



FUJI OIL CO., LTD.

Q3 Financial Results Briefing for the Fiscal Year Ending March 2026

February 10, 2026

Event Summary

[Event Language]	JPN	
[Fiscal Period]	FY2026 Q3	
[Date]	February 10, 2026	
[Time]	16:00 – 16:59 (Total: 59 minutes, Presentation: 15 minutes, Q&A: 44 minutes)	
[Venue]	Dial-in	
[Number of Speakers]	1 Sunao Maeda	Director, Senior Executive Officer, Chief Financial Officer (CFO)
[Analyst Names]*	Tsukasa Furuta Tomonobu Tsunoyama Hiroshi Saji Satoshi Fujiwara Makoto Morita Rei Ihara	SMBC Nikko Securities Morgan Stanley MUFG Securities Mizuho Securities JPMorgan Securities Nomura Securities UBS Securities

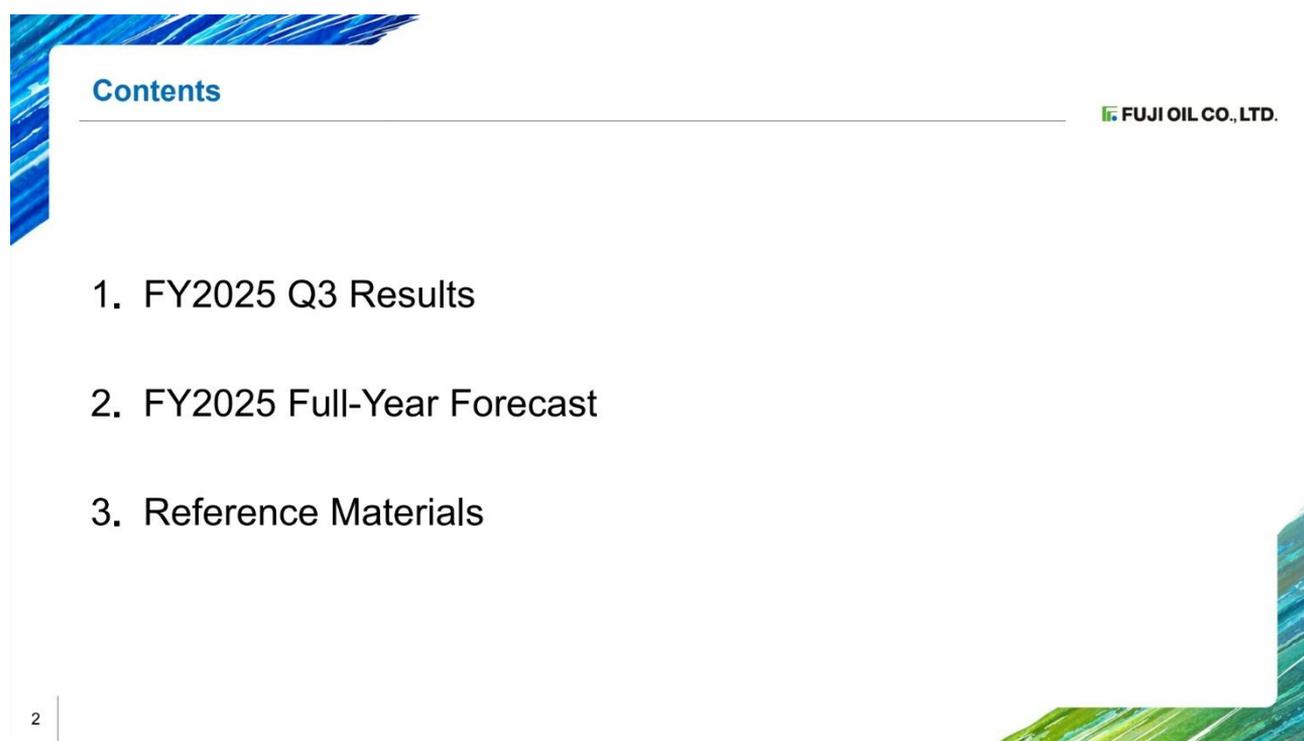
Presentation

Okamoto: It is now the scheduled time, so we will now begin FUJI OIL CO., LTD.'s FY2025 Q3 earnings conference. Thank you for joining FUJI OIL's conference call today despite your busy schedules. I am Okamoto from the Corporate Communications Department of FUJI OIL, and I will serve as the moderator today. Thank you in advance.

In today's conference call, Maeda, CFO, will provide an explanation. Today's materials are the FY2025 Q3 presentation materials posted on the IR top page of our website, so please have them ready at hand.

After Maeda's explanation, we will move on to the Q&A session. The entire meeting is scheduled to last approximately 60 minutes. CFO Maeda, please begin.

Maeda: This is Maeda, CFO. Thank you.



Please turn to page two. This is today's agenda. I will explain our Q3 results and then our full-year forecast.

FY2025 Q3 Cumulative Consolidated Results

Unit: JPY billion

	FY2024 Q3 Cumulative	FY2025 Q3 Cumulative	YOY
Net Sales	491.9	582.8	+90.9
Business Profit	3.6	28.8	+25.2
Cocoa Special Factors at Blommer	(26.5)	(9.4)	+17.1
Substantive Business Profit excluding Cocoa Special Factors	30.1	38.2	+8.1
Profit Attributable to Owners of Parent	(1.6)	16.4	+18.0

Net Sales 582.8 billion yen YOY +90.9 billion yen

Net sales increased thanks to higher sales prices to reflect rising raw material prices such as cocoa.

Business Profit 28.8 billion yen YOY +25.2 billion yen

Business profit increased primarily thanks to firm sales of vegetable fats for chocolate (CBE) on Vegetable Oils and Fats Business, and reduced expenses of cocoa-related factors (hereinafter, referred to as "Cocoa Special Factors") at Blommer on Industrial Chocolate Business.

Profit Attributable to Owners of Parent

16.4 billion yen YOY +18.0 billion yen

Profits increased thanks to strong performance on Vegetable Oils and Fats Business, and reduced expenses of Cocoa Special Factors at Blommer.

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* Our Group has voluntarily applied International Financial Reporting Standards (IFRS) since the first quarter of fiscal year 2025.
* Figures for the previous consolidated fiscal year have been modified and are indicated based on IFRS.
* Figures are rounded to the nearest JPY billion.

Please turn to page four. This shows the FY2025 Q3 results. Net sales were JPY582.8 billion, an increase of JPY90.9 billion. Business profit was JPY28.8 billion, an increase of JPY25.2 billion. Profit attributable to owners of parent was JPY16.4 billion, an increase of JPY18 billion.

First, net sales increased thanks to higher sales prices to reflect rising raw material prices, such as cocoa. Business profit increased primarily thanks to firm sales of vegetable fats for chocolate (CBE) on the vegetable oils and fats business, and reduced expenses of cocoa-related factors, hereinafter referred to as "Cocoa Special Factors," at Blommer on the industrial chocolate business.

Cocoa Special Factors at Blommer were analyzed as a loss of JPY26.5 billion for FY2024 Q3 cumulative, and a loss of JPY9.4 billion for FY2025 Q3 cumulative. Substantive business profit excluding this was JPY38.2 billion, an increase of JPY8.1 billion. Profit attributable to owners of parent increased thanks to strong performance in business profit.

