

The Nisshin OilliO Group Vision 2030

The Nisshin OilliO Group, Ltd.



Introduction

- 1. A History of Value Creation
- 2. The Essence of The Nisshin OilliO Group

1. A History of Value Creation



2. The Essence of The Nisshin OilliO Group



Be resilient

Our Vision

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- 1. Corporate Vision towards 2030
- 2. Specific Targets
- 3. Our Priorities
- 4. Goals of Our Priorities (CSV Goals)
- 5. Value Creation Model

Our objective is to co-create new food functions, leveraging "The Natural Power of Plants" and the strengths obtained from mastering oils and fats.

We shall strive to generate diverse values and deliver "energy for living" to everyone.



By leveraging our strengths, we will create a system where we can share value with other food & material manufacturers.



	FY2019 (Results)	FY2030	Change (vs. FY 19)
Net Sales	¥333 billion	¥500 billion	CAGR 3.7%
Operating income	¥13.1 billion	¥30 billion	CAGR 7.8%
ROE	5.9%	8.0%+	+2.1Pts
Percentage of overseas sales	16%	30%	+14p

3. Our Priorities

Our Priorities create shared values (CSV): Our drivers to growth.



4. Goals of Our Priorities (CSV Goals)

	CSV Goals			
Our Priorities	Goals	FY 2030 Target		
	Growth rate for sales of products that contribute to society through "the power of health and energy" (vs. FY19)	200%		
Good health for all	Develop products that enhance people's good health based on knowledge of lipid nutrition			
	Number of lipid health information provided (total, from FY21 to FY30)	Total 100 mil.		
	Provide "good flavor" to the dining table and refine our brand to foster enrichment of people's li	ves		
Quality of life Create products that highlight the "good flavor" and "beauty" of food				
	Growth rate for sales of products that realize "beauty" (vs. FY19)	200%		
	Reduction ratio of GHG emissions (Scope 1 and 2, vs. FY16) Reduction ratio of GHG emissions (Scope 3)	31% To be disclosed in FY21		
Global environment	Reduce use of plastic containers and packaging, and promote resource recycling			
	Develop products and services that positively impact the environment utilizing plant resources			
Contribution to the food	Ensure stable supply of food energy in Japan (ratio of total domestic energy)	6%+		
value chain	Growth rate of customer support solutions (vs. FY 19)	150%		
	Percentage of certified palm oil sourced	100%		
	Percentage of RSPO-SG-certified palm oil sourced	50%		
Supply chain	Ensure traceability to plantation (palm oil and palm kernel oil)	100%		
connected by trust Promote initiatives to enhance the sustainability of soybeans Procure sustainable cacao Procure sustainable cacao				
Human resource	Percentage of employees feeling highly engaged in their work	80%		
management	Female manager ratio	20%		

5. Value Creation Model



Growth Scenario

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- 1. Basic Policy for Growth
- 2. Restructuring Business Segments
- 3. Vision of Each Business Segment
- 4. Growth Scenario towards Realization
 - [1] Sales expansion
 - [2] Enhancement of profitability
 - [3] Fundamental reinforcement

1. Basic Policy for Growth



2. Restructuring Business Segments



Br	road segments	Middle segments	Future Vision
Oil and fat	Oil and Meal Processed Oil and Fat		 Strengthen core competences in oils and fats Raise value of oils and fats to create higher overall value Become the driving engine for the entire Group Become the world's leading corporate group in specialty fats (focusing on
Processed Food and Material		Chocolate Seasonings Functional materials and foods	 chocolate oils and fats) Improve application technology and food development capabilities to create value that will resonate with customers Systemize the Group's food materials, monitor changes in food trends, and respond quickly to market needs
		Soybean materials and foods	Create a virtuous cycle that increases the value of oils and fats
Fine Cł	nemical	Fine chemicals Environment and hygiene-related products	 Leverage the superiority of our ester synthesis technology to become a leading company in cosmetic oils and strengthen our global presence Embrace the challenge of creating new value utilizing plant resources

We create new value by further refining the Group's strengths in the three strategic areas (broad segments) and by serving as a platform to create new functions for food.

