

Financial Results Presentation for Fiscal 2010 (Year Ended March 31, 2011)



"The Natural Power of Plants"

May 16, 2011

The Nisshin Oillio Group, Ltd.

Medium-term Business Plan *GROWTH 10* Phase II

**Kazuo Ogome
President**

Fiscal 2010 Consolidated Financial Results

	FY10	FY09	Change (%)
Net Sales	305.3	301.3	1.3%
Operating Income	7.0	10.4	- 33.2%
Ordinary Income	6.3	10.3	- 38.8%
Net Income	2.1	5.1	- 58.4%

(Billions of yen; figures have been rounded to the nearest ¥0.1 billion)

(Reference: Non-consolidated Financial Results)

	FY10	FY09	Change (%)
Net Sales	175.7	185.1	- 5.1%
Operating Income	4.4	6.7	- 34.0%
Ordinary Income	4.7	7.1	- 34.3%
Net Income	2.0	3.6	- 43.5%

Fiscal 2011 Consolidated Forecasts

	FY11	FY10	Change (%)
Net Sales	343.0	305.3	12.3%
Operating Income	8.0	7.0	14.8%
Ordinary Income	7.0	6.3	11.0%
Net Income	3.4	2.1	60.2%

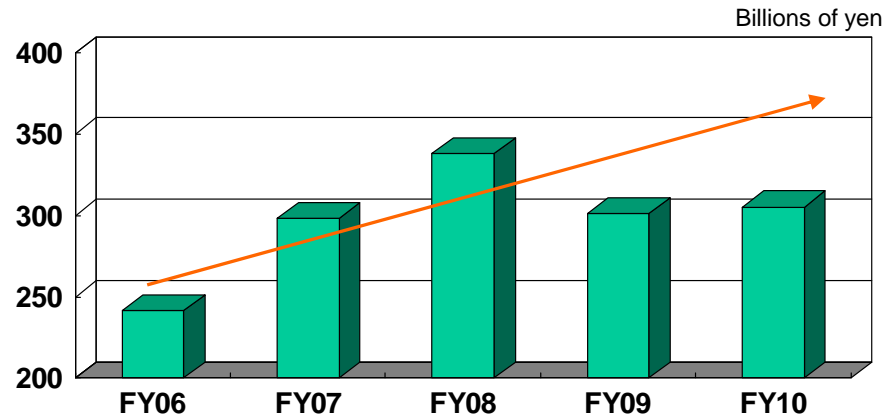
(Billions of yen)

(Reference: Non-consolidated Financial Forecasts)

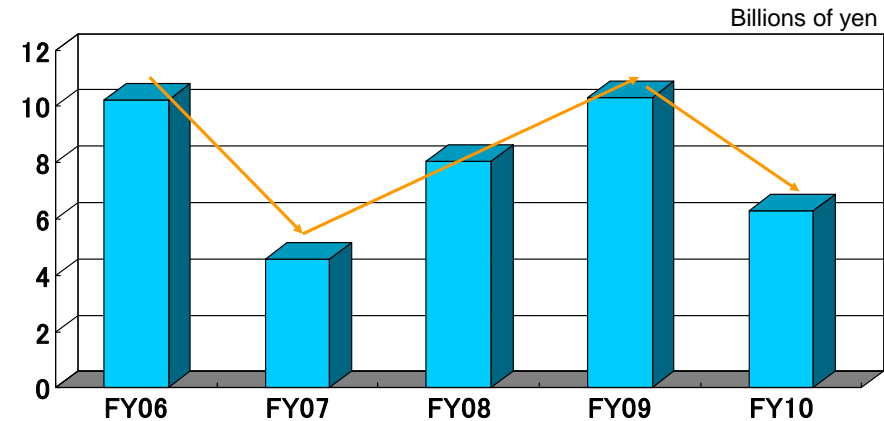
	FY11	FY10	Change (%)
Net Sales	195.0	175.7	11.0%
Operating Income	2.8	4.4	- 36.2%
Ordinary Income	3.0	4.7	- 36.0%
Net Income	1.5	2.0	- 26.1%

GROWTH 10 Phase I Overview

Net Sales



Ordinary Income



Results and Issues

- Processed oils and fats, which is positioned as a growth business, saw steady progress. Developments included start of operations of new facilities at Intercontinental Specialty Fats Sdn. Bhd. (ISF), and entry into the chocolate business by making Daito Cacao Co., Ltd. a subsidiary.
- Achieved ¥2.0 billion cost-cutting target in FY2010 compared with FY2008 as a result of company-wide cost-cutting. Also promoted greater efficiency.
- In oils and fats sales in Japan, the market accepted to some extent raising sales prices due to higher global grain prices. However, more work is required going forward.
- Dalian Nisshin Oil Mills, Ltd. posted a profit for the third straight year.
- Must strengthen overseas business further, and accelerate market development based on technological strengths.

GROWTH 10 Phase I Cost Reduction

◆ Achieved ¥2.0 billion cost-cutting target in FY2010 compared with FY2008.

Area	Target	Results	Major initiatives
Production	¥0.7 billion	¥0.8 billion	<ul style="list-style-type: none"> • Built production control system
General purchasing and administrative expenses	¥0.5 billion	¥0.7 billion	<ul style="list-style-type: none"> • Bolstered expense management and promoted cost awareness
Investment	¥0.4 billion	¥0.7 billion	<ul style="list-style-type: none"> • Reduced depreciation and amortization through tight investment profit management
Logistics	¥0.2 billion	¥0.2 billion	<ul style="list-style-type: none"> • Reduced inventory and raised efficiency of logistics network
Other	¥0.2 billion		
Total	¥2.0 billion	¥2.4 billion	

***GROWTH 10* Phase II Thrust**

【Phase II Goal】

At the completion of Phase II, we aim to have transformed our business structure to be “an international corporate group that continually generates new value.

Business Structural Reform

- In the oils and meal business, we will continue to generate stable earnings irrespective of changes in our operating environment.
- The processed oils and fats business will achieve a level of earnings on a par with the oils and meal business.
- In growth businesses, we will establish new business models that will be core earnings drivers in our next growth phase.

Realize a stable earnings structure and secure growth

***GROWTH 10* Phase II Business Strategies**

◇ **Oils and Meal Business**

▪ Recognizing rising raw material prices and declining consumption in Japan due to an aging and declining population as structural challenges, we will focus on value and quality with a market- and profit-driven orientation.

◇ **Processed Oils & Fats Business**

▪ We will concentrate management resources in Japan and overseas, as we look to develop businesses widely centered on ISF, Daito Cacao and other entities to create a second earnings driver.

