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(Securities Code 2602)  
June 3, 2022

**To Shareholders with Voting Rights:**

Takahisa Kuno  
Representative Director and President  
The Nisshin Oillio Group, Ltd.  
1-23-1, Shinkawa, Chuo-ku, Tokyo,  
Japan

## **NOTICE OF CONVOCATION OF THE 150TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We cordially announce that the 150th Annual General Meeting of Shareholders of The Nisshin Oillio Group, Ltd. (the “Company”) will be held for the purposes as described below.

In order to prevent the spread of the novel coronavirus disease (COVID-19), we sincerely encourage shareholders to exercise in advance their voting rights in writing or via the Internet, etc., and refrain from attending the meeting in person.

[Deadline of exercising voting rights in advance]

By postal mail to be received by 5:30 p.m. Japan time on Thursday, June 23, 2022

Via Electromagnetic Means (the Internet, etc.) to be input by 5:30 p.m. Japan time on Thursday, June 23, 2022

**Date and Time:** Friday, June 24, 2022 at 10 a.m. Japan time

**Venue:** East 21 Hall, 1F, Hotel East 21 Tokyo, located at 6-3-3 Toyo, Koto-ku, Tokyo, Japan

**Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 150th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company’s 150th Fiscal Year (April 1, 2021 - March 31, 2022)

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Nine Directors
- Proposal No. 4:** Election of One Audit & Supervisory Board Member
- Proposal No. 5:** Election of One Substitute Audit & Supervisory Board Member
- Proposal No. 6:** Partial Revision and Continuation of Stock-based Remuneration System for Directors

- Among the attached documents for this Notice of Convocation of the General Meeting of Shareholders, the following documents are not presented in this Notice, as they are posted on the Company’s website, in accordance with laws and regulations as well as the provisions of Article 17 of the Articles of Incorporation of the Company.

- 1) “Systems to Ensure that the Execution of Duties by Directors Comply with Laws, Regulations, and the Articles of Incorporation of the Company, Systems to Ensure Appropriateness of Other Business Operations, and the Status of Operation of the Systems” and “Basic Policy Regarding Control of the Company” in the Business Report
- 2) “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements
- 3) “Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements

The Audit & Supervisory Board Members also audited documents 1), 2), and 3) posted on the website, and the Accounting Auditor also audited documents 2) and 3) posted on the website.

- Amendments to the Reference Documents for the General Meeting of Shareholders or the attached documents will be posted on **the Company’s website**, if any.

**The Company’s website (<https://www.nisshin-oillio.com/english>)**

## Guide to Exercising Voting Rights

### ◆ To Exercise Your Voting Rights in Writing

Indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it to us by the following deadline.

**Deadline of exercising voting rights: 5:30 p.m. Japan time on Thursday, June 23, 2022**

### ◆ To Exercise Your Voting Rights via Electromagnetic Means (the Internet, etc.)

Access the Company's designated **voting website (<https://www.web54.net>)** and follow the on-screen guidance to vote for or against the proposals.

**Deadline of exercising voting rights: 5:30 p.m. Japan time on Thursday, June 23, 2022**

- \* If you exercise your voting rights multiple times via the Internet, etc. or in duplicate both on a personal computer or a smartphone, your last vote exercised will be deemed valid.
- \* If you exercise your voting rights in duplicate both in writing and via the Internet, etc., your vote received at a later timing will be deemed valid. If your vote exercised in writing and your vote exercised via the Internet, etc. are received on the same day, the vote exercised via the Internet, etc. will be deemed valid.
- \* Please note that communication fees (or telephone charges) which may be incurred when exercising voting rights shall be borne by voters.

### ◆ To Attend the General Meeting of Shareholders

Submit the enclosed Voting Rights Exercise Form at the reception desk of the venue. You are also requested to bring this convocation notice with you on the day of the meeting.

**Date and time: Friday, June 24, 2022 at 10 a.m. Japan time**

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

The Company proposes the following appropriation of surplus for the fiscal year ended March 31, 2022:

#### Year-end Dividend

The Company recognizes returning profits to its shareholders as one of its most important tasks in management. The Company's basic policy is to continue making stable dividends, and we have adopted a policy to aim at achieving a total payout ratio of 50% over a total of four years in our medium-term management plan "Value Up+." In terms of internal reserves, we intend to utilize them for investments toward improving our corporate value, while also making use of them to satisfy the expectations of our shareholders in the long term, such as by providing for the necessary return of profits in the future.

After a comprehensive consideration of these matters, the Company hereby proposes a year-end dividend of ¥45 per share for the fiscal year ended March 31, 2022. This will result in an annual dividend of ¥90 per share (including the interim dividend of ¥45 per share).

- (1) Type of dividend property  
Cash
- (2) Matters concerning allotment of dividend property to shareholders and total amount thereof  
¥45 per share of the Company's common stock, for a total of ¥1,461,848,130
- (3) Effective date of distribution of surplus  
June 27, 2022

## Proposal No. 2: Partial Amendments to the Articles of Incorporation

The Company proposes the following partial amendments to its Articles of Incorporation:

### 1. Reasons for amendments

The amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 17, Paragraph 1 provides that information contained in the reference materials, etc. for the general meeting of shareholders shall be provided electronically.
- (2) The purpose of the proposed Article 17, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the Internet disclosure and deemed provision of the reference materials, etc. for the general meeting of shareholders (Article 17 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

### 2. Details of amendments

The details of the amendments are as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 17 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference materials for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p>&lt;Newly established&gt;</p> <p>&lt;Newly established&gt;</p>	<p>&lt;Deleted&gt;</p> <p><u>(Measures for Electronic Provision, Etc.)</u></p> <p><u>Article 17 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u>  <u>Among the matters to be provided electronically, the Company may elect not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p><u>Supplementary provisions</u></p> <p><u>1. The deletion of Article 17 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the establishment of the proposed Article 17</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>(Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 17 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p> <p><u>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>


### Proposal No. 3: Election of Nine Directors

The terms of office of nine Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of nine Directors.

The candidates for Directors are as follows:


No.	Name	Current positions and responsibilities at the Company	Attendance at Board of Directors meetings
1	Takahisa Kuno [Reappointment]	Representative Director and President	100% (13 / 13)
2	Hidetoshi Ogami [Reappointment]	Representative Director and Senior Managing Officer, Responsible for Financial Dept., Corporate Sustainability Management, Information Systems Dept. and Grain Sourcing and Meal Supply	100% (13 / 13)
3	Yasushi Kawarasaki [Reappointment]	Director and Senior Managing Officer General Manager of Production Coordination, Responsible for Decarbonization Advancement Office, Logistics Dept., Yokohama Isogo Plant, Nagoya Plant, Sakai Plant, Mizushima Plant and Safety Management and Disaster Prevention	92% (12 / 13)
4	Arata Kobayashi [Reappointment]	Director and Managing Officer Responsible for Corporate Planning Dept., Personnel and General Affairs Dept., Corporate Communications Dept., and Quality Assurance Dept.	100% (13 / 13)
5	Yoshiharu Okano [Reappointment]	Director and Managing Officer Responsible for Global Business, Fine Chemicals Dept. and Fine Chemicals Sales and Marketing	100% (13 / 13)
6	Masato Saegusa [Reappointment]	Director and Managing Officer General Manager of Food Product Division, Responsible for Sales Promotion Dept. and Branch Operations	100% (9 / 9)
7	Isao Yamamoto [Reappointment] [Outside] [Independent]	Outside Director	100% (13 / 13)
8	Emi Machida [Reappointment] [Outside] [Independent]	Outside Director	100% (13 / 13)
9	Naomi Eto [New appointment] [Outside] [Independent]		