FY2025 Q3 Results by Business

FY2025 Q3 Cumulative Results by Business

Unit: JPY billion

	FY2024 Q3 Cumulative	FY2025 Q3 Cumulative	YOY
Net Sales	491.9	582.8	+90.9
Vegetable Oils and Fats	151.8	201.7	+50.0
Industrial Chocolate	242.0	282.6	+40.6
Emulsified and Fermented Ingredients	71.2	73.4	+2.2
Soy-based Ingredients	26.9	25.0	(1.9)
Business Profit	3.6	28.8	+25.2
Vegetable Oils and Fats	18.6	26.6	+8.0
Industrial Chocolate	(16.5)	1.4	+17.9
Industrial Chocolate excluding Cocoa Special Factors	9.9	10.8	+0.8
Emulsified and Fermented Ingredients	1.9	1.4	(0.6)
Soy-based Ingredients	(0.1)	(0.2)	(0.1)
Consolidated Adjustment	(0.2)	(0.3)	(0.1)

Business Profit by Business



Vegetable Oils and Fats

- Sales of CBE remained strong, and higher sales prices drove profit growth.



Industrial Chocolate

- Sales of compound chocolate remained strong.
- At Blommer, price optimization was achieved, and expenses of Cocoa Special Factors were reduced, despite a decline in sales volume of pure chocolate amid the decrease in the U.S. chocolate consumption.



Emulsified and Fermented Ingredients

- Profit decreased due to rising raw material prices and reduced sales volume reflecting weak demand in Asia.



Soy-based Ingredients

- Sales volume of functional ingredients decreased.

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Please turn to page five. I will explain the business profit by business segment.

In the vegetable oils and fats business, business profit increased due to the contribution of higher selling prices for vegetable fats for chocolate (CBE). In the industrial chocolate business, sales of pure chocolate decreased, while sales of compound chocolate remained firm. At Blommer, sales volume decreased due to weak market conditions, but expenses related to Cocoa Special Factors decreased.

In the emulsified and fermented ingredients business, profit decreased due to higher raw material prices, such as palm kernel oil, and lower sales volume due to weak demand in Asia.

In the soy-based ingredients, sales of functional ingredients for beverages decreased, resulting in lower business profit.

FY2025 Q3 Business Profit Analysis

Thanks to increased demand for CBE, business profit increased by 25.2 JPY billion to 28.8 JPY billion.

Business Profit Analysis YOY



Sales Volume Factor	Sales volume of Blommer declined on Industrial Chocolate Business.
Price Factor	Along with sales price optimization to address rising raw material costs, higher sales prices of vegetable fats for chocolate (CBE) on Vegetable Oils and Fats Business contributed to profits.
Expenses and Exchanges	Fixed costs, such as labor costs, increased.
Cocoa Special Factors at Blommer	Please refer to page 13 for Cocoa Special Factors at Blommer.

Please turn to page six. This is the YoY analysis of changes in business profit.

First, regarding the volume factor, sales of CBE in the vegetable oils and fats business increased. In addition, sales volume of compound chocolate increased in Brazil and Asia in the industrial chocolate business. On the other hand, sales volume at Blommer decreased, and the sales volume factor was minus JPY0.3 billion.

Regarding the price factor, raw material prices such as cocoa increased, but in addition to appropriate selling price revisions, higher selling prices of CBE in the vegetable oils and fats business contributed, and the price factor was plus JPY33.9 billion.

Regarding fixed costs, expenses, exchange rates, and other items, fixed cost reductions progressed in the soy-based ingredients, but due to increases in labor costs and other factors, it was minus JPY8.3 billion. As a result, business profit for Q3 was JPY28.8 billion.

Improvements in profitability and working capital efficiency are expected toward the end of this fiscal year, although inventories and interest-bearing debt increased.

B/S	Unit: JPY billion	
	FY2024 End (IFRS)	FY2025Q3 End (IFRS)
Cash and Cash Equivalents	70.8	43.8
Inventories	160.7	192.9
Goodwill	20.8	30.2
Total Assets	597.1	679.7
Interest-bearing Debt	283.7	323.3
Total Liabilities	386.2	436.5
Retained Earnings	150.9	163.0
Total Equity	210.9	243.2

C/F	Unit: JPY billion	
	FY2024Q3 (IFRS)	FY2025Q3 (IFRS)
Decrease (Increase) in Trade Receivables	(32.7)	(15.6)
Decrease (Increase) in Inventories	(31.7)	(17.1)
Operating CF	(48.4)	(9.0)
Investment CF	(13.2)	(41.2)
FCF	(61.5)	(50.1)
Net Increase (Decrease) in Short-term Borrowings	66.8	(29.5)
Proceeds from Long-term Borrowings	17.6	59.9
Financial CF	71.0	19.8

• End of FY2025 Q3 Results

Assets	Assets increased due to higher raw material prices and the acquisition of a newly consolidated company.
Liabilities	Interest-bearing debt increased due to higher operating capital requirements.

• FY2025 Q3 Results

Operating CF	Operating CF improved year on year due to progress in price revisions.
Investment CF	Cash outflows increased due to the acquisition of a newly consolidated company and capital expenditure on Industrial Chocolate Business.

* Our Group has voluntarily applied International Financial Reporting Standards (IFRS) since the first quarter of fiscal year 2025. Figures for the previous consolidated fiscal year have been modified and are indicated based on IFRS.

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Please turn to page seven. I will explain the balance sheet and cash flow.

First, the balance sheet. Regarding assets, assets increased due to higher raw material prices, as well as the acquisition of a newly consolidated company. Regarding liabilities, working capital increased due to high-priced cocoa raw material inventories, and interest-bearing debt increased due to the resulting funding needs.

Next, cash flow. Operating cash flow improved YoY due to the growth of CBE and appropriate selling price revisions.

Investment cash flow saw increased expenditure due to the acquisition of a newly consolidated company in Q1 and capital expenditures in the industrial chocolate business. Going forward, as improvements in earnings and working capital progress, we believe operating cash flow will improve toward the fiscal year-end. We will continue to work on improving the balance sheet and cash flow as important management issues.

FY2025 Q3 Cumulative: Net Sales, Business Profit (by Business, Area)

FUJI OIL CO., LTD.

Net Sales	FY	Unit: JPY million							
		Japan		Europe and Americas		Asia		Consolidated Total	
			YOY		YOY		YOY		YOY
Vegetable Oils and Fats	2025 Q3 (IFRS)	59,150	+10,435	105,114	+33,559	37,449	+5,963	201,714	+49,958
	2024 Q3 (IFRS)	48,714	-	71,555	-	31,486	-	151,755	-
Industrial Chocolate	2025 Q3 (IFRS)	51,512	+10,191	194,800	+25,914	36,333	+4,519	282,646	+40,625
	2024 Q3 (IFRS)	41,321	-	168,885	-	31,813	-	242,020	-
Emulsified and Fermented Ingredients	2025 Q3 (IFRS)	47,954	+1,535	-	-	25,435	+635	73,389	+2,171
	2024 Q3 (IFRS)	46,419	-	-	-	24,799	-	71,218	-
Soy-based Ingredients	2025 Q3 (IFRS)	24,627	(1,822)	16	+16	389	(49)	25,033	(1,856)
	2024 Q3 (IFRS)	26,449	-	-	-	439	-	26,889	-
Net Sales Total	2025 Q3 (IFRS)	183,244	+20,340	299,932	+59,490	99,607	+11,068	582,783	+90,899
	2024 Q3 (IFRS)	162,904	-	240,441	-	88,538	-	491,884	-

Business Profit	FY	Unit: JPY million									
		Japan		Europe and Americas		Asia		Consolidated Adjustment		Consolidated Total	
			YOY		YOY		YOY		YOY		YOY
Vegetable Oils and Fats	2025 Q3 (IFRS)	10,263	+3,562	8,358	+1,902	8,709	+3,104	(686)	(525)	26,645	+8,043
	2024 Q3 (IFRS)	6,700	-	6,456	-	5,605	-	(160)	-	18,601	-
Industrial Chocolate	2025 Q3 (IFRS)	4,995	(1,516)	(6,823)	+21,168	2,909	(2,133)	276	+383	1,357	+17,901
	2024 Q3 (IFRS)	6,511	-	(27,991)	-	5,042	-	(107)	-	(16,544)	-
Emulsified and Fermented Ingredients	2025 Q3 (IFRS)	1,604	(312)	-	-	(367)	(524)	124	+281	1,361	(556)
	2024 Q3 (IFRS)	1,917	-	-	-	157	-	(156)	-	1,918	-
Soy-based Ingredients	2025 Q3 (IFRS)	493	+298	(726)	(130)	81	(105)	(82)	(158)	(234)	(97)
	2024 Q3 (IFRS)	195	-	(595)	-	186	-	76	-	(136)	-
Consolidated Adjustment	2025 Q3 (IFRS)	(34)	(29)	(321)	(318)	(59)	+50	91	+214	(324)	(82)
	2024 Q3 (IFRS)	(4)	-	(2)	-	(110)	-	(123)	-	(241)	-
Business Profit Total	2025 Q3 (IFRS)	17,322	+2,001	487	+22,621	11,272	+390	(276)	+194	28,805	+25,208
	2024 Q3 (IFRS)	15,320	-	(22,133)	-	10,881	-	(471)	-	3,597	-

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Page eight is a matrix by business segment and area, so please refer to it.

