Value Creation Model

J-Oil Mills aims to help solve social issues through business activities rooted in oils—an essential part of everyday life—leveraging its strength in "Oishisa Design (creating deliciousness)." The following value creation model diagram illustrates the process by which we seek to sustainably maximize corporate value through our corporate activities. By continuously developing this value creation model, we aim to create joy for people, society, and the environment, contribute to solving social issues, and ultimately realize the future envisioned by our corporate philosophy system: "Joy for Life—Bringing Joy to the Future by Food."

Corporate Philosophy System

Ref. P1

Joy for Life
Bringing joy to the future by food

Bringing joy to people, society, and the environment through good taste, health, and low burden

Materiality

Ref. P41

- Realizing a sustainable society through stable food supply
- Contributing to the well-being of all people through food safety and security
- Respect for diversity and enhancement of employee engagement
- Strengthening corporate governance

Impact

External Environment / Social Issues

Macro Trends

Global Economy
- Growing global food demand due to population increase
- Rising volatility in supply and pricing of raw materials due to climate change
- Increased demand for alternatives to non-mineral oil-based raw materials

Society
- Greater awareness of climate change and sustainability—impact on plantations, deforestation, and biodiversity
- Taking action on environmental and resource-related issues is becoming the norm across society

Domestic Economy
- Shrinking domestic demand due to population decline
- Increasing demand for health-related products due to aging population

Technology
- Personalization based on genetic information
- Emergence of genome-edited crops

Changes in Procurement Environment

Persistently high raw material prices
- Global increase in demand for oils and fats

Changes in the Oils and Fats Market

- Market consolidation in restaurant and retail sectors
- Development of kitchen tech
- Spending gap on food and health due to income polarization
- Decline in home cooking opportunities due to time constraints and more single-portion meals

Emergence of New Market Entrants due to Technological Advances

- Oil and fat raw materials: advances in precision fermentation using yeast and algae

Note: Commercialization expected around 2040–2050

Impact

Business activities

Inputs

Financial capital Ref. P27, P74
Sound financial foundation

Manufacturing capital Ref. P10, P34, P76
Manufacturing sites, facilities / raw materials

Intellectual capital Ref. P11, P22
R&D / production technology
Application development

Human capital Ref. P50-57, P77
Diversity and expertise of talent

Social capital Ref. P10, P34
Stable supply / reliable quality

Natural capital Ref. P34, P44-49
Effective use of soybeans and rapeseeds

Business strategy (Sixth Medium-Term Business Plan)

Ref. P24

- Environmental friendliness Ref. P46
- Quality Ref. P10
- Health Ref. P10
- Stable supply Ref. P11
- Safety and security Ref. P10

Need-creation process

- Marketing/Sales Ref. P30
- Customer Input Ref. P73
- R&D Ref. P11
- Procurement/ Production/ Quality Control Ref. P10
- Distribution Ref. P34

Our Strength
Oishisa Design Ref. P22

Profit creation process

- M&A
- Overseas expansion Ref. P31
- Added value Ref. P24
- Structural reform Ref. P4
- dX Ref. P32

Outputs

Products and Services Ref. P15, P16, P22
- Household- and business-use products
- Solution proposals, etc.

Research Outcomes Ref. P11, P22, P47, P49
- Technologies to reduce environmental impact, such as oil degradation control and packaging development
- Visualization and quantification of good taste
- Non-edible plant-derived sustainable aviation fuel (SAF), etc.

Outcomes

Economic Value

FY2024 results Ref. P14, P74

Operating profit	8.57 billion
ROE	6.7%
ROIC	4.6%
EPS	¥211.5

Social Value

FY2024 results Ref. P14, P77

Ratio of low-impact products*1	88%
Reduction in CO_2 emissions*2	34%
Employee satisfaction from engagement survey*3	47%
Ratio of female managers	8.1%

*1 For definition, Ref. P47
*2 Scope 1, 2 (compared with FY2013)
*3 Survey methodology changed from FY2022; measured using proprietary indicators from external contractor

J-Oil Mills' Strength: "Oishisa Design"

Our strengths lie in our ingredients, technological expertise, customer touchpoints and reach, and our solution capabilities—delivering value by sincerely engaging with customer insights and helping solve their issues. Moving forward, we aim to further hone these strengths and maximize the value we provide as an "Oishisa Design " (creating deliciousness) company by strengthening and integrating our marketing, R&D, production, and sales functions.

Our Future Vision

Joy for Life
Bringing joy to the future by food

Bringing joy to people, society, and the environment through good taste, health, and low burden

Foundations Supporting Our Strengths

Ingredients
Oils and fats, processed oil products, powdered oils and fats, starches, and other materials in various forms

Technological Expertise
Technologies that break down good taste into flavor, aroma, and texture and realize them across a wide range of eating situations

Customer Touchpoints and Reach
Insights gained through having a broad customer base, including both household and business users

Research & Development

Oishisa Design

Our core strength, "Oishisa Design," lies in our ability to design good taste—in terms of flavor, aroma, and texture—tailored to diverse customer needs by combining oils with our unique starches, processed oil products, and powdered oils and fats. Our scope extends well beyond fried foods to nearly all processed foods, and we will continue to introduce new good taste solutions both inside and outside the company.

Solving diverse customer issues with oil and starch combinations (examples):

Providing Solutions to Customers

Case Study 1

Making Hamburg Steak Juicier

Enhancing the Inherent Appeal of the Food

To address issues such as loss of fluffiness and juiciness during heating and baking, we used our proprietary ingredient, "NEOTRUST," which improves retention of both water and oil. This enabled our customers to create a delicious hamburg steak with the natural umami, juiciness, and texture of the meat intact.

Case Study 2

Developing a Popular, Moist "Fresh Texture" Bread

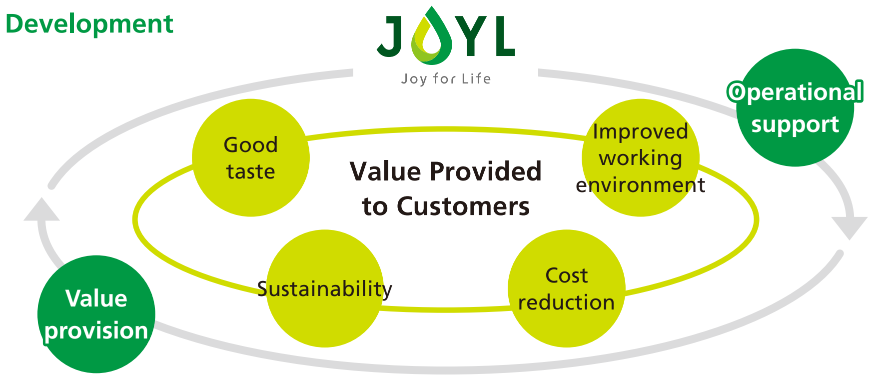
Improving Texture

Aiming to create a bread that consumers will continue to choose despite ongoing price increases, we combined the aroma of our business-use margarine, "GRANMASTER PRIMERAN I," with the water retention and melt-in-the-mouth qualities of our proprietary ingredient, "NEOTRUST," to achieve a fresh, moist texture. We proposed this as a product offering clear differentiation.

Enhancing Oishisa Design

Solutions and IT Services under Development

The "Fry Eco-System" is a system that combines "Cho Toku" long-lasting oil—made using our proprietary "SUSTEC" technology—with IT-based services to support oil degradation measurement, extended-use operations, and task automation. By offering a combination of proprietary products and operational support services, we are enhancing our ability to solve customer issues.



Structure of the "Fry Eco-System"

Highlight

Oishisa Design Studio: The Engine Behind "Oishisa Design"

Staffed by Chefs, Pâtissiers, Bakers, and Other Food Professionals

The Oishisa Design Studio was established in 2018 to strengthen our ability to propose solutions to customers and to share new good taste concepts both internally and externally. Equipped with kitchen, bakery, and office functions, it is a multi-functional presentation facility serving all kinds of customers—including those in household use, restaurants, ready-made meals, food processing, and the confectionery or bakery industries. The studio hosts tastings, presentations, and product demo sessions. It serves as a touchpoint between our company and customers and markets—a place where people gather, exchange ideas, and spark new synergies, contributing to the creation of new value.

Message from the CSO

Positioning of the Sixth Medium-Term Business Plan

Continuing to shore up the foundation for future investments and strengthening investments for future growth

Foundation
The Fifth Medium-Term Business Plan
(2017–2020)
Solidify the fundamentals to be ready for future investment
Growth with existing strengths

Transformation
The Sixth Medium-Term Business Plan
(2021–2026)
Strengthen the foundation for future growth
Shift to qualitative maximization

Evolvement
Vision
(2030)
Establish growth foundation and accelerate growth
Ensuring sustainable growth

Ongoing solidification of fundamentals

Akihiko Nakabayashi
Executive Officer & CSO
General Manager of the Corporate Strategy Division

As we look toward further growth, I would like to share the progress and issues of the medium-term business plan, as well as the direction for resolving these issues.

CSO Mission and Progress of the Medium-Term Business Plan

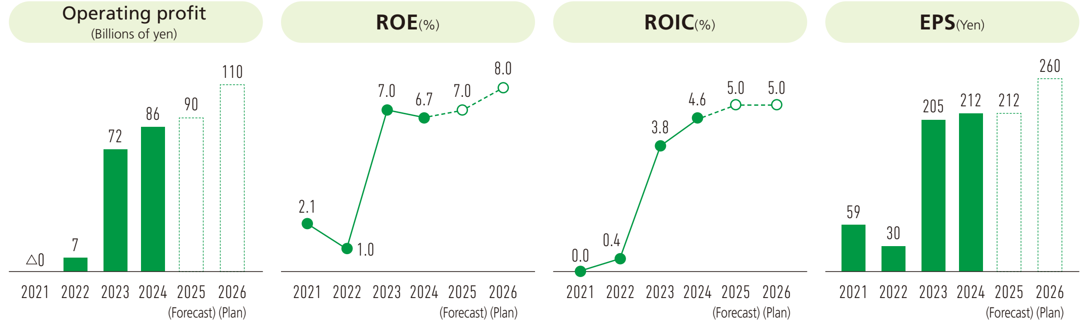
Since April 2025, I have been overseeing the Corporate Strategy Division, with responsibilities including corporate strategy, governance, sustainability, risk management, and public relations.

As CSO, my mission is to strengthen initiatives on materiality, contribute to building new food cultures through further deepening and advancing our strengths, and thereby achieve medium- to long-term enhancement of corporate value while meeting the expectations of all stakeholders. In FY2024, through measures such as ensuring sales at appropriate prices, expanding sales volume, and exiting unprofitable businesses, operating profit reached ¥8.57 billion, a record high. In addition, by reducing inventories and selling cross-shareholdings, ROIC improved to 4.6%. On the other hand, there are still issues with our growth strategy, including overseas business, and we will strengthen our initiatives to address these.

Progress on the Sixth Medium-Term Business Plan

In FY2024 we achieved record-high profits, and we will pursue initiatives under our strategies for achieving further growth and improved profitability.

Quantitative evaluation



Qualitative evaluation

Results	Focus areas from FY2025 onward
• Achieved record-high profit levels, with ROE, ROIC, and EPS also showing improvement • Sales at appropriate prices in line with external environment • Expansion of sales volume of business-use oils and fats • Withdrawal from unprofitable businesses (such as household-use margarines) • Improvement of asset efficiency (such as inventory reduction)	• Cultivation of next growth drivers in growth strategy • Expansion of overseas business domains

Changes in Market Valuation and Breakdown of PBR

PPBR has remained below 1.0, which we recognize as a significant issue. The reasons include the high volatility of our core domestic oils and fats business, the lack of clear new initiatives to support future growth strategies, and the fact that ROE remains at roughly the same level as the cost of equity. To overcome this, we aim to realize growth strategies quickly and strengthen our management foundation, thereby improving expected growth rates and profitability.

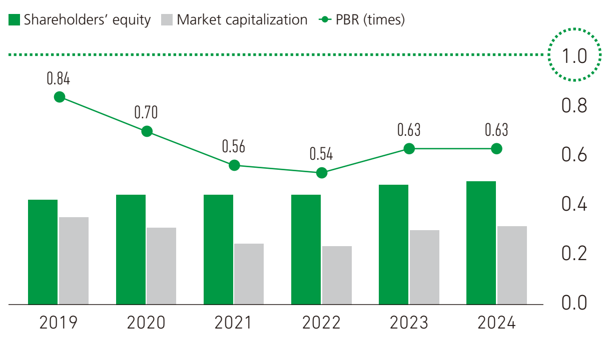
Ref. P. 6 PBR Reverse Tree Deployment

Achieving an ROE Level above the Cost of Equity and Strengthening Initiatives for Growth Strategies to Improve PBR

Price-to-book ratio (PBR)

PBR is trending upward along with profit improvement, but remains below 1.0

Cost of equity: 6–7%*



*Our recognized cost of equity (CAPM basis)

Breakdown of PBR elements

Aiming to improve expected growth rate and profitability

- PBR **0.63 times**
  - PER **9.6 times**
    - Expected growth rate
    - Cost of equity
  - ROE **6.7%**
    - Net profit margin
    - Financial leverage
    - Total asset turnover

Direction of Growth Strategy

Based on changes in the external environment and our own strengths, we have begun formulating a medium- to long-term business portfolio and business model. While addressing challenges such as population decline and resource risks, we see opportunities for growth in the senior market and the rising awareness of sustainability. By leveraging our wide range of food ingredients, differentiated technological capabilities, and unique customer connections—and, where appropriate, acquiring new strengths through M&A and strategic alliances—we will further enhance our ability to provide solutions that address food-related issues, and bringing joy for people, society, and the environment through our mission of "good taste, health, and low burden." In addition, as part of our dX initiatives, we are fostering organizational culture and implementing measures in line with the Digital Governance Code, while also aiming to obtain DX certification as defined by the Ministry of Economy, Trade and Industry.

