



"The Natural Power of Plants"

The Nisshin Oillio Group, Ltd.

Second Quarter of FY2023

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1. Summary of Financial Results

1-1. Summary for Second Quarter FY2023

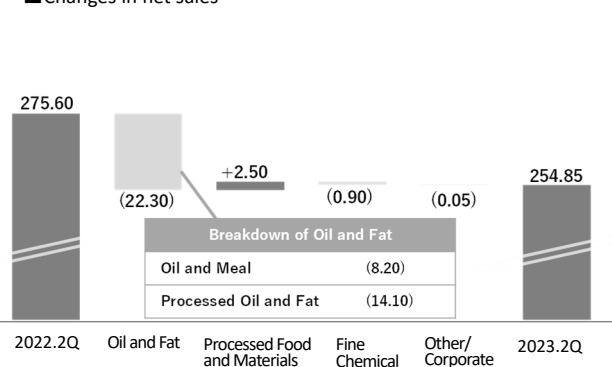
	Second Quarter FY2023	Second Quarter FY2022	YoY	
			Change	Change (%)
Net sales	254,839	275,621	(20,781)	(7.5 %)
Percentage of overseas sales	20.5%	25.0%	—	(4.5 P)
Operating profit	11,545	9,436	+2,109	+22.4%
Percentage of operating profit to net sales	4.5%	3.4%	—	+1.1P
Ordinary profit	11,132	9,895	+1,237	+12.5%
Profit attributable to owners of parent	7,976	7,784	+191	+2.5%

1-2. Results by Business Segment

	Second Quarter FY2023	Second Quarter FY2022	YoY	
			Change	Change (%)
Net sales	254,839	275,621	(20,781)	(7.5%)
Oil and Fat	211,417	233,714	(22,297)	(9.5%)
Oil and Meal	162,110	170,311	(8,200)	(4.8%)
Processed Oil and Fat	49,306	63,403	(14,097)	(22.2%)
Processed Food and Materials	32,864	30,366	+2,498	+8.2%
Fine Chemical	9,301	10,234	(932)	(9.1%)
Other/Adjustments	1,255	1,306	(50)	(3.8%)
Operating profit	11,545	9,436	+ 2,109	+22.4%
Oil and Fat	11,035	8,809	+ 2,225	+25.3%
Oil and Meal	8,839	4,188	+ 4,651	+111.0%
Processed Oil and Fat	2,195	4,621	(2,426)	(52.5%)
Processed Food and Materials	121	56	+65	+114.5%
Fine Chemical	622	848	(226)	(26.7%)
Other/Adjustments	(233)	(278)	+45	—

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

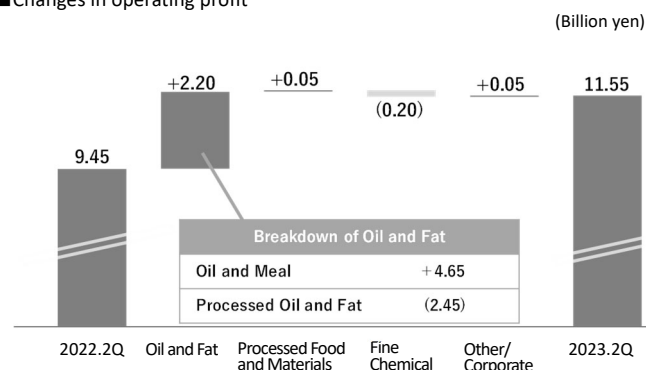
■ Changes in net sales



< Factors impacting net sales >

- Oil and Fat
 - Decrease in sales volume of meal in conjunction with decrease in the crushing volume (↓)
 - Increase in unit sales prices of household-use products centered on value-added products (↑)
 - Increase in unit sales prices of meal (↑)
 - 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 unit sales prices of MCT products and soybean-related products (↑)
- Fine Chemical
 - Decrease in sales volume and unit sales prices at European subsidiary (↓)
 - Increase in unit sales prices of raw materials for cosmetics in Japan (↑)
 - Decrease in sales volume of hygiene-related products (↓)

