



Web IR for individual investors

# FUJI OIL HOLDINGS INC.

CFO

**Tomoki Matsumoto**

# Corporate Profile

## Company Name

Fuji Oil Holdings Inc.

## Establishment

October, 1950

## Capitalization

13,208 million yen

## Market

First Section of the Tokyo Stock  
Exchange (Securities Code: 2607)

## Number of employees

5,874 \*

\*Domestic figures as of the end of March 2020  
Overseas as of the end of December 2019

## Market capitalization

Approx. 266.6 billion yen

(Closing price on March 12, 2021 3,045 yen)

## April 1, 2021 Change of President and CEO



Current  
President and CEO

**Hiroshi Shimizu**

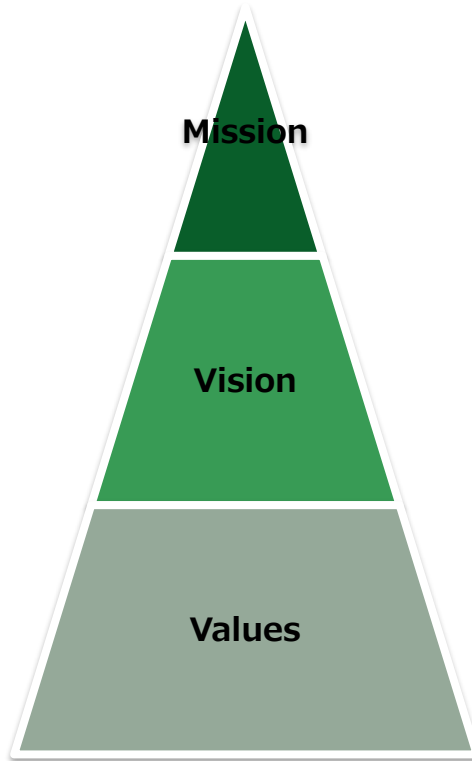


From April 1  
President and CEO

**Mikio Sakai**

# Management Philosophy

## Fuji Oil Group Management Philosophy



*Mission = Our reason for being*

The Fuji Oil Group seeks to develop the potential of food ingredients. We will contribute to the happiness and well-being of the people by offering delicious and healthy food.

*Vision*

We seek to contribute to the society by creating the future of delicious and healthy foods using our core technologies in oils & fats and soy.

*Values = The values that inform our actions*

- Safety, quality, and the environment
- Work for people
- Challenge and innovation
- Speed and timing

## Brand Promise

### Plant-Based Food Solutions

We believe that plants possess an infinite power for good. By harnessing that power, we will create food ingredients that are delicious to taste, improve people's wellbeing, and protect the planet.

Through our plant-based solutions, we will stay ahead of our time, inventing answers that anticipate tomorrow's problems. We will help provide sustenance for growing populations, support our aging societies, and meet global demands for better health.



# Business Model

Main Materials

Fuji Oil Group

Customer

Consumer



Palm oil



Cacao



Soy

## Vegetable oils and fats



Edible oils  
and fats



Vegetable fats  
for chocolate

## Industrial chocolate



Industrial  
chocolate

## Emulsified and fermented ingredients



Whipping  
cream



Margarine



Fillings

## Soy based ingredients



Soy protein  
ingredient



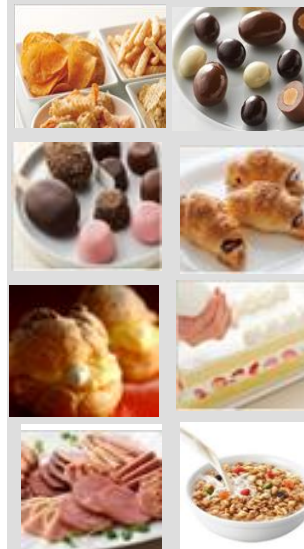
Functional agent  
(Water soluble soy  
polysaccharides ,etc.)

Food manufacturers  
Beverage manufacturers  
Confectionery  
manufacturers  
Bakery manufacturers  
Retail  
Food service chains  
School lunches  
Medical institutions

etc.

**A manufacturer  
of B to B food  
intermediary  
ingredients**

that provides  
deliciousness in  
a variety of food  
scenes



## About Fuji Oil / Business Segments

-Develop four business segments

-Holding the top share in each segment

### Vegetable oils and fats

• Vegetable fats for chocolate  
One of the Top 3 in the World



**Products** : frying oils and fats, vegetable fats for chocolate

**Applications** : Chocolate, snacks, instant noodles, ice cream, infant formula, beverages

**Share**: No. 1 share of the domestic market for vegetable fats for chocolate

### Emulsified and fermented ingredients

• Filling No.1  
in China



**Products** : Whipping cream, margarine, fillings, preparations

**Applications** : General confectionery, bread, prepared foods

**Share** : Mainly in Japan, Southeast Asia and China  
No. 1 share of filling market in China

### Industrial chocolate

• No.3 in the world



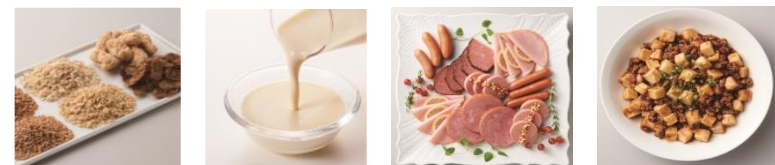
**Product**: Chocolate for business use

**Applications**: All products that use chocolate  
(chocolate confectionery, bread, ice cream)

**Share**: No. 1 domestic share, No. 3 global share

### Soy based ingredients

• Soy protein ingredient No.1 in Japan  
• Water-soluble soy polysaccharides  
No1.in the world



