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# Corporate Governance

CORPORATE GOVERNANCE

The Nisshin Oillio Group, Ltd.

Last Update: June 24, 2025

**The Nisshin Oillio Group, Ltd.**

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Securities code: 2602

<https://www.nisshin-oillio.com/english/>

The corporate governance of The Nisshin Oillio Group, Ltd. (the “Company”) is described below.

## I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

### 1. Basic Views

The Nisshin Oillio Group seeks to continually serve as a corporate group that helps give rise to sustainability while earning the trust of its stakeholders, and under its Corporate Philosophy has accordingly cited its aim of contributing to the development of people, society, and the economy by maximizing its corporate value. Meanwhile, The Nisshin Oillio Group Vision 2030 contains strategic guidelines and the Corporate Vision towards 2030 with the aim of achieving growth by creating shared value with society, and accordingly establishes priorities (Our Priorities) for addressing social issues and creating value.

Under this policy, the Group will strive to establish a solid relationship with all stakeholders and build stronger trust, while enhancing its corporate governance.

[Corporate Vision towards 2030]

Our objective is to co-create new food functions, leveraging “The Natural Power of Plants” and the strengths obtained from mastering oils and fats. We shall strive to generate diverse value and deliver “energy for living” to everyone.

### Reasons for Non-compliance with the Principles of the Corporate Governance Code **Updated**

The Company fully complies with all principles of the Corporate Governance Code.

### Disclosure Based on the Principles of the Corporate Governance Code **Updated**

#### [Principle 1.4: Cross-shareholdings]

##### (1) Cross-shareholding policy

The social environment surrounding cross-shareholdings has changed significantly in recent years, amidst the markets’ growing interest in cross-shareholding and the introduction and revision of the Corporate Governance Code. In addition, under the Group’s Medium-Term Business Plan *Value UpX*, improving capital efficiency is an important goal. In light of this, in fiscal 2020 the Company changed its policy so as to not engage in cross-shareholdings, in principle, except in cases where such cross-shareholding is considered to lead to maintaining and strengthening business competitiveness through capital and business tie-ups and business collaborations, or achieving expeditious business growth and expansion through investment and other measures aimed at developing new business areas.

In accordance with this basic policy, we will carefully re-examine the significance for maintaining existing cross-shareholdings and work to reduce holdings. Since the reduction of cross-shareholdings may have significant impacts on business partners and markets, we are proceeding in stages while securing the understanding of business partners

by engaging in dialogue.

## (2) Methods of verifying the reasonableness of holdings and details of verification by the Board of Directors

Each year, we comprehensively examine and verify the reasonableness of holdings in accordance with the following verification process and evaluation items. This verification process and the evaluation items are used as a transitional measure to implement a phased reduction in accordance with the changes in the basic policy, and we are continuously striving to enhance our verification methods.

In accordance with the above, the Board of Directors verified at the meeting held in November 2024 the significance of holding the shares of each company and the benefits associated with holding those shares.

At the end of fiscal 2023, we held shares of 62 companies, and in fiscal 2024 we sold shares of 14 companies (total sales amount of the shares of the 14 companies was 3,730 million yen), and acquired shares of one company (total purchase price of the shares was 8 million yen). As a result, the number of companies for which we held shares was reduced to 49 as of the end of fiscal 2024. The amount recorded on the balance sheet decreased from 20,202 million yen as of the end of fiscal 2023 to 14,175 million yen. Also, the ratio of such holdings to consolidated shareholders' equity decreased to 7.6%.

### **Verification process**

(1) Perform qualitative and quantitative evaluations (see below for evaluation items) and then perform a comprehensive evaluation.

(2)-1. If a determination is made through the comprehensive evaluation that the holding is not reasonable, an improvement action plan is formulated and implemented, and the details are verified by the Board of Directors.

(2)-2. If a determination is made through the comprehensive evaluation that the holding is reasonable, the details are verified by the Board of Directors.

(3) If the Board of Directors verifies and determines that the holding is reasonable, the holding is maintained, and if the Board determines that it is not reasonable, a disposal is negotiated.

### **Evaluation items**

Qualitative items: Purposes of holding, background of acquisition, existence of business relationship, strategic significance and benefits of holding, and risk relating to continuation and stability of business in the case of a disposal

Quantitative items: Net sales and profits in the last two years (sales partners only), annual dividend income, stock valuation gains or losses, benefits and risks and the cost of capital associated with the holding

## (3) Criteria on the exercise of voting rights

We carefully examine each proposal and respect proposals by issuing companies when they are determined to contribute to enhancing shareholder value for the issuing company.

In the event of serious deficiencies in corporate governance such as the occurrence of misconduct or anti-social conduct, or in the case of a proposal that is determined to pose a risk of harm to shareholder value, we make a timely and appropriate decision on whether to approve or disapprove the proposal through dialogue with the relevant company.

### **[Principle 1.7: Related party transactions]**

The Company's Regulations of the Board of Directors stipulate that competitive transactions and transactions that involve conflicts of interests by its Directors are matters to be approved by resolution of the Board of Directors. The status of such transactions is regularly reported to the Board. In addition, transactions between related parties are disclosed in the Annual Securities Report and other documents after approval by the Board.

### **[Supplementary Principle 2.4.1: Ensuring diversity among core human resources]**

To realize Vision 2030, we have positioned human resource management at the core of our Medium-Term Business Plan *Value UpX*. We have identified “active engagement of diverse human resources” as one of our human resource-related materiality themes and consider securing diverse human resources and promoting their success as a key priority. To this end, we are enhancing development opportunities and improving the internal environment so that individuals with diverse abilities, experiences, and values can thrive. We are also working to strengthen human capital through our human resource management, focusing on “building a strong and resilient human resource base” and “creating an attractive company and organizational culture that people choose and value.”

For more information on promoting women’s active engagement, see “Active engagement of diverse human resources within a culture that embraces challenges” on the Company’s website, and “III-3. Status of Measures to Ensure Due Respect for Stakeholders: Promotion of the advancement of women” in this report. Going forward, we will continue to promote the hiring of more female employees, support their career development, and further improve the workplace environment to create a setting where every employee can thrive. At the same time, we will work to steadily increase the number of women in managerial positions and aim to appoint women to officer positions. (Percentage of women in managerial positions (non-consolidated basis): fiscal 2024 (actual) 8.4%, fiscal 2030 (target) 20%)

The Company hires and develops a diverse range of talent regardless of gender, age, or nationality, and promotes them to managerial positions. In recent years, we have strengthened mid-career recruitment to secure talent with a high level of expertise and extensive experience. In line with the globalization of our business domains, we are also promoting the appointment of diverse personnel at our overseas Group companies, with a particular emphasis on promoting local staff to higher positions. We have not set specific numerical targets for mid-career or non-Japanese employees, as we appoint individuals to managerial positions as appropriate in accordance with our personnel system, regardless of employment type or other classification.

(Percentage (non-consolidated basis) of mid-career employees hired in fiscal 2024 in: managerial positions 13.3%, highly specialized human resources 6.7%)

For further information on policies on human resource development to ensure diversity and policies on the creation of internal environments, see “III-3. Status of Measures to Ensure Due Respect for Stakeholders.”

Active engagement of diverse human resources within a culture that embraces challenges

[https://www.nisshin-oillio.com/english/sustainability/human\\_management/diversity/](https://www.nisshin-oillio.com/english/sustainability/human_management/diversity/)

### **[Principle 2.6: Roles as an asset owner of corporate pension funds]**

The Company manages pension assets in The Nisshin Oillio Group Corporate Pension Fund, and in addition to allocating human resources with appropriate qualifications relating to accounting, finance, and other areas, the Asset Management Committee manages investment policies, plans, progress, and performance in cooperation with the Company’s accounting and financial divisions and monitors investment institutions to ensure proper management. Going forward, we will continue to make every effort to ensure appropriate investment management.

### **[Principle 3.1: Full disclosure]**

(1) The Company’s Corporate Philosophy, The Nisshin Oillio Group Vision 2030, and the Medium-Term Business Plan are disclosed on the Company’s website.

Corporate Philosophy

[https://www.nisshin-oillio.com/english/about\\_us/philosophy/](https://www.nisshin-oillio.com/english/about_us/philosophy/)

The Nisshin Oillio Group Vision 2030

[https://www.nisshin-oillio.com/english/assets/pdf/vision2030/vision2030\\_en.pdf](https://www.nisshin-oillio.com/english/assets/pdf/vision2030/vision2030_en.pdf)

Medium-Term Business Plan

[https://www.nisshin-oillio.com/english/about\\_us/business\\_plan/](https://www.nisshin-oillio.com/english/about_us/business_plan/)

(2) Information on the Company's fundamental approach to and basic policy on corporate governance is provided in I.1. Basic Views.

(3) The policy on determination of Director remuneration is described in section II.1. Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof. When determining remuneration amounts, the Compensation Advisory Committee conducts deliberations, and the Board of Directors makes a determination by resolution.

(4) With regard to policies on the nomination of candidates for Director or Audit & Supervisory Board Member and appointment of managerial executive personnel, the Company aims to build an optimal system where individuals will be able to appropriately fulfill their roles and responsibilities and properly address the management issues of the Group. Accordingly, candidates are nominated in line with the policy of considering individual experience, knowledge and expertise, the overall scale of the Board of Directors or the Audit & Supervisory Board, as well as the balance among the candidates who would comprise these bodies. The Company has established the Nomination Advisory Committee, which engages in deliberations, including the determination of the policy on appointment and dismissal of Directors, deliberation and evaluation of candidates for Director, and decision-making on a draft list of candidates. Based on these deliberations by the Nomination Advisory Committee, the Board of Directors decides on the candidates for Director and the managerial executive personnel. The candidates for Audit & Supervisory Board Member are decided by the Board of Directors upon obtaining the agreement of the Audit & Supervisory Board.

(5) The reasons for nominating individual Directors and Audit & Supervisory Board Members are described in the Notice of Convocation of the Annual General Meeting of Shareholders.

Notice of Convocation of the 153rd Annual General Meeting of Shareholders

[https://www.nisshin-oillio.com/english/inv/ir\\_news/down2.php?attach\\_id=1854](https://www.nisshin-oillio.com/english/inv/ir_news/down2.php?attach_id=1854)

### **[Supplementary Principle 3.1.3: Issues concerning sustainability]**

[Sustainability Initiatives]

In line with the Corporate Vision towards 2030 and our strategic guidelines that are indicated in The Nisshin Oillio Group Vision 2030 formulated in March 2021, we will make sustainable growth into the future and contribute to the realization of the sustainable society with a concept that the creation of shared values (CSV) that are diverse through the resolution of social issues shall be a driver for growth. Based on the opportunities, risks, and social issues that are expected to arise in the future, we set six priority areas—Good health for all; Quality of life; Global environment; Contribution to the food value chain; Supply chain connected by trust; and Human resource management—and we are promoting initiatives in these areas.

Information regarding sustainability initiatives is disclosed in the Annual Securities Report and Integrated Report.

Annual Securities Report

[https://www.nisshin-oillio.com/inv/ir\\_library/securities\\_report.html](https://www.nisshin-oillio.com/inv/ir_library/securities_report.html) (in Japanese only)

Integrated Report

<https://www.nisshin-oillio.com/english/sustainability/report/>

[Investment in Human Capital]

For information on our views on and specific policies concerning investment in human capital, refer to "III-3. Status of Measures to Ensure Due Respect for Stakeholders."

[Investment in Intellectual Property]

(1) Views on investment in intellectual property

The Nisshin Oillio Group uses its innovative technological capabilities and product development abilities, based on many years of research on vegetable oils and fats, to respond to diverse customer needs. To become a corporate group that generates diverse values and delivers “energy for living” to everyone, a goal under the Vision 2030, we are enhancing our technological capabilities regarding oils and fats, our core competence, as well as peripheral areas, and conducting research and development to create shared value in priority areas.

We will acquire diverse knowledge based on technology development that creates new value from a medium- to long-term perspective and product development that leads to the timely market launch of products in response to customer needs and market trends and combine that knowledge, and give it concrete form so that we can continue to provide valuable products and services. Furthermore, based on the recognition that the intellectual property created through such investment is a crucial management asset for the Group, we are accelerating the creation of shared value by incorporating it into growth strategies and value creation processes.

## (2) Policy on the strategic use of intellectual property

Our policy on the strategic use of the Group’s intellectual property is to secure superiority in business operations and a degree of freedom in research and development by acquiring intellectual property rights and responding to intellectual property risks and to promote increased profitability and the creation of shared value. Particularly in the area of oils and fats, which is our core competence, we endeavor to acquire sufficient intellectual property rights and to establish and protect brands so that we can make a leap forward to become a top provider of oils & fats solutions and expand areas of value creation even further. We also perform analysis that combines intellectual property information with market and other information and internally distribute information that will contribute to decision making in business operations and research and development.

