

FY2022-2024

Mid-Term Management Plan **Reborn 2024**

May 12, 2022

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Mid-Term Management Plan Slogan



By responding to changes in society and changing markets and sales methods, we will be reborn as a corporate group that is able to generate new value in unpredictable operating environments.

1

Vision for 2030 & New Business Fields

Vision for 2030

Business environment changes

- Lifestyle changes triggered by COVID-19
- Changes in values and way of communication
- Increased market volatility due to climate and supply/demand changes
- Reaffirmation of geopolitical risk occurrence
- Increasing demands on companies to achieve the sustainable development goals (SDGs)

Social issues we aim to solve

- Well-being
- Environmental issues
- Food segregation (Geographical imbalance/uneven distribution)

Vision for 2030

Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy.

Actions to Achieve the Vision

Creating innovative plant-based ingredients to form a highly profitable business portfolio

Creating social value by undertaking and contributing to resolving societal issues related to the food value chain

Implementing human resource development and corporate culture reform

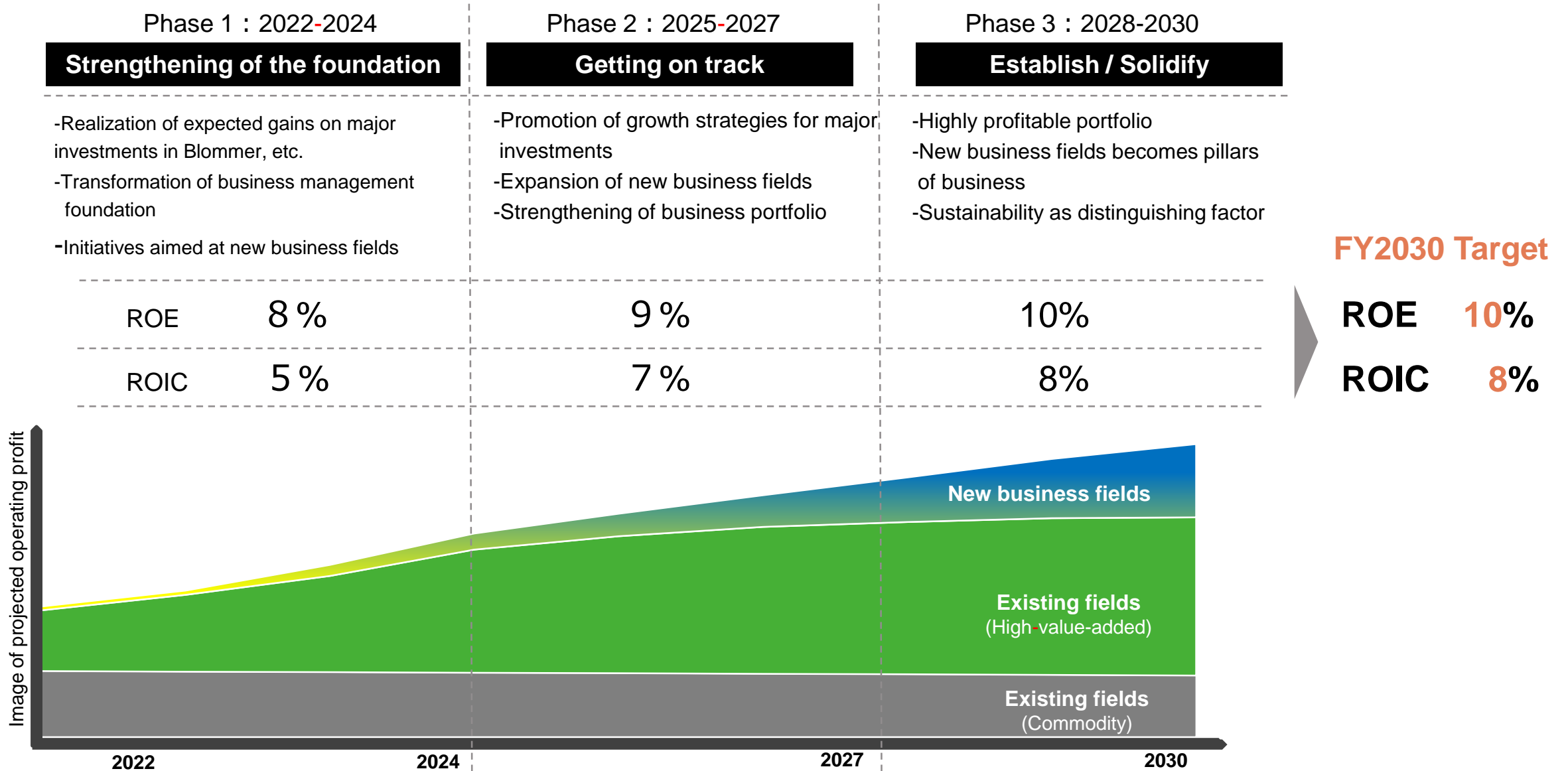
2030 Targets

- ROE 10%
- ROIC 8%

- Achieve sustainable procurement commitment
- Achieve Environmental Vision 2030

- Work to provide an environment that motivates globally diverse human resources to undertake new challenges and achieve innovation. United towards achieving growth

Growth to 2030



Expand Areas of New Business Fields to Create Highly Profitable Business Portfolio

We must undertake new challenges and continue to evolve. We will achieve continuous high-level growth by advancing the shift from existing areas to “New business fields” where we focus on high added value.

● Why we must challenge?

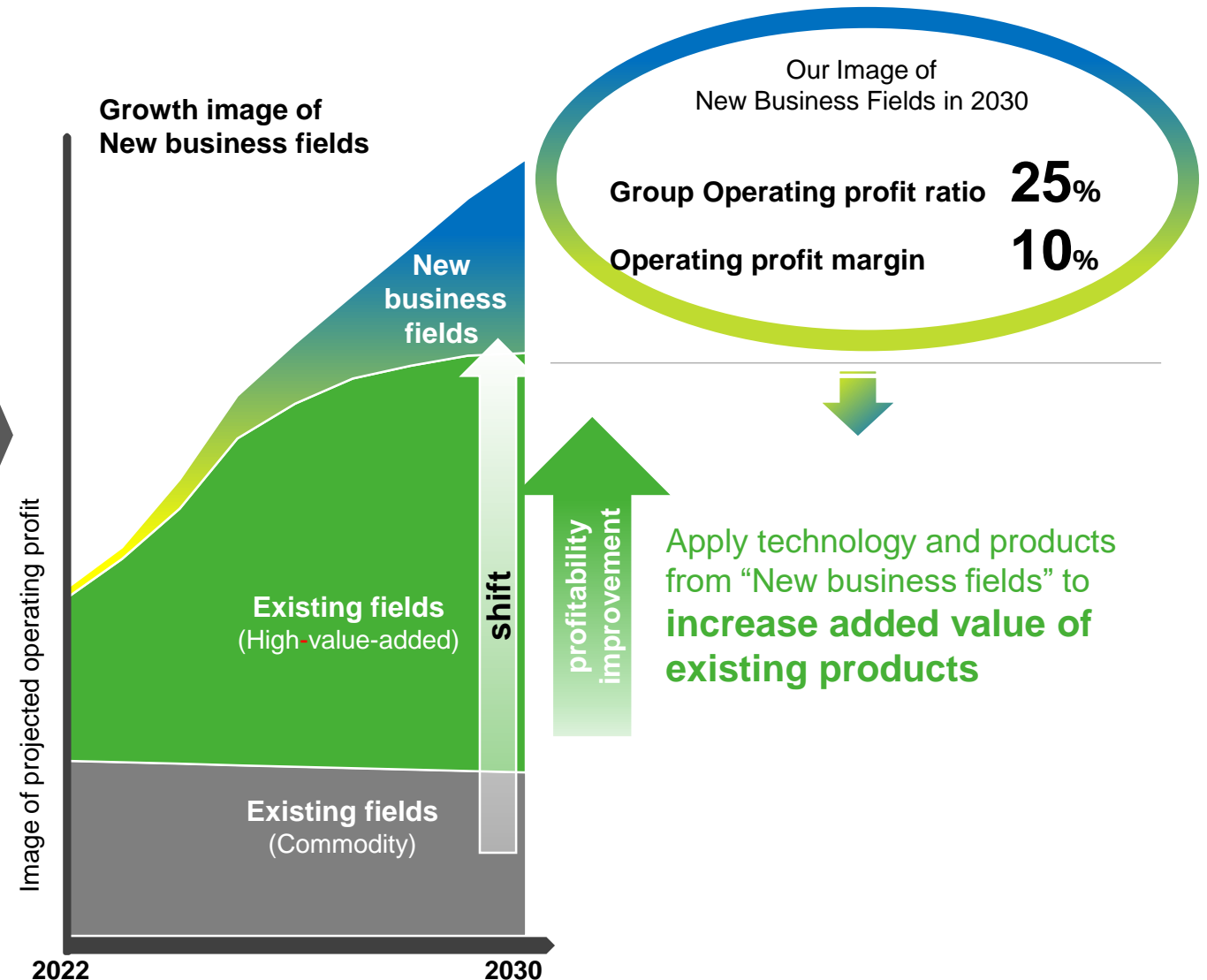
- We recognize the revenue instability (volatility) of our existing business model created by changes in the social environment and geopolitical risks that are driving massive fluctuations on raw material markets.
- Competition and movement towards industry restructuring are accelerating.
- Food industry structure changing in response to societal shifts.
- These factors require that we achieve more sustainable growth by focusing on high value-added products.

