



"The Natural Power of Plants"

The Nisshin Oillio Group, Ltd.

First Quarter of FY2023

Supplementary Materials

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1. Summary of Financial Results

1-1. Summary for First Quarter FY2023

	(Million yen)			
	First Quarter FY2023	First Quarter FY2022	YoY	
			Change	Change (%)
Net sales	128,740	138,224	(9,483)	(6.9%)
Percentage of overseas sales	18.3%	25.4%	—	(7.1P)
Operating profit	6,334	4,967	+1,367	+27.5%
Percentage of operating profit to net sales	4.9%	3.6%	—	+1.3P
Ordinary profit	6,554	5,036	+1,517	+30.1%
Profit attributable to owners of parent	5,037	4,395	+641	+14.6%

1-2. Results by Business Segment

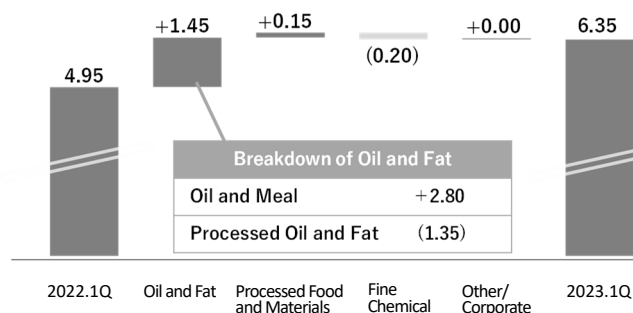
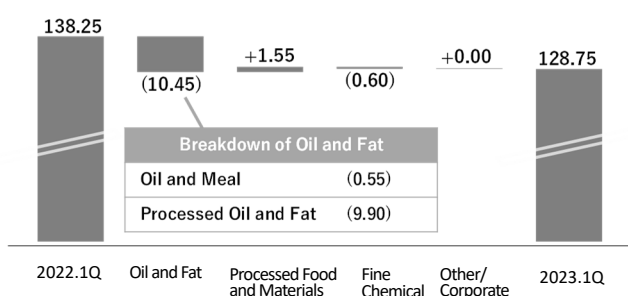
	(Million yen)			
	First Quarter FY2023	First Quarter FY2022	YoY	
			Change	Change (%)
Net sales	128,740	138,224	(9,483)	(6.9%)
Oil and Fat	106,465	116,930	(10,464)	(8.9%)
Oil and Meal	84,046	84,611	(564)	(0.7%)
Processed Oil and Fat	22,418	32,318	(9,899)	(30.6%)
Processed Food and Materials	17,010	15,441	+1,568	+10.2%
Fine Chemical	4,643	5,235	(591)	(11.3%)
Other/Adjustments	621	617	+3	+0.6%
Operating profit	6,334	4,967	+1,367	+27.5%
Oil and Fat	5,896	4,453	+1,442	+32.4%
Oil and Meal	4,842	2,041	+2,800	+137.2%
Processed Oil and Fat	1,053	2,412	(1,358)	(56.3%)
Processed Food and Materials	194	66	+128	+192.5%
Fine Chemical	312	542	(229)	(42.3%)
Other/Adjustments	(69)	(95)	+25	—

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

■ Changes in net sales

■ Changes in operating profit

(Billion yen)



< Factors impacting net sales >

■ Oil and Fat

- Increase in unit sales prices of oil and fat, and meal (↑)
- Decrease in sales volume of commercial-use and household-use products (↓)
- Decrease in sales volume of meal in conjunction with decrease in the crushing volume (↓)
- Decrease in unit sales prices of overseas processed oil and fat in conjunction with falling market prices for palm oil (↓)

■ Processed Food and Materials

- Revisions to sales prices of chocolate products, MCT products, and soybean material/food product (↑)

■ Fine Chemical

- Decrease in sales volume and unit sales prices at European subsidiary (↓)
- Revisions to sales prices of raw materials for cosmetics in Japan (↑)
- Decrease in sales volume of hygiene-related products (↓)

< Factors impacting operating profit >

■ Oil and Fat

- Sales of oil and fat at appropriate prices (↑)
- Decrease in sales volume of commercial-use and household-use products (↓)
- Decrease in earnings on mark-to-market valuation of palm oil transactions (↓)

