

FY2024 1H

FUJI OIL HOLDINGS INC. FY2024 First Half Earnings Conference Materials

November 11, 2024

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FY2024 First Half Results

FY2024 First Half Results

Unit: JPY billion

	FY2023 1H Results	FY2024 1H Results	YOY	FY2024 1H Rev. Forecast (Aug. 2024)
Net Sales	271.0	316.0	+44.9	315.0
Operating Profit	8.8	4.7	(4.1)	9.0
Blommer Cocoa Special Factors	-	(9.9)	-	(3.1)
Substantive Operating Profit excluding Cocoa Special Factors	-	14.6	-	12.1
Ordinary Profit	8.3	2.4	(5.9)	6.5
Profit Attributable to Owners of Parent	12.4	1.0	(11.4)	4.0

Net Sales **316.0** billion yen **YOY + 44.9** billion yen

Net sales increased thanks to higher sales prices to reflect higher raw material prices on Industrial Chocolate Business, increased sales volume in Southeast Asia on Vegetable Oils and Fats Business, and the effect of yen depreciation.

Operating Profit **4.7** billion yen **YOY - 4.1** billion yen

Operating profit decreased due to an increase in cocoa-related special factors (hereinafter, referred to as "Cocoa Special Factors ") at Blommer in the U.S., despite higher sales of Vegetable fats for chocolate CBE* in Southeast Asia on Vegetable Oils and Fats Business and increased sales volume in Japan and Southeast Asia on Industrial Chocolate Business.

Profit Attributable to Owners of Parent
1.0 billion yen **YOY - 11.4** billion yen

Profit attributable to owners of parent decreased due to the rebound from having recorded extraordinary income from the transfer of the fixed assets of Fuji Oil New Orleans, LLC in the same period of previous fiscal year as well as decreased operating profit.

* CBE Abbreviation for Cocoa Butter Equivalent. Vegetable fats for chocolate with properties similar to cocoa butter. The main raw materials are palm, sunflower, and shea. It is also possible to add functionality that cocoa butter does not have.

Note: Due to a change in the accounting period of Blommer in Industrial Chocolate Business, we consolidated Blommer's profit and loss from February to July 2023 for 1H/FY2023, and from April to September 2024 for 1H/FY2024.

FY2024 First Half Results by Business

Unit: JPY billion

	FY2023 1H Results	FY2024 1H Results	YOY
Net Sales	271.0	316.0	+44.9
Vegetable Oils and Fats	92.8	96.7	+3.9
Industrial Chocolate	116.6	155.9	+39.3
Emulsified and Fermented Ingredients	43.6	45.3	+1.7
Soy-based Ingredients	18.0	18.1	+0.1
Operating Profit	8.8	4.7	(4.1)
Vegetable Oils and Fats	7.5	10.8	+3.3
Industrial Chocolate	0.7	(6.6)	(7.3)
Industrial Chocolate excluding Cocoa Special Factors	-	3.3	-
Emulsified and Fermented Ingredients	1.4	1.7	+0.3
Soy-based Ingredients	1.0	0.8	(0.2)
Group Administrative Expenses	(1.8)	(2.1)	(0.3)
Operating Margin	3.2%	1.5%	(1.8pt)

Operating Profit by Business



Vegetable Oils and Fats

- Sales of Vegetable fats for chocolate CBE increased in Japan, Southeast Asia, and Europe.
- Profitability improved thanks to stable raw material prices.



Industrial Chocolate

- Sales for souvenir and ice cream increased in Japan.
- Sales for bakery increased in Southeast Asia.
- Operating profit decreased due to Cocoa Special Factors at Blommer in the U.S., despite a decrease in fixed costs due to the closure of Chicago plant.



Emulsified and Fermented Ingredients

- Sales of margarine and filling for bakery were firm in Japan.
- Sales volume of preparations for Japan increased in Southeast Asia.



Soy-based Ingredients

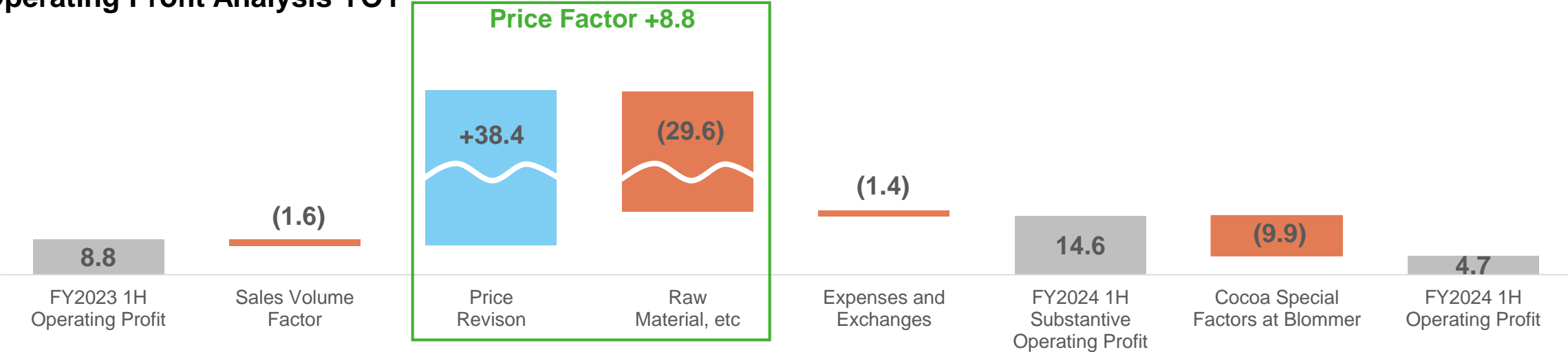
- Sales volume decreased in Japan.

FY2024 First Half Operating Profit Analysis YOY

Substantive operating profit was 14.6 billion yen, driven by CBE and Compound chocolate.
On the other hand, Cocoa Special Factors at Blommer were significant.

Operating Profit Analysis YOY

Unit: JPY billion



Sales Volume Factor	The decline was mainly due to lower sales resulting from the closure of Chicago plant at Blommer. Sales increased in Southeast Asia on Vegetable Oils and Fats Business and in Japan and Southeast Asia on Industrial Chocolate Business.
Price Factor	Sales prices were revised to reflect higher cocoa prices on Industrial Chocolate Business.
Expenses and Exchanges	Labor and other costs increased in each group company despite a decrease in fixed costs due to the closure of Chicago plant at Blommer.
Cocoa Special Factors at Blommer	Costs on switching contract month of future and sales timing difference increased significantly due to higher cocoa prices. (See pages 7~10 for Cocoa Special Factors.)

* Cocoa Special Factors is included in Raw Material Price but is shown as a separate item in the waterfall chart.