We also actively acquire related intellectual property rights when engaging in creative business operations with other companies and when expanding and globally developing our business sectors, and the strategic use of those rights contributes to the Group’s sustainable growth.

## (3) Ongoing review of intellectual property strategy

In accordance with (1) and (2) above, the Group utilizes various forms of intellectual property—including technology, brands, know-how, and data—in an integrated manner, and has formulated and implemented an intellectual property strategy that contributes to sustainable growth and enhanced corporate value. To this end, we are strengthening our collaboration with relevant departments, analyzing the current situation, and identifying the specific values to be protected and how to protect them. To further develop our intellectual property strategy, we will continue to engage in ongoing discussions at Board of Directors meetings and other relevant deliberation committee meetings in order to achieve the initiatives set out in the Medium-Term Business Plan *Value UpX*.

## (4) Disclosure related to intellectual property

The Group’s basic policy on intellectual property, related achievements and case studies, as well as intellectual property strategy under the medium-term business plan, are disclosed on the Company’s website, and in the Annual Securities Report and Integrated Report.

Intellectual Property—Creating Shared Value through the Strategic Rollout of Intellectual Property

<https://www.nisshin-oillio.com/company/rd/ip/> (in Japanese only)

Medium-Term Business Plan *Value UpX* (p. 10) “What are the *Winning Tactics* in *Value UpX*? —Embedding innovation through the cyclical creation of intangible assets—”

[https://www.nisshin-oillio.com/english/assets-sus/pdf/business\\_plan/value\\_upx\\_mid\\_term\\_business\\_plan\\_2025.pdf](https://www.nisshin-oillio.com/english/assets-sus/pdf/business_plan/value_upx_mid_term_business_plan_2025.pdf)

Annual Securities Report (R&D activities)

[https://www.nisshin-oillio.com/inv/ir\\_library/securities\\_report.html](https://www.nisshin-oillio.com/inv/ir_library/securities_report.html) (in Japanese only)

Integrated Report\*

<https://www.nisshin-oillio.com/english/sustainability/report/>

\* The intellectual property strategy for the fiscal years 2021 through 2024 under the Medium-Term Management Plan *Value Up+* is described in detail in the Research & Development section (pp. 39-40) of the Integrated Report 2024.

[Risks and Opportunities Associated with Climate Change]

In March 2021, the Group announced its support for the Task Force on Climate-Related Financial Disclosures (TCFD). In addition, we disclosed in March 2022 on our website four disclosure items (governance, strategy, risk management, and metrics and targets) and climate-change scenario analysis (climate-related risks/opportunities and measures for them) that were recommended under the TCFD.

Response to TCFD recommendations

<https://www.nisshin-oillio.com/english/sustainability/tcfd/>

#### **[Supplementary Principle 4.1.1: Scope of matters delegated to the management]**

Matters to be resolved and reported by the Board of Directors, including fund procurement and transfer and disposal of major assets, are stipulated in the Regulations of the Board of Directors and its operational standards, and matters to be resolved and reported by the Board of Corporate Officers are stipulated in the Regulations for the Operation of the Board of Corporate Officers and its operating standards. In addition, the Corporate Officer Regulations stipulate the authority and responsibilities of Corporate Officers.

#### **[Principle 4.9: Independence standards and qualifications for independent Outside Directors]**

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, pursuant to a resolution of the Board of Directors adopted in November 2015, an officer is determined to be independent if they meet none of 11 items below.

- (1) A major shareholder holding 10% or more of the Company's voting rights currently or within the past five years (or, if the major shareholder is a legal entity, 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 supplier (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 within the previous three 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 three 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 yen or more in the past three 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 yen or more in the past three 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 of kinship, 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 of kinship, 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 five years

**[Supplementary Principle 4.10.1: Authority and roles of the Nomination Committee and Compensation Committee]**

The Company has established a Nomination Advisory Committee and Compensation Advisory Committee as advisory bodies to the Board of Directors. The Nomination Advisory Committee determines policies for appointment and dismissal of Directors; deliberates on and evaluates Director candidates and determines a draft list of candidates; deliberates on plans concerning the successor to the President; and reports to the Board of Directors. The committee has a total of four members: the Representative Director and President, and three Outside Directors. The Compensation Advisory Committee verifies the remuneration system for Directors, deliberates on the details of remuneration, and reports to the Board of Directors. The committee has a total of six members including the Representative Director and President, three Outside Directors, and two Outside Audit & Supervisory Board Members. To strengthen independence, objectivity, and accountability, both committees have a majority of members who are outside officers, with an Outside Director serving as the chairperson for each committee.

**[Supplementary Principle 4.11.1: Approach to the overall balance and scope of the Board of Directors and formulation and disclosure of a skills matrix]**

The Board of Directors comprises nine Directors (three of whom are independent Outside Directors). The Board deliberates on and determines matters prescribed in laws and regulations and important managerial matters and is responsible for the management of the Group and supervision of the execution of business operations. The Board consists of Directors with abundant experience in managing the Company and highly independent Outside Directors with in-depth knowledge regarding corporate management. Policies and procedures relating to the appointment of Directors is described in 1. 1. Principle 3.1.

The knowledge, experience, capabilities, and so on that we consider necessary for a Director of the Company are listed, and a skills matrix that describes these attributes is provided in the Notice of Convocation of the Annual General Meeting of Shareholders and the Integrated Report.

Notice of Convocation of the 153rd Annual General Meeting of Shareholders  
[https://www.nisshin-oillio.com/english/inv/ir\\_news/down2.php?attach\\_id=1854](https://www.nisshin-oillio.com/english/inv/ir_news/down2.php?attach_id=1854)

Integrated Report  
<https://www.nisshin-oillio.com/english/sustainability/report/>

**[Supplementary Principle 4.11.2: Status of concurrent positions of Directors and Audit & Supervisory Board Members]**

The status of concurrent posts with other companies (listed companies) for Directors and Audit & Supervisory Board Member is as described below.

Ms. Naomi Eto, Outside Director: Outside Director of Nippon Yakin Kogyo Co., Ltd.

Ms. Satoko Shisai, Outside Director: Outside Director of Mitsubishi Research Institute, Inc. and Outside Director of NYK Line

Ms. Keiko Mizuguchi, Outside Audit & Supervisory Board Member: Outside Auditor of BIPROGY Inc.

### **[Supplementary Principle 4.11.3: Analysis and evaluation of the effectiveness of the Board of Directors]**

In order to evaluate the effectiveness of the Board of Directors in fiscal 2024, we carried out a questionnaire-based survey of the Directors and Audit & Supervisory Board Members who comprise the Board of Directors (13 persons in total) with support from a third-party institution to ensure objectivity. Following discussions with the President and all of the Outside Directors and Outside Audit & Supervisory Board Members based on the details of the survey, we held discussions at the Board of Directors' meeting, and as a result of those discussions, we concluded that the effectiveness of the Board of Directors is secured as a whole in the Company.

For more information, please refer to the Company's website.

Survey Report on the Evaluation of the Effectiveness of the Board of Directors

<https://www.nisshin-oillio.com/english/inv/management/governance/evaluation.html>

### **[Supplementary Principle 4.14.2: Training policies for Directors and Audit & Supervisory Board Members]**

The Company supports the execution of duties by Directors and Audit & Supervisory Board Members by collecting and providing information on matters, such as economic conditions, industry trends, compliance with laws and regulations, corporate governance, and financial accounting, that they need to perform their roles and fulfill their responsibilities. In order to perform their roles and fulfill their responsibilities, the Company's Outside Directors and Outside Audit & Supervisory Board Members receive timely explanations from the departments or officers in charge of the Company's group management strategies, management plan, business conditions, management environment, and management issues after assuming their positions so that they can develop sufficient understanding of these matters.

### **[Principle 5.1: Supplementary Principle 5.1.2: Policies for constructive dialogue with shareholders]**

We respond positively to a reasonable extent to requests for dialogue (interviews) from shareholders that contributes to the sustainable growth of the Company and improvement of corporate value over the medium to long term. Policies regarding the development of systems and measures to promote constructive dialogue with shareholders are as follows:

- (1) The Corporate Officer responsible for the Investor Relations (IR) Department is responsible for dialogue with shareholders overall.
- (2) The IR Department engages in dialogue with institutional investors and works with the Corporate Planning Department, Financial Department, and other related departments.
- (3) Meetings attended by the Representative Director and President include financial results briefings held twice a year, and briefings and small meetings on individual strategies for each business area held as needed.
- (4) Shareholder opinions and requests learned through dialogue are summarized, examined, and reported to the Board of Directors every quarter.
- (5) The Company conducts periodic training to prevent insider trading.

### **Status of Dialogue with Shareholders**

The status of dialogue with shareholders in the most recent fiscal year is as follows:

The Company held meetings with securities analysts and with analysts and fund managers from domestic and overseas institutional investors 146 times over the course of the year.

Regarding briefings for institutional investors, in addition to the four financial results briefings, we held a presentation session on the Medium-Term Business Plan *Value UpX* in March 2025.

For dialogues with investors, the IR Department serves as the contact point and works with the Representative Director and President, the Corporate Officer responsible for the IR Department, Sustainable Business Management

(current Corporate Planning Department), Financial Department, and other related departments.

The main topics covered during such dialogues were details of financial results, trends in results, the status of progress of the medium-term management plan, individual business strategies, and ESG.

The status of dialogues with investors as well as the main opinions and requests voiced by investors are reported to the Board of Directors quarterly.

In addition, financial results briefing materials and summaries of the questions and answers at financial results briefings are posted on the Company’s website.

Financial Results Briefing Materials

[https://www.nisshin-oillio.com/english/inv/ir\\_library/financial\\_results\\_briefing.html](https://www.nisshin-oillio.com/english/inv/ir_library/financial_results_briefing.html)

## Measures for Achieving Management with an Awareness of Capital Costs and Share Prices Updated

Details	Disclosure of measures (updates)
Disclosure in English	Yes
Updated on	June 24, 2025

### Description of Applicable Item Updated

Since the Company’s stock price remains below one times the P/B ratio, we are aware that this is a significant management issue, and the Board of Directors continuously performs analysis and engages in discussion with the aim of improving the cost of capital and return on capital.

In line with the Corporate Vision towards 2030 and the strategic guidelines indicated in The Nisshin Oillio Group Vision 2030, we will seek to increase corporate value through sustainable business growth into the future, using the creation of shared value (CSV) with society by solving social issues as a driver.

To improve the P/B ratio, we believe that it will be important to take measures to increase intrinsic corporate value through business growth and to raise return on capital to a stable level that exceeds the cost of capital. Based on this belief, we revised our management target values for 2030 in May 2023. We raised the target value relating to return on capital from ROE of 8% to ROE of 10% and positioned this as the top-priority indicator. We will take action to achieve the goals set forth in The Nisshin Oillio Group Vision 2030 so that we can achieve profitability that reliably exceeds the cost of capital. We also set a target for 2030 of ROIC of 7% in order to reach ROE of 10%.

At the same time, in order to ensure realization of the goals we set in The Nisshin Oillio Group Vision 2030, we have formulated our Medium-Term Business Plan *Value UpX* covering the four years starting from fiscal 2025. Under *Value UpX*, we have set targets for fiscal 2028 of 28.0 billion yen in operating profit (with a profit margin of 5% or higher), ROE of 8% or more, and ROIC of 6% or more. Building on the achievements to date, we are accelerating our growth to steadily realize the goals we set in The Nisshin Oillio Group Vision 2030, while also initiating concrete actions with an eye toward growth beyond 2030. The Company recognizes that the return of profits to shareholders is one of the most important issues in management. We have established our shareholder return policy under the Medium-Term Business Plan *Value UpX* from the standpoint of providing stable and proactive returns to shareholders, improving capital efficiency, and enhancing corporate value through sustainable growth.

Most recently, we outlined our “Strategy for Improving Return on Capital” and “Initiatives to Achieve ROIC Improvement” at the presentation session on the Medium-Term Business Plan *Value UpX* and the financial results briefing for fiscal 2024 (the fiscal year ended March 2025). We also described the progress made in achieving the goals and implementing the business strategies outlined in *Value UpX* at our semi-annual financial results briefings held in May and November.

