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February 20, 2023

To whom it may concern,

Company name: The Nisshin Oillio Group, Ltd.
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 (Securities code: 2602; Prime Market of TSE)
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 Director, Managing Officer
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Company name: J-Oil Mills, Inc.
 Name of representative: Tatsuya Sato
 Representative Director, President and CEO
 (Securities code: 2613; Prime Market of TSE)
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 Director, Managing Executive Officer
 (Telephone: +81-3-5148-7103)

Notification of Establishment of Spinoff Joint Venture Company (Simple Spinoff) **by The Nisshin Oillio Group and J-Oil Mills**

The respective Boards of Directors of The Nisshin Oillio Group, Ltd. and J-Oil Mills, Inc. today approved resolutions to transfer the oilseed processing functions in the former's Mizushima Plant and the latter's Kurashiki Plant to Oilseed Processing Partners Japan, Ltd., to be established through a joint spinoff effective April 3, 2023. Details of the new spinoff joint venture are given below.

Since for both The Nisshin Oillio Group and J-Oil Mills the decrease in total assets due to these spinoffs accounts for less than 10% of net assets on the final day of the most recent fiscal year, and the decrease of net sales is expected to be less than 3% of net sales in the most recent fiscal year, this notification partially omits some disclosure items and content.

1. Spinoff purpose

In accordance with their common recognition of long-term challenges in the domestic edible oil industry, The Nisshin Oillio Group and J-Oil Mills aim to support food and diet in Japan into the future and contribute broadly to society by realizing stable supplies of oil and meal, enhancing sustainable international competitiveness, and solving environmental and social issues. Therefore, from May 2021 they conducted a study on the establishment of an oilseed processing joint venture with a view to the nationwide integration of their oilseed processing functions. On November 9, 2022, the two companies decided to enter into basic agreement on the nationwide integration of their oilseed processing functions and the establishment of an oilseed processing joint venture company in western Japan.

In a spirit of equal partnership, the two companies continued discussions on the establishment of an oilseed processing joint venture in western Japan to be incorporated in April 2023, and now they both have agreed on a joint spinoff.

The new company will seek to build a joint business structure to bolster the international competitiveness of the domestic oilseed processing industry and ensure stable supplies over the long term. It will also promote efforts toward the building of next-generation oilseed processing plants that lead to the solution of environmental and social issues with the creation of smart factories utilizing artificial intelligence and the Internet of Things (IoT) and initiatives to facilitate a decarbonized society.

2. Spinoff outline

(1) Spinoff schedule

Board of Directors resolutions	February 20, 2023
Spinoff plan agreement	February 20, 2023
Scheduled implementation (effective date)	April 3, 2023 (scheduled)

Notes: (1) Since the provisions of Article 805 of the Companies Act regarding the establishment of simple spinoff enterprises apply for both companies in this case, the spinoffs to establish the joint venture will be implemented without obtaining approval through resolutions of their general meetings of shareholders.

(2) The spinoffs to establish the joint venture will take effect subject to the procedures stipulated in the Antimonopoly Act and other related laws to be completed. If a rescheduling of the spinoff procedure becomes necessary due to a delay in these procedures or for some other reason, the two companies may make the change upon separate consultation between the two companies.

(2) Spinoff method

Newly established by the two companies, Oilseed Processing Partners Japan will be the succeeding company taking over the spinoffs from the two companies.

(3) Share allotment pursuant to spinoffs

The newly established company will issue 10,000 ordinary shares. As spinoff recompense, 5,000 shares will be allotted to The Nisshin OilliO Group and 5,000 shares to J-Oil Mills.

(4) Handling of share options and corporate bonds with share options pursuant to spinoffs

N/A

(5) Capital increases pursuant to spinoffs

There will be no changes in the capital of the two companies arising out of the spinoffs.

(6) Rights and obligations inherited by the succeeding company

The Nisshin OilliO Group and J-Oil Mills will transfer a portion of the assets, rights and obligations of their oilseed processing business (the "said business") to the new joint venture company, which will succeed to such assets, rights and obligations in accordance with the spinoff plan. Both companies will contract the said business to the new company.

(7) Status of debt fulfilment

The succeeding company will inherit liabilities (lease liabilities) pursuant to the spinoffs. The financial amount is small, however, and no hurdle is expected in the succeeding company's fulfillment of its due obligations.

3. Approach to share allotment calculation pursuant to spinoffs

The two companies reached a decision concerning the calculation of share allotment engaging in two-party consultations, with a comprehensive investigation that involved evaluating the content of assets, etc., related to the business concerned by the cost approach method, appraising tangible fixed assets, which are the main assets related to the said business.

