



The Nisshin Oillio Group, Ltd.

Third Quarter of FY2022

Supplementary Materials

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1. Summary of Financial Results

1-1. Summary for Third Quarter FY2022

	(Million yen)			
	Third Quarter FY2022	Third Quarter FY2021	YoY	
			Change	Change (%)
Net sales	425,092	313,634	+111,458	+35.5%
Percentage of overseas sales	23.5%	20.5%	+3.0P	—
Operating profit	14,701	9,254	+5,446	+58.8%
Percentage of operating profit to net sales	3.5%	3.0%	+0.5P	—
Ordinary profit	14,755	10,266	+4,488	+43.7%
Profit attributable to owners of parent	10,972	7,331	+3,641	+49.7%

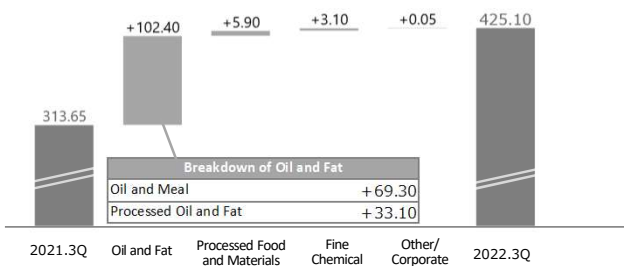
1-2. Results by Business Segment

	(Million yen)			
	Third Quarter FY2022	Third Quarter FY2021	YoY	
			Change	Change (%)
Net sales	425,092	313,634	+111,458	+35.5%
Oil and Fat	359,275	256,870	+102,404	+39.9%
Oil and Meal	266,390	197,076	+69,314	+35.2%
Processed Oil and Fat	92,884	59,794	+33,090	+55.3%
Processed Food and Materials	48,107	42,226	+5,880	+13.9%
Fine Chemical	15,743	12,620	+3,123	+24.7%
Other/Adjustments	1,965	1,916	+49	+2.6%
Operating profit	14,701	9,254	+5,446	+58.8%
Oil and Fat	13,350	6,881	+6,469	+94.0%
Oil and Meal	7,969	3,616	+4,353	+120.4%
Processed Oil and Fat	5,380	3,264	+2,116	+64.8%
Processed Food and Materials	460	1,529	(1,068)	(69.9%)
Fine Chemical	1,252	1,165	+86	+7.4%
Other/Adjustments	(362)	(321)	(40)	—

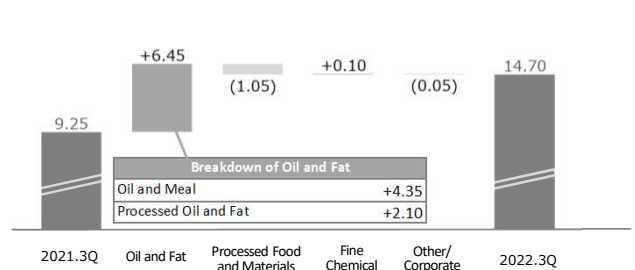
1-3. Segment Information: Factors Impacting Net Sales and Operating Profit (Year on Year)

(Billion yen)

■ Changes in net sales



■ Changes in operating profit



<Factors impacting net sales>

■ Oil and Fat

- Revisions to sales prices due to an increase in raw material costs (↑)
- Increase in sales volume of household-use products (↑)
- Increase in both sales volume and sales prices of meal (↑)
- Foreign currency translation effects of overseas subsidiaries (↑)

■ Processed Food and Materials

- Revisions to sales prices of chocolate products, MCT products, and soybean material/food product (↑)
- Foreign currency translation effects of overseas subsidiaries (↑)

■ Fine Chemical

- Revisions to sales prices of fine chemical product (↑)
- Increase in sales volume of alcohol preparations (↑)

<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 (↑)
- Foreign currency translation effects of overseas subsidiaries (↑)
- Decrease in earnings on mark-to-market valuation of palm oil transactions (↓)

