

# Performance and Corporate Information

## Management Discussion and Analysis (MD&A) of Financial Position and Results of Operation

### Business Performance

Recognition, analysis and review of business performance for fiscal 2023

#### Analysis of business performance

##### (1) Status of business performance

In fiscal 2023, the global economy saw solid performance in the U.S. economy, primarily driven by robust personal consumption amid rising share prices and other factors. However, there are concerns of a slowdown in the global economy due to factors such as the cumulative effects of monetary tightening.

Meanwhile, the Japanese economy saw a recovery in consumption, particularly in restaurant dining and travel sectors, following the reclassification of COVID-19 to a Class 5 infectious disease. However, overall activity remained weak due to price hikes caused by soaring energy costs and surging raw material prices.

Under such circumstances, the Group is continuing to advance the Value Up+ medium-term management plan (FY2021-FY2024) under the basic policy of "Transform ourselves into a corporate group that continuously creates diverse values through customer centrality." The Group is accelerating its growth route with its CSV goals set in six priority areas as growth drivers. Leveraging "The Natural Power of Plants" as a starting point for value creation, the Group will also aim for sustainable growth while creating diverse shared value with society.

The Group has set achieving an ROE level that exceeds the cost of shareholders' equity as a key performance target. In fiscal 2022, ROIC was added to the performance targets, and the Group has been working harder than ever to enhance its profitability and asset efficiency. Furthermore, the Group has developed a framework (Achievement Chart) of KPIs and specific initiatives under the four pillars of growth, aggressive investment, sustainability, and efficiency. The Group will continue to make progress to achieve its performance targets of an ROE of 8.0% or higher and an ROIC of 5.0% or higher in fiscal 2024.

##### (2) Status by business segments

##### Oil and Fat Business (Oil and Meal, Processed Oil and Fat)

In the oil and fat business segment, in terms of oil and meal, raw material prices have been on a declining trend after peaking, despite concerns over reduced production of raw materials caused by unfavorable weather and the yen's depreciation against the dollar. In response, the Group worked to maintain and form appropriate sales prices. In addition to expanding sales of value-added products, the Company focused on creating new markets and strengthening solution proposals. As a result, the oil and fat business segment overall reported a decrease in net sales due to a decrease in the meal sales volume and the decline in unit sales prices of domestic oil and fat and overseas processed oil and fat. However, operating profit increased mainly due to sale of domestic oils and fats at appropriate prices.

##### Processed Food and Materials Business

In the processed food and materials business segment, despite the effects of rising prices of raw materials and higher energy costs, both net sales and operating profit increased due to higher sales volumes of chocolate products and adjustments to appropriate sales prices.

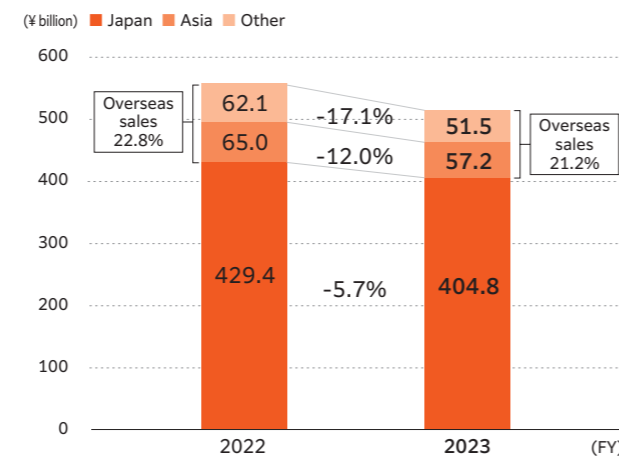
##### Fine Chemical Business

In the fine chemical business segment, sales were strong in both the domestic and Chinese markets thanks to the reclassification of COVID-19 to a Class 5 infectious disease. Our subsidiary in Spain, Industrial Química Lasem, S.A.U. (IQL), saw exceptional demand from the relaxation of COVID-19 response measures in the previous period. However, the backlash from this special demand had a significant impact in the current period, resulting in a decrease in both net sales and operating profit.

