FUJI OIL CO., LTD.

Q1 Financial Results Briefing for the Fiscal Year Ending March 2027

August 7, 2026

Event Summary

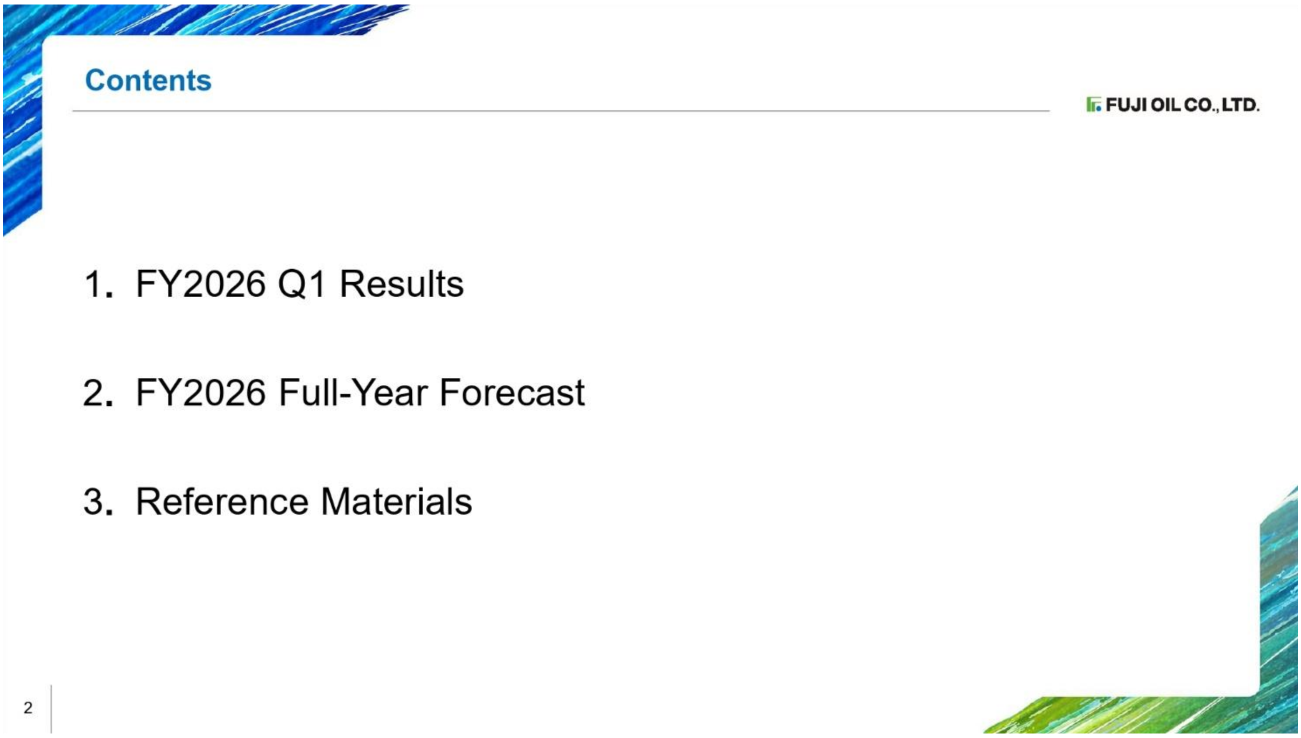
[Fiscal Period]	FY2027 Q1
[Date]	August 7, 2026
[Time]	16:00 – 16:57 (Total: 57 minutes, Presentation: 14 minutes, Q&A: 43 minutes)
[Venue]	Webcast
[Number of Speakers]	1 Sunao Maeda: Director, Senior Executive Officer, Chief Financial Officer (CFO)

This material has been edited questions and answers to make them easier to understand.

Presentation

Moderator: We will now begin FUJI OIL CO., LTD.'s financial results briefing for Q1 of FY2026.

Maeda: Thank you very much for joining us today for the financial results briefing for Q1 of FY2026. I am Maeda, CFO. Thank you.



Please refer to page two. Today's summary. I will explain the Q1 results followed by the full-year earnings forecast.

FY2026 Q1 Results

FUJI OIL CO., LTD.

FY2026 Q1 Results

Unit: JPY billion

	FY2025 Q1 Results *1	FY2026 Q1 Results	YOY
Net Sales	181.8	**179.8**	(2.0)
Business Profit	5.5	**9.6**	+4.1
Profit Attributable to Owners of Parent	3.1	**5.6**	+2.4

Net Sales 179.8 billion yen YOY -2.0 billion yen

Net sales decreased due to lower sales prices reflecting declining raw material prices at Blommer on Industrial Chocolate Business, despite solid sales growth on Vegetable Oils and Fats Business.

Business Profit 9.6 billion yen YOY +4.1 billion yen

Business profit increased mainly because of the decrease of expenses of cocoa-related factors (hereinafter, referred to as “Cocoa Special Factors”) at Blommer on Industrial Chocolate Business and the increase of sales volume on Soy-based Ingredients Business which captured expanding demand for protein.

Profit Attributable to Owners of Parent 5.6 billion yen YOY +2.4 billion yen

Profits increased because of the decrease of expenses of Cocoa Special Factors at Blommer and the increase of business profit on Soy-based Ingredients Business.

