

Web IR for individual investors ~ Nikko WEB IR Day~

FUJI OIL HOLDINGS INC.
(securities code : 2607)

CEO

Mikio Sakai

Agenda

1 . About Fuji Oil

2 . Fuji Oil's Strengths

3 . Financial Results

Shareholder special benefit

1 . About Fuji Oil

About Fuji Oil

Business model



About Fuji Oil

Summary

Company Name

 **FUJI OIL HOLDINGS INC.**

Established

October, 1950

Headquarters

Nakanoshima, Kita-ku, Osaka-shi, Osaka

(Registered location of headquarters: Sumiyoshi-cho, Izumisano-shi, Osaka)

Listed market

First Section of the Tokyo Stock Exchange securities code : 2607

(Scheduled to be listed on the Prime Market)

Number of Employees^(consolidated)

5,679 (As of March 31, 2021)

Financial Results (year ended March 2021)

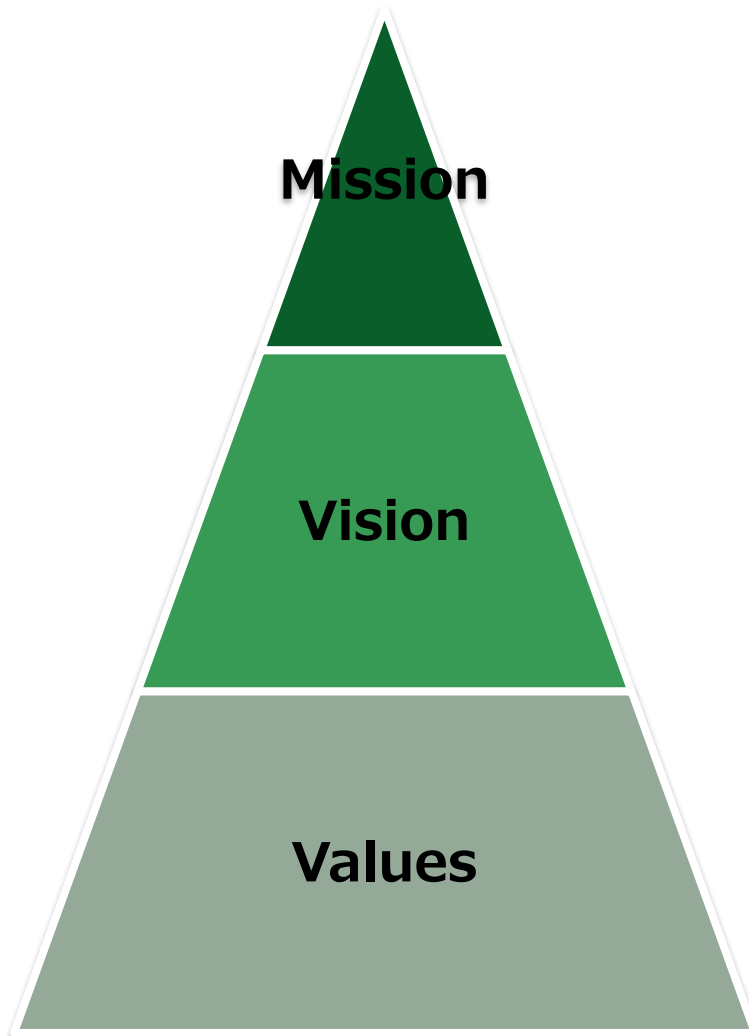
Revenue 364,779 million yen Operating Profit 17,565 million yen

*Overseas sales ratio is 58%.

About Fuji Oil

Management Philosophy

Fuji Oil Group Management Philosophy



Mission = Our reason for being

The Fuji Oil Group seeks to develop the potential of food ingredients. We will contribute to the happiness and well-being of the people by offering delicious and healthy food.

Vision

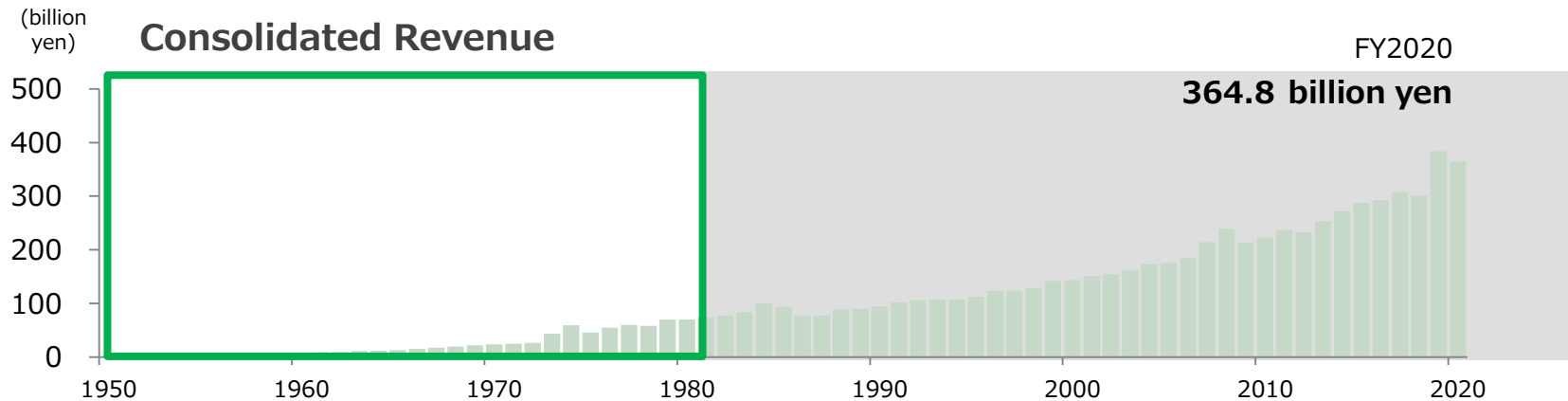
We seek to contribute to the society by creating the future of delicious and healthy foods using our core technologies in oils & fats and soy.

Values = The values that inform our actions

- Safety, quality, and the environment
- Work for people
- Challenge and innovation
- Speed and timing

About Fuji Oil / History of the company

-Vertical business expansion from oils and fats business established in 1950



Founding period

1950

Fuji Oil Co., Ltd. established as an independent company from the Osaka factory of Fuji Sanshi Co., Ltd.



