

FY2020

Earnings Conference

May 13, 2021

 **FUJI OIL HOLDINGS INC.**

Introducing the New CEO



President and CEO
Mikio Sakai

Career	Country	Segment			
1983 Joined Fuji Oil Co.,Ltd. / Sales department	Japan				
Toraku Foods Co.,Ltd. secondment	Japan				
Fuji Oil Co.,Ltd. Soyafarm Sales Dept.	Japan				
Fuji Oil Co.,Ltd. Food Functional Agent Sales Dept.	Japan				
Fuji Oil (Beijing) Technology Trading President	China				
FUJI OIL (ZHANG JIA GANG) CO., LTD. President	China				
FUJI VEGETABLE OIL INC. President	Americas				
Fuji Oil Holdings Inc. Director Chief Strategy Office (CSO)	HD				
Blommer Chocolate Company Chairman	Americas				
FUJI SPECIALTIES,INC. President	Americas				
Fuji Oil Holdings Inc. President and CEO	HD				



Vegetable Oils and
Fats Business



Industrial Chocolate
Business



Emulsified and Fermented
Ingredients Business



Soy-based
Ingredients Business

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FY2020 Earnings Results, FY2021 Earnings Forecast

FY2020 Earnings Results

Significantly impacted by COVID-19 but showed improvement in the second half of the year

FY2020 Earnings Results

(Unit : billion yen)

	FY2019 Results*	FY2020 Results	YoY	FY2020 Initial plan	FY2020 Revised plan
Revenue	383.7	364.8	(18.9)	370.0	360.0
Operating profit	21.5	17.9	(3.5)	19.3	16.5
Ordinary income	20.3	17.6	(2.7)	17.8	15.3
Net income	14.7	11.0	(3.7)	11.5	10.0

*Amounts indicated reflect the accounting period for the 19 overseas subsidiaries subject to an accounting period change for the fiscal year ended March 2020 adjusted to the 12-month period of April 1, 2019 to March 31, 2020.

Consolidated earnings analysis

vs. Previous Year

Revenue decreased by 18.9 billion yen, operating profit decreased by 3.5 billion yen

-Sales volume decreased on impact of COVID-19.

Sales volume: Decreased significantly in 1Q but recovered gradually.

Operating profit: 4Q recovered to level largely unchanged YoY.

vs. Revised Targets

+4.8 billion yen (Revenue) and +1.4 billion yen (operating profit) vs. targets

-Revenue

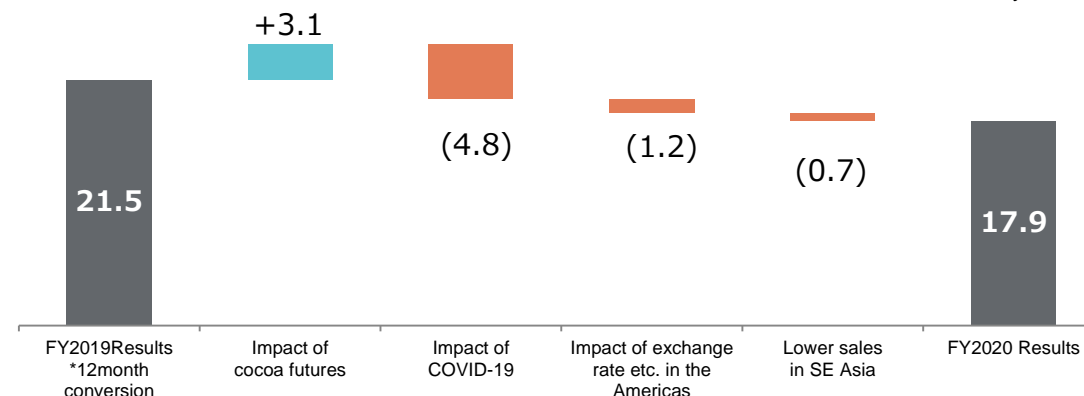
: Sales prices higher on increase in raw material prices in addition to strengthening sales.

-Operating profit

: In addition to cost reduction, growth in Japan and China, etc.

Factors of increases (decreases) in operating profit

(Unit : billion yen)



Operating profit analysis

-Impact of Blommer cacao futures +3.1 billion yen
(FY2019 - 2.0billion yen, FY2020 +1.1billion yen)

- Impact of COVID-19

Initial plan: -6.1 billion yen (1H: 3.8 billion yen, 2H: 2.3 billion yen)

Actual : -4.8 billion yen (1H: 3.8 billion yen, 2H: 1.0 billion yen)

The impact of 2H (+1.3 billion yen) was mitigated by strengthening sales activities and cost reductions.

-Lower sales in Southeast Asia and the Americas due to high raw material prices and the impact of exchange rates.

FY2021 Earnings Forecast

Despite increased raw material costs and increased growth investment expenses will drive down profits, operating profit will stay at the same level as the previous year due to growth in sales volume.

FY2021 Earnings Forecast

(Unit : billion yen)

	FY2020 Result	FY2021 Forecast	YoY
Revenue	364.8	400.0	+ 35.2
Operating profit	17.9	18.0	+0.1
Ordinary income	17.6	16.8	(0.8)
Net income	11.0	11.5	+ 0.5

Consolidated earnings analysis

Earnings Forecast

Revenue increased by 23 . 8 billion yen, operating profit increased by 0 . 1 billion yen

-Revenue: Planning on increased revenue on recovery of sales volume and on higher sales prices due to increases in raw material prices

