The Growth Trajectory Envisioned by Fuji Oil

The Fuji Oil Group has achieved growth by engaging in various initiatives aimed at resolving various issues related to food, including focusing on plant-based ingredients, pursuing delicious and healthy foods, and reducing environmental impact.

The issues impacting food go beyond the needs of customers and consumers. These issues influence the global environment, society, and further extend to the producer regions of raw materials. To get ahead of these issues that will impact the future, we have prepared a Future Timeline through which we look ahead to 2050 to analyze future social issues and engage in R&D from a medium- to long-term perspective.

We will continue to use the Fuji Oil Group Management Philosophy as the standard by which we act towards resolving issues along our entire supply chain and work to co-create a sustainable future for food.



Fuji Oil Group Management Philosophy

The Fuji Oil Group is strongly aware of our social responsibility as a food company. We have established the Fuji Oil Group Management Philosophy as our basic management policy. This management philosophy clearly states our mission, vision, values and principles. It serves as the guideline for all our group employees to share values and to use them as the standard for their decisions and actions.

Since our founding, we have pursued the potential of plant-based ingredients and provided value to society through products that combine both deliciousness and healthiness. “Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy.” Based on this vision, we are currently aiming to solve social issues while achieving sustainable growth.

Mission

Our reason for being

The Fuji Oil Group seeks to develop the potential of food ingredients. We will contribute to the happiness and well-being of the people by offering delicious and healthy food.

Vision

Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy.

Values

The values that inform our actions

- **Safety, quality, and the environment**
- **Challenge and innovation**
- **Work for people**
- **Speed and timing**

Our Principles

Vision

Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy.

Please refer to our website for details on the history of the Fuji Oil Group.
History of Fuji Oil Group ➡ https://www.fujioil.co.jp/en/ir/individual/history/

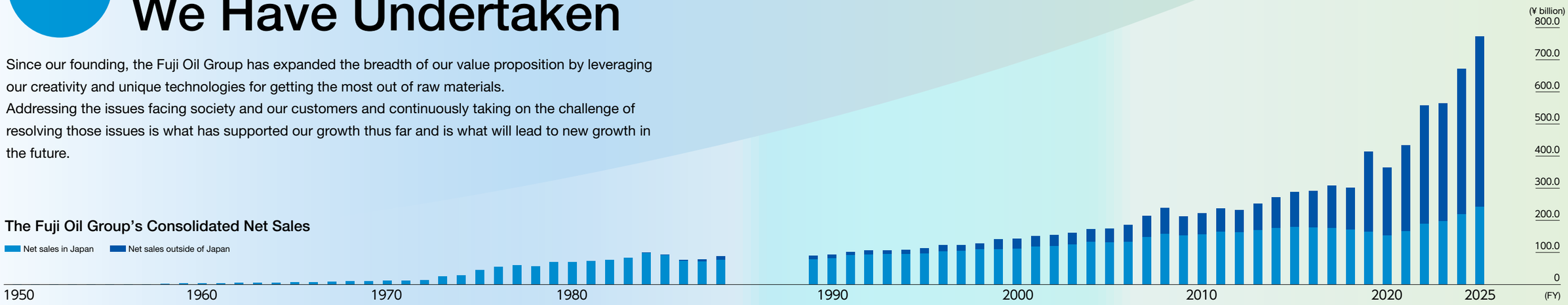
Thus far

The Challenges We Have Undertaken

To sustainable future for food

Since our founding, the Fuji Oil Group has expanded the breadth of our value proposition by leveraging our creativity and unique technologies for getting the most out of raw materials.
Addressing the issues facing society and our customers and continuously taking on the challenge of resolving those issues is what has supported our growth thus far and is what will lead to new growth in the future.

The Fuji Oil Group's Consolidated Net Sales



Foundation → Dawn of an Era of Original Technologies → Overseas Expansion → Transformation

The origins of our commitment to using raw materials without waste to generate value

As the last entrant into Japan's oils and fats industry, Fuji Oil faced restrictions on the allotment of raw materials it received, which made it difficult to secure soybeans and rapeseed. Amid such conditions, we turned our attention to tropical oils, largely an untapped raw material in Japan at the time, and established technology for oil extracting from the coconut. We also were one of the first companies to promote the advanced use of the defatted soybeans generated after oil extraction. This spirit of expanding our ideas for the effective utilization of byproducts (upcycling) and finding ways to maximize the effective use of raw materials is part of our DNA.



Japan's first compression extractor for tropical oils and fats

Delivering value to customers around the world

Since the 1980s, we have engaged in global business expansion to promote stable raw materials procurement and sales channel growth. Through the process of expanding operating sites to locations around the world, we have increased our understanding of market characteristics to advance product development and provide proposals tailored to the needs of each region.

Today, we have established a business foundation centered on Japan, Europe and the Americas, and Asia, and we have built a system that enables us to serve as a one-stop provider, from development and proposals to product supply, for customers in each region. Moving forward, we will continue to leverage our global network to contribute to resolving customer issues.

Global Expansion

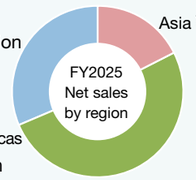
Global Business Network
16 countries

Number of employees
5,891

Ratio of employees outside Japan
69%

Japan
¥**242.1** billion

Asia ¥**135.2** billion



Europe and Americas
¥**394.9** billion

As of March 31, 2026

History of solving food issues with technology

We opened Fuji Sunny Plaza Tokyo in 1977 as a place for co-creation with customers. Today, we have established Fuji Sunny Plazas in locations around the world to promote communication with customers, engage in the process of sample creation and evaluation, and propose applications.

