

November 19, 2018

Company Name: Fuji Oil Holdings Inc.
Company Representative: Hiroshi Shimizu
President and Chief Executive Officer
(Code: 2607 First Section, Tokyo Stock Exchange)
Contact Person: Ichiro Seki, General Manager
IR and Corporate Communication Group

**Notification of Acquisition of Shares and Absorption-type Merger in Blommer Chocolate Company,
based in the US
(Conversion into a Subsidiary)**

The Board of Fuji Oil Holdings Inc. (“Fuji Oil”) has today agreed to acquire all of the outstanding shares of stock of Blommer Chocolate Company (the “Company” or “Blommer”), an industrial chocolate manufacturer, through a merger with Aztec Sub Inc., which was established for this objective.

The acquisition will be executed through a “reverse triangular merger” under the General Corporation Law of the State of Delaware.

1. Rationale for the Acquisition and the purpose of a merger

One of our objectives, as set forth in our medium-term management plan “Towards a Further Leap 2020,” is to strengthen our core competencies and accordingly we have been developing and expanding our chocolate business through acquisitions, including Harald in Brazil in 2015; GCB Specialty Chocolates in Malaysia in 2016; and Industrial Food Services in Australia in 2018.

North America is one of the leading markets for consumer goods, in particular in the U.S. which has the third largest population in the world with 320 million people growing at 1% annually. The U.S. is a large market with innovative trends, while unchangeable basic trends support the entire market. The U.S. industrial chocolate market size is estimated to be 1.1 million tons, by far the largest globally. The demand for value-added products, such as non-sugar and organic products is growing rapidly as a new trend.

Blommer, which has been family owned and led for three generations, is the third largest industrial chocolate producer and the fifth largest cocoa bean processing company in the world. Blommer’s vision is to “Be THE Trusted Partner in Chocolate Globally” and it has had a highly credible record of supplying chocolate and cocoa bean products for large, mid-size and small enterprises including MNCs.

As part of its ESG initiatives, Blommer is focused on raw material traceability and has its own program for sustainable procurement of cocoa beans. Fuji Oil plans to apply Blommer’s achievements and knowledge of cocoa raw materials to further advance Fuji Oil’s sustainable approach to procurement.

After the closing, Fuji Oil intends to reinforce its industrial chocolate business as a group by introducing its oil and fat technologies for value-added chocolate products and combining its raw material procurement operation with that of Blommer. In addition, Fuji Oil plans to cross sell its wide variety of other confectionery products to Blommer’s diverse customer base in the North American market.

We will maintain the management structure of the Company with the current management team after acquisition and intend to maximize synergy as a group.

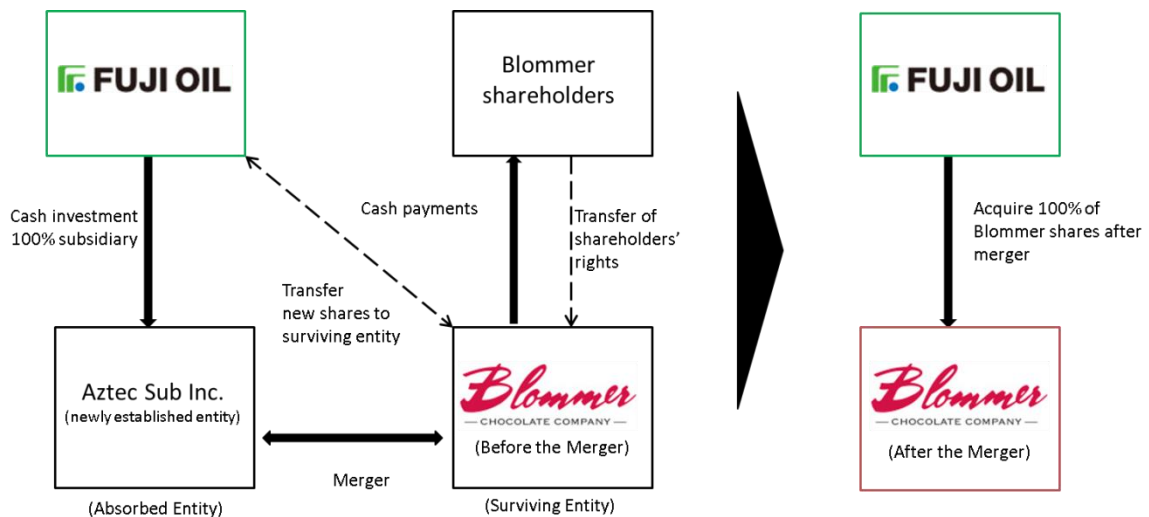
Through this acquisition, Fuji Oil will hold sixteen chocolate factories in ten countries, mainly in the Pacific Rim region.

We are committed more than ever to further strengthen our business platform and meet our customers' needs.

2. Transaction Details

In accordance with Delaware General Corporate Law, this acquisition will be executed through a “reverse triangular merger” with Blommer as the surviving entity and Aztec Sub Inc. as the absorbed entity. Through this acquisition, the cash of Aztec Sub Inc will be paid to Blommer’s shareholders for their shares. At the same time, the existing shares of Blommer will be cancelled and the shares of Aztec Sub Inc. will be converted into Blommer’s common shares. Fuji Oil will then acquire all of the outstanding shares of Blommer.

