



Acquisition of Blommer Chocolate Company in the U.S.

November 19, 2018

 **FUJI OIL HOLDINGS INC.**

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Acquisition of Blommer Chocolate Company (“Blommer”)

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Timeline

1 . Overview of the Transaction

Agreed to acquire Blommer today

Enterprise Value

JPY 84,8 billion*

Transaction Structure

Acquire all the outstanding shares through “reverse triangular merger” by cash

Financing

Contemplate hybrid financing to maintain financial soundness

Expected Timeline for Closing

January, 2019 (Tentative)

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

2 . Overview of Blommer

Third largest industrial chocolate manufacturer in the world

Business	Manufacturing and selling industrial chocolate and processed cocoa bean products		
Sales Volume	Cocoa processing: First in North America Industrial Chocolate: Third in the world		
Founded	1939 (80 years of history)		
Customers	Confectionery, Baking, Dairy foods companies including small and mid-sized to large MNCs.		
Sustainability	Promoting sustainable cocoa bean production support		
Production (# of employees)	3 in the U.S., 1 in Canada and 1 in China (950 employees in total)		
Representative Products	Chocolate, Compound Chocolate, Cocoa Mass, Cocoa Powder and Cocoa Butter		
(\$MM)	2016/5	2017/5	2018/5
Sales	998	982	907
Operating Income	41	46	2
Adjusted EBITDA*	42	49	56

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

3. Strategic Rationale for the Acquisition

Expanding global platform & reinforcing core competency

Core competency reinforcement

- Expand business in North America, the largest market in the chocolate industry
- Ranked third in the industrial chocolate & compound chocolate market globally and enhance competitiveness
- Accelerate growth as a group by expanding the industrial chocolate business

Geographic expansion/ Value chain reinforcement

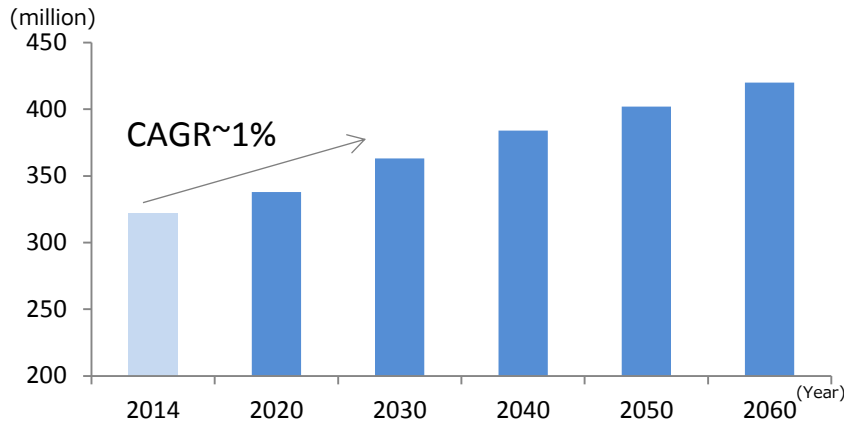
- Expand into the chocolate market in North America
- Secure upstream business by acquiring cocoa bean processing capability
- Acquire solid business infrastructure to develop multi-dimensional business

Synergies

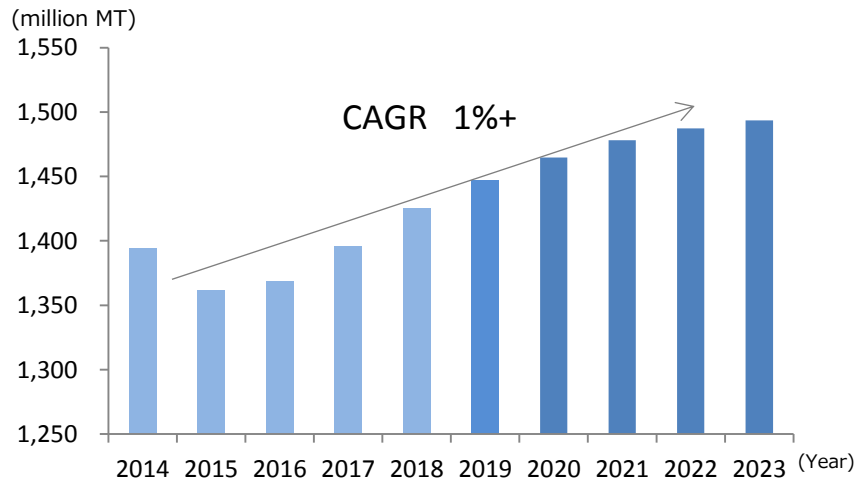
- Enhance sales of compound chocolate by applying our oils & fats technology
- Reinforce competitiveness of our oils & fats for chocolate products in North America
- Integrate global procurement operation and enhance procurement capability

