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(Stock Exchange Code 2613)

June 3, 2021

J-OIL MILLS, Inc.

## Notice of Convocation the 19th Annual General Meeting

- 1. Date and Time:** Thursday, June 24, 2021 at 10:00 a.m. Japan time  
\*The reception desk will open at 9:00 a.m.
  - 2. Place:** Banquet room Central Fuyo, Banquet Floor, Main building, Hotel New Otani  
Tokyo located at  
4-1 Kioi-cho, Chiyoda-ku, Tokyo, Japan
  - 3. Meeting Agenda:**
    - Matters to be reported:** The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company's 19th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
    - Proposals to be resolved:**
      - Proposal 1:** Appropriation of Surplus
      - Proposal 2:** Election of 9 Directors
      - Proposal 3:** Election of 2 Audit & Supervisory Board Members
      - Proposal 4:** Partial Revision of the Performance and Share-based Remuneration System for Directors
- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  - "Structures to ensure the appropriateness of business" in the Business Report, the "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements, and the "Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements are posted on the website ([https://www.j-oil.com/ir/Stock\\_index/StockholderMtg.html](https://www.j-oil.com/ir/Stock_index/StockholderMtg.html)) of J-OIL MILLS, Inc. (the "Company") in accordance with provisions of laws and regulations as well as Article 16 of the Company's Articles of Incorporation and therefore are not provided in the Appendix of this Notice. The Business Report audited by Audit & Supervisory Board Members consists of the Appendix of this Notice and the above "Structures to ensure the appropriateness of business" in the Business Report. The Consolidated Financial Statements and Non-consolidated Financial Statements audited by Accounting Auditor and Audit & Supervisory Board Members consists of the Appendix of this Notice, the above "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements, and "Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements.
  - Any revisions to the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, or Reference Documents for the General Meeting of Shareholders will be posted on the Company's website ([https://www.j-oil.com/ir/Stock\\_index/StockholderMtg.html](https://www.j-oil.com/ir/Stock_index/StockholderMtg.html)).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

For appropriation of surplus, the Company plans to pay the year-end dividend as follows.

#### Items related to the year-end dividend

The year-end dividend is proposed to be 50 yen per share, taking into consideration factors such as maintaining the stable return of profits to shareholders and securing necessary internal reserves for corporate structure enhancement and proactive business development in the future.

As a result, the annual dividend for this fiscal year will be 100 yen per share, including the interim dividend of 50 yen per share.

(1) Type of dividend property

Cash

(2) Items related to the allocation of dividend property to shareholders and its total amount

- 50 yen per common stock of the Company
- Total amount of dividends: 833,568,500 yen

(3) Date the appropriation of surplus comes into effect

Friday, June 25, 2021

(Note) On April 1, 2021, the Company conducted a 2-for-1 stock split of its common stocks. The year-end dividend, with a record date of March 31, 2021, shall be paid based on the number of shares before the stock split.

**Proposal 2:** Election of 9 Directors

The terms of office of all 9 Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 9 Directors is proposed, including 5 Outside Directors.

The candidates for Directors are as follows:

No.	Name	Current positions at the Company
1	Fuminao Hachiuma [Reappointment]	Representative Director, President
2	Hiroshi Hattori [Reappointment]	Director Senior Managing Executive Officer
3	Tatsuya Sato [New appointment]	Senior Managing Executive Officer
4	Eizo Matsumoto [Reappointment]	Director Managing Executive Officer
5	Kaoru Kurashima [Reappointment] [Outside]	Outside Director
6	Yoichiro Endo [Reappointment] [Outside]	Outside Director
7	Yutaro Shintaku [Reappointment] [Outside] [Independent]	Outside Director
8	Yugo Ishida [Reappointment] [Outside] [Independent]	Outside Director
9	Hiroko Koide [Reappointment] [Outside] [Independent]	Outside Director

