

FUJI OIL HOLDINGS INC.
Financial results supplement material
FY2020 FYE March 2021
- 1Q -

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Note

The change in the accounting period in FY 2019

* From FY2019 consolidated fiscal year, we have changed to method of closing settlement date to March 31 or temporary settlement on consolidated settlement date. The purpose is to promote integrated management of the Group by unifying the management cycle and further improve management transparency by timely and appropriate disclosure of management information such as business performance.

Due to this change in the accounting period, for the FY2019 consolidated fiscal year, overseas group companies * 1 have been consolidated for 15 months from January 1, 2019 to March 31, 2020 and adjusted through the consolidated income statement.

(* 1: Excluding Blommer and IFS, which were recently acquired.)

-Fiscal year change company: Overseas group companies (all 27 companies) whose closing date was changed from December 31st to March 31st, or the provisional closing date was changed to the consolidated closing date.

-Blommer: Blommer Chocolate Company and 8 sub-consolidated companies

-IFS: INDUSTRIAL FOOD SERVICES PTY LIMITED

Finalized provisional accounting treatment

During the consolidated third quarter of the FY2019, we finalized provisional accounting treatments related to corporate consolidation. Figures for FY2018 have been retroactively revised to reflect said provisional accounting treatments.

Comparison with 1Q

The first quarter of FY2019 for overseas Group companies subject to an accounting period change in FY2019 is January 2019 to March 2019. As such, we conduct a comparison using figures from the relevant period of the previous fiscal year (April 2019 to June 2019) as reference figures.

Comparison with full year

FY2019 is 15months due to the change of financial results for overseas group companies(excluding Blommer and IFS).For this reason, some materials include adjusted figures.

FY2019 (12 months) indicates cumulative figures for the period between April 2019 and March 2020, the accounting period for Japan and Group companies subject to the accounting period change.

Main exchange rate

• P/L : Average rate , B/S : End of period rate

		FY2019	FY2019	FY2020	YoY*		FY2020
		1Q	1Q	1Q	change	rate of change	Plan
\$	P/L	110.20	109.03	107.62	(2.58)	(2.3%)	109.05
	B/S	110.99	108.83	107.74	(1.09)	(1.0%)	-
BRL	P/L	29.23	27.07	20.00	(9.23)	(31.6%)	27.95
	B/S	28.49	20.94	19.68	(1.26)	(6.0%)	-
€	P/L	125.15	121.68	118.48	(6.67)	(5.3%)	122.33
	B/S	124.56	119.55	121.08	+1.53	+1.3%	-
RMB	P/L	16.33	15.75	15.17	(1.16)	(7.1%)	15.83
	B/S	16.47	15.31	15.23	(0.08)	(0.5%)	-

The P/L is a year-on-year comparison. The B/S is a comparison with end of the previous fiscal year (end of FY2019).

•Blommer (\$):P/L 108.45, BS 107.73

1-1 : FY2020 1Q Consolidated Financial Results

(Unit : JPY billion)

