



"The Natural Power of Plants"

## **The Nisshin Oillio Group, Ltd.**

### **First Quarter of FY2021 Supplementary Materials**

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## 1. Summary of Financial Results

### 1-1. Summary for First Quarter FY2021

(Millions of yen)

	First Quarter FY2021	First Quarter FY2020	YoY	
			Change	Change (%)
Net sales	95,175.0	81,059	+14,116	+17.4%
Percentage of overseas sales	19.6%	17.9%	+1.7P	—
Operating profit	3,311	4,685	△1,373	△29.3%
Percentage of operating profit to net sales	3.5%	5.8%	△2.3P	—
Ordinary profit	3,948	4,809	△861	△17.9%
Profit attributable to owners of parent	2,815	3,378	△562	△16.7%

### 1-2. Results by Business Segment

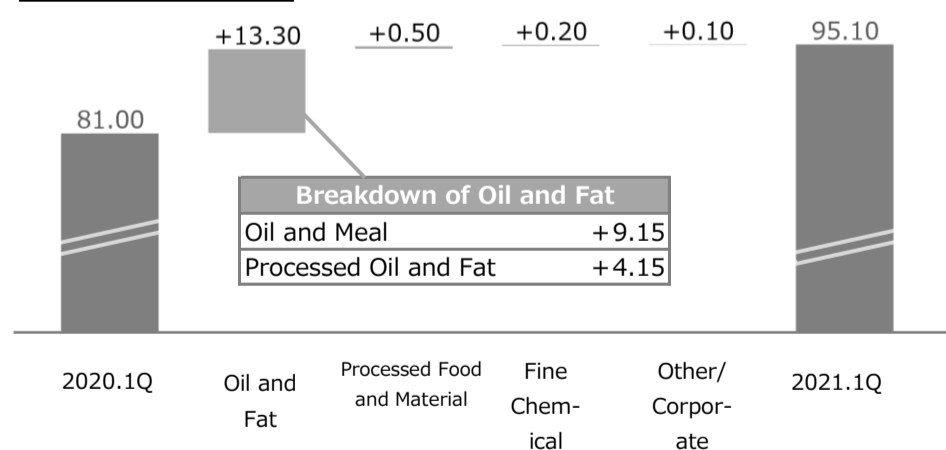
(Millions of yen)

	First Quarter FY2021	First Quarter FY2020	YoY	
			Change	Change (%)
Net sales	95,175	81,059	+14,116	+17.4%
Oil and Fat	77,383	64,055	+13,327	+20.8%
Oil and Meal	59,779	50,630	+9,148	+18.1%
Processed Oil and Fat	17,604	13,425	+4,178	+31.1%
Processed Food and Material	13,096	12,587	+509	+4.0%
Fine Chemical	4,052	3,854	+198	+5.1%
Other/Corporate	642	561	+81	+14.5%
Operating profit	3,311	4,685	△1,373	△29.3%
Oil and Fat	2,598	4,227	△1,628	△38.5%
Oil and Meal	1,309	1,951	△642	△32.9%
Processed Oil and Fat	1,289	2,275	△986	△43.3%
Processed Food and Material	440	302	+138	+45.8%
Fine Chemical	412	408	+4	+1.0%
Other/Corporate	△140	△253	+112	—

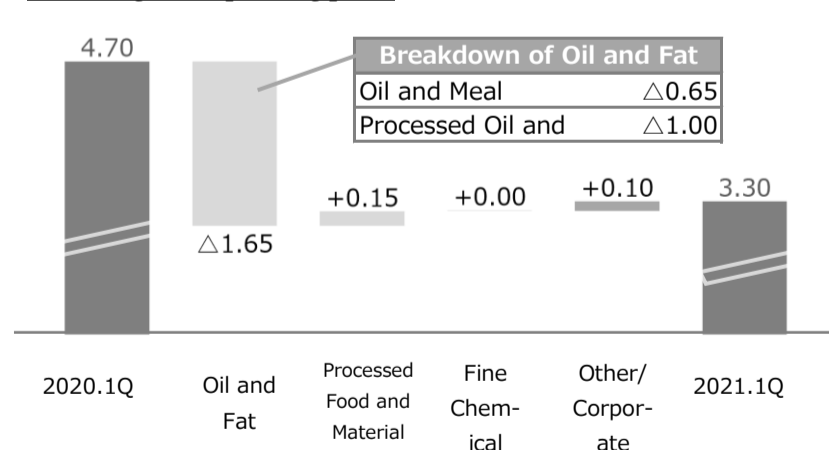
### 1-3. Segment Information: Factors Impacting Net Sales and Operating profit (Year on Year)