**Products** : Soy Protein (Powder/textured), Frozen Tofu, Fried Bean Curd, Water Soluble Soy Polysaccharides, Peptides, Soy Milk

**Applications** : Prepared foods, protein, health nutrition foods, energy bars, acidic milk drinks

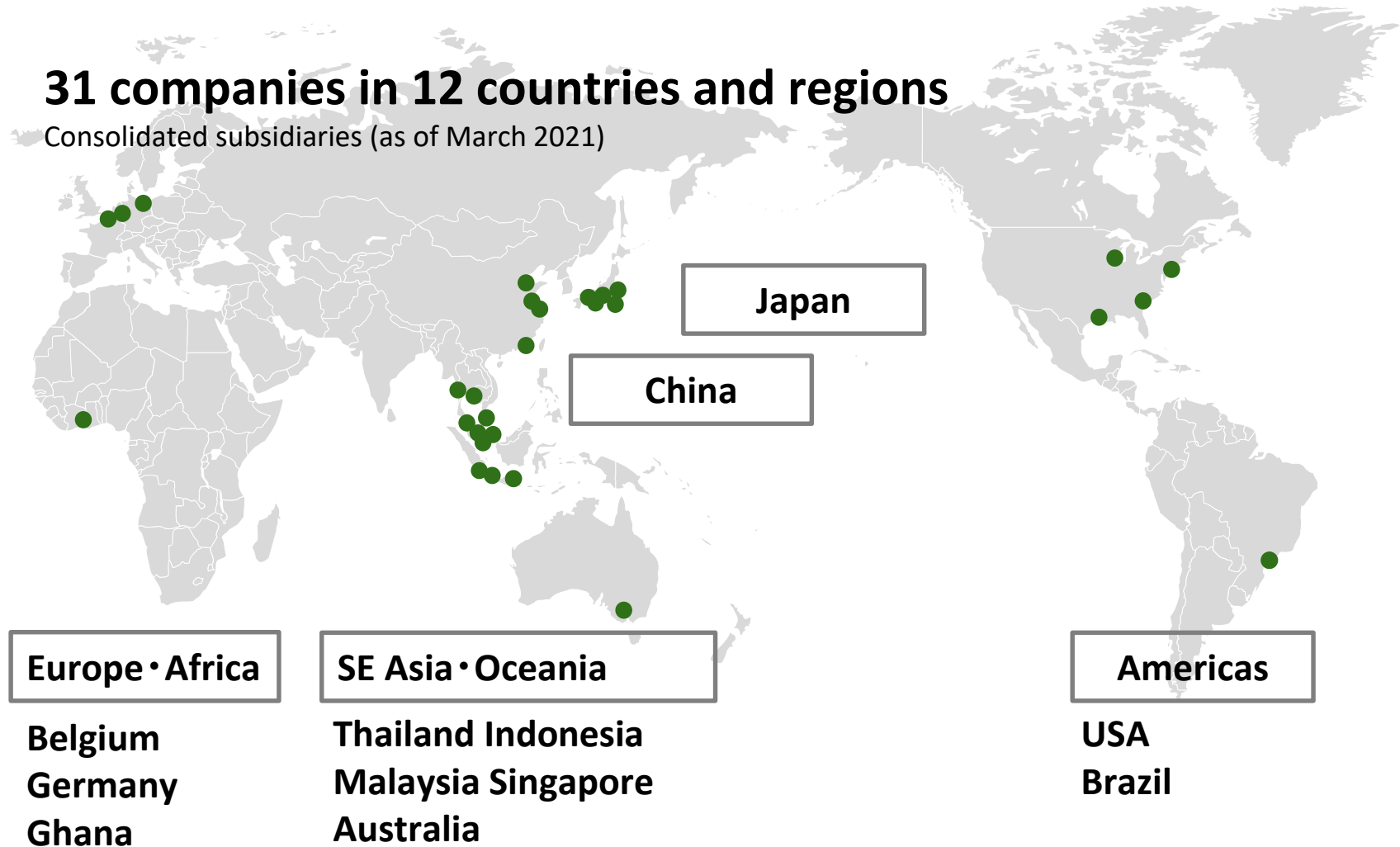
**Share** : No. 1 share of the domestic market for soy protein materials



## Global expansion beyond Japan

### 31 companies in 12 countries and regions

Consolidated subsidiaries (as of March 2021)



## About Fuji Oil / Overview by Business Segment and Region

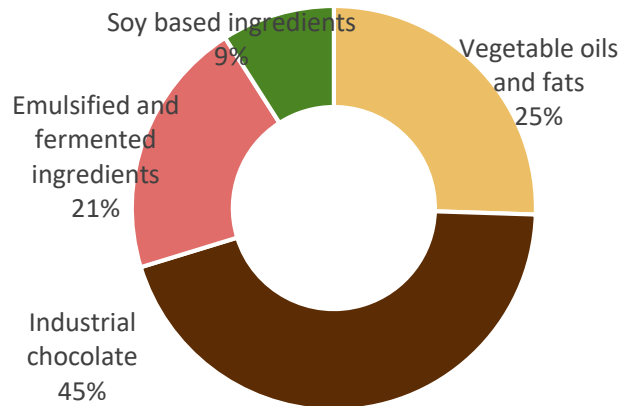
- Industrial chocolate has grown into a pillar of the business.
- Overseas sales account for 60% of total sales, and Japan is also a major earner.

