

Fuji Oil Group Integrated Report

Supplement

Fact Book 2019

Financial Analysis

FY 2018 Results

Consolidated Results

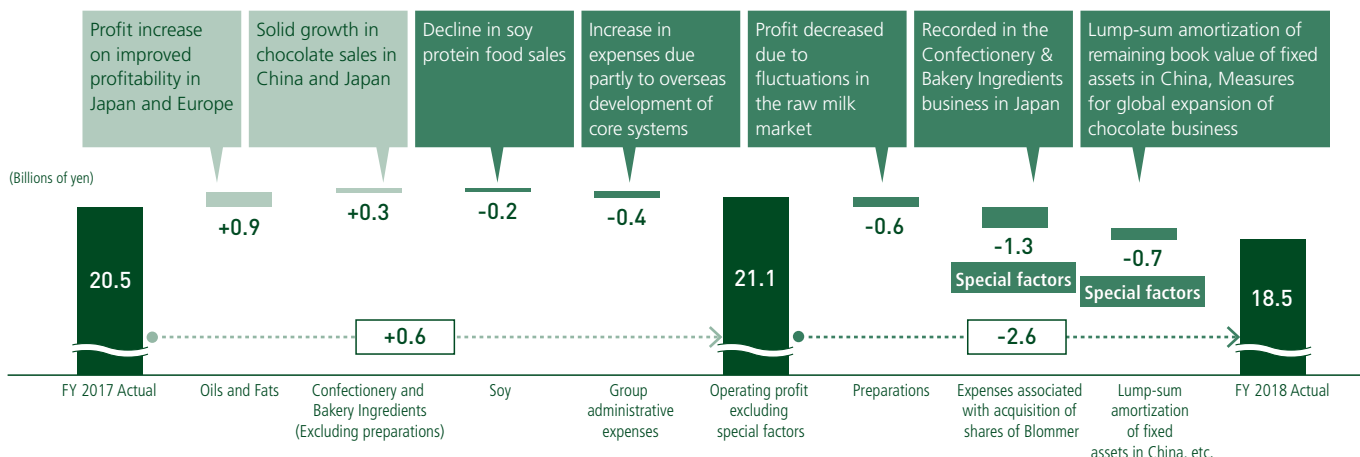
(Billions of yen)

		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

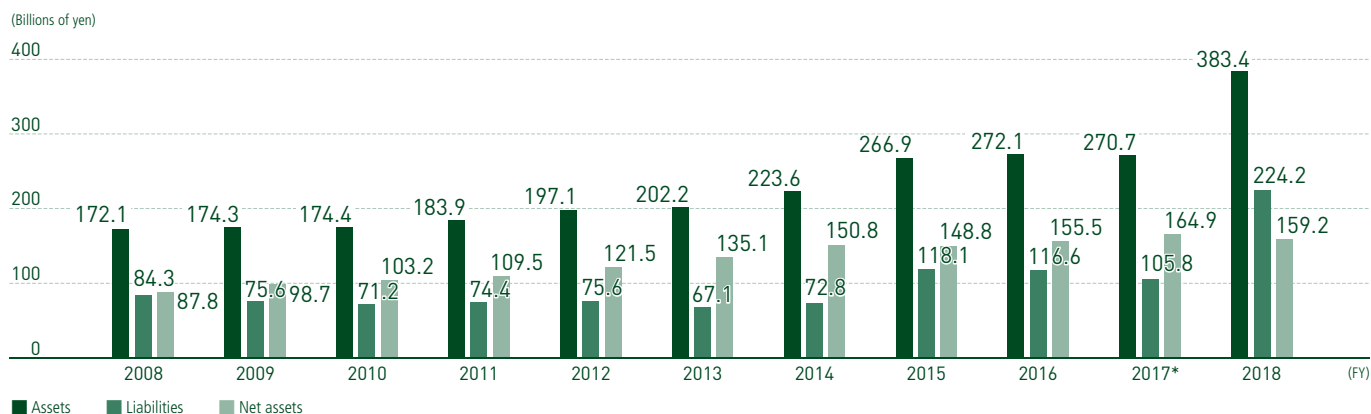
- In assets, inventories included in current assets and tangible fixed assets and goodwill included in fixed assets increased due to the acquisition of shares of Blommer. Total assets at the end of FY 2018 increased substantially.
- In liabilities, short-term borrowings increased ¥94.5 billion and long-term 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)