■ Processed Food and Materials

- Increase in cost rate for chocolate products and decrease in sales volume of premixed products (↓)
- Increase in raw material costs for seasonings, MCT products and soybean-related products (↓)
- Increase in selling, general and administrative expenses of seasonings and MCT products (↓)

■ Fine Chemical

- Revisions to sales prices and higher sales volumes generated by European subsidiaries (↑)
- Increase in raw material costs and depreciation costs incurred with the start of operations at new plant (↓)
- Increase in raw material costs for hygiene-related products (↓)

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	157,683	+42,641		
Commercial-use and processing-use	99,681	+29,552	+4,239	Net sales and profits increased due to sale price revision in conjunction with an increase in raw material costs of oils and fats; an increase in sales volume of household-use products; and an increase in sales volume and prices for meals.
Household-use	58,001	+13,088		
Meal	83,120	+24,519		
Subsidiaries	62,719	+8,693	+121	
Consolidation adjustment and others	(37,133)	(6,539)	(8)	
Oil and meal total	266,390	+69,314	+4,353	

Supplement: Value-added products in domestic oil and fat

Sales composition ratio	Changes in net sales
17%	+2,374

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

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

(Billion yen)

	Change	Main factors
Sales volume factors	+0.10	Commercial-use and processing-use [(0.35)], household-use [+0.45]
Sales price factors	+41.55	Commercial-use and processing-use [+30.70], household-use [+10.85]
Cost factors	(35.30)	
Soybean	(8.80)	C&F [(11.15)], foreign exchange [(12.70)], meal sales [+15.05]
Rapeseed	(18.55)	C&F [(15.55)], foreign exchange [(8.90)], meal sales [+5.90]
Other products & manufacturing costs	(7.95)	Cost increase in palm oil
SG&A expenses and others	(2.10)	
Total	+4.25	

Supplement: Percentage change in sales volume of overseas processed oil and fat segment

	YoY change
Overseas processed oil and fat	(4%)
Europe	(9%)
Asia	(2%)
Other regions	+24%

Processed Oil and Fat (Included in Oil and Fat)

(Million yen; Changes: YoY)

	Net Sales		Changes in operating profit	Remarks
	Results	Change		
Overseas processed oil and fat	98,548	+38,636		
Europe	42,456	+18,524	+2,417	<ul style="list-style-type: none"> Sales increased due to rising sales prices and foreign currency translation effects. Although there were factors pulling profits down, such as an increase in raw material costs and the mark-to-market valuation of palm oil transactions (as of Dec. 31, 2022: +1.50 billion yen; as of Dec. 31, 2021: +2.15 billion yen), profits increased due to an increase in sales volume and unit sales prices for oils and fats used in chocolate, as well as foreign currency translations due to the declining value of the yen.
Asia	49,289	+16,569		
Other regions	6,801	+3,542		
Domestic processed oil and fat	10,028	+2,647	(316)	Net sales increased due to sales price revision, but profits declined due to a higher cost of sales.
Consolidation adjustment and others	(15,692)	(8,193)	+14	
Processed oil and fat total	92,884	+33,090	+2,116	

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

Sales composition ratio	Change in sales volume YoY
37%	+3%

Processed Food and Materials

(Million yen; Changes: YoY)

	Net Sales		Changes in operating profit	Remarks
	Results	Change		
Chocolate	25,393	+3,772	(406)	Net sales increased due to foreign currency translation effects of overseas subsidiaries, but profit declined due to a higher cost ratio.
Seasoning	3,424	+77	(52)	Net sales increased due to sales price revision, but profit declined due to increase in costs of raw materials and increase in selling, general and administrative expenses.
Functional materials and foods	5,981	+656	(400)	Net sales increased due to MCT sales price revision, but profit declined due to higher raw material costs and increase in selling, general and administrative expenses.
MCT	4,609	+712		
Soybean materials and foods	16,242	+1,765	(206)	Net sales increased due to sales price revision, but profit declined due to increase in costs of raw materials.
Consolidation adjustment and others	(2,934)	(391)	(2)	
Processed food and materials total	48,107	+5,880	(1,068)	

