

Looking Back on Previous Mid-Term Management Plan

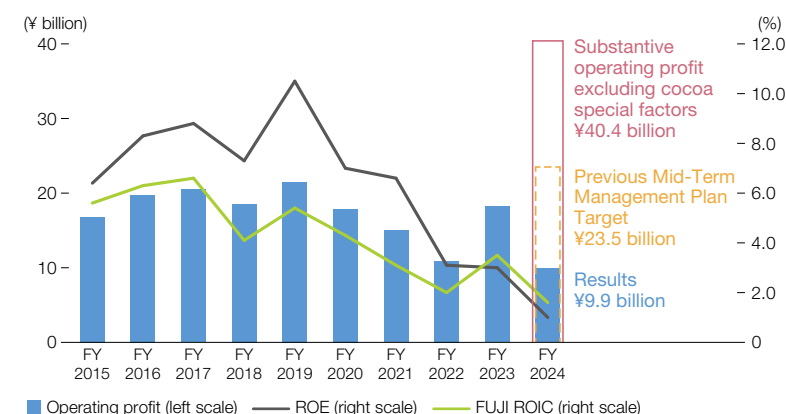
During the previous Mid-Term Management Plan for FY2022 to FY2024, we positioned restoring our core profitability and strengthening our financial position as our highest priority issues and worked to rebuild our business foundation. Amid an external environment that saw soaring cocoa market prices, the Fuji Oil Group accurately identified business opportunities to achieve significant growth in sales of vegetable fats for chocolate (CBE) and compound chocolate in FY2024. As a result, Vegetable Oils and Fats business achieved record high profits and several Group companies in the Industrial Chocolate business recorded favorable performance. On the other hand, financial challenges facing Blommer (US) became evident. As a handler of large volumes of cocoa beans, Blommer saw a major decline in profits due to significant increases in overhead attributable to special factors triggered by soaring cocoa market prices. Additionally, rising raw material prices also led to an increase in working capital, which resulted in a decline in the FUJI ROIC, an indicator of capital efficiency.

In non-financial areas, we achieved results that outperformed targets for FY2024. We worked to reduce CO₂ emissions by having Group companies engage in energy-saving activities and adopt renewable energy. We also adopted a system designed to increase the traceability of palm oil. Through these and other initiatives, we are making steady contributions to sustainability.

Financial Metrics

	FY2024 results	FY2024 targets
Operating profit	¥9.9 billion	¥23.5 billion
ROE	1.0%	8.0%
FUJI ROIC	1.6%	5.0%

The above figures are based on J-GAAP. For fiscal years prior to FY2020, ROIC is used. FUJI ROIC = Operating profit after tax / (Working capital + Fixed assets). FY2019 figures include a 15-month accounting period (Jan 1, 2019 – Mar 31, 2020) for 19 overseas subsidiaries due to a fiscal year-end change.



Non-Financial Metrics

	FY2022 results	FY2023 results	FY2024 results	FY2024 targets
CO ₂ emissions*1 reduction (Scope 1 + 2)	26% reduction	30% reduction	31% reduction	23% reduction
Sustainable procurement (Palm oil)	TTP*2 ratio 93%	95%	95%	85%

*1 Base year: FY2016, Target: consolidated subsidiaries

*2 TTP: Traceability to Plantation

	Achievements	Remaining management challenges
Strengthening of Business Foundation	<ul style="list-style-type: none"> Higher sales of vegetable fats for chocolate (CBE) and compound chocolate Achieved record-high profits in Vegetable Oils and Fats business Profitability of Emulsified and Fermented Ingredients business improved in Southeast Asia 	<ul style="list-style-type: none"> Delays in improvements at Blommer regarding cocoa-related factors Progress toward early profitability on some investments has not gone as planned
Strengthening Global Management	<ul style="list-style-type: none"> Adopted FUJI ROIC and implemented it at all Group companies Transitioned to a business holding company structure 	<ul style="list-style-type: none"> Working capital increased due to soaring raw material prices, and performance was significantly below ROIC target Global expansion of technological strengths and the creation of a value chain are underway
Enhancing Sustainability	<ul style="list-style-type: none"> Reduced CO₂ emissions through energy-saving activities and the adoption of renewable energy Adopted a palm oil traceability system → Achieved non-financial targets 	<ul style="list-style-type: none"> Some challenges took longer to address than expected due to limited and dispersed human resources

Refer to our website for details on the Mid-Term Management Plan.