■ Changes in operating profit



< Factors impacting operating profit >

- Oil and Fat
 - Sales of domestic oil and fat at appropriate prices (↑)
 - Increase in sales volume and higher gross profit per unit of domestic processed oil and fat (↑)
 - Decrease in gross profit per unit of overseas processed oil and fat (↓)
 - Decrease in earnings on mark-to-market valuation of palm oil transactions (↓)
- Processed Food and Materials
 - Increase in sales volume and improved gross profit per unit of chocolate products (↑)
 - Increase in unit sales prices of MCT products and soybean-related products (↑)
 - Increase in raw material costs for seasonings, MCT products, and soybean-related 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	100,593	(1)	+4,686	<ul style="list-style-type: none"> Domestic oil and fat sales volume decreased, but net sales were flat from the same period of the previous fiscal year due to the increase of unit sales prices, and meal sales fell due to the decrease in sales volume. Amid declining oil and fat costs for main domestic oil and fat products, continued sales at appropriate prices resulted in an increase in profits.
Commercial-use and processing-use	63,468	(824)		
Household-use	37,124	+823		
Meal	45,881	(6,406)		
Subsidiaries	39,646	(1,857)	+5	
Consolidation adjustment and others	(24,010)	+64	(40)	
Oil and meal total	162,110	(8,200)	+4,651	

Supplement: Value-added products in domestic oil and fat

Net sales composition ratio	YoY change in net sales
18%	+922

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

(Billion yen)

	Changes	Main Factors
Sales volume factors	(0.45)	Commercial-use and processing-use [(0.15)], household-use [(0.30)]
Unit sales price factors	+1.80	Commercial-use and processing-use [+0.00], household-use [+1.80]
Cost factors	+4.10	
Soybean	+1.50	C&F [+4.30], foreign exchange [(4.15)], meal sales [+1.35]
Rapeseed	+12.25	C&F [+15.15], foreign exchange [(3.45)], meal sales [+0.55]
Other products & manufacturing costs	(9.65)	Effects from inventory and other factors
SG&A expenses and others	(0.75)	
Total	+4.70	

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	51,364	(17,292)	(3,165)	<ul style="list-style-type: none"> Net sales decreased due to lower unit sales prices in conjunction with a decline in palm oil market prices. Profits decreased, due to lower gross profit per unit and a decline in mark-to-market valuation of palm oil transactions (as of September 30, 2023: +0.35 billion yen; as of September 30, 2022: +2.55 billion yen)
Europe	21,578	(6,961)		
Asia	26,099	(9,584)		
Other regions	3,686	(746)		
Domestic processed oil and fat	7,129	+960	+858	Net sales and profits increased due to higher sales volume and sales at appropriate prices.
Consolidation adjustment and others	(9,186)	+2,235	(118)	
Processed oil and fat total	49,306	(14,097)	(2,426)	

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

	YoY changes
Overseas processed oil and fat	+3%
Europe	(2%)
Asia	+7%
Other regions	(9%)

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

Sales composition ratio	Change in sales volume YoY
39%	(5%)

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

(Billion yen)

	Changes	Main Factors
Sales volume factors	(0.10)	Specialty fats [(0.00)], other commodity products [(0.10)]
Unit sales price factors	(18.25)	Specialty fats [(3.65)], other commodity products [(14.60)]
Cost factors	+17.20	
Raw material costs	+17.45	
Manufacturing costs and others	(0.25)	
SG&A expenses and others	+0.05	
Mark-to-market valuation of palm oil transactions	(2.20)	As of September 30, 2023: +0.35 billion yen; as of September 30, 2022: +2.55 billion yen
Total	(3.30)	

Processed Food and Materials

(Million yen; Changes: YoY)

	Net Sales		Changes in Operating Profit	Remarks
	Results	Changes		
Chocolate	16,330	+1,124	+487	Net sales and profits increased due to higher sales volume and an increase in gross profit per unit.
Seasoning	2,528	+174	(73)	Net sales increased due to higher unit sales prices, but profits declined as a result of higher raw materials costs.
Functional materials and foods	4,818	+980	(375)	Net sales increased due to higher MCT unit sales prices, but profits declined due to higher raw materials costs and increase in SG&A expenses.
MCT	3,857	+904		
Soybean materials and foods	11,053	+320	+10	Net sales and profits increased as a result of higher sales prices accompanying higher raw materials costs.
Consolidation adjustment and others	(1,866)	(101)	+16	
Processed food and materials total	32,864	+2,498	+65	