4. Outline of the two companies involved in the spinoffs

	Spinoff parent company (as of March 31, 2022)	Spinoff parent company (as of March 31, 2022)
(1) Company name	The Nisshin OilliO Group, Ltd.	J-Oil Mills, Inc.
(2) Head office address	1-23-1 Shinkawa, Chuo-ku, Tokyo	St. Luke's Tower, 8-1 Akashi- cho, Chuo-ku, Tokyo
(3) Name and title of representative	Takahisa Kuno, Representative Director and President	Tatsuya Sato, Representative Director, President and CEO
(4) Main business	Oil and Fat, Processed Food and Materials, Fine Chemical, etc.	Oils and Fats, Specialty Food Products, etc.
(5) Paid-in capital	¥16,332 million	¥10,000 million
(6) Established	March 1907	April 2002
(7) No. of shares issued	33,716,257 shares	33,508,446 shares
(8) Fiscal year end	March 31	March 31
(9) Principal shareholders (ratio of shares held)	-Marubeni Corporation (16.01%) -The Master Trust Bank of Japan, Ltd. (Trust Account) (12.62%) -Custody Bank of Japan, Ltd. (Trust Account) (5.60%) -Sampo Japan Insurance Inc. (2.16%) -Aioi Nissay Dowa Insurance Co., Ltd. (2.06%)	-Ajinomoto Co., Inc. (27.15%) -Mitsui & Co., Ltd. (12.52%) -The Master Trust Bank of Japan, Ltd. (Trust Account) (7.32%) -Tokio Marine & Nichido Fire Insurance Co., Ltd. (2.49%) -Customers Fund for J-Oil Mills Shares (2.16%)
(10) Financial condition and business results (consolidated) in most recent fiscal year		
Net assets	¥164,314 million	¥94,523 million
Total assets	¥344,506 million	¥161,700 million
Net assets per share	¥4,820.49	¥2,846.30
Net sales	¥432,778 million	¥201,551 million
Operating profit/loss	¥11,670 million	(¥21 million)
Ordinary profit	¥12,648 million	¥596 million
Profit attributable to owners of parent	¥8,595 million	¥1,953 million
Basic earnings per share	¥265.24	¥59.24

5. Outline of spinoff business

	The Nisshin OilliO Group	J-Oil Mills
(1) Main business of spinoff section	Oilseed processing in the Mizushima Plant	Oilseed processing in the Kurashiki Plant
(2) Business results of spinoff section (consolidated)	— *	— *
(3) Assets and liabilities of spinoff section (consolidated; estimated for April 3, 2023)	Assets: ¥7,373 million Liabilities: ¥1 million	Assets: ¥7,340 million

* Since both companies are spinning off a part of their respective production processes in the spinoff, it is difficult to specifically indicate the business performance contributed thereby.

6. Post-spinoff

There will be no change arising out of these spinoffs to the company name, head office address, name and title of representative, main business, paid-in capital, or fiscal year end for either The Nisshin OilliO Group or J-Oil Mills. Oilseed Processing Partners Japan is outlined as follows:

(1) Company name	Oilseed Processing Partners Japan, Ltd.
(2) Head office address	3-2 Mizushima Kaigan-dori, Kurashiki, Okayama Prefecture
(3) Name and title of representative	Osamu Kawabe, Representative Director Kazunobu Tanaka, Representative Director
(4) Main business	Contracted oilseed processing (production of crude oil and oil meals) by The Nisshin OilliO Group and J-Oil Mills
(5) Paid-in capital	¥100 million
(6) Fiscal year end	March 31

Note: At the time of this notification, Mr. Osamu Kawabe is an Executive Officer at the Nisshin OilliO Group, and Mr. Kazunobu Tanaka is an Executive Officer at J-Oil Mills.

7. Outlook

The impact of the spinoff on the consolidated business results of the two companies is currently being examined. If any substantial impact on business results arises, it will be announced immediately.

(Reference) Business results forecasts for FY2022 and consolidated business results for FY2021

(¥ million)

		Consolidated net sales	Consolidated operating profit/loss	Consolidated ordinary profit	Profit attributable to owners of parent
The Nisshin OilliO Group	Business results forecasts for current fiscal year (FY2022)	550,000	14,700	15,000	9,800
	Results for previous fiscal year (FY2021)	432,778	11,670	12,648	8,595
J-Oil Mills	Business results forecasts for current fiscal year (FY2022)	260,000	500	1,000	900
	Results for previous fiscal year (FY2021)	201,551	(21)	596	1,953

Note: The business results forecasts for FY2022 of The Nisshin OilliO Group were announced on February 9, 2023; those of J-Oil Mills were announced on February 3, 2023.