



"The Natural Power of Plants"

The Nisshin Oillio Group, Ltd.

FY2023

Financial Results Briefing

May 17, 2024



Summary of Financial Results for FY2023

Summary of Financial Results for FY2023 and Earnings Forecast for FY2024

■ Financial Results for FY2023

- **Consolidated net sales decreased year on year to 513.5 billion yen, whereas consolidated operating profit increased year on year to 20.8 billion yen.**
 - Domestic oil and fat sales decreased year on year, with a slight decline in sales volume, mainly because of lower sales prices affected by raw material prices, as well as a decline in sales volume of meal due to reduced crushing volume. Profits increased year on year thanks to successfully establishing appropriate sales prices and to the fact that the decline in sales prices was more limited than that of the decline in costs.
 - Overseas processed oil and fat posted lower sales and profits than a year ago due to lower sales prices, lower refining margin as well as the effects from mark-to-market valuation on futures and other products, despite increased sales volume.

■ Earnings Forecast for FY2024

- **Higher consolidated net sales of 535.0 billion yen and consolidated operating profit of 21.0 billion yen (the same level as FY2023).**
 - Consolidated net sales are expected to increase due to higher sales volume in domestic oil and fat and higher unit sales prices in overseas processed oil and fat.
 - Consolidated operating profit is expected to be on par with the previous year thanks to increased profits from processed oil and fat as well as processed food and materials, despite decreased profits from oil and meal.
 - ✓ Domestic oil and fat sales volume is expected to increase, but profit is expected to decrease due to lower gross profit per unit, deteriorating cost of olive oil and higher SG&A expenses.
 - ✓ Overseas processed oil and fat is expected to post higher profit due to improved gross profit per unit reflecting higher unit sales prices and effects from mark-to-market valuation on palm oil transactions. Processed food and materials is also expected to post higher profits due to increased MCT sales volume and lower raw material costs.

Overview of Financial Results for FY2023

(Billion yen)

	FY2023 results	FY2022 results	YoY change		Earnings Forecast for FY2023 (Disclosed in February)
			Amount	Percentage	
Net sales	513.5	556.5	(43.0)	(7.7)%	510.0
Operating profit	20.8	16.1	+4.6	+28.8%	20.5
Operating profit margin	4.1%	2.9%	—	+1.1pts	4.0%
Ordinary profit	20.0	16.2	+3.7	+23.3%	19.5
Profit attributable to owners of parent	15.1	11.1	+3.9	+35.8%	13.5

* Amounts of less than 0.1 billion yen are rounded down.

FY2023 Results by Business Segment (Net Sales and Operating Profit)

(Billion yen)

	FY2023 results	FY2022 results	YoY change	
			Amount	Percentage
Net sales	513.5	556.5	(43.0)	(7.7)%
Oil and Fat	421.9	468.3	(46.4)	(9.9)%
Oil and Meal	317.9	350.3	(32.3)	(9.2)%
Processed Oil and Fat	103.9	118.0	(14.0)	(11.9)%
Processed Food and Materials	70.1	65.1	+5.0	+7.7%
Fine Chemical	18.8	20.4	(1.5)	(7.7)%
Other/Adjustments	2.5	2.6	(0.0)	(2.5)%
Operating profit	20.8	16.1	+4.6	+28.8%
Oil and Fat	18.9	14.6	+4.3	+29.8%
Oil and Meal	14.4	9.0	+5.3	+59.2%
Processed Oil and Fat	4.5	5.5	(1.0)	(18.5)%
Processed Food and Materials	0.9	0.5	+0.4	+85.7%
Fine Chemical	1.2	1.3	(0.1)	(12.8)%
Other/Adjustments	(0.3)	(0.3)	+0.0	—

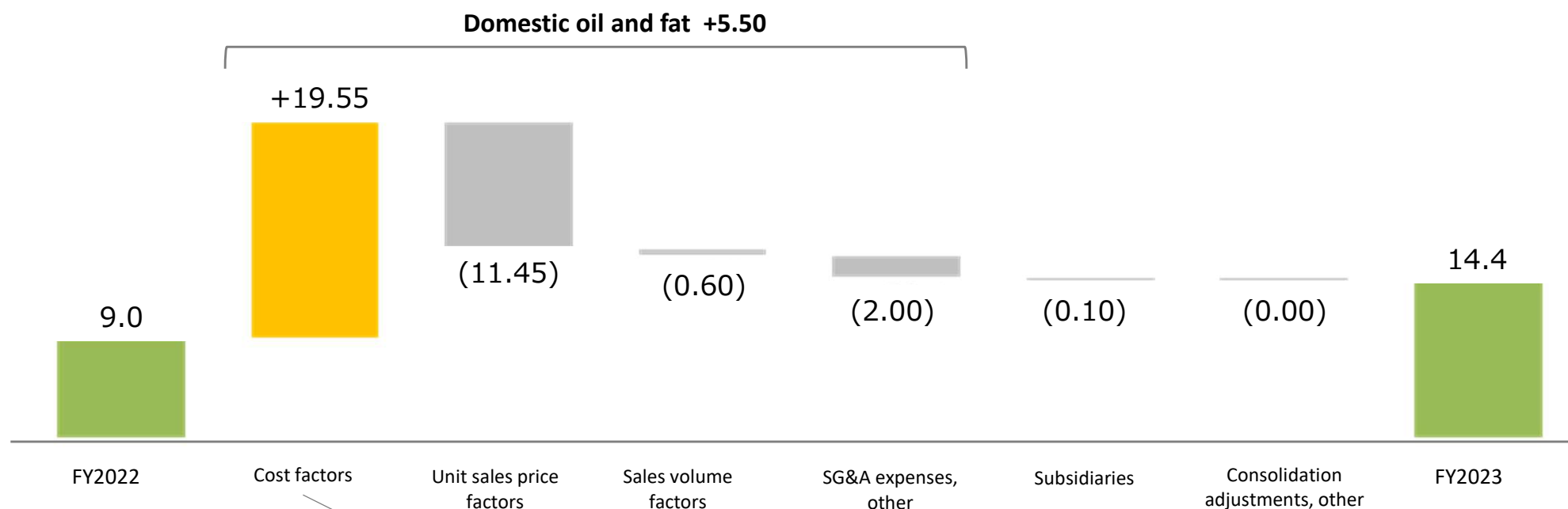
* Amounts of less than 0.1 billion yen are rounded down.

Change in FY2023 Operating Profit by Business Segment

(Billion yen)

■ Oil and Meal

- Operating profit increased year on year thanks to successfully establishing appropriate sales prices and the fact that the decline in sales prices was more limited than the decline in costs.



Breakdown of cost factors	
Soybean	+6.50 [C&F+12.50, foreign exchange (6.55), meal sales +0.55]
Rapeseed	+23.30 [C&F+29.70, foreign exchange (6.10), meal sales (0.30)]
Other products & manufacturing costs	(10.25)

Breakdown of unit sales price factors	
Commercial-use and processing-use	(11.50)
Household-use	+0.05

Breakdown of sales volume factors	
Commercial-use and processing-use	+0.10
Household-use	(0.70)