- (Notes)
1. There are no special interests between each candidate and the Company.
  2. Five candidates, Mr. Kaoru Kurashima, Mr. Yoichiro Endo, Mr. Yutaro Shintaku, Mr. Yugo Ishida and Ms. Hiroko Koide, are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of Ordinance for Enforcement of the Companies Act.
  3. Three candidates, Mr. Yutaro Shintaku, Mr. Yugo Ishida and Ms. Hiroko Koide, are candidates for Independent Directors under the provisions of the Tokyo Stock Exchange.
  4. Pursuant to the stipulations in Article 427, Paragraph 1 of the Companies Act and Article 29 of the Company's Articles of Incorporation, the Company has entered into limited liability agreements with five candidates, Mr. Kaoru Kurashima, Mr. Yoichiro Endo, Mr. Yutaro Shintaku, Mr. Yugo Ishida and Ms. Hiroko Koide to limit their liability under Article 423, Paragraph 1 of the Companies Act to the minimum amount stipulated by laws and regulations. If the election of these five candidates is approved, the Company plans to extend these agreements with them.
  5. The Company has entered into a directors and officers liability insurance (D&O insurance) agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., such insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insured parties. The candidates shall be included in the insured parties in the insurance agreement. The Company plans to renew the agreement with the same details at the next renewal.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Fuminao Hachiuma (December 8, 1959)  [Reappointment]  [Tenure as Director (at the conclusion of this General Meeting of Shareholders)] 6 years  [Attendance at the Board of Directors meetings] 17 out of 17 meetings (100%)	April 1983 July 1998 July 2008 July 2009  July 2011 June 2013 June 2015 June 2015 June 2016	Joined Ajinomoto Co., Inc. President, PT AJINOMOTO SALES INDONESIA Director and Vice President, America Ajinomoto, Inc. General Manager, Processed Food Products Dept., Food Products Company, Ajinomoto Co., Inc. General Manager, Restaurant-use Delicatessen Dept., Food Products Division, Ajinomoto Co., Inc. Corporate Executive Officer, Ajinomoto Co., Inc. Corporate Vice President, Ajinomoto Co., Inc. Representative Director, President, J-OIL MILLS, Inc. Representative Director, President, J-OIL MILLS, Inc. (to present)	7,100
	[Reason for nomination as candidate for Director] Having been involved in management in broad fields including overseas business at Ajinomoto Co., Inc. and its group companies, he has abundant experience and track record. After being appointed as Representative Director, President of the Company, he has implemented the Board of Directors reform aiming for enhancement of corporate governance and management reform aiming for improvement of corporate value, under his strong leadership. Accordingly, the Company judged that he will be able to take a role of making important decisions and supervising business execution as Director, and nominated him as a candidate for Director.			
2	Hiroshi Hattori (January 15, 1959)  [Reappointment]  [Tenure as Director (at the conclusion of this General Meeting of Shareholders)] 1 year  [Attendance at the Board of Directors meetings] 13 out of 13 meetings (100%)  * after assuming office as Director	June 1981 July 2009  June 2012 July 2016 July 2018  June 2020 June 2020	Joined Yoshihara Oil Mill, Ltd. Manager, Processing and Foodstuff Sales Department, Oils and Fats Sales Division, J-OIL MILLS, Inc. Executive Officer, J-OIL MILLS, Inc. Managing Executive Officer, J-OIL MILLS, Inc. In charge of Oils and Fats Business, J-OIL MILLS, Inc. (to present) Director, J-OIL MILLS, Inc. (to present) Senior Managing Executive Officer, J-OIL MILLS, Inc. (to present)	1,365
	[Reason for nomination as candidate for Director] He has been involved in sales of oils and fats for many years at the Company, and has abundant experience and deep insight in the oils and fats business overall. Accordingly, the Company judged that he will be able to take a role of making important decisions and supervising business execution as Director, and nominated him as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
3	Tatsuya Sato (August 26, 1959)  [New appointment]  [Tenure as Director (at the conclusion of this General Meeting of Shareholders)] -  [Attendance at the Board of Directors meetings] -	April 1983 July 2016 June 2017 July 2018 July 2018 June 2019 April 2021	Joined Ajinomoto Co., Inc. President, Ajinomoto North America, Inc. Corporate Fellow, Ajinomoto Co., Inc. General Manager, North America Division, Ajinomoto Co., Inc. President, Ajinomoto Health and Nutrition North America Corporate Vice President, Ajinomoto Co., Inc. Senior Managing Executive Officer, In Charge of Corporate Administration, J-OIL MILLS, Inc. (to present)	-
	[Reason for nomination as candidate for Director] He has been involved in food and a wide variety of businesses, mainly overseas, at Ajinomoto Co., Inc., and has abundant experience and insights related broadly to overseas business and corporate management in general. By leveraging these factors, he is expected to take a role of making important decisions and supervising business execution as Director, and therefore the Company nominated him as a candidate for Director.			
4	Eizo Matsumoto (January 25, 1961)  [Reappointment]  [Tenure as Director (at the conclusion of this General Meeting of Shareholders)] 4 years  [Attendance at the Board of Directors meetings] 17 out of 17 meetings (100%)	April 1986 July 2011  April 2015  June 2017 June 2017 June 2017 July 2018	Joined Ajinomoto Co., Inc. Head, Process Industrialization Laboratory, Research Institute for Bioscience Products & Fine Chemicals, Ajinomoto Co., Inc. Deputy Director General for Science, Technology and Innovation, Cabinet Office Advisor, J-OIL MILLS, Inc. Director, J-OIL MILLS, Inc. (to present) Managing Executive Officer, J-OIL MILLS, Inc. (to present) In charge of Production & Technology, J-OIL MILLS, Inc. (to present)	1,100
	[Reason for nomination as candidate for Director] He has been involved in researches including for industrialization of food ingredients and pharmaceutical ingredients at Ajinomoto Co., Inc. For around two years since 2015, he performed his duties as Deputy Director General of Cabinet Office. Thus, he has abundant experience and profound insights related to researches in general for industrialization of various ingredients. Accordingly, the Company judged that he will be able to take a role of making important decisions and supervising business execution as Director, and nominated him as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
5	<p>Kaoru Kurashima (May 5, 1960)</p> <p>[Reappointment] [Outside]</p> <p>[Tenure as Director (at the conclusion of this General Meeting of Shareholders)] 1 year</p> <p>[Attendance at the Board of Directors meetings] 12 out of 13 meetings (92%)</p> <p>* after assuming office as Director</p>	<p>April 1984      Joined Ajinomoto Co., Inc.</p> <p>July 2011      President, AJINOMOTO DEL PERU S.A.</p> <p>July 2013      President, PT AJINOMOTO INDONESIA</p> <p>June 2015      Corporate Executive Officer, Ajinomoto Co., Inc.</p> <p>June 2016      Corporate Vice President, Ajinomoto Co., Inc.</p> <p>June 2019      Corporate Senior Vice President, Ajinomoto Co., Inc. (to present)</p> <p>June 2019      General Manager, Food Products Division, Ajinomoto Co., Inc.</p> <p>September 2019      Outside Director, Tokai Denpun Co.,Ltd. (to present)</p> <p>June 2020      Outside Director, J-OIL MILLS, Inc. (to present)</p> <p>April 2021      General Manager, Global Corporate Division and Corporate Service Division, Ajinomoto Co., Inc. (to present)</p> <p>Significant concurrent positions: Corporate Senior Vice President, General Manager, Global Corporate Division and Corporate Service Division, Ajinomoto Co., Inc. Outside Director, Tokai Denpun Co.,Ltd.</p>	-	