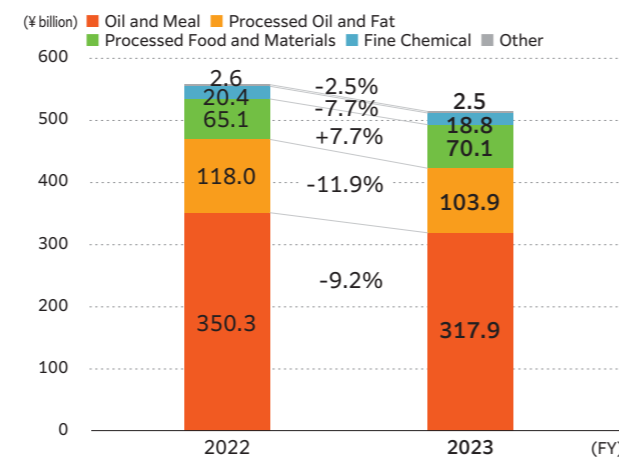
##### Other

In the other business segment, including IT systems, net sales decreased while operating profit increased.

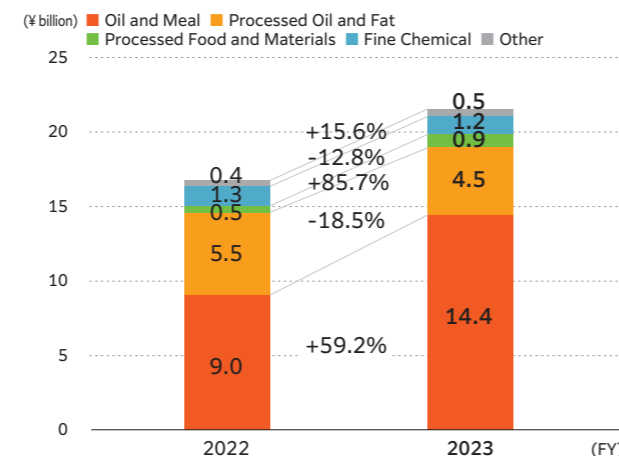
#### Net sales by region



#### Net sales by segment



#### Operating profit by segment



(Does not include inter-segment eliminations and adjustments)

### Financial Position and Cash Flows

Status of financial position and business performance

#### (1) Status of financial position

Total assets on March 31, 2024 were ¥393,382 million, up by ¥18,929 million from the end of the previous consolidated fiscal year. The main reasons for this increase were increases of ¥7,397 million in cash and deposits, ¥2,348 million in trade receivables, ¥4,084 million in property, plant and equipment, and ¥12,158 million in investment securities. This increase in total assets was partially offset by a decrease of ¥8,426 million in inventories.

Liabilities were ¥200,820 million, down by ¥2,214 million from the end of the previous consolidated fiscal year. The main reasons for the decrease were decreases of ¥3,289 million in trade payables, ¥18,186 million in short-term borrowings, and ¥5,000 million in bonds payable. This decrease in liabilities was partially offset by increases of ¥10,000 million in current portion of bonds payable, ¥3,173 million in accounts payable - other, ¥1,631 million in accrued expenses, ¥1,188 million in income taxes payable, ¥4,318 million in long-term borrowings, and ¥1,507 million in lease liabilities.

Net assets were ¥192,562 million, an increase of ¥21,143 million from the end of the previous consolidated fiscal year. The main factors for this were increases of ¥10,750 million in retained earnings and ¥9,307 million in accumulated other comprehensive income.