● Fields for growth = New business fields

- Creating a sustainable food future (human and global health)
- High value-added products
- Areas where we can demonstrate our competitive advantage

● Key Approach

- New technology
- Sales through new approaches
- New market development by strengthening branding
- Information dissemination



Development of new technologies and materials
based on sustainability

New technologies and materials maximize business synergies.
Beyond that, new business models will be created.

1

New core technology achieving surprisingly delicious foods with plant-based ingredients

Combination of "Oils and Fats, Protein, and Emulsification/fermentation" technology to achieve the taste of animal based ingredients with only plant based ingredients
(Reference: P21 Create distinctive products and drive activities)

2

Research on food initiatives that contribute to solving health issues such as the aging and obesity

- Creation of value from functional materials utilizing our core technologies
- Global development of new products based on the concept of health consciousness

3

Development of sustainable raw materials

Development of sustainable food resources and diversification of raw materials through breeding, etc. linked to practical application of next-generation technologies

Establish a highly profitable business portfolio
and new business model



Create a sustainable future with food

2

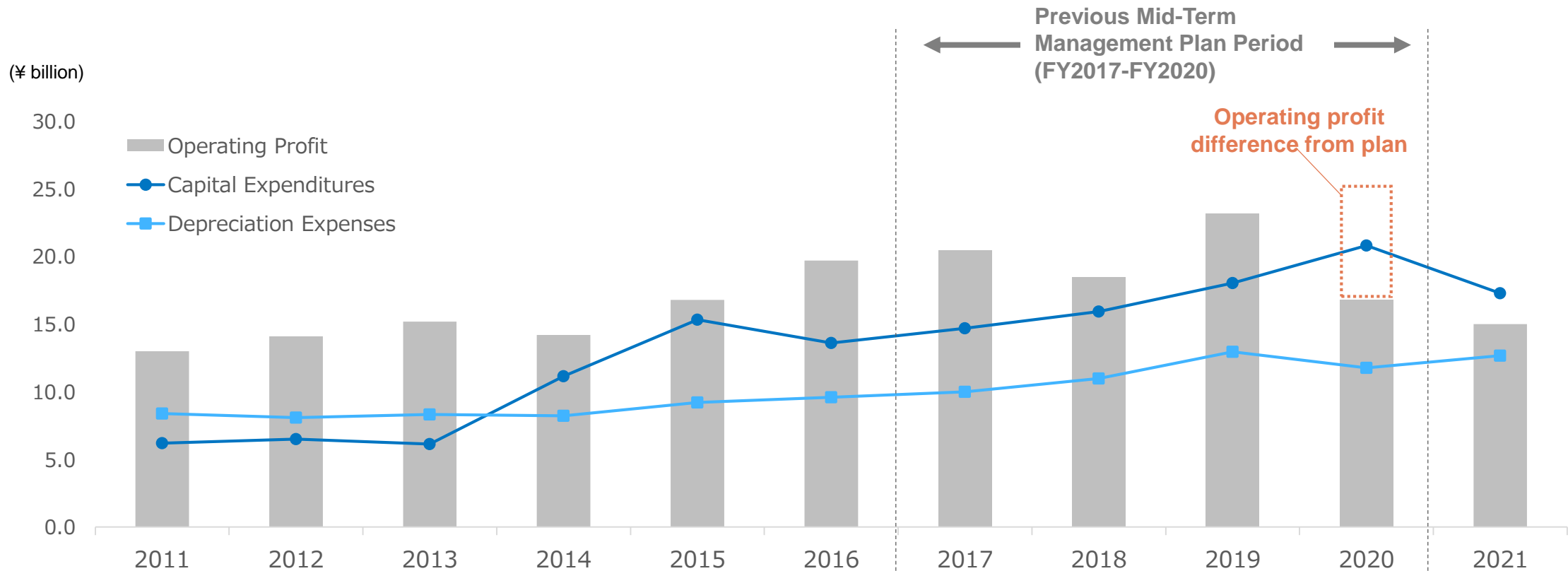
Mid-Term Management Plan (FY2022-2024)

Reborn 2024

Looking Back on Previous Mid-Term Management Plan (1)

-Achieved to record the highest profit in FY2019, but profits struggled in FY2020-FY2021 due to impact of COVID-19 and high raw material costs

-Did not achieve the target of previous mid-term management plan operating profit (CAGR 6%* (¥25 billion)) *Base year is FY2016



*FY2019 values converted to 12-month period

*FY19-20 operating profit are reference values that exclude impact of futures valuations

Looking Back on Previous Mid-Term Management Plan (2)

Previous mid-term management plan period (FY2017-FY2020) + FY2021

Actual Results

- Expand business scale through M&A in strategic areas** (Acquisition of Blommer and an Australian chocolate company)
- Execute capital investment in growth fields** (New plant in the Americas, polysaccharide plant in Europe)
- Established Sustainability Promotion Structure**
- Establishment of a governance structure**

Factors for underachievement

- **Insufficient response to changes in business environment** (COVID-19 , High cost of raw materials)
- Delays in new business creation and new plant construction**
- Delay in monetization of M&A projects and capital investments**
- Failure to achieve plan for high value-added product groups**

Initiatives from FY2022

Advance initiatives

- Concentrate allocation of management resources to growth and strategic areas**
- Developing new growth areas**
- Further enhance sustainability measures**

Implement improvement measures

- Enforce cost control and implement appropriate pricing strategies**
- Improving Blommer's productivity**
- Strengthen business management**