Candidate No.          1 [Reappointment]	  Takahisa Kuno  Date of birth: October 29, 1961  Number of shares of the Company held 7,900 shares  Attendance at Board of Directors meetings 100% (13 / 13)	<ul style="list-style-type: none"> <li>● Career summary, position and responsibilities in the Company</li> <li>April 1985      Joined the Company</li> <li>June 2008      Executive Officer of the Company</li> <li>April 2014      Managing Officer of the Company</li> <li>June 2014      Director and Managing Officer of the Company</li> <li>June 2017      Representative Director and President of the Company (to present)</li> <li>● Significant concurrent position</li> <li>Chairman of Intercontinental Specialty Fats Sdn. Bhd.</li> <li>● Material conflict of interest with the Company</li> <li>None</li> </ul> <hr/> [Reasons for nomination as a candidate for Director] Mr. Takahisa Kuno has served as President since June 2017 and been involved in the management of the Company. He has been nominated as a candidate because the Company believes that his extensive knowledge and experience in management as well as his achievements in increasing corporate value and strengthening the foundation of the Group as President would continue to be required for the management of the Company.
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Candidate No.          2 [Reappointment]	  Hidetoshi Ogami Date of birth: February 1, 1961  Number of shares of the Company held 5,100 shares  Attendance at Board of Directors meetings 100% (13 / 13)	<ul style="list-style-type: none"> <li>● Career summary, position and responsibilities in the Company</li> <li>April 1983      Joined the Company</li> <li>July 2004      Executive Officer of the Company</li> <li>June 2005      Director of the Company</li> <li>June 2011      Managing Officer of the Company</li> <li>June 2013      Director and Managing Officer of the Company</li> <li>June 2018      Director and Senior Managing Officer of the Company</li> <li>June 2019      Representative Director and Senior Managing Officer of the Company</li> <li>April 2022      Representative Director and Senior Managing Officer of the Company</li> <li>Responsible for Financial Dept., Corporate Sustainability Management, Information Systems Dept., and Grain Sourcing &amp; Meal Supply (to present)</li> <li>● Material conflict of interest with the Company</li> <li>None</li> </ul> <hr/> [Reasons for nomination as a candidate for Director] Mr. Hidetoshi Ogami has been nominated as a candidate because the Company believes that his extensive knowledge and experience in management as well as his achievements as a supervisor for finance, accounting and businesses related to raw materials purchasing and the meal business would continue to be required for the management of the Company.
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<p>Candidate No.</p> <p>3</p> <p>[Reappointment]</p>	 <p>Yasushi Kawarasaki</p> <p>Date of birth: August 31, 1958</p> <p>Number of shares of the Company held 5,870 shares</p> <p>Attendance at Board of Directors meetings 92% (12 / 13)</p>	<ul style="list-style-type: none"> <li>• Career summary, position and responsibilities in the Company <ul style="list-style-type: none"> <li>April 1984    Joined the Company</li> <li>June 2011    Executive Officer of the Company</li> <li>April 2017    Managing Officer of the Company</li> <li>June 2018    Director and Managing Officer of the Company</li> <li>April 2021    Director and Senior Managing Officer of the Company</li> <li>April 2022    Director and Senior Managing Officer of the Company</li> </ul> </li> <li>• Material conflict of interest with the Company None</li> </ul> <p>[Reasons for nomination as a candidate for Director] Mr. Yasushi Kawarasaki has been nominated as a candidate because the Company believes that his extensive knowledge and experience in addressing environmental issues and safety management and disaster prevention as well as his achievements as a supervisor for production sections would continue to be required for the management of the Company.</p>
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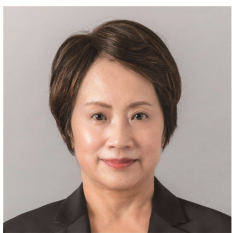
<p>Candidate No.</p> <p>4</p> <p>[Reappointment]</p>	 <p>Arata Kobayashi</p> <p>Date of birth: May 26, 1961</p> <p>Number of shares of the Company held 6,100 shares</p> <p>Attendance at Board of Directors meetings 100% (13 / 13)</p>	<ul style="list-style-type: none"> <li>• Career summary, position and responsibilities in the Company <ul style="list-style-type: none"> <li>April 1985    Joined the Company</li> <li>May 2009    Executive Officer of the Company</li> <li>April 2014    Managing Officer of the Company</li> <li>June 2016    Director and Managing Officer of the Company</li> <li>April 2021    Director and Managing Officer of the Company</li> </ul> </li> <li>• Material conflict of interest with the Company None</li> </ul> <p>[Reasons for nomination as a candidate for Director] Mr. Arata Kobayashi has been nominated as a candidate because the Company believes that his extensive knowledge and experience in management strategies, corporate governance, and risk management as well as his achievements as a supervisor for corporate planning and personnel &amp; general affairs sections would continue to be required for the management of the Company.</p>
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Candidate No.    5  [Reappointment]	 Yoshiharu Okano  Date of birth: September 6, 1962  Number of shares of the Company held 800 shares  Attendance at Board of Directors meetings 100% (13 / 13)	<ul style="list-style-type: none"> <li>● Career summary, position and responsibilities in the Company</li> <li>April 1987    Joined Marubeni Corporation</li> <li>April 2013    General Manager of Livestock Feed Operation of Marubeni Corporation</li> <li>April 2015    General Manager of Second Grain Dept. of Marubeni Corporation</li> <li>April 2017    Senior Operating Officer of Grain Division of Marubeni Corporation</li> <li>April 2019    Managing Officer of the Company</li> <li>June 2019    Director and Managing Officer of the Company</li> <li>April 2021    Director and Managing Officer of the Company Responsible for Global Business, Fine Chemicals Dept. and Fine Chemicals Sales and Marketing (to present)</li> <li>● Significant concurrent position President of The Nisshin OilliO (China) Investment Co., Ltd.</li> <li>● Material conflict of interest with the Company None</li> </ul> <hr/> [Reasons for nomination as a candidate for Director] Mr. Yoshiharu Okano has been nominated as a candidate because the Company believes that his extensive knowledge and experience in its overseas businesses and risk management as well as his longtime engagement and achievements in global business at the general trading company would continue to be required for the management of the Company.
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Candidate No.    6  [Reappointment]	 Masato Saegusa  Date of birth: September 22, 1960  Number of shares of the Company held 2,300 shares  Attendance at Board of Directors meetings 100% (9 / 9)  *After assumption of office of Director	<ul style="list-style-type: none"> <li>● Career summary, position and responsibilities in the Company</li> <li>April 1984    Joined the Company</li> <li>April 2014    Executive Officer and General Manager of Tokyo Branch of the Company</li> <li>April 2019    Managing Officer of the Company</li> <li>June 2021    Director and Managing Officer of the Company General Manager of Food Product Division, Responsible for Sales Promotion Dept. and Branch Operations (to present)</li> <li>● Material conflict of interest with the Company None</li> </ul> <hr/> [Reasons for nomination as a candidate for Director] Mr. Masato Saegusa has been nominated as a candidate because the Company believes that his extensive knowledge and experience based on his engagement in a wide range of operations at sales sections as well as his achievements in the overall food product business as a supervisor in sales, including his experience serving as General Manager of the Tokyo Branch, would continue to be required for the management of the Company.
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Candidate No.       7	 Isao Yamamoto  Date of birth: May 2, 1957  Number of shares of the Company held 3,000 shares	<ul style="list-style-type: none"> <li>● Career summary, position and responsibilities in the Company</li> <li>April 1981      Joined Nomura Research Institute, Ltd.</li> <li>January 1991    Head of Strategic Advisory Group of Nomura Research Institute, Ltd.</li> <li>January 2002    Co-Head and Managing Director of Investment Banking Division, Merrill Lynch Japan Securities Co., Ltd.</li> <li>November 2003  President &amp; CEO of The Institute for Securities Investment &amp; Governance K.K.</li> <li>July 2006        Auditor of MASSTUNE, Inc. (current MINKABU THE INFONOID, Inc.)</li> <li>September 2007 Director of MASSTUNE, Inc. (current MINKABU THE INFONOID, Inc.)</li> <li>November 2009  President of Enterprising Investment, Inc. (to present)</li> <li>June 2011        Outside Director of Sony Financial Holdings Inc. (current Sony Financial Group Inc.)</li> <li>June 2019        Outside Director of the Company (to present)</li> <li>October 2019    Outside Director of Scenera, Inc. (to present)</li> </ul>
[Reappointment]  [Outside]	Attendance at Board of Directors meetings 100%	<ul style="list-style-type: none"> <li>● Significant concurrent position  President of Enterprising Investment, Inc.</li> <li>● Material conflict of interest with the Company  None</li> </ul>
[Independent]	(13 / 13)	[Reasons for nomination as a candidate for Outside Director and overview of expected role] Mr. Isao Yamamoto has utilized his knowledge and experience in financial markets and general management, cultivated through years of activities as a securities analyst as well as a financial advisor, in the management of the Company. In particular, he has actively made statements on management strategies and enhancement of capital efficiency and invigorated the discussions at the Board of Directors meetings. Furthermore, he has actively expressed his views to improve governance as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee, and these facts show that he has appropriately supervised and provided advice to management. For the reasons above, the Company expects him to enhance the Board of Directors' functions and continues to propose his nomination as Outside Director.

