1Q/FY2018 Teleconference Main Q&A

Date/time: August 7, 2018 (Tue.); 2:30pm － 3:30pm Speaker : Tomoki Matsumoto, Member of the Board ,Executive Officer, CFO

<Regarding Operating profit analysis>

Q. Full-year plan outlines sales growth as an income driver. What was the status of progress for 1Q?

A. Favorable performers during 1Q included the soy protein ingredient and chocolate products in Japan and the margarine and filling segments in China. Stagnancy due to transitional factors included water soluble soy polysaccharides in Japan and the US oils and fats segment, which was impacted by a plant shutdown caused by cold climate. Southeast Asia and Brazil saw sales volume underperform plans.

We will focus on expanding sales to increase net sales, and identify strategic products and areas as we advance operations.

<About Japan>

Q. 1Q saw increased profitability for the oils and fats business. Is this sustainable?

A. We project this profitability will remain firm at least through 3Q of this fiscal year.

Q. What are trends for the confectionary and bakery ingredients business?

A. Chocolate remains favorable. Cream appears to have bottomed out but margarine, fillings, etc., fell below expectations.

Q. Soy business income decreased during 1Q. What was the cause?

A. Soy protein ingredients remain favorable. Also water soluble soy polysaccharides saw production troubles during 1Q but we project increases on beverage demand from 2Q onward. The segment that underperformed assumptions was soy protein food products. Sales expansion following plant renovations, which took until May to complete, has been slower than expected. We will work to improve performance during the second half.

<About Asia>

Q. What was the cause of decreased income for the oils and fats business and the confectionary and bakery ingredients business in Southeast Asia?

A. The oils and fats business faced sluggish sales for the commodities product line at a plant conducting oil separation near the upstream part of the supply chain. With the confectionary and bakery ingredients business, the preparations was significantly impacted by a drop in market prices for dairy raw materials.

Q. What helped shift the China confectionary and bakery ingredients business to an income growth trajectory?

A. During the previous fiscal year, the decrease in income was partially due to a reorganization of how we distribute common expenses.

We are investing in the China confectionary and bakery ingredients business as bread demand increases. The new plant launched operations in July and will result in expenses. With increasing demand and growing consumer recognition for the Fuji brand, we see the potential for strong growth.

<About Brazil>

Q. What impact will external environment changes have on 2Q and beyond and what is the progress of efforts to expand sales by introducing new products?

A. Currency markets and competition are creating a difficult operating environment. Using new products to expand sales volume will be difficult so we will secure income by focusing on profitability.