### FY2019 Results

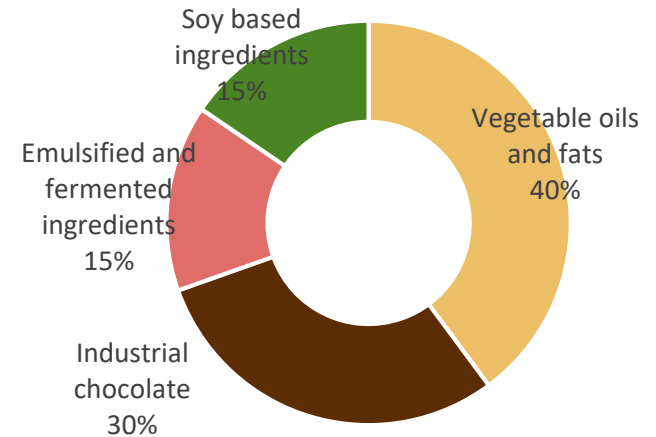
Adjusted for 12 months

#### Business Segments

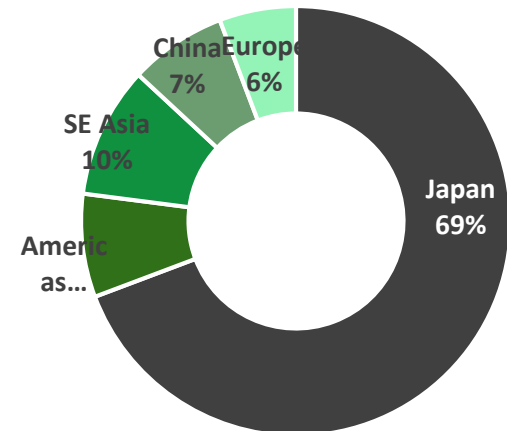
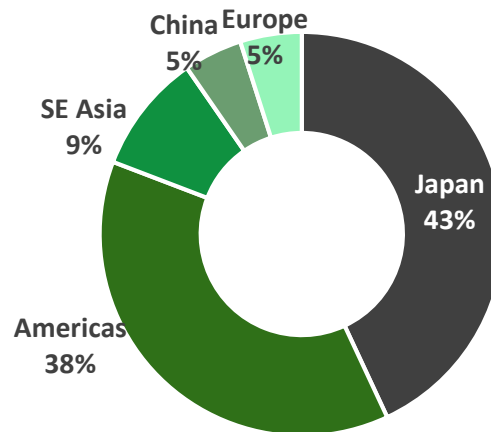
Revenue **383.7** billion yen



Operating profit **21.5** billion yen



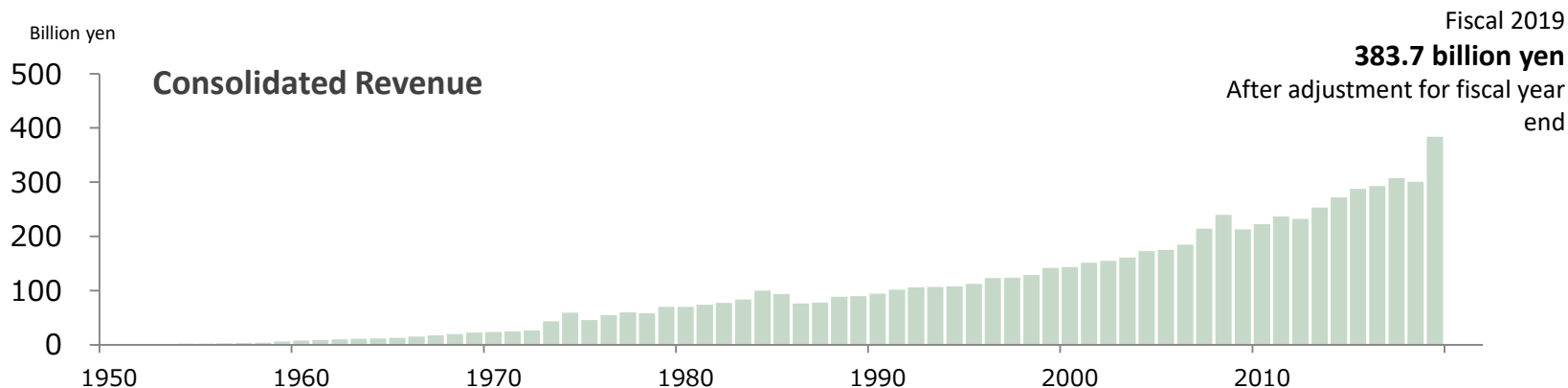
#### Segment by Location



※ Operating profits as a percentage of sales excluding group administrative expenses

## About Fuji Oil / History of the company

- Vertical business expansion from oils and fats business established in 1950
- Overseas business expansion since 2000s



### Founding period

#### 1950

Fuji Oil Co., Ltd. established as an independent company from the Osaka factory of Fuji Sanshi Co., Ltd.



#### 1955

Started production of Japan's first hard butter (vegetable fats for chocolate)



### Dawn of technology

#### 1971

Hannan Plant started operation (Izumisano City)



#### 1980

Establishment of enzymatic esterification technology (technology for oil and fat production)



### Global maintenance period

#### 1981

Establishment of Fuji Oil (Singapore) Pte.

#### 1987

Fuji Vegetable Oil, Inc. established in the U.S.

#### 1992

Fuji Oil Europe B.V. established in Belgium.

#### 1995

Fuji Oil (Zhangjiagang) established in China.



