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November 7, 2023

Consolidated Financial Results for the Six Months Ended September 30, 2023 (Q2 FY2023) (Under Japanese GAAP)

Company name: FUJI OIL HOLDINGS INC.
 Listing: Tokyo Stock Exchange
 Securities code: 2607
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 Scheduled date to file quarterly securities report: November 7, 2023
 Scheduled date to commence dividend payments: December 11, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly 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 six months ended September 30, 2023 (April 1, 2023 – September 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2023	271,038	1.0	8,800	73.7	8,300	54.7	12,365	283.1
September 30, 2022	268,398	31.2	5,065	△36.0	5,363	△29.7	3,227	△46.3

(Note) Comprehensive income For the six months ended September 30, 2023: ¥35,272 million [22.8%]
 For the six months ended September 30, 2022: ¥28,730 million [148.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2023	143.84	—
September 30, 2022	37.55	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
September 30, 2023	503,369	243,907	46.2	2,703.90
March 31, 2023	468,789	210,983	43.3	2,359.34

(Reference) Shareholder's equity As of September 30, 2023: ¥232,439 million
 As of March 31, 2023: ¥202,820 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	26.00	—	26.00	52.00
Fiscal year ending March 31, 2024	—	26.00			
Fiscal year ending March 31, 2024 (Forecast)			—	26.00	52.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(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
Fiscal year ending March 31, 2024	550,000	△1.3	16,500	50.8	15,000	54.8	16,000	161.1	186.12

(Note) Revisions to the consolidated forecast most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2023	87,569,383 shares
As of March 31, 2023	87,569,383 shares

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

As of September 30, 2023	1,604,744 shares
As of March 31, 2023	1,604,642 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	85,964,693 shares
Six months ended September 30, 2022	85,963,058 shares

* Quarterly financial results reports are exempt from quarterly 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 various factors.

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1. Qualitative Information on Results for the Six Months Ended September 30, 2023

(1) Details of Operating Results

During the first six months of the current consolidated fiscal year, concerns of an economic slowdown continued due to inflation trends and rising key interest rates in the Europe and America and a rapid downturn in China's economic growth, among other factors. In Japan, it continued to face rising food prices and yen depreciation in foreign exchange rates due to continued easy monetary policy by Bank of Japan. However, the Japan's economy remains firm from a pause of rising raw material prices and a recovery in consumption in the food service industry and the accommodation industry due to an increase in domestic and foreign tourists.

Although future outlook continues uncertainly due to the effect of yen depreciation on import prices in Japan and a historic surge in international cacao bean prices, prices for palm oil and soybeans, our main raw materials, remain stable compared to the first half of the previous fiscal year.

Amid this environment, we are working to strengthen the business specific management which we have been promoting since the previous fiscal year to ensure the optimal allocation of management resources, with the group headquarters supporting the implementation of profit improvement measures for each group company. In addition to advancing a shift in product portfolio in existing businesses to high-value-added products, which included measures such as the transfer of the non-current assets of Fuji Oil New Orleans, LLC (Louisiana, USA) in April 2023, we are also building a competitive advantage by strengthening our supply structure in Southeast Asia for certified sustainable oils.

As a result of the above, earnings for the first six months of the current consolidated fiscal year were as follows.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Six months ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2023	271,038	8,800	8,300	12,365
September 30, 2022	268,398	5,065	5,363	3,227
Change	+2,639 (+1.0%)	+3,735 (+73.7%)	+2,936 (+54.7%)	+9,137 (+283.1%)

Net sales increased due to higher sales prices to reflect rising raw material prices in the Industrial Chocolate segment and the effect of yen depreciation in foreign exchange rates. Operating profit increased mainly due to improved profitability responding to stable raw material prices in the Vegetable Oils and Fats segment in Japan, Americas and Europe compared to higher raw material prices in the first half of the previous fiscal year, despite lower sales volume in the U.S. against stagnant demand in the confectionery market in the Industrial Chocolate segment. Profit attributable to owners of parent increased largely because of the gain on sale of non-current assets mentioned above.

The operating results by reported segment are shown below.

	Net sales			Operating profit		
	Millions of yen	Millions of yen	%	Millions of yen	Millions of yen	%
Vegetable Oils and Fats	92,789	Δ8,570	Δ8.5%	7,536	+4,198	+125.8%
Industrial Chocolate	116,611	+11,105	+10.5%	691	Δ1,952	Δ73.9%
Emulsified and Fermented Ingredients	43,622	Δ1,026	Δ2.3%	1,446	+1,403	+3,314.6%
Soy-based Ingredients	18,014	+1,131	+6.7%	972	+36	+3.9%
Adjustment	—	—	—	Δ1,846	+49	—
Total	271,038	+2,639	+1.0%	8,800	+3,735	+73.7%

(Vegetable Oils and Fats)

Net sales decreased due to declined sales prices to reflect falling prices for palm oil, our main raw material, and other raw materials, although sales of frying oils and fats and others in Japan was strong due to recovering demand.

Despite the rebound in Southeast Asia which performed in good shape in the previous fiscal year, operating profit increased mainly due to improved profitability responding to stable raw material prices in Japan, Americas and Europe and decreased fixed cost associated with the transfer of the non-current assets at Fuji Oil New Orleans, LLC.

(Industrial Chocolate)

Net sales increased due to higher sales prices to reflect rising raw material prices, increased sales volume by sales promotion in Brazil, the effect of yen depreciation and others. Operating profit decreased due to increased expenses such as labor cost and repair cost in the U.S. and decreased sales volume against stagnant demand in the confectionery market in the U.S., although sales volume for the souvenir market recovered in Japan and Europe and profitability improved due to price revision in Southeast Asia.