◇ **Growth Businesses**

▪ We will lay the foundation for growth next term to create a third self-sustaining earnings driver.

Milestones Towards *GROWTH 10* Phase II

◇ Oils and Meal Business

- **Transform Yokohama Isogo Plant from an oil mill into an oil and processed oil and fats mill**

Make investments to produce oils and fats more efficiently and to build a distribution system, leveraging the prime Tokyo metropolitan area location, which has more consumers than anywhere else in Japan.

◇ Processed Oils & Fats Business

- **Ramp up capacity of plant producing raw materials for Singapore processed foods**

Increase production capacity by investing in T&C Manufacturing, a subsidiary of Daito Cacao that produces raw materials for chocolate, as well as confectionery and bread.

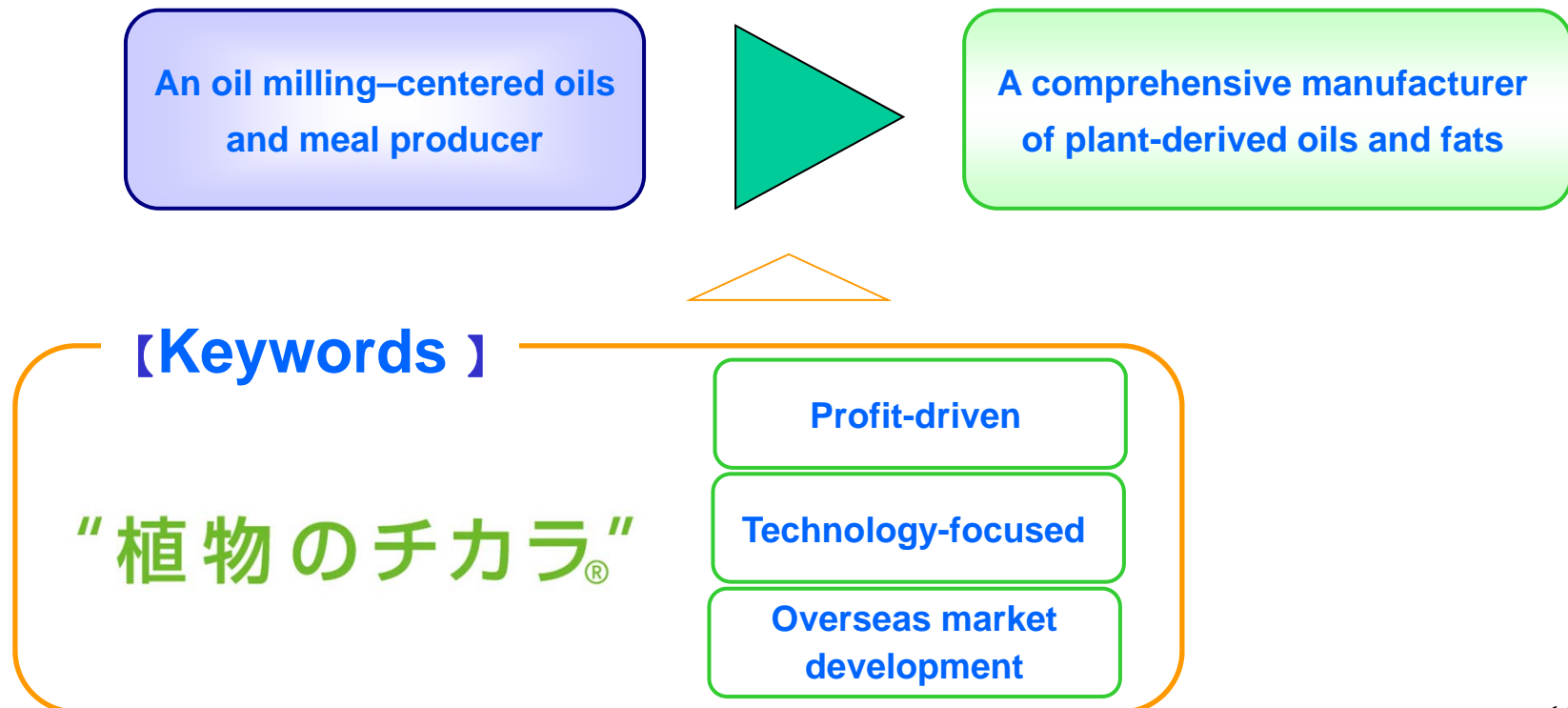
◇ Growth Businesses

- **Make Spain-based IQL a subsidiary in order to globally develop the fine chemicals business**

Make Industrial Quimica Lasem (IQL) a subsidiary to secure a European production base for fine chemicals. IQL produces and sells mainly oils and fats for cosmetic products in Europe.