FY2025 Full-Year Forecast

FY2025 Full-Year Forecast

Unit: JPY billion

	FY2024 Results	FY2025 Rev. Forecast	YOY	FY2025 Init. Forecast
Net Sales	671.2	772.0	+100.8	800.0
Business Profit	13.3	36.5	+23.2	29.5
Cocoa Special Factors at Blommer	(30.5)	(9.5)	+21.0	(3.0)
Substantive Business Profit excluding Cocoa Special Factors	43.8	46.0	+2.2	32.5
Profit Attributable to Owners of Parent	3.9	16.5	+12.6	16.5
Annual Dividends (yen)	52	52	—	52

Revision to Full-Year Consolidated Forecast

Net sales have been revised downward, reflecting an expected decrease in sales volume at Blommer.

Business profit has been revised upward, reflecting expected growth on Vegetable Oils and Fats Business.

Profit attributable to owners of the parent remains unchanged from the initial forecast. Although Blommer is on a recovery trend, we will carefully review its future business plans based on Q4 results.

A year-end dividend of 26 yen per share (52 yen per share on an annual basis) is planned.

Full-Year Consolidated Forecast

Net Sales 772.0 billion yen YOY +100.8 billion yen

Planning net sales growth through higher sales prices in response to rising raw material prices such as cocoa.

Business Profit 36.5 billion yen YOY +23.2 billion yen

Planning to increase business profit, mainly driven by firm sales of vegetable fats for chocolate (CBE) on Vegetable Oils and Fats Business, and reduced expenses of Cocoa Special Factors at Blommer on Industrial Chocolate Business.

Profit Attributable to Owners of Parent

16.5 billion yen YOY +12.6 billion yen

Planning profit growth driven by growth in business profit.

Please turn to page 10. This is the full-year forecast.

We revised the full-year forecast for net sales and business profit. For net sales, we revised downward from the initial plan due to a decrease in sales volume at Blommer to JPY772 billion. For business profit, we revised upward due to favorable progress in the vegetable oils and fats business, and we are planning JPY36.5 billion.

We are maintaining the initial forecast for profit attributable to owners of parent. Although Blommer is on a recovery trend, we believe it is necessary to carefully assess and judge the future plan based on the results for Q4, and therefore, we have maintained the initial forecast.

We are planning dividends with no change from the initial plan, JPY26 at fiscal year-end and JPY52 for the full year.

FY2025 Full-Year Forecast by Business

FY2025 Full-Year Forecast by Business				Unit: JPY billion
	FY2024 Results	FY2025 Rev. Forecast	YOY	FY2025 Init. Forecast
Net Sales	671.2	772.0	+100.8	800.0
Vegetable Oils and Fats	207.3	270.8	+63.5	248.5
Industrial Chocolate	334.7	371.7	+37.0	415.8
Emulsified and Fermented Ingredients	94.3	96.1	+1.8	100.0
Soy-based Ingredients	34.9	33.4	(1.5)	35.7
Business Profit	13.3	36.5	+23.2	29.5
Vegetable Oils and Fats	26.8	32.9	+6.1	19.7
Industrial Chocolate	(14.2)	4.4	+18.5	10.6
Industrial Chocolate excluding Cocoa Special Factors	16.4	13.9	(2.5)	13.6
Emulsified and Fermented Ingredients	1.7	1.3	(0.4)	1.3
Soy-based Ingredients	(0.8)	(1.2)	(0.4)	0.2
Consolidated Adjustment	(0.2)	(0.8)	(0.5)	(2.2)

Page 11 shows the full-year forecast by business segment. I will explain the details by business segment on the next page.

Overview by Business Segment

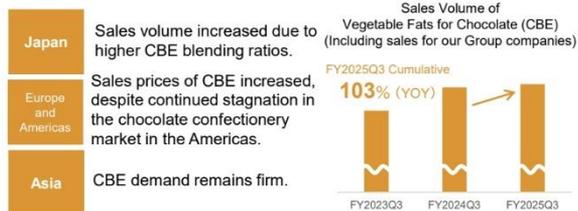
Vegetable Oils and Fats

Unit: JPY billion

	FY2024 Q3 Cumulative	FY2025 Q3 Cumulative	FY2024 Results	FY2025 Rev. Forecast	YOY
Net Sales	151.8	201.7	207.3	270.8	+63.5
Business Profit	18.6	26.6	26.8	32.9	+6.1

Overview of Q3 Cumulative Results (YOY)

Business profit increased significantly, driven by growth in sales of vegetable fats for chocolate (CBE).



Toward Achieving the FY2025 Full-Year Forecast

Achieving the Full-Year Plan, supported by solid CBE sales.

FUJI OIL CO., LTD.

Industrial Chocolate (excluding Blommer)

Unit: JPY billion

	FY2024 Q3 Cumulative	FY2025 Q3 Cumulative	FY2024 Results	FY2025 Rev. Forecast	YOY
Net Sales	109.3	136.1	153.7	181.7	+28.0
Business Profit	14.5	10.8	18.5	13.9	(4.6)

Overview of Q3 Cumulative Results (YOY)

Sales of compound chocolate remained steady, despite rising raw material prices.



Toward Achieving the FY2025 Full-Year Forecast

Achieving targets through expanded sales of compound chocolate, despite the expected continuation of soaring raw material prices.

Please turn to page 12. I will explain the overview by segment.

First, I will explain the vegetable oils and fats business. Business profit for vegetable fats for chocolate (CBE) increased significantly, as selling prices rose in addition to higher sales volume. By area, in the Americas, sales volume of CBE decreased due to weak market conditions for chocolate confectionery, but sales increased in Japan, Asia, and Europe.

Although cocoa prices have fallen recently, there has been no major change in demand for CBE, and we expect firm sales to continue. We will continue to maintain a high level of competitive advantage and stimulate demand for CBE by highlighting our stable procurement capabilities for CBE raw materials, quality aspects through the development of a sustainable supply chain, and the functionality of CBE.

Next is the industrial chocolate business. Regarding Blommer, I will explain in detail on the next page, so here I will discuss the industrial chocolate business, excluding Blommer.

Business profit for Q3 cumulative decreased due to the loss of raw material gains recorded in the previous fiscal year, as well as the impact of higher raw material prices. On the other hand, even amid weak market conditions for chocolate confectionery, sales by the FUJI OIL Group, which is strong in compound chocolate, have remained steady.

Sales volume for Q3 cumulative in the industrial chocolate business, excluding Blommer, increased to 118% versus the same period of FY2021. We will continue to steadily expand sales of compound chocolate.