Key Policy of the Mid-Term Management Plan Reborn 2024

1. Strengthening of business foundation (restoring profitability and creating new value)

(1) Restore core profitability

- Implementation of appropriate pricing strategy
- Cost reduction (mainly productivity improvements)

(2) Revitalize product portfolio in existing businesses through high-value-added solutions

(3) Concentrate allocation of management resources to growth and strategic areas

- Blommer: Strengthen production system
- Harald: Started to operation of the second factory
- Oils and fats business in the Americas: Engage in the food service market

(4) Initiatives aimed at new business creation

- Technology x Market Approach x Brand

2. Strengthening global management

(1) Adopt business-specific ROIC

- Thorough business management

(2) Profit management by strengthening the business axis

- Enforce cost control, implement appropriate pricing strategies, and strengthen monitoring systems
- Resolve cross-area issues

(3) Research / Technology development

- Integration with strategic goals - Global support and speediness

(4) DX

- Evolve business management - Initiatives aimed at new business creation

3. Enhancing sustainability

(Aligning sustainability strategy with management strategy)

(1) Distinctiveness through sustainable procurement

- Establish supply system for certified oil

(2) Climate change response

- Link with policies for each area

(3) Utilize human resources

- Hiring, development, and accurate placement of personnel
- Promote DE&I



FY2024 Management Plan Targets

Financial

Item	FY2024 Plan	FY2021 Results
Operating Profit	¥23.5 billion	¥15.0 billion
ROE	8.0%	6.6%
ROIC	5.0%	3.1%
Shareholder returns	Dividend payout ratio 30%-40%	Dividend payout ratio 38.9%

Non-financial

Item	FY2024 Plan	Remarks
CO₂ emissions (Scope 1 + Scope 2)	23% reduction in total CO ₂ emissions	<ul style="list-style-type: none"> • Base year: FY2016 • All consolidated subsidiaries • FY2020 results 19% reduction
Sustainable procurement Palm oil	TTP (Traceability to plantation) 85%	<ul style="list-style-type: none"> • FY2021 results 85%

Please see right for details of commitments to 2030.

Sustainable procurement commitments for each main raw material



Environmental Vision 2030



Key policy


①

Strengthening of Business Foundation

Restore Core Profitability

Market growth recovery

Capture market growth recovery

 U.S., Brazil (Chocolate demand (volume)) U.S. : CAGR 2.6%
Brazil : CAGR 2.7% Forecast*)

 China (Bakery market (Retail value) CAGR 8.0% Forecast*)

*Both are FY2022-2024 forecasts.
Quote: Euromonitor 2021

Recovery of demand decline from COVID-19

Japan: Moderate recovery of inbound demand
Indonesia: Recovery in demand for chocolate



Expansion through new plants and capacity increases



U.S.
Fuji Oil New Orleans
(From Sept. 2021)
Expand sales in new
markets and new
areas in collaboration
with Oilseeds*



Brazil
No. 2 plant
(Plan to begin in the 1st
half of FY2023)
Use new product
development to
expand into new
markets



China
New cream plant
(plant to begin in the 1st
half of FY2023)
Expand sales of high
value-added products



Japan
Soy protein
(From July 2020)
Accelerate development of
new products using new
manufacturing methods

Profitability improvement measures

① Improve production efficiency

- Blommer : Capital investments based on adoption of plant-specific management systems and responses
- Formulate uniform benchmarks for the group. Implement effective efficiency improvements.

② Strengthen cost management and implementation of appropriate pricing strategy

- Strengthen raw material position management, production cost management
- Set appropriate pricing and revise prices
- Strengthen sales strategy by examining and strengthening our market and product matrix for each region.

③ Other cost control enhancements

- Waste reduction
- Delivery optimization , logistics cost reduction
- Reduction of raw material costs through group-wide joint purchasing, etc.

→ Cost Reduction Effects

(2) ¥ billion / year (FY2024 VS FY2021)

*Oilseeds: Engaged in sales of premium liquid oils such as sunflower oil and rice oil in North America. The company became a subsidiary in May 2022.



1 Strengthen Operations in the United States

Full-scale launch of new plant

-Full-scale launch of Fuji Oil New Orleans

Collaboration with Oilseeds to engage in new markets

-Approach food service markets



Fuji Oil New Orleans

2 Strengthening the CBE* business by reinforcing our sustainability approach

Establishing a sustainable raw material supply structure

-Strengthen partnerships with raw material suppliers

Establishing a stable supply structure by diversifying CBE raw materials

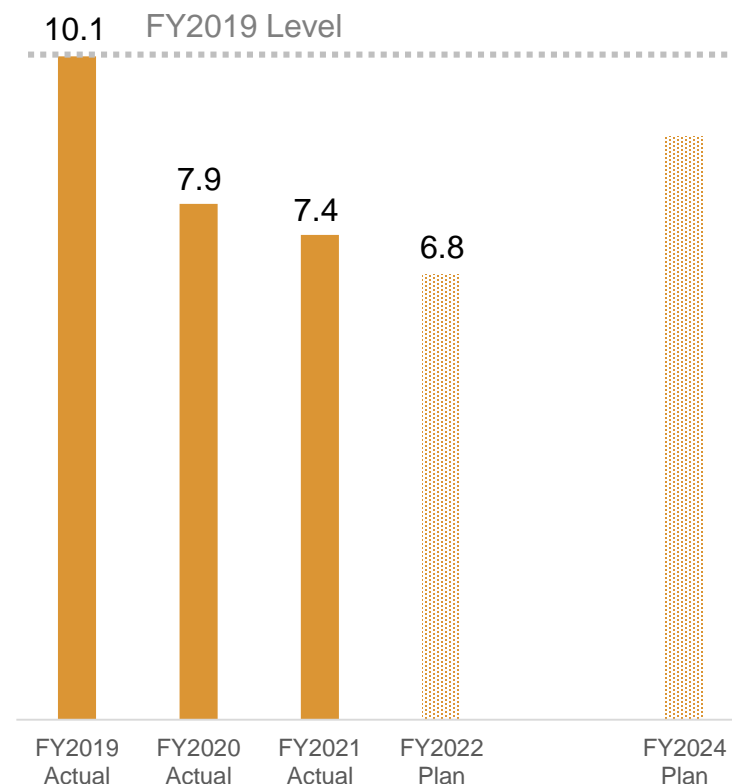
-Increase production capacity to reduce costs



Fuji Oil Ghana

Operating Profit Plan

(¥ billion)





1 Expanding sales in Brazil

Accelerate profitability improvement policies

- Launch operations at the second factory
(To begin in the 1st half of FY2023)
- Use a two-factory system with an existing factory running at full capacity to promote production optimization and efficiency
- Incorporate new high-value-added products and expand into new markets
- Promote price revisions to rapidly adapt to cost fluctuations