Mid-Term Management Plan https://www.fujiol.co.jp/en/ir/policies_and_systems/mid-term_management_plan_2027/

New Mid-Term Management Plan

United for Growth 2027

– Driving sustainable innovation through global collaboration –



Fuji Oil Group aspires to co-create a 'Sustainable Future of Food' in collaboration with the diverse stakeholders in Fuji's eco-system, including our suppliers, business partners, customers, and local communities. Through the united aspiration of all Fuji Oil group companies around the globe, we will take on the challenges of people and the planet and aim to create sustainable growth and innovative value for our entire eco-system through plant-based ingredients.

Position of the New Mid-Term Management Plan

In light of changes in our operating environment, we have updated the basic policies of our Mid-Term Management Plan. During the period of the new Mid-Term Management Plan, United for Growth 2027, which we position as Phase 2, we will promote enhancements to overall Group governance and work to further strengthen our competitive superiority in growth fields such as vegetable fats for chocolate (CBE) and compound chocolate. Additionally, we will focus on the development of fields that will serve as new business pillars as part of efforts to achieve sustainable enhancements in corporate value.



Quantitative Target

Financial Metrics

	FY2024 results*1	FY2027 targets
Business profit	¥13.3 billion	¥45.0 billion
ROE	1.8%	10.0% or more
FUJI ROIC*2	2.1%	6.0% or more

*1 Our group has voluntarily applied IFRS since FY2025. Figures for FY2024 have been modified and are indicated based on IFRS.

*2 FUJI ROIC = Business profit after tax / (Operating capital + Fixed assets + Equity method investments)

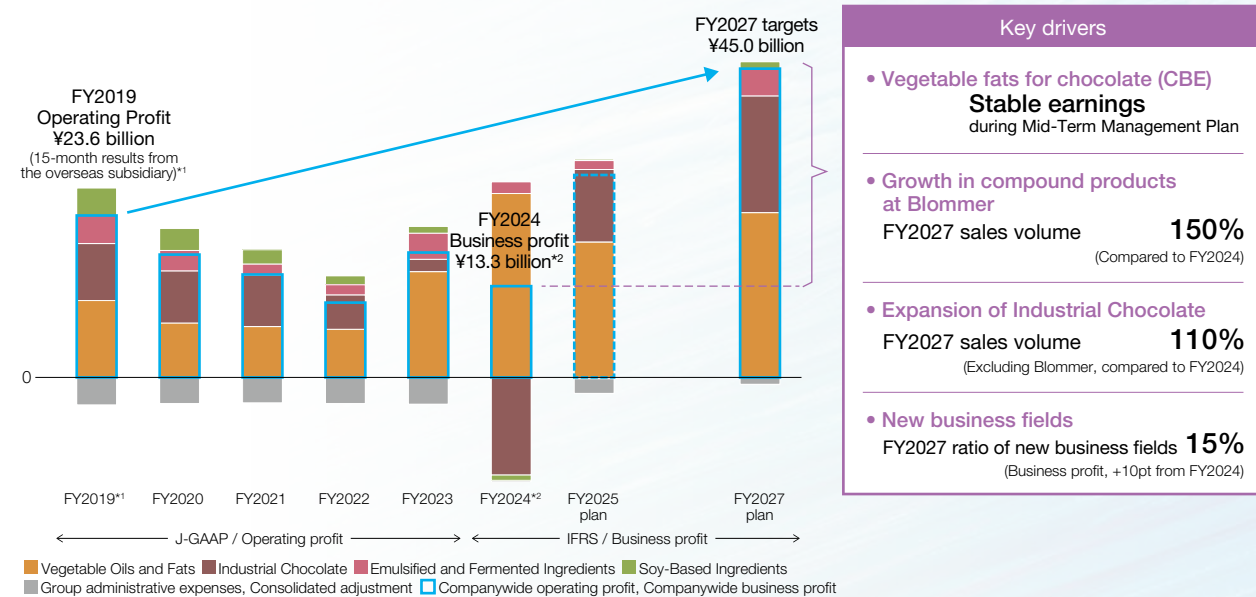
Future Financial Metrics

	FY2024 results	FY2027 targets
Total GHG emissions*1 reduction (Scope1+2)	10% reduction	20% reduction
Sustainable procurement (Palm oil)	TTP*2 ratio 95%	Maintain over 95%