1955

Started production of Japan's first hard butter (vegetable fats for chocolate)



Dawn of technology

1971

Hannan Plant started operation (Izumisano City)



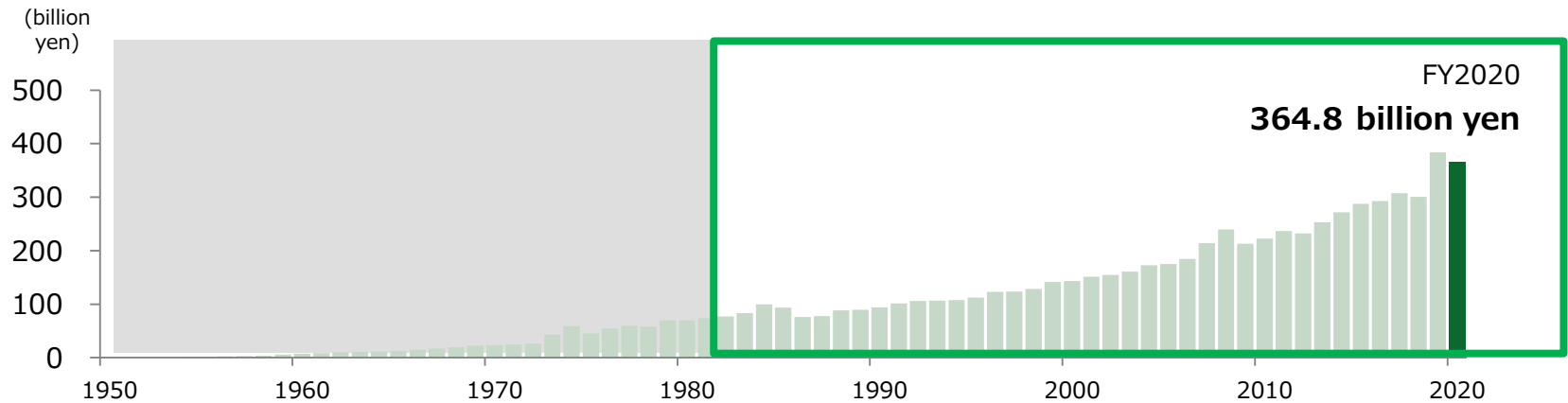
1980

Establishment of enzymatic esterification technology (technology for oil and fat production)



About Fuji Oil / History of the company

Overseas expansion since the 1980s and overseas business expansion since the 2000s



Global maintenance period

1981

Establishment of Fuji Oil (Singapore) Pte.

1987

Fuji Vegetable Oil, Inc. established in the U.S.

1992

Fuji Oil Europe B.V. established in Belgium.

1995

Fuji Oil (Zhangjiagang) established in China.

Period of global business expansion

2015

Transition to Group Headquarters System
Acquisition of Harald, Brazil's top industrial chocolate manufacturer



2019

Acquisition of Blommer, the second largest manufacturer of industrial chocolate in the U.S.



About Fuji Oil / Business Segments

- Developing 4 business segments and holding the top market share in each segment
- Started to develop plant-based food ingredients by combining 4 businesses and technologies

Vegetable oils and fats



- Vegetable fats for chocolate
One of the Top 3 in the World

Emulsified and fermented ingredients



- Filling No.1 in China

Industrial chocolate



- No.3 in the world

Soy based ingredients



- Soy protein ingredient No.1 in Japan
- Water-soluble soy polysaccharides
No1.in the world

Combination of technology and know-how
Plant-based food ingredients

About Fuji Oil / Business Segments

Vegetable oils and fats Business

: Global development of Vegetable fats for chocolate

Feature

-Vegetable fats for chocolate

: No.1 share in Japan, One of the Top 3 in the World

Main raw material

Palm oil



Products

frying oils and fats,
vegetable fats for
chocolate etc.



Applications

Chocolate, snacks, instant
noodles, ice cream,
infant formula, beverages



About Fuji Oil / Business Segments

Industrial Chocolate Business

: Third largest global production volume

Feature

-Global business development.

No. 1 market share in Japan, No. 3 global market share.

Main raw material

Cocoa bean



Products

: Chocolate for business use



Applications

All products that use chocolate
(chocolate confectionery,
bread, ice cream, souvenir)



About Fuji Oil / Business Segments

Emulsified and fermented ingredients
: Aiming to develop value-added products

Feature

-Expanding mainly in Japan, Southeast Asia, and China.
China Filling Market Share No.1

Main raw material

In-house oil and fat products,
Dairy raw materials

Products

Whipping cream,
margarine, fillings,
preparations

Applications

General confectionery, bread,
prepared foods



About Fuji Oil / Business Segments

Soy based ingredients

: Many top share product lines

Feature

-Soy protein ingredient No.1 in Japan

-Water-soluble soy polysaccharides No.1 in the world

Main raw material

Soy bean



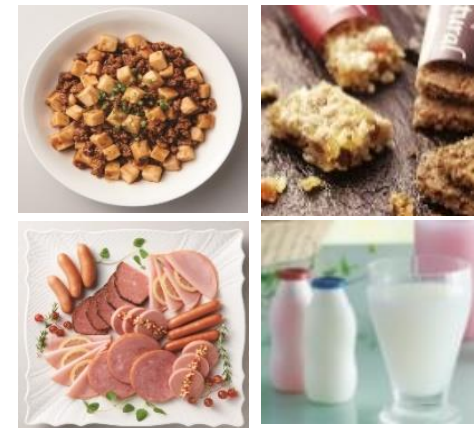
Products

: Soy Protein
(Powder/textured), Frozen
Tofu, Fried Bean Curd, Water
Soluble Soy Polysaccharides,
Peptides, Soy Milk



Applications

Prepared foods, protein,
health nutrition foods,
energy bars,
acidic milk drinks



About Fuji Oil / Overview by Business Segment and Region

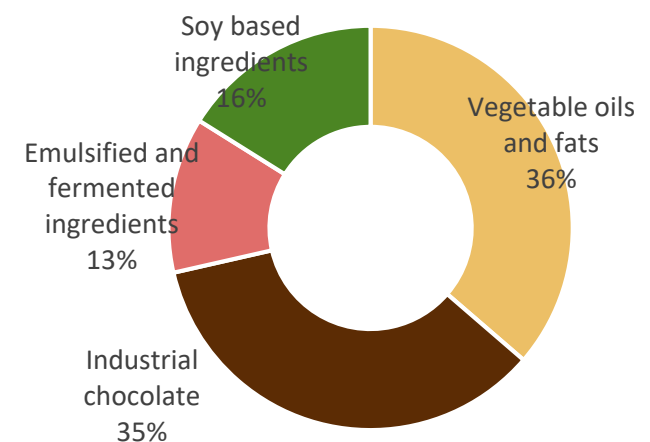
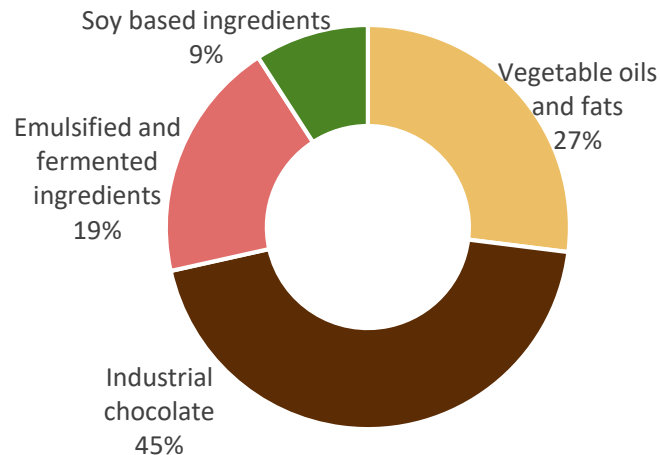
- Industrial chocolate has grown into a pillar of the business.
- Overseas sales account for 60% of total sales, and Japan is also a major earner.