	FY2019 1Q*1	2019 same month of the previous year*1	FY2020 1Q *1	VS same month of the previous year*2	Factors of change (VS same month of the previous year)
Revenue	Vegetable Oils and Fats	24.6	23.7	22.3	(1.4) Decreased in lower sales volume in SE Asia, Europe etc.
	Industrial Chocolate	40.8	38.9	35.3	(3.5) Decreased demand on souvenir markets in Japan and Europe. Decrease due to measures restricting activities in urban areas in the Americas (Brazil).
	Emulsified and Fermented Ingredients	20.6	20.1	16.5	(3.7) Decreased sales volume for F&B markets and convenience stores in Japan. Decreased due to delay in recovery in China and lower sales of cream products in Southeast Asia.
	Soy-based Ingredients	8.9	8.9	8.6	(0.3) Decreased revenue due to impact of selling Chinese subsidiary last fiscal year.
	Total	94.9	91.6	82.7	(8.9)
Operating profit	Vegetable Oils and Fats	1.9	2.1	1.8	(0.3) Profit decreased due to lower revenue in Europe but in addition to stay-at-home demand, sales of vegetable fats for chocolate grew in Japan and Southeast Asia.
	Industrial Chocolate	1.0	0.3	2.0	1.7 Gift confectionery and F&B market demand decreased in Japan, the Americas (Brazil), Southeast Asia, and Europe but profit increased due to a reversal of Blommer cacao futures valuations losses from the previous year ((1.0) billion yen) and cacao futures valuations gains (1.3 billion yen) recorded by Blommer this fiscal year.
	Emulsified and Fermented Ingredients	0.9	1.3	0.2	(1.1) Profit decreased due to low net sales.
	Soy-based Ingredients	1.0	1.1	1.2	0.1 Profit increased due to firm sales for health and nutrition market and cereal, and increased in functional ingredients.
	Group administrative expenses	(0.8)	(0.9)	(0.9)	(0.0)
Total	4.0	3.9	4.3	0.4	
Operating margin	4.2%	4.3%	5.2%	+0.9 p	
Ordinary profit	3.5	-	3.8	-	
Net income attributable to Owners of parent	3.3	-	2.8	-	Elimination of extraordinary profit from the sale of land from the Sakai Plant recorded in 1Q of FY2019

● Summary

Impacted by COVID-19, revenue and profit decreased particularly for Vegetable Oils and Fat business and Emulsified and Fermented Ingredients business and Industrial Chocolate business in Japan, SE Asia, Brazil. However, profit increased on the Industrial Chocolate business recording a reversal of Blommer cacao futures valuations losses from the previous year ((1.0) billion yen) and cacao futures valuations gains (1.3 billion yen) recorded by Blommer this fiscal year.

● Note

*1:For overseas consolidated subsidiaries subject to accounting period change in FY2019, "FY2019 1Q" is Jan-Mar 2019, "2019 same month of the previous year" is Apr-Jun 2019, "FY2020 1Q" is Apr-Jun 2020
 *2:"VS same month of the previous year" is "Apr-Jun in 2019" vs "Apr-Jun 2020"(Japan and overseas group companies excluding Blommer and IFS.)

1-2 : FY2020 Consolidated Revenue & Operating Profit (1Q/by region, division)

Revenue

(Unit: JPY million)

	FY*	Japan		Americas		SE Asia		China		Eueope		Consolidated Total	
		Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY
Vegetable Oils and Fats	FY2020 1Q	8,333	(54)	6,998	141	3,572	(514)	590	(251)	2,820	(741)	22,315	(1,419)
	2019 same month	8,387	-	6,857	-	4,086	-	841	-	3,561	-	23,734	-
	FY2019 1Q	8,387	-	6,956	-	4,617	-	597	-	4,046	-	24,606	-
Industrial Chocolate	FY2020 1Q	7,493	(1,002)	24,407	(1,664)	1,984	(861)	806	233	648	(240)	35,340	(3,534)
	2019 same month	8,495	-	26,071	-	2,845	-	573	-	888	-	38,874	-
	FY2019 1Q	8,495	-	28,115	-	2,628	-	662	-	866	-	40,769	-
Emulsified and Fermented Ingredients	FY2020 1Q	11,800	(2,985)	-	-	2,044	(465)	2,608	(213)	-	-	16,453	(3,663)
	2019 same month	14,785	-	-	-	2,509	-	2,821	-	-	-	20,116	-
	FY2019 1Q	14,785	-	-	-	3,012	-	2,841	-	-	-	20,639	-
Soy-based Ingredients	FY2020 1Q	8,087	(191)	-	-	-	-	469	(107)	-	-	8,557	(297)
	2019 same month	8,278	-	-	-	-	-	576	-	-	-	8,854	-
	FY2019 1Q	8,278	-	-	-	-	-	637	-	-	-	8,916	-
Revenue total	FY2020 1Q	35,715	(4,232)	31,405	(1,524)	7,602	(1,839)	4,475	(336)	3,468	(981)	82,667	(8,912)
	2019 same month	39,947	-	32,929	-	9,441	-	4,811	-	4,449	-	91,579	-
	FY2019 1Q	39,947	-	35,072	-	10,258	-	4,740	-	4,912	-	94,930	-

(Note) The Above revenue are revenue to outside customers.

