



 **FUJI OIL CO., LTD.**

Integrated Report
FUJI OIL GROUP

2025





Solve Issues Facing People and the Earth and Achieve a Sustainable Future for Food



Use technological capabilities to solve issues facing people and the Earth and pioneer a sustainable future for food. That is the Fuji Oil Group's role.

Climate change, geopolitical risks, and resource depletion—Today, global food is facing unprecedented challenges. We are closely approaching age in which the foods we eat as a matter of fact may no longer be so readily available. However, viewing this as an opportunity to address this issue by contributing in a way that only our Group can, we continue to take on this challenge. Addressing insufficient food resources, reducing environmental impact, extending healthy lifespans, and a responsibility to lead a world for future generations to inherit. Embracing this mission, since our founding we have worked to refine our technology and create new ingredients to expand the possibilities of food. In these rapidly changing times, we will address food-related issues and create sustainable food to provide a future where everyone can enjoy food with peace of mind.

Ensuring prosperous, healthy lives for all.
The Fuji Oil Group will contribute to a sustainable future for food.



Q1

What are the new president's policies? How are things different from before?

In April 2025, Omori was appointed as President and CEO of the newly established FUJI OIL CO., LTD. We will use our transformation into a business holding company structure as an opportunity to reaffirm our mindset as a manufacturer and apply a manufacturing spirit to contribute to solving the issues facing our customers and society. As our highest priority issue, we will work to rebuild Blommer for growth.

CEO Message P4



Change Generated by the New Fuji Oil

Q2

One of the company's strengths is sustainable procurement but how is that contributing to corporate growth?

In Europe and other global markets, the need for products that take into consideration the global environment and human rights is growing annually. The Fuji Oil Group's policy for Vegetable Oils and Fats business is to strengthen its high-quality, sustainable supply chain. The efforts to procure sustainable raw materials not only enable us to fulfill our social responsibility, they are also an important driver of business growth by helping us gain the trust of our customers and create new market opportunities.

Vegetable Oils and Fats Business P40

Special Feature: Growth Strategy Driven by Building a Supply Chain P44



Q3

Fuji Oil ROE and ROIC levels are low. Can the company improve them?

FY2024 saw working capital increase due to soaring cocoa prices, which resulted in a decline in capital efficiency. In the new Mid-Term Management Plan starting from FY2025, we will use a cycle of business profit growth and the resulting increase in cash generated to aim for an ROE of over 10.0% and a FUJI ROIC of over 6.0% in FY2027. We will promote initiatives to improve asset efficiency.

CFO Message P58

Financial Strategy P59



Q4

What is the progress of the structural reforms at Blommer (Industrial Chocolate business)?

We made steady progress on the structural reforms announced in March 2024. However, profit declined as related expenses increased due to special factors at Blommer attributable to soaring cocoa prices from the beginning of 2024. We are working to restore basic profitability by optimizing the volume of cocoa we handle, and to reform our portfolio, with a particular focus on compound products.

Blommer P38

What are these vegetable fats for chocolate (CBE) and compound chocolate that have been garnering attention?

The 2024 cocoa supply shortage triggered increased demand for vegetable fats for chocolate, which are substitutes for cocoa butter, and compound chocolate, which is made using vegetable fats for chocolate. We are leveraging the strengths of the Fuji Oil Group to promote a growth strategy centered on both Vegetable Oils and Fats business and Industrial Chocolate business.

Special Feature: Vegetable Fats for Chocolate (CBE) P42

Special Feature: Compound Chocolate P48



Q5

April 2025

The Birth of a New Fuji Oil



Tatsuji Omori

Representative Director, President and Chief Executive Officer (CEO)

Joined company in 1983. After gaining experience in sales, in 2004 Omori went to serve as Managing Director of SHANDONG LONGTENG FUJI FOODSTUFFS CO., LTD., a provider of soy protein food products. After returning to Japan, Omori served in various positions at the former FUJI OIL CO., LTD., including as General Manager of Sales Division 2 and General Manager of Emulsified and Fermented Ingredients Business, before assuming the role of Representative Director and President in 2017. In April 2025, Omori was appointed as President of the newly established FUJI OIL CO., LTD.