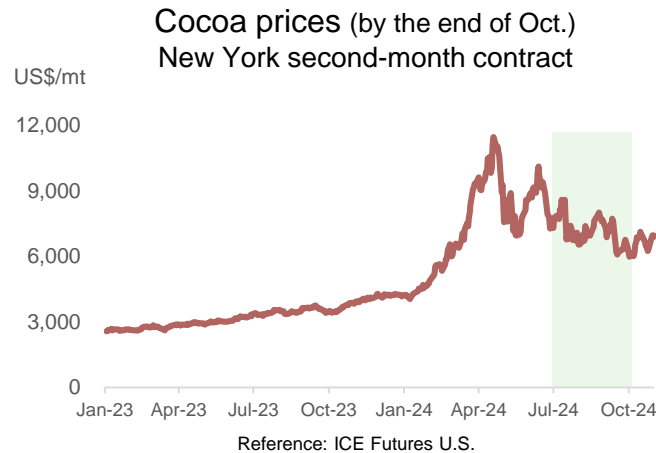
Environment Surrounding Blommer in the Second Quarter -1

Costs on switching contract month of future increased because cocoa prices remained volatile and far-month contract continued to be lower in the second quarter.

External Environment in the Second Quarter (Three Months)

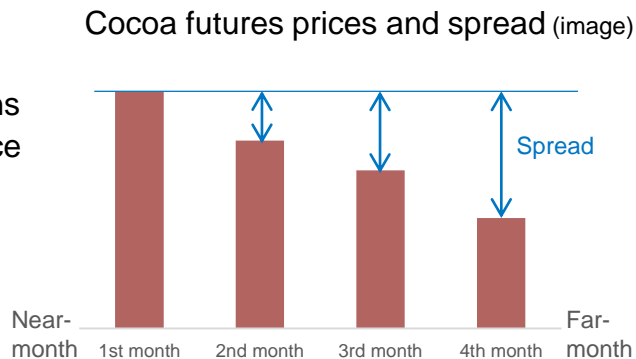
Cocoa Prices

From July to September 2024, the cocoa prices trended to fall after the sharp rise in April, but the outlook for the supply of cocoa harvested in 2024 (new crop) was uncertain, and the prices remained volatile.



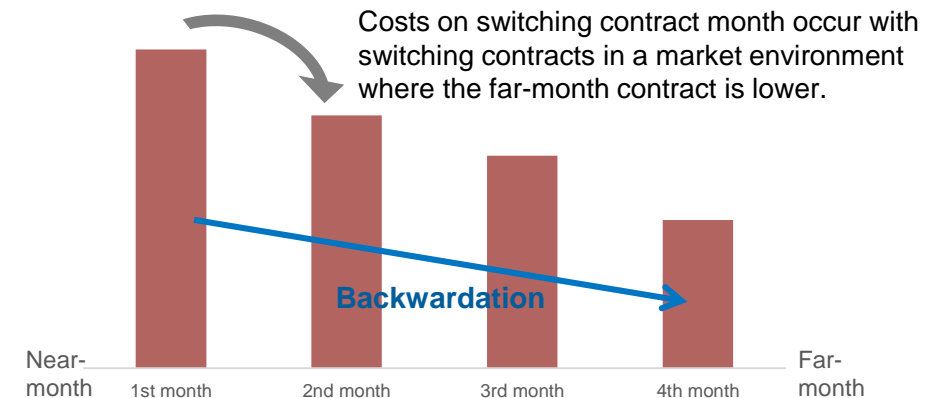
Cocoa Futures Contract Spread

Concerns about a shortage of cocoa kept near-month cocoa prices high. However, expectations for the new crop led to limited price fluctuations in the futures market, and the spread between near-month and far-month prices widened sharply.



Impact of Widened Spread on Blommer

Blommer hedges the risk of cocoa prices fluctuations with the futures market. The spread between contract months on the futures market widened sharply, resulting in a significant increase in costs on switching contract month of futures. The company revised the sales prices, but it was not enough to cover all the cost increases, and a significant operating loss was recorded.



Environment Surrounding Blommer in the Second Quarter -2

At the start of the second half, the spread between contract months narrowed significantly. We continue to revise sales prices.

Spread Trends

In the first quarter, near-month cocoa prices rose due to concerns about the supply, and the spread widened. In the second quarter, while the cocoa prices remained high, the spread widened further as the futures prices weakened due to expectations of the new crop harvest. However, in the third quarter, the spread has narrowed significantly.



Note: According to our research
Spread = the first contract month – the second contract month

Impact on Blommer and Measures to Improve Costs on Switching Contract Month of Future

FY2024 1H

The spread widened step by step from the first quarter onward, and the costs on switching contract month of future increased sharply. The company proceeded with revisions to sales prices, but the effect will not be seen until the second half. As a result, costs on switching contract month of future, including other related costs, amounted to -9.2 billion.

From FY2024 2H Onward

The spread will narrow significantly due to expectations of the harvest of new crops and improved supply. The company will steadily revise prices, reduce losses in the first half, and strengthen its management structure.

Analysis of Blommer's Performance in the Second Quarter

Although the valuation of futures and the timing difference were in line with our forecast, costs on switching contract month of future occurred drastically, and operating profit for the first half decreased significantly.

(Unit: billion yen)

	FY2023 1H Results	FY2024 Q1 Results	FY2024 Q2 Results	FY2024 1H Results	YOY
Sales Volume (YOY)	-	84%	77%	80%	-
Net Sales	62.7	43.8	46.8	90.6	+27.9
Operating Profit (excluding amortization of goodwill)	(1.2)	1.3	(12.7)	(11.4)	(10.2)
Cocoa Special Factors	-	2.2	(12.1)	(9.9)	-
Operating Profit excluding Cocoa Special Factors (excluding amortization of goodwill)	(1.2)	(0.8)	(0.6)	(1.4)	(0.3)

* Amortization of goodwill is in a broad sense.

		Q1 Results	Q1 Results and Q2 Estimates		Q2 Results	Q2 Results
Cocoa Special Factors	Valuation of Futures	2.2	Gains on valuation of futures of 2.2 billion yen were recorded in Q1. Losses on valuation of futures were expected to be recorded in Q2.	➔	(0.4)	Valuation of futures did not change significantly in Q2 (3 months).
	Sales Timing Difference	—	In Q2, we expected a timing difference of -3.1 billion yen due to a rise in the purchase prices prior to the sales prices.	➔	(2.5)	Losses occurred due to a timing difference caused by a decrease in chocolate demand, etc.
	Costs on Switching Contract Month of Future	—	We expected the spread on cocoa futures market to remain at the same level as in Q1.	➔	(9.2)	Cocoa futures contract spread rapidly widened from late July, and the costs on switching contract month of future increased significantly.
Operating Profit excluding Cocoa Special Factors (excluding amortization of goodwill)		(0.8)	Sales volume was in line with our forecast. Decrease in costs due to the closure of Chicago plant.	➔	(0.6)	Sales of pure chocolate decreased. Additional costs by the closure of Chicago plant occurred.

Second Half Forecast of Blommer and Actions

Although cost reduction effects thorough the closure of Chicago plant and improvement in Cocoa Special Factors are expected in the second half, improvement in performance will be slower than the initial forecast.

(Unit: billion yen)

	FY2024 Rev. 2H Forecast	FY2024 Rev. Full-Year Forecast	FY2024 Init. Full-Year Forecast	FY2023 Full-Year Results
Net Sales	87.6	178.2	146.1	132.1
Operating Profit (excluding amortization of goodwill)	4.9	(6.5)	1.0	(5.2)
Cocoa Special Factors	3.0	(6.9)	-	-
Operating Profit excluding Cocoa Special Factors (excluding amortization of goodwill)	1.9	0.4	-	-

* Amortization of goodwill is in a broad sense.

