

Fuji Oil Group Integrated Report

Supplement

Fact Book 2019

Financial Analysis

FY 2018 Results

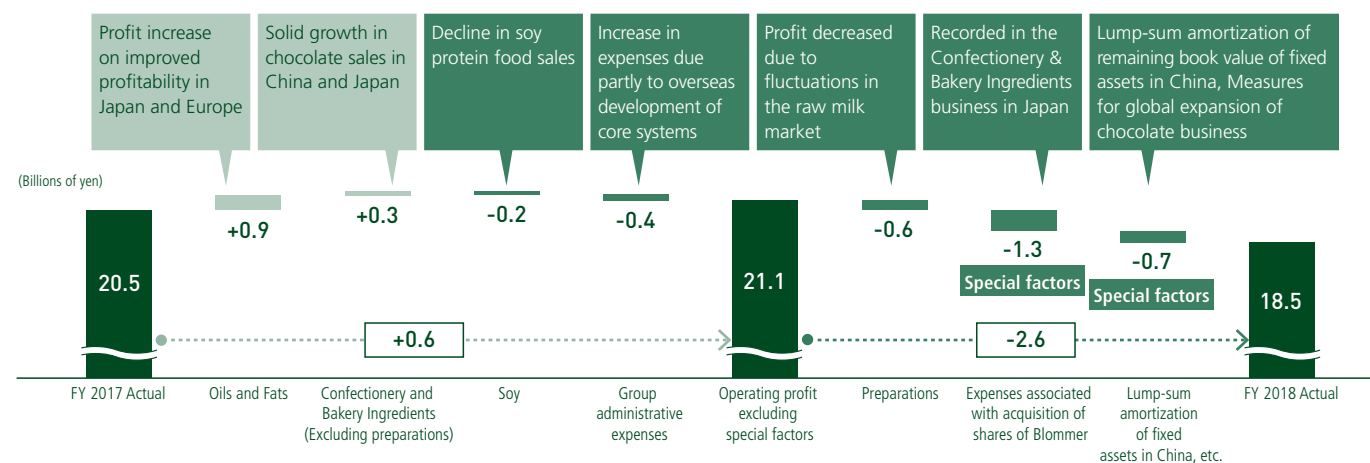
Consolidated Results

| | | (Billions of yen) | | | |
|---|---|-------------------|--------------|-----------|-------------------|
| | | FY 2017 | FY 2018 | YoY | |
| | | | | Change | Percentage change |
| Revenue | Oils and Fats | 113.6 | 109.7 | -3.9 | -3.4% |
| | Confectionery and Bakery Ingredients | 156.1 | 155.1 | -1.0 | -0.6% |
| | Soy | 38.0 | 36.1 | -1.9 | -5.0% |
| | Total | 307.6 | 300.8 | -6.8 | -2.2% |
| Operating profit | Oils and Fats | 7.3 | 8.1 | +0.9 | +11.8% |
| | Confectionery and Bakery Ingredients | 13.0 | 10.8 | -2.2 | -17.0% |
| | Soy | 3.5 | 3.3 | -0.3 | -7.3% |
| | Consolidated adjustment/ group administrative expenses | (3.3) | (3.7) | -0.4 | -10.8% |
| Total | 20.5 | 18.5 | -2.0 | -9.5% | |
| Operating profit margin | | 6.7% | 6.2% | -0.5 pts. | — |
| Ordinary profit | | 20.0 | 18.2 | -1.8 | -9.0% |
| Net income attributable to owners of parent | | 13.7 | 11.6 | -2.2 | -15.7% |

- Revenue declined in every business.
- Operating profit increased in the Oils and Fats Business, but decreased in the Confectionery and Bakery Ingredients Business and the Soy Business. In addition, expenses of approximately ¥1.3 billion associated with the acquisition of shares of Blommer Chocolate Company were recorded in the Confectionery and Bakery Ingredients Business, resulting in an overall decrease in operating profit.
- In addition to the decrease in operating profit, net income attributable to owners of parent decreased due to the increase in extraordinary loss associated with the transfer of Jilin Fuji Protein Co., Ltd.

FY 2018 Operating Profit Analysis

In FY 2018, despite an increase in the Oils and Fats Business, operating profit decreased due to factors including expenses associated with the acquisition of shares of Blommer.



Consolidated Balance Sheets

| | (Billions of yen) | |
|-------------------|-------------------|------------|
| | FY 2018 | YoY change |
| Total assets | 383.4 | +112.7 |
| Total liabilities | 224.2 | +118.3 |
| Total net assets | 159.2 | -5.7 |

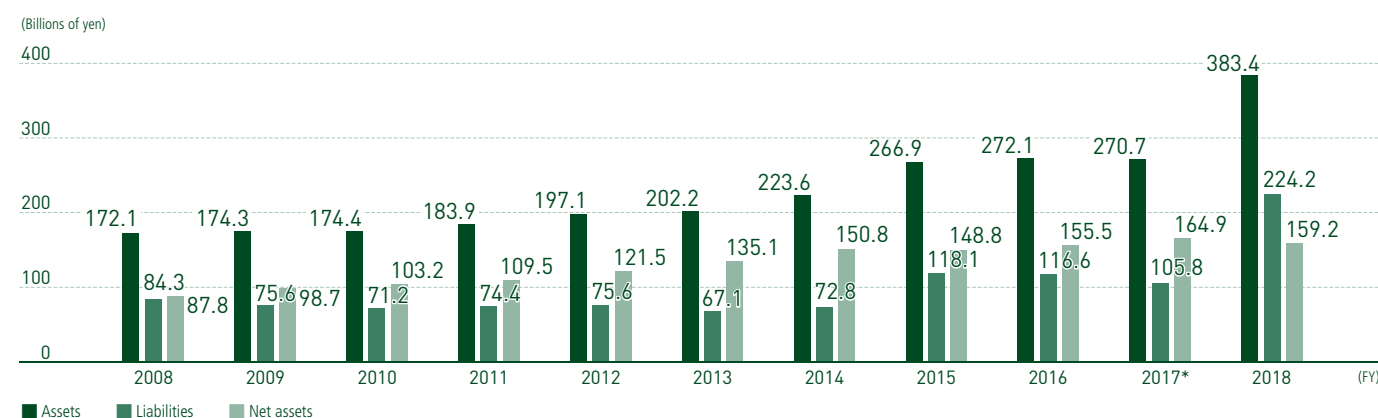
- In assets, inventories included in current assets and tangible fixed assets and goodwill included in fixed assets increased due to the acquisition of shares of Blommer. Total assets at the end of FY 2018 increased substantially.
- In liabilities, short-term borrowings increased ¥94.5 billion and long-term borrowings increased ¥14.3 billion compared with the end of FY 2017 due to the acquisition of shares of Blommer. Total liabilities at the end of FY 2018 increased substantially.
- In net assets, shareholders' equity increased due to an increase in retained earnings, but total accumulated other comprehensive income decreased due to a decrease in foreign currency translation adjustment. Total net assets at the end of FY 2018 decreased.

Consolidated Cash Flow

| | (Billions of yen) | |
|--|-------------------|------------|
| | FY 2018 | YoY change |
| Cash flows from operating activities | 22.6 | -5.6 |
| Cash flows from investing activities | (79.1) | -64.6 |
| Free cash flow | (56.5) | -70.2 |
| Cash flows from financing activities | 65.5 | +78.9 |
| Cash and cash equivalents at end of period | 21.2 | +8.2 |

- Cash flows from operating activities decreased due to a decrease in notes and accounts receivable – trade and other factors, as well as a decrease in income before income taxes, although depreciation and amortization increased.
- Cash flows from investing activities decreased because of a significant increase in payments for purchase of shares of subsidiaries in connection with the acquisition of shares of Blommer.
- Cash flows from financing activities increased because of an increase in borrowings associated with the acquisition of shares of Blommer.

Assets/Liabilities/Net Assets



* From fiscal 2018, the Company has reclassified deferred tax assets under investments and other assets, and deferred tax liabilities under fixed liabilities based on Accounting Standards Board of Japan Statement No. 28 "Partial Amendments to Accounting Standard for Tax Effect Accounting." Results for fiscal 2017 have been retroactively adjusted to reflect the change.

FY 2019 Forecast

Forecast of Consolidated Results

| | | (Billions of yen) | | | |
|---|---|-------------------|------------------|---------------|-------------------|
| | | FY 2018 | FY 2019 Forecast | YoY | |
| | | | | Change | Percentage change |
| Revenue | Vegetable Oils and Fats | 109.7 | 113.9 | +4.2 | +3.9% |
| | Industrial Chocolate | 68.6 | 187.4 | +118.8 | +173.3% |
| | Emulsified and Fermented Ingredients | 86.5 | 91.5 | +5.0 | +5.8% |
| | Soy-Based Ingredients | 36.1 | 37.2 | +1.1 | +3.0% |
| | Total | 300.8 | 430.0 | +129.2 | +42.9% |
| Operating profit | Vegetable Oils and Fats | 8.1 | 9.1 | +0.9 | +11.5% |
| | Industrial Chocolate | 7.4 | 10.3 | +2.9 | +38.5% |
| | Emulsified and Fermented Ingredients | 3.3 | 4.3 | +1.0 | +29.5% |
| | Soy-Based Ingredients | 3.3 | 4.1 | +0.8 | +25.6% |
| | Consolidated adjustment/ group administrative expenses | (3.7) | (3.8) | -0.1 | -3.9% |
| Total | 18.5 | 24.0 | +5.5 | +29.5% | |
| Operating profit margin | | 6.2% | 5.6% | -0.6 pts. | — |
| Ordinary profit | | 18.2 | 22.0 | +3.8 | +21.0% |
| Net income attributable to owners of parent | | 11.6 | 15.2 | +3.6 | +31.2% |

- Business segments and names changed to reflect the expansion of the Industrial Chocolate Business due to the acquisition of shares of Blommer in 2019. The "Confectionery and Bakery Ingredients Business" was changed to the "Industrial Chocolate Business" and the "Emulsified and Fermented Ingredients Business." In addition, the "Oils and Fats Business" was changed to the "Vegetable Oils and Fats Business" and the "Soy Business" was changed to the "Soy-Based Ingredients" Business.
- Revenue is forecast to grow strongly because sales in the Industrial Chocolate Business are projected to increase substantially with the consolidation of Blommer, and results in the Vegetable Oils and Fats Business and Emulsified and Fermented Ingredients Business are forecast to increase.
- Operating profit is forecast to increase because of projected increases in each business, in addition to the absence of expenses for the acquisition of shares of Blommer recorded in the previous fiscal year.
- Net income attributable to owners of parent is forecast to increase substantially because we do not expect to record extraordinary loss, although interest payments are expected to increase due to the increase in borrowings.