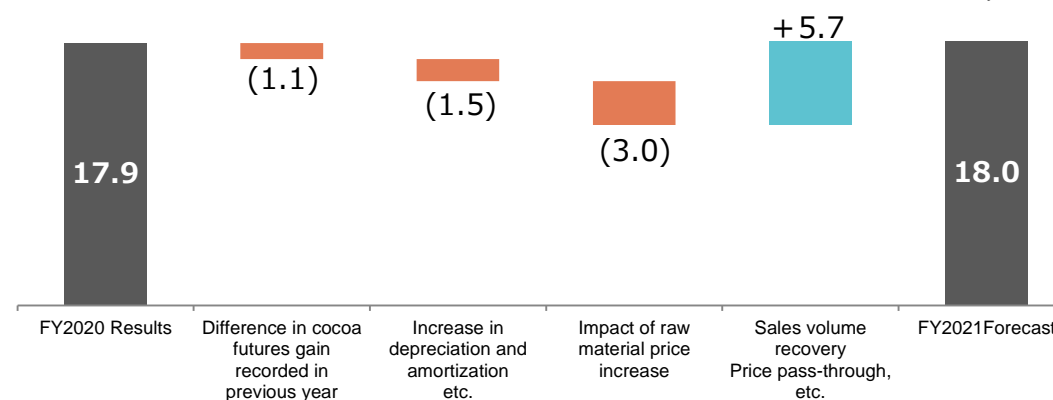
-Operating profit: Planning on increased profit driven by recovery in sales volume that will cover lower profitability caused by higher raw material prices and increased expenses related to growth investments.

-Although we project decreased income from Vegetable Oils and Fats and Soy-based Ingredients, we are planning for increased income from Emulsified and Fermented Ingredients and Industrial Chocolate.

-Profits at US Blommer will be pushed down by not recording futures gains but we are planning for profit largely unchanged from the previous year. Planning on increased income in Japan on sales volume recovery.

Factors of increases (decreases) in operating profit

(Unit : billion yen)



Operating profit analysis

-The impact of COVID-19 has not been factored into FY2021.

-Although the loss of gains on cocoa futures, an increase in depreciation and amortization due to investment in growth, and a sharp rise in the price of palm and other raw materials are expected to reduce profits, the recovery in sales volume from the previous fiscal year and the pass-on of raw material prices will offset these factors.

FY2021 Earnings forecast, segment-specific

(Unit : billion yen)

	FY2020	FY2021	YoY
Revenue	364.8	400.0	+35.2
Vegetable Oils and Fats Business	98.4	107.5	+9.1
Industrial Chocolate Business	162.4	176.2	+13.8
Emulsified and Fermented Ingredients Business	70.6	80.3	+9.7
Soy-based Ingredients Business	33.3	36.0	+2.7
Operating Profit	17.9	18.0	+0.1
Vegetable Oils and Fats Business	7.9	6.2	(1.7)
Industrial Chocolate Business	7.6	8.9	+1.3
Emulsified and Fermented Ingredients Business	*2.7	3.8	+1.1
Soy-based Ingredients Business	*3.5	3.4	(0.1)
Group administrative expenses	(3.8)	(4.2)	(0.5)



Vegetable Oils and Fats Business

- Decreased profitability on rising raw material costs and worsening raw material position.
- Will launch new US plant in 2H but planning for operating losses in initial fiscal year.



Industrial Chocolate Business

- Planning on increased income on higher sales volume.
- Projecting improved profitability in Brazil on revisions to appropriate prices.
- Planning on increased income in Southeast Asia on sales volume recovery and partnership with Blommer Shanghai in China.



Emulsified and Fermented Ingredients Business

- Planning on increased revenue and profits in all areas on higher sales volume driven by demand recovery.
- Planning on increased income on higher sales volume driven by sales promotions in China and demand recovery in Southeast Asia.



Soy-based Ingredients Business

- Projecting firm demand in Japan, including increased sales volume for soy protein ingredients.
- Planning on increased income on sales volume recovery in China.
- Overall, planning on decreased income for the segment due to increased depreciation expenses related to our new plant (Japan/textured soy protein; Europe/water-soluble pea polysaccharides).

FY2021 Target Issues and Assumptions

Issues

1. Response to rising raw material prices

- Price offloading and cost reductions to control impact of rising costs

2. Top-line growth

- Grow sales of emulsified and fermented ingredients in China
- Strengthen production in line with demand recovery of chocolate business

3. New plant construction and expand existing businesses' production capacity

-New plant construction

- US : Vegetable oils and fats,
- Germany: Functional agent (water-soluble pea polysaccharide)

-Growth investments

- US・Brazil: Capital expenditures for chocolate

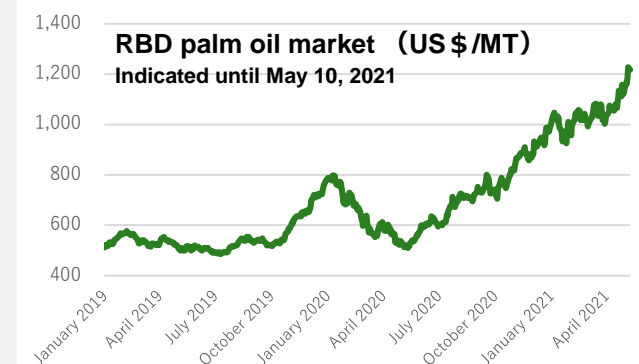
Assumptions

Rising cost of major raw materials

Palm oil

- Continued increase from May 2020 price of \$600/MT
- Reached \$1,200/MT as of May 2021. Rising raw material prices affect earnings

*Market prices for most recent deliveries. May differ from actual purchase prices.



Currency

- Not planning for significant YoY fluctuation in conversion rate
- Harald
The weakening of the Real continues to push down profit margins due to higher costs and lower yen conversion.

(Unit : yen)

Currency	FY2019	FY2020	FY2021 Plan
\$	109.03	106.11	106.50
€	121.68	123.70	126.00
RMB	15.75	15.67	16.67
BRL	27.07	19.62	19.70

*The above currency rate is the PL conversion rate at the time of consolidation

B/S | C/F | Dividend policy

B/S

-Net DER declined to 0.63 due to progress in reducing interest-bearing debt.

Further decline in Net DER is expected in FY2021.

-Amortization of goodwill is progressing, and the risk on BS is decreasing.