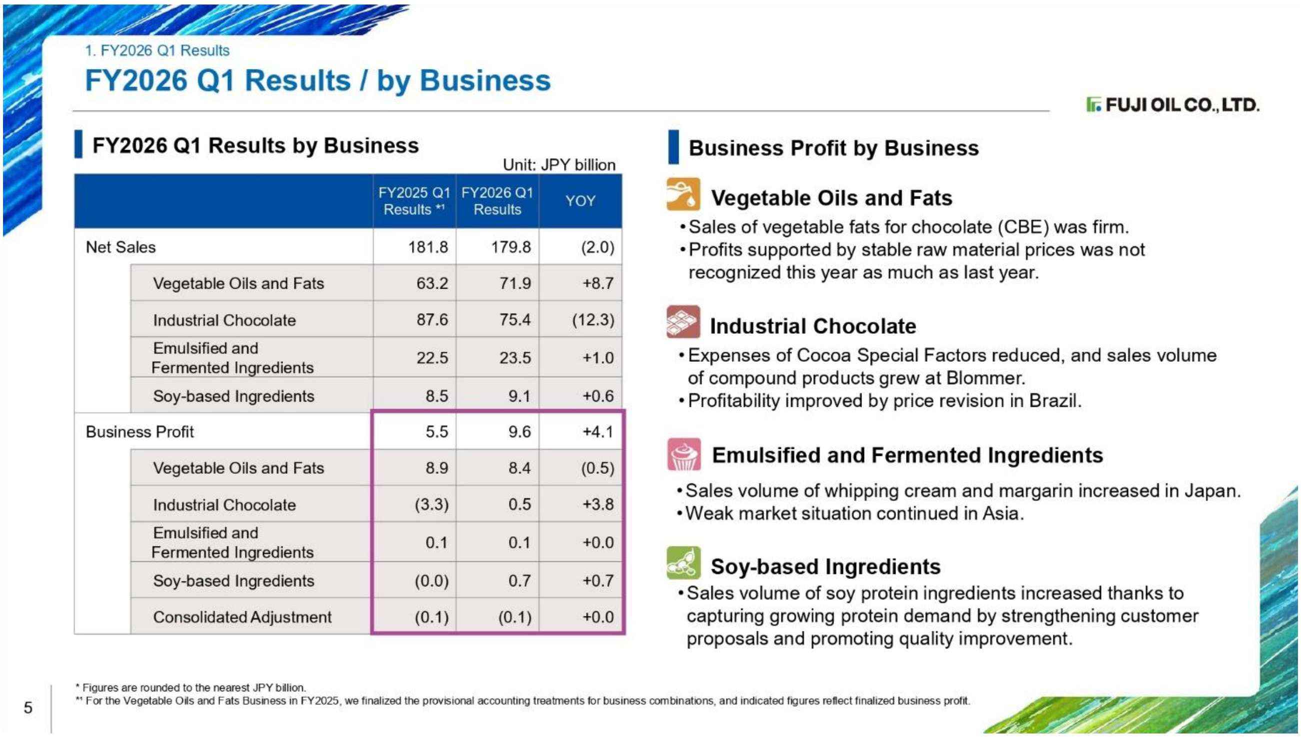
* Figures are rounded to the nearest JPY billion.
*1 For the Vegetable Oils and Fats Business in FY2025, we finalized the provisional accounting treatments for business combinations, and indicated figures reflect finalized business profit.

Please refer to page four. These are the results for the Q1 of FY2026. Net sales decreased by JPY2 billion to JPY179.8 billion, business profit increased by JPY4.1 billion to JPY9.6 billion, and Profit attributable to owners of parent increased by JPY2.4 billion to JPY5.6 billion.

First, regarding net sales, the vegetable oils and fats business saw an increase in revenue due to price adjustments resulting from rising prices of palm oil, its primary raw material. However, the industrial chocolate business saw a decrease in revenue due to lower selling prices for at Blommer, driven by a decline in cocoa prices.

Next, regarding business profit, profits increased due to a decrease of expenses of cocoa-related factors (hereinafter, referred to as “Cocoa Special Factors”) at Blommer in the industrial chocolate business, as well as an increase in sales volume in the soy-based ingredients business driven by growing demand for protein.

Profit attributable to owners of parent increased due to growth in operating income.


1. FY2026 Q1 Results

FY2026 Q1 Results / by Business

FUJI OIL CO., LTD.

FY2026 Q1 Results by Business

Unit: JPY billion

		FY2025 Q1 Results *1	FY2026 Q1 Results	YOY
Net Sales		181.8	179.8	(2.0)
	Vegetable Oils and Fats	63.2	71.9	+8.7
	Industrial Chocolate	87.6	75.4	(12.3)
	Emulsified and Fermented Ingredients	22.5	23.5	+1.0
	Soy-based Ingredients	8.5	9.1	+0.6
Business Profit		5.5	9.6	+4.1
	Vegetable Oils and Fats	8.9	8.4	(0.5)
	Industrial Chocolate	(3.3)	0.5	+3.8
	Emulsified and Fermented Ingredients	0.1	0.1	+0.0
	Soy-based Ingredients	(0.0)	0.7	+0.7
	Consolidated Adjustment	(0.1)	(0.1)	+0.0

Business Profit by Business

Vegetable Oils and Fats

- Sales of vegetable fats for chocolate (CBE) was firm.
- Profits supported by stable raw material prices was not recognized this year as much as last year.

Industrial Chocolate

- Expenses of Cocoa Special Factors reduced, and sales volume of compound products grew at Blommer.
- Profitability improved by price revision in Brazil.

Emulsified and Fermented Ingredients

- Sales volume of whipping cream and margarin increased in Japan.
- Weak market situation continued in Asia.

Soy-based Ingredients

- Sales volume of soy protein ingredients increased thanks to capturing growing protein demand by strengthening customer proposals and promoting quality improvement.

* Figures are rounded to the nearest JPY billion.
*1 For the Vegetable Oils and Fats Business in FY2025, we finalized the provisional accounting treatments for business combinations, and indicated figures reflect finalized business profit.

5

Please refer to page five. I will now explain business profit by business segment.

First, regarding the vegetable oils and ats business, demand for vegetable fats for chocolate (CBE) remained strong, and sales were solid. On the other hand, while we were able to secure profits during the same period last year due to stable raw material prices, those profits have declined this fiscal year.

Next is the industrial chocolate business. At Blommer, in addition to lower costs associated with Cocoa special factors sales volume of compound products increased. In addition, profitability improved in Brazil due to the sales price revisions implemented in the previous fiscal year.

In the emulsified and fermented ingredients business, sales volumes of cream and margarine for the confectionery and bakery markets in Japan increased. In Asia, however, the impact of the sluggish market continued, resulting in a decline in sales volume.

In the soy-based ingredients business, as demand for protein has grown and attention has shifted toward soy protein, sales volume increased as a result of our efforts to strengthen customer proposal and promote quality improvement. In addition, sales volume for functional ingredients also exceeded that of the previous fiscal year.

1. FY2026 Q1 Results

FY2026 Q1 Business Profit Analysis

FUJI OIL CO., LTD.