(Billions of yen)

#### ■ Changes in net sales



#### ■ Changes in Operating profit



#### <Factors impacting net sales>

- Oil and Fat
  - Revisions to sales prices in connection with an increase in raw material costs (↑)
  - Increase in sales of commercial use products associated with a rebound in demand for eating-out (↑)
  - Decrease in sales volume for household-use products compared with the same period of the previous year, when demand for home cooking surged (↓)
  - Increase in sales of value-added products for household-use products (↑)
- Processed Food and Material
  - Increase in sales of seasonings, MCT products (↑)
- Fine Chemical
  - Increase in sales of raw materials for cosmetics due to rebound in domestic demand in China (↑)

#### <Factors impacting Operating profit>

- Oil and Fat
  - Increase in raw material costs for domestic oil and fat (↓)
  - Increase in raw material costs for overseas processed oil and fat (↓)
  - Decrease in gain on market valuation of palm oil transactions (↓)
- Processed Food and Material
  - Increase in sales of chocolate products due to rebound in demand in Japan and overseas (↑)
- Fine Chemical
  - Increase in sales of raw materials for cosmetics due to rebound in demand in China (↑)
  - Decrease in sales for environment and hygiene-related products (↓)

## 1-4. Segment Information Details

(Billions of yen)

### Oil and Meal (Included in Oil and Fat)

Change is year on year

	Sales		Changes in Operating profit	Remarks
	Composition ratio	Changes		
Domestic oil and fat	49%	+4.65	△0.70	<ul style="list-style-type: none"> <li>Net sales grew due to the revision in the oil and fat sales price, the increase in sales of products for commercial use and for processing use with the rebound in demand from the COVID-19 pandemic, and the rising meal sales prices.</li> <li>Profit decreased due to a significant increase in oil and fat costs from rising raw materials prices and other factors.</li> </ul>
Commercial use and processing use	59%	+4.70		
Household use	41%	△0.05		
Meal	27%	+5.10		
Operating profit	24%	+2.25	+0.05	
Consolidation adjustment etc.	—	△2.85	+0.00	
Oil and meal total	100%	+9.15	△0.65	The sales composition relative to Oil and Fat segment is approximately 77%.

Supplement :  
Value-added products in domestic oil and fat

Sales composition	Changes in net sales
24%	+0.45

※The composition rate represents the share of net sales excluding the consolidation adjustment.

※The composition rate for commercial use and processing use, and household use, represents the share of net sales of domestic oil and fat.

※Consolidation adjustment and others include eliminations on consolidation and the impact of changes in revenue recognition standards.

### Supplement : Breakdown of Changes in Operating profit in Domestic Oil and Fat

	Change	Main factors
Sales volume factors	+0.65	Commercial use and Processing use (+0.60)、Household-use (+0.05)
Sales price factors	+2.15	Commercial use and Processing use (+1.95)、Household-use (+0.20)
Cost factors	△3.20	
Soybean	△1.60	C&F (△5.60)、Foreign exchange (+0.35)、Meal sales (+3.65)
Rapeseed	△3.45	C&F (△5.15)、Foreign exchange (+0.20)、Meal sales (+1.50)
Other products & manufacturing costs	+1.85	
SG&A expenses and others	△0.30	Increases in logistics, sales promotion and other expenses
Total	△0.70	

### Processed Oil and Fat (Included in Oil and Fat)

	Sales composition ratio	Percentage change in sales volume	Changes in Operating profit	Remarks
Overseas processed oil and fat	89%	+14%	△0.80	Sales increased due to greater sales volume and rising sales prices, but earnings decreased due to the significant rise in costs due to rising raw materials costs and decrease in gain on market valuation of the palm oil futures.
Europe	38%	+38%		
Asia	53%	+3%		
Other regions	9%	△2%		
Domestic processed oil and fat	11%	+5%	△0.10	Sales increased due to increase in sales volume in step with a rebound in demand, but earnings decreased due to increase in cost of sales.
Consolidation adjustment and others	—	—	△0.10	
Processed oil and fat total	100%	—	△1.00	The sales composition relative to the Oil and Fat segment is approximately 23%.

