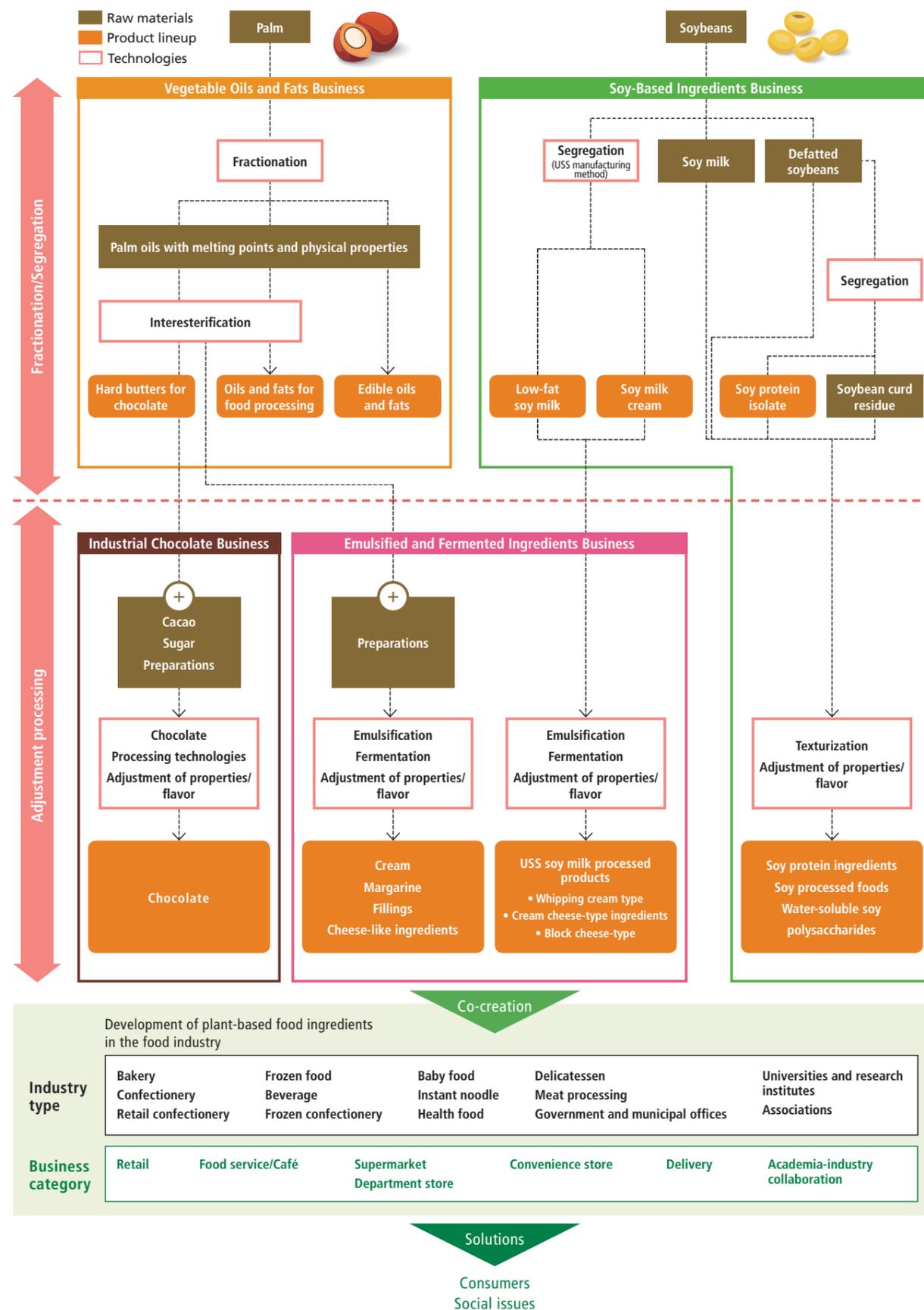


# Portfolio



## Core Technologies

The Fuji Oil Group's origins lie in the oil mill of Fuji Sanshi Co., Ltd., its predecessor company. When we were unable to receive allocations of oil and fat raw materials during postwar food rationing, we decided to focus on oils and fats from tropical regions such as coconut and palm, which were outside the mainstream at the time. We began on our path of innovation and challenge by developing distinctive products.