### Period of global business expansion

#### 2015

Transition to Group Headquarters System  
Acquisition of Harald, Brazil's top industrial chocolate manufacturer

#### 2019

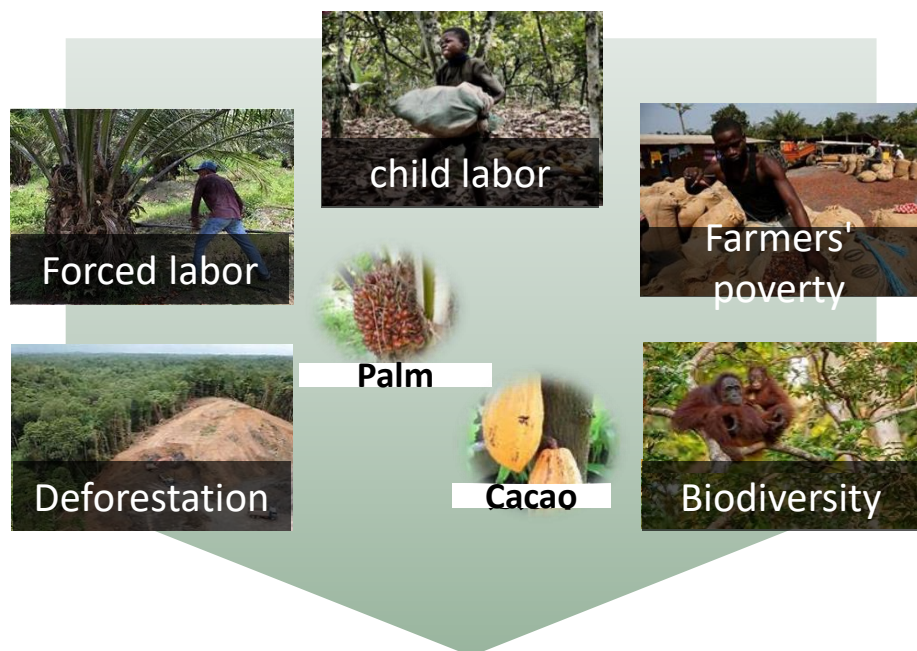
Acquisition of Blommer, the second largest manufacturer of industrial chocolate in the U.S.





- Promoting sustainable procurement of raw materials
- CDP evaluation: Japan's first A-list company

Social issues such as human rights and the environment surrounding main raw materials



**Promoting sustainable procurement**

**First in Japan,  
10 companies in the world**



**Selected for A-list**  
Triple A rating for climate change, deforestation, and water security measures

**Top 7% in the world**



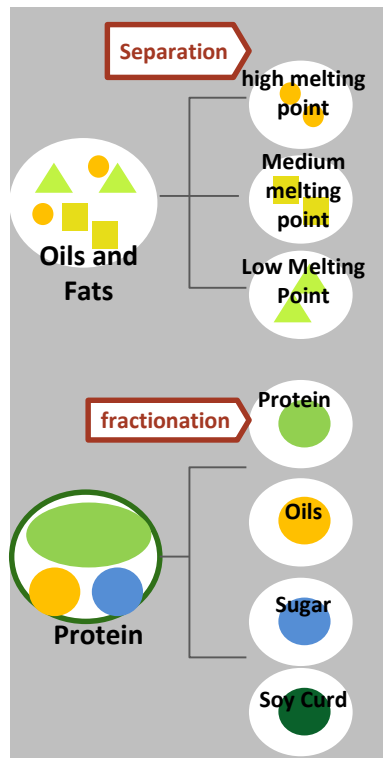
**Selected for the "Leader Board," the highest evaluation**  
An index that evaluates companies' supply chain efforts to address climate change and promotes collaboration among companies.

# R&D and production technology create highly profitable products

Increasing the value added

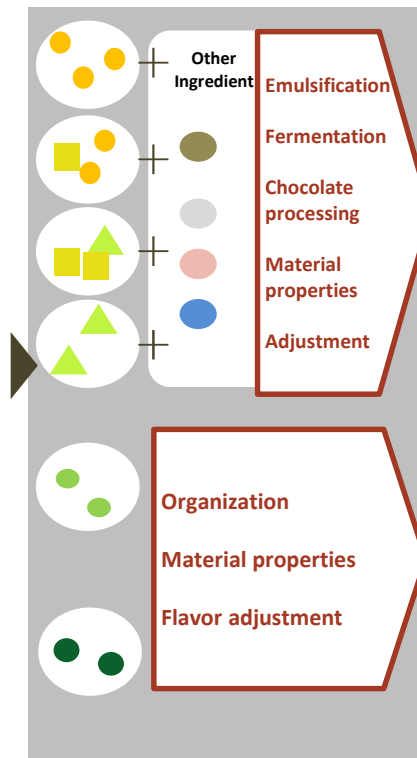
- High profitability
- Reduction of waste
- Raw material utilization
- Customer proposal capability