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	12,825	+3,636	+157	Net sales and profits increased due to sales price revision and higher sales volumes generated by subsidiaries.
Environment and hygiene-related products	5,490	+134	(52)	Net sales increased due to increase in sales volumes, but profit declined due to increase in costs of raw materials.
Consolidation adjustment and others	(2,571)	(647)	(18)	
Fine chemical total	15,743	+3,123	+86	

Supplement: Raw materials for cosmetics

Net sales	Change
7,698	+2,137

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	JPY/IDR
Third Quarter FY2021	111.14	130.60	26.30	17.26	0.0078
Third Quarter FY2022	136.49	140.60	30.56	19.88	0.0091

2. Earnings Forecast for FY2022

2-1. Earnings Forecast

	FY2022 Forecast	FY2021 Results	YoY		(Million yen)		
			Change	Change (%)	Forecast as of Nov. 2022	Comparison with Nov. 2022 forecast	
					Change	Change (%)	
Net sales	550,000	432,778	+117,221	+27.1%	500,000	+50,000	+10.0%
Operating profit	14,700	11,670	+3,029	+26.0%	13,000	+1,700	+13.1%
Ordinary profit	15,000	12,648	+2,351	+18.6%	13,300	+1,700	+12.8%
Profit attributable to owners of parent	9,800	8,595	+1,204	+14.0%	9,200	+600	+6.5%

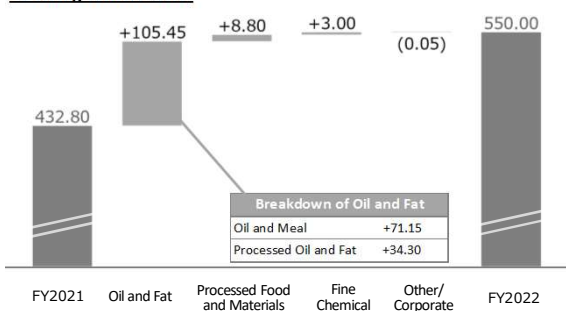
2-2. Forecast by Business Segment

	FY2022 Forecast	FY2021 Results	YoY		(Million yen)		
			Change	Change (%)	Forecast as of Nov. 2022	Comparison with Nov. 2022 forecast	
					Change	Change (%)	
Net sales	550,000	432,778	+117,221	+27.1%	500,000	+50,000	+10.0%
Oil and Fat	460,500	355,026	+105,473	+29.7%	416,500	+44,000	+10.6%
Oil and Meal	339,000	267,840	+71,159	+26.6%	306,500	+32,500	+10.6%
Processed Oil and Fat	121,500	87,186	+34,313	+39.4%	110,000	+11,500	+10.5%
Processed Food and Materials	67,000	58,185	+8,814	+15.1%	63,000	+4,000	+6.3%
Fine Chemical	20,000	17,003	+2,996	+17.6%	18,000	+2,000	+11.1%
Other/Adjustments	2,500	2,563	(63)	(2.5%)	2,500	0	—
Operating profit	14,700	11,670	+3,029	+26.0%	13,000	+1,700	+13.1%
Oil and Fat	13,300	8,975	+4,324	+48.2%	11,800	+1,500	+12.7%
Oil and Meal	8,600	4,716	+3,883	+82.4%	8,400	+200	+2.4%
Processed Oil and Fat	4,700	4,258	+441	+10.4%	3,400	+1,300	+38.2%
Processed Food and Materials	600	1,672	(1,072)	(64.1%)	500	+100	+20.0%
Fine Chemical	1,250	1,336	(86)	(6.5%)	1,200	+50	+4.2%
Other/Adjustments	(450)	(314)	(135)	—	(500)	+50	—