We will continue our management efforts from the perspective of both operating profit and invested capital as explained at the presentation session on the Medium-Term Business Plan *Value UpX* and the financial results briefing for fiscal 2024 (the fiscal year ended March 2025), in order to establish a corporate structure that can achieve return on capital commensurate with the cost of capital.

The Nisshin Oillio Group Vision 2030

[https://www.nisshin-oillio.com/english/about\\_us/vision2030/](https://www.nisshin-oillio.com/english/about_us/vision2030/)

Partial Revision of Performance Targets of The Nisshin Oillio Group Vision 2030

[https://www.nisshin-oillio.com/english/inv/ir\\_library/down2.php?attach\\_id=1541&uid=8605](https://www.nisshin-oillio.com/english/inv/ir_library/down2.php?attach_id=1541&uid=8605)

Medium-Term Business Plan *Value UpX*

[https://www.nisshin-oillio.com/english/about\\_us/business\\_plan/](https://www.nisshin-oillio.com/english/about_us/business_plan/)

Announcement of Changes to Shareholder Return Policy in the Medium-Term Business Plan: *Value UpX*

[https://www.nisshin-oillio.com/english/news/down2.php?attach\\_id=1837&uid=9367](https://www.nisshin-oillio.com/english/news/down2.php?attach_id=1837&uid=9367)

Financial Results Briefing Materials for the Year Ended March 31, 2025 (p. 20: Initiatives to Achieve ROIC Improvement)

[https://www.nisshin-oillio.com/english/inv/ir\\_news/down2.php?attach\\_id=1849](https://www.nisshin-oillio.com/english/inv/ir_news/down2.php?attach_id=1849)

IR

<https://www.nisshin-oillio.com/english/inv/>

## 2. Capital Structure

Foreign Shareholding Ratio	10% or more and less than 20%
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### Status of Major Shareholders **Updated**

Name or Company Name	Number of Shares Owned	Percentage (%)
Marubeni Corporation	5,200,320	15.96
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,689,400	14.40
Custody Bank of Japan, Ltd. (Trust Account)	2,769,200	8.50
DFA INTL SMALL CAP VALUE PORTFOLIO	624,300	1.92
Kikkoman Corporation	470,395	1.44
STATE STREET BANK AND TRUST COMPANY 505223	413,465	1.27
STATE STREET BANK WEST CLIENT-TREATY 505234	353,800	1.09
Sompo Japan Insurance Inc.	353,096	1.08
STATE STREET BANK AND TRUST COMPANY 505001	352,731	1.08
Nippon Life Insurance Company	319,982	0.98

Name of Controlling Shareholder, if applicable (excluding Parent Company)	----
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Name of Parent Company, if applicable	None
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Supplementary Explanation

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## 3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Business Sector	Foods

Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) in the Previous Fiscal Year	¥100 billion or more and less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more and fewer than 50

**4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder**

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**5. Other Special Circumstances Which May Have a Material Impact on Corporate Governance**

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## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Corporate Governance System	Company with Audit & Supervisory Board Members
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#### Directors

Number of Directors Stipulated in Articles of Incorporation	20
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	9
Appointment of Outside Directors	Appointed
Number of Outside Directors	3
Number of Independent Directors	3

#### Outside Directors' Relationship with the Company (1) **Updated**

Name	Attributes	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Mr. Isao Yamamoto	From another company												
Ms. Naomi Eto	From another company								△				
Ms. Satoko Shisai	From another company												

**\*Categories for "Relationship with the Company".**

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business of the Company or its subsidiary
- Person who executes business or is a non-executive director of a parent company of the Company
- Person who executes business of a fellow subsidiary of the Company
- Person/entity for which the Company is a major business partner or a person who executes business for such person/entity
- Major business partner of the Company or a person who executes business for such business partner
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to compensation for Directors and Corporate Officers from the Company
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- Person who executes business for a business partner of the Company (excluding persons categorized as any of d, e, or f above) (applies to the individual only)
- Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to the individual only)
- Person who executes business for an entity receiving contributions from the Company (applies to the individual only)
- Other

Name	Designation as Independent Director/Auditor	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Mr. Isao Yamamoto	✓	---	<p>[Reasons for appointment as an Outside Director and overview of expected role]</p> <p>Mr. Isao Yamamoto has utilized his knowledge and experience in financial markets and general management, cultivated through years of work as a securities analyst and financial advisor, for the management of the Company. In particular, he has actively delivered statements mainly on management strategies, enhancement of capital efficiency, and the formulation of the medium-term business plan from a capital markets perspective, thereby invigorating discussions at the Board of Directors meetings. Furthermore, as chairperson of the Nomination Advisory Committee and a member of both the Compensation Advisory Committee and the Management Sustainability Committee, he has actively expressed his views to improve governance. These facts show that he has appropriately supervised and provided sound advice to management. For the reasons indicated above, Mr. Yamamoto remains appointed as an Outside Director as the Company expects him to enhance the Board of Directors' functions with his expertise.</p> <p>[Reasons for appointment as an Independent Director/Auditor]</p> <p>Mr. Isao Yamamoto has been appointed as an Independent Director/Auditor with the expectation that his judgement will be objective and unconstrained by the practices of the Company based on his knowledge and experience in financial markets and overall corporate management, cultivated through years of activities as a securities analyst as well as a financial advisor, along with the determination that he does not have a stake in the Company and that there is no risk of a conflict of interest arising between him and our general shareholders.</p>
Ms. Naomi Eto	✓	Ms. Naomi Eto served as a director of Zensho Holdings Co., Ltd. until June 2020. There have been transactions between Zensho Holdings and the Group for some	<p>[Reasons for appointment as an Outside Director and overview of expected role]</p> <p>Ms. Naomi Eto has utilized her extensive knowledge and experience in corporate governance, compliance, and sustainability based on her engagement in business operations, for the management of the Company. In particular, she has actively delivered her opinions on matters such as the verification of the status of risk management in business execution, the promotion of human resource diversity, and the formulation of the medium-term business plan that contributes to fostering appropriate understanding and expectations both within and outside the Company, thereby invigorating</p>

		<p>time, but the Group's sales to Zensho Holdings accounted for less than 0.1% of the Company's consolidated net sales in the fiscal year ended March 2025.</p>	<p>discussions at the Board of Directors meetings. Furthermore, as chairperson of the Compensation Advisory Committee and a member of the Nomination Advisory Committee, she has actively expressed her views to improve governance. These facts show that she has appropriately supervised and provided sound advice to management. For the reasons indicated above, Ms. Eto remains appointed as an Outside Director as the Company expects her to enhance the Board of Directors' functions with her expertise.</p> <p>[Reasons for appointment as an Independent Director/Auditor] Based on her extensive experience in corporate governance, compliance, and sustainability gained by engaging in business operations, Ms. Naomi Eto has been appointed as an Independent Director/Auditor with the expectation that her judgement will be objective and unconstrained by the practices of the Company and, it has been determined that she does not have a stake in the Company and that there is no risk of a conflict of interest arising between her and our general shareholders.</p>
Ms. Satoko Shisai	✓	---	<p>[Reasons for appointment as an Outside Director and overview of expected role] Ms. Satoko Shisai has a wealth of knowledge and experience in the IT field, as well as experience in management as an executive officer of several companies. She has utilized such knowledge and experience for the Company's management. In particular, she has actively delivered statements on business strategy from a global perspective, digital innovation, and the formulation of the medium-term business plan from the perspective of strategic investment allocation, thereby invigorating discussions at the Board of Directors meetings. In addition, as a member of the Nomination Advisory Committee and the Compensation Advisory Committee, she has actively expressed her views to improve governance. These facts show that she has appropriately supervised and provided sound advice to management. For the reasons indicated above, Ms. Shisai remains appointed as an Outside Director as the Company expects her to enhance the Board of Directors' functions with her expertise.</p> <p>[Reasons for appointment as an Independent Director/Auditor] Based on her extensive knowledge and experience in the IT field and experience in management as executive officer of several companies, the Company expects that Ms. Satoko Shisai's judgement will be objective and unconstrained by the practices of the Company. It has been determined that she does not have a stake in the Company and that there is no risk of a conflict of interest arising between her and our general shareholders, and accordingly, she has been appointed as an</p>

			Independent Director/Auditor.
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Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chair (Chairperson)

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination Advisory Committee	4	0	1	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Compensation Advisory Committee	6	0	1	3	0	2	Outside Director

Supplementary Explanation **Updated**

The Nomination Advisory Committee conducts such reviews as the deliberation and evaluation of candidates for Director, and decision-making on a draft list of candidates, and then reports to the Board of Directors. The committee has a total of four members: the Representative Director and President, and three Outside Directors, and is chaired by Mr. Isao Yamamoto, an Outside Director.

In fiscal 2024, the committee met two times (both meetings were held with full attendance). Details of the deliberations are set forth below.

- First meeting (November 2024): Deliberation on management systems for fiscal 2025, succession plans for the President and other executives, and governance systems
- Second meeting (February 2025): Deliberation on candidates for Directors and Corporate Officers for fiscal 2025

The Compensation Advisory Committee deliberates on the Policy on Determination of Details of Remuneration, etc. of Individual Directors, details of the remuneration, etc. of individual directors, verification of director remuneration programs, levels, performance indicators, and so on using survey data and other information, and other topics and reports to the Board of Directors. The committee has a total of six members: the Representative Director and President, three Outside Directors, and two Outside Audit & Supervisory Board Members, and is chaired by Ms. Naomi Eto, an Outside Director.

In fiscal 2024, the Compensation Advisory Committee met a total of three times (Ms. Satoko Shisai and Ms. Keiko Mizuguchi attended all Compensation Advisory Committee meetings held since they assumed office as Director or Audit & Supervisory Board Member in June 2024, and other members attended all three meetings). Details of the deliberations are set forth below.

- First meeting (June 2024): Determination of individual bonus amounts based on fiscal 2023 Group-wide performance and individual evaluations in comparison with targets set at the beginning of the fiscal year (contribution to single-year performance, contribution to future performance (growth, capital efficiency, and ESG), fiscal 2023 stock-based compensation, and proposed officer remuneration for fiscal 2024 (including remuneration composition ratios and levels and bonus performance indicators))
- Second meeting (November 2024): Deliberation on the evaluation of the Company's officer compensation system in light of trends among major domestic companies, the evaluation of incentive compensation (bonuses and stock-based compensation), and the review of performance indicators
- Third meeting (March 2025): Deliberation on the review of performance indicators that will contribute to the new medium-term business plan starting from fiscal 2025, and extension of the entrustment term of the stock grant trust

\* Since April 2024, the chairpersons of both committees have been selected from among the Outside Directors through discussions within the respective committees.

### Audit & Supervisory Board Member

Establishment of Audit & Supervisory Board	Established
Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	4
Number of Audit & Supervisory Board Members	4

#### Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Department

Audit & Supervisory Board Members maintain close ties with the accounting auditors, regularly exchanging opinions and information to provide for effective and efficient auditing. The Internal Audit Department has also been established as a specialized unit for internal auditing. Audit & Supervisory Board Members and the Internal Audit Department hold meetings as required to exchange opinions and information regarding such matters as the plans and status of audits in providing for effective and efficient auditing. Additionally, the Internal Audit Department is subject to audits by Audit & Supervisory Board Members, who regularly carry out on-site audits as well as receive reports on the various audits conducted by the Internal Audit Department and inspect its records.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	2
Number of Independent Audit & Supervisory Board Members	2

#### Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Mr. Tomotake Kusamichi	Attorney at law													
Ms. Keiko Mizuguchi	From another company													

\*Categories for “Relationship with the Company”.

(Use “○” when the Audit & Supervisory Board Member presently falls or has recently fallen under the category; “△” when the Audit & Supervisory Board Member fell under the category in the past; “●” when a close relative of the Audit & Supervisory Board Member presently falls or has recently fallen under the category; and “▲” when a close relative of the Audit & Supervisory Board Member fell under the category in the past.)

