

FY2023 3Q

FY2023 Q3 Earnings Conference

February 8, 2024

- 1. FY2023 Q3 Results**
- 2. FY2023 Full-Year Forecast**
- 3. Reference Materials**

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FY2023 Q3 Results

FY2023 Q3 Total Results

(Unit: JPY billion)

	FY2022Q3 Total Results	FY2023Q3 Total Results	YOY
Net Sales	416.7	421.5	+4.9
Operating Profit	8.8	12.9	+4.1
Ordinary Profit	8.4	11.6	+3.3
Profit Attributable to Owners of Parent	5.1	5.0	(0.1)

Net Sales **421.5** billion yen YOY + **4.9** billion yen

Net sales increased due to higher sales prices to reflect higher raw material prices and the effect of yen depreciation on Industrial Chocolate Business, despite declined sales prices to reflect stable prices for palm oil, our main raw material, and lower sales caused by the transfer of fixed assets of Fuji Oil New Orleans (hereinafter referred to as "FVN") on Vegetable Oils and Fats Business.

Operating Profit **12.9** billion yen YOY + **4.1** billion yen

Operating profit increased thanks to improved profitability in Japan, the Americas and Europe on Vegetable Oils and Fats Business, despite decreased sales volume against stagnant demand in the confectionery market and increased fixed cost in the U.S. on Industrial Chocolate Business.

Profit Attributable to Owners of Parent **5.0** billion yen YOY - **0.1** billion yen

Profit decreased due to extraordinary loss for Blommer on Industrial Chocolate Business despite extraordinary income from the transfer of fixed assets of FVN on Vegetable Oils and Fats Business.

FY2023 Q3 Total Results by Business

(Unit: JPY billion)

	FY2022Q3 Total Results	FY2023Q3 Total Results	YOY
Net Sales	416.7	421.5	+4.9
Vegetable Oils and Fats	153.7	139.7	(14.0)
Industrial Chocolate	167.4	186.8	+19.3
Emulsified and Fermented Ingredients	69.8	67.9	(1.9)
Soy-based Ingredients	25.8	27.2	+1.4
Operating Profit	8.8	12.9	+4.1
Vegetable Oils and Fats	5.2	11.7	+6.5
Industrial Chocolate	4.1	(0.3)	(4.4)
Emulsified and Fermented Ingredients	0.9	3.0	+2.1
Soy-based Ingredients	1.3	1.3	(0.1)
Group Administrative Expenses	(2.8)	(2.9)	(0.0)
Operating Margin	2.1%	3.1%	+1.0pt

Operating Profit by Business



Vegetable Oils and Fats

- ✓ Profitability improved thanks to stable raw material prices in Japan, the Americas and Europe.
- ✓ The transfer of fixed assets of FVN, which recorded operating losses in the previous fiscal year.



Industrial Chocolate

- ✓ Sales increased for the souvenir and the ice cream market in Japan.
- ✓ Sales volume increased with contribution of capital investments in Brazil, Southeast Asia and Europe.
- ✓ Sales volume decreased against stagnant demand in the confectionery market. Profitability worsened caused by soaring raw material prices and fixed cost increased in the U.S.



Emulsified and Fermented Ingredients

- ✓ Sales of whipping cream increased for food services and convenience stores in Japan.
- ✓ Profitability improved thanks to stable raw material prices in Southeast Asia and China.