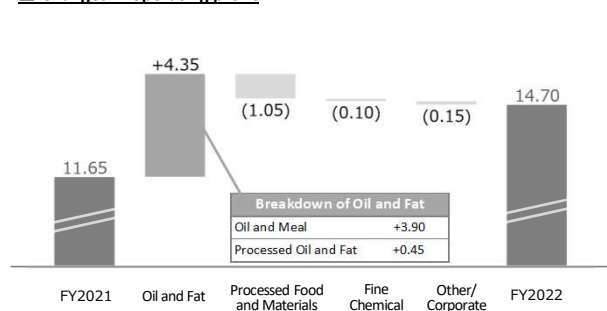
2-3. Segment Information: Factors Impacting Net Sales and Operating Profit [Full Fiscal Year Forecasts (Year on Year)]

(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 increases in raw material costs (↑)
- Increase in sales volume of household-use products (↑)
- Increase in sales volume and sales prices of meal (↑)
- Foreign currency translation effects of overseas subsidiaries (↑)

■ Processed Food and Materials

- Revisions to sales prices of chocolate products, MCT products, and soybean material/food product (↑)
- Foreign currency translation effects of overseas subsidiaries (↑)

■ Fine Chemical

- Revisions to sales prices of fine chemical product (↑)
- Increase in sales volume of alcohol preparations (↑)

<Factors impacting operating profit>

■ Oil and Fat

- Increases in raw material costs for oil, meal and processed oils and fats (↓)
- Revisions to sales prices due to increases in raw material costs (↑)
- Foreign currency translation effects of overseas subsidiaries (↑)
- Decrease in earnings on mark-to-market valuation of palm oil transactions (↓)

■ Processed Food and Materials

- Increase in cost rate for chocolate products and decrease in sales volume of premixed products (↓)
- Increase in raw material costs for seasonings, MCT products and soybean-related products (↓)
- Increase in selling, general and administrative expenses of seasonings and MCT products (↓)

■ Fine Chemical

- Revisions to sales prices and higher sales volumes generated by European subsidiaries (↑)
- Increase in raw material costs and depreciation costs incurred with the start of operations at new plant (↓)
- Increase in raw material costs for hygiene-related products (↓)

2-4. Segment Information Details

Oil and Meal (Included in Oil and Fat)

(Million yen; Changes: YoY)

	Net Sales		Changes in operating profit	Remarks
	Forecast	Change		
Domestic oil and fat	206,947	+48,775	+3,884	Net sales and profits will increase due to sale price revision in conjunction with increase in raw material costs of oils and fats; an increase in sales volume of household-use products; and an increase in sales volume and prices for meals
Commercial-use and processing-use	131,630	+33,602		
Household-use	75,316	+15,172		
Meal	109,269	+30,997		
Subsidiaries	81,205	+8,647	23	
Consolidation adjustment and others	(58,423)	(17,260)	(24)	
Oil and meal total	339,000	+71,159	+3,883	

Supplement: Value-added products in domestic oil and fat

Sales composition ratio	Changes in net sales
16%	+2,939

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

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

(Billion yen)

	Change	Main factors
Sales volume factors	(0.35)	Commercial-use and processing-use [(0.70)], household-use [+0.35]
Sales price factors	+49.80	Commercial-use and processing-use [+36.55], household-use [+13.25]
Cost factors	(42.10)	
Soybean	(11.75)	C&F [(13.50)], foreign exchange [(17.70)], meal sales [+19.45]
Rapeseed	(18.45)	C&F [(13.55)], foreign exchange [(12.60)], meal sales [+7.70]
Other products & manufacturing costs	(11.90)	Cost increase in palm oil
SG&A expenses and others	(3.45)	
Total	+3.90	

Supplement: Percentage change in sales volume of overseas processed oil and fat segment

	YoY change
Overseas processed oil and fat	(6%)
Europe	(11%)
Asia	(6%)
Other regions	+46%

Processed Oil and Fat (Included in Oil and Fat)

(Million yen; Changes: YoY)