■ Processed Food and Materials

- Revisions to sales prices of chocolate products, MCT products, and soybean material/food product (↑)
- Increase in raw material costs for seasonings, MCT products and soybean-related products (↓)
- Increase in SG&A expenses of MCT products (↓)

■ Fine Chemical

- Decrease in sales volume and unit sales prices at European subsidiary (↓)
- 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	51,215	+438	+2,734	Despite some factors that reduced sales including decreased sales volumes of commercial-use and household-use products, sales and profit increased due to the effects of sales price revisions implemented up to the previous fiscal year resulting in higher unit sales prices.
Commercial-use and processing-use	32,653	+804		
Household-use	18,561	(366)		
Meal	24,996	+281		
Subsidiaries	20,035	(1,249)	(0)	
Consolidation adjustment and others	(12,200)	(34)	+66	
Oil and meal total	84,046	(564)	+2,800	

Supplement: Value-added products in domestic oil and fat

Net sales composition ratio	YoY change in net sales
16%	(120)

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

(Billion yen)

	Changes	Main Factors
Sales volume factors	(0.80)	Commercial-use and processing-use [(0.35)], household-use [(0.45)]
Unit sales price factors	+4.80	Commercial-use and processing-use [+2.70], household-use [+2.10]
Cost factors	(0.95)	
Soybean	(0.35)	C&F [+0.10], foreign exchange [(3.15)], meal sales [+2.70]
Rapeseed	+4.10	C&F [+5.55], foreign exchange [(2.50)], meal sales [+1.05]
Other products & manufacturing costs	(4.70)	Effects from inventory and other factors
SG&A expenses and others	(0.30)	
Total	+2.75	

Processed Oil and Fat (Included in Oil and Fat)

(Million yen; Changes: YoY)

	Net Sales		Changes in Operating Profit	Remarks
	Results	Changes		
Overseas processed oil and fat	23,035	(12,055)	(1,742)	<ul style="list-style-type: none"> · Sales decreased due to lower sales prices in conjunction with a decline in palm oil market prices. · Profits decreased due to higher manufacturing expenses and other factors as well as a decline in mark-to-market valuation of palm oil transactions (as of June 30, 2023: +0.25 billion yen; as of June 30, 2022: +1.45 billion yen)
Europe	9,513	(5,788)		
Asia	12,056	(5,352)		
Other regions	1,465	(915)		
Domestic processed oil and fat	3,625	+663	+338	Net sales and profits increased as a result of sales price revisions implemented in conjunction with higher costs for utilities and raw materials.
Consolidation adjustment and others	(4,242)	+1,492	+46	
Processed oil and fat total	22,418	(9,899)	(1,358)	

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

	YoY changes
Overseas processed oil and fat	(7%)
Europe	(25%)
Asia	+11%
Other regions	(33%)

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%	(15%)

Supplement: Breakdown of Changes in Operating Profit in ISF (Malaysia)

(Billion yen)

	Changes	Main Factors
Sales volume factors	(0.05)	Specialty fats [(0.05)], other commodity products [+0.00]
Unit sales price factors	(11.45)	Specialty fats [(2.25)], other commodity products [(9.20)]
Cost factors	+10.95	
Raw material costs	+11.65	
Manufacturing costs and others	(0.70)	
SG&A expenses and others	+0.05	
Mark-to-market valuation of palm oil transactions	(1.20)	As of June 30, 2023: +0.25 billion yen; as of June 30, 2022: +1.45 billion yen
Total	(1.70)	

Processed Food and Materials

(Million yen; Changes: YoY)

	Net Sales		Changes in Operating Profit	Remarks
	Results	Changes		
Chocolate	8,383	+431	+238	Raw material costs increased, but net sales and profits increased due to sales price revision.
Seasoning	1,315	+27	(40)	Net sales increased due to sales price revisions, but profit declined as a result of higher raw materials costs.
Functional materials and foods	2,386	+523	(79)	Net sales increased due to MCT sales price revision, but profit declined due to higher raw material costs and increase in SG&A expenses.
MCT	1,922	+477		
Soybean materials and foods	5,756	+340	+6	Net sales and profit increased as a result of sales price revisions implemented in conjunction with higher raw materials costs.
Consolidation adjustment and others	(832)	+246	+3	
Processed food and materials total	17,010	+1,568	+128	

Fine Chemical

(Million yen; Changes: YoY)

