

## President's Message for the New Year

— Quality for the Japanese Market, Quantity for Overseas Markets —

Happy New Year!

In the midst of the global financial crisis that began with the disintegration of Lehman Brothers in the fall of 2008, consumption has remained sluggish. There is also fear of a continuing deflationary trend in Japan due to the yen's sharp appreciation. The entire industry and each individual company must work to find their way out of this recession.

Last fall Fuji Oil announced a business strategy of "Quality for the Japanese Market, Quantity for Overseas Markets." With little likelihood of an increase in consumption in the domestic Japanese market, we aim to achieve growth through quality. In Japan we need to pursue ever-higher quality for our customers, such as by targeting markets relating to health and the rapidly aging population, and by securing safe, reliable raw materials. We also need to make the domestic Japanese market a strong base on which to build a foundation for globalization. If our growth in Japan falters, it will be impossible for us to succeed globally. We must develop new technologies, new products, and new business models while expanding our business in Japan, then supply these in a timely manner to the global market. To succeed globally, we need to constantly reinvigorate our efforts in Japan.

At the same time, from the viewpoint of corporate growth, every Japanese company shares an awareness of the need for overseas expansion. Fuji Oil is of the same mind, and thus "Quantity for Overseas Markets" is part of our strategy. When I say "quantity," I am not referring to increased sales of commodities, but rather of mainly specialty products — value-added products such as oils and fats for chocolate. To pursue this part of our strategy, in addition to our existing overseas bases, we have begun building a new overseas network that includes raw materials.

Fuji Oil was founded in 1950, and in October this year we will celebrate our 60th anniversary. I would like to take this opportunity to express my deepest appreciation to all those whose efforts over the years have made it possible for us to be where we are today. This New Year also marks the 10th year since the start of the 21st century. It is often said that the 21st century will mark the end of the mass production, mass consumption style of business, and be an age in which greater importance is placed on nature, the environment, culture, and society. We must remain constantly aware of the changes taking place and act accordingly to keep pace with the times.

It is my sincere hope that 2010 will be a good year for everyone.



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