

FY2022

3Q Earnings conference

February 8, 2023

- 1. FY2022 Q3 Results**
- 2. FY2022 Full-Year Forecast**
- 3. Reference Materials**

1

FY2022 Q3 Results

FY2022 Q3 Results (3 months)

FY2022 Q3 Results (3months)

(Unit : billion yen)

	FY2021Q3 Results	FY2022Q3 Results	YOY
Net sales	115.4	148.3	+32.9
Vegetable Oils and Fats	34.7	52.3	+17.5
Industrial Chocolate	50.2	61.9	+11.7
Emulsified and Fermented Ingredients	21.8	25.2	+3.3
Soy-based Ingredients	8.6	8.9	+0.2
Operating profit	4.0	3.7	(0.3)
Vegetable Oils and Fats	1.4	1.9	+0.5
Industrial Chocolate	2.4	1.4	(1.0)
Emulsified and Fermented Ingredients	0.7	0.9	+0.2
Soy-based Ingredients	0.3	0.4	+0.1
Group administrative expenses	(0.9)	(0.9)	(0.1)
Operating margin	3.5%	2.5%	(1.0pt)
Ordinary profit	4.1	3.0	(1.1)
Profit attributable to owners of parent	3.4	1.8	(1.5)

Net sales 148.3 billion yen YOY+32.9 billion yen

Net sales significantly increased due to higher selling prices resulting from higher raw material prices such as palm, and the effect of yen's depreciation in foreign exchange.

-  Net sales increased due to higher selling prices resulting from higher raw material prices, and increased sales volume by a start of operations of a new plant in North America.
-  Net sales increased due to the effect of yen's depreciation in foreign exchange and higher selling prices resulting from higher raw material prices.
-  Net sales increased due to higher selling prices resulting from higher raw material prices although there were the divestiture of the soy protein foods business in China and the sales volume decrease in Japan.

Operating profit 3.7billion yen YOY (0.3 billion yen)

Operating profit decreased due to decreased sales volume in Blommer, lower profitability and increased expenses resulting from the operation of a new plant in North America for oils and fats, and the others although we focused on sales price revision responded to higher raw material prices.

-  Operating profit increased due to improved profitability in Japan, although there were lower profitability in North America.
-  Operating profit decreased mainly due to lower sales volume in North America and Japan.
-  Operating profit increased due to higher sales volume in Japan and improved sales volume in SE Asia, despite lower sales volume in China.

FY2022 Q3 Results Total

FY2022 Q3 Consolidated Results

(Unit : billion yen)

	FY2021Q3 total results	FY2022Q3 total results	YOY
Net sales	319.9	416.7	+96.8
Vegetable Oils and Fats	96.4	153.7	+57.2
Industrial Chocolate	137.8	167.4	+29.6
Emulsified and Fermented Ingredients	59.5	69.8	+10.3
Soy-based Ingredients	26.2	25.8	(0.4)
Operating profit	11.9	8.8	(3.1)
Vegetable Oils and Fats	5.7	5.2	(0.4)
Industrial Chocolate	5.2	4.1	(1.2)
Emulsified and Fermented Ingredients	1.6	0.9	(0.7)
Soy-based Ingredients	2.1	1.3	(0.8)
Group administrative expenses	(2.7)	(2.8)	(0.1)
Operating margin	3.7%	2.1%	(1.6pt)
Ordinary profit	11.8	8.4	(3.4)
Profit attributable to owners of parent	9.4	5.1	(4.3)

Net sales 416.7 billion yen YOY +96.8 billion yen

Net sales significantly increased due to higher selling prices resulting from higher raw material prices such as palm, and the effect of yen's depreciation in foreign exchange.

 Net sales increased due to higher selling prices resulting from higher raw material prices, and increased sales volume by a start of operations of a new plant in North America.

 Net sales increased due to the effect of yen's depreciation in foreign exchange and higher selling prices resulting from higher raw material prices.

 Net sales decreased due to the divestiture of the soy protein foods business in China despite higher selling prices resulting from higher raw material prices in Japan.

Operating profit 8.8 billion yen YOY (3.1 billion yen)

Operating profit decreased due to the failure to fully revise sales price responded to higher raw material, lower sales volume and lower profitability in North America for oils and fats.

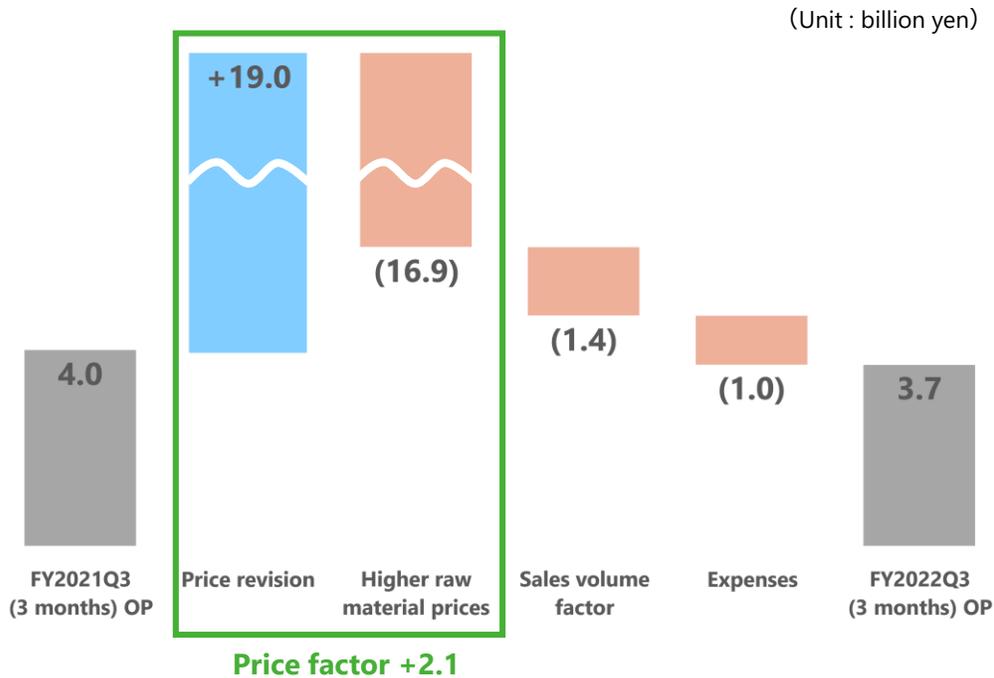
 Operating profit decreased due to lower profitability resulting from higher raw material prices and low utilization of a new plant in North America, despite firm sales in SE Asia.

 Operating profit decreased due to lower sales volume in North America and Japan despite higher sales volume in Brazil and Europe.

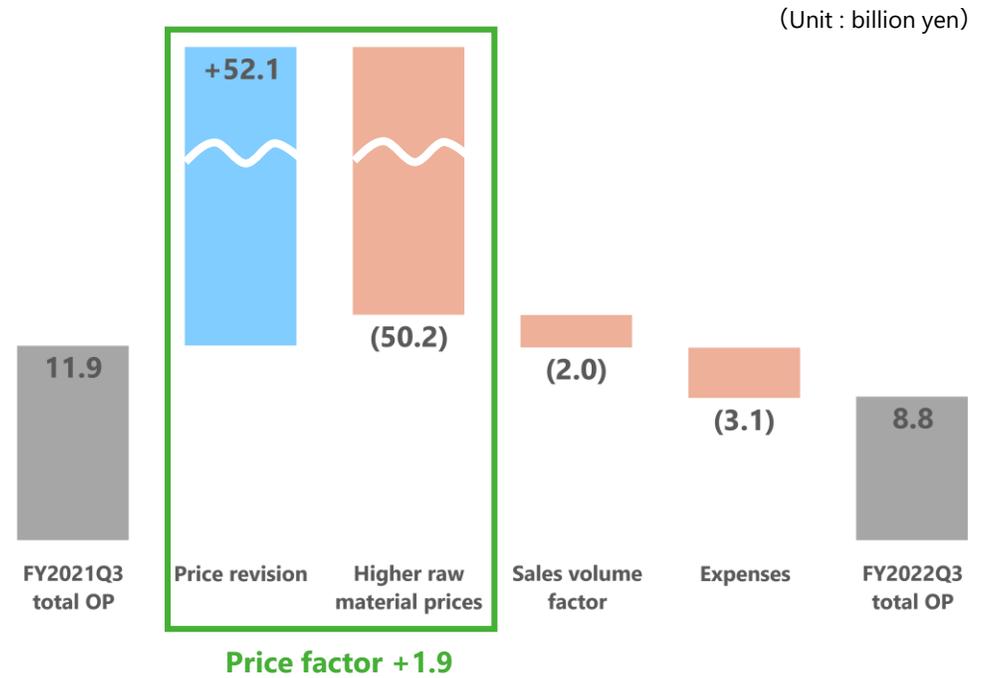
 Operating profit decreased due to lower sales volume of soy protein ingredients, despite higher sales of functional ingredients.