Ref. P. 20 Value Creation Model, P32 dX

Accelerating Our Growth Strategy to Bring Joy for People, Society, and the Environment through Good Taste, Health, and Low Burden

External environment expected over the next 10 years

Opportunities	Risks
• Increasing food demand due to global population growth • Societal penetration of sustainability awareness • Emergence of new needs due to aging population and shrinking labor force • Development of next-generation food tech • Rising demand for alternatives to non-mineral oil raw materials	• Declining demand due to shrinking domestic population • Supply instability and increased price volatility of energy and raw materials caused by climate and rapid currency fluctuations

J-Oil Mills' strengths

Ingredients / Technological expertise / Customer touchpoints / New strengths

Strengthening profitability of existing businesses	Advancing business portfolio and accelerating overseas expansion	Investment in next-generation technologies with a view beyond FY2030
• Reinforcing earnings base • Increasing added value of oil and fat products and services	• Deepening solutions • Discovering and cultivating businesses as new growth drivers • Accelerating overseas expansion	• Exploring and investing in seeds of next-generation businesses

Raising the Ratio of High-Value-Added Products (Gross Profit)

Our proprietary "SUSTEC" technology is applied in long-lasting oils which, through renewal, now contribute even more to reducing both cost and environmental impact. Seasoning and cooking oils that enhance diverse aspects of "Good Taste"—such as flavor, aroma, texture, and freshness—have also been well received as solutions to labor shortages. By increasing our proportion of such high-value-added products, we will strengthen profitability.

Advancing the Business Portfolio

By reinforcing solution proposals that address customers' diverse issues—our core strength—we will build new business models that leverage "Oishisa Design (creating deliciousness)" knowledge, and expand overseas rollout of "Oishisa Design" solutions, primarily in the ASEAN region and North America. Through these efforts, we will transform our business portfolio into one with greater added value.

Initiatives toward the Next Medium-Term Business Plan

Looking ahead to medium- to long-term external conditions, we will analyze risks and opportunities and accelerate growth strategies such as advancing our business portfolio and promoting overseas business, initiatives that we began in earnest this fiscal year. In doing so, we aim to achieve our envisioned future of "Joy for Life—Bringing Joy to the Future by Food" and further enhance corporate value.

Message from the CFO

We will continue to meet the expectations of society, the market, and all stakeholders as we pursue further growth and enhanced corporate value.

Takayuki Uchida
Executive Officer & CFO, General Manager of the Finance Division & Finance Department

CFO Mission and FY2024 Overview

In addition to management by business division, we are advancing a matrix-style management structure that integrates a functional perspective. This enables management to exercise leadership from the standpoint of overall company optimization, working together to address materiality.

As CFO, I am committed to advancing initiatives under the three pillars of our Sixth Medium-Term Business Plan—growth strategy, structural reform, and financial strategy—in a well-balanced manner. My goal is not only to achieve the numerical targets but also to steadily enhance corporate value over the medium to long term.

In FY2024, operating profit and other profit stages exceeded full-year forecasts, and we achieved record-high profit levels. While continuing to pursue structural reforms, in our existing businesses we strengthened profitability by securing sufficient spreads through appropriate sales pricing, thereby responding to increased costs across the supply chain, including fluctuations in raw material prices and higher distribution, materials, and energy costs in Japan. As a result, key indicators such as return on invested capital (ROIC) and earnings per share (EPS) are progressing steadily toward the targets in the Sixth Medium-Term Business Plan.

On the other hand, I recognize the fact that our price-to-book ratio (PBR) has remained below 1.0 as a serious management issue. Contributing factors include the high dependence on the domestic oils and fats business, where volatility in raw material prices directly impacts performance, and the fact that return on equity (ROE) has not consistently exceeded the weighted average cost of capital. More fundamentally, however, I believe the issue lies in our inability to sufficiently convey to capital markets the management strategies and growth story that will enable us to raise corporate value over the medium to long term.

PBR is one indicator that reflects the capital market's assessment of our company's growth potential and future prospects. To clearly present our medium- to long-term growth story, in addition to steadily achieving the strategies and targets set forth in the Sixth Medium-Term Business Plan, we will formulate and implement comprehensive management measures such as maximizing capital efficiency, advancing our business portfolio, and pursuing a cash allocation strategy that balances growth investment with financial soundness. Going forward, the management team will continue to work together to ensure that our direction is clearly understood by all stakeholders through consistent and persuasive communication.

Message from the CFO

Capital Policy and Current-Term Initiatives toward Growth

Looking back on cash allocation up to FY2024, operating cash flow continued to perform strongly for the second consecutive year. In addition, improvements in asset efficiency, such as inventory reduction through value chain optimization and the sale of cross-shareholdings, produced results that exceeded the progress expected under the Medium-Term Business Plan. In particular, for improving the cash conversion cycle (CCC) aimed at enhancing working capital efficiency, we have identified a variety of measures and are developing frameworks that allow rapid responses according to circumstances.

In terms of external financing, our fundamental policy is to maintain sound financial management, with the preservation of our credit rating as a key premise. In FY2024, we made planned repayments of borrowings, reduced interest-bearing debt, and brought the D/E ratio to a healthy level of 0.26 times, thereby securing financial flexibility for future growth investments. Going forward, we will review our approach to cash allocation, using the cash generated and our strong financial foundation to strengthen competitiveness in existing businesses, invest in growth—including new businesses and M&A—and enhance shareholder returns. In growth investment in particular, agile responses are essential, and we are preparing multiple scenarios for capital policy, including financing methods.

Regarding business investments, our focus is on projects that can create synergies with existing businesses or supplement management resources to achieve our strategies. In FY2024, after careful consideration, no such projects were executed. We will continue to carefully assess opportunities that contribute to realizing our vision of "Joy for Life—Bringing Joy to the Future by Food" and proceed steadily.

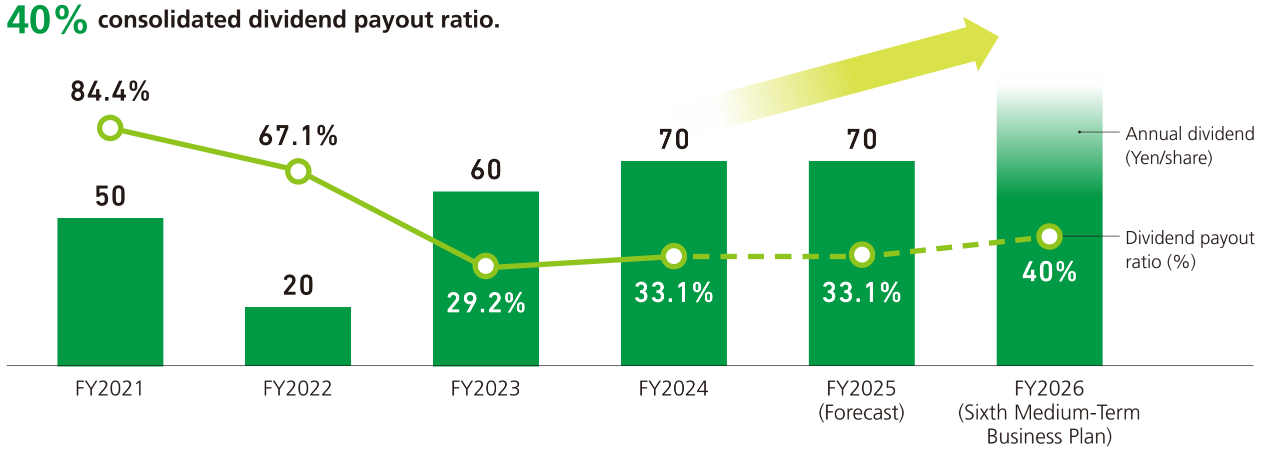
In existing businesses, we are examining dX measures to deepen our solution proposal capabilities, the driving force of our strength in "Oishisa Design (creating deliciousness)," by converting customer issue-solving know-how and scientific evidence into knowledge and building and utilizing databases. Centered on the CTO-led "dX Promotion Project" (Ref. P. 32 dX), we will systematize this as organizational knowledge, thereby contributing to the realization of "advancing the business portfolio," a priority measure of the Sixth Medium-Term Business Plan.

Furthermore, in addition to deepening solutions and expanding into new markets and customers, we will accelerate overseas expansion in the ASEAN region and North America by leveraging our strengths in "Oishisa Design," thus advancing another key issue: "promotion of overseas business."

With regard to capital investment, until now we have primarily updated facilities within the scope of depreciation expenses. However, recent surges in material and labor costs have made the cost of renewing aging facilities increasingly significant. To fulfill our social responsibility of delivering safe and reliable products on a stable basis, capital investment requires even greater planning from a medium- to long-term perspective. Accordingly, when approving investment budgets, I make every effort to visit production sites whenever possible, to accurately understand actual conditions on the ground and make optimal investment decisions.

Shareholder Returns

In FY2024, we awarded annual dividends of a record ¥70 per share, including a ¥10 commemorative dividend. We will continue to target stable dividends, with a medium- to long-term benchmark of a 40% consolidated dividend payout ratio.



On shareholder returns, our basic policy is to provide stable and continuous dividends, with a medium- to long-term target of a consolidated dividend payout ratio of around 40%. For FY2024, the annual dividend per share was ¥70, the highest since our listing, including a ¥10 commemorative dividend marking the 20th anniversary of J-Oil Mills. Looking ahead, we will continue to target stable business growth and, by enhancing corporate value over the medium to long term, aim for a consolidated dividend payout ratio of 40% while further enhancing returns to shareholders.

Strategic Investment for Our Sustainable Growth

Bringing joy for people, society, and the environment through "good taste, health, and low burden," we aim to contribute to solving social issues by creating value that meets societal expectations. We believe that creating and delivering social value while enhancing corporate value is a fundamental responsibility of a company. To this end, in addition to generating synergies through the integration of our R&D sites (Ref. P. 10 Message from the CTO) and promoting dX (Ref. P. 32 dX), we view investments in non-financial domains as important opportunities for enhancing corporate value. By quantifying their financial impact, we prioritize investment targets.

Going forward, we will clarify our basic policy and overall framework for these investments, including non-financial domains, and further strengthen the allocation of resources to priority areas directly linked to enhancing corporate value.

To Our Stakeholders

We recognize that further growth and enhancement of corporate value require raising the bar across all aspects of our business—scale, market capitalization, and profitability. To reliably meet the expectations of society, the market, and stakeholders, it is essential that we communicate our potential and growth story more clearly and more forcefully.

Ref. P. 73 Dialogue with Stakeholders

As CFO, I consider it vital to balance the implementation of growth strategies with the maintenance of financial soundness, in order to improve capital efficiency and achieve a PBR of 1.0 times at the earliest possible date. Looking to medium- to long-term corporate value enhancement, we will introduce a companywide KPI map to visualize the progress of each initiative, enabling us to press the accelerator where necessary in a timely manner.

In addition, supporting the execution of initiatives that contribute to growth is also a key responsibility of the CFO. As a strategic partner in management, I will continue to focus on developing human resources so that our organization can evolve into one capable of proactive action—reading the facts and signs behind the numbers and managing risks appropriately.

I sincerely ask for your continued understanding and support

Highlight Investor FAQ

Q: Please explain the impact that sudden changes in the external environment, such as tariff measures or trade friction, may have on soybean oil extraction and J-Oil Mills' business.

A: The external environment changes daily, making it difficult to provide a definitive view at this time. From a supply-demand perspective, however, in addition to the United States, Brazil is also a major supplier of soybeans, and therefore we do not expect any immediate, serious supply impact. On the other hand, we believe that fluctuations in foreign exchange rates have a greater effect on our costs and earnings.

Ref. P. 76 Raw Material Price Data

Q: What measures will you take going forward to improve total shareholder return (TSR)?

A: To date, we have pursued profit growth through improved asset efficiency and securing appropriate sales prices, while also maintaining a stable dividend policy with a target dividend payout ratio of 40%. We will continue these initiatives, while also strengthening IR activities to communicate the growth strategy of the next Medium-Term Business Plan to investors, and considering shareholder return measures including share buybacks. Through such management initiatives that are conscious of share price, we will work to improve TSR and, ultimately, maximize shareholder value.

Ref. P. 78 Company Information, Share Price

Message from the CCO

My Convictions upon Assuming the Role of CCO

On April 1, 2025, I was appointed executive officer, vice president, & chief commercial officer (CCO). Before joining J-Oil Mills,
I served as president of Ajinomoto Hokkaido and later as general manager of the Marketing Division at Ajinomoto Frozen Foods. While the medium- to long-term business environment surrounding Japan's food industry remains uncertain, I also believe that shifts in customer values and needs related to food present opportunities for developing new markets and expanding existing businesses. To realize our goals of strengthening profitability in existing businesses and advancing our business portfolio, we established the new role of CCO. The CCO's mission is to "focus on the Company's strengths, combine and amplify them, and sustainably expand the total area of business opportunities." I am acutely aware of the great responsibility that comes with this role.

Masayuki Matsumoto
Executive Officer,
Vice President & CCO

J-Oil Mills' Strength: "Oishisa Design (creating deliciousness)" and Marketing Strategy

Our strengths lie in robust customer connections and reach, as well as in delivering solutions that embody "good taste, health, and low burden" through the unique combination of our advanced technologies and distinctive ingredients. In addition to sharpening and focusing on these strengths, we will proactively incorporate rapidly evolving external insights and networks to take "Oishisa Design" to the next stage.

In the household-use market, we will not only continue to compete effectively in homogeneous competition, but also challenge ourselves to create markets with products and value propositions that have not existed before. Our original "Smart Green Pack" series of products in paper packs, developed with keywords such as environmental friendliness, ease of use, and usability, is a prime example of new market creation. By addressing latent needs and resolving pain points, we will expand the total area of business opportunities sustainably, in both business-use and household-use markets.

Sales and Marketing dX

In the Sales Department, we have launched a digital-driven system to promote decision-making, knowledge systematization, and process visualization. This will not only improve and streamline daily operations but also greatly contribute to linkage with the marketing division. We are also advancing the quantification of "Oishisa Design" know-how. Looking ahead, we plan to evolve offerings such as "Cho Toku," a long-lasting oil developed using our proprietary "SUSTEC" technology, and the IT-based service "Fry Eco-System," and advance the steps of dX toward social transformation.