Filling chocolate new products



Sugar-free chocolate

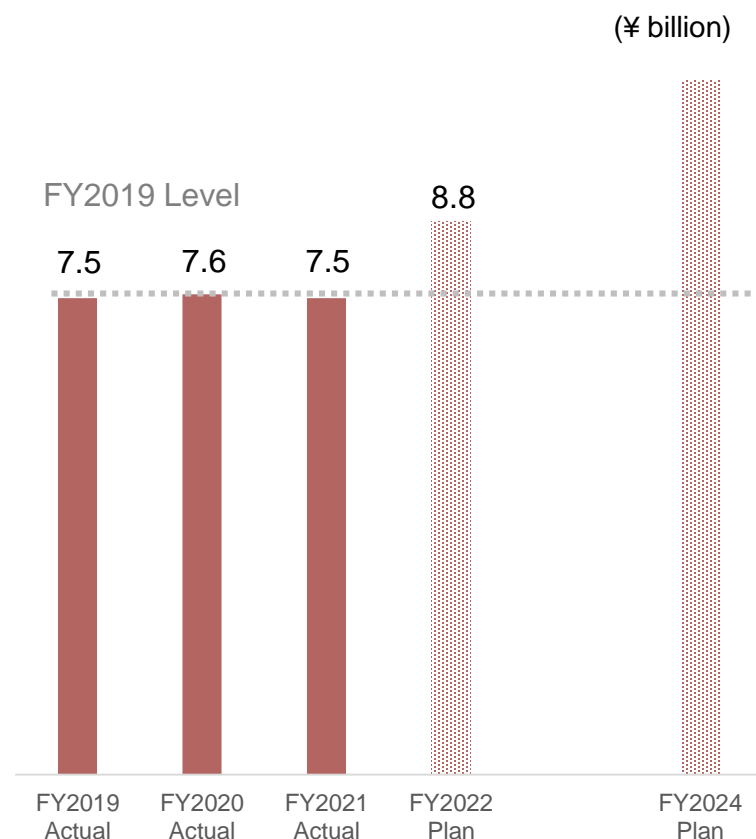
2 Focusing on product distinctiveness for the entire Group

- Health-conscious products
(Low-sugar chocolate, Protein chocolate, etc.)
- Products with improved functionality and convenience
(Filling chocolate, Molded chocolate)
- Using sustainable chocolate ingredients



Japan Low-sugar chocolate

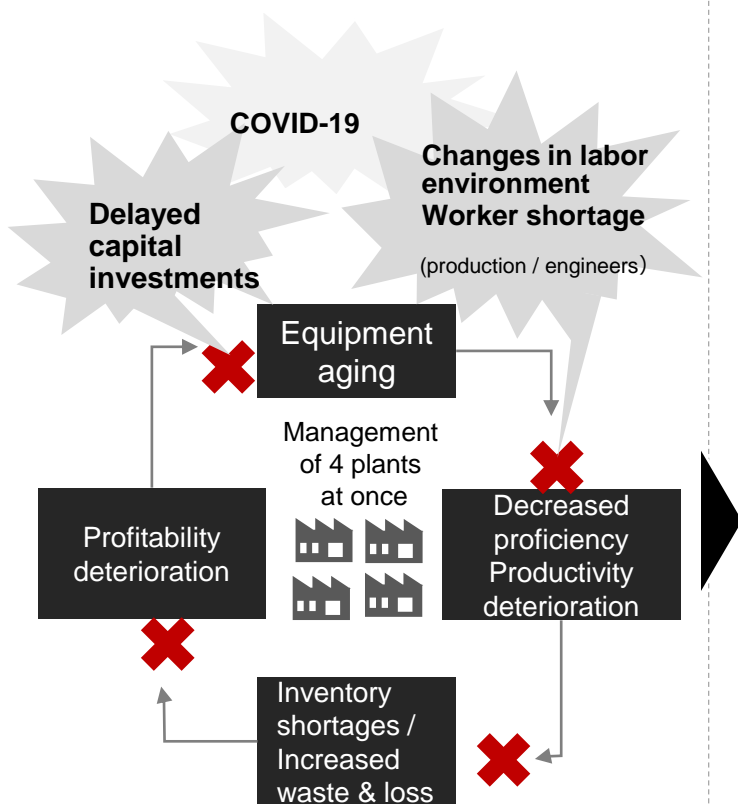
Operating Profit Plan



*FY2019 results are shown retroactively after the change to a 12-month fiscal year, as overseas subsidiaries have a 15-month fiscal year.



Delay in profit recovery



Delayed profit improvement due to the inability to complete the measures cycle due to a variety of factors

From FY2022: Change the business management system to make the improvement cycle a virtuous cycle.

Changes in Business Management Structure

- Establish COO position and strengthen company-wide operations management (Integrated management of sales, production, and development)
- Under the new COO position, four factories will be converted to a divisional structure, with discretionary authority given to each factory and centralized management of each factory.

● Undertake capital investments and personnel recruiting

- (1) Conduct optimal regional production, strengthen recruiting of engineers
- (2) Promote capital investments to address aging facilities and resolve bottlenecks (Planned investment of ¥10 billion over 3 years)

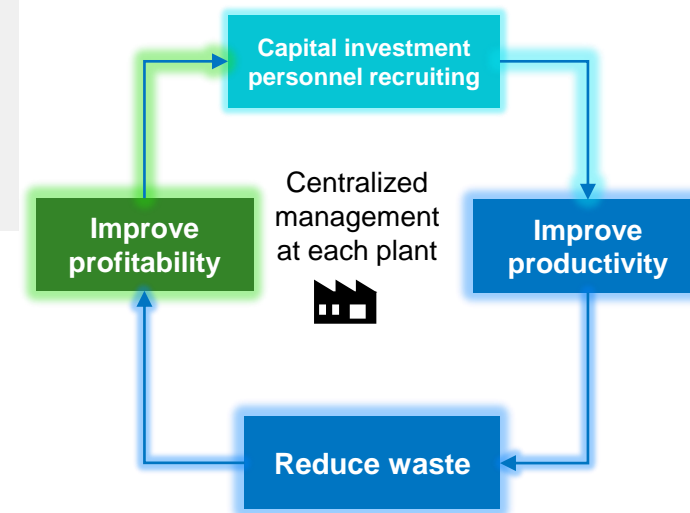
● Improve quality, productivity, and occupational safety

- Enhance support from Group headquarters and standardize management methods

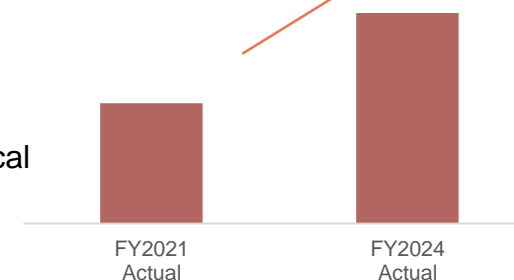
● Improve profitability

- Strengthen cost management, implement large-scale revisions in fiscal 2022
- Enhance portfolio of high-value-added products (sugar-free, etc.)

Improvement Cycle Becomes a Virtuous Circle



EBITDA is planned to be 1.7 times





Emulsified and Fermented Ingredients Business: Points

1 Promote growth strategy for the Chinese market

Expand sales by launching operations at new cream factory, increasing capacity for filling products at the No. 2 factory

- Aggressively launch new products
- Develop web-based applications



WEB lecture

2 Strengthen business profitability management and pricing strategies

Strengthen management for business axis in South East Asia region

- Strengthen product and market matrix management to manage business profitability
- Ensure appropriate pricing and strengthen monitoring system