FY2022 Q3 Operating Profit Analysis

3Q (3 months) YOY Change



3Q Total YOY Change



Price factor	Profitability improved due to price revisions, mainly for Oils and Fats, Emulsified and Fermented in Japan, and Blommer.
Sales volume factor	Sales volume decreased for Industrial Chocolate in Japan and Blommer, Emulsified and Fermented in China.
Expenses	Increase in personnel and logistics expenses at Blommer, etc.

Price factor	Profitability improved for Oils and Fats in SE Asia, and Blommer despite delayed price revisions in Japan and China.
Sales volume factor	Despite contributions from the new addition of Oilseeds to the consolidated Group and growth at Harald, sales volume decreased for Blommer, and Emulsified and Fermented in China.
Expenses	Increase in fixed expenses related to the new oils and fats plant in North America, and in personnel and logistics expenses at Blommer.

* Blommer: Industrial Chocolate Business, Americas (North America), Harald: Industrial Chocolate Business, Americas (Brazil), Oilseeds: Vegetable Oils and Fats Business, Americas

Vegetable Oils and Fats Business



Vegetable Oils and Fats

(Unit: billion yen)

	FY2021Q3 Results	FY2022Q3 Results	YOY
Net sales	96.4	153.7	+57.2
Japan	32.0	42.2	+10.1
Americas	30.3	59.8	+29.4
SE Asia	14.5	24.3	+9.7
China	2.2	2.7	+0.5
Europe	17.3	24.7	+7.4
Operating profit	5.7	5.2	(0.4)
Japan	3.0	2.7	(0.3)
Americas	0.3	(0.7)	(1.0)
SE Asia	1.5	2.8	+1.3
China	(0.0)	(0.2)	(0.2)
Europe	0.9	0.7	(0.2)
Group administrative expenses	0.0	(0.1)	(0.1)

Operating Profit Overview

Despite delays in price revisions due to higher raw material prices in 1H, price revisions made progress in 3Q, and profitability improved mainly in Japan. However, in Americas, profitability decreased. Sales volume did not increase in 3Q due to the delay in infrastructure development at the new plant, and expenses were negative.

Operating Profit By Area

- Japan Decrease mainly due to high raw material prices in 1H, despite improvement of profitability in Q3.
- Americas Decrease due to delays in infrastructure development at new plant, addition to lower profitability resulting from higher raw material prices.
- SE Asia Increase due to recorded growth on firm sales and improved profitability of a Malaysian subsidiary.
- Europe Decrease due to lower sales volume.

Industrial Chocolate Business



Industrial Chocolate

(Unit: billion yen)

	FY2021Q3 Results	FY2022Q3 Results	YOY
Net sales	137.8	167.4	+29.6
Japan	29.7	31.5	+1.8
Americas	90.9	113.2	+22.3
SE Asia	8.8	12.0	+3.2
China	4.9	5.4	+0.5
Europe	3.5	5.4	+1.9
Operating profit	5.2	4.1	(1.2)
Japan	4.8	4.2	(0.6)
Americas	(0.1)	(0.9)	(0.8)
SE Asia	0.3	0.4	+0.0
China	0.1	0.0	(0.1)
Europe	0.1	0.3	+0.2
Group administrative expenses	0.0	0.1	+0.1

Operating Profit Overview

Profitability improved due to price revision.

However, sales volume declined due to economic worsening in North America and Japan.

In Blommer, operating profit decreased due to lower sales volume and profitability caused by cocoa processing facility problems occurred in 2Q.

Operating Profit By Area

Japan Decrease due to lower sales volume.

Americas In Harald, sales remained strong.
In Blommer, lower sales volume by problems with cocoa processing facilities and weak sales of low-sugar chocolate.

SE Asia In Indonesia, sales recovered from the previous year.
In Australia, sales were firm, despite the effect of high raw material prices.

China Decrease due to lower sales volume, despite spot demand by the rebound of lockdowns.

Europe Increase due to higher sales volume for gift market.

Emulsified and Fermented Ingredients Business



Emulsified and Fermented Ingredients

(Unit: billion yen)

	FY2021Q3 Results	FY2022Q3 Results	YOY
Net sales	59.5	69.8	+10.3
Japan	39.2	43.8	+4.6
SE Asia	8.4	12.3	+3.9
China	11.9	13.7	+1.8
Operating profit	1.6	0.9	(0.7)
Japan	1.6	1.8	+0.2
SE Asia	(0.6)	(0.6)	(0.1)
China	0.4	(0.3)	(0.7)
Group administrative expenses	0.2	0.0	(0.2)

Operating Profit Overview

Profitability declined in 1H due to delay in price revision, but the effect of price revision became apparent from 3Q.

In SE Asia, operating profit returned to the black in 3Q(3 months).

In Japan, sales volume of whipping cream, margarine, and fillings increased due to spot demand and other factors, in addition to price revisions.

In China, sales volume declined due to the impact of lockdowns. Operating profit decreased due to lack of progress in expanding sales of new products.

Operating Profit By Area

Japan Operating profit increased due to higher sales volume of whipping cream and sales price revisions.

SE Asia Sales price revisions progressed slowly. Therefore, profitability improved in 3Q, but operating profit decreased due to the delay in price revision in 1H.

China Despite efforts to improve profitability, operating profit decreased due to lower sales volume of fillings, which were affected by lockdowns.

Soy-based Ingredients Business



Soy-based Ingredients

(Unit: billion yen)

	FY2021Q3 Results	FY2022Q3 Results	YOY
Net sales	26.2	25.8	(0.4)
Japan	24.6	25.0	+0.4
China	1.6	0.8	(0.8)
Europe	—	—	—
Operating profit	2.1	1.3	(0.8)
Japan	2.0	1.3	(0.8)
China	0.3	0.2	(0.0)
Europe	(0.2)	(0.2)	+0.0
Group administrative expenses	0.0	0.0	+0.0

Operating Profit Overview

In Japan, there were lower sales volume of soy protein ingredients for beverages and soy protein food for lunch programs and delivery demand, despite higher sales of functional ingredients in 3Q.

Operating Profit By Area

- Japan Operating profit decreased due to delay of sales price revisions and lower sales volume.
- China Firm sales of functional ingredients.
- Europe Expenses for new plant to be operational in FY2023.

Net Sales and Operating Profit (Q3 Total / by region, division)



(Unit: million yen)

Net Sales	FY	Japan		Americas		SE Asia		China		Europe		Consolidated Total	
			YOY		YOY		YOY		YOY		YOY		YOY
Vegetable Oils and Fats	FY2022 3Q	42,162	+10,142	59,781	+29,432	24,273	+9,735	2,693	+467	24,748	+7,449	153,659	+57,223
	FY2021 3Q	32,020	+5,658	30,349	+8,122	14,538	+3,745	2,226	+133	17,299	+6,613	96,435	+24,272
	FY2020 3Q	26,362	-	22,227	-	10,793	-	2,093	-	10,686	-	72,163	-
Industrial Chocolate	FY2022 3Q	31,478	+1,821	113,215	+22,271	11,955	+3,155	5,428	+506	5,363	+1,866	167,441	+29,618
	FY2021 3Q	29,657	+3,099	90,944	+8,542	8,800	+1,914	4,922	+882	3,497	+1,291	137,822	+15,727
	FY2020 3Q	26,558	-	82,402	-	6,886	-	4,040	-	2,206	-	122,094	-
Emulsified and Fermented Ingredients	FY2022 3Q	43,768	+4,584	-	-	12,320	+3,894	13,718	+1,842	-	-	69,807	+10,318
	FY2021 3Q	39,184	+1,202	-	-	8,426	+1,597	11,876	+3,095	-	-	59,488	+5,894
	FY2020 3Q	37,982	-	-	-	6,829	-	8,781	-	-	-	53,593	-
Soy-based Ingredients	FY2022 3Q	24,981	+389	-	-	-	-	797	(799)	-	-	25,779	(410)
	FY2021 3Q	24,592	+563	-	-	-	-	1,596	+333	-	-	26,189	+896
	FY2020 3Q	24,029	-	-	-	-	-	1,263	-	-	-	25,292	-
Net sales Total	FY2022 3Q	142,390	+16,935	172,997	+51,703	48,550	+16,784	22,637	+2,015	30,111	+9,315	416,687	+96,750
	FY2021 3Q	125,455	+10,523	121,294	+16,664	31,766	+7,258	20,622	+4,444	20,796	+7,903	319,936	+46,791
	FY2020 3Q	114,932	-	104,630	-	24,508	-	16,178	-	12,893	-	273,144	-