Ref. P. 22-23 J-Oil Mills' Strength: "Oishisa Design"

Message from the General Manager of the Business Strategy Division

My Convictions upon Assuming the Position of General Manager of the Business Strategy Division

On April 1, 2025, I was appointed general manager of the Business Strategy Division. With the organizational reform on the same date, we abolished the business headquarters system and transitioned to a flat structure that enables faster decision-making. As part of this shift, the Business Strategy Division was newly established as the division overseeing the Overseas Business division and the Oils&Fats Processed Products division. To date, as general manager of the Food Service Products Marketing Department, I have worked to solve issues for our domestic customers in the restaurant, ready-made meal, and processed food sectors through solution proposals, while also expanding sales of high-value-added products such as the "Cho Toku" series. Business-use oils and fats, supported by our unique strength in "Oishisa Design (creating deliciousness)," have established a strong presence in the domestic market and are a pillar of our earnings. Looking ahead, however, given the significant changes anticipated in the business environment, relying on a single business for earnings could pose a risk. I have long recognized that diversification of revenue sources is one of our urgent issues. From this perspective, realizing the goal set out in the Sixth Medium-Term Business Plan—"growth of the Oil and Fat Processed Products Business, driven by overseas expansion and structural reforms"—is extremely important for our company. I intend to grow the overseas business and the Oil and Fat Processed Products Business into our next pillars of earnings, contributing to both hedging against environmental change and expanding profits.

Akihito Kashihara
Executive Officer
General Manager of the Business Strategy Division

Future Outlook for the Oil and Fat Processed Products Business

The driving force behind realizing "Oishisa Design" is our ability to propose solutions that solve customer issues. In the Oil and Fat Processed Products Business, too, we leverage our strengths in ingredients, technological expertise, and customer touchpoints and reach. We are strengthening our product lineup in solid fats such as margarine and powdered oils and fats, expanding diverse application development, and enhancing sales.

As part of structural reforms, in 2024 we ended production and sales of household-use margarine. Currently, business-use margarine is produced at our Shizuoka plant as well as at our subsidiary Premium Fats Sdn Bhd in Malaysia.

Initiatives for Overseas Expansion

In Japan, both the number of inbound visitors and their travel spending reached record highs in FY2024, fueling stronger demand for Japanese food after visitors return home. In existing businesses, we see the achievements of our subsidiary, J-OIL MILLS (THAILAND) Co., Ltd., in providing solutions to Japanese companies as proof of our solution capability—our core strength—which can also address the issues of local companies. We aim to extend this capability throughout Southeast Asia. In North America, to date we have developed sales though trading companies. Recently, however, we have begun collaborating with local firms, deploying our personnel locally to expand sales of existing products and to develop new businesses. Going forward, we will work to establish a business base in the region and pursue further expansion and strengthening of our business portfolio.

Ref. P. 9 Message from the CEO, Growth Strategy

dX

dX Policy

To realize the future envisioned in our corporate philosophy system—"Joy for Life—Bringing Joy to the Future by Food"—and to fulfill our mission, we are actively promoting digital transformation (dX). dX refers to the use of digital technologies such as AI and IoT to transform businesses, products, services, and business models with the aim of enhancing competitiveness. We write "dX" with an emphasis on the "X" to highlight "transformation in operations" as the true objective, rather than focusing just on the tool of digitalization.

Our dX initiatives are structured around four stages: "business process transformation," "collaborative transformation (internal and external)," "business transformation / new business development," and "social transformation." These will be pursued in a phased and layered manner. Of these, "social transformation" refers to creating value for society through business transformation, ultimately leading to the realization of our corporate philosophy.

Ref. P12 Message from the Director, Executive Officer, Executive Vice President & CTO

Stage	Name	Initiative Overview
dX STAGE I	Business process transformation	Initiatives aimed at dramatically improving operational efficiency while remaining conscious of customer satisfaction
dX STAGE II	Collaborative transformation (internal and external)	Initiatives that create results based on significantly improved efficiency and strengthened collaboration, using IT where needed
dX STAGE III	Business transformation New business development	Initiatives that create value and customer-integrated businesses, building on collaborative operations and using IT where needed
dX STAGE IV	Social transformation	Initiatives that address societal paradigm shifts and help solve social issues, based on the created value and customer-integrated businesses, using IT where needed

Promotion of dX and Development of IT Systems and Operations

From FY2020 to FY2024, we carried out a large-scale overhaul of our core systems (sales, procurement, production, and accounting). This has enabled advanced management of each function and streamlined operations through seamless information linkage between systems. At the same time, we developed a data warehouse to store accumulated data, manage and distribute master data used across various systems, and store output from each system. We also built a data dictionary (a database of metadata) to make it easier to search for data. A business intelligence (BI) tool has been introduced to automatically visualize and provide information that supports decision-making. We continue to build and use this system, and plan to invest approximately ¥4 billion in dX between FY2025 and FY2030.

We are also moving forward with the use of generative AI. In addition to providing learning opportunities, we are building user communities as spaces for co-creation where knowledge can be shared.

Furthermore, we are promoting the automation of tasks through RPA, and developing internal business applications using no-code/low-code tools to quickly and continuously meet business needs.

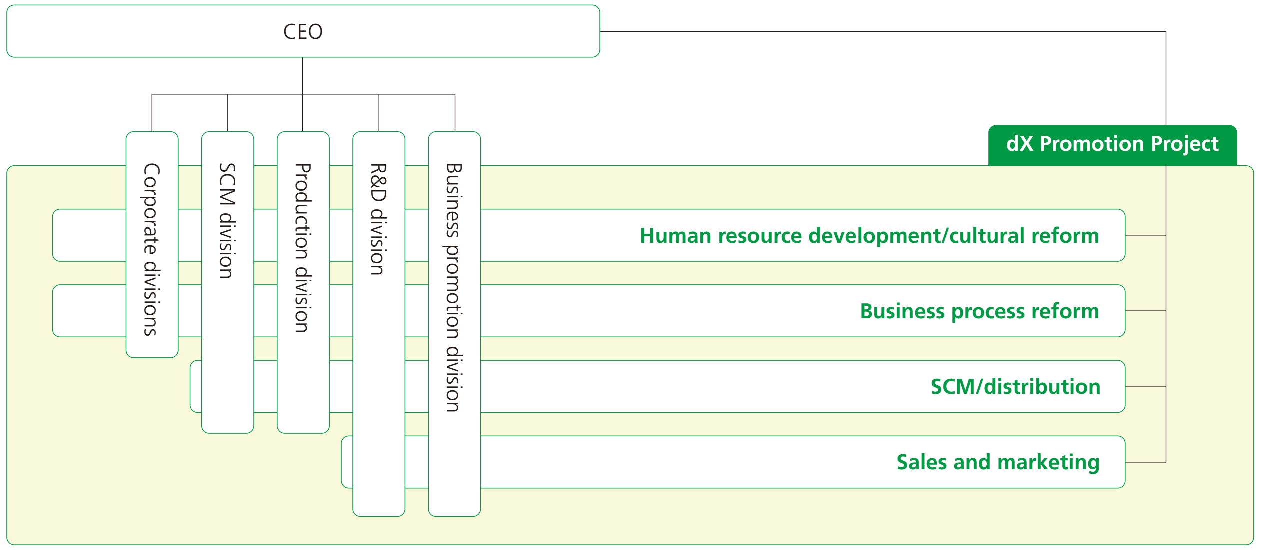
Regarding cybersecurity risk, we are monitoring trends and working to strengthen the following measures:

- Introduction of systems and software to prevent unauthorized access to internal networks
- Introduction of PPAP*1 countermeasures to prevent information leaks via email attachments
- Security training for all employees
- Establishment of a CSIRT*2 to ensure early incident resolution and minimize damage
- Promotion of migration to a zero trust security*3 framework

*1 PPAP: A method of sending password-protected ZIP files by email
*2 Computer Security Incident Response Team (CSIRT): A team responsible for responding to security-related incidents in computer systems and networks
*3 A security model that assumes no trust for any users, devices, or networks—whether inside or outside the organization—and requires strict verification and authentication for every access request

dX Promotion Structure

We have launched the dX Promotion Project directly under the CEO to advance cross-departmental dX initiatives. Currently, based on our dX strategy, four themes are being led by executive officers. We will continue to launch and advance new themes in the future.



Specific dX Initiatives

Human Resource Development / Cultural Reform Team

We are promoting dX education by providing opportunities and information company-wide. For management-level staff, classroom-style training is held internally to promote penetration within their teams. We have also established online communities for each advanced technology—such as AI and BI tools—to encourage information sharing. We monitor training participation and community engagement to measure the degree of digital adoption.

Business Process Reform Team

Going beyond simple operational improvement, we are driving fundamental reforms to tackle Companywide shared issues using digital technology. By quantitatively analyzing current workflows and addressing issues from a Companywide optimization perspective, we are working to create structural solutions and build new systems that break free from traditional frameworks.

SCM / Distribution Team

We are using digital technologies and data to improve distribution systems and optimize delivery efficiency. KPIs such as inventory turnover days are used to manage these initiatives.

Sales and Marketing Team

To elevate our sales activities, we are introducing new systems to digitize customer touchpoints and promote data-driven decision-making, while also systematizing and institutionalizing organizational knowledge.

Sustainable Supply Chain

Basic Approach to the Supply Chain

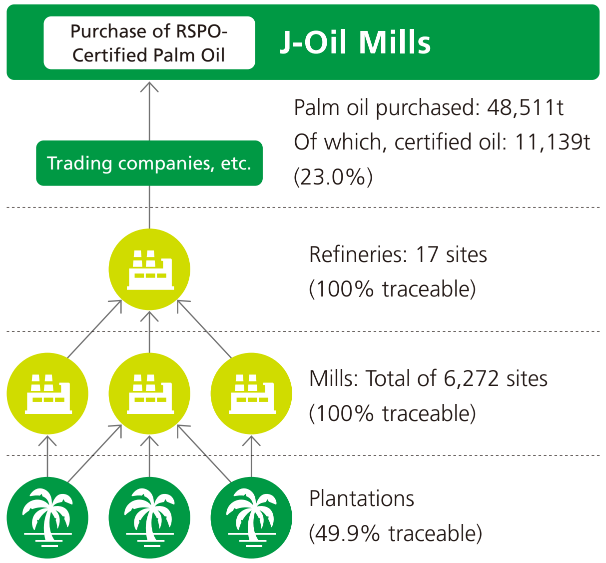
The J-Oil Mills Group imports raw materials such as soybeans and rapeseeds from around the world and processes them into a variety of products for sale. We believe that taking responsibility for environmental and human rights considerations, as well as ensuring quality and safety across the entire supply chain, is a fundamental corporate obligation. To build a sustainable supply chain, we are actively addressing social and environmental issues by developing policies to serve as benchmarks for our initiatives and establishing systems to manage the supply chain appropriately. In addition, we aim to achieve sustainable growth throughout the supply chain by promoting flexible sales strategies that respond to diversifying needs and strengthening R&D to enhance technological innovation and product capabilities. Going forward, we will continue working to build a responsible supply chain not only from a corporate standpoint, but in collaboration with suppliers and relevant organizations.

Supply Chain Management
https://www.j-oil.com/en/sustainability/supply_chain/

Palm Oil Supplier Traceability Survey 2024 Results

Ref. P42–43 Progress on Materiality

To verify sustainable production practices, protect the environment, and ensure social responsibility, we are working to strengthen traceability. We are aiming for 100% traceability to plantation level by 2030, with a 2025 target of 60%.



Note: Aggregation period: January to December (J-Oil Mills purchase data)

Procurement

Sustainable Procurement and Appropriate Cost Management

To enhance the effectiveness of sustainable procurement, we source raw materials from optimal origins at appropriate cost levels, while promoting procurement practices aligned with our various policies, including the Sustainable Procurement Policy and Standards, Soybean Procurement Policy, and Palm Oil Procurement Policy.

Key Raw Materials

Nearly 100% of raw materials are imported.

Soybeans, rapeseeds

Main production regions of raw materials

Soybeans
- United States
- Brazil

Rapeseed
- Canada
- Australia

Olive oil
- Spain

Palm oil
- Malaysia

Sustainable Procurement Policy and Standards (Japanese only)
https://www.j-oil.com/sustainability/materials/policy_csr_procurement_rev.pdf

Soybean Procurement Policy (Japanese only)
https://www.j-oil.com/sustainability/materials/policy_soy_rev.pdf

Palm Oil Procurement Policy (Japanese only)
https://www.j-oil.com/sustainability/materials/policy_palm_oil_rev.pdf

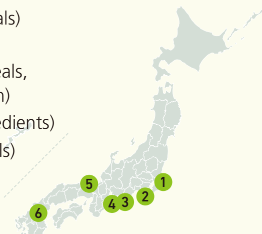
Production and Quality Control

Building a Framework to Ensure Food Safety and Security

We have established a Quality Policy and are thoroughly committed to ensuring food safety and compliance with laws and regulations. In addition, by building a sustainable and competitive production and supply network, we provide safe, secure, and high-quality products and services in a stable manner.

Domestic Production Bases and Products

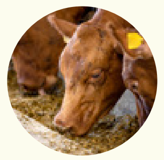
1. Chiba Factory (oils and fats, oilseed meals)
2. Yokohama Factory (oils and fats)
3. Shizuoka Plant (oils and fats, oilseed meals, margarine, powered oils and fats, starch)
4. Asaba Factory (soybean functional ingredients)
5. Kobe Factory (oils and fats, oilseed meals)
6. Wakamatsu Factory (edible soybean sheets, etc.)



Overseas production sites and product items

7. Premium Fats Sdn Bhd (margarine) in Malaysia

Uses of oilseed meal



Oilseed meal, the byproduct remaining after extracting oil from soybeans, rapeseeds, and other seeds, is widely used as a valuable raw material in products such as soy sauce, miso, mixed feeds, and organic fertilizers.

Pursuit of Safety and Security
https://www.j-oil.com/en/food_safety/

Quality Policy (Japanese only)
https://www.j-oil.com/sustainability/materials/policy_quality_management_2.pdf

Sales

Building Strong Sales Capabilities to Ascertain Customer Needs and a Network That Delivers across Japan and the World

By combining our unique foundational elements—ingredients , technological expertise, and customer touchpoints and reach—we provide solutions that embody "good taste, health, and low burden," contributing to the resolution of customer issues.