Fine Chemical

(Million yen; Changes: YoY)

	Net Sales		Changes in Operating Profit	Remarks
	Results	Changes		
Fine chemical products	7,694	(789)	(152)	Net sales and profits decreased due to lower sales volume and sales prices at European subsidiary.
Environment and hygiene-related products	3,095	(462)	(94)	Net sales and profits decreased due to lower sales volumes and higher raw materials costs.
Consolidation adjustment and others	(1,487)	+319	+21	
Fine chemical total	9,301	(932)	(226)	

Supplement: Raw materials for cosmetics

Net Sales	YoY change
4,689	(319)

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
Second Quarter FY2022	134.03	138.76	30.36	19.89	0.0091
Second Quarter FY2023	141.06	153.45	30.82	19.75	0.0094

2. Earnings Forecast for FY2023

2-1. Earnings Forecast

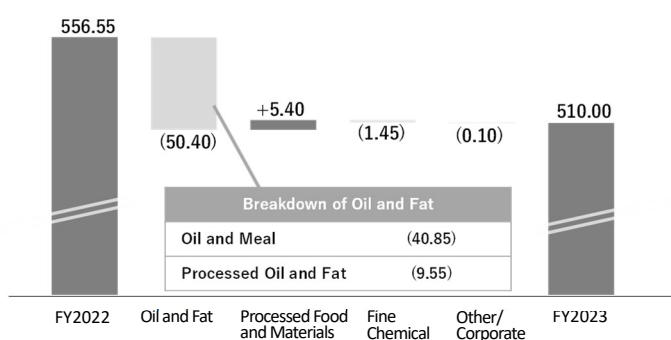
	(Million yen)						
	FY2023 Revised Forecast (1)	FY2022 Results (2)	YoY		FY2023 Initial plan (3)	Comparison with Initial plan	
			Change (1) - (2)	Change (%)		Change (1) - (3)	Change (%)
Net sales	510,000	556,565	(46,565)	(8.4%)	540,000	(30,000)	(5.6%)
Operating profit	18,000	16,186	+1,813	+11.2%	16,000	+2,000	+12.5%
Ordinary profit	17,500	16,242	+1,257	+7.7%	16,000	+1,500	+9.4%
Profit attributable to owners of parent	12,500	11,157	+1,342	+12.0%	11,500	+1,000	+8.7%

2-2. Forecast by Business Segment

	(Million yen)						
	FY2023 Revised Forecast (1)	FY2022 Results (2)	YoY		FY2023 Initial plan (3)	Comparison with Initial plan	
			Change (1) - (2)	Change (%)		Change (1) - (3)	Change (%)
Net sales	510,000	556,565	(46,565)	(8.4%)	540,000	(30,000)	(5.6%)
Oil and Fat	418,000	468,379	(50,379)	(10.8%)	444,500	(26,500)	(6.0%)
Oil and Meal	309,500	350,356	(40,856)	(11.7%)	330,000	(20,500)	(6.2%)
Processed Oil and Fat	108,500	118,023	(9,523)	(8.1%)	114,500	(6,000)	(5.2%)
Processed Food and Materials	70,500	65,103	+5,396	+8.3%	72,000	(1,500)	(2.1%)
Fine Chemical	19,000	20,462	(1,462)	(7.1%)	21,000	(2,000)	(9.5%)
Other/Adjustments	2,500	2,619	(119)	(4.6%)	2,500	—	—
Operating profit	18,000	16,186	+1,813	+11.2%	16,000	+2,000	+12.5%
Oil and Fat	16,600	14,625	+1,974	+13.5%	14,100	+2,500	+17.7%
Oil and Meal	12,950	9,097	+3,852	+42.4%	10,550	+2,400	+22.7%
Processed Oil and Fat	3,650	5,528	(1,878)	(34.0%)	3,550	+100	+2.8%
Processed Food and Materials	850	533	+316	+59.3%	1,150	(300)	(26.1%)
Fine Chemical	950	1,385	(435)	(31.4%)	1,100	(150)	(13.6%)
Other/Adjustments	(400)	(358)	(41)	—	(350)	(50)	—