GROWTH 10 Phase II Management Resource Reallocation

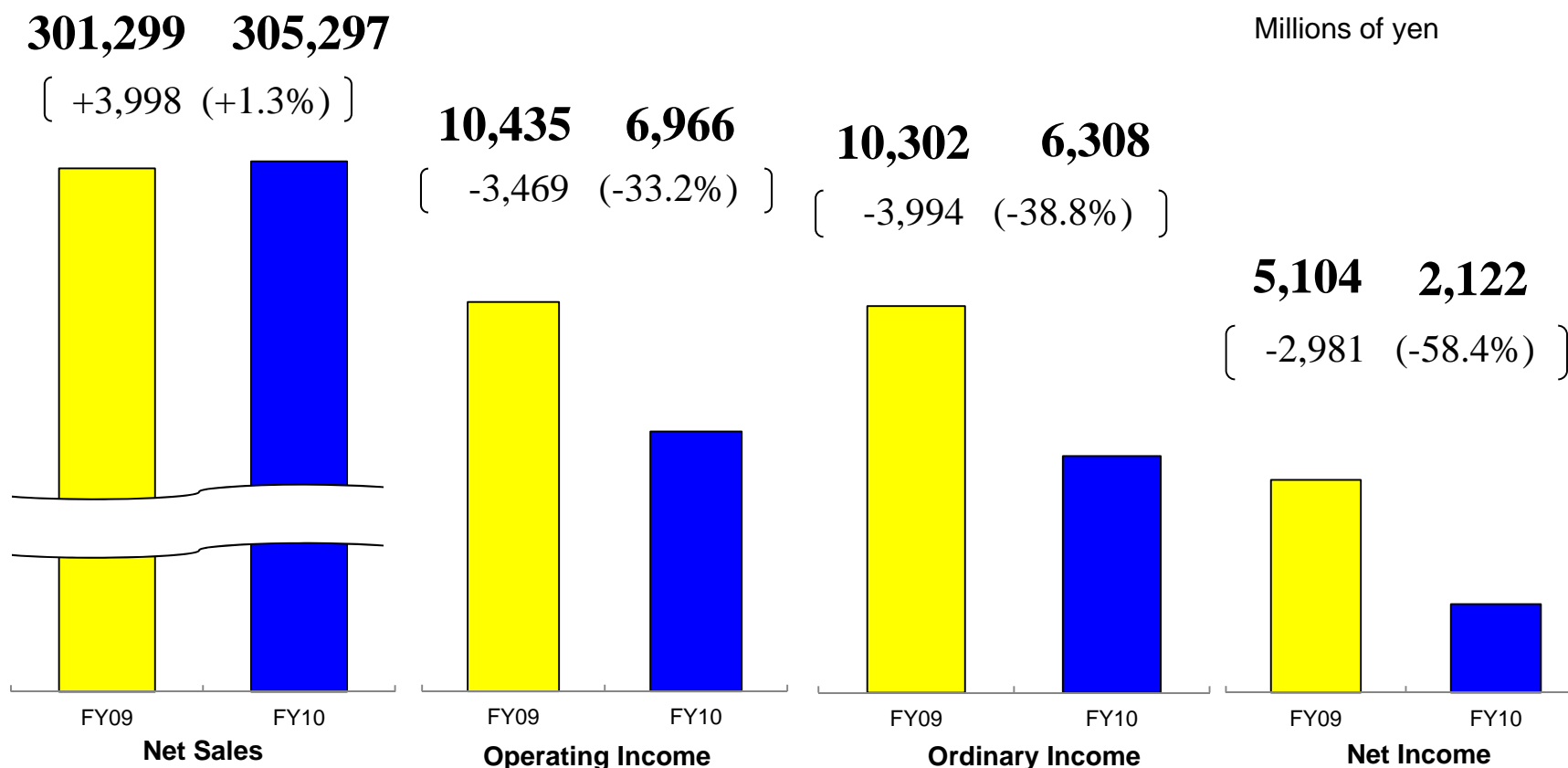
- ◇ We plan to reallocate management resources that were allocated mainly to oil milling to the oils and meal, processed oils and fats, and growth businesses, through initiatives in line with the thrust of Phase II. The goal is to become a comprehensive manufacturer of plant-derived oils and fats that is globally active in a broad range of business fields, extending from food to fine chemicals.



Outline of Financial Results for Fiscal 2010 (Year Ended March 31, 2011)

Takeshi Ootara
Officer General Manager
Financial Department
The Nisshin Oillio Group, Ltd.

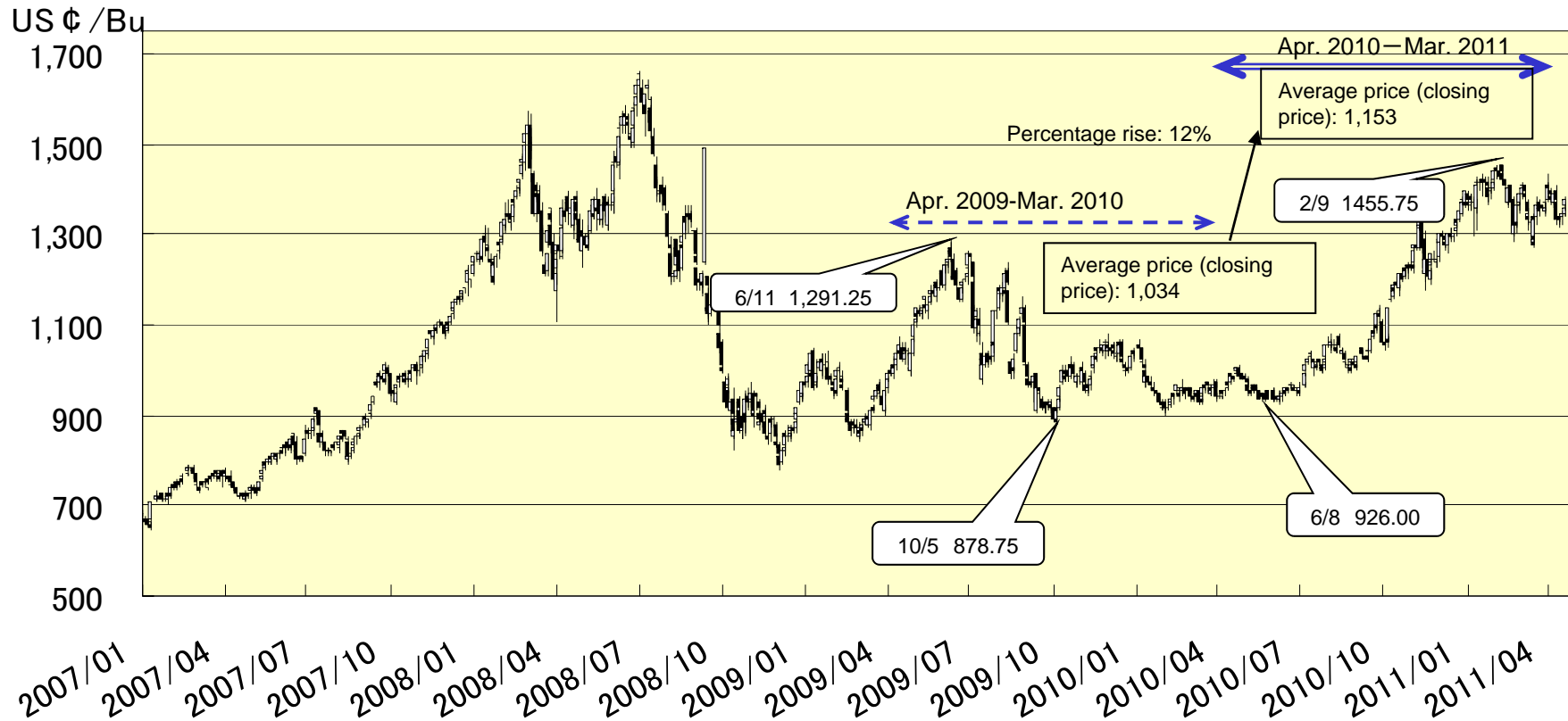
Outline of Consolidated Financial Results for Fiscal 2010



Raw Materials Prices & Foreign Exchange Rates	FY10	FY09	Change	Change (%)
Soybean Unit Price (USD/t)	484	462	+22	+5%
Rapeseed Unit Price (USD/t)	521	452	+69	+15%
Foreign Exchange Rate (JPY/USD)	87	93	-6	-6%