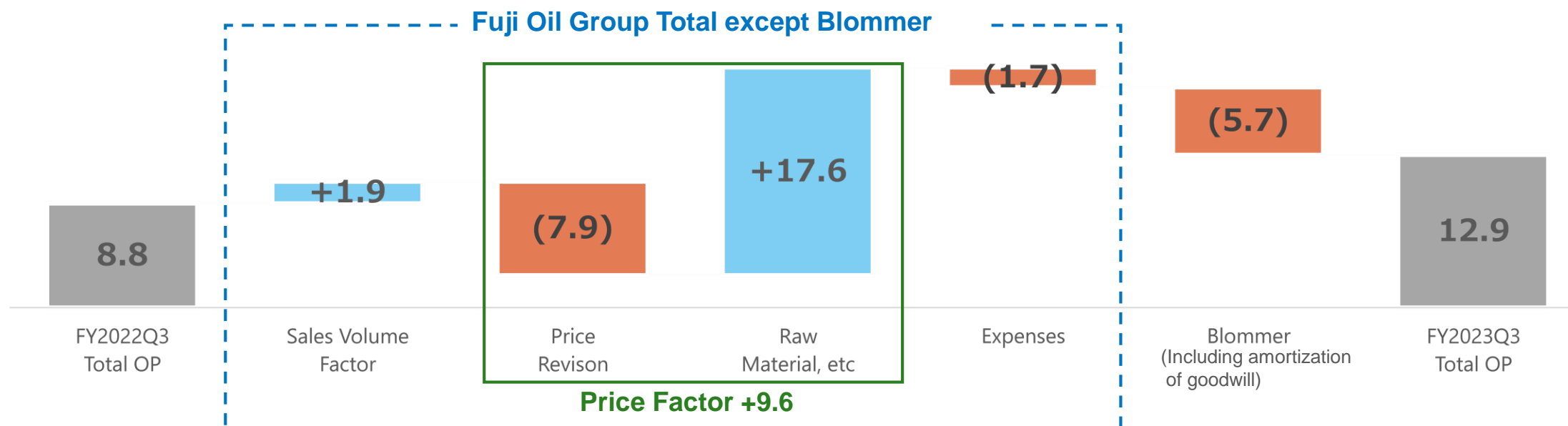
Soy-based Ingredients

- ✓ Profitability improved by revising sales prices appropriately in Japan.
- ✓ Depreciation cost increased for a new plant in Europe.

FY2023 Q3 Total Results Operating Profit Analysis

Operating Profit Analysis YOY

(Unit: JPY billion)



Sales Volume Factor	Sales volume increased in Brazil, Southeast Asia and Europe on Industrial Chocolate Business, and sales volume of whipping cream increased in Japan on Emulsified and Fermented Ingredients Business.
Price Factor	Stable prices for palm oil, our main raw material, contributed to higher profits, despite the higher price of cocoa and the effect of yen depreciation in Japan.
Expenses	Labor costs and other costs increased in each Group company despite a decrease in fixed cost due to the transfer of fixed assets of FVN.

Blommer

Blommer 3Q Total Results

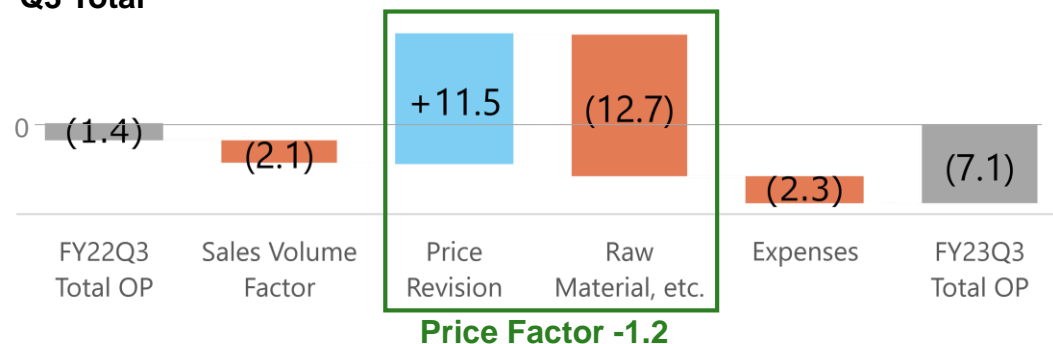
(Unit: JPY billion)

	FY2022Q3 Total Results	FY2023Q3 Total Results	YOY
Net Sales	92.9	100.0	+7.1
Operating Profit (Including amortization of goodwill)	(1.4)	(7.1)	(5.7)

Operating Profit Analysis Q2 Total



Q3 Total



Amortization of goodwill changed from US\$ 14.1 million per year to US\$ 9.7 million per year from Q4 due to impairment losses*.

* Impairment loss indicated in this materials refers to the additional amortization cost of goodwill due to impairment accounting for subsidiary shares in accordance with the provisions of Section 32 of the Practical Guidelines on Accounting Standards for Capital Consolidation Procedures in Preparing Consolidated Financial Statements (The Japanese Institute of Certified Public Accountants, Accounting Practice Committee Statement No. 7, October 28, 2022).

Sales Volume Factor

Sales volume declined significantly in FY2023 against stagnant demand in the confectionery market driven by inflation in the U.S. and inventory adjustments by customers.