Operating profit

	FY※	Japan		Americas		SE Asia		China		Eueope		Consolidated adjustment		Group administrative expenses		Consolidated Total	
		Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY
Vegetable Oils and Fats	FY2020 1Q	848	36	510	(163)	546	315	24	6	(97)	(276)	0	(186)	-	-	1,832	(270)
	2019 same month	812	-	673	-	231	-	18	-	179	-	186	-	-	-	2,102	-
	FY2019 1Q	812	-	479	-	323	-	63	-	416	-	(179)	-	-	-	1,916	-
Industrial Chocolate	FY2020 1Q	983	(373)	1,059	2,493	(35)	(319)	(108)	(145)	73	(20)	17	15	-	-	1,989	1,649
	2019 same month	1,356	-	(1,434)	-	284	-	37	-	93	-	2	-	-	-	340	-
	FY2019 1Q	1,356	-	(664)	-	199	-	43	-	103	-	7	-	-	-	1,045	-
Emulsified and Fermented Ingredients	FY2020 1Q	(32)	(656)	-	-	(88)	(252)	161	(178)	-	-	140	5	-	-	181	(1,083)
	2019 same month	624	-	-	-	164	-	339	-	-	-	135	-	-	-	1,264	-
	FY2019 1Q	624	-	-	-	162	-	206	-	-	-	(116)	-	-	-	877	-
Soy-based Ingredients	FY2020 1Q	1,033	112	-	-	-	-	213	74	(25)	(25)	(64)	(63)	-	-	1,156	96
	2019 same month	921	-	-	-	-	-	139	-	-	-	(1)	-	-	-	1,060	-
	FY2019 1Q	921	-	-	-	-	-	92	-	-	-	14	-	-	-	1,027	-
Consolidated adjustment	FY2020 1Q	23	(5)	(3)	(9)	(14)	(16)	(3)	(40)	51	51	(53)	21	-	-	-	-
	2019 same month	28	-	6	-	2	-	37	-	-	-	(74)	-	-	-	-	-
	FY2019 1Q	28	-	9	-	(11)	-	(28)	-	-	-	2	-	-	-	-	-
Group administrative expenses	FY2020 1Q	-	-	-	-	-	-	-	-	-	-	-	-	(894)	(43)	(894)	(43)
	2019 same month	-	-	-	-	-	-	-	-	-	-	-	-	(851)	-	(851)	-
	FY2019 1Q	-	-	-	-	-	-	-	-	-	-	-	-	(846)	-	(846)	-
Operating profit total	FY2020 1Q	2,855	(888)	1,566	2,319	407	(275)	288	(284)	1	(272)	40	(209)	(894)	(43)	4,265	351
	2019 same month	3,743	-	(753)	-	682	-	572	-	273	-	249	-	(851)	-	3,914	-
	FY2019 1Q	3,743	-	(175)	-	673	-	377	-	519	-	(272)	-	(846)	-	4,019	-

※"2019 same month" indicates a reference figure based on the same month of previous year of "FY2020 1Q"

※YOY is "2019 same month" vs "2020 1Q"