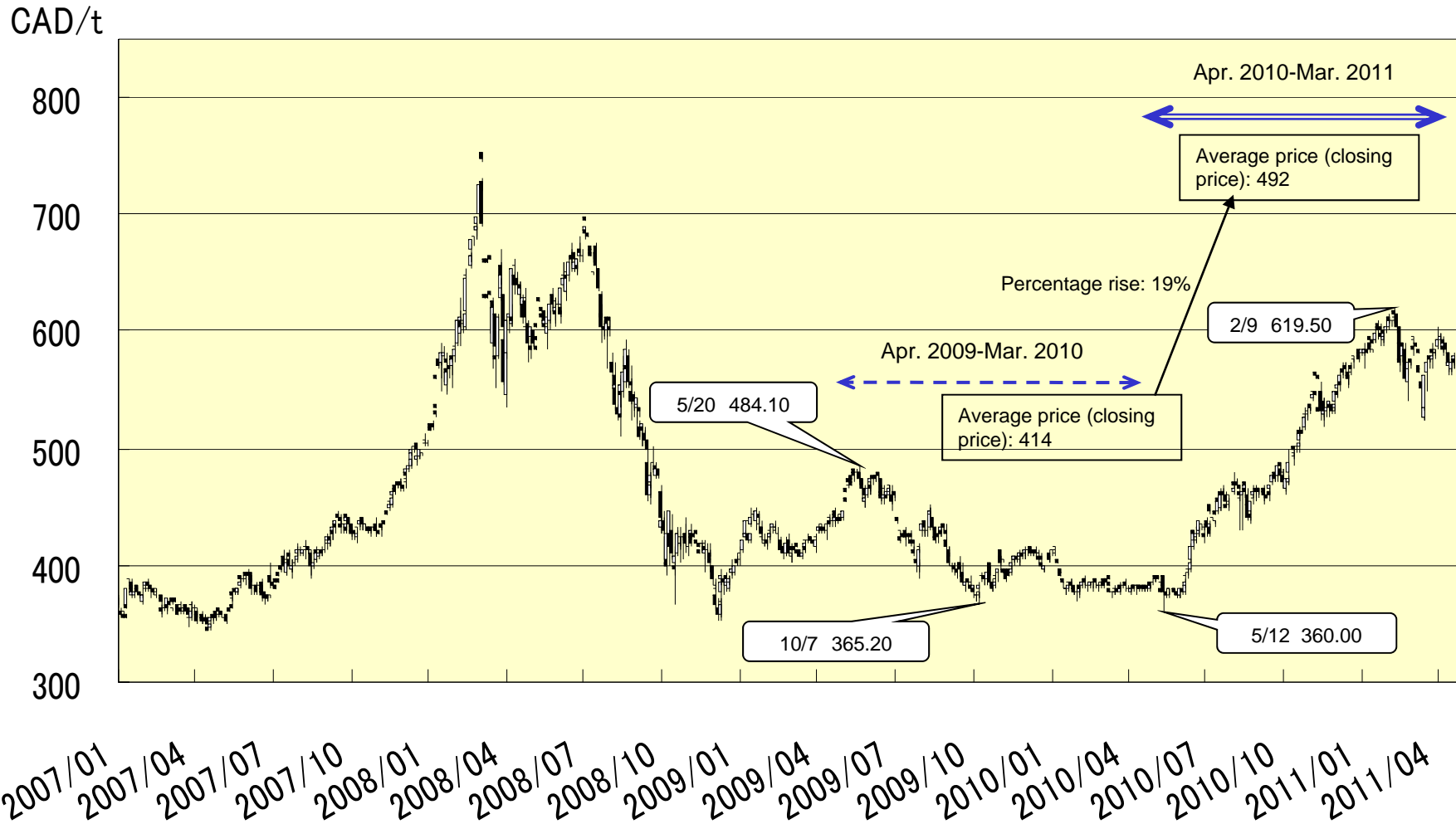
* Figures for raw materials prices and foreign exchange rates are based on Nisshin Oillio estimates.

Soybean Market Prices (Chicago)



