

**FY2021**

# **Earnings Conference**

May 12, 2022

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# FY2021 Earnings Results, FY2022 Earnings Forecast

# FY2021 Earnings Results

## FY2021 Earning Results

	FY2020 Results	FY2021 Results	YoY	(Unit : billion yen)	
				FY2021 Initial Plan	FY2021 Revised Plan (Feb,2022)
Net sales	364.8	433.8	+69.1	400.0	430.0
Operating profit	17.9	15.0	(2.9)	18.0	15.0
Ordinary profit	17.6	14.4	(3.2)	16.8	14.5
Net income	11.0	11.5	+0.5	11.5	11.5

## Consolidated earnings analysis

**Vs. Previous Year** Net sales +69.1billion yen · Operating profit (2.9billion yen)

**Net sales** ↗ Selling price revision due to higher raw material prices  
 ↗ Increase in sales volume due to recovery in demand from the COVID-19

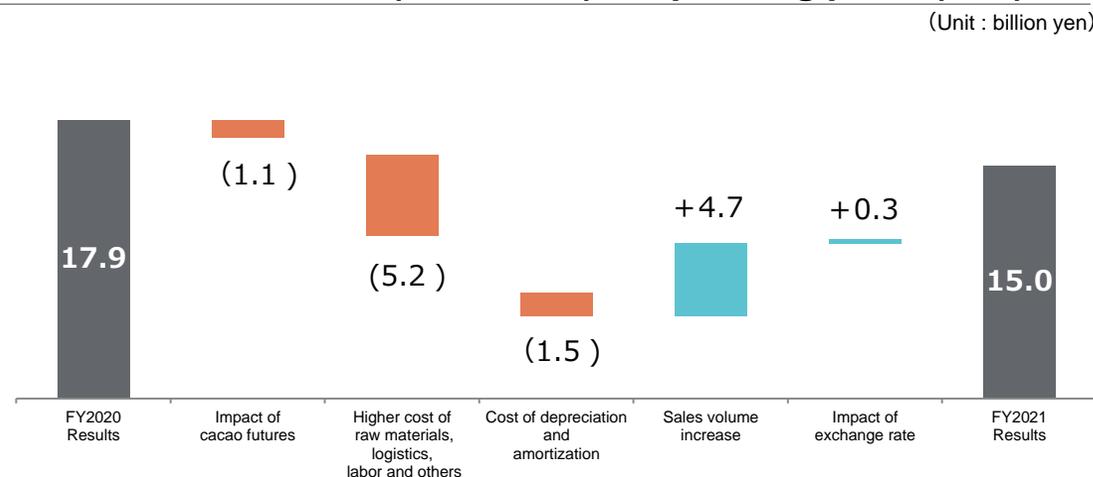
**Operating profit** ↗ Increase in sales volume due to recovery in demand from the COVID-19  
 ↘ Increase in expenses due to operation of a new plant in the U.S. Oils and Fats Business  
 ↘ Decline in profitability due to higher raw material prices

**Vs. Initial Plan** Net sales +33.8billion yen · Operating profit (3.0billion yen)

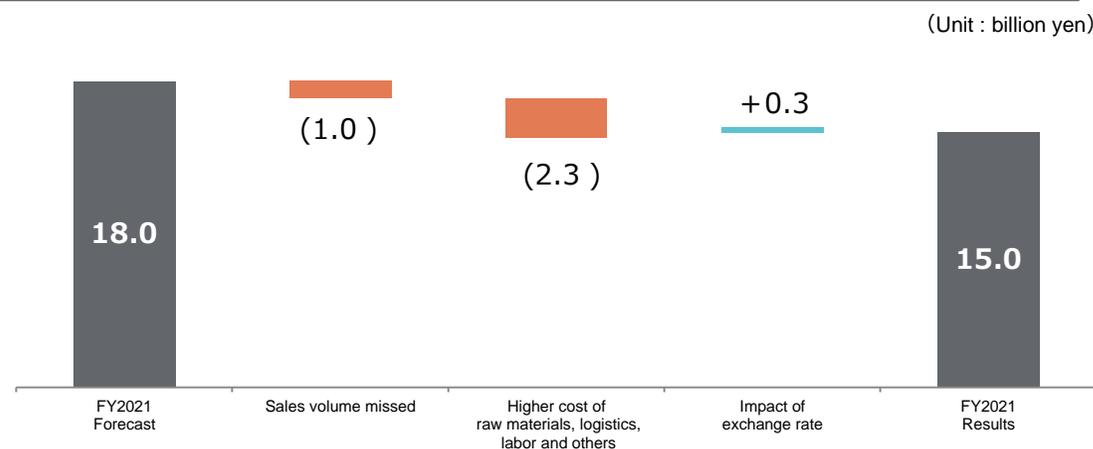
**Net sales** ↗ Increase in price revision due to higher raw material prices than assumed at the beginning of the period