### Separation



Highly effective use without waste  
= The concept of upcycling

### Assemble (Readjustment process)

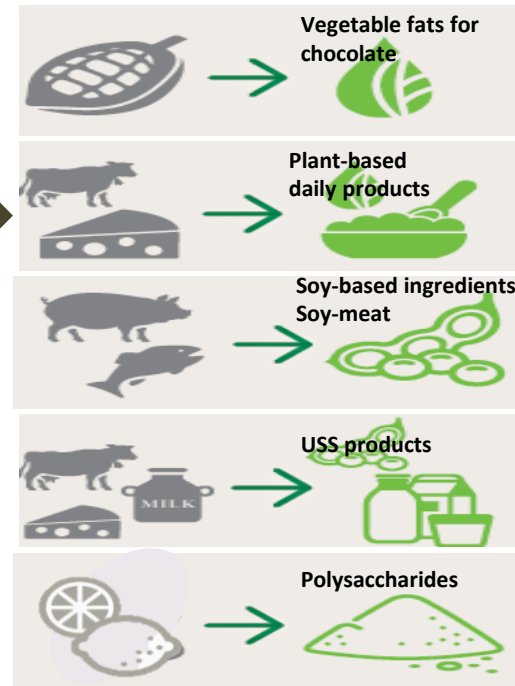


### Substitute

Expensive  
Animal resources  
Finite resources  
Procurement instability

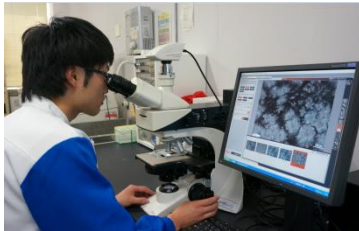
→

Relatively inexpensive  
Vegetable  
Widely grown  
Stable supply



# Global development of solution proposals to customers and consumers

## Basic Research



## Ingredient Development



## Application Development



- 1) Expand the industrial chocolate business globally**
- 2) Pursue new food possibilities with plant-based ingredients

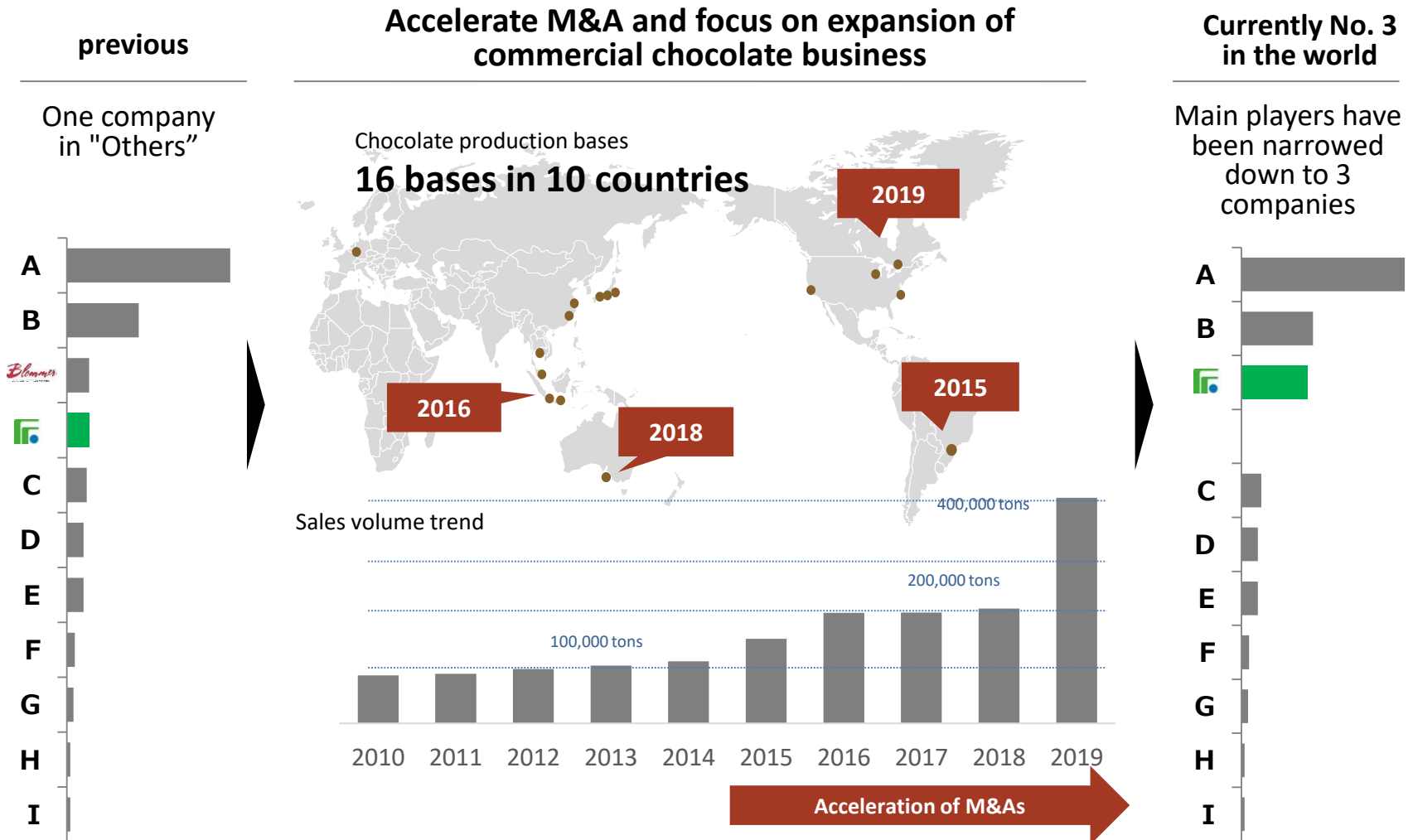
## What is Industrial Chocolate?

- Special equipment is required to manufacture chocolate.
- Confectionery manufacturers outsource the development and production of chocolate for their products.
- The industrial chocolate business refers to the B to B business of selling chocolate used for such business-to-consumer products.



