



# The Nisshin Oillio Group, Ltd.

**FY2021**

## Supplementary Materials

1. Summary of Financial Results
  - 1-1. Summary for FY2021
  - 1-2. Results by Business Segment
  - 1-3. Segment Information: Factors Impacting Net Sales and Operating Profit (Year on Year)
  - 1-4. Segment Information Details
2. Earnings Forecast for FY2022
  - 2-1. Earnings Forecast
  - 2-2. Forecast by Business Segment
  - 2-3. Segment Information: Factors Impacting Net Sales and Operating Profit [Full Fiscal Year Forecasts (Year on Year)]
3. Main Indicators
  - 3-1. Performance Targets
  - 3-2. Balance Sheet Items
  - 3-3. Cash Flow Items

## 1. Summary of Financial Results

### 1-1. Summary for FY2021

(Million yen)

	FY2021	FY2020	YoY	
			Change	Change (%)
Net sales	432,778	336,306	+96,471	+28.7%
Percentage of overseas sales	21.8%	17.5%	+4.3P	—
Operating profit	11,670	12,324	(654)	(5.3%)
Percentage of operating profit to net sales	2.7%	3.7%	(1.0P)	—
Ordinary profit	12,648	13,836	(1,187)	(8.6%)
Profit attributable to owners of parent	8,595	9,244	(649)	(7.0%)

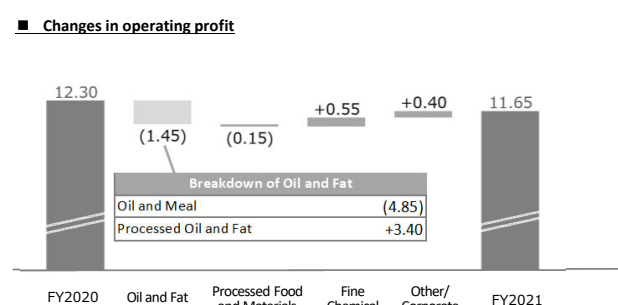
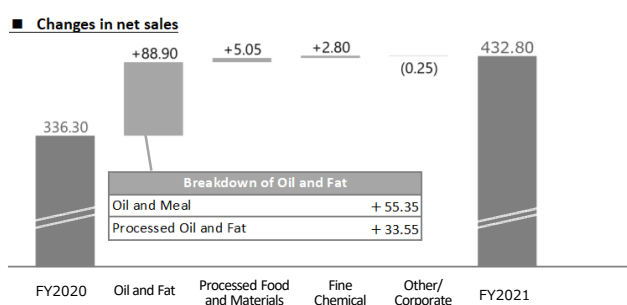
### 1-2. Results by Business Segment

(Million yen)

	FY2021	FY2020	YoY	
			Change	Change (%)
Net sales	432,778	336,306	+96,471	+28.7%
Oil and Fat	355,026	266,132	+88,894	+33.4%
Oil and Meal	267,840	212,514	+55,325	+26.0%
Processed Oil and Fat	87,186	53,617	+33,568	+62.6%
Processed Food and Materials	58,185	53,146	+5,038	+9.5%
Fine Chemical	17,003	14,194	+2,808	+19.8%
Other/Adjustments	2,563	2,834	(270)	(9.6%)
Operating profit	11,670	12,324	(654)	(5.3%)
Oil and Fat	8,975	10,419	(1,444)	(13.9%)
Oil and Meal	4,716	9,548	(4,831)	(50.6%)
Processed Oil and Fat	4,258	870	+3,387	+389.3%
Processed Food and Materials	1,672	1,810	(138)	(7.6%)
Fine Chemical	1,336	792	+544	+68.7%
Other/Adjustments	(314)	(697)	+383	—

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

(Billion yen)



#### <Factors impacting net sales>

##### ■ Oil and Fat

- Revisions to sales prices due to an increase in raw material costs (↑)
- Increase in sales volume of commercial-use products associated with rebound in demand for eating out (↑)
- Decrease in sales volume for general-purpose household-use products compared with the previous year, when demand for home cooking surged (↓)
- Increase both in sales volume and sales prices of meal (↑)

##### ■ Processed Food and Materials

- Increase in sales volume of chocolate products (↑)
- Increase in sales volume of MCT products (↑)
- Revisions to sales prices and an increase in sales volume of soybean material/food product (↑)

##### ■ Fine Chemical

- Increase in domestic and overseas sales volume due to recovery in demand for raw materials for cosmetics (↑)