3 Initiatives focused on new business creation



- Shift to higher value-added products

In addition to existing products, launch new products more centered on PBF

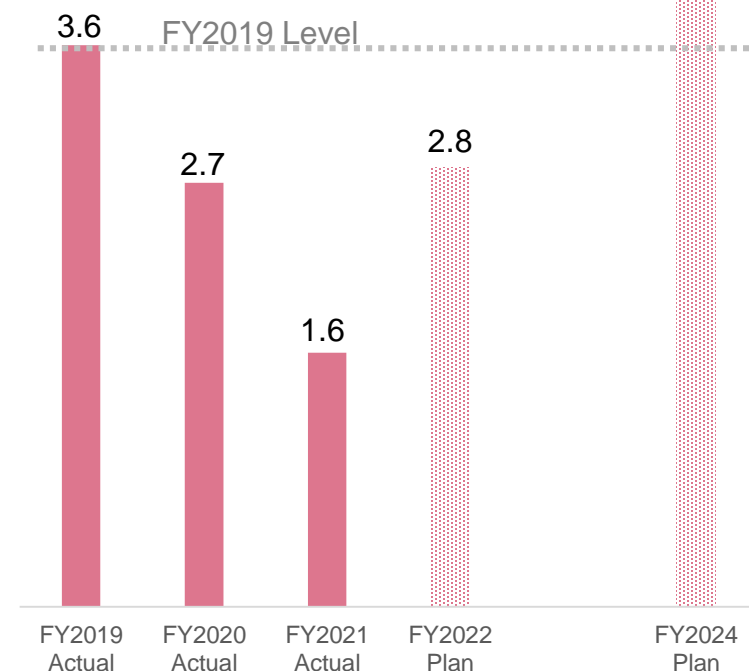
-Attempt to expand into new sales methods and markets

Strengthening expansion into specific multiple markets through EC



Operating Profit Plan

(¥ billion)



*FY2019 results are shown retroactively after the change to a 12-month fiscal year, as overseas subsidiaries have a 15-month fiscal year.

*Retroactively adjusted figures are shown due to the reclassification of soy milk and USS soy milk products from the Soy-Based ingredients Business to the Emulsified and Fermented Ingredients Business from FY2021.

Soy-Based Ingredients Business: Points

1 Japan: Shift to distinctive areas

Strengthen business profitability management and pricing optimization

-Appropriate added value for quality premium associated with products made in Japan

Focus on value-added products

-Expand sales of products for beverages, health and nutrition, and confectionery, and soy protein ingredients (powdered, textured)



Use new plant to expand sales and improve profit

-Capture demand from market growth and improve profitability through price revisions and cost reductions



Expand soy meat based on new manufacturing methods

- Start development of products by combining oils and fats technologies to improve flavor, workability, and convenience



2 Pioneering new markets in Europe

Start of operations at new plant for soluble pea fiber in Germany (FY2022-)

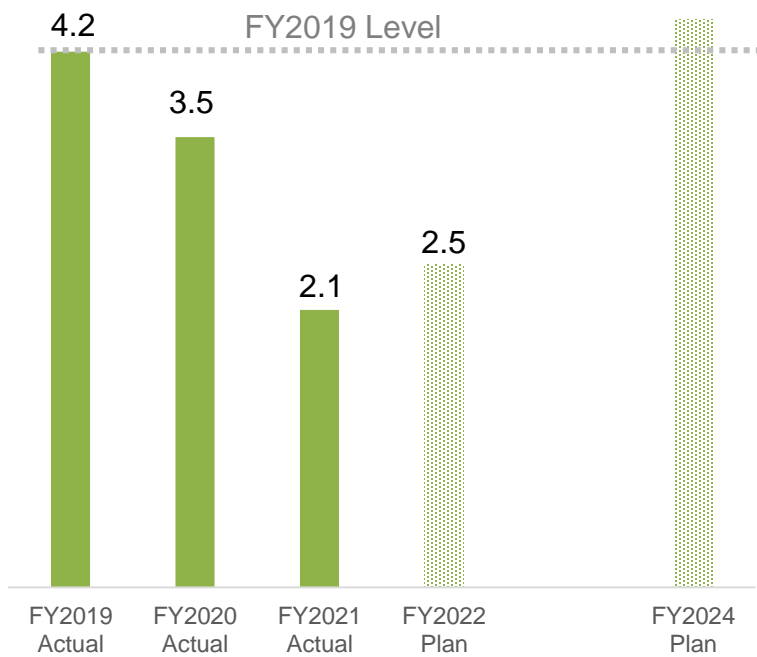
Expand sales in acidic milk drinks market



FUJI BRANDENBURG GmbH

Operating Profit Plan

(¥ billion)



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(1) Create Distinctive Products and Drive Activities

Promoting branding as a company-wide project*

Activity concept

Fuji Oil Group's "delicious and easy-to-understand" plant-based food (PBF) sets the standard for a new era through focusing on the health of people and the earth, increasing choice, and creating a world where all people can truly enjoy healthy and delicious food.

New technology, Killer products

Creating the next "surprisingly delicious" food only with plant-based
→ Increase choice of food

Flavor
Melt-in-mouth
texture



Various
textures

Flavor
/ Smell

Create surprisingly delicious
taste using compound
technology reactions
**Core technology for
delicious taste
unique to Fuji Oil**

→ Killer product creation

New Selling Methods and Destinations

- Sales method (EC, etc.)
- Strengthen branding focus
- Information dissemination