*1 Base year: FY2020, Target: consolidated subsidiaries

*2 TTP: Traceability to Plantation

Business Profit Target



FY2019 to FY2023 results are operating profit based on J-GAAP. FY2024 results and the plan of FY2025 and 2027 are business profit based on IFRS.

*1 FY2019 figures include a 15-month accounting period (Jan 1, 2019 –Mar 31, 2020) for 19 overseas subsidiaries due to a fiscal year-end change.

*2 Our group has voluntarily applied for IFRS since FY2025. Figures for FY2024 have been modified and are indicated based on IFRS.

Basic Policies

Enhance Governance

Implement an effective governance structure across the business and functional axes

- ▶ Accelerate transformation into a business holding company structure and enhance governance
- ▶ Complete the turnaround of Blommer

Further Strengthen Growth Fields

Strengthen core competence of main strategic product streams with substantial market share

- ▶ Strengthen core competence of vegetable fats for chocolate (CBE)
- ▶ Expand compound chocolate sales

Establish New Business Fields

Establish and promote unique and innovative business fields in each business units and areas

- ▶ Create profitable new business fields in each business units through innovation

Enhance Governance

Transformation into a business holding company structure

In FY2025, our Group transformed into a business holding company structure. Through this transition, we aim to strengthen our management structure from a business-axis perspective and enable the delegation of authority to accelerate management decisions and business strategy. Dedicated human resources and finance staff will be assigned to each business headquarters. The head of each business headquarters will have the discretion to flexibly and optimally allocate resources based on the circumstances of each Group company. To address risks and opportunities associated with our supply chain and value chain, we share information and coordinate responses on both a business and functional basis to achieve rapid and efficient decision-making.

CEO Message P4

Group Governance P104

Complete the turnaround of Blommer

As our highest priority issue, we will promote core profitability improvement and product portfolio transformation at Blommer.

Blommer P38

Further Strengthen Growth Fields

Establish New Business Fields

During the new Mid-Term Management Plan, we will incorporate initiatives aimed at strengthening growth fields and establishing new business fields into the strategies of each business headquarters, and promote those initiatives as a Group-wide effort.

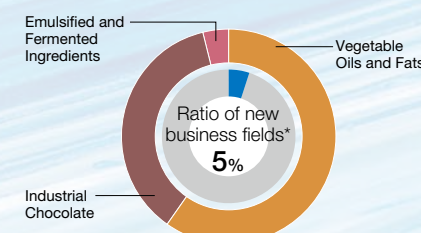
	Growth fields	New business fields
Vegetable Oils and Fats	Establish a competitive advantage of CBE by building a high-quality and sustainable supply chain	Expand sales of high-added-value products such as substitutes for animal-based fats, sunflower oil, and grapeseed oil
Industrial Chocolate	Conduct capital expenditures to expand sales volume of compound chocolate	Expand sales of solution-based products such as cocoa-free chocolate
Emulsified and Fermented Ingredients	Increase efficiency and profitability of production in Japan	Strengthen sales of cream products in China
Soy-Based Ingredients	Rebuild business in Japan and improve profitability	Increase deployment of solution-based products