Dividends

Based on our dividend policy, we pay stable and continuous dividends.

| | | (Yen) | | | |
|----------------|-----------------|-----------|-----------|-----------|--------------|
| | | 1H | 2H | Total | Payout ratio |
| FY 2018 | Actual | 25 | 25 | 50 | 37.1% |
| FY 2019 | Forecast | 27 | 27 | 54 | 30.5% |

Capital Expenditures and Depreciation Expenses

Based on our investment standards, we will continue to make carefully planned capital expenditures that outperform capital costs and investments in future growth.

| | | (Billions of yen) | | Reference |
|----------------|-----------------|----------------------|-----------------------|--|
| | | Capital expenditures | Depreciation expenses | |
| FY 2018 | Actual | 15.9 | 11.0 | Capital expenditures increased due to investment in a new base in China, investment in a new plant for oils and fats in North America, etc. |
| FY 2019 | Forecast | 22.0 | 10.7 | We project an increase in capital expenditures due to investment in a new plant for oils and fats in North America, capital investments of Blommer, and other investments, but project a decrease in depreciation expenses due to a change in the method of depreciation in Japan (from the declining balance method to the straight line method). |

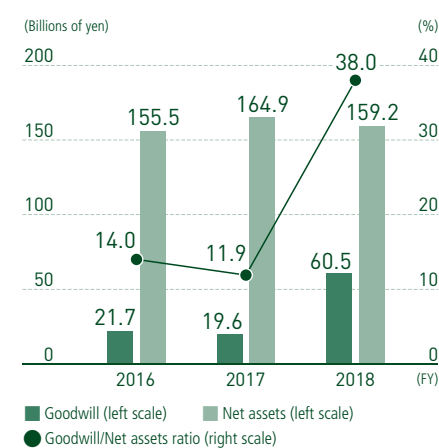
Indicators

| | | (Billions of yen) | | | |
|--|--|-------------------|---------|------------------|------------------|
| | | FY 2016 | FY 2017 | FY 2018 | FY 2019 Forecast |
| EBITDA | | 29.9 | 31.0 | 30.0 | 39.2 |
| Capital expenditures | | 13.6 | 14.7 | 15.9 | 22.0 |
| Depreciation expenses ¹ | | 9.6 | 10.0 | 11.0 | 10.7 |
| Interest-bearing debt | | 65.7 | 56.6 | 160.5 | 153.5 |
| Net interest-bearing debt | | 52.9 | 43.6 | 139.2 | 136.6 |
| Net operating capital | | 62.9 | 63.3 | 17.1 | 74.5 |
| Net interest-bearing debt/EBITDA (Times) | | 1.8 | 1.4 | 4.6 | 3.5 |
| Net assets per share ² (Yen) | | 1,754 | 1,864 | 1,820 | 1,954 |
| Equity ratio (%) | | 55.4 | 59.2 | 40.8 | 42.7 |
| D/E ratio ³ (Times) | | 0.44 | 0.35 | 1.03 | 0.91 |
| Net D/E ratio ⁴ (Times) | | 0.36 | 0.28 | 0.87 | 0.80 |
| Cash flows from operating activities | | 16.5 | 28.2 | 22.6 | 32.0 |
| Free cash flow | | 2.8 | 13.7 | (56.5) | 10.1 |
| ROE ⁵ (%) | | 8.3 | 8.8 | 7.3 | 9.4 |
| ROA ⁶ (%) | | 7.3 | 7.4 | 5.5 | 5.7 |
| Operating profit margin (%) | | 6.7 | 6.7 | 6.2 | 5.6 |
| CCC (Days) | | 110 | 103 | 105 ⁷ | 105 |

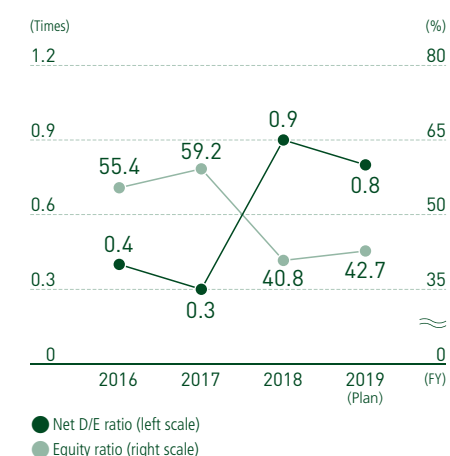
- Notes: 1. Depreciation expenses indicates depreciation of tangible fixed assets.
 2. Net assets indicates net assets related to common stock excluding holdings by non-controlling interests
 3. D/E ratio = Interest-bearing debt / Equity
 4. Net D/E ratio = Net interest-bearing debt (Interest-bearing debt – Cash and deposits) / Shareholders' equity
 5. ROE = Net income* / Average equity at beginning and end of period
 6. ROA = Ordinary profit / Average total assets at beginning and end of period
 7. Blommer is not included.

* Net income = Net income attributable to owners of parent

Goodwill & Net Assets Ratio



Net D/E Ratio & Equity Ratio



Data by Business Segment

Vegetable Oils and Fats Business

Consolidated Results

| (Billions of yen) | | | | | | |
|-------------------|---------|-----------------------|--|------------------|-----------------------|---|
| | FY 2018 | YoY percentage change | Factors | FY 2019 forecast | YoY percentage change | Factors |
| Revenue | 109.7 | -3.4% | Despite the impact of a cold spell in the U.S., profit increased mainly due to our focus on profitable sales in Japan and improvements in the profit margin. | 113.9 | +3.9% | A downturn is expected in Japan in comparison with the high level of profitability in FY 2018, but we project revenue and profit growth due to improvement in the Americas and SE Asia. |
| Operating profit | 8.1 | +11.8% | | 9.1 | +11.5% | |

Regional Analysis

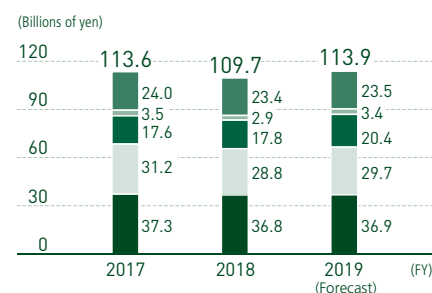
| (Billions of yen) | | | | | | |
|-------------------|---------|-----------------------|---|------------------|-----------------------|--|
| Japan | FY 2018 | YoY percentage change | Factors | FY 2019 forecast | YoY percentage change | Factors |
| Revenue | 36.8 | -1.3% | Decreased due in part to effect of lower raw material prices. | 36.9 | +0.3% | A decline in profit is expected from the forecast end of a cycle of improved profitability due to lower raw material prices. |
| Operating profit | 4.0 | +43.1% | Increased due to focus on profitable sales. | 3.7 | -8.1% | |

| (Billions of yen) | | | | | | |
|-------------------|---------|-----------------------|---|------------------|-----------------------|--|
| Americas | FY 2018 | YoY percentage change | Factors | FY 2019 forecast | YoY percentage change | Factors |
| Revenue | 28.8 | -7.7% | Decreased because factory utilization rate fell due to impact of a cold spell in January and hurricanes in September and October. | 29.7 | +3.2% | We expect increases in revenue and profit driven by growth in sales of hard butters for chocolate, in addition to the rebound from the effects of the cold spell and hurricanes. |
| Operating profit | 1.8 | -23.7% | | 2.2 | +26.1% | |

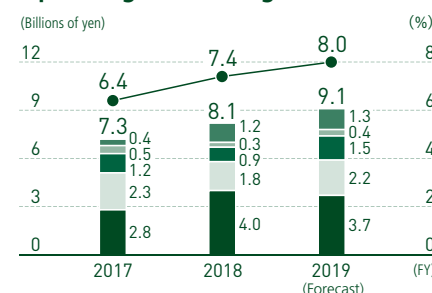
| (Billions of yen) | | | | | | |
|-------------------|---------|-----------------------|---|------------------|-----------------------|--|
| Southeast Asia | FY 2018 | YoY percentage change | Factors | FY 2019 forecast | YoY percentage change | Factors |
| Revenue | 17.8 | +1.1% | Profit decreased due in part to lower raw material prices associated with a slump in profit of oils and fats, which involve a low degree of processing, and lower sales volume of hard butters for chocolate. | 20.4 | +14.7% | We expect increases in revenue and profit with growth in hard butters for chocolate, and leveling off of the decline in raw material prices. |
| Operating profit | 0.9 | -23.4% | | 1.5 | +61.2% | |

| (Billions of yen) | | | | | | |
|---|---------|---------------------------------|------------------|---|--|--|
| Sales volume as percentage of previous year | FY 2018 | Factors | FY 2019 forecast | Factors | | |
| Hard butters for chocolate | 97% | Decreased in Japan and SE Asia. | 105% | We anticipate a recovery in sales in the Americas, SE Asia and other regions. | | |

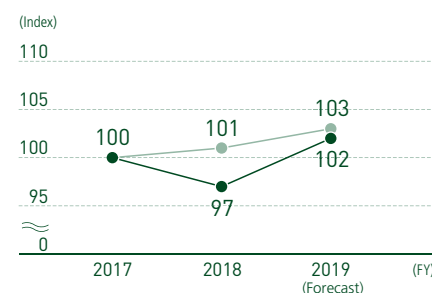
Revenue



Operating Profit/ Operating Profit Margin



Hard Butters for Chocolate Sales Volume Index



* Source: Euromonitor International 2019 Chocolate Confectionery of Packaged Food (Total estimates for 60 countries)

Industrial Chocolate Business

Consolidated Results

| (Billions of yen) | | | | | | |
|-------------------|---------|-----------------------|--|------------------|-----------------------|--|
| | FY 2018 | YoY percentage change | Factors | FY 2019 forecast | YoY percentage change | Factors |
| Revenue | 68.6 | +0.0% | Decrease in profit mainly due to Blommer acquisition expenses of ¥1.3 billion. | 187.4 | +173.3% | We anticipate increases in revenue and profit with consolidation of Blommer and absence of Blommer acquisition expenses. |
| Operating profit | 7.4 | -12.4% | | 10.3 | +38.5% | |

Regional Analysis

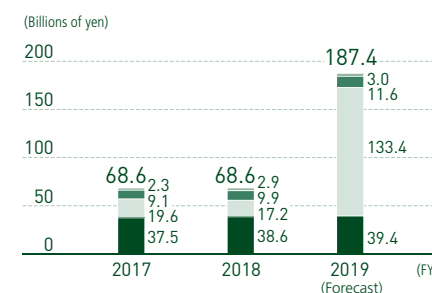
| (Billions of yen) | | | | | | |
|-------------------|---------|-----------------------|--|------------------|-----------------------|--|
| Japan | FY 2018 | YoY percentage change | Factors | FY 2019 forecast | YoY percentage change | Factors |
| Revenue | 38.6 | +2.9% | Profit increased on strong sales of highly processed products and colored chocolate, despite negative impacts of the hot summer and earthquakes. | 39.4 | +2.2% | Plants are continuing production at full capacity, and we expect increases in revenue and profit with the expansion of a colored chocolate facility and our continued focus on profitable sales. |
| Operating profit | 6.4 | +4.9% | | 6.7 | +3.7% | |

| (Billions of yen) | | | | | | |
|-------------------|---------|-----------------------|---|------------------|-----------------------|--|
| Americas | FY 2018 | YoY percentage change | Factors | FY 2019 forecast | YoY percentage change | Factors |
| Revenue | 17.2 | -12.1% | Despite our strategy of focusing on profitable sales, revenue and profit declined, mainly due to weakening of the Brazilian Real. | 133.4 | +673.5% | We expect a strong increase in revenue and an increase in profit with the contribution from Blommer. |
| Operating profit | 1.4 | -3.1% | | 2.4 | +72.9% | |