on new markets through

Accelerating expansion in
New business fields

Killer products
to drive shift
in stages

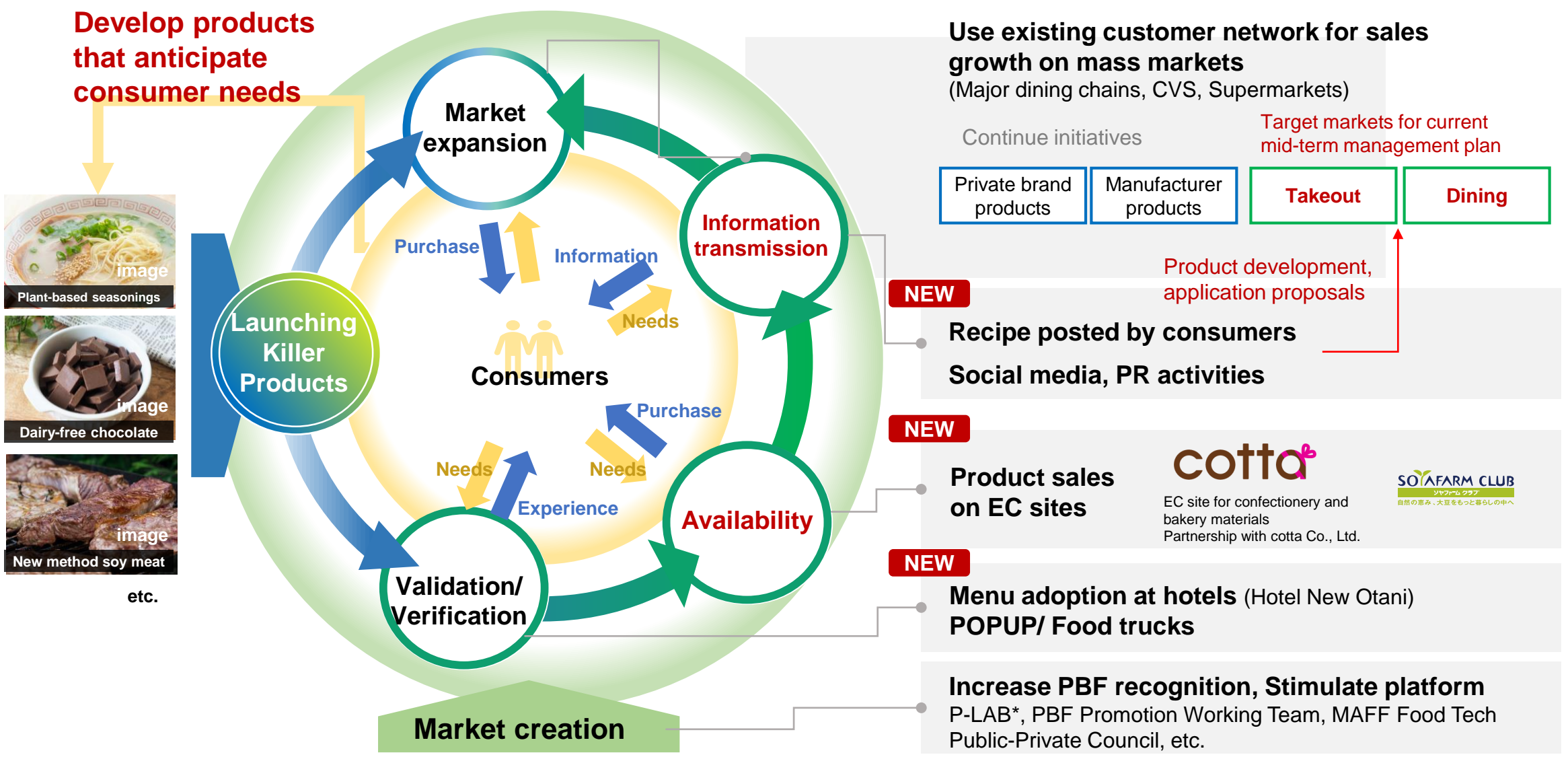
Requirements of killer products

Unique to Fuji Oil

- ✓ Solutions to social issues
- ✓ Uniqueness
- ✓ Easy to understand
- ✓ Health of people and community
- ✓ Surprisingly delicious

* New brand will be announced soon.

(2) Create New Business Cycle to Develop Highly Profitable Business



**General Incorporated Association Plant Based Lifestyle Lab (P-LAB): Established in March 2021 by 15 supporting companies from across sectors with the aim of realizing a sustainable society by promoting a lifestyle with PBF, and became a general incorporated association in October (currently 42 companies in total; Representative Director: Pasona Group Inc.; Directors: Kagome Co., Ltd, FUJI OIL HOLDINGS INC.; Auditor: Pasco Shikishima Corporation)

Key Policy
②③

Strengthening Global Management
Enhancing Sustainability

Adopted FUJI ROIC as a tool to promote business portfolio management

$$\text{FUJI ROIC}^* = \frac{\text{operating profit after taxes}}{\text{working capital + fixed assets}}$$

* Replaced invested capital, the denominator, with non-current assets and working capital to ascertain and manage in each business.

Goal of FUJI ROIC management <Management based on ROIC tool>

$$\text{ROIC} = \frac{\text{operating profit}}{\text{net sales}} \times \frac{\text{net sales}}{\text{invested capital}} \times (1 - \text{tax rate}) = \text{After-tax operating profit margin} \times \text{Invested capital turnover ratio}$$

- Improve operating profit margin by restoration of core profitability, shifting to high value-added products, etc.
- Improve invested capital turnover by maintaining appropriate inventory levels, strengthening accounts receivable management, and carefully selecting capital investments
- Exceeding the cost of capital with limited resources
- Identifying investments

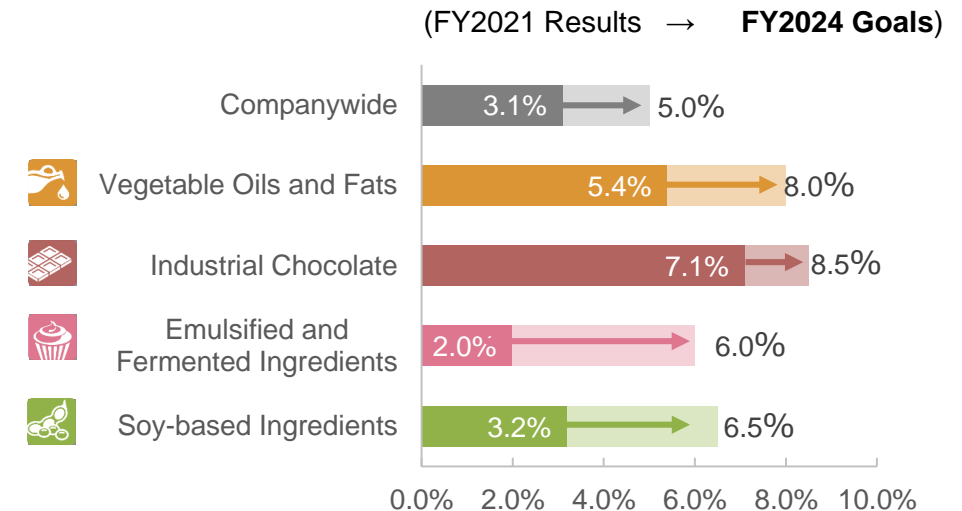
FY2024

-Companywide ROIC

Achieve assumed weighted average cost of capital (WACC) (5%) during mid-term management plan period

-ROIC of each business unit

Allocate management resources in business units to achieve assumed cost of capital (6%) (see next page)



Strengthen Business Segments and Improve Effectiveness

<Former>

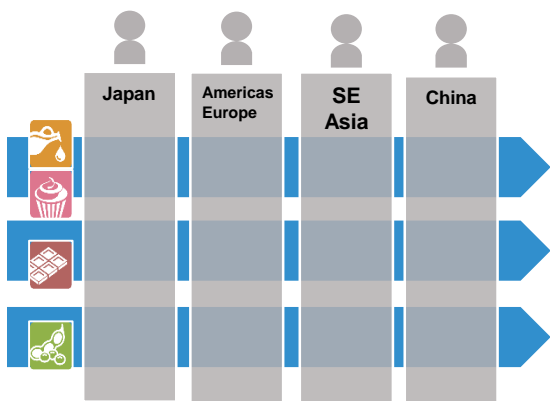
Organizational structure

● Each area

- Profit responsibility

● Business division

- Supports group-wide performance



<FY2022->

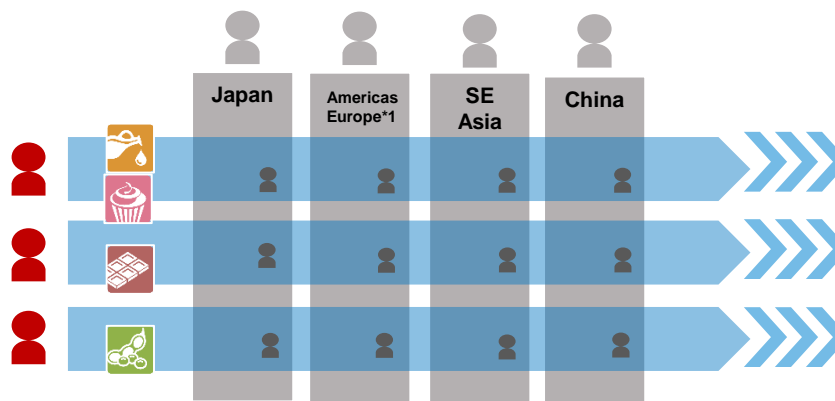
Organizational structure

● Each area

- Profit responsibility
- KPI promotion manager assigned by Group headquarters to strengthen functional axis design

● Business division

- Business unit manager **takes profit responsibility along each business axis** and collaborates with areas
- **Business divisions take lead** in purchasing raw materials and establishing SCM*2.
- Involvement in pricing and sales policies in each area by **strengthening product and market matrix management**



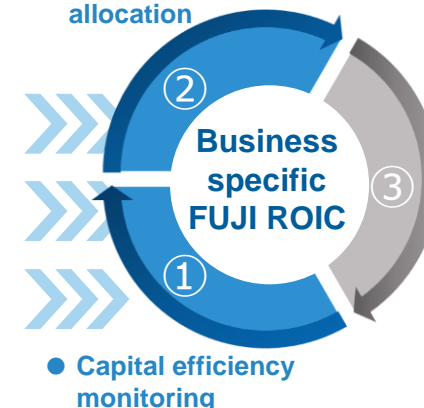
Management cycle

● Business division

Based on FUJI ROIC:

- (1) Monitor area strategy
- (2) Allocate management resources to strengthen business portfolio

● Management resource allocation



- Propose measures, execute investments

● Capital efficiency monitoring

*1 From FY2021, we restructured the control system for Europe and the Americas. Blommer and Harald changed to being under the direct control of the head office.