	Net Sales		Changes in operating profit	Remarks
	Forecast	Change		
Overseas processed oil and fat	130,490	+42,569	+664	<ul style="list-style-type: none"> Net sales will increase due to rising sales prices and foreign exchange impact. Although there are factors pulling profits down, such as an increase in raw material costs and the mark-to-market valuation of palm oil transactions (for FY2022: +0.5 billion yen; for FY2021: +2.7 billion yen), profits will increase due to an increase in sales volume and unit sales prices for oils and fats used in chocolate.
Europe	53,569	+20,639		
Asia	66,223	+16,102		
Other regions	10,696	+5,826		
Domestic processed oil and fat	13,564	+3,627	(173)	Net sales will increase due to sales price revision, but profits will decline due to a higher cost of sales.
Consolidation adjustment and others	(22,555)	(11,884)	(49)	
Processed oil and fat total	121,500	+34,313	+441	

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

Sales composition ratio	Change in sales volume YoY
37%	+10%

Processed Food and Materials

(Million yen; Changes: YoY)

	Net Sales		Changes in operating profit	Remarks
	Forecast	Change		
Chocolate	34,510	+4,626	(258)	Net sales will increase due to foreign currency translation effects of overseas subsidiaries, but profits will decline due to a higher cost ratio.
Seasoning	4,531	+109	(47)	Net sales will increase due to sales price revision, but profits will decline due to higher raw material costs and increase in selling, general and administrative expenses.
Functional materials and foods	8,265	+1,251	(474)	Net sales will increase due to MCT sales price revision, but profits will decline due to higher raw material costs and increase in selling, general and administrative expenses.
MCT	6,361	+1,215		
Soybean materials and foods	23,413	+3,341	(278)	Net sales will increase due to sales price revision, but profits will decline due to increase in costs of raw materials.
Consolidation adjustment and others	(3,722)	(514)	(13)	
Processed food and materials total	67,000	+8,814	(1,072)	

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
	Forecast	Change		
Fine chemical products	16,854	+4,313	+23	Despite impact from higher costs for raw materials, net sales and profits will increase due to sales price revisions.
Environment and hygiene-related products	6,947	(77)	(89)	Net sales and profits will decrease due to decrease in sales volumes of high-functional products and higher prices for raw materials.
Consolidation adjustment and others	(3,801)	(1,239)	(20)	
Fine chemical total	20,000	+2,996	(86)	

Supplement: Raw materials for cosmetics

Net sales	Change
10,128	+2,306

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	JPY/IDR
FY2021	112.39	130.55	26.52	17.51	0.0078
FY2022	136.14	140.58	30.52	19.84	0.0091

Reference

Chicago Soybean Market



Source: Bloomberg

ICE Rapeseed Market



Source: Bloomberg

Crude Palm Oil Market



Source: Bloomberg

Exchange Rates (JPY/USD)