		Capital expenditures	Depreciation expenses	Reference
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

	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

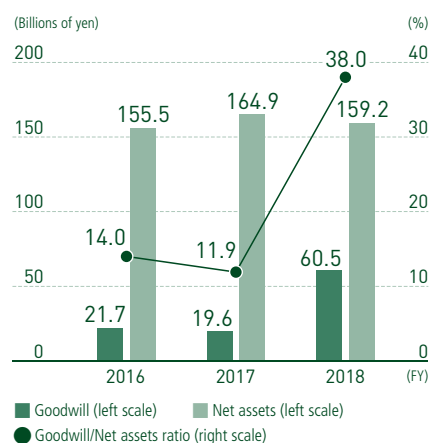
5. ROE = Net income* / Average equity at beginning and end of period

6. ROA = Ordinary profit / Average total assets at beginning and end of period

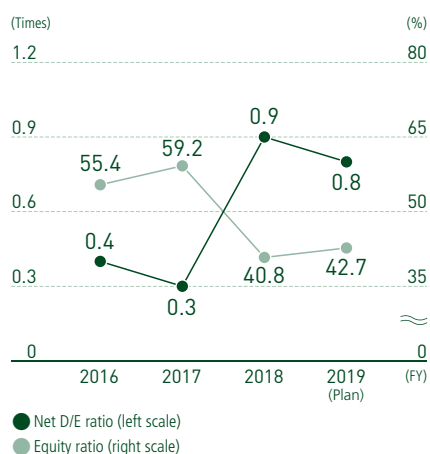
7. Blommer is not included.

* 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%	

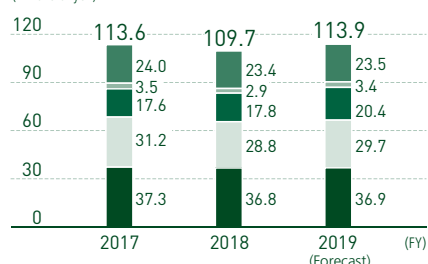
(Billions of yen)

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%	

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.

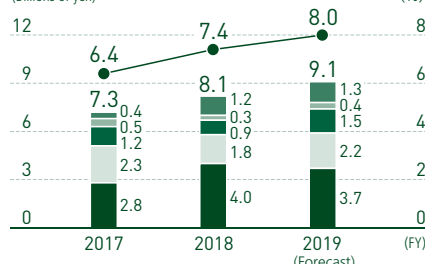
Revenue

(Billions of yen)



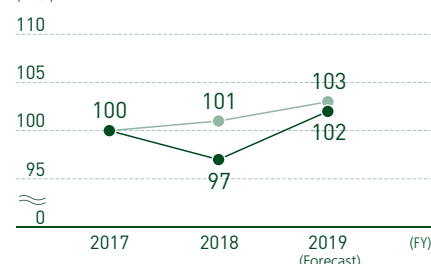
Operating Profit/ Operating Profit Margin

(Billions of yen)



Hard Butters for Chocolate Sales Volume Index

(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%	

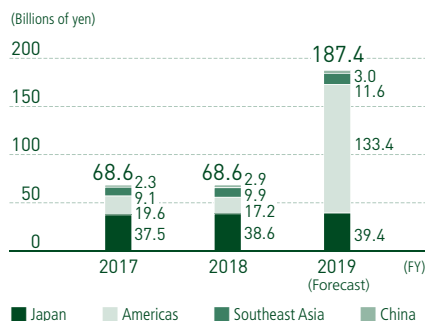
(Billions of yen)

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%	

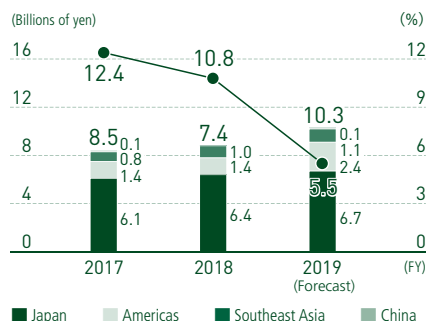
Sales volume as percentage of previous year	FY 2018	Factors	FY 2019 forecast	Factors
Chocolate	103%	In addition to the acquisition of Industrial Food Services Pty. Ltd. (IFS), brisk production continued in China, Europe and elsewhere, resulting in an increase in sales.	110%*	In addition to the full-year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