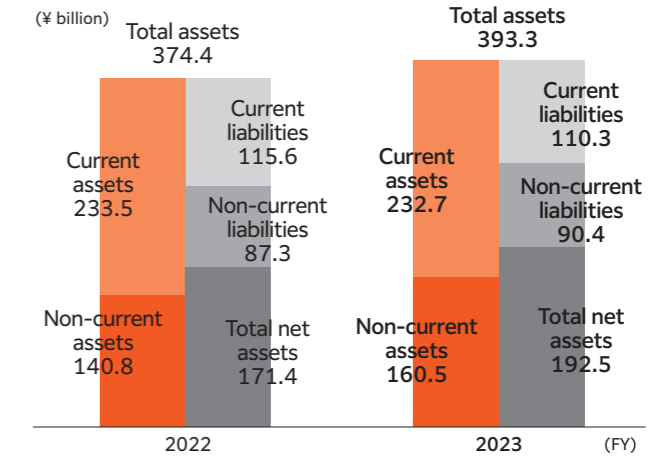
#### (2) Status of cash flows

Operating activities provided net cash of ¥36,715 million. The main factors increasing cash were profit before income taxes of ¥21,169 million, depreciation of ¥9,287 million, and a decrease in inventories of ¥10,022 million. The main factors decreasing cash were an increase in trade receivables of ¥1,286 million, a decrease in trade payables of ¥4,274 million, and income taxes paid of ¥5,025 million.

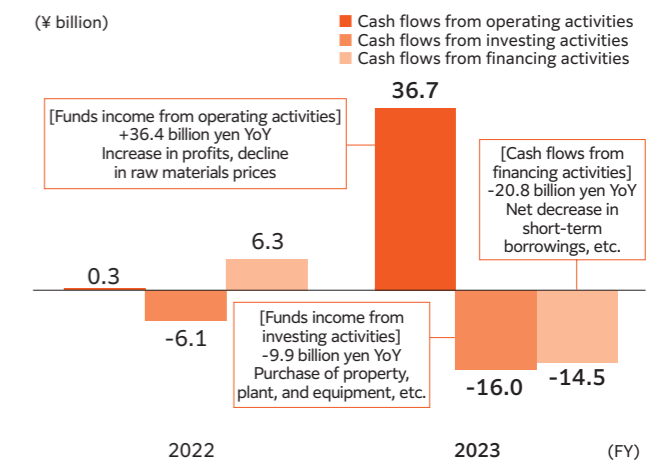
Investing activities used net cash of ¥16,083 million. The main factor decreasing cash was purchase of property, plant and equipment of ¥14,763 million.

Financing activities used net cash of ¥14,586 million. The main factors increasing cash were proceeds from long-term borrowings of ¥5,064 million and proceeds from bond issuance of ¥5,000 million. The main factors decreasing cash were a net decrease in short-term borrowings of ¥18,653 million, repayments of long-term borrowings of ¥947 million, and dividends paid of ¥4,378 million.

#### Changes in total assets



#### Changes in cash flow



### Capital Expenditure and Research & Development

#### Status of capital expenditure

In accordance with our basic policy of continuing with business restructuring, by shifting focus to a more growth-oriented path, the Group made capital expenditure of ¥19,113 million, mainly in the oil and fat and processed food and materials businesses, with emphasis on the profitability of investments, taking into consideration strategic

characteristics, importance and urgency. Investments amounted to ¥16,045 million in oil and fat business, ¥2,277 million in processed food and materials business, ¥725 million in fine chemical business, and ¥65 million in the other business.

#### Status of research & development

Total R&D expenses in fiscal 2023 were ¥3,519 million (¥3,128 million in fiscal 2022). The breakdown of R&D expenses by segment is as follows.

FY2023

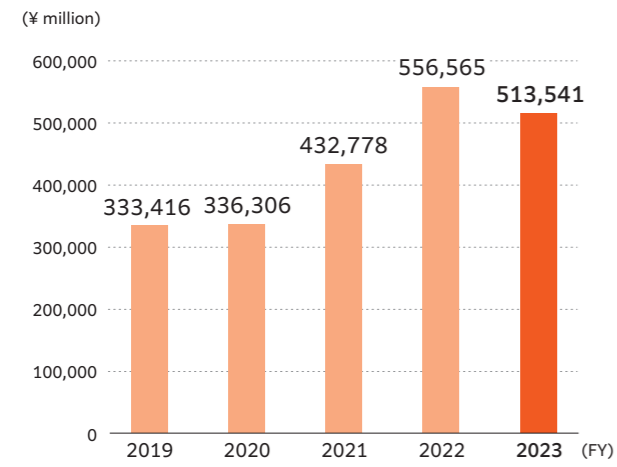
Segment	Oil and Fat Business	Processed Food and Materials Business	Fine Chemical Business	Total
Amount	¥2,332 million	¥579 million	¥607 million	¥3,519 million

