Financial Strategy

Financial Capital

The Fuji Oil Group strives to enhance our corporate value by using the FUJI ROIC as a metric for increasing our capital efficiency and strengthening our ability to sustainably generate cash. We are working to optimize our business portfolio by using the FUJI ROIC to create visual representations of the capital efficiency of each business. We are also enhancing our investment management to continuously confirm progress on investment projects and verify profitability. Through these efforts, we are promoting disciplined growth investments.

We are aiming for a positive value creation cycle. Under our cash allocation policy, we pursue the balanced distribution of generated cash between growth investments, interest-bearing debt reduction to ensure a sound financial platform, and shareholder returns. At the same time, we are working to further increase our ability to generate cash by improving capital efficiency, including by optimizing working capital, and establishing a strong financial structure with resilience to changes in our external environment.

Dialogue with capital markets, providing highly comprehensible explanations of our Group strategy and growth potential, and increasing the transparency of our management will lead to better understanding and greater trust from shareholders and investors. Through these initiatives, we will maximize our medium- and long-term corporate value.

Core Policies

1. **Improving capital efficiency by promoting the FUJI ROIC**
2. **Building a sound financial base**
3. **Enhancing corporate value through dialogue with capital markets**

Cash Allocation Under the Current Mid-Term Management Plan

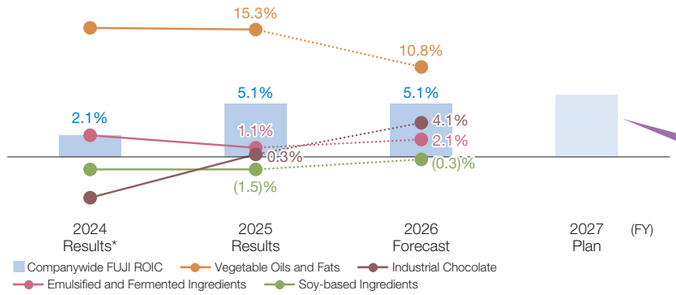
Cash in	Cash out	Details
Operating CF 130.0 billion yen over the three-year cumulative period	Investment CF 80.0 billion yen over the three-year cumulative period	• Conduct investments to strengthen our supply chain for Vegetable Oils and Fats and expand production capacity for Industrial Chocolate
	Reduce interest bearing debt 80.0 billion yen (compared to end of FY2024)	• Reduce interest-bearing debt to address the risk of rising interest rates and strengthen our financial position • Optimize net D/E ratio: 1.25x (end of FY2024) → 0.80x (FY2027 target)
Utilization of cash and deposits on hand	Shareholder returns Dividend payout ratio of 30% to 40%	

Core Policy 1 Improving capital efficiency by promoting the FUJI ROIC

Since FY2022, our Group has used the FUJI ROIC as a proprietary metric for appropriately managing capital efficiency. We set business profit after tax as the numerator and we set working capital, fixed assets, and equity method investments as the denominator. We use this metric to promote ROIC management for each business and Group company. We also provide regular reports to the Management Committee and the Board of Directors to use this metric in our evaluation of management policies.

In FY2025, the overall FUJI ROIC improved compared to FY2024. This was mainly thanks to the Vegetable Oils and Fats business maintaining strong profits and a recovery in the Industrial Chocolate business. However, the Industrial Chocolate, Emulsified and Fermented Ingredients, and Soy-based Ingredients businesses are all at levels indicating that improvement is required.

In the Mid-term Management Plan, we have set a target for the FUJI ROIC of 6% or higher, and are working towards improvement in each business from the dual perspectives of profit and invested capital. With the Industrial Chocolate business, we project the amount of invested capital to increase in FY2026 due to plant equipment upgrades in North America but will aim for further improvement in the FUJI ROIC from FY2027 onward by pursuing profit growth. For the Emulsified and Fermented Ingredients and Soy-based Ingredients businesses, we will aim to improve revenues and the FUJI ROIC by expanding new business fields to create new profit pillars.



FUJI ROIC

Business profit after tax
Working capital + Fixed assets + Equity method investments

FY2027 target
FUJI ROIC of **6.0% or higher**

* With the voluntary adoption of IFRS starting in FY2025, we have revised the calculation formula for FUJI ROIC.
Figures for FY2024 have been modified and are indicated based on IFRS.

VOICE

Optimizing Working Capital Amid Soaring Cocoa Prices

We position the FUJI ROIC as a common business management metric for the entire Group, and our Management Committee continuously engages in deliberations aimed at improving capital efficiency.

As over 80% of the world's cocoa beans, the main raw material for our Industrial Chocolate business, were produced in West Africa, we conducted procurement management, including safe inventory and contract management. However, soaring cocoa prices since 2024 caused a rapid increase in working capital, which had significant impact on our capital efficiency. We have also worked to strengthen our position management for our major raw materials, but we are currently accelerating initiatives aimed at optimizing working capital. These initiatives include strengthening collaborations with Group companies worldwide and assigning dedicated staff in Japan to work on producer region diversification in our raw material procurement and having production and sales collaborate to ensure appropriate inventory management.

We will continue to make FUJI ROIC-centric decisions and reinforce business management focused on capital efficiency as we strive to enhance the corporate value of our entire Group.



Osamu Watanabe
Executive Officer
Head of Global Business Unit, Chocolate Business Headquarters

Strengthening Investment Management

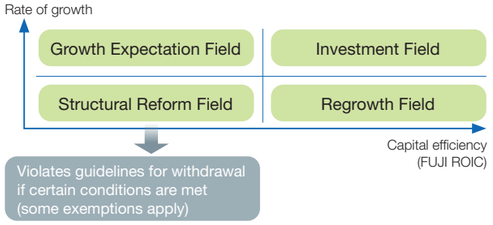
With the launch of the new company structure, in FY2025 we also revised our investment management rules and restructured our review system to strengthen our framework for making investment and withdrawal decisions from a capital cost perspective. These changes enable us to more accurately identify businesses in which we increase investments and businesses requiring improvements or structural reforms, maximizing our investment effect and leading to enhancements in corporate value.

We conduct annual business investment reviews for businesses marked for investment. For businesses that infringe on withdrawal guidelines, we use evaluations of the business's likelihood of improvement and strategic importance as the grounds for management decisions on continuation or withdrawal. We shifted from the previous system of company-unit management to a system of management that is aligned with the conditions of the business and supply chain, and then use the dual metrics of the FUJI ROIC and growth rate to conduct business portfolio evaluations. We also ensure that reviews account for flexible responses by companies. For example, during reviews we might take into account a company's discretionary plan to intentionally infringe on withdrawal guidelines based on performance from previous fiscal years or the status of the business. In reviews conducted in FY2025, we confirmed the need for continuous improvements and responses at certain businesses. After reviews are conducted, each business then formulates its own improvement plan.

For capital expenditures as well, we use KPIs to regularly measure effectiveness to evaluate not only manufacturing capital expenditures, but also IT investments and other projects for which it can be more difficult to measure cash flow.

The efficient operation of this investment review system promotes the re-evaluation of our portfolio and leads to improvements in capital efficiency.

Portfolio assessment in our business investment review (concept)



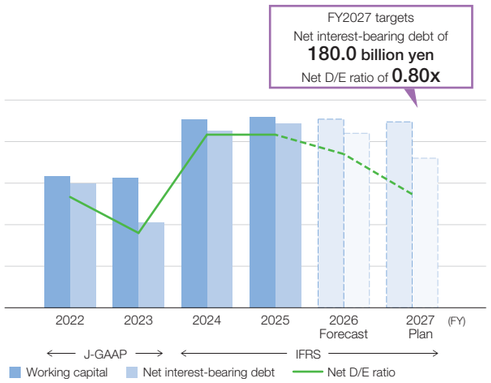
Core Policy 2 Building a sound financial base

Working capital increased due to sharp increases in cocoa prices between 2024 and 2025. This led to an increase in interest-bearing debt.

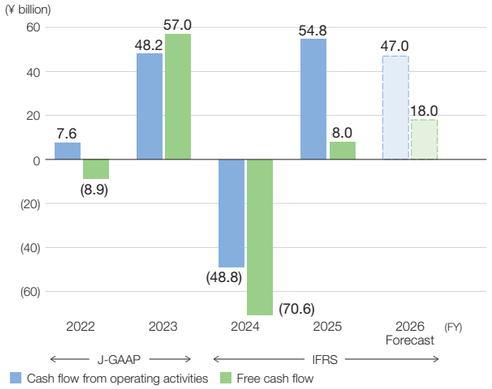
During the period of the current Mid-term Management Plan, we are aiming to generate roughly 130.0 billion yen in cash flows from operating activities while also steadily decreasing our interest-bearing debt.

As for our net D/E ratio, we are targeting 0.80x in FY2027 but the pace of improvement for FY2026 is expected to be mild due to fluctuations in working capital and the execution of growth investments. These are transitional factors associated with strengthening our medium- to long-term revenue platform. By increasing our cash flows from operating activities and optimizing working capital, we will steadily improve our financial structure by the latter half of the current Mid-term Management Plan.

Working capital, net interest-bearing debt, Net D/E ratio



Cash flows

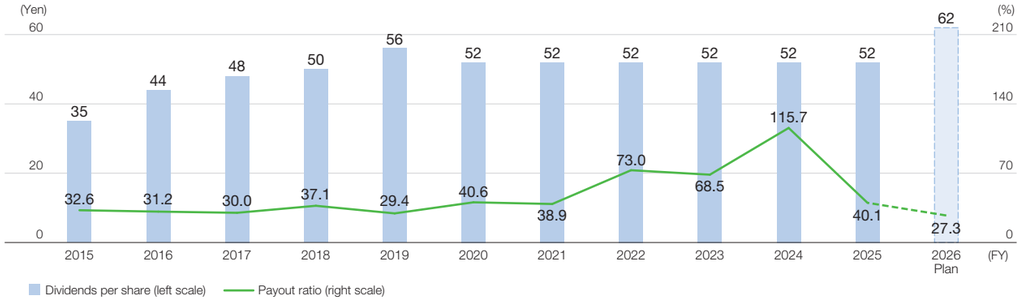


Policy on shareholder returns

Our Group prioritizes stable and continuous shareholder returns, and has set a basic policy of pursuing a dividend payout ratio of 30% to 40%. In FY2025, we continued to improve profitability and stably issued shareholder returns.

For FY2026, we expect that efforts to strengthen our revenue platform will enable us to increase dividends. Through business growth, we are working to both enhance our corporate value and increase shareholder returns.

Dividends per Share / Payout ratio



* FY2024 have been modified based on IFRS.

Core Policy 3 Enhancing corporate value through dialogue with capital markets

To promote a better understanding of our business activities and financial situation among shareholders and investors, we work to ensure information disclosure that is highly comprehensible and transparent. We position dialogue with capital markets as an important activity that contributes to enhancements in corporate value. Led by the CEO and CFO, our management team proactively participate in activities and apply the feedback they gain towards improving management.

In FY2025, we achieved record high business profit despite ongoing fluctuations in cocoa prices. While this does represent a certain level of success, we have received feedback from numerous investors regarding our revenue structure and capital efficiency. We will continue to enhance our information disclosure and improve the quality of our dialogue to increase management transparency towards enhancing our corporate value.