FY2020 Results

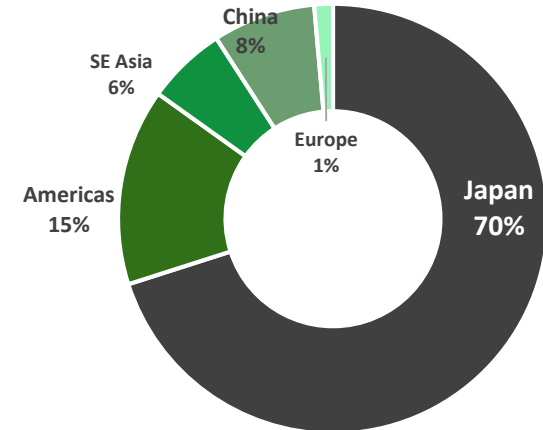
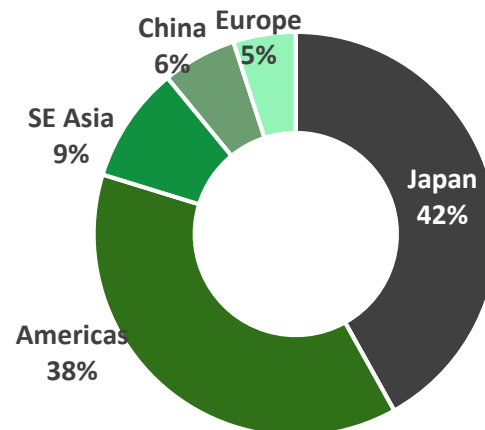
Revenue **364.8** billion yen

Operating profit **17.9** billion yen

Business Segments



Segment by Location



※ Operating profits as a percentage of sales excluding group administrative expenses

2 . Fuji Oil's Strengths

- ① **Global business expansion**
(Vegetable oils and fats Business,
Industrial Chocolate Business)
- ② **Development of plant-based food ingredients**
- ③ **Sustainable Procurement**

① Global business expansion

**(Vegetable Oils and Fats Business,
Industrial Chocolate Business)**

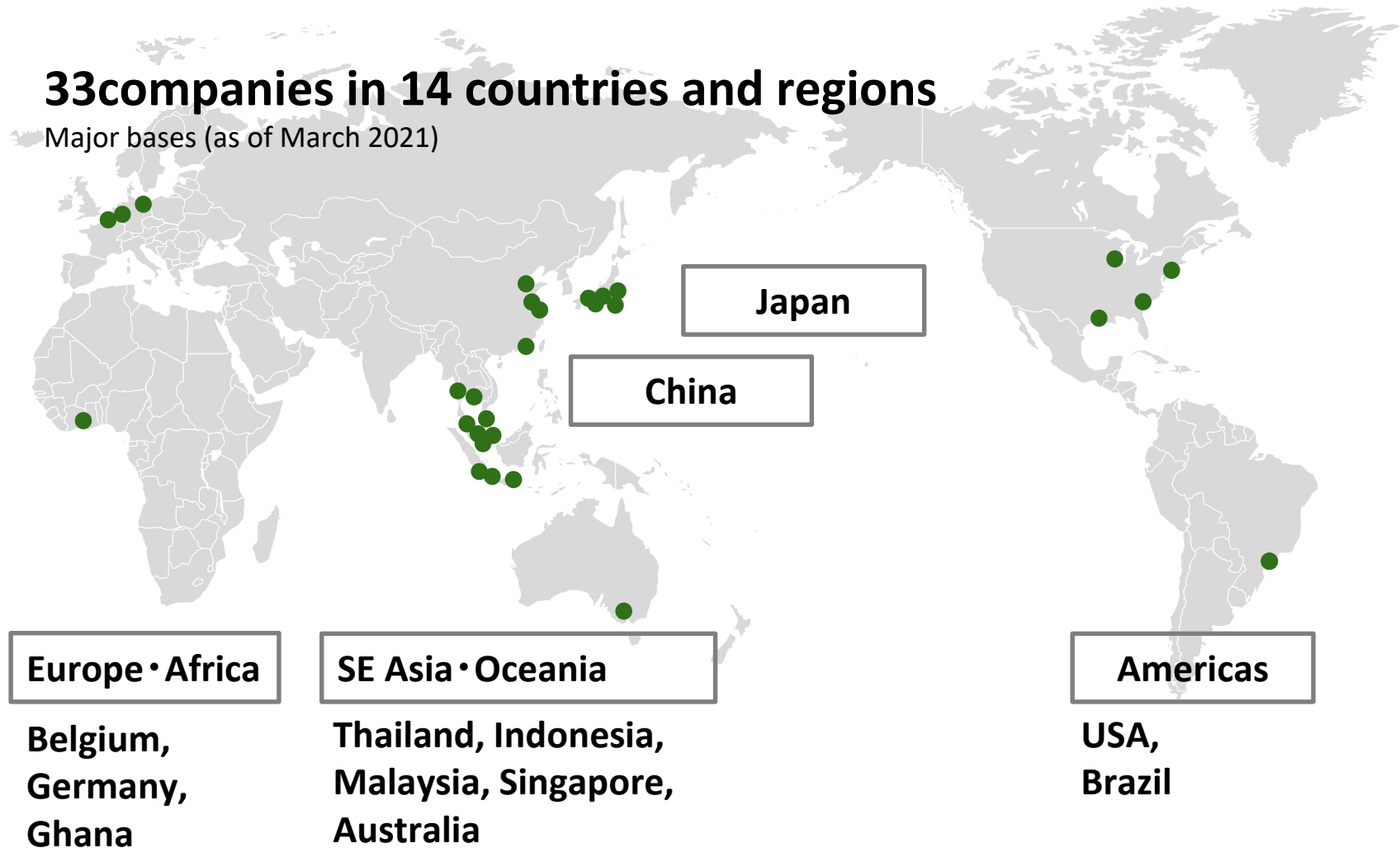
② Development of plant-based food ingredients

③ Sustainable Procurement

Doing Business Globally

33 companies in 14 countries and regions

Major bases (as of March 2021)