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

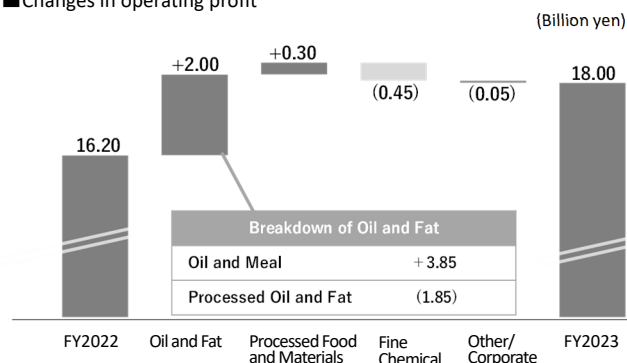
■ Changes in net sales



< Factors impacting net sales >

- Oil and Fat
 - Decrease in unit sales prices of domestic 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 unit sales prices of MCT products and soybean-related products (↑)
- Fine Chemical
 - Decrease in sales volume and unit sales prices at European subsidiary (↓)
 - Increase in sales volume and higher unit sales prices of raw materials for cosmetics in Japan (↑)
 - Decrease in sales volume of hygiene-related products (↓)

■ Changes in operating profit



< 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 and higher gross profit per unit of domestic processed oil and fat (↑)
 - Decrease in gross profit per unit of overseas processed oil and fat (↓)
 - Decrease in earnings on mark-to-market valuation of palm oil transactions (↓)
- Processed Food and Materials
 - Increase in sales volume and gross profit per unit of chocolate products (↑)
 - Increase in unit sales prices of MCT products and soybean-related products (↑)
 - Increase in raw material costs for seasonings, MCT products, and soybean-related products (↓)
- Fine Chemical
 - Decrease in sales volume and unit sales prices at European subsidiary (↓)
 - Increase in sales volume and higher gross profit per unit of raw materials for cosmetics in Japan (↑)
 - Decrease in sales volume 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	194,534	(13,002)	+3,997	<ul style="list-style-type: none"> Domestic oil and fat sales volume will be flat year on year, but net sales will decrease as a result of lower unit sales prices of main oil and fat products in conjunction with falling market prices for raw materials and lower meal sales volume. Unit sales prices for main oil and fat products 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	122,310	(10,572)		
Household-use	72,223	(2,430)		
Meal	92,530	(16,994)		
Subsidiaries	80,918	(1,362)	(168)	
Consolidation adjustment and others	(58,483)	(9,495)	+23	
Oil and meal total	309,500	(40,856)	+3,852	

Supplement: Value-added products in domestic oil and fat

Sales composition ratio	YoY change in net sales
18%	+1,454

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

(Billion yen)

	Changes	Main Factors
Sales volume factors	(0.45)	Commercial-use and processing-use [+0.10], household-use [(0.55)]
Unit sales price factors	(11.60)	Commercial-use and processing-use [(11.65)], household-use [+0.05]
Cost factors	+17.80	
Soybean	+5.85	C&F [+13.10], foreign exchange [(6.30)], meal sales [(0.95)]
Rapeseed	+22.95	C&F [+30.75], foreign exchange [(6.40)], meal sales [(1.40)]
Other products & manufacturing costs	(11.00)	Higher costs for olive oil and other oils, effects from inventory, and other factors
SG&A expenses and others	(1.75)	
Total	+4.00	

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	116,575	(8,505)	(2,822)	<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. Profits 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	48,800	(5,200)		
Asia	58,808	(3,751)		
Other regions	8,966	+446		
Domestic processed oil and fat	14,688	+1,267	+1,071	Net sales and profits will increase due to higher sales volumes and sales at appropriate prices.
Consolidation adjustment and others	(22,764)	(2,285)	(127)	
Processed oil and fat total	108,500	(9,523)	(1,878)	

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
40%	+9%

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

(Billion yen)