Response that reflects investor opinions

	FY2024	FY2025
Main opinions	• Not aware of the status of improvements at Blommer • Understanding vegetable fats for chocolate is of interest	• Not aware of the status of improvements at Blommer • Want to know about the Vegetable Oils and Fats business strategy beyond vegetable fats for chocolate • Business development is difficult to understand
Responses	• We held small meetings about Blommer and plant tours for analysts • We disclosed a breakdown of cocoa special factors in the financial results briefing materials • We held small meetings specifically focusing on vegetable fats for chocolate	• We continued providing a breakdown of cocoa special factors in the financial results briefing materials • We held small meetings centered on strategy for the Vegetable Oils and Fats business • We held tasting events featuring foods using Fuji Oil products and disclosed an Investor's Guide

IR Activity Results

Events for IR	FY2024	FY2025
Financial briefings for analysts and institutional investors	4	4
Briefings on each business, facility tours, briefings by outside directors	10	10
Interviews		
Number of interviews	313	319
Of which were led by officers	79	75

Co-Creation with the ITOCHU Group

The Fuji Oil Group works closely with the ITOCHU Group, our major shareholder, to enhance corporate value by leveraging the strengths and management resources of both companies. Through ① Strengthening Raw Material Supply Chains, ② Enhancing Management Foundation through Specialized and Management Talent, and ③ Market Development and Sales Expansion through Leveraging Sales Networks, we are driving growth and creating new value.

① Strengthening Raw Material Supply Chains

Against the backdrop of the Group's long-term raw material demand, we are strengthening collaboration with the ITOCHU Group to enhance logistics schemes for tropical oils and fats, support cocoa bean procurement, and reinforce risk management in raw material sourcing. By leveraging the ITOCHU Group's global procurement network, we are working to ensure a stable supply of raw materials, mitigate supply risks, and enhance procurement competitiveness. These initiatives support the stability of our production and supply framework.

② Enhancing Management Foundation through Specialized and Management Talent

The Fuji Oil Group is strengthening its management foundation by welcoming professionals from the ITOCHU Group with expertise in areas such as risk management, financial governance, and business management. At our headquarters, we have enhanced our financial governance and management capabilities through the appointment of specialists in finance and accounting. At operating companies outside Japan, we are strengthening business management structures and enhancing corporate value by leveraging the expertise of professionals with experience in management, business administration, and risk management. At Blommer, in particular, the participation of professionals with extensive expertise in management, finance and accounting, and business administration has contributed to improving profitability, strengthening governance, and enhancing management foundations, thereby supporting efforts to increase corporate value.

③ Market Development and Sales Expansion through Leveraging Sales Networks

The Fuji Oil Group is promoting expansion into diverse markets and channels, particularly to deliver new value propositions centered on plant-based foods. Through co-creation with the ITOCHU Group, we are leveraging its extensive domestic and global sales networks and customer base to develop new markets and expand sales of new products. In addition, we dispatch Fuji Oil Group employees to the ITOCHU Group to facilitate the sharing of expertise in the food industry and plant-based field, while also enhancing our business development and sales capabilities.

Initiatives conducted with ITOCHU Group are in accordance with policies concerning the protection of minority shareholder rights.

Protecting the Rights of Minority Shareholders P.87

Research and Development

Intellectual Capital / Social and Relationship Capital



Consistency with Business Strategy to Link R&D to Value Creation

Ichiro Nakamura

Executive Officer,
Head of R&D Headquarters

The Fuji Oil Group pursues the possibilities of plant-based ingredients and uses technology to both resolve social issues and achieve business growth. We diligently approach plant-based ingredients such as palm, soybeans, and cocoa to engage in R&D focused on refining separation technology and recombination technology. This is the source of our Group's competitiveness and an approach that leads to future revenue growth and enhancements in our corporate value.

In recent years, climate change, increasing restrictions on resources, and the manifestation of geopolitical risks have forced significant changes in assumptions related to raw material procurement and business structure. In such an environment, companies are expected to respond to environmental and social issues while also securing profitability. This makes the creation of technology and ingredients directly linked business to enable a rapid conversion to market value, the role of R&D, more important than ever before.

Since transitioning to a business holding company structure in FY2025, our Group has further strengthened the link between business strategy and R&D strategy. When setting R&D themes, we hold theme evaluation meetings in which the heads of business quarters also participate to engage in deliberations that incorporate the business perspective from an early stage. When setting individual themes for the Research Institute for Creating the Future, we provide timely explanations to relevant business headquarters to ensure a common awareness concerning research direction and objectives. This framework allows us to reduce the lead time required to convert research results into business opportunities and increase the speed of commercialization. In our exploration of technology and ingredients, we proactively leverage open innovation, including joint research with academia and other entities. Under a framework that links the Research Institute for Creating the Future with materials and market development, we work to increase the speed required from new ingredient creation to product creation and commercialization. We also collaborate with global R&D institutes such as the Fuji Oil Global Innovation Center Europe (GICE) to promote the acquisition of technologies and creation of business opportunities that are aligned to each market.

Recognizing the possibility of increased restrictions on resources in the future, we are strengthening initiatives for creating proprietary ingredients. We position new approaches, such as using fermentation technology and yeast to produce oils and fats, as important themes that not only help secure sustainable raw material supply, but also lead to establishing a medium- to long-term competitive advantage. These technologies serve as a new foundation for value creation that does not rely on existing plant-based ingredients, making this a strategic investment field that can produce new revenue sources in the future.

The R&D Headquarters embraces the mission of advancing food through plant-based innovation. We pursue unique value creation rooted in an understanding of the true nature of ingredients. Leveraging the technologies and knowledge we have cultivated over the years, we are contributing to sustainable business growth by continuously converting research results into market value.

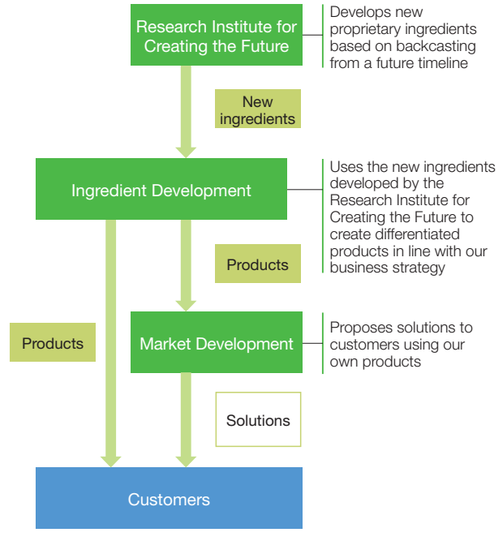
Moving forward, we will take a two-tier approach to accelerating the creation of new businesses: growth fields and new business fields. In growth fields, we will enhance existing strengths to solidify our revenue platform. In new business fields, we will increase the speed at which we create business opportunities and pursue commercialization that lead to future growth. We will use the strength of our R&D to pioneer our next stage of growth and steadily work towards being a continuous provider of sustainable value to global food industries.

Research and Development Structure and Strategy

Using natural resources such as palm oil and cocoa as raw materials, the Fuji Oil Group has created products with enhanced functionality by leveraging its core technologies of separation and recombination. However, growing populations and global environmental challenges are expected to place increasing constraints on the availability of these natural resources in the future. To address this issue, we are creating proprietary new ingredients that go beyond reliance on conventional natural resources.

New ingredients developed by the Research Institute for Creating the Future are commercialized through ingredient development activities aligned with our business strategy. Market Development then creates application recipes utilizing these products and proposes solutions to customers through its sales activities.

Through close collaboration among the Research Institute for Creating the Future, Ingredient Development, and Market Development, we are accelerating the entire process from new ingredient creation to commercialization and market implementation. The development of proprietary ingredients not only enables us to adapt to changes in the external environment but also differentiates us from competitors, contributing to improved profitability.



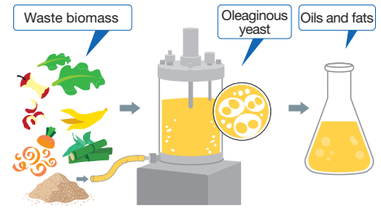
Open Innovation Platform for Pioneering Future Growth

Leveraging core technologies based on natural raw materials, we have strategically advanced our R&D platform with a focus on future changes in society and our business environment. Centered on the Research Institute for Creating the Future, we are strengthening both domestic and international industry-academia-government partnerships, and proactively incorporating technologies and ideas from outside the Group.

We are engaging in R&D that fuses advanced external expertise with our Group's core technologies to address high-priority societal needs such as reducing the environmental impact of raw materials and developing plant-based food products. This approach enables us to increase our development speed while creating social value. Additionally, establishing new materials and technologies leads to enhanced competitiveness and sustainable business growth in the future.

Creating high-value-added oils and fats through industry-academia-government partnerships

Aiming to improve the sustainability of vegetable oils and fats, our main raw materials, we have advanced R&D related to technology for using yeast to produce oils and fats. Through these efforts, in FY2025, our work was selected to the New Energy and Industrial Technology Development Organization (NEDO) Bio Manufacturing Revolution Promotion Project. Through this project, we aim to build a sustainable supply chain for oils and fats by leveraging industry-academia-government collaboration to develop yeast strains capable of producing high-value-added oils and fats for both food and non-food applications, and establish a circular production system for oils and fats that utilizes waste biomass.



Achieving new innovation

Fuji Oil Global Innovation Center Europe (GICE), our R&D hub in Europe, has opened a new laboratory facility on the campus of Wageningen University in the Netherlands. This will enable us to further promote technological partnerships and open innovation not only with the University but also with food research institutions, startups, and companies involved in the Dutch "Food Valley." Through GICE, we will acquire new technologies and scientific insights and leverage the technologies and know-how that our Group has cultivated to capitalize on future market opportunities, not only in Europe but globally.



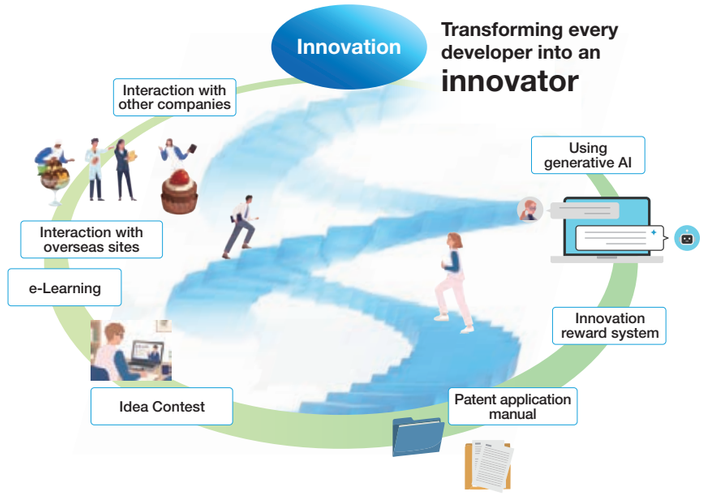
Laboratory facilities on the campus of Wageningen University (Netherlands)

R&D Initiatives for Taking on Challenges

To continuously create the technologies that will support the future, we emphasize corporate culture and human resource development that encourages employees to take on challenges.

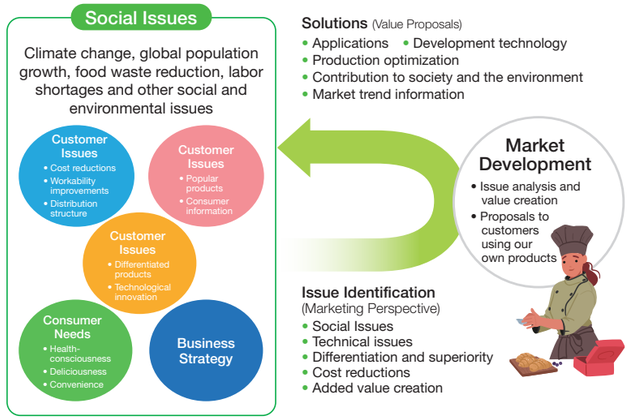
One of our signature initiatives is a cross-departmental Idea Contest held as a platform for participants to freely propose concepts deriving from their daily research and work activities. This contest also serves as an opportunity for young researchers to present their ideas to senior executives, including the President, and gain insight from a management perspective.