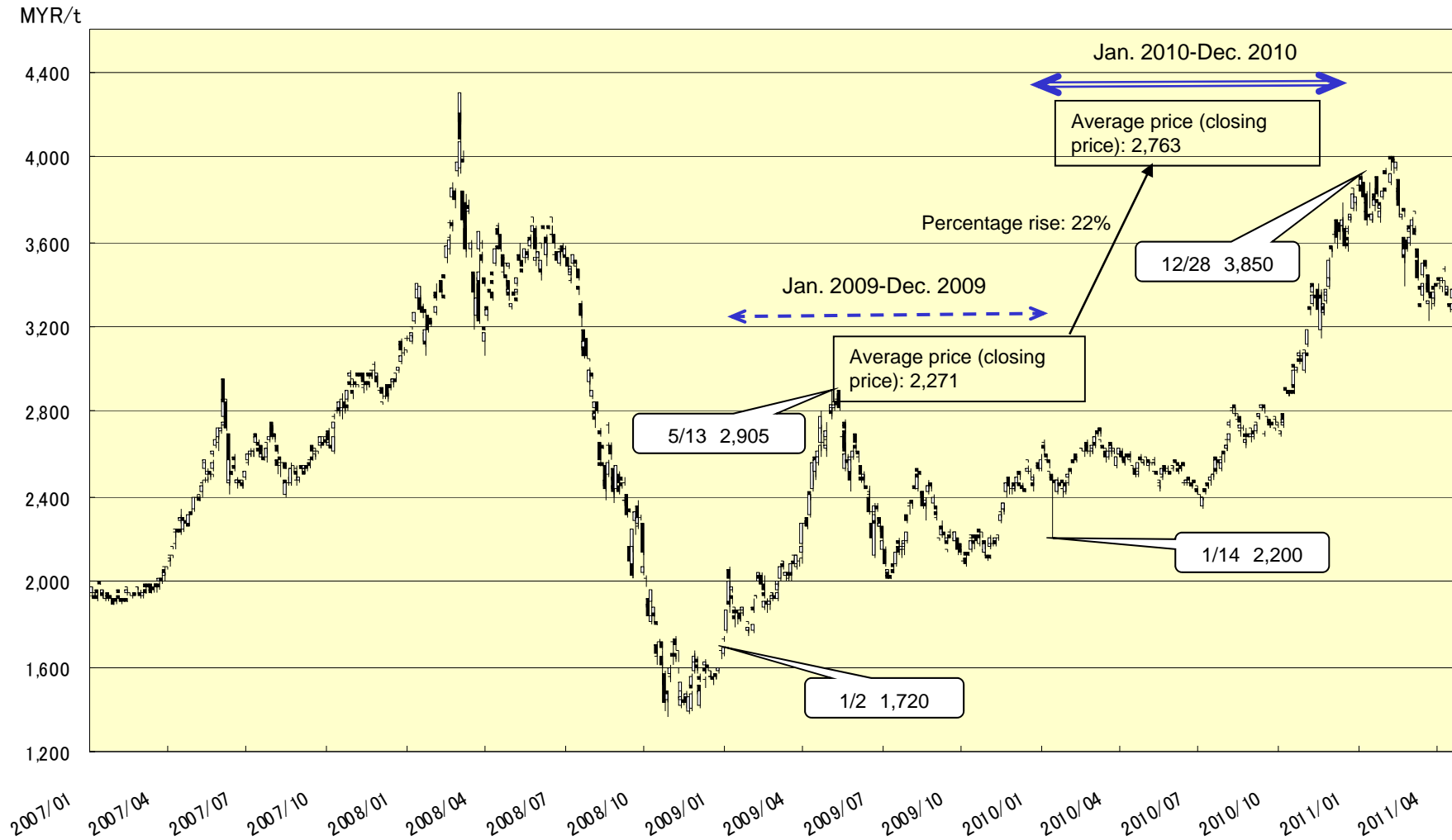
Source: Bloomberg

Rapeseed Market Prices (Winnipeg)



Source: Bloomberg

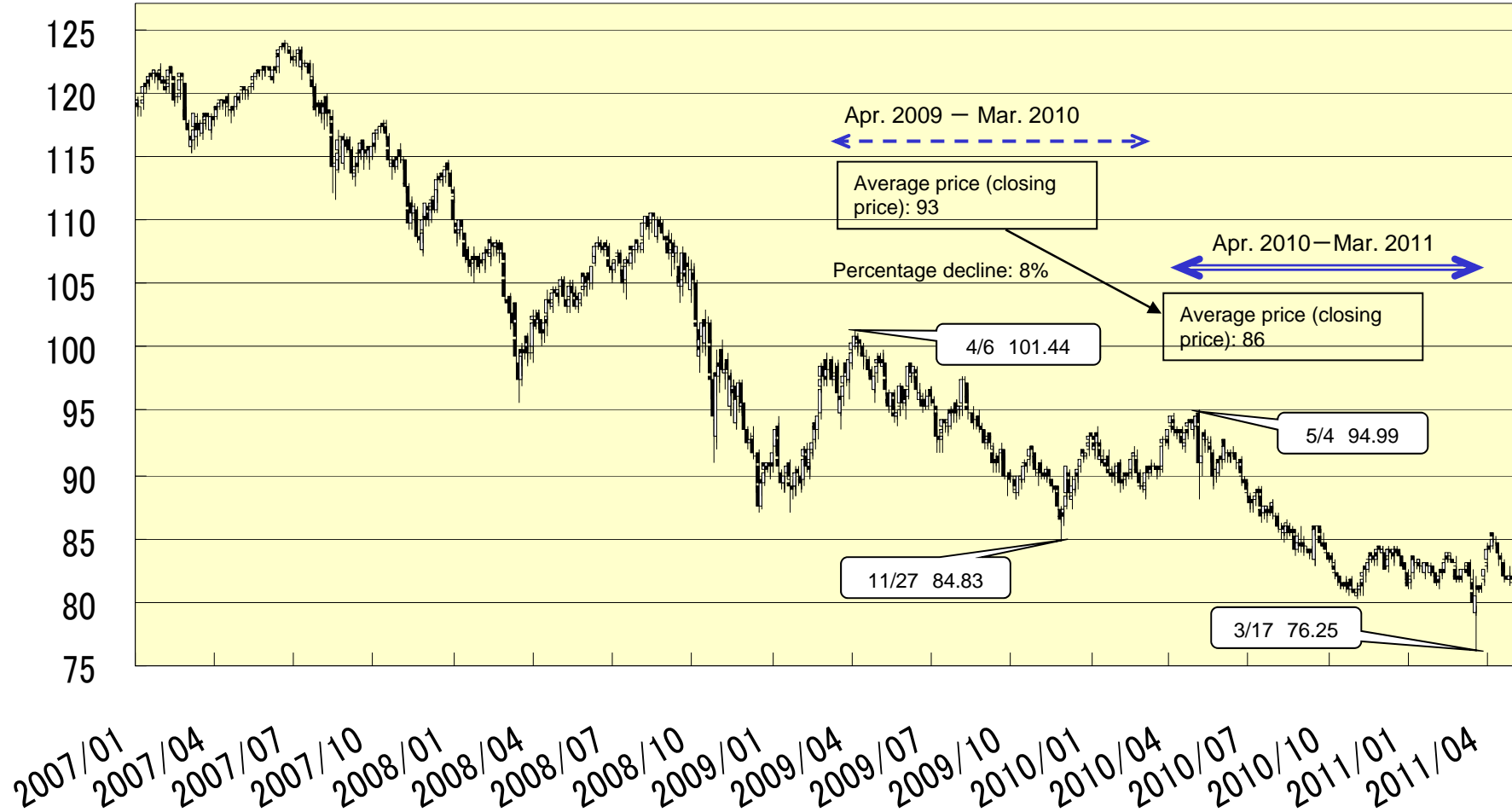
Palm Oil Market Prices (Malaysia)