Business Profit Analysis YOY

Unit: JPY billion

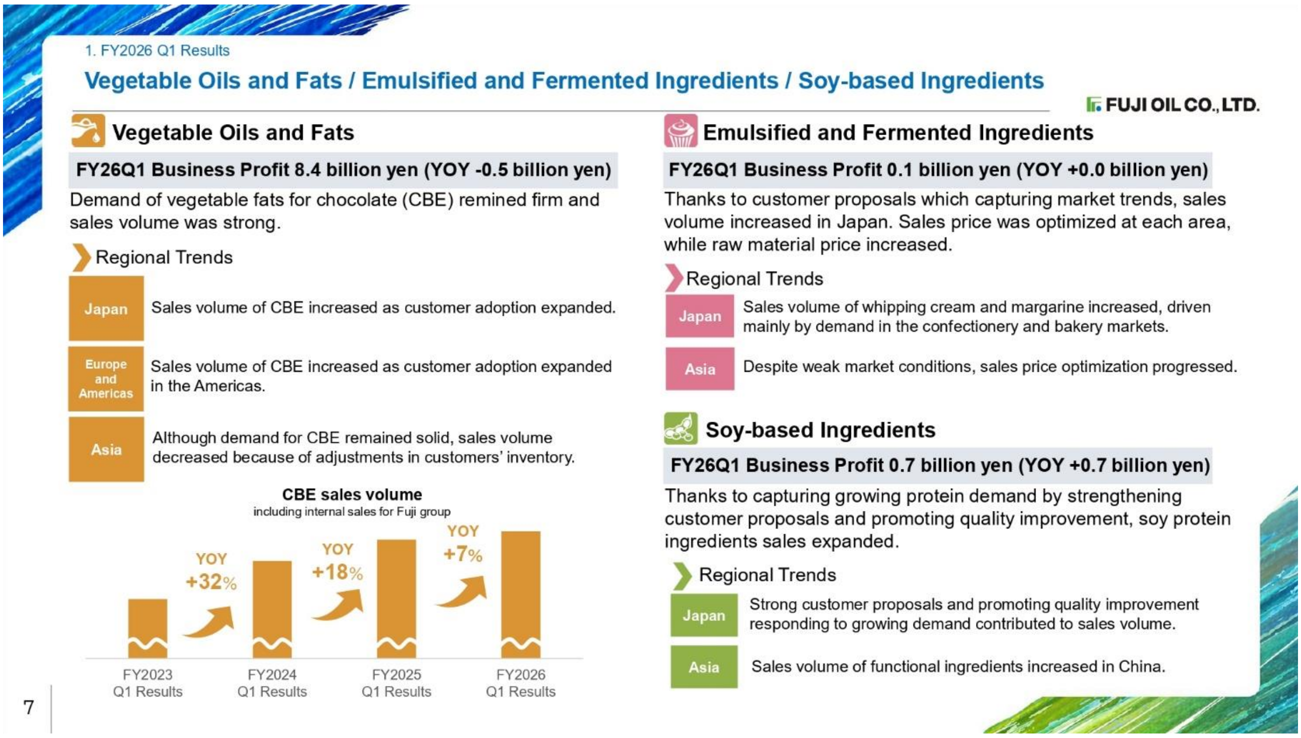
Sales Volume Factor	Sales volume of vegetable fats for chocolate (CBE) on Vegetable Oils and Fats Business and soy protein ingredients on Soy-based Ingredients Business increased.
Price Factor	Sales prices influenced by declining cocoa market price at Blommer, but the expenses of Cocoa Special Factors reduced.
Expenses and Exchanges	Fixed costs, such as labor costs, increased, but profits were benefited from JPY depreciation.

*1 For the Vegetable Oils and Fats Business in FY2025, we finalized the provisional accounting treatments for business combinations, and indicated figures reflect finalized business profit.

Please refer to page six. This is a waterfall chart showing business profit compared to the same period last year.

First, sales volume factor resulted in a positive impact of JPY1.3 billion, driven by increased sales volumes of CBE in the vegetable oils and fats business and soy protein ingredients in the Soy-based ingredients business. In terms of Price factor, while sales prices at Blommer declined due to a drop in cocoa prices, costs related to cocoa special factors decreased. As a result, after offsetting price adjustments against raw materials and other costs, the net increase was JPY2.6 billion. As for expenses and exchanges, although fixed costs increased, the result was a net increase of JPY100 million, driven by the contribution from consolidated profits of overseas group companies due to the weakening of the yen.

As a result, business profit reached JPY9.6 billion, an increase of JPY4.1 billion compared to the same period last year.



Please refer to page seven. We will now explain our vegetable oils and fats business, emulsified and fermented ingredients business, and soy-based ingredients business.

First, regarding the vegetable oils and fats, business profit for Q1 was JPY8.4 billion, a decrease of JPY500 million compared to the same period last year. In the same period last year, we were able to secure profits thanks to stable raw material prices, but those profits have declined this fiscal year.

On the other hand, the CBE not only posted solid sales but also maintained profitability at the previous year's level, resulting in results that exceeded the Company's expectations. With regard to CBE, by region, sales volume increased in Japan and the Americas due to expanded use by customers. Although sales volumes in Asia have declined, this is due to customers adjusting their inventory levels, and demand remains strong.

As a result, CBE sales volume for Q1 increased by 7% compared to the same period last year.

Next is the emulsification and fermentation ingredients business. Business profit was JPY100 million, on par with the same period of the previous year. In Japan, sales volumes of cream and margarine increased, particularly in the confectionery and bakery markets, thanks to product proposals that capitalized on market trends. In Asia, although sales were sluggish due to weak market conditions, we took steps to adjust selling prices in response to rising raw material costs.

In the Soy-based ingredients business operating profit increased by JPY700 million YoY to JPY700 million. Amid tight supplies of whey protein, we capitalized on the demand for protein in Japan and achieved sales growth by strengthening our offerings of Soy protein ingredients and improving their quality. In addition, sales of functional ingredients for beverages remained strong in Japan and China.

Industrial Chocolate

FUJI OIL CO., LTD.

Losses improved as Cocoa Special Factors declined at Blommer. We will promote sales expansion through the start of the new line operation in the second half of the fiscal year.

FY26Q1 Business Profit 0.5 billion yen (YOY +3.8 billion yen)

Regional Trends

Japan	The impact of high-cost cocoa inventories remained. We will promote sales expansion by leveraging the increased production capacity of the new plant.
Europe and Americas	Brazil saw decreased sales volume but demand for compound chocolate was strong. Profitability improved thanks to price revision.
Asia	Sales volume of compound chocolate increased as demand remained solid.

(Japan)
New plant started operation from May 2026.

(Japan)
New product: Soyeux Chocolat
A new soft chocolate that is easy to process and delivers a rich cocoa flavor.