Global Approach to Market Development

In our market development efforts, we have focused on rapidly identifying market trends and the issues facing customers by proposing specific functions and applications for our products. We are working to create market value that leads to future growth while also accounting for societal needs, such as the need to reduce environmental impact, that can differ with each region. As part of this initiative, we have established Application Labs, spaces for co-creation with customers, at 12 locations worldwide, including Japan, North America, Europe, Asia, and Brazil. These Labs serve to foster product understanding through efforts such as prototype creation and seminars. By sharing and leveraging the insights gained at each location, we are strengthening our ability to deliver value on a global scale.



Case studies

Proposing ingredients through an approach rooted in the local region to ensure both deliciousness and peace of mind

Amid the growing trend toward clean label products, the Taiwanese bakery IJYSHENG is developing products that showcase the natural deliciousness of the ingredients they use. In Taiwan, we proposed a croissant recipe using Fuji Oil Co., Ltd.'s Soy lait Beurre. Our proposal was adopted after earning high praise not only for its flavor but also for the quality of the production process, which entailed a clear vision of the finished product. We have since built a relationship through which the customer can first consult us when it faces a challenge. This has also led to expanded opportunities to propose other products, including SOYA PUFF. Moving forward, we will continue to engage in global co-creation and contribute to resolving the issues faced by our customers.



Adoption by the Taiwanese bakery IJYSHENG

Intellectual Property Strategy

In the Fuji Oil Group, the three departments of the Research Institute for Creating the Future, Ingredient Development and Market Development cooperate from the development to the commercialization of new ingredients. Based on this cooperation, we also file patent applications in an integrated manner.

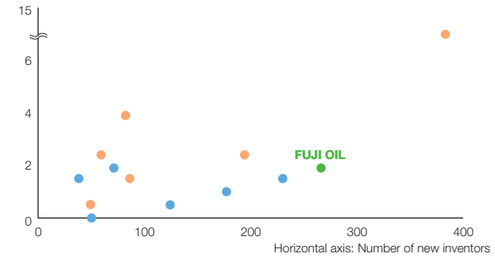
It is important to rapidly develop intellectual properties with coordination across those three departments to achieve monetization at an early stage through commercialization. The Intellectual Property Department monitors progress up to commercialization and monetization in key fields from intellectual property information. This allows the department to make appropriate recommendations from the point of view of intellectual property to the R&D Headquarters, Business Headquarters and management team.

Fields of oils and fats and chocolate

Since our founding, we have positioned plant-based raw materials such as palm, cocoa, and soybeans as our fundamental ingredients. We have applied research results accumulated over numerous years and our technological strengths to offer high-value-added products. We have built a patent portfolio based on our success in enhancing our core technologies to establish a distinctive competitive advantage on the market and the position to set prices.

In the fields of Vegetable Oils and Fats and Industrial Chocolate, our share ratio of critical patents with the potential to influence our market superiority or price-setting position is among the highest in Japan. Furthermore, our investments in human resource necessary to generate future critical patents (refers to the number of new inventors) are among the highest of any competitor globally. In recent years, we have been focusing on horizontally deploying our know-how by setting up meetings to exchange opinions and conducting joint research with the Group companies outside of Japan and increasing the number of patent applications filed by our global sites. Successful examples have also been created outside of Japan.

Critical Patent Share Ratio and Number of New Inventors
(Fields of Oils and Fats and Chocolate)



1. Vertical axis: Critical patent share ratio (%)
   Figures indicate patents related to oils and fats and chocolate over the past 10 years (since 2016) defined as a sampled population based on patent classifications. Critical patents are defined as those that fall within the top 5% of the population in terms of number of citations. Critical patent share ratio = Number of critical patents in each company / Total number of critical patents (%)
2. Horizontal axis: Number of new inventors
   Calculated by counting the number of inventors who appeared over the past 10 years (since 2016).

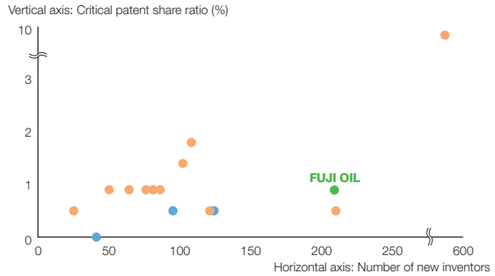
* The graph shows the companies ranking in the top 10 for number of patent families, number of critical patents, or number of new inventors in the population, or companies with a critical patent share ratio exceeding 1%.

Related to Plant-based Foods (PBF)

For PBF, we proactively promote technological advancements and pursue patent applications, mainly in the Emulsified and Fermented Ingredients business and the Soy-based Ingredients business, and are working to build a strategic product portfolio. We are continuously generating critical patents related to PBF and have established a leading position compared to our competitors in Japan and outside Japan. Compared to Japanese competitors in particular, we have secured market dominance in Japan by establishing a top share of critical patents and the number of new inventors. We will also continue working to strengthen our competitiveness in global markets.

As the PBF market is expected to see continued growth, we will not limit ourselves to emulsified and fermented ingredients or soy-based ingredients. Instead, we will integrate the technologies we have cultivated in our four businesses and further enhance our expertise to develop plant-based ingredients that balance deliciousness and sustainability.

Critical Patent Share Ratio and Number of New Inventors
(PBF-related)



1. Vertical axis: Critical patent share ratio (%)
   Critical patents were defined as based on a dataset of patents related to PBF extracted using patent classifications and keywords covering the past decade (since 2016) based on patents ranking in the top 5% by citation count. The figures (%) were calculated as: (Number of critical patents held by a company) / (Total number of critical patents)
2. Horizontal axis: Number of new inventors
   Calculated by counting the number of inventors who appeared over the past 10 years (since 2016).

* The graph shows the companies ranking in the top 10 for number of patent families, number of critical patents, or number of new inventors in the population, or companies with a critical patent share ratio exceeding 1%.

Number of active patents for technology related to the emulsification of plant milks and oils and fats P.37

Human Resources Supporting Value Creation

Human Capital

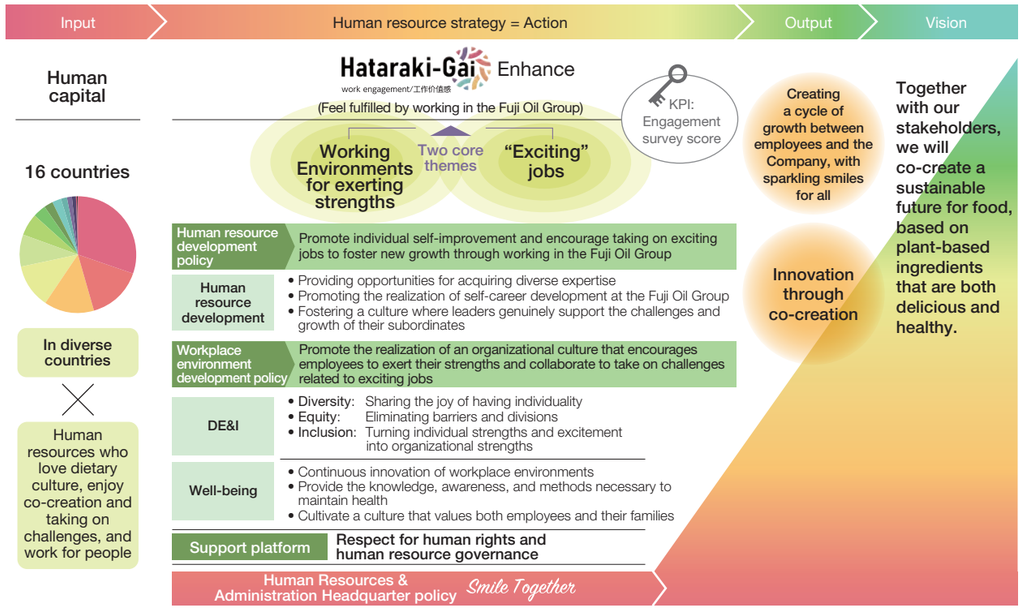
Approximately 70% of the Fuji Oil Group's consolidated workforce is employed at locations outside Japan, with diverse talent active across 45 companies in 16 countries*. Since converting to a group headquarters structure in FY2015, to keep pace with our accelerating global expansion, in each country and company we have focused on creating an environment in which diverse human resources can thrive and promoting DE&I, and building management structures suited to local human resources.

At the same time, with the expansion of Group companies, we faced a growing need to address challenges affecting our entire supply chain. We also needed to strengthen human resource development and partnerships from a business-axis perspective. Additionally, it became necessary to enhance communication and better coordinate roles between the Group headquarters and the Japanese operating companies.

In the face of such needs, in April 2025 we transitioned to a business holding company structure to consolidate the Group headquarters and the Japanese operating companies. Under this new structure, we have adopted a key policy of not only fostering harmony between consolidated companies, but also striving for total group unification, including global operations. With our human resources strategy as well, we have shifted towards an approach that prioritizes strengthening a shared Group-wide platform and promoting cross-group collaborations.

Our human resources strategy under the current Mid-Term Management Plan positions "Hataraki-Gai" (work engagement) as a shared Group concept, and we are implementing initiatives to improve work engagement. We aim to establish workplace environments that allow individual employees to exert their strengths and engage in exciting work that promotes self-growth. We believe this will increase the value in working for the Fuji Oil Group and drive innovation through co-creation, supporting a cycle of happiness that leads to sustainable growth for both the Group and employees.

* FUJI OIL CO., LTD. and consolidated subsidiaries as of March 31, 2026



Policies and progress of the Mid-Term Management Plan, United for Growth 2027

We will promote initiatives based on the following three core policies.

1. **Achieve unity by enhancing the Group's Hataraki-Gai**
   We will promote Group unification initiatives under the banner of Hataraki-Gai, the management policy of the new structure.
2. **Develop and secure a resilient and diverse executive**
   We will clarify key management positions in the new structure and promote succession.
3. **Develop human resources and focus on optimal personnel placements aligned with business strategy**
   We will optimally assign key personnel to promote worldwide business strategy, and conduct planned training ahead of assignments. Additionally, we will work on securing and developing human resources while taking into account future changes in human resource supply and demand.

1 Achieve unity by enhancing the Group's Hataraki-Gai

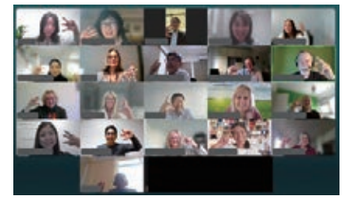
Core metrics: Engagement survey score

To quantitatively ascertain the status of human resource strategy implementation and promote improvements, our Group is establishing an improvement cycle that uses engagement surveys and other metrics to conduct monitoring. As issues and operating environments differ from country to country, we utilize region-specific surveys to conduct highly effective analysis and propose improvement measures.

Globally unified engagement promotion structure

In FY2025, we launched the Engagement Champions Team, a Group-wide system comprising promotion staff selected from Group companies across the globe. Champions from each company are responsible for promoting an understanding of survey results and proposing and implementing action plans. This system is designed to foster a sense of unity and elevate overall standards by sharing the initiatives of each company.

In FY2025, we positioned the development of Champions as a core policy, arranging external training and holding joint sessions. These efforts work to enhance understanding of engagement and promote the development of the human resources who will take leadership roles in supporting improvement activities. Moving forward, we will continue to take a globally unified approach to promoting initiatives.



Training was conducted across three regions: Europe and the Americas, Asia, and China (photo shows Europe and the Americas).