Operating Profit	FY	Japan		Americas		SE Asia		China		Europe		Consolidated adjustment		Group administrative expenses		Consolidated Total	
			YOY		YOY		YOY		YOY		YOY		YOY		YOY		YOY
Vegetable Oils and Fats	FY2022 3Q	2,716	(326)	(719)	(975)	2,793	+1,316	(161)	(152)	672	(193)	(59)	(93)	-	-	5,242	(422)
	FY2021 3Q	3,042	(155)	256	(924)	1,477	+577	(9)	(151)	865	+812	34	(77)	-	-	5,665	+79
	FY2020 3Q	3,197	-	1,180	-	900	-	142	-	53	-	111	-	-	-	5,586	-
Industrial Chocolate	FY2022 3Q	4,234	(584)	(925)	(801)	351	+27	25	(76)	326	+224	77	+60	-	-	4,090	(1,150)
	FY2021 3Q	4,818	+631	(124)	(1,016)	324	+62	101	+261	102	(133)	17	(11)	-	-	5,241	(203)
	FY2020 3Q	4,187	-	892	-	262	-	(160)	-	235	-	28	-	-	-	5,445	-
Emulsified and Fermented Ingredients	FY2022 3Q	1,795	+218	-	-	(624)	(68)	(256)	(703)	-	-	21	(159)	-	-	936	(712)
	FY2021 3Q	1,577	+559	-	-	(556)	(513)	447	(654)	-	-	180	+48	-	-	1,648	(559)
	FY2020 3Q	1,018	-	-	-	(43)	-	1,101	-	-	-	132	-	-	-	2,208	-
Soy-based Ingredients	FY2022 3Q	1,272	(775)	-	-	-	-	233	(22)	(206)	+25	38	+7	-	-	1,337	(764)
	FY2021 3Q	2,047	(660)	-	-	-	-	255	(68)	(231)	(191)	31	+82	-	-	2,102	(835)
	FY2020 3Q	2,707	-	-	-	-	-	323	-	(40)	-	(51)	-	-	-	2,938	-
Consolidated adjustment	FY2022 3Q	118	+14	(13)	(15)	(13)	(12)	21	+15	(91)	(88)	(38)	+70	-	-	(17)	(17)
	FY2021 3Q	104	+78	2	(4)	(1)	(3)	6	(8)	(3)	(95)	(108)	+35	-	-	-	-
	FY2020 3Q	26	-	6	-	2	-	14	-	92	-	(143)	-	-	-	-	-
Group administrative expenses	FY2022 3Q	-	-	-	-	-	-	-	-	-	-	-	-	(2,814)	(79)	(2,814)	(79)
	FY2021 3Q	-	-	-	-	-	-	-	-	-	-	-	-	(2,735)	(78)	(2,735)	(78)
	FY2020 3Q	-	-	-	-	-	-	-	-	-	-	-	-	(2,656)	-	(2,656)	-
Operating profit Total	FY2022 3Q	10,137	(1,453)	(1,657)	(1,791)	2,506	+1,262	(136)	(936)	701	(32)	38	(116)	(2,814)	(79)	8,776	(3,147)
	FY2021 3Q	11,590	+452	134	(1,945)	1,244	+122	800	(622)	733	+393	154	+78	(2,735)	(78)	11,923	(1,598)
	FY2020 3Q	11,138	-	2,079	-	1,122	-	1,422	-	340	-	76	-	(2,656)	-	13,522	-

*From FY2021, soy milk and USS soy milk products in the Soy-based Ingredients segment have been reclassified to the Emulsified and Fermented Ingredients segment, so the FY2020 results have been retroactively adjusted.

B/S, C/F, Dividend Policy

B/S

FY2022 the end of Q3

Increase in working capital due to higher raw material prices. Assets and interest-bearing debt increased.

Unit: billion yen

	FY2021 End	FY2022 3Q End
Cash and deposits	15.9	17.0
Goodwill (in a wide sense)	49.9	62.7
Total assets	416.6	499.9
Interest-bearing debt	148.8	185.5
Total liabilities	227.1	280.0
Total net assets	189.5	219.9

	FY2021 End	FY2022 3Q End
Net D/E ratio*	0.73	0.90
Equity ratio	44.7%	42.4%

* Net interest-bearing loans / equity capital

C/F

FY2022 the end of Q3

Increase in working capital due to higher raw material prices, etc. Operating CF decreased YOY. Capital expenditure is in line with the initial forecast.

Unit: billion yen

	FY2021 3Q total	FY2022 3Q total
Operating CF	16.8	(13.9)
Capital Expenditures	13.8	15.1
FCF	(11.2)	(25.1)
CCC (days)	110	120

Dividend Policy

FY2022 Forecast

No change from the initial plan

FY2022 Forecast

Forecast **52 yen per share.**
(1H 26 yen, 2H 26 yen)

2

FY2022 Full-Year Forecast

FY2022 Full-Year Forecast

FY2022 Full-Year Forecast

(Unit: billion yen)

	FY2021 Results	FY2022 Rev. Forecast (Feb.2023)	YOY	FY2022 Prev. Forecast (Nov.2022)	FY2022 Rev. Forecast (Feb.2023) vs FY2022 Prev. Forecast (Nov.2022)
Net sales	433.8	550.0	+116.2	550.0	-
Vegetable Oils and Fats	135.0	200.5	+65.5	196.6	+3.9
Industrial Chocolate	185.5	225.5	+40.0	222.1	+3.4
Emulsified and Fermented Ingredients	79.1	90.8	+11.7	93.5	(2.7)
Soy-based Ingredients	34.2	33.2	(1.0)	37.8	(4.6)
Operating profit	15.0	13.5	(1.5)	16.5	(3.0)
Vegetable Oils and Fats	7.4	7.5	+0.1	9.2	(1.7)
Industrial Chocolate	7.5	6.7	(0.8)	7.9	(1.2)
Emulsified and Fermented Ingredients	1.6	1.6	(0.0)	1.9	(0.4)
Soy-based Ingredients	2.1	1.6	(0.6)	1.5	+0.0
Group administrative expenses	(3.7)	(3.8)	(0.1)	(4.1)	+0.2
Operating margin	3.5%	2.5%	(1.0pt)	3.0%	(0.5pt)
Ordinary profit	14.4	12.5	(1.9)	15.8	(3.3)
Profit attributable to owners of parent	11.5	8.0	(3.5)	10.5	(2.5)

Operating profit YOY(1.5 billion yen)

Planning to decrease in operating profit YOY due to lower sales volume in Japan, China, and Blommer, in addition to lower profitability by higher raw material prices.

-  Sales growth in SE Asia and improved profitability in Japan, despite lower profitability and increased expenses by the operation of a new plant in North America.
-  Harald grew, but sales volume in Japan and Blommer declined.
-  Lower sales volume of soy protein ingredients, despite higher sales of functional ingredients.

Operating profit vs Nov. Revision Forecast (3.0 billion yen)

Downward revision from November 2022 forecast due to delay in improved profitability of Oils and Fats in North America and lower sales volume in Japan and China

-  Downward revision due to delay in improving profitability, and low utilization of a new plant in North America.
-  Downward revision due to lower sales volume in Japan.
-  Downward revision due to delayed improvement and lower sales volume in SE Asia and China

Revision to FY2022 Full-Year Forecast



Vegetable Oils and Fats

(Unit: billion yen)

	FY2021 Results	FY2022 Rev. Forecast (Feb.2023)	YOY	FY2022 Prev. Forecast (Nov.2022)	FY2022 Rev. Forecast vs Prev. Forecast
Operating Profit	7.4	7.5	+0.1	9.2	(1.7)
Japan	3.8	3.3	(0.5)	3.7	(0.4)
Americas	0.3	0.2	(0.1)	2.0	(1.8)
SE Asia	2.1	3.1	+1.0	2.6	+0.5
China	0.0	(0.1)	(0.1)	(0.1)	+0.0
Europe	1.2	1.0	(0.3)	1.1	(0.1)
Group administrative expenses	(0.1)	0.0	+0.1	(0.1)	+0.1

Operating Profit Revision

In Japan, profitability improved as planned, but sales volume of vegetable fats for chocolate is expected to decline.

In the Americas, profitability is expected to decline due to lower sales volume and delays in the use of high-priced raw materials due to customers' delivery delays.

Japan Although overall sales were firm, the downward revision was mainly due to a decline in sales volume of vegetable fats for chocolate.

Americas Expect delays in profitability improvement due to customer's delivery delay and the delay in infrastructure development for the new plant.

SE Asia Relatively profitable sales continued in Q3, but are expected to level off in Q4.