2-1:Major Indicators

Primary Item	Item	Unit	Note	FY							
				2017	2018	2019 (15months)	2020				
							1Q	2 Q	3 Q	4 Q	2020 forecast
PL related	Operating profit	JPY billion		20.5	18.5	23.6	4.3				19.3
	Operating profit growth rate	%		+4.0%	(9.5%)	-	+6.1%				-
	EBITDA	JPY billion		31.0	30.0	40.8	8.1				37.4
	Capital Expenditures	JPY billion	For tangible fixed assets	14.7	15.9	18.0	4.5				23.0 ※1
	Depreciation expenses	JPY billion	Depreciation expenses for tangible fixed assets.	10.0	11.0	13.0	2.9				12.8
	ROA	%	Ordinary income / Average total assets at beginning and end of period	7.4%	5.5%	5.9%	4.2%				4.9%
	ROE	%	Net income margin × Total asset turnover × Financial leverage	8.8%	7.3%	10.5%	7.3%				7.2%
	Net income margin	%	Net income/Net sales	4.5%	3.8%	3.9%	3.4%				-
	Total asset turnover	Times	Net sales/Total assets at beginning and end of period	1.14	0.77	1.13	0.92				-
	Financial leverage	Times	Total assets/Equity	1.7	2.5	2.4	2.4				-
ROIC	%	Operating profit × (1-corporate tax rate) ÷ (shareholders'equity end of period+Intrest-bearing loans)	6.7%	4.0%	5.1%	3.7%				-	
BS related	Total assets	JPY billion		272.0	390.5	367.4	361.5				365.9
	Intrest-bearing loans	JPY billion		56.6	160.5	146.2	150.2				140.2
	Net interest-bearing loans	JPY billion		43.6	139.2	127.6	127.7				119.0
	Net operating capital	JPY billion		63.3	17.1	63.2	66.1				56.3
	Equity ratio	%		59.2%	40.1%	42.3%	42.5%				44.3%
	Debt ratio	%		66.1%	147.9%	134.7%	133.8%				-
	Goodwill(in a broad sence)	JPY billion	Goodwill(in a broad sence) refers to goodwill as well as trademark rights and other intangible fixed assets.	19.6	60.5	52.7	50.4				-
	Goodwill amortization	JPY billion		0.7	0.7	2.4	0.5				-
	Goodwill(in a broad sence) / Net assets ratio	%		12%	38%	33%	32%				-
	D/E ratio	Times	interest-bearing loans/Equity	0.4	1.0	0.9	1.0				0.9
Net D/E ratio	Times	Net interest-bearing loans(interest-bearing loans – cash and deposits)/equity capital	0.3	0.9	0.7	0.7				0.7	
CF related	Cash flows from operating activities	JPY billion		28.2	22.6	37.1	7.0				33.7
	Cash flows from investing activities	JPY billion		(14.5)	(79.1)	(18.3)	(4.8)				(17.3)
	Free cash flow	JPY billion		13.7	(56.5)	18.8	2.2				16.4
	Cash flows from financing activities	JPY billion		(13.5)	65.5	(20.7)	1.4				-
	CCC		FY2018:Blommer is no included Day FY2019: Calculated by converting to 12 months for overseas group companies that apply 15-month financial statements	103	105	113	128				104

※FY2020 1Q ROA,ROE,ROIC is annual reference figures

※1 Capital expenditures

FY	Major expenditures	JPY billion
2020	Americas New plant(Oils and fats)	1.6
1Q	Americas Capital expenditures for Blommer	0.5
	Europe New plant(soluble pea polysaccharides)	0.3
Total		4.5
2020	Americas New production plant for oils and fats	3.6
Plan	Americas Capital expenditures for Blommer	3.4
	Total	23.0

Dividend history

Dividend Policy
·Payout ratio 30% to 40%
·Stable, consistent dividends

Dividend per share (Unit:JPY)				
FY	1st half	2nd half	total	Payout ratio
2012	12	13	25	25.8%
2013	13	13	26	27.4%
2014	13	17	30	27.6%
2015	17	18	35	32.6%
2016	22	22	44	31.2%
2017	23	25	48	30.0%
2018	25	25	50	37.1%
2019	27	29	56	29.4%
2020 Plan	29	29	58	43.4%

3-1 : FY2020 Forecast

(Unit:JPY billion)