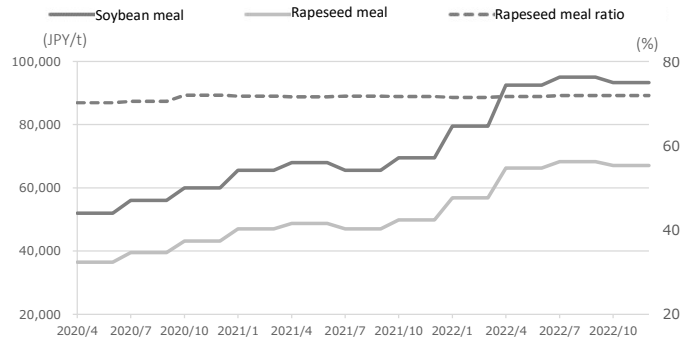
Source: Bloomberg

Meal Value Trends



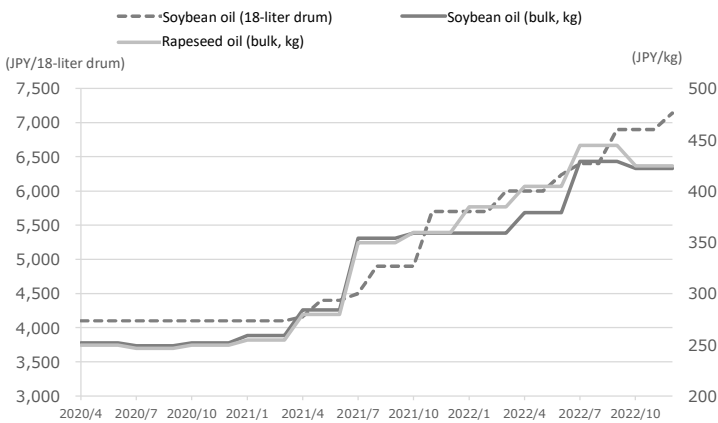
Source: Bloomberg

Average Market Price in the Meal Industry



Source: Yushitokuho

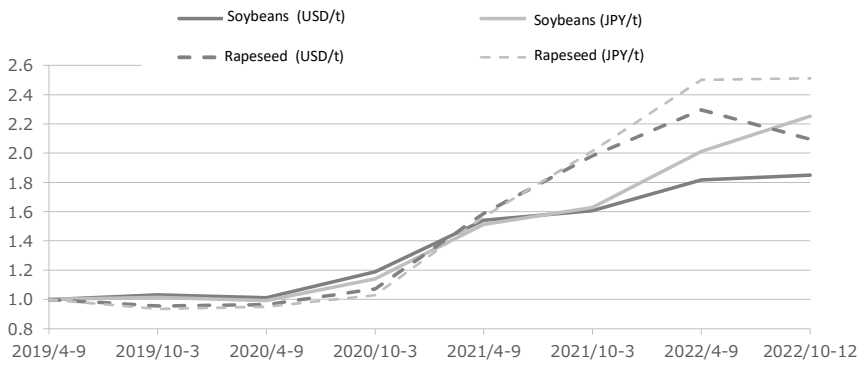
Nikkei Market Price Trends



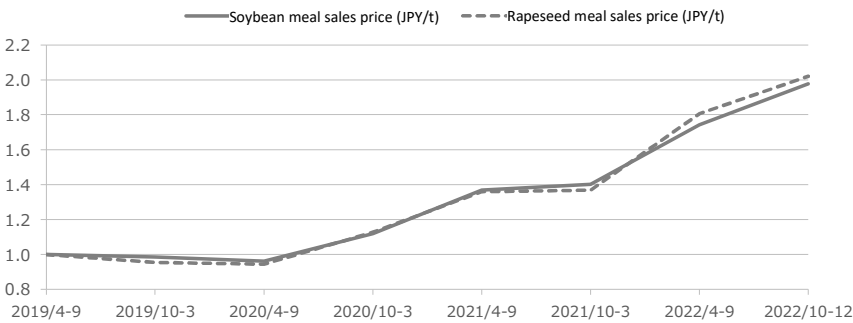
Source: The Nikkei

Reference

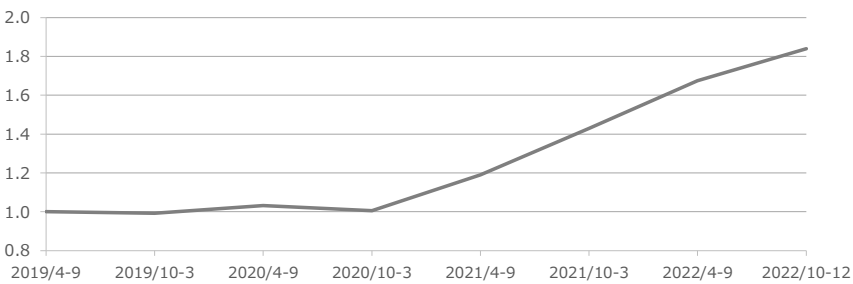
Raw Materials (Soybeans and Rapeseed)



Meal (Soybeans and Rapeseed)



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



Note: Indexed with April–September 2019 result set as 1.0
 Source: The Nisshin OilliO Group, Ltd.