4. U.S. Market – Overview & Global Presence

Population Projection in the U.S.*₁

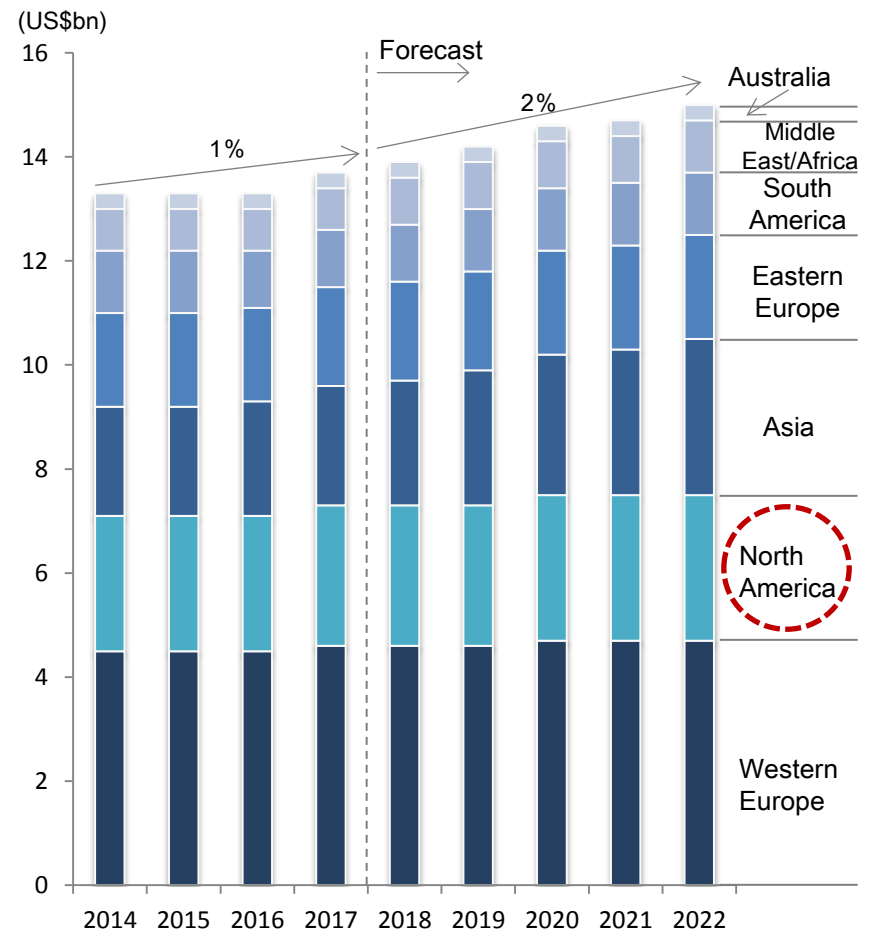


Chocolate Consumption Forecast in the U.S.*₂



Cocoa Products Consumption Forecast by region *₃

North America represents 20% in the world

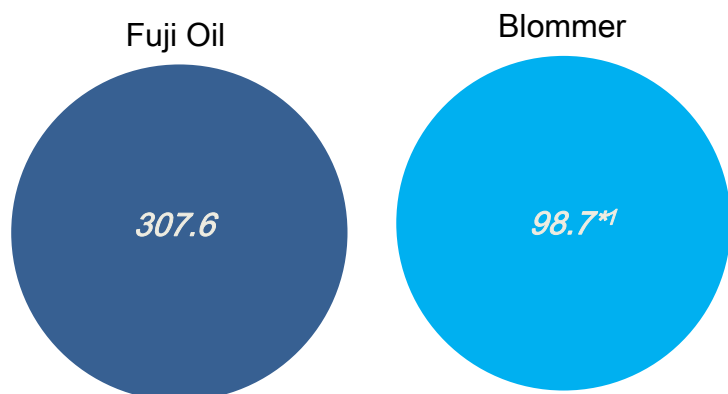