Reference) National Confectioners Association Monthly Report
Period Ending Dec. 31, 2023 "\$ Sales Mulo + Convenience",
"Unit Sales Mulo + Convenience"
Category: Total Chocolate Candy

US Chocolate Confectionery Market (YOY)

Period Ending Dec. 31, 2023	Sales	Unit
Latest 4 Weeks	+4.1%	(2.4%)
Latest 12 Weeks	+2.9%	(4.9%)
Latest 52 Weeks	+5.8%	(5.2%)

Price Factor

Blommer continued to revise prices in Q3 as in 1H and tried to boost earnings, but the price factor deteriorated significantly in Q3 due to delays in some sales price revisions as a result of soaring prices of cocoa and high level of U.S. interest rates. The company has already revised its sales prices from Q4 onwards, and earnings are expected to improve.

Expenses

Repair cost and labor cost increased by inflation.

Structural reform will be announced in late March 2024.

- Views
1. Improving Productivity
 2. Cocoa Processing Business
 3. Differentiation Strategies

FY2023 Q3 Total Results Net Sales & Operating Profit (by Business, Area)

(Unit: JPY million)

Net Sales	FY	Japan		Americas		SE Asia		China		Europe		Consolidated Total	
			YOY		YOY		YOY		YOY		YOY		YOY
Vegetable Oils and Fats	FY2023 3Q	43,316	+1,154	48,389	(11,391)	18,683	(5,589)	2,453	(240)	26,836	+2,087	139,679	(13,979)
	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	-	30,349	-	14,538	-	2,226	-	17,299	-	96,435	-
Industrial Chocolate	FY2023 3Q	34,339	+2,861	125,161	+11,944	14,523	+2,567	5,667	+239	7,059	+1,696	186,752	+19,310
	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	-	90,944	-	8,800	-	4,922	-	3,497	-	137,822	-
Emulsified and Fermented Ingredients	FY2023 3Q	44,756	+988	-	-	10,574	(1,746)	12,553	(1,164)	-	-	67,884	(1,922)
	FY2022 3Q	43,768	+4,584	-	-	12,320	+3,894	13,718	+1,842	-	-	69,807	+10,318
	FY2021 3Q	39,184	-	-	-	8,426	-	11,876	-	-	-	59,488	-
Soy-based Ingredients	FY2023 3Q	26,623	+1,641	-	-	-	-	598	(198)	0	+0	27,222	+1,443
	FY2022 3Q	24,981	+389	-	-	-	-	797	(799)	-	-	25,779	(410)
	FY2021 3Q	24,592	-	-	-	-	-	1,596	-	-	-	26,189	-
Net sales Total	FY2023 3Q	149,036	+6,646	173,550	+553	43,781	(4,768)	21,273	(1,364)	33,896	+3,784	421,538	+4,851
	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	-	121,294	-	31,766	-	20,622	-	20,796	-	319,936	-

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	FY2023 3Q	4,457	+1,741	3,421	+4,141	1,307	(1,485)	4	+165	2,409	+1,736	141	+200	-	-	11,742	+6,499
	FY2022 3Q	2,716	(326)	(719)	(975)	2,793	+1,316	(161)	(152)	672	(193)	(59)	(93)	-	-	5,242	(422)
	FY2021 3Q	3,042	-	256	-	1,477	-	(9)	-	865	-	34	-	-	-	5,665	-
Industrial Chocolate	FY2023 3Q	4,758	+523	(6,750)	(5,825)	978	+627	131	+106	577	+250	37	(39)	-	-	(266)	(4,357)
	FY2022 3Q	4,234	(584)	(925)	(801)	351	+27	25	(76)	326	+224	77	+60	-	-	4,090	(1,150)
	FY2021 3Q	4,818	-	(124)	-	324	-	101	-	102	-	17	-	-	-	5,241	-
Emulsified and Fermented Ingredients	FY2023 3Q	2,794	+998	-	-	(195)	+429	396	+652	-	-	8	(13)	-	-	3,003	+2,066
	FY2022 3Q	1,795	+218	-	-	(624)	(68)	(256)	(703)	-	-	21	(159)	-	-	936	(712)
	FY2021 3Q	1,577	-	-	-	(556)	-	447	-	-	-	180	-	-	-	1,648	-
Soy-based Ingredients	FY2023 3Q	1,553	+280	-	-	-	-	221	(12)	(557)	(350)	51	+12	-	-	1,268	(69)
	FY2022 3Q	1,272	(775)	-	-	-	-	233	(22)	(206)	+25	38	+7	-	-	1,337	(764)
	FY2021 3Q	2,047	-	-	-	-	-	255	-	(231)	-	31	-	-	-	2,102	-
Consolidated adjustment	FY2023 3Q	96	(22)	(18)	(5)	2	+15	(5)	(26)	72	+163	(156)	(117)	-	-	(9)	+8
	FY2022 3Q	118	+14	(13)	(15)	(13)	(12)	21	+15	(91)	(88)	(38)	+70	-	-	(17)	(17)
	FY2021 3Q	104	-	2	-	(1)	-	6	-	(3)	-	(108)	-	-	-	-	-
Group administrative expenses	FY2023 3Q	-	-	-	-	-	-	-	-	-	-	-	-	(2,841)	(26)	(2,841)	(26)
	FY2022 3Q	-	-	-	-	-	-	-	-	-	-	-	-	(2,814)	(79)	(2,814)	(79)
	FY2021 3Q	-	-	-	-	-	-	-	-	-	-	-	-	(2,735)	-	(2,735)	-
Operating profit Total	FY2023 3Q	13,659	+3,521	(3,347)	(1,689)	2,093	(413)	748	+885	2,501	+1,800	82	+43	(2,841)	(26)	12,897	+4,121
	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	-	134	-	1,244	-	800	-	733	-	154	-	(2,735)	-	11,923	-