(Brazil)
Launched the campaign to expand sales at off-season.

Results at Blommer

Business profit improved significantly thanks to the reduction of Cocoa Special Factors year on year, in which costs on switching contract month of future continued in the first quarter.

Unit: JPY billion

	FY2025 Q1 Results	FY2026 Q1 Results	YOY
Net Sales	50.0	34.4	(15.6)
Business Profit *1	(5.4)	(1.5)	+3.9

*1 Before consolidation adjustments

Sales Trends at Blommer

Sales volume of chocolate products at Blommer had been declining year on year due to sluggish market conditions, but recovered in the first quarter and exceeded the previous year's level.

Sales volume of compound products

(Blommer)
The new line is set to start operations in the second half of FY2026, with sales contracts under negotiation.

Please refer to page eight. I will explain the industrial chocolate business.

Business profit for Q1 increased by JPY3.8 billion to JPY500 million. Progress at Blommer has been as expected, and at the other group companies as well, we were able to focus our efforts on our core strength: compound chocolate products.

First, in Japan, profitability declined and earnings fell due to the use of high-priced cocoa ingredients; however, with the new plant operating smoothly since May and the acquisition of new contracts, we expect sales volume to increase starting in the second half of the fiscal year.

In Brazil, profitability improved as a result of price adjustments implemented in FY2025. Sales volume declined due in part to inventory adjustments by customers following Easter. However, we are currently running promotional campaigns and expect sales volume to recover starting in Q2.

In Asia, demand for compound chocolate remained strong, leading to an increase in sales volume.

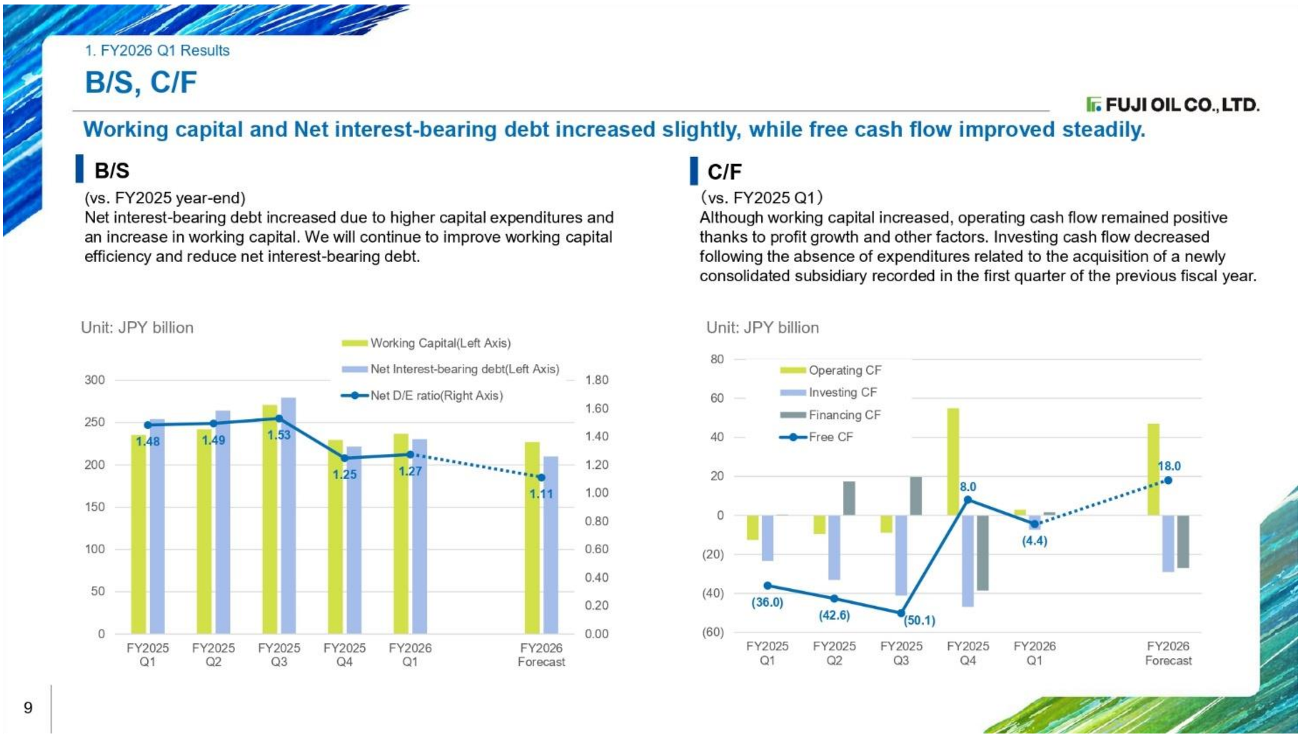
Next, regarding Blommer, net sales decreased by JPY15.6 billion to JPY34.4 billion, and business profit increased by JPY3.9 billion to a loss of JPY1.5 billion. Of this amount, cocoa special factors resulted in a loss of just under JPY1 billion. Although special factors related to cocoa contributed to losses in Q1, the results were in line with expectations, and we expect losses to steadily decrease starting in Q2.

Net sales declined due to a decrease in sales volume of the cocoa product line, as well as lower selling prices resulting from the drop in cocoa prices. Operating profit increased by approximately JPY4 billion compared to the same period last year; we estimate that approximately JPY3 billion of this increase is attributable to an improvement in cocoa special factors and approximately JPY1 billion is attributable to improvements unrelated to special factors.

Although Q1 is a traditionally slow season and we posted a net loss, we are seeing improvements as we look ahead to the upcoming peak demand period.

Regarding sales trends, while Blommer's sales volume had continued to fall short of the previous year's levels for the past several years due to the sluggish US chocolate market and the closure of the Chicago plant, sales volume for chocolate products rebounded in Q1, reaching 101% of the same period last year. In particular, sales of compound products reached 104% of the same period last year.

The new plant is also scheduled to begin operations in the second half of this fiscal year. Progress is being made on sales contracts, and we anticipate an increase in sales volume.



Please refer to page nine. I will explain the balance sheet and cash flow.

On the balance sheet, net interest-bearing debt increased compared to the end of the previous fiscal year, due to increases in working capital and capital expenditures.

In terms of cash flow, operating cash flow remained positive due to profit growth. Cash flows from investing activities decreased due to a reversal effect following the acquisition of a new consolidated subsidiary in the vegetable oils and fats business during Q1 of the previous fiscal year.