(Emulsified and Fermented Ingredients)

Net sales decreased due to a decrease in sales volume and lower sales prices to reflect falling raw material prices in Southeast Asia and China. Operating profit increased due to the steady demand of a whipping cream and others in Japan and improved profitability in line with price revision in Southeast Asia and China.

(Soy-based Ingredients)

Net sales increased due to higher sales prices to reflect rising raw material prices caused by the effect of yen depreciation. Despite increased fixed cost such as depreciation cost accompanied with the start of operations at new plant in Europe, operating profit increased due to optimized sales prices and others.

(2) Details of Financial Position

(i) Details of the Consolidated Financial Position

Total assets at the end of the six months of the consolidated fiscal year under review increased by 34,579 million yen from the end of the previous consolidated fiscal year to 503,369 million yen. Under our Mid-term Management Plan, Reborn 2024, we are working to improve our financial structure by strengthening and rebuilding our business foundation. We will improve capital efficiency and strengthen our financial monitoring.

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

		(Millions of yen)		
		As of March 31, 2023	As of September 30, 2023	Change
	Current assets	227,771	266,507	+38,736
	Property, plant and equipment	159,855	151,063	Δ8,791
	Intangible assets	57,322	60,988	+3,665
	Other	23,841	24,810	+969
	Assets	468,789	503,369	+34,579
	Interest-bearing debt	168,417	169,131	+714
	Other	89,389	90,330	+941
	Liabilities	257,806	259,462	+1,656
	Net assets	210,983	243,907	+32,923

(Assets)

At the end of the six months of the consolidated fiscal year under review, current assets increased due to increases in cash and deposits and in advance payments, which are included in other current assets, with the aim of utilizing cash on hand and reducing costs. Property, plant and equipment decreased due to the transfer of the non-current assets in the first quarter. From the reason of aforementioned, assets increased by 34,579 million yen from the end of the previous consolidated fiscal year to 503,369 million yen.

(Liabilities)

Liabilities increased by 1,656 million yen from the end of the previous consolidated fiscal year to 259,462 million yen due to an increase in advances received, which are included in other current liabilities, and other factors.

(Net assets)

Net assets increased by 32,923 million yen from the end of the previous consolidated fiscal year to 243,907 million yen due to increases in retained earnings and foreign currency translation adjustments associated with the yen depreciation against the US dollar, euro and real.

Net assets per share increased by 344.55 yen from the end of the previous consolidated fiscal year to 2,703.90 yen. Equity ratio increased by 2.9 points from the end of the previous fiscal year to 46.2%.

(ii) Details of Cash Flows

To maintain and improve our financial discipline, our fundamental policy is to generate free cash flow steadily through steady profit growth and a shortened cash conversion cycle.

The cash flows for the first six months of the consolidated fiscal year under review are as follows.

	(Millions of yen)		
	Six months ended September 30, 2022	Six months ended September 30, 2023	Change
Cash flows from operating activities	△17,239	△1,564	+15,675
Cash flows from investing activities	△5,575	16,359	+21,934
Free Cash flows	△22,815	14,794	+37,609
Cash flows from financing activities	22,430	△6,873	△29,303
Cash and cash equivalents at end of period	18,369	28,196	+9,826

(Cash flows from operating activities)

Cash flows from operating activities for the first six months of the consolidated fiscal year under review resulted in expenditures of 1,564 million yen. Expenditures decreased by 15,675 million yen compared to the first six months of the previous consolidated fiscal year due to an improvement in working capital associated with decreases in inventories and trade receivables.

(Cash flows from investing activities)

Cash flows from investing activities for the first six months of the consolidated fiscal year under review resulted in income of 16,359 million yen, increasing by 21,934 million yen compared to the first six months of the previous consolidated fiscal year. This was mainly due to the transfer of the non-current assets during the first quarter of the current consolidated fiscal year.

(Cash flows from financing activities)

Cash flows from financing activities for the first six months of the consolidated fiscal year under review resulted in expenditures of 6,873 million yen mainly due to a decrease in short-term borrowings, decreasing by 29,303 million yen compared to the first six months of the previous consolidated fiscal year in which interest-bearing debt had increased associated with an increase in working capital and issuance of bonds.

(3) Information on the Future Outlook, Including Consolidated Business Results Forecasts

The consolidated business results forecast for the full year remains unchanged from the business performance forecast announced on May 10, 2023. If the business environment changes and the need to revise forecasts arises, we will make a prompt announcement.

2. Quarterly Consolidated Financial Statements and Key Notes
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	19,002	28,206
Notes and accounts receivable - trade	93,023	99,106
Merchandise and finished goods	49,082	52,504
Raw materials and supplies	56,662	61,347
Other	10,173	25,555
Allowance for doubtful accounts	△173	△212
Total current assets	227,771	266,507
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	44,374	48,085
Machinery, equipment and vehicles, net	64,308	63,418
Land	21,226	19,710
Right-of-use assets, net	13,277	8,172
Construction in progress	13,833	8,641
Other, net	2,834	3,035
Total property, plant and equipment	159,855	151,063
Intangible assets		
Goodwill	27,245	28,550
Customer related assets	17,793	18,778
Other	12,283	13,659
Total intangible assets	57,322	60,988
Investments and other assets		
Investment securities	14,378	15,442
Retirement benefit asset	4,791	5,037
Deferred tax assets	649	644
Other	3,988	3,695
Allowance for doubtful accounts	△63	△73
Total investments and other assets	23,745	24,747
Total non-current assets	240,922	236,798
Deferred assets		
Bond issuance costs	95	63
Total deferred assets	95	63
Total assets	468,789	503,369