Candidate No.       8	  Emi Machida  Date of birth: February 7, 1964  Number of shares of the Company held 0 shares	<ul style="list-style-type: none"> <li>● Career summary, position and responsibilities in the Company</li> <li>March 1990 Registered as a Certified Public Accountant (to present)</li> <li>July 2004 Member of Deloitte Touche Tohmatsu (current Deloitte Touche Tohmatsu LLC)</li> <li>July 2012 Resigned from Deloitte Touche Tohmatsu LLC</li> <li>April 2013 Part-time Auditor of Deposit Insurance Corporation of Japan</li> <li>June 2016 Outside Audit &amp; Supervisory Board Member of the Company</li> <li>June 2020 Outside Director of the Company (to present)</li> <li>June 2020 Outside Auditor of Yakult Honsha Co., Ltd. (to present)</li> <li>● Significant concurrent position</li> <li>Certified Public Accountant</li> <li>Outside Auditor of Yakult Honsha Co., Ltd.</li> <li>● Material conflict of interest with the Company</li> <li>None</li> </ul>
[Reappointment]  [Outside]  [Independent]	Attendance at Board of Directors meetings 100% (13 / 13)	[Reasons for nomination as a candidate for Outside Director and overview of expected role] With her extensive knowledge and experience in her field of expertise as a Certified Public Accountant, Ms. Emi Machida has utilized her four-year experience of serving as Outside Audit & Supervisory Board Member of the Company in the management of the Company. In particular, she has actively given her opinions on corporate governance from the perspectives of accounting, risk management, etc. and invigorated the discussions at the Board of Directors meetings. Furthermore, she has actively expressed her views to improve governance as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee. Although she has never been involved in corporate management other than as an outside officer, these facts show that she has appropriately supervised and provided advice to management. For the reasons above, the Company expects her to enhance the Board of Directors' functions and continues to propose her nomination as Outside Director.

Candidate No.		<ul style="list-style-type: none"> <li>• Career summary, position and responsibilities</li> </ul>
9	Naomi Eto	<p>April 1979      Joined Bridgestone Tire Co., Ltd. (current Bridgestone Corporation)</p> <p>March 2009      Executive Officer, Responsible for General Affairs and Corporate Communications, Bridgestone Corporation</p> <p>September 2011   Executive Officer, Responsible for Environment, Bridgestone Corporation</p> <p>February 2014    Executive Officer, General Manager of Group CC Division, Zensho Holdings Co, Ltd.</p> <p>June 2014        Director, General Manager of Group CC Division, Zensho Holdings Co, Ltd.</p> <p>January 2015     Director, General Manager of General Affairs Division, Zensho Holdings Co, Ltd.</p> <p>June 2020        Retired as Director of Zensho Holdings Co, Ltd.</p> <p>June 2020        Outside Director of Morinaga &amp; Co., Ltd. (to present)</p>
[New appointment]	Date of birth: May 2, 1956	<ul style="list-style-type: none"> <li>• Significant concurrent position</li> </ul>
[Outside]	Number of shares of the Company held 0 shares	<ul style="list-style-type: none"> <li>• Material conflict of interest with the Company</li> </ul>
[Independent]		<ul style="list-style-type: none"> <li>None</li> </ul>
		<p>[Reasons for nomination as a candidate for Outside Director and overview of expected role]</p> <p>Ms. Naomi Eto has been nominated as a candidate because she has extensive knowledge and experience in corporate governance and compliance based on her engagement in business operations, which the Company expects will contribute to the management of the Company. After she assumes office as Outside Director, she will become a member of the Nomination Advisory Committee and the Remuneration Advisory Committee as the Company expects her to enhance the Board of Directors' functions through supervision and provision of advice to management.</p>

(Notes)