We will continue to focus on improving working capital efficiency and reducing net interest-bearing debt to further strengthen our financial foundation.

1. FY2026 Q1 Results

FY2026 Q1：Net Sales, Business Profit (by Business, Area)

FUJI OIL CO., LTD.

Unit: JPY million

Net Sales	FY	Japan	YOY	Europe and Americas	YOY	Asia	YOY	Consolidated Total	YOY
Vegetable Oils and Fats	2026 Q1 (IFRS)	18,218	(772)	39,243	+6,890	14,406	+2,553	71,869	+8,671
	2025 Q1 (IFRS)	18,990	+4,823	32,353	+7,800	11,853	+2,885	63,197	+15,509
	2024 Q1 (IFRS)	14,167	-	24,552	-	8,968	-	47,688	-
Industrial Chocolate	2026 Q1 (IFRS)	15,647	(359)	48,898	(13,321)	10,816	+1,400	75,362	(12,279)
	2025 Q1 (IFRS)	16,006	+4,126	62,220	+8,887	9,415	+1,054	87,641	+14,068
	2024 Q1 (IFRS)	11,879	-	53,332	-	8,360	-	73,573	-
Emulsified and Fermented Ingredients	2026 Q1 (IFRS)	15,619	+578	-	-	7,893	+447	23,513	+1,026
	2025 Q1 (IFRS)	15,040	+451	-	-	7,446	(130)	22,486	+320
	2024 Q1 (IFRS)	14,589	-	-	-	7,576	-	22,166	-
Soy-based Ingredients	2026 Q1 (IFRS)	8,818	+476	17	+17	225	+63	9,062	+557
	2025 Q1 (IFRS)	8,342	(410)	-	-	161	(23)	8,504	(433)
	2024 Q1 (IFRS)	8,753	-	-	-	185	-	8,938	-
Net Sales Total	2026 Q1 (IFRS)	58,303	(76)	88,160	(6,413)	33,342	+4,465	179,807	(2,024)
	2025 Q1 (IFRS)	58,380	+8,991	94,573	+16,688	28,876	+3,785	181,831	+29,465
	2024 Q1 (IFRS)	49,389	-	77,885	-	25,091	-	152,366	-

Business Profit	FY	Japan	YOY	Europe and Americas	YOY	Asia	YOY	Consolidated Adjustment	YOY	Consolidated Total	YOY
Vegetable Oils and Fats	2026 Q1 (IFRS)	2,772	(172)	3,164	+164	2,210	(952)	210	+459	8,356	(501)
	2025 Q1 (IFRS)	2,944	+1,755	3,000	+671	3,162	+1,714	(249)	+139	8,858	+4,281
	2024 Q1 (IFRS)	1,189	-	2,328	-	1,447	-	(388)	-	4,576	-
Industrial Chocolate	2026 Q1 (IFRS)	851	(1,006)	(1,324)	+4,374	696	+237	251	+173	475	+3,777
	2025 Q1 (IFRS)	1,857	+363	(5,698)	(6,658)	459	(381)	78	+114	(3,302)	(6,562)
	2024 Q1 (IFRS)	1,494	-	960	-	840	-	(35)	-	3,259	-
Emulsified and Fermented Ingredients	2026 Q1 (IFRS)	306	+53	-	-	(207)	+86	13	(97)	112	+42
	2025 Q1 (IFRS)	252	(287)	-	-	(294)	(333)	111	+164	70	(456)
	2024 Q1 (IFRS)	540	-	-	-	39	-	(52)	-	527	-
Soy-based Ingredients	2026 Q1 (IFRS)	761	+596	(187)	+17	189	+102	(67)	+7	695	+723
	2025 Q1 (IFRS)	164	+48	(204)	+1	87	+1	(75)	(76)	(27)	(25)
	2024 Q1 (IFRS)	115	-	(205)	-	86	-	1	-	(2)	-
Consolidated Adjustment	2026 Q1 (IFRS)	(9)	+36	(149)	(158)	(19)	+119	121	+37	(56)	+34
	2025 Q1 (IFRS)	(45)	(31)	8	+117	(138)	(146)	84	(15)	(91)	(76)
	2024 Q1 (IFRS)	(14)	-	(108)	-	7	-	100	-	(14)	-
Business Profit Total	2026 Q1 (IFRS)	4,681	(492)	1,503	+4,397	2,869	(407)	529	+579	9,584	+4,076
	2025 Q1 (IFRS)	5,174	+1,848	(2,893)	(5,868)	3,276	+855	(50)	+325	5,508	(2,838)
	2024 Q1 (IFRS)	3,325	-	2,974	-	2,421	-	(375)	-	8,346	-

10

* Our Group has voluntarily applied International Financial Reporting Standards (IFRS) since FY2025. Figures for FY2024 have been modified and are indicated based on IFRS.
* For the Vegetable Oils and Fats Business in FY2025, we finalized the provisional accounting treatments for business combinations, and indicated figures reflect finalized business profit.

Page 10 presents a matrix of FY2026Q1, broken down by business segment and region, so please refer to it.

2. FY2026 Full-Year Forecast

FY2026 Full-Year Forecast

FUJI OIL CO., LTD.

Results on Vegetable Oils and Fats Business and Soy-based Ingredients Business were firm and that expect to help firm group results which exceeds our forecast.

Full-Year Forecast

We expect to improve profitability on continued firm sales of vegetable fats for chocolate (CBE) on Vegetable Fats and Oils Business as well as decreased expenses from Cocoa Special Factors and growth in sales of compound products at Blommer in the U.S. As for the impact of conditions in the Middle East, no major risks manifested during the first quarter and we expect any future impact to be limited.

Unit: JPY billion

	FY2025 Results	FY2026 Forecast	YOY
Net Sales	772.3	754.0	(18.3)
Business Profit	36.0	37.5	+1.5
Profit Attributable to Owners of Parent	11.1	19.5	+8.4

Outlook for the second quarter onward

Vegetable Oils and Fats	Stable profits are expected to be secured through firm sales of vegetable fats for chocolate (CBE).
Industrial Chocolate	Profitability is expected to improve due to the reduction of Cocoa Special Factors at Blommer, expanded sales at each group company, and the consumption of high-cost inventories.
Emulsified and Fermented Ingredients	In Japan, sales volume is expected to remain firm, while efforts to address rising costs will continue. Overseas, we are optimizing sales and manufacturing and rebuilding sales strategies in response to changes in the market environment.
Soy-based Ingredients	An improvement of profitability is expected thanks to capturing growing protein demand by strengthening customer proposals and promoting quality improvement.