### Separation Technologies (Fractionation/Segregation)

Natural oils and fats such as palm oil are mixtures of multiple substances. Technology for separating components with similar melting points from oils and fats that have solid and liquid components mixed in is called fractionation technology. This technology makes it possible to obtain new oil and fat ingredients with different functions that have different melting points and physical properties. Fuji Oil was the first in Japan to successfully industrialize and commercialize oil and fat fractionation technology. Today, it is still a core technology that we use to create many products.

We have also conducted extensive research and development related to soybeans. Through advanced utilization of soy protein isolate and water-soluble soy polysaccharides produced from soybeans, we have created a variety of soybean-derived products. In recent years, we have been creating new food ingredients from soy milk using the USS manufacturing method, a new separation technology.

### Adjustment Processing Technologies

Separation technologies enable countless ingredients and functions to be obtained from a raw material. By blending these myriad parts with other ingredients and applying our expertise to adjust their physical properties and flavor and process them, we are able to provide new ingredients that meet the various needs of society and customers. Fractionation/segregation and adjustment processing are the fundamental technologies underlying our manufacturing and solutions, and add significant value to our products. Plant design by engineers in the Engineering Development Department, production operations that leverage the knowledge and expertise of the production departments, and a management system for ensuring safety and reliability by the Quality Assurance Department – these functions support reproduction of the quality established by the R&D Department and commercialization. We are able to provide innovative, high-value-added food ingredients that are safe and delicious.

## Business Portfolio

### Soy-Based Ingredients Business

We draw out the possibilities of soybeans in the aspects of nutrition, health, delicious flavor, and functionality, and apply them in developing everything from ingredients to foods.

- Soy protein ingredients: No. 1 in Japan<sup>1</sup>
- Water-soluble soy polysaccharides: No. 1 Worldwide<sup>1</sup>



### Vegetable Oils and Fats Business

We develop and manufacture a wide range of oil and fat products, including function-enhancing oils and fats for chocolate, and oils and fats that improve flavor and texture.

- One of the world's top three manufacturers of hard butters for chocolate<sup>1</sup>

### Emulsified and Fermented Ingredients Business

We propose ingredients that combine functionality with delicious flavor, such as cream, margarine and cheese flavor ingredients.

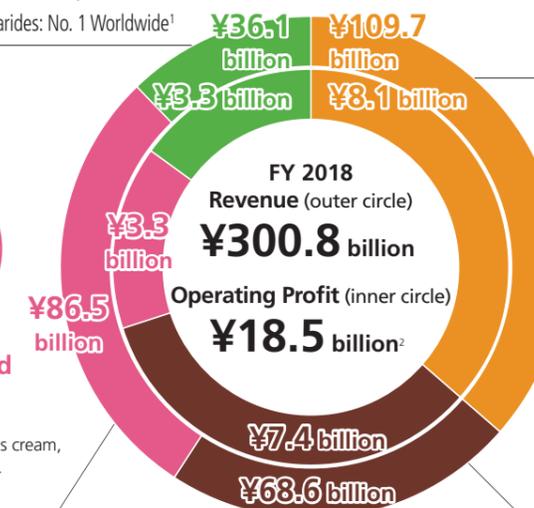
- Fillings: No. 1 in China<sup>1</sup>



### Industrial Chocolate Business

We provide delicious, melt-in-your-mouth products that include highly flavored couverture and chocolate for specific applications such as bread and ice cream.

- Industrial chocolate: No. 3 Worldwide,<sup>1</sup> No. 1 in Japan<sup>1</sup>



1. According to our research (As of March 2019)

2. Composition of operating profit includes consolidation adjustments and expenses including Group administrative expenses

# Fuji Oil Group History

## Transformation

- From Japan-oriented business to local production for local consumption
- From product-out to solution-oriented management