- a. Person who executes business of the Company or its subsidiary
- b. A non-executive director or an accounting advisor of the Company or its subsidiary
- c. Person who executes business or is a non-executive director of a parent company of the Company
- d. An Audit & Supervisory Board Member of a parent company of the Company
- e. Person who executes business of a fellow subsidiary of the Company
- f. Person/entity for which the Company is a major client or a person who executes business for such person/entity
- g. Major client of the Company or a person who executes business for such client
- h. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to compensation for Directors and Corporate Officers
- i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the individual only)
- k. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to the individual only)
- l. Person who executes business for an entity receiving contributions from the Company (applies to the individual only)
- m. Other

Outside Audit & Supervisory Board Members’ Relationship with the Company (2) Updated

Name	Designation as Independent Director/Auditor	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Mr. Tomotake Kusamichi	✓	— — —	<p>[Reasons for appointment as an Outside Audit &amp; Supervisory Board Member]</p> <p>Mr. Tomotake Kusamichi possesses knowledge and experience in his field of expertise as an attorney at law. He has been appointed as an Outside Audit &amp; Supervisory Board Member to improve auditing quality by way of utilizing this expertise.</p> <p>[Reasons for appointment as Independent Director/Auditor]</p> <p>Based on his expertise and experience as an attorney at law, Mr. Tomotake Kusamichi has been appointed as Independent Director/Auditor with the expectation that his judgement will be objective and unconstrained by the practices of the Company along with the determination that he does not have a stake in the Company and that there is no risk of a conflict of interest arising between him and our general shareholders.</p>
Ms. Keiko Mizuguchi	✓	— — —	<p>[Reasons for appointment as an Outside Audit &amp; Supervisory Board Member]</p> <p>Ms. Keiko Mizuguchi possesses extensive knowledge and experience on corporate accounting, governance, and disclosure, etc., cultivated through her work experience at financial institutions, rating agencies, and auditing firms. She has been appointed as an Outside Audit &amp; Supervisory Board Member to improve auditing quality by way of utilizing this expertise.</p> <p>[Reasons for appointment as Independent Director/Auditor]</p>

			Based on her expertise and experience based on corporate practice in corporate accounting, governance, disclosure, and other areas, Ms. Keiko Mizuguchi has been appointed as Independent Director/Auditor with the expectation that her judgement will be objective and unconstrained by the practices of the Company along with the determination that she does not have a stake in the Company and that there is no risk of a conflict of interest arising between her and our general shareholders.
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## Matters Concerning Independent Directors/Auditors

Number of Independent Directors/Auditors	5
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Other Matters Concerning Independent Directors/Auditors
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All qualified Outside Directors and Audit & Supervisory Board Members are appointed as Independent Director/Auditor.

## Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Compensation Scheme
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Supplementary Explanation for Applicable Items
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Bonuses (performance-linked compensation) and stock-based compensation (medium- to long-term incentive compensation) are applicable. Note that this is consistent with what is described in “[Director Remuneration] Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof.”

Persons Eligible for Stock Options
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Supplementary Explanation for Applicable Items
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## Director Remuneration

Status of Disclosure of Individual Directors’ Remuneration	No Individual Disclosure
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Supplementary Explanation for Applicable Items	<b>Updated</b>
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○Matters relating to approval by the General Meeting of Shareholders concerning compensation of Directors and Audit & Supervisory Board Members

At the 134th Annual General Meeting of Shareholders held on June 28, 2006, monetary compensation of no more than 600 million yen annually was approved as total Director compensation (not including the employee wage portion for Directors who concurrently serve as employees). At the time of approval, there were 17 Directors.

Also, as stated above, a resolution was adopted at the 146th Annual General Meeting of Shareholders held on June 28, 2018, to introduce a stock-based compensation plan for Directors (excluding Outside Directors). At the time of the resolution, there were seven Directors (excluding Outside Directors). At the 150th Annual General Meeting of Shareholders held on June 24, 2022, a resolution was adopted to partially change and continue the

stock-based compensation plan. At the time of the resolution, there were six Directors (excluding Outside Directors).

A resolution was adopted at the 152nd Annual General Meeting of Shareholders held on June 27, 2024, approving monetary compensation of no more than 100 million yen annually as total Audit & Supervisory Board Member compensation. At the time of the approval, there were four Audit & Supervisory Board Members.

○Amounts of compensation paid to Directors and Audit & Supervisory Board Members in fiscal 2024

	Total amount of compensation	Amounts of Compensation by Type			Number of recipients
		Basic compensation	Bonus	Stock-based compensation	
Directors (excluding Outside Directors)	276 million yen	182 million yen	52 million yen	41 million yen	7
Audit & Supervisory Board Members (excluding Outside Members)	44 million yen	44 million yen	—	—	2
Outside Directors	32 million yen	32 million yen	—	—	4
Outside Audit & Supervisory Board Members	18 million yen	18 million yen	—	—	3

Notes:

- Persons that received compensation include one Director, one Outside Director, and one Outside Audit & Supervisory Board Member who retired during the fiscal year.
- The targets and results for performance indicators related to bonuses for the fiscal year ended March 2025 were as follows.

Performance Indicators		Fiscal 2024 target	Fiscal 2024 result
Financial indicators	Consolidated operating profit	21,000 million yen	19,278 million yen
Financial indicators	Consolidated operating profit (based on compound annual average growth rate)	17,000 million yen	19,278 million yen
Financial indicators	ROIC	5.0%	4.6%

- The targets and results for performance indicators related to stock-based compensation for the fiscal year ended March 2025 were as follows.

		Fiscal 2024 target	Fiscal 2024 result	Fiscal 2025 target
Non-financial indicators (ESG targets)	Reduction ratio of GHG emissions (Scope 1 and 2, compared to fiscal 2016)	20.0%	20.7% (preliminary figure)	22.2%
Non-financial indicators (ESG targets)	Medium-term target percentage of women in managerial positions (unconsolidated)	8.0%	8.4%	10.0%

[The reference day for the fiscal 2024 target and result for the percentage of women in managerial positions is April 1, 2025, and the reference day for the fiscal 2025 target is April 1, 2026.]

- The total amount of compensation for Directors does not include the employee wage portion for Directors who concurrently serve as employees.
- Bonuses include the estimated amount of payment, and the difference between the total amount of bonuses paid in July 2024 and the estimated amount disclosed in the business report for the preceding fiscal year.

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

Established

### Details of Individual Compensation and Method of Calculating Amounts

- Compensation for Directors, excluding Outside Directors, consists of basic compensation as a fixed compensation, bonuses as performance-linked compensation, and stock-based compensation as a medium- to long-term incentive. Compensation for Outside Directors and Audit & Supervisory Board Members consists of only basic compensation, as emphasis is placed on the performance backed by their expertise and experience from their respective independent viewpoints.
- The level of Director compensation is determined using external compensation survey services and is set at a competitive level by benchmarking against major domestic companies of a similar size.
- The typical composition ratios of basic compensation, bonuses, and stock-based compensation for Directors (excluding Outside Directors) are as follows: approximately 58%, 27% and 15%, respectively, for the Representative Director and Chairman, and Representative Director and President; and approximately 68%, 17% and 15%, respectively, for other Directors (excluding Outside Directors).

### Details of Each Type of Compensation and Method of Calculating Amounts

#### (1) Basic compensation (fixed compensation)

The basic compensation is intended to increase Directors' motivation to accomplish their duties as well as clarify their responsibilities. It is determined by position, in light of the significance of their duties, and paid in cash as monthly fixed compensation.

#### (2) Bonuses (performance-linked compensation)

Bonuses as performance-linked compensation are aimed at enhancing the link between compensation and performance and raising motivation toward achieving the medium-term business plan. The amount is determined based on the performance for the fiscal year (from April to March) and paid in cash in July of the following fiscal year.

The amount of the bonus paid to each individual in the current fiscal year will be determined according to the following formula, based on Groupwide performance and personal evaluations, as well as qualitative factors.

#### (Formula)

Individual bonuses = Basic bonus by position x Bonus factor

Bonus factor = Groupwide performance factor x Individual evaluation factor ± Qualitative factor

At the Board of Directors meeting held on April 25, 2025, the Board resolved to revise the performance indicators for bonuses in line with the launch of the new Medium-Term Business Plan *Value UpX*, as outlined below.

The performance indicators will be based on the achievement levels of the single-year targets for consolidated operating profit and ROIC, and shall be determined within a range of 0.5 to 1.5 according to the table below, with increased weighting placed on ROIC.

These performance indicators were selected as consolidated operating profit is a key indicator of reliable profit growth across the Group, while ROIC is an important indicator of earning power and growth potential from the perspective of capital efficiency.

#### (Indicators, Weight of Evaluation, and Targets of Groupwide Performance)

Financial indicators	Consolidated operating profit	Single-year target	70%	Fiscal 2025 target: 21,000 million yen
Financial indicators	ROIC	Single-year target	30%	Fiscal 2025 target: 5.3% or higher

The individual evaluation factor is determined within a range of 0.8 to 1.2, depending on the achievement of the KPIs of the business for which the Director is responsible.

The qualitative factor may be used to add to or deduct from the bonus factor, upon deliberation regarding the effects of the actions as strategic responses to deal with unforeseen and unavoidable changes in the business environment and situation.

In principle, the bonus factor is determined within a range of 0.4 to 1.8 (maximum 0 to 2.0 including qualitative factor) based on the above indicators.

### (3) Stock-based compensation (medium- to long-term incentive compensation)

Stock-based compensation further clarifies the link between compensation for Directors and stock value. It also aims to raise the Directors' awareness of contributing to the improvement of the medium- to long-term growth of business performance and an increase in corporate value, by sharing the profits and risks from fluctuations in stock prices with shareholders. A resolution was adopted at the 146th Annual General Meeting of Shareholders held on June 28, 2018, to introduce a stock-based compensation plan using a trust. The system is a stock grant trust for Directors (excluding Outside Directors) with an initial trust period of approximately three years, a trust limit of 150 million yen, and a maximum of 30,000 points per year. In accordance with the stock grant regulations, points based on the base amount set by position are granted in June of each year, and in principle, shares are delivered in a lump sum at the time of retirement, in proportion to the accumulated number of points granted (30% of such compensation is paid in cash for the purpose of allocating funds for tax payments).

A resolution was adopted at the 150th Annual General Meeting of Shareholders held on June 24, 2022, to maintain the system with some changes. The objective of the changes is to raise awareness of contributing to improvement of medium- to long-term performance and increased corporate value by changing stock-based compensation to a performance-linked system, increasing the trust limit to 300 million yen with a trust period of three years, and increasing the maximum number of points granted to Directors to 60,000. The stock-based compensation to be paid consists of a fixed compensation of 60% and a performance-linked compensation of 40%. Performance indicators will be determined within a range of 0% to 200% according to the table below, based on the degree of achievement of ROE targets and ESG targets (which is a measure of contribution to sustainability), set for the period of the medium-term business plan.

These performance indicators were selected as ROE targets are key indicators of earning power and growth potential from the perspective of enhancing shareholder value, while ESG targets are important measures contributing to the mitigation of climate change, as well as fulfilling our social responsibility and leading to our growth and enhanced competitiveness over the long term.

#### (Indicators, Weight of Evaluation, and Targets of Groupwide Performance)

Determination factors		Evaluation weight	Fiscal 2028 target
Medium-term ROE target		50%	8.0% or more
Degree of achievement of ESG targets	Medium-term target for reduction ratio of GHG emissions (Scope 1 and 2; compared to fiscal 2016)	50%	31%

### Remuneration Determination Process

In setting the policy regarding the determination of the details of individual compensation for Directors and determining the compensation of each Director, the Compensation Advisory Committee, which is an advisory body to the Board of Directors, deliberates on the overall compensation plan for Directors and advises the Board of Directors accordingly. The Board then makes decisions with reference to the advice from the committee. As the Board of Directors determines the amount of compensation for each Director in accordance with the above procedures, the Board believes that the details of such compensation are in line with the determination policy.

The amount of compensation for Audit & Supervisory Board Members is determined through discussions by

the Audit & Supervisory Board Members.

## Support System for Outside Directors and/or Outside Audit & Supervisory Board Members Updated

With regard to Outside Directors, the Corporate Planning Department serves as the contact point for various communications, provision of information, etc., as needed.

With respect to Outside Audit & Supervisory Board Members, the standing Audit & Supervisory Board Members serve as contact points for various communications, provision of information, and so on as needed, and staff members assigned to the Audit & Supervisory Board provide assistance.

## Status of Person Who Has Retired as Representative Director/President

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon*) after Retiring as Representative Director/President

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration)	Date when former role as president/ CEO ended	Term
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Number of Persons Holding Advisory Positions (*Sodanyaku, Komon*) after Retiring as Representative Director/President

0

Other Related Matters

None

## 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) Updated

The Board of Directors comprises nine Directors (three of whom are independent Outside Directors) and is chaired by the Representative Director and President. The Board deliberates on and determines matters prescribed in laws and regulations and important managerial matters. The Board also has responsibility for management of the Group and supervision of the execution of business operations. The Board comprises Directors with abundant experience in managing the Company and highly independent Outside Directors with in-depth knowledge regarding corporate management and business execution.

The Company has adopted the Corporate Officer System in order to implement quick decision-making that responds readily to changes in the business environment. Corporate Officers are given authority for execution of business operation by the Board of Directors, and, in accordance with the management plan and policies of the Board of Directors, execute business operations under the supervision of the Directors.

