May 10, 2022

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

Company name: FUJI OIL HOLDINGS INC.
Listing: Tokyo Stock Exchange
Securities code: 2607
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Scheduled date for ordinary general meeting of shareholders: June 21, 2022
Scheduled date for dividend payment: June 22, 2022
Scheduled date to file annual securities report: June 21, 2022
Preparation of supplementary material on consolidated financial results: Yes
Holding of consolidated financial results briefing: Yes (For institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	433,831	18.9	15,008	△16.2	14,360	△18.2	11,504	4.4
March 31, 2021	364,779	—	17,911	—	17,565	—	11,014	—

(Note) Comprehensive income For the Fiscal year ended March 31, 2022: ¥31,254 million [172.1%]
For the Fiscal year ended March 31, 2021: ¥11,486 million [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	133.84	—	6.6	3.7	3.5
March 31, 2021	128.14	—	7.0	4.8	4.9

(Note) Share of profit (loss) of entities accounted for using equity method
For the Fiscal year ended March 31, 2022: ¥144 million
For the Fiscal year ended March 31, 2021: ¥333 million

(Note) Due to the change in the fiscal year end of 19 overseas consolidated subsidiaries, the fiscal year end of those consolidated subsidiaries was 15 months from January 1, 2019 to March 31, 2020 in the fiscal year of 2020. Therefore, the percentage of year-on year change from the previous consolidated fiscal year for the fiscal year ending March 31, 2021 is not shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	416,617	189,495	44.7	2,168.13
March 31, 2021	358,511	162,890	44.6	1,861.67

(Reference) Shareholder's equity As of March 31, 2022: ¥186,377 million
As of March 31, 2021: ¥160,023 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	3,537	△18,807	9,387	15,915
March 31, 2021	38,205	△17,395	△19,931	20,452

2. Cash dividends

	Annual dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	—	26.00	—	26.00	52.00	4,475	40.6	2.8
Fiscal year ended March 31, 2022	—	26.00	—	26.00	52.00	4,475	38.9	2.6
Fiscal year ending March 31, 2023 (Forecast)	—	26.00	—	26.00	52.00		42.6	

3. Consolidated forecasts for the fiscal year ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	230,000	12.5	7,000	△11.5	6,700	△12.2	4,400	△26.9	51.19
Fiscal year ending March 31, 2023	480,000	10.6	16,500	9.9	15,800	10.0	10,500	△8.7	122.15

* Notes

(1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: Please refer to “3. Consolidated financial statements and Key Notes (5) Notes to Consolidated Financial Statements, (Changes in Accounting Policies) “on page 14 of the Accompanying Materials for details.

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	87,569,383 shares
As of March 31, 2021	87,569,383 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2022	1,607,211 shares
As of March 31, 2021	1,612,196 shares

(iii) Average number of shares outstanding during the period

Fiscal Year Ended March 31, 2022	85,960,286shares
Fiscal Year Ended March 31, 2021	85,957,443shares

* Consolidated financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Explanations and other special notes concerning the appropriate use of business results forecasts

The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable. Actual results may differ materially from the forecast depending on a range of factors. Please refer “1. Qualitative Information on Results for the Fiscal Year Ended March 31, 2022 (4) Future Outlook” on page 4 for details.

Accompanying Materials – Contents

1. Qualitative Information on Results for the Fiscal Year Ended March 31, 2022

The reported segments have been changed from the beginning of the consolidated fiscal year under review. Please refer to 3. Consolidated financial statements and Key Notes (5) Notes to Consolidated Financial Statements (Segment Information)". The following comments are based on a comparative analysis of the figures for the previous consolidated fiscal year on the basis of the reclassified reported segments.

(1) Details of Operating Results

The consolidated fiscal year under review saw a trend towards economic recovery. However, the emergence of a new COVID-19 variant triggered some restrictions, global inflation, rising interest rate, supply chain disruption, and rising raw material costs. Our mainstay material, palm and soybeans, were subject to high raw material costs due to the resumption of economic activities and expectations on increased demand associated with the impact of US clean energy policies. Additionally, factors such as labor shortages and supply chain delays in producing countries also contributed to higher raw material costs.