* Excluding Blommer

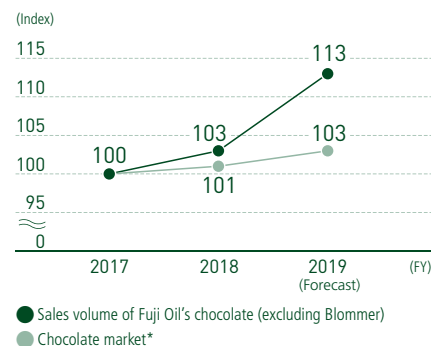
Revenue



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)

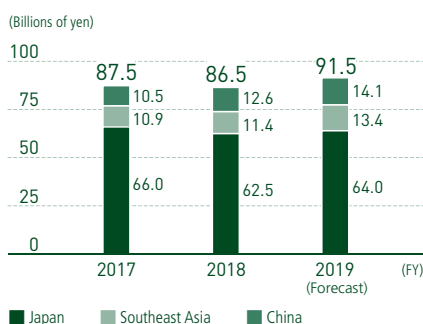
Southeast Asia	FY 2018	YoY percentage change	Factors	FY 2019 forecast	YoY percentage change	Factors
Revenue	11.4	+3.8%	In the preparations business, profitability of dairy product inventories worsened, resulting in the large drop in profit.	13.4	+17.9%	We anticipate increases in revenue and profit with 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)

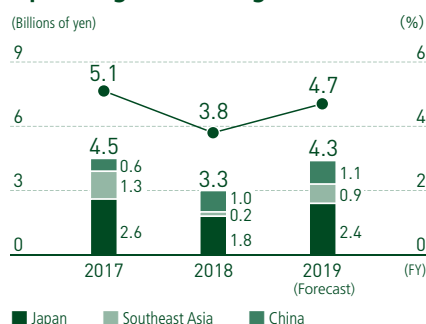
China	FY 2018	YoY percentage change	Factors	FY 2019 forecast	YoY percentage change	Factors
Revenue	12.6	+20.1%	Revenue and profit increases were driven by growth of the bread market in China and the contribution from the new plant.	14.1	+11.6%	We anticipate increases in revenue and profit with full-year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

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.

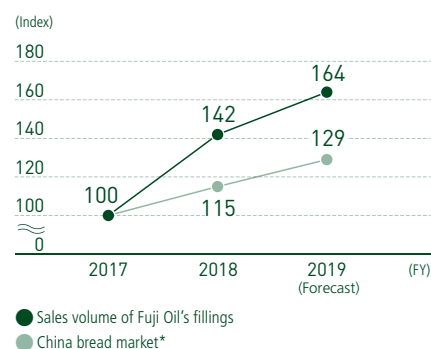
Revenue



Operating Profit/ Operating Profit Margin



China Filling Sales Volume Index



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

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%	

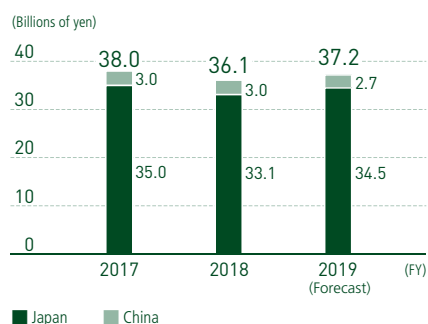
(Billions of yen)