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	40,285	39,342
Short-term borrowings	76,091	70,861
Commercial papers	10,000	10,000
Income taxes payable	1,872	4,756
Provision for bonuses	2,764	2,385
Provision for bonuses for directors (and other officers)	52	45
Other	14,826	15,659
Total current liabilities	145,891	143,051
Non-current liabilities		
Bonds payable	41,000	41,000
Long-term borrowings	41,325	47,270
Deferred tax liabilities	15,762	18,175
Retirement benefit liability	1,885	1,984
Lease liabilities	9,790	5,636
Other	2,149	2,344
Total non-current liabilities	111,914	116,410
Total liabilities	257,806	259,462
Net assets		
Shareholders' equity		
Share capital	13,208	13,208
Capital surplus	14,757	14,757
Retained earnings	161,305	171,432
Treasury shares	△1,946	△1,946
Total shareholders' equity	187,324	197,451
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,593	1,606
Deferred gains or losses on hedges	△547	1,227
Foreign currency translation adjustment	15,108	32,770
Remeasurements of defined benefit plans	△657	△615
Total accumulated other comprehensive income	15,496	34,988
Non-controlling interests	8,163	11,467
Total net assets	210,983	243,907
Total liabilities and net assets	468,789	503,369

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (First six months period)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	268,398	271,038
Cost of sales	233,654	230,628
Gross profit	34,744	40,409
Selling, general and administrative expenses	29,679	31,609
Operating profit	5,065	8,800
Non-operating income		
Interest income	267	566
Dividend income	43	38
Foreign exchange gains	693	213
Share of profit of entities accounted for using equity method	251	299
Other	512	395
Total non-operating income	1,767	1,513
Non-operating expenses		
Interest expenses	899	1,682
Other	568	330
Total non-operating expenses	1,468	2,013
Ordinary profit	5,363	8,300
Extraordinary income		
Gain on sale of non-current assets	74	12,931
Gain on sale of investment securities	—	11
Refunded taxes	142	—
Total extraordinary income	217	12,942
Extraordinary losses		
Loss on sale of non-current assets	—	0
Loss on retirement of non-current assets	208	197
Loss on disposal of inventories	—	305
Total extraordinary losses	208	502
Profit before income taxes	5,372	20,740
Income taxes - current	1,788	5,517
Income taxes - deferred	352	380
Total income taxes	2,141	5,898
Profit	3,230	14,841
Profit attributable to non-controlling interests	3	2,476
Profit attributable to owners of parent	3,227	12,365

Quarterly Consolidated Statements of Comprehensive Income (First six months period)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	3,230	14,841
Other comprehensive income		
Valuation difference on available-for-sale securities	214	12
Deferred gains or losses on hedges	662	1,774
Foreign currency translation adjustment	23,941	17,578
Remeasurements of defined benefit plans, net of tax	68	42
Share of other comprehensive income of entities accounted for using equity method	612	1,022
Total other comprehensive income	25,499	20,430
Comprehensive income	28,730	35,272
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	28,169	31,857
Comprehensive income attributable to non-controlling interests	561	3,415

(3) Quarterly Consolidated Statements of Cash flows (First six months period)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	5,372	20,740
Depreciation	8,608	8,767
Amortization of goodwill	1,245	1,346
Decrease (increase) in retirement benefit asset	△283	△246
Increase (decrease) in retirement benefit liability	△230	79
Interest and dividend income	△310	△604
Interest expenses	899	1,682
Share of loss (profit) of entities accounted for using equity method	△251	△299
Loss (gain) on sale of investment securities	—	△11
Loss (gain) on disposal of non-current assets	133	△12,733
Decrease (increase) in trade receivables	△6,913	△562
Decrease (increase) in inventories	△15,211	△2,019
Increase (decrease) in trade payables	△4,923	△3,437
Decrease (increase) in advance payments to suppliers	△187	△13,279
Other, net	△1,411	2,642
Subtotal	△13,463	2,065
Interest and dividends received	524	875
Interest paid	△841	△1,550
Income taxes refund (paid)	△3,458	△2,955
Net cash provided by (used in) operating activities	△17,239	△1,564
Cash flows from investing activities		
Purchase of property, plant and equipment	△8,163	△7,815
Proceeds from sale of property, plant and equipment	1,702	25,111
Purchase of intangible assets	△331	△1,131
Purchase of investment securities	△293	△3
Proceeds from sale of investment securities	—	34
Payments for investments in capital	△18	△31
Proceeds from sale of investments in capital of subsidiaries	1,394	—
Other, net	133	195
Net cash provided by (used in) investing activities	△5,575	16,359
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	15,674	△2,933
Proceeds from long-term borrowings	7,951	8,000
Repayments of long-term borrowings	△4,409	△9,107
Proceeds from issuance of bonds	5,967	—
Dividends paid	△2,237	△2,237
Dividends paid to non-controlling interests	△91	△131
Other, net	△424	△462
Net cash provided by (used in) financing activities	22,430	△6,873
Effect of exchange rate change on cash and cash equivalents	1,040	1,283
Net increase (decrease) in cash and cash equivalents	655	9,204
Cash and cash equivalents at beginning of period	15,915	18,991
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	1,798	—
Cash and cash equivalents at end of period	18,369	28,196

(4) Notes to Quarterly Consolidated Financial Statements

(Notes Relating to Assumptions for the Going Concern)

Not applicable.