(Unit : billion yen)

	FY2019	FY2020	FY2021 E
Cash and deposits	18.6	20.5	21.3
Goodwill(in a wide sense)	52.7	46.6	43.5
Total assets	367.4	358.5	360.2
Interest-bearing loans	146.2	131.3	126.3
Total liabilities	209.4	195.6	190.9
Total net assets	158.0	162.9	170.3

	FY2019	FY2020	FY2021E
Net D/E ratio Net interest-bearing loans/equity capital	0.75	0.63 (End of previous fiscal year: -0.13)	0.57
Equity ratio	42.3	44.6 (End of previous fiscal year: +2.3p)	46.4

C/F

-FY2020 : Operating CF increased mainly due to decrease in working capital*1

Real CF of 27.0 billion yen and real FCF of around 10.0 billion yen

*1 Blommer inventory assets decreased due to purchasing scheme with ITOCHU

-FY2021 : Aim to create FCF of about 10 billion yen

(Unit : billion yen)

	FY2020	FY2021 E
Operating CF	38.2	32.0
Capital Expenditures	20.8	22.0
FCF	20.8	10.0
CCC (days)	107	103

Dividend Policy

Maintain current policy of dividend payout ratio of 30% to 40% for FY2021

FY2020

Reflect revision to earnings forecast, reduce dividend to **52 yen**

Dividend payout ratio **40.6%**

FY2021 Plan

-Plan for **52 yen**

- Dividend payout ratio **38.9%**

2

Awareness of current issues and medium-term policy

Issues and direction

Awareness of current issues

Fixed costs increased on construction of new plant to expand production capacity

Expand scope through M&A but revenues were stagnant

Delay in development of product to serve as new revenue pillar

Increased awareness of and latent risks associated with global environment and human rights issues



Direction

1 Strengthen management of unprofitable plants, rapid achievement of profitability of new plant




2 Expand income by increasing Blommer/Harald production capacity

3 Develop distinctive products that reflect changes in society

4 Build a highly transparent supply chain for main raw materials

Direction **1** Strengthen management of unprofitable plants, rapid achievement of profitability of new plant

Planning for operating losses of 1.2 billion yen from 3 plants in FY2021. Strengthen management functions to achieve scheduled profitability.

		Total of -1.2 billion					
Plant name, company name (Area/business segment)		2020	2021	2022	2023	2024	2025
<div><div><div><div><div>Blommer Shanghai (Industrial Chocolate Business : China)</div><div><div>-Advancing transfer of production from Fuji Oil (Zhangjiagang) to Blommer Shanghai plant will increase operating rates and help recover from operating losses. (Planning sales expansion driven by new capacity for Fuji Oil (Zhangjiagang), which had already reached its production capacity limits)</div></div></div><div></div></div></div></div>			<div><div>Partnership with Fuji Oil (Zhangjiagang), sales expansion</div><div>Profitable</div></div>				
<div><div><div><div><div>Fuji Oil New Orleans (Vegetable Oils and Fats Business : Americas)</div><div><div>-Plan to start operations from 2H/FY2021. Planning for operating losses due to depreciation expenses from initial fiscal year. -Projecting profitability on increased sales volume from FY2022.</div></div></div><div></div></div></div></div>			<div><div>Start operations</div><div>Profitable</div></div>				
<div><div><div><div><div>Fuji Brandenburg (Soy-based Ingredients Business : Europe)</div><div><div>-Plan to start operations from January 2022. Water soluble pea polysaccharide production plant. -Will target beverage manufacturers. Planning for profitability by FY2025.</div></div></div><div></div></div></div></div>			<div><div>Start operations</div><div>Profitable</div></div>				

2

Blommer
— CHOCOLATE COMPANY —

Direction **3** Develop distinctive products that reflect changes in society

- We will develop differentiated products to meet the needs of post-Corona and other social changes.
- Make vegetable protein a pillar of profit following oils and fats and chocolate.



Vegetable Oils and Fats Business

Stabilized DHA/EPA

- Japan: Use gradually increasing (from second half of 2020)
- Overseas: Install production facilities in Southeast Asia, start targeting customers (from FY2021)



Industrial Chocolate Business

Products promoting health

- Promote sugar-free chocolate on global scale
 - ...Blommer: Sugar-free, protein-rich
 - ...Japan : Low-carb, sugar-free
 - ...Europe : Protein-rich, lactose-free, sugar-free/zero



Expand line of small-volume products

- Sales firm on increased home-use demand in Indonesia, Brazil



Emulsified and Fermented Ingredients Business

Products distinct for use of plant-based ingredients

- Increased adoption of soy cream butter, plant-based cheese ingredients
- Soup base using technology related to deliciousness



Soy-based Ingredients Business

Protein-enriched products

- Powdered protein: Products for protein drinks and healthy bars
- Textured protein: Products for cereals and healthy bars