In April 2025, Fuji Oil Holdings Inc. and FUJI OIL CO., LTD. merged to begin its journey as the new FUJI OIL CO., LTD.

This merger represents a critical shift for the company to more powerfully promote its global strategy in a rapidly changing business environment. Unified management for the entire Group, including sites outside of Japan, will be the key to future growth.

The new Fuji Oil will conduct the centralized management of personnel and other management resources to ensure optimal resource allocation and enable rapid and flexible responses to management issues. Additionally, we will accelerate the shift to a highly profitable business portfolio and strive for sustainable growth.

Using problem solution as a driving force to propel the Fuji Oil Group towards new growth

“We will rapidly implement PDCA and accelerate the speed of decision-making.”

These are the words I conveyed to Group employees upon assuming the role of president.

I believe that a company capable of achieving growth is one that can rapidly engage in a cycle of visually outlining its current challenges, planning and implementing countermeasures, confirming the results of those actions, and linking those results to future improvements. Based on this belief, as the head of Fuji Oil operations in Japan since 2017, I have promoted strengthening core product groups and taking on the challenge of pursuing new markets and adopting new sales methods. Those efforts produced a certain level of success as we were able to greatly improve performance in Japan. That success was due to all employees in Japan working to implement PDCA, and I am incredibly grateful for everyone’s efforts.

The Fuji Oil Group is a corporation that is capable of contributing to solving the problems facing people and the Earth through our plant-based ingredients. The role we must fulfill in society will only grow moving forward. That is why I am committed to applying methods unique to Fuji Oil to rehabilitate Blommer, which has continued to struggle with performance, and develop it into a new business pillar that drives Group performance in the future.

Our highest priority issue: Rehabilitating Blommer

Blommer, which we acquired in 2019, has continued to record poor performance due to plant deterioration and the impact of COVID-19. To overcome those challenges, in 2024 we announced structural reforms. While measures were progressing as anticipated, the company soon faced a new problem from the beginning of the year: soaring cocoa prices. This had a significant impact on FY2024 performance. I attribute the root cause of this poor performance to the vulnerabilities in governance at Blommer. I believe that not being able to respond flexibly to operating environment changes or rapidly implement PDCA based on performance causal analysis gave way to

a negative cycle that led to delays in their responses. We will improve this situation by strengthening governance at Blommer. In addition to adopting an integrated ERP system, we dispatched additional staff from Japan to rapidly assess the situation and promote measures.

In FY2024, Industrial Chocolate business recorded significant losses based on operating losses of 30.5 billion yen due to cocoa special factors at Blommer. Improving performance at Blommer is an urgent issue for the entire Fuji Oil Group, and we are highly committed to the rehabilitation of Blommer. We will engage in reforms with an unwavering commitment.

Fuji Oil thrives on being an innovator and blazing pioneer

The Fuji Oil Group boasts a top share in Japan and the world's top 3 share for vegetable fats for chocolate (CBE). We are also highly competitive in fields such as compound chocolate and industrial whipping cream. At the foundation of this success are the oil and fat technologies we have cultivated since our founding.

Since our founding in 1950, we have achieved growth centered on oils and fats. In a time when raw materials were allocated by the government, as a secondary manufacturer we were unable to secure sufficient raw materials. Amid such restrictions, after a journey of trial and error, we eventually focused on coconut oil being cultivated in Southeast Asia. As the first company in Japan to establish technology for extracting oil from coconuts, the shift to oil and fat products using tropical oils and fats as raw materials represents the start of our history as a pioneer.