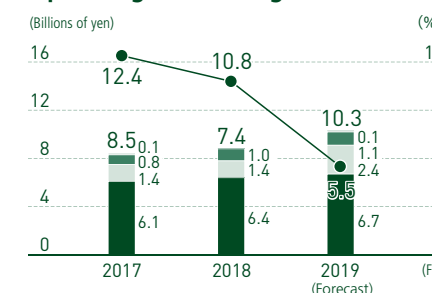
| (Billions of yen) | | | | | | |
|---|---------|---|------------------|---|--|--|
| Sales volume as percentage of previous year | FY 2018 | Factors | FY 2019 forecast | Factors | | |
| Chocolate | 103% | In addition to the acquisition of Industrial Food Services Pty. Ltd. (IFS), brisk production continued in China, Europe and elsewhere, resulting in an increase in sales. | 110%* | In addition to the full-year contribution of IFS, we will work to expand sales at bases globally. | | |

* Excluding Blommer

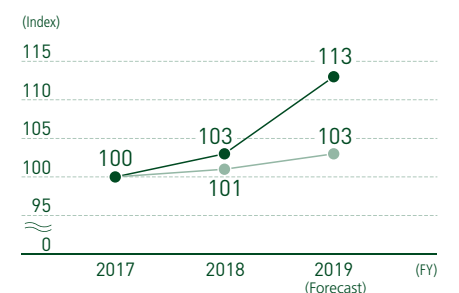
Revenue



Operating Profit/ Operating Profit Margin



Chocolate Sales Volume Index



* Source: Euromonitor International 2019 Chocolate Confectionery of Packaged Food (Total estimates for 60 countries)

Emulsified and Fermented Ingredients Business

Consolidated Results

| (Billions of yen) | | | | | | |
|-------------------|---------|-----------------------|--|------------------|-----------------------|--|
| | FY 2018 | YoY percentage change | Factors | FY 2019 forecast | YoY percentage change | Factors |
| Revenue | 86.5 | -1.2% | Revenue and profit decreased due to lower profit in Japan and SE Asia, despite the contribution of a new plant in China. | 91.5 | +5.8% | We anticipate revenue and profit due to sales expansion in Japan, improvement in the preparations business in SE Asia, and the full-year contribution of the new plant in China. |
| Operating profit | 3.3 | -25.8% | | 4.3 | +29.5% | |

Regional Analysis

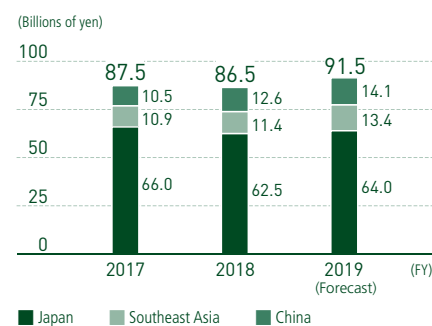
| (Billions of yen) | | | | | | |
|-------------------|---------|-----------------------|--|------------------|-----------------------|--|
| Japan | FY 2018 | YoY percentage change | Factors | FY 2019 forecast | YoY percentage change | Factors |
| Revenue | 62.5 | -5.4% | Key factors in the revenue and profit decline were the slumping bread market, a delay in implementing strategic measures (partly because of the hot summer and earthquakes) and a sluggish dessert market. | 64.0 | +2.4% | We anticipate increases in revenue and profit, backed by the launch of products that appeal to consumers, expansion of sales markets, and consolidation of items, among other factors. |
| Operating profit | 1.8 | -30.2% | | 2.4 | +29.1% | |

| (Billions of yen) | | | | | | |
|-------------------|---------|-----------------------|---|------------------|-----------------------|---|
| Southeast Asia | FY 2018 | YoY percentage change | Factors | FY 2019 forecast | YoY percentage change | Factors |
| Revenue | 11.4 | +3.8% | In the preparations business, profitability of dairy product inventories worsened, resulting in the large drop in profit. | 13.4 | +17.9% | We anticipate increases in revenue and profit with expected improvement in profitability of dairy product inventories in the preparations business. |
| Operating profit | 0.2 | -84.2% | | 0.9 | +338.4% | |

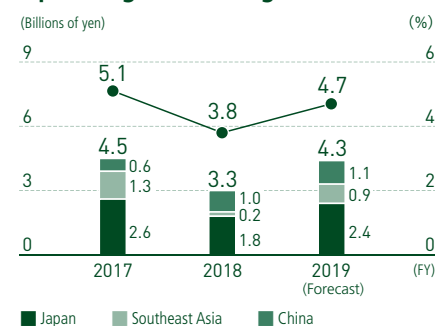
| (Billions of yen) | | | | | | |
|-------------------|---------|-----------------------|--|------------------|-----------------------|---|
| China | FY 2018 | YoY percentage change | Factors | FY 2019 forecast | YoY percentage change | Factors |
| Revenue | 12.6 | +20.1% | Revenue and profit increases were driven by growth of the bread market in China and the contribution from the new plant. | 14.1 | +11.6% | We anticipate increases in revenue and profit with full-year contribution of new plant as well as expansion in sales of margarine and fillings. |
| Operating profit | 1.0 | +70.0% | | 1.1 | +12.7% | |

| (Billions of yen) | | | | | | |
|---|---------|--|------------------|--|--|--|
| Sales volume as percentage of previous year | FY 2018 | Factors | FY 2019 forecast | Factors | | |
| Fillings (China) | 142% | Profit increase due to strong sales of fillings and contribution from the new plant. | 116% | We anticipate increases in sales with full-year contribution of the new plant. | | |

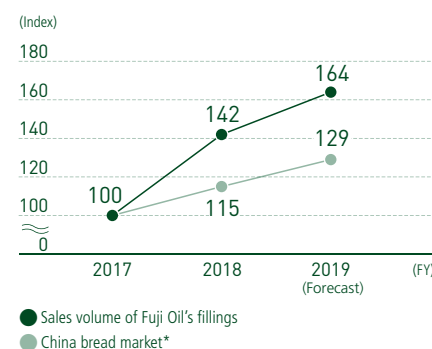
Revenue



Operating Profit/ Operating Profit Margin



China Filling Sales Volume Index



Soy-Based Ingredients Business

Consolidated Results

| (Billions of yen) | | | | | | |
|-------------------|---------|-----------------------|--|------------------|-----------------------|---|
| | FY 2018 | YoY percentage change | Factors | FY 2019 forecast | YoY percentage change | Factors |
| Revenue | 36.1 | -5.0% | Revenue and profit decreased due to slump in soy protein foods in Japan. | 37.2 | +3.0% | Despite a projected decline in China, we expect increases in revenue and profit, mainly driven by recovery of soy protein foods in Japan. |
| Operating profit | 3.3 | -7.3% | | 4.1 | +25.6% | |

Regional Analysis

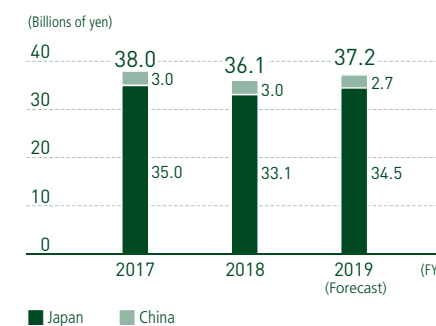
| (Billions of yen) | | | | | | |
|-------------------|---------|-----------------------|--|------------------|-----------------------|---|
| Japan | FY 2018 | YoY percentage change | Factors | FY 2019 forecast | YoY percentage change | Factors |
| Revenue | 33.1 | -5.3% | While soy protein ingredients showed solid growth, revenue and profit declined, mainly because a plant that manufactures frozen tofu, a soy protein food, stopped production for repairs, and sales were weak after the repairs. | 34.5 | +4.1% | We anticipate increases in revenue and profit due to factors including a recovery in sales of soy protein foods and growth in sales of water-soluble soy polysaccharides, a functional agent. |
| Operating profit | 2.6 | -16.5% | | 3.4 | +29.6% | |

| (Billions of yen) | | | | | | |
|-------------------|---------|-----------------------|--|------------------|-----------------------|---|
| China | FY 2018 | YoY percentage change | Factors | FY 2019 forecast | YoY percentage change | Factors |
| Revenue | 3.0 | -1.1% | Revenue decreased partly due to the transfer of the Jilin plant, but profit increased overall, mainly reflecting reduction of fixed costs. | 2.7 | -9.4% | Revenue is expected to decline due to the transfer of the Jilin plant, but we will work to improve profitability by expanding sales of functional agents. |
| Operating profit | 0.6 | +91.5% | | 0.6 | -4.3% | |

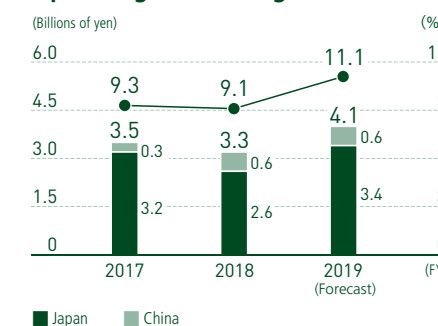
| (Billions of yen) | | | | | | |
|---|---------|--|------------------|--|--|--|
| Sales volume as percentage of previous year | FY 2018 | Factors | FY 2019 forecast | Factors | | |
| Functional agents* | 101% | Sales volume was flat because of carry-over of sales to the next period as well as manufacturing problems. | 113% | Sales volume is expected to increase with continuation of stable manufacturing in addition to a production line expansion in 2018. | | |

*Water-soluble soy polysaccharides & peptides

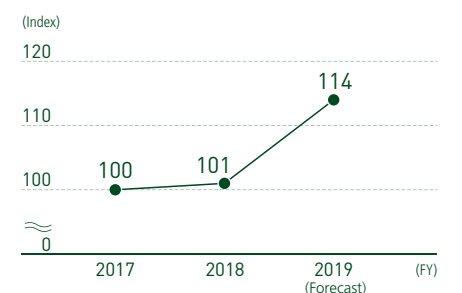
Revenue



Operating Profit/ Operating Profit Margin



Japan Functional Agents Sales Volume Index



* Source: Euromonitor International 2019 Sales of Bread in China Retail Value RSP - CNY million

Consolidated Financial Statements (Japanese GAAP)