Research and Development	Governance <ul style="list-style-type: none"> ▶ Establish a structure for the rapid Group deployment of products and technologies ▶ Formulate and implement a global IP strategy Growth fields <ul style="list-style-type: none"> ▶ Accelerate global solutions proposals through applications of our products ▶ Build fundamental technologies that strengthen the competitiveness of our core products New business fields <ul style="list-style-type: none"> ▶ Expand product lines for new business fields based on business strategy and contribute to profits ▶ Create technologies and markets that lead to next-generation businesses
Safety, Quality and Production Technology	Governance <ul style="list-style-type: none"> ▶ Reduce workplace accidents and food safety complaints Growth fields <ul style="list-style-type: none"> ▶ Use plant productivity metrics to stimulate improvement activities at the Group companies New business fields <ul style="list-style-type: none"> ▶ Develop technology for shift to smart plants ▶ Establish a quality assurance structure in new business fields
Human Capital	Governance <ul style="list-style-type: none"> ▶ Achieve unity by improving the Group's Hataraki-Gai* ▶ Fostering management talent and ensuring diversity ▶ Human resource development and optimal personnel placement aligned with business strategy Growth fields <ul style="list-style-type: none"> ▶ Sense of purpose and motivation derived from one's work. Use as a common internal term for employee engagement within the Group New business fields
Environment Sustainable Procurement	<ul style="list-style-type: none"> ▶ Promote Environment Vision 2030/2050, including FY2050 GHG emissions reduction targets (Scope 1, 2, 3), net zero, etc. ▶ Promote initiatives aimed at 2030 KPI such as sustainable procurement of palm oil, cocoa, soybeans, and shea kernels

Ideal Business Portfolio

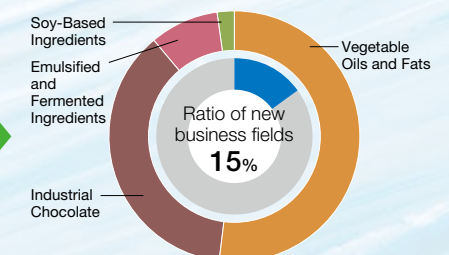
The Fuji Oil Group defines “new business fields” as initiatives related to new products and technology, new markets, and new sales methods. We are making a Group-wide effort to promote such initiatives as sources of new value creation that will contribute to solutions that solve the problems facing customers and society. In FY2024, new business fields accounted for 5% of business profits, but we will aim to increase this to 15% in FY2027 as we work to foster and monetize product groups that will serve as pillars of business in the future.

FY2024 business profit* composition



* Excluding Cocoa Special Factors

FY2027 business profit composition (image)



FY2024

- ▶ Growth for Vegetable Oils and Fats business
- ▶ The performance of Blommer on Industrial Chocolate business declined due to cocoa special factors
- ▶ Profits from Soy-based Ingredients business declined due to delays in profit realization at facilities where we made capital expenditures

The Current Mid-Term Management Plan

- ▶ Improve Blommer to drive growth for Industrial Chocolate
- ▶ Further strengthen the competitive advantages of core products
- ▶ Develop and realize profits from products in new business fields that will become future pillars of business

Taking on Challenges in New Business Fields P54

Pursuing Growth Fields and New Business Fields to Achieve Sustainable Growth

Transformation to a business holding company structure and challenges related to implementing structural reforms at Blommer, and measures to address those issues. Strengthening efforts in growth fields to ensure future growth, expanding new business fields, and permeating Group philosophy at the global level. CEO Tatsuji Omori and Outside Director Rie Nakagawa discussed these and other issues concerning the future of the Fuji Oil Group.

Enhancing governance by transitioning to a business holding company structure

Nakagawa: The Fuji Oil Group is engaged in initiatives to enhance its governance structure, including transforming to a business holding company structure from April 2025. Prior to this structural change, certain initiatives related to each business division were left up to each area. I felt that our business divisions should proactively take

responsibility for identifying our strengths and weaknesses on a global scale, and for analyzing market conditions in each region with a strong sense of ownership. What are your thoughts on this point, Mr. Omori?

Omori: The goal of the area-specific management system adopted under the pure holdings company structure was to promote global expansion and avoid reliance on Japan, which was projected to see market contraction due to low birth rates and population aging. In truth, increasing the sales ratio outside of Japan to above 60% through M&A and other initiatives was a tremendous success. However, as you suggest, while delegating decision-making authority to each area does enable flexible responses tailored to each specific region, certain challenges with that system became evident. Namely, labor shortages and other resource deficiencies in each area left us unable to sufficiently respond to issues that affected the entire division, such as soaring raw material prices or a global pandemic. By transforming to a business holding company structure, we have strengthened business-axis management and are addressing such vulnerabilities by empowering the heads of business headquarters the discretionary authority to implement responses tailored to the specific conditions of each Group company.

