

R&D-based approach to sustainable growth

~Fuji Oil's Technology and Planting the Seeds for Medium- and Long-Term Business~

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<Summary of the Q&A session>

Q. What is the background to the delay in monetizing proprietary technologies such as stabilized DHA/EPA and USS in the current medium-term plan?

A. As the stabilized DHA/EPA is a very unique technology, we are working with our partners to design specific products, and this is taking more time than expected. At present, we are also making preparations for overseas expansion in parallel. We are also accumulating know-how on antioxidant technologies for different product types, which will make it easier for us to expand our products in the future.

With regard to USS technology, the development of "Soy Tree" food products such as Milk Tree is progressing, and we are promoting the expansion and development of value-added product groups, as well as the core of deliciousness technology to be launched in the future.

Q. The gross profit margin has remained flat over the years, but are you conscious of creating new products with high gross profit margins?

A. We are strongly aware of this. For existing products, we are constantly working on process improvements. In the long-term research field, we are also setting research themes with an awareness of creating high added value, and the gross profit margin is expected to gradually increase in the future.

Q. Due to the rapid global expansion of the chocolate business, are there any problems in the direction of medium- to long-term research areas due to the allocation of research personnel resources to the chocolate business?

A. Both Blommer (U.S.A.) and Harald (Brazil) have their own development teams, and the development of local human resources will be the core of our technical measures. In the short term, we are promoting the assignment of technical personnel for oils and fats, but there is no strain on the human resources involved in our long-term strategy.