	<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>He has been involved in food business both in Japan and overseas at Ajinomoto Co., Inc. and has abundant experience and insights related broadly to food business and corporate management in general. By leveraging these factors, he is expected to take a role of making important decisions and supervising business execution as Director, and therefore the Company nominated him as a candidate for Outside Director.</p>			
6	<p>Yoichiro Endo (May 25, 1965)</p> <p>[Reappointment] [Outside]</p> <p>[Tenure as Director (at the conclusion of this General Meeting of Shareholders)] 3 years</p> <p>[Attendance at the Board of Directors meetings] 17 out of 17 meetings (100%)</p>	<p>April 1988      Joined MITSUI &amp; CO., LTD.</p> <p>July 1996      General Manager, Corporate Development Dept., MITSUI &amp; CO. (U.S.A.), INC., New York Headquarters</p> <p>April 2001      CEO &amp; Managing Partner, Mitsui &amp; Co. Venture Partners</p> <p>July 2004      General Manager, Investment Business Office, Corporate Investment Development Dept., MITSUI &amp; CO., LTD.</p> <p>September 2007      Representative Director, President and CEO, MITSUI &amp; CO., Principal Investments LTD.</p> <p>April 2017      General Manager of Oils &amp; Fats and Staple Foods Dept., Food Business Unit, MITSUI &amp; CO., LTD.</p> <p>June 2018      Outside Director, J-OIL MILLS, Inc. (to present)</p> <p>April 2020      Managing Officer, Chief Operating Officer of Food Business Unit, MITSUI &amp; CO., LTD. (to present)</p> <p>Significant concurrent positions: Managing Officer, Chief Operating Officer of Food Business Unit, MITSUI &amp; CO., LTD.</p>	-	
	<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>He has been involved in businesses including overseas business and food business at MITSUI &amp; CO., LTD., and has abundant experience and insights related broadly to food business and overseas business. By leveraging these factors, he is expected to take a role of making important decisions and supervising business execution as Director, and therefore the Company nominated him as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	<p>Yutaro Shintaku (September 19, 1955)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Tenure as Director (at the conclusion of this General Meeting of Shareholders)] 4 years</p> <p>[Attendance at the Board of Directors meetings] 17 out of 17 meetings (100%)</p>	<p>January 1999    Joined TERUMO CORPORATION</p> <p>June 2010    Representative Director, President and CEO, TERUMO CORPORATION (Retired in March 2017)</p> <p>June 2017    Advisor, TERUMO CORPORATION</p> <p>June 2017    Outside Director, Santen Pharmaceutical Co., Ltd. (to present)</p> <p>June 2017    Outside Director, J-OIL MILLS, Inc. (to present)</p> <p>March 2018    Outside Director, Kubota Corporation (to present)</p> <p>April 2018    Visiting Professor of Hitotsubashi University Business School</p> <p>April 2019    Specially-appointed Professor of Hitotsubashi University Business School (to present)</p> <p>September 2019 Outside Director, KOZO KEIKAKU ENGINEERING Inc. (to present)</p> <p>Significant concurrent positions: Outside Director, Santen Pharmaceutical Co., Ltd. Outside Director, Kubota Corporation Outside Director, KOZO KEIKAKU ENGINEERING Inc. Specially-appointed Professor of Hitotsubashi University Business School</p>	-
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>He has been engaged in management of TERUMO CORPORATION for many years as Representative Director, President and CEO and has abundant experience and insights related to corporate management. By leveraging these factors, he is expected to take a role of making important decisions and supervising business execution as Director, and therefore the Company nominated him as a candidate for Outside Director.</p>			
<p>(Note) Kubota Corporation, where Mr. Yutaro Shintaku serves as Outside Director, announced in September 2018 the inappropriate conduct related to the inspection reports on expandable components (rolling mill rolls). Mr. Shintaku had not recognized such inappropriate conduct until it came to light. However he regularly made suggestions from the perspective of compliance and legal compliance at the meetings of the Board of Directors. After this conduct was recognized, he has fulfilled his responsibilities by giving directions regarding thorough investigations into the cause, recurrence prevention, and review of inspection system.</p>			
8	<p>Yugo Ishida (January 1, 1957)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Tenure as Director (at the conclusion of this General Meeting of Shareholders)] 2 years</p> <p>[Attendance at the Board of Directors meetings] 17 out of 17 meetings (100%)</p>	<p>April 1979    Joined Nomura Securities Co., Ltd.</p> <p>November 1997 Representative Director and President, Nomura Italy S.I.M.p.A</p> <p>April 2004    Executive Officer, Nomura Holdings, Inc.</p> <p>April 2005    Director, President and CEO, Nomura Europe Holdings plc</p> <p>April 2008    Managing Executive Officer, Nomura Holdings, Inc.</p> <p>April 2009    Executive Vice President, Nomura Asset Management Co., Ltd.</p> <p>June 2011    Director, COO and President, Nomura Asset Management Co., Ltd. (Retired in August 2012)</p> <p>January 2014   Representative Director and President, LAZARD JAPAN ASSET MANAGEMENT K.K. (to present)</p> <p>June 2019    Outside Director, J-OIL MILLS, Inc. (to present)</p> <p>Significant concurrent positions: Representative Director and President, LAZARD JAPAN ASSET MANAGEMENT K.K.</p>	-
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>He has been engaged in corporate management as well as involved in finance in Japan and overseas at security companies and asset management companies, and has abundant experience and insights related to capital market and corporate management. By leveraging these factors, he is expected to take a role of making important decisions and supervising business execution as Director, and therefore the Company nominated him as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	<p>Hiroko Koide (August 10, 1957)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Tenure as Director (at the conclusion of this General Meeting of Shareholders)] 2 years</p> <p>[Attendance at the Board of Directors meetings] 17 out of 17 meetings (100%)</p>	<p>September 1986 Joined J. Walter Thompson Japan K.K. (currently J. Walter Thompson Japan)</p> <p>May 1993 Joined Nippon Lever K.K. (currently Unilever Japan K.K.)</p> <p>April 2001 Director, Nippon Lever K.K. (currently Unilever Japan K.K.) (Retired in March 2006)</p> <p>April 2006 General Manager, Marketing Management Unit, Masterfoods Ltd. (currently Mars Japan Limited)</p> <p>April 2008 Chief Operating Officer, Masterfoods Ltd. (currently Mars Japan Limited) (Retired in August 2010)</p> <p>November 2010 Representative Director and President, Parfums Christian Dior Japon K.K. (Retired in January 2012)</p> <p>April 2013 Senior Vice President, Global Marketing, Newell Rubbermaid Inc. (U.S.) (currently Newell Brands Inc. (U.S.)) (Retired in February 2018)</p> <p>June 2016 Outside Director, Mitsubishi Electric Corporation (to present)</p> <p>April 2018 Director, Vicela Japan Co., Ltd. (Retired in March 2019)</p> <p>June 2019 Outside Director, Honda Motor Co., Ltd. (Scheduled to retire in June 2021)</p> <p>June 2019 Outside Director, J-OIL MILLS, Inc. (to present)</p> <p>May 2021 Outside Director, J. FRONT RETAILING Co., Ltd. (scheduled)</p> <p>Significant concurrent positions: Outside Director, Mitsubishi Electric Corporation Outside Director, J. FRONT RETAILING Co., Ltd. (scheduled)</p>	-
<p>[Reason for nomination as candidate for Outside Director and expected roles] She has been engaged in corporate management as well as involved in marketing at a variety of global companies, and has abundant experience and insights related to global business, marketing and corporate management. By leveraging these factors, she is expected to take a role of making important decisions and supervising business execution as Director, and therefore the Company nominated her as a candidate for Outside Director.</p>			