*2 Supply Chain Management

Utilizing Intangible Assets

Global R&D linked to business strategy



- Develop new technology rooted in resolving future issues
- Globally launch to market new products** based on concepts of sustainability and health-consciousness
- Speed up R&D by **forming link with business strategy and clear KPI management**
- Strengthen global R&D** by using the EU R&D Center as a second hub
- Global IP strategy to strengthen competitive advantage** through qualitative improvements

DX to enhance business management and Initiatives aimed at new business creation



- Adopt and develop a **uniform core system** for Group companies as a management platform for supporting growth
- Build and use an integrated database** to promote increased management visualization and optimization
- Use data visualization to **optimize supply chains and monitor management benchmarks on a business-specific basis**
- Business creation-type DX: Use internet to approach end users and use product sales to **develop new markets**
- Planning on IT investments of approx. ¥4 billion during 3-year period of the mid-term management plan

Utilizing human resources



- Promoting diversity, equity, and inclusion (DE&I)**
 - : Reform to corporate culture that generates innovation by promoting initiatives to address area-specific issues
- Hiring, development, and appropriate placement** of human resources to support global management
 - : Promote succession of area top management, expand provision of opportunities by ensuring appropriate placement
- Strengthen internal/external communication**
 - : Strengthen communication between management and Group employees, strengthen external dissemination (social media, etc.)

Promote Sustainability Strategy Linked to Management Strategy

About Fuji Oil Group sustainability management

The Group strives to provide solutions that meet the expectations of all stakeholders and create social value, thereby realizing a sustainable food future and enhancing the Group's corporate value. All employees of the Group will be agile enough to recognize social issues along the value chain, such as global environmental, human rights, and improving mental and physical well-being.

Sustainability initiatives heading into Stage 2
We will change conventional top-down promotion structure and organization to engage in **company-wide activities**.

High-priority policies

(1) Promote and brush up on Environmental Vision 2030

- Reduce CO₂ emissions (Scope1 & 2)
- To reduce CO₂ emissions (Scope3) we will start supplier engagement
- Create a roadmap to carbon neutrality, conformity with environmental vision target of 1.5°C
- Set new goals for Water Usage

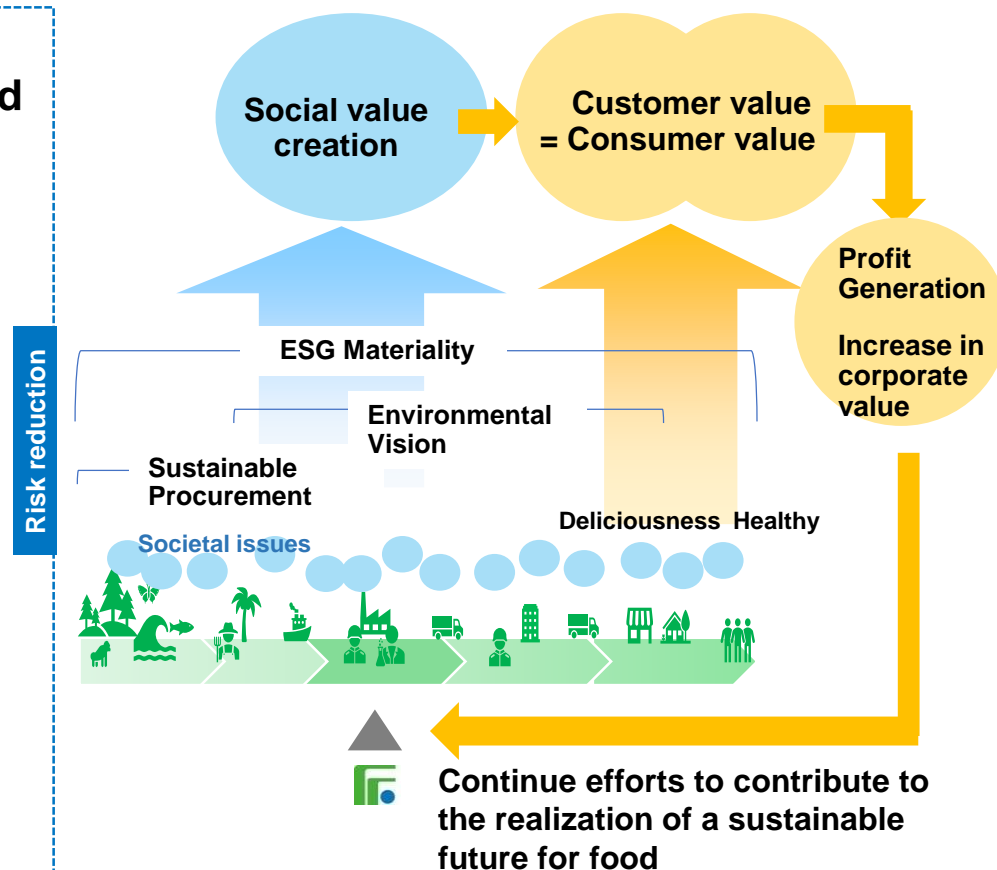
Advance adoption of ICP*1
Initiatives linked to business/area strategy

(2) Promote sustainable procurement (Palm oil, Cocoa, Soy, Shea kernels)*2

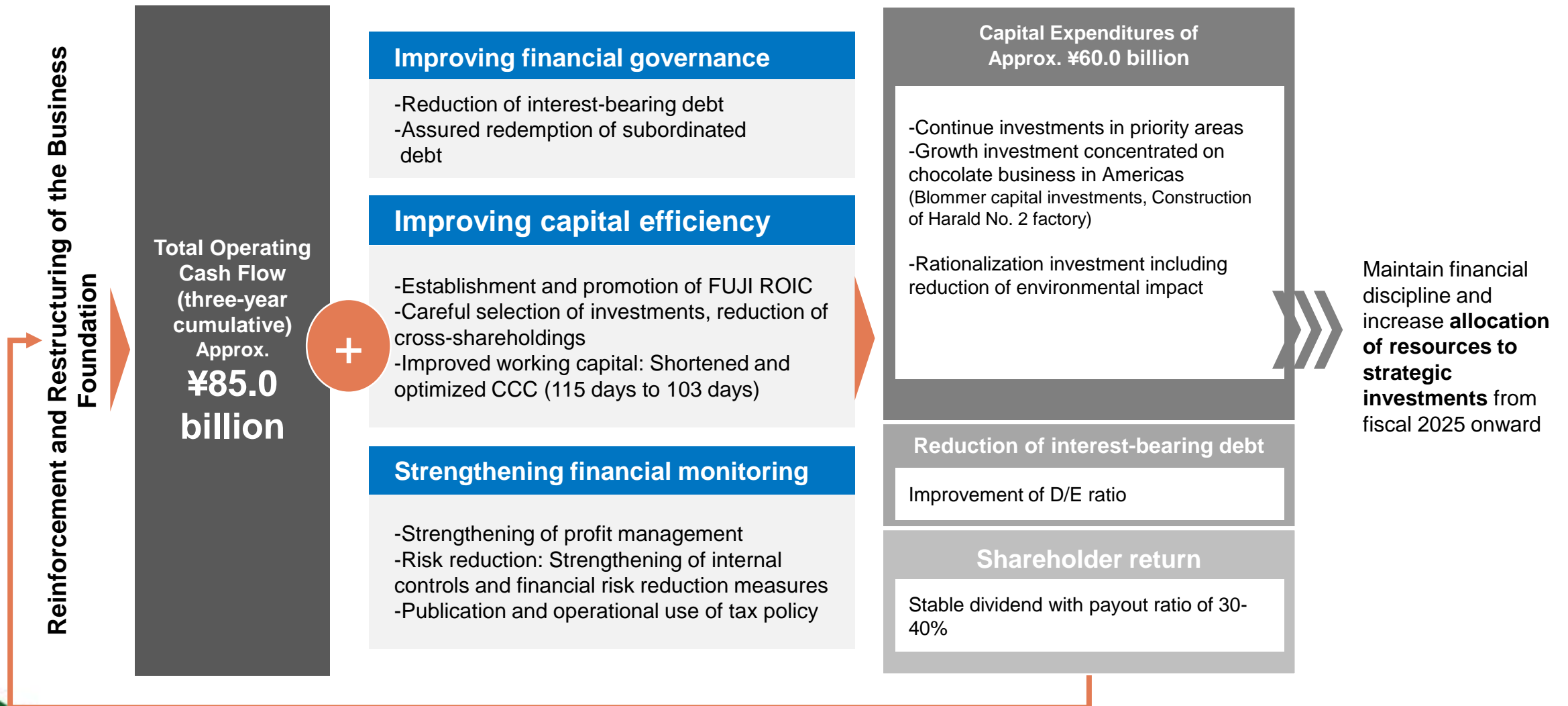
- Increase rate of procurement conforming to sustainable procurement policy
- Initiatives to address deforestation, child labor and human rights issues