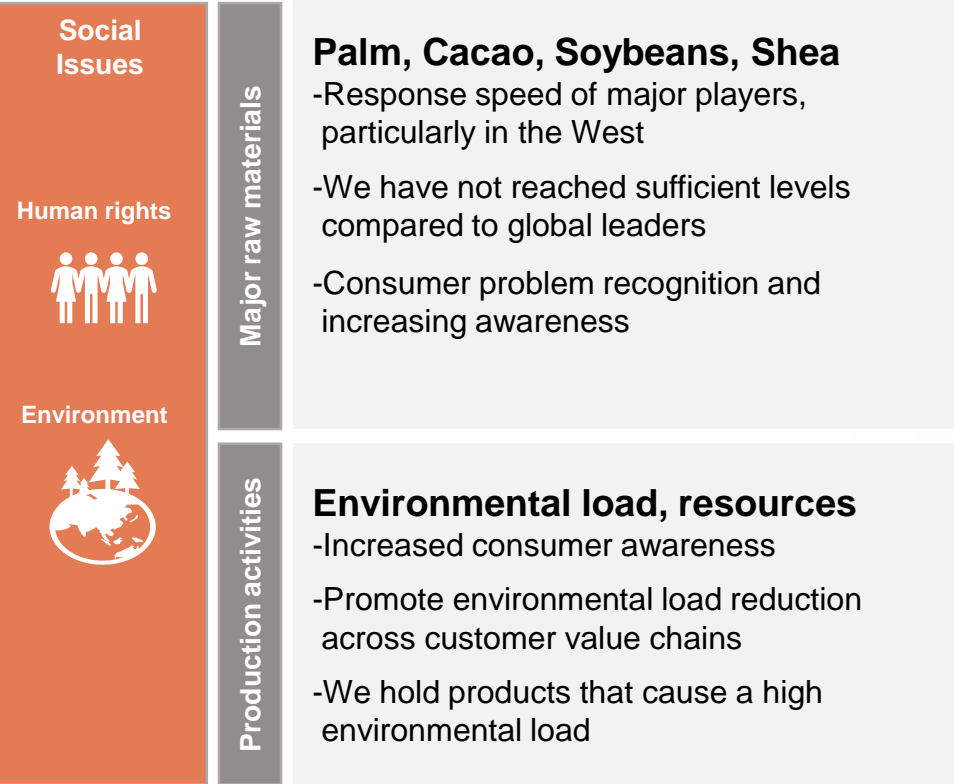
Soybean meat-related

- New soy meat ingredients with improved taste based on technology related to deliciousness (from FY2021)

Promote proactive activities to reduce risk of lost business opportunities

Current risk awareness

Climate change and human rights issues have not been resolved and may require a stronger response.



Direction

Shift from customer response to proactive activities

Promotion of programs and measures

Commitment to sustainable procurement of raw materials

Environmental Vision 2030

- Strengthen supply chain for sustainable raw materials
- Engagement with suppliers and customers
- Diversify oil types, evaluate product portfolio
- Secure environmentally-friendly manufacturing methods
- Evolve promote strategies based on changes in our portfolio

Strengthen use of internal resources

- Maximize the use of the Group's human and intellectual resources
- Build an organizational structure that can keep up with the speed of the world

Risk reduction
Profit expansion

Blommer and Harald

Blommer



- 1) Efforts to increase production capacity and improve production losses proceeding slower than planned
- 2) Continued plant worker shortage caused by external factors
- 3) Lower profitability for cacao products due to easing of market supply and demand caused by weak global demand for chocolate, etc.

-Plans to invest US\$87mil in capex between FY2021 and FY2023

-First priority is the expansion of value added chocolate, products and labor saving and production capacity expansion

Short-term improvements to above issues will be difficult but demand is firm.

Engage in priority injection of management resources to resolve issues within three years and expand revenues.

Harald



- 1) Currently at MAX production capacity and further production improvements will be difficult. Also near limits of quality improvements.
- 2) Cost increases due to real depreciation against the yen.
- 3) Maintain top share, but further improvement of share ratio in existing markets difficult.

-Expand production capacity to achieve the following

- (1) Expansion of production capacity for new commercial products such as fillings, and establishment of new sales channels
- (2) Reduce manufacturing costs

However, thorough risk management is critical due to the high expected return on investments for Brazil.

Management Policy for Next Medium-Term Management Plan

- 1. Commitment to profit**
- 2. Strengthening Group main office functions and strategies**
- 3. Enhancing efforts related to the sustainability demand by society**

3

Reference materials

Financial Results

(Unit : billion yen)

		FY2020 Result			FY2021 Forecast		
		FY2019 *1	FY2020	YoY	FY2020 *3 (After the revision)	FY2021E	YoY
Revenue	Vegetable Oils and Fats Business	97.9	98.4	+0.5	98.4	107.5	+9.1
	Industrial Chocolate Business	171.7	162.4	(9.3)	162.4	176.2	+13.8
	Emulsified and Fermented Ingredients Business	79.3	69.6	(9.8)	70.6	80.3	+9.7
	Soy-based Ingredients Business	34.7	34.4	(0.4)	33.3	36.0	+2.7
	Total	383.7	364.8	(18.9)	364.8	400.0	+35.2
Operating Profit	Vegetable Oils and Fats Business	10.1	7.9	(2.3)	7.9	6.2	(1.7)
	Industrial Chocolate Business	7.5	7.6	+0.1	7.6	8.9	+1.3
	Emulsified and Fermented Ingredients Business	3.8	3.0	(0.8)	2.7	3.8	+1.1
	Soy-based Ingredients Business	3.9	3.2	(0.8)	3.5	3.4	(0.1)
	Group administrative expenses	(3.9)	(3.8)	+0.2	(3.8)	(4.2)	(0.5)
	Total	21.5	17.9	(3.5)	17.9	18.0	+0.1
Operating profit margin		5.6%	4.9%	(0.7pt)	4.9%	4.5%	(0.4pt)
Ordinary income		20.3	17.6	(2.7)	17.6	16.8	(0.8)
Net income		14.7	11.0	(3.7)	11.0	11.5	+0.5
EBITDA		41.5*2	34.3	-	34.3	35.9	+1.6
capital expenditure		18.0*2	20.8	-	20.8	22.0	+1.2
Depreciation and amortization		13.0*2	11.8	-	11.8	13.0	+1.2
ROE		10.5%*2	7.0%	-	7.0%	7.0%	+0.0pt
ROA		5.9%*2	4.8%	-	4.8%	4.7%	(0.1pt)
ROIC		5.1%*2	4.0%	-	4.0%	-	-
CCC		113days*2	107days	-	107days	103days	(4days)

*1 Amounts indicated reflect the accounting period for the 19 overseas subsidiaries subject to an accounting period change for the fiscal year ended March 2020 adjusted to the 12-month period of April 1, 2019 to March 31, 2020.

*2 Anomalous figures for overseas subsidiaries with 15-month financial statements

*3 Soy milk and USS soy milk products included in the Soy-based Ingredients Business have been reclassified to the Emulsified and Fermented Ingredients Business from FY2021, so FY2020 results have been retroactively adjusted.