In addition, the Board of Corporate Officers, chaired by the President and comprising all the other Corporate Officers, is established. The Board of Corporate Officers decides on significant issues within the authority delegated by the Board of Directors, and checks and reports on the progress of business operations. The standing Audit & Supervisory Board Members attend the Board of Corporate Officers' meetings in order to audit the execution of business operations.

The Audit & Supervisory Board comprises four Audit & Supervisory Board Members (two of whom are independent Outside Members). The members conduct audits of Directors' performance of duties and Corporate Officers' execution of business. They attend meetings of the Board of Directors and other important meetings and

review the status of business operations and assets. The members maintain close ties with the accounting auditor and the Internal Audit Department, and exchange opinions and information to provide for effective and efficient auditing. In addition, we have deployed one designated staff member to support the audit work of the Audit & Supervisory Board Members in order to upgrade our auditing system, while also strengthening collaboration with the Internal Audit Department and enhancing and reinforcing audit functions.

The Nomination Advisory Committee conducts deliberations, including those to consider and evaluate candidates for Director, as well as decision-making on a draft list of candidates, and reports to the Board of Directors.

The four members comprising the Committee are: One Outside Director who is selected mainly through discussion among the members, to serve as chairperson from among the members; the Representative Director and President; and two Outside Directors.

The Compensation Advisory Committee conducts deliberations, including those to verify the compensation system for Directors, and details of compensation, and reports to the Board of Directors.

The six members comprising the Committee are: One Outside Director who is selected mainly through discussion among the members to serve as chairperson; the Representative Director and President; two Outside Directors; and two Outside Audit & Supervisory Board Members.

In addition, deliberation committees are established as needed. Currently, the following deliberation committees have been established.

[Deliberation committees established by the Board of Directors]

Risk Management Committee, Investment and Financing Committee, Corporate Ethics Committee, and Internal Control Committee

[Deliberation body that addresses the execution of business]

Business Strategy Meeting

[Deliberation committees established by the Board of Corporate Officers]

Quality Management Committee

The current Corporate Governance System has been adopted with the rationale that soundness and accountability in management and execution of business operations are secured through these committees.

The Board of Directors met 13 times in fiscal 2024. The nine Directors and four Audit & Supervisory Board Members attended all applicable Board of Directors meetings.

Mr. Masayuki Sato and Ms. Satoko Shisai attended all Board of Directors meetings held since they assumed office as Directors in June 2024.

Ms. Keiko Mizuguchi attended all Board of Directors meetings held since she assumed office as an Audit & Supervisory Board Member in June 2024.

The Audit & Supervisory Board met 19 times, and the four Audit & Supervisory Board Members attended all applicable Audit & Supervisory Board meetings.

Ms. Keiko Mizuguchi attended all Audit & Supervisory Board meetings held since she assumed office as an Audit & Supervisory Board Member in June 2024.

The Audit & Supervisory Board consists of one person who has been involved in a wide range of the Company's business in operating divisions and sales departments over many years and has extensive knowledge and experience relating to business; one person who has been involved in a wide range of the Company's business in the finance and accounting, corporate planning, and logistics divisions, has served as a Corporate Officer of the Company, and has extensive knowledge relating to finance and accounting; one person who is an attorney and has considerable knowledge in the field of corporate governance, legal risk management, and compliance from

his extensive experience as a legal professional; and one person who is familiar with corporate accounting, governance, disclosure, and related areas and has considerable knowledge relating to finance and accounting from her extensive work experience at financial institutions, rating agencies, auditing firms, and other organizations.

The Audit & Supervisory Board conducted its duties for fiscal 2024 in accordance with the Code of Audit & Supervisory Board Member Auditing Standards, Audit Practice Standards for Internal Control Systems, and other relevant guidelines, with a strong awareness of compliance, based on the following policies.

- Conduct duties with a primary focus on the promotion and progress of strategies toward the achievement of *Value Up+*, the status of risk management efforts, and the state of governance as a corporate group, while designating specific areas or items requiring particular attention during the current fiscal year as priority audit items.
- With regard to domestic and overseas Group subsidiaries, in addition to having the standing Audit & Supervisory Board Member concurrently serve as statutory auditor of key subsidiaries, monitor the status of each company through on-site audits, interviews with directors and statutory auditors of subsidiaries, and participation in the Statutory Auditors' Meeting of Group Subsidiaries.
- Strive to collect information through discussions at various committee meetings, interviews with Directors and Corporate Officers of the Company and Representative Directors of Group subsidiaries; conduct on-site audits of individual departments and Group subsidiaries, and improve auditing quality by fostering good communication. In addition, enhance the effectiveness of audits by sharing audit-related information and strengthening collaboration with the Internal Audit Department and the accounting auditor.

Priority audit items of the Audit & Supervisory Board in fiscal 2024 were as follows:

- (1) Progress of the Medium-Term Management Plan *Value Up+*;
- (2) The development and operational status of risk management and internal control systems as a corporate group;
- (3) The execution status of business management/governance systems and the status of performance of roles and functions; and
- (4) The status of efforts regarding disclosure of information that contributes to increased corporate value.

Audit & Supervisory Board Members conduct audits in accordance with the audit policy and audit plans established by the Audit & Supervisory Board as well as the assigned roles. Audit & Supervisory Board Members attend Board of Directors meetings and make proposals based on the Audit Report and Audit Findings while providing opinions as needed. In addition to exchanging opinions at regular quarterly meetings with the Representative Director and President, Audit & Supervisory Board Members strive to maintain and enhance effectiveness through discussions with individual Directors and Corporate Officers, on-site audits of individual departments and Group subsidiaries, and regular discussions between Audit & Supervisory Board Members and corporate staff divisions. We also hold the Statutory Auditors' Meeting of Group Subsidiaries, as well as meetings to exchange opinions among Group company statutory auditors, the standing Audit & Supervisory Board Member, and the General Manager of the Internal Audit Department, to exchange opinions and share information on the status of audit implementation and findings at individual companies, and thus enhance internal controls as a corporate group.

Audit & Supervisory Board Members hold quarterly meetings to exchange opinions with the accounting auditor and at other times as necessary to facilitate collaboration. Regarding key audit matters (KAM), we engaged in multiple discussions with the accounting auditor on several specific topics during the audit planning for the fiscal year, and on-site audit reports and opinion exchange sessions held during the fiscal year, and there were no differences in opinion.

In addition to the above, evaluations of the effectiveness of the Audit & Supervisory Board are conducted as an initiative to further enhance the effectiveness of audits by the Audit & Supervisory Board Members.

The Company has established the Internal Audit Department (with four full-time staff) as the department responsible for conducting internal audits.

From the perspective of corporate governance and compliance, we conduct internal audits of our company and each of our group companies based on an annual audit plan to ensure that business operations are executed in a sound and appropriate manner, including compliance with various rules and regulations.

With regard to reporting lines, in light of Supplementary Principle 4.13.3 of the Corporate Governance Code, reporting is made to the Representative Director and President, as well as to the Board of Directors twice a year, and on a monthly basis to the Audit & Supervisory Board. Reporting is also made twice a year to the Board of Corporate Officers. In addition, evaluations of the operational status for internal control systems pertaining to financial reporting are conducted.

The Company concluded an auditing contract with Deloitte Touche Tohmatsu LLC for Deloitte to serve as a financial auditor for audits of matters relating to accounts, and the Company has undergone fair and lawful audits. No relationships of interest exist between Deloitte Touche Tohmatsu LLC, or its managing members, and the Company.

The information including the names of the Certified Public Accountants participating in the accounting audit for the current consolidated accounting period is as follows.

- Continuous auditing period: 74 years from the fiscal year ended March 31, 1952
- Certified Public Accountants who have been involved in the execution of audit engagements: Mr. Ayato Hirano, Mr. Takusei Kashiwamura, appointed as limited liability employees, managing members
- Composition of assistants for audit engagements: 45 assistants for audit engagements
- The assistants for accounting audit engagements at the Company are comprised of 12 Certified Public Accountants, two officers who have passed the Certified Public Accountant Examination, and 31 others.

Based on the provisions of Article 427 Paragraph 1 of the Companies Act, the Company has concluded the contract with Outside Directors Mr. Isao Yamamoto, Ms. Naomi Eto, Ms. Satoko Shisai, and Outside Audit & Supervisory Board Members Mr. Tomotake Kusamichi and Ms. Keiko Mizuguchi, regarding liability for damages as stipulated in Article 423 Paragraph 1 of the Companies Act, to limit each liability to the higher amount of either five million yen or the minimum liability amount stipulated in Article 425 Paragraph 1 of the Companies Act, when acting in good faith and in the absence of gross negligence in the performance of their work duties.

### **3. Reasons for Adoption of Current Corporate Governance System**

Kindly refer to: I. 1. Basic Views, and II. 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System), regarding the rationale for adoption of the current corporate governance system.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Revitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights **Updated**

	Supplementary Explanation
Early Posting of Notice of the General Shareholders Meeting	Posting date for the Convocation Notice of the 153rd Annual General Meeting of Shareholders: June 3, 2025 Also published early on the Company website in advance of posting, on May 29, 2025.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	Date of the Annual General Meeting of Shareholders: June 24, 2025 (Previous year: June 27, 2024)
Electronic Exercise of Voting Rights	Have introduced an exercise of voting rights system using the internet and other means since the 138th Annual General Meeting of Shareholders held on June 25, 2010.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	Have participated in a platform for the electronic exercise of voting rights (TSE Platform) for institutional investors since the 138th Annual General Meeting of Shareholders held on June 25, 2010.
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	Published an English language version of the Convocation Notice (its Summary) for the 153rd Annual General Meeting of Shareholders, which was held on June 24, 2025, early on the Company website in advance of posting, on May 29, 2025.
Other	With regard to convocation notices of the General Meeting of Shareholders, endeavor to include information useful to all shareholders other than that prescribed by law.

## 2. Status of IR-related Activities **Updated**

	Supplementary Explanation	Explanation by a Representative Director or a Representative Corporate Officer
Formulation and Publication of Disclosure Policies	Disclosure Policy <a href="https://www.nisshin-oillio.com/english/inv/management/disclosure_policy/">https://www.nisshin-oillio.com/english/inv/management/disclosure_policy/</a>	
Regular Investor Briefings Held for Analysts and Institutional Investors	Holds semi-annual financial results briefings.	Held
Online Disclosure of IR Information	Published financial information, financial results briefing, timely disclosure information other than financial results, etc. on the Company website. <a href="https://www.nisshin-oillio.com/english/inv/">https://www.nisshin-oillio.com/english/inv/</a>	
Establishment of Department and/or Placement of an Officer in Charge of IR	Department in charge of IR: IR Department Officer in charge of IR: Kazuhiro Sekiguchi, Executive Officer Stock Exchange communications liaison: Kotaro Ishibashi, General Manager of IR Department	

## 3. Status of Measures to Ensure Due Respect for Stakeholders **Updated**

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	They are stipulated in The Nisshin Oillio Group Code of Conduct revised as of April 1, 2022. “The mission of The Nisshin Oillio Group is to realize people’s happiness and to continue contributing to social and economic development, under the core concept of ‘good flavor, health, and beauty’ and as a corporate group whose existence is valued by all stakeholders, including customers, business partners, shareholders and investors, employees, and society.”  Refer to The Nisshin Oillio Group Code of Conduct. <a href="https://www.nisshin-oillio.com/english/about_us/model/">https://www.nisshin-oillio.com/english/about_us/model/</a>
Implementation of Environment Preservation Activities and CSR Activities	As of fiscal 2021, on the occasion of the formulation of The Nisshin Oillio Group Vision 2030, we replaced the corporate report with the Integrated Report, which aims to convey our medium- to long-term initiatives to enhance the Group’s corporate value. We also issue the Sustainability Data Book containing data relating to environmental, social, and governance (ESG) factors.  The Group continuously promotes initiatives toward the realization of a sustainable society. Among other things, we have signed the United Nations Global Compact and endorsed the Sustainable Development Goals (SDGs).  [The Nisshin Oillio Group Vision 2030] In line with the corporate vision towards 2030 and our strategic guidelines that are indicated in The Nisshin Oillio Group Vision 2030 formulated in March 2021, we will make sustainable growth into the future and contribute to the realization of the sustainable society with a concept that the creation of shared values (CSV) that are

diverse through the resolution of environmental and social issues shall be a driver for growth.