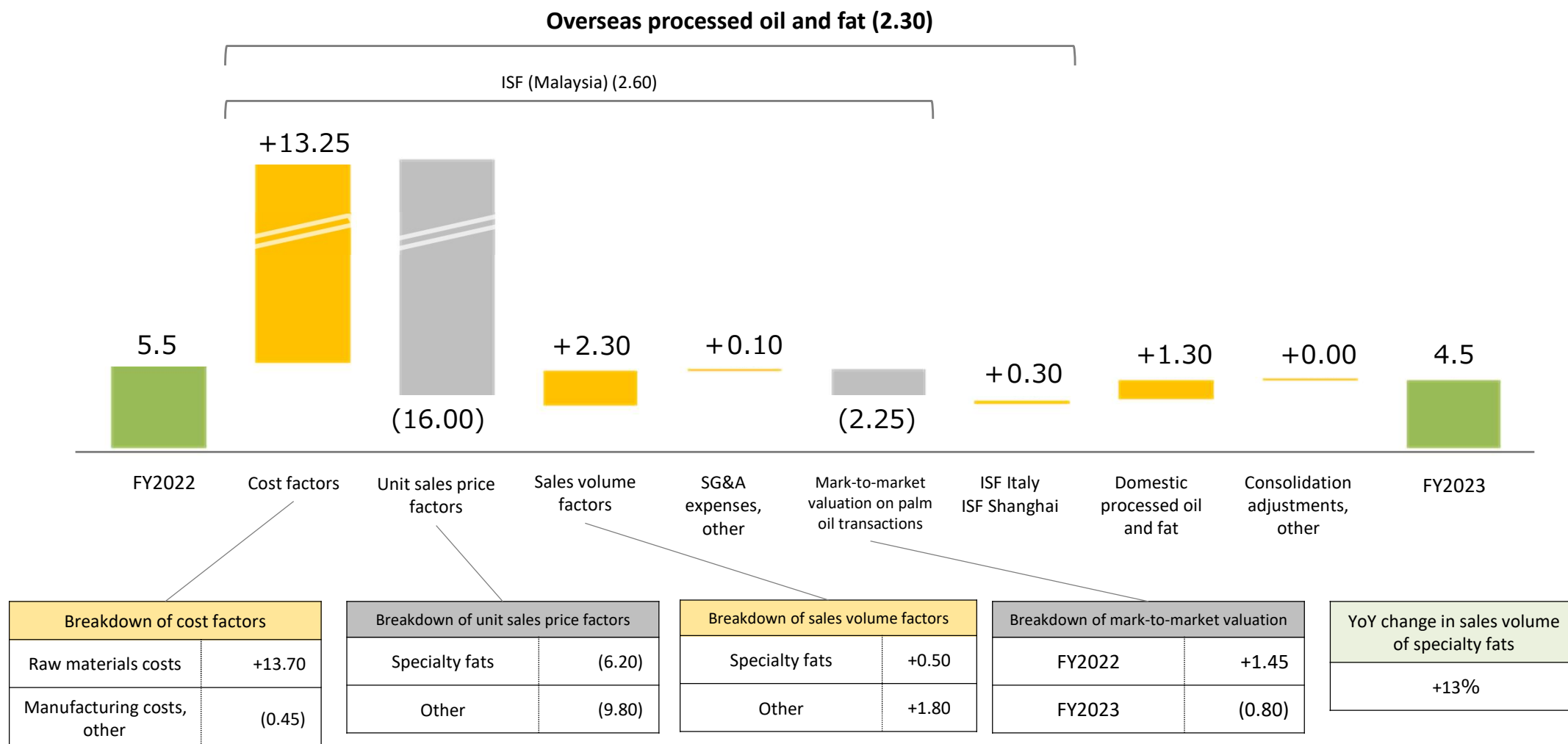
YoY Change in sales volume	
Commercial-use and processing-use	+0.3%
Household-use	(4.1)%

Change in FY2023 Operating Profit by Business Segment

(Billion yen)

■ Processed Oil and Fat

- Sales and profit decreased due to lower sales prices, lower refining margin as well as the effects from mark-to-market valuation on futures and other products, despite increased sales volume.

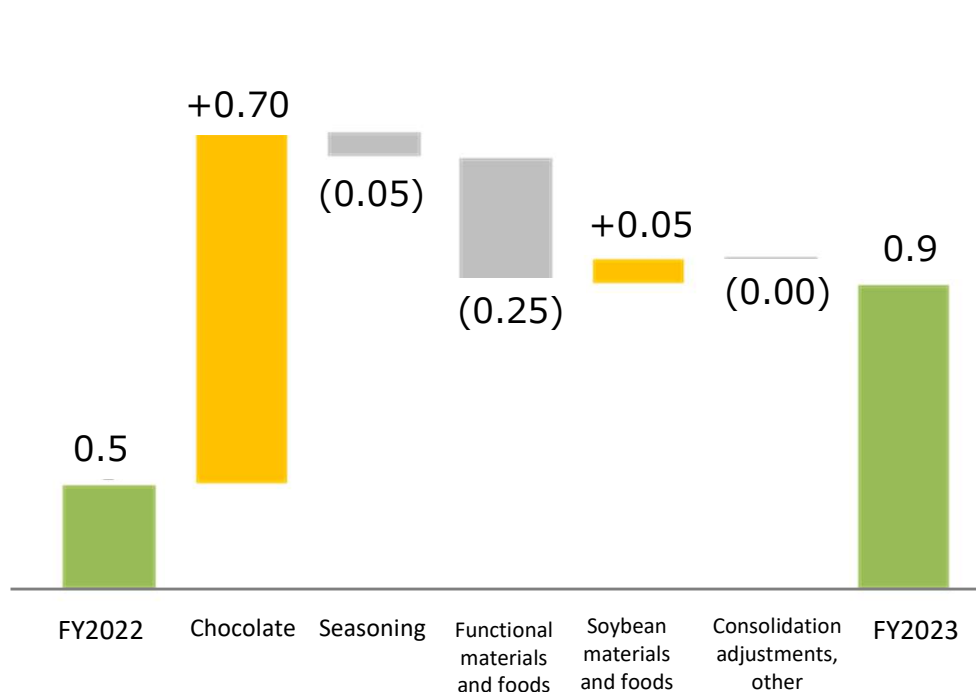


Change in FY2023 Operating Profit by Business Segment

(Billion yen)

■ Processed Food and Materials

- Operating profit increased year on year due to higher sales volume and improved gross profit per unit of chocolate.

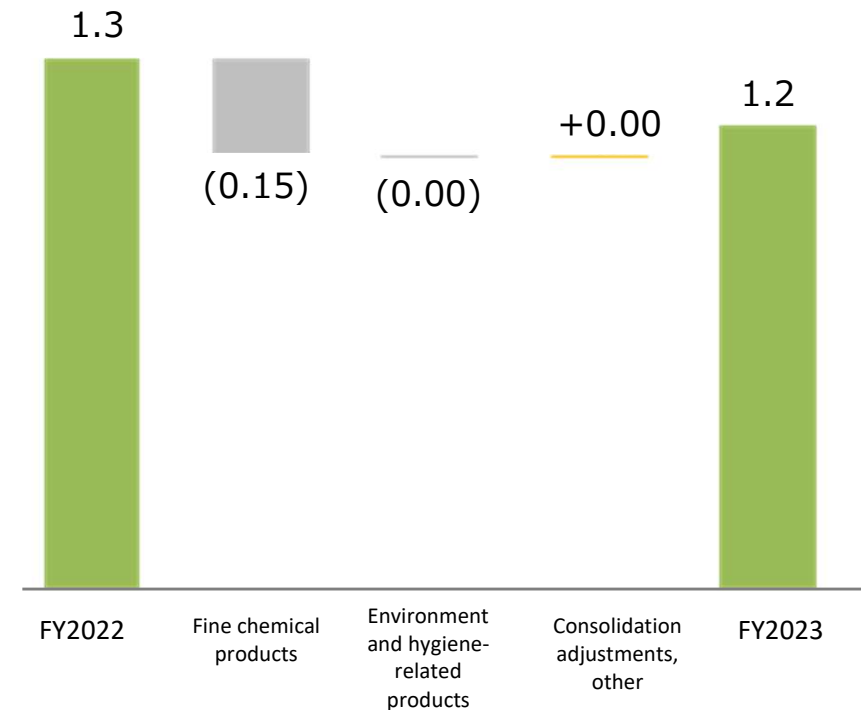


MCT net sales

7.1 [+0.9 YoY]

■ Fine Chemical

- Operating profit decreased year on year mainly due to lower sales volumes of our European subsidiary.