1. Mr. Isao Yamamoto, Ms. Emi Machida and Ms. Naomi Eto are candidates for Outside Directors. Mr. Isao Yamamoto will have served as an Outside Director for three years at the conclusion of this General Meeting of Shareholders. Ms. Emi Machida will have served as an Outside Director for two years at the conclusion of this General Meeting of Shareholders. Ms. Naomi Eto is a new candidate. Ms. Emi Machida served as an Audit & Supervisory Board Member of the Company in the past.
2. In accordance with the provisions of Article 27 of the Articles of Incorporation of the Company and the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Isao Yamamoto and Ms. Emi Machida to limit their liability, as stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under these agreements is ¥5 million or the minimum amount of liability stipulated by laws and regulations, whichever is higher. If the reappointment of both candidates is approved as originally proposed, the Company plans to continue these agreements. If the election of Ms. Naomi Eto is approved, the Company plans to enter into the same agreement as above with her.
3. Mr. Isao Yamamoto and Ms. Emi Machida are independent directors required to be retained by Tokyo Stock Exchange, Inc. for the protection of general shareholders. If Ms. Naomi Eto is elected as Director, the Company plans to register her as an independent director with the Exchange.
4. There are no business transactions in the fiscal year ended March 31, 2022 between the Company (including its subsidiaries) and the significant entity where Mr. Isao Yamamoto concurrently serves.
5. More than nine years have passed since Ms. Emi Machida resigned from Deloitte Touche Tohmatsu LLC which is the Accounting Auditor of the Company. Ms. Emi Machida was not in charge of auditing the financial statements of the Company and its subsidiaries during the period when she was with the entity.
6. Ms. Emi Machida concurrently serves as Outside Auditor of Yakult Honsha Co., Ltd. ("Yakult Honsha"). In the fiscal year ended March 31, 2022, the Company and its subsidiaries engaged in

transactions with Yakult Honsha, including payment of commissions for transportation and sale of disinfectants. However, the transaction amount accounted for less than 0.1% of the consolidated net sales of Yakult Honsha and less than 0.1% of the consolidated net sales of the Company.


7. Ms. Naomi Eto concurrently serves as Outside Director of Morinaga & Co., Ltd. In the fiscal year ended March 31, 2022, the Company and its subsidiaries engaged in transactions with Morinaga & Co., Ltd., including payment for purchase of raw materials and sale of foods. However, the transaction amount accounted for less than 0.4% of the consolidated net sales of Morinaga & Co., Ltd. and less than 0.5% of the consolidated net sales of the Company. Ms. Naomi Eto will assume the office of Outside Director of Nippon Yakin Kogyo Co., Ltd. in June 2022. There were no business transactions in the fiscal year ended March 31, 2022 between the Company, including its subsidiaries, and Nippon Yakin Kogyo Co., Ltd.
8. Ms. Naomi Eto was Director of Zensho Holdings Co, Ltd. until June 2020. The Company and its subsidiaries engaged in transactions with Zensho Holdings Co, Ltd., including sale of food products. However, the transaction amount accounted for less than 0.1% of the consolidated net sales of the Company.
9. The Company has concluded a directors and officers liability insurance contract with an insurance company that insures all Directors. The insurance policy covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. The candidates will be insured under the insurance contract. The Company will renew the contract with the same details at the next renewal.

#### Proposal No. 4: Election of One Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member, Mr. Takashi Fujii, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of one Audit & Supervisory Board Member is proposed.

Prior consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

<p>[New appointment]</p>	 <p>Nobuyuki Watanabe</p> <p>Date of birth: May 26, 1963</p> <p>Number of shares of the Company held 1,100 shares</p>	<ul style="list-style-type: none"> <li>• Career summary and position in the Company</li> <li>April 1987      Joined the Company</li> <li>June 2014      General Manager of Financial Dept. of the Company</li> <li>June 2017      General Manager of Corporate Planning Dept. of the Company</li> <li>April 2019      Executive Officer of the Company General Manager of Logistics Dept. and Yokohama Isogo Complex</li> <li>April 2022      Executive Officer of the Company Responsible for Logistics Dept. and Yokohama Isogo Complex (to present)</li> <li>• Material conflict of interest with the Company</li> <li>None</li> </ul> <hr/> <p>[Reasons for nomination as a candidate for Audit &amp; Supervisory Board Member]</p> <p>Mr. Nobuyuki Watanabe has been widely engaged in finance, accounting, corporate planning, and logistics management of the Company, boasting a wealth of knowledge and experience in the Company's business. He has been nominated as a candidate because the Company believes that his knowledge and experience would lead to the enhancement of audits.</p>
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(Note)

The Company has concluded a directors and officers liability insurance contract with an insurance company that insures all Audit & Supervisory Board Members. The insurance policy covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. The candidate will be insured under the insurance contract. The Company will renew the contract with the same details at the next renewal.

<Reference> Composition of the Audit & Supervisory Board

If Proposal No. 4 is approved as originally proposed, the composition of the Audit & Supervisory Board will be as follows:

Name	Positions at the Company	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings
Katsuhito Oba	Audit & Supervisory Board Member (full-time)	100% (13 / 13)	100% (19 / 19)
Nobuyuki Watanabe [New appointment]	Audit & Supervisory Board Member (full-time)		
Tomotake Kusamichi [Outside] [Independent]	Outside Audit & Supervisory Board Member	100% (13 / 13)	100% (19 / 19)
Sayaka Sumida [Outside] [Independent]	Outside Audit & Supervisory Board Member	100% (13 / 13)	100% (19 / 19)



<Reference> Skills matrix

If Proposals No. 3 and No. 4 are approved as originally proposed, the skills matrix that lists the knowledge, experience, capabilities, etc. of Directors and Audit & Supervisory Board Members will be as follows:

	Name	Corporate management	Sustainability (ESG)	Business investment	Finance/Accounting	Human resource management	Legal affairs/Risk management	Sales/Marketing	Production/R&D	International experience	IT/Digital
Directors	Takahisa Kuno (Male)	•	•	•	•	•		•			
	Hidetoshi Ogami (Male)	•	•	•	•	•		•			•
	Yasushi Kawarasaki (Male)		•						•	•	
	Arata Kobayashi (Male)		•			•	•				
	Yoshiharu Okano (Male)			•			•	•		•	
	Masato Saegusa (Male)							•			
	Isao Yamamoto (Male)	•	•	•	•					•	
	Emi Machida (Female)		•		•		•				
	Naomi Eto (Female)	•	•				•				
Audit & Supervisory Board Members	Katsuhito Oba (Male)						•	•			
	Nobuyuki Watanabe (Male)				•		•				
	Tomotake Kusamichi (Male)						•				
	Sayaka Sumida (Female)				•		•			•	


\* The above table does not show the complete set of expertise, etc. possessed by Directors and Audit & Supervisory Board Members (including candidates).

## Proposal No. 5: Election of One Substitute Audit & Supervisory Board Member

The Company proposes the election of one substitute Audit & Supervisory Board Member in advance to prepare for cases where the number of Audit & Supervisory Board Members falls below the number required by laws and regulations.