Supplement :  
Specialty fats centered on oil and fat for chocolate in overseas processed oil and fat

Sales composition ratio	Percentage change in sales volume
30%	△4%

※The composition rate represents the share of net sales excluding the consolidation adjustment.

### Processed Food and Material

	Sales		Changes in Operating profit	Remarks
	Composition ratio	Change		
Chocolate	44%	+0.30	+0.10	Sales and earnings increased based on increase in sales volume due to a rebound in demand for snacks.
Seasoning	9%	+0.05	△0.05	Sales increased due to higher sales volume, while earnings decreased due to greater SG&A expenses
Functional materials and foods	13%	+0.05	+0.00	Sales and earnings increased due to increased sales volume of MCT
MCT	73%	+0.05		
Soybean materials and foods	34%	+0.50	+0.10	Sales and earnings increased due to increased sales volume and rising prices of soybeans and soybean meal for food
Consolidation adjustment and others	—	△0.40	+0.00	
Processed food and material total	100%	+0.50	+0.15	

※The composition rate represents the share of net sales excluding the consolidation adjustment.

※The composition rate for MCT represents the share of net sales of functional materials and foods.

※Consolidation adjustment and others include eliminations on consolidation and the impact of changes in revenue recognition standards.

### Fine Chemical

	Sales		Changes in Operating profit	Remarks
	Composition ratio	Change		
Fine chemical products	65%	+0.55	+0.05	Sales and earnings increased due to increased sales volume of raw materials for cosmetics in China
Cosmetics	70%	+0.40		
Environment and hygiene-related products	35%	△0.15	△0.05	Sales and earnings decreased due to decreased sales volume of products for commercial use
Consolidation adjustment and others	—	△0.20	+0.00	
Fine chemical total	100%	+0.20	+0.00	

※The composition rate represents the share of net sales excluding the consolidation adjustment.

※The composition rate for raw materials for cosmetics represents the share of net sales of fine chemical products.

※Consolidation adjustment and others include eliminations on consolidation and the impact of changes in revenue recognition standards.

### Main exchange rates (Average rate during period)

	JPY/USD	JPY/EUR	JPY/MYR	JPY/CNY
First Quarter FY2020	108.86	120.08	26.09	15.59
First Quarter FY2021	109.52	131.94	26.10	16.96

## 2. Earnings Forecast for FY2021

### 2-1. Earnings Forecast for FY2021

	FY2021		FY2020		YoY		Initial forecast for		Compared to original forecast	
	Revised forecast①	Results②	Change (①-②)	%	Initial forecast for FY2021③	Change (①-③)	%			
								Change (①-③)	%	
Net sales	400,000	336,306	+63,693	+18.9%	360,000	+40,000	+11.1%			
Operating profit	11,500	12,324	△824	△6.7%	11,500	—	—			
Ordinary profit	12,000	13,836	△1,836	△13.3%	12,000	—	—			
Profit attributable to owners of parent	7,700	9,244	△1,544	△16.7%	7,700	—	—			