Not limiting ourselves to food ingredient proposals, we also provide broad-based proposals, including for improving processes and workability. This process of converting customer problem resolution into technology is the origin of our value proposition.





Our proposal-based sales gained broad recognition thanks to the tiramisu boom of 1988.

Expanding the possibilities of food

The value expected of food ingredients changes with each generation. Amid growing health and environmental consciousness, our Group has used technological innovation to respond to the demands of society and the market. For example, since 2000, the US has led calls for the reduction of trans fats, for which overconsumption has been linked to an increased risk of heart disease. Our Group has worked to address this problem while maintaining quality and functionality via a technology that reduces trans-fatty acid via enzymatic interesterification.

To achieve a sustainable future for food, we will continue to identify changing social issues and customer needs while expanding the possibilities of food.

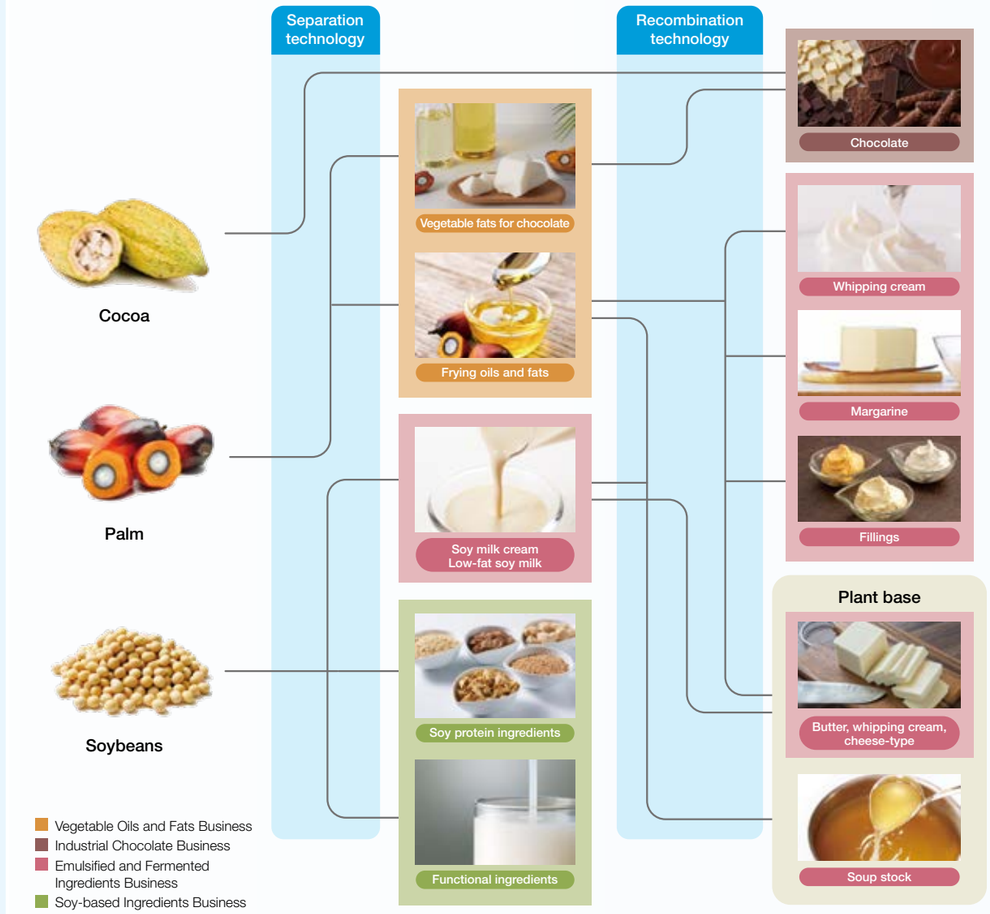
Growth Trajectory P.20



Value Creation

Value Born from Ingredients

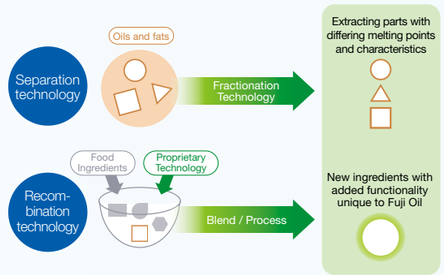
The Fuji Oil Group is a B-to-B manufacturer and provider of food ingredients such as oils and fats, chocolate, emulsified and fermented ingredients, and soy-based ingredients to customers such as food manufacturers and the food service industry. We leverage the characteristics of each of the main raw materials we use, palm, cocoa, and soybeans, to create products that achieve a high rate of raw material utilization without waste. These products are used daily in food in various ways, from chocolate and bread to prepared foods and beverages, supporting variety, deliciousness, and peace of mind.





Core technology

Using palm, cocoa, and soybeans as our main raw materials, our Group uses separation technology for extracting the characteristics and functions of each raw material to offer ingredients with high added value. Furthermore, we use recombination technology that increases the value of these ingredients by optimally combining them to create new ingredients and applications. Through these technologies, we are enabling the design of diverse food ingredients.



Linking value creation

Our Group has approached product development from the perspectives of providing ease of use for the customer and increasing the value of customer products. For example, our crisp coating chocolate for ice cream and our silky-smooth whipping cream were both the result of our effort to help customers create their ideal products. These efforts support customer product development, which in turn leads to consumer satisfaction and contributes to creating more enriched value for food.