Industrial Chocolate

(Unit: billion yen)

	FY2021 Results	FY2022 Rev. Forecast (Feb.2023)	YOY	FY2022 Prev. Forecast (Nov.2022)	FY2022 Rev. Forecast vs Prev. Forecast
Operating Profit	7.5	6.7	(0.8)	7.9	(1.2)
Japan	6.3	5.2	(1.2)	6.0	(0.9)
Americas	0.2	0.2	(0.0)	0.7	(0.4)
SE Asia	0.7	0.7	+0.1	1.0	(0.3)
China	0.1	0.0	(0.1)	(0.2)	+0.2
Europe	0.2	0.5	+0.3	0.3	+0.2
Group administrative expenses	0.0	0.1	+0.1	0.0	+0.1

Operating Profit Revision

In Japan, sales volume for the distributed confectionery and ice cream markets decreased despite price revisions.

In Blommer, sales volume decreased due to cocoa processing facilities problem.

Japan Although consumption trends in 2H are weaker than expected, we will promote sales expansion mainly for gift markets.

Americas (Blommer) Cocoa sales normalized, but sales growth was sluggish due to the economic downturn in the U.S.

Americas (Harald) Planned sales growth for Easter.

Revision to FY2022 Full-Year Forecast



Emulsified and Fermented Ingredients

(Unit: billion yen)

	FY2021 Results	FY2022 Rev. Forecast (Feb.2023)	YOY	FY2022 Prev. Forecast (Nov.2022)	FY2022 Rev. Forecast vs Prev. Forecast
Operating Profit	1.6	1.6	(0.0)	1.9	(0.4)
Japan	1.8	2.1	+0.3	1.7	+0.5
SE Asia	(0.9)	(0.4)	+0.5	(0.0)	(0.3)
China	0.5	(0.2)	(0.7)	0.3	(0.4)
Group administrative expenses	0.2	(0.0)	(0.2)	0.0	(0.0)

Operating Profit Revision

Revised forecast due to lack of growth in sales volume in SE Asia and China, despite sales price revision. We will promote flexible pricing strategies and sales expansion in accordance with the trends in each area.

Japan Increased sales of creams, etc.

SE Asia Profitability has improved due to price revisions, but there are concerns about a decline in sales volume.

China Despite efforts to expand sales in Q4, sales volume is expected to decline due to the economic downturn caused by the impact of COVID-19.



Soy-based Ingredients

(Unit: billion yen)

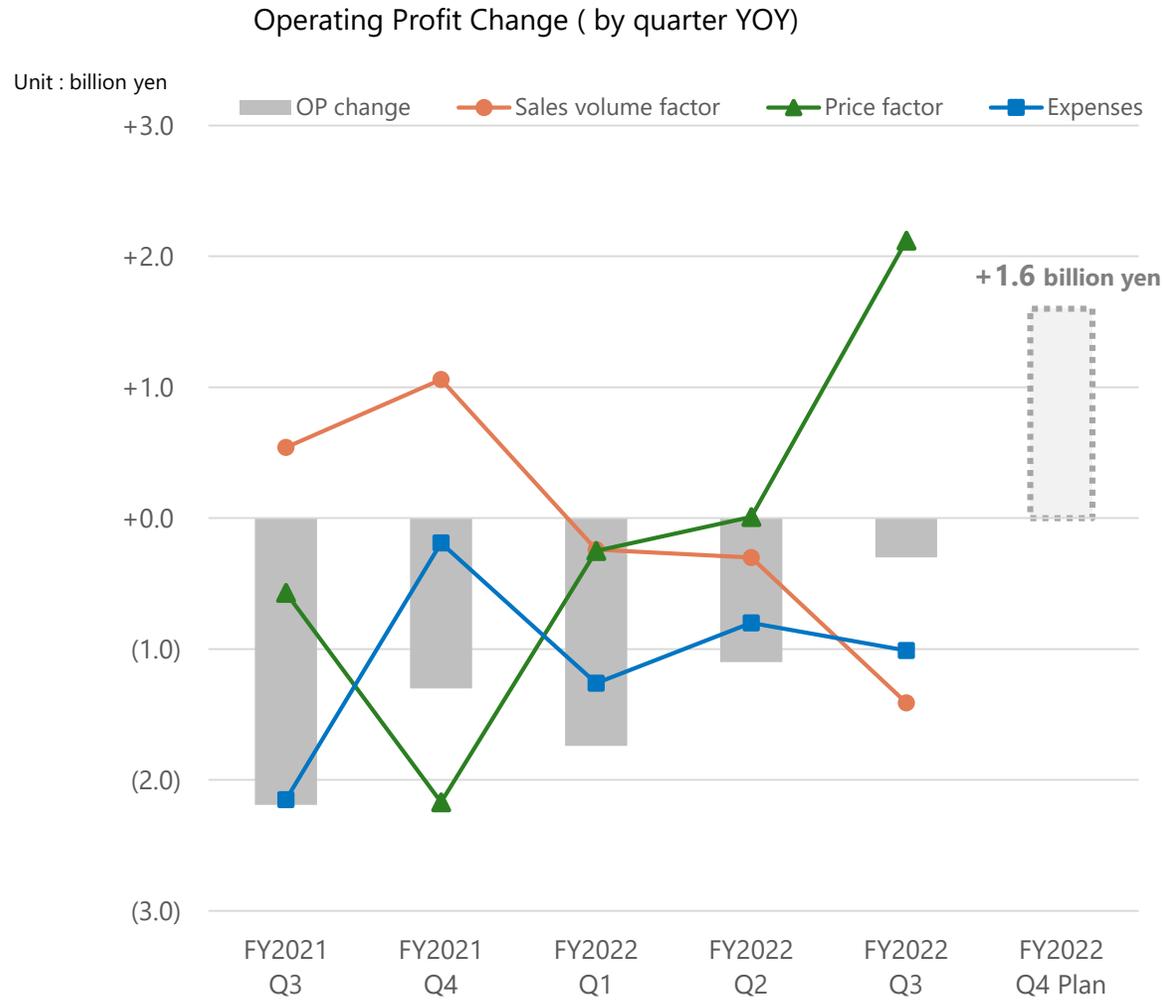
	FY2021 Results	FY2022 Rev. Forecast (Feb.2023)	YOY	FY2022 Prev. Forecast (Nov.2022)	FY2022 Rev. Forecast vs Prev. Forecast
Operating Profit	2.1	1.6	(0.6)	1.5	+0.0
Japan	2.0	1.6	(0.4)	1.6	+0.0
China	0.3	0.3	+0.0	0.3	(0.0)
Europe	(0.3)	(0.4)	(0.1)	(0.5)	+0.0
Group administrative expenses	0.1	0.1	(0.0)	0.0	+0.0

Operating Profit Revision

In Japan, sales of soy protein ingredients decreased but sales functional ingredients increased. No major changes from the previous forecast (November).

Expect Improved Performance in 4Q

Price factor improved due to price revision. Decrease in sales volume is reflected in the revised forecast.



Price Factor

Significant positive growth from 3Q due to price revisions and raw material prices settling down.

Expenses

Fixed costs of the new plant for oils and fats in North America are heavy.
*Brammer labor costs are included, but the price was revised to include those costs.

Sales Volume Factor

In the third quarter, sales volume dropped sharply.
Main factors were **cocoa processing facilities problems in Blommer and lower sales volume in Japan, North American for Oils and Fats, and China.**