Performance and Corporate Information

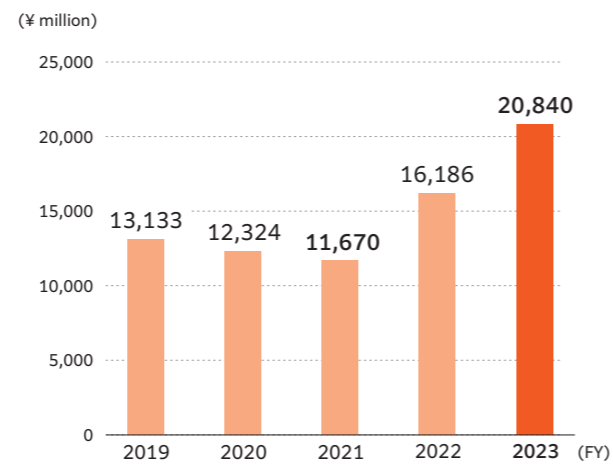
Financial/Non-Financial Highlights

Financial Highlights

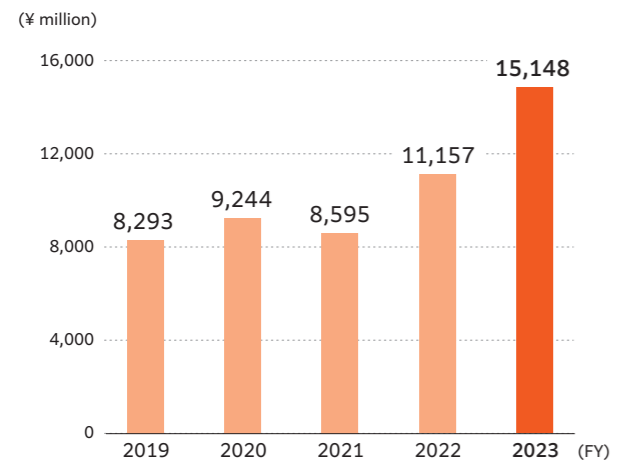
Net sales



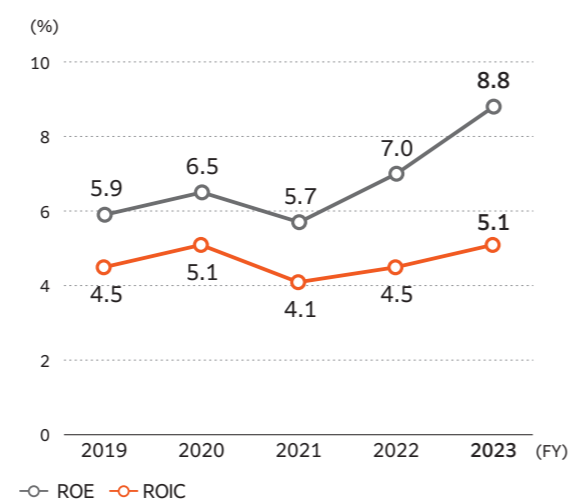
Operating profit



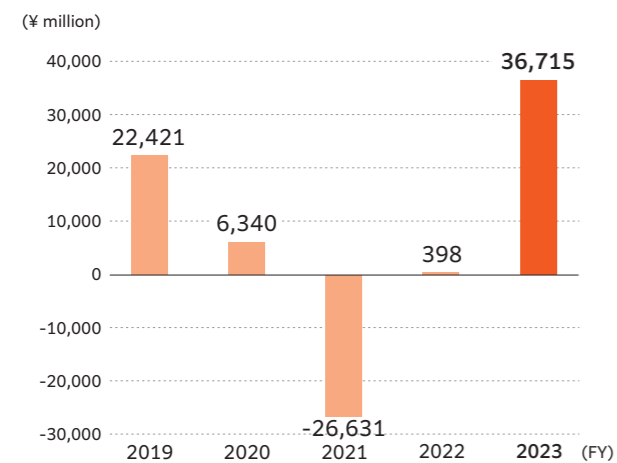
Net profit attributable to owners of parent