Results and Full-Year Forecast of Blommer

FY2025 Results of Blommer

Unit: JPY billion

	FY2025 1H Results	FY2025 Q3 Results	FY2025 Q3 Cumulative	FY2025 Rev. Forecast	FY2025 Init. Forecast	FY2024 Results
Net Sales	98.3	48.3	146.5	190.0	243.5	180.9
Business Profit	(7.6)	(1.1)	(8.7)	(8.4)	1.5	(31.1)
Cocoa Special Factors	(7.8)	(1.5)	(9.4)	(9.5)	(3.0)	(30.5)
Business Profit excluding Cocoa Special Factors	0.2	0.4	0.7	1.1	4.5	(0.5)

		1H Results (Apr.–Sep.)	Q3 Results (Oct.–Dec.)		Full-Year Forecast
Cocoa Special Factors	Valuation of Futures	–	–	Reduced cocoa futures position in own accounts from FY2024Q4.	–
	Sales Timing Difference	(1.5)	0.7	Sales Timing Difference improved due to higher sales prices.	0.0
	Costs on Switching Contract Month of Future	(6.3)	(2.2)	Costs decreased as price revisions progressed.	(9.5)
Business Profit excluding Cocoa Special Factors		0.2	0.4	Sales price optimization progressed, while sales volume declined due to weak market conditions.	1.1

Earnings forecast revised downward, as sales progress after price revisions is expected to be slower than the initial forecast, reflecting declining sales volume amid a prolonged demand slowdown.

We will continue to expand sales of compound products as part of our growth strategy.

* Our Group has voluntarily applied International Financial Reporting Standards (IFRS) since the first quarter of fiscal year 2025.
 Figures for the previous consolidated fiscal year have been modified and are indicated based on IFRS.
 * Differences between quarterly totals and cumulative results may arise due to the use of different exchange rates by period.

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Please turn to page 13. I will explain Blommer's performance in Q3 and the full-year forecast.

First, these are the results for the three months of Q3. Net sales were JPY48.3 billion, and business profit was minus JPY1.1 billion. Of this, Cocoa Special Factors were minus JPY1.5 billion, and substantive business profit excluding this was a profit of JPY0.4 billion.

The breakdown of Cocoa Special Factors is as shown at the bottom of the materials. As for Valuation of Futures, we reduced our cocoa futures positions in our own account from Q4 of the previous fiscal year, and we do not expect valuation gains and losses on futures. Regarding the Sales Timing Difference, improvement progressed as selling prices rose as planned. Regarding Costs on Switching Contract Month of Future, the cost improved as price revision progressed.

For business profit excluding Cocoa Special Factors, even as sales volume decreased due to weak market conditions, we secured profitability as appropriate selling price revisions progressed.

Next, the full-year forecast. In light of Blommer's current sales situation, we revised the full-year forecast. As shown in the upper right of the materials, Blommer's full-year forecast is net sales of JPY190 billion and business profit of minus JPY8.4 billion. Of this, Cocoa Special Factors are JPY9.5 billion, and excluding this, substantive business profit is planned to be a profit of JPY1.1 billion.

Cocoa Special Factors are expected to increase from the initial plan due to a temporary inventory loss in Q2, as well as the impact of sales progress for contracts with revised prices being slower than initially assumed.

For substantive business profit, we will secure profitability as price revisions take hold, but in light of a further cooling of consumption at present, we revised downward, estimating cautiously for the full year. We will continue to carefully evaluate Blommer's earnings power in light of the market environment, and steadily proceed with the development of compound chocolate, which will be a growth driver.

Overview by Business Segment

Emulsified and Fermented Ingredients

Unit: JPY billion

	FY2024 Q3 Cumulative	FY2025 Q3 Cumulative	FY2024 Results	FY2025 Rev. Forecast	YOY
Net Sales	71.2	73.4	94.3	96.1	+1.8
Business Profit	1.9	1.4	1.7	1.3	(0.4)

Overview of Q3 Cumulative Results (YOY)

Profit decreased due to rising raw material prices and reduced sales volume reflecting weak demand in Asia.

Japan Sales of whipping cream and filling remained steady.

Asia Sales volume decreased due to changes in market conditions.



In Japan, achieving growth in sales of cheese fillings.

Toward Achieving the FY2025 Full-Year Forecast

In Japan, strengthening proposals for high value-added products.
In Asia, expanding sales through sales initiatives aligned with changes in market conditions.

Soy-based Ingredients

Unit: JPY billion

	FY2024 Q3 Cumulative	FY2025 Q3 Cumulative	FY2024 Results	FY2025 Rev. Forecast	YOY
Net Sales	26.9	25.0	34.9	33.4	(1.5)
Business Profit	(0.1)	(0.2)	(0.8)	(1.2)	(0.4)

Overview of Q3 Cumulative Results (YOY)

Profit decreased due to a decline in sales volume of functional ingredients in Japan, despite progress in cost reduction through business restructuring.

Japan Sales volume of functional ingredients decreased.

Europe and Americas, Asia Profit decreased due to higher fixed costs.



Expanding sales of solution-based products that support process simplification and labor savings at customer plants.

Toward Achieving the FY2025 Full-Year Forecast

Improving business performance by expanding sales of solution-based products.

Please turn to page 14. Next, I will explain the emulsified and fermented ingredients. In Q3, business profit decreased due to higher prices of main raw materials such as palm kernel oil, lower sales volume due to weak demand in China and Southeast Asia and increased fixed costs such as personnel expenses.

In Japan, high-value-added product groups such as cheese fillings and creams produced using a new manufacturing method are growing, and we will further strengthen these proposals toward the full year. In Asia, we will aim to expand sales by implementing sales measures in line with market changes.

Next, the soy-based ingredients. Although expense reductions progressed due to business restructuring, business profit decreased due to lower sales volume in Japan. Business profit in the revised full-year forecast is expected to be a loss of JPY1.2 billion. We will continue to strengthen the development of solution-based products and further advance considerations toward improving the business structure to improve profitability.

2. FY2025 Full-Year Forecast

FY2025 Full-Year Forecast: Net Sales, Business Profit (by Business, Area)

Unit: JPY billion
FUJI OIL CO., LTD.

Net Sales	FY	Japan	Europe and Americas		Asia		Consolidated Total		
			YOY	YOY	YOY	YOY			
Vegetable Oils and Fats	2025 Rev. Forecast (IFRS)	75.3	+9.8	146.3	+49.8	49.2	+3.8	270.8	+63.5
	2025 Init. Forecast (IFRS)	72.0	+6.5	127.5	+31.0	49.0	+3.6	248.5	+41.2
	2024 Results (IFRS)	65.5	-	96.5	-	45.4	-	207.3	-
Industrial Chocolate	2025 Rev. Forecast (IFRS)	68.0	+10.0	255.9	+21.6	47.8	+5.3	371.7	+37.0
	2025 Init. Forecast (IFRS)	66.0	+8.0	301.8	+67.5	48.0	+5.5	415.8	+81.1
	2024 Results (IFRS)	58.0	-	234.3	-	42.5	-	334.7	-
Emulsified and Fermented Ingredients	2025 Rev. Forecast (IFRS)	62.2	+1.0	-	-	33.9	+0.8	96.1	+1.8
	2025 Init. Forecast (IFRS)	64.0	+2.8	-	-	36.0	+2.9	100.0	+5.7
	2024 Results (IFRS)	61.2	-	-	-	33.1	-	94.3	-
Soy-based Ingredients	2025 Rev. Forecast (IFRS)	32.8	(1.6)	0.1	+0.1	0.5	(0.1)	33.4	(1.5)
	2025 Init. Forecast (IFRS)	35.0	+0.6	0.2	+0.2	0.5	(0.1)	35.7	+0.8
	2024 Results (IFRS)	34.4	-	-	-	0.6	-	34.9	-
Net Sales Total	2025 Rev. Forecast (IFRS)	238.3	+19.3	402.3	+71.5	131.4	+9.9	772.0	+100.8
	2025 Init. Forecast (IFRS)	237.0	+18.0	429.5	+98.7	133.5	+12.0	800.0	+128.8
	2024 Results (IFRS)	219.0	-	330.8	-	121.5	-	671.2	-