4. Growth Scenario towards Realization

We shall deploy businesses focusing on three prongs for growth: Sales expansion, enhancement of profitability, and fundamental reinforcement. Accordingly, we will invest ¥200 billion to achieve growth.

	[1] Sales expansion		
B to C +¥10 billion Expand domestic household-use market by improving value of oils and fats	B to B +¥130 billion Implement solutions and M&As in domestic and global markets Enhancement of profitab	B to B to C +¥30 billion Create new value through market-driven co-creation	Growth investment ¥200 billion*
■ Improve margins ■ F	*Includes M&As *Excludes replacement of aging equipment (¥50 billion)		
 Gal Fundamental reinforcement Reinforce reforms for "sustainability" and "competitive edge": Human resources, R&D, production platform, environment and digital technologies Develop a governance system to realize value creation 			

[1] Sales Expansion (Overseas)

Progress rapidly into a **top-class global oil-and-fat solution company** by leveraging the strengths of our core competence in oils and fats





[2] Enhancement of profitability

	FY2019 (Results)	FY2030	Measures to improve ROE
ROE	5.9%	8.0%-plus	
(Profit margin) (1) Net profit margin Net income ÷ net sales	2.5%		 Offer reasonable prices to reflect future costs and social costs Expand value-added businesses and products Enhance supply chain efficiency Restructure product portfolio Implement further cost restructuring
(Asset efficiency) (2) Total asset turnover Net sales ÷ total assets	1.2x		 Form alliances Make aggressive investments (including in M&As) alongside sales growth More effectively utilize and reduce assets (cross-shareholdings, etc.) Shorten CCC
(3) Financial leverage Total assets ÷ equity (net worth)	2.0x		 Pursue optimal capital structure Provide shareholder returns that reflect total return ratio

[3] Fundamental reinforcement (R&D)

Create value for products and services in **Our Priorities** by coupling product development with technology development

Healthy life expectancy with lipid nutrition	Improve QOL with oils and fats to bring "good flavor" and "beauty"	Contribute to a recycling-oriented society with plant resources & reduce environmental impact	Contribute to the development of the food industry
Good health for all	Quality of life	Global environment	Contribution to the food value chain
Nutritional research on lipids and proteins	Grasp and control the mechanism for good flavor	 Develop and introduce technology to reduce environmental impact Utilize plant resources 	Exert customer support functions
Product development aligned customer needs and market			ons and customer support
Technology development from a medium- to long-term perspective• Nutritiona • Analysis/a • Sensation • Food procession		ssment • Hygie essment • Oils a	ng ne management nd fats design/production

Strategic development of intellectual properties

[3] Fundamental reinforcement (Production structure reforms)

Transition to a next-generation production structure by coupling the exertion of strengths of each base with the reinforcement of core competencies via integrated operations



Transition to next-generation production structure ahead of 2030

[3] Fundamental reinforcement (Environmental targets 2030)



In March 2021, The Nisshin OilliO Group expressed its support to the recommendation of the TCFD*

Goals of Our Priorities

1. Identifying Our Priorities

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2. CSV Goals of Our Priorities

1. Identifying Our Priorities [1]

We selected opportunities and risks extracted from an analysis of projected social trends



Opportunities

- Rise in needs for longer healthy life expectancy
- Increase in active intake of lipids for health reasons
- Extensive Big Data related to health
- Expansion of market by launching products that match new food styles of consumers
- Expansion of new markets in emerging countries
- Rise in evaluation of ecofriendly businesses
- Extensive products/services using AI and IoT
- Business opportunities in the direct touch point to the customers

 Intensification of competition due to increase in rivals targeting the health market

Risks

- Curb the intake of oils and fats due to the health risk and change in consumers' food style
- Reputational risks due to the handling of unsustainable raw materials
- Possible cost hike due to climate change
- Increase of or more immense natural disasters
- Decline in competitiveness due to labor shortage
- Unexpected sluggishness of economy, in part reflecting restricted activity due to an unknown virus

1. Identifying Our Priorities [2]

- We evaluated opportunities, risks, and numerous social issues from the perspective of the "Expectations from society" and "Importance to our business".
- We selected and comprehensively examined "Material Issues" as a Group, to set six priorities (Our Priorities), leverage Group strengths in each of Our Priorities, and provide solutions for social issues.