12

Please refer to page 12. I would like to explain our full-year forecast for FY2026.

In Q1, the vegetable oils and fats business and the soy-based ingredients business performed better than expected.

For the full fiscal year as well, we will strive to improve profitability by leveraging strong sales of CBE in the vegetable oils and fats business, as well as a reduction in costs related to Cocoa special factors at Blommer in the industrial chocolate business and expanded sales across group companies. With regard to the situation in the Middle East, although there have been cost increases in areas such as logistics and packaging materials, we do not currently see any major risks, and we expect any future impact to be limited.

In closing, while uncertainty in the business environment remains high, the initiatives implemented in each business segment in line with the basic policies of our medium-term management plan are beginning to yield results that are reflected in our financial performance.

We are committed to achieving our full-year operating profit target of JPY37.5 billion, and the entire company will work together toward this goal. We look forward to your continued support.

That concludes my presentation. Thank you.

Question & Answer

Moderator: We will now move on to the Q&A session.

Questioner: Business profit in Q1 was just under JPY10 billion, representing an increase of approximately 70% YoY. Did this result exceed the Company's forecast? Also, if any business segments significantly outperformed your expectations, could you please comment on those as well?

Maeda: Our Q1 results exceeded our initial forecast, and we believe we have made a solid start toward achieving our full-year business profit target of JPY37.5 billion.

In terms of which business segments exceeded our initial projections, the vegetable oils and fats business and the soy-based ingredients business both posted results that exceeded our initial forecast.

Questioner: Which specific areas of the vegetable oils and fats business outperformed?

Maeda: Japan and the Americas were the primary regions that outperformed, mainly because CBE sales exceeded our initial forecast in both regions.

Another point is that, regarding the oils and fats business, I mentioned that we expect a decline in raw material gains of approximately JPY5 billion for the full year, primarily in the first half; the key point here is that the resulting decline in raw material gains for Q1 was smaller than initially anticipated.

Questioner: My second question concerns Blommer. Could you provide an approximate breakdown of the cocoa special factors remaining in Q1 and the underlying performance excluding those factors?

Maeda: As shown on page eight, Blommer recorded a business loss of JPY1.5 billion in Q1, of which approximately JPY1 billion was attributable to Cocoa special factors.

Questioner: Is Blommer making steady progress toward its full-year business profit target of JPY3 billion?

Maeda: Q1 results were in line with our expectations. Specifically, with regard to Blommer, a new factory will begin operations in the second half of the fiscal year. Taking into account the start of operations there as well as an increase in sales volume, we are currently aiming to maintain a full-year profit of JPY3 billion.

Questioner: I understand. Thank you. That is all.

Questioner: I have two questions. My first question concerns your full-year forecast. Q1 got off to a very strong start. You had originally planned for profits to recover in the second half of the fiscal year, but you have maintained your full-year forecast this time. Are there any particular factors you are cautious about from Q2 onward? Or do you believe there is in fact potential to exceed the full-year forecast?

Maeda: As I mentioned earlier, our Q1 results exceeded our initial forecast. On the other hand, we believe it is still too early to make a judgment on our full-year performance. With regard to the JPY3.5 billion in risk factors that we incorporated into consolidated adjustments in our initial plan—including the situation in the Middle East, US tariffs, and market trends—we currently believe that they are unlikely to materialize or have a significant impact on our business performance. Nevertheless, we will continue to monitor these factors closely.

In addition, Q1 results in the vegetable oils and fats business included a one-time factor. In Q2, we expect the decline in raw material gains to be slightly larger than in Q1. There is no change in the Fuji Oil Group's commitment to achieving our initial business profit target of JPY37.5 billion and aiming for an even higher result.

Questioner: Thank you. I understand that the JPY3.5 billion in risks factored into the initial forecast is now considered unlikely to materialize, and that this represents one potential source of upside.

Could you also quantify the one-time factor in the vegetable oils and fats business?

Maeda: First, we indicated that raw material gains would decline by JPY5.0 billion this fiscal year, mainly in the first half. Our analysis is that the decline in Q1 was JPY1.0 billion. This was smaller than assumed in our initial forecast, and we believe that part of the impact has shifted into Q2.

In the vegetable oils and fats business, profit increased significantly in the Americas. Due to customer-related factors, however, some sales shifted from the previous fiscal year into Q1. We estimate that this added approximately JPY500 million in one-time profit to the Q1 results of the vegetable oils and fats business.

Questioner: I see. I understand. Thank you.

My second question concerns trends in CBE unit prices. Cocoa prices have risen since the beginning of the fiscal year and remain elevated. How will this affect CBE unit prices, and has your outlook changed from the assumptions made at the beginning of the fiscal year? I would appreciate your comments on this point

Maeda: We received a question regarding the relationship between the unit price of CBE and cocoa market prices.

First, regarding actual results, profitability for CBE sales in Q1 has remained largely unchanged from the previous period. However, the contracts of FY2026Q4 and beyond—have not yet been signed, so we are carefully monitoring progress on these.

As you asked, the fact that the cocoa price temporarily fell to USD3,000 and is now hovering around USD6,000 is a positive factor for CBE's unit price. Therefore, please understand that, at this point, there are no movements in the unit price that would significantly impact our earnings forecast of JPY37.5 billion.

Questioner: Thank you. I believe you originally anticipated that the CBE unit price would start to decline in the second half of this fiscal year. Given that the current cocoa market price has actually been rising, how do you view this situation now?

Maeda: Right now, as the cocoa market rises, we're seeing a trend where our customers are increasing their use of CBE, so I hope you'll understand that this is a positive factor for us.

Questioner: Is it correct to understand that, as of now, there are no signs of a downward trend in CBE unit prices?

Maeda: At this point, there are no signs of a downward trend.

Questioner: I understand. Thank you. That's all for my questions.

Questioner: I'd like to ask a question.

As for the spread of raw material gains in the vegetable oils and fats business—which you had initially factored in as a risk of JPY5 billion in the full year forecast—the negative impact in Q1 was about JPY1 billion. In addition, you explained that there was a one-time positive factor of approximately JPY500 million in the Americas. Looking ahead to this Q2, do you think the current situation is likely to change in any way compared to Q1?