Business Profit	FY	Japan	Europe and Americas		Asia		Consolidated Adjustment		Consolidated Total		
			YOY	YOY	YOY	YOY					
Vegetable Oils and Fats	2025 Rev. Forecast (IFRS)	12.6	+3.3	10.0	+1.9	11.0	+1.3	(0.7)	(0.3)	32.9	+6.1
	2025 Init. Forecast (IFRS)	6.2	(3.0)	7.3	(0.8)	6.2	(3.6)	-	+0.4	19.7	(7.1)
	2024 Results (IFRS)	9.2	-	8.1	-	9.8	-	(0.4)	-	26.8	-
Industrial Chocolate	2025 Rev. Forecast (IFRS)	6.0	(2.8)	(5.3)	+22.3	3.4	(2.5)	0.3	+1.5	4.4	+18.5
	2025 Init. Forecast (IFRS)	4.6	(4.2)	3.7	+31.4	2.2	(3.7)	-	+1.3	10.6	+24.7
	2024 Results (IFRS)	8.8	-	(27.6)	-	5.9	-	(1.3)	-	(14.2)	-
Emulsified and Fermented Ingredients	2025 Rev. Forecast (IFRS)	1.3	(0.6)	-	-	(0.1)	(0.2)	0.1	+0.3	1.3	(0.4)
	2025 Init. Forecast (IFRS)	1.2	(0.7)	-	-	0.1	+0.1	-	+0.2	1.3	(0.4)
	2024 Results (IFRS)	1.9	-	-	-	0.0	-	(0.2)	-	1.7	-
Soy-based Ingredients	2025 Rev. Forecast (IFRS)	(0.4)	(0.0)	(1.0)	(0.2)	0.2	(0.1)	(0.1)	(0.1)	(1.2)	(0.4)
	2025 Init. Forecast (IFRS)	0.7	+1.1	(0.7)	+0.1	0.2	(0.1)	-	(0.0)	0.2	+1.0
	2024 Results (IFRS)	(0.4)	-	(0.8)	-	0.3	-	0.0	-	(0.8)	-
Consolidated Adjustment	2025 Rev. Forecast (IFRS)	(0.0)	(0.0)	(0.3)	(0.3)	(0.1)	+0.0	(0.4)	(0.2)	(0.8)	(0.5)
	2025 Init. Forecast (IFRS)	-	+0.0	-	+0.0	-	+0.1	(2.2)	(2.1)	(2.2)	(2.0)
	2024 Results (IFRS)	(0.0)	-	(0.0)	-	(0.1)	-	(0.1)	-	(0.2)	-
Business Profit Total	2025 Rev. Forecast (IFRS)	19.4	(0.1)	3.4	+23.7	14.4	(1.5)	(0.7)	+1.2	36.5	+23.2
	2025 Init. Forecast (IFRS)	12.7	(6.8)	10.3	+30.6	8.8	(7.2)	(2.2)	(0.3)	29.5	+16.2
	2024 Results (IFRS)	19.5	-	(20.3)	-	16.0	-	(1.9)	-	13.3	-

* Our Group has voluntarily applied International Financial Reporting Standards (IFRS) since the first quarter of fiscal year 2025. Figures for the previous consolidated fiscal year have been modified and are indicated based on IFRS.

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Please turn to page 15. This is a matrix of the full-year forecast by business and area, so please refer to it.

Finally, FY2025 is the first year of the mid-term management plan, and the vegetable oils and fats business, particularly the growth of CBE, made a significant contribution to our performance. On the other hand, our strengths lie in business synergies, including technological capabilities, product capabilities, and customer responsiveness, created by having both the oils and fats business and the chocolate business, rather than being limited to a single business.

In FY2026, new lines will sequentially start operations at each group company in the industrial chocolate business, where we are making capital investments. As a result, we expect an increase in sales volume and an improvement in profitability. In addition, although the emulsified and fermented ingredients and the soy-based ingredients remain in a challenging business environment, we will steadily implement measures in response to changes in the market environment and increase the level of contribution of the business as a whole.

By steadily advancing these initiatives, we aim to achieve business profit of JPY45 billion, ROE of 10%, and Fuji ROIC of 6% in FY2027, the final year of the mid-term management plan, and we ask for your expectations.

That concludes my presentation. Thank you very much for your attention.

Question & Answer

Okamoto [M]: We will now move on to the Q&A session. Please note that we will take up to two questions per person. We will now begin the Q&A session.

SMBC Nikko Securities, Mr. Furuta, please.

Furuta [Q]: Thank you. This is Furuta from SMBC Nikko Securities. Thank you.

I have two questions. First is on CBE. As you mentioned, cocoa prices have fallen sharply from a peak of USD10,000 to around USD4,000 recently. Given this, I would like to ask how you are currently thinking about the outlook for CBE unit prices and volumes going forward, particularly how you think this will be next fiscal year.

Maeda [A]: Mr. Furuta, thank you for your question. We have received your question regarding our thinking for the next fiscal year on unit prices and volumes for CBE, amid declining cocoa prices.

First, as you understand, the New York market is currently hovering in the USD4,000 range. Even at this level, the FUJI OIL Group believes that demand for CBE will continue.

Regarding prices, we believe there will be some impact from the decline in cocoa raw material prices, but at this point, there have been no major changes.

As a Group, we would like to aim for profit growth of CBE and compound chocolate through value-added, expansion into new markets.

For value-added initiatives, as I mentioned earlier, including the acquisition of PROVENCE HUILES announced in April, we will strengthen raw material supply and the supply chain, and expand high-quality, sustainable, high-value-added CBE. In addition to external sales, we will supply CBE to Group companies in the industrial chocolate business and promote the strengthening of compound chocolate itself.

Furuta [Q]: I see, thank you. In that context, I believe you have also been raising prices for CBE recently, but regarding that thinking about unit prices, for the next fiscal year, will it be a situation where unit prices rise further, or, given the current market conditions, is the outlook that they will decline somewhat? What is your thinking on unit prices in that regard?

Maeda [A]: Your question is about unit prices for CBE and the unit price situation for the next fiscal year. At this point, unit prices and CBE contracts have not yet been finalized, so it is difficult to respond as to whether unit prices will rise or fall.

While it is undeniable that we are influenced by cocoa market prices, we recognize that customers understand the functionality of the FUJI OIL Group's CBE and compound chocolate, so I do not believe there will be significant declines.

Furuta [Q]: Understood, thank you. Regarding volumes, as you mentioned, there are new needs, and are you thinking that you can still increase volumes? To what extent do you think you can look at the volume growth rate? What is your thinking on that?

Maeda [A]: Regarding volumes, as we have said previously, we are making capital investments at each site for small, minor increases in volume, but we have not yet reached a decision on major capital investment at this point.

Therefore, we mentioned expecting low single-digit year on year growth for this fiscal year, and from next year onward as well, we would like to work on production improvements while aiming for such low single-digit percentage increase in volume.

Furuta [Q]: Understood, thank you. My second question is on Blommer. Substantive business profit has also been lowered this time, and I believe the factor is that chocolate sales are weak. On this point as well, can sales improve going forward?

3. Reference Materials

Sales Volumes of Major Product Categories (YOY)

FUJI OIL CO., LTD.