Amid these conditions, we conducted appropriate price revisions to reflect rising material costs and implemented policies to address conditions in each area. In Japan, Southeast Asia, and China, we developed products and proposals to meet changing demand. In the Americas, despite labor shortages and supply chain disruptions, we promoted measures to stabilize production and aggressively expanded sales. As for investments for growth, we started operation of a new plant for vegetable oils and fats business in the U.S. in the summer of 2021, expanded production capacity at Blommer Chocolate Company and invested new plant in Europe for its processed soybean ingredients business. In addition, we made an agreement with ITOCHU Corporation to establish a new joint venture to expand the handling of vegetable oils and fats in North America.

In addition to the implementation of measures that were not achieved under the Mid-term Management Plan "Towards a Further Leap 2020" (2017-2020) up to the previous fiscal year, we made efforts to developing an organization which can improve profitability and can make effective decision making since we believe that this is an important year for strengthening the business foundation for the next Mid-term Management Plan. We also have made concerted efforts to enhance corporate value in the short-, medium-, and long-term, such as by enhancing sustainability.

As a result of the above, the operating results for the fiscal year ended March 31, 2022 under review are as follows.
The major factors profit attributable to owners of parent increase compared to the previous consolidated fiscal year are gain on sales of non-current assets in Singapore and extraordinary income from refunded tax in Brazil, both of which were recorded in this consolidated fiscal year under review.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	433,831	15,008	14,360	11,504
March 31, 2021	364,779	17,911	17,565	11,014
Year-on-year change (Year-on-year change rate)	+69,051 (+18.9%)	△2,903 (△16.2%)	△3,204 (△18.2%)	+489 (+4.4%)

The operating results by reported segment are shown below.

	Net sales			Operating profit		
		Year-on-year change			Year-on-year change	
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Vegetable Oils and Fats	134,976	+36,563	+37.2%	7,401	△470	△6.0%
Industrial Chocolate	185,540	+23,094	+14.2%	7,548	△59	△0.8%
Emulsified and Fermented Ingredients	79,146	+8,547	+12.1%	1,617	△1,085	△40.2%
Soy-based Ingredients	34,167	+845	+2.5%	2,149	△1,334	△38.3%
Adjustment	—	—	—	△3,708	+47	—
Total	433,831	+69,051	+18.9%	15,008	△2,903	△16.2%

(Vegetable Oils and Fats)
Net sales increased significantly on higher sales prices to reflect the higher cost of palm oil, one of our main raw materials, and on growth in sales volume thanks to demand recovery. On the other hand, Operating profit decreased, despite increased sales volume for vegetable fats for chocolate in Southeast Asia and Europe, profitability declined on skyrocketing raw material costs and increased depreciation expenses related to the launch of a new plant in North America.

(Industrial Chocolate)
Net sales increased significantly on increased sales volume driven by the resumption of economic activities and aggressive sales promotion, as well as on higher sales prices to reflect rising raw material costs. Operating profit decreased despite positive profit factors such as firm sales and higher sales volume in Japan and Brazil mainly due to the removal of futures gains recorded by Blommer in the previous consolidated fiscal year.

(Emulsified and Fermented Ingredients)
Net sales increased on higher sales prices to reflect rising raw material costs and a recovery in sales volume. Operating profit decreased, despite positive profit factors such as a recovery of sales volume in Japan, profitability in Southeast and China declined due to rising raw material costs.

(Soy-based Ingredients)
Net sales increased on higher sales prices to reflect rising raw material costs and sales growth for textured soy protein. Operating profit declined on a decline in profitability caused by higher raw material costs and increased expenses related to the construction of a new plant in Chiba and Europe.

(2) Details of Financial Position

In this current consolidated fiscal year under review, we sold our non-core businesses by transferring our consolidated subsidiary in China. However, due to an increase in working capital, capital investment for growth, and the effect of foreign currency translation due to the sharp depreciation of the yen, total assets at the end of the consolidated fiscal year under review increased 58,106 million yen from the end of the previous consolidated fiscal year to 416,617 million yen.
The Group still needs to assess the impact of the COVID-19 on its business activities and performance, and believes that it is important to balance of capital/business investment and the improvement of financial soundness in anticipation of the after COVID-19 pandemic. With regard to investments, in addition to selecting priority items for each business segment as well as total quota management, we are reviewing our business portfolio from time to time. While continuing to invest in growth with an emphasis on the cost of capital, we will strive to maximize cash flow generation and capital efficiency, aiming for a net D/E ratio of 0.5 times or less over the medium to long term.