5. Pro-forma Change in Sales Post-Acquisition

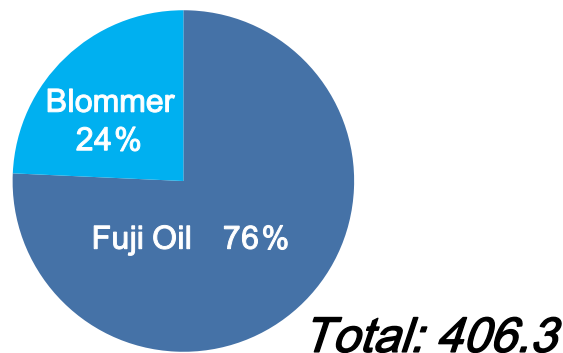
Overseas Sales is estimated to reach to 57%

** Simple combination of FY 2018/3 of Fuji Oil and FY 2018/5 of Blommer*

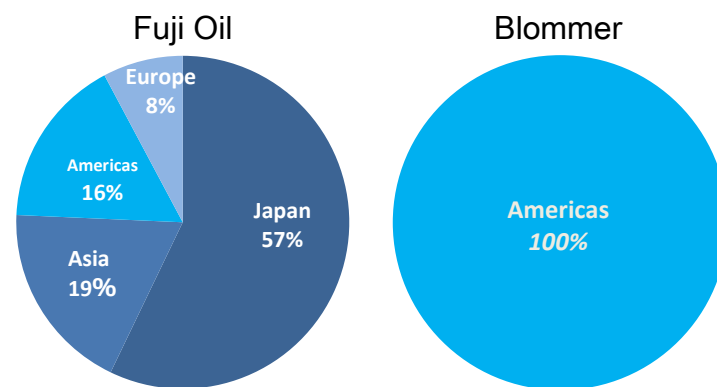
Blommer's Sales Contribution (JPY billion)