Consolidated Balance Sheets

Fuji Oil Holdings Inc. and Consolidated Subsidiaries
As of March 31, 2015 to 2019

| | (Millions of yen) | | | | |
|---|-------------------|----------------|----------------|----------------|----------------|
| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and deposits | 12,789 | 16,771 | 12,762 | 13,009 | 21,217 |
| Notes and accounts receivable–trade | 54,565 | 56,149 | 59,045 | 64,031 | 71,192 |
| Merchandise and finished goods | 21,868 | 22,766 | 24,740 | 23,866 | 31,315 |
| Raw materials and supplies | 23,290 | 27,196 | 27,657 | 24,474 | 53,895 |
| Deferred income tax assets | 1,186 | 2,334 | 1,435 | — | — |
| Other current assets | 4,948 | 5,818 | 7,022 | 5,841 | 8,042 |
| Allowance for bad debt | (92) | (166) | (209) | (419) | (254) |
| Total current assets | 118,556 | 130,869 | 132,455 | 130,805 | 185,410 |
| Fixed assets | | | | | |
| Tangible fixed assets | | | | | |
| Buildings and structures, net | 28,820 | 31,366 | 34,047 | 35,279 | 38,574 |
| Machinery and vehicles, net | 30,284 | 35,106 | 35,832 | 35,856 | 49,671 |
| Land | 15,987 | 16,129 | 15,093 | 14,734 | 14,759 |
| Construction in progress | 5,350 | 5,031 | 4,059 | 6,638 | 7,580 |
| Other, net | 1,402 | 1,857 | 2,370 | 2,374 | 2,461 |
| Total tangible fixed assets | 81,845 | 89,491 | 91,402 | 94,883 | 113,046 |
| Intangible fixed assets | | | | | |
| Goodwill | — | 13,133 | 12,898 | 11,647 | 54,086 |
| Other | 1,311 | 9,395 | 10,312 | 10,430 | 10,225 |
| Total intangible fixed assets | 1,311 | 22,528 | 23,210 | 22,077 | 64,311 |
| Investments and other assets | | | | | |
| Investment securities | 17,283 | 16,324 | 16,103 | 16,484 | 12,388 |
| Net defined benefit asset | 1,074 | 656 | 1,023 | 2,076 | 2,707 |
| Deferred tax assets | 414 | 373 | 312 | 642 | 1,178 |
| Other fixed assets | 3,333 | 7,479 | 7,846 | 3,915 | 4,468 |
| Allowance for bad debt | (193) | (847) | (245) | (154) | (123) |
| Total investments and other assets | 21,912 | 23,987 | 25,040 | 22,964 | 20,620 |
| Total fixed assets | 105,069 | 136,007 | 139,653 | 139,925 | 197,979 |
| Total assets | 223,625 | 266,877 | 272,109 | 270,731 | 383,389 |

| | (Millions of yen) | | | | |
|---|-------------------|----------------|----------------|----------------|----------------|
| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Notes and accounts payable–trade | 23,914 | 25,017 | 23,212 | 25,210 | 31,723 |
| Short-term borrowings | 14,712 | 21,361 | 29,789 | 19,747 | 114,249 |
| Commercial paper | 2,000 | — | — | 5,000 | — |
| Current portion of bonds | 5,000 | — | — | — | — |
| Accrued income taxes | 1,469 | 3,795 | 2,511 | 2,263 | 1,531 |
| Accrued bonuses for employees | 2,009 | 2,194 | 2,320 | 2,415 | 2,533 |
| Accrued bonuses for directors | 58 | 50 | 64 | 86 | 106 |
| Other current liabilities | 8,738 | 14,063 | 11,679 | 12,738 | 18,188 |
| Total current liabilities | 57,902 | 66,482 | 69,576 | 67,460 | 168,333 |
| Fixed liabilities | | | | | |
| Bonds | — | 10,000 | 10,000 | 10,000 | 10,000 |
| Long-term borrowings | 7,855 | 28,639 | 25,878 | 21,865 | 36,205 |
| Deferred tax liabilities | 4,767 | 7,089 | 4,587 | 3,221 | 5,653 |
| Liability for retirement benefit | 32 | 35 | — | — | — |
| Net defined benefit liability | 1,668 | 1,820 | 1,867 | 2,088 | 1,992 |
| Other fixed liabilities | 585 | 4,022 | 4,718 | 1,196 | 1,976 |
| Total fixed liabilities | 14,909 | 51,607 | 47,051 | 38,372 | 55,828 |
| Total liabilities | 72,812 | 118,089 | 116,628 | 105,833 | 224,162 |
| Net assets | | | | | |
| Shareholders' equity | | | | | |
| Common stock | 13,208 | 13,208 | 13,208 | 13,208 | 13,208 |
| Capital surplus | 18,324 | 18,302 | 15,609 | 15,609 | 12,478 |
| Retained earnings | 103,467 | 109,761 | 119,251 | 129,031 | 136,315 |
| Treasury stock | (1,747) | (1,748) | (1,749) | (1,750) | (1,752) |
| Total shareholders' equity | 133,253 | 139,524 | 146,320 | 156,098 | 160,249 |
| Accumulated other comprehensive income | | | | | |
| Unrealized holding gain/(loss) on securities | 6,728 | 5,390 | 5,484 | 5,543 | 4,176 |
| Unrealized gain/(loss) on hedging instruments | 479 | (980) | 41 | (329) | (9) |
| Foreign currency translation adjustments | 5,716 | (422) | 29 | (592) | (7,487) |
| Remeasurements of defined benefit plans | (583) | (1,189) | (1,144) | (509) | (507) |
| Total accumulated other comprehensive income | 12,341 | 2,798 | 4,410 | 4,112 | (3,829) |
| Non-controlling interests | 5,218 | 6,464 | 4,749 | 4,686 | 2,806 |
| Total net assets | 150,813 | 148,787 | 155,480 | 164,897 | 159,227 |
| Total liabilities and net assets | 223,625 | 266,877 | 272,109 | 270,731 | 383,389 |

Consolidated Income Statements

Fuji Oil Holdings Inc. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2015 to March 31, 2019

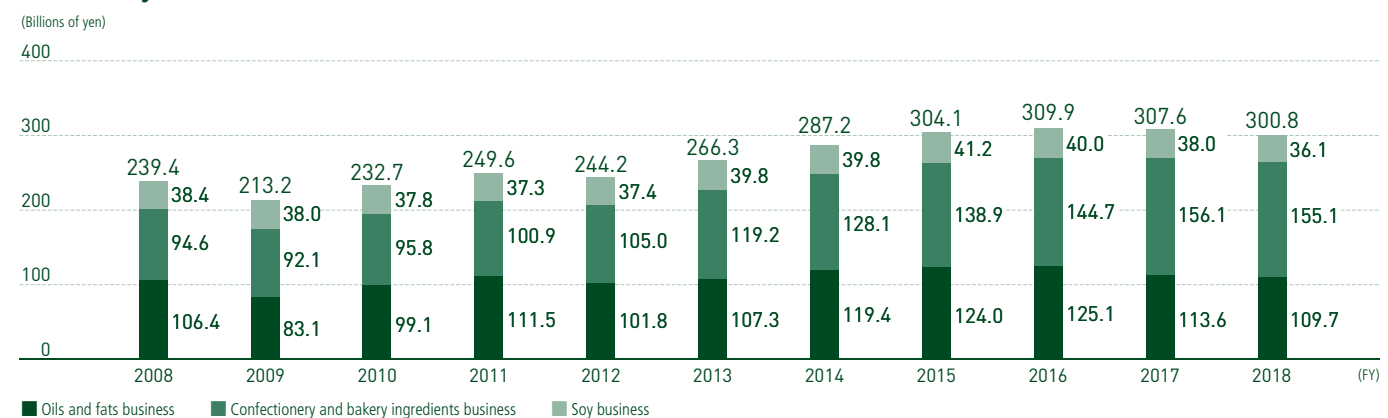
| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
|--|-------------------|---------------|---------------|---------------|----------------|
| | (Millions of yen) | | | | |
| Revenue | 271,903 | 287,537 | 292,547 | 307,645 | 300,844 |
| Cost of sales | 224,434 | 230,275 | 231,334 | 244,145 | 235,593 |
| Gross profit | 47,469 | 57,261 | 61,213 | 63,500 | 65,250 |
| Selling, general and administrative expenses | 33,258 | 40,420 | 41,518 | 43,018 | 46,725 |
| Operating profit | 14,211 | 16,840 | 19,694 | 20,481 | 18,525 |
| Non-operating income | | | | | |
| Interest income | 94 | 115 | 898 | 434 | 305 |
| Dividend income | 205 | 231 | 200 | 183 | 144 |
| Gain on valuation of derivatives | — | — | 398 | — | — |
| Share of profit in investments accounted for using equity method | — | — | 66 | 147 | 84 |
| Other non-operating income | 404 | 277 | 729 | 514 | 490 |
| Total non-operating income | 704 | 624 | 2,294 | 1,279 | 1,025 |
| Non-operating expenses | | | | | |
| Interest expense | 343 | 814 | 1,218 | 716 | 510 |
| Foreign exchange losses | 19 | 962 | 298 | 230 | — |
| Provision of allowance for doubtful accounts | 741 | — | — | 298 | — |
| Loss from equity method | 406 | 739 | — | — | — |
| Other non-operating expenses | — | 827 | 758 | 531 | 863 |
| Total non-operating expenses | 1,511 | 3,343 | 2,275 | 1,776 | 1,374 |
| Ordinary profit | 13,405 | 14,121 | 19,712 | 19,983 | 18,176 |
| Extraordinary gain | | | | | |
| Gain on sales of investment securities | — | 936 | 1,360 | 802 | 2,182 |
| Gain on sales of fixed assets | — | — | — | — | 19 |
| Return of profit gained through short-term trading | — | — | — | 348 | — |
| Gain on sales of land | — | 203 | — | — | — |
| Gain on transfer of business | — | 170 | — | — | — |
| Insurance income | 240 | — | — | — | — |
| Gain on sales of investments in capital of subsidiaries and affiliates | 33 | — | — | — | — |
| Gain on sales of stock of subsidiaries and affiliates | — | — | 533 | — | — |
| Total extraordinary gain | 274 | 1,310 | 1,894 | 1,151 | 2,202 |
| Extraordinary loss | | | | | |
| Loss on disposal of fixed assets | 224 | 488 | 314 | 440 | 665 |
| Cost related to shift to holding company structure | — | 279 | — | — | — |
| Impairment loss | — | 88 | 2,322 | 836 | 2,039 |
| Loss on disaster | — | — | — | — | 505 |
| Loss on valuation of shares of subsidiaries and affiliates | — | — | — | 34 | 428 |
| Business restructuring expenses of subsidiaries and affiliates | — | 53 | — | 767 | 200 |
| Office transfer expenses | 62 | 28 | — | — | — |
| Special investigation expenses | 109 | — | — | — | — |
| Loss on valuation of investments in capital of subsidiaries and affiliates | — | — | — | 221 | — |
| Loss on cancellation of contracts | — | — | 757 | — | — |
| Subsidiary liquidation loss | — | — | 109 | — | — |
| Total extraordinary loss | 396 | 939 | 3,504 | 2,301 | 3,840 |
| Income before income taxes | 13,282 | 14,492 | 18,103 | 18,833 | 16,538 |
| Income taxes | 3,413 | 5,096 | 5,003 | 5,165 | 3,974 |
| Income taxes adjustment | 163 | (270) | 398 | (606) | 562 |
| Total income taxes | 3,577 | 4,826 | 5,402 | 4,558 | 4,536 |
| Net income | 9,705 | 9,665 | 12,700 | 14,274 | 12,002 |
| Net income attributable to non-controlling interests | 374 | 438 | 594 | 532 | 420 |
| Net income attributable to owners of parent | 9,330 | 9,227 | 12,105 | 13,742 | 11,582 |