**Proposal 3:** Election of 2 Audit & Supervisory Board Members

The terms of office of 2 Audit & Supervisory Board Members, Mr. Akira Nozaki and Mr. Shuichi Ikeya will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 2 Audit & Supervisory Board Members is proposed.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p>Akira Nozaki (November 20, 1957)</p> <p>[Reappointment]</p> <p>[Tenure as Audit &amp; Supervisory Board Member (at the conclusion of this General Meeting of Shareholders)] 4 years</p>	<p>April 1988 Registration to lawyer (DAI-ICHI TOKYO BAR ASSOCIATION)</p> <p>April 1995 Established Nagashima &amp; Nozaki Law Office</p> <p>March 2003 Established Nozaki Law Office (to present)</p> <p>September 2006 Audit &amp; Supervisory Board Member, Macromill, Inc. (Retired in September 2014)</p> <p>June 2011 Audit &amp; Supervisory Board Member, NEC Fielding, Ltd. (Retired in June 2015)</p> <p>June 2014 Outside Audit &amp; Supervisory Board Member, ipet Insurance CO., Ltd. (Retired in June 2019)</p> <p>June 2015 Outside Director, ICHIKAWA CO., LTD. (to present)</p> <p>June 2015 Outside Director, J-OIL MILLS, Inc. (Retired in June 2017)</p> <p>June 2017 Audit &amp; Supervisory Board Member, J-OIL MILLS, Inc. (to present)</p> <p>Significant concurrent positions: Representative, Nozaki Law Office (lawyer) Outside Director, ICHIKAWA CO., LTD.</p>	-
<p>[Reason for nomination as candidate for Audit &amp; Supervisory Board Member]</p> <p>He has specialized knowledge and abundant experience as a legal expert focusing on corporate legal affairs. Accordingly, he is expected to provide objective monitoring and supervision of the execution of duties by management, and therefore the Company nominated him as a candidate for Audit &amp; Supervisory Board Member.</p>			
2	<p>Eiji Mizutani (August 29, 1957)</p> <p>[New appointment] [Outside] [Independent]</p> <p>[Tenure as outside Audit &amp; Supervisory Board Member (at the conclusion of this General Meeting of Shareholders)] -</p>	<p>October 1981 Joined Shinwa Audit Corp. (currently KPMG AZSA LLC)</p> <p>September 2003 Partner, Asahi &amp; Co. (currently KPMG AZSA LLC)</p> <p>November 2015 Chairman of the Senior Review Board, KPMG AZSA LLC (to present)</p> <p>Significant concurrent positions: Chairman of the Senior Review Board, KPMG AZSA LLC</p>	-
<p>[Reason for nomination as candidate for outside Audit &amp; Supervisory Board Member]</p> <p>He has specialized knowledge and abundant experience as a certified public accountant, and has not been engaged in corporate management in the past. Nevertheless, he is expected to provide objective monitoring and supervision of the execution of duties by management, and therefore the Company nominated him as a candidate for outside Audit &amp; Supervisory Board Member.</p>			

(Notes)

- There are no special interests between each candidate and the Company.
- Mr. Eiji Mizutani is a candidate for Outside Audit & Supervisory Board Member as stipulated in Article 2, Paragraph 3, Item 8 of Ordinance for Enforcement of the Companies Act.  
Mr. Eiji Mizutani is a candidate for an Independent Audit & Supervisory Board Member under the provisions of the Tokyo Stock Exchange.
- Pursuant to the stipulations in Article 427, Paragraph 1 of the Companies Act and Article 38 of the Company's Articles of Incorporation, the Company has entered into a limited liability agreement with Mr. Akira Nozaki to limit his liability under Article 423, Paragraph 1 of the Companies Act to the minimum amount stipulated by laws and regulations. If the election of Mr. Akira Nozaki is approved, the Company plans to extend the agreement with him.

If the election of Mr. Eiji Mizutani is approved, pursuant to the stipulations in Article 427, Paragraph 1 of the Companies Act and Article 38 of the Company's Articles of Incorporation, the Company plans to enter into a limited liability agreement with him to limit his liability under Article 423, Paragraph 1 of the Companies Act to the minimum amount stipulated by laws and regulations.

4. The Company has entered into a directors and officers liability insurance (D&O insurance) agreement provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., such insurance agreement shall compensate for damages including compensation for damages and legal expenses to be borne by the insured parties. The candidates shall be included in the insured parties in the insurance agreement. The Company plans to renew the agreement with the same details at the next renewal.