Raw materials for cosmetics net sales

9.8 [(0.4) YoY]

Consolidated Balance Sheets and Cash Flows

(Billion yen)

■ Consolidated Balance Sheets

Items	End of March 2024	End of March 2023	Change
Total assets	393.3	374.4	+18.9
Current assets	232.7	233.5	(0.8)
Non-current assets	160.5	140.8	+19.7
Total liabilities	200.8	203.0	(2.2)
Interest-bearing liabilities	96.9	105.8	(8.8)
Other liabilities	103.8	97.2	+6.6
Total net assets	192.5	171.4	+21.1

Items	End of March 2024	End of March 2023
Equity ratio	46.4%	43.4%
Net D/E ratio	0.42	0.57

- Interest-bearing liabilities decreased due to improved operating cash flows.
- Indicators for financial soundness improved due to an increase in profit and a decrease in interest-bearing liabilities.

■ Cash Flows

Items	FY2023 results	FY2022 results	Change
Operating cash flows	+36.7	+0.3	+36.3
Profit before income taxes	+21.1	+15.3	+5.8
Depreciation	+9.2	+9.3	(0.1)
Decrease (increase) in working capital	+4.4	(24.9)	+29.4
Investing cash flows	(16.0)	(6.1)	(9.9)
Financing cash flows	(14.5)	+6.3	(20.9)

- Working capital reduced due to a decrease in inventories caused by a drop in raw material costs and decrease in in-stock volume.
- Operating cash flows turned substantially positive due to a decrease in working capital as well as an increase in profit.

* Amounts of less than 0.1 billion yen are rounded down.



FY2024 Forecast

Earnings Forecast for FY2024

(Billion yen)

	FY2024 forecast	FY2023 results	YoY change	
			Amount	Percentage
Net sales	535.0	513.5	+21.4	+4.2%
Operating profit	21.0	20.8	+0.1	+0.8%
Operating profit margin	3.9%	4.1%	–	(0.2)pts
Ordinary profit	20.0	20.0	(0.0)	(0.2)%
Profit attributable to owners of parent	14.5	15.1	(0.6)	(4.3)%

* Amounts of less than 0.1 billion yen are rounded down.

FY2024 Forecast by Business Segment (Net Sales and Operating Profit)

(Billion yen)

	FY2024 forecast	FY2023 results	YoY Change	
			Amount	Percentage
Net sales	535.0	513.5	+21.4	+4.2%
Oil and Fat	435.5	421.9	+13.5	+3.2%
Oil and Meal	311.0	317.9	(6.9)	(2.2)%
Processed Oil and Fat	124.5	103.9	+20.5	+19.7%
Processed Food and Materials	77.0	70.1	+6.8	+9.8%
Fine Chemical	20.0	18.8	+1.1	+5.9%
Other/Adjustments	2.5	2.5	(0.0)	(2.1)%
Operating profit	21.0	20.8	+0.1	+0.8%
Oil and Fat	17.5	18.9	(1.4)	(7.8)%
Oil and Meal	11.2	14.4	(3.2)	(22.3)%
Processed Oil and Fat	6.2	4.5	+1.7	+38.8%
Processed Food and Materials	2.7	0.9	+1.7	+172.5%
Fine Chemical	1.1	1.2	(0.1)	(9.0)%
Other/Adjustments	(0.3)	(0.3)	+0.0	—

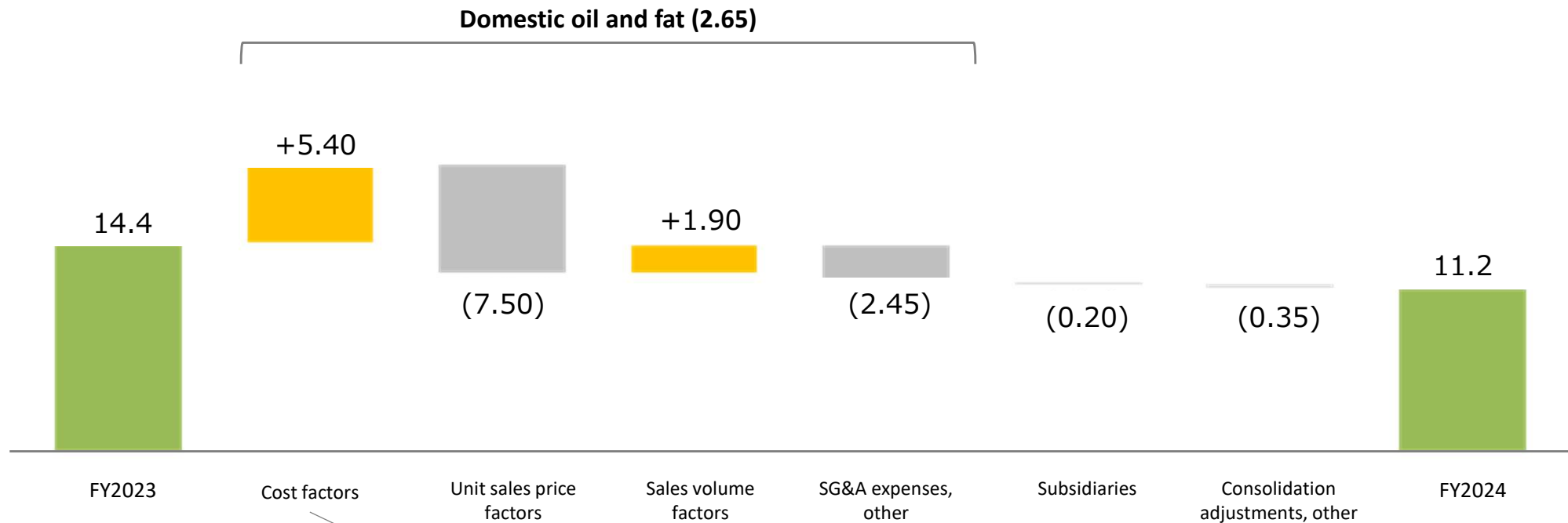
* Amounts of less than 0.1 billion yen are rounded down.

Change in FY2024 Operating Profit by Business Segment

(Billion yen)

■ Oil and Meal

- Operating profit is expected to decrease due to lower gross profit per unit in domestic oil and fat, higher cost of olive oil and higher SG&A expenses.



Breakdown of cost factors	
Soybean	+1.15 [C&F +10.85, foreign exchange (4.00), meal sales (5.70)]
Rapeseed	+6.35 [C&F +13.75, foreign exchange (3.00), meal sales (4.40)]
Other products & manufacturing costs	(2.10)

Breakdown of unit sales price factors	
Commercial-use and processing-use	(9.65)
Household-use	+2.15

Breakdown of sales volume factors	
Commercial-use and processing-use	+1.15
Household-use	+0.75