Consolidated Statements of Comprehensive Income

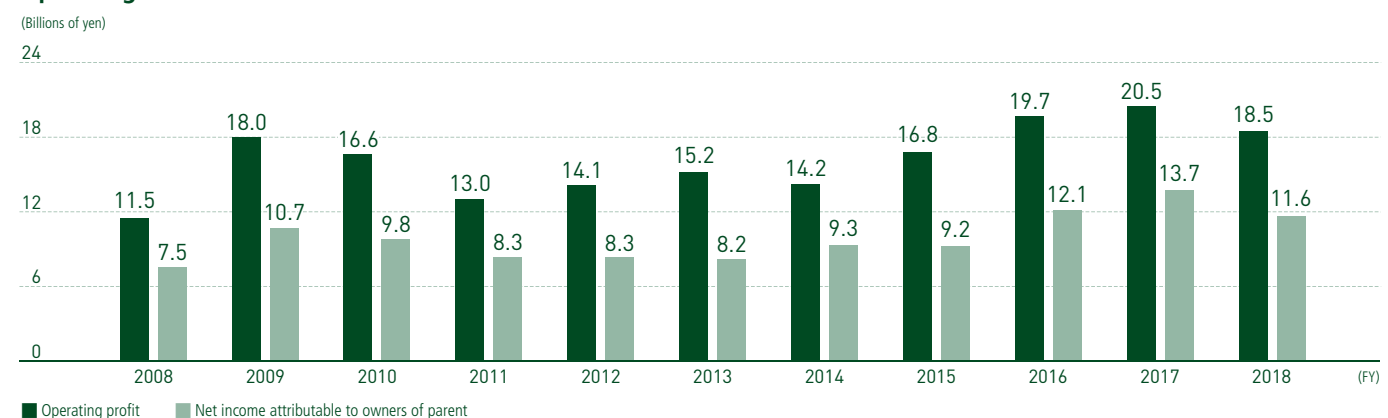
Fuji Oil Holdings Inc. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2015 to March 31, 2019

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
|---|-------------------|-----------------|---------------|---------------|----------------|
| | (Millions of yen) | | | | |
| Net income | 9,705 | 9,665 | 12,700 | 14,274 | 12,002 |
| Other comprehensive income | | | | | |
| Unrealized holding gain/(loss) on securities | 3,143 | (1,338) | 93 | 59 | (1,367) |
| Deferred gain/(loss) on hedging instruments | 399 | (1,459) | 1,016 | (331) | 279 |
| Foreign currency translation adjustments | 6,022 | (6,535) | 419 | (791) | (7,590) |
| Remeasurements of defined benefit plans | 2 | (606) | 45 | 635 | 1 |
| Share of other comprehensive income of affiliates accounted for using equity method | 52 | (70) | 78 | (23) | (98) |
| Total comprehensive income | 9,620 | (10,010) | 1,653 | (451) | (8,775) |
| Comprehensive income | 19,325 | (344) | 14,354 | 13,823 | 3,226 |
| (Comprehensive income attributable to) | | | | | |
| Comprehensive income attributable to owners of the parent | 18,215 | (316) | 13,893 | 13,444 | 3,640 |
| Comprehensive income attributable to non-controlling interests | 1,110 | (27) | 460 | 378 | (413) |

Revenue by Business



Operating Profit/Net Income Attributable to Owners of Parent



Consolidated Cash Flow Statements

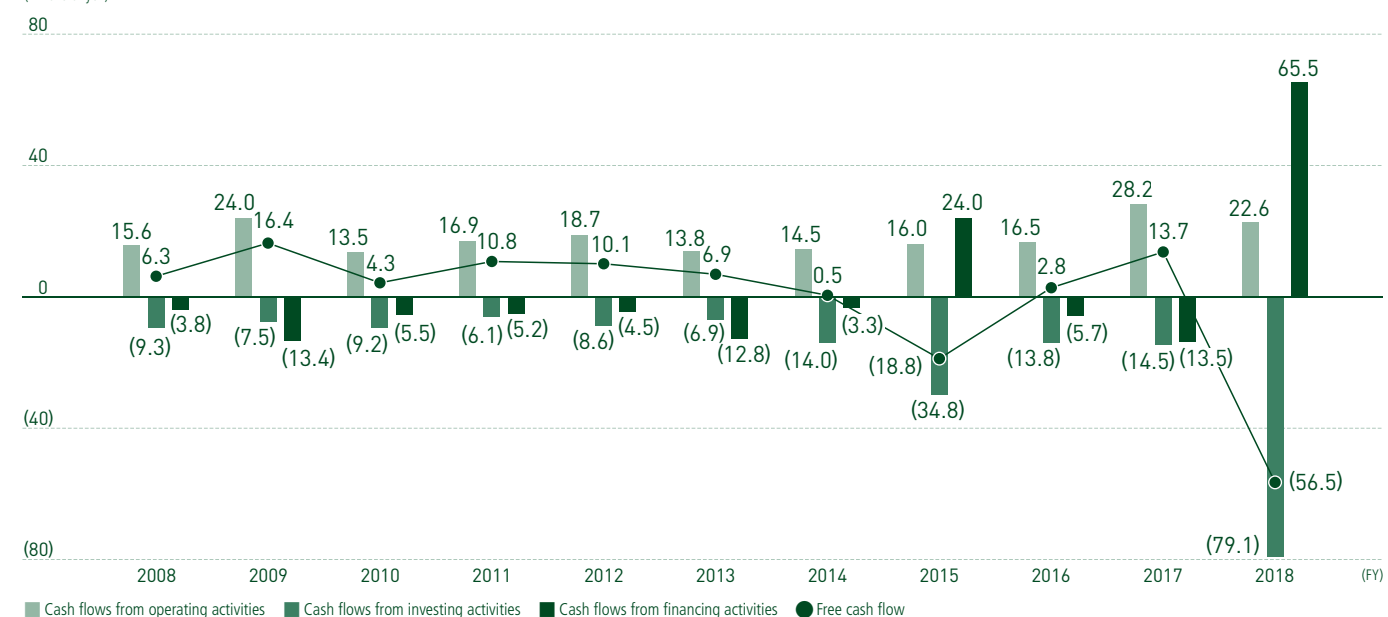
Fuji Oil Holdings Inc. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2015 to March 31, 2019

| | (Millions of yen) | | | | |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|
| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
| Cash flows from operating activities | | | | | |
| Income before income taxes | 13,282 | 14,492 | 18,103 | 18,833 | 16,538 |
| Depreciation and amortization | 8,636 | 9,903 | 10,431 | 10,900 | 11,989 |
| (Inc)/dec in net defined benefit asset | (355) | 417 | (366) | (1,053) | (630) |
| Inc/(dec) in net defined benefit liability | 87 | (644) | 150 | 1,091 | (39) |
| Interest income and dividend income | (300) | (346) | (1,099) | (617) | (449) |
| Interest expense | 343 | 814 | 1,218 | 716 | 510 |
| Impairment loss | — | 88 | 2,322 | 836 | 2,039 |
| Loss/(gain) on sales of shares of subsidiaries and affiliates | — | — | (533) | — | — |
| Subsidiary and affiliates liquidation loss | — | — | 109 | — | — |
| Loss on disaster | — | — | — | — | 505 |
| Share of loss/(profit) in investments accounted for using equity method | 741 | 739 | (66) | (147) | (84) |
| Loss/(gain) on sales of investment securities | (0) | (936) | (1,360) | (802) | (2,182) |
| Loss/(gain) on disposal of fixed assets | 126 | 301 | 350 | 440 | 646 |
| Loss/(gain) on sales of investments in capital of subsidiaries and affiliates | (33) | — | — | — | — |
| Loss on valuation of shares of subsidiaries and affiliates | — | — | — | 34 | 428 |
| Loss on valuation of investments in capital of subsidiaries and affiliates | — | — | — | 221 | — |
| Loss/(gain) on transfer of business | — | (170) | — | — | — |
| (Inc)/dec in notes and accounts receivable–trade | (4,071) | (422) | (2,899) | (5,006) | 1,062 |
| (Inc)/dec in inventories | (1,456) | (4,687) | (3,082) | 4,377 | (1,298) |
| Inc/(dec) in notes and accounts payable–trade | 933 | (522) | (1,649) | 1,983 | (887) |
| Other cash flows from operating activities | 597 | 282 | 1,509 | 1,647 | 127 |
| Sub-total | 18,531 | 19,309 | 23,138 | 33,457 | 28,275 |
| Interest income and dividend income received | 300 | 346 | 1,086 | 621 | 442 |
| Interest expense paid | (344) | (744) | (1,235) | (714) | (536) |
| Income taxes (paid) refunded | (4,230) | (2,884) | (6,468) | (5,158) | (5,544) |
| Proceeds from insurance income | 240 | — | — | — | — |
| Cash flows from operating activities | 14,496 | 16,027 | 16,521 | 28,206 | 22,637 |
| Cash flows from investing activities | | | | | |
| Capital expenditures of tangible fixed assets | (9,300) | (12,855) | (15,097) | (13,919) | (15,101) |
| Proceeds from sales of tangible fixed assets | — | 651 | — | — | — |
| Payments for purchases of intangible fixed assets | — | — | — | (1,395) | (1,884) |
| Payments for purchases of investment securities | (12) | (1,306) | (71) | (12) | (13) |
| Proceeds from sales of investment securities | 0 | 1,158 | 1,863 | 1,749 | 4,221 |
| Payments for purchase of shares in consolidated subsidiaries | (2,524) | — | — | — | — |
| Payments for purchase of shares in nonconsolidated subsidiaries | (388) | — | — | — | — |
| Payments for investments in capital of nonconsolidated subsidiaries | (235) | — | — | — | — |
| Payments for purchase of shares of subsidiaries | — | — | — | — | (65,262) |
| Proceeds from liquidation of subsidiaries and affiliates | — | — | 424 | — | — |
| Proceeds from sales of shares of subsidiaries and affiliates | — | — | 443 | — | — |
| Payments for purchase of shares of subsidiaries resulting in change in scope of consolidation | — | (17,168) | — | — | — |
| Income by acquisition of subsidiary company stocks with change in consolidation scope | — | — | 396 | — | — |
| Proceeds from sales of investment in subsidiaries resulting in change in scope of consolidation | — | — | — | 32 | — |
| Payments for purchase of investments in affiliated companies | (535) | (35) | — | (815) | — |
| Payments for sales of investments in capital of subsidiaries resulting in change in scope of consolidation | — | — | — | — | (1,012) |
| Payments for sales of investments in capital of subsidiaries and affiliates resulting in change in scope of consolidation | (38) | — | — | — | — |
| Proceeds from transfer of business | — | 170 | — | — | — |
| Payments into deposits paid | — | (3,995) | — | — | — |
| Other cash flows from investing activities | (922) | (1,443) | (1,720) | (149) | (53) |
| Total cash flows from investing activities | (13,957) | (34,824) | (13,760) | (14,510) | (79,104) |

| | (Millions of yen) | | | | |
|---|-------------------|---------------|----------------|-----------------|----------------|
| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
| Cash flows from financing activities | | | | | |
| Inc/(dec) in short-term borrowings | (2,170) | 3,280 | 7,221 | (8,994) | 82,914 |
| Inc/(dec) in commercial paper | 2,000 | (2,000) | — | 5,000 | (5,000) |
| Proceeds from long-term borrowings | 5,272 | 25,352 | 2,406 | 1,248 | 2,764 |
| Repayment of long-term borrowings | (5,674) | (4,011) | (5,877) | (6,444) | (5,243) |
| Proceeds from issuance of bonds | — | 10,000 | — | — | — |
| Redemption of bonds | (20) | (5,000) | — | — | — |
| Cash dividends paid | (2,234) | (2,922) | (3,438) | (3,868) | (4,297) |
| Dividend paid to non-controlling interests | (297) | (178) | (312) | (124) | (126) |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | — | (221) | (5,467) | (125) | (4,874) |
| Payments from changes in ownership interests in investments in capital of subsidiaries that do not result in change in scope of consolidation | — | — | — | — | (517) |
| Other cash flows from financing activities | (168) | (258) | (194) | (144) | (131) |
| Total cash flows from financing activities | (3,294) | 24,040 | (5,662) | (13,452) | 65,487 |
| Exchange rate changes on cash and cash equivalents | 893 | (1,285) | (601) | (122) | (811) |
| Net increase in cash and cash equivalents | (1,862) | 3,958 | (3,503) | 120 | 8,208 |
| Cash and cash equivalents at beginning of period | 14,578 | 12,716 | 16,698 | 12,681 | 12,999 |
| Cash and cash equivalents from newly consolidated subsidiaries at beginning of period | — | 23 | — | 197 | — |
| Cash and cash equivalents from exclusion of consolidated subsidiaries at beginning of period | — | — | (513) | — | — |
| Cash and cash equivalents at end of period | 12,716 | 16,698 | 12,681 | 12,999 | 21,207 |