Later, we use oils and fats as a foundation for expanding into other business fields, including chocolate, whipping cream, and margarine. We also developed new technologies and built them into revenue pillars. Our innovations include soluble soy polysaccharides, which are made from the dietary fiber in soybeans, and Ultra Soy Separation (USS), the world's first technology for separating soy beans into soy cream and low-fat soy milk. Soluble soy polysaccharides in particular represent our success in pioneering a new market as this was a technology that no one in the world had achieved at the time. These experiences reinforce our belief that "taking on new challenges is essential to survival," and this approach remains deeply embedded in our company's DNA.

The challenges facing Blommer I mentioned earlier are areas that will require this challenging spirit. Expanding compound chocolate, a product that leverages the oil and fat technology strengths of the Fuji Oil Group, into the US market is part of our growth strategy for Blommer and something that I believe will strengthen our overall competitiveness on the global stage. Achieving this will require leveraging the many strengths we have cultivated in Japan: the efficient production systems that represent the foundation of manufacturing, production technology for supplying stable quality products, and a centralized system for managing raw material procurement, production costs, and selling prices.

As we continue to take on new challenges, speed will be the most critical factor. As the representative of Japanese operations, I led the creation of an internal system, which I named "circuit activities," for promoting the speedy implementation of the PDCA cycle. These activities are rooted in the Quick Response (QR) activities conducted at the former Fuji Oil. This culture of responding quickly to customer requests and providing proposals, samples, and complaint reports continues to serve as the foundation of the Fuji Oil Group's development capabilities and our ability to implement flexible customer responses. We will leverage these strengths and pursue speed and efficiency in the New Business Fields within our core businesses to increase profitability. After shoring up our business foundation, we will confidently move forward to take on challenges in new business fields. This is method through which we will achieve sustainable growth for the Fuji Oil Group.



Taking on challenges, creating value

The origins of Fuji Oil are rooted in the spirit of taking on challenges. Today, I believe the challenge we must tackle is the challenge of problem solution. The strengths of the Fuji Oil Group include our ability to identify problems, our cross-departmental cooperations aimed at achieving problem solution, and the products created as a result of those efforts. Fuji Oil has a track record of our production, development, and sales teams combining knowledge to come up with products for solving the challenges facing our customers. We not only provide solutions to specific requests such as "chocolate with the perfect melt-in-the-mouth texture for ice cream" and "products that are easy to use and have consistent quality" for use in production lines, but also solutions to latent needs that will benefit consumers. In the past, we focused on the issues facing our customers and consumers. Today, we address the

issues of a wide range of stakeholders, including problems facing raw material producer regions, global issues, and issues affecting local communities and society. I believe that problem solution is at the essence of our business, and that our level of contributions is linked to our growth and profitability as a company.

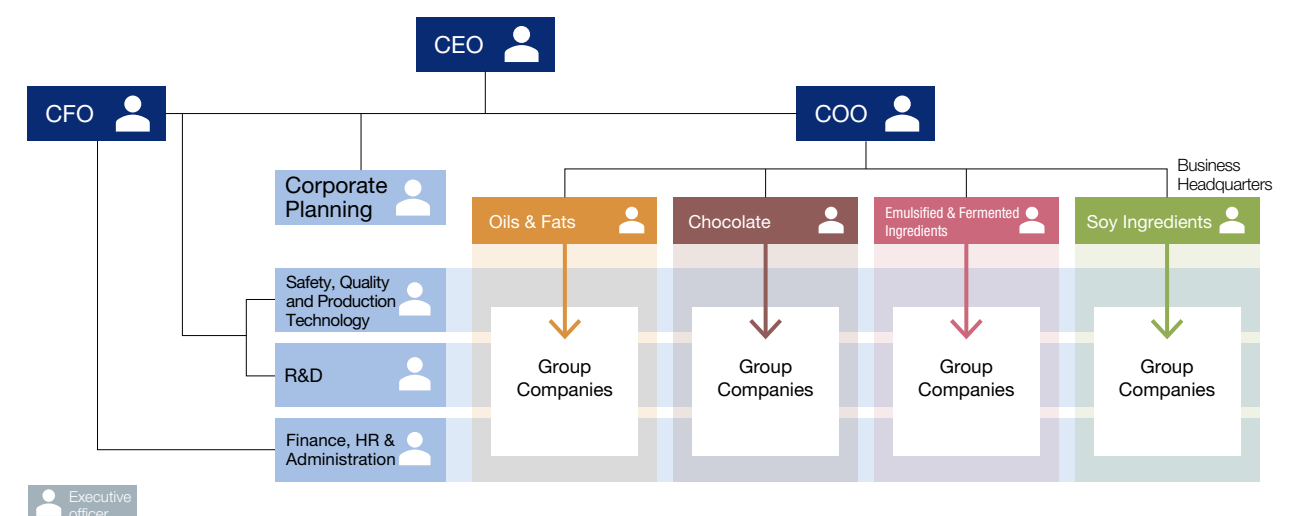
Fuji Oil is a manufacturing group. We will use our transformation into a business holding company structure as an opportunity to reaffirm our mindset as a manufacturer and confirm our commitment to applying a manufacturing spirit to making contributions to society. To ensure the Fuji Oil Group is firmly placed on a growth trajectory, we will ensure that this approach of taking a problem solution-based approach to business is permeated throughout the Group, in both Japan and overseas. Through this approach, we will promote the value creation that is unique to Fuji Oil.