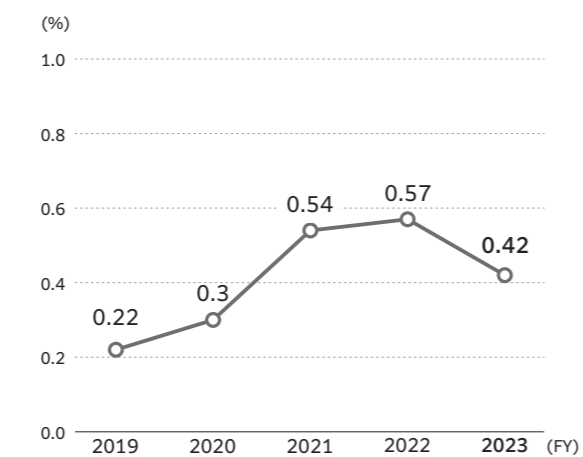
ROE/ROIC



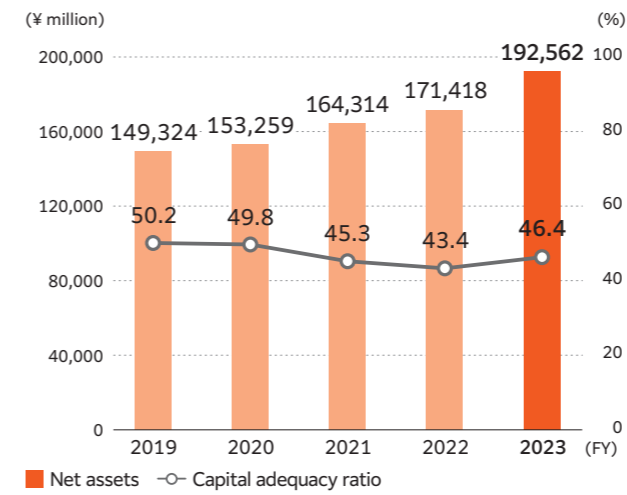
Cash flows from operating activities



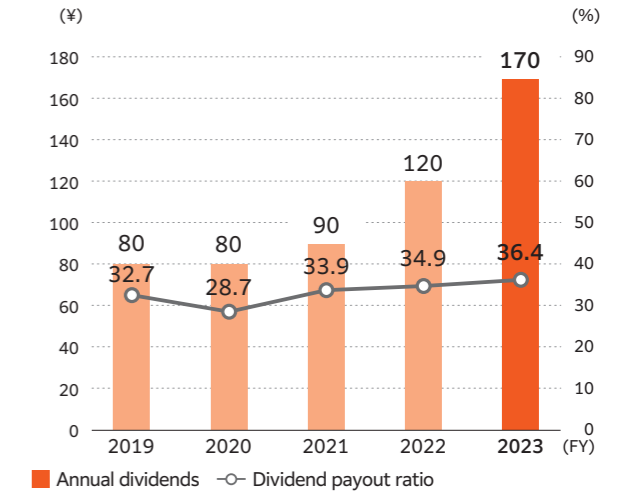
Net D/E ratio



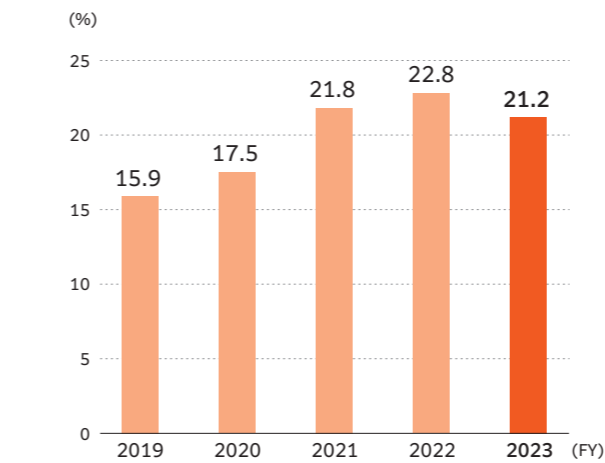
Net assets/Capital adequacy ratio



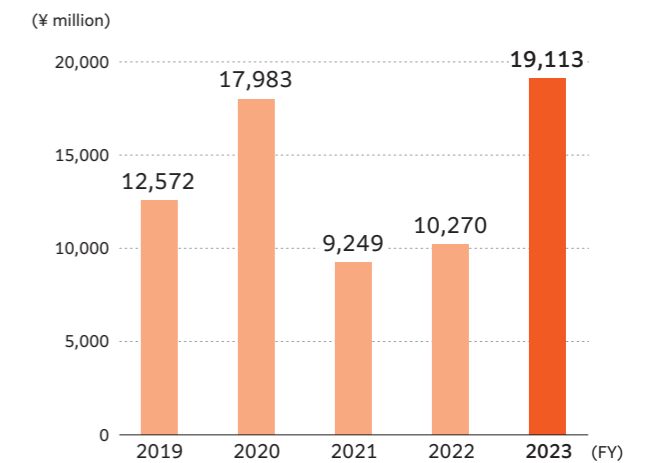
Annual dividends/Dividend payout ratio



Overseas sales ratio