Domestic Locations

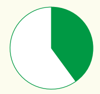
- Head Office/Tokyo Branch
- Nagoya Branch
- Osaka Branch
- Tohoku Branch
- Kanto Shinetsu Branch
- Hokuriku Branch
- Chushikoku Branch
- Kyushu Branch
- Hokkaido Regional Branch

Overseas Locations

- J-OIL MILLS (Thailand) Co., Ltd. (Thailand)

Business-use oils and fats

Domestic market share of business-use vegetable oil sales*

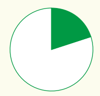


Approx. 40%

"Cho Toku," "JOYL PRO" series, etc.

Household-use oils and fats

Domestic market share of household-use vegetable oil sales*



Approx. 20%

"Smart Green Pack" series, etc.

*Market share based on sales volume of major companies (estimated by the Company, per Nikkan Keizai Tsushinsha, FY2024)

Research and Development

High-Value-Added Innovation and Responsiveness to Diverse Needs

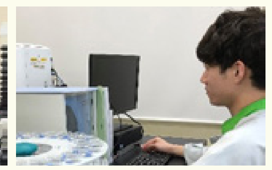
We leverage a wide range of research—from core technologies to product development, application development, and containers and packaging—to strengthen coordination across the supply chain and contribute to the delivery of safe, secure, and high-quality food.

Through the integration of our R&D sites in January 2027, we aim to stimulate innovation and drive medium- to long-term business growth.

Ref. P10 Message from the CTO

Application and R&D sites

Tokyo, Yokohama, Shizuoka, Kobe



J-Oil Mills' Research and Development
https://www.j-oil.com/en/research_and_development/

Business and Human Rights

Basic Approach and Promotion Framework

Given that we operate global procurement and sales networks, we recognize that respect for human rights throughout the entire supply chain is a natural responsibility of any company. Based on this understanding, we are promoting initiatives across the Group under the J-Oil Mills Group Human Rights Policy.

These human rights initiatives are promoted by the Human Rights Subcommittee under the Sustainability Committee. Activities are regularly reported to the Management Committee and the Board of Directors, both of which supervise and issue directives. Recognizing the growing societal expectations, the significance of human rights-related risks, and the potential impact if such risks materialize, we have identified "human rights-related risks" as a management risk and are focusing on managing them under the Risk Management Committee.

Under this approach and framework, we will continue to strengthen initiatives across the supply chain to achieve sustainable growth based on respect for human rights, with the goal of realizing our vision: "Joy for Life—Bringing Joy to the Future by Food."

Human Rights Policy (Japanese only)
https://www.j-oil.com/sustainability/materials/policy_human_rights.pdf

Past Achievements and Roadmap

	To FY2024	FY2025–FY2026	From FY2027
Policies	• Formulation and partial revision of the Human Rights Policy • Dissemination to employees, including those at overseas Group companies	• Continued efforts to deepen understanding of the Human Rights Policy among internal and external stakeholders	• Continued efforts to deepen understanding of the Human Rights Policy among internal and external stakeholders
Human rights DD*1	• Direct engagement with rights holders • Strengthening of raw material traceability • Expansion of SAQ*2 coverage among suppliers and dialogue based on analysis results • Improvement of employee human rights literacy • Enhancement of information disclosure	• Analysis and identification of human rights risks • Direct engagement with rights holders • Development of a human rights DD system for suppliers	• Implementation of responses to identified issues • Expansion of the human rights DD system to suppliers
Remediation	• Establishment and improvement of grievance mechanisms for employees, including those at overseas Group companies • Clarification of policy toward establishing consultation points for external stakeholders	• Expansion to external stakeholders	• Operation and continuous improvement of grievance mechanisms for internal and external stakeholders

*1 Due diligence
*2 A CSR Procurement Self-Assessment Questionnaire created by the Global Compact Network Japan (GCNJ) and shared across industries. Based on international norms, it includes questions reflecting the 10 principles in four areas: human rights, elimination of unjust labor, environmental responsibility, and anti-corruption.

Initiatives for Respecting Human Rights in the Supply Chain

To promote procurement aligned with the Sustainable Procurement Policy and Standards, we have been concluding contracts with sustainability clauses and have completed agreements with almost all raw material suppliers. Since FY2022, we have also begun evaluating human rights impacts using the SAQ*2 for suppliers accounting for about 80% of our raw material and procurement costs, and we are gradually expanding the scope. For suppliers where issues were found, we provided feedback and engaged in dialogue to support improvement. In FY2024, we visited soybean farmers and exporters in Brazil to assess human rights impacts. We confirmed that mechanization had progressed, reducing human rights risks related to occupational health and safety in manual labor, and that local companies were implementing appropriate management measures. However, Brazil-specific issues remain, and the importance of promoting greater transparency and mutual understanding around human rights in the supply chain was reaffirmed.


Illustration

Ref. P34 Sustainable Supply Chain

Main Issues and Future Actions in Developing the Human Rights DD Process

Based on the Guidelines for Respecting Human Rights in Responsible Supply Chains, we are following a process that includes identifying and assessing the risk of human rights violations, taking preventive, corrective, and mitigating actions, and verifying and disclosing results. Looking ahead, we are considering establishing external stakeholder contact points to strengthen the remediation system.

	Category	Stakeholder	Main issues identified	Direction of actions to address issues	Achievements through FY2024
Human rights DD*1	Impact / assessment	Employees	No direct engagement with employees to assess impact	Dialogue with rights holders	Conducted human rights impact assessments for employees
		Overseas Group companies	No survey conducted for Malaysian subsidiary	Understanding the situation of overseas companies	Survey conducted to understand the actual situation of the Malaysian subsidiary
		Suppliers	Actions such as requests for improvement and monitoring based on the analysis of SAQ*2 results conducted in FY2022	Development of systems for ongoing assessment and impact evaluation	Expanded SAQ*2 scope and conducted dialogue with selected suppliers based on analysis results
		Non-Japanese technical interns	No direct dialogue with non-Japanese technical interns	Response to stakeholders in vulnerable positions	Direct dialogue on labor conditions and work environment to understand actual situation
	Prevention / mitigation	Suppliers	ESG factors not included in criteria for selecting new suppliers	Assessing impacts when launching new business or partnerships	Consideration underway for including ESG perspectives in evaluations of new business relationships
	Disclosure / improving literacy	All stakeholders	Lack of monitoring functions to check status of issue resolution	Evaluating the effectiveness of human rights DD	Monitoring the status and progress of initiatives addressing each issue identified through gap analysis
			Enhancing disclosure related to human rights	Continued expansion of information disclosure	Disclosure in *J-Oil Mills Report 2024* and on our website
Remediation measures		Overseas Group companies	Unclear if grievance hotlines at overseas Group companies are well known	Ensure awareness of contact points	Distribution of English-language help desk guidance
		External stakeholders	No established grievance hotline or support system accessible to external stakeholders	Establishment of grievance mechanisms	Policy clarification for building a support system for external stakeholder consultations

Highlight

Example of Initiatives

Interviews with Non-Japanese Technical Interns

Recognizing that technical interns from overseas are in vulnerable positions, we conducted briefings on the J-Oil Mills Group Human Rights Policy and interviews at two of our Group company contractors. We focused on confirming the actual working arrangements and support systems such as employment contracts. We also spoke directly with the interns about their working and living environments. As a result, we found no serious human rights violations, but we will continue to conduct regular interviews and dialogue to identify human rights issues in our supply chain.

Human Rights Education

In light of corporate responsibilities under "Business and Human Rights," we are continuing to provide human rights training. In FY2024, training focused on understanding the Human Rights Policy and specific initiatives related to our human rights risks. It was conducted for all employees, including those at overseas Group companies, with a participation rate of over 95%.

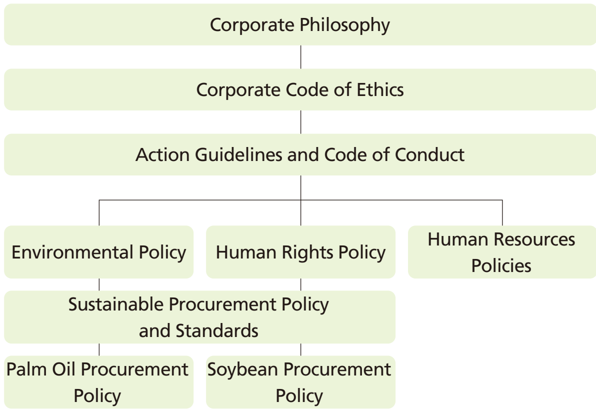

Excerpt from training materials on human rights

Messages from Management
Introduction
Value Creation Strategies
Corporate Governance
Data Section

Sustainability Approach and Promotion Framework

Formulation of Sustainability-Related Policies

As a guideline for promoting sustainability, the J-Oil Mills Group has formulated various policies based on relevant laws and international norms, reviewing them as needed in response to changes in social conditions. The Sustainability Committee, established in July 2020, promotes Companywide initiatives such as sustainable raw material procurement and product development with consideration for human rights and the environment, as well as product strategies aimed at solving social issues. By organically linking the outcomes of these activities and communicating them internally and externally, the committee aims to enhance corporate value. The committee seeks to integrate sustainability into our business activities in concrete ways and contribute to the realization of a sustainable society.



Strengthening the Sustainability Promotion Framework

The J-Oil Mills Group views ESG as an indicator of corporate value and promotes ESG management and sustainability initiatives aligned with long-term strategies and growth investments. We have established the Sustainability Committee, chaired by a director, to advance these efforts through a Companywide, cross-functional structure. The committee consists of three subcommittees: the Sustainable R&D Subcommittee, the Sustainable Procurement and Environment Subcommittee, and the Human Rights Subcommittee, each composed of representatives from relevant departments. Up to FY2024, recognizing the importance of initiatives related to human capital, we promoted the development of systems and workplace environments to support employee growth through the Human Capital Subcommittee. As of April 2025, to strengthen the formulation and implementation of HR strategies aligned with management and business strategies, this body has been reorganized into the Human Resources Committee. Six working groups have been established under the Sustainability Committee—packaging standardization , packaging, environment, TCFD*, logistics, and procurement—to advance specific initiatives. The activities of the subcommittees and working groups are organically linked, with progress reviewed quarterly and reported to the Management Committee and the Board of Directors. Each organizational unit is overseen by a responsible executive officer who leads planning and execution of initiatives.

*Task Force on Climate-related Financial Disclosures Working Group

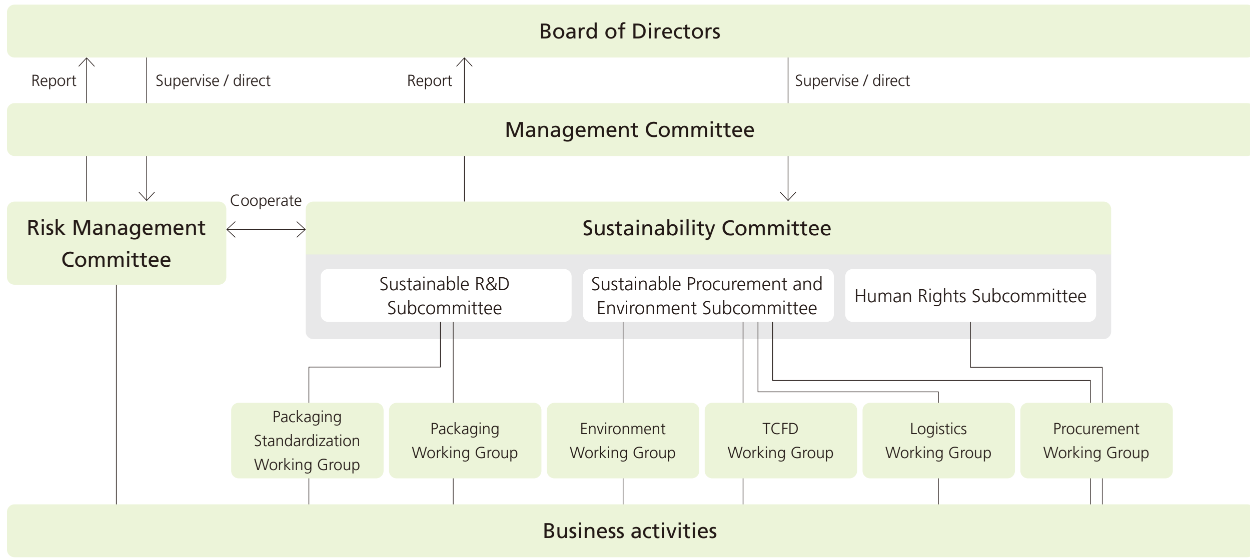
Sustainability Education

Across the J-Oil Mills Group, we regularly conduct sustainability training for employees—including executives, temporary staff, contract employees, and part-time workers. We will continue these efforts to deepen understanding and promote sustainability throughout the entire organization.

FY2024 Implementation Details

Purpose	To regard ESG as an indicator of corporate value and deepen knowledge and understanding of sustainability issues
Content	Introduction to J-Oil Mills' sustainability initiatives, basic knowledge of the SDGs
Format	E-learning
Languages	Japanese and English
Participants	All employees working in the J-Oil Mills Group (including executives, temporary staff, contract employees, and part-time workers)
Completion rate	95%

Sustainability Promotion System (as of April 1, 2025)



Sustainability-Related Structure and Roles (as of June 25, 2025)

Structure	Roles	Members
Board of Directors	Receives quarterly reports from the Sustainability Committee on social sustainability issues and supervises/directs initiatives	Directors
Management Committee	Receives quarterly reports from the Sustainability Committee on social sustainability issues and supervises/directs initiatives	Director and executive officer, primary members of the Management Committee, and operational executives appointed by the director, president & CEO
Sustainability Committee	Handles responses to social sustainability issues and reports quarterly to the Management Committee and Board of Directors	Chair: Director, executive officer, executive vice president & CTO Vice chair: Executive officer, vice president & CCO Members: Responsible officers, chairs, and vice chairs of each subcommittee and working group, observers, secretariat, and others

Sustainability Committee Activities

Under the leadership of the responsible executive officer, the Sustainability Committee addresses issues such as reducing environmental impact, promoting sustainable procurement and product development, and responding to human rights issues. In addition to managing progress and reporting to the Management Committee and Board of Directors, the committee also regularly holds study sessions with external experts. It engages in dialogue with external experts to work toward solving social issues and enhancing corporate value from a long-term and multi-stakeholder perspective.