2H Forecast

Cocoa Special Factors	Valuation of Futures	1.5	We expect gains on valuation of futures due to the decline in cocoa futures prices towards to the end of 2024 fiscal year.
	Sales Timing Difference	(1.0)	Sales timing difference partially will continue, although we expect to improve it due to higher sales prices and lower purchase prices.
	Costs on Switching Contract Month of Future	2.5	We expect the effects of sales price revisions implemented in the first half to be seen in the second half.

Initiatives to Improve Core Profitability

Through steadily implementing the structural reforms announced in March 2024, we have worked to restore profitability and reduced volatility by optimizing the cocoa processing business. In addition, in order to reduce costs on switching contract month of future that occurred in the first half, we have revised the sales prices to customers, reviewed our management system, and strengthen our revenue and risk management.

Progress of Structural Reform

Closure of Chicago Plant

Cost reduction effect in the first half was US\$13 million*. We expect to achieve our goal for the full-year as planned.
* Net of fixed cost reductions by closure of plant and decrease in gross profit.

Optimization of Cocoa Processing Business

Cocoa processing business has been downsized due to the closure of Chicago plant. Cocoa bean inventory volume is also being reduced and will continue through the next fiscal year.

Promotion of Differentiation Strategy

Marketing of ELEVATE (CBE Chocolate) is going well. We will expand sales.



ELEVATE with CBE

FY2024 First Half Results (by Business, Area)

Unit: JPY million

Net Sales	FY	Japan		Americas		SE Asia		China		Europe		Consolidated Total	
			YOY		YOY		YOY		YOY		YOY		YOY
Vegetable Oils and Fats	FY2024 1H	29,549	+1,809	27,804	(5,542)	17,970	+6,409	1,878	+129	19,492	+1,099	96,695	+3,906
	FY2023 1H	27,740	+1,321	33,347	(6,737)	11,560	(5,366)	1,748	(24)	18,392	+2,236	92,789	(8,570)
	FY2022 1H	26,419	-	40,084	-	16,927	-	1,772	-	16,156	-	101,360	-
Industrial Chocolate	FY2024 1H	24,838	+3,451	106,954	+29,136	13,078	+3,919	5,553	+2,153	5,491	+644	155,915	+39,304
	FY2023 1H	21,386	+2,020	77,818	+5,898	9,159	+1,420	3,400	+356	4,846	+1,410	116,611	+11,105
	FY2022 1H	19,366	-	71,920	-	7,739	-	3,043	-	3,436	-	105,505	-
Emulsified and Fermented Ingredients	FY2024 1H	29,097	+784	-	-	7,806	+714	8,377	+159	-	-	45,281	+1,658
	FY2023 1H	28,313	+988	-	-	7,091	(1,029)	8,217	(985)	-	-	43,622	(1,026)
	FY2022 1H	27,325	-	-	-	8,120	-	9,203	-	-	-	44,648	-
Soy-based Ingredients	FY2024 1H	17,701	+154	-	-	-	-	334	(133)	30	+30	18,066	+51
	FY2023 1H	17,546	+1,188	-	-	-	-	468	(57)	0	+0	18,014	+1,131
	FY2022 1H	16,357	-	-	-	-	-	525	-	-	-	16,883	-
Net Sales Total	FY2024 1H	101,187	+6,199	134,759	+23,593	38,855	+11,044	16,143	+2,308	25,014	+1,774	315,959	+44,921
	FY2023 1H	94,987	+5,518	111,165	(839)	27,811	(4,975)	13,834	(710)	23,239	+3,646	271,038	+2,639
	FY2022 1H	89,468	-	112,004	-	32,787	-	14,545	-	19,593	-	268,398	-

Operating Profit	FY	Japan		Americas		SE Asia		China		Europe		Consolidated Adjustment		Group Administrative Expenses		Consolidated Total	
			YOY		YOY		YOY		YOY		YOY		YOY		YOY		YOY
Vegetable Oils and Fats	FY2024 1H	3,634	+800	2,580	+151	2,670	+2,040	99	+96	1,863	+355	(5)	(139)	-	-	10,842	+3,305
	FY2023 1H	2,833	+1,918	2,428	+2,568	630	(1,715)	3	+96	1,507	+978	133	+351	-	-	7,536	+4,198
	FY2022 1H	915	-	(140)	-	2,346	-	(93)	-	529	-	(218)	-	-	-	3,338	-
Industrial Chocolate	FY2024 1H	3,282	+636	(12,704)	(9,803)	1,797	+1,221	420	+405	664	+339	(78)	(109)	-	-	(6,617)	(7,308)
	FY2023 1H	2,646	+322	(2,900)	(2,921)	575	+411	14	+81	325	+179	30	(25)	-	-	691	(1,952)
	FY2022 1H	2,323	-	21	-	164	-	(66)	-	145	-	56	-	-	-	2,644	-
Emulsified and Fermented Ingredients	FY2024 1H	1,680	+295	-	-	127	+253	64	(120)	-	-	(131)	(133)	-	-	1,741	+294
	FY2023 1H	1,385	+598	-	-	(126)	+520	184	+386	-	-	2	(101)	-	-	1,446	+1,403
	FY2022 1H	787	-	-	-	(647)	-	(201)	-	-	-	103	-	-	-	42	-
Soy-based Ingredients	FY2024 1H	1,026	(170)	-	-	-	-	82	(30)	(400)	(9)	92	+39	-	-	801	(170)
	FY2023 1H	1,197	+272	-	-	-	-	113	(38)	(391)	(256)	52	+58	-	-	972	+36
	FY2022 1H	924	-	-	-	-	-	152	-	(134)	-	(6)	-	-	-	935	-
Consolidated Adjustment	FY2024 1H	65	(1)	(21)	(9)	(29)	(51)	6	+5	29	(37)	(131)	+19	-	-	(80)	(75)
	FY2023 1H	67	(24)	(11)	(7)	21	+29	1	(9)	67	+139	(150)	(115)	-	-	(4)	+10
	FY2022 1H	92	-	(3)	-	(7)	-	10	-	(71)	-	(34)	-	-	-	(14)	-
Group Administrative Expenses	FY2024 1H	-	-	-	-	-	-	-	-	-	-	-	-	(2,031)	(189)	(2,031)	(189)
	FY2023 1H	-	-	-	-	-	-	-	-	-	-	-	-	(1,842)	+38	(1,842)	+38
	FY2022 1H	-	-	-	-	-	-	-	-	-	-	-	-	(1,880)	-	(1,880)	-
Operating Profit Total	FY2024 1H	9,690	+1,561	(10,145)	(9,661)	4,566	+3,463	673	+355	2,157	+648	(254)	(323)	(2,031)	(189)	4,655	(4,144)
	FY2023 1H	8,129	+3,086	(484)	(360)	1,102	(753)	317	+516	1,509	+1,041	68	+166	(1,842)	+38	8,800	+3,735
	FY2022 1H	5,042	-	(123)	-	1,856	-	(199)	-	468	-	(98)	-	(1,880)	-	5,065	-

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FY2024 Full-Year Forecast

FY2024 Full-Year Forecast

Unit: JPY billion

	FY2023 Results	FY2024 Rev. Forecast	YOY	FY2024 Init. Forecast
Net Sales	564.1	645.0	+80.9	600.0
Operating Profit	18.2	23.5	+5.3	20.0
Blommer Cocoa Special Factors	-	(6.9)	-	-
Substantive Operating Profit excluding Cocoa Special Factors	-	30.4	-	-
Ordinary Profit	16.8	18.5	+1.7	16.0
Profit Attributable to Owners of Parent	6.5	12.0	+5.5	10.0

Net Sales **645.0** billion yen **YOY + 80.9** billion yen

Planning on an increase in net sales thanks to higher sales prices to reflect higher raw material prices on Industrial Chocolate Business, increased sales volume in Southeast Asia on Vegetable Oils and Fats Business.