Where We Are Today

Where We Are Today and the Path Forward

Vegetable Oils and Fats Business

Using palm and palm kernel oils as raw materials, we provide a broad portfolio of fat and oil products, including vegetable fats for chocolate produced through technologies such as fractionation and enzymatic interesterification, frying oils with superior stability, and emulsified oils and fats that improve flavor and texture.

Share (Company estimate)

Vegetable Fats for Chocolate (CBE)*

World's top 3, No. 1 in Japan

* CBE: Cocoa Butter Equivalent
Vegetable fats for chocolate with the same physical properties as cocoa butter.

Net Sales ¥271.1 billion
Business Profit ¥33.4 billion

Industrial Chocolate Business

We offer a broad range of chocolate products for diverse applications, including pure chocolate that maximizes the unique characteristics of cocoa beans and compound chocolate that combines functionality with great taste.

Share (Company estimate)

Industrial Chocolate

No. 3 worldwide, No. 1 in Japan

Net Sales ¥370.9 billion
Business Profit ¥2.4 billion

FY2025 Result (IFRS)
Net Sales ¥772.3 billion
Business Profit ¥36.0 billion

Emulsified and Fermented Ingredients Business

Leveraging our proprietary emulsification and fermentation technologies, we provide a broad portfolio of products, including whipped creams, margarine, fillings, and processed USS ingredients that deliver both great taste and ease of use to the confectionery, bakery, and foodservice markets.

Share (Company estimate)

Industrial Whipping Cream*

No. 1 in Japan

* Whipping cream with vegetable fats

Net Sales ¥97.4 billion
Business Profit ¥1.1 billion

Soy-based Ingredients Business

We offer a broad portfolio of soy-based ingredients to food and beverage manufacturers, including highly functional soy protein powders, textured soy protein with a meat-like texture, soy peptides, and soluble soybean polysaccharides.

Share (Company estimate)

Soy Protein Ingredients
No. 1 in Japan

Soluble Soy Polysaccharides
No. 1 worldwide
No. 1 in Japan

Net Sales ¥32.9 billion
Business Profit ¥-0.9 billion

- Global Business Network: **16** countries
- Ratio of employees outside Japan: **69**%
- Cumulative number of patents acquired: Japan: **1,762** Outside of Japan: **2,022**

* This is the cumulative number of patents registered by the Fuji Oil Group as of March 31, 2026 (since 1950). It includes utility models and designs.

- Number of employees: **5,891**
- GHG emissions reduction *1: Scope1+2*2 **19.9**% reduction Scope3 (Category1) **11.7**% reduction

*1 Base year: FY2020 Scope: Consolidated subsidiaries
*2 Although the Fuji Oil Group's reduction targets are defined in terms of GHG emissions, CO_2 accounted for 94% of total GHG emissions in FY2025. Accordingly, actual CO_2 emissions, the Group's principal source of emissions, are shown here.

Converting sustainability into competitive advantage

The Fuji Oil Group was one of the first companies to work towards ensuring sustainability for palm and other raw materials. Beyond quality and function, in recent years companies are expected to practice sustainable raw material procurement that ensures environmental and human rights accountability. In addition to establishing a structure for meeting such expectations of customers, through our sustainability response we are also working to ensure optimized processes and stable quality. Through these initiatives, we are improving the value we offer customers and strengthening our competitive advantages.

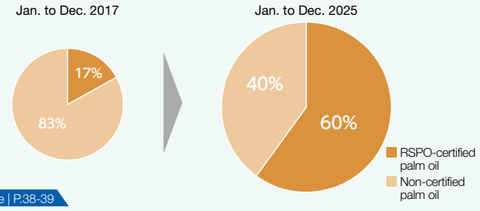
High-quality Products and More Sustainable Supply Chain Supporting Corporate Value | P.38-39

- Palm oil traceability index

TTM*1	TTP*2	RSPO-certified palm oil
99%	96%	60%

*1 TTM (Traceability to mill)
*2 TTP (Traceability to plantation)

Rate of RSPO-certified oil to volume of palm oil procured by the Fuji Oil Group



Mid-Term Management Plan (FY2025–FY2027)

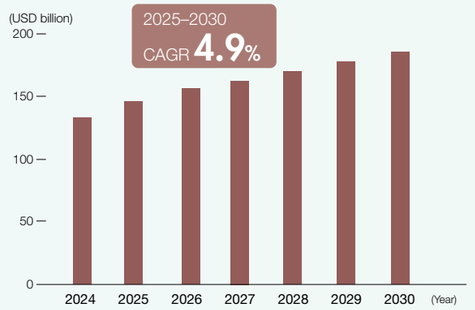
United for Growth 2027

Compound chocolate as a growth pillar

While the global chocolate market is projected to see medium- to long-term growth, cocoa, the main raw material in chocolate, is facing rising concerns related to supply shortages and price fluctuations. In this environment, demand for compound chocolate is growing as a solution for reducing cocoa usage volume while improving quality and expanding applications. Our Group is leveraging the oil and fat technologies we have cultivated through the Vegetable Oils and Fats business to expand sales of compound chocolate in a chocolate market that is expected to see growth.