Q4 Forecast

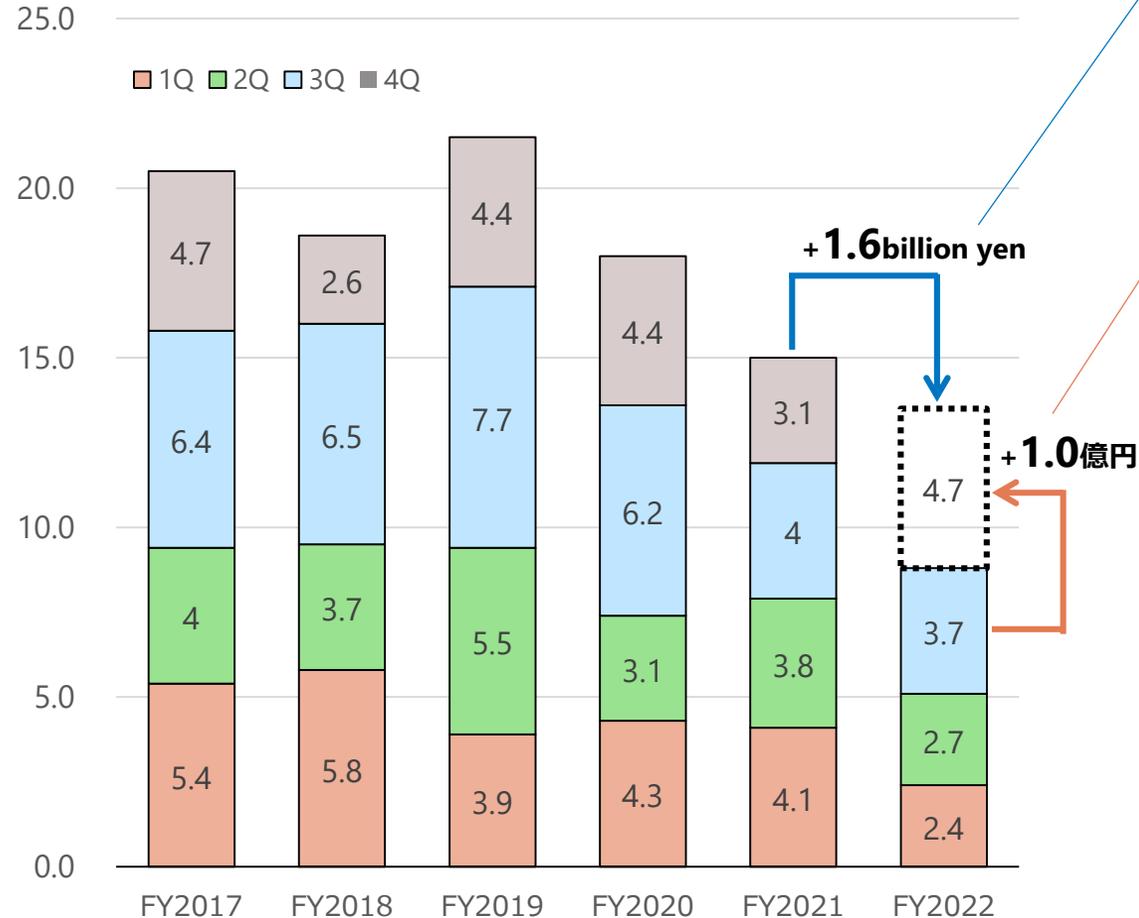
- ✓ Fixed costs are expected to be covered **by higher utilization rates from Q4 due to the completion of infrastructure development** at the new plant in North America for oils and fats.
- ✓ **Blommer cocoa processing facilities repaired in Q3.**
- ✓ Expectations of recovery from COVID-19 in China and capture of inbound demand in Japan, but **revised forecast reflects volume decline from economic downturn in US, China, and Japan.**

Expect Improved Performance in 4Q

Quarterly Operating Profit

In Q4, planning to
YOY +1.6 billion yen, QoQ+1.0 billion yen.

(Unit : billion yen)



YOY (vsFY21Q4) Change

- +0.5billion yen (Japan -0.2, **Americas +0.8**, SE Asia -0.3)
 - +0.3billion yen (Japan -0.6, **Americas +0.8**)
 - +0.7billion yen (Japan +0.1, SE Asia +0.6)
 - +0.2billion yen (Japan +0.4, Europe -0.2)
- +1.6billion yen**

QoQ (vsFY22Q3) Change

- +0.3billion yen (Japan -1.2, **Americas +1.5**)
 - +1.2billion yen (Japan -1.0, **Americas +2.1**)
 - 0.3billion yen (Japan -0.7, SE Asia +0.2, China +0.1)
 - 0.1billion yen
- +1.0billion yen**

Point

1 Americas / Vegetable Oils and Fats **OP 0.9 bn yen/ +0.8 bn yen/ +1.5 bn yen**
3 months : FY22Q4 / vsFY21Q4 / vsFY22Q3

Existing plant is expected to improve profitability from Q4.
 New plant is expected to increase sales volume and achieve profitability due to higher capacity utilization.

2 Americas / Industrial Chocolate **OP 1.2 bn yen/ +0.8 bn yen/ +2.1 bn yen**

In Blommer, sales volume declined in Q3, but profitability is expected to improve in Q4 (Nov-Jan).

In Harald, demand for Easter is firm. Expect sales volume growth from YOY.

*FY 2019 is a reference figure retroactively adjusted for changes in fiscal year end of subsidiaries.

Net Sales and Operating Profit (FY2022 Forecast / by region, division)



(Unit: million yen)

Net Sales	FY	Japan		Americas		SE Asia		China		Europe		Consolidated Total	
			YOY		YOY		YOY		YOY		YOY		YOY
Vegetable Oils and Fats	2022 Rev. Forecast (Feb.2023)	53,800	+10,413	80,900	+37,061	30,300	+9,318	3,500	+506	32,000	+8,228	200,500	+65,524
	2022 Prev. Forecast (Nov.2022)	51,500	+8,113	82,100	+38,261	30,800	+9,818	3,500	+506	28,700	+4,928	196,600	+61,624
	2021 Results	43,387	-	43,839	-	20,982	-	2,994	-	23,772	-	134,976	-
Industrial Chocolate	2022 Rev. Forecast (Feb.2023)	40,100	+563	152,900	+30,667	18,500	+5,960	7,300	+908	6,700	+1,866	225,500	+39,960
	2022 Prev. Forecast (Nov.2022)	45,200	+5,663	144,400	+22,167	18,500	+5,960	7,300	+908	6,700	+1,866	222,100	+36,560
	2021 Results	39,537	-	122,233	-	12,540	-	6,392	-	4,834	-	185,540	-
Emulsified and Fermented Ingredients	2022 Rev. Forecast (Feb.2023)	56,700	+5,408	-	-	16,200	+4,219	17,900	+2,028	-	-	90,800	+11,654
	2022 Prev. Forecast (Nov.2022)	57,700	+6,408	-	-	16,900	+4,919	18,900	+3,028	-	-	93,500	+14,354
	2021 Results	51,292	-	-	-	11,981	-	15,872	-	-	-	79,146	-
Soy-based Ingredients	2022 Rev. Forecast (Feb.2023)	32,000	(315)	-	-	-	-	1,200	(652)	-	-	33,200	(967)
	2022 Prev. Forecast (Nov.2022)	36,600	+4,285	-	-	-	-	1,200	(652)	-	-	37,800	+3,633
	2021 Results	32,315	-	-	-	-	-	1,852	-	-	-	34,167	-
Net sales Total	2022 Rev. Forecast (Feb.2023)	182,600	+16,067	233,800	+67,727	65,000	+19,496	29,900	+2,789	38,700	+10,093	550,000	+116,169
	2022 Prev. Forecast (Nov.2022)	191,000	+24,467	226,500	+60,427	66,200	+20,696	30,900	+3,789	35,400	+6,793	550,000	+116,169
	2021 Results	166,533	-	166,073	-	45,504	-	27,111	-	28,607	-	433,831	-

Operating Profit	FY	Japan		Americas		SE Asia		China		Europe		Consolidated adjustment		Group administrative expenses		Consolidated Total	
			YOY		YOY		YOY		YOY		YOY		YOY		YOY		YOY
Vegetable Oils and Fats	2022 Rev. Forecast (Feb.2023)	3,305	(501)	196	(137)	3,100	+980	(136)	(147)	975	(261)	37	+144	-	-	7,478	+77
	2022 Prev. Forecast (Nov.2022)	3,699	(107)	1,970	+1,637	2,647	+527	(147)	(158)	1,090	(146)	28	+135	(115)	(115)	9,171	+1,770
	2021 Results	3,806	-	333	-	2,120	-	11	-	1,236	-	(107)	-	-	-	7,401	-
Industrial Chocolate	2022 Rev. Forecast (Feb.2023)	5,161	(1,164)	235	(9)	705	+54	46	(89)	472	+298	82	+65	-	-	6,700	(848)
	2022 Prev. Forecast (Nov.2022)	6,035	(290)	670	+426	1,049	+398	(157)	(292)	283	+109	29	+12	-	-	7,909	+361
	2021 Results	6,325	-	244	-	651	-	135	-	174	-	17	-	-	-	7,548	-
Emulsified and Fermented Ingredients	2022 Rev. Forecast (Feb.2023)	2,114	+320	-	-	(353)	+511	(179)	(709)	-	-	(2)	(159)	-	-	1,579	(38)
	2022 Prev. Forecast (Nov.2022)	1,661	(133)	-	-	(4)	+860	254	(276)	-	-	34	(123)	-	-	1,944	+327
	2021 Results	1,794	-	-	-	(864)	-	530	-	-	-	157	-	-	-	1,617	-
Soy-based Ingredients	2022 Rev. Forecast (Feb.2023)	1,630	(419)	-	-	-	-	335	+18	(438)	(142)	62	(16)	-	-	1,589	(560)
	2022 Prev. Forecast (Nov.2022)	1,608	(441)	-	-	-	-	343	+26	(450)	(154)	39	(39)	-	-	1,540	(609)
	2021 Results	2,049	-	-	-	-	-	317	-	(296)	-	78	-	-	-	2,149	-
Consolidated adjustment	2022 Rev. Forecast (Feb.2023)	118	(32)	(13)	(20)	(13)	(8)	21	+18	(91)	(78)	(32)	+131	-	-	(10)	+10
	2022 Prev. Forecast (Nov.2022)	-	(150)	-	(7)	-	+5	-	(3)	-	+13	-	+163	-	-	-	+20
	2021 Results	150	-	7	-	(5)	-	3	-	(13)	-	(163)	-	-	-	(20)	-
Group administrative expenses	2022 Rev. Forecast (Feb.2023)	-	-	-	-	-	-	-	-	-	-	-	-	(3,839)	(151)	(3,839)	(151)
	2022 Prev. Forecast (Nov.2022)	-	-	-	-	-	-	-	-	-	-	-	-	(4,065)	(377)	(4,065)	(377)
	2021 Results	-	-	-	-	-	-	-	-	-	-	-	-	(3,688)	-	(3,688)	-
Operating profit Total	2022 Rev. Forecast (Feb.2023)	12,330	(1,797)	418	(166)	3,438	+1,536	89	(910)	919	(182)	145	+163	(3,839)	(151)	13,500	(1,508)
	2022 Prev. Forecast (Nov.2022)	13,002	(1,125)	2,640	+2,056	3,692	+1,790	293	(706)	923	(178)	130	+148	(4,180)	(492)	16,500	+1,492
	2021 Results	14,127	-	584	-	1,902	-	999	-	1,101	-	(18)	-	(3,688)	-	15,008	-