Operating Profit **23.5** billion yen **YOY + 5.3** billion yen

Planning on an increase in operating profit thanks to higher sales of Vegetable fats for chocolate CBE in Southeast Asia on Vegetable Oils and Fats Business and increased sales volume in Southeast Asia and the others in Industrial Chocolate Business, although Cocoa Special Factors will occur at Blommer in the U.S.

Profit Attributable to Owners of Parent
12.0 billion yen **YOY + 5.5** billion yen

Planning on an increase in profit attributable to owners of parent thanks to the rebound from having recorded extraordinary losses of Blommer as well as an increase in operating profit.

* Due to a change in the accounting period of Blommer in Industrial Chocolate Business, we consolidated Blommer's profit and loss from February 2023 to January 2024 for FY2023, and from April 2024 to March 2025 for FY2024.

FY2024 Full-Year Forecast by Business

Unit: JPY billion

	FY2023 Results	FY2024 Rev. Forecast	YOY	FY2024 Init. Forecast
Net Sales	564.1	645.0	+80.9	600.0
Vegetable Oils and Fats	185.4	195.6	+10.2	187.4
Industrial Chocolate	253.4	322.1	+68.7	280.5
Emulsified and Fermented Ingredients	89.9	91.6	+1.7	95.0
Soy-based Ingredients	35.5	35.7	+0.2	37.1
Operating Profit	18.2	23.5	+5.3	20.0
Vegetable Oils and Fats	15.4	19.6	+4.1	12.3
Industrial Chocolate	1.8	4.5	+2.6	7.4
Industrial Chocolate excluding Cocoa Special Factors	-	11.4	-	-
Emulsified and Fermented Ingredients	3.8	3.1	(0.7)	3.5
Soy-based Ingredients	1.0	0.9	(0.2)	1.4
Group Administrative Expenses	(3.9)	(4.5)	(0.6)	(4.6)
Operating Margin	3.2%	3.6%	+0.4pt	3.3%

Operating Profit by Business



Vegetable Oils and Fats

Planning to an increase in profit thanks to improved profitability to reflect stable raw material prices in the first half, and higher sales of Vegetable fats for chocolate CBE mainly in Southeast Asia.



Industrial Chocolate

Planning to an increase in profit thanks to sales price revisions to reflect higher cocoa prices and firm sales of Compound chocolate in each area, although Cocoa Special Factors will occur at Blommer.



Emulsified and Fermented Ingredients

Planning to a decrease in profit due to lower sales volume in Japan and lower profitability in China, although sales are expected to recover in Southeast Asia.



Soy-based Ingredients

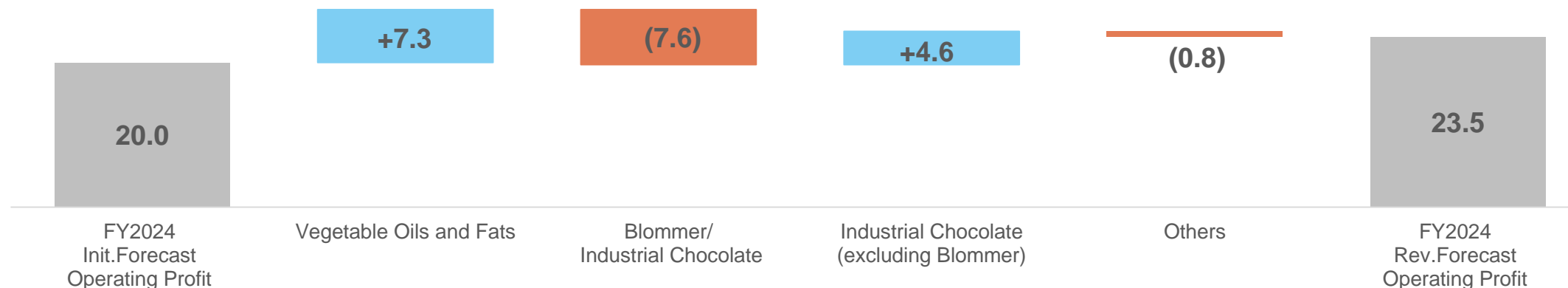
Planning to a decrease in profit due to lower sales volume in Japan.

FY2024 Full-Year Operating Profit Analysis Compared to Initial Forecast

Sales of CBE and Compound chocolate are expected to increase compared to Initial Forecast, despite the occurrence of Cocoa Special Factors.

Operating Profit Analysis Compared to Initial Forecast

Unit: JPY billion



Vegetable Oils and Fats	Planning to higher sales of Vegetable fats for chocolate CBE in addition to the improved profitability to reflect stable raw material prices in the first half.
Blommer	Planning to a decrease in profit due to lower sales volume and Cocoa Special Factor.
Industrial Chocolate (excluding Blommer)	Planning to the improvement thanks to sales price revisions appropriately to respond to higher cocoa prices and sales expansion of Compound chocolate.
Others	Planning to lower sales volume in China on Emulsified and Fermented Ingredients Business. Planning to lower sales volume of some products on Soy-based Ingredients Business.



Vegetable Oils and Fats

We expect to see a positive effect on our business performance in the second half of FY2024 and the next fiscal year thanks to the increase in strong demand for Vegetable fats for chocolate CBE.

FY2024 1H Operating profit **10.8** billion yen YOY + **3.3** billion yen

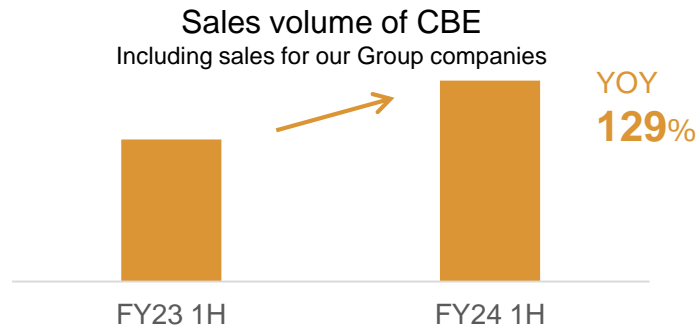
Profitability increased thanks to higher sales of CBE in addition to stable raw material prices.

Environment

Stable main raw material prices contributed to stable profitability.

Sales Volume and Sales Price

Strong demand for CBE from new and existing customers continued amid higher cocoa prices. Especially in Southeast Asia, demand was strong, and improved production efficiency also contributed to significant growth.