	Changes	Main Factors
Sales volume factors	+0.75	Specialty fats [+0.45], other commodity products [+0.30]
Unit sales price factors	(12.40)	Specialty fats [(7.60)], other commodity products [(4.80)]
Cost factors	+11.05	
Raw material costs	+9.75	
Manufacturing costs and others	+1.30	
SG&A expenses and others	+0.15	
Mark-to-market valuation of palm oil transactions	(2.40)	FY2023: -0.95 billion yen; FY2022: +1.45 billion yen
Total	(2.85)	

Processed Food and Materials

(Million yen; Changes: YoY)

	Net Sales		Changes in Operating Profit	Remarks
	Forecast	Changes		
Chocolate	37,232	+2,813	+238	Net sales and profits will increase due to higher sales volumes and unit sales prices.
Seasoning	4,908	+388	(30)	Net sales will increase due to higher unit sales prices, but profits will decline due to higher raw material costs.
Functional materials and foods	9,609	+1,623	(48)	Net sales will increase due to sales price revisions of MCT but profits will decrease due to higher raw materials costs and increase in SG&A expenses.
MCT	7,533	+1,350		
Soybean materials and foods	22,448	+492	+197	Both net sales and profits will increase due to higher unit sales prices accompanying higher raw material costs.
Consolidation adjustment and others	(3,699)	+78	(40)	
Processed food and materials total	70,500	+5,396	+316	

Fine Chemical

(Million yen; Changes: YoY)

	Net Sales		Changes in Operating Profit	Remarks
	Forecast	Changes		
Fine chemical products	15,296	(1,636)	(376)	Net sales and profits will decrease due to decreases in sales volume and unit sales prices at European subsidiary.
Environment and hygiene-related products	6,491	(445)	(36)	Net sales and profits will decrease due to lower sales volume of hygiene-related products.
Consolidation adjustment and others	(2,788)	+619	(22)	
Fine chemical total	19,000	(1,462)	(435)	

Supplement: Raw materials for cosmetics

Net Sales	YoY change
9,490	(768)

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	141.06	153.45	30.82	19.75	0.0094

Chicago Soybean Market



Source: Bloomberg

ICE Rapeseed Market



Source: Bloomberg

Crude Palm Oil Market



Source: Bloomberg

Exchange Rates (JPY/USD)