The consolidated financial position at the end of the consolidated fiscal year under review is as follows

(Millions of yen)

		As of March 31, 2021	As of March 31, 2022	Year-on-year change
	Current assets	160,736	201,334	+40,597
	Property, plant and equipment	129,435	140,628	+11,192
	Intangible assets	52,712	55,697	+2,984
	Other	15,626	18,958	+3,331
Assets		358,511	416,617	+58,106
	Interest-bearing debt	131,309	148,769	+17,459
	Other	64,311	78,352	+14,041
Liabilities		195,621	227,122	+31,501
Net assets		162,890	189,495	+26,605

(Assets)
Assets increased due to higher raw material prices as well as an increase in working capital resulting from growth in sales volume in response to recovering demand. Tangible fixed assets increased due to the construction of new plants in the U.S. and Europe and the renewal of existing facilities and rationalization investments in Japan and the U.S. As a result of the above, total assets increased 58,106 million yen from the end of the previous consolidated fiscal year to 416,617 million yen.

(Liabilities)
Total liabilities at the end of the consolidated fiscal year under review increased by 31,501 million yen from the end of the previous consolidated fiscal year to 227,122 million yen, due to an increase in working capital resulting from higher raw material prices and recovering demand, and an increase in interest-bearing debt resulting from capital investments, including new plant construction in the U.S. and Europe.

(Net assets)
Net assets at the end of the consolidated fiscal year under review increased by 26,605 million yen from the end of the previous consolidated fiscal year to 189,495 million yen due to changes in foreign currency translation adjustments resulting from the depreciation of yen, an increase in deferred gains or losses on hedges, and an accumulation of retained earnings. As a result, net assets per share increased 306.46 yen from the end of the previous consolidated fiscal year to 2,168.13 yen. The equity ratio increased 0.1 points from the end of the previous consolidated fiscal year to 44.7%.

(3) Details of Cash Flows

As for cash flows at the end of the fiscal year under review, cash flows from operating activities decreased significantly due to an increase in working capital, although capital expenditures were restrained by carefully selecting capital expenditures for growth investments.

The Group recognizes the need to generate free cash flows of 10 billion yen or more annually by reducing interest-bearing debt, steadily growing profits, and improving CCC in order to maintain and improve its financial discipline. We will continue to invest in growth with an emphasis on cost of capital, while at the same time maximizing cash flow generation and capital efficiency, curbing capital expenditures, and selling non-core businesses and Cross-Shareholdings.

The consolidated cash flows during the consolidated fiscal year under review are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Year-on-year change
Cash flows from operating activities	38,205	3,537	△34,668
Cash flows from investing activities	△17,395	△18,807	△1,411
Free Cash flows	20,809	△15,269	△36,079
Cash flows from financing activities	△19,931	9,387	+29,318
Cash and cash equivalents at end of period	20,452	15,915	△4,536

(Cash flows from operating activities)

Cash flows from operating activities in the consolidated fiscal year under review was 3,537 million yen. From the previous consolidated fiscal year, mainly due to an increase in working capital resulting from higher raw material prices as well as an increase in sales volume due to a recovery in demand, cash flows from operating activities decreased by 34,668 million yen.

(Cash flows from investing activities)

Cash flows from investing activities in the consolidated fiscal year under review were △18,807 million yen, mainly due to capital investment in the construction of a new plant for vegetable oils and fats business in the U.S. and a new plant in Europe for processed soybean ingredients business for the U.S. and Europe markets. Although expenditures for capital investment decreased compared to the previous consolidated fiscal year, there was a decrease in expenditures due to the recovery of loans receivable and profit from the transfer of shares of domestic and overseas subsidiaries that occurred in the previous consolidated fiscal year.

(Cash flows from financing activities)

Cash flows from financing activities in the previous consolidated fiscal year were △19,931million yen, by dividend payment and loan payment. On the other hand, Cash flows from financing activities in the consolidated fiscal year under review were 9,387 million yen due to the increase of loan with the increase of working capital and capital investment even the dividend payment.

(4) Future Outlook

For the future outlook, although the global economy remains uncertain, we believe that demand will continue to recover and expand, due to such factors as the easing of restrictions for COVID-19. As for raw material prices, although they remain at high levels, we believe that they will gradually settle down as labor shortages in the producing countries resolved and achieve stable production.