B/S, C/F, Dividend Policy

B/S

Property, plant and equipment decreased due to the transfer of fixed assets of FVN and impairment loss for Blommer.

(Unit: JPY billion)

	FY2022 End Results	FY2023Q3 End Results
Cash and Deposits	19.0	27.2
Property, plant and equipment	159.9	147.8
Goodwill	27.2	22.3
For Blommer	20.0	14.9
Total Assets	468.8	483.0
Interest-bearing Debt	168.4	156.4
Total Liabilities	257.8	249.5
Total Net Assets	211.0	233.5
Net D/E Ratio*1	0.80	0.69
Shareholders' Equity	187.3	187.8
Equity Ratio	43.3%	46.0%

C/F

Operating CF increased due to improvements in working capital such as inventories.

Investment CF increased due to the transfer of fixed assets of FVN.

Financial CF decreased due to repayments of short-term borrowings.

(Unit: JPY billion)

	FY2022Q3 Results	FY2023Q3 Results
Operating CF	(13.9)	19.5
Investment CF	(11.2)	11.9
FCF	(25.1)	31.4
Financial CF	24.3	(23.5)

Financial Indexes

	FY2022Q3 Results	FY2023Q3 Results
ROE*2	3.4%	3.1%
ROIC*2	2.0%	3.2%
CCC	120 days	103 days
Capital Expenditures	15.1billion yen	11.1billion yen

Dividend Policy

Forecast **52 yen per share** for FY2023.

(1H 26 yen, 2H 26 yen, No change from the initial plan)

*1 Net D/E Ratio = net interest-bearing loans / equity capital *2 ROE and ROIC are annualized figures for reference. ROIC = Operating profit × (1-corporate tax rate) / (Interest-bearing debt + Equity)

2

FY2023 Full-Year Forecast

FY2023 Full-Year Forecast

	FY2022 Results	FY2023 Rev. Forecast (Feb. 2024)	YOY	FY2023 Rev. Forecast (Nov. 2023)	Rev. Forecast (Feb. 2024) vs Rev. Forecast (Nov. 2023)
Net Sales	557.4	550.0	(7.4)	550.0	-
Vegetable Oils and Fats	203.4	180.2	(23.2)	180.9	(0.7)
Industrial Chocolate	228.5	246.4	+17.9	243.4	+3.0
Emulsified and Fermented Ingredients	91.2	87.8	(3.4)	88.8	(1.0)
Soy-based Ingredients	34.3	35.6	+1.3	36.9	(1.3)
Operating Profit	10.9	16.5	+5.6	16.5	-
Vegetable Oils and Fats	7.0	14.4	+7.4	11.5	+2.9
Industrial Chocolate	5.0	1.7	(3.2)	5.5	(3.7)
Emulsified and Fermented Ingredients	1.5	3.3	+1.8	2.9	+0.4
Soy-based Ingredients	1.3	1.1	(0.2)	0.9	+0.3
Group Administrative Expenses	(3.8)	(4.1)	(0.3)	(4.2)	+0.1
Operating Margin	2.0%	3.0%	+1.0pt	3.0%	-
Ordinary Profit	9.7	15.0	+5.3	15.0	-
Profit Attributable to Owners of Parent	6.1	6.5	+0.4	16.0	(9.5)