Optimizing our organization to reflect our operating environment and current challenges

In 2015, the Fuji Oil Group converted to a group headquarters structure and adopted a system that divided operations into five areas: Japan, Americas, Southeast Asia, China, and Europe. The aim of this structure was to enable more advanced global business management. Later, to further leverage the strengths of each business division, from FY2022 we shifted to a matrix business management structure that combined area management and business division management. Through the multifaceted management of areas and business fields, we optimize our business portfolio, including our supply chain, and strengthened our

ability to engage in collaborations that transcended business divisions. However, in the face of the supply chain division caused by the Ukraine conflict and changes in our external environment, including soaring prices for mainstay raw materials such as palm oil and cocoa, there were limits to share information smoothly or engage in speedy decision-making under the group headquarters structure. There were even cases in which our initial responses were delayed. It was also difficult for employees to see the connection between the Group's overall goals and the goals of each area. In some cases, sharing a common direction became an issue.

Organizational Structure for FY2025 (Image)



CEO Message

In light of these challenges, it was deemed that centralization and the optimal allocation of management resources were necessary to link the profitability of overseas businesses achieved under the group headquarters system to Group growth. After numerous deliberations by the Management Committee and the Board of Directors, we transformed into a business holding company structure in April 2025. Through this transformation, we established an operational structure centered on business-axis management, with each business headquarters headed by

an executive officer, a total of four, to ensure clarity in leadership. After sharing the Group's goals, the heads of each headquarters are entrusted with decision-making and execution authority for their respective businesses. This new structure achieves a simple and highly comprehensible chain of command for the employees of each work site, creating a positive cycle of crisis awareness and problem recognition. By having business headquarters align vectors and respond directly to challenges, we have significantly accelerated the speed at which we are able to execute strategy.

Establishing a competitive advantage by strengthening our growth fields Creating new value in new business fields

In addition to enhancing governance, the new Mid-term Management Plan includes the policies of “further strengthening growth fields” and “establishing new business fields.” These policies are being implemented throughout the Group as they have been incorporated into each business headquarters and the other headquarters; R&D, Safety & Quality, Production Technology, and Human Resources.

In growth fields, product groups boasting strong market share such as vegetable fats for chocolate (CBE) and compound chocolate are driving Fuji Oil Group growth. However, needless to say, we have competitors in these fields, so establishing an overwhelming competitive advantage is essential to achieving sustainable growth. Thus far, we have grown by developing products that meet the diverse needs of our customers. Moving forward, we will consolidate our product groups as necessary to increase production efficiency, streamline production sites, and strengthen price competitiveness. Amid increasing uncertainty in our external environment, including climate change and geopolitical risks, we are also focusing on strengthening our upstream supply chain, particularly for Vegetable Oils and Fats business. This not only ensures stable supplies,

but also serves as a critical platform for supporting Group competitiveness.  | Growth Strategy Driven by Building a Supply Chain P44