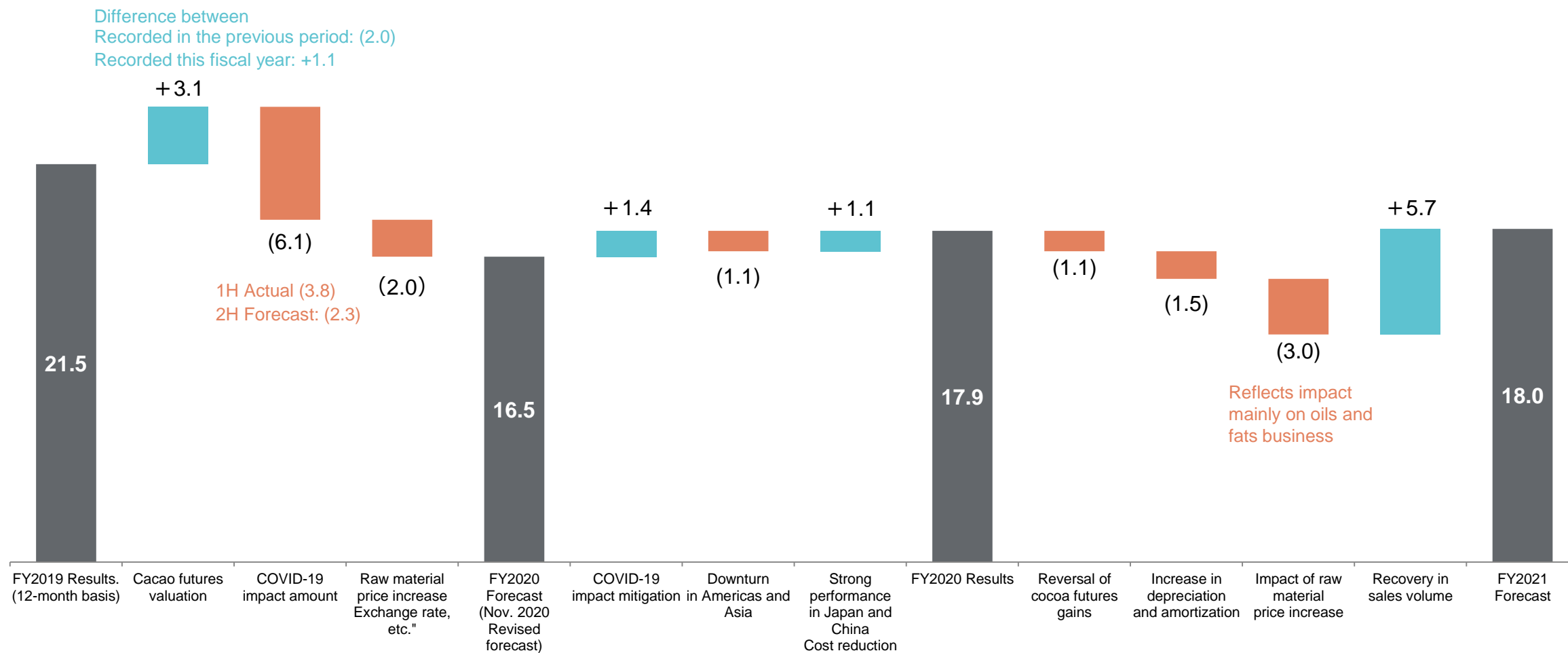
Revenue and Operating Profit by Quarter

(Unit : billion yen)

		Q 1			Q 2			Q 3			Q 4		
		FY2019 The same month of the previous year	FY2020	YoY	FY2019 The same month of the previous year	FY2020	YoY	FY2019 The same month of the previous year	FY2020	YoY	FY2019 The same month of the previous year	FY2020	YoY
Revenue	Vegetable Oils and Fats Business	23.7	22.3	(1.4)	24.1	24.7	+0.6	25.0	25.2	+2	25.1	26.2	+1.2
	Industrial Chocolate Business	38.9	35.3	(3.5)	44.2	39.8	(4.5)	47.2	47.0	(2)	41.4	40.4	(1.1)
	Emulsified and Fermented Ingredients Business	20.1	16.5	(3.7)	19.7	16.8	(2.9)	21.8	19.6	(22)	17.7	16.7	(1.0)
	Soy-based Ingredients Business	8.9	8.6	(0.3)	8.9	8.7	(0.2)	8.9	8.8	(1)	8.0	8.3	+0.3
	Total	91.6	82.7	(8.9)	96.9	89.9	(7.0)	103.0	100.6	(24)	92.2	91.6	(0.5)
Operating Profit	Vegetable Oils and Fats Business	2.1	1.8	(0.3)	2.6	1.6	(1.0)	2.6	2.2	(5)	2.8	2.3	(0.5)
	Industrial Chocolate Business	0.3	2.0	+1.7	1.9	0.8	(1.0)	3.7	2.6	(11)	1.7	2.2	+0.5
	Emulsified and Fermented Ingredients Business	1.3	0.2	(1.1)	0.7	0.6	(0.1)	1.5	1.6	+1	0.3	0.6	+0.3
	Soy-based Ingredients Business	1.1	1.2	+0.1	1.2	0.9	(0.3)	0.9	0.6	(3)	0.8	0.5	(0.3)
	Group administrative expenses	(0.9)	(0.9)	(0.0)	(1.0)	(0.9)	+0.0	(0.9)	(0.8)	+1	(1.2)	(1.1)	+0.1
Total		3.9	4.3	+0.4	5.5	3.1	(2.4)	7.7	6.2	(16)	4.4	4.4	+0.0
Operating profit margin		4.3%	5.2%	+0.9pt	5.6%	3.4%	(2.2pt)	7.5%	6.1%	(1.4pt)	4.7%	4.8%	+0.1pt
Ordinary income		-	3.8	-	-	3.0	-	-	6.0	-	-	4.7	-
Net income		-	2.8	-	-	1.5	-	-	4.3	-	-	2.4	-

Analysis of Changes in Operating Profit (FY2019~FY2021E)

(Unit : billion yen)



Revenue and Operating Profit (Matrix by Business and Location)

(Unit : million yen)

