

The Nisshin Oillio Group, Ltd.

First Quarter of FY2022

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1. Summary of Financial Results

1-1. Summary for First Quarter FY2022

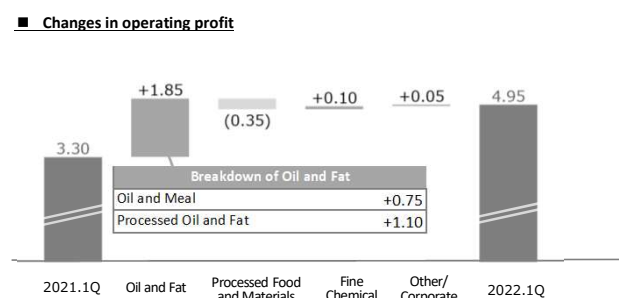
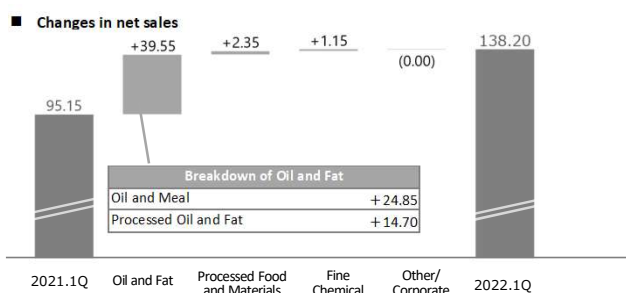
	First Quarter FY2022	First Quarter FY2021	YoY	
			Change	Change (%)
Net sales	138,224	95,175	+43,048	+45.2%
Percentage of overseas sales	25.4%	19.6%	+5.8P	—
Operating profit	4,967	3,311	+1,655	+50.0%
Percentage of operating profit to net sales	3.6%	3.5%	+0.1P	—
Ordinary profit	5,036	3,948	+1,088	+27.6%
Profit attributable to owners of parent	4,395	2,815	+1,579	+56.1%

1-2. Results by Business Segment

	First Quarter FY2022	First Quarter FY2021	YoY	
			Change	Change (%)
Net sales	138,224	95,175	+43,048	+45.2%
Oil and Fat	116,930	77,383	+39,546	+51.1%
Oil and Meal	84,611	59,779	+24,832	+41.5%
Processed Oil and Fat	32,318	17,604	+14,714	+83.6%
Processed Food and Materials	15,441	13,096	+2,344	+17.9%
Fine Chemical	5,235	4,052	+1,182	+29.2%
Other/Adjustments	617	642	(25)	(3.9%)
Operating profit	4,967	3,311	+1,655	+50.0%
Oil and Fat	4,453	2,598	+1,854	+71.4%
Oil and Meal	2,041	1,309	+732	+55.9%
Processed Oil and Fat	2,412	1,289	+1,122	+87.0%
Processed Food and Materials	66	440	(373)	(84.9%)
Fine Chemical	542	412	+129	+31.3%
Other/Adjustments	(95)	(140)	+45	—

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

(Billion yen)



<Factors impacting net sales>

- **Oil and Fat**
 - Revisions to sales prices due to an increase in raw material costs (↑)
 - Increase in sales volume of commercial-use products associated with recovery in demand for eating out (↑)
 - Increase in sales volume of household-use products (↑)
 - Increase both in sales volume and sales prices of meal (↑)
- **Processed Food and Materials**
 - Increase in sales volume of chocolate products (↑)
 - Revisions to sales prices of MCT products (↑)
 - Revisions to sales prices of soybean material/food product (↑)
- **Fine Chemical**
 - Revisions to sales prices due to an increase in raw material costs (↑)
 - 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 (↑)
- **Processed Food and Materials**
 - Increase in cost rate for chocolate products (↓)
 - Increase in raw material costs for seasonings such as salad dressings (↓)
 - Increase in raw material costs and increase in selling, general and administrative expenses for MCT products (↓)
- **Fine Chemical**
 - Revisions to sales prices due to an increase in raw material costs (↑)
 - Increase in raw materials costs and depreciation costs incurred with the start of operations at new plant (↓)

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	50,777	+17,138		
Commercial use and processing use	31,849	+11,968	+678	*Net sales and profits increased due to sale price revision in conjunction with rising materials costs of oils and fats; an increase in sales volume of commercial- and household-use products; and an increase in sales volume and prices for meals.
Household-use	18,927	+5,169		
Meal	24,715	+5,826		
Subsidiaries	21,284	+4,615	+183	
Consolidation adjustment and others	(12,165)	(2,747)	(129)	
Oil and meal total	84,611	+24,832	+732	