(Reference 1) Expertise, etc. of Directors and Audit & Supervisory Board Members after Conclusion of This General Meeting of Shareholders (Skill Matrix)

Name	Position	Corporate management	Financial accounting / finance	Sales / marketing	R&D / production / environment	Global	Legal affairs / compliance
Fuminao Hachiuma	Representative Director, President	○		○		○	
Hiroshi Hattori	Director, Senior Managing Executive Officer			○	○		
Tatsuya Sato	Director, Senior Managing Executive Officer	○		○		○	
Eizo Matsumoto	Director, Managing Executive Officer				○	○	
Kaoru Kurashima	Outside Director	○		○		○	
Yoichiro Endo	Outside Director	○				○	
Yutaro Shintaku	Outside Director	○	○			○	
Yugo Ishida	Outside Director	○	○			○	
Hiroko Koide	Outside Director	○		○		○	
Shunichi Komatsu	Audit & Supervisory Board Member (Standing)	○		○		○	
Akira Nozaki	Audit & Supervisory Board Member						○
Akira Muto	Outside Audit & Supervisory Board Member	○	○				○
Eiji Mizutani	Outside Audit & Supervisory Board Member		○			○	

(Note) The above list shows the areas in which each of the above persons can demonstrate more expertise based on their experience, etc., and is not an exhaustive list of all areas of knowledge they have.

(Reference 2) Independence Criteria for Outside Officers

The Company assesses the independence of Outside Directors and Outside Audit & Supervisory Board Members after confirming whether any of the following categories apply:

1. A business executive of the Company Group or person who previously served at the Company Group
  - \*1 The “Company Group” refers to the Company and its consolidated subsidiaries.
  - \*2 A “business executive” refers to an Executive Director, Executive Officer, Corporate Officer, other employee, etc.
  - \*3 A “person who previously served” refers to an employee with experience of serving at the Company Group.
2. A major shareholder of the Company or a business executive thereof
  - \*4 A “major shareholder” refers to a party that holds 10% or more of voting rights.
3. A business executive of a company, etc. of which the Company is a major shareholder
4. A party for which the Company Group is a major business partner or a business executive thereof
  - \*5 A “party for which the Company Group is a major business partner” refers to a business partner for which net sales to the Company Group account for 2% or more of total net sales.
5. A major business partner of the Company Group or a business executive thereof
  - \*6 A “major business partner of the Company Group” refers to a business partner that accounts for 2% or more of the Company Group’s consolidated net sales.
6. A major lender to the Company Group or a business executive thereof
  - \*7 A “major lender to the Company Group” refers to a lender (financial institution) to whom the Company’s outstanding borrowings at the end of the fiscal year are 2% or more of consolidated total assets.
7. The Accounting Auditor of the Company or a person belonging thereto
8. A consultant, accounting professional, or legal professional receiving 10 million yen or more per annum in cash or other proprietary benefits from the Company, excluding officer remuneration (if the party receiving this property is a corporation, partnership, or other organization, a person belonging to that organization)
9. A party receiving donations of 10 million yen or more per annum from the Company Group or a business executive thereof
10. A business executive of a party with a relationship with the Company Group whereby outside officers are mutually appointed
11. A person who fell under the above category 1. in the past or a person who fell under any of the categories 2. through 10. in the past three (3) years
12. A spouse or relative within the second degree of kinship of a person who falls under any of the above categories 1. through 11.
13. When there are any reasons other than those in each of the above items by which it is reasonably judged that the person will not be able to fulfill his or her duties as an independent outside officer, such as cases when a conflict of interest may arise with the Company.

## **Proposal 4: Partial Revision of the Performance and Share-based Remuneration System for Directors**

### **1. Reasons for the Proposal and Reasons Why the Proposal is Deemed Appropriate**

This Proposal seeks the approval of the shareholders to make partial revisions (hereinafter referred to as the “Revision”) to the performance and share-based remuneration plan, the Board Benefit Trust (BBT) (hereinafter referred to as the “Plan”) for the Directors and Executive Officers of the Company (excluding Outside Directors. Hereinafter referred to as the “Directors, etc.”)

The Plan, upon being approved by resolution of the 15th Annual General Meeting of Shareholders held on June 22, 2017 (hereinafter referred to as the “Original Resolution”), was adopted by the Company, and continues to this day. The Plan’s objectives were to further clarify the link between the remuneration to Directors, etc. and the Company’s performance and stock value, so that Directors, etc. share with the shareholders not only the benefits of rising stock prices but also the risks of declining stock prices, thereby raising their awareness toward contributing to the continuous improvement of business performance and the increase of corporate value in the medium- to long-term.

In this Proposal, the Company seeks approval to revise the timing in which the Directors, etc. are to receive the shares of the Company and cash equivalents of such shares at market value (hereinafter collectively referred to as the “Company Shares, etc.”) under the Plan, so that the Directors, etc. will further share in the benefits of rising stock prices and the risks of declining stock prices with the shareholders.

This Proposal also seeks approval to raise the limit on the number of points and to revise the evaluation coefficients in light of the remuneration systems of our competitors, in the belief that by raising the ratio of share-based remuneration (long-term incentives) among the total amount of remuneration to Directors, etc., management will share the same perspective as the shareholders and further raise its awareness toward contributing to the sustainable increase of corporate value of the Company and the continuous improvement of business performance in the medium- to long-term.

Under this Proposal, share-based remuneration will be paid to Directors, etc. separately, from the maximum amount of remuneration to Directors (not more than ¥450 million annually, however, excluding the salary portion (including not more than ¥50 million annually for Outside Directors)) approved by resolution of the Annual General Meeting Shareholders held on June 25, 2020. Accordingly, the Company seeks approval to partially revise the remuneration plan approved by the Original Resolution. Furthermore, the Company proposes to leave the details of the Plan after the Revision to the discretion of the Board of Directors within the scope outlined in paragraph 2. below.

Given that the Revision has been deliberated by the Nomination Advisory Committee and the Remuneration Advisory Committee, the majority of which comprises Independent Outside Directors and that it aligns with the Policy on Decisions concerning the Details of Individual Remunerations of Directors of the Company (Please see Appendix), which is to be approved by the meeting of the Board of Directors to be held following this Annual General Meeting of Shareholders, the Company has deemed that the details of this Proposal are appropriate.