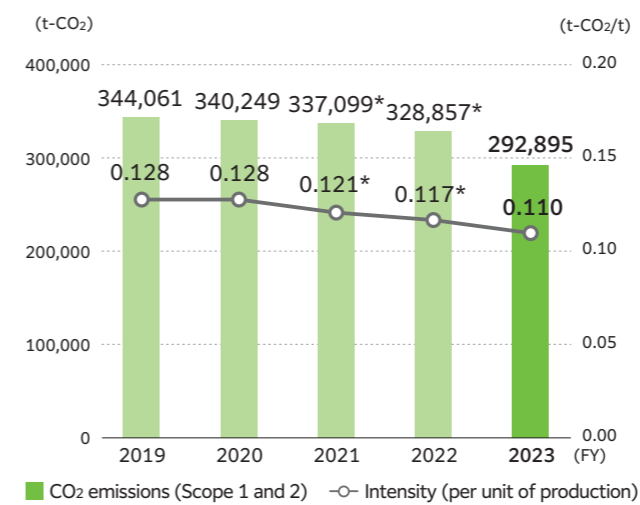


Capital expenditure

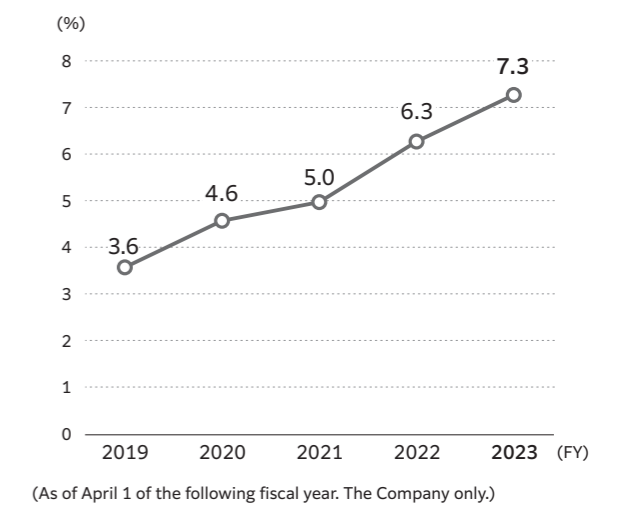


Non-Financial Highlights

CO2 emissions (Scope 1 and 2)/Intensity (per unit of production)



Percentage of management positions held by women



\* The figures have been revised as a result of a review of calculation methods in FY2021 and FY2022.