Under those circumstances, the Group has announced a new three-year Mid-term Management Plan, “Reborn 2024”. In order to focus on our vision of “Together with our stakeholders, we will co-create a sustainable future for food, based on plant-based ingredients that are both delicious and healthy.” by 2030 for “Reborn 2024”, we will strengthen our business foundation, strengthen global management, and enhance sustainability. By achieving this goal, we will reborn as a new company who can provide new value in the market even under the uncertain circumstances. We consider the current fiscal year, the first year of the new Mid-term Management Plan, to be an important year, and we intend to continue to improve our corporate value in the short-, medium-, and long-term by continuing to sell at appropriate prices in line with raw material prices, to reduce costs, and to strengthen management and financial policies that enhance the effectiveness of our carefully selected investments and businesses.

For the next fiscal year, the Group expects consolidated net sales of 480,000 million yen, consolidated operating profit of 16,500 million yen, consolidated ordinary profit of 15,800 million yen, and profit attributable to owners of parent of 10,500 million yen.

(5) Basic Policy on the Payment of Dividends and Dividends for the Fiscal Year under Review and Next Fiscal Year

We recognize that returning profits to shareholders is one of our most important management duties. We will pay stable and continuous dividends to shareholders, aiming for a dividend payout ratio of 30% to 40%. Internal Reserves will be used for strategic investments for growth, including investments in production facilities, new businesses, and research and development, in order to enhance corporate value. We will also flexibly consider acquisition of Treasury Shares. Based on the above policy, we plan to pay a year-end dividend of 26 yen per share for the current fiscal year, bringing the total annual dividend to 52 yen per share, in order to respond to the support of our shareholders. For the next fiscal year, we plan to pay an annual dividend of 52 yen per share.

2. Basic Concept concerning the Selection of Accounting Standards

To sustain comparability of consolidated financial statements between periods as well as between companies, the Group prepares consolidated financial statements under Japanese GAAP. With regard to the IFRS(International Financial Reporting Standards), we will appropriately determine the timing for the application while considering various circumstances in Japan and overseas.

3. Consolidated financial statements and Key Notes
(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	20,463	15,926
Notes and accounts receivable – trade	65,954	81,121
Merchandise and finished goods	31,832	40,786
Raw materials and supplies	36,960	55,249
Other	5,746	8,468
Allowance for doubtful accounts	△221	△217
Total current assets	160,736	201,334
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	37,468	39,485
Machinery, equipment and vehicles, net	49,472	58,137
Land	17,719	20,659
Construction in progress	17,810	15,283
Other, net	6,963	7,061
Total property, plant and equipment	129,435	140,628
Intangible assets		
Goodwill	25,590	27,008
Customer related assets	16,046	16,954
Other	11,075	11,734
Total intangible assets	52,712	55,697
Investments and other assets		
Investment securities	7,411	7,122
Retirement benefit asset	4,670	4,952
Deferred tax assets	642	708
Other	2,778	6,110
Allowance for doubtful accounts	△61	△62
Total investments and other assets	15,441	18,831
Total non-current assets	197,589	215,156
Deferred assets		
Bond issuance costs	185	126
Total deferred assets	185	126
Total assets	358,511	416,617

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable – trade	28,222	40,654
Short-term borrowings	36,965	44,518
Commercial papers	10,000	10,000
Current portion of bonds payable	—	10,000
Income taxes payable	2,608	1,727
Provision for bonuses	2,140	2,588
Provision for bonuses for directors (and other officers)	87	62
Other	10,993	11,290
Total current liabilities	91,017	120,840
Non-current liabilities		
Bonds payable	45,000	35,000
Long-term borrowings	39,344	49,251
Deferred tax liabilities	13,510	15,038
Retirement benefit liability	1,958	1,996
Other	4,790	4,995
Total non-current liabilities	104,604	106,282
Total liabilities	195,621	227,122
Net assets		
Shareholders' equity		
Share capital	13,208	13,208
Capital surplus	11,945	11,945
Retained earnings	152,675	159,664
Treasury shares	△1,968	△1,954
Total shareholders' equity	175,860	182,864
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,810	1,523
Deferred gains or losses on hedges	483	1,070
Foreign currency translation adjustment	△18,150	1,079
Remeasurements of defined benefit plans	20	△161
Total accumulated other comprehensive income	△15,837	3,512
Non-controlling interests	2,866	3,117
Total net assets	162,890	189,495
Total liabilities and net assets	358,511	416,617