In the first half, sales contracts were mainly made before rising cocoa prices, but we also sold for short-term spot contracts. Profitability has improved thanks to our efforts such as following up with customers, optimizing logistics, and working on certified oils.

FY2024 2H Operating profit **8.7** billion yen YOY + **0.8** billion yen

We plan to increase sales by following up with customers and continuing stable production.

Environment

Price revisions will be implemented in response to rising palm oil prices, etc. We expect stable demand for CBE to continue although cocoa price will decline.

Expansion of CBE

We will appeal the functions of CBE, provide continuous follow up to customers, and improve the supply structure to meet demand.

Sales

We will continue to appeal the functions of CBE and expand sales to new customers and follow up with existing customers.

Procurement

We will continue to strengthen the procurement of raw materials for CBE. In terms of sustainable procurement, we will further strengthen our efforts through the establishment of a joint venture company in Southeast Asia (scheduled to begin operations in FY2026).

Production

We will respond to strong demand through measures such as adjusting intermediate raw materials between our groups and ensuring stable production at each plant.



Industrial Chocolate


FUJI OIL HOLDINGS INC.

Sales volume and profits increased in each area of Industrial Chocolate, excluding Blommer in the U.S. * For Blommer, please see pages 7-10.

FY2024 1H
Industrial Chocolate excluding Blommer

 Operating profit **6.3** billion yen YOY + **2.7** billion yen

Although cocoa prices remained high, we responded to customer demand by securing raw materials, optimizing prices, and developing Compound products using CBE, with an eye on the high cocoa prices.

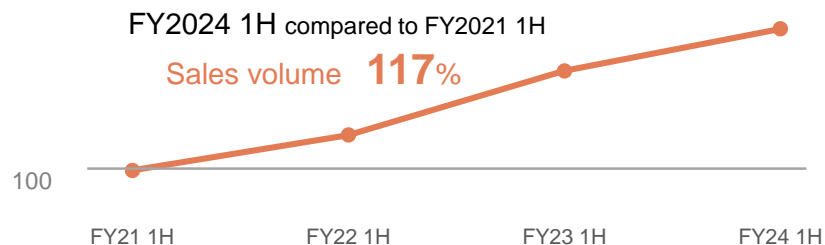
Sales Volume

Sales volume excluding Blommer was up 5% YOY in the first half. Sales were strong mainly in Southeast Asia and Europe.

Sales Price

Sales prices were revised to reflect higher cocoa prices.

Sales volume trends on the first half on Industrial Chocolate Business
(excluding Blommer, FY2021 1H=100)


FY2024 2H
Industrial Chocolate excluding Blommer

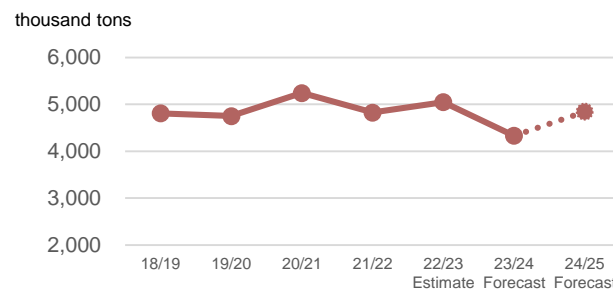
 Operating profit **7.7** billion yen YOY + **0.9** billion yen

We will achieve sustainable growth by expanding our Compound chocolate and high-value-added products even in an environment of high cocoa prices.

Environment

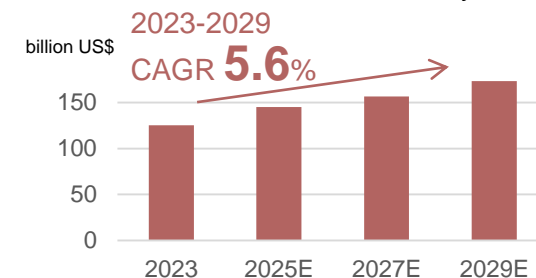
The global chocolate confectionery market is expected to continue to grow, although the amount of cocoa production is limited.

Production volume of cocoa beans



Reference: ICCO * 24/25Forecast is according to our research.

Global chocolate confectionery market



Reference: Euromonitor Chocolate Confectionery 2024
Data type: Retail Value RSP, Geography: world,
Category: chocolate confectionery

High-value-added products

We aim to increase profits by developing Compound products with CBE and high-value-added products.

Japan: Coating chocolate in trays that can be used even for small quantities. It contributes to improved work efficiency in food service.





Emulsified and Fermented Ingredients



Soy-based Ingredients

FUJI OIL HOLDINGS INC.

We will develop products that meet changing market needs and aim to create high-value-added products.



Emulsified and Fermented Ingredients

FY2024 1H

Operating profit **1.7** billion yen YOY + **0.3** billion yen

Japan

Proposals that met market needs led to firm sales of margarine and filling for bakery.

Southeast Asia

Sales volume of preparations for Japan increased.

China

Consumers became to prefer low prices amid the economic downturn, and profitability decreased.

FY2024 2H

Operating profit **1.4** billion yen YOY - **1.0** billion yen

We will continue to expand sales of high-value-added products that meet market needs.

We expect demand for cream and margarine to increase in response to rising international prices for dairy products, so we will expand sales them.

We will focus on markets where consumer demand is strong although the economic downturn will continue.



Promote proposal-based sales that meet market needs



Soy-based Ingredients

FY2024 1H

Operating profit **0.8** billion yen YOY - **0.2** billion yen

Japan

The development and adoption of high-value-added products progressed, despite a lower sales volume of some products. As part of the business reorganization, one domestic plant transferred in July 2024.

FY2024 2H

Operating profit **0.1** billion yen YOY + **0.0** billion yen

We will continue to expand sales of high-value-added products that meet market needs for soy protein ingredients and functional ingredient, and promote a replacement of our product portfolio.

Value Creation through Sustainability Initiatives

We contribute to our customers through our initiatives for sustainability.

Regulations, customer needs, etc.

EU Regulation on Deforestation-free products (EUDR)

Regulation mandating proof that commodities distributed within and exported from the EU do not contribute to deforestation and that they comply with the relevant laws and regulations of the country of origin. Applicable products include palm oil and cocoa, among others.

Reduction of Process Contaminants in Oils and Fats

Oils and fats contain process contaminants. There is an increasing need for products that control these contaminants, particularly in Europe.

Process contaminants

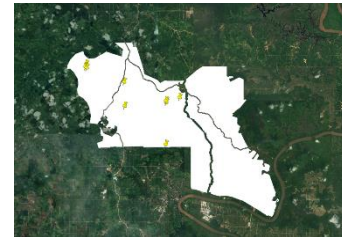
They are substances that are incidentally formed from lipids originally present in raw materials through heating at high temperatures and other processes during food manufacturing, as well as substances that are unintentionally introduced through the supply chain.

Fuji Oil Group Initiatives

We implement monitoring and measures based on high traceability to palm plantations.

Satellite-Based Monitoring

Identifying, monitoring and verifying deforestation risks among our Group supply chain using satellite technology.