**Operating profit** ↘ Sales volume missed due to delay in start-up of the new plant in the U.S. Oils and Fats Business  
 ↘ Cost increased due to higher raw material prices in Emulsified and Fermented ingredients Business and Soy-based Ingredients Business

## Factors of increases (decreases) in operating profit (YoY)



## Factors of increases (decreases) in operating profit (Initial Plan)



# FY2022 Earnings Forecast

## FY2022 Forecast

(Unit : billion yen)

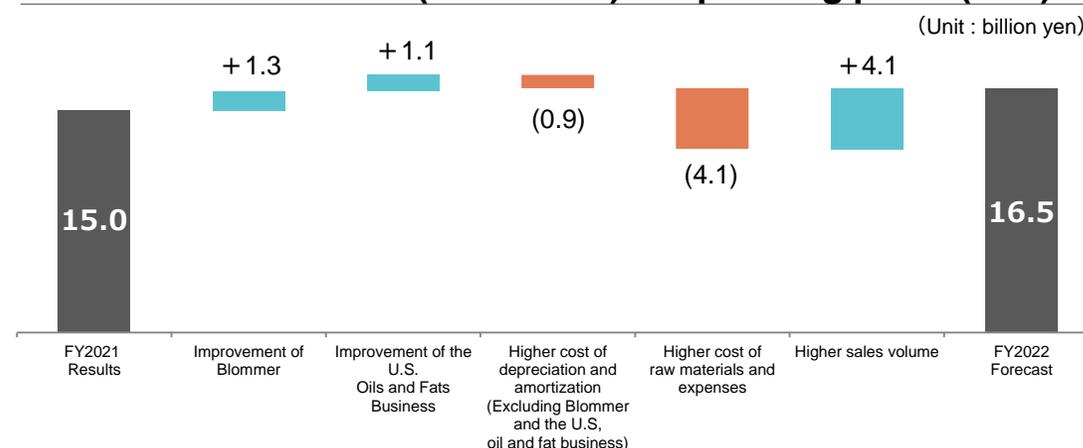
	FY2021 Results	FY2022 Forecast	YoY
Net sales	433.8	480.0	+46.2
Operating profit	15.0	16.5	+1.5
Ordinary profit	14.4	15.8	+1.4
Net income	11.5	10.5	(1.0)

## Analysis of change from previous period

**Net sales +46.2billion yen · Operating profit +1.5billion yen  
Net income (1.0 billion yen)**

<b>Net sales</b>	<ul style="list-style-type: none"> <li>↗ Higher sales volume for the full-year operation of new plant in the U.S. Oils and Fats Business</li> <li>↗ Revision of selling prices to reflect higher raw material prices</li> </ul>
<b>Operating profit</b>	<ul style="list-style-type: none"> <li>↗ Profitability improvement in the U.S. Oils and Fats Business, in Industrial Chocolate Business, and in China and SE Asia Emulsified and Fermented Ingredients Business</li> <li>↘ Increased costs due to higher raw material prices</li> <li>↘ Increase in fixed costs such as depreciation, amortization, labor and others</li> </ul>
<b>Net income</b>	Although operating profit is expected to increase, extraordinary gains from the previous fiscal year will be removed

## Factors of increases (decreases) in operating profit (YoY)



## Operating profit analysis

### Increase factors

<b>Blommer</b>	Profitability is expected to improve due to the revision of appropriate sales prices
<b>The U.S. Oils and Fats Business</b>	Profitability is expected to improve due to higher sales volume rate for the full-year operation of the new plant, and improvement of production efficiency
<b>Higher sales volume</b>	Sales expansion mainly of Soy-based Ingredients in Japan, and filling in China