#### <Factors impacting operating profit>

##### ■ Oil and Fat

- Increase in raw material costs for oil and meal, processed oil and fat (↓)
- Revisions to sales prices due to an increase in raw material costs (↑)
- Increase in earnings on market valuation of palm oil transactions (↑)

##### ■ Processed Food and Materials

- Increase in sales volume of chocolate products and high profit margin products (↑)
- Increase in raw material costs for seasonings such as salad dressings (↓)
- Increase in raw material costs for functional materials and food such as MCT products (↓)

##### ■ Fine Chemical

- Increase in domestic and overseas sales volume due to recovery in demand for raw materials for cosmetics (↑)
- Increase in depreciation costs incurred with the start of operations at the new plant (↓)

## 1-4. Segment Information Details

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

(Million yen; Changes: YoY)

	Net Sales		Changes in operating profit	Remarks
	Results	Changes		
Domestic oil and fat	158,172	+30,485	(5,278)	<ul style="list-style-type: none"> <li>• Net sales increased due to the revision in the oils and fats sales price; an increase in sales of commercial use products; and an increase in sales volume and price in meal.</li> <li>• Despite phased revision of sales prices in response to soaring raw material costs and other factors, profit decreased as there were time lags in the price revisions implemented in response to rising costs during the fiscal year under review, and the price revisions were unable to fully cover the higher costs throughout the term.</li> </ul>
Commercial use and processing use	98,027	+27,436		
Household-use	60,144	+3,049		
Meal	78,271	+23,258		
Subsidiaries	72,558	(9,950)	+320	
Consolidation adjustment and others	(41,162)	+11,532	+125	
Oil and meal total	267,840	+55,325	(4,831)	

Note: Sales of oil and fat for commercial use, processing use and household use are included in domestic sales of oil and fat.

Supplement:  
Value-added products in domestic oil and fat

Sales composition ratio	Changes in net sales
19%	+300

Note:  
Results are calculated by taking into account the impact of the change in revenue recognition standards.

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

(Billion yen)

	Change	Main factors
Sales volume factors	+0.30	Commercial-use and processing-use [+0.45], household-use [(0.15)]
Sales price factors	+33.30	Commercial-use and processing-use [+26.45], household-use [+6.85]
Cost factors	(39.15)	
Soybean	(12.70)	C&F [(23.70)], foreign exchange [(2.40)], meal sales [+13.40]
Rapeseed	(29.15)	C&F [(31.85)], foreign exchange [(2.40)], meal sales [+5.10]
Other products & manufacturing costs	+2.70	Impact of inventory at the beginning and end of term
SG&A expenses and others	+0.25	
Total	(5.30)	

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

(Million yen; Changes: YoY)

	Net sales results	Percentage change in sales volume	Changes in operating profit	Remarks
Overseas processed oil and fat	87,920	+11%	+3,788	<ul style="list-style-type: none"> <li>• Sales increased due to greater sales volume and rising sales prices.</li> <li>• While rising raw material costs are a factor in lower profit, profits increased due to an increase in sales volume and unit sales prices, as well as the impact of the market valuation of palm oil futures (as of March 31, 2021, -600 million yen; as of March 31, 2022, +2,700 million yen).</li> </ul>
Europe	32,929	+36%		
Asia	50,121	(2%)		
Other regions	4,869	+10%		
Domestic processed oil and fat	9,936	+1%	(365)	Sales increased due to increase in sales volume in step with a rebound in demand. However, earnings decreased due to increase in cost of sales.
Consolidation adjustment and others	(10,671)	—	(35)	
Processed oil and fat total	87,186	—	+3,387	

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

Sales composition ratio	Percentage change in sales volume
29%	+3%

### Processed Food and Materials

(Million yen; Changes: YoY)

	Net Sales		Changes in operating profit	Remarks
	Results	Change		
Chocolate	29,884	+1,542	+145	Sales and earnings increased due to higher sales volumes and increased sales of high profit margin products.
Seasoning	4,421	+10	(230)	Sales increased due to increase in sales volume for salad dressings and other products, while earnings decreased due to rising raw material costs.
Functional materials and foods	7,014	+184	(183)	Sales increased due to an increase in MCT sales volume, while earnings decreased due to rising raw material costs.
MCT	5,146	+326		
Soybean materials and foods	20,072	+1,670	+117	Sales and earnings increased due to sales price revisions and increased sales of soybean meal used for manufacturing soysauce.
Consolidation adjustment and others	(3,207)	+1,630	+13	
Processed food and materials total	58,185	+5,038	(138)	

Note: Sales of MCTs are included in sales of functional materials and foods.

