

President's Message for the New Year

Kazuhito Asahara, President
Fuji Oil Co., Ltd.

I wish you all a very Happy and Prosperous New Year!

Thank you very much for your continued support of our company's business.

Last year, various accidents occurred as a result of immature human actions. I sincerely hope that, as the Japanese era name "Heisei" (which means "accomplishment of peace") infers, this new year will be peaceful in both nature and society.

Despite some unclear factors, such as the impact of a higher tax burden on the psychology of consumers, it appears likely that Japan's bad-debt problem will be all but solved in the coming year. While the Japanese economy has recently been recovering slowly, with the end of deflation in sight, the food industry is still facing pressure to keep retail prices low and severe competition from imported products. We seek to introduce products that can be clearly differentiated from those of competitors in order to avoid competition to keep prices down.

We established the aim of becoming a "Development-Oriented Global Enterprise", and last year undertook a number of strategic moves towards this goal, which included the establishment of new business bases and the reinforcement of existing bases in Europe, the US and China/Asia. It is said that the population in Japan has already begun to decrease and that the "shrinking market" is already becoming a reality. However, on a global level, markets are projected to continue to expand thanks to population growth in other countries, especially BRICs and the Asian nations; as well as the quest for a better quality of diet. So that our products can contribute to these important markets, we intend to accelerate the strengthening of our global network.

Although Kansai has always been the base for the development of our domestic business, our new Chiba Plant, which is scheduled to begin operation later this year, will fulfil the goal of establishing a production base to service the Tokyo Metropolitan Area and complete the establishment of a domestic operation structure based in both Kanto and Kansai. This will ensure that we are able to respond to our customers quickly, cut transportation costs and reduce the risks posed by disasters - current issues that our company must address.

The Fuji Oil Group will continuously strive to contribute to people's health through soy beans, and the manufacture of products that consumers can use with a sense of security.

I hope that this year you will once again bless us with your continued support.