### Decrease factors

<b>Higher costs of depreciation and amortization</b>	Started operation of the new plant for pea polysaccharides (Europe), etc.
<b>Higher costs of raw materials and expenses</b>	We anticipate higher prices for palm oil and other raw materials, and higher fixed costs due to inflation

# FY2022 Target Issues and Assumptions

## Target Issues

### 1. Responding to increased raw material prices and energy costs

- Limit impact by revising to appropriate pricing, promoting cost reductions
- In the U.S., continue promoting revisions to prices that reflect rise in labor and logistics expenses
- Strengthen cost management to enable rapid responses to market price fluctuations

### 2. Sales expansion measures

- Utilization of the new plant in the U.S. Oils and Fats
- Sales expansion of textured soy protein in Japan
- Sales expansion of filling in China by increasing production capacity

### 3. Shift to high added-value products

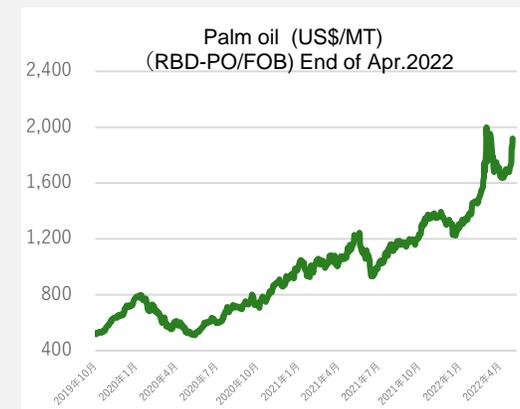
- Focus on development and sales of differentiated products in each Business/Area
- Development of plant-based food products utilizing the company's proprietary technologies
- Start new sales methods and new ways of appealing value through the use of e-commerce and other means

## Assumptions

### Price of main raw material (palm oil)

-Record high in March 2022.

-Moderate decline expected, but prices are expected to remain at high levels



### Exchange rate

-Limited impact of exchange rate fluctuations on consolidated operating income when converted to yen

	FY2020	FY2021	FY2022 Plan
\$	106.06	112.38	125.00
€	123.70	130.56	132.00
RMB	15.67	17.51	17.17
BRL	19.62	21.10	19.52

# FY2022 Earnings forecast, business-specific

(Unit : billion yen)

	FY2021 Results	FY2022 Forecast	YoY
<b>Net sales</b>	433.8	480.0	+46.2
Vegetable Oils and Fats	135.0	168.5	+33.5
Industrial Chocolate	185.5	190.0	+4.5
Emulsified and Fermented Ingredients	79.1	80.6	+1.5
Soy-based Ingredients	34.2	40.9	+6.7
<b>Operating Profit</b>	15.0	16.5	+1.5
Vegetable Oils and Fats	7.4	6.8	(0.6)
Industrial Chocolate	7.5	8.8	+1.2
Emulsified and Fermented Ingredients	1.6	2.8	+1.2
Soy-based Ingredients	2.1	2.5	+0.3
Group administrative expenses	(3.7)	(4.3)	(0.6)



## Vegetable Oils and Fats Business

- In the U.S., planning on higher sales volume for the full-year operation of the new plant and on improvement of production efficiency.
- In Southeast Asia, planning on decrease in profitability due to the rebound from strong sales in FY2021.
- In Japan, planning on higher raw material prices.



## Industrial Chocolate Business

- In the U.S., planning on improvement of profitability by the revision of appropriate sales prices and production efficiency.
- In Brazil, planning on increase in profitability due to sales expansion of high added-value products, and to the revision of sales prices continuingly.
- In Southeast Asia, sales volume is expected to increase due to recovery in demand from COVID-19.



## Emulsified and Fermented Ingredients Business

- In Southeast Asia and China, we expect to improve profitability through appropriate price revision.
- In Japan, planning on decrease of profitability due to higher raw material prices.



## Soy-based Ingredients Business

- In Japan, planning on improvement of profitability by the revision of appropriate sales prices and sales expansion for high added-value products.
- In Europe, depreciation and other upfront costs increased with the launch of operations at the new plant.