Initiatives through Supply Chain



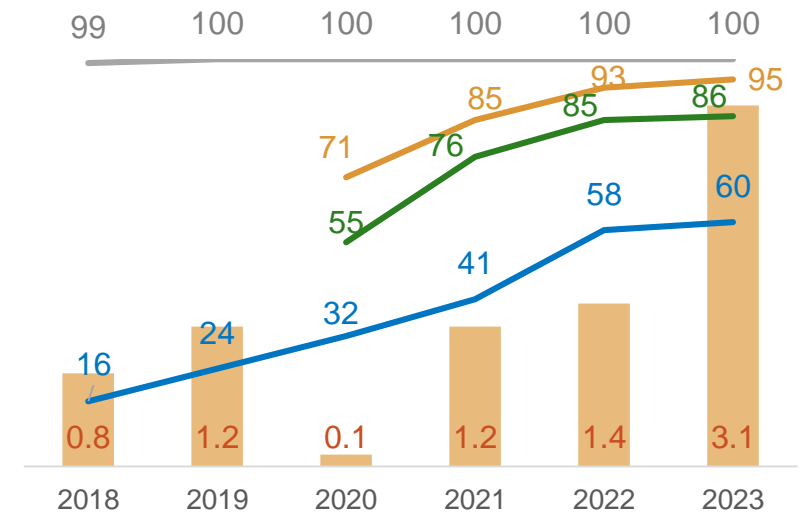
- Procurement of high-quality raw materials
- Selection of suppliers

Research into manufacturing methods that minimize the generation and addition of contaminants.

Contribution to Profit

Palm oil sustainability initiatives have contributed to profits in Europe on Vegetable Oils and Fats Business although raw material prices impact earnings of the Business.

Palm oil indexes of Fuji Oil Group and operating profit in Europe on Vegetable Oils and Fats Business



- OP in Europe on Vegetable Oils and Fats (billion yen)
- Traceability to Mill (%)
- Traceability to Plantation (%)
- Ratio of RSPO-certified oil to palm oil procurement (%)
- No Deforestation Score

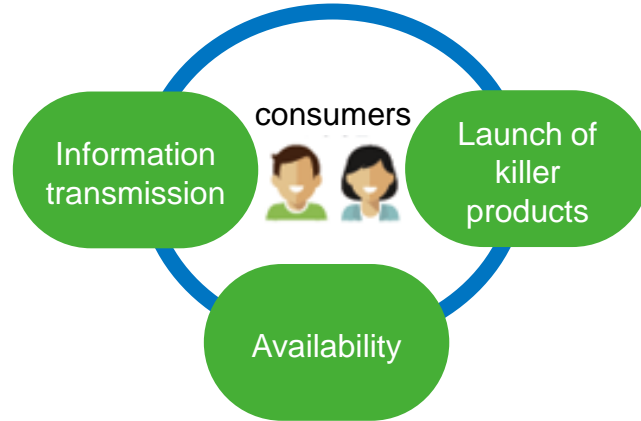
* OP in Europe on Vegetable Oils and Fats for FY 2019 is the 12-month results from April 2019 to March of the following year.

Initiatives for Plant-based Foods: GOODNOON

Aim to establish a new business cycle through plant-based GOODNOON activities.

GOODNOON

Aim to increase food options with plant-based ingredients and create a world where everyone can enjoy their diets. Creating new businesses through a new business cycle from the consumer's point of view.



Launch of killer products

Launch of GOODNOON products one after another by fusing the technologies of each business

MIRA-Dashi® series
Plant-based stock (dashi)



Soy Lait Beurre series
Plant-based butter-like material (soy cream butter)



Prime Soy Meat series
Soy meat by new method



Plant-based Chocolate
Dairy free



Information transmission

Information transaction on the websites and activities involving employees

Websites



GOODNOON and MIRACORE® websites

In-Company Activities



Lunch menu using GOODNOON products



レシピコンテスト

Hold an in-company recipe contest

Availability

Utilization of e-commerce sites, and launch products for BtoB and BtoC using killer products from Group companies

Sales on BtoC E-Commerce Sites



Sales to consumers through e-commerce sites

Launch BtoC products (FUJI FRESH FOODS)



MIRA-Dashi® and Prime Soy Meat in retail sales

Launch BtoB Products (FUJI SUNNY FOODS)



Products that are easy for customers to use by utilizing OEMs

Initiatives to Improve FUJI ROIC

Issues are Industrial Chocolate Business and Soy-Based Ingredients Business. Measures are being implemented for the improvement.

Progress of Business-Specific FUJI ROIC

$$\text{FUJI ROIC} = \frac{\text{Operating profit after tax}}{\text{Working capital} + \text{Fixed assets}}$$

	FY2023 Full-Year*	FY2023 1H*	FY2024 1H*
Vegetable Oils and Fats	11.5%	5.4%	8.1%
Industrial Chocolate	2.5%	1.3%	(2.3%)
Emulsified and Fermented Ingredients	5.5%	2.0%	2.7%
Soy-based Ingredients	1.1%	1.3%	1.1%
Companywide	3.5%	1.6%	0.8%

* FUJI ROIC is not annualized, and uses 12 months of after-tax operating profit for the full year and 6 months for the first half of the year.

FUJI ROIC FY2024 Improvement Measures



Industrial Chocolate FUJI ROIC -2.3% (FY2024 1H)

Operating Profit

Blommer: Build stable earnings and improve profitability through structural reforms

All: Expand sales of Compound chocolate and high-value-added products

Working Capital

Blommer: Reduction of cocoa bean inventory volume

All: Earlier collection of accounts receivable

Fixed Assets

Blommer: Optimization of owned assets due to the closure of Chicago plant



Soy-based Ingredients FUJI ROIC 1.1% (FY2024 1H)

Operating Profit

Japan: Sales expansion of high-value-added products

Europe: Early monetization

Working Capital

Japan: Optimization of raw material and product inventory continuously

Fixed Assets

Japan: Transfer of one domestic plant and optimization of asset allocation

B/S • C/F

B/S

Unit: JPY billion

	FY2023 End Results	FY2024Q2 End Results
Cash and Deposits	27.5	34.9
Inventories (Merchandise and finished goods/ Raw materials and supplies)	109.0	126.1
Goodwill	21.8	19.1
Total Assets	470.2	501.8
Interest-bearing Debt	130.3	192.9
Total Liabilities	225.9	278.0
Retained Earnings	163.8	156.2
Foreign Currency Translation Adjustment	39.1	30.4
Total Net Assets	244.3	223.8

End of FY2024 Q2

Assets	Inventories increased due to higher cocoa prices.
Liabilities	Interest-bearing debt increased due to an increase in working capital from higher cocoa prices.
Net Assets	Retained earnings and foreign currency translation adjustment decreased.

C/F

Unit: JPY billion

	FY2023Q2 Results	FY2024Q2 Results
Decrease (Increase) in Trade Receivables	(0.6)	(7.9)
Decrease (Increase) in Inventories	(2.0)	(21.0)
Operating CF	(1.6)	(26.6)
Investment CF	16.4	(8.9)
FCF	14.8	(35.5)
Net Increase (Decrease) in Short-term Borrowings	(2.9)	34.9
Financial CF	(6.9)	43.8

FY2024 Q2

Operating CF	Expenditures increased due to an increase in working capital such as trade receivables and inventories from higher cocoa prices.
Investment CF	Decreased due to the rebound from income of sale of property, plant and equipment at Fuji Oil New Orleans, LLC in the previous fiscal year.
Financial CF	Short-term borrowings increased due to increased working capital.