New business fields are the driving force behind medium- and long-term growth for the Fuji Oil Group. “New business fields” do not necessarily refer to new products or new technologies. Expanding existing technologies and products into new markets and applications to help solve customer problems is another form of new business creation. It is important that every employee explore new possibilities while thinking about the fields in which we can take on meaningful challenges and what added value we can provide through those challenges. I believe that we can discover issues when all employees involved, not just those in R&D or Sales, visit the actual sales spaces to take a closer look at things like our product lineup, selling prices, and customer demographics.

At the same time, it is inevitable that the added value of a product will decline due to changes in the market environment and the times, even for products that have demonstrated value as a solution-based product. In such cases, we will place a strong emphasis on efficiency, analyze products for their position within our portfolio, and focus on making speedy decisions, including the withdrawal of certain product groups.



Meeting Scene at Harald (Brazil)



Sustainable procurement leads to growth throughout the value chain

Our Group is addressing issues in the upstream supply chain and working to resolve them. This not only ensures steady raw material procurement, it also contributes to improving economic, environmental, and social value throughout the value chain, which leads to sustainable growth. We have established procurement policies for four raw materials - palm oil, cocoa beans, soybeans, and shea kernels - and are taking specific action to address issues such as child labor, poverty, and environmental destruction in raw material-producing regions. For example, in Ghana, we are working with women's cooperatives to promote a shea kernel sustainability program. In addition to preserving green spaces through tree planting, this program also works to improve local quality of life and working conditions by providing training to cooperative members in areas such as business skills

and quality control, as well as building a warehouse to store shea kernels. These activities go beyond simple CSR. When customers who choose our products understand and resonate with the meaning of our initiatives, it leads to value creation throughout the entire value chain.

We are also enhancing our system for the stable procurement of sustainable raw materials through Group companies involved in Vegetable Oils and Fats business. This includes PROVENCE HUILE, a sunflower oil distributor that joined our Group in April 2025, and JPG FUJI, a joint venture that will handle palm oil and is scheduled to begin operations in FY2026. These initiatives also support the foundation of our existing business, and we will continue to actively promote them moving forward.

To our stakeholders

In dialogue with stakeholders, particularly our investors, the Fuji Oil Group has received candid feedback regarding performance at Blommer. We recognize that Blommer's struggles have dragged down our overall performance, and recognize these results as truly regrettable. We will quickly turn Blommer around to maximize our strengths in vegetable fats for chocolate (CBE) and compound chocolate and build a solid revenue platform.

The global food environment is facing various challenges, including population growth, environmental issues, and food resource shortages. Amid such an environment, I believe that the Fuji Oil Group can pave the way for a sustainable future for food by exploring the potential of plant-based ingredients. We will demonstrate this belief, not with words, but with results. Moving forward, we will continue to achieve sustainable growth and value creation while engaging sincerely with all our stakeholders.



What We Want to Convey in This Report

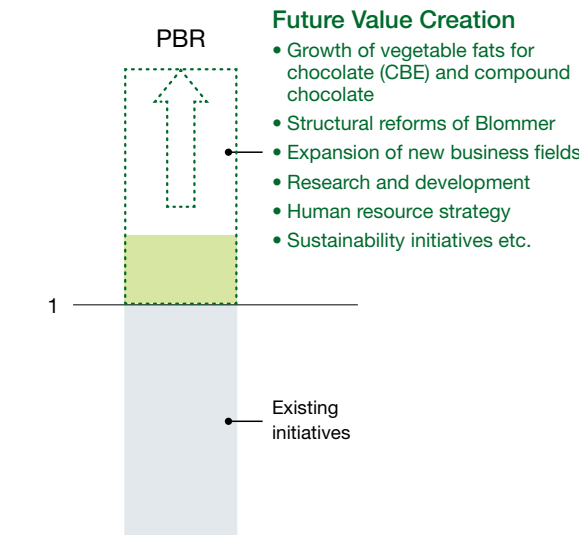
When we meet investors, they sometimes tell us that “Fuji Oil’s business model is difficult to understand.” As a BtoB company, we have prepared an integrated report every year since 2018 while carefully considering what kind of information we should disclose to convey the Fuji Oil Group’s business model, appeal and growth potential. The Fuji Oil Group comes together as one to prepare the integrated report by holding repeated discussions with various departments and group companies focused on Investor Relations that meet with our investors on a daily basis. In addition, after publishing the integrated report, we set up opportunities to engage in dialogue with our stakeholders every year. We receive valuable opinions from them about the information we have disclosed and our management policies. We share those opinions with the Board of Directors, the Management Committee Meeting and Executive Officers. We believe that our integrated report is directly linked to improving the corporate value of the Fuji Oil Group.