# B/S | C/F | Dividend policy

## B/S

### FY2021 :

-Interest-bearing debt increased due to higher working capital requirements resulting from higher cost of raw materials and sales volume.

### FY2022 Forecast :

-Although raw material prices are expected to remain high, interest-bearing debt is expected to decrease due to control of capital investment and other factors.

(Unit : billion yen)

	FY2020	FY2021	FY2022 E
Cash and deposits	20.5	15.9	15.0
Goodwill (in a wide sense)	46.6	49.9	54.1
<b>Total assets</b>	<b>358.5</b>	<b>416.6</b>	<b>431.9</b>
Interest-bearing debt	131.3	148.8	145.5
<b>Total liabilities</b>	<b>195.6</b>	<b>227.1</b>	<b>227.6</b>
<b>Total net assets</b>	<b>162.9</b>	<b>189.5</b>	<b>204.3</b>

	FY2020	FY2021	FY2022 E
Net D/E ratio Net interest-bearing debt / equity capital	0.63	0.73	0.69
Equity ratio	44.6%	44.7%	45.6%

## C/F

### FY2021 :

-Operating CF decreased compared to the previous year due to higher raw material prices and to increase in working capital from higher sales volume.

### FY2022 Forecast :

-We expect increase in operating CF and improvement in FCF by controlling the increase in working capital compared to the previous year.

(Unit : billion yen)

	FY2020	FY2021	FY2022 E
Operating CF	38.2	3.5	25.7
Capital Expenditure	20.8	17.3	20.0
FCF	20.8	(15.3)	7.1
CCC (days)	107	115	108

## Dividend Policy

**Maintain current policy of dividend payout ratio of 30% to 40% for FY2022**

### FY2021

**-52 yen**

-Dividend payout ratio  
**38.9%**

### FY2022 E

**-Plan for 52 yen**

(1H: 26 yen, 2H: 26 yen)

- Dividend payout ratio  
**42.6%**

**2**

## **Reference materials**

# Financial Results

		FY2021 Result			FY2022 Forecast		
		FY2020	FY2021	YoY	FY2021	FY2022 E	YoY
Net sales	Vegetable Oils and Fats	98.4	135.0	+36.6	135.0	168.5	+33.5
	Industrial Chocolate	162.4	185.5	+23.1	185.5	190.0	+4.5
	Emulsified and Fermented Ingredients	70.6	79.1	+8.5	79.1	80.6	+1.5
	Soy-based Ingredients	33.3	34.2	+0.8	34.2	40.9	+6.7
	Total	364.8	433.8	+69.1	433.8	480.0	+46.2
Operating Profit	Vegetable Oils and Fats	7.9	7.4	(0.5)	7.4	6.8	(0.6)
	Industrial Chocolate	7.6	7.5	(0.1)	7.5	8.8	+1.2
	Emulsified and Fermented Ingredients	2.7	1.6	(1.1)	1.6	2.8	+1.2
	Soy-based Ingredients	3.5	2.1	(1.3)	2.1	2.5	+0.3
	Group administrative expenses	(3.8)	(3.7)	+0.0	(3.7)	(4.3)	(0.6)
	Total	17.9	15.0	(2.9)	15.0	16.5	+1.5
Operating profit margin		4.9%	3.5%	(1.5pt)	3.5%	3.4%	(0.0pt)
Ordinary profit		17.6	14.4	(3.2)	14.4	15.8	+1.4
Net income		11.0	11.5	+0.5	11.5	10.5	(1.0)
EBITDA		34.3	32.4	(1.9)	32.4	34.9	+2.5
Capital expenditure		20.8	17.3	(3.5)	17.3	20.0	+2.7
Depreciation and amortization		11.8	12.7	+0.9	12.7	13.8	+1.1
ROE		7.0%	6.6%	(0.4pt)	6.6%	5.5%	(1.2pt)
ROA		4.8%	3.7%	(1.1pt)	3.7%	3.7%	+0.0pt
ROIC		4.3%	3.1%	(1.2pt)	3.1%	3.3%	+0.2pt
CCC		107days	115days	+8days	115days	108days	(7days)

(Unit : billion yen)

\*Soy milk and USS soy milk products included in the Soy-based Ingredients Business have been reclassified to the Emulsified and Fermented Ingredients Business from FY2021, so FY2020 results have been retroactively adjusted.