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%	

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

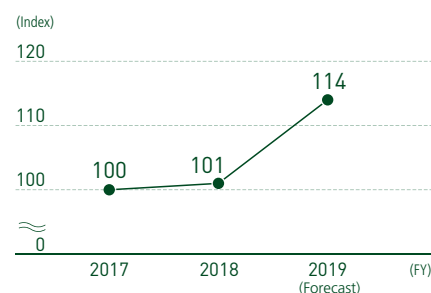
Revenue



Operating Profit/ Operating Profit Margin



Japan Functional Agents Sales Volume Index



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

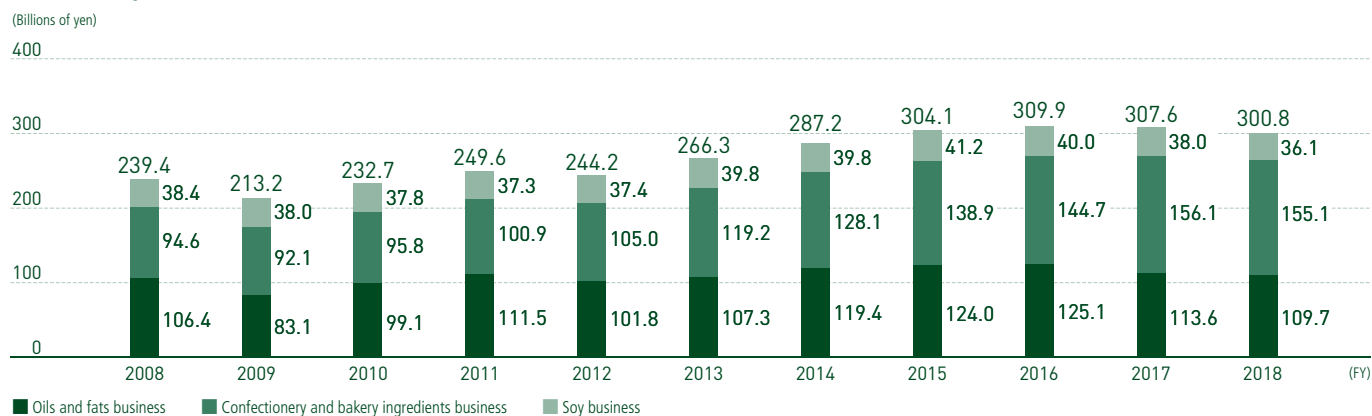
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	(Millions of yen)				
Revenue	271,903	287,537	292,547	307,645	300,844
Cost of sales	224,434	230,275	231,334	244,145	235,593
Gross profit	47,469	57,261	61,213	63,500	65,250
Selling, general and administrative expenses	33,258	40,420	41,518	43,018	46,725
Operating 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

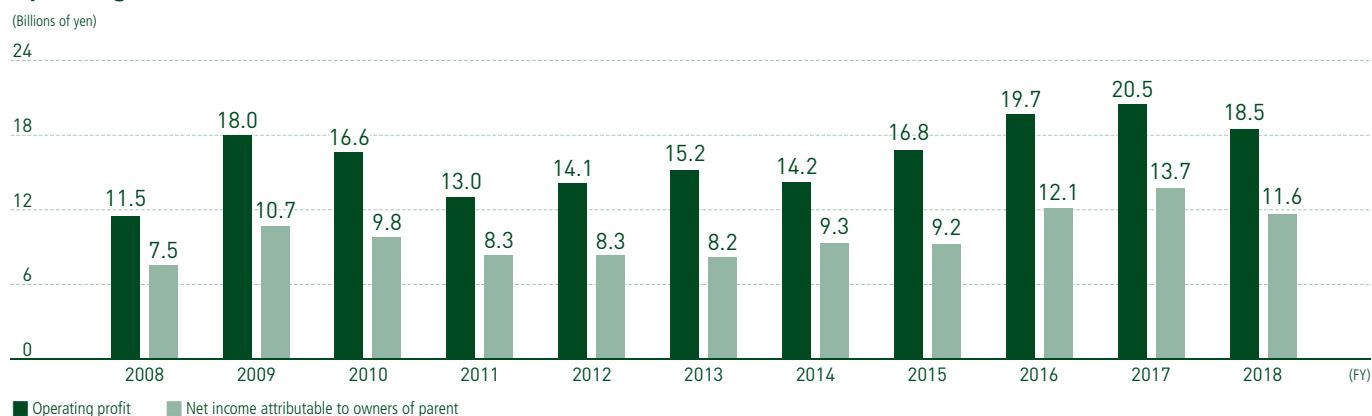
Fuji Oil Holdings Inc. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2015 to March 31, 2019

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
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