### Fine Chemical

(Million yen; Changes: YoY)

	Net Sales		Changes in operating profit	Remarks
	Results	Change		
Fine chemical products	12,540	+3,387	+613	Sales and earnings increased with an increase in sales volume and appropriate pricing driven by recovery in demand for raw materials for cosmetics in Japan and overseas.
Raw materials for cosmetics	8,731	+2,647		
Environment and hygiene-related products	7,025	+114	(90)	Sales rose due to increase in sales volume, but earnings declined due to a decrease in sales of high-margin products.
Consolidation adjustment and others	(2,562)	(692)	+21	
Fine chemical total	17,003	+2,808	+544	

Note: Sales of raw materials for cosmetics are included in fine chemical product sales.

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

	JPY/USD	JPY/EUR	JPY/MYR	JPY/CNY
FY2020	106.76	121.88	25.43	15.48
FY2021	112.39	130.55	26.52	17.51

## 2. Earnings Forecast for FY2022

### 2-1. Earnings Forecast

	FY2022 Forecast	FY2021 Results	YoY	
			Change	Change (%)
Net sales	500,000	432,778	+67,221	+15.5%
Operating profit	13,000	11,670	+1,329	+11.4%
Ordinary profit	13,300	12,648	+651	+5.1%
Profit attributable to owners of parent	9,200	8,595	+604	+7.0%

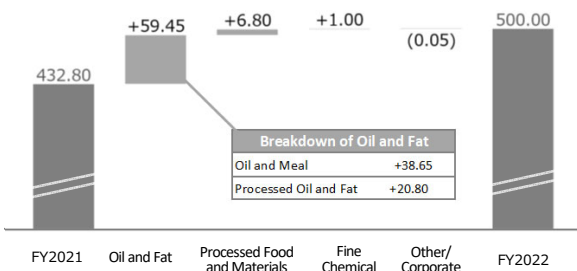
### 2-2. Forecast by Business Segment

	FY2022 Forecast	FY2021 Results	YoY	
			Change	Change (%)
Net sales	500,000	432,778	+67,221	+15.5%
Oil and Fat	414,500	355,026	+59,473	+16.8%
Oil and Meal	306,500	267,840	+38,659	+14.4%
Processed Oil and Fat	108,000	87,186	+20,813	+23.9%
Processed Food and Materials	65,000	58,185	+6,814	+11.7%
Fine Chemical	18,000	17,003	+996	+5.9%
Other/Adjustments	2,500	2,563	(63)	(2.5%)
Operating profit	13,000	11,670	+1,329	+11.4%
Oil and Fat	11,050	8,975	+2,074	+23.1%
Oil and Meal	8,400	4,716	+3,683	+78.1%
Processed Oil and Fat	2,650	4,258	(1,608)	(37.8%)
Processed Food and Materials	1,200	1,672	(472)	(28.2%)
Fine Chemical	1,150	1,336	(186)	(14.0%)
Other/Adjustments	(400)	(314)	(85)	—

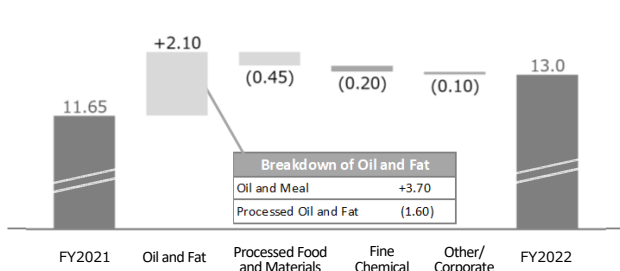
### 2-3. Segment Information: Factors Impacting Net Sales and Operating Profit [Full Fiscal Year Forecasts (Year on Year)]

(Billion yen)

#### Changes in net sales



#### Changes in operating profit



#### <Factors impacting net sales>

##### Oil and Fat

- Revisions to oil and fat sales prices due to further increases in raw material costs (↑)
- Increase in sales volume of commercial-use products due to recovery in demand for eating out (↑)
- Increase in sales volume for household-use products (↑)
- Increase in sales volume and sales prices of meal (↑)