# Net sales and Operating profit by Quarter

		1Q			2Q			3Q			4Q (Unit : billion yen)		
		FY2020	FY2021	YoY	FY2020	FY2021	YoY	FY2020	FY2021	YoY	FY2020	FY2021	YoY
Net sales	Vegetable Oils and Fats	22.3	29.0	+6.7	24.7	32.6	+8.0	25.2	34.7	+9.6	26.2	38.5	+12.3
	Industrial Chocolate	35.3	41.7	+6.3	39.8	45.9	+6.2	47.0	50.2	+3.2	40.4	47.7	+7.4
	Emulsified and Fermented Ingredients	16.6	19.0	+2.3	17.0	18.7	+1.7	19.9	21.8	+1.9	17.0	19.7	+2.7
	Soy-based Ingredients	8.4	9.0	+0.6	8.5	8.5	+0.1	8.5	8.6	+0.2	8.0	8.0	(0.1)
	Total	82.7	98.7	+16.0	89.9	105.8	+15.9	100.6	115.4	+14.9	91.6	113.9	+22.3
Operating Profit	Vegetable Oils and Fats	1.8	2.1	+0.2	1.6	2.2	+0.6	2.2	1.4	(0.8)	2.3	1.7	(0.6)
	Industrial Chocolate	2.0	1.1	(0.9)	0.8	1.7	+0.8	2.6	2.4	(0.2)	2.2	2.3	+0.1
	Emulsified and Fermented Ingredients	0.1	0.7	+0.6	0.5	0.3	(0.3)	1.6	0.7	(0.9)	0.5	(0.0)	(0.5)
	Soy-based Ingredients	1.3	1.1	(0.1)	1.0	0.6	(0.4)	0.7	0.3	(0.3)	0.5	0.0	(0.5)
	Group administrative expenses	(0.9)	(0.9)	+0.0	(0.9)	(1.0)	(0.1)	(0.8)	(0.9)	(0.0)	(1.1)	(1.0)	+0.1
	Total	4.3	4.1	(0.1)	3.1	3.8	+0.7	6.2	4.0	(2.2)	4.4	3.1	(1.3)
Operating profit margin		5.2%	4.2%	(1.0pt)	3.4%	3.6%	+0.2pt	6.1%	3.5%	(2.7pt)	4.8%	2.7%	(2.1pt)
Ordinary profit		3.8	3.7	(0.1)	3.0	3.9	+0.9	6.0	4.1	(1.9)	4.7	2.6	(2.1)
Net income		2.8	3.5	+0.7	1.5	2.5	+1.0	4.3	3.4	(0.9)	2.4	2.1	(0.3)

\*Soy milk and USS soy milk products included in the Soy-based Ingredients Business have been reclassified to the Emulsified and Fermented Ingredients Business from FY2021, so FY2020 results have been retroactively adjusted.

# Net sales and Operating profit (by region, division)

Net sales	FY	Japan		Americas		SE Asia		China		Europe		Consolidated Total	
		YOY		YOY		YOY		YOY		YOY		YOY	
Vegetable Oils and Fats	2022 Forecast	43,700	+313	75,500	+31,661	23,000	+2,018	1,800	(1,194)	24,500	+728	168,500	+33,524
	2021 Actual	43,387	+8,166	43,839	+13,506	20,982	+5,995	2,994	+280	23,772	+8,616	134,976	+36,563
	2020 Actual	35,221		30,333		14,987		2,714		15,156		98,413	
Industrial Chocolate	2022 Forecast	41,800	+2,263	124,900	+2,667	13,400	+860	5,000	(1,392)	4,900	+66	190,000	+4,460
	2021 Actual	39,537	+3,266	122,233	+14,495	12,540	+2,811	6,392	+764	4,834	+1,758	185,540	+23,094
	2020 Actual	36,271		107,738		9,729		5,628		3,076		162,445	
Emulsified and Fermented Ingredients	2022 Forecast	51,400	+108	-	-	11,700	(281)	17,500	+1,628	-	-	80,600	+1,454
	2021 Actual	51,292	+1,567	-	-	11,981	+2,773	15,872	+4,208	-	-	79,146	+8,547
	2020 Actual	49,725		-	-	9,208		11,664		-	-	70,599	
Soy-based Ingredients	2022 Forecast	39,600	+7,285	-	-	-	-	1,100	(752)	200	200	40,900	+6,733
	2021 Actual	32,315	+671	-	-	-	-	1,852	+175	-	-	34,167	+845
	2020 Actual	31,644		-	-	-	-	1,677		-	-	33,321	
Net sales total	2022 Forecast	176,500	+9,967	200,400	+34,327	48,100	+2,596	25,400	(1,711)	29,600	+993	480,000	+46,169
	2021 Actual	166,533	+13,670	166,073	+28,002	45,504	+11,579	27,111	+5,426	28,607	+10,375	433,831	+69,051
	2020 Actual	152,863		138,071		33,925		21,685		18,232		364,779	