Revenue	FY ※ ¹	Japan	YoY	Americas	YoY	Southeast Asia	YoY	China	YoY	Europe	YoY	Total	YoY
Vegetable Oils and Fats	FY2021 E	35,700	+479	38,000	+7,667	16,400	+1,413	2,800	+86	14,600	(556)	107,500	+9,087
	FY2020	35,221	(209)	30,333	+2,133	14,987	(1,326)	2,714	+190	15,156	(261)	98,413	+527
	2019 (Apr.-Mar.)	35,430	-	28,200	-	16,313	-	2,524	-	15,417	-	97,886	-
Industrial Chocolate Business	FY2021 E	38,400	+2,129	114,100	+6,362	12,100	+2,371	7,900	+2,272	3,700	+624	176,200	+13,755
	FY2020	36,271	(1,918)	107,738	(8,929)	9,729	(864)	5,628	+2,837	3,076	(403)	162,445	(9,278)
	2019 (Apr.-Mar.)	38,189	-	116,667	-	10,593	-	2,791	-	3,479	-	171,723	-
Emulsified and Fermented Ingredients ※ ²	FY2021 E	52,500	+2,775	-	-	11,000	+1,792	16,800	+5,136	-	-	80,300	+9,701
	FY2020	49,725	(10,794)	-	-	9,208	(558)	11,664	+929	-	-	70,599	(10,422)
	2019 (Apr.-Mar.)	60,519	-	-	-	9,766	-	10,735	-	-	-	81,021	-
Soy-based Ingredients ※ ²	FY2021 E	33,900	+2,256	-	-	-	-	2,000	+323	100	+100	36,000	+2,679
	FY2020	31,644	+605	-	-	-	-	1,677	(324)	-	-	33,321	+281
	2019 (Apr.-Mar.)	31,039	-	-	-	-	-	2,001	-	-	-	33,040	-
Total	FY2021 E	160,500	+7,637	152,100	+14,029	39,500	+5,575	29,500	+7,815	18,400	+168	400,000	+35,221
	FY2020	152,863	(12,316)	138,071	(6,796)	33,925	(2,748)	21,685	+3,633	18,232	(665)	364,779	(18,893)
	2019 (Apr.-Mar.)	165,179	-	144,867	-	36,673	-	18,052	-	18,897	-	383,672	-

Operating Profit	FY ※ ¹	Japan	YoY	Americas	YoY	Southeast Asia	YoY	China	YoY	Europe	YoY	Consolidation adjustments	YoY	Group administrative expenses	YoY	Total	YoY
Vegetable Oils and Fats	FY2021 E	3,499	(951)	1,127	(800)	793	(298)	(61)	(228)	754	+679	48	(112)	-	-	6,160	(1,712)
	FY2020	4,450	(176)	1,927	(804)	1,091	(234)	167	+11	75	(1,121)	160	+72	-	-	7,872	(2,252)
	2019 (Apr.-Mar.)	4,626	-	2,731	-	1,325	-	156	-	1,196	-	88	-	-	-	10,124	-
Industrial Chocolate Business	FY2021 E	5,765	(109)	2,116	+848	798	+449	39	+205	137	(96)	33	(15)	-	-	8,888	+1,280
	FY2020	5,874	(1,100)	1,268	+2,043	349	(516)	(166)	(232)	233	(132)	48	(1)	-	-	7,608	+61
	2019 (Apr.-Mar.)	6,974	-	(775)	-	865	-	66	-	365	-	49	-	-	-	7,547	-
Emulsified and Fermented Ingredients ※ ²	FY2021 E	1,662	+202	-	-	274	+426	1,801	+483	-	-	39	(34)	-	-	3,776	+1,077
	FY2020	1,460	(643)	-	-	(152)	(404)	1,318	+263	-	-	73	(94)	-	-	2,699	(878)
	2019 (Apr.-Mar.)	2,103	-	-	-	252	-	1,055	-	-	-	167	-	-	-	3,577	-
Soy-based Ingredients ※ ²	FY2021 E	3,040	(265)	-	-	-	-	644	+313	(365)	(239)	72	+94	-	-	3,391	(97)
	FY2020	3,305	(64)	-	-	-	-	331	(196)	(126)	(103)	(22)	(298)	-	-	3,488	(662)
	2019 (Apr.-Mar.)	3,369	-	-	-	-	-	527	-	(23)	-	276	-	-	-	4,150	-
Consolidation adjustments	FY2021 E	192	+142	-	(4)	-	(5)	-	(19)	-	(120)	(192)	+8	-	-	-	-
	FY2020	50	(294)	4	+5	5	(33)	19	(19)	120	+207	(200)	+133	-	-	-	-
	2019 (Apr.-Mar.)	344	-	(1)	-	38	-	38	-	(87)	-	(333)	-	-	-	-	-
Group administrative expenses	FY2021 E	-	-	-	-	-	-	-	-	-	-	-	-	(4,215)	(459)	(4,215)	(459)
	FY2020	-	-	-	-	-	-	-	-	-	-	-	-	(3,756)	+184	(3,756)	+184
	2019 (Apr.-Mar.)	-	-	-	-	-	-	-	-	-	-	-	-	(3,940)	-	(3,940)	-
Total	FY2021 E	14,158	(982)	3,243	+43	1,865	+571	2,423	+753	526	+223	-	(58)	(4,215)	(459)	18,000	+89
	FY2020	15,140	(2,278)	3,200	+1,245	1,294	(1,187)	1,670	(172)	303	(1,148)	58	(191)	(3,756)	+184	17,911	(3,548)
	2019 (Apr.-Mar.)	17,418	-	1,955	-	2,481	-	1,842	-	1,451	-	249	-	(3,940)	-	21,459	-

※¹ Amounts indicated reflect the accounting period for the 19 overseas subsidiaries subject to an accounting period change for the fiscal year ended March 2020 adjusted to the 12-month period of April 1, 2019 to March 31, 2020.

※² Soy milk and USS soy milk products included in the Soy-based Ingredients Business have been reclassified to the Emulsified and Fermented Ingredients Business from FY2021, so FY2020 results have been retroactively adjusted.