# Key points of business strategy 1) Expand the industrial chocolate business globally

## Becoming the world's No. 3 manufacturer of industrial chocolate through aggressive M&A

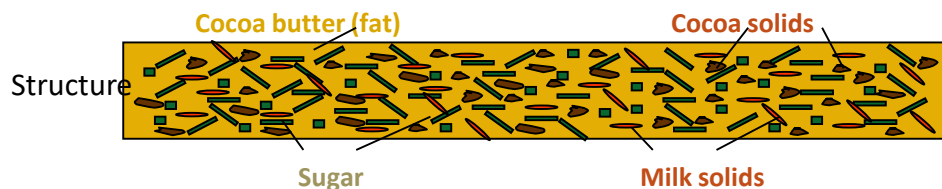




Key points of business strategy 1) Expand the industrial chocolate business globally

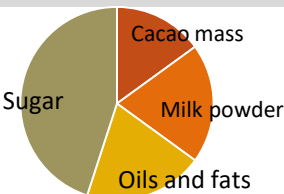
## One of our strengths is compound chocolate that utilizes our technology in oils and fats

- ✓ Chocolate is a layer of fat in which fine particles of sugar, milk powder, and cocoa solids are evenly dispersed.

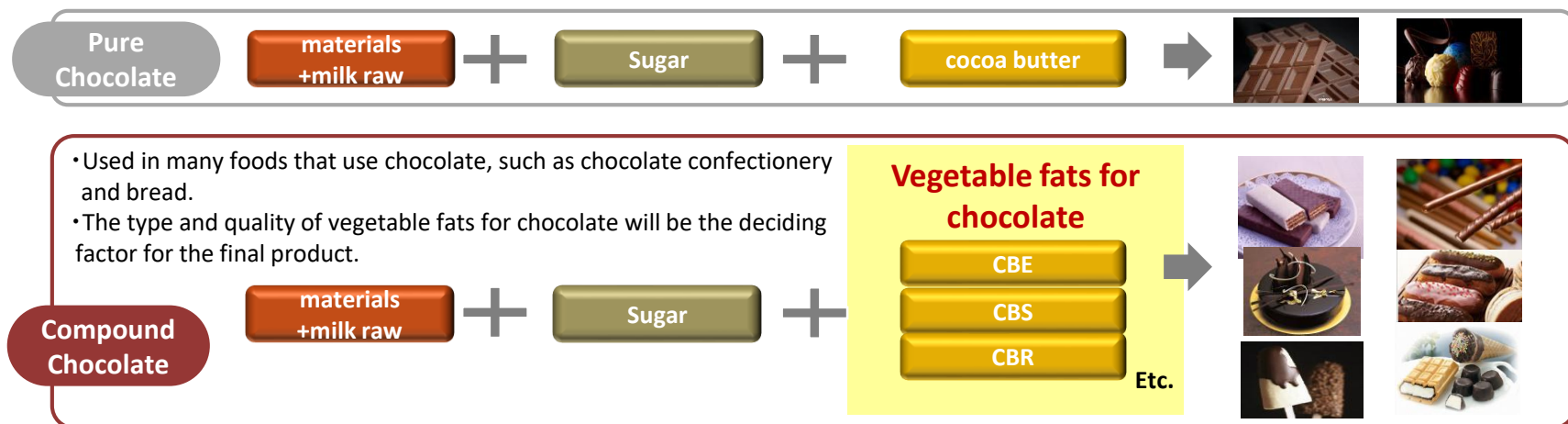


Composition

(Example: General Sugar milk chocolate))



- ✓ Many chocolate confections and breads are made from compound chocolate using **Vegetable fats for chocolate.**



- ✓ We are one of the top three companies in the world for vegetable fats for chocolate.
- ✓ We have the know-how and the strength to produce a wide variety of compound chocolates with excellent function and taste.

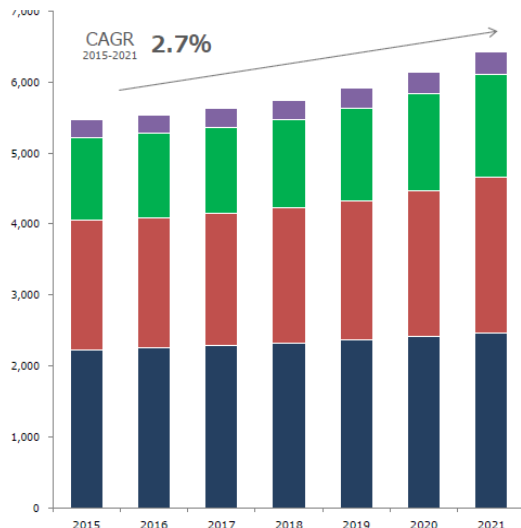
# Key points of business strategy 1) Expand the industrial chocolate business globally

## Leverage group synergies to expand business in each global location

### Industrial chocolate market (volume)

Source : Market Share of Industrial Chocolate 2017

Thousands of tons



Area	CAGR 2015-2021
MEA	3.7%
アジア オセアニア	3.6%
米州	3.2%
欧州	1.7%

### Growth opportunities are expanding

- Increasing consumption due to population growth
- Increasing demand for compounds due to expansion of consumption areas
- Increasing demand for compounds due to diversification of preference.