Business	Area	Product	FY2024 Results (Comparison for the Three-month Period)					FY2025 Results (Comparison for the Three-month Period)				
			Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Vegetable Oils and Fats	Japan	Vegetable fats for chocolate (CBE, CBR, CBS)	106%	106%	110%	101%	106%	102%	106%	110%		
	Americas		84%	89%	94%	75%	85%	76%	101%	62%		
	SE Asia		104%	137%	117%	109%	116%	108%	77%	93%		
	Europe		102%	94%	95%	90%	95%	112%	110%	98%		
Industrial Chocolate	Japan	Chocolate (Including cocoa products)	103%	102%	99%	103%	102%	100%	97%	100%		
	Americas (Brazil)		98%	99%	108%	105%	103%	125%	104%	107%		
	SE Asia		117%	113%	107%	111%	112%	96%	100%	107%		
	China		110%	96%	118%	81%	101%	96%	103%	106%		
	Europe		107%	101%	115%	81%	101%	94%	108%	87%		
	Total (excluding Blommer)		106%	103%	106%	103%	105%	105%	102%	103%		
	Blommer		84%	77%	76%	78%	79%	87%	82%	86%		
Total (including Blommer)	95%	91%	93%	93%	93%	97%	94%	97%				
Emulsified and Fermented Ingredients	Japan	Whipping cream	98%	97%	93%	101%	97%	101%	104%	101%		
		Margarine / Shortening	101%	102%	100%	97%	100%	96%	96%	96%		
	SE Asia	Whipping cream	97%	109%	118%	111%	109%	86%	101%	91%		
	China	Margarine / Shortening	88%	95%	126%	92%	100%	117%	117%	81%		
		Filling	104%	108%	95%	106%	103%	93%	98%	94%		
Soy-based Ingredients	Japan	Soy protein ingredients	100%	102%	96%	100%	99%	99%	94%	103%		
		Functional ingredients	99%	92%	106%	96%	98%	89%	83%	79%		

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* If the previous year's figure has changed due to a revision of the product category definition, etc., the retroactively corrected figure is shown.
 * Blommer changed its accounting period in fiscal year 2024, however, sales volume indicated a comparison with the same month of the previous fiscal year.

Maeda [A]: Regarding Blommer, on page 22, we show that Blommer's sales volume is 86% YoY for the same quarter in a three-month period. This 86% includes sales of cocoa products, pure chocolate, and compound chocolate, and within this, compound chocolate is significantly higher than the previous year.

For the FUJI OIL Group, our strength is compound chocolate that leverages oils and fats technology, so we will continue to expand this. Since there has been a decline in cocoa market conditions and a decline in cocoa prices, we expect this going forward to stimulate demand for chocolate, especially pure chocolate.

Furuta [M]: Understood. Thank you. That is all from me.

Okamoto [M]: Thank you, Mr. Furuta. Next, Morgan Stanley MUFG Securities, Mr. Tsunoyama, please.

Tsunoyama [Q]: This is Tsunoyama from Morgan Stanley. I have two questions as well.

First is on Blommer, on page 13 of the materials. You have reduced both the Cocoa Special Factors and business profit excluding those Cocoa Special Factors, so I would like you to explain the background in a bit more detail.

For the special factors, I believe you said in the H1 that they would not occur from H2, including the disposal of high-priced inventory. Including the background as to why they have occurred again, and occurred more than expected, please explain these two points.

Also, profit attributable to owners of parent was maintained. I think this means you will look at Blommer's performance, but what does this mean? Could you explain that as well, including Blommer, as my first point?

Maeda [A]: First, regarding Blommer overall, a major factor is that sales of pure chocolate have decreased more than expected. As I have said repeatedly, the sales volume of compound chocolate has increased, but pure chocolate continues to be at a level below the previous year. This has reduced substantive business profit, and losses related to Cocoa Special Factors continue to be recorded.

Regarding Cocoa Special Factors, the price difference between futures contract months in the futures market has normalized, so futures roll costs have decreased significantly. On the other hand, due to higher product prices resulting from higher cocoa prices and the recession in the US, sales have declined significantly, and unfortunately, we are below the initial plan.

However, since the price difference between futures contract months in the futures market has normalized, we believe that by the end of this fiscal year, we can reduce it to a level that is within a range that does not become a major sales timing mismatch.

Next, the reason for maintaining profit attributable to owners of parent is that, although nothing has been decided at this point, we have not reached the point of deciding to revise profit attributable to owners of parent at this time, and we have maintained it.

As I mentioned earlier, since the consumer demand environment in the US is weak, we believe it is necessary to review the future plan based on the Q4 results and conduct a careful company evaluation. I would like you to understand these two points: that nothing specific has been decided at this point, and that it is necessary to review it based on quarterly results.

Tsunoyama [Q]: Understood. At this point, regarding pure chocolate, what level of volume growth were you originally assuming, and to what percentage have you revised it? Also, I'd like to confirm once again whether this Costs on Switching Contract Month of Future will continue going forward, or whether it will end this year.

Maeda [A]: First, regarding sales volume of pure chocolate, I cannot provide specific figures, but at the beginning of the fiscal year, we assumed a volume slightly below the previous year.

Next, regarding Costs on Switching Contract Month of Future, the portion that occurred in the past is added onto raw material prices, so if we use these raw materials, Costs on Switching Contract Month of Future will arise.

However, as I mentioned earlier, in the futures market, the price difference between contract months has normalized. At this point, it is in a contango situation, so please understand that Costs on Switching Contract Month of Future do not arise. We believe that by the end of this fiscal year, we can reduce this cost to a level where it will not be a large amount.

Tsunoyama [Q]: Understood. About profit attributable to owners of parent, is it correct to understand that you will review Blommer, particularly the portion excluding these Cocoa Special Factors, in light of the US environment, including reviewing goodwill?

Maeda [A]: There is also business profit excluding Cocoa Special Factors, and there are also balance sheet movements including Cocoa Special Factors. We would like to carefully conduct a review of the future plan based on results, including the P&L and balance sheet movements.

Tsunoyama [Q]: Understood. Second, sorry for taking so long. Based on this, for the next fiscal year, which will be the second year of the mid-term management plan, I believe you are aiming for JPY45 billion in the year after next. Within what you can say now, could you explain what you are looking at as the drivers of business profit for the next fiscal year?

Maeda [A]: For the next fiscal year, we are currently in the process of planning, so I cannot provide details, but we believe that CBE will continue to be a major pillar contributing to earnings, as it is this fiscal year. In addition, we believe that compound chocolate, including Blommer, will also be a major source of earnings.

Tsunoyama [Q]: I think so, but in terms of YoY, it would be helpful if you could also explain the factors that will increase profit and the factors that will decrease profit.

Maeda [A]: We are still preparing specific figures, so I do not think I can mention details, but one thing I can say clearly is that for Blommer, we believe the figures will improve next fiscal year compared to this fiscal year.

Tsunoyama [Q]: How about the vegetable oils and fats business?

Maeda [A]: Regarding individual business performance, we are currently preparing it, so we would appreciate it if you could give us a little more time.

Tsunoyama [Q]: I see. Lastly, what will growth factor of Blommer at next fiscal year? Is the image that volumes will recover, lower raw material prices will have an effect, margins will improve, and valuation losses on futures will also disappear?

Maeda [A]: As you are aware, next fiscal year, a new line will be established at the Campbellford plant. In terms of earnings impact, it will likely be from H2, but we believe that continued sales expansion of compound chocolate will contribute to Blommer's profit improvement. In addition, we also expect expanded sales of pure chocolate based on current cocoa prices.

Tsunoyama [M]: I see, understood. Sorry, thank you very much.

Okamoto [M]: Thank you, Mr. Tsunoyama. Next, Mr. Saji from Mizuho Securities, please.

Saji [Q]: Thank you. I would like you to explain the industrial chocolate business, excluding Blommer, this time.

On slide page 11, business profit excluding Cocoa Special Factors increases by JPY0.3 billion from JPY13.6 billion to JPY13.9 billion. I would like you to explain, in terms of the overall picture, what this is attributable to, and what was favorable.