Growing Potential of Compound Chocolate | P.34-35

Global chocolate confectionery market forecast



Quote: Euromonitor Chocolate Confectionery 2026
Geography: world, Category: chocolate confectionery
Data type: Retail Value RSP

Looking to the future beyond

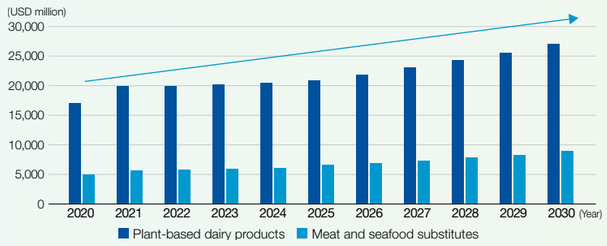
Combining Technologies to Resolve Problems and Promote Further Growth

Problems facing the future of food

Global population growth and changes in food culture are driving the diversification of the value expected from food and raw material needs. At the same time, factors such as climate change, disease risks, and fluctuations in raw material prices and logistics are driving increased uncertainty in the external environment needed to support food stability. The expansion of food options is seen as a promising way to protect global resources and support enriched food culture well into the future.

In recent years, the growing importance being placed on health management in the medical and nutritional fields is driving increased attention on protein, not only whey and other dairy-based proteins, but also plant-based proteins such as soy protein. Not limited to protein, this trend is expanding into the various raw material domains that are essential to food processing.

Global market scale of plant-based dairy products and meat and seafood substitutes



Euromonitor International 2026

Geography: world, Category: Plant-based Dairy, Meat and Seafood Substitutes, Data type: Retail Value RSP

Increasing demand

- Demand growth due to population increase
- Demand growth for animal-based protein attributable to economic development
- Growing health consciousness

Constraints on stable procurement

- Destabilization of production due to climate change and disease risks
- Rising raw material prices and increasing uncertainty in logistics

What Fuji Oil can do to support sustainable and prosperous food culture



Prime Soy Meat

Developed based on a commitment to deliciousness and the pursuit of balance between flavor and texture



Melavio™

Fats for incorporating into ingredients that imparts juiciness on frozen foods, prepared foods, and meat products



MIRA-Dashi™

A plant-based soup stock that delivers flavor and satisfaction similar to meat or fish



UFURI™

A functional ingredient that provides the shape retention and texture required for cakes without using eggs



Soy Iait Beurre

A butter-like ingredient that delivers the natural umami of soy milk cream and a clean, light mouth-feel

Technology supporting products and proposal capabilities

Fuji Oil's proprietary emulsification and fermentation technology

We aim to create deliciousness without relying solely on raw materials by refining the emulsification and fermentation technologies we have independently researched and developed over many years.
The DEALI™ series is a new product line that combines plant-based milk extracted in-house with fermentation. We are proposing this product as a delicious new choice to dairy ingredients. DEALI™ unlocks the potential of ingredients and contributes to new innovative concepts and discoveries.



DEALI™ | Plant-based milk x Fermentation for a natural flavor

Soy protein processing technology refined since our founding

Our Group has accumulated expertise and technology regarding soy protein to establish a foundation for development and proposals that address the problems faced by customers and consumers. By offering solutions that meet diverse needs, we are expanding the range of options available to prepare for a future protein crisis.



Soy protein technology cultivated since the 1960s

MIRACORE® | Technology for designing flavor

Securing a stable supply of the seafood, seaweed, and animal-based ingredients used for stocks and extracts is becoming increasingly difficult. By combining oils and fats with protein technologies, we support flavor creation that does not overly rely on conventional raw materials.



MIRACORE® | Supporting flavor creation, without the constraints of raw materials

Value Creation Process for Realizing our Vision

Drawing on our business capital, we create value by combining the strengths of our four business segments. Profits and cash flows generated through the value we provide are reinvested to support the Fuji Oil Group's sustainable enhancement of corporate value. Through this value creation cycle, we aim to realize a sustainable future for food.

Vision Co-creating a Sustainable Future for Food P.12-13

Main issues facing the global environment and society

- Nature positive
- Carbon neutrality
- Circular economy
- Global population increases and food demand and supply
- Extending healthy lifespans
- Respect for human rights

Material ESG issues P.24-25

Business capital

Business capital supporting Fuji Oil's strengths

Human capital P.58-63

Diverse human resources who love dietary culture and work for people

5,891 people in 16 countries

FUJI OIL CO., LTD. and consolidated subsidiaries as of March 31, 2026

Manufacturing capital P.64-65

Trust supported by safety, quality, and stable supply

Manufacturing sites: 7 sites in Japan, 22 sites outside of Japan

FUJI OIL CO., LTD. and consolidated subsidiaries as of March 31, 2025

Intellectual capital P.54-57

Spirit of challenge and innovation, advanced technological capabilities achieved through a fusion of our four businesses

Cumulative number of patents acquired 3,784

Total number of Fuji Oil Group patents registered through March 31, 2026 including utility models and designs.