Prior consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

	<ul style="list-style-type: none"> <li>● Career summary and position</li> <li>April 1990 Registered as an attorney at law (Dai-ichi Tokyo Bar Association) (to present)</li> <li>June 2003 Outside Audit &amp; Supervisory Board Member of Tokyo Steel Manufacturing Co., Ltd.</li> <li>April 2013 Vice-president of Dai-ichi Tokyo Bar Association</li> <li>June 2015 Outside Director (Audit &amp; Supervisory Committee Member) of Tokyo Steel Manufacturing Co., Ltd.</li> <li>● Significant concurrent position</li> <li>Attorney at law</li> <li>● Material conflict of interest with the Company</li> <li>None</li> </ul>
Tatsuhiko Matsumura	<p>[Reasons for nomination as a candidate for substitute Audit &amp; Supervisory Board Member]</p> <p>Mr. Tatsuhiko Matsumura has extensive knowledge and experience in his field of expertise as an attorney at law. He has been nominated as a substitute candidate because the Company would like him to utilize his expertise to improve auditing quality. The Company believes that he can properly fulfill his duties as an Outside Audit &amp; Supervisory Board Member with his knowledge and experience to make objective judgments that are unconstrained by the conventional practices of the Company and take into account corporate society as a whole.</p>
Date of birth: March 7, 1962	
Number of shares of the Company held 0 shares	

(Notes)

1. Mr. Tatsuhiko Matsumura is a candidate for substitute Audit & Supervisory Board Member.
2. If Mr. Tatsuhiko Matsumura is elected and assumes his office as an Audit & Supervisory Board Member, the Company plans to enter into an agreement with him to limit his liability as stipulated in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 34 of the Articles of Incorporation of the Company and the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability under this agreement is a predetermined amount no less than ¥5 million or the minimum amount of liability stipulated by laws and regulations, whichever is higher.
3. If Mr. Tatsuhiko Matsumura is elected and assumes his office as an Audit & Supervisory Board Member, the Company will register him as an independent auditor required to be retained by Tokyo Stock Exchange, Inc. for the protection of general shareholders.
4. The Company has concluded a directors and officers liability insurance contract with an insurance company. The insurance policy covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. The Company will renew the contract with the same details at the next renewal. Mr. Tatsuhiko Matsumura will be insured under the insurance contract if he assumes his office as an Audit & Supervisory Board Member.

<Reference>

#### Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members

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

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

## **Proposal No. 6: Partial Revision and Continuation of Stock-based Remuneration System for Directors**

### **1. Reason for proposal and rationale for appropriateness of remuneration**

The remuneration for Directors of the Company consists of “basic remuneration,” “bonus” and “stock-based remuneration.” Of these, “stock-based remuneration” is a system under which a trust established with the cash contributed by the Company acquires the Company’s shares, and the Company’s shares corresponding to the number of points granted to each Director by the Company are delivered to each Director via the trust. At the 146th Annual General Meeting of Shareholders held on June 28, 2018, the introduction of the stock-based remuneration system (hereinafter referred to as the “System”) was approved by the shareholders of the Company, and the System has been operated since then.

This Proposal asks for approval to revise the System to a performance-linked system by linking the number of points granted to the Directors with the performance of the Company and to continue the System by changing the upper limit of cash contributed to the trust by the Company for acquiring the Company’s shares and the upper limit of the number of points granted to the Directors.

The details of the System shall be left to the discretion of the Board of Directors within the framework outlined in 2. below.

The System has been introduced for the purpose of raising the awareness of Directors to contribute to the improvement of business performance over the medium to long term and an increase in corporate value by sharing with shareholders the benefits and risks of stock price fluctuations. The revisions to the System under this proposal are aimed at further motivating the Directors by linking the number of shares to be granted to the achievement status of performance targets and increasing the maximum number of shares to be granted.

The remuneration according to the revised System will be provided to Directors in office, excluding Outside Directors, during the three fiscal years from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025 (hereinafter referred to as the “Applicable Period”), separately from the maximum amount of remuneration for Directors approved at the 134th Annual General Meeting held on June 28, 2006 (within ¥600 million per annum, excluding salary as employees).

The purpose of revising the System is as mentioned above. The Company’s Board of Directors, at its meeting held on April 28, 2022, resolved to revise the overview of the policy on determination of individual remuneration, etc. for Directors, subject to approval of this proposal. This proposal is necessary and reasonable for the payment of remuneration, etc. in accordance with the policy after the said revisions. Based on the above, the Company has determined that the details in this proposal are appropriate.

If Proposal No. 3 “Election of Nine Directors” is approved as originally proposed, the number of Directors subject to the System will be six, excluding Outside Directors.

In addition, the Company has also introduced the System for executive officers who have concluded a delegation contract with the Company (hereinafter referred to as the “Executive Officers”). If this proposal is approved as originally proposed, the Company plans to make the same partial revisions and continue the System for the Executive Officers as well.

## 2. Amount and details, etc. of remuneration, etc. under the System

The amount and details of remuneration, etc. under the revised System are as follows:

### (1) Outline of the System

As described above, the System is a stock-based remuneration system under which a trust set up with the cash contributed by the Company (the trust has already been established in 2018; hereinafter referred to as the “Trust”) acquires the Company’s shares, and the Company’s shares corresponding to the number of points granted to each Director by the Company are delivered to each Director via the trust.

In principle, directors receive the Company’s shares at the time of their retirement.

1)	Persons eligible for the System	Directors of the Company (excluding Outside Directors)
2)	Applicable Period	From the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025
3)	Maximum amount of cash contributed by the Company as funds required to acquire the Company’s shares to be delivered to the eligible persons in 1) in the Applicable Period in 2)	Total of ¥300 million
4)	Method for acquiring the Company’s shares	Disposal of treasury stock or acquisition from the exchange market (including after-hours trading)
5)	Upper limit of the total number of points granted to the eligible persons in 1)	60,000 points per fiscal year
6)	Point granting criteria	Points are granted according to individual rank and the level of achievement of the performance targets
7)	Timing of delivery of the Company’s shares to the eligible persons in 1)	In principle, at retirement

### (2) Maximum amount of cash contributed by the Company

In addition to extending the trust period of the Trust already established, the Company shall make an additional contribution not exceeding ¥300 million in total as remuneration to the Directors in office during the Applicable Period, as funds for the acquisition of shares of the Company necessary to grant stock-based remuneration to Directors under the System. The Trust will acquire the Company’s shares by way of disposal of treasury stock or from the exchange market (including after-hours trading) using cash entrusted by the Company (including cash additionally entrusted by the Company as mentioned above as well as cash that has remained in the Trust since before the additional entrustment).

Note: The amount of cash the Company will actually entrust to the Trust is the sum of the above-mentioned funds to acquire the Company’s shares, and the estimated amount of necessary expenses such as trust fees and trust administrator fees. In addition, in the event that the System is continued with some revisions for the Executive Officers as described above, the Company will additionally entrust funds for the acquisition of the Company’s shares necessary for the delivery of the shares to the Executive Officers.

The Company may, subject to the decision of the Board of Directors, set a new Applicable Period (period of up to five fiscal years) each time, further extend the trust period of the Trust for each period up to five years (including the case of substantially extending the trust period by transferring the trust property of the Trust to a trust with the same purpose as that of the Trust established by the Company; the same applies hereinafter), and continue the Trust. If the trust period is thus extended, during the new Applicable Period, the Company shall contribute an additional amount not exceeding ¥100 million multiplied by the number of fiscal years during the new Applicable Period to the Trust as funds for additional acquisition of shares of the Company necessary for granting to Directors under the System, and continue the granting of points and shares of the Company as described in (3) below.