Themes of Study Sessions Led by External Experts

Fiscal year	Lecturer	Theme
FY2025	Senior researcher, Agriculture and Forestry Research Institute	Response to natural capital and biodiversity – What is expected of companies today
FY2024	LGBTQ+ and diversity consultant	LGBTQ+ seminar, including insights from those with lived experience
FY2023	University professor	Exploring sustainability issues facing the food industry

Sustainability Approach and Promotion Framework

Sustainability Committee Initiatives

Category	Main themes and activity goals	Materiality: Realizing a sustainable society through stable food supply	Materiality: Contributing to the well-being of all through food safety and security	Materiality: Respect for diversity and enhancement of employees' engagement	Materiality: Strengthening corporate governance
Environment	CO_2 emissions reduction Reduction of Scope 1 and 2 emissions (50% reduction by FY2030 compared to FY2013) Setting of Scope 3 emissions reduction targets	■			
	Promotion of ICP system*1 adoption and environmental investment	■			
	Water usage reduction Reduction of municipal and industrial water usage (30% reduction by FY2030 compared to FY2019)	■			
	Development of disclosure story and roadmap toward FY2030 aligned with TCFD*2 framework	■			■
	Dialogue with investors (e.g., TCFD*2 Consortium Roundtable)	■			■
Procurement	Deepening of sustainable procurement (Confirmation of compliance with our Sustainable Procurement Policy and Standards, promotion of system development, strengthening of communication through SAQ*3 and dialogue)	■			
	Improvement of traceability to palm plantations (100% by 2030)	■			
Product development	Increase in the ratio of low-impact products (100% by FY2030)	■	■		
	Zero plastic waste (FY2030)	■	■		
Human rights	Addressing issues through human rights due diligence (e.g., considering and implementing grievance mechanisms for external stakeholders)	■		■	
	Promoting understanding and dissemination of respect for human rights	■		■	

*1 Internal carbon pricing system: a company's own carbon price used internally to promote low-carbon investments and measures
*2 Task Force on Climate-related Financial Disclosures
*3 A CSR Procurement Self-Assessment Questionnaire created by the Global Compact Network Japan (GCNJ) and shared across industries. Based on international norms, it includes questions reflecting the 10 principles in four areas: human rights, elimination of unjust labor, environmental responsibility, and anti-corruption.

Materiality

Materiality Identification Process

Materiality refers to issues that represent either risks or opportunities for our business, and we aim to address them over the medium to long term as we work toward our Vision for FY2030.

In 2022, the J-Oil Mills Group revised its Sixth Medium-Term Business Plan, extending the four-year plan covering 2021–2024 by two years, resulting in a six-year plan. As a result of this change, a discrepancy arose between the target years for materiality-linked goals and the final year of the Sixth Medium-Term Business Plan. In response, we conducted a review of our materiality. In 2023, we identified four materiality areas: for materiality relating to business strategy, realizing a sustainable society through stable food supply and contributing to the well-being of all through food safety and security; and for materiality relating to the business foundation, respect for diversity and enhancement of employees engagement and strengthening corporate governance." Since FY2024, we have been promoting initiatives based on these newly defined materiality areas. Going forward, we will continue to regularly review our materiality, taking into account shifts in societal trends, emerging issues, and evolving needs.

Materiality Identification Process
https://www.j-oil.com/en/sustainability/materiality/process.html

Setting Targets for Activities Linked to Materiality

Activities to Date Linked to Materiality

2021 With the establishment of the new corporate philosophy, we conducted a review of our materiality in light of that philosophy and the "Joy for Life Map," which outlines the future we aspire to achieve. Through discussions with relevant departments, we integrated our values and the activities of each department aimed at resolving social issues, and after obtaining approval from the Management Committee, identified new materiality items.
- Materiality identified in FY2019: contribution to society and the globe (e.g., food safety and security)
- Materiality after the FY2021 review: reduction of environmental impact (e.g., ensuring sustainability of resources and farmland)

2022 Following the review of the Sixth Medium-Term Business Plan, we began a new review of our materiality.

2023~2024 We mapped the new materiality to the former materiality and initiated the PDCA cycle based on the new materiality.

State of Progress on Materiality

Classification	Materiality	Key Goals / Quantitative Targets for 2030	FY2024 results	Notes
Materiality Relating to Business Strateg	Realizing a Sustainable Society through Stable Food Supply	<Sustainable procurement> • Advance of sustainable procurement • 100% traceability to palm plantations	<Sustainable procurement> • Maintained 100% traceability to palm oil mills • Traceability to palm plantations: 49.9% (results from January–December 2024) • Purchase ratio of RSPO*1-certified palm oil: 21.6% (results from January–December 2024, including Group company PF*2)	Ref. P11 Message from the CTO Ref. P34 Palm Oil Supplier Traceability Survey Ref. P36 Initiatives for Respecting Human Rights in the Supply Chain
		<Climate change countermeasures> • Contribute to solving social issues related to climate change and realize sustainable growth • Achieve 50% reduction in CO_2 emissions (Scope 1 and 2, compared to FY2013)	<Climate change countermeasures> • 34% reduction in CO_2 emissions (Scope 1 and 2, compared to FY2013)	Ref. P44 Response to the Task Force on Climate-related Financial Disclosures (TCFD) Ref. P77 Non-Financial Data
		< R&D> • Contribute to the stabilization of increasing demand for protein by expanding ingredients that respond to the diversification of animal and plant-based protein sources, and by providing applications • Expand plant-based food materials that respond to diversified protein needs • Expand plant-based food materials that replace livestock and marine ingredients, providing applications to meet diverse needs and contributing to the preservation of livestock and marine resources • Expand plant-based food materials that substitute the functions and textures of livestock and marine ingredients	< R&D> • Initiated development of new materials using starch, and proposed applications using newly developed and existing starch materials in response to various customer needs • In response to rising prices of livestock and marine ingredients and related demand, proposed applications using starch products as animal protein alternatives • In anticipation of growing demand for plant-based meat products, initiated development of materials that function as both a protein source and as agents to improve texture and flavor	Ref. P10 Message from the CTO Ref. P22 -Oil Mills' Strength: "Oishisa Design" Research & Development https://www.j-oil.com/en/research_and_development/
		<Products> • From the perspective of "Long-lasting Oishisa," achieve low burden through food loss reduction and improved work efficiency • Reach a 70% development ratio of sustainable products or products utilizing customer insights	<Products> • Increased composition ratio within business-use vegetable oil products of the "Cho Toku" series featuring the long-lasting "SUSTEC" technology • To achieve "low burden" value, expanded the scope of application of the environmental guideline-based checklist from the product design and development stage	Ref. P46 Resource Recycling Low-Impact Product Development https://www.j-oil.com/en/research_and_development/low_load/
		<Sustainable distribution> • Steadily prepare the introduction of the physical internet*3	<Sustainable distribution> • Monitored industry trends • Worked to understand government trends and carried out activities to reflect the Company's requests in government policies through industry organizations	Launched the Conference to Promote the Future of Distribution in Oils and Fats, a council for sustainable distribution in the plant-based oil industry (Japanese only) https://www.j-oil.com/press/article/250724_007398.html
		<Social contribution activities> • Strengthen social contribution activities, increase expenditures (1% of ordinary profit)	<Social contribution activities> • Strengthened social contribution activities, FY2024 social contribution activity expenditures: ¥25 million	Social Contribution Activities https://www.j-oil.com/en/sustainability/society.html
	Contributing to the Well-Being of All through Food Safety and Security	<Quality management> • Further enhance the quality and food safety management system through continuous improvement using information such as trends in relevant domestic and international laws and regulations related to quality and food safety, case studies from the food industry, results of quality-related audits conducted on the company by customers, and customer needs • Expand the food safety management system • Continue to achieve zero product recalls and zero serious quality complaints	<Quality management> • As part of the expansion of the food safety management system, partial FSSC 22000 certification at the Yokohama Factory was extended to full plant certification • Maintained zero product recalls	Ref. P10 Message from the CTO Pursuit of Safety and Security https://www.j-oil.com/en/food_safety/
		<Research and development> • Establish technologies that highlight the benefits of oils and fats and their components, contributing to immune strength enhancement and prevention of health issues through maintenance and improvement of basic physical strength • Develop products based on various forms of evidence to help maintain both physical and mental health • Provide functional improvements through nutritional components targeting elderly health issues such as frailty (vulnerability), by offering optimal solutions according to the condition of the individual • Develop and provide functional ingredients tailored to the needs of end consumers (e.g., health conditions) • Provide delicious and healthy food and ingredients that leverage the benefits of plant-based materials and respond to diverse lifestyles • Commercialize products utilizing the Company's proprietary materials • Provide functional ingredients and foods to address health-related issues such as lifestyle diseases, and continue to enhance customer benefits through feedback to the assessment and development functions	<Research and development> • Continued to explore components effective in maintaining and promoting both physical and mental health, and consideration of commercialization. Also, engaged in ongoing consideration of ways to apply the Company's proprietary plant-based materials to these areas.	Ref. P10 Message from the CTO Ref. P22 J-Oil Mills' Strength: "Oishisa Design" Research & Development https://www.j-oil.com/en/research_and_development/
Materiality Relating to the Business Foundation	Respect for Diversity and Enhancement of Employee Engagement	<Human capital and diversity> • Enhance dialogue between management members and employees	<Human capital and diversity> • Held 41 dialogue sessions between management members and employees	Ref. P4 Message from the CEO Ref. P36 Business and Human Rights Ref. P50 Message from the CHRO Ref. P73 Dialogue with Stakeholders Ref. P77 Non-Financial Data
	Strengthening Corporate Governance	<Corporate governance> • Enhance the effectiveness of the Board of Directors • Realize corporate governance that contributes to improving corporate value • Enhance stakeholder engagement • Improve corporate value by strengthening our management foundation and by reforming our organizational culture • Achieve zero serious violations • Achieve a positive response rate of 90% or more in the engagement survey (compliance area)	<Corporate governance> • Strengthened agenda setting based on the Board of Directors' monitoring function • Strengthened Group compliance (e.g., compliance training, e-learning) • Enhanced awareness of the internal reporting system (helpline consultation desk) • Achieved zero serious violations • Achieved a positive response rate of 75% in the engagement survey (compliance area)	Ref. P63 Evaluating the Effectiveness of the Board of Directors Ref. P72 Thorough Compliance Ref. P73 Dialogue with Stakeholders
		<Risk management> • Enhance corporate value through appropriate risk management during normal times and accurate response during emergencies • Steadily execute a managerial risk management process that captures changes in the business environment and social conditions	<Risk management> • Risk Management Committee identified the management risks for the following fiscal year and appointed risk management officers for each risk • In identifying the above management risks, conducted a questionnaire survey of all executive officers and interviews with internal directors to reflect the risk awareness of management • To enhance the effectiveness of countermeasures, selected management risks for focused discussion by the Risk Management Committee, and the committee conducted monitoring every six months	Ref. P70 Risk Management Risk Management https://www.j-oil.com/en/ir/corporate_governance/risk_management.html
		<Media strategy> • Enhance corporate value through media strategies aligned with business expansion and company growth	<Media strategy> • Engaged in media communications aimed at increasing corporate recognition and reputation, including expanded media exposure related to the 20th anniversary of establishment and enhanced content on the corporate website	Know and Enjoy (Japanese only) https://www.j-oil.com/infotainmaint/

*1 Roundtable on Sustainable Palm Oil (RSPO)
*2 Premium Fats Sdn Bhd, a consolidated subsidiary of the Company
*3 Physical internet: An innovative distribution system aimed at realizing a sustainable society by improving utilization rates and reducing fuel consumption through the sharing of transportation methods such as trucks and warehouses

Initiatives for Reducing Environmental Impact

The J-Oil Mills Group, which conducts business that harnesses the blessings of nature, has set forth a vision of creating joy for people, society, and the environment through "good taste, health, and low burden." We recognize reducing environmental impact as a critical management issue, particularly as a concrete countermeasure against the urgent issue of climate change. We are continuously undertaking initiatives such as reducing greenhouse gas (GHG) emissions, cutting waste and promoting resource recycling, and reducing plastics. Through these efforts, we aim to reduce environmental impact across the entire value chain and contribute to the realization of a circular economy.

Response to the Task Force on Climate-related Financial Disclosures (TCFD)

In November 2020, we expressed our support for the Task Force on Climate-related Financial Disclosures' (TCFD's) recommendations and joined the TCFD consortium. We have established a cross-functional TCFD Working Group within the Sustainability Committee and are working on disclosing information in line with the disclosure items recommended by the TCFD.

Governance

Under the Sustainability Committee, which is chaired by a Board member, we have set up a TCFD Working Group chaired by the CFO to analyze the risks and opportunities associated with climate change and consider response measures. The results of this review are reported to the Board of Directors and Management Committee to reflect the opinions and advice of the directors. Please refer to page 39 to see a diagram of the Company's sustainability promotion structure.

Strategy

Climate change risks and opportunities identified

We see climate change as a key business risk in terms of business continuity and have analyzed the risks and opportunities for the below 2°C and 4°C scenarios. In addition to climate change, we also see the increasing severity of typhoon damage resulting from global warming as a risk factor.

Assumptions

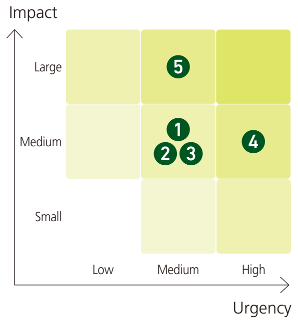
Scenario	We referenced RCP8.5 (4°C scenario) of the United Nations Intergovernmental Panel on Climate Change (IPCC) and the NZE scenario of the International Energy Agency (IEA) to define a world of continued global warming and a world of decarbonization.
Applicable period	Present–2050
Scope of coverage	All J-Oil Mills Group businesses

Scenario analysis results

We assessed the key climate change risks and opportunities along two axes: the impact on business performance and the level of urgency. Looking ahead, we will continue to expand and deepen the financial impact assessment from the highest priority items, and will continue to examine measures to address issues.