Currently, the number of Directors eligible under the Plan is 4. If Proposal 2 is approved as originally proposed, the number of Directors eligible under the Plan will remain 4.

The payment of the Company Shares, etc. based on the points awarded to Directors, etc. relating to the fiscal years until the fiscal year ended by March 31, 2021, will be carried out, in principle, in accordance with the Original Resolution, at a specific time after the end of the 4 fiscal year-period from the fiscal year ended March 31, 2018 to the fiscal year ended March 31, 2021, as originally planned. In conjunction with this Revision, however, starting from the payment of the Company Shares, etc. based on the points awarded to Directors, etc. for the fiscal year ending March 31, 2022, payment shall be carried out, in accordance with the revised Plan as described in paragraph 2. below, and in principle, at the time of retirement.

### **2. Details of the Revision (Calculation Method of the Amount of Remuneration under the Plan and Details Thereof)**

The details of the previous Plan shall be partially revised as follows.

#### **(1) Overview of the Plan**

The Plan is a performance and share-based remuneration plan whereby shares of the Company are acquired through a trust (hereinafter, the trust established based on the Plan is referred to as the “Trust”) using the cash contributed by the Company as funds, and the Company Shares, etc. are paid to the Directors, etc. through the Trust, pursuant to the Rules for the Payment of Shares to Officers, established

by the Company. The Directors, etc. of the Company shall receive payment of the Company Shares, etc. in principle, at the time of retirement.

(2) Amount of Trust Funds

The Company, within the maximum amount approved by resolution of the 15th Annual General Meeting of Shareholders, has contributed cash in the amount of ¥700 million as funds to acquire shares for payment to the Directors, etc. of the Company under the Plan for the 4 fiscal year-period from the fiscal year ended March 31, 2018 to the fiscal year ended March 31, 2021 (hereinafter referred to as the “Initial Target Period”) and established the Trust with the Directors, etc. who satisfy the beneficiary requirements as the beneficiaries. The Trust, using the cash entrusted by the Company as funds, has acquired 349,800 shares of the Company for the Initial Target Period.

Conditional upon the approval of this Proposal, the Company shall designate the 4 fiscal year-period from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2025 as the initial Target Period after the Revision (hereinafter, said 4 fiscal year-period is referred to as the “Revised Initial Target Period,” and the Revised Initial Target Period and each 4 fiscal year-period following the Revised Initial Target Period are referred to as the “(Revised) Target Period.”

In the event that in the Revised Initial Target Period, a shortage in the number of shares required for payment to the Directors, etc. under the Plan is expected, the Company shall reasonably estimate the number of shares required and make additional contributions to the Trust of the funds deemed to be required by the Trust to acquire the shares in advance.

Furthermore, the Company, for each (Revised) Target Period, after the Revised Initial Target Period and until the termination of the Plan, shall reasonably estimate the number of shares required for the payment to the Directors, etc. under the Plan and make additional contributions to the Trust of the funds required by the Trust to acquire the shares in advance. However, when making such additional contributions, if any shares of the Company remain in the Trust (excluding shares of the Company equivalent to the number of points awarded to the Directors, etc. corresponding to each Target Period immediately preceding the current Target Period, and not yet granted) or cash (hereinafter collectively referred to as the “Remaining Shares, etc.”), the Remaining Shares, etc. shall be allocated to the funds required for payment under the Plan for the (Revised) Target Period, and the amount of the additional contributions shall be calculated upon taking into account the Remaining Shares, etc.

Any decision by the Company to make additional contributions will be disclosed in a timely and appropriate manner.

(3) Method of Acquiring the Shares of the Company and the Number of Shares to Be Acquired

The Trust shall use funds contributed, as described in paragraph (2) above, to acquire the shares of the Company on the stock market or by underwriting the disposal of the Company's treasury shares. As the limit on the number of points to be awarded to the Directors, etc. and the evaluation coefficients will be revised, as described in paragraph (4) below, the maximum value of the points to be awarded to Directors, etc. and to be adjusted after being awarded shall be a total of 390,000 points for each (Revised) Target Period. Accordingly, the limit on the number of shares to be acquired by the Trust for the Revised Initial Target Period shall be 390,000 shares.

(4) Limit on the Number of the Company Shares, etc. to be Awarded to the Directors, etc.

Preliminary points shall be awarded to the Directors, etc. for each fiscal year at an amount determined based on his or her position, pursuant to the Rules for the Payment of Shares to Officers. After the conclusion of the (Revised) Target Period to which each of the said fiscal years belonged, the preliminary points awarded to the Directors, etc. for each fiscal year are adjusted by multiplying the said points by an evaluation coefficient (within the range of 0.0 through 1.50), which has been determined in advance according to the business performance of the said (Revised) Target Period. The limit on the total number of the revised points to be awarded to Directors for each (Revised) Target Period shall be 170,000 points, and the limit on the total number of the revised points to be awarded to Executive Officers for each (Revised) Target Period shall be 90,000 points. Therefore, the maximum value of the points adjusted after being awarded for each (Revised) Target Period shall be 255,000 points for Directors and 135,000 points for Executive Officers. These numbers have been decided upon comprehensively taking into consideration such factors as current executive remuneration levels, trends in the number of Directors, etc., and future outlook, and are, therefore, deemed appropriate.

The points awarded to the Directors, etc., in the payment of the Company Shares, etc., described in paragraph (5) below, shall be exchanged into the common stock of the Company at a rate of one share per point (however, where after this Proposal has been approved by the Annual General Meeting of Shareholders, a stock split, a gratis allotment or stock consolidation, etc. takes place concerning such shares, the Company shall perform a reasonable adjustment of the limit on the number of points and the number of points already awarded or the exchange ratio, depending on the ratio of shares after such

change).