### 2-2. Forecast by Segment for FY2021

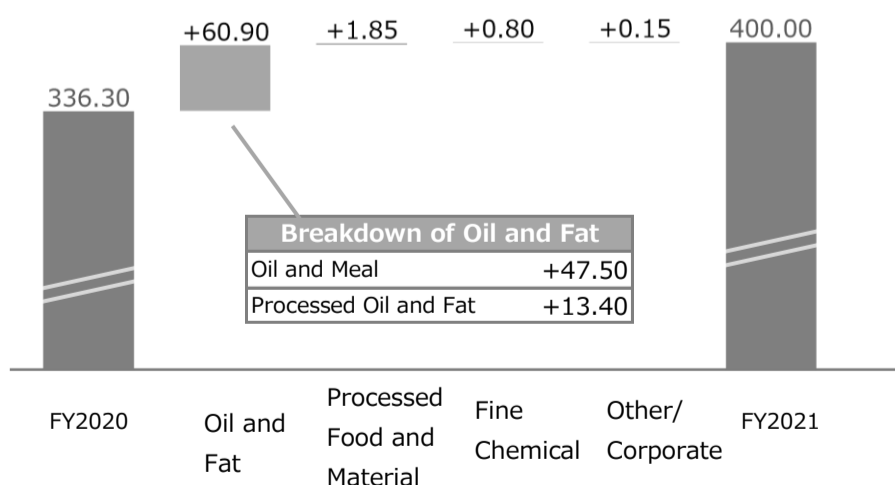
	FY2021		FY2020		YoY		Initial forecast for		Compared to original forecast	
	Revised forecast①	Results②	Change (①-②)	%	Initial forecast for FY2021③	Change (①-③)	%			
								Change (①-③)	%	
Net sales	400,000	336,306	+63,693	+18.9%	360,000	+40,000	+11.1%			
Oil and Fat	327,000	266,132	+60,867	+22.9%	292,000	+35,000	+12.0%			
Oil and Meal	260,000	212,514	+47,485	+22.3%	222,500	+37,500	+16.9%			
Processed Oil and Fat	67,000	53,617	+13,382	+25.0%	69,500	△2,500	△3.6%			
Processed Food and Material	55,000	53,146	+1,853	+3.5%	50,000	+5,000	+10.0%			
Fine Chemical	15,000	14,194	+805	+5.7%	15,000	—	—			
Other/corporate	3,000	2,834	+165	+5.9%	3,000	—	—			
Operating profit	11,500	12,324	△824	△6.7%	11,500	—	—			
Oil and Fat	9,300	10,419	△1,119	△10.7%	9,900	△600	△6.1%			
Oil and Meal	5,950	9,548	△3,598	△37.7%	6,100	△150	△2.5%			
Processed Oil and Fat	3,350	870	+2,479	+284.9%	3,800	△450	△11.8%			
Processed Food and Material	1,700	1,810	△110	△6.1%	1,300	+400	+30.8%			
Fine Chemical	900	792	+107	+13.6%	700	+200	+28.6%			
Other/corporate	△400	△697	+297	—	△400	—	—			

※Numerical figures for FY2020 results based on the new segment classification are estimates and have not been audited by a financial auditor.

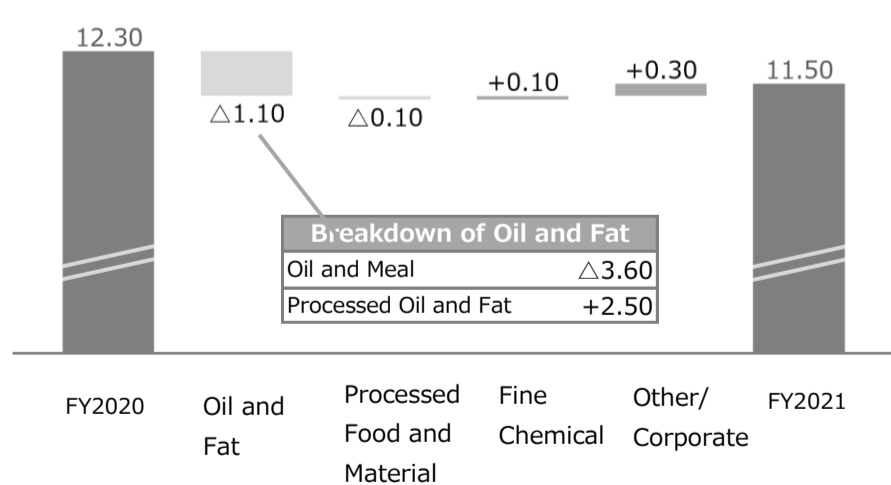
### 2-3. Segment Information: Factors Impacting Net Sales and Operating profit Full Fiscal Year Forecasts (Year on Year)