Direction for Q4 and beyond

Up to 3Q Review

- ✓ **Steady sales price revisions in response to higher raw material prices**
- ✓ **Decrease in sales volume and delay in growth strategies due to rapid changes in the external environment**
- ✓ **Steady growth in Brazil, Australia and Europe, adapting to the environment**



Direction for Q4 and beyond

- ✓ **Thorough risk management including raw material position management, strengthening management of business segments**
- ✓ **Stabilize and strengthen the production system by dealing with production issues that arose by 3Q**
- ✓ **Steadily respond to changes in the post COVID-19 market environment (strategy of sales, product and price)**
- ✓ **Reorganization and actions to support and strengthen priority projects**

Promotion of Sales Price Revision and Steady Growth

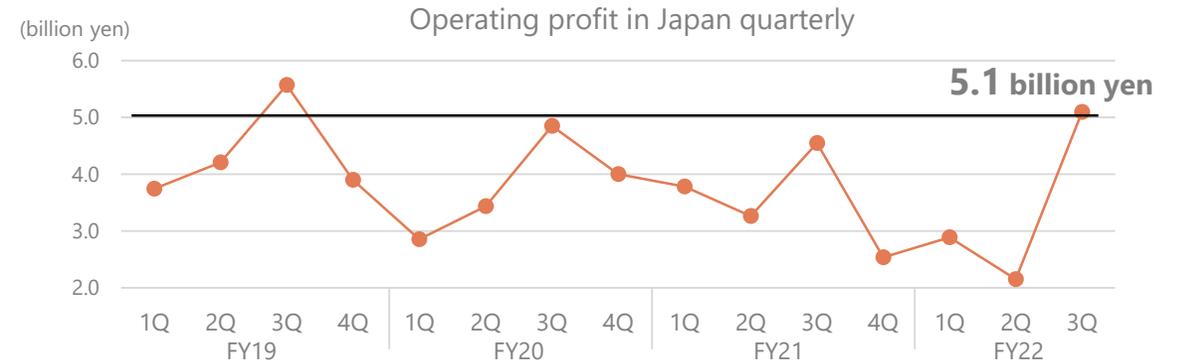


Japan All business

FY22Q3 (3 months) operating profit was 5.1 billion yen

The amount exceeding 5.0 billion yen is the first level since FY19Q3. Price revisions and cost reductions are steadily achieving results.

Continue to sales price revisions. Respond to changes in the market environment and take on the challenge of creating new value.



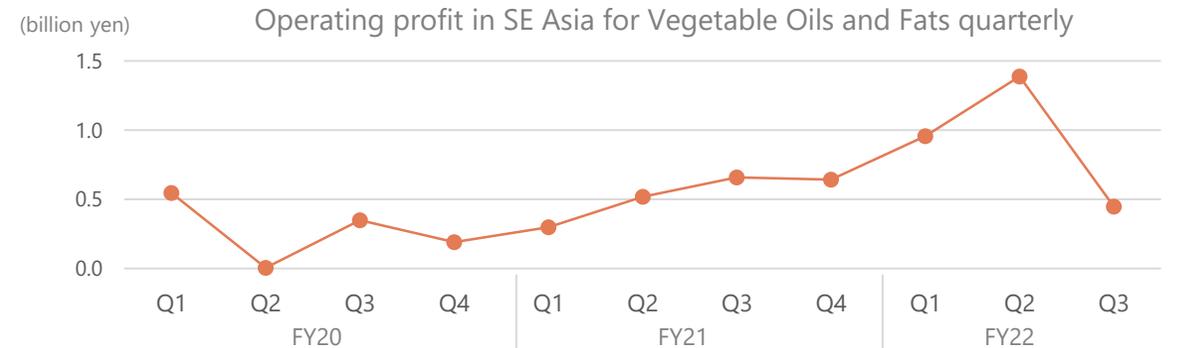
Vegetable Oils and Fats / SE Asia

Expanded presence by increasing handling of certified sustainable palm oil and transient demand

In the last two years, we have steadily expanded the handling of certified palm oil, despite some growth due to transient demand and favorable raw material market conditions. This will lead to an increase in the foundation of profitability.

Meeting society's demands by strengthening the supply chain.

*Percentage of certified oil procurement to total palm oil volume handled
2018: approx. **17%** → 2021: approx. **41%**

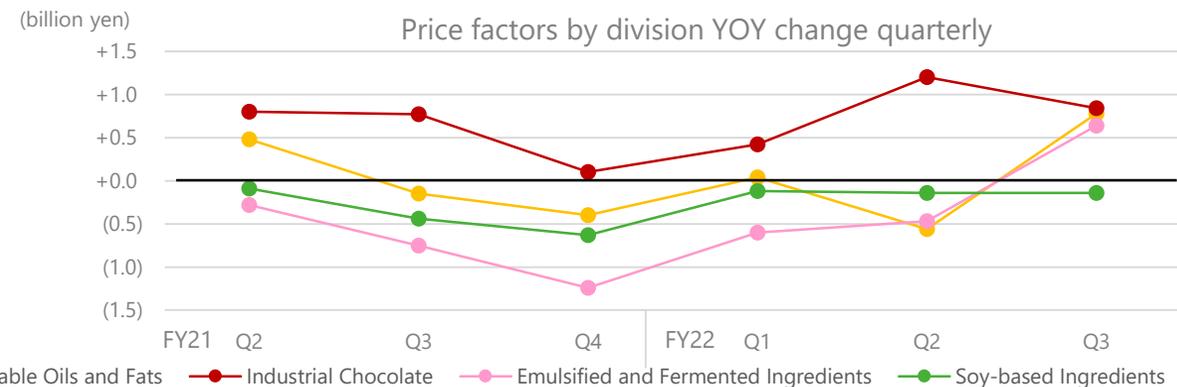


Implementation of price revisions

Struggled in 1H due to high raw material prices, but the effect of price revisions appeared in 3Q

Focused on sales price revision. Price revision of Blommer made a significant contribution in FY2022. Oils and Fats, Emulsified and Fermented sales price also exceeded the increase in raw material prices in Q3.

Although the price of palm, the main raw material, has settled down, overhead costs continue to rise. Price revisions will continue.



Promotion of Sales Price Revision and Steady Growth

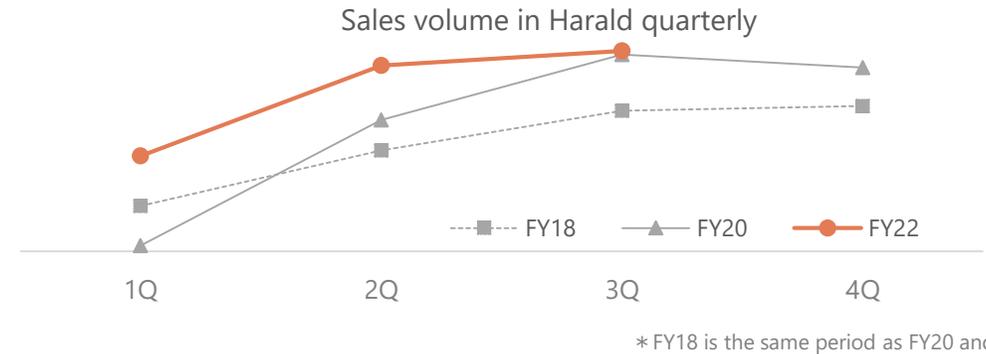


Harald Industrial Chocolate / Americas

Steady increase in sales volume due to successful implementation of measures

In addition to productivity improvements, we gained demand through market and product matrix management.

▶ New plant starts operation in FY2023. Establish a production system to meet demand. Improvement of product mix.