## Foundation

- Pursuit of originality
- Challenge and innovation

## Dawn of an Era of Original Technologies

- Japan's era of high economic growth
- Support for changing dietary cultures

## Overseas Expansion

- Expansion into regions around the world

1950  
Establishment of Fuji Oil

1951  
First successful industrial-scale copra crushing in Japan

1955  
Start of Japan's first hard butter production at a solvent fractionation plant for oils and fats



1961  
Start of use of defatted soy protein



1969  
Hannan Business Operations Complex begins operation

1976  
Development of fractionation technology by alcohol-hexane method

1980  
Development of enzymatic interesterification technology<sup>1</sup>

1981  
Establishment of Fuji Oil (Singapore) Pte. Ltd.



1993  
Development of water-soluble soy polysaccharide production technology

1992  
Establishment of Vamo-Fuji Specialties N.V. in Belgium (now Fuji Oil Europe)

1987  
Establishment of Fuji Vegetable Oil, Inc. in the U.S.

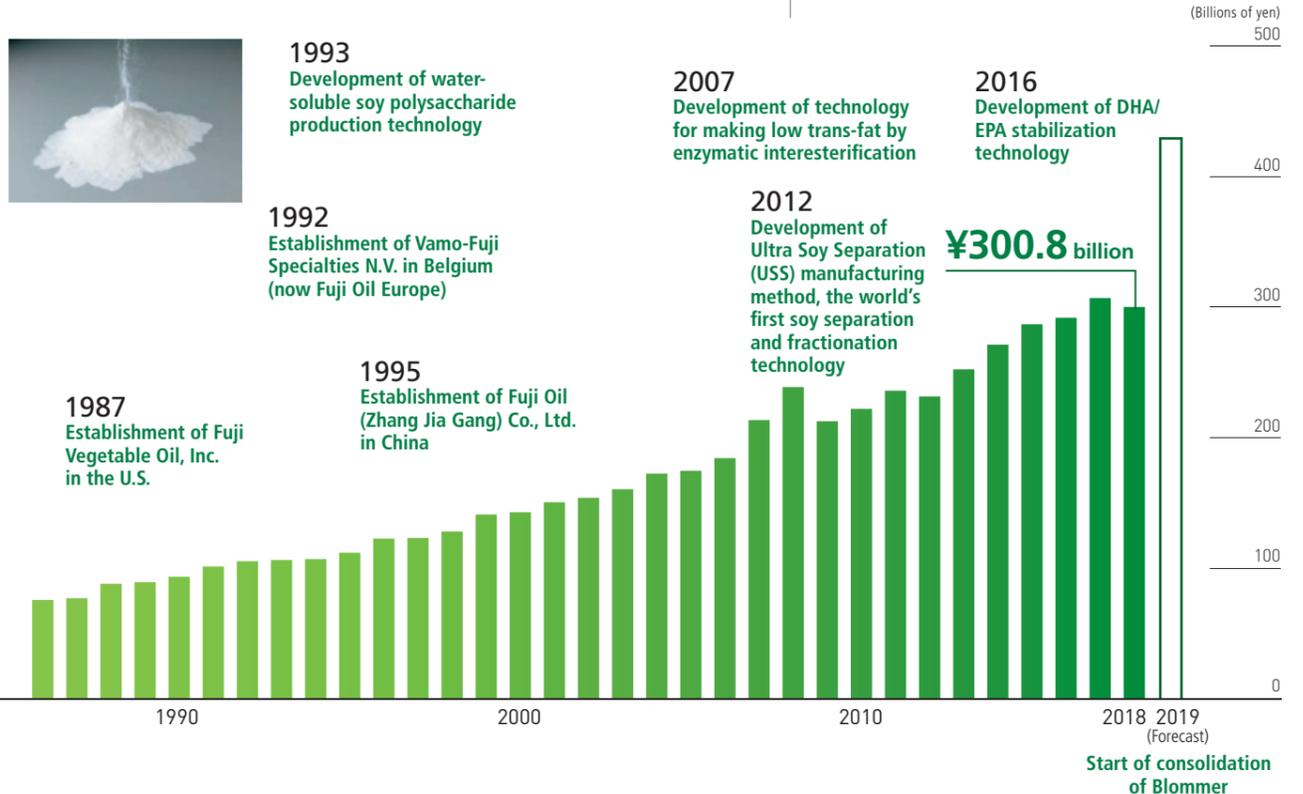
1995  
Establishment of Fuji Oil (Zhang Jia Gang) Co., Ltd. in China

2007  
Development of technology for making low trans-fat by enzymatic interesterification

2012  
Development of Ultra Soy Separation (USS) manufacturing method, the world's first soy separation and fractionation technology

2016  
Development of DHA/EPA stabilization technology

Revenue  
Non-consolidated revenue for Fuji Oil Co., Ltd. for FY 1950 to FY 1983



## History of Sustainable Foods

1955  
Cocoa butter equivalent  
Hard butters for chocolate



Cocoa butter was an expensive ingredient with limited supply, even as demand was growing. Fuji Oil responded by developing "Melano Butter," an ingredient derived from palm kernel oil, as a cocoa butter equivalent. With a melting point that could be adjusted according to the season, and a low, stable price, it was widely used and helped to foster Japan's vibrant chocolate culture.