	Net Sales		Changes in Operating Profit	Remarks
	Results	Changes		
Fine chemical products	3,919	(272)	(113)	Net sales and profit decreased due to lower sales volume and lower sales prices at European subsidiary.
Environment and hygiene-related products	1,591	(256)	(62)	Net sales and profit decreased due to lower sales volumes and higher raw materials costs.
Consolidation adjustment and others	(867)	(62)	(54)	
Fine chemical total	4,643	(591)	(229)	

Supplement: Raw materials for cosmetics

Net Sales	YoY change
2,236	(173)

Note: Sales of raw materials for cosmetics are included in the net sales of fine chemical products .

Key exchange rates (Average rate during period)

	JPY/USD	JPY/EUR	JPY/MYR	JPY/CNY	JPY/IDR
First Quarter FY2022	129.73	138.26	29.85	19.61	0.0089
First Quarter FY2023	137.49	149.58	30.38	19.56	0.0092

2. Earnings Forecast for FY2023

2-1. Earnings Forecast

(Million yen)

	FY2023 Forecast	FY2022 Results	YoY	
			Change	Change (%)
Net sales	540,000	556,565	(16,565)	(3.0%)
Operating profit	16,000	16,186	(186)	(1.1%)
Ordinary profit	16,000	16,242	(242)	(1.5%)
Profit attributable to owners of parent	11,500	11,157	+342	+3.1%

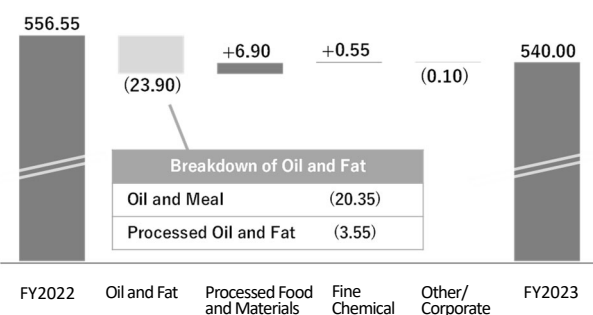
2-2. Forecast by Business Segment

(Million yen)

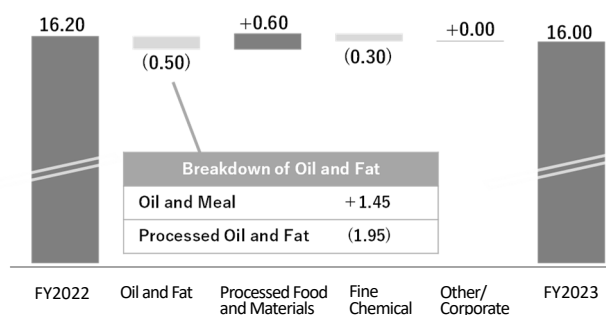
	FY2023 Forecast	FY2022 Results	YoY	
			Change	Change (%)
Net sales	540,000	556,565	(16,565)	(3.0%)
Oil and Fat	444,500	468,379	(23,879)	(5.1%)
Oil and Meal	330,000	350,356	(20,356)	(5.8%)
Processed Oil and Fat	114,500	118,023	(3,523)	(3.0%)
Processed Food and Materials	72,000	65,103	+6,896	+10.6%
Fine Chemical	21,000	20,462	+537	+2.6%
Other/Adjustments	2,500	2,619	(119)	(4.6%)
Operating profit	16,000	16,186	(186)	(1.1%)
Oil and Fat	14,100	14,625	(525)	(3.6%)
Oil and Meal	10,550	9,097	+1,452	+16.0%
Processed Oil and Fat	3,550	5,528	(1,978)	(35.8%)
Processed Food and Materials	1,150	533	+616	+115.5%
Fine Chemical	1,100	1,385	(285)	(20.6%)
Other/Adjustments	(350)	(358)	+8	—

2-3. Segment Information: Factors Impacting Net Sales and Operating Profit (Year on Year)

■ Changes in net sales



■ Changes in operating profit



< Factors impacting net sales >

■ Oil and Fat

- Decrease in unit sales prices of oil and fat and meal in conjunction with falling market prices for raw materials (↓)
- Decrease in sales volume of meal in conjunction with decrease in the crushing volume (↓)
- Decrease in unit sales prices of overseas processed oil and fat in conjunction with falling market prices for palm oil (↓)