(Notes for Case Where Shareholders' Equity underwent Significant Changes in Value)

Not applicable.

(Segment Information)

First six months period of the fiscal year under review (April 1, 2023 - September 30, 2023)

1. Information on net sales and profits or losses by reported segment

(Millions of yen)

	Reported segments					Adjustment (Note 1)	Amounts on Quarterly 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	92,789	116,611	43,622	18,014	271,038	—	271,038
Transactions with other segments	11,732	1,349	2,114	102	15,300	△15,300	—
Total	104,522	117,960	45,737	18,117	286,338	△15,300	271,038
Segment profit	7,536	691	1,446	972	10,646	△1,846	8,800

(Note) 1. Adjustment of segment profit △1,846 million yen includes corporate expense and other, which are not allocated to each reported segment. Corporate expenses are expenses related to group management at the submitting company and management companies.

2. Segment profit is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information on impairment losses on non-current assets and goodwill by reported segment

Not applicable.

FUJI OIL HOLDINGS INC.
Financial Results Supplement Material

FY2023 FYE March 2024

1st Half

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Note

Change in accounting period for certain subsidiaries

At the end of FY2022, we made the following changes to the accounting period of our subsidiaries. We changed the accounting period of INDUSTRIAL FOOD SERVICES PTY LIMITED from the end of December to the end of March. We also change the accounting period for Blommer Chocolate Manufacturing (Shanghai) Co., Ltd. from the end of January to the end of March.

As the effect on consolidated accounting is minor, we have made no revisions to YoY comparisons or other figures.

Company	Country	Business	Area	FY2022 Fiscal Period	FY2023 Fiscal Period
INDUSTRIAL FOOD SERVICES PTY LIMITED	Australia	Industrial Chocolate	SE Asia	Jan. 2022 - Mar. 2023 (15 months)	Apr. 2023 - Mar. 2024 (12 months)
Blommer Chocolate Manufacturing (Shanghai) Co., Ltd.	China	Industrial Chocolate	China	Feb. 2022 - Mar. 2023 (14 months)	Apr. 2023 - Mar. 2024 (12 months)

Main exchange rate

• P/L : Average rate , B/S : Current rate

		FY2022	FY2022	FY2023	YOY		FY2023
		2Q	End	2Q	Change	Rate of change	Plan
\$	P/L	133.97	135.47	141.00	+7.03	+5.2%	142.70
	B/S	144.81	133.53	149.58	+16.05	+12.0%	—
BRL	P/L	26.35	26.28	28.70	+2.35	+8.9%	29.10
	B/S	26.79	26.29	29.87	+3.58	+13.6%	—
€	P/L	138.73	140.97	153.39	+14.66	+10.6%	155.70
	B/S	142.32	145.72	158.00	+12.28	+8.4%	—
RMB	P/L	19.88	19.75	19.75	(0.13)	(0.7%)	19.80
	B/S	20.37	19.42	20.46	+1.04	+5.4%	—

-P/L is a year-on-year comparison. B/S is a comparison with end of the previous fiscal year (end of FY2022).

- FY2023 2Q Blommer (\$) : P/L 136.68, B/S 140.09.

- P/L rate assumed for FY2023 Plan is revised on November, 2023.

1-1 : FY2023 2Q Consolidated Financial Results (3 months)

●Summary

Net sales : 140.0 billion yen, YOY -0.5 billion yen

Operating profit : 5.2billion yen, YOY +2.5 billion yen

Net sales : Net sales decreased due to lower sales volume by the transfer of fixed assets of Fuji Oil New Orleans on Vegetable Oils and Fats Business, despite the effect of yen depreciation and higher sales prices on Industrial Chocolate Business.
 Operating profit : Operating profit increased thanks to the effect of price revisions and others despite increased fixed cost for manufacturing due to inflation and decreased sales volume.

(Unit : JPY billion)

		FY2022 2Q	FY2023 2Q	YOY	Factors of change (YOY)
Net sales	Vegetable Oils and Fats	52.2	47.1	(5.1)	Net sales decreased due to lower sales volume by the transfer of fixed assets of Fuji Oil New Orleans and declining prices for palm oil, our main raw material.
	Industrial Chocolate	57.6	61.6	+4.0	Net sales increased thanks to the effect of yen depreciation and higher raw material prices.
	Emulsified and Fermented Ingredients	22.1	22.2	+0.1	Net sales increased thanks to steady sales of whipping cream in Japan although sales volume decreased.
	Soy-based Ingredients	8.6	9.1	+0.5	Net sales increased thanks to higher raw material prices due to the effect of yen depreciation.
	Total	140.5	140.0	(0.5)	
Operating profit	Vegetable Oils and Fats	1.7	4.4	+2.7	Operating profit increased thanks to appropriate selling prices through stable raw material prices in Japan, Americas and Europe, and the transfer of fixed assets of Fuji Oil New Orleans, which recorded operating losses in the previous fiscal year.
	Industrial Chocolate	1.7	0.3	(1.4)	Operating profit decreased due to lower sales volume in North America, although sales volume for souvenir market and ice cream in Japan and ice cream in Southeast Asia increased.
	Emulsified and Fermented Ingredients	(0.2)	0.9	+1.0	Operating profit increased thanks to higher sales volume of whipping cream in Japan and improved profitability in Southeast Asia and China.
	Soy-based Ingredients	0.4	0.6	+0.2	Operating profit increased thanks to appropriate selling prices in Japan, although depreciation cost for a new plant in Europe increased.
	Group administrative expenses	(0.9)	(0.9)	(0.0)	
Total	2.7	5.2	+2.5		
Operating margin		1.9%	3.7%	+1.8pt	
Ordinary profit		2.0	5.0	+3.0	
Profit attributable to owners of parent		1.4	3.3	+1.9	

*Figures are rounded to the nearest JPY billion.