1967  
Animal protein alternatives  
Soy protein ingredients



Focusing on protein as a future food resource, Fuji Oil promoted the advanced use of defatted soybeans. The Company established a gel formation method for soy protein isolate, and obtained patents in 10 countries. This was used to improve and stabilize the quality of processed meat products such as sausage, and processed marine products such as fish paste, and opened up the market for soy protein isolate.



1968  
Fresh cream alternatives  
Partial dairy whipping cream



Fuji Oil became the first in the world to succeed in direct heat sterilization of high-fat whipping cream. This sterilization method and sterile filling production made it possible to extend the shelf life of cream, and the quality assurance period also became dramatically longer. As distribution of the product widened, consumers were able to enjoy its delicious flavor everywhere in Japan.



1980  
Dairy alternatives  
Plant-based cheese alternatives<sup>2</sup>



Pastry shops often had difficulty obtaining cheese for cake due to production volume and transport issues. To solve this problem, Fuji Oil accelerated the development of cheese-flavored ingredients it had been researching. By adding technologies for emulsified and fermented ingredients and other products to its existing research, we completed development of Quearl, Japan's first plant-based cheese alternative.



1993  
Utilization of soybean curd residue  
Water-soluble soy polysaccharides



Using soybean curd residue as the raw ingredient, Fuji Oil successfully developed the world's first water-soluble soy polysaccharides, a water-soluble form of dietary fiber. These products are now used worldwide as natural food ingredients. Applications include preventing precipitation of milk components in acidic milk drinks by stabilizing dispersion of proteins, and preventing foods such as processed noodles and cooked rice from sticking together.



2012  
Dairy alternatives  
USS soy milk products



Fuji Oil developed and patented its Ultra Soy Separation (USS) manufacturing method for separating soy into soy milk cream and low-fat soy milk, much like the method used to separate milk. We have developed applications of plant-based products including cheese type ingredients and whipping cream type ingredients derived from soybeans, and offer an extensive array of processed products similar to dairy products.

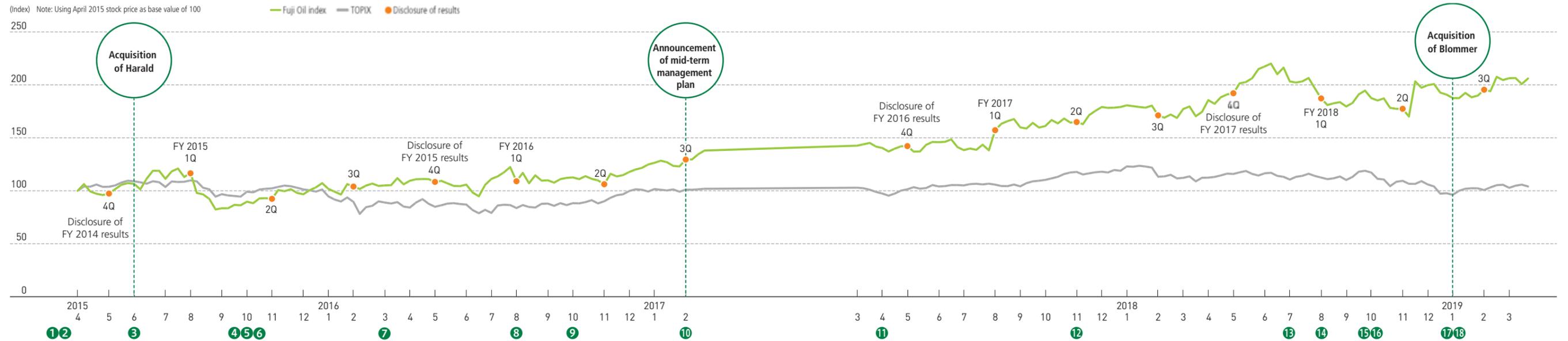


1. A technology that recombines oils and fats at the molecular level, using enzymes as catalysts. It can be used to obtain hard butters with qualities similar to cocoa butter used in chocolate from general purpose oils such as sunflower oil.