		Full year				Half year	
		2019	2019	2020 Forecast	Change vs 12 months	Factors	2020 1st half Forecast
		15months	12months*1				
Revenue	Vegetable Oils and Fats	114.1	97.9	92.1	(5.8)	• Impat of COVID-19 : (11.1) billion yen.	-
	Industrial Chocolate	180.1	171.7	167.0	(4.7)	• Impat of COVID-19 : (19.0) billion yen. • Assuming decreased sales to the gift market in Japan and the F&B market in Brazil.	-
	Emulsified and Fermented Ingredients	85.2	79.3	78.9	(0.4)	• Impat of COVID-19 : (8.9)billion yen. • Projecting lower sales of cream products.	-
	Soy-based Ingredients	35.4	34.7	32.0	(2.7)	• Impat of COVID-19 : (4.2)billion yen.	-
	Total	414.7	383.7	370.0	(13.7)		155.0
Operating profit	Vegetable Oils and Fats	11.2	10.1	8.4	(1.7)	• Impat of COVID-19 : (0.4) billion yen. • Projecting lower profitability due to rising raw material prices.	-
	Industrial Chocolate	8.3	7.5	8.5	0.9	• Impat of COVID-19 : (2.5) billion yen. • Although lower profit in Japanese gift market, projecting Blommer being able to control cacao futures valuation losses and recording sales growth in the second half.	-
	Emulsified and Fermented Ingredients	4.1	3.8	3.4	(0.4)	• Impat of COVID-19 : (0.6) billion yen. • Projecting lower sales in Japan and SE Asia.	-
	Soy-based Ingredients	4.0	3.9	3.5	(0.4)	• Impat of COVID-19 : (0.3) billion yen. • Projecting expenditures for a new plant in Europe.	-
	Group administrative expenses	(4.0)	(3.9)	(4.5)	(0.5)		-
Total	23.6	21.5	19.3	(2.2)		5.5	
Operating margin	5.7%	5.6%	5.2%	(0.3pt)		3.5%	
Ordinary profit	22.4	20.3	17.8	(2.5)		4.9	
Net income attributable to Owners of parent	16.4	14.7	11.5	(3.2)		2.7	

● Summary

Forecasting growth for the Industrial Chocolate business centered on profit recovery by Blommer but planning on decreased profit year on year to reflect the impact of the COVID-19 during the first half (operating profit: (3.9) billion yen).

● Note

*1: FY2019 is 15 months due to the change of accounting period for overseas group companies.(excluding Blommer and IFS)
Amounts adjusted to reflect the 12months period of April 1, 2019 to March 31, 2020 as the accounting period for the 19 overseas consolidated subsidiaries subject to accounting period change in FY2019.

3-2 : FY2020 Forecast (by region,division)

Revenue

(Unit: JPY million)