1-2 : FY2023 1H Consolidated Financial Results

● Summary

Net sales : 271.0 billion yen, YOY +2.6 billion yen

Operating profit : 8.8 billion yen, YOY +3.7 billion yen

Net sales : Net sales increased thanks to the effect of yen depreciation and higher sales prices on Industrial Chocolate Business despite lower sales volume by the transfer of fixed assets of Fuji Oil New Orleans on Vegetable Oils and Fats Business.

Operating profit : Operating profit increased thanks to improved profitability of Vegetable Oils and Fats Business in Japan, Americas and Europe despite lower sales volume on Industrial Chocolate Business in North America.

Operating Profit Analysis

(Unit: JPY billion)



		FY2022 1H	FY2023 1H	YOY	Factors of change (YOY)
Net sales	Vegetable Oils and Fats	101.4	92.8	(8.6)	Net sales decreased due to the transfer of fixed assets of Fuji Oil New Orleans and declining prices for palm oil, our main raw material.
	Industrial Chocolate	105.5	116.6	+11.1	Net sales increased thanks to the effect of yen depreciation and higher raw material prices.
	Emulsified and Fermented Ingredients	44.6	43.6	(1.0)	Net sales decreased due to decreasing sales volume in Southeast Asia and China.
	Soy-based Ingredients	16.9	18.0	+1.1	Net sales increased thanks to higher raw material prices due to the effect of yen depreciation.
	Total	268.4	271.0	+2.6	
Operating profit	Vegetable Oils and Fats	3.3	7.5	+4.2	Operating profit increased thanks to appropriate selling prices through stable raw material prices in Japan, Americas and Europe, and the transfer of fixed assets of Fuji Oil New Orleans, which recorded operating losses in the previous fiscal year.
	Industrial Chocolate	2.6	0.7	(2.0)	Operating profit decreased due to lower sales volume in North America, although sales volume for souvenir market and ice cream in Japan and ice cream in Southeast Asia increased.
	Emulsified and Fermented Ingredients	0.0	1.4	+1.4	Operating profit increased thanks to higher sales volume of whipping cream in Japan and improved profitability in Southeast Asia and China.
	Soy-based Ingredients	0.9	1.0	+0.0	Operating profit increased thanks to appropriate selling prices in Japan, although depreciation cost for a new plant in Europe increased.
	Group administrative expenses	(1.9)	(1.8)	+0.0	
Total	5.1	8.8	+3.7		
Operating margin		1.9%	3.2%	+1.4pt	
Ordinary profit		5.4	8.3	+2.9	
Profit attributable to owners of parent		3.2	12.4	+9.1	Increase thanks to extraordinary income from the transfer of fixed assets of Fuji Oil New Orleans.

*Figures are rounded to the nearest JPY billion.

1-3 : FY2023 1H Consolidated Net sales & Operating profit (by Business, Area)

Net sales

(Unit: JPY million)

	FY	Japan		Americas		SE Asia		China		Europe		Consolidated Total	
		Results	YOY	Results	YOY	Results	YOY	Results	YOY	Results	YOY	Results	YOY
Vegetable Oils and Fats	FY2023 1H	27,740	+1,321	33,347	(6,737)	11,560	(5,366)	1,748	(24)	18,392	+2,236	92,789	(8,570)
	FY2022 1H	26,419	+6,433	40,084	+20,541	16,927	+7,861	1,772	+222	16,156	+4,617	101,360	+39,674
	FY2021 1H	19,986	-	19,543	-	9,066	-	1,550	-	11,539	-	61,686	-
Industrial Chocolate	FY2023 1H	21,386	+2,020	77,818	+5,898	9,159	+1,420	3,400	+356	4,846	+1,410	116,611	+11,105
	FY2022 1H	19,366	+1,165	71,920	+12,910	7,739	+2,223	3,043	+380	3,436	+1,220	105,505	+17,897
	FY2021 1H	18,201	-	59,010	-	5,516	-	2,663	-	2,216	-	87,608	-
Emulsified and Fermented Ingredients	FY2023 1H	28,313	+988	-	-	7,091	(1,029)	8,217	(985)	-	-	43,622	(1,026)
	FY2022 1H	27,325	+2,507	-	-	8,120	+2,723	9,203	+1,755	-	-	44,648	+6,983
	FY2021 1H	24,818	-	-	-	5,397	-	7,448	-	-	-	37,665	-
Soy-based Ingredients	FY2023 1H	17,546	+1,188	-	-	-	-	468	(57)	0	+0	18,014	+1,131
	FY2022 1H	16,357	(124)	-	-	-	-	525	(536)	-	-	16,883	(659)
	FY2021 1H	16,481	-	-	-	-	-	1,061	-	-	-	17,543	-
Net sales Total	FY2023 1H	94,987	+5,518	111,165	(839)	27,811	(4,975)	13,834	(710)	23,239	+3,646	271,038	+2,639
	FY2022 1H	89,468	+9,980	112,004	+33,451	32,787	+12,806	14,545	+1,821	19,593	+5,838	268,398	+63,895
	FY2021 1H	79,488	-	78,553	-	19,981	-	12,724	-	13,755	-	204,503	-

*The net sales above is sales to outside customers.