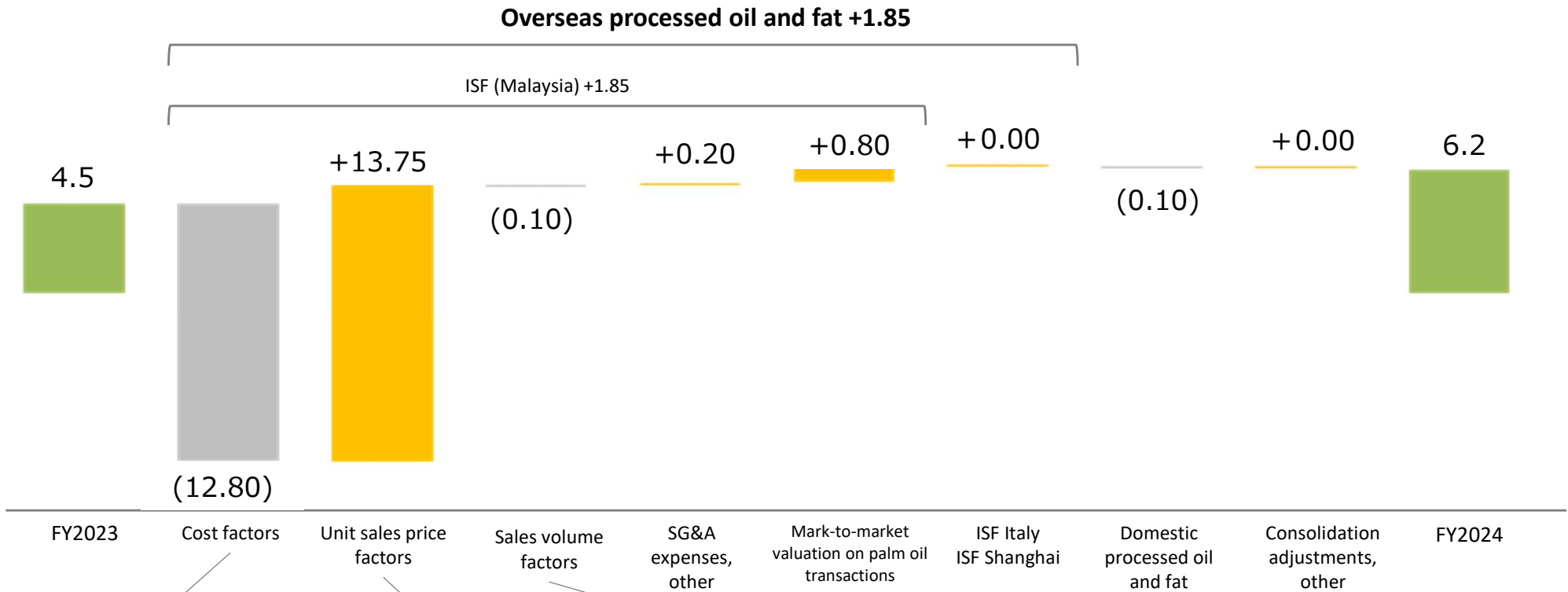
YoY change in sales volume	
Commercial-use and processing-use	+4.5%
Household-use	+5.5%

Change in FY2024 Operating Profit by Business Segment

(Billion yen)

■ Processed Oil and Fat

- Operating profit is expected to increase due to improved gross profit per unit reflecting higher unit sales prices and effects from mark-to-market valuation on palm oil transactions.



Breakdown of cost factors	
Raw materials costs	(13.20)
Manufacturing costs, other	+0.40

Breakdown of unit sales price factors	
Specialty fats	+1.80
Other	+11.95

Breakdown of sales volume factors	
Specialty fats	+0.65
Other	(0.75)

Breakdown of mark-to-market valuation	
FY2023	(0.80)
FY2024	0.00

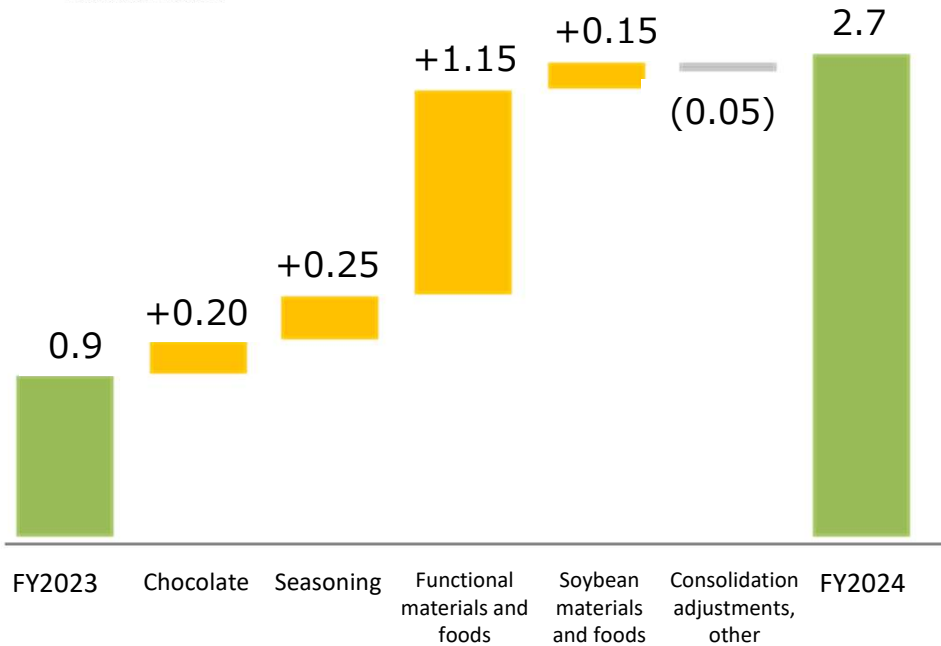
YoY change in sales volume of specialty fats
+18%

Change in FY2024 Operating Profit by Business Segment

(Billion yen)

■ Processed Food and Materials

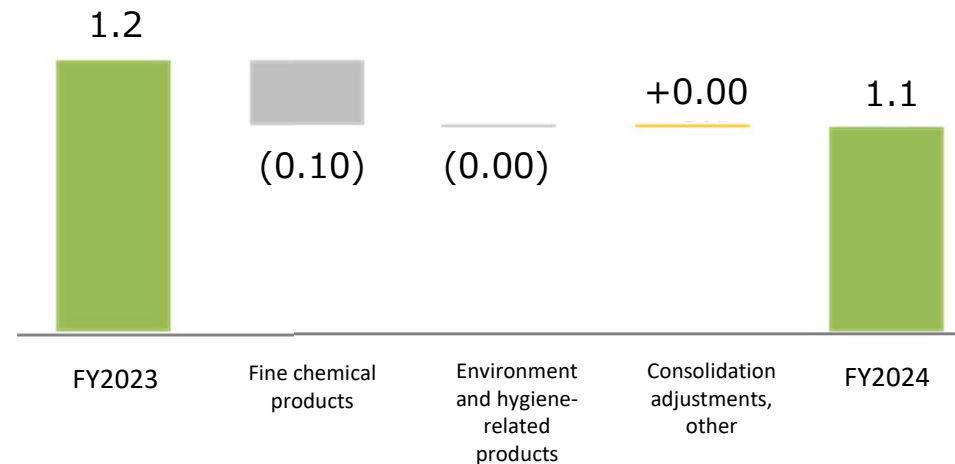
- Profit will increase year on year due to increased sales volume of MCT and lower cost of raw materials.



MCT net sales
8.0 (+0.9 YoY)

■ Fine Chemical

- Profit will decrease year on year due to higher SG&A expenses despite increase in sales volume of raw materials for cosmetics.



Raw materials for cosmetics net sales
11.2 (+1.4 YoY)



Progress of the Medium-term Management Plan

Status of Management Indicators

- The results of management indicators, namely, net sales, operating profit, ROE, ROIC, and operating cash flows, for FY2023 exceeded the plans, and we were able to achieve the FY2024 targets set out in the Medium-term Management Plan *Value Up+* ahead of schedule. This was mainly due to steadily improved profitability through solutions and measures to create value, despite the absence of temporary overseas profit increase factors observed in FY2022 and effects from a decline in profit due to mark-to-market valuation loss on palm oil transactions.
- In FY2024, we expect to achieve the same level of consolidated operating profit as FY2023 because we will steadily implement profit-oriented measures, although we factor in the impact of the historically high price of olives and other severe business conditions. Such measures include further boosting sales of oils and fats for use in chocolate in overseas processed oil and fat by promoting their global development and reinforcing the quality and supply system as well as recovering sales volumes and boosting sales of functional products and marketing-based products in domestic oils and fats.
- We are improving business management with an emphasis on capital efficiency by making efforts to improve ROIC in each growth area and instilling an approach to managing businesses in order to achieve the business goals of Vision 2030 and prepare for the next Medium-term Management Plan, which will start in FY2025.