Social issues: Extracted from SDGs (UN), Food Industry Strategy (MAFF), Future Investment Strategy (Cabinet Office), and the Charter of Corporate Behavior (Keidanren)

High

2. CSV Goals of Our Priorities [1]

Good health for all

The Nisshin OilliO Group has undertaken the research of vegetable oils and fats for many years, by enhancing their nutritional values and boosting processing technologies. Thus, we continuously provide safe, delicious, and high-quality food products and oils and fats.

We aim to contribute to an energetic and healthy lifestyle throughout the consumers' life by recommending delicious meals, eating habits and dietary practices that are suited to every life stage and health condition.

Shared value

 Contribute to healthy life expectancy by providing products/services that focus on lipid nutrition

CSV Goals

- Growth rate for sales of products that contribute to society through "the power of health and energy" → 200% (vs. FY19)
- Develop products that enhance people's good health based on knowledge of lipid nutrition
- Number of lipid health information provided
 → 100 mil. people

(total, from FY21 to FY30)

2. CSV Goals of Our Priorities [2]

Quality of life

"Good flavor" and "beauty" are valuable elements that comprise a person's sense of value. Satisfying this sense of value contributes to good quality of life.

Through the pursuit of "good flavor" and "beauty", we continue to enrich people's lives by enhancing the quality of life (QOL) and creating values that resonate with society.

Shared valueCSV Goals• Provide "good flavor" to the dining table and
refine our brand to foster enrichment of
people's lives• Contribute to improving the quality of life
(QOL) by providing products/services that
offer "good flavor" and "beauty"• Create products that highlight the "good
flavor" and "beauty"

 Growth rate for sales of products that realize "beauty"
 → 200% (vs. FY19)

2. CSV Goals of Our Priorities [3]

Global environment

For The Nisshin OilliO Group, which bases its business on plant resources, the protection of the global environment and resources is what sustains our business operations.

We aim to realize a carbon-free and recycling-oriented society for the next generation. Looking to the future, we aim to take actions that will minimize the environmental burden of our business activities and build a business domain that will contribute to solving environmental issues.



2. CSV Goals of Our Priorities [4]

Contribution to the food value chain

Global demand is rising for oils and fats. The use of oils and fats is becoming more diversified along with changes in society and environment. Through co-creation with customers, The Nisshin OilliO Group aims to realize solutions sought by society by using technology to further enhance the value of plant resources.

Through value creation we aim to contribute to the food value chain by providing safety and stability of products and services.



2. CSV Goals of Our Priorities [5]

Supply chain connected by trust

As a supplier of key materials and energy that support the food culture, style, and staples in Japan, we use raw materials that are produced using sustainable methods, controlling quality up to the point of delivery to customers. As such, our goal is to build a stable supply chain for the future. In addition, we aim to build bonds of trust with customers and society through supply of safe products and highly transparent communication.

Shared value **CSV** Goals Percentage of certified palm oil sourced ٠ \rightarrow 100% Percentage of RSPO-SG-certified palm oil Implement procurement that takes into sourced \rightarrow 50% consideration the environment and human Ensure traceability to plantation rights → 100% (Palm oil and palm kernel oil) Promote initiatives to enhance the sustainability of soybeans Procure sustainable cacao

• Enhance sustainability of logistics---an infrastructure for society as a whole

Joint transport system coverage rate
 → 50%

2. CSV Goals of Our Priorities [6]

Human resource management

Creativity from the standpoint of diversity is essential to the ongoing growth of The Nisshin OilliO Group.

We aim to boost our organizational strength and trigger innovation in various scenes along the value chain by realizing diversity, working to create opportunities to constantly promote the health and training of employees and broaden their experiences, and by enhancing the motivation of each and every employee who works at The Nisshin OilliO Group.

Shared value

- Enhance motivation by providing workplace environment and programs that enable a diverse workforce to wield its capabilities
- Percentage of employees feeling highly engaged in their work

CSV Goals

- → 80%
- Female manager ratio
 → 20%