Timely disclosure
The following is information concerning details of "timely disclosure" and "extraordinary reports", for which disclosure is required by law for companies listed on the Tokyo Stock Exchange.

About the Fuji Oil Group Rolling Midterm Management Plan "Renaissance Fuji 2017"

The Fuji Oil Group announces the creation of our rolling Midterm Management Plan "Renaissance Fuji 2017", which covers the three-year period from FY2015 to FY2017.
Aiming to realize the mid- to long-term vision we established last year, we have created a midterm management plan based on a rolling approach that adapts to changes in our operating environment by analyzing results and issues each year.

Description

1. Background behind creation of "Renaissance Fuji 2017"

The Fuji Oil Group is working towards "How we want to be in 2030" and "How we should be in 2020", the goals we outlined in Renaissance Fuji 2016, the Midterm Management Plan we drafted last year. In other words, we are committed to evolving into a management structure that ensures our ability to adapt to market fluctuations and continuously generate profits while using technical innovation to grow to a scale and profit margin that makes our presence known on the global stage. At the same time, we are maintaining our unwavering commitment to our mid- to long-term vision of being a corporate group that contributes to health, happiness and deliciousness.

However, due to the following changes that occurred between 2014 and 2015, we have decided to make partial revisions to our basic policies and strategies.
(1) Brazil Company producing industrial use chocolate Resolution for large-scale purchase of Harald
(2) Japanese market Particular decline in profitability for soy protein business and the emulsified and fermented food products
(3) Adopted corporate governance code in June 2015

2. Basic policies of "Renaissance Fuji 2017"

While we are not changing the three basic policies outlined last year, we are making partial revisions to the content.

(1) Promoting and accelerating global management

The resolution to purchase Harald creates the need to more quickly establish a global governance system. As such, in October 2015, we are planning to transition to a holdings company structure by establishing a holding company. We will enhance holdings company strategic functions and allocate authority to area supervising companies to increase management speed. At the same time, we will establish new sites, rebuild business, enter into alliances, and enhance efforts to find new M&A to follow up our Harald acquisition.

(2) Promoting and accelerating technological management

We will establish domestic and overseas R&D structures and establish new sites to strengthen R&D capabilities in all areas. The holdings company will take a lead in addressing Group R&D issues, including those related to Harald. Furthermore, we will dispatch personnel from Japan as well as develop local research personnel to establish a global project structure for important projects in order to increase our problem resolution speed. We will establish development themes that are aligned with our business strategy while also shortening development periods and promoting open innovation. We also will aggressively tackle issues related to taste, health, nutrition, and food resources.

(3) Promoting and accelerating sustainable management

We will greater embrace the corporate social responsibilities of our Group and work to strengthen relationships with stakeholders.
We will strengthen our global ESG (environment, society, governance) response to reinforce food safety and security, and we will build a risk management system. We will further promote sustainable procurement of raw materials and provide systematic support of initiatives related to human resource development and diversity. We will promote sustainable management that creates social value.

3. Basic strategies

(1) Growth strategy

With our business strategy, the decision to buyout Harald was part of our initiative to clarify the strategic categories of our business portfolio. We have identified four categories - focus businesses, platform businesses (stable growth), platform businesses (structural reforms), and seed businesses. Through selection and concentration, we will aggressively inject management resources into focus businesses.

For focus businesses, we have selected CBE (hard butters for chocolate), compound chocolate, and the soy polysaccharides as the businesses in which we will maintain, improve and/or strive for a position as a global Top 3 company to establish a global competitive advantage and create businesses that propel our mid- to long-term vision.

We will alter our strategy based on each strategic category. For focus businesses, we will establish new sites and conduct M&A. For platform businesses requiring structural reforms, we will reorganize our production sites, select strategic partners, and enhance our operating strategies.

Along with Japan, Asia, and China, we are adding Brazil as a new strategic area. In these areas, we will aggressively inject management resources to expand not only chocolate business, but also the fats and oils business. We also will utilize the Harald distribution network to create an emulsified and fermented food products.

(2) Reform profit structure

Increasing profitability is critical to ROE-focused management. In addition to business strategy involving the restructuring of our business portfolio, we also will continue with last year's initiatives related to enhancing our cost competitiveness. In particular, we are viewing administrative process reform and workstyle reform as fundamental to all aspects of our business, and we will focus on reforms in these areas.

For the soy business, which is experiencing a decline in profits, we will accelerate alliance strategies and implement structural reforms to improve profitability.

In light of the decline in profitability on the Japanese market, we will strengthen and reinforce our product-specific and market-specific income management to enhance our sales structure and improve profitability.

4. Financing strategy

We plan to create cash flow from operating activities exceeding 50 billion yen over a three year period and conduct the strategic allocation of cash flow. Capital expenditures of around 40 billion yen and normal investments of 10 billion yen. By allocating 30 billion yen for strategic investments, we will clarify our stance of prioritizing allocation for investments in focus businesses and strategic areas.

We will set a D/E ratio of 0.5 or lower but we are planning to procure the capital for the Harald buyout via loans, which will cause our D/E ratio to rise to around 0.46. With future M&A plans, we are taking an approach that strategic decisions that send our D/E ratio above 0.5 are acceptable.

5. Capital strategy

We are aiming for an ROE of 8% or higher for FY2017. We will implement profit structure reforms to improve profitability and also improve our total return on assets by selling off unnecessary assets, optimizing our production structure, streamlining inventory assets, and the careful selection of investment targets. We also will work to optimize our financial leverage with a focus on capital costs.

There is no change to our basic policy published last year outlining a FY2016 dividend payout ratio of around 30% for shareholder dividends, and we will continue to focus on issuing stable and continuous dividends.

6. Management goals

	FY2014 Actual	FY2017 Goals (*)	FY2016 Goals (Reference: previous year release)
Net sales	271.9 billion yen	330 billion yen or higher	300 billion yen
Operating income	14.2 billion yen	20 billion yen or higher	19 billion yen
Operating margin	5.2%	6.0% or higher	6.3%
ROE (return on equity)	6.8%	8.0% or higher	8.0%
Overseas sales margin	32.5%	40% or higher	35%

(*) FY2017 goals are calculated to include plans for Harald.
Furthermore, goal figures from the current fiscal year include the language "or higher" to reflect a baseline standard.

(Note) Information related to future forecasts indicated in these materials were created based on information available at the time of the release of these materials and past trends. Actual results may differ from plans due to various factors.

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