2. Fermented filled cheese that uses non-fat milk solids while replacing milk fat with vegetable oil

# Management History since Shifting to a Holding Company System

## Stock Price



### 1 2015 Establishment of Fuji Oil (China) Investment as a Regional Headquarters in China

We established Fuji Oil (China) Investment Co., Ltd. to speed up decision-making in response to diversifying customer needs and market changes, while handling responsibilities such as strengthening our business foundation in China, supporting Group companies and maximizing synergy, and generating new businesses.

### 2 2015 Establishment of Asia R&D Center, Our First R&D Center outside Japan

We opened the Asia R&D Center in Singapore as our first R&D center overseas. Focusing on regional market needs, it has built an organizational structure for pursuing consumer-oriented solutions.

### 3 2015 Acquisition of Shares of Harald, a Leading Industrial Chocolate Manufacturer in Brazil

Fuji Oil acquired the shares of Harald Indústria e Comércio de Alimentos S.A., a leader in industrial chocolate in Brazil.



This was a major step forward in the global expansion of our chocolate business. Through cooperation with Harald, we are supporting the spread of a new culture of chocolate in South America and developing high-quality, sophisticated chocolate products.

### 4 2015 Shift to a Holding Company System

We shifted to a holding company system for the following reasons: to strengthen Group strategic functions, demonstrate value creation capabilities corresponding to each region, establish a global governance system, and hire and develop management personnel. We then began to build the management infrastructure to continuously grow alongside other top players in the industry and continue to contribute to society.

→ P. 23

### 5 2015 Establishment of Fuji Oil Group Management Philosophy

The Fuji Oil Group Management Philosophy clearly states our Mission, Vision, Values and Principles. It also passes on the spirit that Fuji Oil has cherished since it was established. With all our employees worldwide focused in the same direction, we are working to resolve social issues.

→ P. 7

### 6 2015 Establishment of ESG Committee

We established the ESG Committee as an advisory body to the Board of Directors to expedite and promote ESG-related activities. The Committee is making comprehensive efforts to facilitate ESG-minded management by submitting reports and recommendations to the Board of Directors on key issues related to priority themes.

→ P. 26

### 7 2016 Formulation of Responsible Palm Oil Sourcing Policy

In the Responsible Palm Oil Sourcing Policy, we pledge our commitment to the "No Deforestation, No Peatland Development, No Exploitation" (NDPE) standards. We source responsibly produced palm oil from suppliers that respect people and the environment.

→ P. 49

### 8 2016 Acquisition of Shares of GCB Specialty Chocolates, an Industrial Chocolate Manufacturer in Malaysia

We have positioned the Asian market, where sustained growth is projected, as our priority region, and acquired shares of GCB Specialty Chocolates Sdn. Bhd. to take advantage of its expected synergy in the expansion of our Industrial Chocolate Business.

### 9 2016 Establishment of Fuji Science & Innovation Center

This facility was established as the headquarters of our global network for research and technology development. The facility is located inside of Fuji Oil's Hannan Business Operations Complex. Working closely with the Tsukuba Research and Development Center and the Asia R&D Center, it seeks to create the future of delicious and healthy foods by assessing market needs globally and creating plant-based solutions.



### 10 2017 Announcement of Mid-Term Management Plan, "Towards a Further Leap 2020"

We announced a four-year, fixed mid-term management plan that marked a change from our previous rolling plan. We positioned this as a period for building the foundation for a significant leap towards sustainable growth in a rapidly changing market environment.

→ P. 44

### 11 2017 Formulation of the Fuji Oil Group Human Rights Policy

Based on the "Work for people" value expressed in the Group Management Philosophy, we established the Fuji Oil Group Human Rights Policy. We strive for sustainable growth in harmony with society, and contribute to society through our core business while maintaining two-way communication with stakeholders.

→ P. 26

### 12 2017 Establishment of Unifuji in Malaysia

To source responsibly produced palm oil from suppliers that respect people and the environment, we established Unifuji Sdn. Bhd., a joint venture in Malaysia that produces and sells high-value-added palm oil products made from sustainable palm oil.

→ P. 50



1. Non-consolidated subsidiary

2. A task force that was instituted by the Financial Stability Board (FSB) in response to inclinations expressed by G20 financial ministers and central bank governors.