In addition, on page 15, you show it by region, and for Europe and the Americas, the industrial chocolate business is revised downward by JPY9 billion. Could you tell us how the situation was in Brazil and Europe, excluding Blommer?

Maeda [A]: I understood your question as follows: the initial forecast, the May forecast, was JPY13.6 billion for industrial chocolate business profit excluding Cocoa Special Factors, and the revised figure this time is JPY13.9 billion, which is an increase of JPY0.3 billion, and you are asking where this JPY0.3 billion impact comes from.

For the parts excluding Blommer, as I received questions about the Americas earlier, Brazil and Europe, excluding Blommer, are both in a situation of higher profit than the initial forecast.

In Brazil, sales of compound chocolate are progressing steadily, and in terms of volume as well, we are maintaining figures that significantly exceed the previous year. In Europe, we continue to produce at full capacity, and in particular, a shift toward sales of product groups with high profitability is contributing to profit.

Saji [Q]: Thank you. In that case, excluding Japan and Asia, all industrial chocolate business operations, excluding Blommer, have been revised upward. This is also related to Mr. Tsunoyama's question earlier, but how do you view the sustainability of that going into next year?

In page 15. For example, in Japan, it was revised from JPY4.6 billion to JPY6 billion, so JPY1.4 billion, and in Asia, industrial chocolate business was also revised upward from JPY2.2 billion to JPY3.4 billion, by JPY1.2 billion. As you explained for each area, I think volume increases are contributing. How about the sustainability of this going into next year?

Maeda [A]: In terms of volumes, we see that strong momentum will continue next fiscal year, centered on compound chocolate.

Saji [Q]: Thank you. This was a comparison you were looking at in the mid-term management plan, and you said earlier that compound chocolate excluding Blommer is very steady, but with regard to the current results, what kind of gap is there versus the plan you were looking at in the mid-term management plan, the plan for profit increase drivers? I would like to confirm whether it is in line with the plan, above, or below.

Maeda [A]: In the mid-term management plan, we have set 110% as a key driver for sales volume in FY2027 versus FY2024, excluding Blommer.

Regarding the situation in FY2026, we believe this progress is in an online situation, and in Japan, a new chocolate plant will start operations this April, which will also serve as a starting point, so please understand that at this point, progress toward achieving the mid-term plan is proceeding smoothly.

Saji [Q]: Thank you. In that case, is it correct to understand that if Blommer and other challenges are resolved, this will continue to be a performance driver?

Maeda [A]: Please understand that industrial chocolate, centered on compound chocolate, will continue to be an important core earnings business for the FUJI OIL Group.

Saji [Q]: Thank you. One more thing, just briefly, soy-based ingredients is a deficit of JPY0.4 billion in Japan this time, but could you tell us the outlook for improvement here?

Maeda [A]: First, with the adoption of IFRS, the quarterly pattern of expenses has changed slightly compared to the last fiscal year under Japanese GAAP. Due to IFRS-specific thinking on levies, as well as thinking related to personnel expenses, there is a tendency for more expenses to be recorded in Q4 compared to the previous Japanese GAAP.

For the emulsified and fermented ingredients and the soy-based ingredients, where earnings are small, these impact from the adoption of IFRS also appears larger than other businesses. So this is one of key point there will be a loss in Q4.

In addition, for the soy-based ingredients, we are continuing to consider business restructuring, including portfolio changes. There is nothing we should state at this point, but we are continuing to consider it, as we

have since last fiscal year, and we would like to inform you once we reach the stage where we can make an announcement.

Saji [Q]: Thank you. For the deficit of minus JPY1.2 billion, for the soy-based ingredients as a whole, what is your rough image of the accounting change impact, in terms of how many billions of yen?

Maeda [A]: I do not have the figure right now.

Saji [Q]: I see. Even so, it is a deficit of several billions of yen, and a deficit is a deficit, correct?

Maeda [A]: That is correct. It is not all an accounting impact.

Saji [M]: Understood. We look forward to improvement measures next year. Thank you.

Okamoto [M]: Thank you, Mr. Saji. Next, JPMorgan Securities, Mr. Fujiwara, please.

Fujiwara [Q]: Hello. This is Fujiwara from JPMorgan. Thank you.

I have two questions. First,, regarding your thinking on the industrial chocolate business, since production capacity will also come on stream toward the next fiscal year, I believe volumes will increase, and I think unit prices for gross profit may also increase. Given that cocoa beans are currently declining, when should we assume that this will be reflected in your costs? Also, in response to that, how should we think about selling prices trending? Please tell us about this. This is my first question.

The other question is that since you have maintained profit attributable to owners of parent, I believe you will probably review impairment risks and the like based on Blommer's future performance. If impairment were to occur, would that cause any problems for future credit ratings, in other words, debt funding, balance sheet management, or business operations? Please confirm this point only. Those are my two questions.

Maeda [A]: Mr. Fujiwara, thank you for your questions. First, for your first question, we have received your question regarding the impact of a decline in cocoa prices on our costs, and the timing for reflecting it in selling prices.

I cannot comment in detail on our cost position, but in general, cocoa raw materials typically involve a lag of about 10 months to about 1 year due to market conditions, so please understand that we are also within that range.

Your second question is whether there would be any impact on credit ratings and the like if impairment at Blommer were to be recorded.

Since this is not determined at this time, it is very difficult to comment, but since this is basically a portion that does not involve cash outflow, I believe there will be no major impact on credit ratings and the like. That is all.

Fujiwara [Q]: Understood. On the first point, generally, if you assume inventories of around 10 months to 12 months, that means you will see a positive benefit at some point in the next fiscal year. In the end, for your thinking on the industrial chocolate business for the next fiscal year, is it correct to think that both volumes and unit prices for gross profit, the spread, will work in a positive direction and drive next fiscal year's performance?

Maeda [A]: We believe volumes will be positive for the Group as a whole. As for unit prices for gross profit, there may be various situations, positive and negative, so we believe it is appropriate to think of this as overall impact will flat.

Fujiwara [Q]: In any case, for the next fiscal year, there is no change in your thinking that you expect the industrial chocolate business to be a performance driver, correct?

Maeda [A]: We also expect the industrial chocolate business to be a driver.

Fujiwara [Q]: Then, is the message now that you want to aim for a solid increase in profit for the entire company?

Maeda [A]: We want to aim for an increase in profit in the industrial chocolate business, but of course, there are also parts other than gross profit, so please understand that what I am saying now is the portion up to gross profit.

Fujiwara [M]: Understood. Thank you.

Okamoto [M]: Thank you, Mr. Fujiwara. Next, Nomura Securities, Mr. Morita, please.

Morita [Q]: This is Morita from Nomura. Thank you in advance. First, I also have a question on Blommer. You said you will consider the situation going forward, but with the top line being weaker than expected, are you considering additional restructuring or structural reforms to some extent? Please tell us about this.

Also, on Cocoa Special Factors, you provided various explanations in response to Mr. Tsunoyama's questions, but you said at the timing of H1 that there would be no additional occurrence, so why did it occur in Q3? Please tell us about this again.

Second, regarding the vegetable oils and fats business, I understand that CBE is performing very well at present, but I think the businesses other than CBE also have strong future potential. What is the current situation for those, and can we expect an additional contribution to earnings next fiscal year? Could you also comment on this? That is all.

Maeda [A]: Mr. Morita, thank you for your questions. Your first question is on Blommer. With the top line being weak, whether we will continue to consider restructuring and structural reforms is your first point. Your second point on Blommer is that, among the special factors, regarding Costs on Switching Contract Month of Future, you believe there was a statement in H1 that there would be no additional occurrence.

Your second question is how we should think about the businesses other than CBE next fiscal year in the vegetable oils and fats business.

First, regarding Blommer's structural reforms, Mr. Morita, as you understand, we believe that the structural reform plan announced in March 2024 is progressing smoothly.