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

Supplement:
Value-added products in domestic oil and fat

Sales composition ratio	Changes in net sales
17%	+503

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

(Billion yen)

	Change	Main factors
Sales volume factors	+0.45	Commercial-use and processing-use [+0.15], household-use [+0.30]
Sales price factors	+14.95	Commercial-use and processing-use [+11.35], household-use [+3.60]
Cost factors	(14.00)	
Soybean	(2.95)	C&F [(3.55)], foreign exchange [(2.30)], meal sales [+2.90]
Rapeseed	(8.15)	C&F [(7.60)], foreign exchange [(1.80)], meal sales [+1.25]
Other products & manufacturing costs	(2.90)	Cost increase in palm oil
SG&A expenses and others	(0.70)	
Total	+0.70	

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	35,091	+17,484		
Europe	15,302	+8,890	+1,268	*Sales increased due to rising sales prices. *While rising raw material costs are a factor in lower profit, profits increased due to an increase in sales volume and unit sales prices for oils and fats used in chocolate, as well as the impact of the mark-to-market valuation of palm oil futures (as of June 30, 2021, +1.35 billion yen; as of June 30, 2022, +1.45 billion yen) and foreign currency translations due to the declining value of the yen.
Asia	17,408	+7,199		
Other regions	2,380	+1,395		
Domestic processed oil and fat	2,962	+733	(201)	Net sales increased due to sales price revision, but profits declined due to a higher cost of sales.
Consolidation adjustment and others	(5,735)	(3,504)	+56	
Processed oil and fat total	32,318	+14,714	+1,122	

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

	Percentage change in sales volume
Overseas processed oil and fat	(8%)
Europe	+2%
Asia	(17%)
Other regions	+24%

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

Sales composition ratio	Change in sales volume YoY
32%	+14%

Processed Food and Materials

(Million yen; Changes: YoY)

	Net Sales		Changes in operating profit	Remarks
	Results	Change		
Chocolate	7,951	+1,851	(50)	Net sales increased due to higher sales volume, but profit declined due to a higher cost ratio.
Seasoning	1,288	+34	(31)	Net sales increased due to sales price revision, but profits declined due to higher raw material costs.
Functional materials and foods	1,863	+111	(167)	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	1,444	+166		
Soybean materials and foods	5,416	+654	(108)	Net sales increased due to sales price revision, but profit declined due to increase in costs of raw materials.
Consolidation adjustment and others	(1,078)	(306)	(15)	
Processed food and materials total	15,441	+2,344	(373)	

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	4,192	+1,171	+125	Net sales and profits increased due to sales price revision and higher sales volumes by subsidiaries.
Environment and hygiene-related products	1,848	+190	(7)	Sales volume increased, and while net sales increased, profits were down due to higher prices for raw materials.
Consolidation adjustment and others	(804)	(179)	+11	
Fine chemical total	5,235	+1,182	+129	

Note: Sales of raw materials for cosmetics are included in fine chemical product sales.

Supplement: Raw materials for cosmetics (Million yen)

Net sales	Change
2,410	+590

Main exchange rates (Average rate during period)

	JPY/USD	JPY/EUR	JPY/MYR	JPY/CNY	JPY/IDR
First Quarter FY2021	109.52	131.94	26.10	16.96	0.0076
First Quarter FY2022	129.73	138.26	29.85	19.61	0.0089

2. Earnings Forecast for FY2022

2-1. Earnings Forecast

	FY2022 Forecast	FY2021 Results	(Million yen)	
			YoY Change	YoY Change (%)
Net sales	500,000	432,778	+67,221	+15.5%
Operating profit	13,000	11,670	+1,329	+11.4%
Ordinary profit	13,300	12,648	+651	+5.1%
Profit attributable to owners of parent	9,200	8,595	+604	+7.0%