Engagement promotion and core policies at Group companies outside of Japan

The conversion to a business headquarters system in April 2025 is a transition from an area system to a system that prioritizes uniform, business-specific decision-making and implementation. To address assumptions of the increased burden associated with the transition to the new structure, in addition to engagement trends, the September survey also focused on how this change was being accepted. Results showed that overall levels were largely unchanged from the previous year as well as slight improvement. While cooperation and teamwork remained strong, progress was limited over the past three years in areas such as clarifying roles and expectations, fostering a culture of approval and mutual consideration, and ensuring the understanding and permeation of the Company's mission and values. In response, we designated these matters as priority areas of focus for the entire Group during FY2025. By addressing company-specific issues while also working to improve issues facing the entire Group, we will drive a unified, Group-wide transformation of our organizational culture.

Engagement Survey Trends Outside of Japan

FY	2023	2024	2025
Average score for all Group companies (5-tier assessment)	3.91 (1.00–5.00)	3.92 (1.00–5.00)	3.94 (1.00–5.00)
No. of participating companies/ response rate	18 companies/63%	18 companies/85%	20 companies/83%

* We used Gallup's Q12 Employee Engagement Survey

Action Plans
Common core areas of initiatives for Group companies outside of Japan (FY2025 onward)

① **Clarification of expectations**	→ Respond to issues such as no breakdown of policy, workflow and roles unclear, goal competition between divisions	Create framework for increasing consistency in workflow procedures and goals
② **Approval**	→ Foster a culture where supervisors and colleagues visualize work results at non-performance-based workplaces	Cultivate a culture that provides psychological safety and that leverages individual strengths
③ **Consideration**		
④ **Understanding and permeation of mission and values**	→ Clarify direction as a Group, aim for environment in which employees share common values and act based on those values	Permeate policies related to transforming organizational culture

Case studies

Improving Hataraki-Gai at PT. FREYABADI INDOTAMA (Indonesia)

PT. FREYABADI INDOTAMA conducted its first engagement survey in 2025. Through this survey, the company confirmed positive workplace relationships and teamwork. On the other hand, the company identified issues as a lack of interest and praise from supervisors and insufficient dialogue regarding development. In response, the company is implementing manager training, has weekly acknowledgments, and is establishing a 1-on-1 system. The company is also strengthening its Kaizen (improvement) proposal system to foster an organizational culture in which employees feel their opinions are respected and applied towards improvements. The company evaluates and acknowledges all improvement ideas, offering employees with outstanding proposals opportunities to give presentations to management. This system works to encourage proactive improvements driven by employee input.



Kaizen proposal presentation



Leadership training

FUJI OIL CO., LTD. engagement trends and core measures

At FUJI OIL CO., LTD., we used an analysis of survey results from previous years to identify the relatively low score for “philosophy and strategy” as a key management issue. We attributed this to a failure to fully convey the rationale and context behind strategic decisions to front-line staff, which left employees unable to connect strategy with their daily tasks. As a result, we used the opportunity presented by the consolidation to focus on improving the quality of communication between management and the front-line staff. We strengthened internal communication initiatives, including conducting town hall meetings led by CxOs, to expand opportunities for management to directly convey strategy intent and decision-making rationale. We also promoted a better understanding of the company’s business model and strengths among employees with the goal of linking that understanding to their own roles. As a result, this score improved to 69 (up 5pts YoY), confirming a certain level of progress.

The results of other factor-specific analysis indicated that normal management areas such as “relationship with supervisor” and “performance evaluation and growth support” are key drivers for improvement. We are aiming to standardize an improvement cycle rooted in dialogue, centering efforts on developing leaders who can articulate the company’s vision and strategy in their own words and link that communication to front-line action. We began by holding a training retreat for executive officers to align understanding of the new CEO’s management policy, rebuild a sense of unity among the leadership team, and enhance the quality and speed of management decision-making. Moving forward, we will promote proactive employee action and strive for the sustained improvement of both engagement and organizational performance.

Japan Engagement Survey Trends

FY	2023	2024	2025
FUJI OIL CO., LTD. overall average score	66 (0–100)	68 (0–100)	69 (0–100)
Philosophy and strategy score	63	64	69
Response rate	91%	91%	92%

* We used Wevox by Atrae, Inc.

FUJI OIL CO., LTD. strengths and core issues

Strengths

- Organizational culture of co-creation (cooperation between departments)
- Health and environment (appealing work environments)

Core issues

Issue	Permeation of philosophy and strategy: Understanding of the strategy is progressing but not sufficiently leading to front-line action	Transitioning to the implementation phase of engagement: Initiatives are advancing, but not sufficiently reflected in actions at the front-line level
Measure	Promoting shift from understanding strategy to taking action · Strengthen direct communication from CxOs regarding the strategic rationale (increase town hall meetings and other opportunities) · Executive training retreats (aligning management perspectives to strengthen strategic implementation capabilities) · Foster understanding of the business model and the company strengths	Embedding front-line proactive behavior · Heads of organizations: Leverage survey results and drive change in behavior · All employees: Take ownership and proactively make improvements · HR: Targeted improvements through tailored support for specific departments or areas facing challenges

2 Develop and secure a resilient and diverse executive

Core metrics: Position readiness ratio

We clarified key management positions under the new organizational structure and are engaged in succession planning. The Nomination and Compensation Advisory Committee is implementing CEO succession planning while simultaneously implementing a program for developing the next generation of executive personnel led by the Next-Generation Executive Talent Development Council, which is composed of CxOs.

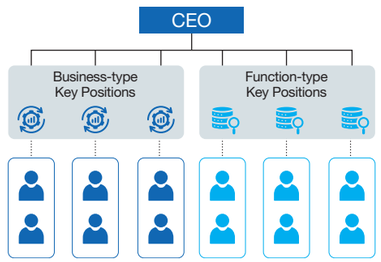
Nomination and Compensation Advisory Committee P.87-90

Next-Generation Executive Talent Development Council

Since FY2020, our Group has held Next-Generation Executive Talent Development Council meetings to engage in discussions regarding cultivating a diverse pool of leadership talent.

For the second phase of the program launched in FY2025, we shifted our approach to developing talent for specific key management positions under the new organizational structure to improve the accuracy of candidate identification and development. As a first step, we are building a pool of potential successors based on position-specific competency requirements, which are formulated through discussions with current management while looking ahead to 2030.

Moving forward, we will cultivate the talent needed to lead Group management into the future by utilizing multifaceted evaluation methods, including external assessments, and individual development plans. We will also provide opportunities for global business experience and appointments to key positions. This approach will ensure the stability of the management team and strengthen the management capabilities that support sustainable growth. At the same time, we will continue to explore initiatives aimed at ensuring diversity among future management personnel.



3 Develop human resources and focus on optimal personnel placements aligned with business strategy

We will advance optimal placements in Japan and at locations outside Japan and the planned development of strategically important key personnel, including global human resources with high-level expertise in technology and manufacturing. At the same time, we are working to secure and develop talent to address future shifts in human resource supply and demand.

Human resource development to support globalization

As our Group expands globally, our sites in Europe and the Americas have increased to create a more diverse organizational makeup, including companies acquired through M&A. This shift has heightened the need for global personnel with advanced expertise. This has also created the need for human resource development and optimal personnel placements from a business-axis perspective under the business holding company structure. As such, we will promote career autonomy and foster cross-cultural understanding as the foundation for supporting these changes while aiming to achieve sustainable growth and enhance our corporate value.

Pick up !

Selective International Personnel Development Program

This international personnel development program spans approximately one year, focusing on strengthening language skills while cultivating the practical business communication abilities and the mindset required in a global environment. Participants learn while continuing to handle their domestic responsibilities with the goal of developing into global professionals capable of making an immediate impact abroad. The program has produced several new expatriate employees and is contributing to the creation of the human resources needed to drive business growth.

- **Strengthen English speaking skills**: Refine the ability to communicate confidently through speaking practice based on real-world business scenarios
- **Global mindset**: Understand diversity and acquire the mindset to achieve results in cross-cultural environments
- **Tips for increasing visibility**: Master techniques for enhancing presence and building trust within a global business environment

One-year learning roadmap

1 Learn (build foundation) → 2 Enhance (expand knowledge & perspectives) → 3 Demonstrate (link to results)

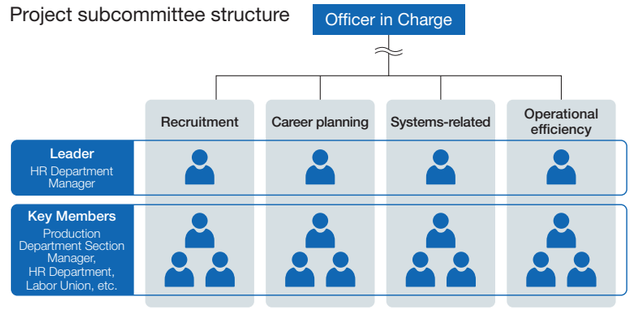
	1 Learn (build foundation)	2 Enhance (expand knowledge & perspectives)	3 Demonstrate (link to results)
Language proficiency sessions	Strengthen fundamentals: Basics of speaking up, vocabulary, grammar, and speaking skills	Develop advanced speaking skills: Enhance capabilities for presentations, Q&A sessions, negotiations, etc.	Development goals
Global mindset sessions	Develop mindset: Foster an understanding of diversity and cross-cultural sensitivity	Broaden perspective & expand thinking: Use diverse case studies, examples from other companies, and dialogue to cultivate perspectives that can be applied globally and develop core decision-making criteria	Link to results: Solidify the mindset needed to exert influence, build trust, and create value



Production Workstyle Reform Project

In Japan, securing shift workers is expected to become increasingly difficult due to factors such as a shrinking working-age population. In response, we launched the Production Workstyle Reform Project in FY2024. In FY2025, four subcommittees worked in parallel to address the various issues identified during the previous year. Amid a shrinking workforce and a persistent job-seeker’s market, we discussed strategies related to recruiting, retaining, and developing human resources, and then worked to strengthen our recruitment capabilities, create workplace environments conducive to retention, improve compensation, and boost productivity. Since FY2025, HR managers assigned to each business headquarters have worked to improve employee retention and engagement by holding meetings and exchanging opinions with the Production Department. Additionally, we also adopted measures such as introducing or increasing various allowances and implemented productivity-enhancing initiatives that leverage external expertise. We will continue these efforts in FY2026 to drive further reforms.

Project subcommittee structure



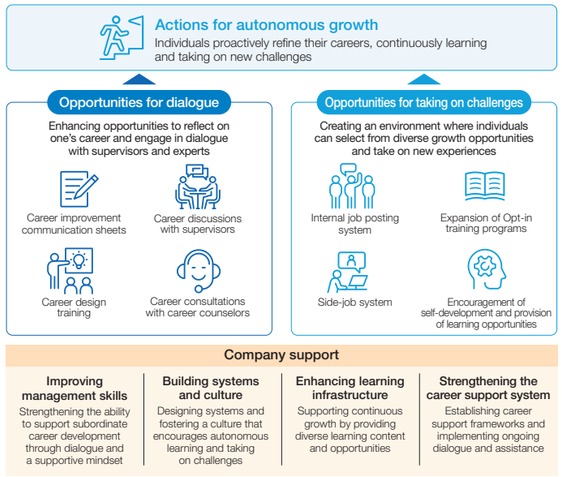
Please refer to Sustainability Report 2026 ESG databook for details on Human Capital metrics and data

Sustainability Report 2026 ➡ https://www.fujioil.co.jp/en/sustainability/download/

Development policies for achieving human resources strategy

Support for autonomous career formation at FUJI OIL CO., LTD.

