

## FY2023Q4 Earnings Conference: Major Q&A

•Date/time	May 10, 2024 (Fri.) 11:00 - 12:00 (JST)		
•Speaker	President	CEO (Chief Executive Officer)	Mikio Sakai
	Director and Senior Executive Officer	CSO (Chief Strategy Officer)	Hiroyuki Tanaka
	Senior Executive Officer	President of FUJI OIL Co., Ltd.	Tatsuji Omori
	Senior Executive Officer	CFO (Chief Financial Officer)	Sunao Maeda

### Q. What impact do you think soaring cocoa prices will have?

- A. Soaring cocoa prices present risks in terms of cost increases for raw materials and a decline in chocolate demand. At the same time, we expect this will create opportunities such as increased demand of vegetable fats for chocolate and compound chocolate. Currently, we are seeing an increase in inquiries purchasing a higher volume and concerning the new adoption of vegetable fats for chocolate. We expect these to materialize from 4Q/FY2024 onward and are advancing preparations towards increasing production of vegetable fats for chocolate to meet demand. Over the long term, we think demand for vegetable fats for chocolate and compound chocolate will increase even further due to increasing chocolate consumption and cocoa supply shortages.

### Q. Regarding the FY2024 plan for Blommer.

- A. In addition to the reduction of fixed costs attributable to closing the Chicago plant, we also project that FY2024 will see a significant improvement in profit on sales price measures to reflect raw material prices as well as overhead attributable to rising interest rates. Also, from FY2024, we will change the Blommer P/L statement consolidation period to April through March of the following year. Profit/losses for February and March 2024 will be adjusted as changes in income surplus on the balance sheet for 1Q/FY2024.

### Q. What is the background behind FY2024 consolidated operating profit being weighted heavily towards 2H, with a 1H forecast of 7.0 billion yen and a 2H forecast of 13.0 billion yen?

- A. The closure of the Blommer Chicago plant is scheduled for the end of May, so we expect that the benefits of profit improvements, including the relocation of Chicago-manufactured products to the other plants, will manifest in 2H.

### Q. What is the background behind the strong performance for the Vegetable Oils and Fats Business in Europe?

- A. In Europe, there is an increasing need for sustainable procurement that is traceable and based on environmentally and human rights practices. Additionally, needs are increasing for products with controlled low content of contaminants in oils and fats. The Fuji Oil Group is able to stably provide sustainable products with excellent quality control, and these traits are being favorably viewed by customers.

### Q. You have strengthened your management platform by adopting and utilizing FUJI ROIC and plant productivity indexes. What are issues related to further enhancing your management platform and further reevaluating your business portfolio?

- A. As efforts to strengthen our platform through FUJI ROIC, we have made progress in improving Vegetable Oils and Fats Business and Emulsified and Fermented Ingredients Business. On the other hand, in Industrial Chocolate Business, we are implementing structural reforms at Blommer. For Soy-based Ingredients Business, we are restructuring plants manufacturing soy protein food products. We will also accelerate initiatives for Emulsified and

Fermented Ingredients Business in Southeast Asia and China, where improvements to FUJI ROIC have taken longer than expected. During the next Mid-Term Management Plan, we will give due consideration to capital efficiency while using this enhanced platform as a foundation for investing in businesses with promising growth potential.