

Group Governance



Policy

We established the Fuji Oil Group Management Philosophy* in October 2015 to ensure that our corporate values are shared among all Fuji Oil Group officers and employees, as well as to provide a standard for prioritization of decisions and actions upon which Group governance is based. In April 2023, we revised our vision in the Philosophy to “Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy” in line with the current state of our businesses and the Group’s circumstances. Through the Management Philosophy, each one of our employees shares the same values, which enables our Group to strive together towards growth with the spirit of innovation that we have held since our founding.

* Fuji Oil Group Management Philosophy

<https://www.fujioilholdings.com/en/about/constitution/>

Governance

The Group’s Sustainability Committee*¹ is an advisory body to the Board of Directors that is chaired by the President and CEO. It deliberates on and monitors the material ESG issue*² of GRC (governance, risk and compliance) from a multi-stakeholder perspective, and reports the results to the Board. The Chief Strategy Officer (CSO) oversees the progress of initiatives for Group Governance, a priority action within this material issue.

*¹ Governance, Strategy, Metrics and Targets, Risk Management > Governance

https://www.fujioilholdings.com/en/sustainability/sustainability_management/

*² Governance, Strategy, Metrics and Targets, Risk Management > Strategy, metrics and targets

https://www.fujioilholdings.com/en/sustainability/sustainability_management/

Strategy

Our Group began expanding to markets outside Japan on a full scale in the 1980s, and today has major business sites in 14 countries around the world (as of July 2023). Amid accelerating social changes, continuing to create value for society requires the Group to respond promptly to the social issues and needs in each country and region in which it operates. Failure to create a structure for accurate handling of these diverse social issues and needs may result in an inadequate or delayed response that restricts business activities and leads to decreased social trust. Conversely, gaining agile understanding of social issues and needs, and rapidly providing products and services as solutions that meet the expectations and requirements of various stakeholders can provide opportunities that lead to increased corporate value for our Group.

Since October 2015, our Group has had a management system based on a pure holding company structure in order to localize management and pursue the Group’s total optimization.*

We also believe that a basic approach to Group governance is vital to providing a unified Group management in countries and regions with different values, cultures and business practices. To that end, we formulated the Fuji Management Regulations and other concrete Group policies in order to build an effective Group governance structure.

As the business environment becomes increasingly uncertain, we recognize the importance of prioritizing stronger management and operational foundations. We further strengthen our global operational management, governance and compliance through enhanced collaboration between each functional division of Fuji Oil Holdings Inc. and Group companies outside Japan. This enables us to exercise organizational control functions and monitor business execution across the Group.

* We decided to transition to an operating holding company structure as of April 1, 2025.

Risk management

Internal control system

The Internal Audit Group conducts internal control audits and operational audits, while the functional groups conduct separate operational audits.

Members of the Internal Audit Group are selected based on their qualifications in order to ensure high value-added work, including the Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA), Certified Fraud Examiners (CFE) and Qualified Internal Auditor (QIA).

Remote audits and onsite inspection are used for the operational audits. Remote audits employ system data analysis and online conference systems as used during the COVID-19 pandemic. We resumed onsite inspections depending on the situation and risks at subsidiaries outside Japan to assess and confirm the effectiveness of our internal control systems.

Metrics and targets

○ At least 90% complete △ At least 60% complete ✕ Less than 60% complete

FY2023 Goals	FY2023 Results	Self-assessment
Disseminate our revised vision and enhance awareness of the Fuji Oil Group Management Philosophy	<ul style="list-style-type: none">• Distributed posters and other materials designed to inform employees and enhance awareness at major Group companies• Conducted training at Group companies including those in China to disseminate the Management Philosophy• Covered awareness and comprehension of the Management Philosophy at trainings in Japan to promote dissemination and greater understanding• Conducted governance training for employees posted to Group companies outside Japan who are in charge of management, to promote understanding of the Management Philosophy and the Group policies necessary for realizing appropriate Group management based on the Philosophy	○
Monitor business execution from the standpoint of our business operations and regional headquarters, in order to strengthen our global operational management	<ul style="list-style-type: none">• Engaged in communication between Fuji Oil Holdings Inc. and Group companies to gain understanding of each company's management execution, progress of measures to improve profitability, and challenges they face• Addressed issues in each country and region from the standpoint of our business operations across the Group	○

Analysis

In FY2023, we further carried out initiatives to enhance awareness of our Group Management Philosophy as well as our vision that was revised on April 1, 2023: "Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy" among Group officers and employees.

In line with the changes in our organizational management structure, we are improving the monitoring of our business execution from the standpoint of our business operations and regional headquarters, and are working across the Group to further improve the speed at which we respond to operational issues. In FY2024 we will continue to strengthen and promote initiatives using financial and non-financial management KPIs and goals set forth in our Medium-Term Management Plan as indicators, striving to enhance our corporate value and help greater society.

Next steps

Strengthening Group governance is vital in maximizing our corporate value, improving overall performance and minimizing operational risks. We recognize that strengthening the management cycle of management supervision and business execution between Fuji Oil Holdings Inc. and Group companies is our challenge. To address this, we will work on the following goals in FY2024.

- Enhance awareness of the Group Management Philosophy among Group officers and employees
- Promote understanding of internal controls, Group policies and other regulations, focusing on personnel in charge of Group management
- Monitor business execution from the standpoint of our business operations and regional headquarters, in order to strengthen our global management