	FY ※	Japan		Americas		SE Asia		China		Europe		Consolidated Total	
		Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY
Vegetable Oils and Fats	2020 Forecast	34,300	(1,130)	25,000	(3,200)	17,600	1,287	2,100	(424)	13,100	(2,317)	92,100	(5,786)
	2019 (Apr.-Mar 12months)	35,430	(1,352)	28,200	(582)	16,313	(1,480)	2,524	(369)	15,417	(4,472)	97,886	(8,254)
	2018	36,782	-	28,782	-	17,793	-	2,893	-	19,889	-	106,140	-
Industrial Chocolate	2020 Forecast	33,000	(5,189)	114,000	(2,667)	10,000	(593)	6,600	3,809	3,400	(79)	167,000	(4,723)
	2019 (Apr.-Mar 12months)	38,189	(371)	116,667	99,420	10,593	731	2,791	(105)	3,479	(54)	171,723	99,623
	2018	38,560	-	17,247	-	9,862	-	2,896	-	3,533	-	72,100	-
Emulsified and Fermented Ingredients	2020 Forecast	55,400	(3,437)	-	-	8,900	(866)	14,600	3,865	-	-	78,900	(439)
	2019 (Apr.-Mar 12months)	58,837	(3,650)	-	-	9,766	(1,600)	10,735	(1,904)	-	-	79,339	(7,153)
	2018	62,487	-	-	-	11,366	-	12,639	-	-	-	86,492	-
Soy-based Ingredients	2020 Forecast	29,900	(2,821)	-	-	-	-	2,100	99	-	-	32,000	(2,722)
	2019 (Apr.-Mar 12months)	32,721	(408)	-	-	-	-	2,001	(980)	-	-	34,722	(1,388)
	2018	33,129	-	-	-	-	-	2,981	-	-	-	36,110	-
Revenue total	2020 Forecast	152,600	(12,579)	139,000	(5,867)	36,500	(173)	25,400	7,348	16,500	(2,397)	370,000	(13,672)
	2019 (Apr.-Mar 12months)	165,179	(5,780)	144,867	98,837	36,673	(2,349)	18,052	(3,358)	18,897	(4,525)	383,672	82,828
	2018	170,959	-	46,030	-	39,022	-	21,410	-	23,422	-	300,844	-

(Note) The Above revenue are revenue to outside customers.

The European area is divided into segments Vegetable Oils and Fats and Industrial Chocolate from FY2019Q1 (conventionally represented using Industrial Chocolate in Vegetable Oils and Fats segments). In the above, FY2018 results have also been retroactively revised.

Operating profit

	FY ※	Japan		America		SE Asia		China		Europe		Consolidated adjustment		Group administrative expenses		Consolidated Total	
		Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY	Actual	YOY
Vegetable Oils and Fats	2020 Forecast	3,940	(686)	1,676	(1,055)	1,560	235	125	(31)	1,096	(100)	45	(43)	-	0	8,442	(1,682)
	2019 (Apr.-Mar 12months)	4,626	642	2,731	978	1,325	396	156	(150)	1,196	354	88	79	-	-	10,124	2,299
	2018	3,984	-	1,753	-	929	-	306	-	842	-	9	-	-	-	7,825	-
Industrial Chocolate	2020 Forecast	5,880	(1,094)	1,663	2,438	880	15	(156)	(222)	167	(198)	31	(18)	-	-	8,465	918
	2019 (Apr.-Mar 12months)	6,974	528	(775)	(2,135)	865	(96)	66	94	365	42	49	1,355	-	-	7,547	(209)
	2018	6,446	-	1,360	-	961	-	(28)	-	323	-	(1,306)	-	-	-	7,756	-
Emulsified and Fermented Ingredients	2020 Forecast	1,960	(361)	-	-	144	(108)	1,231	176	-	-	36	(131)	-	-	3,371	(424)
	2019 (Apr.-Mar 12months)	2,321	491	-	-	252	54	1,055	64	-	-	167	(133)	-	-	3,795	475
	2018	1,830	-	-	-	198	-	991	-	-	-	300	-	-	-	3,320	-
Soy-based Ingredients	2020 Forecast	2,898	(253)	-	-	-	-	719	192	(178)	(155)	69	(207)	-	-	3,508	(424)
	2019 (Apr.-Mar 12months)	3,151	503	-	-	-	-	527	(57)	(23)	(23)	276	220	-	-	3,932	643
	2018	2,648	-	-	-	-	-	584	-	-	-	56	-	-	-	3,289	-
Consolidated adjustment	2020 Forecast	181	(163)	-	0	-	(38)	-	(38)	0	87	(181)	152	-	-	-	-
	2019 (Apr.-Mar 12months)	344	1,532	(0)	9	38	29	38	102	(87)	(87)	(333)	(1,586)	-	-	-	-
	2018	(1,188)	-	(9)	-	9	-	(64)	-	-	-	1,253	-	-	-	-	-
Group administrative expenses	2020 Forecast	-	-	-	-	-	-	-	-	-	-	-	-	(4,486)	(546)	(4,486)	(546)
	2019 (Apr.-Mar 12months)	-	-	-	-	-	-	-	-	-	-	-	-	(3,940)	(275)	(3,940)	(275)
	2018	-	-	-	-	-	-	-	-	-	-	-	-	(3,665)	-	(3,665)	-
Revenue total	2020 Forecast	14,859	(2,559)	3,339	1,384	2,584	103	1,919	77	1,085	(366)	0	(249)	(4,486)	(546)	19,300	(2,159)
	2019 (Apr.-Mar 12months)	17,418	3,696	1,955	(1,148)	2,481	383	1,842	54	1,451	286	249	(63)	(3,940)	(275)	21,459	2,934
	2018	13,722	-	3,103	-	2,098	-	1,788	-	1,165	-	312	-	(3,665)	-	18,525	-