<Illustrative Transaction Structure>



Regarding the funds concerning the acquisition of shares, maintaining financial soundness is the main policy. Cash on hand and bridge loans will be used for the initial payment. Then, loans from financial institutions, issuing of bonds, and hybrid financing, etc. will be used to refinance the bridge loans.

3. Overview of the Target Subsidiary (Blommer Chocolate Company)

(1)	Name	Blommer Chocolate Company
(2)	Address	600 West Kinzie St. Chicago, IL 60610, U.S.A
(3)	Representative	Peter W. Blommer (President and CEO)
(4)	Business description	Developing, manufacturing, and selling industrial chocolate Processing cocoa beans
(5)	Capital	USD 19,000
(6)	Date Established	1939

(7)	Major Shareholder and Shareholding Ratio	Blommer Family (100%)		
(8)	Relationship Between Fuji Oil Holdings and Blommer	Capital Relationship	None	
		Personal Relationship	None	
		Transactional Relationship	Purchasing products of Fuji Vegetable Oil, subsidiary of Fuji Oil Holdings	
(9) Operational Results and Financial Conditions of the Last Three Years				
Fiscal Year Ended		May 2016	May 2017	May 2018
Consolidated Net Assets		USD 142 million	USD 164 million	USD 167 million
Consolidated Total Assets		USD 611 million	USD 688 million	USD 581 million
Consolidated Net Assets Per Share		USD 1,772	USD 2,028	USD 2,099
Consolidated Sales		USD 998 million	USD 982 million	USD 907 million
Consolidated Adjusted EBITDA*		USD 42 million	USD 49million	USD 56 million
Consolidated Operating Income		USD 41 million	USD 46 million	USD 2 million
Consolidated Net Income		USD 20 million	USD 22 million	USD 3 million
Consolidated Net Income Per Share		USD 246	USD 268	USD 41

*Unaudited and non-recurring expenses adjusted by Blommer's management

4. Overview of the Target Subsidiary (Absorbed Company: Aztec Sub Inc.)

(1)	Name	Aztec Sub Inc.		
(2)	Address	1209 Orange Street, Wilmington, DE, 19801, U.S.A.		
(3)	Representative	Mikio Sakai (CSO, Fuji Oil Holdings Inc)		
(4)	Business Description	Merger vehicle		
(5)	Capital	USD 1		
(6)	Date of Establishment	November 13, 2018		
(7)	Shareholder and Ownership Ratio	Fuji Oil Holdings Inc. (100%)		
(8)	Relationship Between Fuji Oil Holdings and Aztec Sub	Capital Relationship	None	
		Personal Relationship	None	
		Transactional Relationship	None	
(9) Operational Results and Financial Conditions of the Last Three Years				
Fiscal Year Ended		Dec 2015	Dec 2016	Dec 2017
Net Assets		—	—	—
Total Assets		—	—	—
Net Assets Per Share		—	—	—
Sales		—	—	—
Operating Income		—	—	—
Net Income		—	—	—
Net Income Per Share		—	—	—

5. Overview of the Company in which the Shares are Acquired

(1)	Name	Blommer Family
(2)	Address	U.S.A.
(3)	Relationship Between Fuji Oil Holdings and the Seller	No capital, personal or transactional relationships. Not a related party

6. Number of Shares to be Purchased, Purchase Price, and Post-Acquisition Share Holding Status

(1)	Fuji Oil's Shareholding Before Acquisition	Number of Blommer shares held: 0 shares (shareholding ratio: 0%)
(2)	Number of Shares to be Purchased	Class A Common Stock: 700 shares Class B Common Stock: 79,431 shares (Number of voting rights: 700)
(3)	Purchase Price*	Transaction Value: USD 750 million (approx. JPY 84,800 million) Advisory expenses and other expenses: JPY 1,200 million
(4)	Fuji Oil Holdings' Shares After Acquisition	Class A Common Stock: 700 shares Class B Common Stock: 79,431 shares (Shareholding ratio: 100%)

*Subject to price adjustments defined in the definitive agreement at Closing (Exchange rate of USD 1.00 = JPY 113.00)

7. Timeline

(1)	Date of Board of Directors' Approval	November 19, 2018
(2)	Date of Signing Contracts	November 19, 2018
(3)	Date of Closing	January, 2019 (tentative)

8. Future Outlook

The impact of this acquisition on the consolidated financial results of the fiscal year March 2019 is currently being analyzed and will be announced once it becomes clear there is a material impact on our forecasted financial results of the current fiscal year.

(Reference) Forecast of Fiscal Year Ended in March 2019 and Results of Fiscal Year Ended in March 2018

(JPY mil)	Consolidated Sales	Consolidated Operation Income	Consolidated Ordinary Income	Consolidated Net Income
FY March 2019 (Forecast)	312,000	21,300	20,700	14,000
FY March 2018	307,645	20,481	19,983	13,742