Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 6, 2020

To whom it may concern:

Company Name FUJI OIL HOLDINGS INC.
Representative President & CEO Hiroshi Shimizu
(Code:2607 TSE First Section)
Contact Us Finance and Accounting Division Itaru Watanabe
(Tel:+81-6-6459-0731)

Notice of Difference Between Consolidated First Half Earnings Forecast and Actual Earnings, and Notice of Revisions to Full-Year Earnings Forecast, Surplus Dividends (Interim Dividends), and Year-End Dividend Forecast

Fuji Oil Holdings Inc. announces that there was a difference between our consolidated first half earnings forecast for the fiscal year ending March 2021 released on May 12, 2020 and actual earnings announced today as indicated below.

Furthermore, as outlined below, we have decided to conduct a revision to our full-year earnings forecast for the fiscal year ending March 2021, the surplus dividend (interim dividend) calculated based on the reference date of September 30, 2020, and our year-end dividend forecast.

1. Difference between consolidated first half earnings forecast for the fiscal year ending March 2021 and actual earnings (from April 1, 2020, to September 30, 2020)

	Net sales	Operating profit	Ordinary profit	Net income attributable to owners of the parent company	Net income per share
Previous forecast（A）	Millions of yen 155,000	Millions of yen 5,500	Millions of yen 4,900	Millions of yen 2,700	Yen 31.41
Actual earnings（B）	172,589	7,338	6,835	4,318	50.24
Difference（B－A）	17,589	1,838	1,935	1,618	
Difference ratio（%）	11.3	33.4	39.5	59.9	
(Reference) Previous results (First half of the fiscal year ended March 31, 2020)	191,585	9,127	8,328	6,212	72.28

2. Revisions to full-year consolidated earnings forecast for the fiscal year ending March 2021 (From April 1, 2020 to March 31, 2021)

	Net sales	Operating profit	Ordinary profit	Net income attributable to owners of the parent company	Net income per share
Previous forecast（A）	Millions of yen 370,000	Millions of yen 19,300	Millions of yen 17,800	Millions of yen 11,500	Yen 133.79
Revised forecast（B）	360,000	16,500	15,300	10,000	116.33
Difference（B－A）	(10,000)	(2,800)	(2,500)	(1,500)	
Difference ratio（%）	(2.7)	(14.5)	(14.0)	(13.0)	
(Reference) Previous results (The fiscal year ended March 31, 2020)	414,727	23,598	22,359	16,375	190.51

(Note) Previous fiscal year earnings for 19 overseas consolidated subsidiaries are based on 15-month accounting for the period between January 1, 2019 and March 31, 2020 due a change in accounting periods for those companies. The amounts adjusted to reflect the 12-month period of April 1, 2019 to March 31, 2020 are as indicated below.

(Reference) Adjusted previous results (The fiscal year ended March 31, 2020)	383,672	21,459	20,284	14,693	170.93

●Reasons for difference and revision to consolidated earnings forecast

(1) Difference between consolidated first half earnings forecast and actual earnings

During the consolidated first half, net sales increased on raw material market prices that were higher than expected at the time of the previous announcement and sales volume that was higher than expected. Furthermore, thanks to improved operating losses caused by increased income from futures valuation gains by Blommer Chocolate Company, operating losses in Brazil were lower than expected and the yen appreciated against the Brazilian real, we recorded increase of operating profit, ordinary profit, and net income attributable to owners of parent. The impact of COVID-19 was largely on par with assumptions outlined in our previous announcement.

(2) Revisions to full-year earnings forecast

As outlined above, earnings for the consolidated first half outperformed our initial announcement but we conducted a downward revision to our full-year earnings forecast due to changes in assumptions related to the COVID-19 pandemic and changes in assumed currency rates.

Furthermore, our previous announcement assumed the impact of COVID-19 lasting through the consolidated first half but we did not reflect the impact of COVID-19 on the consolidated third quarter onward due to the difficulty of making reasonable projections. Based on an evaluation of current conditions, we have changed to an assumption that the impact of COVID-19 will continue through the end of the current consolidated fiscal year. Furthermore, in light of current conditions, we have changed currency rate assumptions to the assumption that yen appreciation against the US dollar, the Euro, the Chinese yuan, and the Brazilian real will be higher than assumptions at the time of our previous announcement.

3. Revisions to surplus dividend (interim dividend) and year-end dividend forecast

(1) Details of surplus dividend (interim dividend)

	Finalized amount	Latest dividend forecast (Announced on May 8, 2020)	Results for the fiscal year ended March 31, 2020
Record date	September 30, 2020	Same as left	September 30, 2019
Dividends per share	Yen 26.00	Yen 29.00	Yen 27.00
Total amount of dividends	Millions of yen 2,237	—	Millions of yen 2,320
Effective date	December 10, 2020	—	December 10, 2019
Source of dividends	Retained earnings	—	Retained earnings

(2) Revisions to year-end dividend forecast

	Dividend per share（yen）		
Record date	Second quarter	Year-end	Annual
Previous forecast	29.00	29.00	58.00
Revised forecast		26.00	52.00
For the fiscal year ending March 31, 2021	26.00		
For the fiscal year ending March 31, 2020	27.00	29.00	56.00

● Reasons for revisions to surplus dividend (interim dividend) and year-end dividend forecast

We recognize shareholder returns as one of our priority management issues and aim for a dividend payout ratio of 30% to 40%. This reflects our basic policy of maintaining the capital retention levels necessary to enable management foundation enhancements such as investments in production facilities, new businesses, and R&D while also engaging in stable and continuous dividends from a long-term perspective.

Based on the above policy and in light of the earnings forecast revisions announced today, our Board of Directors voted to reduce interim dividend by 3 yen per share to 26 yen per share. We will also revise the projected year-end dividend amount by 3 yen per share to 26 yen per share.

(Note) The result forecasts above have been made based on information available at the time of this announcement. The actual results may differ from the forecasts in this report due to various factors.

End