Fuji Oil’s stock price stagnated during the previous Mid-Term Management Plan period. Moreover, our PBR has remained below 1 for several years. Factors directly linked to profits, including raw material price fluctuations and soaring cocoa prices, have had a significant impact on our stock price. Nevertheless, we believe there was considerable room for improvement amid a situation in which the business environment has been changing greatly. We may not have fully conveyed the Fuji Oil Group’s growth potential and future prospects from a mid- to long-term perspective together with our efforts to address current issues.

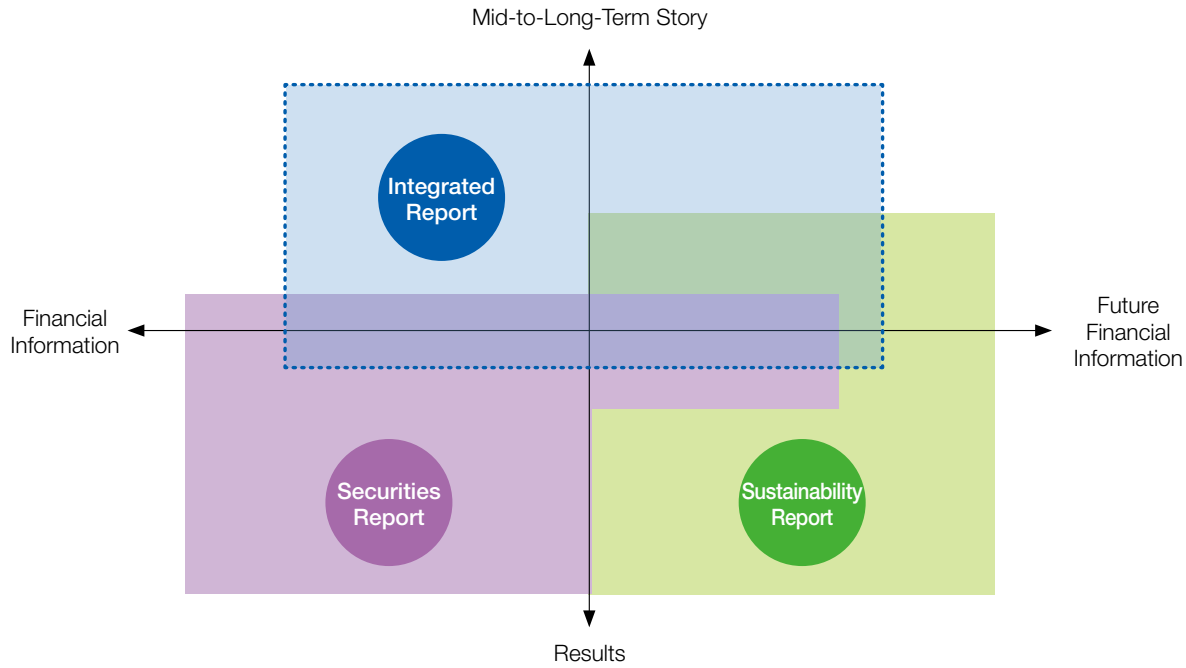
Based on this belief, in this year’s integrated report, we have clarified the appeal of the new Fuji Oil, which has transformed into a business holding company, as well as our policies and growth strategies with a view toward 2050. In addition, we have made efforts to provide even more accessible descriptions, including how Fuji Oil’s products are embedded in people’s daily lives. We also look at areas for which we receive a lot of questions. These include the structural reforms of Blommer and the expansion in demand for vegetable fats for chocolate (CBE) and compound chocolate due to soaring cocoa prices. We hope that this report will help everyone to better understand our company. We would like to state here that we prepared this report through repeated discussions by the executive management team and that it has been checked and approved by the Management Committee Meeting and the Board of Directors.