Vegetable Oils and Fats Business

Vegetable Oils and Fats Business Full-Year Forecast

(Unit: JPY billion)

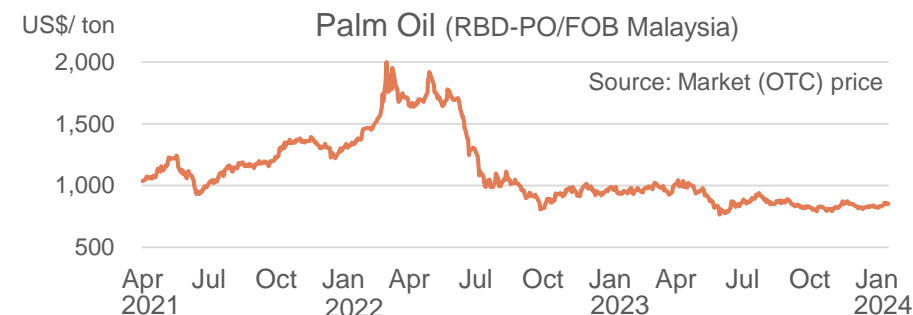
		FY2022 Results	FY2023 Rev. Forecast (Feb. 2024)	YOY
Net Sales		203.4	180.2	(23.2)
Operating Profit		7.0	14.4	+7.4
Main Areas	Japan	4.0	5.5	+1.5
	Americas	(0.9)	3.9	+4.9
	SE Asia	3.0	2.0	(0.9)
	Europe	1.4	2.9	+1.5

Environmental Change

		FY2022	FY2023
External Factor	Raw Material Prices	Volatile fluctuations in prices of palm oil and others.	Oils and fats raw material prices were stable. We strengthened raw material management system.
	Certified Oil	We responded to steady demand, particularly in Europe and the U.S.	We continued to respond to the steady demand.
Internal Factor	Americas	Fixed cost increased due to FVN operations, and delivery delays by customer reason occurred.	We transferred the fixed assets of FVN and revitalized portfolio.

Raw Material Prices

Prices for palm oil, our main raw material, rose sharply in the first half of 2022 but have remained stable since the second half of 2022.



Establishment of JPG Fuji Sdn Bhd

We decided to establish a joint venture company “JPG Fuji Sdn Bhd (provisional name)” in Malaysia. UNIFUJI SDN. BHD., a joint venture company established in 2017 and JPG Fuji will respond to increasing demand for certified palm oil mainly in Europe and the U.S. as well as in Japan.

Business Description	Manufacture and sale of Premium Quality certified palm oil products.
Date of Commencement of Business	April 1, 2026 (planned)

Revitalized Portfolio in the Americas

Fixed assets of FVN were transferred in April 2023 for the purpose of asset replacement in the Americas Vegetable Oils and Fats Business. We will promote the expansion of high-functional products such as certified palm oil and vegetable fats for chocolate.

FY2023 Full-Year Forecast (by Business, Area)

(Unit: JPY million)