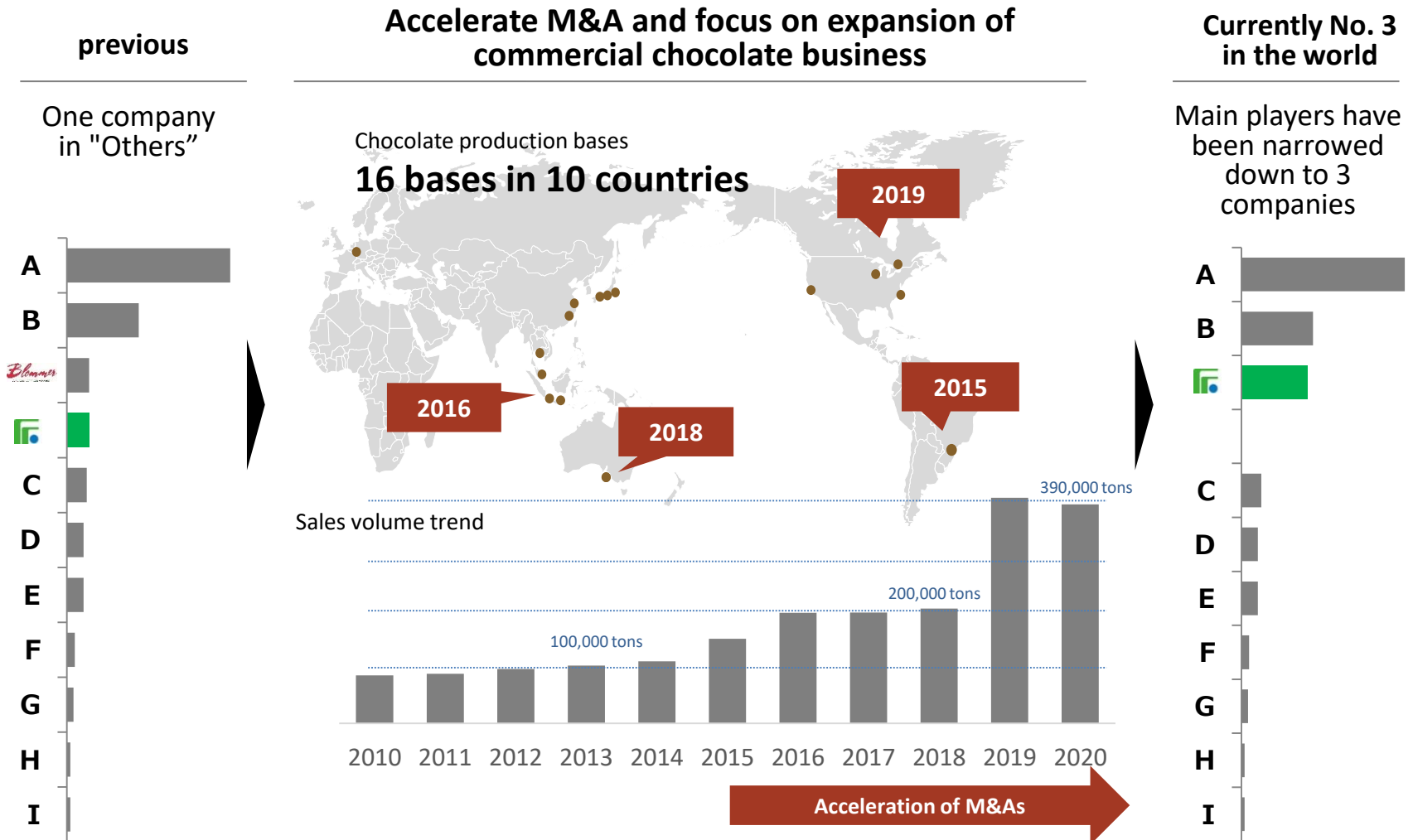
Fuji Oil's Strengths/ Key points of business strategy

Global development of solution proposals to customers and end consumers



Fuji Oil's Strengths/Key points of business strategy

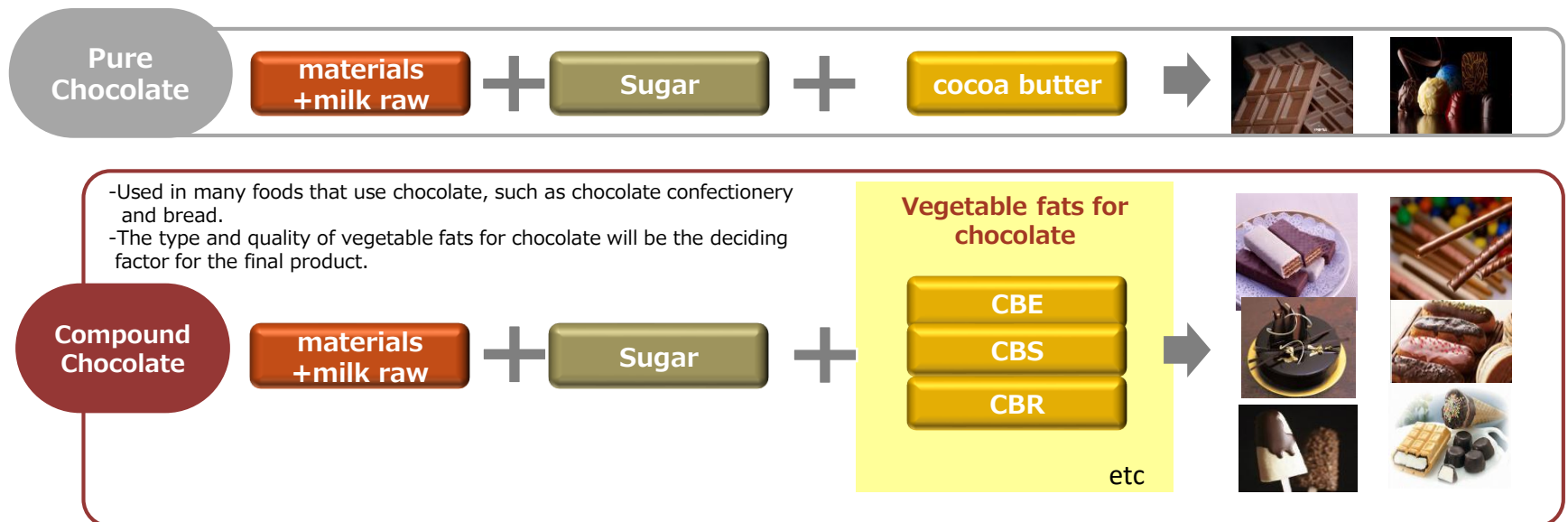
Becoming the world's No. 3 manufacturer of industrial chocolate through aggressive M&A



Fuji Oil's Strengths / Key points of business strategy

One of our strengths is compound chocolate that utilizes our technology in oils and fats

- ✓ Chocolate is a layer of fat in which fine particles of sugar, milk powder, and cocoa solids are evenly dispersed. **Processing technology of oils and fats determines the characteristics of chocolate.**
- ✓ Many chocolate confectionerys and breads are made from compound chocolate using **Vegetable fats for chocolate.**



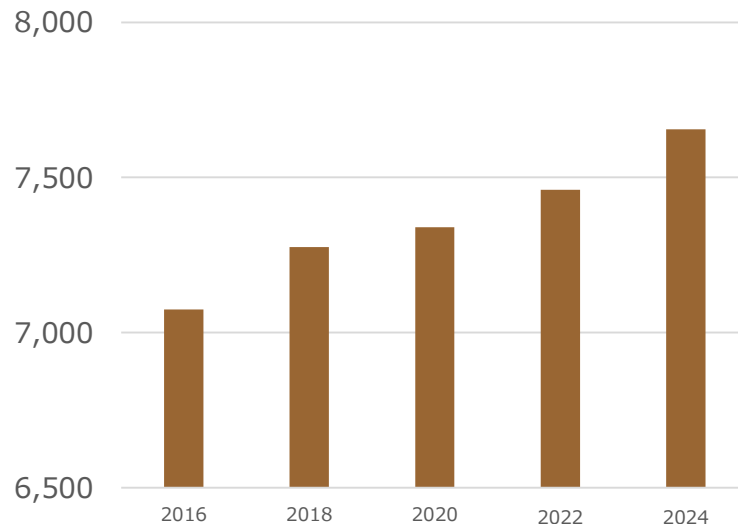
- We are one of the top three companies in the world for vegetable fats for chocolate.
- We have the know-how and the strength to produce a wide variety of compound chocolates with excellent function and taste.