Sunao Maeda
Director, CFO (Responsible for Information Disclosure)

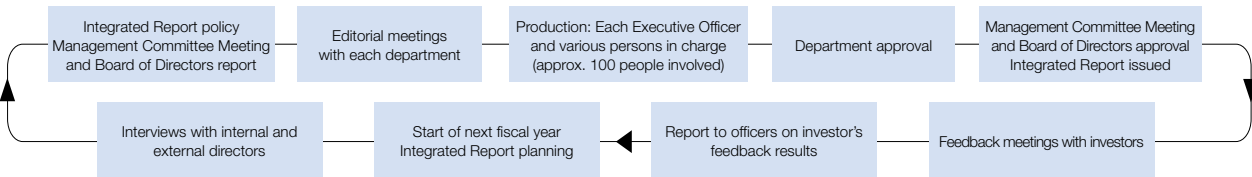


Positioning of Each Reporting Medium



Integrated Report Production Flow

Production: IR Section, Corporate Communication Department



Editorial Policy

The Fuji Oil Group publishes the Integrated Report and the Sustainability Report annually as tools for communicating with our stakeholders.

The Integrated Report provides a general overview of our Group business and outlines our medium- to long-term strategies. By communicating this information, we hope to encourage our stakeholders to continue engaging with us in enhancing our corporate value. On the other hand, the Sustainability Report complements the sustainability information in the Integrated Report and aims to comprehensively and honestly report our approach and initiatives to address the Group’s impact on sustainability to a broad range of stakeholders.



FUJI OIL CO., LTD.
IR Section, Corporate Communication Department

Integrated Report 2025 was prepared in accordance with the following editorial policy:

- 1 Report in a transparent manner on the Group’s measures for strengthening its business by incorporating the views of stakeholders obtained through discussions, as well as on issues and matters that may be construed negatively by readers
- 2 Provide information to investors and our wide range of other stakeholders within and outside the Group to enhance their awareness of the Group’s business model and value creation story over the short, medium, and long terms
- 3 Deepen discussions that contribute to management improvement through the production process

Reference Guidelines

- The International Integrated Reporting Framework issued by the IFRS Foundation
- “Guidance for Collaborative Value Creation 2.0,” Ministry of Economy, Trade and Industry

Company Names

Company names are presented as follows:

- Fuji Oil; FUJI OIL CO., LTD.
- the Fuji Oil Group/the Group; All Group companies in Japan and outside of Japan, including FUJI OIL CO., LTD.

Scope of Coverage

Activities of the Fuji Oil Group

Furthermore, business segment notations are indicated based on accounting segments.

Major Group Companies P110

Period Covered

Fiscal Year 2024 (April 1, 2024–March 31, 2025)
Details of some prior and more recent activities and initiatives are also included.

Changes in Accounting Standards

To enhance the international comparability of financial information in capital markets, we voluntarily adopted International Financial Reporting Standards (IFRS) starting in fiscal year 2025.

Forward-Looking Statements

Forward-looking statements such as earnings forecasts of the Fuji Oil Group and other projections contained in this report reflect the Group’s current analysis based on information available at the time of publication. Please be aware that actual results may differ from these forward looking statements due to various factors such as economic trends and the environment surrounding the Group.

This report has been translated from the original Japanese version. If there is any inconsistency between this English translation and the Japanese original, the Japanese version shall prevail.