For non-financial information, please refer to Sustainability Data Book on our website.  
<https://www.nisshin-oillio.com/english/sustainability/report/data.html>



Performance and Corporate Information

Company Information

Corporate Profile

Company name	The Nisshin Oillio Group, Ltd.
Head office	1-23-1 Shinkawa, Chuo-ku, Tokyo 104-8285 Japan
Telephone	+81-3-3206-5005
Paid-in capital	¥16,332 million (as of March 31, 2024)
Net sales	¥513,541 million (consolidated; fiscal year ended March 31, 2024)
Number of employees	3,078 (consolidated; as of March 31, 2024)

Directors and Audit & Supervisory Board Members

Representative Director and President	Takahisa Kuno	
Representative Director	Hidetoshi Ogami	
Directors	Arata Kobayashi Yoshiharu Okano	Masato Saegusa Masayuki Sato
Directors (Outside)	Isao Yamamoto Satoko Shisai	Naomi Eto
Audit & Supervisory Board Members (standing)	Katsuhito Oba Nobuyuki Watanabe	
Audit & Supervisory Board Members (Outside)	Tomotake Kusamichi Keiko Mizuguchi	

Domestic Network

Osaka Complex, Yokohama Isogo Complex (Yokohama Isogo Plant), Nagoya Plant, Sakai Plant, Mizushima Complex (Mizushima Plant), Incubation Square (Research Laboratory), Hokkaido Branch, Tohoku Branch, Kanto Shin-etsu Branch, Tokyo Branch, Tokai-hokuriku Branch, Osaka Branch, Chu-shikoku Branch, Kyushu Branch, Morioka Sales Office, Koriyama Sales Office, Niigata Sales Office, Nagano Sales Office, Tokyo Metropolitan Sales Office, Shizuoka Sales Office, Hokuriku Sales Office, Shikoku Sales Office, Okayama Sales Office, Kagoshima Sales Office, Yokohama Kanagawa Office

Four Domestic Production Plants

**Yokohama Isogo Complex**  
Site area: Approx. 233,100 m<sup>2</sup>



**Nagoya Plant**  
Site area: Approx. 98,800 m<sup>2</sup>



**Sakai Plant**  
Site area: Approx. 28,800 m<sup>2</sup>



**Mizushima Complex**  
Site area: Approx. 110,000 m<sup>2</sup>



Major Group Companies (Japan)

Settsu Inc.
Nisshin Shoji Co., Ltd.
Nisshin Logistics Co., Ltd.
NSP Co., Ltd.
Daito Cacao Co., Ltd.
Nisshin Shokai Co., Ltd.
Marketing Force Japan, Inc.
Nisshin Finance Co., Ltd.
The Golf Joy Co., Ltd.
Oilseed Processing Partners Japan, Ltd.
PIETRO Co., Ltd.
Wakou Shokuhin Co., Ltd.
Saiwai Trading Co., Ltd.

Major Group Companies (Overseas)

Shanghai Nisshin Oil & Fats, Ltd.
The Nisshin Oillio (China) Investment Co., Ltd.
The Nisshin Oillio (Shanghai) International Trading Co., Ltd.
Intercontinental Specialty Fats Sdn. Bhd.
Industrial Química Lasem, S.A.U.
T.&C. Manufacturing Co., Pte. Ltd.
PT Indoagri Daitocacao
Intercontinental Specialty Fats (Shanghai) Co., Ltd.
Intercontinental Specialty Fats (Italy) S.r.l.
Nisshin Oillio America Inc.
IQL-USA Inc.
COFCO Nisshin (Dalian) Co., Ltd.
President Nisshin Corp.
Zhangjiagang President Nisshin Food Corp.