(Billions of yen)

#### ■ Changes in net sales



#### ■ Changes in Operating profit



#### <Factors impacting net sales>

##### ○Oil and Fat

- Revisions to sales prices in connection with an increase in raw material costs (↑)
- Increase in sales of commercial-use products associated with a rebound in demand for eating-out (↑)
- Decrease in sales for household-use products (↓)

##### ○Processed Food and Material

- Increase in sales of chocolate products in Japan and overseas (↑)
- Increase in sales of seasonings, MCT products

##### ○Fine Chemical

- Increase in sales of raw materials for cosmetics due to a rebound in demand (↑)

#### <Factors impacting Operating profit>

##### ○Oil and Fat

- Rising raw materials costs in Oil and Meal and Processed Oil and Fat (↓)
- Gain on market valuation of palm oil transactions (↑)

##### ○Processed Food and Material

- Increase in sales of chocolate products in Japan and overseas (↑)
- Increase in the depreciation burden in connection with the start of operation of a new plant and rising costs for raw materials for MCT products (↓)

##### ○Fine Chemical

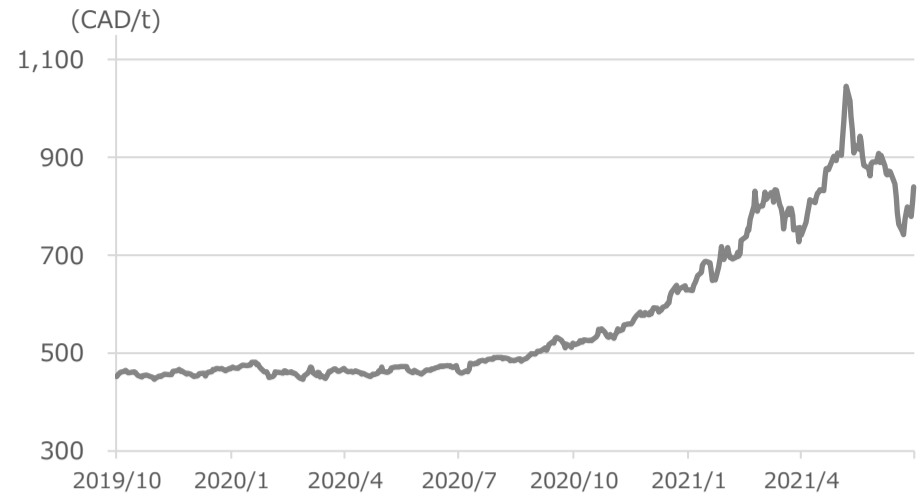
- Increase in sales of raw materials for cosmetics (↑)
- Increase in the depreciation burden in connection with the start of operation of a new plant (↓)

■ Chicago Soybean market



Source : Bloomberg

■ ICE Rapeseed Market



Source : Bloomberg

■ Palm Oil Market



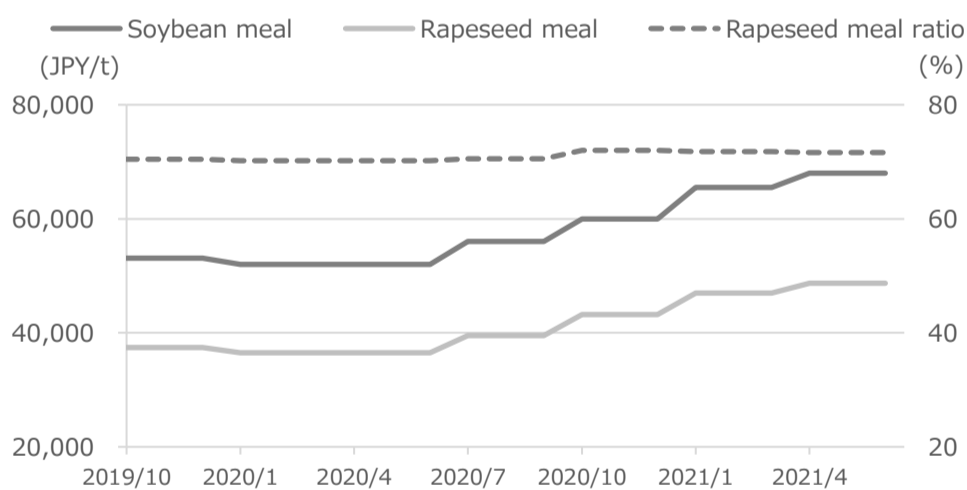
Source : Bloomberg

■ Exchange Rates (JPY/USD)