Cash Flows

(Billions of yen)



Notes to the Consolidated Financial Statements (Abbreviated)

Consolidated Balance Sheets

1. Accumulated depreciation of tangible fixed assets

| (Millions of yen) | | |
|---|---------|---------|
| Years ended March 31 | 2018 | 2019 |
| Accumulated depreciation of tangible fixed assets | 193,729 | 210,145 |

2. Non-consolidated subsidiaries and affiliates are recognized as follows.

| (Millions of yen) | | |
|------------------------------|-------|-------|
| March 31 | 2018 | 2019 |
| Investment securities | 2,922 | 2,829 |
| Investments and other assets | 0 | — |

3. Advanced depreciation

(1) Advanced depreciation due to government subsidies received is deducted from acquisition price as follows.

| (Millions of yen) | | |
|------------------------|------|------|
| March 31 | 2018 | 2019 |
| Machinery and vehicles | 51 | 51 |

(2) Advanced depreciation due to new business promotion subsidies received from Osaka Prefecture is deducted from acquisition price as follows.

| (Millions of yen) | | |
|------------------------|------|------|
| March 31 | 2018 | 2019 |
| Machinery and vehicles | 64 | 64 |

(3) Advanced depreciation due to gain on insurance adjustments is deducted from acquisition price as follows.

| (Millions of yen) | | |
|--------------------------|------|------|
| March 31 | 2018 | 2019 |
| Buildings and structures | 8 | 4 |
| Machinery and vehicles | 933 | 915 |
| Total | 941 | 919 |

4. Guarantee obligations

The Group guarantees borrowings from financial institutions and other obligations for companies other than consolidated companies.

| (Millions of yen) | | |
|--------------------------------|------------------|--------------------|
| March 31 | 2018 | 2019 |
| UNIFUJI SDN. BHD. | — | 2,417 ¹ |
| PT. MUSIM MAS-FUJI | 956 ² | 998 ³ |
| FREYABADI (THAILAND) CO., LTD. | 312 ⁴ | 425 ⁵ |
| 3F FUJI FOODS PRIVATE LIMITED | 100 | 128 |
| FUJI OIL (PHILIPPINES), INC. | 66 | 69 |
| Total | 1,436 | 4,041 |

Notes: 1. The above includes 693 million yen in counter guarantees for the Company by other companies, and 1,031 million yen in counter guarantees for other companies by the Company.
2. The above includes 487 million yen in counter guarantees for the Company by other companies.
3. The above includes 509 million yen in counter guarantees for the Company by other companies.
4. The above includes 156 million yen in counter guarantees for the Company by other companies.
5. The above includes 212 million yen in counter guarantees for the Company by other companies.

5. Pledged assets and secured liabilities

Assets pledged as collateral and secured liabilities are as follows.

Assets pledged as collateral

| (Millions of yen) | | |
|---------------------------------------|------|--------|
| March 31 | 2018 | 2019 |
| Notes and accounts receivable – trade | — | 7,145 |
| Merchandise and finished goods | — | 8,417 |
| Raw materials and supplies | — | 19,206 |
| Buildings and structures | — | 2,192 |
| Machinery and vehicles | — | 3,043 |
| Land | 4 | 290 |
| Total | 4 | 40,296 |

Secured liabilities

| (Millions of yen) | | |
|-----------------------|------|--------|
| March 31 | 2018 | 2019 |
| Short-term borrowings | 70 | 13,313 |
| Long-term borrowings | — | 15,102 |
| Total | 70 | 28,415 |

6. Notes

Notes maturing on the last day of the fiscal year are accounted for as settled on the clearance date. Accordingly, such notes are included in the following accounts because the last day of the consolidated fiscal year ended March 31, 2019 was a bank holiday.

| (Millions of yen) | | |
|-------------------|------|------|
| March 31 | 2018 | 2019 |
| Notes receivable | 588 | 438 |
| Notes payable | 80 | 68 |

Consolidated Income Statements

1. Selling, general and administrative expenses

(1) Selling, general and administrative expenses are as follows.

| (Millions of yen) | | |
|--|--------|--------|
| Years ended March 31 | 2018 | 2019 |
| Shipping expenses | 12,614 | 13,265 |
| Provision of allowance for doubtful accounts | 39 | 113 |
| Employee salary and benefit expenses | 8,511 | 8,942 |
| Provision for bonuses | 949 | 1,029 |
| Retirement expenses | 664 | 384 |
| Provision for directors' bonuses | 86 | 106 |
| Depreciation expenses | 1,218 | 1,215 |
| Advertising expenses | 737 | 613 |
| Sales commissions | 2,354 | 2,359 |
| Research and development expenses | 4,613 | 4,758 |
| Amortization of goodwill | 716 | 709 |

(2) Research and development expenses are recognized as follows.

| (Millions of yen) | | |
|-------------------------------------|-------|-------|
| Years ended March 31 | 2018 | 2019 |
| General and administrative expenses | 4,613 | 4,758 |

2. Breakdown of loss on disposal of fixed assets is as follows.

| (Millions of yen) | | |
|--------------------------|------|------|
| Years ended March 31 | 2018 | 2019 |
| Buildings and structures | 74 | 153 |
| Machinery and vehicles | 132 | 203 |
| Demolition expenses | 241 | 279 |
| Other | (7) | 29 |
| Total | 440 | 665 |

3. Impairment loss

Year ended March 31, 2018

| Use | Asset type | Location | Impairment loss |
|--|---|--|-----------------|
| Employee housing | Land, buildings, other | Tsukuba Mirai City, Ibaraki Prefecture | 333 |
| Soy milk production facility | Buildings, machinery and equipment, other | Izumisano, Osaka Prefecture | 329 |
| Sales administration software | Software, other | Toyonaka, Osaka Prefecture | 109 |
| Logistics and warehousing facilities | Buildings, machinery and equipment | Izumisano, Osaka Prefecture | 36 |
| Soy protein and food production facilities | Buildings, machinery and equipment | Amagasaki, Hyogo Prefecture | 27 |

Year ended March 31, 2019

| Use | Asset type | Location | Impairment loss |
|-----------------------------------|---|--------------------------|-----------------|
| Soy protein production facilities | Buildings, machinery and equipment, other | Jilin Province, China | 1,728 |
| Training center | Land, buildings, other | Sennan, Osaka Prefecture | 270 |
| Soy milk production facility | Buildings, machinery and equipment | Higashinada, Kobe | 40 |

4. Loss on disaster

Year ended March 31, 2019

Losses incurred at the consignment warehouse of Fuji Oil Co., Ltd., a consolidated subsidiary of the Company, as a result of the Northern Osaka Earthquake that occurred in June 2018, are recognized as extraordinary losses.

5. Business restructuring expenses of subsidiaries and affiliates

Year ended March 31, 2018

Business restructuring expenses of Soy Business subsidiaries and affiliates in Japan and overseas were 570 million yen and 197 million yen, respectively.

Year ended March 31, 2019

Business restructuring expenses of Soy Business subsidiaries and affiliates overseas were 200 million yen.

Financial Instruments

Fair value of financial instruments

Carrying amount, fair value and unrealized gain or loss for financial instruments as of March 31, 2019 are as follows. Instruments for which fair value is extremely difficult to estimate are not included (refer to Note 2).

| (Millions of yen) | | | |
|---|----------------|------------|------------------------|
| | Carrying value | Fair value | Unrealized gain (loss) |
| (1) Cash and deposits | 21,217 | 21,217 | — |
| (2) Notes and accounts receivable – trade | 71,192 | 71,192 | — |
| (3) Securities and investment securities | 9,059 | 9,059 | — |
| Total assets | 101,470 | 101,470 | — |
| (1) Notes and accounts payable – trade | 31,723 | 31,723 | — |
| (2) Short-term borrowings | 108,642 | 108,642 | — |
| (3) Bonds | 10,000 | 10,107 | 107 |
| (4) Long-term borrowings ¹ | 41,812 | 41,517 | (294) |
| Total liabilities | 192,178 | 191,990 | (187) |
| Derivative instruments ² | | | |
| (1) Hedge accounting not applied | 2,423 | 2,423 | — |
| (2) Hedge accounting applied | (32) | (32) | — |
| Total derivative instruments | 2,391 | 2,391 | — |

Notes: 1. Long-term borrowings include current portion.
2. Gains and losses arising from derivatives are offset against each other and stated at net, and net losses are shown in parentheses.

Derivative Instruments

Derivative instruments for which hedge accounting is not applied are classified by hedged item and stated at prices quoted by counterparty financial institutions. The fair value of derivative instruments including interest rate swaps for which exceptional accounting is applied or interest rate and currency swaps for which embedded derivative accounting is applied is included in the fair value of long-term borrowings because they are accounted for as an integral part of the long-term borrowings that are the hedged items.

A. Financial instruments for which fair value is extremely difficult to measure

| (Millions of yen) | |
|---------------------------------------|----------------|
| Instrument | Carrying value |
| Unlisted shares | 500 |
| Shares of subsidiaries and affiliates | 2,829 |

These instruments are not included in “(3) Securities and investment securities” above because they do not have a market value and their fair value is therefore extremely difficult to measure.