Net Sales	FY	Japan		Americas		SE Asia		China		Europe		Consolidated Total	
			YOY		YOY		YOY		YOY		YOY		YOY
Vegetable Oils and Fats	2023 Rev. Forecast (Feb. 2024)	56,400	(32)	63,700	(15,517)	23,000	(7,858)	3,100	(274)	34,000	+436	180,200	(23,248)
	2023 Rev. Forecast (Nov. 2023)	55,800	(632)	66,000	(13,217)	22,000	(8,858)	3,100	(274)	34,000	+436	180,900	(22,548)
	2022 Results	56,432	-	79,217	-	30,858	-	3,374	-	33,564	-	203,448	-
Industrial Chocolate	2023 Rev. Forecast (Feb. 2024)	44,600	+2,352	166,700	+13,376	19,500	+1,332	6,600	(867)	9,000	+1,696	246,400	+17,887
	2023 Rev. Forecast (Nov. 2023)	44,600	+2,352	163,000	+9,676	20,000	+1,832	6,600	(867)	9,200	+1,896	243,400	+14,887
	2022 Results	42,248	-	153,324	-	18,168	-	7,467	-	7,304	-	228,513	-
Emulsified and Fermented Ingredients	2023 Rev. Forecast (Feb. 2024)	58,500	+803	-	-	12,800	(3,271)	16,500	(895)	-	-	87,800	(3,364)
	2023 Rev. Forecast (Nov. 2023)	57,800	+103	-	-	13,500	(2,571)	17,500	+105	-	-	88,800	(2,364)
	2022 Results	57,697	-	-	-	16,071	-	17,395	-	-	-	91,164	-
Soy-based Ingredients	2023 Rev. Forecast (Feb. 2024)	34,700	+1,452	-	-	-	-	900	(135)	0	+0	35,600	+1,316
	2023 Rev. Forecast (Nov. 2023)	36,000	+2,752	-	-	-	-	899	(136)	1	+1	36,900	+2,616
	2022 Results	33,248	-	-	-	-	-	1,035	-	-	-	34,284	-
Net sales Total	2023 Rev. Forecast (Feb. 2024)	194,200	+4,573	230,400	(2,142)	55,300	(9,797)	27,100	(2,173)	43,000	+2,131	550,000	(7,410)
	2023 Rev. Forecast (Nov. 2023)	194,200	+4,573	229,000	(3,542)	55,500	(9,597)	28,099	(1,174)	43,201	+2,332	550,000	(7,410)
	2022 Results	189,627	-	232,542	-	65,097	-	29,273	-	40,869	-	557,410	-