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	364,779	433,831
Cost of sales	298,915	367,519
Gross profit	65,864	66,312
Selling, general and administrative expenses	47,952	51,303
Operating profit	17,911	15,008
Non-operating income		
Interest income	181	566
Dividend income	83	76
Foreign exchange gains	467	—
Share of profit of entities accounted for using equity method	333	144
Gain on valuation of derivatives	259	98
Other	417	477
Total non-operating income	1,742	1,363
Non-operating expenses		
Interest expenses	1,415	977
Foreign exchange losses	—	211
Other	673	822
Total non-operating expenses	2,089	2,011
Ordinary profit	17,565	14,360
Extraordinary income		
Gain on sale of non-current assets	12	758
Gain on sale of investment securities	526	385
Gain on sale of shares of subsidiaries and associates	530	910
Refunded taxes	—	758
Total extraordinary income	1,069	2,812
Extraordinary losses		
Loss on sale of non-current assets	35	50
Loss on retirement of non-current assets	365	546
Impairment losses	1,110	43
Restructuring expenses of subsidiaries and affiliates	—	242
Loss on valuation of shares of subsidiaries and associates	102	—
Total extraordinary losses	1,614	883
Profit before income taxes	17,020	16,289
Income taxes – current	4,025	4,418
Income taxes – deferred	1,769	218
Total income taxes	5,794	4,636
Profit	11,226	11,653
Profit attributable to non-controlling interests	211	148
Profit attributable to owners of parent	11,014	11,504

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	11,226	11,653
Other comprehensive income		
Valuation difference on available-for-sale securities	△462	△286
Deferred gains or losses on hedges	358	587
Foreign currency translation adjustment	△1,035	19,301
Remeasurements of defined benefit plans, net of tax	1,305	△181
Share of other comprehensive income of entities accounted for using equity method	94	180
Total other comprehensive income	260	19,601
Comprehensive income	11,486	31,254
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,016	30,854
Comprehensive income attributable to non-controlling interests	470	400

(3) Consolidated Statements of Changes in Equity

Previous consolidated fiscal year (April 1, 2020 – March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,208	11,730	148,119	△1,753	171,306
Changes during period					
Dividends of surplus			△4,730		△4,730
Profit attributable to owners of parent			11,014		11,014
Purchase of treasury shares				△344	△344
Disposal of treasury shares		214		128	343
Change in scope of consolidation			△1,728		△1,728
Net changes in items other than shareholders' equity					
Total changes during period	―	214	4,555	△215	4,554
Balance at end of period	13,208	11,945	152,675	△1,968	175,860

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,272	124	△16,950	△1,285	△15,838	2,518	157,986
Changes during period							
Dividends of surplus							△4,730
Profit attributable to owners of parent							11,014
Purchase of treasury shares							△344
Disposal of treasury shares							343
Change in scope of consolidation							△1,728
Net changes in items other than shareholders' equity	△462	358	△1,199	1,305	1	347	349
Total changes during period	△462	358	△1,199	1,305	1	347	4,904
Balance at end of period	1,810	483	△18,150	20	△15,837	2,866	162,890

Consolidated fiscal year under review (April 1, 2021 – March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,208	11,945	152,675	△1,968	175,860
Cumulative effects of changes in accounting policies			△39		△39
Restated balance	13,208	11,945	152,635	△1,968	175,821
Changes during period					
Dividends of surplus			△4,475		△4,475
Profit attributable to owners of parent			11,504		11,504
Purchase of treasury shares				△0	△0
Disposal of treasury shares				14	14
Net changes in items other than shareholders' equity					
Total changes during period	―	―	7,028	14	7,043
Balance at end of period	13,208	11,945	159,664	△1,954	182,864

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,810	483	△18,150	20	△15,837	2,866	162,890
Cumulative effects of changes in accounting policies							△39
Restated balance	1,810	483	△18,150	20	△15,837	2,866	162,850
Changes during period							
Dividends of surplus							△4,475
Profit attributable to owners of parent							11,504
Purchase of treasury shares							△0
Disposal of treasury shares							14
Net changes in items other than shareholders' equity	△286	587	19,230	△181	19,350	251	19,601
Total changes during period	△286	587	19,230	△181	19,350	251	26,644
Balance at end of period	1,523	1,070	1,079	△161	3,512	3,117	189,495