[https://www.nisshin-oillio.com/english/assets/pdf/vision2030/vision2030\\_en.pdf](https://www.nisshin-oillio.com/english/assets/pdf/vision2030/vision2030_en.pdf)

Progress on achieving the CSV targets in the six priorities in The Nisshin Oillio Group Vision 2030 is disclosed in the Integrated Report, the Company's website, the Convocation Notice of the General Meetings of Shareholders, and the Annual Securities Report.

[Initiatives relating to climate change and the environment]

Our business is based on plant-based resources, and we believe that the protection of the global environment and resources constitutes business sustainability. We undertake the following initiatives with the aim of achieving a decarbonized society and a recycling-based society.

**(1) Responses to climate change**

- We analyzed our governance relating to climate change as well as risks and opportunities and disclosed response measures in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- We set a CO<sub>2</sub> emissions reduction target of 50% (from fiscal 2016 levels) by 2030 for Scope 1 and 2 emissions to achieve carbon neutrality by 2050.
- We set a CO<sub>2</sub> emissions reduction target of 25% (from fiscal 2020 levels) by 2030 for Scope 3 emissions.
- We formulated a Strategic Roadmap for Promoting Decarbonization to reduce CO<sub>2</sub> emissions and are promoting measures for reduction throughout the Group.
- We introduced internal carbon pricing as decision-making criteria for investment and encourage investment that will contribute to CO<sub>2</sub> emissions reductions.
- We installed solar power generating facilities at major Group production sites.
- In fiscal 2024, we reduced Scope 1 and Scope 2 CO<sub>2</sub> emissions by 20.7% (compared to fiscal 2016; preliminary figure) as a result of investment in new facilities installed at production sites in Japan, the impact of green power purchases by overseas consolidated subsidiaries, and other measures.
- With regard to the reduction of Scope 3 CO<sub>2</sub> emissions, in collaboration with the Japan Oilseed Processors Association, we encouraged suppliers to set quantitative CO<sub>2</sub> emissions reduction targets through the Canada-Japan Canola Consultations and the US-Japan Climate Partnership.

**(2) Measures relating to natural capital**

- We formulated the Nisshin Oillio Group Biodiversity Policy and the Nisshin Oillio Group Water Policy and take action in accordance with those policies.
- In September 2024, we piloted the LEAP approach advocated by the TNFD to identify and assess nature-related issues (dependencies, impacts, risks, and opportunities), and to reorganize related existing initiatives. In addition, referring to the TNFD recommendations, we disclosed our initiatives addressing nature-related issues on our website, structured under governance, strategy, risk management, and metrics and targets.
- In March 2025, we registered as a TNFD Adopter. Through this registration, we reaffirmed the Group's commitment to information disclosure in accordance with the TNFD recommendations.

The Nisshin Oillio Group Biodiversity Policy

[https://www.nisshin-oillio.com/english/sustainability/environment/biodiversity\\_policy.html](https://www.nisshin-oillio.com/english/sustainability/environment/biodiversity_policy.html)

The Nisshin Oillio Group Water Policy

[https://www.nisshin-oillio.com/english/sustainability/environment/water\\_policy.html](https://www.nisshin-oillio.com/english/sustainability/environment/water_policy.html)

Disclosures based on the TNFD Recommendations

<https://www.nisshin-oillio.com/english/sustainability/environment/tnfd.html>

### **(3) Reduction of plastic containers and packaging and promotion of resource recycling**

- We set new CSV targets for 2030 including “development of containers, technologies, and services and creation of mechanisms that will lead to resource recycling” and “reducing the intensity (containers per unit of revenue) for production of plastic containers made from petroleum (bottles and caps) by 15% (compared to fiscal 2022).”
- We launched three paper carton-type products (canola, half-use, and sesame) that are both environmentally friendly and easy to use as household-use products.
- We introduced new containers with 39% less plastic than conventional bottles and 30% recycled PET, and launched eight new products.
- As part of our efforts to reduce plastic usage, we eliminated cap seals on 11 products and began using recycled PET in portions of the bottles for two 200-g PET product items.
- Aiming for a society that promotes resource recycling of PET bottles for products containing edible oil, we launched a pilot project starting in May 2024 in cooperation with Kewpie Corporation to collect used PET bottles that once contained oil at retail stores. We have also initiated technical validation efforts aimed at utilizing used containers.

Efforts to Reduce Plastic Containers/Packaging (in Japanese only)

[https://www.nisshin-oillio.com/company/news/down2.php?attach\\_id=1742&uid=9108](https://www.nisshin-oillio.com/company/news/down2.php?attach_id=1742&uid=9108)

[https://www.nisshin-oillio.com/company/news/down2.php?attach\\_id=1812&uid=9320](https://www.nisshin-oillio.com/company/news/down2.php?attach_id=1812&uid=9320)

Efforts to Advance Plastic Resource Recycling (in Japanese only)

[https://www.nisshin-oillio.com/company/news/down2.php?attach\\_id=1687&uid=8930](https://www.nisshin-oillio.com/company/news/down2.php?attach_id=1687&uid=8930)

[https://www.nisshin-oillio.com/company/news/down2.php?attach\\_id=1688&uid=8931](https://www.nisshin-oillio.com/company/news/down2.php?attach_id=1688&uid=8931)

### **(4) Procurement of raw materials that takes sustainability into consideration**

- As a corporate group whose existence is valued by society, we formulated the Nisshin Oillio Group Basic Procurement Policy, which serves as a guideline for all procurement of raw materials, services, and more, in June 2018 based on an awareness that in order to achieve and develop a sustainable society through business operation, it is essential that we make efforts not just within the Group, but also throughout the entire supply chain.
- In light of the environmental and social issues relating to our main raw materials, we formulated procurement policies for palm oil, soybeans, and cacao and action plans to carry out those policies, and we are taking action based on them.
- Particularly for palm oil, we will strive to enhance “functional quality” such as physical properties and nutrition, “safety and security quality” as a food product, and “responsible quality,” encompassing biodiversity conservation, CO<sub>2</sub> emissions reduction throughout the supply chain, and respect for human rights, and leverage them as a driving force to grow our palm oil business. Accordingly, we have

	<p>positioned the enhancement of management by establishing traceability to plantations as a top priority, and are promoting various initiatives in collaboration with farms, oil mills, and other upstream stakeholders as well as processing manufacturers, consumers, and other downstream stakeholders to strengthen our capacity to address key challenges.</p> <p>Palm Oil Procurement Policy  <a href="https://www.nisshin-oillio.com/english/sustainability/supply_chain/procurement_policy_palm.html">https://www.nisshin-oillio.com/english/sustainability/supply_chain/procurement_policy_palm.html</a></p> <p>Palm Oil Action Plan  <a href="https://www.nisshin-oillio.com/english/sustainability/sustain/palm_action_plan.html">https://www.nisshin-oillio.com/english/sustainability/sustain/palm_action_plan.html</a></p> <p>Soybean Procurement Policy  <a href="https://www.nisshin-oillio.com/english/sustainability/supply_chain/procurement_policy_soy.html">https://www.nisshin-oillio.com/english/sustainability/supply_chain/procurement_policy_soy.html</a></p> <p>Soybean Action Plan  <a href="https://www.nisshin-oillio.com/english/sustainability/sustain/soy_action_plan.html">https://www.nisshin-oillio.com/english/sustainability/sustain/soy_action_plan.html</a></p> <p>Cacao Procurement Policy  <a href="https://www.nisshin-oillio.com/english/sustainability/supply_chain/procurement_policy_cacao.html">https://www.nisshin-oillio.com/english/sustainability/supply_chain/procurement_policy_cacao.html</a></p> <p>Cacao Action Plan  <a href="https://www.nisshin-oillio.com/english/sustainability/sustain/cacao_action_plan.html">https://www.nisshin-oillio.com/english/sustainability/sustain/cacao_action_plan.html</a></p> <p>[Measures relating to respect for human rights]  In March 2022, The Nisshin Oillio Group formulated The Nisshin Oillio Group Human Rights Policy based on the UN Guiding Principles on Business and Human Rights.  In fiscal 2023, we created a human rights due diligence road map and established The Nisshin Oillio Group Supplier Guideline. In addition, we assessed potential human rights risks within the Group’s business and surveyed high-priority suppliers.  In fiscal 2024, we conducted surveys of key raw material suppliers and logistics-related business partners, in addition to creating mechanisms and systems for implementing human rights due diligence.  In fiscal 2025, we will extend assistance to our major affiliated companies to enable them to proactively implement human rights due diligence.</p> <p>The Nisshin Oillio Group Human Rights Policy  <a href="https://www.nisshin-oillio.com/english/sustainability/human_rights/">https://www.nisshin-oillio.com/english/sustainability/human_rights/</a></p> <p>The Nisshin Oillio Group Supplier Guideline  <a href="https://www.nisshin-oillio.com/english/sustainability/sustain/supplier_guideline/">https://www.nisshin-oillio.com/english/sustainability/sustain/supplier_guideline/</a></p>
<p>Formulation of Policies on Provision of Information to Stakeholders</p>	<p>We stipulate a disclosure policy and conduct timely and appropriate information disclosure.</p>
<p>Other</p>	<p>[Investment in Human Capital]  <b>(1) Stance on Human Capital</b>  In order to realize The Nisshin Oillio Group Vision 2030, we are systematically promoting human capital investments to strengthen organizational capabilities, aiming for sustainable growth and enhanced corporate value. We position human resource management at the core of our Medium-Term Business Plan <i>Value UpX</i> and are promoting the two initiatives, “building a strong and resilient human resource base”</p>

and “creating an attractive company and organizational culture that people choose and value” as the pillars of our human resource management.

We have defined the ideal human resources in line with our vision and business strategy as an energetic, outstanding group that continues to create new value of good flavor, health, and beauty on a global stage. Based on this definition, we have identified five material issues in human resources consisting of “Resonance with the Group’s philosophy and vision,” “Establishing robust human resource capacity,” “Active engagement of diverse human resources,” “Evolution into an organizational culture that creates innovation,” and “Promoting health management.” For each material issue, we have set 2030 goals and corresponding CSV goals, and are engaging in proactive investment and promoting Group-wide initiatives to increase the certainty of achieving our vision.

## **(2) Policy on Human Resource Development**

We believe that respecting the diverse perspectives and values of each individual is essential to sustainable growth and enhancing corporate value. Aiming to create an environment where all employees can thrive and experience personal growth regardless of gender, nationality, or other attributes, we are committed to providing opportunities for employees to take on challenges and grow.

We have a development policy based on the “principle of prioritizing human resource development” and have long positioned human resource development as an important management theme and made it a part of our corporate structure. We are spreading this culture throughout the Group, and actively investing in human resources.

Moreover, we are aware that human resources with advanced specializations in globalization, technology, marketing, and other areas will be essential for achieving Vision 2030. We will secure human resources necessary for the execution of our business strategies, both in terms of quality and quantity, as well as reinforce the development of the next generation of human resources.

## **(3) Policy on the Development of Internal Environments**

The Group believes that it is our responsibility to provide healthy working environments where employees can fully demonstrate their capabilities. We take action to establish comfortable working environments where employees can work with peace of mind by supporting a balance between work and childcare, family care, and medical treatment, implementing reforms to create more flexible and productive work styles, reducing long working hours, invigorating internal communication, and taking other measures.

## **(4) Health Management Measures**

Based on the idea that the health of employees is the foundation for their happiness and that of their families and is also the most important asset for the Company’s sustainable development, we proactively support employees in maintaining and improving their health and raising productivity so that each employee can work with enthusiasm and enjoy a healthy and enriching life. Regarding the promotion of these measures, a person in the top management of the Company is designated as the chief health management officer; and the Health and Productivity Management Department, a dedicated department, plays a central role in promoting company-wide efforts on health management under the key themes of “Preventing lifestyle-related

diseases/disorders,” “Promoting smoking cessation,” and “Supporting mental health,” in collaboration with each business site, health insurance society, and labor union.

The Company was selected as one of the “White 500” companies that conduct outstanding health and productivity management under the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program operated by the Ministry of Economy, Trade, and Industry of Japan and the Nippon Kenko Kaigi.

[Promotion of the advancement of women]

Regarding the promotion of women’s advancement, we are actively hiring women, supporting career development, creating workplace environments where women can fully participate, and expanding the stage for activities by female employees by encouraging their active participation in training programs to foster core human resources of the future and companywide projects. Also, our utilization of systems enabling flexible workstyles, such as working from home, flextime, and per-hour paid leave, has become entrenched. Furthermore, we make effective use of programs to support a work-parenting balance, including childcare leave (up to elementary school age), a short-time work system (up to the third grade of elementary school), and the reemployment of employees retiring due to marriage, childbirth, and so on. We aim to increase productivity and achieve a good work-life balance by reviewing working styles and how employees take time off company-wide, including male employees, such as by encouraging male employees to take childcare leave. As an outstanding company in the promotion of women’s activities and childcare support, the Company has received level-two *Eruboshi* and Platinum *Kurumin* certification from the Ministry of Health, Labour, and Welfare of Japan.