To achieve sustainable value creation in a rapidly changing business environment, we place great importance on fostering career autonomy that encourages each employee to proactively shape their own career path. As a foundation for these initiatives, we are expanding opportunities for dialogue to enable employees to convey their aspirations, strengths, and visions for the future, which also provides opportunities for employees to proactively re-evaluate their own careers. We will foster a mindset that encourages employees to proactively choose opportunities for growth while also encouraging self-development by providing learning opportunities to support autonomous growth. We also provide training for supervisors to cultivate the perspective needed to effectively support the career development efforts of subordinates. This creates an environment that combines individual autonomy and organizational support. Through these initiatives, we aim to achieve optimal placement of future talent and strengthen our competitiveness.



VOICE

Pursuing a Career Challenge Through the Internal Job Posting System

I utilized the internal job posting system to transfer from the production department to the information and communication technology division.

I am currently engaged in system support operations, working to resolve issues by leveraging the perspective I gained on the front lines of manufacturing. Taking the initiative to challenge myself in a new field marked a major turning point in my career. Furthermore, the opportunity to participate in the IT personnel development program (SE training) offered by our business partner, Fujitsu Limited, has been invaluable to my professional growth. I truly feel that our company provides an environment that actively supports the personal growth and aspirations of every employee.



Toshiki Kumagai

FUJI OIL CO., LTD.
ITMPS Sales Accounting & Logistics Solutions Section, Information and Communication Technology Division

Pick up !

Human resource development initiatives at Blommer

As a member of the Fuji Oil Group, Blommer is building a new human resource development framework and advancing organizational reforms. One example of these initiatives is the Mirai Makers Lab, a next-generation leader development program. Through this program, we have reenvisioned Blommer's mission, vision, and values, and are integrating these new philosophies into HR processes, including employee recognition systems. We are working to clarify roles and increase organizational consistency by revising job descriptions as well as adopting and integrating core competencies. We are also fostering a culture of safety. These efforts include leadership development through management training that incorporates on-the-job training (OJT) and 1-on-1 coaching, implementing improvement initiatives based on survey results and feedback, and establishing a safety committee at each plant.



Mirai Makers Lab townhall meeting



Lori Beyar

Blommer
Talent Strategy
Enablement Leader

Creating an environment for realizing our human resource strategy

Groupwide DE&I promotion

With the addition of Provence Huile (France) in 2025, we are striving to maximize our diversifying individuality as a strength and translate that strength into organizational capabilities. To address diversity and inclusion, we are using engagement surveys as a common metric towards enhancing Hataraki-Gai. To address equity, we are implementing measures tailored to the social background and issues in each country. In Japan, we are focusing on appointing women to decision-making roles and employing people with disabilities.

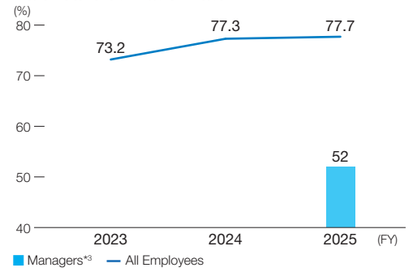
Diversity Embracing individuality + **Equity** Eliminating barriers and divisions ➡ **Inclusion** Turning individual strengths and excitement into organizational strengths

Work-style reform and support for various life stages to foster women's active participation

Major metrics: Paid leave utilization rate

We are fostering an environment in which a diverse workforce can demonstrate their strengths and thrive continuously, regardless of their life stage. In particular, we have identified the appointment of women to future decision-making roles as a key management priority. A prerequisite to these efforts will be that we cultivate a corporate culture that does not discourage employees from aspiring to such roles. To promote such a culture, we are implementing workstyle reforms for managers facing heavy workloads and enhancing our ability to support employees across various life stages, including those balancing work with caregiving responsibilities. Specifically, we have set KPIs focused on the rate of paid leave taken by managers or above*3 and the percentage of employees who feel they can balance work with caregiving responsibilities. We will use these KPIs to promote the effective implementation of initiatives. Through measures such as management training and efforts to foster a thorough understanding of our systems, we are addressing bottlenecks and building a corporate culture in which everyone can work with peace of mind and pursue their career aspirations.

Paid leave utilization rate



	Target*1
All employees	Maintain a rate of 65% or higher*2
Managers*3	62% or higher by FY2027*3

*1 Targets of the "General Employer Action Plan Based on the Act on Promotion of Women's Participation and Advancement in the Workplace"
*2 Target period: April 1, 2021 to March 31, 2026
*3 New targets for the period of April 1, 2026 to March 31, 2028; "Managers" refers to positions at the section manager level or above

FUJI OIL CO., LTD. Health Management

Major metrics: Absenteeism*1 Presenteeism*2

Since the Fuji Oil Group Health Management Declaration in 2017, our Group positions health as not only essential for the happiness of employees and their families, but also as a crucial factor in enhancing our core competence as a company. In our Health White Paper, we clarify that health is fundamentally related to physical, mental, and social well-being, and we provide the necessary knowledge, awareness, and methods to promote health. Specifically, we review employee health self-checks together with information from health exams, etc., hold regular study sessions on improving health literacy, and conduct physical function assessments every six months to provide ways to recognize and address physical changes.

From FY2025, we implemented a total ban on smoking on company grounds and during working hours. While this move elicited a variety of reactions, it reflects our identity as a company dedicated to pursuing deliciousness and health. It also reflects our intention of positioning the well-being of our employees as our primary objective. Good health benefits not only the individual but also their loved ones and colleagues. We remain committed to fostering a corporate culture that values both colleagues and families, and strive to increase Hataraki-Gai.



CEO also participates in physical function assessments

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

FY	2023	2024	2025	Target
Absenteeism (Total days of absence due to mental health issues)	3,136 days	2,430 days	1,691 days	FY2027: 2,000 days or fewer
Absenteeism (Total days of absence due to general medical/ surgical conditions)	646 days	852 days	1,091 days	—
Productivity loss rate due to presenteeism*3	21.7%	25.6%	22.6%	FY2030: 20%

*1 Absenteeism: Absence from work due to physical or mental health issues.
*2 Presenteeism: A state in which one is unable to perform at full capacity due to physical or mental health issues.
*3 Uses the University of Tokyo's single-item questionnaire: "On a scale from 1% to 100%, where 100% is the best job performance you could have at your job if unimpeded by sickness or injury, how would you rate your overall job performance on the days you worked during the past four weeks?"

Production Activities

Manufacturing Capital

There is a need for sustainability throughout the entire supply chain: from the procurement of raw materials to production, quality assurance, delivery to customers and finally delivery to consumers. The Fuji Oil Group is working to improve production safety and efficiency as well as to improve our logistics system. Our aim is to build solid business foundations.

Production

Bottom-up improvement activities (Japan)

FUJI OIL CO., LTD. continuously engages in activities to improve efficiency and safety rooted in discoveries and proposals from employees in the field. Even amid a greater emphasis on increasing the quality of improvement proposals beginning from FY2024, we received some 800 proposals annually, indicating that improvement activities have remained at the high level of the previous year.

It has been 18 years since we started PIC* activities, which involve small groups discussing and implementing improvements, in 2008. These initiatives are not limited to Japan. Twenty teams, including teams from Group conpanies outside of Japan, participated in the results presentation event held in FY2025.

Moving forward, we will further expand these initiatives and share the improvement case studies and knowledge gained from each site throughout the entire Group to stimulate Group internal communication and utilize shared case studies as opportunities for human resource development.

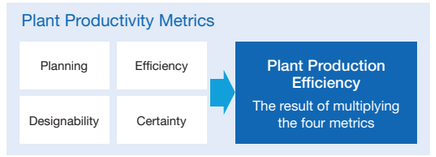


PIC results presentation event

PIC: Productivity Improvement & Challenge

Initiatives to raise productivity at Group companies outside of Japan

The Fuji Oil Group has adopted Group-wide common productivity metrics. This enables us to focus on plant productivity improvements that promote increased utilization rates for existing equipment and reduce manufacturing costs. We grasp the productivity of each plant by using five metrics, planning, efficiency, designability, certainty, plant production efficiency. We clarify the strengths and weaknesses of each plant to identify and share successful examples from each Group company. This contributes to improving plant productivity and leads to increased profit margins. In addition, we periodically share relevant information, including productivity metrics, with management. Management then uses the gained insight towards management decisions on matters such as the appropriate allocation of management resources and investments.



Case studies

Shifting to smart factories



The Fuji Oil Group chocolate plant that launched operations in May 2026 features the Group's first full-scale adoption of AI

Anticipating future labor shortages and changes in the operating environment, the Technology Development Department is working to reduce physically demanding tasks on the production floor while advancing initiatives to transform facilities into smart factories by around 2030.

At the newly constructed plant at the FUJI OIL CO., LTD. Hannan Operations Complex, we have begun installing equipment with digital technologies such as AI to support operations that previously depended on knowledge and experience. We will continue our efforts to enable employees to focus more on tasks that leverage their core expertise to achieve manufacturing capabilities that can compete on a global scale.

Responding to the Logistics Crisis

The logistics sector in Japan is facing a shortage of personnel and increasingly stringent regulations. FUJI OIL CO., LTD. is positioning this as an opportunity for structural transformation and is promoting logistics transformation throughout all of Japan. In 2025, we launched a response project to address the regulations of the New Logistics Efficacy Act. We have engaged the production, procurement, and sales divisions to work towards streamlining logistics. While placing priority on maintaining quality, we are reviewing delivery and procurement terms and working to create visual representations of logistics operations through data utilization. We are also establishing the necessary organizational structures and clarifying internal policies to ensure continuous improvements. Positioning logistics as the foundation that supports business continuity and corporate value, we aim to build a sustainable and resilient supply chain from a medium- to long-term perspective.

Initiatives of the Oils and Fats Logistics Future Promotion Council (YBM Council)

We view logistics challenges as social issues, and are working toward solutions through industry collaboration. As part of this effort, since January 2026 we have been participating in the Oils and Fats Logistics Future Promotion Council (YBM Council), an industry body launched in July 2025 by J-Oil Mills, Inc., the Nisshin OilliO Group, Ltd., and Showa Sangyo Co., Ltd., in partnership with the Japan Oilseed Processors Association. The Council is advancing initiatives to improve driver working conditions and enhance transport efficiency, such as reducing waiting and cargo-handling times and ensuring the sustainability of tanker truck logistics, while also addressing data integration, logistics standardization, and regulatory compliance.

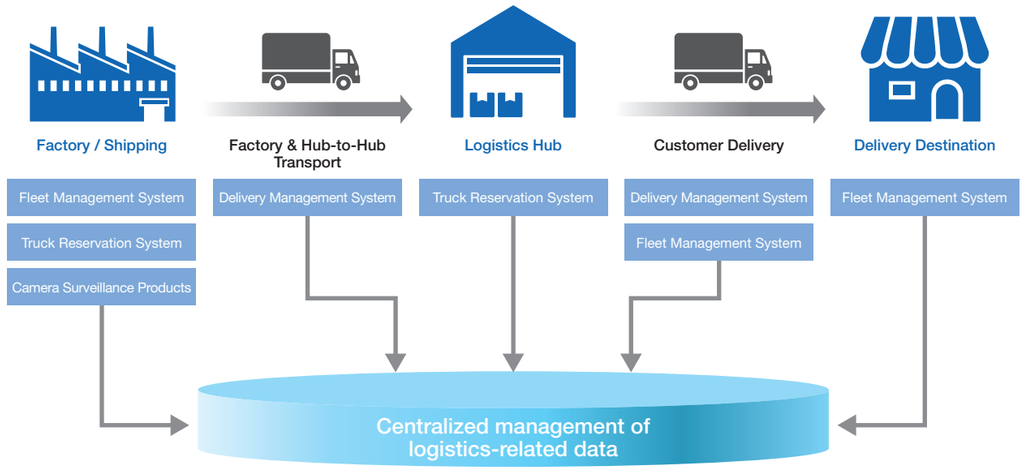
We aim to optimize the entire industry rather than just our own operations. Through collaboration, we are working to build a sustainable logistics network and strengthen our stable supply system.