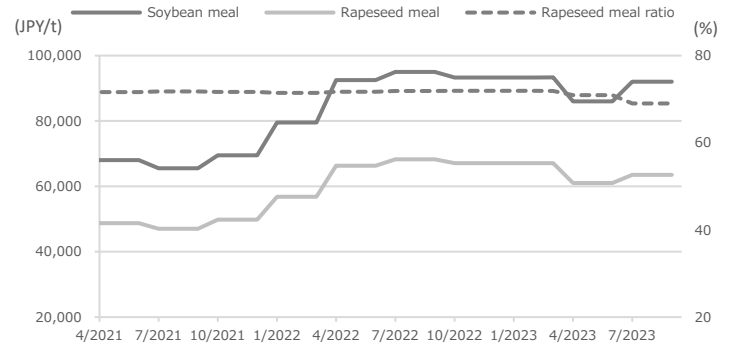
Source: Bloomberg

Meal Value Trends



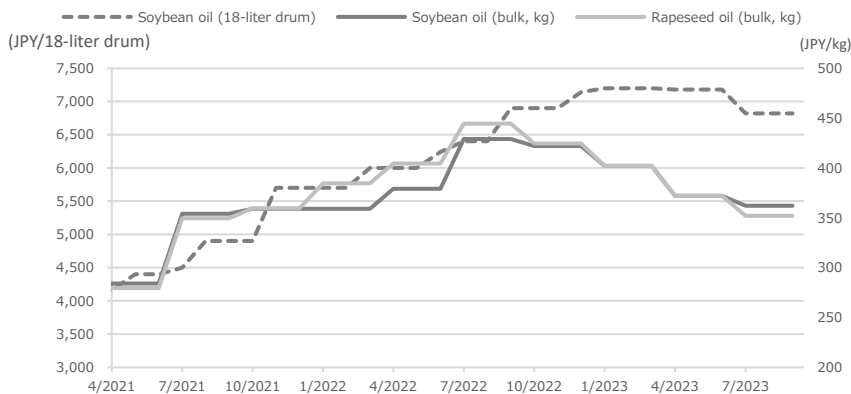
Source: Bloomberg

Average Market Price in the Meal Industry



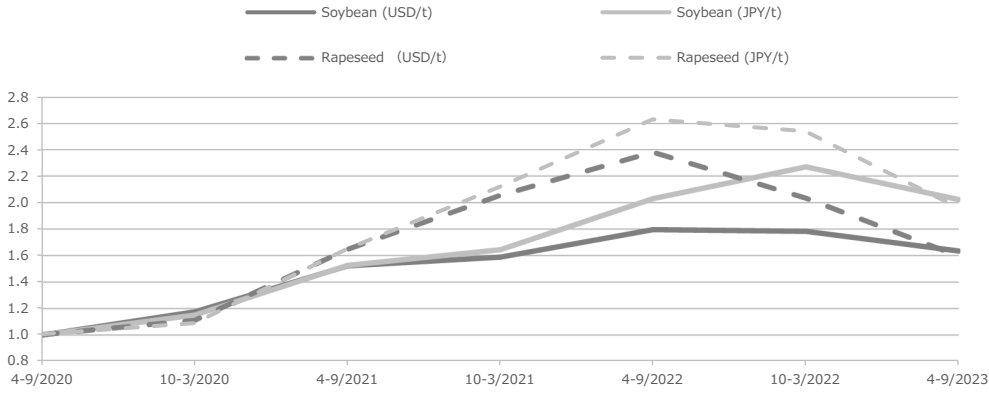
Source: Yushitokuho

Nikkei Market Price Trends

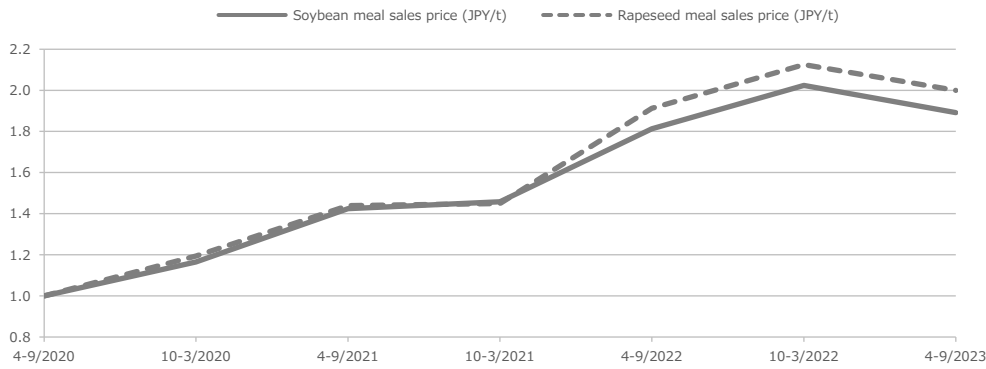


Source: The Nikkei

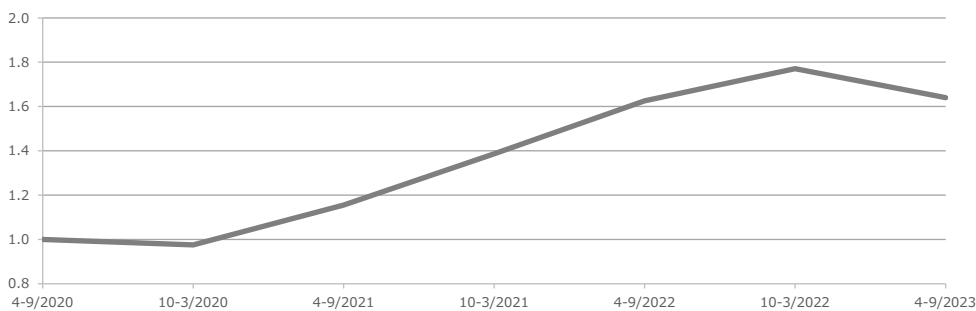
■ Raw Materials (Soybeans and Rapeseed)



■ 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.