## IV. Matters Concerning the Internal Control System

### 1. Basic Views on the Internal Control System and Status of Development Updated

#### Systems to Ensure Appropriateness of Business Operations

The systems to ensure appropriateness of business operations have been determined as follows.

##### (1) Main Corporate Governance Systems

(i) The Board of Directors shall be composed of Directors including a number of Outside Directors and, in accordance with laws, regulations and the Company's Articles of Incorporation, as well as internal rules including the Regulations of the Board of Directors, shall decide on important matters, supervise the execution of duties by the Directors, and ensure proper business operations by the Group.

(ii) The Company shall adopt a Corporate Officer System, under which the execution of duties by Directors and duties and authorities related to execution of business are clearly separated. Corporate Officers nominated by the Board of Directors shall be entrusted with responsibilities and delegated with the authority to execute business operations, which they must carry out while exercising the care of a diligent manager pursuant to the entrustment agreement concluded with the Company.

To clarify the management responsibility structure, a Corporate Officer in charge of each subsidiary will be appointed from among the corporate officers of the Company.

(iii) Audit & Supervisory Board Members shall be responsible for auditing the execution of duties by Directors, and for monitoring and verifying the status of execution of business by Corporate Officers as well as the status of supervision by the Board of Directors of the business execution by the Corporate Officers.

(iv) Internal audit division, under the direct control of the Representative Director and President and independent from other lines of business execution, shall audit the execution of business by Corporate Officers, the management of loss risks, and the appropriateness of business operations within the Group. The internal audit division shall report the results of their audits to the Representative Director and President, the Board of Directors, and the Audit & Supervisory Board.

##### (2) Systems to ensure that the execution of duties by the Group's Directors, Corporate Officers, and employees comply with laws and regulations and the Company's Articles of Incorporation

(i) We shall establish The Nisshin OilliO Group Code of Conduct based on our corporate philosophy and core commitment, which we will strive to disseminate across the Group.

(ii) Basic compliance that the Company's Directors should observe, penalties for violations, and other matters will be stipulated in the Regulations on Ethics for Directors.

(iii) Directors, Corporate Officers, and employees of the Group shall not yield to anti-social forces, but confront them resolutely.

(iv) The Corporate Ethics Committee established by the Company's Board of Directors shall be responsible for the overall management of the Group's corporate ethics initiatives and collaborate with corporate legal counselors and others as necessary.

(v) The Company shall establish a Corporate Ethics Hotline, through which we will receive whistleblower reports including from subsidiaries. Received whistleblower reports will be discussed in the Corporate Ethics Committee, and efforts will be made to prevent any reoccurrence.

(vi) The Company's legal affairs division shall be responsible for implementing initiatives to enhance awareness of compliance across the Group.

##### (3) Group regulations and other systems regarding the management of loss risks

(i) The Risk Management Committee established by the Board of Directors shall be responsible for risk management within the Group. The Committee shall serve as the Group's core organization in handling risk management issues. In addition, the Committee shall establish emergency arrangements and respond to crises should any arise.

(ii) Risk management of the Group's investment and financing projects shall be conducted in accordance with the Regulations on Investments and Loans.

(iii) The Group shall establish and continuously strive to update management systems such as committees, departments, and regulations to respond to a wide range of risks.

(iv) The Company's general managers of departments and representatives of subsidiaries shall be responsible for detecting occurrences of material issues such as matters related to non-compliance with laws, regulations, and other compliance requirements, incidents/accidents/disasters/quality assurance issues, matters that may cause significant damage to the Group, and matters that could escalate to litigations or actions, and promptly reporting such facts to the Company's Corporate Officer in charge, to the departments concerned in light of the surfaced facts, and the corporate planning division.

(4) Systems to ensure that the execution of duties by the Group's Directors and execution of business by the Group's Corporate Officers are conducted efficiently

(i) Execution of duties within the Group shall be conducted appropriately and efficiently by way of decision-making in accordance with internal rules such as the Regulations of the Board of Directors, and rules regarding authority.

(ii) In accordance with the Regulations for the Operation of the Board of Corporate Officers, the Company's Board of Corporate Officers shall be responsible for decision-making on important matters and reporting and verifying the status of business execution within the scope of authority entrusted to them by the Board of Directors.

(iii) The Company's Board of Directors and the Board of Corporate Officers shall establish various deliberation committees, etc. in order to enhance the efficiency of execution of duties by Directors and execution of business by Corporate Officers.

(iv) The responsible Corporate Officers of the Company shall provide guidance and supervision for the proper execution of business operations by subsidiaries. In addition, the Company shall establish a department engaging in the overall management of subsidiaries through which it shall comprehensively evaluate strategies as a corporate group and the appropriateness of subsidiary operations.

(v) The Company shall establish targets, budget allocation and other matters related to each Company division and subsidiary in the annual Group management plan of each fiscal year. Corporate Officers in charge of each Company division and subsidiary shall be responsible for achieving the targets of each Company division and subsidiary comprising the Group management plan.

(vi) The Company's corporate planning division and financial division shall be responsible for establishing, and implementing improvements on a timely basis to, management systems for monitoring the progress against the Group's management plan and profit and loss plan.

(5) Systems for preserving and managing information concerning execution of duties by the Company's Directors

(i) From the perspective of establishing a system that facilitates mutual verification of the performance of Directors' duties, we shall review and revise the Regulations of the Board of Directors, its operating standards, the document management regulations, and so on.

(ii) We shall strive to enhance the convenience of information gathering by Outside Directors and Outside Audit & Supervisory Board Members, including access to internal material information.

(6) Systems for reporting to the Company on matters relating to the execution of duties by Directors and others of subsidiaries

(i) Basic matters of the management, guidance and supervision provided to subsidiaries by the Company shall be stipulated in the Regulations for Management of Affiliated Companies. The Company shall require subsidiaries to provide periodical reports on material information such as their business performance and financial situation in accordance with the Regulations.

(ii) We shall dispatch part-time directors to subsidiaries from the parent company. Part-time directors shall

supervise the business execution of subsidiaries to realize both the development of the subsidiaries as independent companies, as well as maximization of their corporate value in the consolidated management of the Group. In addition, regarding domestic subsidiaries in Japan, part-time statutory auditors shall be appointed by the parent company and, even in cases where it is possible for the subsidiary concerned to limit the scope of audit, authority to audit operations shall nevertheless be granted to such appointed part-time statutory auditors.

(iii) In the case of occurrence at a subsidiary of material issues such as matters related to non-compliance with laws, regulations and other compliance requirements, incidents/accidents/disasters/quality assurance issues, matters that may cause significant damage to the Group, and matters that could escalate to claims and actions, directors/statutory auditors/employees of such subsidiary shall be responsible for promptly reporting such facts to the Corporate Officer in charge of the relevant subsidiary.

(7) Other systems to ensure appropriateness of business operations of the Group

(i) We shall continuously strive to establish, operate, assess and improve the internal control necessary to ensure the appropriateness of the Group's financial reporting in accordance with the Regulations Regarding Internal Control Pertaining to Financial Reporting.

(ii) As a general rule, accounting audits of overseas subsidiaries shall be commissioned to member firms in the Company's Accounting Auditor network.

(8) Systems to ensure that the audits by the Company's Audit & Supervisory Board Members are conducted effectively

(a) Matters related to employees assisting with the duties of Audit & Supervisory Board Members

(i) The basic policy of the Company with regard to assistance with the duties of Audit & Supervisory Board Members shall be to assign dedicated employees. We shall take due care to ensure independence of such dedicated employees from Directors and Corporate Officers with regard to job transfers and appraisals.

(ii) Notwithstanding the provisions of the preceding item, employees who are assigned to assist with the duties of Audit & Supervisory Board Members concurrently with other work shall give priority to any instructions and orders they may receive from Audit & Supervisory Board Members unless there is a particular reason not to do so.

(b) Reporting system to Audit & Supervisory Board Members

(i) Audit & Supervisory Board Members shall be allowed to attend important management meetings and peruse documents involving material decision-making.

(ii) In the case of occurrence of material issues such as matters related to non-compliance with laws, regulations and other compliance requirements, incidents/accidents/disasters/quality assurance issues, matters that may cause significant damage to the Group, and matters that could escalate to litigations or actions, Directors/Corporate Officers/employees shall be responsible for promptly reporting such fact to Audit & Supervisory Board Members.

(iii) In the case of occurrence of material issues set forth in the preceding item at a subsidiary, the Corporate Officer in charge of the subsidiary shall be responsible for promptly reporting the fact to Audit & Supervisory Board Members.

(iv) Directors and employees of subsidiaries shall also be obligated to promptly provide an appropriate report in the case of receiving a request from an Audit & Supervisory Board Member of the Company on matters related to business execution.

(v) The department in charge of the Corporate Ethics Hotline shall be responsible for reporting the contents of whistleblower reports to Audit & Supervisory Board Members.

(vi) The Company shall prohibit disadvantageous treatment of the Group's Directors, Corporate Officers and employees who reported to the Group's Audit & Supervisory Board Members and statutory auditors, on the grounds of having made such a report, and will disseminate this policy across all Directors,

Corporate Officers and employees.

(c) Other

(i) The Company shall allocate a budget annually in accordance with the audit plan to cover expenses to be incurred in the execution of duties by the Audit & Supervisory Board Members.

(ii) In case an Audit & Supervisory Board Member requests advance payment of expenses, etc. in connection with the execution of duties pursuant to the Companies Act, the Company shall promptly settle such expenses or claims subject to the request, unless deemed unnecessary for the execution of duties of the relevant Audit & Supervisory Board Member.

(iii) The Company shall establish regulations to ensure the following: 1) Administrative division such as the corporate planning division shall cooperate with audits conducted by Audit & Supervisory Board Members; and 2) Directors, Corporate Officers, and employees in important positions shall promptly respond to inquiries, etc. from Audit & Supervisory Board Members.

(iv) The Representative Director and President shall hold separate regular meetings with the Audit & Supervisory Board Members and the Accounting Auditor to exchange opinions.

### **Overview of the Operational Status of Systems to Ensure Appropriateness of Business Operations**

The systems to ensure appropriateness of business operations of the Company are operated in line with the above determination, including the following.

(1) Main corporate governance systems

- One-third of the Company's Board of Directors is composed of independent Outside Directors, and key matters are decided based on the Regulations of the Board of Directors and other relevant rules. In addition, the Board of Directors regularly receives reports on the execution of duties by Executive Directors.
- As an initiative to ensure and enhance the effectiveness of the Board of Directors, we conducted an evaluation of the effectiveness of the Board of Directors by the Directors and Audit & Supervisory Board Members. In order to further enhance effectiveness, we are continuing to deepen discussions and taking necessary measures, focusing on key issues extracted from the survey results that require priority deliberation and action.
- We hold discussions on matters such as the optimal structure for further strengthening corporate governance through the Council of Outside Directors and Outside Audit & Supervisory Board Members, as well as the Nomination Advisory Committee.
- Corporate Officers nominated by the Board of Directors execute business operations in accordance with the Regulations of the Board of Corporate Officers. The status of operation of the Board of Corporate Officers is reported to the Board of Directors on a regular basis.
- Audit & Supervisory Board Members conduct audits of the execution of duties by Directors, execution of business operations by Corporate Officers, and the status of supervision by the Board of Directors of the business execution by the Corporate Officers, in accordance with the auditing policies, audit plan and delegation of responsibilities established by the Audit & Supervisory Board. The auditing policies and audit plan of the Audit & Supervisory Board are presented to the Board of Directors, and the results and status of audits are also reported to the Board of Directors on a regular basis.
- The Internal Audit Department conducts audits on the appropriateness of business operations of the Group (including Group subsidiaries) in accordance with its annual audit plan to verify that the appropriateness of business operations is ensured, and reports the results of its audits to the Representative Director and President, the Board of Directors, and the Audit & Supervisory Board on a regular basis.