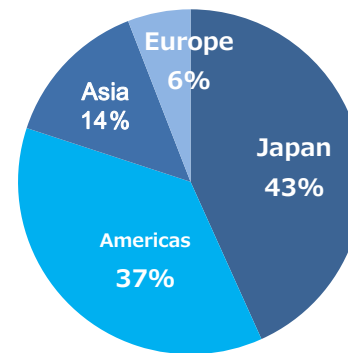
Post-Acquisition



Geographic Mix

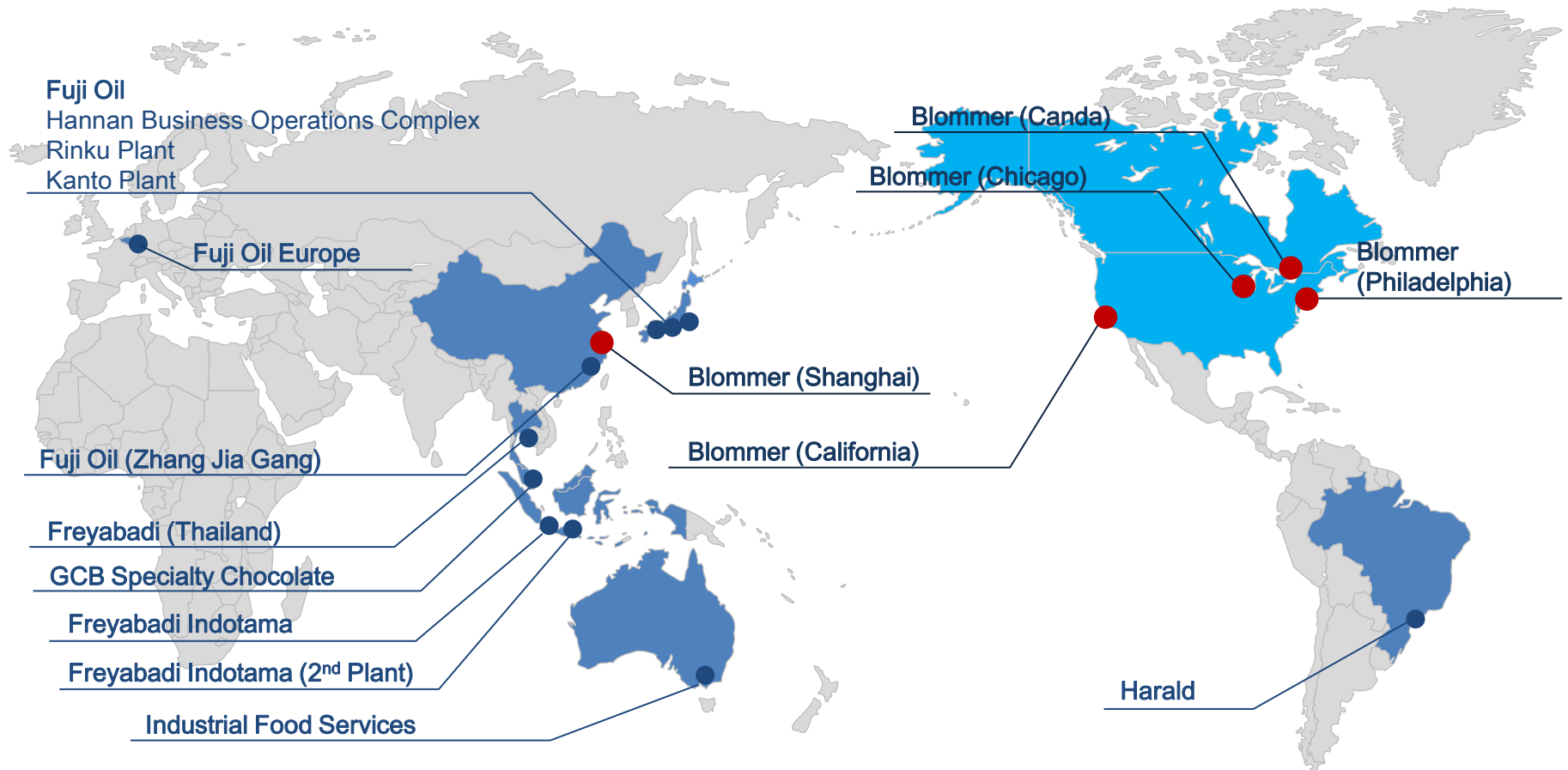


Post-Acquisition



6. Global Footprint Post-Acquisition

16 manufacturing facilities in 10 countries



7. Post-Acquisition Management

Integration of the current management team and structure

Management Structure

- Maintain the current management team and secure stable transition post-closing
- Appoint full-time director of Fuji Oil in the Board
- Form PMI team of experts in each function

Financial

- Integrate financial and accounting standards and operation
- Intend IT system integration

Production/ R&D

- Develop new products with our oils & fats technology for chocolate
- Integrate our operational know-how with Blommer's for operational efficiency
- Diversify Fuji Oil's product portfolio by accessing cocoa beans processing technology of Blommer

Timeline

- November 19, 2018 : Signing the Agreement (Today)
- January, 2019 (Tentative) : Closing the Transaction

*Details to be addressed in the IR conference after Closing

The logo consists of a stylized 'F' made of three horizontal bars of increasing height from left to right, with a small blue circle at the bottom right of the first bar.

FUJI OIL HOLDINGS INC.