Source: Bloomberg

■ Average Market Price in the Meal Industry



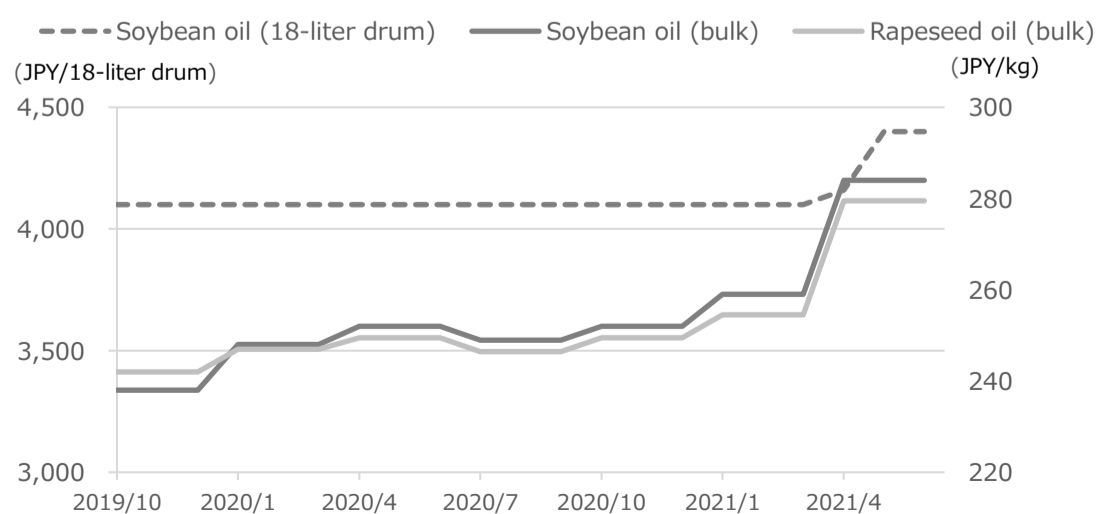
Source: Yushitokuho

■ Meal Value Trends



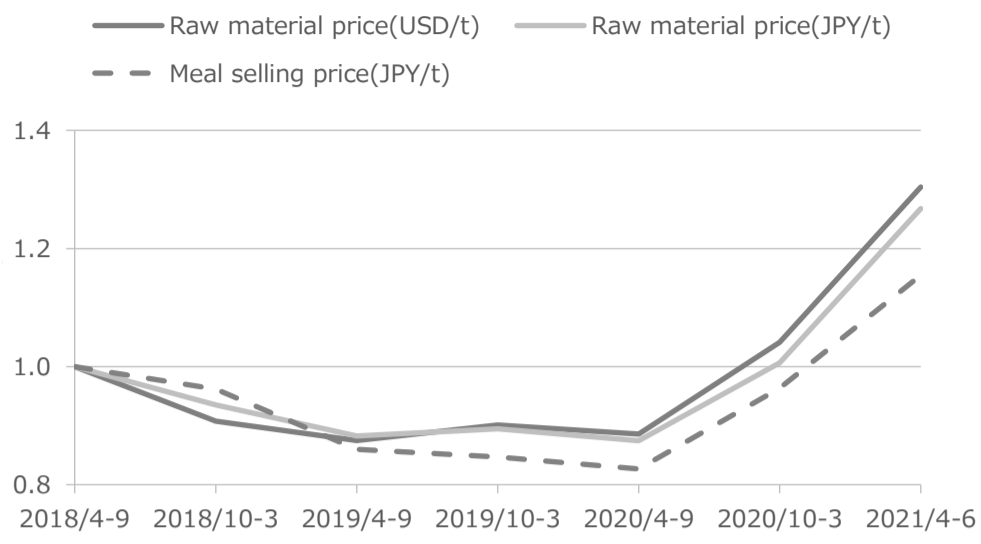
Source: Bloomberg

■ Nikkei Market Price Trends