(4) Consolidated Statements of Cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	17,020	16,289
Depreciation	14,336	15,285
Amortization of goodwill	2,071	2,160
Decrease (increase) in retirement benefit asset	△2,432	△281
Increase (decrease) in retirement benefit liability	2,173	△295
Interest and dividend income	△265	△643
Interest expenses	1,415	977
Impairment losses	1,110	43
Share of loss (profit) of entities accounted for using equity method	△333	△144
Loss (gain) on sale of investment securities	△526	△385
Loss (gain) on disposal of non-current assets	388	△161
Loss (gain) on sale of shares of subsidiaries and associates	△530	—
Loss(gain) on sales of investments in capital of subsidiaries and associates.	—	△910
Loss on valuation of shares of subsidiaries and associates	102	—
Decrease (increase) in trade receivables	△1,078	△10,183
Decrease (increase) in inventories	10,041	△20,962
Increase (decrease) in trade payables	1,913	8,940
Other, net	△1,418	△255
Subtotal	43,990	9,473
Interest and dividends received	270	383
Interest paid	△1,526	△941
Income taxes refund (paid)	△4,529	△5,378
Net cash provided by (used in) operating activities	38,205	3,537
Cash flows from investing activities		
Purchase of property, plant and equipment	△19,927	△18,107
Proceeds from sale of property, plant and equipment	24	1,279
Purchase of intangible assets	△954	△1,019
Purchase of investment securities	△9	△101
Proceeds from sale of investment securities	767	684
Proceeds from the liquidation of subsidiaries and associates	84	—
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,145	—
Payments for investments in capital	—	△325
Payments for sales of investments in capital of subsidiaries resulting in change in scope of consolidation	—	△155
Proceeds from collection of long-term loans receivable	1,742	16
Purchase of long-term prepaid expenses	—	△773
Other, net	△267	△303
Net cash provided by (used in) investing activities	△17,395	△18,807

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,731	8,175
Proceeds from long-term borrowings	9,040	14,836
Repayments of long-term borrowings	△25,308	△8,446
Dividends paid	△4,730	△4,475
Dividends paid to non-controlling interests	△128	△122
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	79	—
Other, net	△613	△579
Net cash provided by (used in) financing activities	△19,931	9,387
Effect of exchange rate change on cash and cash equivalents	995	1,345
Net increase (decrease) in cash and cash equivalents	1,873	△4,536
Cash and cash equivalents at beginning of period	18,578	20,452
Cash and cash equivalents at end of period	20,452	15,915

(5) Notes to Consolidated Financial Statements

(Notes Relating to Assumptions for the Going Concern)

Not applicable.

(Changes in Accounting Policies)

(Adoption of Accounting Standard for Revenue Recognition)

The Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020,**)** and the Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, March 26, 2021) from the beginning of the consolidated fiscal year under review. And based on the following 5-step approach, the Company has decided to recognize revenue when control of promised goods or services to customers is transferred to the customer, at the amount that the Company expects to receive in exchange for such goods or services.

Step 1: Identify the contracts with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The main changes due to the adoption of the revenue recognition accounting standard are as follows.
The Company and its group hereinafter referred to as “the Group”.

(1) Revenue recognition from the sale of goods
The Group sells mainly vegetable oils and fats, industrial chocolates, emulsified and fermented ingredients, and soy-based ingredients. The Group’s performance obligation is satisfied when the goods are delivered to the customer, thus satisfying the above revenue recognition requirements.
Previously, revenue from the sale of goods by some Group companies in Japan was recognized when the goods were shipped from the factory or warehouse, but now revenue is recognized when the goods are delivered to the customer.

(2) Revenue recognition on transactions with variable consideration (rebate transactions)
Previously, certain transaction volume rebates and target achievement rebates on sales of goods by some Group companies in Japan were expensed as selling, general and administrative expenses, but this has changed to a reduction from the transaction price.

(3) Revenue recognition for paid-for raw material transactions
Previously, some Group companies in Japan recognized the extinguishment of paid-for supplies of raw materials at the time of supply. However, if the Group is obliged to repurchase the supplied goods, the Group has changed to a method whereby the extinguishment of the supplied goods is not recognized at the time of supply.

In accordance with the transitional treatment set out in the proviso to paragraph 84 of the Revenue Recognition Accounting Standard, the cumulative effect of adopting the new accounting policy retrospectively prior to the beginning of the consolidated fiscal year under review has been added to or deducted from retained earnings at the beginning of the consolidated fiscal year under review.
As a result of this change, net sales for the consolidated fiscal year under review decreased by 1,444 million yen, and operating income, ordinary income and profit before income taxes decreased by 0 million yen. In addition, the balance of retained earnings at the beginning of the period decreased by 39 million yen.