(Unit : million yen)

(Note) The net sales above is sales to outside customers.

Operating profit	FY	Japan		Americas		SE Asia		China		Europe		Consolidated adjustment		Group administrative expenses		Consolidated Total	
		YOY		YOY		YOY		YOY		YOY		YOY		YOY		YOY	
Vegetable Oils and Fats	2022 Forecast	3,448	(358)	1,457	+1,124	1,017	(1,103)	(150)	(161)	957	(279)	28	+135	-	-	6,758	(643)
	2021 Actual	3,806	(644)	333	(1,594)	2,120	+1,029	11	(156)	1,236	+1,161	(107)	(267)	-	-	7,401	(470)
	2020 Actual	4,450		1,927		1,091		167		75		160		-	-	7,872	
Industrial Chocolate	2022 Forecast	6,024	(301)	1,864	+1,620	1,009	+358	(273)	(408)	120	(54)	29	+12	-	-	8,772	+1,224
	2021 Actual	6,325	+451	244	(1,024)	651	+302	135	+301	174	(59)	17	(31)	-	-	7,548	(59)
	2020 Actual	5,874		1,268		349		(166)		233		48		-	-	7,608	
Emulsified and Fermented Ingredients	2022 Forecast	1,502	(292)	-	-	12	+876	1,219	+689	-	-	34	(123)	-	-	2,767	+1,150
	2021 Actual	1,794	+332	-	-	(864)	(712)	530	(788)	-	-	157	+82	-	-	1,617	(1,085)
	2020 Actual	1,462		-	-	(152)		1,318		-	-	75		-	-	2,703	
Soy-based Ingredients	2022 Forecast	2,584	+535	-	-	-	-	474	+157	(600)	(304)	39	(39)	-	-	2,496	+347
	2021 Actual	2,049	(1,254)	-	-	-	-	317	(14)	(296)	(170)	78	+102	-	-	2,149	(1,334)
	2020 Actual	3,303		-	-	-	-	331		(126)		(24)		-	-	3,484	
Consolidated adjustment	2022 Forecast	-	(150)	-	(7)	-	+5	-	(3)	-	+13	-	+163	-	-	-	+20
	2021 Actual	150	+100	7	+3	(5)	(10)	3	(16)	(13)	(133)	(163)	+37	-	-	(20)	(20)
	2020 Actual	50		4		5		19		120		(200)		-	-	-	
Group administrative expenses	2022 Forecast	-	-	-	-	-	-	-	-	-	-	-	-	(4,293)	(605)	(4,293)	(605)
	2021 Actual	-	-	-	-	-	-	-	-	-	-	-	-	(3,688)	+68	(3,688)	+68
	2020 Actual	-	-	-	-	-	-	-	-	-	-	-	-	(3,756)		(3,756)	
Operating profit total	2022 Forecast	13,557	(570)	3,321	+2,737	2,038	+136	1,270	+271	476	(625)	130	+148	(4,293)	(605)	16,500	+1,492
	2021 Actual	14,127	(1,013)	584	(2,616)	1,902	+608	999	(671)	1,101	+798	(18)	(76)	(3,688)	+68	15,008	(2,903)
	2020 Actual	15,140		3,200		1,294		1,670		303		58		(3,756)		17,911	

\*Soy milk and USS soy milk products included in the Soy-based Ingredients Business have been reclassified to the Emulsified and Fermented Ingredients Business from FY2021, so FY2020 results have been retroactively adjusted.