The European area is divided into segments Vegetable Oils and Fats and Industrial Chocolate from FY2019Q1 (conventionally represented using Industrial Chocolate in Vegetable Oils and Fats segments). In the above, FY2018 results have also been retroactively revised.

※2019 (Apr.-Mar 12months) indicates cumulative figures for the period between April 2019 and March 2020, the accounting period for Japan and Group companies subject to the accounting period change.

The previous period comparison is a simple comparison of the previous period.

FY2020 1Q Pickup : Deviation from the plan mainly for COVID-19

■ Plan assumptions

- 1Q impacted by current lockdown and movement restrictions; gradual recovery in 2Q.
- Japan to see contraction in dining and gift markets, projected extraordinary demand for drinks, etc. to disappear due to postponement of Olympics.

■ 1Q Situation and 2Q Forecast

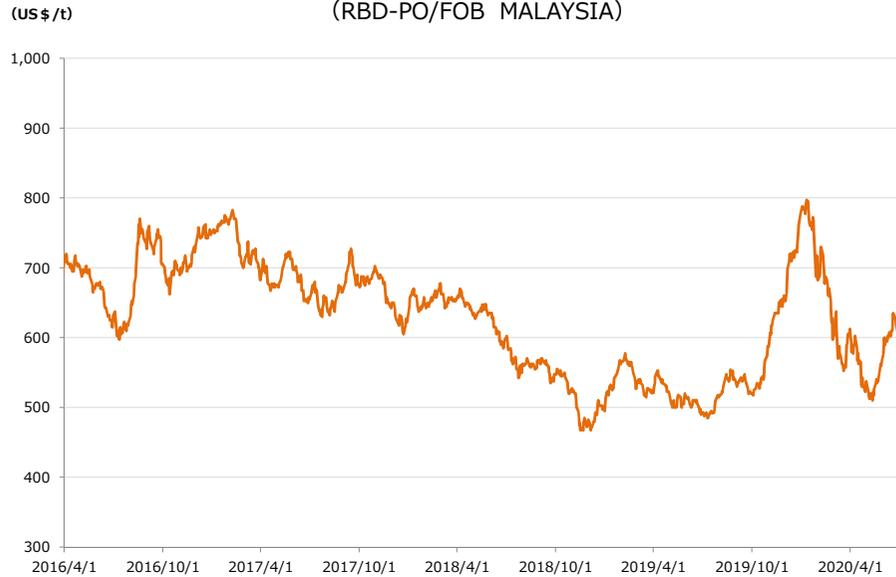
- 1Q:Some products exceeded initial plan due to strong demand for health market and stay-at-home consumption , but the decline in demand due to restaurants, convenience stores, and the tourism industry was worse than expected.
- 2Q:Although the impact of COVID-19 infections bottomed out in 1Q, the pace of recovery is slower than planned.