B. Scheduled redemption of monetary receivables and securities with maturities after the consolidated fiscal year-end

| | (Millions of yen) | | | |
|---------------------------------------|-------------------------|---|---|---------------------|
| | Not later than one year | Later than one year and not later than five years | Later than five years and not later than 10 years | Later than 10 years |
| Cash and deposits | 21,217 | — | — | — |
| Notes and accounts receivable – trade | 71,192 | — | — | — |
| Securities and investment securities | — | — | — | — |
| Total | 92,410 | — | — | — |

C. Scheduled repayment of bonds, long-term borrowings, lease obligations and other interest-bearing liabilities

| | (Millions of yen) | | | | | |
|-----------------------|-------------------------|--|---|--|---|-----------------------|
| | Not later than one year | Later than one year but not later than two years | Later than two years but not later than three years | Later than three years but not later than four years | Later than four years but not later than five years | Later than five years |
| Short-term borrowings | 108,642 | — | — | — | — | — |
| Bonds | — | — | — | 10,000 | — | — |
| Long-term borrowings | 5,606 | 20,444 | 9,532 | 3,255 | 2,453 | 518 |
| Lease obligations | 297 | 199 | 14 | 6 | 2 | 2 |
| Total | 114,547 | 20,643 | 9,547 | 13,262 | 2,456 | 520 |

Year ended March 31, 2019

1. Derivative instruments for which hedge accounting is not applied

(1) Currency instruments

| Category | Type of instrument | (Millions of yen) | | | |
|-------------------------|----------------------------|-------------------|-----------------------|------------|------------------------|
| | | Contract amount | Settled over one year | Fair value | Unrealized gain (loss) |
| Off-market transactions | Forward exchange contracts | | | | |
| | Sell | | | | |
| | U.S. dollar | 3,412 | — | 13 | 13 |
| | Singapore dollar | 0 | — | 0 | 0 |
| Total | Buy | | | | |
| | U.S. dollar | 678 | — | 21 | 21 |
| Total | | 4,091 | — | 34 | 34 |

Note: Fair value is calculated largely based on prices quoted by counterparty financial institutions.

(2) Interest rate instruments

| Category | Type of instrument | (Millions of yen) | | | |
|-------------------------|--------------------------------|-------------------|-----------------------|------------|------------------------|
| | | Contract amount | Settled over one year | Fair value | Unrealized gain (loss) |
| Off-market transactions | Interest rate swaps | | | | |
| | Receive/floating and pay/fixed | 82 | — | 1 | 1 |
| Total | | 82 | — | 1 | 1 |

Note: Fair value is calculated largely based on prices quoted by counterparty financial institutions.

(3) Commodity instruments

| Category | Type of instrument | (Millions of yen) | | | |
|-------------------------|--------------------------------|-------------------|-----------------------|----------------|------------------------|
| | | Contract amount | Settled over one year | Fair value | Unrealized gain (loss) |
| Market transactions | Commodity futures | | | | |
| | Sell | 63,168 | 1,349 | 63,352 | 184 |
| | Buy | 59,100 | 1,586 | 61,209 | 2,108 |
| Off-market transactions | Commodity swaps | | | | |
| | Receive/floating and pay/fixed | 737 | — | 94 | 94 |
| Total | | 123,006 | 2,936 | 124,656 | 2,387 |

Note: Fair value is calculated largely based on the closing price of futures.

2. Derivative instruments for which hedge accounting is applied

(1) Currency instruments

| Hedge accounting method | Type of instrument | Main items hedged | (Millions of yen) | | |
|--|----------------------------|-----------------------------|-------------------|-----------------------|------------|
| | | | Contract amount | Settled over one year | Fair value |
| Principle method | Forward exchange contracts | | | | |
| | Sell | | | | |
| | U.S. dollar | Accounts receivable – trade | 167 | — | (0) |
| | Buy | | | | |
| | U.S. dollar | Accounts payable – trade | 15,605 | — | 0 |
| | Euro | Accounts payable – trade | 22 | — | (0) |
| Assignment accounting for forward exchange contracts and other instruments | British pound | Accounts payable – trade | 2,823 | — | 21 |
| | Total | | 18,619 | — | 20 |
| | Forward exchange contracts | | | | |
| | Sell | | | | |
| | U.S. dollar | Accounts receivable – trade | 141 | — | Note 2 |
| | Euro | Accounts receivable – trade | 26 | — | Note 2 |
| Total | Buy | | | | |
| | U.S. dollar | Accounts payable – trade | 2,542 | — | Note 2 |
| | Euro | Accounts payable – trade | 0 | — | Note 2 |
| | British pound | Accounts payable – trade | 75 | — | Note 2 |
| Total | | 2,786 | — | Note 2 | |

Notes: 1. Fair value is calculated largely based on prices quoted by counterparty financial institutions.

2. The fair value of derivative instruments including forward exchange contracts for which assignment accounting is applied is included in the fair value of the hedged receivables and payables because they are accounted for as an integral part of the hedged receivables and payables.

(2) Interest rate instruments

| Hedge accounting method | Type of instrument | Main items hedged | (Millions of yen) | | |
|--|--------------------------------|----------------------|-------------------|-----------------------|------------|
| | | | Contract amount | Settled over one year | Fair value |
| Exceptional accounting for interest rate swaps | Interest rate swaps | | | | |
| | Receive/floating and pay/fixed | Long-term borrowings | 4,549 | 3,300 | Note |

Note: The fair value of interest rate swaps for which exceptional accounting is applied is included in the fair value of the hedged long-term borrowings because they are accounted for as an integral part of the hedged long-term borrowings.

(3) Interest rate and currency instruments

| Hedge accounting method | Type of instrument | Main items hedged | (Millions of yen) | | |
|--|--|----------------------|-------------------|-----------------------|-------------|
| | | | Contract amount | Settled over one year | Fair value |
| Principle accounting method | Interest rate and currency swap | | | | |
| | Pay/fixed and receive/floating; Pay Malaysian ringgit and U.S. dollars | Long-term borrowings | 589 | 374 | (52) |
| Embedded interest rate and currency swap accounting (exceptional accounting and assignment accounting) | Interest rate and currency swap | | | | |
| | Pay/fixed and receive/floating; Pay yen and receive U.S. dollars | Long-term borrowings | 6,823 | 4,950 | Note |
| Total | | | 7,413 | 5,325 | (52) |

Note: The fair value of interest rate and currency swaps for which exceptional accounting and assignment accounting are applied is included in the fair value of the hedged long-term borrowings because they are accounted for as an integral part of the hedged long-term borrowings.

Retirement Benefits

Year ended March 31, 2019

1. Overview of the retirement benefit system

The Company and its consolidated subsidiaries have funded and unfunded defined benefit plans and defined contribution plans to provide for employee retirement benefits.

The defined benefit corporate pension plan (all funded plans) pay a lump sum or pension based on salary and years of service.

The Company and certain consolidated subsidiaries transitioned some of their defined benefit plans to selective defined contribution plans in July 2018.

The lump sum retirement payment plan pays a lump sum retirement benefit based on salary and years of service.

Certain consolidated subsidiaries calculate retirement benefit liabilities and retirement benefit expenses using the simplified method for their defined benefit corporate pension plans and lump sum retirement plans.

2. Defined benefit plans

(1) Change in retirement benefit obligations

| | (Millions of yen) |
|--|-------------------|
| Balance at the beginning of the year | 19,070 |
| Service cost | 897 |
| Interest cost | 142 |
| Actuarial loss (gain) | (245) |
| Benefits paid | (1,002) |
| Increase (decrease) due to foreign currency translation adjustment | (92) |
| Balance at the end of the year | 18,769 |

(2) Change in plan assets

| | (Millions of yen) |
|--|-------------------|
| Balance at the beginning of the year | 19,058 |
| Expected return on plan assets | 545 |
| Actuarial loss (gain) | (323) |
| Employer contributions | 1,019 |
| Benefits paid | (776) |
| Increase (decrease) due to foreign currency translation adjustment | (38) |
| Balance at the end of the year | 19,484 |

(3) Reconciliation of retirement benefit obligations and plan assets to liabilities and assets for retirement benefits recorded on the Consolidated Balance Sheets

| | (Millions of yen) |
|---|-------------------|
| Funded retirement benefit obligations | 17,977 |
| Plan assets | (19,484) |
| | (1,506) |
| Unfunded retirement benefit obligations | 792 |
| Total net liability for retirement benefits | (714) |
| Liabilities for retirement benefits | 1,992 |
| Assets for retirement benefits | (2,707) |
| Total net liability for retirement benefits | (714) |

(4) Retirement benefit costs

| | (Millions of yen) |
|--|-------------------|
| Service cost | 897 |
| Interest cost | 142 |
| Expected return on plan assets | (545) |
| Net actuarial gain and loss amortization | 80 |
| Past service costs amortization | — |
| Total retirement benefit costs | 575 |

Note: Consolidated subsidiaries that employ the simplified method recognize retirement benefit costs in "Service cost."

(5) Adjustments for retirement benefits

A breakdown of adjustments (before tax effect deduction) to retirement benefits follows:

| | (Millions of yen) |
|-----------------------------|-------------------|
| Past service costs | — |
| Net actuarial gain and loss | 2 |
| Total | 2 |

(6) Accumulated adjustments to retirement benefits

A breakdown of cumulative adjustments (before tax effect deduction) to retirement benefits follows.

| | (Millions of yen) |
|---|-------------------|
| Past service costs that are yet to be recognized | — |
| Actuarial gain and loss that are yet to be recognized | (731) |
| Total | (731) |

(7) Plan assets

A. Breakdown of main plan assets

Asset types and their percentage of total plan assets are as follows.

| Equities | 30% |
|--------------------------------|------|
| Bonds | 30% |
| Cash and deposits | 4% |
| Life insurance general account | 15% |
| Other | 19% |
| Total | 100% |

B. Long-term expected rate of return

The expected long-term rate of return on plan assets is determined by considering the current and expected allocation of plan assets and the current and expected long-term rates of return from the various types of plan assets.

(8) Actuarial assumptions

The principal actuarial assumptions (expressed as weighted averages) are as follows:

| | |
|-----------------------------------|------|
| Discount rate | 0.6% |
| Long-term expected rate of return | 3.0% |

3. Defined contribution plans

Contributions to the defined contribution plans of consolidated subsidiaries are 352 million yen for the year ended March 31, 2019.