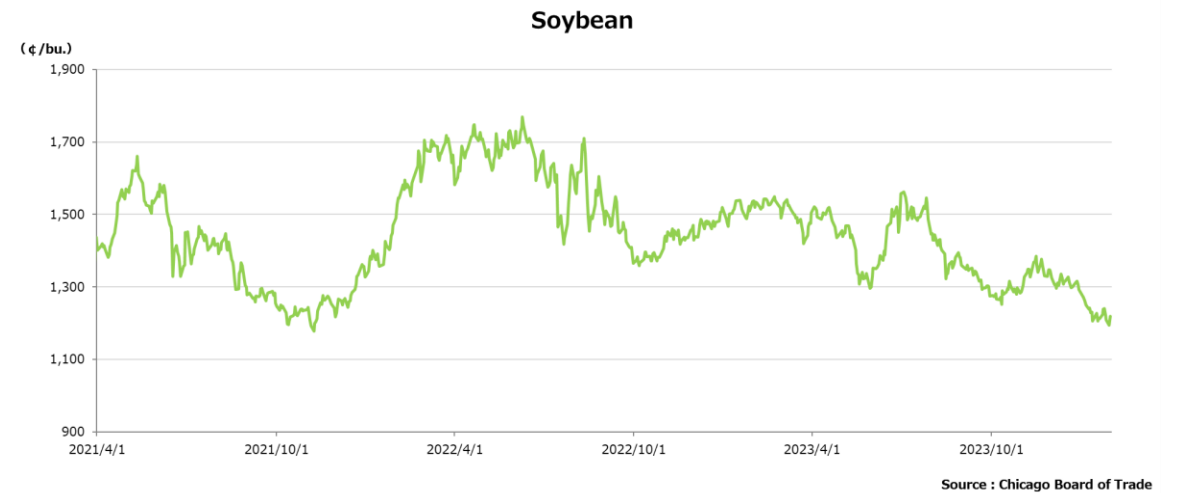
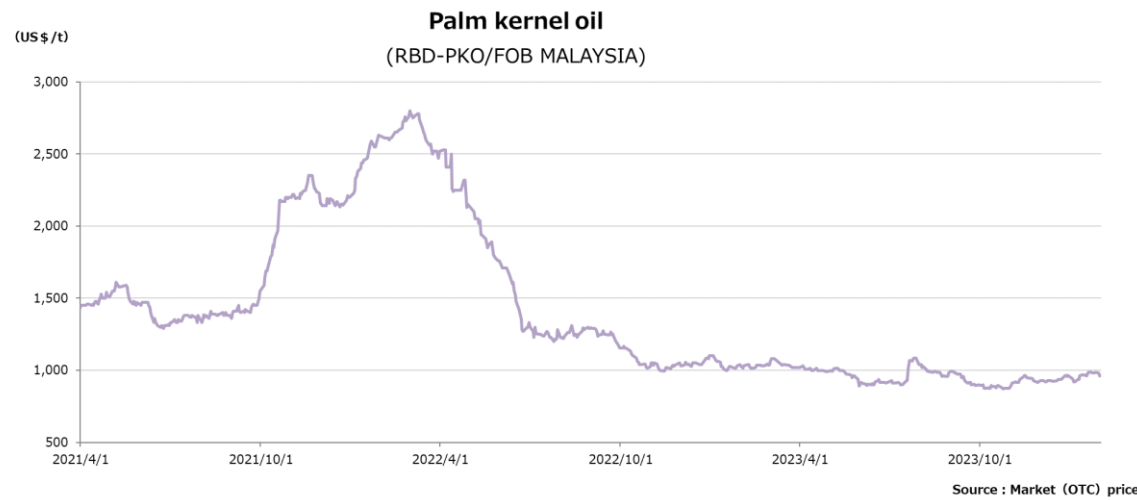
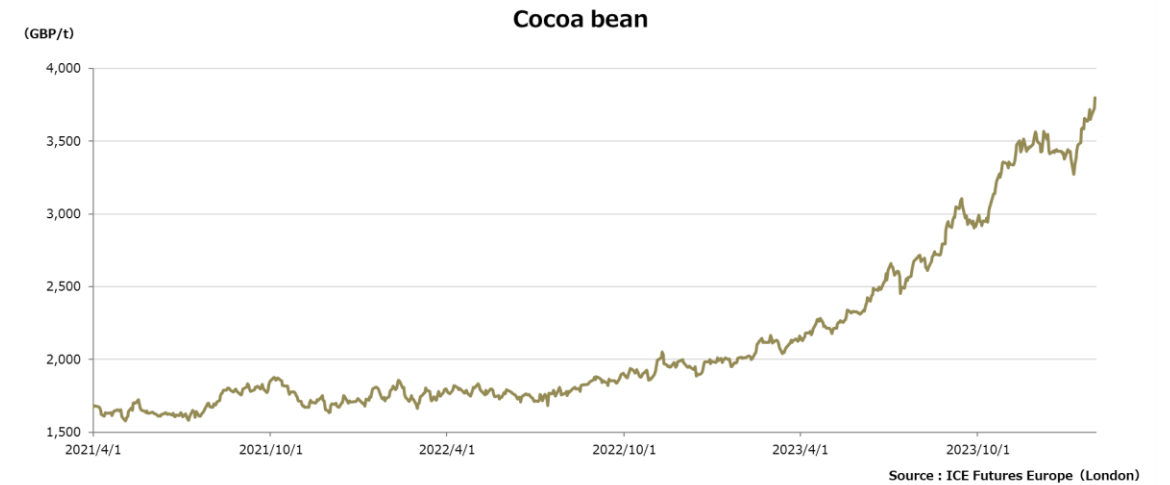
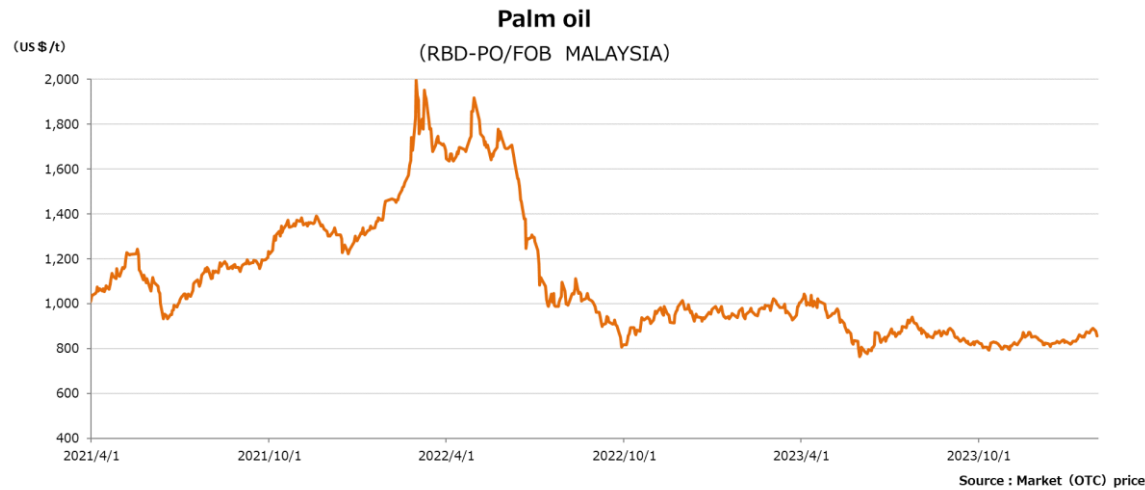
Operating Profit	FY	Japan		Americas		SE Asia		China		Europe		Consolidated adjustment		Group administrative expenses		Consolidated Total	
			YOY		YOY		YOY		YOY		YOY		YOY		YOY		YOY
Vegetable Oils and Fats	2023 Rev. Forecast (Feb. 2024)	5,482	+1,532	3,927	+4,865	2,026	(933)	(49)	+138	2,872	+1,489	142	+287	-	-	14,399	+7,378
	2023 Rev. Forecast (Nov. 2023)	4,408	+458	3,293	+4,231	1,814	(1,145)	(157)	+30	2,089	+706	27	+172	-	-	11,474	+4,453
	2022 Results	3,950	-	(938)	-	2,959	-	(187)	-	1,383	-	(145)	-	-	-	7,021	-
Industrial Chocolate	2023 Rev. Forecast (Feb. 2024)	5,784	+155	(6,217)	(4,191)	1,332	+450	148	+110	637	+262	45	(28)	-	-	1,728	(3,245)
	2023 Rev. Forecast (Nov. 2023)	5,137	(492)	(1,269)	+757	1,255	+373	(197)	(235)	503	+128	28	(45)	-	-	5,457	+484
	2022 Results	5,629	-	(2,026)	-	882	-	38	-	375	-	73	-	-	-	4,973	-
Emulsified and Fermented Ingredients	2023 Rev. Forecast (Feb. 2024)	3,017	+854	-	-	(98)	+334	399	+584	-	-	16	+70	-	-	3,334	+1,844
	2023 Rev. Forecast (Nov. 2023)	2,443	+280	-	-	38	+470	419	+604	-	-	32	+86	-	-	2,932	+1,442
	2022 Results	2,163	-	-	-	(432)	-	(185)	-	-	-	(54)	-	-	-	1,490	-
Soy-based Ingredients	2023 Rev. Forecast (Feb. 2024)	1,539	+193	-	-	-	-	318	+34	(793)	(417)	61	+39	-	-	1,125	(152)
	2023 Rev. Forecast (Nov. 2023)	1,249	(97)	-	-	-	-	363	+79	(794)	(418)	37	+15	-	-	855	(422)