##### Processed Food and Materials

- Increase in sales volume of chocolate products as a result of development of new markets in Japan and overseas (↑)
- Increase in sales volume of seasoning and MCT products (↑)
- Decrease in sales in conjunction with the sale of a consolidated subsidiary (↓)

##### Fine Chemical

- Increase in sales volume and revisions to sales prices of raw materials for cosmetics (↑)
- Decrease in hygiene-related product sales volume (↓)

#### <Factors impacting operating profit>

##### Oil and Fat

- Revisions to oil and fat sales prices due to further increases in raw material costs as well as increases in sales volumes (↑)
- Further increases in raw material costs for oil, meal and processed oils and fats (↓)
- Decrease in earnings on mark-to-market valuation of palm oil transactions (↓)

##### Processed Food and Materials

- Increase in sales volumes of chocolate products and high profit margin products (↑)
- Increase in cost of sales for MCT products in conjunction with further increases in raw material prices (↓)
- Increase in cost of sales for soy-related products in conjunction with further increases in soybean prices (↓)
- Decrease in profit in conjunction with the sale of a consolidated subsidiary (↓)

##### Fine Chemical

- Revisions to sales prices of raw materials for cosmetics (↑)
- Increase in cost of sales for fine chemical products in conjunction with rising raw material prices (↓)
- Increase in depreciation costs incurred with the start of operations at the new plant (↓)

### 3. Main Indicators

#### 3-1. Performance Targets

	Unit	FY2020 Results	FY2021 Results	FY2022 Forecast
Net sales	Million yen	336,306	432,778	500,000
Operating profit	Million yen	12,324	11,670	13,000
ROE	%	6.5%	5.7%	6.0%
Profit margin on sales	%	2.8%	2.0%	1.8%
Total asset turnover	Times	1.2	1.4	1.4
Financial leverage	Times	2.0	2.1	2.3
Operating cash flows	Million yen	6,340	(26,631)	24,500
ROIC	%	4.3%	3.6%	3.6%

#### 3-2. Balance Sheet Items

	Unit	FY2020 Results	FY2021 Results	FY2022 Forecast
Total assets	Million yen	292,154	344,506	360,000
Operating capital	Million yen	89,549	128,157	124,000
Equity (Net worth)	Million yen	145,552	156,225	155,000
Interest-bearing debt	Million yen	55,217	93,566	100,000
Invested capital	Million yen	200,770	249,791	255,000
Equity ratio	%	49.8%	45.3%	43.1%
Net D/E ratio	Times	0.30	0.54	0.51

#### 3-3. Cash Flow Items

	Unit	FY2020 Results	FY2021 Results	FY2022 Forecast
Operating cash flow	Million yen	6,340	(26,631)	24,500
Investment cash flow	Million yen	(14,626)	(9,327)	(17,000)
Free cash flow	Million yen	(8,286)	(35,958)	7,500
Financial cash flow	Million yen	(5,814)	34,473	3,500
Cash conversion cycle	Days	97	96	96

Reference

Chicago Soybean Market

(¢/bu)



Source: Bloomberg

ICE Rapeseed Market

(CAD/t)



Source: Bloomberg

Crude Palm Oil Market

(MYR/t)



Source: Bloomberg

Exchange Rates (JPY/USD)

(JPY/USD)

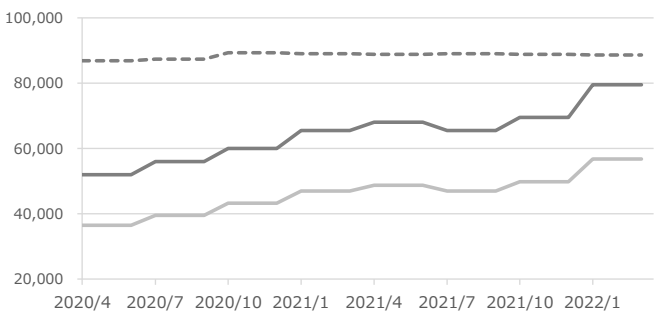


Source: Bloomberg

Average Market Price in the Meal Industry

— Soybean meal (JPY/t) — Rapeseed meal (JPY/t) - - - Rapeseed meal ratio (%)

(JPY/t)



Source: Yushitokuho

Meal Value Trends

(%)