Tax-effect Accounting

1. Breakdown of major factors that resulted in deferred tax assets and liabilities

| March 31 | 2018 | 2019 |
|---|---------|---------|
| Deferred tax assets: | | |
| Accrued enterprise tax | 180 | 433 |
| Accrued bonuses for employees | 610 | 618 |
| Deferred gains or losses on hedges | 180 | — |
| Inventory write-downs | 27 | 67 |
| Allowance for doubtful receivables | 100 | 98 |
| Accrued bonuses including social insurance premiums | 85 | 85 |
| Foreign exchange losses | 4 | — |
| Unrealized income on inventories | 170 | 177 |
| Tax losses carried forward | 941 | 2,500 |
| Liability for retirement benefits | 877 | 846 |
| Valuation of listed shares | 34 | 31 |
| Impairment loss | 1,225 | 984 |
| Shares in subsidiary from corporate separation | 442 | 442 |
| Other | 1,031 | 2,335 |
| Total gross deferred tax assets | 5,914 | 8,622 |
| Less: Valuation allowance | (1,765) | (1,422) |
| Total deferred tax assets | 4,148 | 7,200 |
| Deferred tax liability offset | (3,505) | (6,021) |
| Net deferred tax assets | 642 | 1,178 |
| Deferred tax liabilities | | |
| Deferred gains on hedges | — | 6 |
| Depreciation at consolidated overseas subsidiaries | 1,382 | 3,540 |
| Mark-to-market valuation differences | 504 | 642 |
| Retained earnings at overseas subsidiaries | 853 | 973 |
| Unrealized gains on securities | 2,438 | 1,829 |
| Reserve for property replacement | 132 | 132 |
| Retirement benefit assets | 864 | 1,042 |
| Inventories | — | 1,985 |
| Other | 550 | 1,522 |
| Total deferred tax liabilities | 6,727 | 11,675 |
| Deferred tax asset offset | (3,505) | (6,021) |
| Net deferred tax liability | 3,221 | 5,653 |

2. Reconciliation of significant difference between the statutory effective tax rate and the effective tax rate after application of tax effect accounting

| Years ended March 31 | 2018 | 2019 |
|---|---------|---------|
| Statutory tax rate | 30.9% | 30.6% |
| Increase (decrease) due to: | | |
| Items such as entertainment expenses that are not temporary differences | (10.8%) | (14.6%) |
| Change in valuation allowance | (3.2%) | (1.5%) |
| Tax deductions such as research expenses | (2.9%) | (3.6%) |
| Differences with tax rates of overseas subsidiaries | (3.3%) | (2.1%) |
| Dividend income eliminated in consolidation | 14.3% | 16.0% |
| Subsidiary share acquisition-related expenses | —% | 2.5% |
| Other | (0.9%) | 0.0% |
| Effective tax rate | 24.2% | 27.4% |

Main Non-Financial Data

See Sustainability Report 2019 for more information about our sustainability strategy and other non-financial information.
<https://www.fujioilholdings.com/en/csr/>

Sustainable Procurement (Palm Oil)

| | Jul.-Dec. 2018 | Jan.-Jun. 2018 | Jul.-Dec. 2017 | Jan.-Jun. 2017 | Jul.-Dec. 2016 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Traceability to oil mills (%) | | | | | |
| Palm oil | 99 | 97 | 96 | 96 | 93 |
| Palm kernel oil | 99 | 100 | 94 | 97 | 96 |
| Average | 99 | 98 | 95 | 96 | 94 |

• Sales volume of Group products that use RSPO-certified oil: 17% (FY 2018 Results)

Environment

| | FY 2018 | FY 2017 | FY 2016 | FY 2015 | FY 2014 |
|---|---------|---------|---------|---------|---------|
| Total energy consumption (CO₂ emissions equivalent) and energy consumption per unit of production | | | | | |
| Emissions in Japan (t-CO ₂) | 161,540 | 167,584 | 169,952 | 168,654 | 163,454 |
| Emissions outside Japan (t-CO ₂) | 277,097 | 303,415 | 341,000 | 342,531 | 350,739 |
| Consumption per unit of production in Japan (t-CO ₂ /t) | 0.282 | 0.299 | 0.291 | 0.297 | 0.306 |
| Consumption per unit of production outside Japan (t-CO ₂ /t) | 0.205 | 0.226 | 0.264 | 0.278 | 0.290 |
| Fuji Oil Group Scope-1, 2 energy consumption (CO₂ emissions)¹ | | | | | |
| Scope-1 (t-CO ₂) | 215,605 | 249,441 | 289,602 | 301,874 | 315,828 |
| Scope-2 (t-CO ₂) | 206,832 | 221,201 | 221,349 | 209,311 | 198,365 |
| Annual water usage and water usage per unit of production | | | | | |
| Water usage in Japan (1,000 m ³) | 2,555 | 2,713 | 2,859 | 2,845 | 2,759 |
| Water usage outside Japan (1,000 m ³) | 2,163 | 2,392 | 2,495 | 2,782 | 2,922 |
| Water usage per unit of production in Japan (m ³ /t) | 4.48 | 4.84 | 4.90 | 5.16 | 5.16 |
| Water usage per unit of production outside Japan (m ³ /t) | 1.60 | 1.78 | 1.93 | 2.26 | 2.41 |
| Annual wastewater and wastewater per unit of production | | | | | |
| Wastewater in Japan (1,000 m ³) | 1,926 | 1,969 | 2,069 | 2,073 | 1,993 |
| Wastewater outside Japan (1,000 m ³) | 1,037 | 1,116 | 1,361 | 1,446 | 1,395 |
| Wastewater per unit of production in Japan (m ³ /t) | 3.38 | 3.49 | 3.54 | 3.60 | 3.73 |
| Wastewater per unit of production outside Japan (m ³ /t) | 0.77 | 0.83 | 1.07 | 1.17 | 1.15 |
| Recycled water volume (m³)² | 92,262 | 100,782 | 111,708 | 123,823 | 104,391 |
| Total waste discharged (food and other wastes) | | | | | |
| Fuji Oil Group in Japan total waste discharged (t) | 19,742 | 18,529 | 19,850 | 18,439 | 18,456 |
| Fuji Oil Group in Japan recycling rate (%) | 99.33 | 99.96 | 99.94 | 99.97 | 99.82 |
| Total waste discharged by Group companies outside Japan (t) | 23,222 | 27,514 | 21,614 | 15,225 | 26,201 |
| Waste discharged per unit of production by Group companies outside Japan (kg/t) | 17.2 | 20.5 | 17.0 | 12.4 | 21.7 |

1. Received third-party evaluations of CO₂ emission. Scope 1 and Scope 2 emissions accounted for over 70% of total emissions.
 2. Hannan Business Operations Complex of Fuji Oil Co., Ltd.

Human Resources

| | Japan | Europe and the Americas | Asia | Total (Consolidated) |
|---|-------|-------------------------|-------|----------------------|
| Number of the Fuji Oil Group employees by region | | | | |
| Male | 1,510 | 1,403 | 1,685 | 4,598 |
| Female | 373 | 446 | 546 | 1,365 |
| Total | 1,883 | 1,849 | 2,231 | 5,963 |
| Number of the Fuji Oil Group managers | | | | |
| Male | 361 | 161 | 174 | 696 |
| Female | 37 | 61 | 60 | 158 |
| Total | 398 | 222 | 234 | 854 |

* Domestic Group companies as of March 31, 2019. Overseas Group companies as of December 31, 2018.
 * Blommer (U.S.) as of January 31, 2019.

| | Regular employees ^{2/} temporary employees | Regional limited employees | Contract employees | Average age (of employees) |
|--|---|----------------------------|--------------------|----------------------------|
| Fuji Oil Holdings Inc. (Breakdown of employees) | | | | |
| Male | 101 | 0 | 0 | 47 years, 1 month |
| Female | 34 | 1 | 1 | 36 years, 5 months |
| Total | 135 | 1 | 1 | 44 years, 4 months |
| Fuji Oil Co., Ltd. (Breakdown of employees) | | | | |
| Male | 950 | 109 | 49 | 43 years, 8 months |
| Female | 192 | 53 | 33 | 39 years, 4 months |
| Total | 1,142 | 162 | 82 | 43 years, 1 month |

* As of March 31, 2019 3. Includes executive officers

| | Apr. 2019 | Apr. 2018 | Apr. 2017 | Apr. 2016 | Apr. 2015 |
|--|-----------|-----------|-----------|-----------|-----------|
| Ratio of women in managerial positions (Fuji Oil Co., Ltd.)⁴ (%) | 10.53 | 8.24 | 5.56 | 3.78 | 3.15 |

4. Figures prior to fiscal 2017 are for Fuji Oil Holdings Inc. and Fuji Oil Co., Ltd. Figures from fiscal 2018 are calculated as follows: Fuji Oil Holdings Inc. + Fuji Oil Co., Ltd. - Employees dispatched overseas

| | FY 2018 | FY 2017 | FY 2016 | FY 2015 | FY 2014 |
|--|---------------------|--------------------|---------------------|---------------------|---------------------|
| Number of new hires | | | | | |
| Male: new graduate | 15 | 19 | 23 | 24 | 22 |
| Male: mid-career | 22 | 18 | 13 | 18 | 9 |
| Female: new graduate | 13 | 12 | 9 | 11 | 6 |
| Female: mid-career | 10 | 2 | 0 | 2 | 2 |
| Male: subtotal | 37 | 37 | 36 | 42 | 31 |
| Female: subtotal | 23 | 14 | 9 | 13 | 8 |
| Total turnover rate for regular employees (%) | 2.43 | 1.83 | 1.36 | 1.38 | 1.33 |
| Voluntary turnover rate for regular employees (%) | 1.80 | 1.75 | 0.96 | 1.22 | 0.66 |
| Average years of continuous employment | | | | | |
| Male | 19 years, 7 months | 19 years, 2 months | 20 years, 0 month | 19 years, 5 months | 18 years, 11 months |
| Female | 14 years, 11 months | 15 years, 5 months | 15 years, 11 months | 14 years, 11 months | 15 years, 2 months |
| Average | 18 years, 8 months | 18 years, 7 months | 19 years, 4 months | 18 years, 8 months | 18 years, 4 months |

Scope: Fuji Oil Holdings Inc. and Fuji Oil Co., Ltd.

| | Number of employees who took childcare leave (including pre- and post-partum leave) | Number of employees who utilized shortened working hours (for childcare) | Number of employees who took nursing care leave | Three-year retention rate of employees who took childcare leave in FY 2015 ⁵ |
|--|---|--|---|---|
| Number of program users by gender | | | | |
| Male | 28 | 0 | 0 | 100.0% |
| Female | 17 | 25 | 0 | 88.9% |
| Total/Average | 45 | 25 | 0 | 92.6% |

Scope: Fuji Oil Holdings Inc. and Fuji Oil Co., Ltd. (FY 2018) 5. As of fiscal 2018

- People rehired: 29
- Rehiring rate: 96.7%
- Disabled people recruited: 35
- Recruitment rate for disabled people: 2.2%
- Percentage of annual paid vacation days taken: 63.0%
- Total training expenses: Approx. ¥25,858 thousand
- Training expenses per employee: Approx. ¥20,170

Scope: Fuji Oil Holdings Inc. and Fuji Oil Co., Ltd. (FY 2018)

| | FY 2018 | FY 2017 | FY 2016 | FY 2015 | FY 2014 |
|--|---------|---------|---------|---------|---------|
| Fuji Oil Group Number of Lost-Time Injuries per Thousand Employees (4 Days or More) | 3.3 | 3.9 | 5.3 | 3.3 | 2.9 |
| Fuji Oil Group Frequency Rate of Labor Accidents⁶ | | | | | |
| In Japan | 3.72 | 4.91 | 3.39 | 5.01 | 5.03 |
| Outside Japan | 5.09 | 5.93 | 8.19 | 5.96 | 4.96 |
| Fuji Oil Group Severity Rate of Labor Accidents⁷ | | | | | |
| In Japan | 0.02 | 0.02 | 0.01 | 0.09 | 0.01 |
| Outside Japan | 0.05 | 1.12 | 0.06 | 0.03 | 0.06 |

6. Number of labor accident victims per 1 million working hours 7. Accident severity expressed as the number of days lost per 1 thousand working hours

- Working hours per employee: 159.1 hours/month
- Average monthly overtime per employee: 17.0 hours/month
- Rate of absence due to illness (Includes only employees taking time off or leave for injury or illness): 1.27%

Scope: Fuji Oil Holdings Inc. and Fuji Oil Co., Ltd. (FY 2018)



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