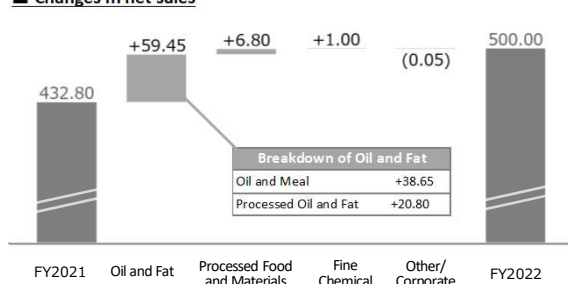
2-2. Forecast by Business Segment

	FY2022 Forecast	FY2021 Results	(Million yen)	
			YoY Change	YoY Change (%)
Net sales	500,000	432,778	+67,221	+15.5%
Oil and Fat	414,500	355,026	+59,473	+16.8%
Oil and Meal	306,500	267,840	+38,659	+14.4%
Processed Oil and Fat	108,000	87,186	+20,813	+23.9%
Processed Food and Materials	65,000	58,185	+6,814	+11.7%
Fine Chemical	18,000	17,003	+996	+5.9%
Other/Adjustments	2,500	2,563	(63)	(2.5%)
Operating profit	13,000	11,670	+1,329	+11.4%
Oil and Fat	11,050	8,975	+2,074	+23.1%
Oil and Meal	8,400	4,716	+3,683	+78.1%
Processed Oil and Fat	2,650	4,258	(1,608)	(37.8%)
Processed Food and Materials	1,200	1,672	(472)	(28.2%)
Fine Chemical	1,150	1,336	(186)	(14.0%)
Other/Adjustments	(400)	(314)	(85)	—

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

(Billion yen)

■ Changes in net sales



<Factors impacting net sales>

■ Oil and Fat

- Revisions to oil and fat sales prices due to further increases in raw material costs (↑)
- Increase in sales volume of commercial-use products due to recovery in demand for eating out (↑)
- Increase in sales volume of household-use products (↑)
- Increase in sales volume and sales prices of meal (↑)

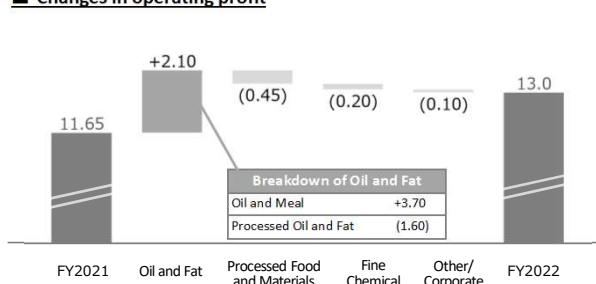
■ Processed Food and Materials

- Increase in sales volume of chocolate products as a result of development of new markets in Japan and overseas (↑)
- Increase in sales volume and revisions to sales prices of seasoning, such as dressings (↑)
- Increase in sales volume and revisions to sales prices of MCT products (↑)
- Decrease in sales in conjunction with the sale of a consolidated subsidiary (↓)

■ Fine Chemical

- Sales price revision of raw materials for cosmetics (↑)
- Decrease in sales volume of fine chemical products and hygiene-related products (↓)

■ Changes in operating profit



<Factors impacting operating profit>

■ Oil and Fat

- Revisions to oil and fat sales prices due to further increases in raw material costs as well as increases in sales volumes (↑)
- Further increases in raw material costs for oil, meal and processed oils and fats (↓)
- Decrease in earnings on mark-to-market valuation of palm oil transactions (↓)

■ Processed Food and Materials

- Increase in sales volumes of chocolate products and high profit margin products (↑)
- Increase in cost of sales for seasoning, MCT products, and soybean-related products in conjunction with further increases in raw material prices (↓)
- Decrease in profit in conjunction with the sale of a consolidated subsidiary (↓)

■ Fine Chemical

- Revisions to sales prices of raw materials for cosmetics (↑)
- Increase in cost of sales for fine chemical products in conjunction with rising raw material prices (↓)
- Increase in depreciation costs incurred with the start of operations at new plant (↓)

Reference

Chicago Soybean Market

(¢/bu)



ICE Rapeseed Market

(CAD/t)



Crude Palm Oil Market

(MYR/t)



Exchange Rates (JPY/USD)

(JPY/USD)



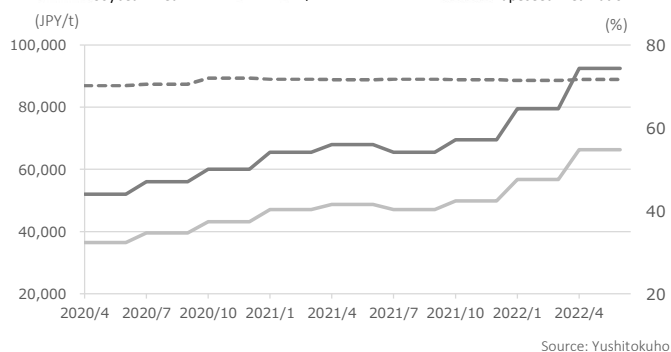
Meal Value Trends

(%)