### 13 2018 Acquisition of Shares of Industrial Food Services, an Industrial Chocolate Manufacturer in Australia

Fuji Oil acquired the shares of Industrial Food Services Pty. Ltd. in Australia, a country with high chocolate consumption. In Australia, it is now legally required to indicate the percentage of domestically produced raw materials on the label of most manufactured products, so the ability to produce and supply Australian-made chocolate in Australia will be a significant advantage.

### 14 2018 Formulation of Responsible Cacao Sourcing Policy

We clarified our policy on sourcing of cacao, a key raw material for the Fuji Oil Group. In line with the Responsible Cacao Sourcing Policy, we are committed to sourcing sustainably grown cacao in cooperation with the various stakeholders in the cacao supply chain.

→ P. 54

### 15 2018 Establishment of Fuji Europe Africa<sup>1</sup>

Fuji Oil is seeking to strengthen its Vegetable Oils and Fats and Industrial Chocolate businesses in Europe. Fuji Europe Africa B.V.<sup>1</sup> was established in the Netherlands as the regional headquarters for Europe and Africa with the aim of optimizing Group synergies through strategic initiatives, creation of new businesses, and research and development. We will also promote business expansion.

### 16 2018 Membership in Foodvalley NL

Fuji Oil joined Foodvalley NL, a foundation located in the city of Wageningen, the Netherlands. The region is a hub of knowledge for the agriculture and food sectors. As a member of the Food Valley Foundation, we are expanding our global research and development network as well as promoting open innovation.



→ P. 31

### 17 2019 Acquisition of Shares of Blommer, a Leading Industrial Chocolate Manufacturer in the U.S.

Fuji Oil acquired the shares of Blommer, which is the world's third-largest industrial chocolate manufacturer and operates mainly in North America. Through further expansion of its chocolate business, we will strive to establish our presence globally. We can also expect synergy in the area of sustainability, as Blommer is a leader in supporting sustainable cocoa farming.



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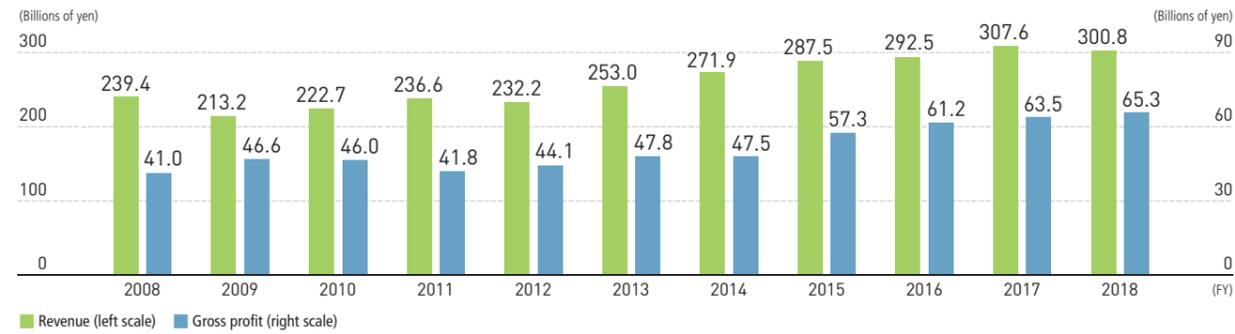
### 18 2019 Selection to CDP Forest A List

Fuji Oil was named to the CDP Forest A List, the highest level, by international environmental nonprofit CDP in recognition of its activities to prevent deforestation. In May 2019, Fuji Oil announced its support of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)<sup>2</sup> as part of its effort to promote ESG-minded management.

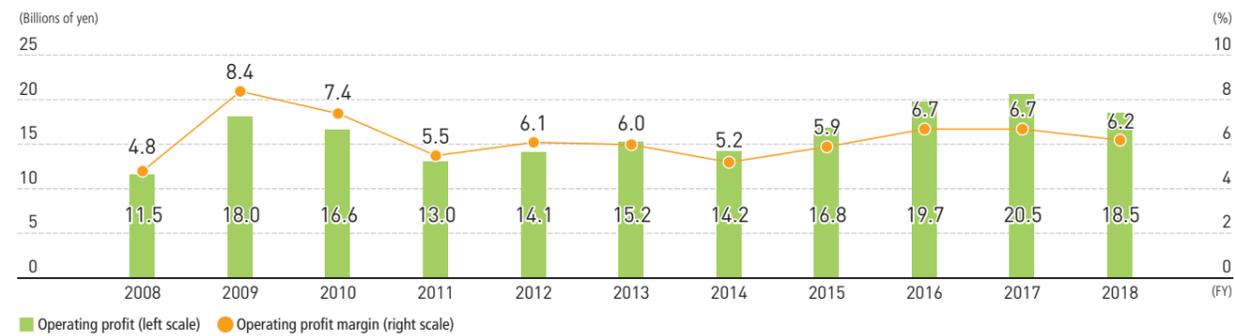
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# Financial Highlights