We will continue to strengthen cash management throughout the Group to cope with the impact of high cocoa prices on B/S and C/F.

FY2024 Full-Year Forecast (by Business, Area)

(Unit: JPY million)

Net Sales	FY	Japan		Americas		SE Asia		China		Europe		Consolidated Total	
			YOY		YOY		YOY		YOY		YOY		YOY
Vegetable Oils and Fats	2024 Rev.Forecast	63,300	+6,287	56,300	(6,714)	33,000	+6,514	3,600	+281	39,400	+3,880	195,600	+10,249
	2024 Init.Forecast	59,000	+1,987	60,900	(2,114)	26,000	(485)	3,600	+281	37,900	+2,380	187,400	+2,049
	2023 Results	57,012	-	63,014	-	26,485	-	3,318	-	35,519	-	185,350	-
Industrial Chocolate	2024 Rev.Forecast	53,100	+6,793	218,500	+48,324	27,000	+7,425	12,900	+5,023	10,600	+1,124	322,100	+68,691
	2024 Init.Forecast	49,400	+3,093	185,000	+14,824	26,600	+7,025	9,400	+1,523	10,100	+624	280,500	+27,091
	2023 Results	46,306	-	170,175	-	19,574	-	7,876	-	9,475	-	253,408	-
Emulsified and Fermented Ingredients	2024 Rev.Forecast	59,900	+882	-	-	13,500	(939)	18,200	+1,801	-	-	91,600	+1,744
	2024 Init.Forecast	59,700	+682	-	-	14,900	+460	20,400	+4,001	-	-	95,000	+5,144
	2023 Results	59,017	-	-	-	14,439	-	16,398	-	-	-	89,855	-
Soy-based Ingredients	2024 Rev.Forecast	35,000	+298	-	-	-	-	600	(170)	100	+100	35,700	+227
	2024 Init.Forecast	36,000	+1,298	-	-	-	-	900	+129	200	+200	37,100	+1,627
	2023 Results	34,701	-	-	-	-	-	770	-	0	-	35,472	-
Net sales Total	2024 Rev.Forecast	211,300	+14,262	274,800	+41,609	73,500	+13,000	35,300	+6,936	50,100	+5,104	645,000	+80,912
	2024 Init.Forecast	204,100	+7,062	245,900	+12,709	67,500	+7,000	34,300	+5,936	48,200	+3,204	600,000	+35,912
	2023 Results	197,037	-	233,190	-	60,499	-	28,363	-	44,995	-	564,087	-