(3) Biodiversity risk response and TNFD disclosure

- Create and publish Group biodiversity policy
- Create and disclose TNFD



Increase capital efficiency to improve financial structure



Strengthen Governance

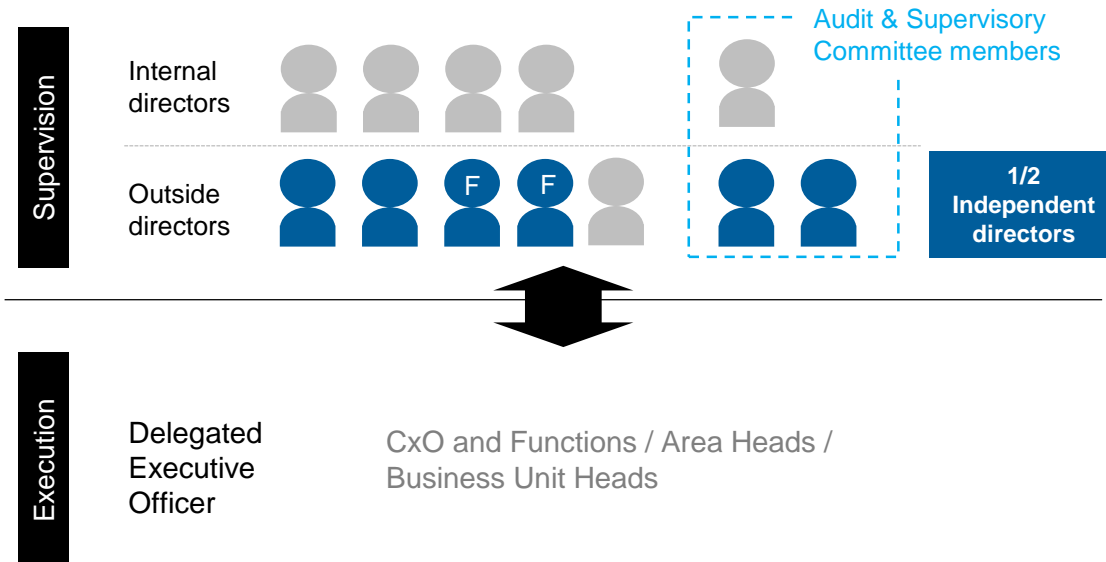
Further enhance of corporate governance

Transitioned to a Company with Audit and Supervisory Committee

Will be transitioned on same day of approval at the General Meeting of Shareholders on late June 2022

Aiming for sustainable growth and improvements to our corporate value

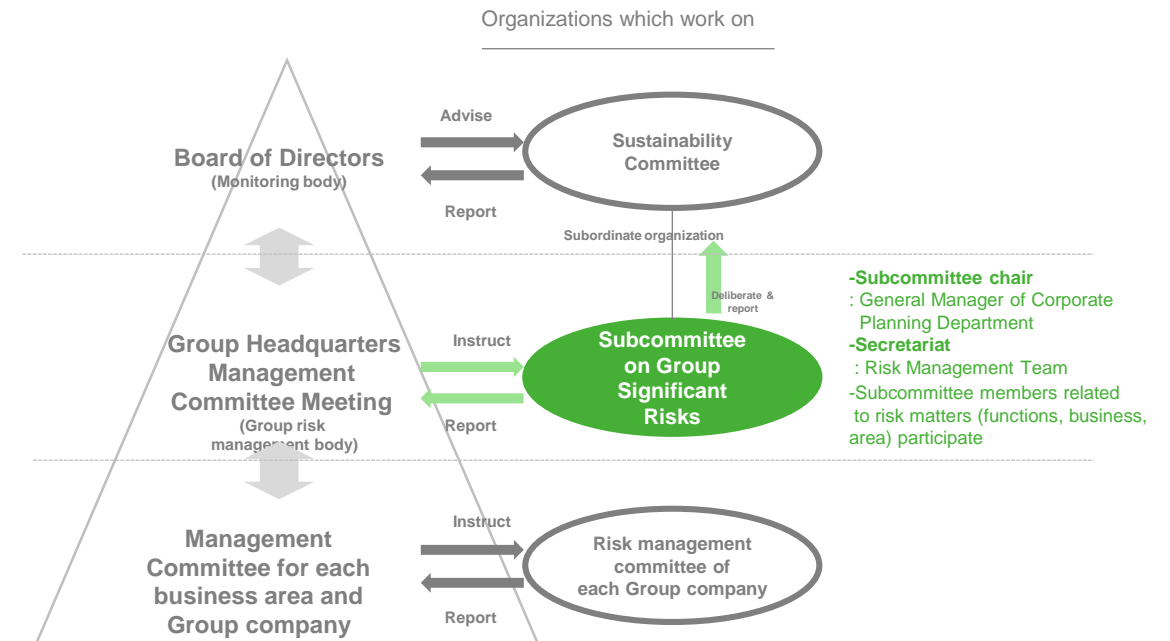
- Further strengthen Board of Directors to increase **management transparency and objectivity**
- Adopted Delegated Executive Officer System to **accelerate management decision-making** and promote the separation of business execution and supervision



Group governance (Risk management)

Strengthen risk management structure

- Launched **Subcommittee on Group Significant Risks** as an organization under the Sustainability Committee (Advisory body to the Board of Directors)
- Comprised of wide range of subcommittee members from various departments, functions, and areas to **promote the comprehensive identification of latent and apparent risks from diverse perspectives and enable the proposal of highly feasible response measures**



Conclusion





The forward-looking statements, including earnings forecasts, contained in this document are based on management's assumptions and beliefs in light of information currently available and involve risks and uncertainties, and are subject to change without notice. Actual results may differ materially due to a variety of factors.