■ Change in management indicators during the period of the Medium-term Management Plan *Value Up+*

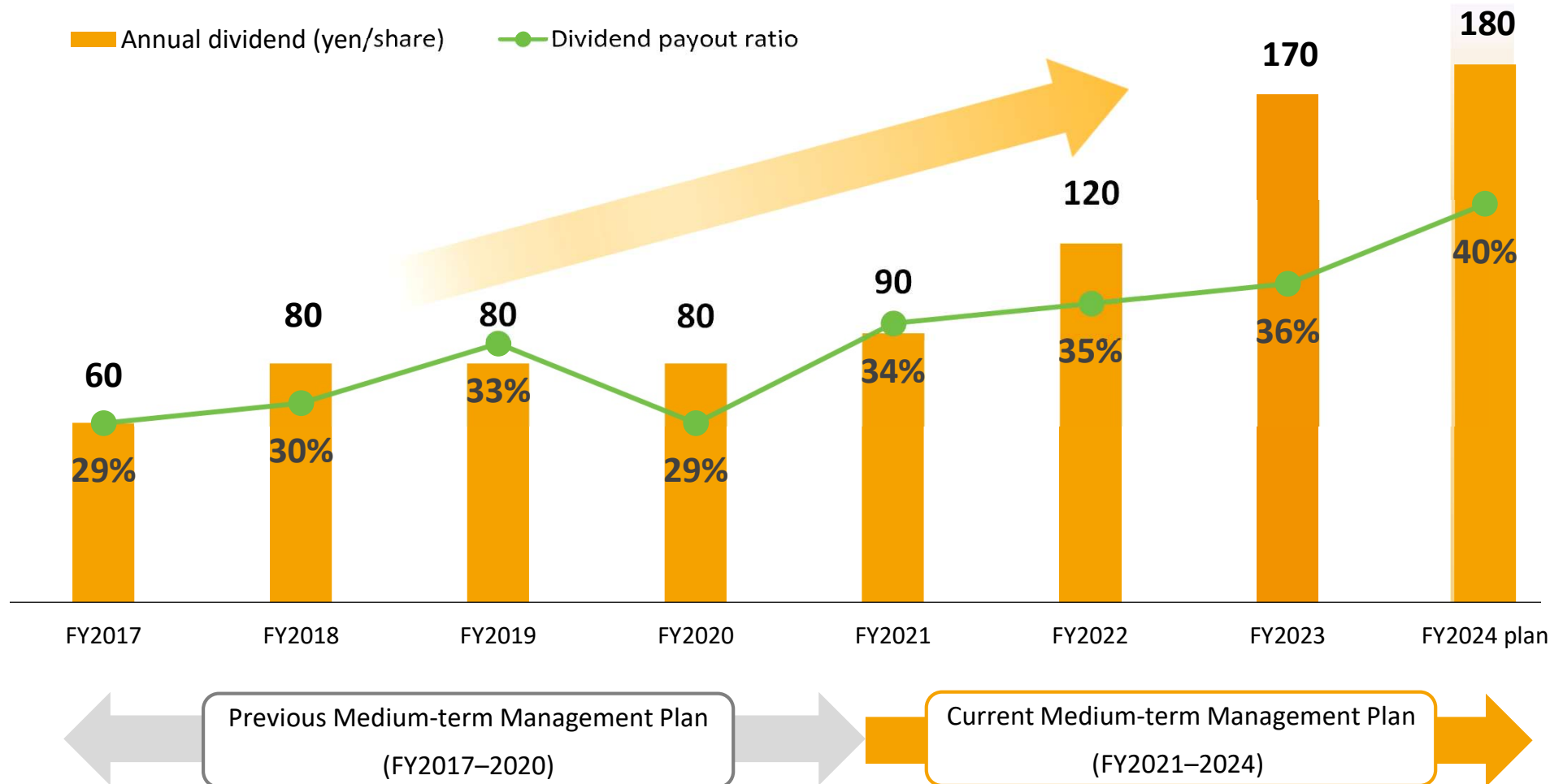
	Unit	FY2021 results	FY2022 results	FY2023 results	FY2024 target	FY2030 target
Net sales	Billion yen	432.7	556.5	513.5	535.0	–
Operating profit	Billion yen	11.6	16.1	20.8	21.0	–
ROE	%	5.7	7.0	8.8	over 8.0	10.0
Cumulative operating cash flows	Billion yen	(26.6)	(26.2)	10.4	48.0	–
ROIC	%	4.1	4.5	5.1	over 5.0	7.0

* Return on Equity (ROE): $\text{Net Profit} / ((\text{Equity capital at beginning of term} + \text{Equity capital at end of term}) / 2)$

Return on Invested Capital (ROIC): $(\text{Operating profit after tax} + \text{Equity in earnings of affiliates}) / ((\text{Invested capital at beginning of term} + \text{Invested capital at end of term}) / 2)$

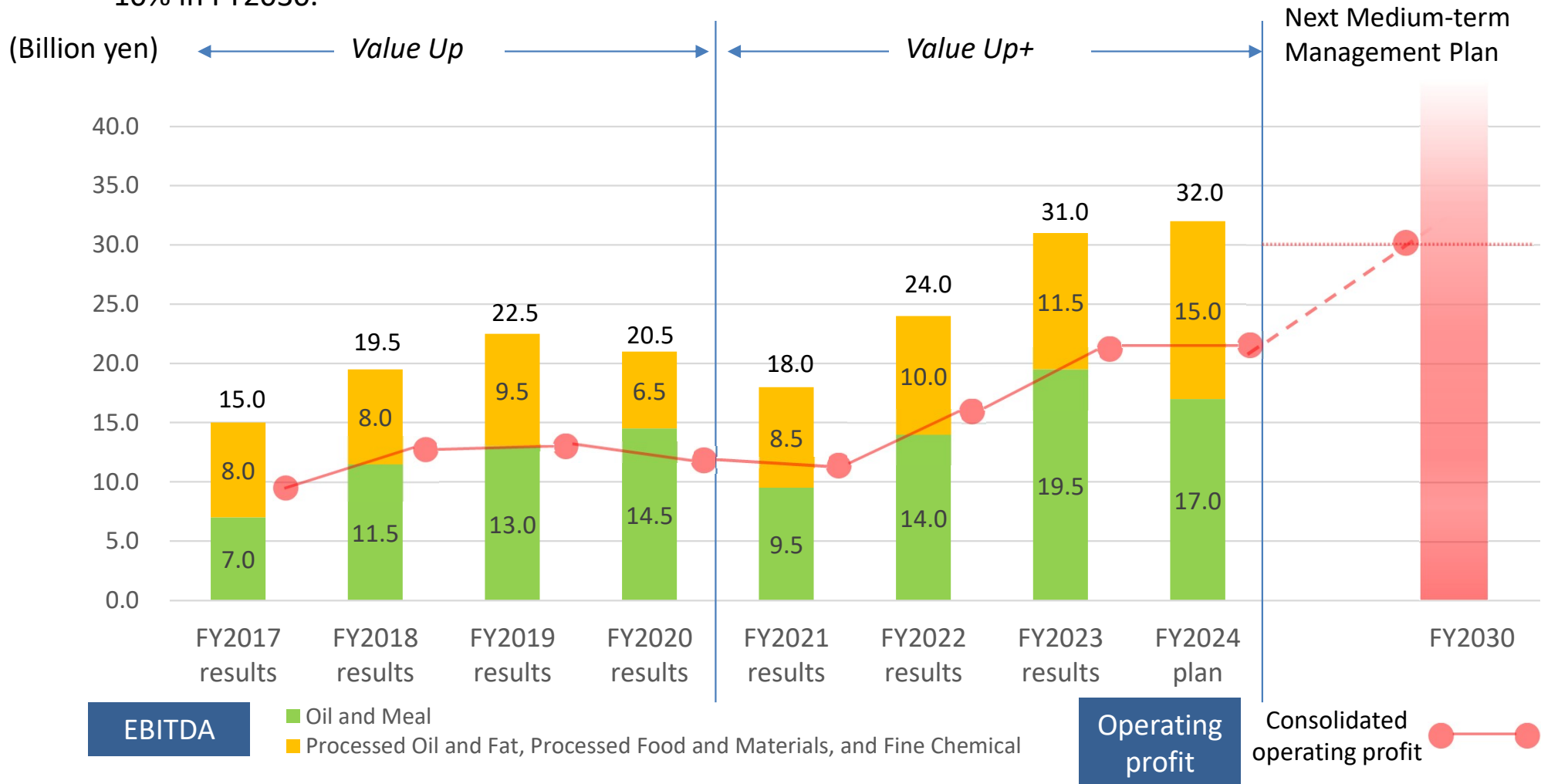
Shareholder Returns

- **We increased the annual dividend to 170 yen per share for FY2023 and plan to increase it to 180 yen per share for FY2024, which will mark a consolidated dividend payout ratio of 40%.** This reflects our commitment to shareholder returns, aligning with profit growth and improved return on capital through active investment to increase corporate value, as outlined in the shareholder return policy of our Medium-term Management Plan, *Value Up+*.