Please visit our website to see the results of the scenario analysis and our response measures.
https://www.j-oil.com/en/sustainability/environment/climate_change/tcfd.html

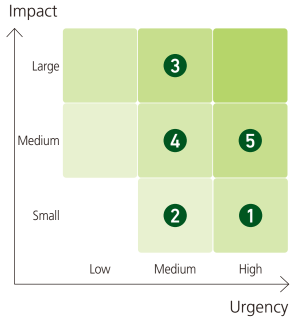
Risk Map



Risk analysis

2°C/1.5°C	1	Increase in production costs due to stricter CO_2 emission regulations
	2	Failure to respond to the needs of sustainability-focused consumers
	3	Loss of reputation from failure to implement environmental measures
4°C	4	Suspension of operations and disruption of distribution networks due to increase in natural disasters
	5	Difficulty in securing stable supply of raw materials due to decrease in harvest volume and change in quality caused by rising temperatures and abnormal weather conditions

Opportunity Map



Opportunity analysis

2°C/1.5°C	1	Reduction of production and logistics-related costs
	2	Lower costs and CO_2 emissions resulting from the introduction of renewable energy sources
	3	Rise in environmental awareness and ethical consumption (response to food crisis)
	4	Gained trust by achieving an optimal business portfolio that meets society's sustainability demands
	5	Reinforcement of business continuity measures

Definition of impact and urgency

Impact: Large: Those that could have a significant impact on business performance (10 billion yen or more)
Medium: Those that could have a significant impact on business performance (between 1 billion yen and 10 billion yen)
Small: Those with small impact on business performance (less than 1 billion yen)

Urgency: High: within 1 year
Medium: within 5 years
Low: Over 5 years

Risk Management

We have established a Risk Management Committee , chaired by the president and CEO, which reports to the Board of Directors and the Management Committee twice a year. The Risk Management Committee manages key company-wide risks, including climate change, from a short- to medium-term perspective, and works to prevent and mitigate them.

Risks and opportunities our business faces due to climate change are managed from a medium- to long-term perspective under our sustainability promotion structure by the Sustainability Committee and the TCFD Working Group.

Every year, we conduct a quantitative assessment of the financial impacts of risks and opportunities identified through scenario analysis and revise our countermeasures accordingly. The TCFD Working Group reports its discussions quarterly to the Board of Directors and the Management Committee. The Board of Directors provides necessary instructions or advice as appropriate and conducts monitoring.

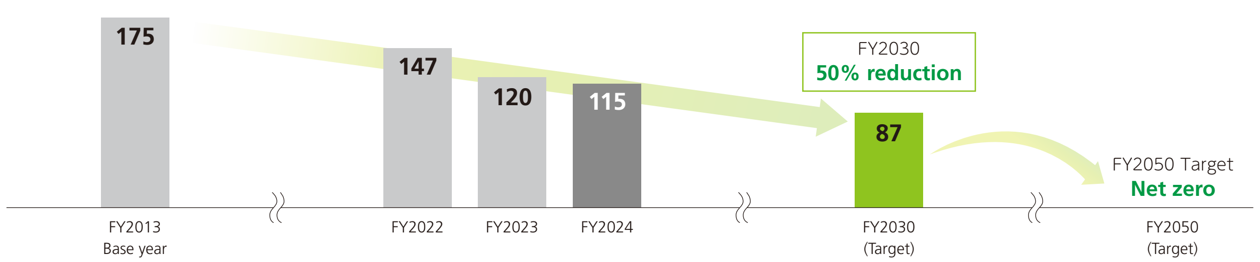
Going forward, we will continue to expand and deepen the scope of our analysis to minimize risks and maximize opportunities to bolster our resilience.

Metrics and Targets

We have set a target to reduce CO_2 emissions by 50% by FY2030 compared to FY2013 levels (Scope 1 and 2), and to achieve carbon neutrality—net zero emissions—by FY2050. In addition, we aim to reduce emissions across the entire supply chain (Scope 3), including emissions from the raw materials and products we purchase, in collaboration with our suppliers. For Scope 3, we are working to improve calculation accuracy for high-emission categories such as Category 1 and Category 4, and are examining methods for reduction. In April 2023, we introduced internal carbon pricing (ICP). Going forward, we will continue to promote CO_2 reduction investments and support investment decision-making.

CO_2 Emissions Reduction Targets and Results

CO_2 emissions (Thousands of tons)



Initiatives to Date

- Optimization of manufacturing processes, improvement of production site efficiency
- Introduction of high-efficiency and cogeneration systems
- Utilization of renewable energy, including biomass fuel and installation of solar power generation equipment

Future Initiatives

- Further promotion of energy conservation and efficiency in manufacturing processes
- Expanded use of renewable energy such as biomass fuel
- Fuel conversion (to ammonia, hydrogen, etc.)

Initiatives for Reducing Environmental Impact

Resource Recycling

The J-Oil Mills Group promotes the reduction and recycling of waste and practices zero emissions* every year. In FY2024 as well, we advanced the conversion of waste into valuable resources and continued to maintain a recycling rate of 99.9% or higher in the production division, achieving our target. We will continue to work on reducing the input of energy, raw materials, water, and materials, while promoting initiatives to reduce emitted pollutants and waste and to encourage recycling. Furthermore, we are striving to reduce plastic waste derived from fossil fuels. In non-production divisions as well, we are implementing e-learning programs and environmental seminars related to waste, and working company-wide to maximize resource use efficiency.

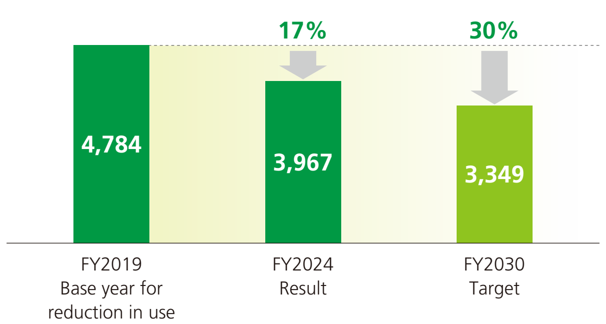
* We define "zero emissions" as the complete avoidance of simple incineration or landfill disposal of industrial waste generated from production sites, maintaining a recycling rate of 99.9% or higher.

Preserving Water Resources

Water is an essential resource in the supply chain, including for the cultivation of raw material crops and the processes of manufacturing our products. We strive to accurately identify water-related risks specific to each production site and take planned countermeasures. The Environment Working Group, under the Sustainability Committee, takes the lead in promoting initiatives and monitoring their progress and outcomes. Going forward, we will continue to reduce water usage in our business operations and promote the identification and management of water risks across the supply chain, thereby advancing further initiatives for environmental conservation and water resource sustainability.

Targets and Results for Municipal and Industrial Water Use

(1,000m³)



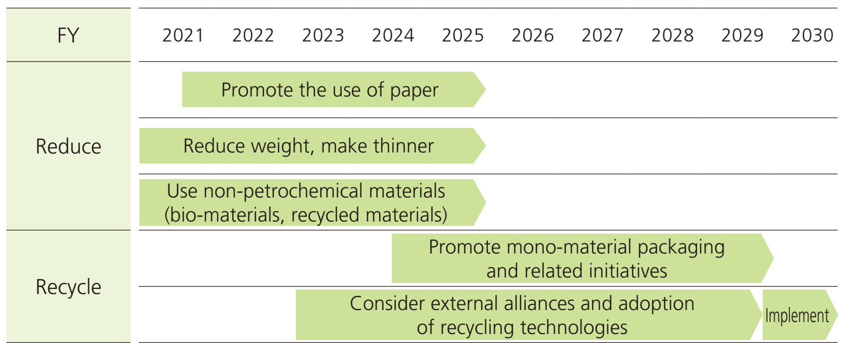
Working to Achieve Zero Plastic Waste

We are working to reduce plastic waste—a major contributor to marine pollution and climate change—as part of efforts to help realize a circular economy by FY2030.

We are expanding the Smart Green Pack series, which is packaged in paper containers (certified forest paper)—an unusual packaging choice for edible oils. We are also introducing biomass resins, promoting the reuse of plastic waste and the use of recycled resins, and developing recycling technologies through inter-company collaboration. The Smart Green Pack series combines environmental consciousness, with more than 60%* less plastic use and over 26% lower CO_2 emissions, and ease of use, with a double cap that allows for adjustable pouring volume.

We will continue working to reduce environmental impact by switching to recyclable packaging materials and developing new recycling technologies through corporate collaboration.

Roadmap of Our Initiatives Aimed at Realizing a Circular Economy by FY2030



* Company calculations. Compared to conventional plastic containers of around the same capacity.

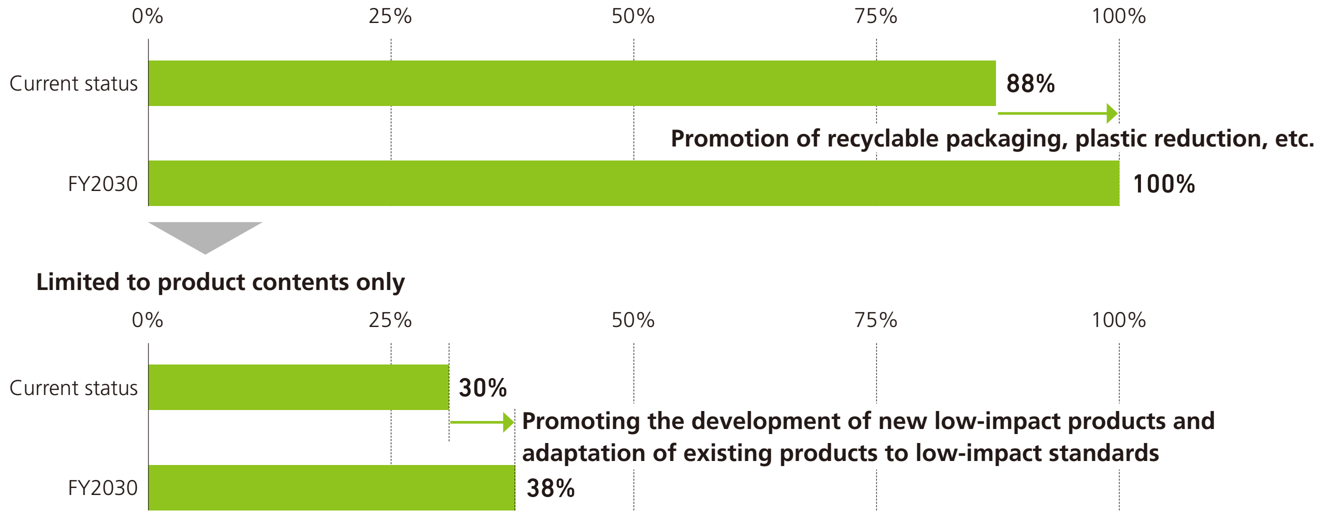
Development of Low-Impact Products

The Sustainable R&D Subcommittee, which spans departments including R&D, quality assurance, business, production, and distribution, defines low-burden products as those that meet one or more of the following criteria: 1) reducing environmental impact, 2) improving work/labor environments, or 3) addressing the depletion of food resources. The subcommittee aims to achieve a 100%*[1] ratio of low-impact products by FY2030. The current ratio for product contents*[2] alone is 30%, and the goal is to reach 38% by FY2030. For containers and packaging, Sustainability Committee's Packaging Working Group*[3] is leading initiatives such as the development of the Smart Green Pack series and the promotion of recyclability through mono-material*[4] packaging. Going forward, we will also strengthen initiatives aligned with the third criterion , such as extending shelf life and reducing food loss. Since FY2023, we have implemented an environmental checklist in product design, aiming to enhance the consistency and appropriateness of both internal and external communication under the vision of "Joy for Life—Bringing Joy to the Future by Food."

*1 Based on in-house definitions
*2 Product contents
*3 Working group specializing in packaging technology
*4 Made from a single material

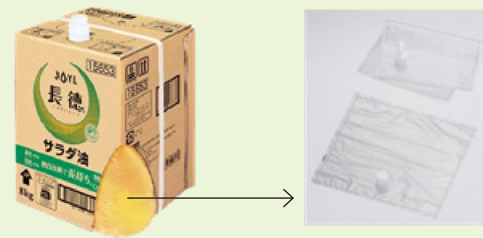
Current Status and FY2030 Target for the Ratio of Low-Impact Products

Definition of low-impact products: Products whose contents or packaging address at least one of the following—low environmental impact, low burden on human work/labor environments, or mitigation of food resource depletion.



1 Highlight Joint Development of Business-Use Oils and Fats Containers Using Recycled Materials

BASF Japan, Kohjin Film & Chemicals, TOPPAN, and J-Oil Mills have begun collaborating on the development of Japan's first*[1] business-use edible oil container (BIB*[2]) made with chemically recycled polyamide. Used mixed plastics are converted into base raw materials and allocated to polyamide*[3] using a mass balance approach*[4] to replace fossil-based materials. The aim is to establish a supply scheme by March 2026 and achieve a circular model including horizontal recycling*[5] of multi-material packaging*[6] by FY2030.



*1 Based on research by BASF Japan, Kohjin Film & Chemicals, TOPPAN, and J-Oil Mills
*2 Bag-in-box (BIB): A liquid container consisting of a plastic bag placed inside a cardboard box. In this case, only the inner plastic bag is subject to recycling.
*3 Polyamide: Enhances container strength and helps protect contents. Polyamide used in consumer product packaging becomes part of mixed plastic waste that is separated under special conditions and then processed recycling.
*4 Mass balance approach: A method used when raw materials with certain attributes (e.g., biomass-derived) are mixed with other raw materials (e.g., petroleum-derived) during manufacturing or distribution. The attribute is allocated to a portion of the product based on the input ratio of the special raw material (source: Ministry of the Environment, Japan). Allocation is done under third-party certification.
*5 Horizontal recycling: A method of resource circulation where part of a used product is recycled into a product for the same use.
*6 Multi-material packaging: Packaging composed of multiple film materials—such as polyester, polyamide, polyethylene, and polypropylene—laminated with adhesives to take advantage of the individual properties of each material.