	1Q Actual		2Q Forecast	
Better than expected	Japan	Soy-based ingredients Strong soy protein ingredients due to growing health and nutrition preference	Japan	Soy-based ingredients Expected to continue strong
	America	Vegetable Oils and Fats Stable demand for consumer products		
	America	Industrial Chocolate Increased in cacao futures valuation gains		
Worse than expected	Japan	Emulsified and Fermented Ingredients Decreased demand for restaurants, convenience stores, and inbound tourists	Japan	Emulsified and Fermented Ingredients Delay in demand recovery for restaurants, convenience stores, and inbound tourists
	Europe	Vegetable Oils and Fats Decrease in tourism demand	America	Industrial Chocolate • 2 Q(May-July):Impact of economic activity restrictions •Impact of fluctuations in cocoa futures prices
	China	Emulsified and Fermented Ingredients Delayed recovery of bread market	China	Emulsified and Fermented Ingredients Delayed recovery of bread market

IR Supplement② : Main raw material market price (~end of June.2020)

Palm oil

(RBD-PO/FOB MALAYSIA)



source : Market (OTC) price

Cocoa bean

(GBP/t)



source : ICE Futures Europe (London)

Palm kernel oil

(RBD-PKO/FOB MALAYSIA)



source : Market (OTC) price

Soy bean

(¢/bu.)



source : Chicago Board of Trade
FUJI OIL HOLDINGS INC.

● Medium-term management plan

Basic Strategy		Basic policy		※Based year						FY2020 Target (When the plan formulated)	
				FY2016	FY2017	FY2018	FY2019*1	FY2020 forecast	FY2020forecast (4years cumulative)		
		①Core competence enhancement		ROE	8.3%	8.8%	7.3%	10.5%	7.2%	-	10.0%
		<ul style="list-style-type: none"> Expand the market and product lineup in the strong field 		Net income margin	4.1%	4.5%	3.8%	3.9%	3.1%	-	Approx.5%
		②Growth of soy business		Total return on asset	107.5%	113.6%	77.0%	112.9%	100.9%	-	Approx.115%
		<ul style="list-style-type: none"> Pursuit the health of people and the earth Provide products that fits the demand of the time 		Financial leverage(times)	1.8x	1.7x	2.5x	2.4x	2.3x	-	Approx. 1.8x
		③Functional high-value added products business development		EPS(JPY)	140.8	159.9	134.7	190.5	133.8	-	
		<ul style="list-style-type: none"> Develop business in polysaccharide and stabilized DHA and EPA Expand business in nutrition and health field Stabilize the group revenue 		EPS growth rate	31.2%	13.5%	(15.7%)	-	-	-	EPS CAGR ≥ 8%
		④Cost reductions and alignment with global standards		Operating profit(JPY billion)	19.7	20.5	18.5	23.6	19.3	-	
				Operating profit growth rate	16.9%	4.0%	(9.5%)	-	-	-	Operating profit CAGR ≥6%
				Payout ratio	31.2%	30.0%	37.1%	29.4%	43.4%	-	
				Operating cash flow (JPY billion)	16.5	28.2	22.6	37.1	33.7	121.6	
		CCC(days)	110	103	105*2	113*3	104	-			
		Account receivable(days)	74	76	-	62	62	-	10 days contraction		
		Wholesale assets(days)	65	57	-	75	68	-			
		Trade payable(days)	29	30	-	25	26	-			
		Capital expenditure (JPY billion)	13.6	14.7	15.9	18.0	23.0	71.6			
		M&A	-	-	Blommer-IFS	-	-	-			

*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

● FY2020 Topics

Date	Topics
May 7,2020	Acquisition of "Target approved by Science Based Targets initiative" regarding reduction of greenhouse gases
May 19,2020	Introduction plan to adopt performanse-linked compensation for directors
June 4,2020	Develop sustainabele procurement commitment to eliminate child labor and prebent deforestation
June 18,2020	Holding the 92nd ordinary general meeting of shareholders
June 23,2020	Won the 5th Japan Vegetarian Award Grand Prize
June 30,2020	Report on status of initiatives concerninng responsible palm oil sourcing
July 3,2020	Publish "Sustainability Report 2020"