Even if the System is not continued by establishing a new Applicable Period as described above, if there are Directors who have not retired from office but who have been granted points at the end of the trust period, the Company may extend the trust period of the Trust until such Directors retire from office and the granting of shares of the Company is complete.

(3) Calculation method and the upper limit of the Company's shares to be delivered to Directors

1) Method for granting points to Directors

The Company grants to each Director a certain number of points in accordance with their individual rank and the degree of achievement of performance targets, etc., on a certain date for every fiscal year stipulated in the Share Grant Regulations during the trust period, in accordance with the Share Grant Regulations stipulated by the Board of Directors.

The maximum number of points granted to Directors by the Company per fiscal year shall be 60,000 points.

2) Delivery of the Company's shares corresponding to the number of points granted

Directors will receive the Company's shares in accordance with the procedures in 3) below, corresponding to the number of points granted in 1) above. However, in the event that a Director resigns due to personal reasons, etc., all or some of the points granted up to that point shall be forfeited and no shares of the Company corresponding to the forfeited points shall be granted.

One point shall be equivalent to one share of the Company. However, if circumstances arise in which it is deemed reasonable to adjust the number of shares of the Company to be granted such as a share split or share consolidation, the number of shares per point shall be adjusted in accordance with such split ratio or consolidation ratio, etc.

3) Delivery of the Company's shares to Directors

Each Director shall, in principle, perform specified procedures at the time of retirement to acquire trust beneficiary rights and receive the delivery of shares as described in 2) above from the Trust as a beneficiary of the Trust.

However, a certain proportion of shares of the Company may be sold and converted to cash within the Trust for the Company to withhold money required for the payment of taxes, such as withholding income tax, and the Company may make a grant to Directors in the form of cash instead of the Company's shares. In the event of conversion of shares of the Company in the Trust to cash due to a settlement following circumstances such as subscription of a tender offer for shares of the Company held in the Trust, the Company may make a grant to Directors in the form of cash instead of the Company's shares.

(4) Exercise of voting rights

In accordance with instructions from the trust administrator who is independent from the Company and the Company's officers, voting rights associated with the shares of the Company held in the Trust shall not be exercised altogether, in order to ensure neutrality towards the management of the Company with respect to the shares of the Company held in the Trust.

(5) Handling of dividends

Dividends on the shares of the Company held in the Trust shall be received by the Trust to be used to acquire shares of the Company and for trust fees to be paid to the trustee with respect to the Trust.

# Business Report (April 1, 2021 to March 31, 2022)

## Matters Relating to the Current Status of the Group

### Business performance and results

In the fiscal year ended March 31, 2022, conditions in the Japanese economy remained challenging overall, though some movement toward a recovery was seen amidst intermittent measures to control the COVID-19 pandemic. Currently, there are concerns about downside risks to the economy due to rising raw material prices and supply constraints caused by Russia's invasion of Ukraine and other factors, as well as fluctuations in the financial and capital markets.

The global economy was on a gradual recovery path due to both the curbing of infections and renewed economic activity, although the situation differs by country and region. That said, Russia's invasion of Ukraine has led to a sharp rise in energy, resource, and grain prices, added to which are concerns about prolonged supply chain disruptions, global inflation fears, and rising interest rates, as well as concerns about a global economic slowdown in Europe, China, and elsewhere. Uncertainty about the future is growing.

In this environment, the Group has made concrete efforts to realize its management targets, while responding to new lifestyles and consumer behavior impacted by COVID-19, doing so under the policies of its new medium-term management plan "Value Up+" (FY2021-FY2024), which started this fiscal year and which aims to achieve sustainable growth through the creation of diverse values shared with society, leveraging the "Natural Power of Plants" as a basis for value creation.

As a result, consolidated financial results for the fiscal year ended March 31, 2022 were as shown below. Note that the effect of the decrease in net sales caused by the adoption of new revenue recognition standards was ¥ 5,695 million, while the impact on profit and loss was minor.

(Million yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change	YoY (%)
Net sales	336,306	432,778	+96,471	128.7%
Operating profit	12,324	11,670	(654)	94.7%
Ordinary profit	13,836	12,648	(1,187)	91.4%
Profit attributable to owners of parent	9,244	8,595	(649)	93.0%

Results by segment are as follows.

Previously, the Company used three reporting segments: "Oil, Meal, and Processed Food," "Processed Oil and Fat," and "Fine Chemical." However, in line with the business strategies in the medium-term management plan, "Value Up+," the Company has changed them to "Oil and Fat," "Processed Food and Materials," and "Fine Chemical."

This change in business segments is intended to accurately reflect the actual state of The Nisshin OilliO Group's management and administration.

Segment information for the fiscal year ended March 31, 2021 has been restated based on the classification method after the change.

Furthermore, as stated in the section regarding changes in accounting policies, the Company has applied the accounting standard for revenue recognition from the beginning of the current consolidated fiscal year, changing the accounting methods regarding revenue recognition. The impact of the change on each segment is negligible.

#### • Net sales

(Million yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change	YoY (%)	
Oil and Fat	Oil and Meal	212,514	267,840	+55,325	126.0%
	Processed Oil and Fat	53,617	87,186	+33,568	162.6%
	Subtotal	266,132	355,026	+88,894	133.4%
Processed Food and Materials	53,146	58,185	+5,038	109.5%	
Fine Chemical	14,194	17,003	+2,808	119.8%	
Other	2,834	2,563	(270)	90.4%	
Total	336,306	432,778	+96,471	128.7%	

## Reference: Net sales (non-consolidated)

(Million yen)

		Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change	YoY (%)
Oil and Fat	Oil and Meal	182,700	236,444	+53,743	129.4%
	Commercial-use and food processing	70,591	98,027	+27,436	138.9%
	Household-use	57,095	60,144	+3,049	105.3%
	Meal	55,013	78,271	+23,258	142.3%
	Processed Oil and Fat	8,463	9,936	+1,473	117.4%
	Subtotal	191,164	246,381	+55,216	128.9%
Processed Food and Materials		18,164	17,509	(655)	96.4%
Fine Chemical		4,560	5,598	+1,037	122.8%
Other		340	338	(2)	99.4%
Total		214,230	269,826	+55,596	126.0%

## • Operating profit

(Million yen)

		Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Change	YoY (%)
Oil and Fat	Oil and Meal	9,548	4,716	(4,831)	49.4%
	Processed Oil and Fat	870	4,258	+3,387	489.3%
	Subtotal	10,419	8,975	(1,444)	86.1%
Processed Food and Materials		1,810	1,672	(138)	92.4%
Fine Chemical		792	1,336	+544	168.7%
Other		(28)	351	+380	—
Intersegment eliminations and adjustments		(668)	(665)	+2	—
Total		12,324	11,670	(654)	94.7%

**Overview by segment**

## &lt;&lt; Oil and Fat &gt;&gt;

Net sales increased due to sales price revisions against the backdrop of soaring raw material prices and a rise in meal unit prices and sales volume. Operating profit, on the other hand, declined, significantly affected by soaring raw material prices and other factors.