Vegetable Oils and Fats Business

Revenue

(Unit : billion yen)

	FY2019*	FY2020	YoY	FY2021 E	YoY
Revenue	97.9	98.4	+0.5	107.5	+9.1
Japan	35.4	35.2	(0.2)	35.7	+0.5
Americas	28.2	30.3	+2.1	38.0	+7.7
SE Asia	16.3	15.0	(1.3)	16.4	+1.4
China	2.5	2.7	+0.2	2.8	+0.1
Europe	15.4	15.2	(0.3)	14.6	(0.6)

Operating profit

	FY2019*	FY2020	YoY	FY2021 E	YoY
Operating profit	10.1	7.8	(2.3)	6.2	(1.7)
Japan	4.6	4.5	(0.2)	3.5	(1.0)
Americas	2.7	1.9	(0.8)	1.1	(0.8)
SE Asia	1.3	1.1	(0.2)	0.8	(0.3)
China	0.2	0.2	+0.0	(0.1)	(0.2)
Europe	1.2	0.1	(1.1)	0.8	+0.7

FY2020 Earnings Results

Japan

- Decreased sales volume for dining industry.
- Firm sales of hard butters for chocolate
- Unit prices rose due to rising raw materials prices, but profitability declined

Americas

- Demand for hard butters for chocolate stable despite YoY decline.
- Worsening of profitability due to raw material market fluctuations.

SE Asia

- Sales volume decreased on global decline in demand.
- Sales volume for hard butters for chocolate decreased.

Europe

- Sales volume for hard butters for chocolate to major customers decreased due to lockdowns.
- Volume on recovery trend
- Worsening of profitability due to raw material market fluctuations.

FY2021 Earnings Forecasts

- Continue to see stagnant sales volume for dining industry.
- Maintain sales volume for hard butters for chocolate.
- Projecting decreased profitability despite revisions to appropriate prices due to rising raw material prices.

- Planning on increased revenue on new plant launch, increased sales volume, and sales price increases.
- Project operating losses for initial fiscal year due to depreciation expenses for new plant and initial investments.

- Planning on increased income on increased sales volume and sales price increases to reflect rising raw material costs.
- Project decline in profitability due to raw material market fluctuations.

- Projecting gradual recovery of souvenir market, increased sales of hard butters for chocolate driven by sales promotions.
- Planning for increased sales volume for sustainable raw materials.

*Amounts indicated reflect the accounting period for the 19 overseas subsidiaries subject to an accounting period change for the fiscal year ended March 2020 adjusted to the 12-month period of April 1, 2019 to March 31, 2020.



Revenue

(Unit : billion yen)

	FY2019*	FY2020	YoY	FY2021 E	YoY
Revenue	171.7	162.4	(9.3)	176.2	+13.8
Japan	38.2	36.3	(1.9)	38.4	+2.1
Americas	116.7	107.7	(8.9)	114.1	+6.4
SE Asia	10.6	9.7	(0.9)	12.1	+2.4
China	2.8	5.6	+2.8	7.9	+2.3
Europe	3.5	3.1	(0.4)	3.7	+0.6

Operating profit

	FY2019*	FY2020	YoY	FY2021 E	YoY
Operating profit	7.5	7.6	+0.1	8.9	+1.3
Japan	7.0	5.9	(1.1)	5.8	(0.1)
Americas	(0.8)	1.3	+2.0	2.1	+0.8
SE Asia	0.9	0.3	(0.5)	0.8	+0.4
China	0.1	(0.2)	(0.2)	0.0	+0.2
Europe	0.4	0.2	(0.1)	0.1	(0.1)

FY2020 Earnings Results

Japan

- Decreased sales volume for gift market. Sales of confectionary and ice cream firm on stay-home demand.
- 4Q recovered to sales volume largely unchanged YoY thanks to firm demand.

Americas

USA
Brazil

- (USA)
 - Sales volume decreased due to COVID-19, Insufficient production staff.
 - Operating profit driven by cacao futures valuations.
 - Profitability of cacao products declined on drop in cacao market prices.
- (Brazil)
 - Sales volume decreased, particularly in 1Q, due to COVID-19. Profitability decreased due to Brazilian real depreciation and high raw material prices.

SE Asia

- Sales to outdoor ice cream and bread market decreased in Indonesia.
- Bakery demand firm in Australia.

China

- Confectionary demand firm, increased sales volume.
- Promoted profit improvement strategy based on two-plant structure with Blommer Shanghai, reduced operating losses.

Europe

- Sales volume decreased, particularly for gift confectionary, due to impact of COVID-19. Volume on recovery trend since second half.

FY2021 Earnings Forecasts

- Projecting increased sales volume.
- Increase sales of high value-added chocolate, promote sustainability efforts.

(USA)

- Demand continues to recover due to progress in vaccination.
 - Continued stagnant profitability for cacao products due to market price factors.
 - Continued productivity improvements and projecting firm sales of sugar-free chocolate.
- (Brazil)
- Improve profitability by passing on higher raw material prices, lower exchange rates, inflation, and other factors.
 - Expand sales of products responding to increasing home-use demand.

- In Indonesia, planning for demand recovery and increase sales volume on new sales promotions.
- Planning to expand sales in Australia.

- Planning to partner with Blommer Shanghai on sales promotion and eliminate operating losses by achieving optimal production balance.

- Recovery of sales volume, expansion of product lineup by adding new lines, and taking measures to expand sales in other areas in cooperation with group companies.
- Planning a decrease in profit due to an increase in the depreciation burden of the new line that will start operation in 2H.

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Emulsified and Fermented Ingredients Business

Revenue

(Unit : billion yen)

	FY2019 *1	FY2020 *2	YoY	FY2021 E	YoY
Revenue	Revision 81.0	70.6	(10.4)		
	79.3	69.6	(9.8)	80.3	+9.7
Japan	Revision 60.5	49.7	(10.8)		
	58.8	48.7	(10.1)	52.5	+2.8
SE Asia	9.8	9.2	(0.6)	11.0	+1.8
China	10.7	11.7	+0.9	16.8	+5.1

Operating profit

	FY2019 *1	FY2020 *2	YoY	FY2021 E	YoY
Operating profit	Revision 3.6	2.7	(0.9)		
	3.8	3.0	(0.8)	3.8	+1.1
Japan	Revision 2.1	1.5	(0.6)		
	2.3	1.8	(0.5)	1.7	+0.2
SE Asia	0.3	(0.2)	(0.4)	0.3	+0.4
China	1.1	1.3	+0.3	1.8	+0.5

FY2020 Earnings Results

-Net sales decrease due to sale of Toraku Foods.