Fuji Oil's Strengths / Key points of business strategy

Leverage group synergies to expand business in each global location

Chocolate and Compound Market Trends

Unit : thousand tonnes



Quote : Euromonitor International 2021
:Packaged Food/Chocolate Confectionery

Growth Opportunities Expand

- Increase in population → Increase in consumption
- Expansion of consumption area → Increased demand for compounds
- Diversified tastes → Increased demand for compounds

Aiming to expand global business

<Growth of each companies>

Promote differentiation tailored to each markets



Technology and high value-added



Sustainable, Health



Production technology
Productivity



<Global Strategy>

Promote group integration

- Planning and development of global products
- Group collaboration for sales to multinational companies
- Technical information sharing and productivity improvement

① Global business expansion

(Vegetable Oils and Fats Business,
Industrial Chocolate Business)

② Development of plant-based food ingredients

③ Sustainable Procurement

Historically strong in alternative technologies

Limited and scarce resources/
animal raw materials/
Expensive and unstable raw materials

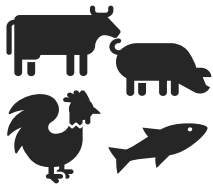
Vegetable-based raw materials
Relatively low cost/stable supply



Cocoa Butter



**Milk·cheese
etc.**



Animal protein



Pectin etc.

Alternative
Adding
functionality
and taste

**Vegetable fats for
chocolate**



**Plant-based
cream, cheese
and butter etc.**



Soy meat

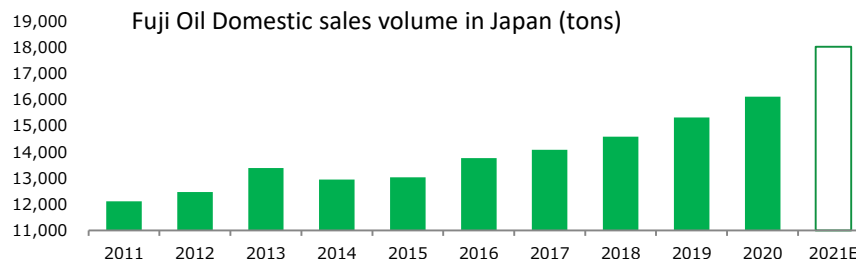
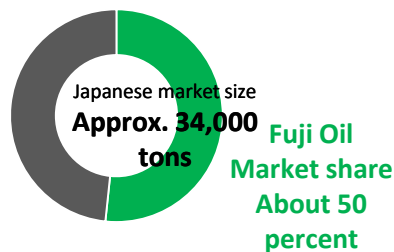
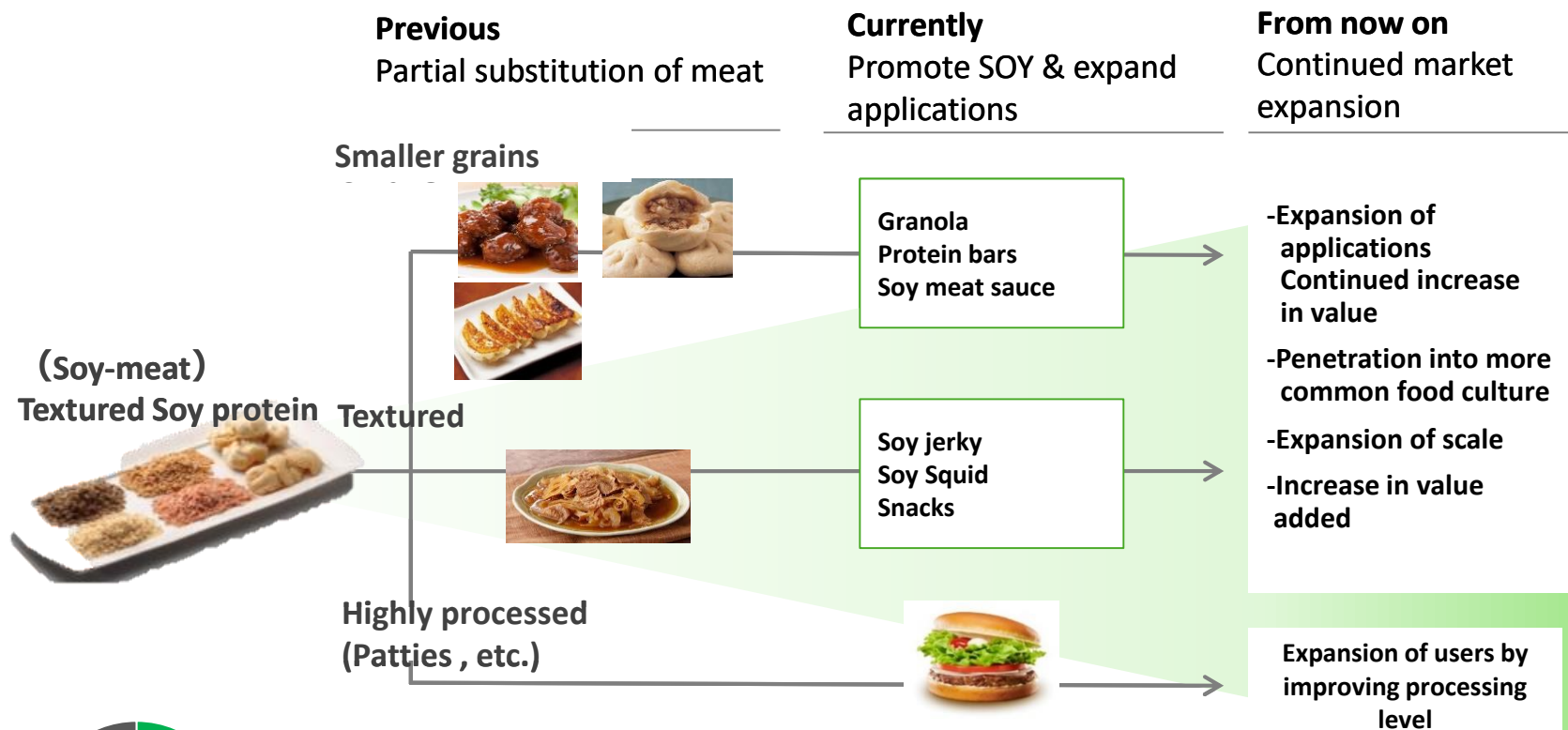