Social and relationship capital P.54-57 P.66-73

A network built through co-creation with stakeholders that generates trust and certainty

Application centers 12 sites in 6 countries

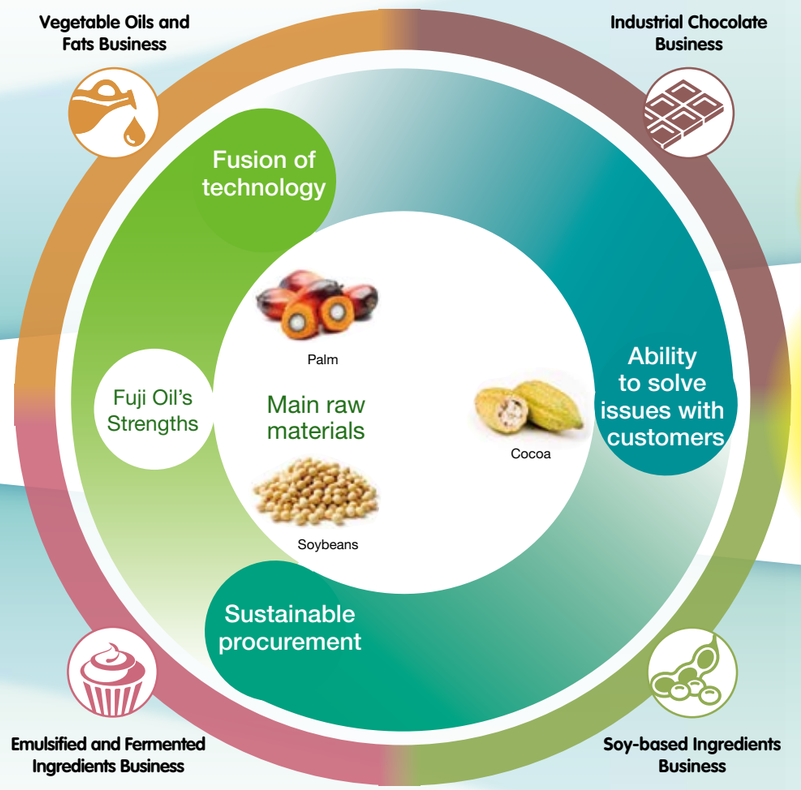
Natural capital P.66-73

Sustainable raw materials that are environmentally friendly

TTP* 96%

* Traceability to plantation FY2025 Results

Business model



Value proposition

Deliciousness and healthiness

×

Sustainable food value chain

Medium-to long-term targets

Financial metrics

FY2027

- Business profit ¥45.0 billion
- ROE 10.0% or more
- FUJI ROIC 6.0% or more

Future financial metrics

- GHG emission reduction*

FY2030
Scope 1+2
42% reduction
Scope 3 (Category 1)
25% reduction

FY2050
Scope 1, 2, 3
Net Zero

* Reference year: FY2020

- TTP

2030
100%

Business foundations Governance P.74-96

Re-investment for sustainable improvement in corporate value

Sustainability Management

Please refer to Sustainability Report 2026 for details on Sustainability Management
Sustainability Management of Fuji Oil group ➡ https://www.fujioil.co.jp/en/sustainability/sustainability_management/

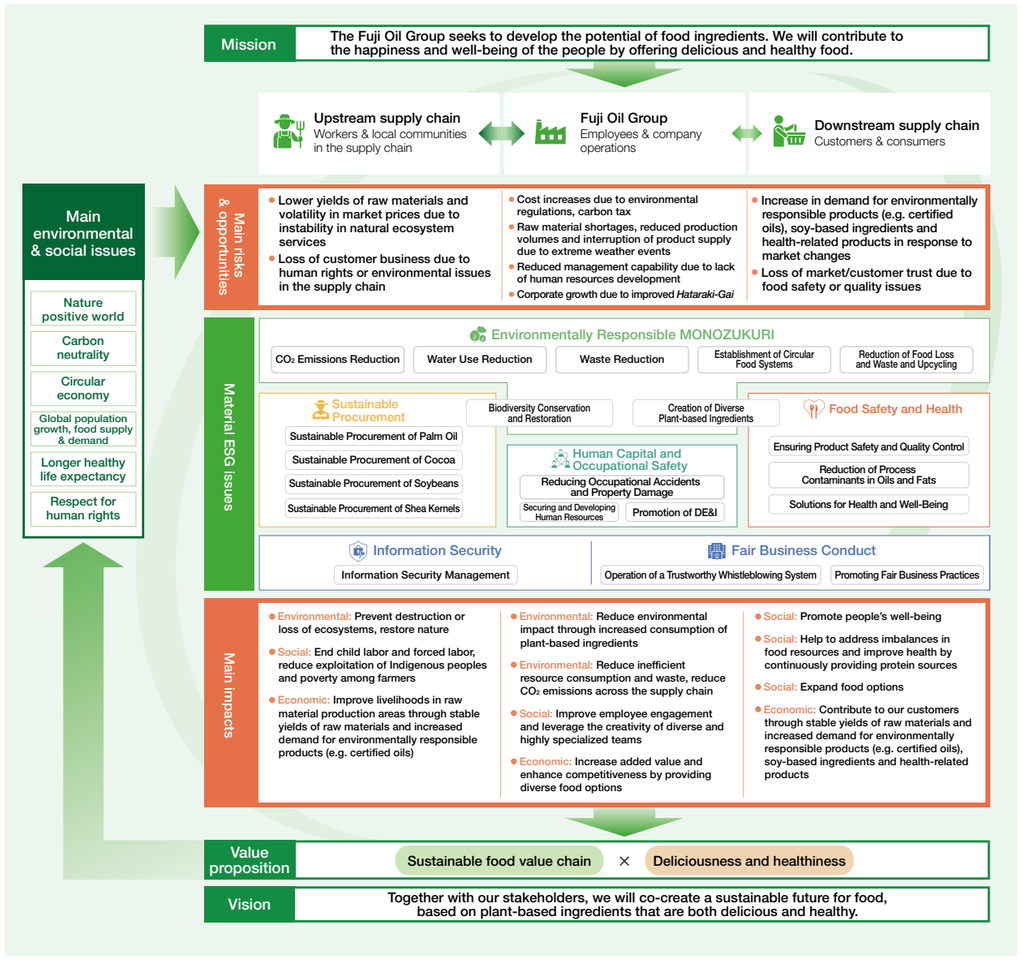
Sustainability Strategy

The Fuji Oil Group sincerely strives to resolve the problems facing customers and society through plant-based ingredients and a focus on challenge and innovation. Since our founding, we have created value by offering solutions to such problems. This history of providing solutions represents the DNA of our Group and the business foundation upon which we achieve both deliciousness and health. Through our food value chain, the value we create transforms into solutions for environmental and social issues.