Source: Bloomberg

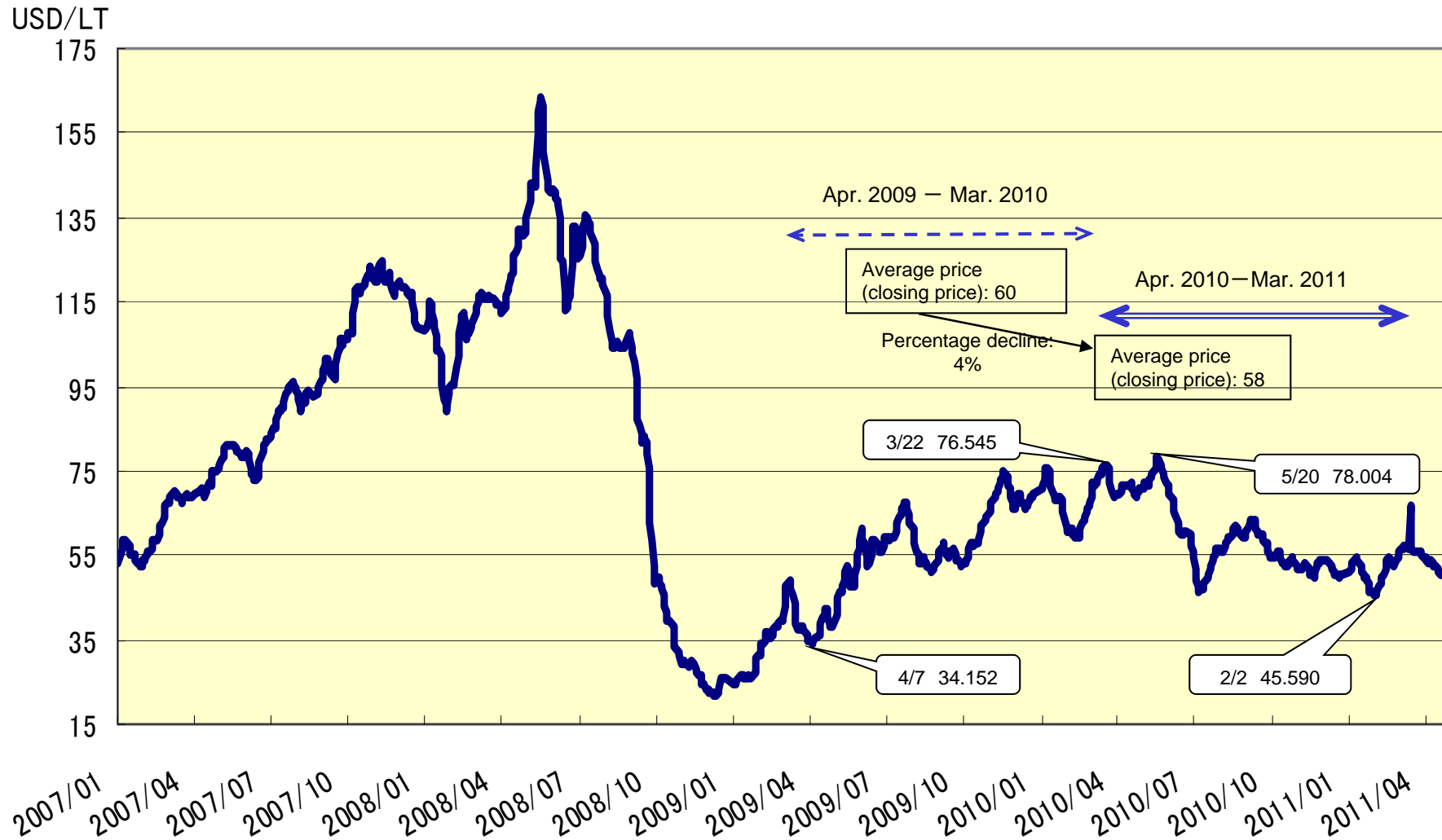
Foreign Exchange Rate

JPY/USD



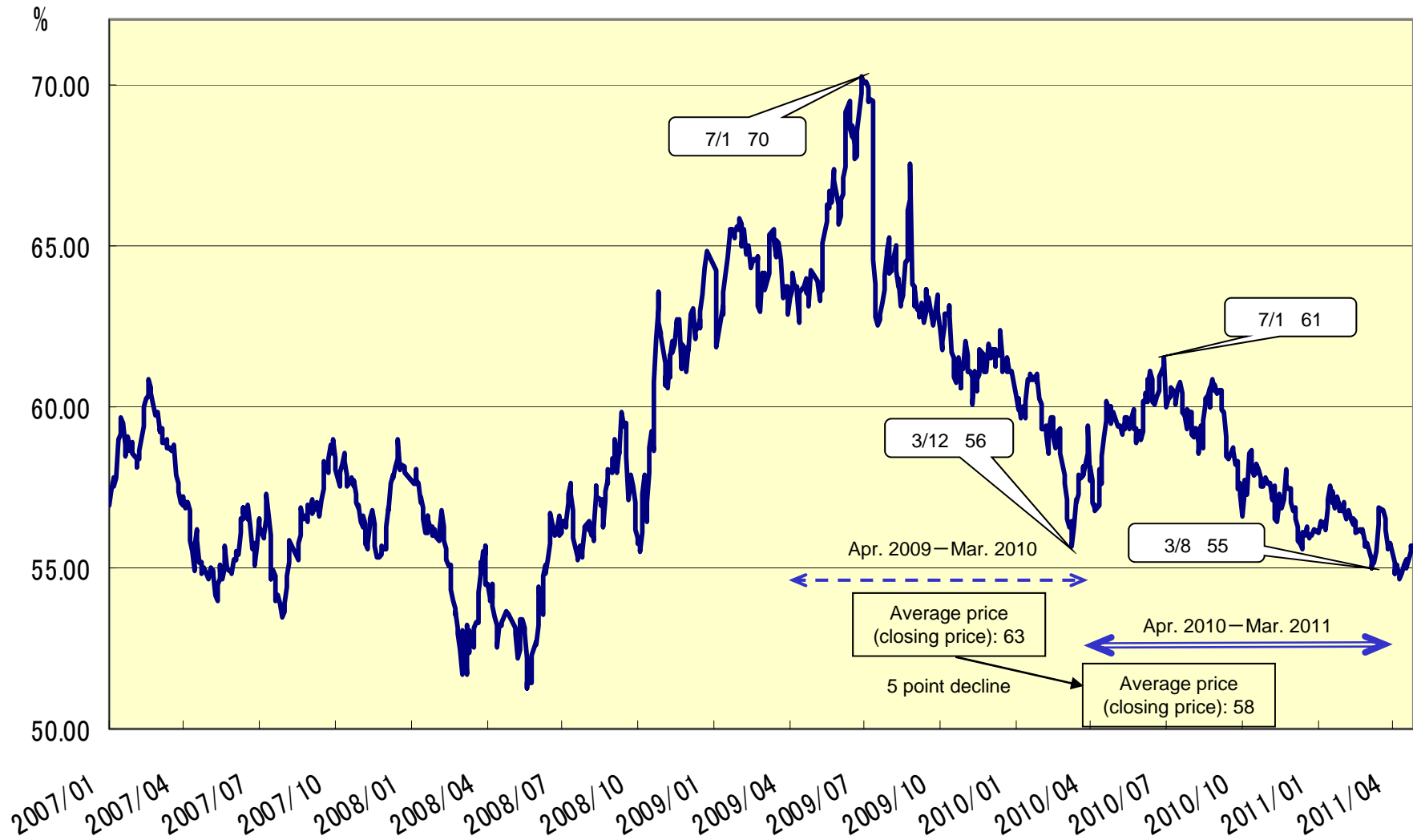
Source: Bloomberg

Freight Charges per Ton for Panamax Size Vessels, U.S. to Japan

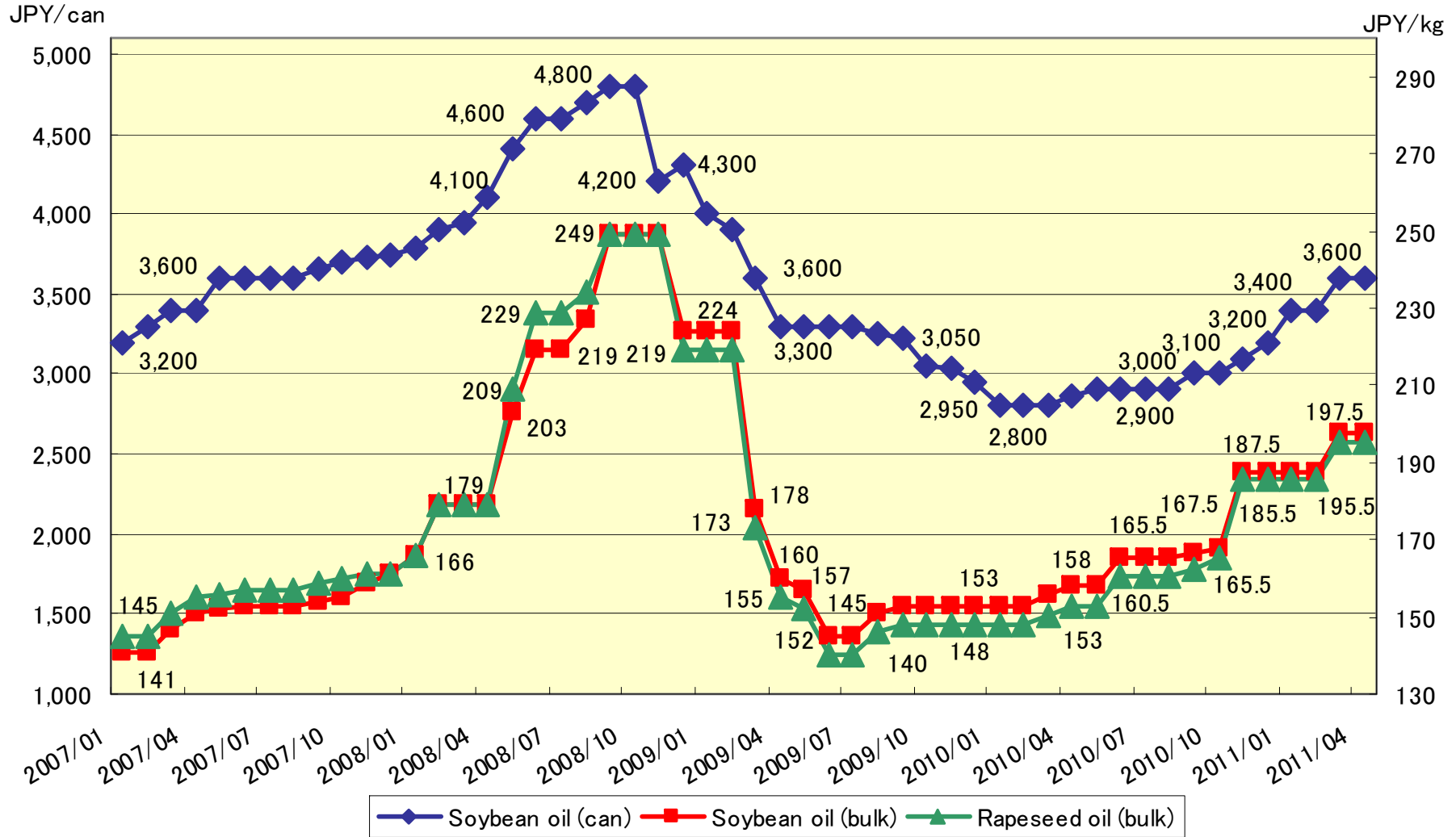


Source: Based on TDS Maritime Intelligence data

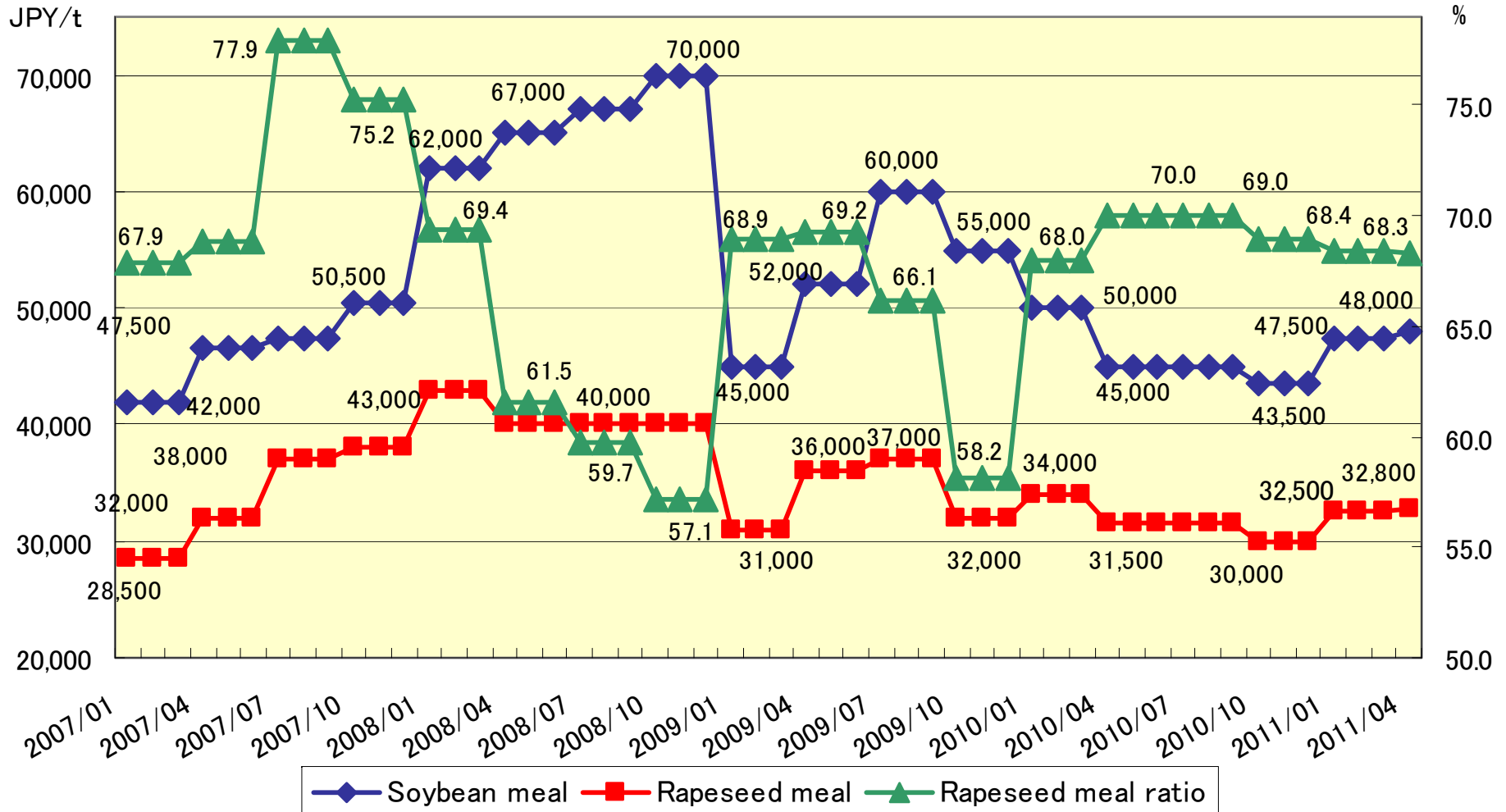
Changes in Value of Meal



Market Prices: Oils



Market Prices: Meals



