

## FY2024Q4 Earnings Conference: Major Q&A

•Date/time	May 13, 2025 (Tue.) 10:00 - 11:30 (JST)		
•Speaker	President	CEO (Chief Executive Officer)	Tatsuji Omori
	Representative Director		Mikio Sakai
	Director and Senior Executive Officer	COO (Chief Operating Officer)	Hiroyuki Tanaka
	Director and Senior Executive Officer	CFO (Chief Financial Officer)	Sunao Maeda

### **Q. Sales of vegetable fats for chocolate (CBE) are trending favorably. What is your outlook for FY2025?**

A. In FY2024, sales volume trended firmly in each area excluding the Americas. With cocoa prices remaining high, we expect the strong demand will continue in FY2025. We will advance measures to address demand by resolving production bottlenecks and strengthening our raw material procurement structure. We also anticipate seeing the benefits of price revisions.

### **Q. What factors led to plans for decreased profit from Vegetable Oils and Fats Business and Industrial Chocolate Business (excluding cocoa-related special factors at Blommer) in FY2025?**

A. Vegetable Oils and Fats Business saw prices for palm oil, one of our main raw materials, and other tropical oils and fats stabilize at lower levels during the first half of FY2024, enabling effective procurement that led to profit gains on raw materials. However, prices for southern oils and fats have been rising since the second half of FY2024. As such, in FY2025 we anticipate a decrease in profit due to the loss of temporary raw material gains recorded in FY2024. With Industrial Chocolate Business, we were able to secure profits despite cocoa prices rising sharply from the beginning of 2024 because we analyzed cocoa price trends while implementing preemptive price revisions when we were still using raw materials procured prior to the rise in prices. However, we will see a decrease in profit because for the entire fiscal year we will be using raw materials that were procured at high price levels in FY2025.

### **Q. Will the structural reforms at Blommer enable you to limit the occurrence of cocoa-related special factors moving forward?**

A. As a part of structural reforms, we are optimizing cocoa processing operations. The sale of cocoa products will center on in-house usage volume and we will reduce the volume of external sales, enabling us to reduce the volume of cocoa we handle, thereby mitigating risks. We also continue to incur costs on switching the contract month of futures but we have been able to reflect cost increases in new contracts so we anticipate that losses due to cocoa-related special factors will be kept to a minimum.

### **Q. On the subject of issues at Blommer, while it is clear that the Group is implementing organizational structure changes at Fuji Oil to strengthen governance, do you feel there is a need for internal initiatives at Blommer aimed at strengthening governance?**

A. Issues at Blommer manifested with the sharp rise in cocoa market prices, and we are aware of the need for internal measures at Blommer to strengthen governance. We are treating these as core Group issues and are taking various actions, including sending additional dedicated staff from Japan and promoting data visualization by adopting a backbone system.

### **Q. Blommer has continued to record losses since acquisition but what is your view on the future of Blommer moving forward?**

A. We acquired Blommer based on the projection of expanding the compound chocolate business in the USA. The company has generated significant losses and thus we are evaluating all possibilities concerning the future of Blommer but we will first advance efforts to improve profitability by implementing structural reforms.