Tank trucks for transporting oils, fats, and chocolate products

Logistics DX & regulatory compliance

We view regulatory tightening as an opportunity for structural transformation and are continuously advancing reforms centered on logistics DX, with regulatory compliance as a starting point. Led by the general manager in charge of logistics, we established a company-wide implementation framework while also refining internal regulations and clarifying roles and responsibilities. We also adopted digital tools that enable the centralized management of logistics-related data and visual representations to create a cycle of continuous improvement. These efforts have produced tangible benefits such as reduced cargo handling time, which contributes to the stabilization of on-site operations. We also plan to use accumulated data to explore collaborations and joint transport arrangements with other companies to pursue overall improvements in logistics efficiency. Through these initiatives, we will go beyond mere regulatory compliance to simultaneously strengthen our competitiveness and build a sustainable logistics infrastructure. By realizing stable supply, cost control, and risk reduction, we will enhance our medium- and long-term corporate value.



Environmental Management

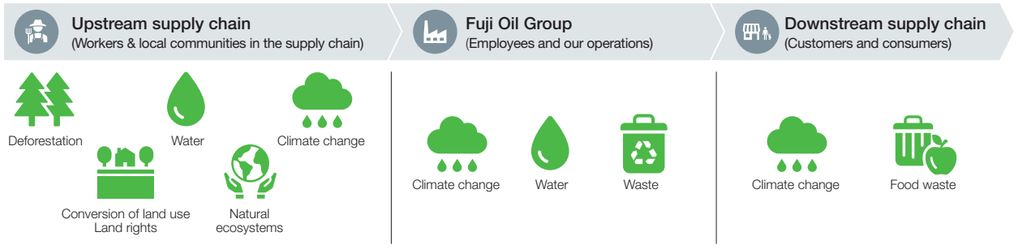
Social and Relationship Capital / Natural Capital

Strategy

Fuji Oil Group business activities are supported by the blessings of natural capital such as air, water, soil, forests, and plants. At the same time, there is also the reality that we impact the global environment and regional natural environments along our entire value chain, from raw material production to manufacturing and sales. With the impacts of climate change intensifying and an accelerating loss of biodiversity seen in recent years, we recognize that such changes in the natural environment represent critical management issues and risks that impact our raw materials procurement and business continuity. Our Group positions reduction of environmental impacts, deforestation prevention, the conservation and restoration of biodiversity and the sustainable use of natural capital at the core of our strategy. In addition to working towards mitigating nature-related risks, we are also working to stabilize raw materials procurement and strengthen business resilience. At the same time, we have adopted a nature positive* approach and are striving produce environmentally responsible technologies and products to create business opportunities and establish a competitive advantage.

* Halting and reversing biodiversity loss to put nature on a path to recovery.

Key issues relating to climate change and biodiversity in the supply chain



Sustainability Management P.24–25

Governance TCFD*1 TNFD*2

Measures to address risks and opportunities related to climate change and nature are approved and monitored by the Board of Directors after deliberation and monitoring by the Sustainability Committee (material ESG issues) and the Risk Management Committee (Group significant risks).

*1 TCFD: Task Force on Climate-related Financial Disclosures
*2 TNFD: Taskforce on Nature-related Financial Disclosures

Risk Management

Climate (TCFD) Assess risks and opportunities, financial impact	Nature (TNFD) Ascertain reliance and impact on nature, assess risks and opportunities
● FY2019 Conducted climate change analysis based on TCFD recommended scenarios, selected climate change risks and opportunities, and conducted qualitative assessment of financial impact ● FY2022 Changed scenario to 1.5°C/4°C. Reevaluated climate change scenario analysis and financial impact quantitative assessment ● Since FY2023 Annual reviews, reevaluation	● FY2022 Assessed the relationship between all business operations and biodiversity across our value chain. Organized and evaluated biodiversity-related issues affecting business as a whole, identified nature-related issues of particularly high importance, and compiled a list of anticipated nature-related risks and opportunities. ● FY2023 Based on the TNFD-recommended LEAP approach*, we used the Geographic Information Systems (GIS) to conduct an integrated assessment of nature-related indicators regarding our dependence and impact on nature and ecosystem services in the countries where we source key raw materials (palm oil and cocoa). Through this process, we identified key areas of focus and priority regions within the Group's value chain and outlined measures to address nature-related risks and opportunities. ● FY2024 Created list of nature-related risks and opportunities across our value chain Began conducting disclosure aligned with the TNFD recommendations

* LEAP approach: An integrated approach developed by the TNFD to systematically assess nature-related contact points, dependencies, impacts, risks, and opportunities.

Details on Environmental Management are disclosed in the Sustainability Report 2026.
Sustainability Report 2026 ➡ https://www.fujioil.co.jp/en/sustainability/environmental_management/

Metrics and Targets (Biodiversity) TNFD

Based on the Fuji Oil Group Policy on Biodiversity (established in March 2023), which outlines our basic approach and code of conduct related to biodiversity, we work to mitigate impacts on biodiversity along our value chain and strive for ecosystem conservation and restoration through measures rooted in nature. Through co-creation with stakeholders, we are aiming to achieve a recovery trajectory for biodiversity by 2030 and realize a society coexists with nature by 2050.

Additionally, we registered as a TNFD Adopter in July 2025. We endorse the TNFD recommendations and are committed to contributing to the achievement of international goals.



Nature-related targets in countries producing our major raw materials

Medium- to long-term commitment	FY2025 targets	FY2030 targets
NDPE*1 across palm oil supply chain	DCF*2: 100% Traceability to mill (TTM): 100%	Traceability to plantation (TTP): 100%
Deforestation prevention and forest conservation, improvement of farm living conditions across cocoa supply chain	500,000 trees planted (Cumulative)	One million trees planted (Cumulative)
No deforestation, no exploitation across soybean supply chain	Traceability achieved to primary collection points, or 100% procurement of RTRS*3-certified products or products certified to equivalent standards	Traceability achieved to the community level, or 100% procurement of RTRS-certified products or products certified to equivalent standards
Parkland conservation and no deforestation across shea kernel supply chain	6,000 trees planted/year	6,000 trees planted/year

*1 NDPE: No Deforestation, No Peat and No Exploitation
*2 DCF: Deforestation and Conversion Free
*3 RTRS: Round Table on Responsible Soy Association

Biodiversity initiatives based on the mitigation hierarchy*1 across the supply chain

	Main purpose	Specific initiatives	Value chain
Avoid	**Prevent deforestation and ecosystem conversion**	Monitoring forest conditions using satellite imagery Identifying and protecting High Conservation Value (HCV)*2 forests and High Carbon Stock (HCS)*2 areas	Palm oil and cocoa
	Conserve water resources	Analyzing water risks at Group business sites using Aqueduct*2	Fuji Oil Group business sites
Reduce and minimize	**Reduce environmental impacts on farmland and surrounding ecosystems**	Implementing Good Agricultural Practices (GAP), ecosystem-based pest management, and increased use of RSPO-certified palm oil Supporting smallholder farmers in adopting regenerative agriculture	Palm oil
		Supporting the adoption of agroforestry Supporting the adoption of Good Agricultural Practices (GAP)	Cocoa
	Reduce environmental impacts at business sites and in surrounding areas, including impacts related to GHG emissions, waste, and water resources	Reducing CO_2 emissions through energy conservation and the introduction of renewable energy Using by-products from oil extraction as fuel Reducing waste through process improvements and reductions in the moisture content of sludge Conserving and recycling water	Fuji Oil Group business sites
Restore	**Regenerate and restore forests and ecosystems**	Tree planting and green-space conservation	Palm oil, cocoa, and shea kernels
		Participating in landscape initiatives*3	Palm oil
Positive outcomes	**Promote resource circularity and soil improvement**	Conducting research on soybean cultivation using CO_2 captured at a waste incineration plant through carbon capture and utilization (CCU) Developing and promoting soil conditioners made by upcycling soy whey generated as by-products of processing	Fuji Oil Group R&D
	Create positive value for nature and biodiversity	Developing alternatives to palm oil using oleaginous yeast Developing functional food ingredients through the advanced utilization of pea fiber	Fuji Oil Group R&D
Stakeholder engagement	**Raise stakeholder awareness and advance capacity building**	Communicating Group policies to suppliers and local communities and engaging with them to improve nature-related issues	Palm oil, cocoa, soybeans, shea kernels, and other raw materials
		Introducing the Labor Transformation Program (LTP) to suppliers	Palm oil
		Empowering women farmers and providing green-space management training for women farmers	Cocoa and shea kernels
		Raising awareness through the Group's internal communication site in Japanese, English, Chinese, and Portuguese Providing sustainability training	Group-wide

*1 Mitigation hierarchy: A prioritized sequence for considering environmental conservation measures. It comprises four broad action steps that are designed to be implemented sequentially: (1) avoid, (2) minimize, (3) remediate, and (4) offset.
*2 Aqueduct: A tool developed by the World Resources Institute (WRI) that provides maps and data on water-related risks around the world.
*3 Landscape Initiative: A multi-stakeholder approach for driving regional improvements in identified areas through the participation of NGOs, local communities, governments, and other stakeholders, not limited to palm plantations.

Details on our efforts related to Environmentally Responsible MONOZUKURI are disclosed in the Sustainability Report 2026.

Sustainability Report 2026 ➡ https://www.fujioil.co.jp/en/sustainability/environmentally_responsible/

Metrics and Targets (Environmental Vision 2030/2050) TCFD

We outline our Environmental Vision 2030/2050 (revised in April 2025) covering GHG emissions, water use, and waste generation, and promote reduction activities to advance both the realization of a sustainable society and business growth.

In response to GHG emissions, we will work to achieve interim targets for 2030 based on SBT certification and aim for net-zero emissions by 2050.

Obtained SBTi validation for GHG emission reduction targets

In December 2025, our greenhouse gas (GHG) emission reduction targets, as set out in the Fuji Oil Group Environmental Vision, were validated by the Science Based Targets initiative (SBTi) as being aligned with the 1.5°C pathway. This validation demonstrates that our targets are science-based and consistent with the Paris Agreement's ambition to limit global warming to 1.5°C.

* SBT initiative: An international framework that validates science-based GHG reduction targets aligned with the Paris Agreement.

	FY2050 targets
GHG emissions reduction	Scope 1, 2 and 3 emissions Net zero (All Group companies)

	Fiscal Year	FY2030 targets	FY2025 results	Rate of Achievement
GHG emissions reduction	FY2020	Scopes 1 & 2: 42% reduction in total	19.9%*1	47%
		Scope 3 (Category 1): 25% reduction in total*2	11.7%	47%
		FLAG*3 30.3% reduction	14.2%	43%
Water use reduction	FY2020	20% reduction in water intensity	16.6%	83%
Waste reduction	FY2016	10% reduction in waste intensity	23.4%	234%
Resource recycling		Maintain a recycling rate of at least 99.8% (All Group companies in Japan)	99.83%	100%

* Provence Huiles (France) is excluded from the Group total. The scope of Group companies is as of March 31, 2026.

*1 Although the Fuji Oil Group's reduction targets are defined in terms of GHG emissions, CO_2 accounted for 94% of total GHG emissions in FY2025. Accordingly, actual CO_2 emissions, the Group's primary source of emissions, are presented.