Ability to Generate Profit

- Both EBITDA and operating profit in the Medium-term Management Plan *Value Up+* have been well above the levels of the previous Medium-term Management Plan. We revised upward the operating profit target and achieved the targeted levels of the management indicators one year ahead of schedule.
- We will accelerate efforts to achieve the operating profit target of 30 billion yen to achieve the ROE target of 10% in FY2030.



Vision 2030: Shared Values and CSV Goals in Our Priorities

*Preliminary figures

Our Priorities	CSV Goals			
	Goals	FY2023 results	FY2024 target	FY2030 target
Good health for all	Growth rate for sales of products that boost health and energy in various stages of life (vs. FY2019)	133%	150%	200%
	Develop products that enhance people's good health leveraging knowledge of lipid nutrition	<ul style="list-style-type: none"> Collected six pieces of evidence relating to fat burning and the prevention of low nutrition and frailty (MCT) Launched a total of nine small-amount-but-high-energy products, etc. 	Collect evidence relating to frailty prevention and improvement of metabolic syndrome and launch products (total of more than 20 products since FY2022)	Collect evidence relating to solution to personal health issues (improvement of physical health) and develop products
	Increase the number of people provided with health information that helps optimal lipid intake (cumulative total from FY2021)	89.41 million	130 million	400 million
Quality of life	Provide "good flavor" to the dining table and refine our brand to foster enrichment of people's lives			
	Create products that highlight the "good flavor" and "beauty" of food			
	Growth rate for sales of beauty-enhancing products (vs. FY2019)	126.6%	150%	200%
Global environment	Reduction ratio of GHG emissions (Scopes 1 and 2, vs. FY2016)	18.6%*	20%	50%
	Reduction ratio of GHG emissions (Scope 3) (Started reduction efforts for Categories 1 and 4 (vs. FY2020))	<ul style="list-style-type: none"> Set a quantitative target to achieve in FY2030 Started specific discussions in September with U.S. and Canadian industry associations via Japan Oilseed Processors Association about methods for calculating GHG emissions from main raw materials (soybeans and rapeseed) 		25%
	Reduce use of plastic containers and packaging, and promote resource recycling			
	Develop products and services that positively impact the environment utilizing plant resources and our technologies			
Contribution to the food value chain	Ensure stable supply of food energy in Japan (ratio of total domestic energy)	7.3%	Over 6%	Over 6%
	Growth rate of customer support solutions by the Group (vs. FY2019)	127%	130%	150%
Supply chain connected by trust	Develop and deepen business activities based on respect for human rights	Established supplier guidelines and started informing high-priority suppliers of the guidelines. Asked contract manufacturers to complete a self-assessment questionnaire and conducted on-site inspections at the manufacturers.	Conduct rigorous human rights due diligence in supply chains	Establish a foundation and systems to prevent human rights violations in supply chains
	Raise the rate of traceability back to the plantation	Palm oil 92.7%	Palm oil: Implement effective measures to achieve and maintain 100% traceability	Palm oil 100%
	Promote initiatives to enhance the sustainability of soybeans			
	Sustainable procurement of cacao			
	Develop a sustainable and competitive logistics system			
Human resource management	Empathy with the Group's philosophy and vision	Aim for a state where employees across the Group have empathy with and pride in its philosophy, vision and corporate value and act proactively (We will set an appropriate target after conducting a survey in FY2024)		
	Increase the female manager ratio	7.3%	8%	20%

Growth

BtoC

Domestic Household Use

FY2024 plan and efforts

Expand the domestic market for household use through mechanisms for enhancing the value of oils and fats

- Form a 50 billion yen market for “pour and enjoy” fresh oil (up by 30% versus FY2019)
- Implement structural reforms in cooking oil products (increase composition ratio of functional products, healthy oils and other strategic products to 60%)
- Increase the number of people provided with lipid health information: 130 million (cumulative over 4 years)

FY2023 results

- “Pour and enjoy” fresh oil market: 42.2 billion yen
- Strategic products composition ratio: 60%
- Number of people provided with lipid health information: 89.41 million (cumulative from FY2021)

Market environment

- The market size in FY2023 was approximately 181.5 billion yen, maintaining the previous year's level
- Structurally elevated prices of oils and fats raw materials, persistent yen depreciation, and growing awareness of the need to defend daily livelihoods
- Prices of raw materials for value-added products such as olive soared, with continued concern about the effects on demand

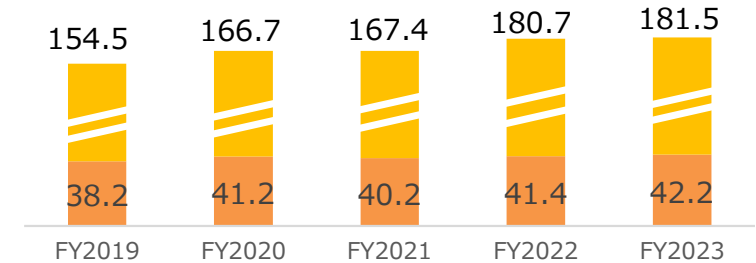
FY2023 status

- Strengthened structural reforms in cooking oil products with the launch of *Healthy Clear*, a functional and marketing-based product that addresses consumers’ concerns about oxidation
- Steadily revised prices for value-added products such as olive whose material prices soared, and at the same time, launched products that would expand demand and revitalize the market
- Launched products jointly developed with other companies and strengthened PR activities in various fields to create markets for “flavored oil”

FY2024 key measures

- Expand sales of functional and marketing-based products to build a stable revenue base
- Promote measures for the early realization of appropriate olive oil prices and market re-expansion
- Develop a market for supplemental oil and "pour and enjoy" fresh oil by strengthening marketing to capture latent and emerging demand

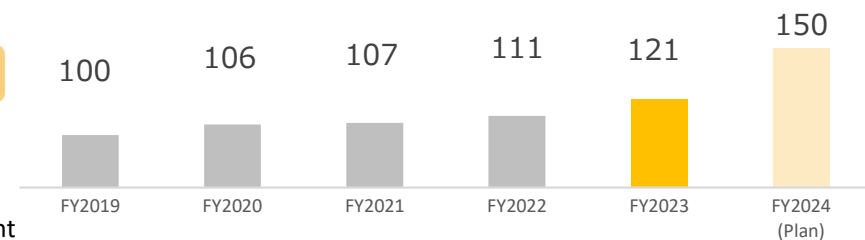
Size of market for edible oils for household use (Billion yen)



*Compiled based on SCI from Intage Inc.