If, for example, the number of shares equivalent to the maximum value of points awarded to Directors, etc. and adjusted for the Revised Initial Target Period (390,000 shares) is multiplied by the closing price as of May 11, 2021 (¥1,885), it would be approximately ¥735 million.

Additionally, the ratio of the number of shares equivalent to the limit on the number of points awarded to Directors, etc., for the Revised Initial Target Period (390,000 shares) to the total number of shares issued (the total number of shares issued as of March 31, 2021, after excluding treasury shares and reflecting the stock split which was implemented on April 1, 2021) is approximately 1.2%.

The number of points awarded to Directors, etc. as the base for the payment of the Company Shares, etc., described in paragraph (5) below shall be, in principle, the number of points awarded to the said Directors, etc. after the fiscal year ending March 31, 2022, until the time of retirement (hereinafter, the points calculated in this manner are referred to as the “Fixed Points”).

#### (5) Payment of the Company Shares, etc. and the Specific Calculation Method of the Amount of Remuneration

Directors who have satisfied beneficiary requirements, by completing the prescribed procedures to be designated as a beneficiary, shall, in principle, receive payment of the shares of the Company according to the number of Fixed Points, determined in accordance with the description of paragraph (4) above, from the Trust at the time of retirement. However, if the requirements set forth in the Rules for the Payment of Shares to Officers are met, a certain proportion of the payment may be received as a cash payment equivalent to the market value of the shares of the Company, in lieu of the payment in shares. The Trust may sell shares of the Company when making such cash payments.

Directors, etc., even after they have been awarded points, may have their awarded points confiscated, in whole or in part, by resolution of the Board of Directors, if any events set forth in the Rules for the Payment of Shares to Officers occur. Furthermore, Directors, etc., even after they have received payment, may be demanded the return of cash equivalent to the shares and cash received, if any events set forth in the Rules for the Payment of Shares to Officers occur.

The amount of remuneration received by the Director shall be based on the total number of points awarded to the Director at the time the points are awarded multiplied by the book value per share of the shares of the Company held by the Trust (however, where a stock split, a gratis allotment or stock consolidation, etc. takes place concerning such shares, the Company shall perform a reasonable adjustment, depending on the ratio of shares after such change). Furthermore, if, as an exceptional case, cash is to be paid pursuant to the provisions of the Rules for the Payment of Shares to Officers, the amount of remuneration will be the amount to which said amount has been added, when deemed appropriate.

#### (6) Handling of Dividends

Dividends pertaining to the shares of the Company within the Trust account shall be received by the Trust and allocated to the funds used to acquire the shares of the Company or to trust fees, etc. for the trustee related to the Trust. In addition, upon the termination of the Trust, dividends, etc., remaining shall be prorated and paid to the Directors, etc., who are in office at that time, according to the number of points held, pursuant to the Rules for the Payment of Shares to Officers.

### [Appendix] Policy on Decisions concerning the Details of Individual Remunerations of Directors of the Company

#### Current: Policy on Decisions concerning the Details of Individual Remunerations of Directors and Audit & Supervisory Board Members

##### (I) Basic Policy

J-Oil Mills' executive remuneration system comprises fixed remuneration and performance-based remuneration to clarify the executives' responsibility toward improving business performance and corporate value and to raise their motivation and morale toward the improvement of business performance and corporate value. Performance-based remuneration is made up of bonus payments and share-based remuneration and serves as both short-term as well as long-term incentives toward the improvement of business performance and corporate value. Remuneration levels are determined by taking the roughly 50th percentile of the peer companies with similar net sales and operating profit based on objective indicators as benchmarks, and upon analysis and comparison utilizing the data of outside research firms.

The amounts and the methods of calculation of executive remuneration have been specified by the Board of Directors in our Executive Compensation Policy. To clarify the independence, objectivity, and

accountability of the functions of the Board of Directors relating to executive remuneration, the amounts of executive remuneration are determined by the Board of Directors following the discussions by the Remuneration Advisory Committee on the implementation of the remuneration system and the validity of the system itself.

(II) Policy on Decisions concerning the Amount of Individual Basic Remunerations (Monetary Remuneration) (including the policy on the decisions on when to pay remunerations and the conditions for payment)

As consideration for the “expectations” entailed by the roles and duties of each executive, a fixed monthly amount has been set depending on the job position and paid each month.

(III) Policy on Decisions concerning the Details of Performance-based Remuneration and Non-monetary Remuneration and the Calculation Method of the Amount and Number Thereof (including the policy on the decisions on when to pay remunerations and the conditions for payment)

The calculation of performance-based remuneration takes into consideration company-wide performance evaluations and individual performance evaluations, and salary is calculated based on the ratio of performance evaluations, depending on position and role. The higher the position of the executive, the greater the proportion of performance-based remuneration that is set, given that the higher the position, the more significant are the expected outcomes and the greater is the responsibility for company performance.

(i) “Bonuses (short-term incentives)”

As consideration for the achievement of business performance for each year, bonuses are determined and paid based on the level of achievement of company-wide performance and individual performance targets. When making contributions to the improvement of business performance and corporate value, business performance is seen as crucial determining criteria. Accordingly, the basic indicator to evaluate company-wide performance comprises consolidated operating profit.

(ii) “Share-based remuneration (long-term incentives)”

As consideration for the achievement of medium- to long-term company-wide performance targets, the shares of the Company are paid to executives who were in office during the performance-evaluation period after the pre-determined performance-evaluation period has ended, in an effort to share value with the shareholders. When making contributions to the improvement of business performance and corporate value, evaluations of our corporate value are manifested in our stock value. Accordingly, the basic indicators to evaluate company-wide performance targets place special emphasis on ROE, to which consolidated operating profit and consolidated net sales are also added.

(IV) Policy on Decisions concerning the Ratio of the Amounts of Monetary Remuneration, Performance-based Remuneration or Non-monetary Remuneration to the Amount of Individual Remunerations of Directors

The proportion of performance-based remuneration of the Directors (excluding Outside Directors) will fluctuate within a range of 0 to 66%. Outside Directors and Audit & Supervisory Board Members receive only fixed remuneration.