*2 Scope 3 (Category 1) includes only non-FLAG emissions from greenhouse gas emissions associated with purchased raw materials and other materials, excluding FLAG-related emissions.

*3 FLAG (Forest, Land and Agriculture): Greenhouse gas emissions and removals related to land-use change, agricultural and land management activities, and carbon removals.

Reduction of GHG emissions

▶ Reduction of Scope 1 and 2 emissions

FUJI OIL CO., LTD. upgraded its cogeneration system* to high-efficiency models to promote energy conservation and reduce GHG emissions. To promote a decarbonized future, we adopted specifications capable of hydrogen co-firing. At companies outside of Japan, energy-saving initiatives such as electricity conservation and equipment maintenance as well as the adoption of renewable energy, contributed to the reduction of GHG emissions.



Cogeneration system at the FUJI OIL CO., LTD. Hanan Business Operations Complex

▶ Reduction of Scope 3 (Category 1) emissions

We engaged with 30 suppliers, encouraging them to take action toward reducing our Group's Scope 3 (Category 1) emissions.

* Cogeneration system: A system that utilizes energy with high efficiency by generating electricity using fuels such as natural gas while simultaneously recovering and utilizing the waste heat generated during the process.

Reduction in water use

To address water-related risks, we utilize tools such as Aqueduct and risk maps to evaluate risks and implement risk countermeasures, and regularly monitor risks at each of our sites. As part of our efforts to mitigate water intake risks, we are engaged in water conservation initiatives such as reusing water recovered from manufacturing processes. We are also making steady progress toward achieving our targets for water use intensity.

Reduction in waste

We successfully reduced waste intensity by taking measures such as reviewing the amount of bleaching earth added during production, reducing sludge volume through dewatering, and minimizing product spillage and raw material loss on production lines.

Improving resource recycling

To increase the resource recycling rate among domestic Group companies, we promoted initiatives to ensure thorough waste sorting and to shift disposal methods from landfilling to resource recycling.

Human Rights Management

Social and Relationship Capital | Human Capital

Respect for human rights is the duty of a corporation and a critical management issue that is a core prerequisite to promoting sustainability management. In particular, there are concerns of various human rights issues along the supply chain for the major raw materials on which the Fuji Oil Group depends. A failure to respond to respect human rights initiatives could increase human rights risks for stakeholders and simultaneously lead to business risks such as the suspension of transactions with customers. Our Group conducts human rights due diligence in accordance with the Fuji Oil Group Human Rights Policy and other policies related to human rights.

Human Rights Due Diligence

We conduct human rights impact assessments to identify priority human rights risks for the entire Group, and then reflect those risks in priority material ESG issues. Under the leadership of the executive in charge of each priority material ESG issue, we promote concrete initiatives for mitigating human rights risks. Progress on these initiatives is deliberated and monitored by the Sustainability Committee, and is reported and recommended to the Board of Directors.

Priority human rights risks identified in the third human rights impact assessment (FY2024)

	Upstream supply chain (Workers & local communities in the supply chain)	Fuji Oil Group (Employees and our operations)	Downstream supply chain (Customers and consumers)
Risks that should be addressed with the highest priority	• Labor standards • Occupational health and safety	• Work environment • Occupational health and safety	
Risks that need to be addressed	• Non-discrimination and equal opportunities • Forced, slave, and bonded labor • Child labor and young workers • Land rights • Environmental and social impacts on neighboring communities	• Non-discrimination and equal opportunities • Right to collective bargaining and freedom of association • Forced, slave, and bonded labor	• Food safety • Right to health
Business ethics	• Fraud, bribery, and corruption • Information security and privacy • Ethical research and development		
Issues across our value chain	• Grievance mechanisms and access to remedy • Climate impact on human rights • Diversity, equity, and inclusion		

For details on Human Rights Management, please refer to Sustainability Report 2026.

Sustainability Report 2026 ➡ https://www.fujioil.co.jp/en/sustainability/human_rights/

For major raw materials with particular concerns of human rights risks along our supply chain, we implement a due diligence process, which includes direct dialogue with rights holders, to identify, prevent, and mitigate actual and potential human rights risks.

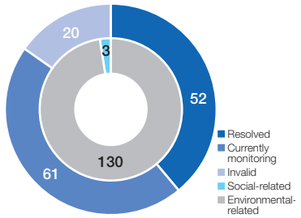
Raw material	Human rights due diligence initiatives (human rights risks addressed)
Palm	Self-assessment tools (all human rights risks to achieve NDPE), Supply Chain Transformation Program (supplier workers' rights), Grievance mechanism (human rights risks mainly on plantations), Landscape initiatives (local communities, Indigenous people's land rights)
Cocoa	Child Labor Monitoring and Remediation System (CLMRS) (Child labor)
Shea Kernels	Child Labor Due Diligence Project (Child labor)

Grievance mechanism

We have established grievance mechanism for increasing the transparency and effectiveness of our Responsible Palm Oil Sourcing Policy (May 2018).

Of the 133 grievances registered in FY2025, three were related to social issues. We continuously address grievances related to concerns of human rights violations in accordance with grievance procedures.

Grievances registered in FY2025



Human rights training and human rights dialogue for executives

In FY2025, we conducted training for executives and provided an opportunity for dialogue with an external expert to enhance understanding of our basic approach, societal expectations regarding business and human rights, and objective assessments of our Group's human rights initiatives.



Expert:
Mr. Hidemi Tomita, Representative Director, Sustainability Management Institute
Attendees from our Group:
Directors (excluding Outside Directors) and Executive Officers

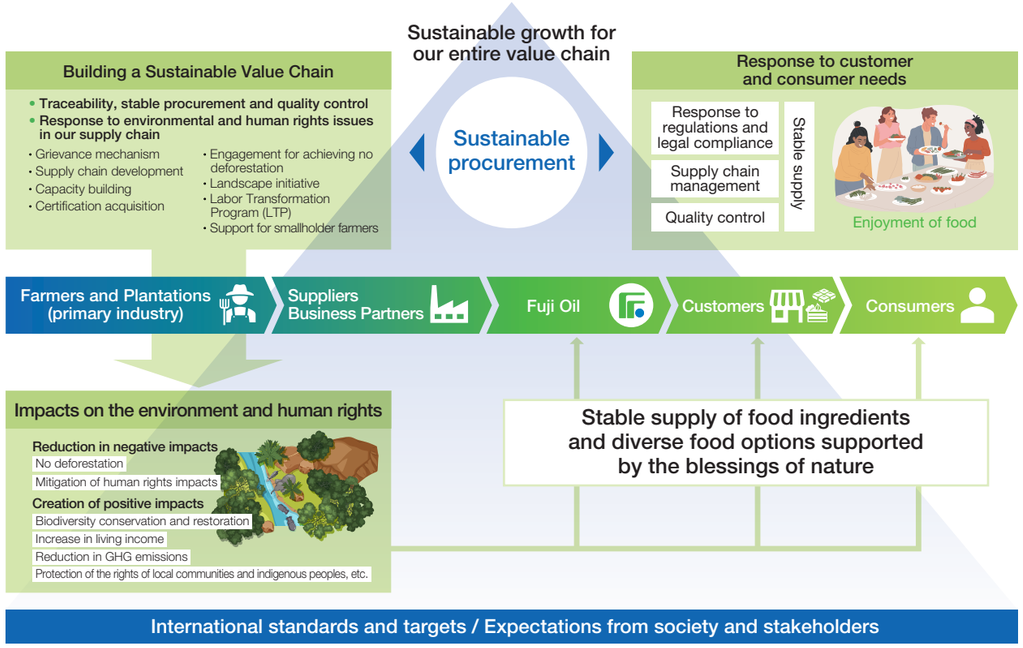
Sustainable Procurement

Social and Relationship Capital / Natural Capital

The Fuji Oil Group positions sustainable procurement as a priority issue that is directly linked to the continuity of our business, which uses agricultural products as its main raw materials, and to our medium- and long-term corporate value. Our Group is dependent upon multiple factors; the natural environments and the social and human rights conditions of the regions that produce the raw materials we use. Simultaneously, we are in the position of impacting on these same factors through our procurement activities. The deterioration of natural capital, including climate change, deforestation, and the loss of biodiversity, and human rights issues such as forced labor, child labor, and land rights can have a serious impact on the rights and lifestyles of the people involved in production, local communities, and ecosystems. As such, we recognize that preventative measures and corrective action are priority themes in which we must engage. Allowing these issues to grow worse could result in raw material harvest declines, quality and supply instability, changes in regulations or trade parameters, or a loss of trust. All of these outcomes are risks that can impact our business and financial position. On the other hand, promoting responsible procurement can increase the standard of living for producer regions, increase supply chain resilience, and strengthen trust-based relationships. These are important opportunities that can contribute to securing a competitive advantage and enhancing our medium- to long-term corporate value. To address these risks and opportunities, we ascertain and assess our dependence and impact on nature and human rights across our entire value chain. We then outline an order of priority based on importance and timeline to strategically address each issue. Acting in accordance with the Fuji Oil Group Supplier Code of Conduct and the Responsible Sourcing Policy outlined for each raw material, we engage in dialogue and collaborations with suppliers to continue efforts to reduce environmental impact and address human rights issues in production regions. Through these efforts, we are aiming to build a sustainable supply chain.

Co-creation of a sustainable future for food through sustainable procurement (case study of palm oil)

Sustainable Future for Food



Fuji Oil Group Supplier Code of Conduct

We formulated and published the Fuji Oil Group Supplier Code of Conduct in April 2021. We ask our suppliers in all the countries and regions where we do business to comply with this code and to follow the other applicable procurement policies of our Group.

Response to European Sustainability-related Legislation

To respond to the EU Regulation on Deforestation-free Products (EUDR), scheduled to come into effect in December 2026, and other European sustainability-related legislation and to create sustainable business value, our entire Group is working to strengthen our raw materials procurement system that ensures traceability while taking into consideration the environment and human rights.

Please refer to Sustainability Report 2026 for details on Sustainable Procurement
Sustainable Procurement ➡ https://www.fujioil.co.jp/en/sustainability/sustainable_procurement/

Sustainable Procurement of Palm Oil

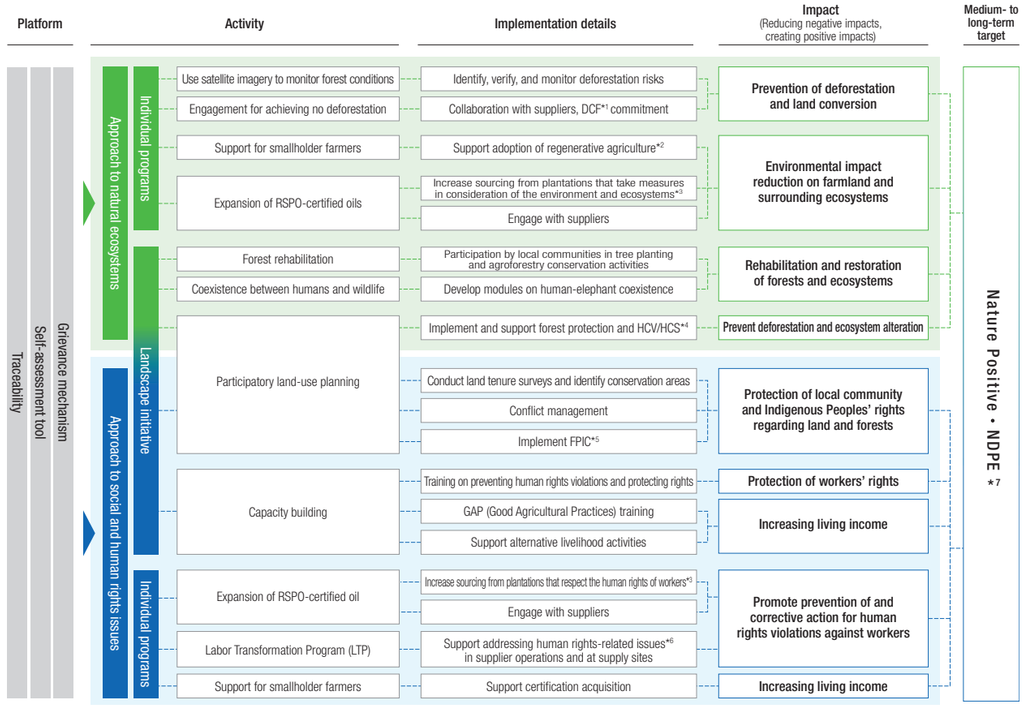


Palm oil is extracted from palm trees that grow mainly in Southeast Asia. Its production volume is the greatest in the world among vegetable oils and fats raw materials. However, there are concerns about palm oil in terms of deforestation and forced labor and other human rights violations resulting from plantation development.