2 Highlight Response to Natural Capital and Biodiversity

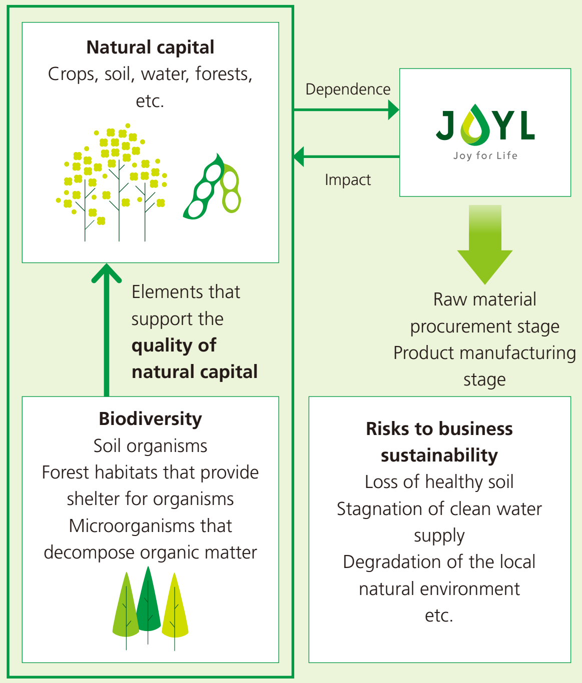
The J-Oil Mills Group's business is supported by the blessings of the Earth, which are created through biodiversity—including agricultural products such as soybeans, rapeseeds, palm, and olives. In addition, the company relies on natural capital and ecosystem services in many ways, such as through the use of water resources and wastewater management at its business sites. At the same time, its business activities exert various inputs on the natural environment. Recognizing and addressing these impacts is essential for the sustainability of both food and business.

We analyzed the relationship between natural capital/biodiversity and our business across the entire value chain, including raw material procurement and product manufacturing (Figure 1). The agricultural products selected for analysis were chosen based on whether they fall under high-impact commodities that are said to impose significant environmental burdens, as well as their handling volume and importance to the business (Figure 2). By using analysis tools such as ENCORE* to visualize the geographical relationship with nature for each crop and country of origin (Figure 3), we found that ecosystem degradation and environmental pressures vary by country and region.

Going forward, we will work to appropriately disclose information related to natural capital.

* ENCORE stands for Exploring Natural Capital Opportunities, Risks and Exposure. It is a tool that allows companies to evaluate the impact of their business activities on nature.

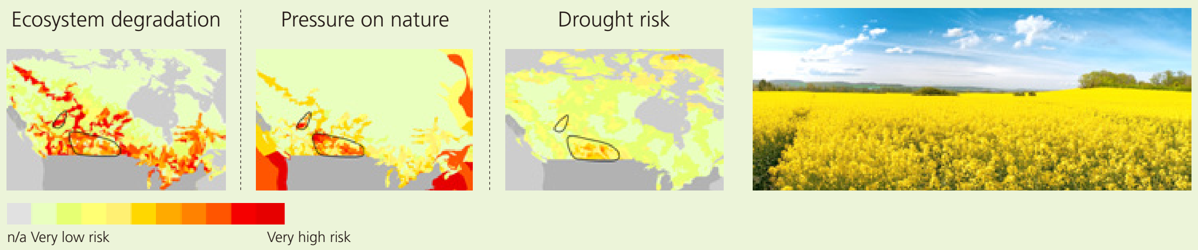
[Figure 1] Relationship between Natural Capital / Biodiversity and Our Business



[Figure 2] Agricultural Crops Subject to Analysis

High-Impact Commodities	Inputs	Main Producing Countries
Soybeans	Land use, Water use, Freshwater ecosystems, Climate	United States Brazil
Rapeseeds	Land use, Soil pollution, Water use, Water pollution, Climate	Canada Australia
Palm	Land use, Soil pollution, Water use, Freshwater ecosystems, Climate, Other resources	Malaysia

[Figure 3] Analysis Example of Major Producing Country (Canada for Rapeseed)



*Sources: ArcGIS, WWF Biodiversity Risk Filter (2024), WWF Water Risk Filter (2021) *Production regions created with reference to USDA Crop Explorer

3 Highlight Ongoing Support for the Reduction of Plastic Waste in Oceans and Rivers

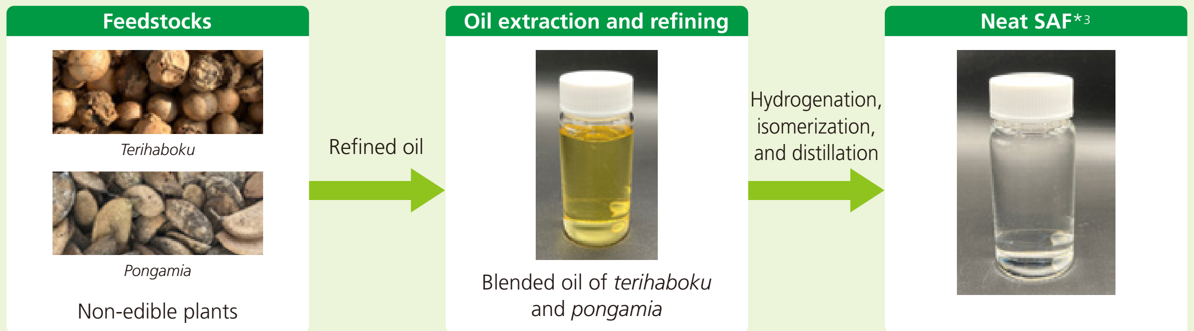
As part of its efforts to reduce environmental impact, the J-Oil Mills Group has been continuing the JOYL Green Project since 2022, in which a portion of the sales from its paper-container-packaged edible oils, Smart Green Pack, is donated to JEAN, a general incorporated association working to reduce marine plastic waste. The fourth iteration of the project began in late May 2025. Smart Green Pack reduces plastic usage by over 60% and CO_2 emissions by over 26%*, and is part of the Ministry of the Environment's Plastic Smart campaign.

* Company estimate. Compared with conventional plastic containers of the same volume.

4 Highlight Progress Toward Development and Commercialization of Domestic SAF from Non-Edible Plants

Under its aspirational vision, "Joy for Life—Bringing Joy to the Future by Food," the J-Oil Mills Group is working toward achieving good taste, health, and low burden by engaging in the research and development of sustainable aviation fuel (SAF). In 2022, the Group was selected for a NEDO grant project and succeeded in producing SAF from the seeds of *terihaboku* (Calophyllum inophyllum) and *pongamia* (Millettia pinnata),*1 both non-edible plants, that meets the international ASTM D7566 Annex A2*2 fuel standard. In March 2025, a domestic flight using SAF produced in Japan was successfully conducted in Okinawa Prefecture. These plants are characterized by their ability to grow in arid and salt-affected soils, and they do not compete with food resources. Moving forward, stable procurement of raw materials, the establishment of cultivation technologies, and value chain development will be key issues. The Group has begun small-scale trial plantings in collaboration with local producers and research institutions in Okinawa. With a view toward a sustainable future, J-Oil Mills aims to commercialize and expand the use of domestically produced SAF.

*1 Subtropical plants found in Okinawa, Japan and parts of Southeast Asia; commonly used in Okinawa as street or windbreak trees.
*2 An internationally recognized standard for aviation fuel as defined by ASTM International.
*3 "Neat SAF" refers to 100% pure jet fuel derived from biomass or other renewable feedstocks. Currently, it may be blended at up to 50% with conventional fossil-based jet fuel. After blending with conventional fossil-derived jet fuel, it is used as SAF.



Message from the CHRO

We aim to build teams that embody our values—"Work together to achieve high targets and exceed expectations"—and this fiscal year we will actively pursue human resource development and the cultivation of organizational culture.

Koji Yamaguchi
Executive Officer & CHRO
General Manager of the Legal & HR Division

My Convictions upon Assuming the Role of CHRO

I was appointed Executive officer & CHRO on April 1, 2025. Before taking on this role, I served as executive officer in charge of production, where I worked toward realizing our vision of "Joy for Life—Bringing Joy to the Future by Food" by focusing on the stable supply of safe and reliable products and on building a sustainable production system and foundation. With my appointment as CHRO, our vision for the future remains unchanged, but I will devote myself fully to enhancing our corporate value from the perspective of human capital.

The results of last year's engagement survey showed an overall trend of improvement in employees' sense of attachment to the organization and willingness to contribute. At the same time, however, I recognize that there are issues with the penetration of our management strategy.

Ref. P. 53 Visualization of Results through Employee Engagement,
P. 77 Non-Financial Data

Because human capital is the driving force behind enhancing our corporate value, we will once again strengthen the dissemination and understanding of our VMV (vision, mission, and values). I believe that when each employee feels the role, contribution, and significance of their work, and when they can see how their own growth is connected to enhancing corporate value, that engagement becomes a driver of corporate growth. The management team will continue to carefully communicate our vision for the company and the human capital strategy linked to management strategy. By providing feedback on employee opinions and comments shared during briefing and dialogue sessions, and by placing importance on proactive communication, we will work to resolve issues. Furthermore, in promoting dX*, we are entering an era in which responsiveness itself is becoming a major differentiator in competitiveness. Enhancing responsiveness requires sustained, medium- to long-term initiatives, including human resource development. By using digital technology to transform business processes, products, services, and even business models, we will work to establish a competitive advantage.

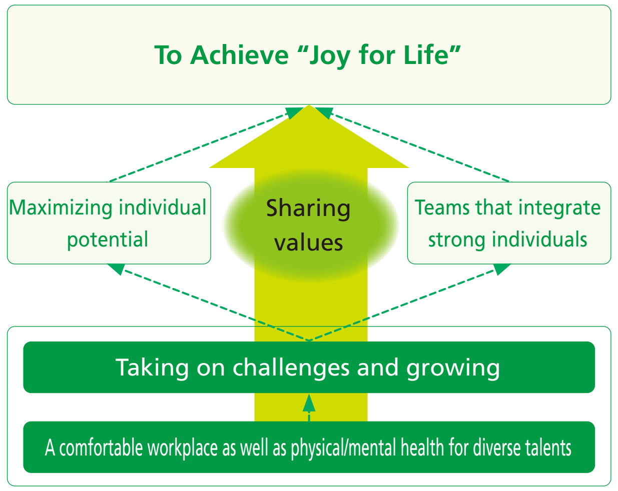
*We write "dX" with an emphasis on the "X" to highlight "transformation in operations" as the true objective, rather than focusing just on the tool of digitalization.

Human Capital Policy

Last year, we shifted the direction of our HR management to human capital management, which maximizes each individual's ability to create value, and established our Human Capital Policy as the vision we aim to achieve. Expectations for human resource development and organizational strength are growing both inside and outside the Company, and we have felt an overall positive response.

The policy outlines four directions: (1) expand each person's capabilities, (2) reinforce focus at all management levels, (3) optimize allocation of the most appropriate personnel, and (4) create an environment that encourages growth. We believe that enabling individuals to fully leverage their own personalities and abilities, and to take on challenges and grow autonomously, leads directly to the sustainable growth of the Company.

Currently, as part of our human resource development, we are placing importance on job rotation. While this also contributes to organizational vitality, what matters most is fostering a mindset in which each employee embraces change as an opportunity to challenge themselves and to grow. The key focus is transforming our corporate culture so that individuals and the company can grow together. At the same time, we are building mechanisms that allow everyone to thrive, establishing human capital development systems by function while using each headquarters division as a central axis. Through our Career Development Program, we identify each employee's career plan and, in collaboration with the Human Resource Development Group, study and implement measures to support their career advancement. These measures include not only on-the-job training but also external training programs, enabling us to support employee growth from multiple angles.



Human Resources Policies

- We will secure the physical/mental health of our employees and ensure workplace safety. We also ensure a healthy work environment that respects human rights and is free from discrimination.
- At the same time, we will create a "workplace which is easy and desirable to work" for diverse talents by establishing systems and environments that allows individuals to fully utilize their unique character and skills.
- We will support those who are willing to "challenge themselves" and "seek personal growth" encouraging autonomous challenges and growth. With these initiatives, we will promote the cycle of the development of individuals with strength in sustainability and their active role as a team with enhanced engagement, namely integration of strong individuals.

Directions of Initiatives

#1	#2	#3	#4
Expand each person's capabilities	Reinforce focus at all management levels	Optimize allocation of the most appropriate personnel	Create an environment that encourages growth
Human resource development	Reformation of awareness, enhancement of assessment capabilities	Improvement of organizational capabilities	DE&I, demonstration of ability, taking on challenges

Respect for Human Rights as a Foundation

Our initiatives on respect for human rights are promoted by the Human Rights Subcommittee under the Sustainability Committee. In FY2023, the Human Rights Subcommittee conducted human rights due diligence ("human rights DD"), identifying issues and stakeholders involved in building the human rights DD process, and organized the current status and items for consideration at our company. In line with the roadmap, from FY2024 we have been prioritizing issues according to urgency and importance and moving forward with corresponding measures.

To raise awareness of human rights and foster a culture of respect for human rights, we are also continuing to provide training to employees. In FY2024, as in the previous year, we conducted human rights e-learning for all employees in the J-Oil Mills Group, both in Japan and overseas, to promote understanding of our Human Rights Policy, initiatives related to issues identified through human rights DD, and initiatives related to LGBTQ+.

Ref. P. 36 Business and Human Rights

Establishment of the Human Resources Committee

At the beginning of FY2025, to further promote human capital management, we constructively dissolved the Human Capital Subcommittee that had been under the Sustainability Committee, and established the Human Resources Committee as an advisory body to the Management Committee. The role of the Human Resources Committee is to formulate human resource strategies aligned with management strategies and to strengthen their effectiveness. From this perspective, the important themes of the Human Resources Committee are human resource development and organizational culture cultivation, health management and well-being, and DE&I, as well as building a human capital portfolio based on management strategy and setting human resource development investments that deliver value to stakeholders. In FY2025, by focusing on human resource development and organizational culture cultivation, we will work to build teams that embody our values—"Work together to achieve high targets and exceed expectations ."

Ref. P. 61 Corporate Governance System

#1 Expand each person's capabilities | #2 Reinforce focus at all management levels | #3 Optimize allocation of the most appropriate personnel

Initiatives to Develop Talent That Drives Value Creation

To realize sustainable value creation, we position human resource development as one of our most critical management issues. To enable a diverse workforce to fully demonstrate their abilities and enhance the overall strength of the organization, we are working to expand training opportunities, enhance career support systems, and foster a corporate culture that encourages challenge. Furthermore, by nurturing next-generation leaders, we aim to develop talent capable of flexibly and proactively responding to evolving social issues and market conditions, and driving transformation. These initiatives not only support the growth of each individual employee, but also revitalize the organization, thereby enhancing corporate value while contributing to a sustainable society. Going forward, we will continue building an environment that draws out the potential of our people and leads value creation toward the future.