**Water-soluble soy
polysaccharides**



Fuji Oil's Strengths / Key points of business strategy

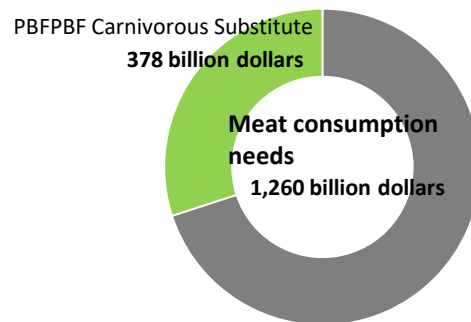
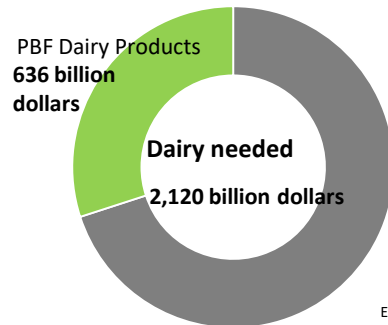
- Demand for soy-meat is expanding in Japan, and its value is also increasing
- Expanding facilities for soy protein ingredients (Textured soy protein)



Market for plant-based foods expands

The plant-based food market is expected to expand.

Year 2050...Plant-based sources account for 1/3 of the world's protein sources



(Based on data from Mitsui & Co., Strategic Research Institute, FAO, IMF, USDA, and inferred from the Agricultural and Livestock Research Institute))

Benefits of Plant-Based Foods

✓ Reduced environmental impact

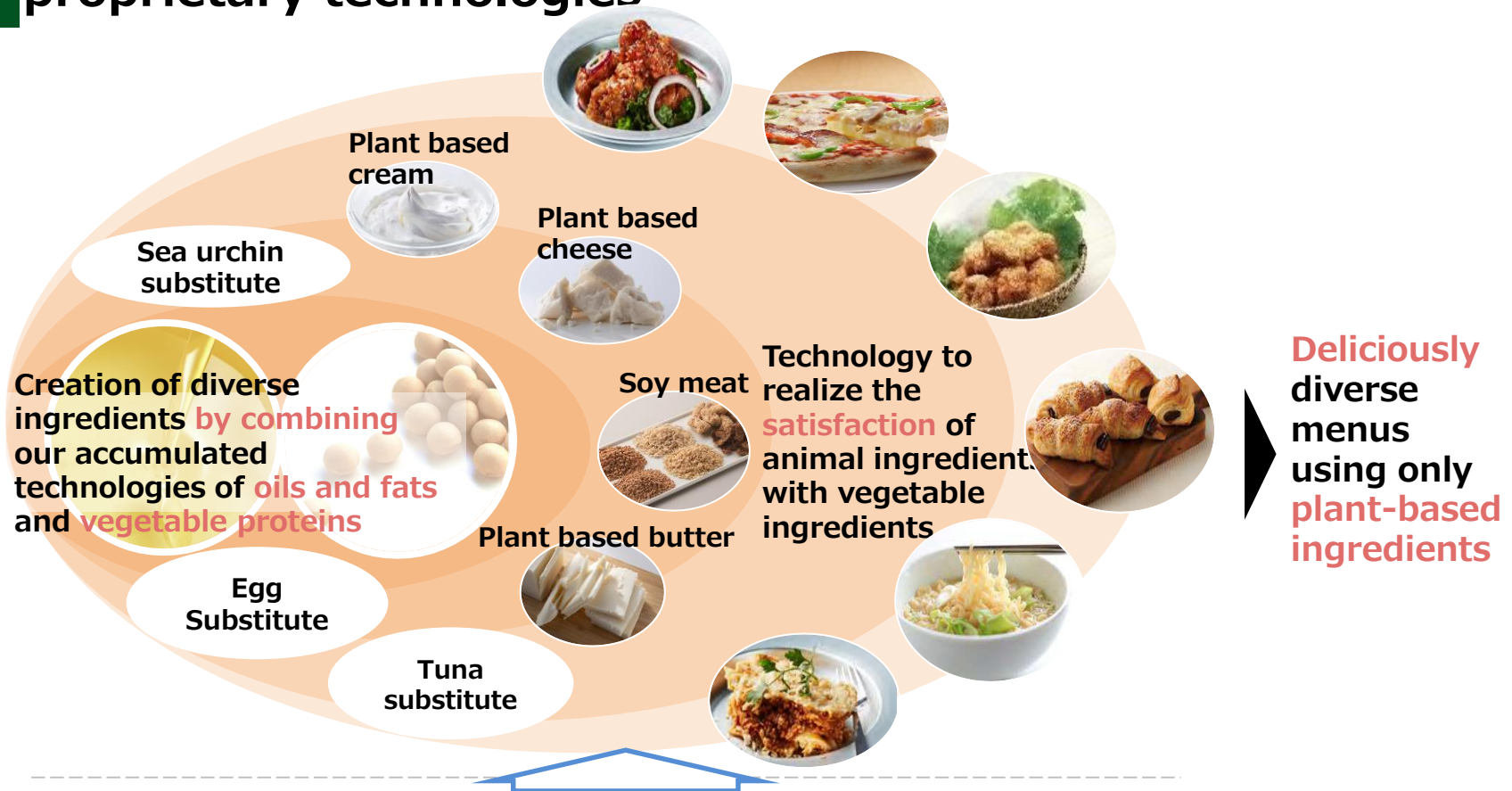
- Greenhouse gas emissions are **1/85th** that of beef
- Water consumption is **1/8** of beef

✓ Provision of high quality plant protein in response to the depletion of animal protein sources, etc.

World Population Projections for 2050
2020 7.8 billion → 2050 **10** billion

Fuji Oil's Strengths / Key points of business strategy

"Deliciousness" made possible by Fuji Oil: Combination of proprietary technologies



Fuji Oil's Unique Business Foundation

Global customer base and open innovation

Collaboration between businesses and combination

Safe and secure high-quality products stable production system

Advanced production and processing technology improved texture, etc.

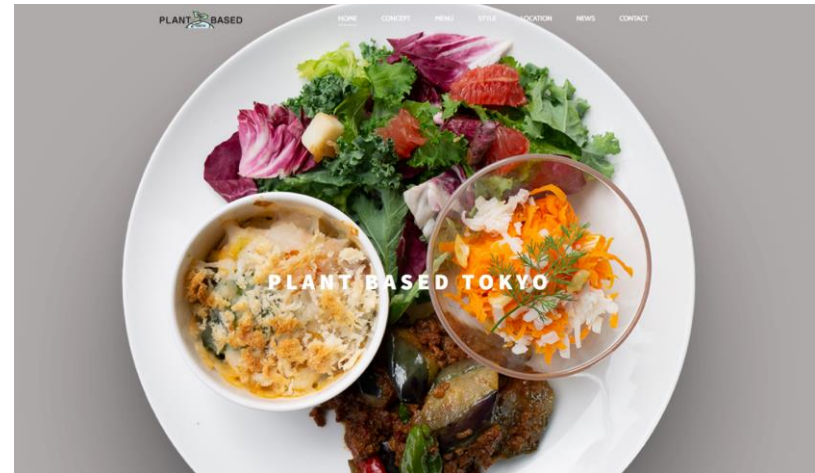
Fuji Oil's Strengths / Key points of business strategy