Our Group procures palm oil mainly from Malaysia and Indonesia, and uses these oils as one of the major raw materials in our Vegetable Oils and Fats and other businesses. As such, the environmental and human rights issues at the production and procurement phase of palm oil represent a priority issue that is directly related to our Group's supply chain.

To prevent, minimize, mitigate, and manage environmental and social risks associated with palm oil production, our Group is working to establish traceability along the palm oil supply chain and confirm that the raw materials we purchase are produced responsibly. We also address environmental and human rights issues across the supply chain through various programs and collaborations with stakeholders.

Causing impacts on natural ecosystems and human rights issues along the value chain
(Case Study: Palm oil supply chain)



*1 DCF: Abbreviation for Deforestation and Conversion Free.
*2 Support for the transition from conventional palm oil farming to regenerative agricultural systems that do not rely on chemicals and prioritize biodiversity.
*3 We are establishing joint ventures with suppliers that operate sustainable plantations to expand the supply of sustainable, high-value-added palm oil.
*4 HCV/HCS: Abbreviation for High Conservation Value/High Carbon Stock.
*5 FPIC: Abbreviation for Free, Prior and Informed Consent. This international human rights principle requires that, prior to development or business activities affecting the lands or resources of indigenous peoples or local communities, sufficient and understandable information be provided and that prior consent be obtained based on free will, free from coercion or undue influence.
*6 The Labor Transformation Program addresses the following eight areas to identify and rectify human rights-related issues:
(1) Contract management (2) Wages and working hours (3) Employee grievance handling (4) Freedom of movement (5) Freedom of association (6) Ethical employment (7) Worker accommodations (8) Health and safety
*7 NDPE: Abbreviation for No Deforestation, No Peat, No Exploitation.

Our Group's stance on NDPE is outlined in our Responsible Palm Oil Sourcing Policy.

Responsible Palm Oil Sourcing Policy ➡ https://www.fujioil.co.jp/en/sustainability/policy/palm_procurement/

Case studies

Conserving and Restoring Biodiversity in Sustainable Procurement

Palm oil

Commitment to important ecosystems and community rights through landscape initiatives

Fuji Oil Group has been participating in landscape initiatives in the Aceh region of Indonesia since 2018 and the Southern Central Forest Spine (SCFS) in Malaysia since 2022 in cooperation with the Earthworm Foundation. These regions are the main areas where our Group procures palm oil. They are also important areas from an ecosystem perspective. Major stakeholders within the landscape are collaborating towards maintaining a regional balance between palm oil production, forest conservation, and fair social and labor practices while simultaneously supporting the participation of small-scale producers in the palm oil supply chain.



Provided personal protective gear

The Aceh region is home to an important ecosystem called the Leuser Ecosystem. It is also a sensitive region with many indigenous people living there. In FY2025, activities primarily included stakeholder mapping to support the resolution of land disputes and the safeguarding of rights related to land and forest governance for Indigenous Peoples and Local Communities (IPLCs). Other activities included identifying over 74,000 hectares of conservation areas through participatory land-use planning (PLUP), support for community-led forest conservation and restoration efforts, and training for small-scale farmers on farming techniques, occupational safety, and financial skills.

As the SCFS landscape is adjacent to fragmented forests remaining in the area and serves as a vital corridor for wildlife, we are promoting programs for human-wildlife coexistence around palm oil plantations. Additionally, we are enhancing traceability and improving labor practices within the landscape. In FY2025, we carried out activities such as supporting the development of standardization modules for human-elephant coexistence, engaging in stakeholder dialogue regarding debt bondage among foreign workers in collaboration with government agencies in Malaysia, and providing training for farmers aimed at increasing income.



Elephant conflict management by the KPSA Agricultural Cooperative

Case studies

Addressing the Human Rights Issues of Workers in Producing Regions in Sustainable Procurement

Palm oil

Labor Transformation Program (LTP)

PALMAJU EDIBLE OIL SDN. BHD. (Malaysia) has been introducing the Labor Transformation Program (LTP) aiming to improve the working environment in its direct and indirect suppliers in cooperation with the Earthworm Foundation since 2017. To maximize the impact and effectiveness of our engagement, we provide the following support through direct dialogue with managers at oil mills and plantations to facilitate implementation at the operational level and promote continuous improvements.



Interview with workers through the program

Scope of this program

1. Freedom of movement
2. Contract management
3. Ethical employment
4. Grievance mechanism
5. Wages and working hours
6. Freedom of association
7. Health and safety
8. Accommodation

Support for reducing human rights risks in supplier businesses and supply bases

- Provide information and documents to support suppliers to ensure compliance
- Conduct practical training of dedicated staff and departments
- Raise suppliers' awareness of industry requirements
- Help suppliers apply international standards to their labor management
- Help suppliers obtain certification and meet customer requirements

Furthermore, this initiative received the AREA 2026 Award in the Social Empowerment category of the Asia Responsible Enterprise Awards (AREA), a program that recognizes ESG activities by companies in Asia.

Fuji Oil Bestowed with AREA 2026 Recognized for Its Human Rights Initiatives in the Palm Oil Supply Chain ➡ https://www.fujioil.co.jp/en/assets/20260629/20260629_en_newsrelease.pdf

Commitment to The Sustainable Procurement of Major Raw Materials

Raw material	Social issues related to procurement		Vision and medium- to long-term targets	KPI 2030	KPI 2025	FY2025 results	Solution-based approach
Palm Oil	Global Environment	Climate change, deforestation, peatland development, biodiversity loss	No Deforestation, No Peat, No Exploitation (NDPE)	Traceability to the plantation (TTP*1): 100%	TTP: 85%	96%	• Supply chain mapping back to the plantation • Monitoring deforestation via satellite imagery • Supply chain transformation program • Supply chain improvement through collaboration with NGOs and palm oil mills, and engagement with direct suppliers (environmental and human rights risk mitigation) • Operation of a grievance mechanism • Participation in landscape initiatives*3 • Procurement of RSPO*4-certified oil
	Human Rights	Forced labor, child labor, exploitation of Indigenous peoples, local residents, and workers		Labor Transformation Program (LTP) implementation rate: 100% (all direct suppliers)	Labor Transformation Program (LTP) implementation rate: 100% (all PAL*2 suppliers)	83%	
Cocoa	Global Environment	Deforestation, climate impacts on producing regions, biodiversity loss	Reforestation, elimination of child labor	1 million trees planted*5	500,000 trees planted	54,308 trees planted in Cote d'Ivoire in partnership with AGRO-MAP (total: 719,340 trees*6)	• Plantation mapping • Forest conservation and rehabilitation • Protection of children (promotion of CLMRS) • Implementation of a community support program
	Human Rights	Child labor, poverty among farming families		Elimination of child labor	No Worst Forms of Child Labor*7	100% of farmer groups in the Group's direct procurement supply chain are covered by CLMRS*8	
Soybeans	Global Environment	Deforestation, biodiversity loss	No deforestation, no exploitation	Procurement rate of products with community-level traceability or RTRS-certified products*9 or products certified to equivalent standards: 100%	Procurement rate of products with traceability to the first collection point or RTRS-certified products or other products certified to equivalent standards: 100%	Traceability to the first collection point: 100%	Ensuring traceability through direct dialogue with suppliers in North America and China
	Human Rights	Exploitation of Indigenous peoples, local residents, and workers					
Shea Kernels	Global Environment	Loss of parkland	Forest conservation, support to women's empowerment	Tree planting: 6,000 trees per year*10	Tree planting: 6,000 trees per year	12,325 trees	• Tebma-Kandu program implementation • Conservation of green spaces within shea tree habitats • Reduction of environmental impact through energy conversion
	Human Rights	Poverty among farming families		Traceability to the regional level, including procurement from the Tebma-Kandu cooperatives*11: 75%	70%	97%	
				Procurement of shea kernel from the Tebma-Kandu program*12: 50%	30%	30%	
				Percentage of shea kernels crushed and fractionated (separated) in West Africa: 100%	100%	100%	
				Non-fossil fuel energy*13 used at FUJI OIL GHANA LIMITED (steam generation): 100%	100%	98%	
				Percentage of Group-donated storage buildings being used to generate alternative income for Tebma-Kandu cooperatives: 80%*14	20%	90%	

*1 TTP: Traceability to Plantation
*2 PALMAJU EDIBLE OIL SDN. BHD (Malaysia): Oils and fats production site of a wholly owned subsidiary of FUJI OIL CO., LTD.
*3 Landscape Initiative: An approach to driving region-specific improvements involving the participation of multiple stakeholders, including NGOs, communities, and governments, as well as palm oil plantations.
*4 RSPO: Roundtable on Sustainable Palm Oil.
*5 Planning to plant one million saplings of various shade tree species over the ten-year period from 2021 to 2030.
*6 There has been a change in the method used to calculate progress. Details are provided in "Sustainable Procurement of Cocoa: Approach to Progress Calculations and Impact Report on the Goal of Planting One Million Trees."

Approach to Progress Calculations and Impact Report on the Goal of Planting One Million Trees ➡ https://www.fujioil.co.jp/en/sustainability/cocoa/#measuring_progress

*7 Worst Forms of Child Labour (WFCL): Under International Labour Organization (ILO) Convention No. 182 (Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour), hazardous work that is likely to harm the safety, health, or morals of children is prohibited. This includes human trafficking, debt bondage, forced labor, child prostitution, child pornography, involvement in illicit activities such as crime, and the use of children in armed conflict.
*8 CLMRS: Child Labor Monitoring and Remediation System
*9 RTRS: Round Table on Responsible Soy Association
*10 Planning to plant 6,000 seedlings, mainly shea tree, per year beginning from 2021.
*11 Tebma-Kandu Cooperative: A cooperative registered under the Tebma-Kandu program.
*12 The KPI was changed from "direct procurement of shea kernels from Tebma-Kandu cooperatives" to "procurement of shea kernels from the Tebma-Kandu program." This includes procurement volumes from new partners who have aligned with the aims of Tebma-Kandu, in addition to the cooperatives that have been active from the outset based on the concept of the Tebma-Kandu program.
*13 We use shea olein, a byproduct obtained when fractionating shea butter, as biomass fuel.
*14 Because the KPI for value creation in local communities, "permanent, direct employees at FUJI OIL GHANA LIMITED: 50% increase (base year: 2017)," was achieved as of FY2022, we set a new KPI to replace it from FY2024. Percentage of storage buildings for shea kernel storage donated by FUJI OIL GHANA LIMITED that are generating income through the use of vacant space or periods outside the shea season to store harvests other than shea.