■ Processed Food and Materials

- Increase in sales volume and unit sales prices of chocolate products (↑)
- Increase in sales volume and unit sales prices of MCT products (↑)

■ Fine Chemical

- Decrease in sales volume and unit sales prices at European subsidiary (↓)
- Increase in sales volume of raw materials for cosmetics and sales price revisions in Japan (↑)
- Increase in unit sales prices of hygiene-related products (↑)

< Factors impacting operating profit >

■ Oil and Fat

- Decrease in costs in conjunction with falling market prices for raw materials, and continued sales at appropriate prices (↑)
- Increase in sales volume of domestic processed oil and fat, and sales price revisions (↑)
- Effects from earnings on mark-to-market valuation of palm oil transactions (↓)

■ Processed Food and Materials

- Increase in sales volume and unit sales prices of chocolate products (↑)
- Increase in sales volume and unit sales prices of MCT products (↑)
- Increase in sales volume and unit sales prices of soybean-related products (↑)

■ Fine Chemical

- Decrease in sales volume and unit sales prices at European subsidiary (↓)
- Increase in sales volume of raw materials for cosmetics and sales price revisions in Japan (↑)
- Increase in unit sales prices of 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	Changes		
Domestic oil and fat	199,766	(7,771)	+1,719	<ul style="list-style-type: none"> Domestic oil and fat sales volume will increase but net sales will decrease as a result of lower sales prices in conjunction with falling market prices for raw materials and lower meal sales volume. Unit sales prices for domestic oils and fats as well as meal will be down in conjunction with falling market prices for raw materials, but profits will increase due to ongoing cost reductions and sales at appropriate prices.
Commercial-use and processing-use	124,859	(8,023)		
Household-use	74,906	+252		
Meal	93,590	(15,934)		
Subsidiaries	83,049	+767	(208)	
Consolidation adjustment and others	(46,406)	+2,581	(58)	
Oil and meal total	330,000	(20,356)	+1,452	

Supplement: Value-added products in domestic oil and fat

Sales composition ratio	YoY change in net sales
18%	+2,028

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

(Billion yen)

	Changes	Main Factors
Sales volume factors	+0.50	Commercial-use and processing-use [+0.50], household-use [(0.00)]
Unit sales price factors	(10.15)	Commercial-use and processing-use [(10.95)], household-use [+0.80]
Cost factors	+13.30	
Soybean	+3.55	C&F [+9.85], foreign exchange [(4.35)], meal sales [(1.95)]
Rapeseed	+19.60	C&F [+25.80], foreign exchange [(4.55)], meal sales [(1.65)]
Other products & manufacturing costs	(9.85)	Higher costs for olive oil and other oils, effects from inventory, and other factors
SG&A expenses and others	(1.95)	
Total	+1.70	

Processed Oil and Fat (Included in Oil and Fat)

(Million yen; Changes: YoY)

	Net Sales		Changes in Operating Profit	Remarks
	Forecast	Changes		
Overseas processed oil and fat	116,877	(8,203)	(2,988)	<ul style="list-style-type: none"> Sales volumes will increase, particularly for oil and fat used for chocolate, but net sales will decline due to lower sales prices in conjunction with falling palm oil market prices. Profit will decline due to effects from mark-to-market valuation of palm oil transactions (FY2023: -0.95 billion yen; FY2022: +1.45 billion yen).
Europe	46,187	(7,813)		
Asia	62,985	+426		
Other regions	7,703	(816)		
Domestic processed oil and fat	14,822	+1,401	+879	Net sales and profits will increase due to higher sales volumes and sales price revision.
Consolidation adjustment and others	(17,199)	+3,279	+130	
Processed oil and fat total	114,500	(3,523)	(1,978)	

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

	YoY changes
Overseas processed oil and fat	+5%
Europe	(13%)
Asia	+8%
Other regions	+102%

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%	+9%

Supplement: Breakdown of Changes in Operating Profit in ISF (Malaysia)

(Billion yen)

	Changes	Main Factors
Sales volume factors	+1.05	Specialty fats [+0.45], other commodity products [+0.60]
Unit sales price factors	(12.75)	Specialty fats [(7.40)], other commodity products [(5.35)]
Cost factors	+11.10	
Raw material costs	+9.35	
Manufacturing costs and others	+1.75	
SG&A expenses and others	+0.05	
Mark-to-market valuation of palm oil transactions	(2.40)	FY2023: -0.95 billion yen; FY2022: +1.45 billion yen
Total	(2.95)	