Driving the creation of a market for plant-based foods

Pop-up event



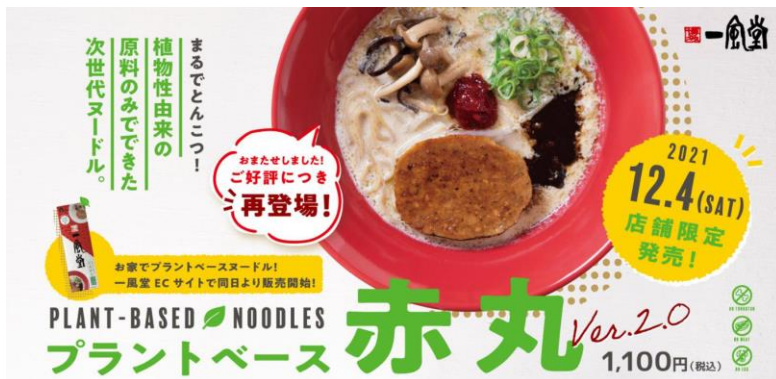
Plant-based food restaurant



Convenience stores Various soybean meat products



Ramen noodle chain Plant Based Noodles



① Global business expansion

(Vegetable Oils and Fats Business,
Industrial Chocolate Business)

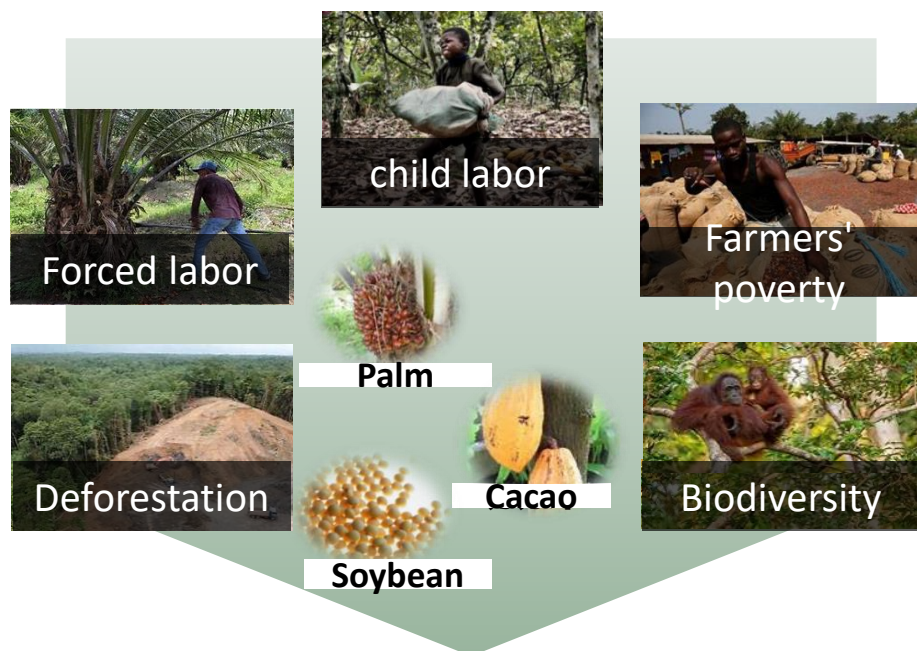
② Development of plant-based food ingredients

③ Sustainable Procurement

Fuji Oil's Strengths / Key points of business strategy

- Promoting sustainable procurement of raw materials
- CDP evaluation: Japan's first A-list company

Social issues such as human rights and the environment surrounding main raw materials



Promoting sustainable procurement

*Details of commitments and initiatives from our website.
Please refer to our Sustainability Report



Selected as Triple A for the second year in a row



Selected for A-list
Triple A rating for climate change, deforestation, and water security measures

Triple A is
Only 14 companies / 12,000 companies in the world
(In Japan, there are two companies including our company)

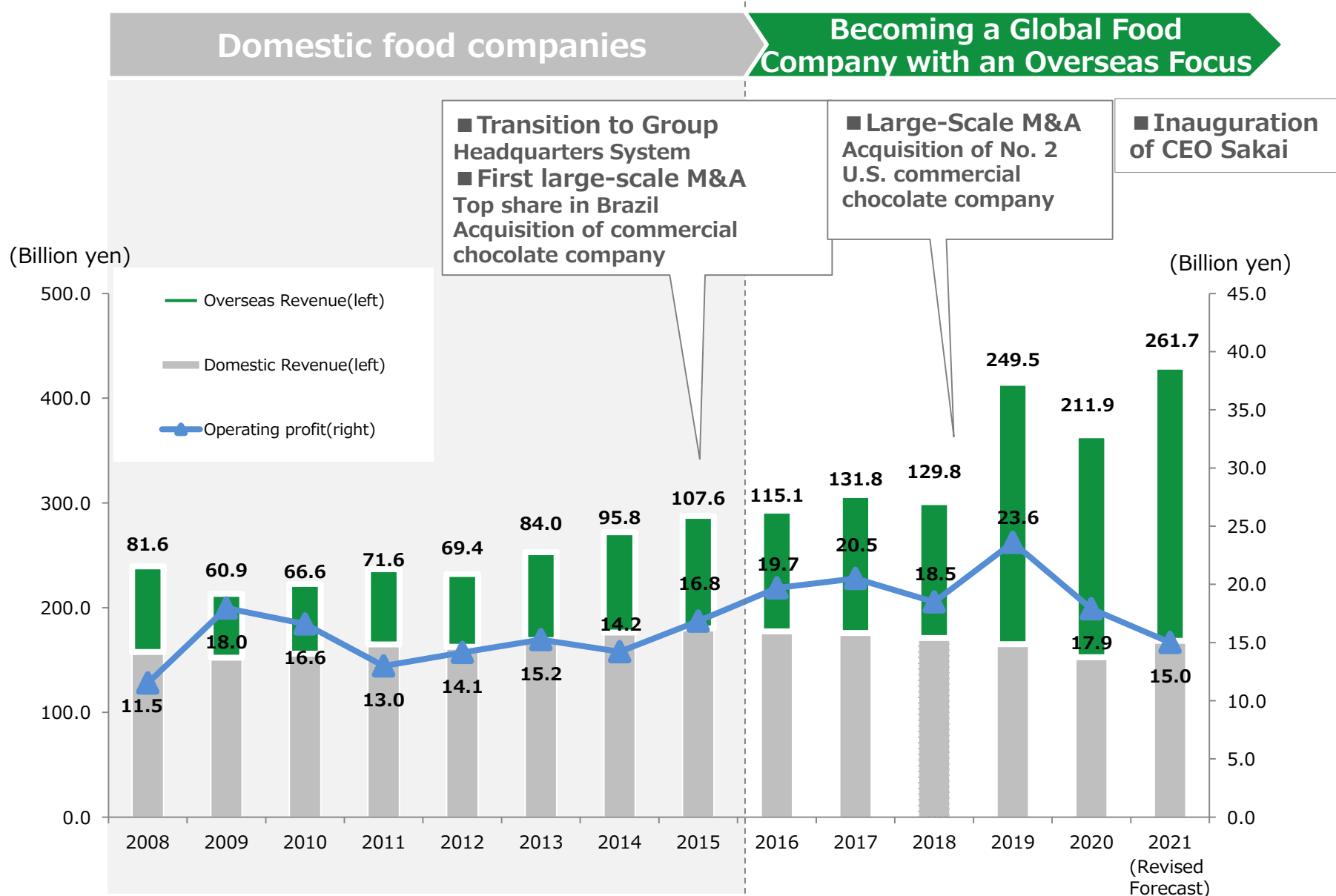
What is CDP?