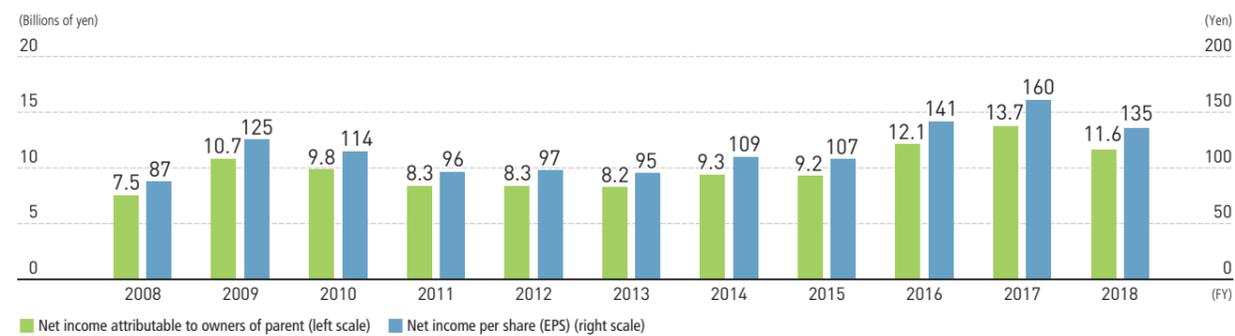
## Revenue/Gross Profit



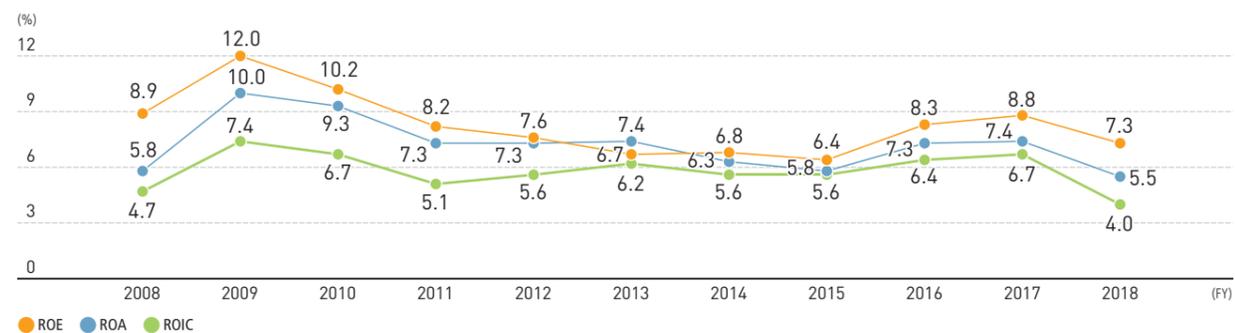
## Operating Profit/Operating Profit Margin



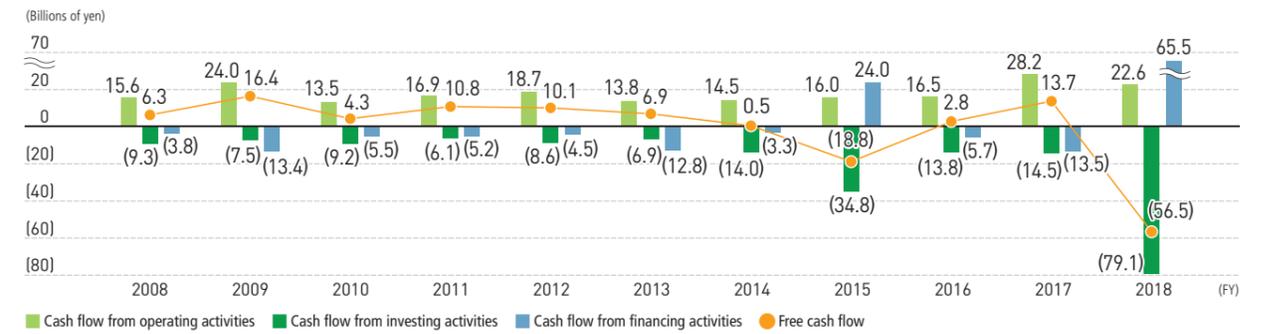
## Net Income Attributable to Owners of Parent/Net Income per Share (EPS)