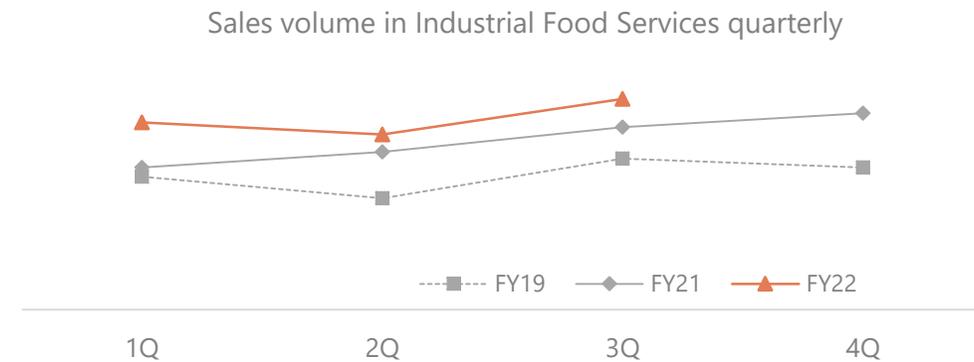


Industrial Food Services Industrial Chocolate / SE Asia (Australia)

Demand for industrial use is expanding. Full production continues.

Joined the subsidiary in FY2018. Firm demand, including from distributed confectionery manufacturers, keeps the plant in full production. Production guidance is provided from the group headquarters.

▶ Improve productivity and respond to demand with technical support from the group headquarters.

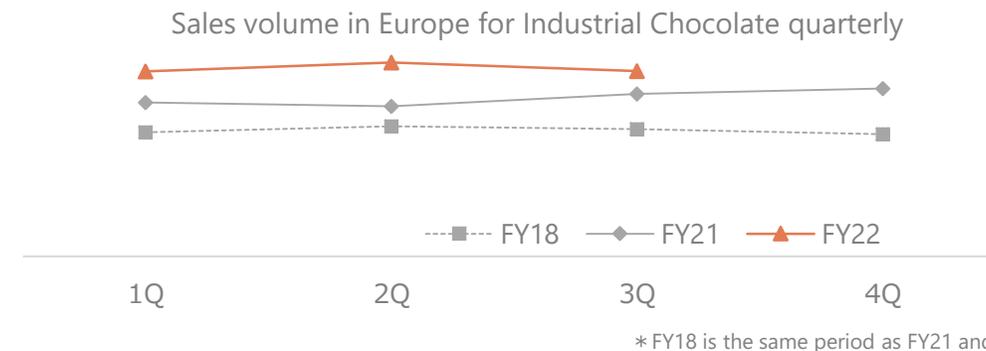


Industrial Chocolate / Europe

Demand captured, facility expansion also a success

Sales volume increased steadily for chocolates using oils and fats, capturing customer demand. Ongoing capital investment also contributed to continued growth in sales volume.

▶ Continue to expand business by capturing demand and increasing volume.



Measures for Priority Projects

Vegetable Oils and Fats / Americas

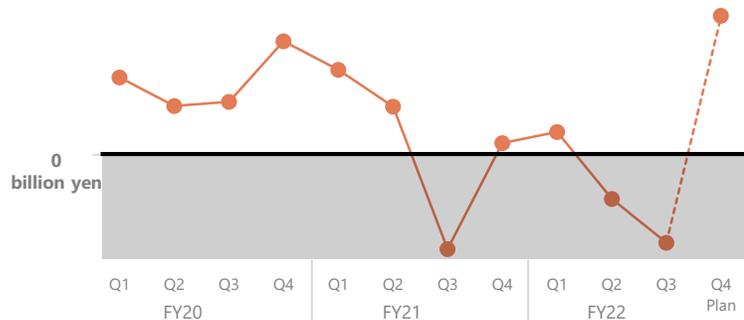
Initial Plan

We will respond demand for vegetable oils and fats in the South of the U.S. expected to be strong by the operation of the new plant.

Issue

The new plant faced shipping delays due to logistics disruptions and delays in the construction of infrastructure facilities. Profitability at existing plants also deteriorated due to sales delays caused by customers' inventory adjustments and declining profitability caused by high price of raw material inventories.

Operating profit in North America for Oils and Fats quarterly



Next Measures

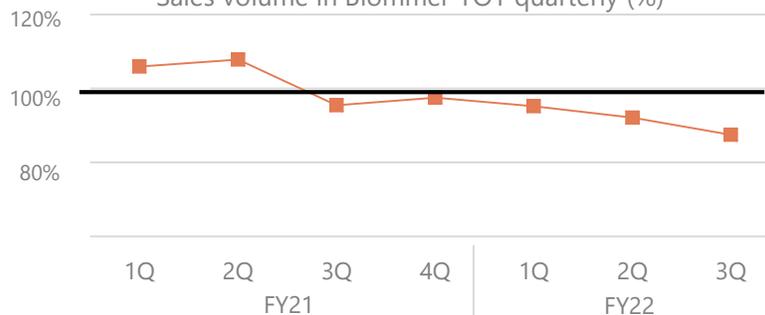
Infrastructure facilities for the new plant were completed. In 4Q, the production and shipping system initially planned will be realized. Profitability of the existing plant is also expected to improve from 4Q.

Blommer Industrial Chocolate/ Americas

Plan to improve profitability by revising sales prices, and sales volume is expected to remain at the same level YOY. Capital investment and productivity improvement will be promoted.

Price revisions were implemented as planned, contributing significantly to profitability. However, sales volume and profitability declined due to cocoa processing facilities problems. In addition, consumption demand was weak and customers' inventory adjustments caused delivery delays.

Sales volume in Blommer YOY quarterly (%)



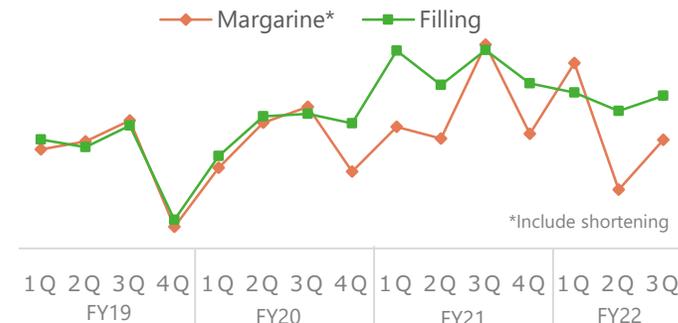
Cacao processing facilities have been repaired. Price revisions will be continued while monitoring demand trends. Education and training for employees will be strengthened to improve productivity.

Emulsified and Fermented Ingredients / China

Expand sales by capturing the economic recovery and expansion of the bakery market due to the calming down of COVID-19. Revise prices products in response to high raw material prices. New product proposal.

Price revisions were implemented, but sales volume declined due to delays in acquiring new customers and proposing new products due to lockdowns and sluggish demand.

Sales volume in China for Emulsified and Fermented Ingredients quarterly



*FY19 is the same period as FY20, FY21 and FY22.

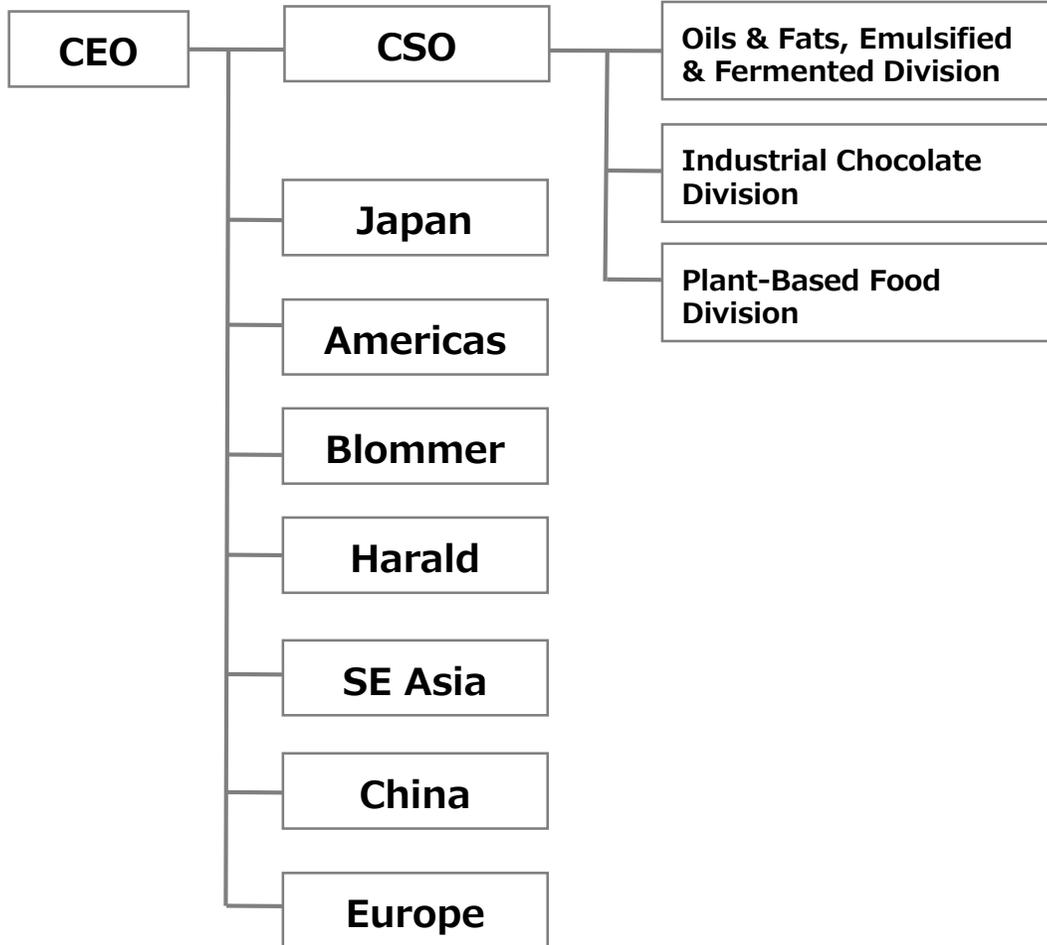
In anticipation of recovery of the market from COVID-19 in 4Q and beyond, we will strengthen sales activities by resuming proposal activities for new products, etc. We will also implement cost reductions to improve profitability.