Processed Food and Materials

(Million yen; Changes: YoY)

	Net Sales		Changes in Operating Profit	Remarks
	Forecast	Changes		
Chocolate	37,444	+3,025	+283	Net sales and profits will increase due to higher sales volumes and unit sales prices.
Seasoning	4,850	+329	(83)	Net sales will increase due to sales price revision, but profits will decline due to higher raw material costs.
Functional materials and foods	10,675	+2,690	+151	Net sales and profits will increase due to increase in sales volume and sales price revision of MCT.
MCT	8,512	+2,329		
Soybean materials and foods	22,034	+78	+226	Profits will increase due to higher sales volume of soy protein and sales price revisions.
Consolidation adjustment and others	(3,005)	+772	+39	
Processed food and materials total	72,000	+6,896	+616	

Fine Chemical

(Million yen; Changes: YoY)

	Net Sales		Changes in Operating Profit	Remarks
	Forecast	Changes		
Fine chemical products	16,219	(713)	(360)	Net sales and profits will decrease due to decreases in sales volume and unit sales prices at European subsidiary.
Environment and hygiene-related products	7,173	+235	+71	Net sales and profits will increase due to increases in unit sales prices of hygiene-related products.
Consolidation adjustment and others	(2,393)	+1,014	+2	
Fine chemical total	21,000	+537	(285)	

Supplement: Raw materials for cosmetics

Net Sales	YoY change
10,062	(196)

Note: Sales of raw materials for cosmetics are included in the net sales of fine chemical products.

Key exchange rates (Average rate during period)

	JPY/USD	JPY/EUR	JPY/MYR	JPY/CNY	JPY/IDR
FY2022	135.50	140.99	30.47	19.75	0.0090
FY2023	137.49	149.58	30.38	19.56	0.0092

Reference

Chicago Soybean Market



Source: Bloomberg

ICE Rapeseed Market



Source: Bloomberg

Crude Palm Oil Market



Source: Bloomberg

Exchange Rates (JPY/USD)