In recent years, the uncertainty in our operating environment has increased due to factors such as climate change, natural risks, resource availability, human rights issues, and geopolitical risks. This environment makes ensuring the stable procurement of raw materials an important management issue. At the same time, population growth, an aging population, and diversifying values have given rise to the need for the balanced realization of delicious, healthy, and sustainable solutions as society questions how it should define sustainable food.

Our Group places sustainability at the foundation of our management and we use material ESG issues as a compass for promoting medium- and long-term value creation. As a B2B food ingredient manufacturer, we link the upstream and downstream to resolve problems along the entire value chain. Through this approach, we work with stakeholders to co-create deliciousness and health and a sustainable food value chain as we strive for the realization of a sustainable future for food.

Fuji Oil Group's sustainability strategy



Governance

Sustainability Committee P.92–93

We established a Sustainability Committee as an advisory body to the Board of Directors for monitoring risks and opportunities related to sustainability. In accordance with Sustainability Committee Rules, this Committee meets at least twice per year to provide recommendations and reports to the Board of Directors regarding sustainability matters. The Board then uses said recommendations and reports as s reference for determining the direction of medium- to long-term Group management.

Risk Management

Environmental Management P.66–68
Human Rights Management P.69

Our Group identifies important sustainability issues from the perspectives of dependence, impact, risks, and opportunities. We then use this as the basis for defining our material ESG issues. By promoting initiatives related to material ESG issues through our business activities, we work to create positive impacts or mitigate negative impacts, which leads to reducing business risks or creating business opportunities.

For risks and opportunities linked to the various sustainability issues related to our value chain, we evaluate these alongside other risks, such as Group strategy risks and financial risks, to engage in the comprehensive risk management of important risks.

We conduct human rights management and environmental management to comprehensively identify all risks along our value chain and establish priority for responding to critical risks related to environmental issues associated with nature and climate change, and human rights risks related to workers and local communities along our supply chain.

Metrics and Targets

To identify material ESG issues, we conduct an assessment of significance along two axes – impact materiality (assessment of society and environmental impacts) and financial materiality (assessment of financial impact on the Fuji Oil Group). For the financial materiality assessment, we use multifaceted financial impact scenarios related to risks and opportunities associated with important sustainability issues to collectively evaluate quantitative and qualitative objective thresholds and likelihood of occurrence. For identified material issues, managing officers are appointed under the supervision of a chief officer in charge to decide on targets and measures for promoting initiatives.

Material ESG issue				Connection to key policies of the medium-term management plan			Responsible for
Theme	No	Area of sustainability matters	Priority action	Enhance governance	Further strengthen growth fields	Establish new business fields	
Deliciousness and Healthiness	1	Food Safety and Health	① Ensuring Product Safety and Quality Control	●			Head of Safety, Quality & Production Technology Headquarter
			② Reduction of Process Contaminants in Oils and Fats		●		Head of Oils & Fats Business Headquarter
			③ Solutions for Health and Well-being		●	●	Head of Research & Development Headquarter
Sustainable Food Value Chain	2	Environmentally Responsible	④ Creation of Diverse Plant-based Ingredients			●	Head of Research & Development Headquarter
			⑤ Reduction of Food Loss and Waste and Upcycling		●	●	Head of Research & Development Headquarter
			⑥ Establishment of Circular Food Systems			●	
			⑦ CO_2 Emissions Reduction		●	●	Head of Safety, Quality & Production Technology Headquarter
			⑧ Water Use Reduction		●		
			⑨ Waste Reduction		●		
	3	MONOZUKURI (Product Development and Manufacturing Practices)	⑩ Biodiversity Conservation and Restoration		●		Head of Corporate Planning Headquarter
			⑪ Sustainable Procurement of Palm Oil		●	●	Head of Oils & Fats Business Headquarter
			⑫ Sustainable Procurement of Cocoa		●		Chief Operating Officer (COO), Head of Chocolate Business Headquarter
			⑬ Sustainable Procurement of Soybeans		●		Head of Soy Ingredients Business Headquarter
			⑭ Sustainable Procurement of Shea Kernels		●		Head of Oils & Fats Business Headquarter
	4	Sustainable Procurement, Human Capital, and Occupational Safety	⑮ Promotion of DE&I	●	●	●	Chief Financial Officer (CFO), Head of Human Resources & Administration Headquarter
			⑯ Securing and Developing Human Resources	●	●	●	
			⑰ Reducing Occupational Accidents and Property Damage	●			Head of Safety, Quality & Production Technology Headquarter
Business Conduct	5	Information Security	⑱ Information Security Management	●			Chief Financial Officer (CFO), Officer Responsible for Information Systems
	6	Fair Business Conduct	⑲ Operation of a Trustworthy Whistleblowing System	●			Chief Financial Officer (CFO), Officer Responsible for Legal Affairs
			⑳ Promoting Fair Business Practices	●			

COO Message

Achieving Sustainable Enhancements in Corporate Value “Simultaneously promoting new growth strategy”, “Risk management”, “Improvement of existing investments”



Hiroyuki Tanaka

Director, Senior Executive Officer
Chief Operating Officer (COO)
Head of Chocolate Business Headquarters

In FY2025, the Fuji Oil Group achieved record high profits as a result of past initiatives. While results represent an important milestone, we are aiming to make continuous and sustainable enhancements in corporate value by increasing the certainty of our growth and the quality of our revenue in a time of growing uncertainty in our external environment.