(Adoption of Accounting Standard for Fair Value Measurement)

The Company has adopted the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019.) from the beginning of the consolidated fiscal year under review, and has applied the transitional treatment prescribed in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019).
This change has no impact on the consolidated financial statements.

(Additional Information)

(Stock remuneration system for directors)

In accordance with the resolution of the 92nd Ordinary General Meeting of Shareholders held on June 18, 2020, the Company has established a stock remuneration system (hereinafter "the System") for its directors (excluding outside directors).
The purpose of the System is to make clearer the linkage between directors' remuneration and the value of the Company's stock, to enable directors to share the benefits and risks of share price fluctuations with shareholders, and to contribute to medium- to long-term performance and an increase in corporate value.
The accounting treatment for the System is in accordance with the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trust" (Practical Issues Task Force No. 30, March 26, 2015).

(1) Overview of the transaction
This is a stock remuneration system under which the Company's stock are granted to each Director through a trust (hereinafter "the Trust") established by the Company with monetary contributions. The Trust shall acquire the Company's stock and shall grant to the Directors the Company's stock which is equivalent to the number of points granted by the Company to each Director. Under the system, the Company's stock will be granted to the Company's directors who are in office during the three fiscal years ending on March 31, 2021 through March 31, 2023. In principle, directors will be granted the Company's stock at the time of their retirement.

(2) Company stock owned by the Trust
The Company records the Company's stock owned by the Trust as Treasury shares under net assets. The book value and number of those treasury shares were 328 million yen and 112,900 shares for the consolidated fiscal year under review.

(Impacts of COVID-19 on accounting estimates)

Regarding the impact of the COVID-19, although there were new threats such as the emergence of mutant variant in FY2021, we assumed that vaccination against COVID-19 would begin in each country and that economic activities would gradually recover in the near future. Although it is difficult to predict how COVID-19 will spread and when it will be controlled, it is expected that business will gradually improve as social and economic activities resume and the ease of restriction of daily activity. Therefore, the Group's estimates for the FY 2022 is continuously based on the assumption that there will be no significant impact from COVID-19. However, if the conditions or assumptions on which the estimates are based change, it may affect the Company's financial position and operating results in the future.

(Segment Information)
The consolidated fiscal year under review (April 1, 2021 - March 31, 2022)

1. Overview of reported segment
The Company's reportable segments are the constituent units of the Company for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate performance.
The Group is mainly engaged in the manufacture and sale of vegetable oils and fats products, industrial chocolate products, emulsified and fermented ingredients products and soy-based ingredients products, and is engaged in business activities in Japan and overseas for each product group handled.
Therefore, the Group is composed of business segments based on product groups, and the four reportable segments are "vegetable oils and fats business", "industrial chocolate business", "emulsified and fermented ingredients business" and "soy-based ingredients business".
"The vegetable oils and fats business" manufactures and sells edible processed oils and fats, edible oils and fats for chocolates, etc., using palm oil, palm kernel oil, etc. as basic materials. "The industrial chocolate business" manufactures and sells chocolate, compounds and cocoa products. "The emulsified and fermented ingredients business" manufactures and sells cream, margarine, fillings and other products. "The soy-based ingredients business" manufactures and sells soy protein ingredients, soy protein foods and water-soluble soy polysaccharides.

2. How to calculate Net sales, profit or loss, assets, and other items by reportable segment
Profits of reportable segments are based on operating profit. Intersegment profits and transfers are based on prevailing market prices.

3.Information on net sales, profit or loss, assets, and other items by reportable segment

(Millions of yen)

	Reported segments					Adjustment (Note 1)	Amounts on consolidated statements of income (Note 2)
	Vegetable Oils and Fats	Industrial Chocolate	Emulsified and Fermented Ingredients	Soy-based Ingredients	Total		
Net Sales							
Sales to external customers	134,976	185,540	79,146	34,167	433,831	－	433,831
Transactions with other segments	18,195	2,405	4,905	147	25,653	△25,653	－
Total	153,172	187,945	84,052	34,314	459,485	△25,653	433,831
Segment profit	7,401	7,548	1,617	2,149	18,717	△3,708	15,008
Segment asset	116,982	174,966	55,510	44,708	392,167	24,450	416,617
Others							
Depreciation and amortization	4,332	5,445	3,089	2,326	15,193	－	15,193
Amortization of goodwill	－	2,160	－	－	2,160	－	2,160
Impairment losses	－	－	－	43	43	－	43
Investment in affiliates accounted for by equity method	2,365	－	－	－	2,365	－	2,365
Increase in tangible and intangible fixed assets	3,946	6,326	3,344	4,560	18,176	－	18,176

(Note) 1. Adjustment of segment profit △3,708 million yen includes corporate expenses of 3,708 million yen, which are not allocated to each reported segment. Corporate expenses are expenses related to group management at the submitting company and certain area management companies.
2. Segment profit is adjusted with operating profit in the quarterly consolidated statement of income.