Maeda: Thank you. First, as I mentioned briefly earlier, our current projection is that the decline in raw material gains will be less than the JPY5 billion we had initially anticipated. However, while the amount in Q1 was JPY1 billion, we expect the decline in Q2 to exceed JPY1 billion. While it's difficult for me to give specific figures, the full-year amount will be less than JPY5 billion. We are currently focusing on the fact that the decline in Q2 is expected to be greater than that in Q1.

Questioner: I see. So, it doesn't seem like the situation is getting any worse all of a sudden, right?

Maeda: Right. This does not represent a sudden, significant change from Q1, nor is it a major deviation from our initial projections. However, I did mention that the loss of raw material gains is expected to come in below JPY5 billion.

Questioner: Thank you. Also, regarding the CBE segment, Japan and the Americas performed better than expected. Could you simply comment on the reasons, and whether this trend is likely to continue beyond Q2?

Maeda: First, in the Americas, as you know, it was the only region where CBE sales did not increase significantly last fiscal year. Although it is a year behind schedule, the increase in the Americas reflects the fact that demand for CBE has begun to recover in earnest.

In Japan, where we already have a high market share, increased usage by customers led to higher sales volume for the Company.

Questioner: I see. So, in terms of sustainability, does that mean things won't change much after Q2?

Maeda: The trend seen in Q1 is expected to continue into Q2 and beyond, and we are also making steady progress on our contracts.

Questioner: Okay. It has been quite some time since Blommer's chocolate products recorded positive YoY sales volume growth, with volume up 1%. Is it fair to understand this as a sign that the end chocolate confectionery market is beginning to show some slight improvement?

Maeda: First, let's look at the current state of the US chocolate confectionery market. According to data from the National Confectioners Association, volume figures continue to fall short of the previous year's levels, so there are still no signs of recovery in the US chocolate market.

Within that, at Blommer, sales volume, specifically for chocolate, which is the combined Total of chocolate products, pure chocolate, and compound chocolate —increased by 1%. When you hear 1%, you might think it's a small number, but as I mentioned earlier, given that the overall market is shrinking, we believe that Blommer's 1% increase is a clear indication that the measures we've taken so far are steadily yielding results.

Questioner: Thank you. Is it correct to say that the proportion of pure products decreased while that of compound products increased, resulting in a net increase?

Maeda: First of all, I suppose the YoY comparison would be that compound sales increased by 4% and pure sales decreased by 2%.

Questioner: I see. I understand. Thank you.

Questioner: Thank you. I appreciate this opportunity.

Regarding raw material gains, how should we think about the fact that the impact will be larger in Q2 than in Q1? In other words, is it because raw material prices, including palm oil, have been rising since April, resulting in higher raw material costs for your company? At the same time, I assume you are naturally moving forward with price pass-through as well. Could you explain why fluctuations in raw material gains occur?

My next question is about Blommer. I am pleased to see that sales volume turned positive. On the other hand, as mentioned at the beginning, cocoa prices have started to rise again. Although Blommer is not immediately facing higher cocoa costs, could you share your thoughts on whether the company will be able to manage this properly over the next one to two years?

Maeda: First, raw material gains are measured on a YoY basis. Therefore, rather than focusing on the whether palm oil prices are rising or falling, we are analyzing how the JPY5.0 billion decline in raw material gains we indicated at the beginning of the fiscal year will materialize. Based on our analysis, we expect the full-year decline in raw material gains to come in below JPY5.0 billion. On a YoY basis, however, we expect the negative impact in Q2 to be larger than in Q1. Please understand that the point I have just explained is not directly related to fluctuations in palm oil prices or to the progress of passing higher costs on through selling prices.

Questioner: But in reality, you're going to move forward with passing on the price increases, aren't you?

Maeda: Of course. We reflect fluctuations in all costs—not just raw material prices—in our sales prices, so our pricing is adjusted as needed.

Your second question concerns the rise in cocoa prices and Blommer's revenue management system.

First, since Blommer generally adjusts its selling prices in response to rising raw material costs, we hope you will understand that, as long as cocoa prices do not fluctuate significantly to the point of having a major impact on demand as they did in the past, Blommer is able to steadily manage its prices and profitability.

To give you the current figures, it's clear that when cocoa prices were low—around USD3,000—a significant number of contracts for pure chocolate were signed. Since then, the price has been hovering around USD6,000, so at this point, we are hopeful that we will be able to move forward with the compound chocolate contract as part of the broader plan involving the new Canadian plant in Campbellford, which is scheduled to begin operations in the second half of the year.

Questioner: I would like to ask about Blommer's sales volume.

Sales volume increased by 1%in Q1, marking YoY increase in quite some time. On the other hand, the full-year targets—growth of 10% for pure chocolate and 30% for compound chocolate—appear challenging. Could you give us a sense of how orders are currently coming in against these full-year targets and how confident you are in achieving them?

Maeda: First, at one point, cocoa prices reached around USD3,000, and we secured contracts for pure chocolate. Regarding pure chocolate, our current contract status is close to the annual sales target of a 10% increase.

With regard to compounds, given the current situation with cocoa prices, contract negotiations are proceeding slightly slower than for pure chocolate. However, considering recent trends—and particularly the start of operations at our new plant, which focuses on CBE compounds—we continue to expect a 30% increase in this segment, or growth of around 20% for the chocolate business as a whole.

Questioner: I see. In any case, the general impression is that volumes will recover firmly and return to a solid, strong momentum.

Maeda: Yes. We believe that the results of our measures to date will be steadily reflected in Q2.

Questioner: I understand. Thank you.

Questioner: I have two question,.

My first question is about the US market. Earlier, in your explanation of the vegetable oils and fats business, you mentioned that demand for CBE has also started to grow in the US market with about a one-year lag. Could you explain the background behind this? I would also appreciate your explanation of how this will affect the start-up of Blommer's new plant.

My second question is about soy. The soy-based ingredients business posted a profit of JPY700 million in Q1. Given that the full-year plan calls for a loss, is it correct to understand that this business is currently performing above plan? Could you please comment on that?

Maeda: Thank you. Regarding your first question, I think my earlier explanation may not have been very clear. It is not that demand for CBE is lagging by one year. Rather, demand in the US was not particularly strong last fiscal year, but with the recent rise in cocoa prices, demand for CBE has now begun to gain real momentum in the Americas as well.

CBE sales in the US in FY2025 were roughly flat compared with FY2024, but this year they have increased significantly. We understand this trend to be positive for the CBE compound chocolate products that Blommer's new plant will focus on.