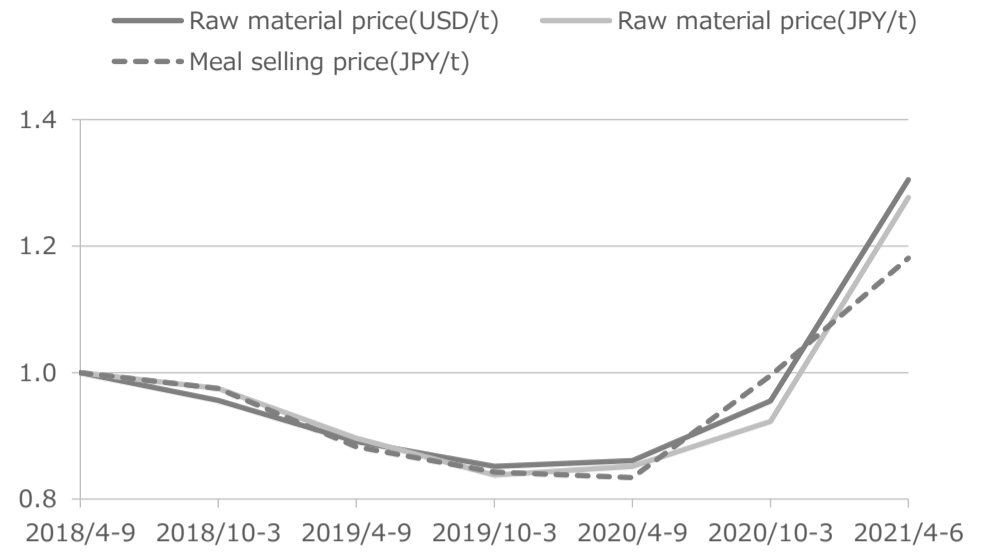


Source: Nikkei Shimbun

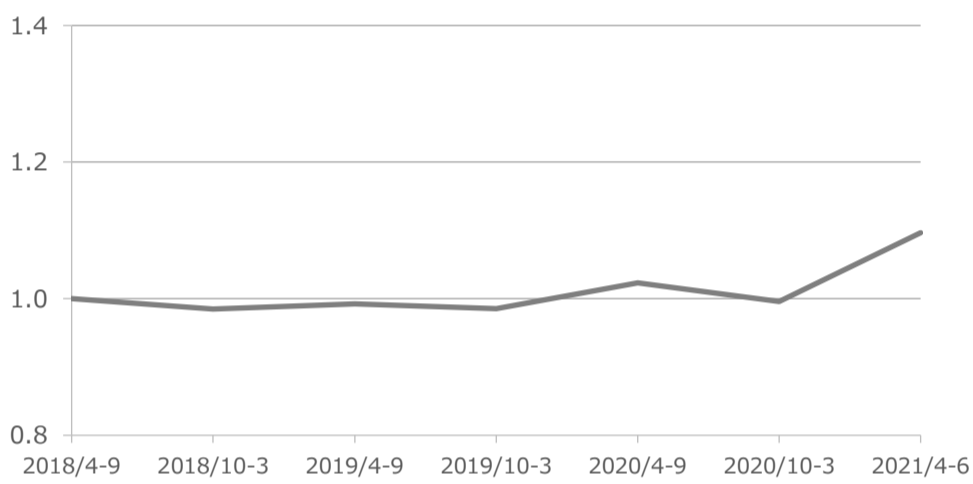
■ Raw Materials and Meal (Soybeans)



■ Raw Materials and Meal (Rapeseed)



■ Selling Prices for Main Oil and Fat Products



※ Indexed with April–September 2018 set as 1.0\*