4. Matters related to changes in reporting segments
From the beginning of the consolidated fiscal year under review, the manufacturing and sales of soy milk and USS products business, which were previously included in the "soy-based ingredients" segment, have been changed to be included in the "emulsified and fermented ingredients" segment, due to a reclassification of management control categories.

(Adoption of Accounting Standard for Revenue Recognition)
As described in "Changes in Accounting Policies", the Company has adopted the Accounting Standard for Revenue Recognition from the beginning of the consolidated fiscal year under review and changed its accounting method for revenue recognition.
As a result of this change, net sales from external customers for the consolidated fiscal year under review of "vegetable oils and fats", "industrial chocolate", "emulsified and fermented ingredients", and "soy-based ingredients" decreased by 1,354 million yen, 29 million yen, 30million yen, and 29 million yen, respectively compared with the previous method. In addition, the segment

profit of "vegetable oils and fats", and "emulsified and fermented ingredients" decreased 0 million yen and 3 million yen, while that of "industrial chocolate", and "soy-based ingredients" increased by 0 million yen, and 3 million yen respectively.

(Per share information)

	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2022
	Yen	Yen
Net assets per share	1,861.67	2,168.13
Profit per share	128.14	133.84

(Notes)1. Since no residual securities exist, per-share profit after residual securities adjustments is omitted.

2. The Company is applying stock remuneration system for its directors (excluding outside directors). The number of common shares at the end of the consolidation fiscal year under review and the average number of shares during the consolidated fiscal year under review, which are the basis for calculating "Net assets per share" and "Profit per share," include the Company shares held by the Trust in treasury stock, which are deducted in the calculation of then.
The number of such treasury shares at the end of the period deducted for the calculation of Net assets per share is 112,900 shares for the current consolidated fiscal year under review, and the average number of such treasury shares during the period deducted for the calculation of Profit per share is 114,842 shares for the current consolidated fiscal year under review.

3. As described in "Changes in Accounting Policies", the Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and followed the transitional treatment stipulated in the proviso of paragraph 84 of the "Accounting Standard for Revenue Recognition. As a result, Net assets per share and Profit per share at the end of consolidated fiscal year under review decreased 0.46 yen, 0.00 yen respectively.

4. The basis for calculating profit per share is as follows.

	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2022
	Millions of yen	Millions of yen
Profit attributable to owners of parent	11,014	11,504
Amount not allocable to common shareholders	—	—
Profit attributable to owners of parent available for common stock	11,014	11,504
	Thousand shares	Thousand shares
Average number of shares of common stock outstanding during the term	85,957	85,960

5. The basis for calculating net assets per share is as follows.

	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2022
	Millions of yen	Millions of yen
Total net assets	162,890	189,495
Amount deducted from total net assets	2,866	3,117
(Of which are non-controlling interests)	(2,866)	(3,117)
Net assets at end of year available for common stock	160,023	186,377
	Thousand shares	Thousand shares
Number of shares of common stock at end of year used for calculating net assets per share	85,957	85,962

(Significant subsequent events)

Establishment of a Joint Venture Company

Fuji Specialties, Inc.,(hereafter “FSI”) a consolidated subsidiary of the Fuji Oil Holdings Inc. established a joint venture (hereafter the “Capital”) company in the United States of America with ITOCHU International Inc. (hereafter “III”) a consolidated subsidiary of ITOCHU Corporation, with an effective date of April 4, 2022 based on the resolution in accordance with Article 370 of the Companies Act and Article 26(2) of the Company's Articles of Incorporation (a written resolution in lieu of a resolution by the Board of Directors) on December 9, 2021. The Capital was contributed in-kind by stock of Oilseeds International, Ltd., which is owned by III and stock of Fuji Vegetable Oil, Inc. which is owned by FSI on May 1, 2022. As a result, since the amount of capital exceeds 10% of Fuji Oil Holdings Inc.’s capital, the Capital is classified as a specified subsidiary.

After the investment in-kind, III owns 20% and FSI owns 80%.