Notes: 1. Information on this page is valid as of September 30, 2024, except where otherwise noted.  
2. Major Group companies include equity-method affiliates.

Stock Information

Status of Shares (as of March 31, 2024)

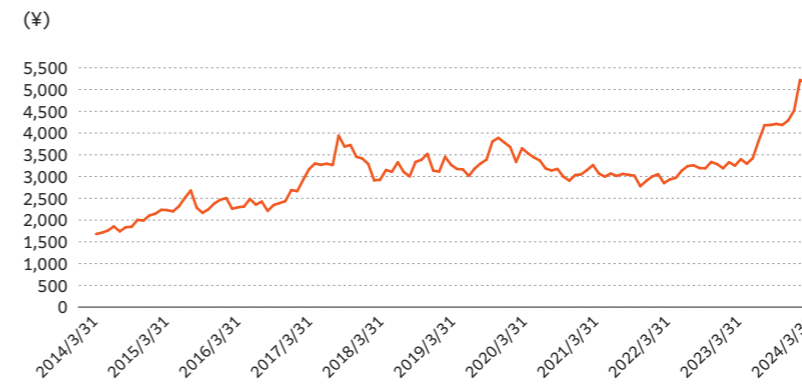
Authorized	77,670,000 shares
Issued	32,576,803 shares (excluding 1,139,454 shares of treasury stock)
Number of shareholders	40,428

Principal Shareholders (as of March 31, 2024)

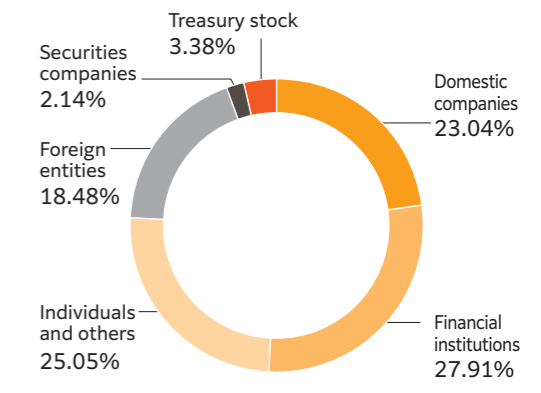
	Shareholdings (thousands)	Percentage of total shares (%)
Marubeni Corporation	5,200	15.96
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,407	13.53
Custody Bank of Japan, Ltd. (Trust Account)	2,647	8.13
DFA International Small Cap Value Portfolio	624	1.92
STATE STREET BANK AND TRUST COMPANY 505223	477	1.47
Kikkoman Corporation	470	1.44
Taisei Corporation	462	1.42
Sompo Japan Insurance Inc.	353	1.08
STATE STREET BANK WEST CLIENT - TREATY 505234	347	1.07
Aioi Nissay Dowa Insurance Co., Ltd.	334	1.03

Notes: 1. The Nisshin Oillio Group holds 1,139,454 shares of treasury stock, but it is not listed among the principal shareholders above.  
2. The percentage of total shares issued is calculated excluding treasury stock.

Changes in Share Price



Breakdown of Shareholders (as of March 31, 2024)



Domestic companies	310 entities; 7,768,812 shares
Financial institutions	31 entities; 9,411,069 shares
Individuals and others	39,777 entities; 8,444,309 shares
Foreign entities	276 entities; 6,229,614 shares
Securities companies	33 entities; 722,999 shares
Treasury stock	1 entity; 1,139,454 shares

Note: The pie chart shows the percentage of shares.

Inclusion in Indexes



Third-Party Certifications



**Websites**

- Corporate Information Site  
<https://www.nisshin-oillio.com/english/>
- Investor Relations  
<https://www.nisshin-oillio.com/english/inv/>
- Sustainability  
<https://www.nisshin-oillio.com/english/sustainability/>
- Sustainability Data Book  
<https://www.nisshin-oillio.com/english/sustainability/report/data.html>