■ "Pour and enjoy" fresh oil

Change in net sales of value-added oils* for household use



*Olive oil, sesame oil, and supplemental oils in the value-added category

*Indexed using FY2019 as 100

Growth

BtoB

Domestic Commercial Use, Food Processing, Processed Oil and Fat

FY2024 plan and efforts

- Growth rate of the Group's customer support solutions: Up by 30% (versus FY2019)

FY2023 results

- Up by 27% versus FY2019

Market environment

- The eating-out market gradually recovered due to the recovery of consumers' willingness for eating out as well as inbound demand, while the ready-to-eat market was also strong
- Souvenir demand recovered due to the recovery of human flow
- Structurally elevated price of raw materials for oils and fats and persistent weakening of yen

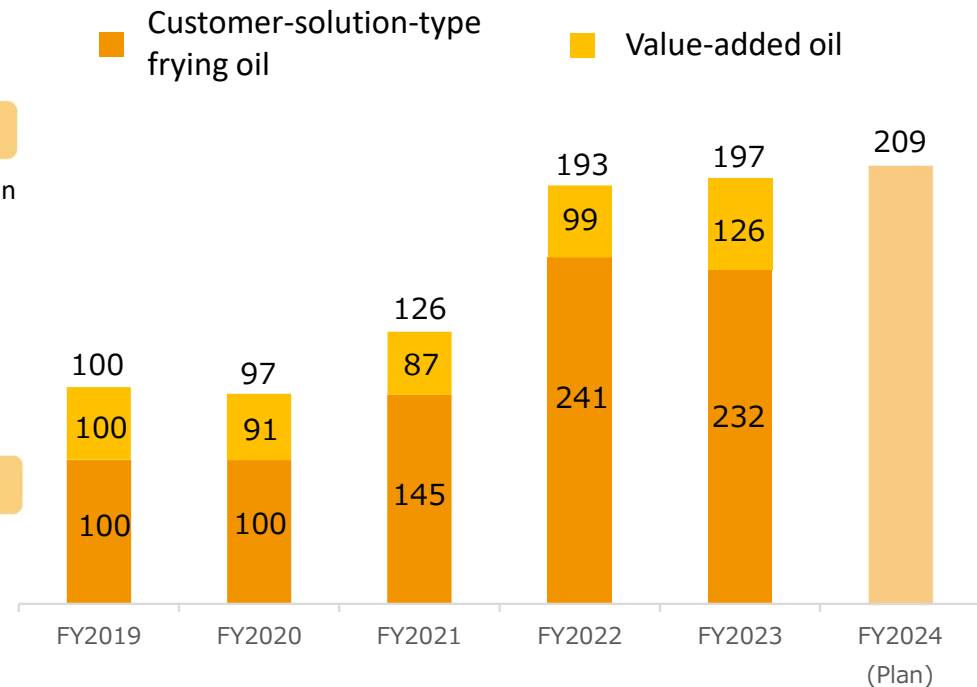
FY2023 status

- Continued efforts to form new value and price equilibrium points, and captured market recovery in the food service and tourism industries, etc.
- Established the foundation for a new inbound sales style through the launch of the Nisshin OilIO Help Site for Commercial Use and activities to strengthen support functions
- Promoted the establishment of a system to solve logistics issues

FY2024 key measures

- Expand sales volume by implementing measures for new customers on top of capturing demand triggered by market recovery
- Promote measures to cultivate new customers through collaborative-sales-to-identify-needs marketing by strengthening the customer support system and
- Strengthen information dissemination to end-users to expand sales of customer-solution-type frying oil and value-added oil

Change in net sales of customer-solution-type frying oil and value-added oil for commercial use



*Indexed using FY2019 as 100

Growth

BtoB

Oils and Fats for Use in Chocolate

FY2024 plan and efforts

- Expand sales volume of oils and fats for use in chocolate: Up by 15% (versus FY2019)

FY2023 results

- Sales volume versus FY2019: Up by 7%

Market environment

- Strong demand for oils and fats for use in chocolate as a substitute due to the high price of cacao
- The palm oil market was stable, but has been on an upward trend since the beginning of the year
- Rising logistics and utility costs

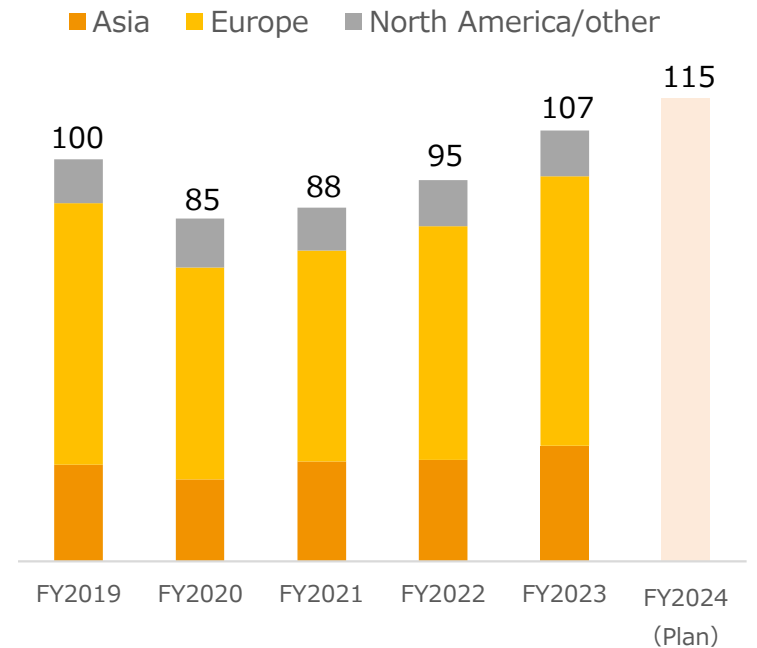
FY2023 status

- The construction of the facilities at ISF for a more sophisticated quality control has been progressing smoothly
- Decided to install an additional production facility to boost sales of oils and fats for use in chocolate
- Promoted efforts to boost sales to existing customers and acquire new customers, mainly in Europe, China, and ASEAN countries

FY2024 key measures

- Enhance our position as a first supplier to existing customers by introducing new supply methods and meeting further quality requirements
- Capture sales opportunities for high value-added products through stable operation of new facilities
- Expand sales in China and ASEAN markets by enhancing product lineup and strengthening application capabilities

Oils and fats for use in chocolate sales volume by area



*Indexed using FY2019 as 100

Growth

BtoB

Cosmetic Oils

FY2024 plan and efforts

- Growth rate of beauty-enhancing products*: Up by 50% (versus FY2019)

FY2023 results

Cosmetic oils

- Up by 39% versus FY2019

Market environment

- Domestic demand continued to recover, and exports from Japan to Korea and other overseas destinations were also recovering
- Overseas, although raw material prices, energy costs, and other costs stabilized, demand was sluggish due to severe market conditions with sluggish sales and excessive inventories in Europe and the U.S.

FY2023 status

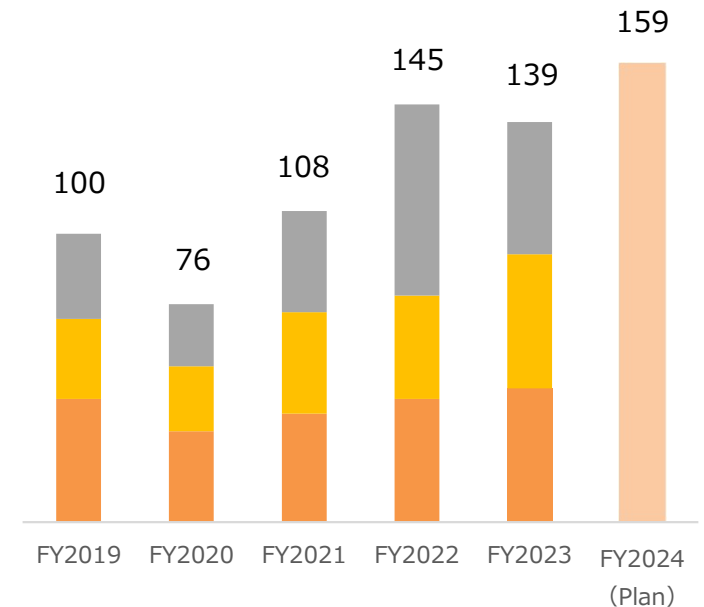
- Launched two strategic products and began market research and sales promotion in each country
- Began preparations to establish a base in Southeast Asia
- Established a technical center in Shanghai and began offering solution proposals to new and existing customers through collaboration between engineers and local sales staff