Tatsuji Omori

Representative Director, President and Chief Executive Officer (CEO)



Nakagawa: Based on my personal experience, when operating in a highly unpredictable environment, it is important to assume various risks and prepare prediction scenarios. I believe the company can strengthen its management structure from a global perspective if the Fuji Oil Board of Directors enhances its analysis related to budget management and forward-looking projections.

Omori: This is also an area in which I think we will benefit from these organizational changes. Previously, Board of Directors meetings mainly featured reports from each regional area. Going forward, however, the heads of each business headquarters—who are directly accountable for the performance of their respective businesses—will present their own areas. I believe this will lead to greater clarity and depth in the discussions. In addition to forward-looking predictions, we intend to actively share insights into market conditions and industry trends in each region, with the aim of fostering deeper and more constructive discussions.

Blommer structural reforms: Fuji Oil's highest priority issue

Nakagawa: An urgent issue for the Fuji Oil Group is Blommer. Nearly six years have passed since the acquisition, and we have now reached a stage where the results of our initiatives are being carefully assessed. Blommer started on structural reforms during the period of the previous Mid-Term Management Plan but with historical increases in cocoa bean prices and complex factors such as futures transactions, it seems the company struggled to outline effective measures to address issues. Also, my impression is that the company was reactive rather than proactive in its timing of implementing concrete measures. In particular, at past Board of Directors meetings, we received an explanation of phenomena indicated in the business report and the factors causing those issues. However, I felt like explanations concerning the company's forecasts and future outlook were insufficient. First, I would like to know how you are analyzing these issues.

Rie Nakagawa

Independent Outside Director

Nakagawa has served as an Outside Director for Fuji Oil since June 2023. She has held key positions related to the FA business, user service platforms, and sustainability platforms at machinery and industrial e-commerce companies. She has vast experience in the portfolio management, cash management, and sustainability fields.

Omori: As you point out, it was a problem that we failed to rapidly implement PDCA at Blommer and were late in responding to issues. For example, revenue pillars at Blommer included sales of pure chocolate in addition to processed cocoa products such as cocoa butter and cocoa powder. However, processed cocoa products have been shifting to a commodity for the past several years, making it difficult to undertake price initiatives. This was one of the reasons for low profits at Blommer. In response to this situation, we failed to more aggressively promote the shift to compound chocolate, an area of expertise for Fuji Oil.

Also, another issue was that soaring cocoa market prices exposed Blommer's own weaknesses in its management structure. You pointed out that while we are able to explain the past, our outlook for the future remains unclear. This is primarily due to historically high cocoa prices—unprecedented in our experience—as well as the time it has taken to strengthen our organizational structure. At present, we are adopting an integrated ERP system to promote visualization while also enhancing our policy of expanding compound chocolate.





Nakagawa: I see. Last fiscal year the company certainly struggled to respond to soaring cocoa prices but recently we have received explanations regarding specific measures and target figures. I feel that the fog over Blommer has lifted and the company has become easier to monitor. On the other hand, a key challenge remains: to what extent Fuji Oil's strength in compound chocolate can gain traction in the US market, which is traditionally dominated by pure chocolate. What is your view on that point?

Omori: Compared to other areas, compound chocolate has limited exposure on the US market. However, amid soaring cocoa prices, we believe we have an opportunity right now. We will proactively engage in proposal-based sales to promote demand creation among consumers.

Nakagawa: Needless to say, developing new markets comes with unexpected challenges. Moving forward, localization to suit target markets will be vital as you cannot simply adopt the Japanese model as is. You must take an approach that incorporates local lifestyles and perspectives. In this sense, I hope you will promote management that proactively incorporates local human resources and market nuances.

Simultaneously strengthening growth fields and expanding new business fields

Nakagawa: The Fuji Oil Group is simultaneously working to strengthen growth fields and expand new business fields. Regarding the former, my first question is

regarding the company's ability as a manufacturer to establish an effective and low-cost structure for supplying products. I believe such infrastructure enhancements, including reducing costs and improving production technology, will be of even greater importance moving forward.

Omori: From the perspective of our production structure, you are absolutely correct. With growth fields in particular, even if we are increasing current revenues, we will fall behind if we fail to make improvements. For vegetable fats for chocolate (CBE) and compound chocolate, in each area we must become an entity with overwhelming competitive strengths. To achieve this, we must diligently and aggressively address customer needs while also working to strengthen our product management, including limiting our SKU numbers.