## Vegetable Oils and Fats Business

## Net sales

(Unit : billion yen)

	FY2020	FY2021	YoY	FY2022 E	YoY
<b>Net sales</b>	98.4	135.0	+36.6	168.5	+33.5
Japan	35.2	43.4	+8.2	43.7	+0.3
Americas	30.3	43.8	+13.5	75.5	+31.7
SE Asia	15.0	21.0	+6.0	23.0	+2.0
China	2.7	3.0	+0.3	1.8	(1.2)
Europe	15.2	23.8	+8.6	24.5	+0.7

## Operating profit

	FY2020	FY2021	YoY	FY2022 E	YoY
<b>Operating profit</b>	7.9	7.4	(0.5)	6.8	(0.6)
Japan	4.5	3.8	(0.6)	3.4	(0.4)
Americas	1.9	0.3	(1.6)	1.5	+1.1
SE Asia	1.1	2.1	+1.0	1.0	(1.1)
China	0.2	0.0	(0.2)	(0.2)	(0.2)
Europe	0.1	1.2	+1.2	1.0	(0.3)

## FY2021 Earnings Results

**Japan**

- Vegetable fats for chocolate remained firm
- Promoted price revisions, but profitability declined

**Americas**

- Fixed costs increased due to the new plant operation
- Profitability declined due to higher logistics and labor costs

**SE Asia**

- Profitability improved on price revisions
- Firm sales of CBE

**Europe**

- Sales for the gift market recovered from downturn due to the impact of COVID-19.

## FY2022 Earnings Forecasts

- Forecasting decline in profitability despite continued promotion of revisions to appropriate prices and cost reduction measures
- Expand sales of high added-value products distinguished by quality

- Expect to increase sales volume due to full-year operation of the new plant and improve profitability through higher capacity utilization

- Aim to expand sales of CBE and sustainable palm oil

- Profitability is expected to decline due to a rebound from strong sales in FY2021.

- Build a foundation for expanding certified oil within the group

- Forecasting decline from spot demand during the previous year but expecting demand to remain strong

- Focus on selling distinctive products



## Net sales

(Unit : billion yen)

	FY2020	FY2021	YoY	FY2022 E	YoY
<b>Net sales</b>	162.4	185.5	+23.1	190.0	+4.5
Japan	36.3	39.5	+3.3	41.8	+2.3
Americas	107.7	122.2	+14.5	124.9	+2.7
SE Asia	9.7	12.5	+2.8	13.4	+0.9
China	5.6	6.4	+0.8	5.0	(1.4)
Europe	3.1	4.8	+1.8	4.9	+0.1

## Operating profit

	FY2020	FY2021	YoY	FY2022 E	YoY
<b>Operating profit</b>	7.6	7.5	(0.1)	8.8	+1.2
Japan	5.9	6.3	+0.5	6.0	(0.3)
Americas	1.3	0.2	(1.0)	1.9	+1.6
SE Asia	0.3	0.7	+0.3	1.0	+0.4
China	(0.2)	0.1	+0.3	(0.3)	(0.4)
Europe	0.2	0.2	(0.1)	0.1	(0.1)

## Japan

## FY2021 Earnings Results

-Increased sales volume on aggressive sales expansion to food services and CVS  
-Sales for the gift market also improved from the previous year

## FY2022 Earnings Forecasts

-Expand sales of health-conscious chocolate  
-Expand sales of products using sustainable cacao  
-Forecast profitability decline despite revisions to appropriate prices.

## Americas

The U.S.  
Brazil

(the U.S.)  
-Loss of futures gains (+¥1.1bn) recorded in the previous year  
-Sales volume increased but profitability declined due to increased fixed costs.  
(Brazil)  
-Recovery in demand that had been sluggish due to the impact of COVID-19  
-Improved profitability through sales expansion and price revisions

(U.S.)  
-Implement measures to stabilize production, such as hiring more production personnel.  
-Forecast improved profitability on revisions to appropriate prices  
(Brazil)  
-Continue revisions to appropriate prices  
-Strengthen sales of high added-value products by reviewing of market channel and product mix