Aim for early recovery and growth of earnings from 4Q and beyond.

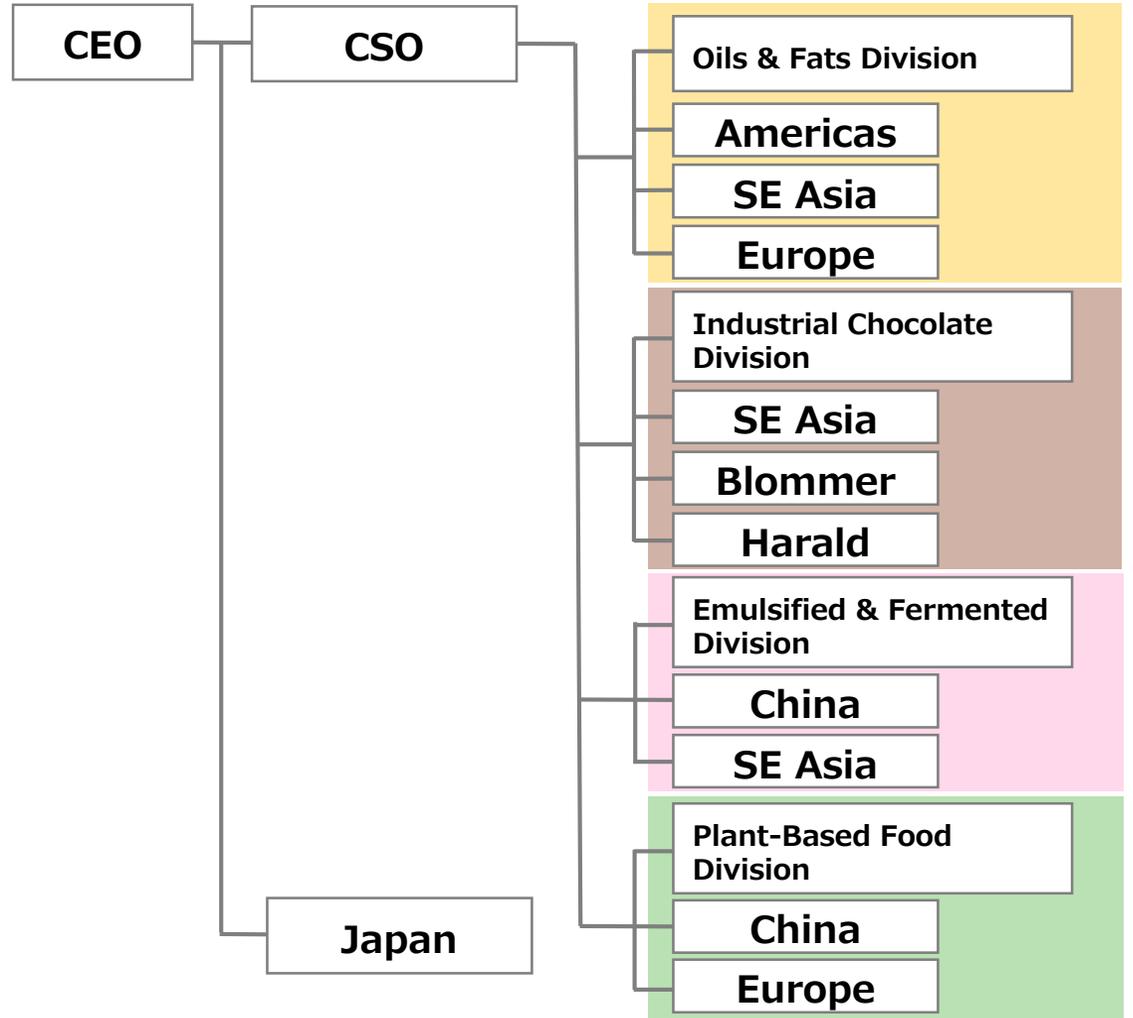
Reorganization to support and strengthen priority projects

From response by each area and individual company optimization to an organizational structure that focuses on business axis aiming for more business optimization.

Present Organization *image



New Organization (from Apr. 2023) *image

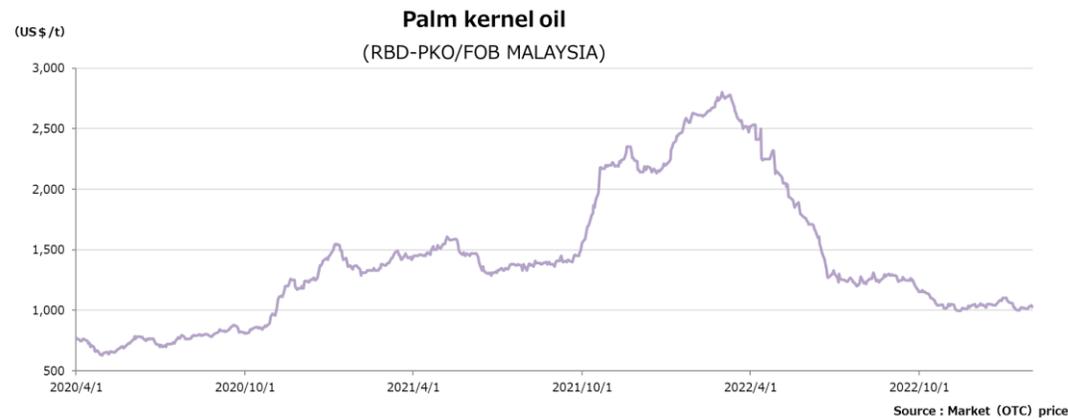
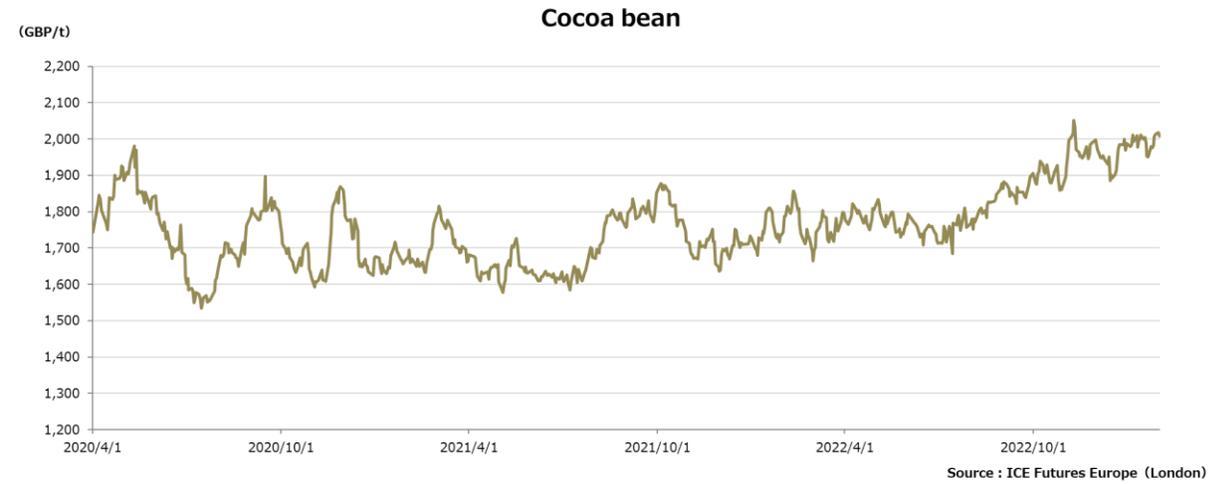


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Reference Materials



Main raw material market price (~ Jan 31, 2023)



 **FUJI OIL HOLDINGS INC.**

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