Operating profit

	FY	Japan		Americas		SE Asia		China		Europe		Consolidated adjustment		Group administrative expenses		Consolidated Total	
		Results	YOY	Results	YOY	Results	YOY	Results	YOY	Results	YOY	Results	YOY	Results	YOY	Results	YOY
Vegetable Oils and Fats	FY2023 1H	2,833	+1,918	2,428	+2,568	630	(1,715)	3	+96	1,507	+978	133	+351	-	-	7,536	+4,198
	FY2022 1H	915	(952)	(140)	(1,017)	2,346	+1,528	(93)	(70)	529	(30)	(218)	(382)	-	-	3,338	(924)
	FY2021 1H	1,867	-	877	-	818	-	(23)	-	559	-	164	-	-	-	4,263	-
Industrial Chocolate	FY2023 1H	2,646	+322	(2,900)	(2,921)	575	+411	14	+81	325	+179	30	(25)	-	-	691	(1,952)
	FY2022 1H	2,323	(386)	21	+118	164	+16	(66)	(41)	145	+96	56	+32	-	-	2,644	(166)
	FY2021 1H	2,709	-	(97)	-	148	-	(25)	-	49	-	24	-	-	-	2,810	-
Emulsified and Fermented Ingredients	FY2023 1H	1,385	+598	-	-	(126)	+520	184	+386	-	-	2	(101)	-	-	1,446	+1,403
	FY2022 1H	787	+59	-	-	(647)	(310)	(201)	(578)	-	-	103	(83)	-	-	42	(912)
	FY2021 1H	728	-	-	-	(337)	-	377	-	-	-	186	-	-	-	954	-
Soy-based Ingredients	FY2023 1H	1,197	+272	-	-	-	-	113	(38)	(391)	(256)	52	+58	-	-	972	+36
	FY2022 1H	924	(681)	-	-	-	-	152	(83)	(134)	+3	(6)	(56)	-	-	935	(817)
	FY2021 1H	1,605	-	-	-	-	-	235	-	(137)	-	50	-	-	-	1,753	-
Consolidated adjustment	FY2023 1H	67	(24)	(11)	(7)	21	+29	1	(9)	67	+139	(150)	(115)	-	-	(4)	+10
	FY2022 1H	92	(41)	(3)	(2)	(7)	(11)	10	(13)	(71)	(103)	(34)	+158	-	-	(14)	(14)
	FY2021 1H	133	-	(1)	-	4	-	23	-	32	-	(192)	-	-	-	-	-
Group administrative expenses	FY2023 1H	-	-	-	-	-	-	-	-	-	-	-	-	(1,842)	+38	(1,842)	+38
	FY2022 1H	-	-	-	-	-	-	-	-	-	-	-	-	(1,880)	(11)	(1,880)	(11)
	FY2021 1H	-	-	-	-	-	-	-	-	-	-	-	-	(1,869)	-	(1,869)	-
Operating profit Total	FY2023 1H	8,129	+3,086	(484)	(360)	1,102	(753)	317	+516	1,509	+1,041	68	+166	(1,842)	+38	8,800	+3,735
	FY2022 1H	5,042	(2,001)	(123)	(902)	1,856	+1,222	(199)	(787)	468	(35)	(98)	(331)	(1,880)	(11)	5,065	(2,848)
	FY2021 1H	7,043	-	779	-	634	-	588	-	503	-	233	-	(1,869)	-	7,913	-

2-1:Major Indicators

Primary Item	Item	Unit	Note	FY2021	FY2022	FY2023 (Total Results)				FY2023 Plan
						1Q	2Q	3Q	4Q	
PL related	Operating profit	JPY billion		15.0	10.9	3.6	8.8			16.5
	Operating profit growth rate	%		(16.2%)	(27.1%)	+51.0%	+73.7%			+50.8%
	EBITDA	JPY billion		32.4	31.2	8.6	18.9			36.5
	Capital Expenditures	JPY billion	For tangible fixed assets	17.3	21.5	3.6	7.0			-
	Depreciation	JPY billion	Depreciation for tangible fixed assets	12.7	14.6	3.6	7.2			-
	ROA	%	Ordinary profit / Average total assets at beginning and end of period	3.7%	2.2%	*2 2.7%	3.4%			3.3%
	ROE	%	Net profit margin × Total asset turnover × Financial leverage	6.6%	3.1%	17.0%	11.4%			7.6%
	Net profit margin	%	Net profit / Net sales	2.7%	1.1%	6.9%	4.6%			2.9%
	Total asset turnover	Times	Net sales / Total assets at beginning and end of period	1.12	1.26	1.09	1.12			1.21
	Financial leverage	Times	Total assets / Equity	2.2	2.3	2.2	2.2			2.0
ROIC	%	Operating profit × (1-corporate tax rate) / (Interest-bearing debt + Equity)	3.1%	2.0%	2.5%	3.0%			3.3%	
BS related	Total assets	JPY billion		416.6	468.8	496.1	503.4			440.0
	Interest-bearing debt	JPY billion		148.8	168.4	175.2	169.1			127.0
	Net interest-bearing debt	JPY billion		132.8	149.4	135.5	140.9			112.0
	Net operating capital	JPY billion		80.5	81.9	117.3	123.5			-
	Equity ratio	%		44.7%	43.3%	45.2%	46.2%			50.1%
	Debt ratio	%		121.9%	127.1%	116.3%	111.6%			94.8%
	Goodwill (in a broad sense)	JPY billion	Goodwill (in a broad sense) refers to goodwill as well as trademark rights and other intangible fixed assets.	49.9	55.2	57.8	58.4			52.9
	Amortization of goodwill	JPY billion		2.2	2.6	0.7	1.3			2.6
	Goodwill (in a broad sense) / Net assets ratio	%		26%	26%	25%	24%			23%
	D/E ratio	Times	Interest-bearing debt / Equity	0.80	0.83	0.78	0.73			0.58
Net D/E ratio	Times	Net interest-bearing debt (interest-bearing debt - cash and deposits) / equity capital	0.73	0.80	0.70	0.71			0.56	
CF related	Cash flows from operating activities	JPY billion		3.5	7.6	(2.1)	(1.6)			40.0
	Cash flows from investing activities	JPY billion		(18.8)	(16.5)	19.8	16.4			2.0
	Free cash flows	JPY billion		(15.3)	(8.9)	17.7	14.8			42.0
	Cash flows from financing activities	JPY billion		9.4	9.8	1.0	(6.9)			(46.0)
	CCC	Day		115	104	122	117			98