However, we are also seeing areas where new issues and new measures are needed, so we are continuing structural reforms. In particular, this includes the new production line at the Campbellford plant, and we are also continuing structural reforms and productivity improvements at the relatively old East Greenville plant. We consider productivity improvement in FY2026 to be a major issue that Blommer needs to resolve, and we are planning to have multiple production specialists from Japan assigned to Blommer on secondment.

Regarding your second question on Costs on Switching Contract Month of Future, it is not that the amount of the costs themselves increased. For Costs on Switching Contract Month of Future, we are implementing price revisions for roll costs, and this figure appears as a net figure, but unfortunately, sales of pure chocolate are lagging, and only the cost side has emerged significantly.

As I stated in response to Mr. Tsunoyama's question, at the end of FY2025, with the normalization of the forward cocoa futures market conditions, no new costs are occurring, so we believe the balance will not be at a large amount level at the end of FY2025, and we believe there will be no major impact in FY2026.

Morita [Q]: May I confirm one point? For Blommer's roll costs, is it that the expectation that losses from contract month costs would occur is as assumed, but because sales are weak, the price pass-through is delayed, and the occurrence of the cost itself is as assumed? Is that the nuance?

Maeda [A]: It is not that price pass-through is delayed, but that we have implemented price pass-through, and delivery is delayed.

Morita [Q]: So, the cost itself is as assumed, and delivery of the products for which price pass-through was implemented is delayed, and the positive effect that should offset it is not coming out as much as expected. Is that the nuance?

Maeda [A]: Yes. Please understand it as the offsetting effect. I believe we said in the initial plan, also when we discussed the fiscal year ended March 2025, that this situation would continue in H1, and in H2, the effects of price revisions would appear and costs would decrease, but please understand that this improvement is slower than initially assumed.

Morita [Q]: This is a general point, but as you said, it has returned to the normal situation where the forward months are higher, so I can somewhat picture that no further negatives will occur going forward. In that case, as price pass-through progresses, can we view this item as contributing a positive profit increase effect in the new fiscal year, or should we view it as zero?

Maeda [A]: Basically, please view it as zero.

Morita [Q]: Understood. Also, the item of Sales Timing Difference is positive up to the current point. It is plus JPY0.7 billion in Q3, and zero in the full-year forecast, so does that mean you will have plus JPY0.8 billion in Q4 as well, and how does it look going into next fiscal year?

Maeda [A]: Please understand that the special costs and special situation when cocoa market prices in a normal state changed significantly have improved with regard to the Sales Timing Difference. Therefore, at present, as an item that still has an impact on the financial results as a special factor, Costs on Switching Contract Month of Future will remain, albeit slightly, through this fiscal year.

Morita [Q]: Understood. For Blommer, is it correct that the message is that you are also considering additional measures in response to changes in the external environment?

Maeda [A]: Yes. Since Blommer is a company with a large impact on our financial results, not only Blommer, but also the business headquarters, including the Japan side, are responding as one company to resolve current issues.

Morita [M]: I see. Thank you.

Maeda [A]: Your second question was about how we view businesses other than CBE in the oils and fats business, some areas overlap with the mid-term management plan.

Even outside the CBE business, sustainability remains a major keyword for the vegetable oils and fats business. First, UNIFUJI and JPG Fuji, although JPG Fuji itself will be scheduled to begin operations from next fiscal year.

In addition, PROVENCE HUILES, which we acquired from the ITOCHU Group in April of this fiscal year. Including its Group companies, and strengthening the supply chain for palm oil and sunflower oil, will be a major point.

The value that FUJI OIL seeks is to provide products with functionality that achieve both high quality and sustainability, and we believe this is an item that we should continue to challenge as FUJI OIL's core product groups for oils and fats.

Morita [Q]: Based on what you just said, if you have a quantitative sense, in the vegetable oils and fats business, roughly what proportion is your image for CBE, and roughly what proportion was a profit increase factor other than CBE? It would be helpful if you could share an image.

Maeda [A]: Your question would require me to answer about the profit margin of CBE and individual product groups, so I am sorry, but I would like to refrain from answering.

Morita [Q]: Is it acceptable to understand that a certain proportion is also included for factors other than CBE?

Maeda [A]: Please understand that items other than CBE are also the core. Rather than the raw materials for CBE being special, both the raw materials for CBE and other oils and fats raw materials are, for us, product groups with added value, including sustainability, so I believe the strength of CBE is that it is also strong in other oils and fats product groups.

Morita [M]: I see. Thank you.

Okamoto [M]: Thank you, Mr. Morita.

UBS Securities, Mr. Ihara, could you please proceed?

Ihara [Q]: Thank you for your explanation. This is Ihara from UBS Securities. Thank you in advance.

I have a few points I would like to confirm. The amount of profit increase in the vegetable oils and fats business in Q3 appears to have slowed somewhat compared to the momentum through H1, but should I understand that demand for CBE increased from around Q3 of last fiscal year, and the profit increase effect became very significant, and that a sense of having run its course has now emerged somewhat?

In addition, I believe that in Q4, the vegetable oils and fats business is expected to turn to a decrease in profit, but is there some kind of turning point toward Q4, or is it simply conservative? I would appreciate it if you could explain your thinking. That is my first question.

My second question is similar to the first. The industrial chocolate business, excluding Cocoa Special Factors, is assumed to turn to a significant decrease in profit in Q4, but is there some kind of turning point there as well?

When listening to some competitors, I hear that the impact of higher chocolate costs will finally emerge, and in Q4, they will turn to a decrease in profit, with unit prices for gross profit deteriorating. I would like to confirm whether such an impact is not appearing at your company. That is all. Thank you.

Maeda [A]: Mr. Ihara, thank you for your questions. Your first question was that, in the vegetable oils and fats business, profit increases slowly from Q3 to Q4, and although Q4 is a plan for a decrease in profit, you asked whether there is some turning point.

As you understand, CBE increased significantly in Q3 and Q4 of the last fiscal year. When comparing on a three-month quarterly basis, for CBE, the figures for Q3 and Q4 show that profit and volume decreased in some regions, so on a three-month basis, some aspects align with your understanding.

In addition, as is common in chocolate, our high season for vegetable fats for chocolate is Q3, so Q4 becomes an adjustment phase.

This also applies to the vegetable oils and fats business and the industrial chocolate business. Last fiscal year, there were large gains from raw materials. So it will result in a decrease in profit compared to the previous year.

Therefore, it is not that demand is declining. When viewed by quarter, the special factors in the previous year and this year are affecting the figures positively and negatively.

The same flow applies to chocolate. You mentioned your concern that the impact of higher costs may emerge soon, but for chocolate, when you look at the quarterly figures, it may result in a decrease in profit, but compared to the initial plan, it is an increase in profit.

What we said at the beginning of the fiscal year was that for the chocolate business, due to the significant rise in cocoa prices in the previous year, we revised our product prices. In that respect, there were many gains from raw materials in the previous year, and we formulated the earnings plan on the assumption that such gains would not be large in FY2025.

As I mentioned earlier, this time we have revised upward beyond that planned figure, so it is not a turning point. Please understand that the chocolate business is performing within the range of what we planned at the beginning of the fiscal year.

Ihara [M]: I see, understood. That is all from me. Thank you.

Maeda [M]: Thank you.

Okamoto [M]: Thank you, Mr. Ihara. Since it is now time, we will conclude the Q&A session. Lastly, Maeda will give a brief closing remark.

Maeda [M]: Thank you very much for joining us today despite your busy schedules. We will work as one company toward achieving the mid-term management plan, and toward the sustained growth of the FUJI OIL Group and the enhancement of corporate value. Thank you very much.

Okamoto [M]: This concludes the conference call. Thank you for joining. Please be careful not to forget to disconnect your line.

Document Notes

1. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*

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