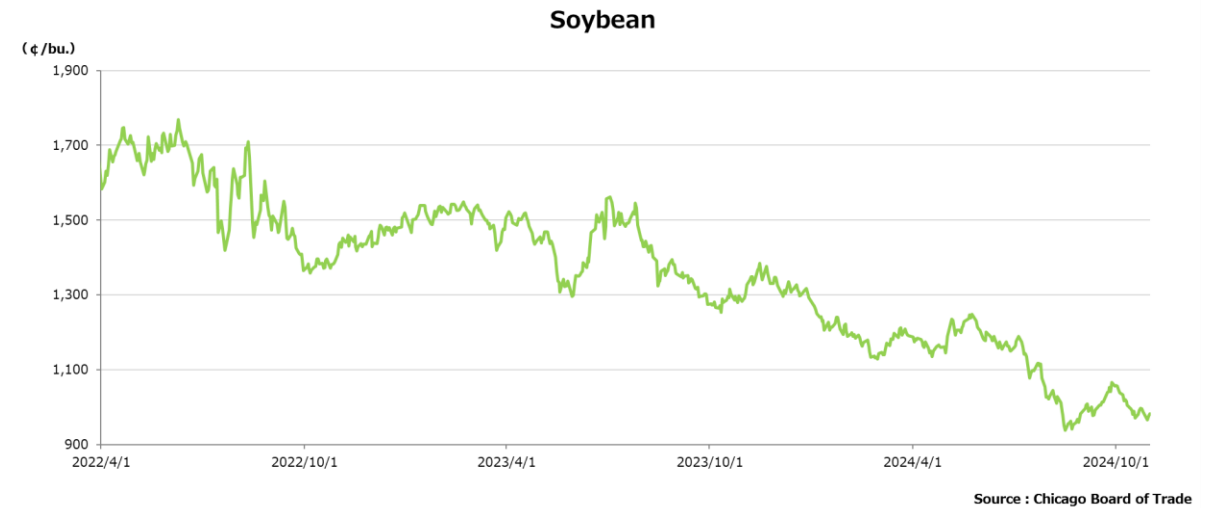
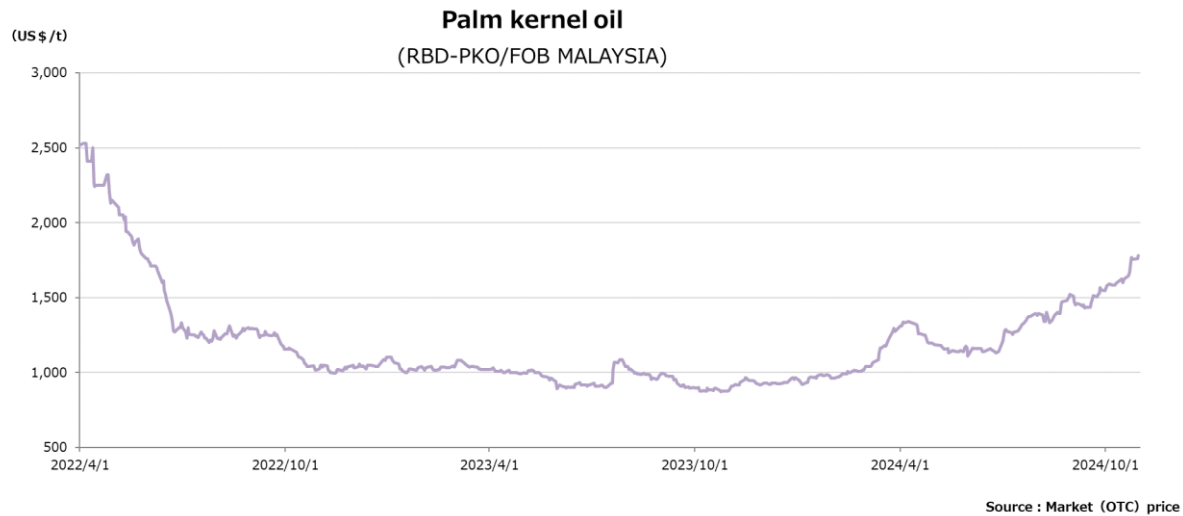
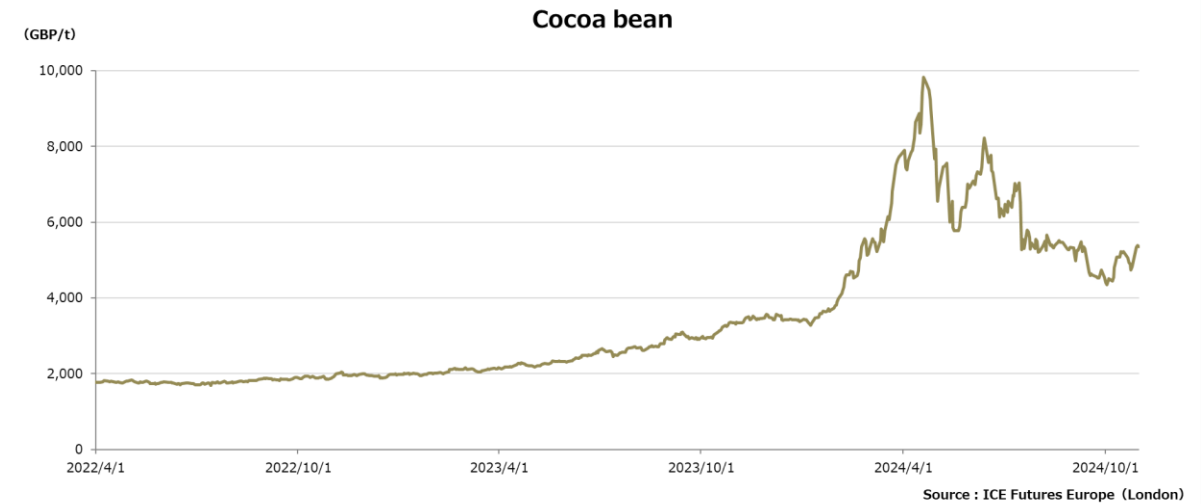
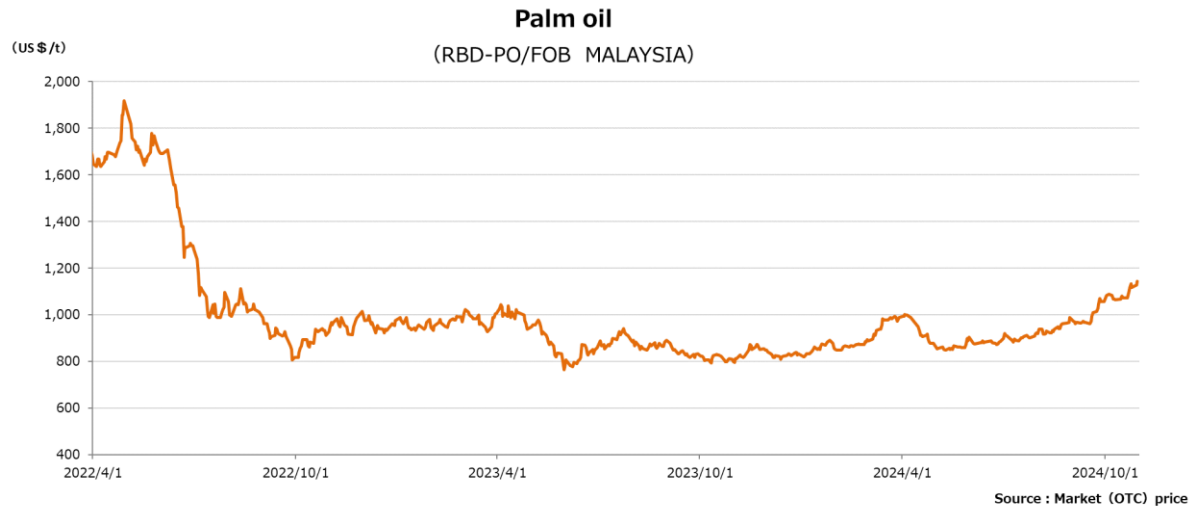
Operating Profit	FY	Japan		Americas		SE Asia		China		Europe		Consolidated adjustment		Group administrative expenses		Consolidated Total	
			YOY		YOY		YOY		YOY		YOY		YOY		YOY		YOY
Vegetable Oils and Fats	2024 Rev.Forecast	7,227	+1,402	3,834	(472)	5,452	+3,303	48	+43	3,091	+9	(87)	(160)	-	-	19,565	+4,125
	2024 Init.Forecast	4,907	(919)	2,824	(1,482)	2,526	+377	(3)	(8)	2,021	(1,060)	27	(46)	-	-	12,302	(3,138)
	2023 Results	5,825	-	4,306	-	2,148	-	4	-	3,081	-	73	-	-	-	15,439	-
Industrial Chocolate	2024 Rev.Forecast	6,980	+718	(7,170)	(504)	2,397	+1,095	1,323	+1,101	986	+308	(60)	(104)	-	-	4,456	+2,614
	2024 Init.Forecast	5,355	(906)	144	+6,808	1,512	+210	17	(204)	370	(307)	27	(17)	-	-	7,426	+5,585
	2023 Results	6,261	-	(6,664)	-	1,301	-	221	-	676	-	44	-	-	-	1,840	-
Emulsified and Fermented Ingredients	2024 Rev.Forecast	2,922	(609)	-	-	185	+492	108	(466)	-	-	(108)	(102)	-	-	3,107	(686)
	2024 Init.Forecast	2,808	(723)	-	-	30	+337	658	+84	-	-	32	+37	-	-	3,528	(266)
	2023 Results	3,531	-	-	-	(306)	-	574	-	-	-	(5)	-	-	-	3,793	-
Soy-based Ingredients	2024 Rev.Forecast	1,256	(300)	-	-	-	-	372	+96	(792)	+92	46	(48)	-	-	881	(158)
	2024 Init.Forecast	1,612	+56	-	-	-	-	386	+110	(676)	+209	38	(56)	-	-	1,359	+319
	2023 Results	1,555	-	-	-	-	-	275	-	(884)	-	94	-	-	-	1,040	-
Consolidated adjustment	2024 Rev.Forecast	(5)	(133)	(25)	(11)	(33)	(55)	7	+14	34	(23)	355	+532	-	-	334	+323
	2024 Init.Forecast	-	(127)	-	+13	-	(22)	-	+6	-	(57)	-	+177	-	-	-	(10)
	2023 Results	127	-	(13)	-	22	-	(6)	-	57	-	(177)	-	-	-	10	-
Group administrative expenses	2024 Rev.Forecast	-	-	-	-	-	-	-	-	-	-	-	-	(4,842)	(931)	(4,842)	(931)
	2024 Init.Forecast	-	-	-	-	-	-	-	-	-	-	-	-	(4,615)	(704)	(4,615)	(704)
	2023 Results	-	-	-	-	-	-	-	-	-	-	-	-	(3,910)	-	(3,910)	-
Operating profit Total	2024 Rev.Forecast	18,379	+1,078	(3,361)	(988)	8,001	+4,835	1,858	+788	3,319	+387	146	+117	(4,842)	(931)	23,500	+5,286
	2024 Init.Forecast	14,681	(2,620)	2,968	+5,339	4,068	+901	1,059	(10)	1,715	(1,215)	124	+95	(4,615)	(704)	20,000	+1,787
	2023 Results	17,301	-	(2,371)	-	3,166	-	1,069	-	2,930	-	28	-	(3,910)	-	18,213	-

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Reference Materials



Main Raw Material Prices (~ the End of Oct, 2024)





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.

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.