Highlight

"Bucho Juku," Our Next-Generation Executive Development Program

We conducted a next-generation executive development program aligned with our executive succession planning. Sixteen selected participants explored not only management perspectives but also what it means to be a true leader—developing a sense of mission, personal principles, convictions, and resolve. In doing so, they cultivated both the mindset and the capabilities required to act on these ideals. The program fostered leadership mindset transformation and behavioral change, contributing to the sustainable enhancement of corporate value. Four of the program participants have since been appointed as executive officers.

Human Resources Strategy
https://www.j-oil.com/en/sustainability/social/human_capital/about_strategic_personnel.html

#1 Expand each person's capabilities

Career Development That Supports the Growth of Each Individual

We believe that our people are the driving force behind our corporate value creation, and we are committed to supporting career development that aligns with each individual's career vision. To help employees expand their potential and proactively build their careers, we are revitalizing cross-departmental rotations to provide a wide range of experiences. In FY2025, we reinstated an open application system for internal transfers as a framework to encourage employees to take on new challenges. This allows individuals to proactively pursue new opportunities on their own initiative, striking a balance between personal growth and organizational revitalization. Additionally, we are enhancing our Career Development Program and training systems to help each employee discover their own potential and develop a long-term career outlook. Through these career development initiatives, we will continue to unlock the full potential of our people and strive for the sustainable enhancement of corporate value.

Human Resource Development
https://www.j-oil.com/en/sustainability/social/human_capital/human_development.html

Highlight

Stepping up Succession Planning

To strengthen the alignment between our business and HR strategies, we have established the Human Resources Committee and are working to deepen our succession planning. This initiative has enabled us to build a more strategic framework for identifying and developing next-generation leaders. We are also advancing the establishment of development councils at the function and department levels. These councils ensure that individual talent information is appropriately escalated to the Human Resources Committee, thereby building a robust system for succession planning. Through these efforts, we are reinforcing our talent foundation to support sustainable growth.

#4 Create an environment that encourages growth

Promoting DE&I to Empower a Diverse Workforce

Ref. P77 Non-financial Data

Based on our Human Resources Policies, we are working to create systems and workplace environments where individuals can fully demonstrate their unique personalities and abilities, aiming to realize a "comfortable and desirable workplace" for a diverse range of talent. To achieve this, we regard the promotion of DE&I as a critical element and are committed to fostering an environment that supports the growth of each and every employee.
In FY2024, we promoted diverse workstyles that enhance both job satisfaction and productivity for all employees. This included initiatives such as leadership training programs for female employees to advance their careers, and the introduction of new childcare support leave to encourage male employees to take parental leave. These initiatives have been recognized with the acquisition of the "Platinum Kurumin" certification. Furthermore, we conducted internal training sessions to raise awareness of LGBTQ+ issues, thereby deepening understanding of human rights and gender diversity and working toward a more inclusive workplace environment.

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子育てサポートしています

Supporting these initiatives is a collaborative structure consisting of three key elements: (1) management communicating the importance and policy direction of DE&I, (2) the dedicated DE&I Promotion Office, and (3) the cross-functional, company-wide openly recruited project team, the Cassiopeia *W* Project. These three entities work closely together to actively promote DE&I. Their collaboration enables the planning and implementation of initiatives that reflect on-the-ground employee perspectives, helping to cultivate a corporate culture that respects diversity throughout the organization.

FY2024 results

Female managers	Paternity leave usage rate*
8.1%	89.7%
(Target: 20.0% by FY2030)	(Target: 100% by FY2030)

* Percentage of male employees whose spouses gave birth and who took either childcare leave or leave under the childcare purpose leave system.

#4 Create an environment that encourages growth

Enhancing Health and Productivity Management to Support Physical and Mental Well-Being

We believe employees are the driving force behind our medium- to long-term growth. We place great importance on enabling our employees to work while remaining physically and mentally healthy. In FY2025, in addition to addressing health-related issues, we launched new initiatives aimed at achieving well-being. These included the distribution of videos on a wide range of health topics and the introduction of services that support collaboration with medical institutions. We are also strengthening collaboration with occupational physicians to enhance engagement in health initiatives. Going forward, we will continue to promote the creation of a safe and healthy workplace, and work to establish a comfortable environment and effective systems.

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門 A02613

Certification as One of the "Health and Productivity Management Outstanding Organizations" for the Fifth Year Running (Japanese only)
https://www.j-oil.com/press/article/250314_007059.html

#1 Expand each person's capabilities | #2 Reinforce focus at all management levels | #4 Create an environment that encourages growth

Visualization of Results through Employee Engagement

Ref. P77 Non-financial Data

At our company, we utilize employee engagement surveys as a means of visualizing the outcomes of our human capital management. Steady improvements have been observed across various items, confirming that progress is being made in establishing systems and workplace environments where each employee can demonstrate their individuality and capabilities, and take on challenges. Under our new management structure, we will further accelerate the pace of improvement and work to strengthen our foundation for sustainable growth.

Messages from Management
Introduction
Value Creation Strategies
Corporate Governance
Data Section

Management Roundtable on Human Capital with the CEO, CHRO, and an Outside Director

Members of our management team exchanged views based on their respective areas of responsibility and experience. The focus was on maximizing the value of human capital—an important management resource—and linking it to enhancing corporate value.

Koji Yamaguchi
Executive Officer & CHRO
General Manager of the Legal & HR Division

Yuichiro Haruyama
Representative Director,
President & CEO

Akiko Ikeda
Member of the Board
(Independent Outside Director)

Basic Approach to Human Capital

Haruyama: Human resources are the most important type of capital for achieving the targets of the Sixth Medium-Term Business Plan and realize medium- to long-term growth. Strengthening execution through human resource development toward our goals is indispensable, and I believe it is important to instill a shared understanding of our corporate philosophy system and management strategy.

Yamaguchi: I am acutely aware of the importance of people in realizing our vision of "Joy for Life—Bringing Joy to the Future by Food." In 2024, we set our HR management direction as "human capital," defined as maximizing each individual's ability to create value, and established the Human Capital Policy. Over the past year, we have focused on fostering individuals who embody challenge and growth, and on preparing systems and workplace environments in which strong individuals can also thrive as teams.

Ikeda: The perspectives you both shared are extremely important for sustainable human capital management. I believe the most important thing is to formulate a human capital strategy that is linked to our management strategy and to execute it steadily.

Haruyama: In pursuing sustainable growth, we must adapt to medium- to long-term changes in the business environment. Especially in today's so-called VUCA era, where external changes accelerate, we must respond quickly—sometimes even ahead of change—while also refining our core strength, "Oishisa Design (creating deliciousness)." By doing so, we will enhance our positioning and corporate value. I believe that the drivers of our vision will be enhancing the diversity and expertise of our human resources, and fostering an organizational culture that acts autonomously. As an executive, I will push forward human capital management to build the kind of people and organizational culture that embody our values: "Work together to achieve high targets and exceed expectations."

Yamaguchi: Because initiatives on human capital are fundamental to enhancing corporate value, we set up the Human Capital Subcommittee under the Sustainability Committee, and have worked to create systems and environments where employees can grow more than ever, making them a driving force for growth. However, to formulate human capital strategies aligned with our management and business strategies and strengthen their effectiveness, we made the constructive decision to dissolve the subcommittee and, from April 2025, establish the Human Resources Committee. Our highest priorities are developing people and fostering an autonomous organizational culture. We have many highly specialized personnel, and in addition to supporting them to further deepen their expertise, it is also essential to develop our middle management so they can lead transformation boldly, and to implement interdepartmental rotations that promote both challenge and growth. Alongside human resource development through rotation to broaden perspectives and skills, we are also working on cultivating the next generation of management talent.

Ikeda: From my experience managing major national-chain retailers and restaurant companies, I know first-hand the importance of people to a company. A business operates because its employees, each with different roles, give their best, and this enables initiatives for growth. That is why I believe it is vital to recognize each and every individual, and to provide skill development support, growth opportunities, and a comfortable workplace environment so they can realize their potential and thrive where they should be. That, in itself, is what DE&I initiatives are all about.

Haruyama: Our workforce is made up of people with diverse backgrounds and expertise. The key in DE&I initiatives is to create an environment that enables diverse talent to work together and thereby enhance corporate value. In such initiatives, we have also received support from our outside directors, who bring a wealth of

To further strengthen "Oishisa Design," everything ultimately comes down to human capital.

We will provide feedback on employees' opinions and comments and pursue proactive communication.

experience. For example, Outside Director Ikeda has participated in our Cassiopeia Management School, launched in 2022 to develop female management candidates. By sharing her experiences and providing feedback on participants' business project presentations, she has been a tremendous source of motivation and growth for them. She has also taken part in new initiatives to enhance the effectiveness of the Board of Directors. For instance, outside directors visited several of our domestic plants, and for the first time we held a Board meeting at a plant, in addition to holding a roundtable with female employees at production sites .

Ikeda: Yes, I have been actively participating in such initiatives, which has also deepened my own understanding of J-Oil Mills as an outside director. New executive members, including CEO Haruyama and CHRO Yamaguchi, are continuing to expand initiatives that involve directly visiting sites nationwide, not only to communicate management policy but also to engage in interactive exchanges of opinions. Sending the message that "we see you as individuals" and recognizing and respecting every single employee as a person is extremely important. I sincerely hope these activities will continue.

Haruyama: Successive presidents of our company have always placed importance on dialogue with employees, and I intend to carry on that tradition by actively engaging with them, sharing our values including our VMV (vision, mission, and values), and fostering unity. Meanwhile, at the Board of Directors, our discussions in recent years were inevitably centered on short-term business strategies for performance recovery amid severe business conditions such as surging raw material prices and yen depreciation. It was difficult to put "people" at the center of the agenda. Now that we have achieved a "revival" in FY2024, I would like to reestablish "people"—that is, human capital—as a key theme for J-Oil Mills, and as a director I intend to further enrich discussions on this subject.

Ikeda: Disclosure on human capital has been mandatory in securities reports since the fiscal year ended March 2023. This is a societal demand, and I understand it as proof that human capital is extremely important for companies. At our company as well, we want to discuss the subject thoroughly. However, what is truly important is initiatives aimed at enhancing corporate value; disclosure itself should not become the purpose. As the Board of Directors, we must take care to ensure that remains the focus.

Current Initiatives and Issues in Human Capital Management

Yamaguchi: As I mentioned earlier, our highest priority issues in 2025 are developing people and fostering an autonomous organizational culture. For human resource development, we need to clarify our specific development targets by creating a future human capital portfolio based on the business portfolio we should aim for over the medium to long term, and then identify the gaps with our current human capital portfolio. On that basis, we must effectively advance human resource development linked to our management strategy, including next-generation management talent, future young leaders, talent focused on specialized fields, people well-versed in dX, and talent who will pioneer new business domains. In particular, in this uncertain era often referred to as VUCA, it is essential not to rely solely on a linear extension of the past but to approach business with new ways of thinking and drive transformation. Developing leaders capable of doing this is an urgent task. Such talent will be the force that spurs transformation and fosters an autonomous organizational culture.

Haruyama: I believe corporate management consists of four elements: (1) vision, mission, and values (VMV): the management team, led by the CEO, repeatedly communicates our vision to employees to gain their empathy and unify the company; (2) management policy: formulating medium- to long-term policies and strategies; (3) business strategies and tactics: formulating and executing strategies and tactics for each business in line with management policy and strategy; and (4) management foundation: strengthening the corporate management foundation that makes all of this possible. My role as CEO is to promote and embed the VMW initiatives (1) and formulate the business strategy (2), while ownership of (3) business strategies and tactics and (4) management foundation lies with each responsible CxO. Promotion of the human capital strategy, one of the pillars of the management foundation, is being led by the CHRO.

Ikeda: I believe the Company's measures on human capital are being advanced actively. Even when issues are identified, translating them into concrete actions and implementing them quickly is difficult. For example, it is important that employee satisfaction as measured by engagement surveys improves not temporarily, but continuously. The foundation for that is building a sound relationship of trust between the company and its employees. To gain empathy and understanding from employees and enhance their voluntary motivation to contribute, ensuring thorough understanding and penetration of the VMV is a major issue. At our company, CEO Haruyama has made it one of his management missions to "repeatedly communicate our vision to employees to gain their empathy and unify the Company ," and this is also a theme being discussed at the Board of Directors. I therefore look forward to seeing results in this area.

Haruyama: As management, I am mindful of carefully and clearly explaining the VMV so that every employee can understand and empathize with it as a shared recognition. In addition, as part of this year's policy, we are emphasizing the achievement and accumulation of positive change and small successes—so-called quick wins—in our communication with employees. Even small changes, if approached with a focus on positive movement, can give our employees a tangible sense of transformation and deepen their confidence. This, in turn, leads to the development of our people and the further cultivation of our organizational culture.

Yamaguchi: As mentioned earlier, beginning in July 2025 we have started visits by the management team to all business sites. We provide feedback on employees' opinions and comments gathered during these dialogues and pursue proactive communication. As part of communication with employees, we also held, for the first time, a dialogue session with about 50 national executive committee members of the labor union, in addition to the regular settlement of accounts meetings conducted in the past. In this way, we shared the direction the company aims to pursue. As a companywide initiative, I want every employee, through dialogue, to internalize our value and raison d'être—"Work together to achieve high targets and exceed expectations "—as the foundation of their own actions, toward realizing our envisioned future of "Joy for Life—Bringing Joy to the Future by Food."

Future Initiatives

Ikeda: In today's world, employees are able to maintain direct connections with society. Unlike before, engagement no longer naturally rises just through their connection to the company. Even as employees of our company, they are individuals within society. In this context, when I think about how to raise employee engagement, I believe it can only be done by aligning the company's mission with each individual's dreams. Specifically, it is important to communicate with each employee, to share our vision and management policies, and to reflect each individual's aspirations in their development. We need to advance initiatives that respect each person. I want to support and have high expectations for the initiatives the management team is now undertaking.

I believe the most important thing in human capital management is to formulate human resource strategies linked to management strategy and to execute them steadily.