Position	Fixed remuneration (%)		Performance-based remuneration (%)	
			Bonuses	Share-based remuneration
Representative Director, President	51	49	32	17
Director, Senior Managing Executive Officer and Director, Managing Executive Officer	57 – 59	41 – 43	25 – 26	16 – 17
Outside Directors	100	-	-	-
Audit & Supervisory Board Members	100	-	-	-

(V) Matters relating to Decisions concerning the Details of Individual Remunerations of Directors and Audit & Supervisory Board Members

The Policy on Decisions concerning the Details of Individual Remunerations of Directors and Audit & Supervisory Board Members is determined by the Board of Directors following the discussions by the Remuneration Advisory Committee on the implementation of the remuneration system and the validity of the system itself.



Revised: Policy on Decisions concerning the Details of Individual Remunerations of Directors and Audit & Supervisory Board Members

\*Underlined sections indicate the major revisions.

(I) Basic Policy

J-Oil Mills' executive remuneration system comprises fixed remuneration and performance-based remuneration to clarify the executives' responsibility toward improving business performance and corporate value and to raise their motivation and morale toward the improvement of business performance and corporate value. Performance-based remuneration is made up of bonus payments and share-based remuneration and serves as both short-term as well as long-term incentives toward the improvement of business performance and corporate value. Remuneration levels are determined by defining the peer companies with similar net sales and operating profit based on objective indicators as benchmarks and ensuring that the total amount of remunerations are equivalent to the 50th to 75th percentile once the Medium-Term Business Plan budget is achieved while maintaining minimum levels equivalent to the 25th percentile level, and upon analysis and comparison utilizing the data of outside research firms.

The amounts and the methods of calculation of executive remuneration have been specified by the Board of Directors in our Executive Compensation Policy. To clarify the independence, objectivity, and accountability of the functions of the Board of Directors relating to executive remuneration, the amounts of executive remuneration are determined by the Board of Directors following the discussions by the Remuneration Advisory Committee on the implementation of the remuneration system and the validity of the system itself.

(II) Policy on Decisions concerning the Amount of Individual Basic Remunerations (Monetary Remuneration) (including the policy on the decisions on when to pay remunerations and the conditions for payment)

As consideration for the "expectations" entailed by the roles and duties of each executive, a fixed monthly amount has been set depending on the job position and paid each month.

(III) Policy on Decisions concerning the Details of Performance-based Remuneration and Non-monetary Remuneration and the Calculation Method of the Amount and Number Thereof (including the policy on the decisions on when to pay remunerations and the conditions for payment)

The calculation of performance-based remuneration takes into consideration company-wide performance evaluations and individual performance evaluations, and salary is calculated based on the ratio of performance evaluations, depending on position and role. The higher the position of the executive, the greater the proportion of performance-based remuneration that is set, given that the higher the position, the more significant are the expected outcomes and the greater is the responsibility for company performance.

(i) "Bonuses (short-term incentives)"

As consideration for the achievement of business performance for each year, bonuses are determined and paid based on the level of achievement of company-wide performance and individual performance targets. When making contributions to the improvement of business performance and corporate value, business performance is seen as crucial determining criteria. Accordingly, the basic indicator to evaluate company-wide performance comprises consolidated operating profit. To further link the outcomes with the bonuses and provide further motivation, the standard criteria for performance of consolidated operating profit will be raised from ¥6.0 billion to ¥8.0 billion while also adding an incentive if the annual budget is achieved and increasing the proportion allocated to the achievement of individual performance targets.

(ii) "Share-based remuneration (long-term incentives)"

As consideration for the achievement of medium- to long-term company-wide performance targets, the shares of the Company to be paid to executives who were in office during the performance-evaluation period are determined after the pre-determined performance-evaluation period has ended, in an effort to share value with the shareholders. Payment of the shares of the Company will be made at retirement, and if the executives were engaged in fraud or other misconducts during their term of office, payment will be reduced or not made. To further share value with the shareholders and strengthen the motivation to improve corporate value, the ratio of share-based remuneration to the total amount of remuneration will be raised and the number of shares to be paid will be increased. When making contributions to the improvement of business performance and corporate value, evaluations of our corporate value are manifested in our stock value. Accordingly, the basic indicators to evaluate company-wide performance targets place special emphasis on ROE, to which consolidated operating profit, the ratio of achievement of the sales of high-value-added products, and EPS will also be added. To strengthen the link with the improvement of corporate value, the criteria for performance for consolidated operating profit will

be raised from ¥8.0 billion to ¥11.0 billion and for the ROE from 5% to 8%. And if these performance targets are not met, the share-remuneration levels will be reduced by 10% across the board.

(IV) Policy on Decisions concerning the Ratio of the Amounts of Monetary Remuneration, Performance-based Remuneration or Non-monetary Remuneration to the Amount of Individual Remunerations of Directors

The proportion of performance-based remuneration of the Directors (excluding Outside Directors) will fluctuate within a range of 0 to 65%. Outside Directors and Audit & Supervisory Board Members receive only fixed remuneration.

Position	Fixed remuneration (%)		Performance-based remuneration (%)	
			Bonuses	Share-based remuneration
Representative Director, President	<u>47</u>	<u>53</u>	<u>19</u>	<u>34</u>
Director, Senior Managing Executive Officer and Director, Managing Executive Officer	<u>54 – 56</u>	<u>44 – 46</u>	<u>22</u>	<u>22 – 24</u>
Outside Directors	100	-	-	-
Audit & Supervisory Board Members	100	-	-	-

(V) Matters relating to Decisions concerning the Details of Individual Remunerations of Directors and Audit & Supervisory Board Members

The Policy on Decisions concerning the Details of Individual Remunerations of Directors and Audit & Supervisory Board Members is determined by the Board of Directors following the discussions by the Remuneration Advisory Committee on the implementation of the remuneration system and the validity of the system itself.