	2022 Results	1,346	-	-	-	-	-	284	-	(376)	-	22	-	-	-	1,277	-
Consolidated adjustment	2023 Rev. Forecast (Feb. 2024)	96	(62)	(19)	(11)	2	+54	(5)	(21)	72	+205	(156)	(146)	-	-	(9)	+21
	2023 Rev. Forecast (Nov. 2023)	-	(158)	-	+8	-	+52	-	(16)	-	+133	-	+10	-	-	-	+30
	2022 Results	158	-	(8)	-	(52)	-	16	-	(133)	-	(10)	-	-	-	(30)	-
Group administrative expenses	2023 Rev. Forecast (Feb. 2024)	-	-	-	-	-	-	-	-	-	-	-	-	(4,077)	(285)	(4,077)	(285)
	2023 Rev. Forecast (Nov. 2023)	-	-	-	-	-	-	-	-	-	-	-	-	(4,218)	(426)	(4,218)	(426)
	2022 Results	-	-	-	-	-	-	-	-	-	-	-	-	(3,792)	-	(3,792)	-
Operating profit Total	2023 Rev. Forecast (Feb. 2024)	15,918	+2,671	(2,309)	+664	3,262	(94)	811	+844	2,788	+1,540	107	+221	(4,077)	(285)	16,500	+5,560
	2023 Rev. Forecast (Nov. 2023)	13,237	(10)	2,024	+4,997	3,107	(249)	428	+461	1,798	+550	124	+238	(4,218)	(426)	16,500	+5,560
	2022 Results	13,247	-	(2,973)	-	3,356	-	(33)	-	1,248	-	(114)	-	(3,792)	-	10,940	-

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Reference Materials



Main Raw Material Prices (~ the End of January, 2024)





This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

The forward-looking statements, including earnings forecasts, contained in this document are based on management's assumptions and beliefs in light of information currently available and involve risks and uncertainties, and are subject to change without notice. Actual results may differ materially due to a variety of factors.