-Sales volume to convenience stores (bread), restaurants, and souvenir market decreased, particularly in 1Q, due to COVID-19 but from 2H sales for desserts and beverages were firm.

-Sales volume for preparations decreased due to stagnant souvenir market conditions in Japan.

-Costs increased due to downtime for plant consolidation.

-1Q sales volume for baking ingredients decreased due to COVID. Market recovered from 2Q onward with sales volume increasing YoY thanks to sales promotion strategy.

-Income increased on intensified use of web-based product introductions, the launch of hit products, and the promotion of distinctive products.

FY2021 Earnings Forecasts

-Projecting increased sales volume on demand recovery and sales promotions.

-Focus on distinctive product line with focus on sustainability and health.

-Sales volume recovery.

-Promote plant consolidation to decrease costs.

-Revise prices to reflect cost increases for raw materials.

-Planning sales promotions for high value-added products and low-cost products that respond to consumer needs.

-Continue developing new routes, brand value improvement strategy.

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*2 Soy milk and USS soy milk products included in the Soy-based Ingredients Business have been reclassified to the Emulsified and Fermented Ingredients Business from FY2021, the amount of retroactive adjustments is shown in the upper row.



Soy-based Ingredients Business

Revenue

(Unit : billion yen)

	FY2019 *1	FY2020 *2	YoY	FY2021 E	YoY
Revenue	Revision 33.0	33.3	+0.3		
	34.7	34.4	(0.4)	36.0	+2.7
Japan	Revision 31.0	31.6	+0.6		
	32.7	32.7	(0.0)	33.9	+2.3
China	2.0	1.7	(0.3)	2.0	+0.3
Europe	—	—	—	0.1	+0.1

Operating profit

	FY2019 *1	FY2020 *2	YoY	FY2021 E	YoY
Operating profit	Revision 4.2	3.5	(0.7)		
	3.9	3.2	(0.8)	3.4	(0.1)
Japan	Revision 3.4	3.3	(0.1)		
	3.2	3.0	(0.2)	3.0	(0.3)
China	0.5	0.3	(0.2)	0.6	+0.3
Europe	(0.0)	(0.1)	(0.1)	(0.4)	(0.2)

FY2020 Earnings Results

-Soy protein ingredients

(textured, powdered)

Favorable sales volume of products for protein drinks, cereal, and healthy bars thanks to increase health-driven demand.

-Soy protein foods

(Frozen tofu, deep-fried tofu, ganmodoki, etc.)

Sales volume to school lunch programs, industry cafeterias, and restaurants decreased due to COVID-19.

-Functional agents

(water soluble soy polysaccharide, peptide)

Decreased sales volume for beverages and convenience store prepared noodle dishes.

-Decreased sales volume for functional agents to beauty markets

-Stagnant sales of soybean foods (Tofu etc.)

-Started construction on water soluble pea polysaccharide production plant.

FY2021 Earnings Forecasts

-Increased depreciation expenses and related costs for new textured soy protein plant launched last fiscal year. Expect impact of higher raw material costs

-Expect soy protein ingredients (textured, powdered) to drive top-line growth on promotion of high value-added products.

-Will optimize East-West product balance of two-plant structure for textured soy protein to increase operating rates of new plant and focus on expansion of high value-added products.

-Accelerate shift of soy protein products to nutritionally enriched products and intermediate ingredient products.

-Planning to expand sales of functional agents and soy foods.

-Establish new R&D Division to build structure for timely proposals suited to local needs.

-Plan to start operation of water soluble pea polysaccharide production plant in January 2022.

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*2 Soy milk and USS soy milk products included in the Soy-based Ingredients Business have been reclassified to the Emulsified and Fermented Ingredients Business from FY2021, the amount of retroactive adjustments is shown in the upper row.

Medium-Term Management Plan(2017-2020) Review

※Based year

(Unit : billion yen)

	FY2016	FY2017	FY2018	FY2019*1	FY2020	(4 years cumulative)	FY2020 Target (When the plan formulated)
ROE	8.3%	8.8%	7.3%	10.5%	7.0%	—	10.0%
Net income margin	4.1%	4.5%	3.8%	3.9%	3.0%	—	Approx.5%
Total return on asset	107.5%	113.6%	77.0%	112.9%	100.5%	—	Approx.115%
Financial leverage	1.8x	1.7x	2.5x	2.4x	2.2	—	Approx. 1.8x
EPS	140.8	159.9	134.7	190.5	128.1	—	EPS CAGR ≥ 8%
EPS growth rate	31.2%	13.5%	(15.7%)	—	—		
Operating profit	19.7	20.5	18.5	23.6	17.9	—	Operating profit CAGR ≥6%
EPS growth rate	16.9%	4.0%	(9.5%)	—	—		
Payout ratio	31.2%	30.0%	37.1%	29.4%	40.6%	—	30-40%
Operating cash flow (billion yen)	16.5	28.2	22.6	37.1	38.2	126.1	4 year cumulative CF 100 billion yen
CCC (days)	110	103	105*2	113*3	107	—	10 days contraction
Account receivable (days)	74	76	—	62	66	—	
Wholesale assets (days)	65	57	—	75	69	—	
Trade payable (days)	29	30	—	25	28	—	
Capital expenditure (billion yen)	13.6	14.7	15.9	18.0	20.8	69.4	4 year total of about 60-70 billion yen
M&A	—	—	Blommer・IFS	—	—	—	assurances of 50 billion yen in funding

*1 FY2019 reflects the change in the accounting period of overseas group companies. (excluding some subsidiaries) (12 → 15 months).

*2 FY2018 CCC:Blommer is not included

*3 FY2019 CCC:Calculated by converting to 12 months for overseas group companies that apply 15-month financial statements