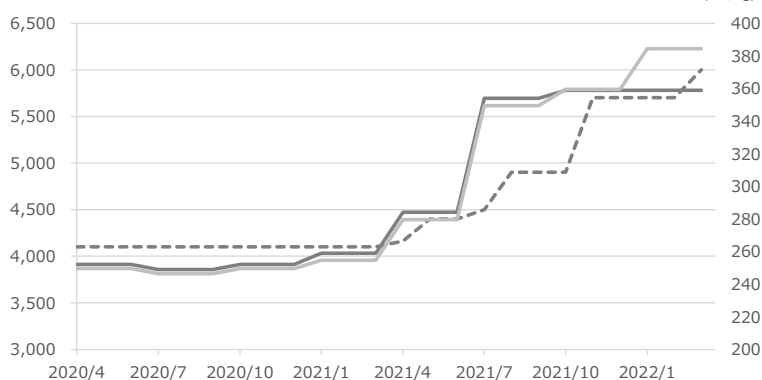
Source: Bloomberg

Nikkei Market Price Trends

- - - Soybean oil (18-liter drum) — Soybean oil (bulk, kg) — Rapeseed oil (bulk, kg)

(JPY/18-liter drum)

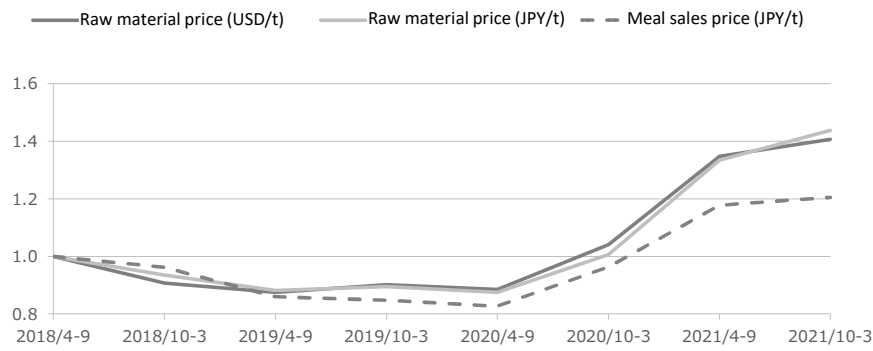
(JPY/kg)



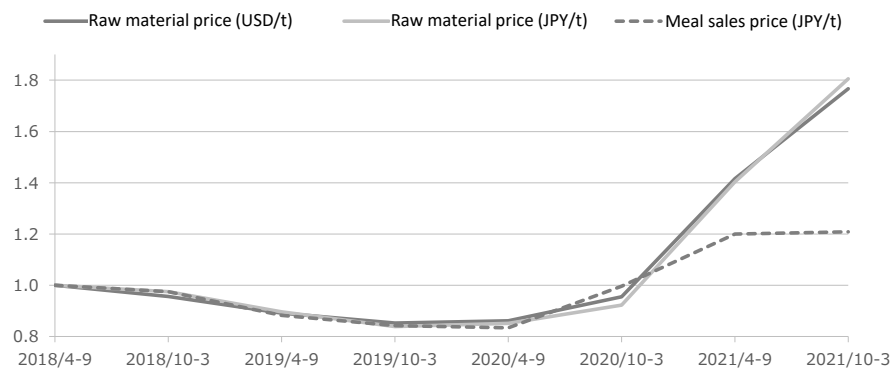
Source: The Nikkei

**Reference**

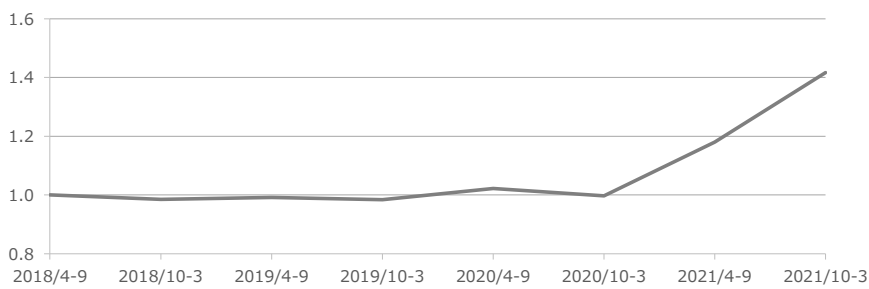
**Raw Materials and Meal (Soybeans)**



**Raw Materials and Meal (Rapeseed)**



**Sales Prices for Main Oil and Fat Products (excluding "Gift" products, weighted average)**



Note: Indexed with April–September 2018 result set as 1.0  
 Source: The Nisshin Oillio Group, Ltd.