### Aiming to expand global business as a pillar of profit

#### ■ Growth of individual companies

Promote differentiation tailored to individual markets



Technology and  
high value-added



Sustainable  
Health



Production technology  
Productivity

#### ■ Global Strategy

##### Promote group integration

- Planning and development of global products
- Group collaboration for sales to multinational companies
- Explore synergies in raw material procurement
- Technical information sharing and productivity improvement

# Key points of business strategy

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- 1) Expand the industrial chocolate business globally
- 2) Pursue new food possibilities with plant-based ingredients**

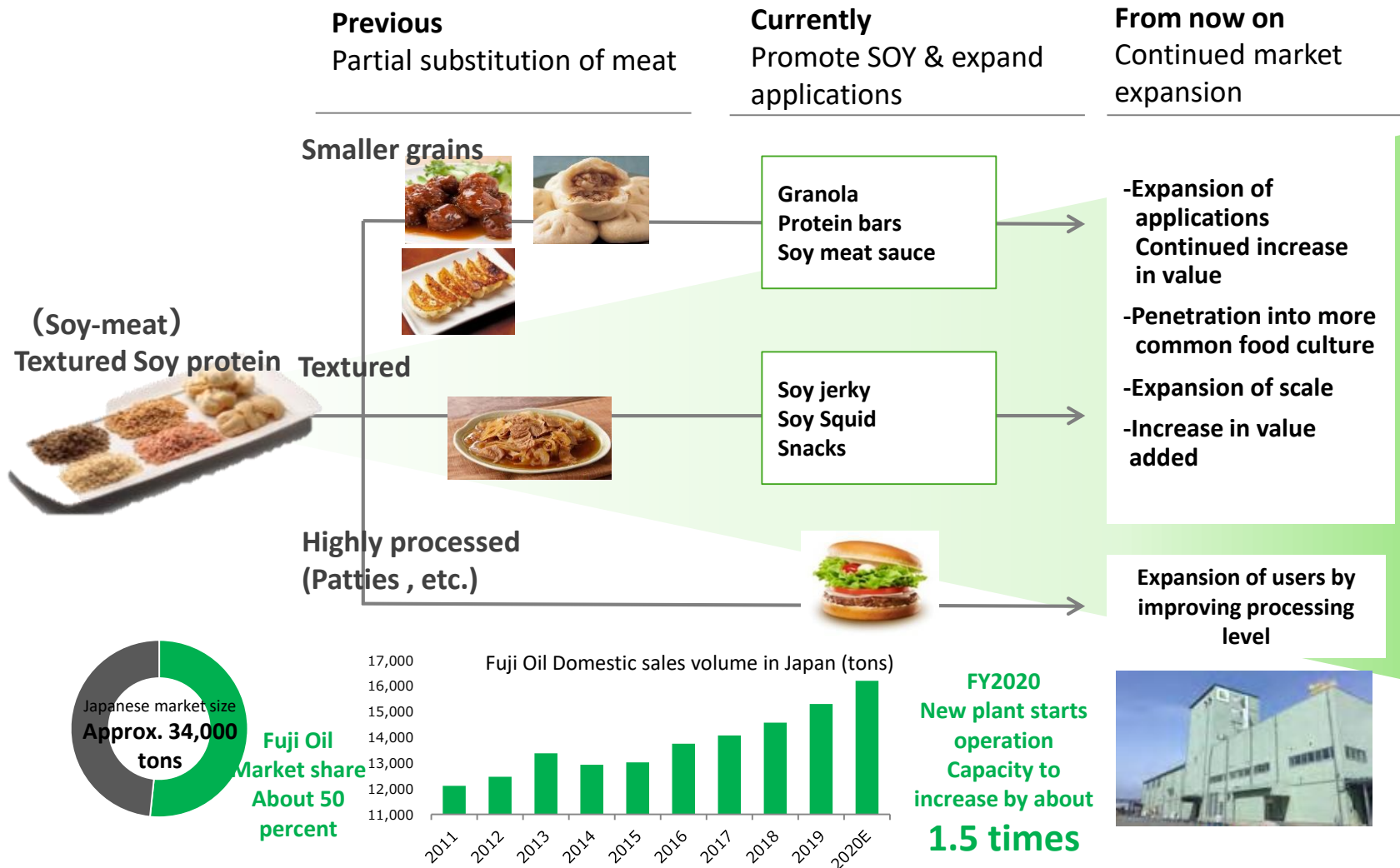
## Key points of business strategy 2) Pursue new food possibilities with plant-based ingredients

# Pioneer in processed soy-based ingredients, with many top share products

	Product group	Products	Sales to	Application Images	Share, etc.
Soy protein ingredient	Isolated soy protein in powder form		Ham, sausage and fish paste products Health foods Alcoholic beverages	  	Japan No. 1 share
	Textured soy protein		Cold foods, bakery products Confectionery manufacturers, etc.	   	Japan No. 1 share
Soy Protein foods	Soy protein foods	 	Co-op food service and industrial food service Instant noodles	   	
Soy milk product	USS (Emulsified and fermented materials division for processed products)		Processed food, CVS, Food service	   	World First Licensed Technology
Functional agent	Water-soluble soy polysaccharides		Acid milk beverages, CVS, alcoholic beverages	   	World No. 1 share
	Peptides		Bier type beverages Health drinks	 	Japan No. 1 share

## Key points of business strategy 2) Pursue new food possibilities with plant-based ingredients

- Demand for soy-meat is expanding in Japan, and its value is also increasing
- Expanding facilities for soy protein ingredients (Textured soy protein)

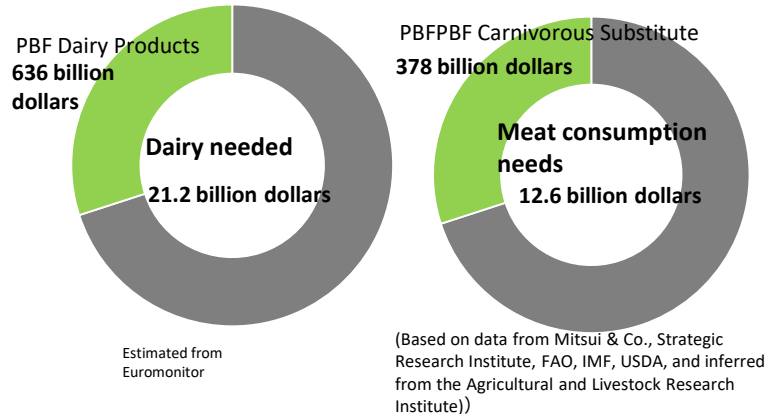


## Key points of business strategy 2) Pursue new food possibilities with plant-based ingredients

- The market for plant-based foods is expanding.
- We are pursuing deliciousness and health by combining our proprietary technologies.