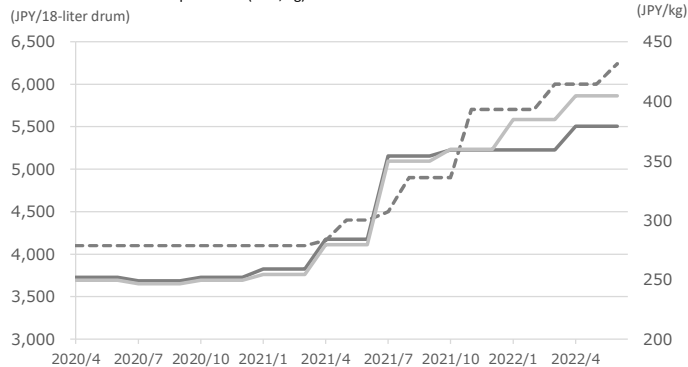
Average Market Price in the Meal Industry

Soybean meal Rapeseed meal Rapeseed meal ratio



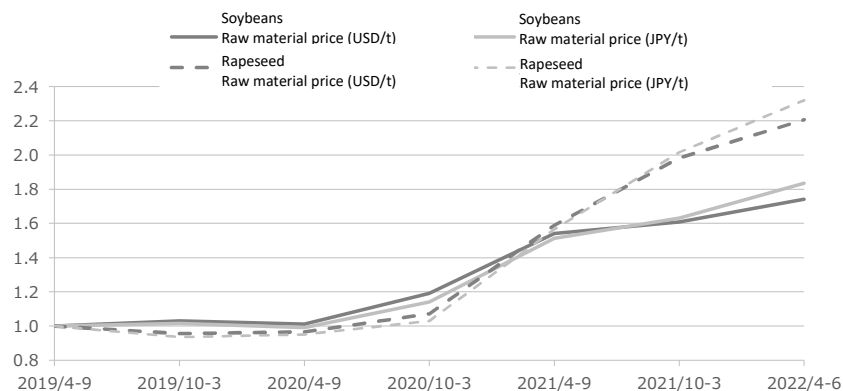
Nikkei Market Price Trends

Soybean oil (18-liter drum) Soybean oil (bulk, kg)
Rapeseed oil (bulk, kg)

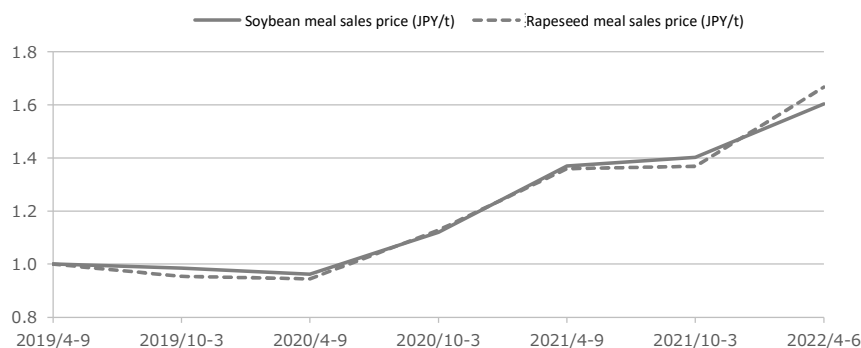


Reference

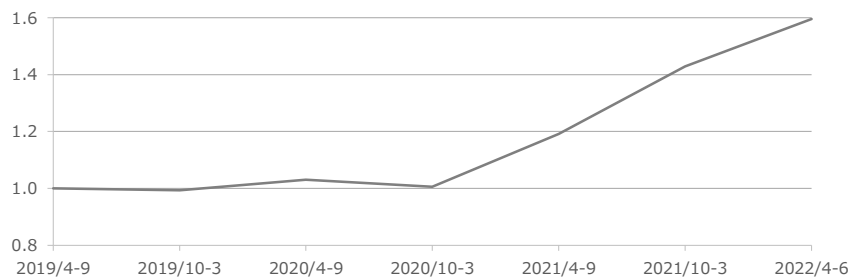
■ Raw Materials (Soybeans and Rapeseed)



■ 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.