As COO, I will work to achieve this by linking and simultaneously promoting three core themes: new business strategy (linking problem resolution to revenue), risk management (strengthening our ability to adapt to uncertainty), and improvement of existing investments (maximizing investment results). I think that pursuing these three themes as a single initiative will be the key to increasing the certainty of our medium- and long-term growth and improving the quality of our revenue.

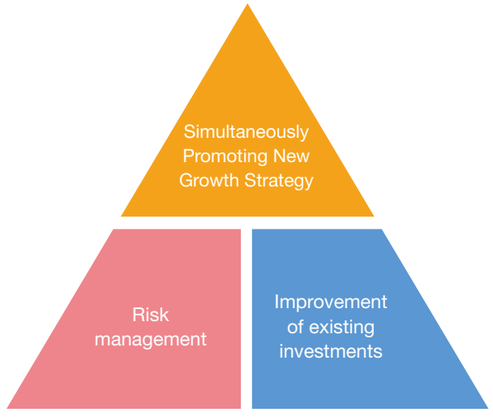
Simultaneously Promoting New Growth Strategy

Linking problem resolution to revenue

Our past growth was supported by our commitment to address the problems facing customers in the Japanese market and using collaborations between sales, production, and development to resolve problems. Similarly, our current growth is being supported by our ability to leverage those experiences to expand business into global markets where we can contribute to problem resolution for those markets and customers. For example, Harald in Brazil and Industrial Food Services in Australia leveraged the technology and expertise cultivated in the Vegetable Oils and Fats business to make timely enhancements to the functionality of compound chocolate. These companies are realizing profit growth by providing customers resolutions to their problems.

In addition to measures to strengthen growth fields, the current Mid-Term Management Plan positions efforts to develop new businesses through problem resolution and value creation as new business fields. In new business fields, we are advancing initiatives to develop new products and technology, new markets, and new sales methods.

Achieving sustainable enhancements in corporate value



In each business, we are strengthening our unique product selections that lead to problem resolution by addressing future shortages of animal-derived resources. Growth Trajectory P.20-21 In particular, in our Emulsified and Fermented Ingredients business and the Soy-based Ingredients business, we are promoting the development of new technologies to create new value in plant-based ingredients. Additionally, we treat differentiation at the raw material level as one of our new business fields. Recent years have seen increased demands from society for environmental and human rights responses as it relates to raw materials. Amid such growing expectations of accountability, such as using certified palm oil and compliance with the EU Deforestation Regulation, we are working to strengthen our supply chain, not in terms of volume, but from the perspective of quality. With tropical oils in particular, we are collaborating with major palm plantation partners to strengthen our raw material supply structure from the perspectives of traceability and the environment. Additionally, we are pursuing new value creation through efforts such as researching the trace elements contained in raw materials.

Risk Management

Strengthening adaptability to uncertainty

In the wake of the events in Ukraine in 2022, global geopolitics, raw material prices, and economic environments have become increasingly uncertain. We believe it will continue to be essential to accurately grasp these changes from a global perspective for each business unit and take measures to minimize their impact. This shift in the environment is also the reason behind our decision to introduce a business headquarters system in 2025.

At Blommer in the US, the impact of soaring cocoa bean prices since 2024 continues. However, the Chocolate Business Headquarters is working together to implement risk mitigation measures such as optimizing the balance of raw materials, diversifying procurement sources, and improving inventory management. Although the impact persists, the effects of these measures are beginning to become apparent through their implementation and operation.

Furthermore, across the entire group, reflecting factors other than raw materials, such as rising logistics and labor costs, in sales prices is also part of our ability to adapt to change. We have been working to create a system that appropriately reflects cost fluctuations in sales prices. We place great importance on “creating a system that minimizes losses while assuming change.”

Improvement of Existing Investments

Maximizing investment results

With the Japanese market facing a future with concerns of population decline, since the late 2010s we have proactively conducted capital expenditures in new technologies in Japan while also executing M&A and capital expenditures aimed at expanding business globally. As mentioned above, at Harald in Brazil and Industrial Food Services in Australia, we have accumulated solid results by using vegetable fats for chocolate (CBE) to strengthen our selection of compound chocolate products. On the other hand, we have also pursued initiatives where the results of investment did not meet expectations.

To enhance the results of such initiatives, we will accelerate the development of our successful model of sales, production, and development working together to solve customer problems. From a business management perspective, we will use the FUJI ROIC to thoroughly improve the quality and implementation of management of each business. We will identify the factors causing fluctuations in the business to establish visual representations of not only profits but also the flow of working capital, including inventory, to clarify our next steps. Through the accumulation of these operational improvements, we will increase our ability to enhance our investment results.

