO Group. A notebook-sized booklet of the Code of Conduct of The Nissin OillIO Group is distributed to officers and employees.

FY2024 Compliance Challenge

Participation rate: **100%**

Number of participants: **3,478**

Target: Employees of The Nissin OillIO Group and domestic and overseas affiliates

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.

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