*1 If the previous year's figure has changed, the retroactively corrected figure is shown.

*2 ROA, ROE and ROIC for 1Q and 2Q FY2023 are annualized figures for reference.

Capital expenditures

FY	Major expenditures		JPY billion
2023	Japan	Capital expenditures , etc.	2.3
1st half	Americas	Capital expenditures for Blommer, etc.	1.3
	Americas	Construction of Harald's No.2 plant, etc.	0.9
Total			7.0

Dividend history

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

FY	Dividend per share (Unit : JPY)				Payout ratio
	1st half	2nd half	total		
2015	17	18	35		32.6%
2016	22	22	44		31.2%
2017	23	25	48		30.0%
2018	25	25	50		37.1%
2019	27	29	56		29.4%
2020	26	26	52		40.6%
2021	26	26	52		38.9%
2022	26	26	52		73.0%
2023 Forecast	26	26	52		28.0%

3-1 : FY2023 Consolidated Financial Forecast

● Summary

Net sales : 550.0 billion yen, YOY -7.4 billion yen

Operating profit : 16.5 billion yen, YOY +5.6 billion yen

Net sales : Planning to decrease in net sales YOY due to stable raw material prices for palm oil and the transfer of fixed assets of Fuji Oil New Orleans, despite the effect of yen depreciation.
 Operating profit : Planning to increase in operating profit YOY thanks to improved profitability responding to stable raw material prices and the transfer of fixed assets of Fuji Oil New Orleans, which recorded operating losses in the previous fiscal year, despite lower sales volume on Industrial Chocolate Business in North America.

(Unit : JPY billion)

	FY2022 Results	FY2023 Rev.Forecast	YOY	FY2023 Init.Forecast	Factors	
Net sales	Vegetable Oils and Fats	203.4	180.9	(22.5)	183.5	Planning on decrease in net sales due to lower sales volume resulting from the transfer of fixed assets of Fuji Oil New Orleans.
	Industrial Chocolate	228.5	243.4	+14.9	235.2	Planning on increase in net sales thanks to the effect of yen depreciation and higher sales volume in Brazil and Europe.
	Emulsified and Fermented Ingredients	91.2	88.8	(2.4)	95.3	Planning on decrease in net sales due to lower sales volume in Southeast Asia despite steady sales volume in Japan.
	Soy-based Ingredients	34.3	36.9	+2.6	36.0	Planning on increase in net sales thanks to higher raw material prices due to the effect of yen depreciation.
	Total	557.4	550.0	(7.4)	550.0	
Operating profit	Vegetable Oils and Fats	7.0	11.5	+4.5	8.5	Planning on increase in operating profit thanks to improved profitability in Japan, Americas and Europe, despite decrease operating profit in Southeast Asia, which recorded favorable performance in the previous fiscal year.
	Industrial Chocolate	5.0	5.5	+0.5	8.2	Planning on increase in operating profit thanks to higher sales volume in Brazil and Europe despite lower sales volume in North America.
	Emulsified and Fermented Ingredients	1.5	2.9	+1.4	3.1	Planning on increase in operating profit thanks to higher sales volume of whipping cream in Japan and improved profitability in China and Southeast Asia.
	Soy-based Ingredients	1.3	0.9	(0.4)	1.0	Planning on decrease in operating profit due to increased depreciation cost for a new plant in Europe.
	Group administrative expenses	(3.8)	(4.2)	(0.4)	(4.4)	
Total	10.9	16.5	+5.6	16.5		
Operating margin	2.0%	3.0%	+1.0pt	3.0%		
Ordinary profit	9.7	15.0	+5.3	15.0		
Profit attributable to owners of parent	6.1	16.0	+9.9	16.0	Increase thanks to extraordinary income from the transfer of fixed assets of Fuji Oil New Orleans.	

*Figures are rounded to the nearest JPY billion.