We will also prioritize optimizing the use of facilities and assets across the entire group by promoting management based on a business axis. For example, in response to the increasing demand for CBE, we pursued global optimization through the mutual supply of intermediate materials between our locations. By eliminating bottlenecks and steadily accumulating “Kaizen” (continuous improvement results) at each company’s production sites, we were able to maximize the capacity of existing facilities without making large investments. These efforts ultimately succeeded in increasing CBE sales volume by more than 30% from fiscal year 2023 to 2025.

We will continue to make strategic investments to ensure sustainable development. The guiding principle for these decisions is being consistent with our business strategy. We will accurately assess our market environment and business opportunities, and allocate resources to areas that contribute to differentiation and added value that is unique to our Group.

CFO Message



Increasing Capital Efficiency to Enhance Corporate Value

Sunao Maeda

Director, Senior Executive Officer
Chief Financial Officer (CFO)
Head of Finance and Accounting Headquarters
Human Resources & Administration Headquarters
Legal / Information Disclosure

Supporting growth unique to Fuji Oil as CFO

Don't imitate others. Start by taking on challenges. Provide innovative value to society.

Fuji Oil has a track record of using the power of technology to create innovative products and providing value to customers and society. This is a strength of the Group and, for me personally, a source of pride. During dialogue with investors, I was asked, "For example, if you have two opportunities of equal investment amount and profitability, what criteria do you use to make the investment decision?" I replied that, after carefully evaluating each opportunity, one criterion would be whether or not the investment leads to value unique to Fuji Oil. The ability of an investment opportunity to leverage the knowledge and expertise we have cultivated and generate value that leads to problem resolution for our customers or society is an essential perspective that we consider when making investment decisions.

The role I must fulfill as CFO is linking challenges and growth that are unique to Fuji Oil to enhancements in corporate value. This is why it is important that we build a sound financial base that enables us to inject the necessary capital into growth opportunities. At the same time, we must not only pursue topline growth, but also increase our capital efficiency and be able to link the profits we generate to sustainable enhancements to our corporate value. As someone whose role is to communicate with capital markets, I will engage in communication that clearly conveys the state of Fuji Oil Group value creation to promote a better understanding of the growth potential of the Fuji Oil Group.

In FY2025, we achieved record high business profit of 36.0 billion yen, mainly thanks to growth in the Vegetable Oils and Fats business. At the same time, enhancing our corporate value will require that we go beyond improving profit levels. We must increase our capital efficiency and cultivate the growth expectations of capital markets. To address these issues, we are clarifying the structural elements of our corporate value by separating PBR into ROE and PER. To improve ROE, we are working to increase profits and improve capital efficiency. To improve PER, we are enhancing our information disclosure to more accurately convey our Group's growth potential and strategy. The FUJI ROIC serves as the central axis for measuring the effectiveness of these initiatives.

Growth investments and capital efficiency improvements centered on the FUJI ROIC

Our Group positions the FUJI ROIC as our common management metric. In addition to applying this metric to investment decisions, we conduct consolidated management of procurement, production, and sales to promote working capital optimization and improve capital efficiency. Between FY2024 and FY2025, soaring cocoa prices triggered increases in working capital, mainly for the Industrial Chocolate business, which created difficult conditions in terms of cash flow. However, we communicate with business headquarters on how to optimize working capital and are implementing improvement initiatives centered on measures such as promoting optimal inventory management.

In our management of the investment management review system, which we restructured in FY2025, the FUJI ROIC and growth rate were set as evaluation criteria and the executive management team continuously confirmed the progress of investment projects. Through these efforts, we strengthened our framework for confirming whether or not investments were achieving the originally projected levels of revenue and capital efficiency. Rather than simply adopting targets, by having a system that functions effectively during the actual decision-making process and throughout business management, we are working to increase discipline for growth investments while also improving capital efficiency and the cash generation potential of existing businesses.

Increasing our ability to generate cash and linking those results to new value creation

For cash allocation, we are using the generation of cash flows from operating activities as a starting point for balancing efforts to strengthen our financial base, conduct growth investments, and issue shareholder returns. During the period of the current Mid-term Management Plan, we are projecting being able to generate cumulative cash flows from operating activities on a scale of 130.0 billion yen. This ability to stably generate cash will serve as a base for sustainable enhancements in corporate value. By the end of FY2025, lower cocoa prices, efforts by each Group company to reduce working capital, and profit growth by the Vegetable Oils and Fats business contributed to significant improvement in cash flows from operating activities, and we returned to net positive free cash flow. Moving forward, we will continue to improve our capital efficiency, including the optimization of working capital, to create a sound financial base that is not influenced by fluctuations in our external environment.

Generated cash will first be allocated towards reducing interest-bearing debt and improving our net D/E ratio.

I think fostering new business fields will also be key to promoting medium- to long-term growth. Amid increasing risks that global population growth and changes in food culture will make it more difficult to stably secure animal-based resources, our Group will leverage our technology and expertise related to vegetable oils and fats, plant-based protein, and emulsified and fermented ingredients to promote material and technology development that contributes to problem resolution for customers and society. Rather than making decisions based on short-term profitability, we will carefully evaluate fields that could lead to the type of value creation that is unique to Fuji Oil over the medium- to long-term. We will take a disciplined approach to capital allocation.

Through these initiatives, we will position the FUJI ROIC at the center of efforts to increase capital efficiency and link generated cash to future growth. By increasing our information disclosure and the quality of our dialogue, we will promote a better understanding of the Fuji Oil Group's value creation as we aim to further enhance our corporate value.