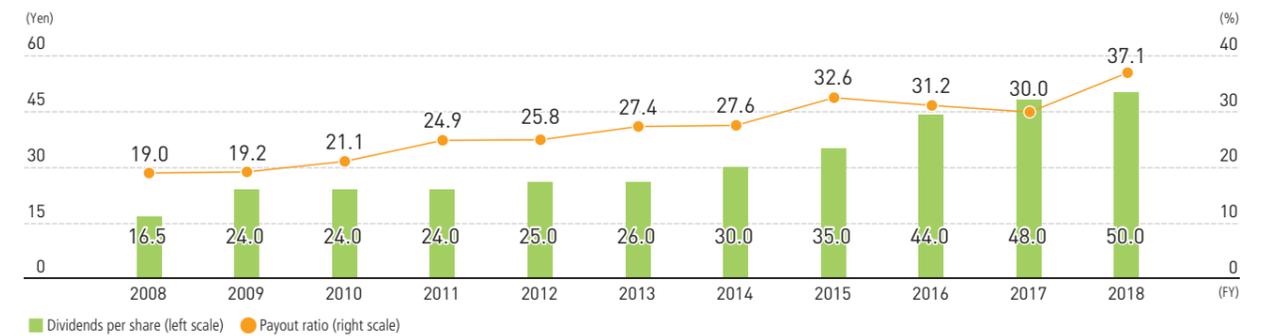
## ROE/ROA/ROIC



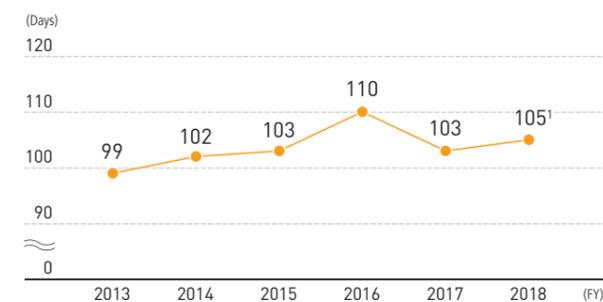
## Cash Flows



## Dividends per Share/Payout Ratio



## Cash Conversion Cycle

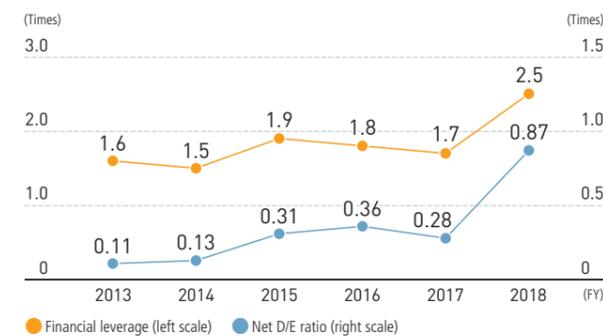


1. Excluding impact of consolidation of Blommer on the balance sheet

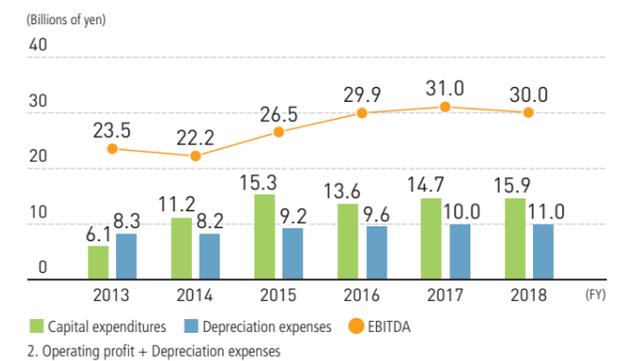
## PER



## Financial Leverage/Net D/E Ratio



## Capital Expenditures/Depreciation Expenses/EBITDA<sup>2</sup>



2. Operating profit + Depreciation expenses