FY2024 key measures

- Promote global expansion based on specialty esters
- Expand sales by focusing on Asian markets in collaboration with other companies
- Implement initiatives to pursue synergies through technical collaboration between the technical centers in Japan and Shanghai and mutual complementation of knowledge
- Promote development for the launch of new products in target areas

Cosmetic oils: Net sales

Japan Asia North America, Europe/other



*Indexed using FY2019 as 100

Growth

BtoBtoC

Functional Materials and Foods: MCT (Medium-Chain Triglyceride)

FY2024 plan and efforts

- Growth rate of health science products: Up by 50% (versus FY2019)

FY2023 results

- Up by 33% versus FY2019

Market environment

- The MCT market in household-use edible oils expanded from the previous year (+40%, approx. 3.4 billion yen)
- MCT recognition (Company research) was about 60%, and recognition has remained high since the previous year

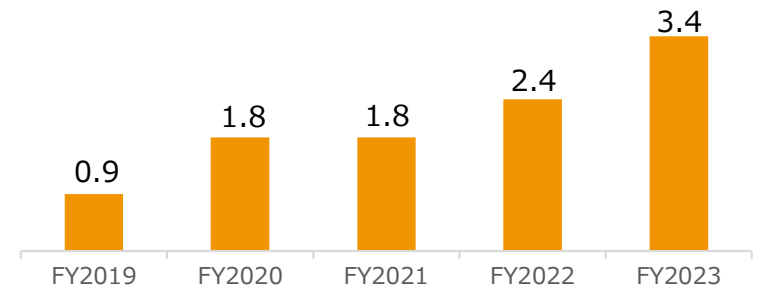
FY2023 status

- Obtained a new functional claim “MCT facilitates fat burning in exercise” in addition to the functional claim “MCT facilitates fat burning in daily activities”
- Expanded the MCT market by practicing functional marketing through communication activities and media approach PR activities
- Increased the adaptation rate of MCT products for medical and nursing facilities by promoting inbound sales, including the launch of a website focusing on specialized information for medical and nursing care professionals, and effective outbound sales

FY2024 key measures

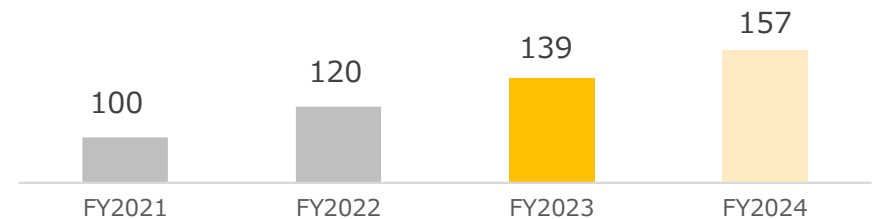
- Cultivate potential demand targeting the healthy elderly
- Expand sales of MCT oil to the market for body fat burning in conjunction with the added functional claim
- Strengthen story dissemination to medical and nursing care professionals regarding MCT functions and expand products that can supply higher energy in a small amount for the elderly
- Launch solution products to solve on-site issues

Size of the MCT market in household-use edible oils (Billion yen)



*Compiled based on SCI from Intage Inc.

Change in net sales of MCT



*Indexed using FY2021 as 100

Sustainability Global Environment/Supply Chain Connected by Trust

FY2024 plan and efforts

Environment

- Reduction of GHG emissions
Scopes 1 and 2: -20% (versus FY2016)

Supply chain

- Roll out viable initiatives to achieve and maintain 100% traceability back to palm plantations
- Conduct rigorous human rights due diligence

FY2023 results

Environment

- Scopes 1 and 2:
-18.6%* (versus FY2016) *Preliminary figures

Supply chain

- Palm plantation traceability rate: 92.7% (January–December)

Key initiatives in FY2023

Environment

- Along with the decarbonization roadmap, reduced GHG emissions by introducing solar power generation and a biomass boiler and starting procurement of green electricity
- Decided to install high-efficiency cogeneration facilities at Yokohama Isogo Complex in anticipation of hydrogen co-firing

Supply chain

- Formulated an action plan based on the procurement policies for the sustainable procurement of soybeans and cacao
- Carried out human rights due diligence on the consolidated subsidiaries using self-assessment questionnaires (SAQs)

Initiatives in FY2024 and beyond

Environment

- Revise the decarbonization roadmap and implement measures to achieve carbon neutrality by 2050 and a 50% GHG emissions reduction target of Scopes 1 and 2 for FY2030 (revised upward in FY2023), a halfway point to 2050

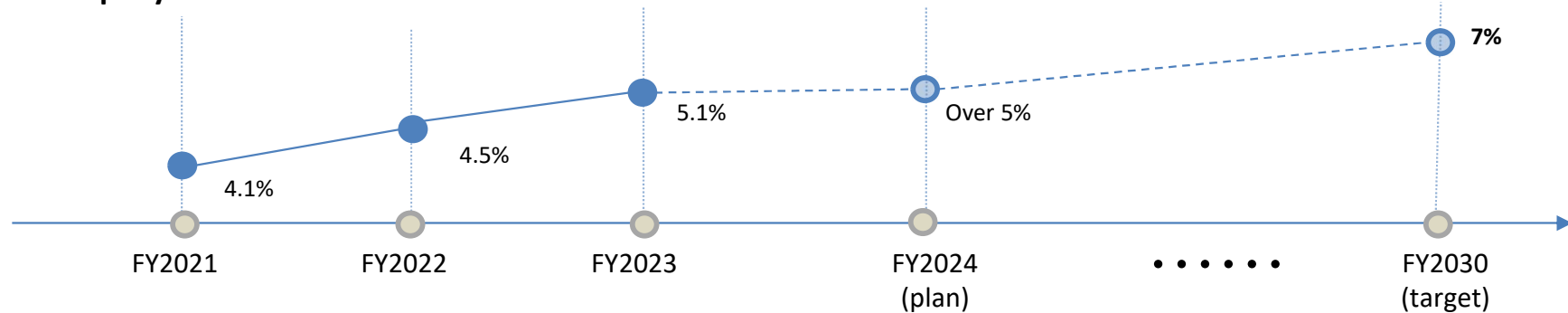
Toward 25% reduction (Scope 3) in FY2030; start with category 1 and 4.

Supply chain

- Implement initiatives for sustainable procurement and respect for human rights
 - Collaborate with stakeholders to achieve 100% traceability back to palm plantations
 - Conduct SAQs and on-site audits of suppliers with high human rights risks
 - Formulate an action plan for sustainable procurement of soybeans and cacao

Course of Action toward Achieving the ROIC Target of 7% in FY2030

Change in company-wide ROIC



Course of Action toward achieving the ROIC target of 7%

■ Operating profit (increase profit and improve profit margin)

- Increase sales of marketing-based products and functional products in domestic oil and fat
- Create value through co-creation centered at Incubation Square
- Further boost sales of specialty fats in target markets
- Reinforce access to growth markets in the fine chemical business
- Create a multi-layer value chain by using chocolate, MCT and other ingredients in the processed food business
- Establish a new value chain in North America by mobilizing all of the Group's resources

■ Invested capital (increase efficiency and optimize)

- Shorten the CCC mainly by optimizing stock and items
- Make investments that help improve profitability by using annual depreciation as a guideline in Japan
- Promote the further reduction of cross-held shares, etc.

Strategically allocate cash generated mainly by improving EBITDA and reducing assets to growth areas

■ Invested capital (approach to investment)

- Achieve stable profits and control appropriate investment levels in Japan with target ROIC of 5%
- Pursue profit growth with target ROIC of 8% through active investment in the fine chemical business, the ISF Group, and the Daito Cacao Group
- Allocate approximately 10% of total invested capital to the North American business to achieve ROIC of 10%

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