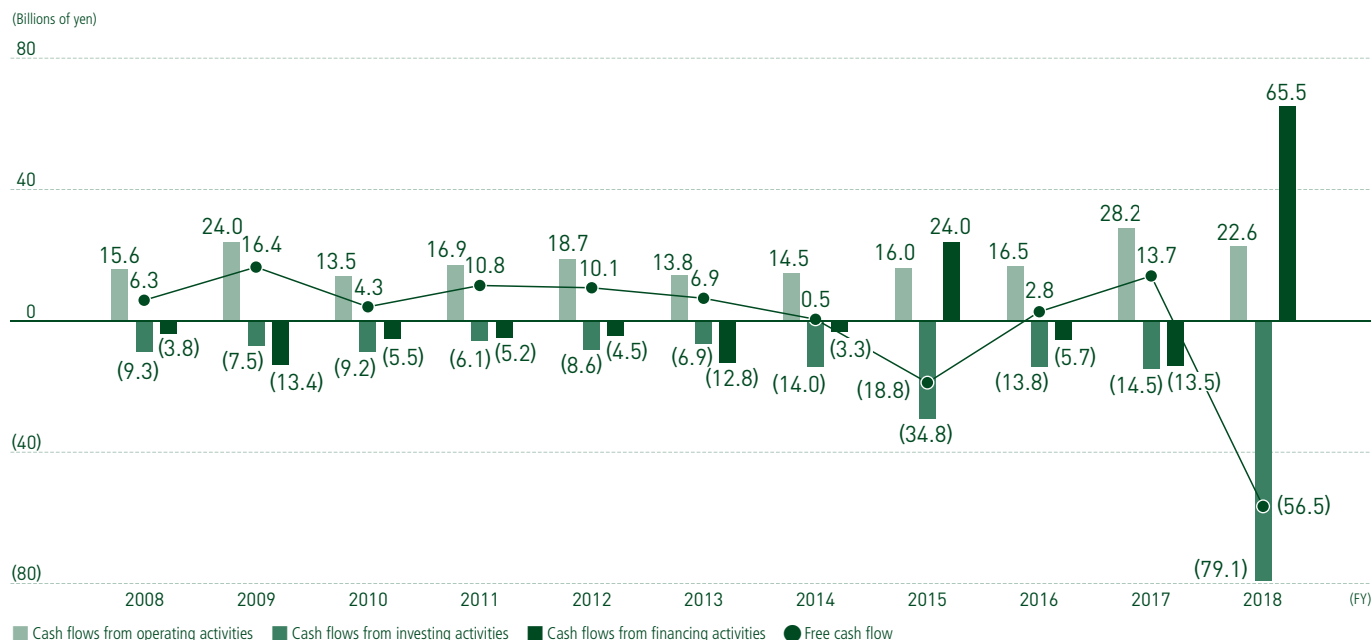
Fuji Oil Holdings Inc. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2015 to March 31, 2019

(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)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
(Millions of yen)					
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



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.	—	2,417¹	
PT. MUSIM MAS-FUJI	956 ²	998³	
FREYABADI (THAILAND) CO., LTD.	312 ⁴	425⁵	
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)	
		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 (Millions of yen)			
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 (Millions of yen)			
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

		(Millions of yen)			
Category	Type of instrument	Year ended March 31, 2019			
		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
	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

		(Millions of yen)			
Category	Type of instrument	Year ended March 31, 2019			
		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

		(Millions of yen)			
Category	Type of instrument	Year ended March 31, 2019			
		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

(Millions of yen)

Hedge accounting method	Type of instrument	Main items hedged	Year ended March 31, 2019		
			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)
	British pound	Accounts payable – trade	2,823	—	21
Total			18,619	—	20
Assignment accounting for forward exchange contracts and other instruments	Forward exchange contracts				
	Sell				
	U.S. dollar	Accounts receivable – trade	141	—	Note 2
	Euro	Accounts receivable – trade	26	—	Note 2
	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

(Millions of yen)

Hedge accounting method	Type of instrument	Main items hedged	Year ended March 31, 2019		
			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

(Millions of yen)

Hedge accounting method	Type of instrument	Main items hedged	Year ended March 31, 2019		
			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
(Millions of yen)		
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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