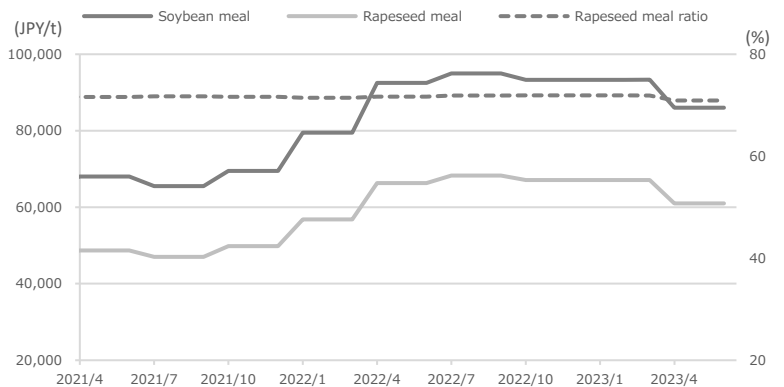
Source: Bloomberg

Meal Value Trends



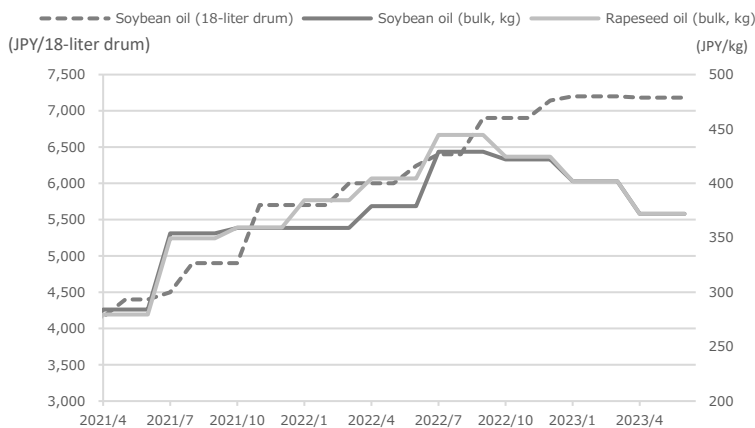
Source: Bloomberg

Average Market Price in the Meal Industry



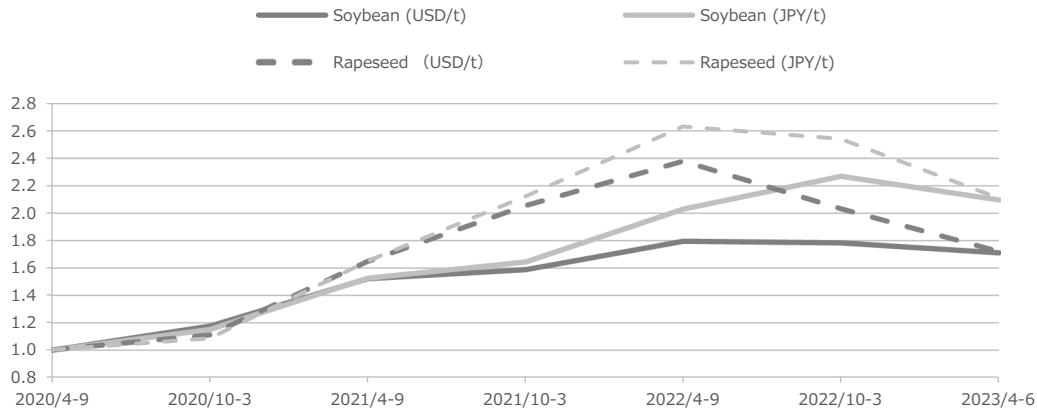
Source: Yushitokuho

Nikkei Market Price Trends

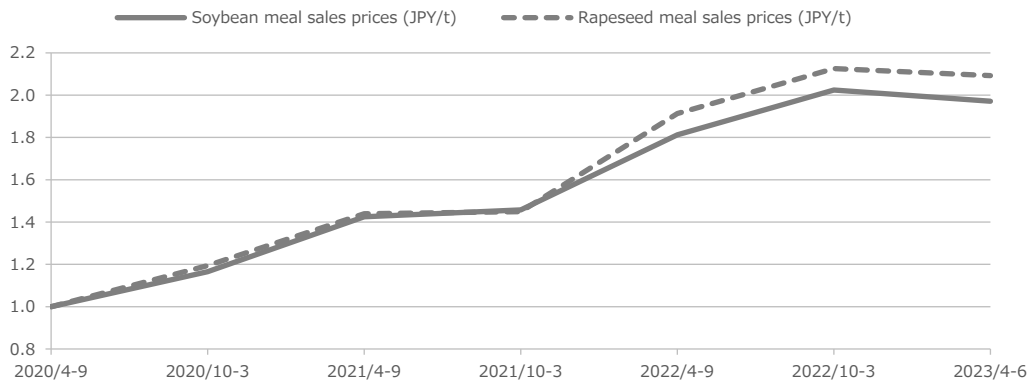


Source: The Nikkei

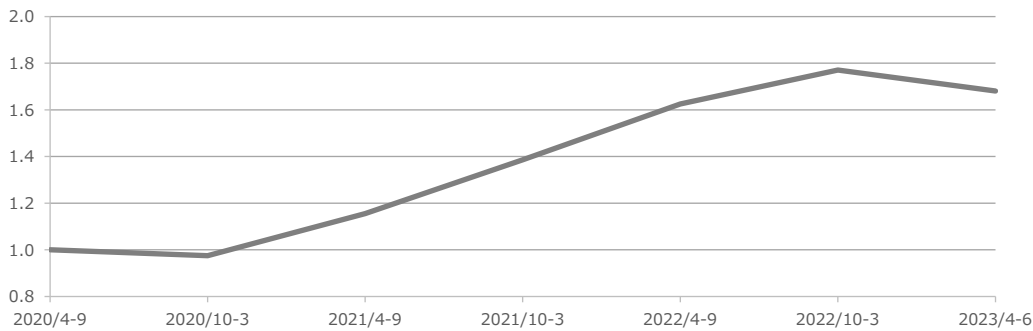
■ Raw Materials (Soybeans and Rapeseed)



■ Meal (Soybeans and Rapeseed)



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



Note: Indexed with April–September 2020 result set as 1.0
 Source: The Nisshin Oillio Group, Ltd.