### The plant-based food market is expected to expand.

Year 2050...Plant-based sources account for 1/3 of the world's protein sources



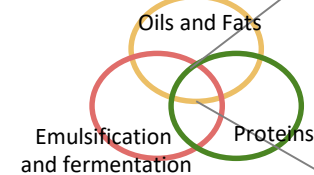
### Benefits of Plant-Based Foods

- ✓ Reduced environmental impact
- ✓ Provision of high quality plant protein in response to the depletion of animal protein sources, etc.

### Fuji Oil's approach

- ✓ Develop tasty and healthy plant-based food materials
- ✓ Combining technologies for oils and fats, emulsification and fermentation, and soybeans
- ✓ Develop core technologies that make it possible to make a variety of foods tasty with plant-based ingredients

#### Combining Technologies



#### February 2021

Ippudo's ramen in pork bone soup without animal ingredients



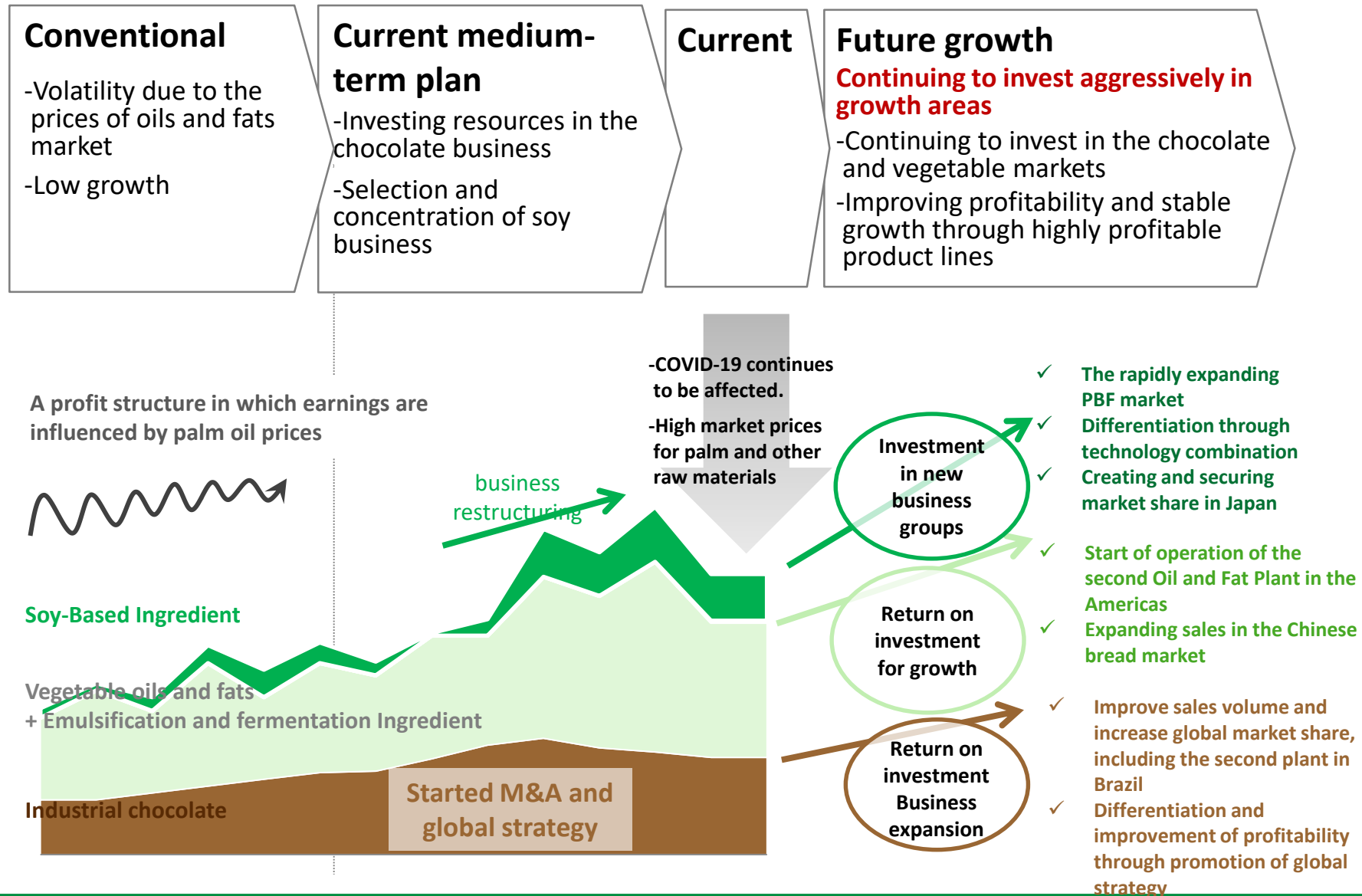
#### March 2021

Establishment of Plant Based Lifestyle Lab

Launch of a 15-company alliance to create a market



# Enhancing corporate value by continuing to invest in growth areas





 **FUJI OIL HOLDINGS INC.**

