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November 9, 2022

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Representative Director and President
(Securities code: 2602; Prime Market of TSE)
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Company name: J-Oil Mills, Inc.
Name of representative: Tatsuya Sato
Representative Director, President and CEO
(Securities code: 2613; Prime Market of TSE)
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The Nisshin Oillio Group, Ltd. and J-Oil Mills, Inc. Announce Basic Agreement on Nationwide Integration of Oilseed Processing Functions and Formation of Oilseed Processing Joint Venture in Western Japan

The Nisshin Oillio Group, Ltd. and J-Oil Mills, Inc. announce that they have reached basic agreement, and their respective Boards of Directors have approved by resolution, the nationwide integration of their oilseed processing functions and the formation of a joint venture company in western Japan.

1. Background and Significance

The global population is increasing, and demand for foodstuffs is expected to grow even faster. In addition, climate change is heightening crop supply risks, and there are concerns regarding tight food supply and demand.

In Japan, meanwhile, demand for foodstuffs is diminishing in conjunction with the falling population, low birthrate, and aging of society, and as a result, demand for oil and meal is expected to decrease over the long term. Moreover, the edible oil industry is facing a serious issue as oilseed processing facilities that were built more than 50 years ago age and deteriorate.

In light of this outlook for the business environment, since May 2021 The Nisshin Oillio Group and J-Oil Mills have been investigating the formation of an oilseed processing joint venture company with an eye toward nationwide integration of their oilseed process functions for the purposes of ensuring stable supplies of oil and meal, sustainably enhancing international competitiveness, and solving environmental and social problems, in line with their missions of supporting food in Japan into the future. As a result of

repeated studies by both companies, today they reached basic agreement on the nationwide integration of their oilseed processing functions and establishment of an oilseed processing joint venture company in western Japan.

In anticipation of changes in the business environment over the next 50 years and beyond, the two companies will seek to build a joint business structure that can bolster the international competitiveness of the domestic oilseed processing industry and secure stable supplies over the long term. They will also work to create next-generation oilseed processing plants that lead to the solution of environmental and social issues, including the creation of smart factories using AI and the Internet of Things (IoT), and take measures to support the development of a decarbonized society.

2. Outline of the Joint Venture Company

- (1) Timing of establishment: Planned for April 2023
- (2) Principal place of business: Kurashiki City, Okayama Prefecture
- (3) Subject plants: The Nisshin OilliO Group's Mizushima Plant and J-Oil Mills' Kurashiki Plant
- (4) Business activities: Oilseed processing (production of crude oil and oil meals) under contract from The Nisshin OilliO Group and J-Oil Mills

Establishment of the joint venture company is subject to the necessary permits and approvals from the relevant authorities.

3. Outlines of The Nisshin OilliO Group and J-Oil Mills

The Nisshin OilliO Group

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|-------------------------------------|---|
| (1) Location: | 1-23-1 Shinkawa, Chuo-ku, Tokyo, Japan |
| (2) Name & title of representative: | Takahisa Kuno, Representative Director and President |
| (3) Main business: | Oils and fats, processed foods and materials, and fine chemicals |
| (4) Paid-in capital: | ¥16,332 million |
| (5) Established: | March 1907 |
| (6) Net sales: | ¥432,778 million (consolidated; fiscal year ended March 31, 2022) |
| (7) Number of employees: | 2,987 (consolidated, as of March 31, 2022) |

J-Oil Mills

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|-------------------------------------|---|
| (1) Location: | St. Luke's Tower, 8-1 Akashi-cho, Chuo-ku, Tokyo, Japan |
| (2) Name & title of representative: | Tatsuya Sato, Representative Director, President and CEO |
| (3) Main business: | Oils and fats and specialty foods |
| (4) Paid-in capital: | ¥10,000 million |
| (5) Established: | April 2002 |
| (6) Net sales: | ¥201,551 million (consolidated; fiscal year ended March 31, 2022) |
| (7) Number of employees: | 1,361 (consolidated; as of March 31, 2022) |

The two companies do not have any capital or personnel relationships.

Their business transactions include outsourcing and contracting oilseed processing (crude oil and oil meals) utilizing the oilseed processing facilities of both companies and, when necessary, joint distribution of oilseed and raw oil material, equivalent exchanges among plants of crude oil and oil meals, and other such transactions.

4. Outlook

The two companies will engage in discussions concerning the details of the oilseed processing joint venture company in accordance with the basic agreement. They will also discuss integration of their nationwide oilseed processing functions through the joint venture company.

Both companies will carefully examine the impact of this project on their financial performance in the future and will make prompt announcements if any matters that require timely disclosure arise.