## ■ Procurement environment of raw materials

In the procurement of raw materials, a broad year-on-year rise in the market for major raw materials and the weakening of the yen against the U.S. dollar versus the previous fiscal year saw significant price increases for both soybeans and rapeseed.

*Market prices of major raw materials*

The market price of soybeans rose to the US\$16 per bushel level in mid-May against the backdrop of tight supply and demand for U.S. soybeans due to vigorous purchasing by China and expectations of increased demand for biofuels. Subsequently, the price dropped to the US\$11 level due to improved production in the U.S. and favorable plantings in South America. Prices moved upward again, however, after the new year, as concerns over production cuts in South America increased. Prices rose further, to the US\$17 level for the first time since 2012, due to growing concerns over grain supply caused by Russia's invasion of Ukraine, resulting in significantly higher prices compared to the previous period.

The market price for rapeseed reached a record high of C\$1,000 per metric ton in May due to tightening global supply and demand caused by the impact of reduced production of rapeseed in Europe as well as expectations of increased demand for biofuels. Subsequently, the price continued to rise against the backdrop of tight global supply and demand due to a major cutback in production and deteriorating quality caused by hot, dry weather in Canada. Further, the price hit another record high at the C\$1,100 level in March due to growing concerns over grain supply caused by Russia's invasion of Ukraine, and moved significantly higher year on year.



### *Exchange rates*

The yen weakened further against the U.S. dollar in the first half of the year due to expectations for a recovery in the U.S. economy and a consequent rise in U.S. long-term interest rates, and in the second half of the year, the dollar rose to the 116-yen level against a backdrop of a downsizing of monetary easing in the U.S. and rising expectations for higher interest rates. Further, at the start of the year, added pressure on the weak yen from real demand brought a substantial expansion of the trade deficit, which in March resulted in the U.S. dollar's rise to the 120-yen level for the first time since 2016, and a year-on-year weakening of the yen against the dollar.

### ■ **Meal sales**

Soybean meal sales volume increased as a result of efforts to expand sales in line with a recovery in pressed oil volume, while compound feed production volume remained about flat year on year. Net sales also rose on rising feed material prices against a backdrop of tight global supply and demand for soybeans and corn, resulting in higher unit sales prices. Sales of rapeseed meal increased due to higher sales volume resulting from a recovery in pressed oil volume and higher blending rates for compound feed, as well as higher sales prices in conjunction with rising feed ingredient prices.

### ■ **Sales of oil and processed oil and fat**

#### ***Oil and fat***

In oils and fats, the Group was able to phase in revisions to sales prices by carefully explaining to its business partners and clients the background behind the sharp rise in costs in the commercial-use, food processing, and household-use sectors.

Sales volume in the commercial-use and food processing sectors saw a gradual recovery in demand after falling significantly in the previous fiscal year due to the impact of COVID-19. The Group worked to expand sales and find new customers through “needs-collaboration discovery” marketing and proposals for value-added products with additional functions such as “customer-solution-type frying oil” with long-lasting functions and *Nisshin Oil for Steamed-Rice*, resulting in an increase in sales volume.

Sales volume in household-use products declined in reaction to significant sales growth in the previous fiscal year driven by increased demand for eating at home. However, in anticipation of continuous growth in the household market, the Group made efforts to expand sales of value-added products such as sesame oil and olive oil, and nurture markets and create new demand for “pour-and-enjoy” fresh edible oil and “flavored oil.”

As a result, net sales of oils and fats rose overall, but operating profit fell due to the enormous impact of soaring raw material prices.

#### ***Processed oil and fat***

In the overseas sector of processed oil and fat, sales increased at Intercontinental Specialty Fats Sdn. Bhd. of Malaysia due to higher sales prices in line with soaring palm oil market prices and an increase in sales volumes. Operating profit also rose due to a rise in unit sales prices and a recovery in sales volume, as well as the impact of the mark-to-market valuation of palm oil transactions.

In the domestic processed oil and fat sector, the Group was able to phase in revisions to sales prices by carefully explaining to business partners and clients the background behind the sharp rise in costs. Sales volume also saw a gradual recovery in demand after falling significantly in the previous fiscal year due to the impact of COVID-19. Meanwhile, sales volume and net sales increased due to efforts to expand sales to existing customers and develop new customers through new product proposals and other measures. Operating profit declined due to the significant impact of soaring raw material prices.

### << **Processed Food and Materials** >>

An increase in sales volume and sales at appropriate prices saw net sales rise, though operating profit was lower due to the impact of soaring raw material prices and other factors.

Sales volume for chocolate products rose at Daito Cacao Co., Ltd. as a result of efforts to expand sales of chocolate products to existing customers and develop new customers amid sluggish demand for confectionaries, mainly as souvenirs. T.&C. Manufacturing Co., Pte. Ltd. (Singapore) was impacted by Japan's switching to use domestically produced butter and skim milk powder instead of premixed products, resulting in a decline in sales volumes for confectionary ingredients and other products (premixed products). Sales volume increased at PT Indoagri Daitocacao, partly because of the start of transactions with new customers, which had been delayed due to the impact of COVID-19. Due to these factors, both net sales and operating profit for chocolate as a whole rose year on year.

In seasonings, in addition to *Nisshin Dressing "Diet"* and other core products, the Group worked to expand sales by enhancing its lineup of products emphasizing the health benefits of edible oils, including *Nisshin Flaxseed Dressing*, *Nisshin Green Perilla Dressing*, and *Nisshin MCT Dressing Sauce*. As a result, net sales increased with higher sales volume, though operating profit declined due primarily to the impact of soaring raw material prices.

In functional materials and foods, the Group worked to expand sales by renewing the MCT oil HC series to indicate its use as a food with functional claim ("reduces body fat and waist size for those with a high BMI"), and by developing communications that link media strategies using TV commercials and social media with in-store sales promotions. As a result, sales volumes increased and net sales rose, but operating profit fell due to the significant impact of soaring raw material prices.

In soybean materials and foods, the Group worked to revise sales prices for food soybeans and meal used to manufacture soy sauce in conjunction with soaring raw material prices, and expanded sales through newly launched soy protein products. Both net sales and operating profit increased as a result.

#### << **Fine Chemical** >>

A recovery in demand brought a rise in sales volume, which, along with the revision of selling prices, resulted in an increase both in net sales and operating profit.

Fine chemical products saw a year-on-year increase in both net sales and operating profit, driven by a recovery in demand for cosmetic ingredients in Japan and overseas and growth in overseas sales thanks to capturing of new demand for skincare applications, primarily for cleansing, as well as sales at appropriate prices in line with costs.

In environment and hygiene-related products, net sales were flat year on year on steady sales of alcohol preparations in the midst of the ongoing COVID-19 pandemic. However, operating profit declined due to a decrease in sales of high-margin products and soaring raw material prices.

#### << **Other** >>

In the Other business segment including information systems, net sales were down, but operating profit increased year on year.