Nakagawa: The other area I am looking at is achieving differentiation through application development. As the Fuji Oil Group is a supplier of intermediate ingredients, I believe the key to the company's future lies in what kind of added value you can deliver to customers who use ingenuity to create products that will please their consumers.

Omori: Thus far, our company has achieved growth by developing products and technologies that solve the challenges facing our customers and society. Within that process, we position application development, providing proposals that our customers incorporate into their products, as inseparable to achieving differentiation. One of our new business fields is establishing compound chocolate in the US market. For example, when coating biscuits, we consider what type of fat will prevent melting at room temperature yet allow the chocolate to melt in the mouth. When sandwiching cookies, if we want a softer, more easily processed chocolate, we use a different type of fat. We are currently advancing a wide range of proposals that showcase "what chocolate can do," and these ideas are being perceived as fresh and innovative in the U.S. market. We believe that communicating added value to customers through proposals created by our application team will help us expand our sales channels.

Nakagawa: When approaching customers with solutions to their problems, the knowledge and know-how that the company has accumulated over the years serves as leverage. I have high hopes that moving forward the company will continue to leverage its strengths all over the world.

Omori: Fuji Oil employees assigned to the Fuji Science & Innovation Center and our other research labs participate in an annual Idea Contest through which they compete on product creation based on completely open themes. Teams are engaged in initiatives that transcend divisional boundaries. Back before the development of MIRACORE™, which is widely used as a plant-based ramen soup, employees were already taking on the challenge of creating ramen soup using plant-based oils. It would be wonderful for you to visit the contest so that you can get a first-hand look at motivated employees taking on challenge of creating solutions to problems.

Nakagawa: The idea of an innovation contest with a customer perspective and problem resolution perspective is incredibly interesting. In businesses primarily focused on the B2B market, it is important to be aware of the tendency to limit the scope of ideas by thinking only within the context of your own company. For example, by utilizing open innovation, such as by inviting external individuals and organizations to participate in contests, you are perhaps more likely to generate more diverse and effective ideas.

Enhancing medium- and long-term corporate value

Nakagawa: Moving forward, human resources will be critical to solving customer issues and the inherent issues facing society, and to achieving further growth. I am paying close attention to initiatives such as engagement surveys and the diversification of management. What are your thoughts on these subjects?

Omori: We are working sincerely to improve engagement, and have demonstrated our seriousness by incorporating survey results into our KPI for executive compensation. We will continue striving for further improvement, including by diligently sharing our management policies with employees. Concerning the diversification of management, we currently have foreign nationals in key positions at Group companies overseas. Moving forward, we will continue developing our human resources to enable an even more diverse range of members to take on a broad range of roles as part of the Fuji Oil Group management team.

Nakagawa: When sharing policies with employees, I think it's important to clearly communicate each individual's role. For example, human resources in new business fields are extremely important, but endeavors in new business fields themselves represent investments for



the future. This means results can be difficult to see, so it's important to communicate the significance of the challenges they are undertaking. At the same time, existing mainstay businesses and the daily tasks that will have an immediate impact are just as important. It would be good to convey the message that each employee is supporting the company's growth.

Omori: I want to instill in all employees the awareness that they are leading our efforts in both growth fields and new business fields. Both fields exist in the oils and fats domain as well, with CBE being a growth field and stabilized DHA being a new business field. The key is to achieve both, and putting this into practice requires that we quickly implement the PDCA cycle. We will first take inventory of our daily operations to clarify any issues, thoroughly address them, and confirm our results.

Nakagawa: I feel that what supports Fuji Oil is its commitment to taking on new challenges and the desire to achieve innovation. When I visited the company in person, I was very impressed by the lively employees who seemed to enjoy working there. I hope that the company will continue to create new value together with its customers. This is the biggest key to enhancing medium- and long-term business value for shareholders.

Omori: Our strength is our ability to create products that solve problems. As a company, it is through monetization that we will transform those strengths into value. In our Mid-Term Management Plan, we aim to link challenges to corporate growth and make sustainable enhancements to our corporate value.