CDP is a global non-profit organization that lobbies governments to reduce greenhouse gas emissions and protect water resources. Ranked #1 among climate research firms by investors, it is one of the world's richest sources of information.

3 . Financial Results/ Shareholder special benefit

Financial Results/Shareholder special benefit

Financial Results



*Due to a change in the fiscal year end of overseas subsidiaries, overseas figures are for a 15-month period.

Financial Results/Shareholder special benefit

Forecast for Fiscal Year 2021 (Ending March 31, 2022)

(Billion yen)

	FY2019*	FY2020	FY2021 Forecast <small>*Revised Feb. 2022</small>	FY2020 VS FY2021
Revenue	383.7	364.8	430.0	+65.2
Vegetable oils and fats	97.9	98.4	130.5	+32.1
Industrial chocolate	171.7	162.4	185.3	+22.9
Emulsified and fermented ingredients	81.0	70.6	79.3	+8.7
Soy-based ingredients	33.0	33.3	34.9	+1.6
Operating profit	21.5	17.9	15.0	▲2.9
Vegetable oils and fats	10.1	7.9	7.2	▲0.7
Industrial chocolate	7.5	7.6	7.1	▲0.5
Emulsified and fermented ingredients	3.6	2.7	1.9	▲0.8
Soy-based ingredients	4.2	3.5	2.6	▲0.9
Group administrative expenses	▲3.9	▲3.8	▲3.8	▲0.0
Operating margin (%)	5.6%	4.9%	3.5%	-
Ordinary income	20.3	17.6	14.5	▲3.1
Net income attributable to owners of parent	14.7	11.0	11.5	+0.5

FY2021 Forecast

Revenue

-Revenue increased significantly due to high prices of palm and other raw materials.

-Sales volume recovered to the level before the COVID-19 disaster.

-New oils and fats plants in North America and new soybean plants also contributed to sales.

Operating profit

-Decrease due to delay in price revision caused by high raw material prices, etc.

-Promote response to high raw material prices by optimizing selling prices.

-Global scale Inflationary impact.

-Improve profits through cost reductions and other measures.

* FY2019 has been adjusted to 12-month basis due to change in fiscal year end of subsidiaries.

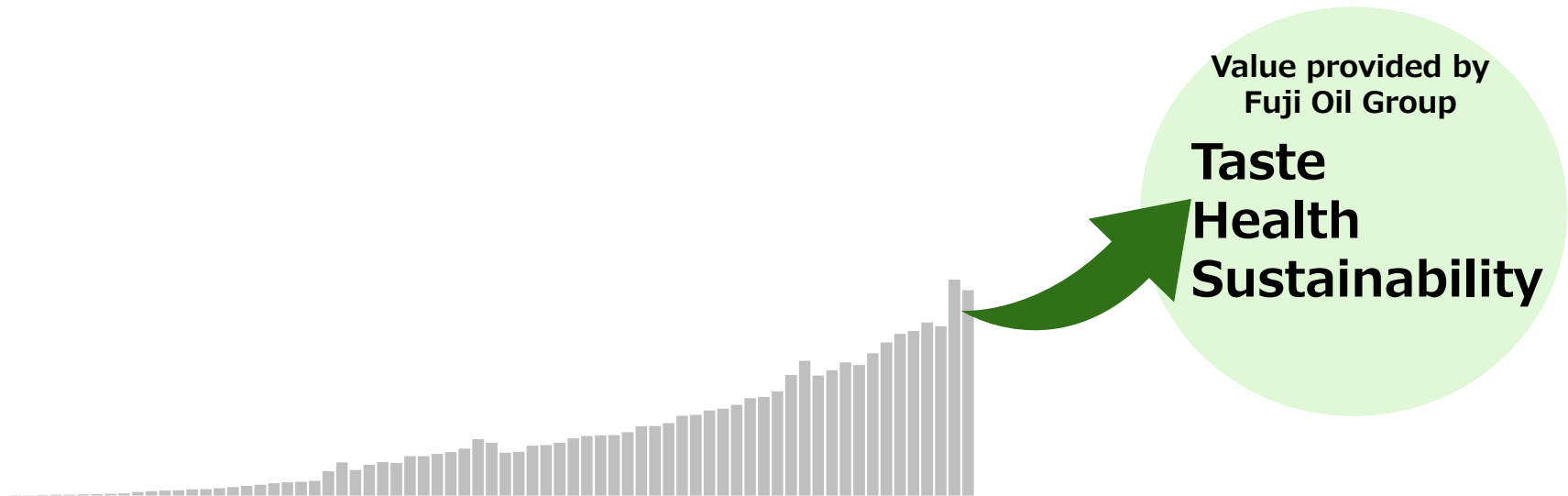
Financial Results/Shareholder special benefit

Aiming to be a company that solves society's problems with plant-based food materials and grows sustainably

New tasty vegetable-based ingredients through a combination of Fuji Oil's unique technologies.

Strengthen global management structure to leverage the strengths of the entire group

Improve profitability and deepen sustainability initiatives



Financial Results/Shareholder special benefit

Shareholder special benefit

(FY2021 Shareholder special benefit)



100~1.000 stocks

Stick Chocolate 20 pcs × 1
Vege blend (Drink) × 3
Soymilk × 2



1,000~ 5,000 stocks

Stick Chocolate 20 pcs × 1
Healthy Cacao High Protein × 1
Vege blend (Drink) × 2
Peptide Drink × 2



Stick Chocolate 20 pcs × 1
Healthy Cacao Drink Chocolate Protein × 1
Healthy Cacao High Protein × 1
Peptide Drink × 2
Vege blend (Drink) × 3

***For residents of Japan only**

Reference: Information Disclosure

Details of business and strategy

Integrated Report

https://www.fujioilholdings.com/en/ir/library/integrated_report/



Sustainability Initiatives

Sustainability Report

<https://www.fujioilholdings.com/en/sustainability/>



Performance over time

Fact Book

https://www.fujioilholdings.com/en/pdf/ir/library/integrated_report/fujioil_fact_book2021_01_en.pdf



Others

Fuji Oil Holdings HP

News Release

<https://www.fujioilholdings.com/en/news/>

Presentation Materials

<https://www.fujioilholdings.com/en/ir/library/hosoku/>

Financial and Performance Overview

<https://www.fujioilholdings.com/en/ir/finance/>



 **FUJI OIL HOLDINGS INC.**