3-2 : FY2023 Consolidated Financial Forecast (by Business, Area)
Net sales

(Unit: JPY million)

	FY	Japan		Americas		SE Asia		China		Europe		Consolidated Total	
		YOY		YOY		YOY		YOY		YOY		YOY	
Vegetable Oils and Fats	2023 Rev.Forecast	55,800	(632)	66,000	(13,217)	22,000	(8,858)	3,100	(274)	34,000	+436	180,900	(22,548)
	2023 Init.Forecast	56,700	+268	64,400	(14,817)	29,700	(1,158)	3,100	(274)	29,600	(3,964)	183,500	(19,948)
	2022 Results	56,432	-	79,217	-	30,858	-	3,374	-	33,564	-	203,448	-
Industrial Chocolate	2023 Rev.Forecast	44,600	+2,352	163,000	+9,676	20,000	+1,832	6,600	(867)	9,200	+1,896	243,400	+14,887
	2023 Init.Forecast	44,600	+2,352	155,800	+2,476	19,800	+1,632	7,100	(367)	7,900	+596	235,200	+6,687
	2022 Results	42,248	-	153,324	-	18,168	-	7,467	-	7,304	-	228,513	-
Emulsified and Fermented Ingredients	2023 Rev.Forecast	57,800	+103	-	-	13,500	(2,571)	17,500	+105	-	-	88,800	(2,364)
	2023 Init.Forecast	58,700	+1,003	-	-	17,600	+1,529	19,000	+1,605	-	-	95,300	+4,136
	2022 Results	57,697	-	-	-	16,071	-	17,395	-	-	-	91,164	-
Soy-based Ingredients	2023 Rev.Forecast	36,000	+2,752	-	-	-	-	899	(136)	1	+1	36,900	+2,616
	2023 Init.Forecast	34,800	+1,552	-	-	-	-	1,100	+65	100	+100	36,000	+1,716
	2022 Results	33,248	-	-	-	-	-	1,035	-	-	-	34,284	-
Net sales Total	2023 Rev.Forecast	194,200	+4,573	229,000	(3,542)	55,500	(9,597)	28,099	(1,174)	43,201	+2,332	550,000	(7,410)
	2023 Init.Forecast	194,800	+5,173	220,200	(12,342)	67,100	+2,003	30,300	+1,027	37,600	(3,269)	550,000	(7,410)
	2022 Results	189,627	-	232,542	-	65,097	-	29,273	-	40,869	-	557,410	-

* Net sales above is sales to outside customers.

Operating profit

	FY	Japan		Americas		SE Asia		China		Europe		Consolidated adjustment		Group administrative expenses		Consolidated Total	
		YOY		YOY		YOY		YOY		YOY		YOY		YOY		YOY	
Vegetable Oils and Fats	2023 Rev.Forecast	4,408	+458	3,293	+4,231	1,814	(1,145)	(157)	+30	2,089	+706	27	+172	-	-	11,474	+4,453
	2023 Init.Forecast	3,829	(121)	2,048	+2,986	1,623	(1,336)	(227)	(40)	1,231	(152)	28	+173	-	-	8,532	+1,511
	2022 Results	3,950	-	(938)	-	2,959	-	(187)	-	1,383	-	(145)	-	-	-	7,021	-
Industrial Chocolate	2023 Rev.Forecast	5,137	(492)	(1,269)	+757	1,255	+373	(197)	(235)	503	+128	28	(45)	-	-	5,457	+484
	2023 Init.Forecast	5,312	(317)	1,292	+3,318	1,392	+510	(96)	(134)	309	(66)	29	(44)	-	-	8,238	+3,265
	2022 Results	5,629	-	(2,026)	-	882	-	38	-	375	-	73	-	-	-	4,973	-
Emulsified and Fermented Ingredients	2023 Rev.Forecast	2,443	+280	-	-	38	+470	419	+604	-	-	32	+86	-	-	2,932	+1,442
	2023 Init.Forecast	2,023	(140)	-	-	215	+647	786	+971	-	-	33	+87	-	-	3,058	+1,568
	2022 Results	2,163	-	-	-	(432)	-	(185)	-	-	-	(54)	-	-	-	1,490	-
Soy-based Ingredients	2023 Rev.Forecast	1,249	(97)	-	-	-	-	363	+79	(794)	(418)	37	+15	-	-	855	(422)
	2023 Init.Forecast	1,330	(16)	-	-	-	-	380	+96	(724)	(348)	40	+18	-	-	1,026	(251)
	2022 Results	1,346	-	-	-	-	-	284	-	(376)	-	22	-	-	-	1,277	-
Consolidated adjustment	2023 Rev.Forecast	-	(158)	-	+8	-	+52	-	(16)	-	+133	-	+10	-	-	-	+30
	2023 Init.Forecast	-	(158)	-	+8	-	+52	-	(16)	-	+133	-	+10	-	-	-	+30
	2022 Results	158	-	(8)	-	(52)	-	16	-	(133)	-	(10)	-	-	-	(30)	-
Group administrative expenses	2023 Rev.Forecast	-	-	-	-	-	-	-	-	-	-	-	-	(4,218)	(426)	(4,218)	(426)
	2023 Init.Forecast	-	-	-	-	-	-	-	-	-	-	-	-	(4,355)	(563)	(4,355)	(563)
	2022 Results	-	-	-	-	-	-	-	-	-	-	-	-	(3,792)	-	(3,792)	-
Operating profit Total	2023 Rev.Forecast	13,237	(10)	2,024	+4,997	3,107	(249)	428	+461	1,798	+550	124	+238	(4,218)	(426)	16,500	+5,560
	2023 Init.Forecast	12,494	(753)	3,341	+6,314	3,230	(126)	842	+875	817	(431)	130	+244	(4,355)	(563)	16,500	+5,560
	2022 Results	13,247	-	(2,973)	-	3,356	-	(33)	-	1,248	-	(114)	-	(3,792)	-	10,940	-