(2) Systems to ensure that the execution of duties by the Group's Directors, Corporate Officers, and employees

comply with laws and regulations and the Company's Articles of Incorporation

- A booklet of The Nisshin OilliO Group Code of Conduct is distributed to all domestic and overseas officers and employees.
- We provide newly appointed Outside Directors with training opportunities on our governance structure, compliance, and other relevant matters.
- We held a seminar on corporate ethics with a lawyer as the lecturer, which was attended mainly by managers of the Company. We also strive to promote compliance and disseminate the Code of Conduct across the Group through various measures such as by conducting awareness and educational activities targeted at Group employees.
- With regard to the Corporate Ethics Hotline for officers and employees of the Company and Group subsidiaries, we are operating the hotline by establishing internal as well as external contact channels, and enabling anonymous whistleblowing. Received whistleblower reports are reviewed by the Corporate Ethics Committee, and efforts are made to prevent recurrence of any issues.
- Activities of the Corporate Ethics Committee are reported to the Board of Directors on a regular basis.
- Our legal affairs department keeps an eye on the Group's observance of laws and regulations, and implements education on legal affairs.

(3) Group regulations and other systems regarding the management of loss risks

- At the start of fiscal 2024, we identified the major issues surrounding our business, and established risk management promotion initiatives for each identified issue at the Risk Management Committee. At the end of the fiscal year, we considered the risk management policy for the next fiscal year based on the review of reports and assessment of initiative status, and identification of newly emerged risks.
- The Risk Management Committee, using a risk-based approach, has created a risk matrix diagram. For significant risks, administrative departments and departments with overall responsibility for the business collaborate closely to implement risk management through the PDCA cycle.
- With regard to the practices related to investment and financing projects, we make decisions on whether a project should be implemented based on perspectives including consistency with management strategies, investment profitability taking into consideration capital costs and internal carbon pricing, medium- to long-term investment strategies, and business continuity, in accordance with the Regulations on Investments and Loans. We also monitor projects that are underway.
- The Company periodically reviews the Business Continuity Plan (BCP) and conducts drills at major bases in anticipation of occurrence of large-scale earthquakes and other major disasters.

(4) Systems to ensure that the execution of duties by the Group's Directors and execution of business by the Corporate Officers are conducted efficiently

- As a specific growth strategy to realize The Nisshin OilliO Group Vision 2030, we have promoted our Medium-Term Management Plan *Value Up+* from fiscal 2021 through fiscal 2024.

During the *Value Up+* plan period, we established a KPI management framework (achievement chart) to ensure we make steady progress on the initiatives in the priority areas. Regarding the initiatives to realize the performance targets, we categorized the initiatives according to the four perspectives of growth, active investment, sustainability, and efficiency, extracted eight KGIs including CSV goals, and rolled out 64 KPIs in each fiscal year as detailed action targets stemming from the KGIs, to monitor our progress.

- We have formulated our Medium-Term Business Plan *Value UpX*, covering the four years starting from fiscal 2025, aimed at ensuring realization of The Nisshin OilliO Group Vision 2030. Building on the achievements to date, we are accelerating our growth to steadily realize the goals we set in The Nisshin OilliO Group Vision 2030, while also initiating concrete actions with an eye toward growth beyond 2030. Under *Value UpX*, out of the six priorities set in The Nisshin OilliO Group Vision 2030—"Good health for all," "Quality of life," "Global environment," "Contribution to the food value chain," "Supply chain

connected by trust,” and “Human resource management”—we will position “Good health for all and quality of life” and “Contribution to the food value chain” at the center of the social value we seek to realize, and will implement strategies for future growth accordingly.

- In formulating *Value UpX*, we reviewed our business segments from a strategic perspective of the Group and set CSV goals aligned with our Company-wide strategy. We will manage and monitor progress toward the performance targets set forth in *Value UpX* and make improvements as necessary.
- Aiming for achievement of our medium-term business plan, decision making on important issues and progress monitoring of the business plan is carried out in the meetings of the Board of Corporate Officers held every month.
- The following deliberation committees have been established to enhance the efficiency of execution of duties by Directors and execution of business operations by Corporate Officers.

[Committees established by the Board of Directors]

Risk Management Committee, Investment and Financing Committee, Corporate Ethics Committee, and Internal Control Committee

[Councils established by the Board of Directors]

Council of Outside Directors and Outside Audit & Supervisory Board Members

[Deliberation body that addresses the execution of business]

Business Strategy Meeting

[Deliberation committees established by the Board of Corporate Officers]

Quality Management Committee

- A Corporate Officer in charge of each subsidiary is appointed from among the Corporate Officers of the Company in order to clarify the management responsibility structure. The Corporate Officer in charge provides guidance and supervision to ensure proper execution of business operations by the relevant subsidiary.
- In accordance with the provisions of the Regulations for Management of Affiliated Companies, the Corporate Planning Department is responsible for the overall management of subsidiaries through which it comprehensively evaluates strategies as a corporate group and the appropriateness of subsidiary operations.

(5) Systems for preserving and managing information concerning execution of duties by the Company’s Directors

- The Company preserves minutes of important meetings including meetings of the Board of Directors, Board of Corporate Officers, advisory committees of the Board of Directors, and the deliberation committees established by the Board of Directors in accordance with laws, regulations and internal rules, and maintains a system to enable members of the Board of Directors to peruse such minutes.
- We provide Outside Directors and Outside Audit & Supervisory Board Members with access to the same Company Intranet made available to Internal Directors and Corporate Officers in order to facilitate sharing of information.

(6) Systems for reporting to the Company on matters relating to the execution of duties by Directors and others of subsidiaries

- Pursuant to the Regulations for Management of Affiliated Companies, the Company receives periodical reports from each subsidiary on material information such as their business performance and financial situation, which is reported to the Board of Corporate Officers on a quarterly basis.
- The Internal Audit Department conducts internal audits of subsidiaries in accordance with its annual audit plan to verify that appropriateness of business operations is ensured.

(7) Other systems to ensure appropriateness of business operations of the Group

- The Company strives to continuously strengthen and enhance its internal control system through the operation of the Internal Control Committee. In addition, assessment of the status of operation of the internal control system is conducted by the Internal Audit Department.
- Regarding accounting audits for overseas subsidiaries, audits for Nisshin OilliO (China) Investment Co., Ltd. and seven other companies are commissioned to local offices of Deloitte Touche Tohmatsu Limited group, to which our certified public accountants belong. Auditing of the financial statements of PT Indoagri Daitocacao is handled by the local office of Ernst & Young Global Limited.

(8) Systems to ensure that the audits by the Company's Audit & Supervisory Board Members are conducted effectively

- As an initiative to enhance the effectiveness of the audits by the Audit & Supervisory Board Members, we conducted evaluations of the effectiveness of the Audit & Supervisory Board. In order to further enhance effectiveness, we are taking necessary measures on the issues extracted from the evaluation results.
- Starting from the fiscal year ended March 2025, we have further enhanced our auditing system through the deployment of one designated staff member to support the audit work of the Audit & Supervisory Board Members in order to upgrade and strengthen our auditing system.
- In order to facilitate monitoring of the status of internal controls, the standing Audit & Supervisory Board Members attend meetings of the Board of Corporate Officers, and also attend meetings of the Risk Management Committee, Internal Control Committee and Business Strategy Meeting as observers.
- We strive to maintain and enhance effectiveness through discussions with individual Directors and Corporate Officers, on-site audits of individual departments and Group subsidiaries, and regular discussions between Audit & Supervisory Board Members and corporate staff divisions.
- In order to enhance the effectiveness of the audits, the Audit & Supervisory Board Members hold meetings to exchange opinions, on a quarterly basis with the Representative Director and President, and at least twice every quarter with the accounting auditor and the Internal Audit Department.

## **2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development**

Regarding antisocial forces and unreasonable pressure, we will respond unyieldingly and resolutely as mentioned in The Nisshin OilliO Group Code of Conduct, and if necessary, on the premise of legal action.

Specifically, we have designated the Legal & General Affairs as our overall responding body. As well as collaborating with the police, we endeavor to improve the internal setup by, for example, regularly gathering information through participation in training sessions organized by the Special Violence Prevention Measures Association of the Tokyo Metropolitan Police Department.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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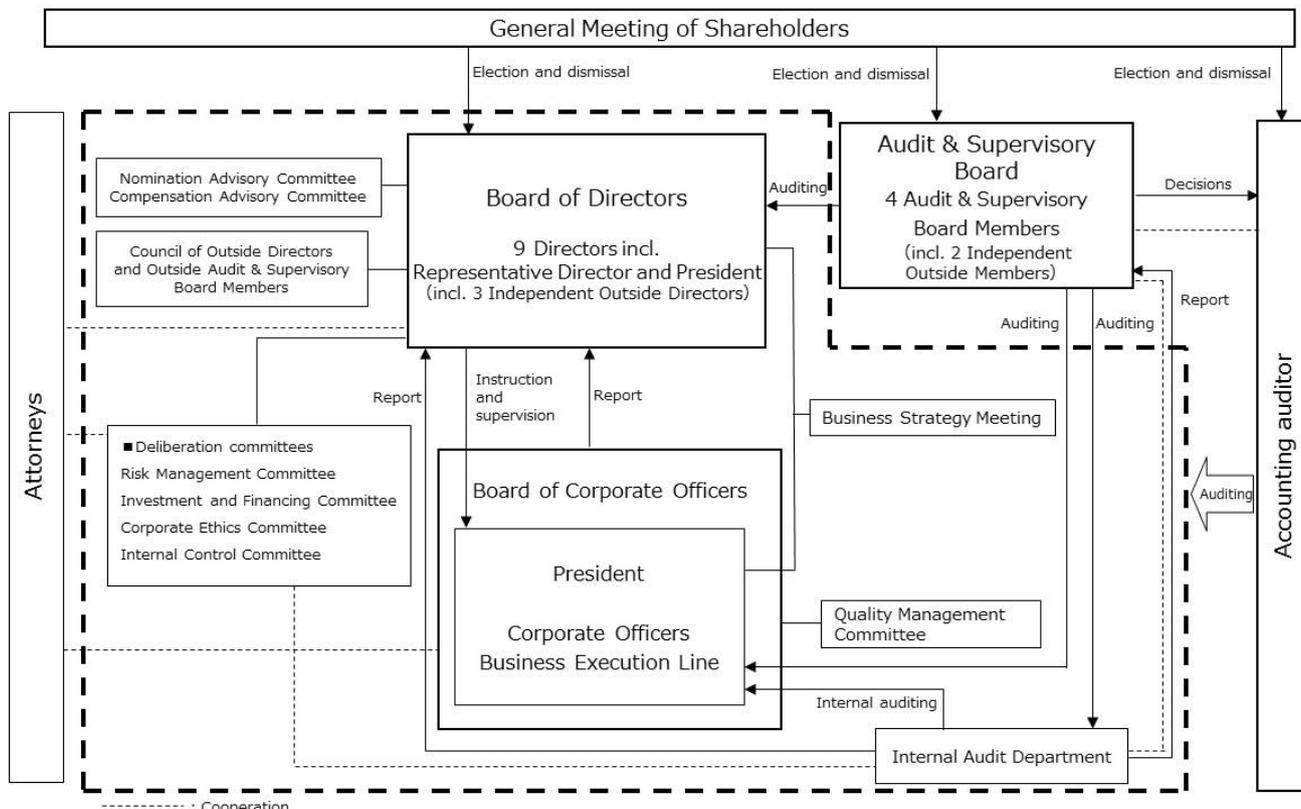
#### Supplementary Explanation for Applicable Items

After carefully checking the intentions of parties engaging in large-scale purchases of the Company's shares, the Company provides adequate information for shareholders to properly judge the pros and cons of the large-scale purchase concerned (including the opinion of our Board of Directors respecting the views of independent Outside Directors). We also adopt appropriate measures within the scope allowed by the Financial Instruments and Exchange Act, the Companies Act, and other relevant laws and regulations, including efforts to ensure adequate time for consideration.

### 2. Other Matters Concerning the Corporate Governance System

- (1) Regarding the internal control system based on the Financial Instruments and Exchange Act, we have set up the Internal Control Committee to decide policies for its improvement, operation, and so on; the Internal Audit Department is responsible for its evaluation. In addition, the Internal Audit Department implements internal auditing to ensure that business operations are executed soundly and appropriately from the perspectives of corporate governance and compliance.
- (2) The Company publishes Integrated Reports to communicate the Group's medium- and long-term efforts to enhance corporate value. This year's Integrated Report is scheduled to be released in September (December for the English version).

#### Corporate Governance and Internal Control System



Notes:

1. The standing Audit & Supervisory Board Members attend meetings of the Risk Management Committee, Internal Control Committee, and Business Strategy Meeting as observers.
2. Aside from the above, a meeting body has been organized to secure the effectiveness of auditing, though activities such as regular information exchange and sharing between standing Audit & Supervisory Board Members and corporate staff divisions.

Risk Management System