## SE Asia

(Australia):  
-Increased profits on strong demand and promotion of price revisions  
(Indonesia)  
-Profitability declined due to resurgence of COVID-19 and increasing competition

(Australia)  
-Planning to increase profits by higher sales volume  
(Indonesia)  
-Planning to increase profits by recovering demand from impact of COVID-19 and aggressive sales expansion

## China

-Improved profitability by promoting profit improvement measures through a two-factory system with Blommer Shanghai

-Profitability is expected to decrease due to the drop in spot demand in the previous year and the impact of high raw material prices.  
-Continue optimizing production using a two-factory system

## Europe

-Sales expansion on recovery of gift demand and capacity increase  
-Increase in fixed costs due to new line operation

-Increase in production volume, but higher fixed costs  
-Expand and increase sales of distinctive product groups



## Emulsified and Fermented Ingredients Business

## Net sales

(Unit : billion yen)

	FY2020	FY2021	YoY	FY2022 E	YoY
<b>Net sales</b>	70.6	79.1	+8.5	80.6	+1.5
Japan	49.7	51.3	+1.6	51.4	+0.1
SE Asia	9.2	12.0	+2.8	11.7	(0.3)
China	11.7	15.9	+4.2	17.5	+1.6

## Operating profit

	FY2020	FY2021	YoY	FY2022 E	YoY
<b>Operating profit</b>	2.7	1.6	(1.1)	2.8	+1.2
Japan	1.5	1.8	+0.3	1.5	(0.3)
SE Asia	(0.2)	(0.9)	(0.7)	0.0	+0.9
China	1.3	0.5	(0.8)	1.2	+0.7

Japan

## FY2021 Earnings Results

-Demand recovery from impact of COVID-19 the previous year

-Sales of whipping cream for confectioneries remained strong

## FY2022 Earnings Forecasts

-Promote and expand sales to the PBF products market

-Development of products that solve social issues such as disposal loss, labor shortage.

-Forecast decline in profitability due to the impact of higher raw material prices, despite revising to appropriate prices and promoting cost reductions

SE Asia

-Sales volume of preparations to Japan recovered

-Decline in profitability due to higher raw material prices and energy costs

-Forecast improved profitability on revisions to appropriate prices

-Focus on expanding sales of distinctive cream products

China

-Increased sales volume for bakeries

-Profitability declined despite promoting price revisions in response to higher raw material prices

-Forecast improved profitability on revisions to appropriate prices

-Expand and increase sales of distinctive product groups



## Net sales

(Unit : billion yen)

	FY2020	FY2021	YoY	FY2022 E	YoY
<b>Net sales</b>	33.3	34.2	+0.8	40.9	+6.7
Japan	31.6	32.3	+0.7	39.6	+7.3
China	1.7	1.9	+0.2	1.1	(0.8)
Europe	—	—	—	0.2	+0.2

## Operating profit

	FY2020	FY2021	YoY	FY2022 E	YoY
<b>Operating profit</b>	3.5	2.1	(1.3)	2.5	+0.3
Japan	3.3	2.0	(1.3)	2.6	+0.5
China	0.3	0.3	(0.0)	0.5	+0.2
Europe	(0.1)	(0.3)	(0.2)	(0.6)	(0.3)

## FY2021 Earnings Results

-Profitability declined despite price revisions due to the higher raw material prices

-Sales volume of textured soy protein increased thanks to sales expansion using the new factory

-Sales of functional agents in China remained strong despite decrease in sales to Japan.

-Started construction of the new plant for soluble pea polysaccharides.

## FY2022 Earnings Forecasts

-Sales expansion of added-value products. (Health nutrition confectionery, Soy-based ingredients for beverage)

-Recover sales volume for functional ingredients (assuming gradual recovery on the beverage market)

-Promote revisions to appropriate prices and cost reduction, but forecasting decline profitability by higher raw material prices and energy costs

-Strengthen and increase cost competitiveness by improving production efficiency, etc. Planning on increased profit.

-Start of commercial production at the new plant for soluble pea polysaccharides (Scheduled for August 2022)

-Continued operating loss by increases in depreciation cost and other upfront expenses.

-Establishment of production system and product quality is a top priority. In addition, we will promote the development of new customers.

Japan

China

Europe