## Issues to be addressed

In the global economy, while the effects of the COVID-19 pandemic continue to linger, a gradual recovery is expected amid efforts to balance prevention of the worldwide spread of infections with socioeconomic activity and greater cross-border movement of people. That said, downside risks to the global economy are increasing, including the rise in consumer prices and a shift to tighter monetary policies in countries around the world, in addition to global resource supply concerns, price hikes, and disruptions to supply chains due to a tenuous international situation associated with the emergence of geopolitical risks. In particular, a spike in grain prices and supply chain disruptions due to the worsening situation in Russia and Ukraine could continue throughout the year.

In Japan, the impact of COVID-19 is expected to be limited in scale, even with a temporary resurgence in infections, and priority measures to prevent the spread of the virus are also expected to be applied only partially. In addition, there are hopes that the economy will show a gradual recovery due to the event ticket discounts and other measures to stimulate demand. On the other hand, soaring resource prices and a rise in the price of raw materials due to supply chain disruptions may worsen corporate earnings, while rising consumer prices may curb any recovery in personal consumption, which could lead to an economic downturn.

The Company expects market prices for raw materials such as soybeans, rapeseed, and palm, which have a significant impact on the Group, to soar and remain high due to several factors. These include the recovery in demand following the global COVID-19 pandemic; the expansion of biofuel consumption; and concerns about grain supply instability and prolonged supply chain disruptions caused by the worsening situation in Russia and Ukraine. In terms of production, the Group also expects the supply and demand environment to remain extremely challenging due to the adverse impact of unseasonable weather worldwide on production volume and quality, as well as concerns about production cuts in Ukraine, one of the major grain-producing countries.

Under these very difficult business conditions, the Group has formulated the “The Nisshin Oillio Group Vision 2030” to clarify its vision and strategic guidelines for ensuring sustained growth into the future and for contributing to realizing a sustainable society. At the same time, the Group is engaged in implementing “Value Up+,” its four-year medium-term management plan (FY2021–FY2024) aimed at achieving those goals. Under this plan, the Group is working to steadily execute on its basic policy of transforming itself into a customer-centric corporate group that continuously creates diverse value. The aim is for sustainable growth through the creation of diverse shared values with society leveraging the “Natural Power of Plants” as the basis for value creation.

For the fiscal year ending March 31, 2023, the second year of the “Value Up+” medium-term management plan, the Group forecasts net sales of ¥500,000 million, operating profit of ¥13,000 million, ordinary profit of ¥13,300 million, and profit attributable to owners of parent of ¥9,200 million.

Pressing issues that the entire Group is working to address include the formation of appropriate selling prices commensurate with the continued rise in raw material costs and a response to recovery in demand following the COVID-19 pandemic and changes in consumer trends, as well as stable procurement of raw materials in the face of ongoing supply chain disruptions.

## Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	11,036	9,977
Notes and accounts receivable – trade	68,379	88,200
Inventories	60,154	84,811
Short-term loans receivable	1	0
Other	11,366	18,937
Allowance for doubtful accounts	(19)	(86)
<b>Total current assets</b>	<b>150,918</b>	<b>201,840</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	27,630	31,959
Machinery, equipment and vehicles, net	28,192	36,081
Land	28,115	27,736
Leased assets, net	1,554	1,422
Right-of-use assets, net	2,453	2,478
Construction in progress	13,002	1,551
<b>Total property, plant and equipment</b>	<b>100,948</b>	<b>101,230</b>
Intangible assets		
Goodwill	244	227
Other	1,459	1,443
<b>Total intangible assets</b>	<b>1,703</b>	<b>1,671</b>
Investments and other assets		
Investment securities	29,516	30,393
Long-term loans receivable	28	30
Retirement benefit asset	4,941	5,318
Deferred tax assets	764	672
Other	3,281	3,312
Allowance for doubtful accounts	(26)	(26)
<b>Total investments and other assets</b>	<b>38,505</b>	<b>39,701</b>
<b>Total non-current assets</b>	<b>141,158</b>	<b>142,603</b>
Deferred assets		
Bond issuance costs	76	63
<b>Total deferred assets</b>	<b>76</b>	<b>63</b>
<b>Total assets</b>	<b>292,154</b>	<b>344,506</b>

(Million yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	38,984	44,855
Short-term borrowings	9,411	35,370
Lease obligations	444	427
Accounts payable - other	18,118	14,674
Accrued expenses	4,769	5,331
Income taxes payable	1,964	626
Provision for bonuses for directors (and other officers)	53	57
Other	4,886	4,548
<b>Total current liabilities</b>	<b>78,633</b>	<b>105,891</b>
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	25,806	38,195
Lease liabilities	3,860	3,837
Deferred tax liabilities	7,414	9,039
Provision for retirement benefits for directors (and other officers)	416	346
Provision for share awards	115	146
Retirement benefit liability	1,962	1,949
Other	684	785
<b>Total non-current liabilities</b>	<b>60,260</b>	<b>74,300</b>
<b>Total liabilities</b>	<b>138,894</b>	<b>180,192</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	16,332	16,332
Capital surplus	22,849	21,665
Retained earnings	106,318	110,379
Treasury shares	(7,081)	(4,071)
<b>Total shareholders' equity</b>	<b>138,418</b>	<b>144,305</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,670	8,715
Deferred gains or losses on hedges	662	2,565
Foreign currency translation adjustment	(1,555)	1,642
Remeasurements of defined benefit plans	(643)	(1,003)
<b>Total accumulated other comprehensive income</b>	<b>7,133</b>	<b>11,919</b>
Non-controlling interests	7,707	8,088
<b>Total net assets</b>	<b>153,259</b>	<b>164,314</b>
<b>Total liabilities and net assets</b>	<b>292,154</b>	<b>344,506</b>

## Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net sales	336,306	432,778
Cost of sales	275,916	375,791
Gross profit	60,389	56,987
Selling, general and administrative expenses	48,065	45,317
Operating profit	12,324	11,670
Non-operating income		
Interest income	75	61
Dividend income	391	378
Foreign exchange gains	-	137
Share of profit of entities accounted for using equity method	1,409	1,155
Other	350	314
Total non-operating income	2,227	2,047
Non-operating expenses		
Interest expenses	391	536
Loss on disposal of inventories	106	117
Foreign exchange losses	0	-
Other	216	414
Total non-operating expenses	715	1,068
Ordinary profit	13,836	12,648
Extraordinary income		
Gain on sale of investment securities	289	890
Gain on sale of shares of subsidiaries and associates	-	17
Compensation income	235	-
Total extraordinary income	525	908
Extraordinary losses		
Loss on sale of non-current assets	-	38
Loss on retirement of non-current assets	510	773
Impairment losses	1,520	615
Loss on the spread of infectious disease	137	-
Loss on cancellation of business consignment agreement	-	33
Total extraordinary losses	2,168	1,462
Profit before income taxes	12,192	12,095
Income taxes - current	3,905	2,510
Income taxes - deferred	149	849
Total income taxes	4,054	3,360
Profit	8,138	8,734
Profit (loss) attributable to non-controlling interests	(1,106)	138
Profit attributable to owners of parent	9,244	8,595