Regarding your second question, the increase in profit in the soy-based ingredients business was driven mainly by two factors behind the volume growth.

The first is an increase in granulated soy protein, and the second is an increase in functional ingredients. Regarding granulated soy protein, the global shortage of whey protein has led to growing attention on soy protein, and this trend is also being seen in Japan. We have carried out various proposal activities and quality improvements, which have increased customer recognition and led to adoption. This is the reason behind the increase in sales volume of granulated soy protein.

As for functional ingredients, sales volume declined last fiscal year due in part to customer-related circumstances. In FY2026, however, customer sales have recovered, and there have also been new adoptions in Japan and China.

For the full year, the soy-based ingredients business is planned to record a loss of JPY400 million. Last fiscal year, the business posted a loss of just under JPY900 million, but we would like to aim for profitability in FY2026 while ensuring that the JPY700 million profit recorded in Q1 is not eroded.

Questioner: Thank you. Net sales in the soy-based ingredients business increased by JPY600 million, while business profit improved by JPY700 million. Could you explain the background behind this? Also, between granulated soy protein and functional ingredients, which contributed more to the JPY700 million increase in profit?

Maeda: We do not focus too closely on net sales, as they are affected by fluctuations in raw material prices.

In terms of the contribution to the YoY increase in profit, we believe granulated soy protein made a greater contribution than functional ingredients.

Questioner: Is this level of profit sustainable? The business posted a profit of JPY700 million in Q1. Should we not expect the full-year profit to be roughly four times that amount?

Maeda: No, that is not how we view it. Both soy protein and functional ingredients have significant exposure to beverage applications, so profits tend to be weighted toward the first half of the fiscal year. Our current thinking is to treat the JPY700 million profit recorded in Q1 as a cushion and manage the business over the full year so that this profit is not eroded.

Questioner: I would have thought that the rise in whey protein prices and the resulting growth in demand for soy protein represent a broader structural trend, and therefore that this demand is sustainable.

I have one more question. Regarding Blommer, is the improvement excluding special factors due to lower cocoa costs and the successful pass-through of price increases? I would also just like to confirm whether it is correct to assume that the special factors will disappear from Q2 onward.

Maeda: First, Blommer posted a business loss of JPY1.5 billion in Q1, of which approximately JPY1.0 billion was attributable to cocoa-related special factors. Excluding these factors, the business loss was JPY500 million. Although business profit excluding the special factors improved from the previous year, we believe this was driven not by cocoa market conditions themselves, but by the effects of measures Blommer has implemented to date, including improvements in production efficiency and the strengthening of its management systems.

Regarding the cocoa-related special factors, we expect their impact to diminish in Q2 and normalize in the second half of the fiscal year, at which point we expect Blommer to return to normal profitability and normal operations.

Questioner: I understand. Have Blommer's cocoa costs already declined, or is the decline expected from here?

Maeda: Cocoa costs have been declining. However, we set chocolate selling prices in line with cocoa prices while maintaining a certain margin.

Questioner: I see. But the JPY500 million loss excluding special factors will be eliminated in the second half of the fiscal year, correct?

Maeda: Regarding the JPY500 million loss, as you are aware, Q1 is the seasonally slow period for chocolate. We expect sales volumes to increase progressively in Q2, Q3, and Q4. In addition, with regard to the special factors, the cocoa futures market itself is currently in contango, so we do not expect to incur any new costs on switching contract month of future forward. As I mentioned earlier, from Q2 and Q3 onward, we expect Blommer to return to normal profitability and normal operations.

Questioner: I understand. Thank you.

Questioner: I have a question. Could you please update me on the status of CBE? Are sales prices rising right now? For example, compared to the same period last year or the previous quarter, could you tell me what the current CBE prices are like by region?

Also, I heard that sales volume increased by 7% this time—could you tell me if there are any regional variations in that figure?

Maeda: Thank you

First, regarding our Q1 results, the average selling price exceeded that of the previous fiscal year. Since this is partly due to the weak yen, we understand that overseas sales have remained largely flat. Since these figures will remain in effect for the duration of existing contracts, we expect that this unit price will apply for approximately three-quarters of the fiscal year.

As I briefly mentioned, new contracts have not yet been signed from FY2026Q4 and beyond. We will provide you with an update on this matter in due course.

Next, regarding sales volumes by region, the Americas and Japan posted significant increases from the previous year. In contrast, sales volumes declined in Asia and Europe. In Asia, deliveries did not progress as planned due to circumstances at certain customers. However, CBE demand itself has not declined, and there is no change to our goal of achieving full-year sales volumes close to our initial plan. In the European market, demand for chocolate remains weak.

Questioner: So, although there are differences by region, is it correct to expect sales volume to continue increasing slightly this fiscal year? Looking ahead to FY2027, could the recent rise in cocoa prices become a tailwind for CBE demand?

Maeda: For FY2026, we had originally forecast a 5% increase in sales volume for the full year. Q1 sales volume increased by 7%, exceeding our initial forecast, and we expect growth from Q2 onward to remain at around 5%, or close to the Q1 growth rate.

Of course, higher cocoa prices provide a tailwind for CBE. However, CBE offers not only cost advantages but also functional benefits. We therefore believe it is important for customers to understand these functional benefits and recognize their value in the price.

Questioner: I'd like to confirm something about pricing. You mentioned that, excluding the impact of exchange rates, prices overseas are flat compared to last year. Is it okay to say that Japan seems to be on a slight upswing?

Maeda: Looking at the actual results for Q1, I think the situation is likely to be as just described.

Questioner: Okay. As for the remaining quarter, for which the price hasn't been decided yet, is the tone suggesting that negotiations are likely to lean toward a higher price?

Maeda: It depends on the basis of comparison. Last fiscal year, we entered into the existing contracts when cocoa prices were around USD6,000. From our perspective, we would like to convert these negotiations into sales contracts while helping customers understand the functional benefits of CBE and maintaining a reasonable level of profitability.

Questioner: This is the last question. Is it correct to understand that the price set for this year—three-quarters of last year's price—is based on last year's cocoa price of USD6,000?

Maeda: Yes, I think that understanding is generally correct. While it's difficult to generalize because there are various types of contracts, I hope you'll generally understand it in that way.

Questioner: I understand. Thank you.

Moderator: This concludes the question-and-answer session.

This concludes FUJI OIL CO., LTD.'s financial results briefing. Thank you for joining us.

[END]