Source: The Daily Oils & Fats Special

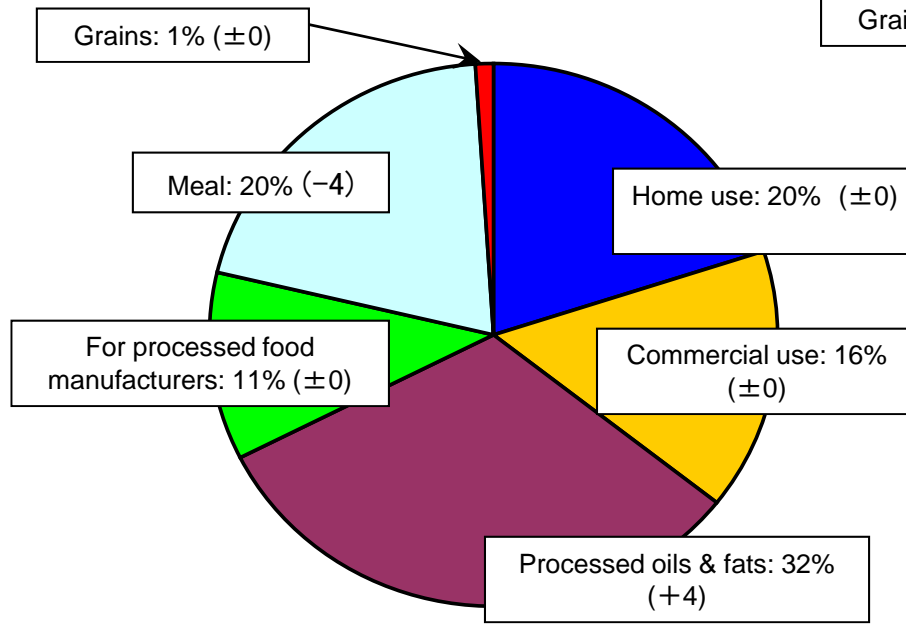
Consolidated Results by Business and Geographic Segments

Millions of yen

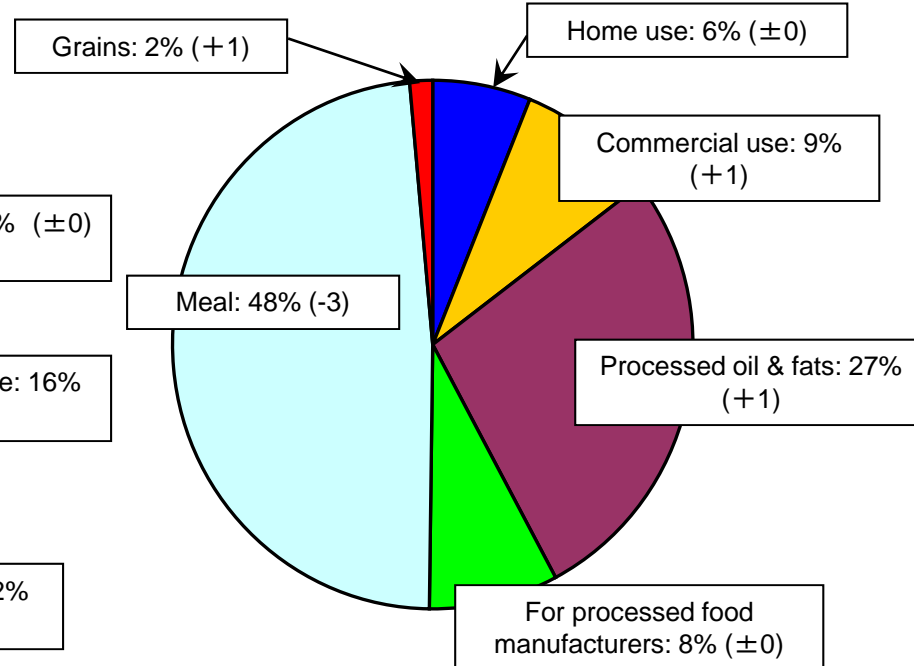
	FY10		FY09		Change (%)	
	Net Sales	Operating Income (Loss)	Net Sales	Operating Income (Loss)	Net Sales	Operating Income (Loss)
Consolidated	305,297	6,966	301,299	10,435	+1%	-33%
Oils and Meal	281,950	5,274	277,308	9,144	+2%	-42%
Healthy Foods and Soy Protein	9,473	(287)	9,762	(540)	-3%	—
Fine Chemicals	5,933	428	5,793	165	+2%	+159%
Other	24,127	1,551	25,017	1,684	-4%	-8%
Eliminations/Corporate	(16,187)	0	(16,582)	(17)		
Japan	224,337	5,311	228,124	7,419	-2%	-28%
Asia	89,185	1,748	78,211	3,019	+14%	-42%
Eliminations/Corporate	(8,225)	(93)	(5,036)	(3)		
	FY10		FY09		Change	
Percentage of overseas sales	25.9%		23.7%		+2.2	

Breakdown of Sales of Oils & Fats, Meal and Grains (Fiscal 2010)

Net Sales



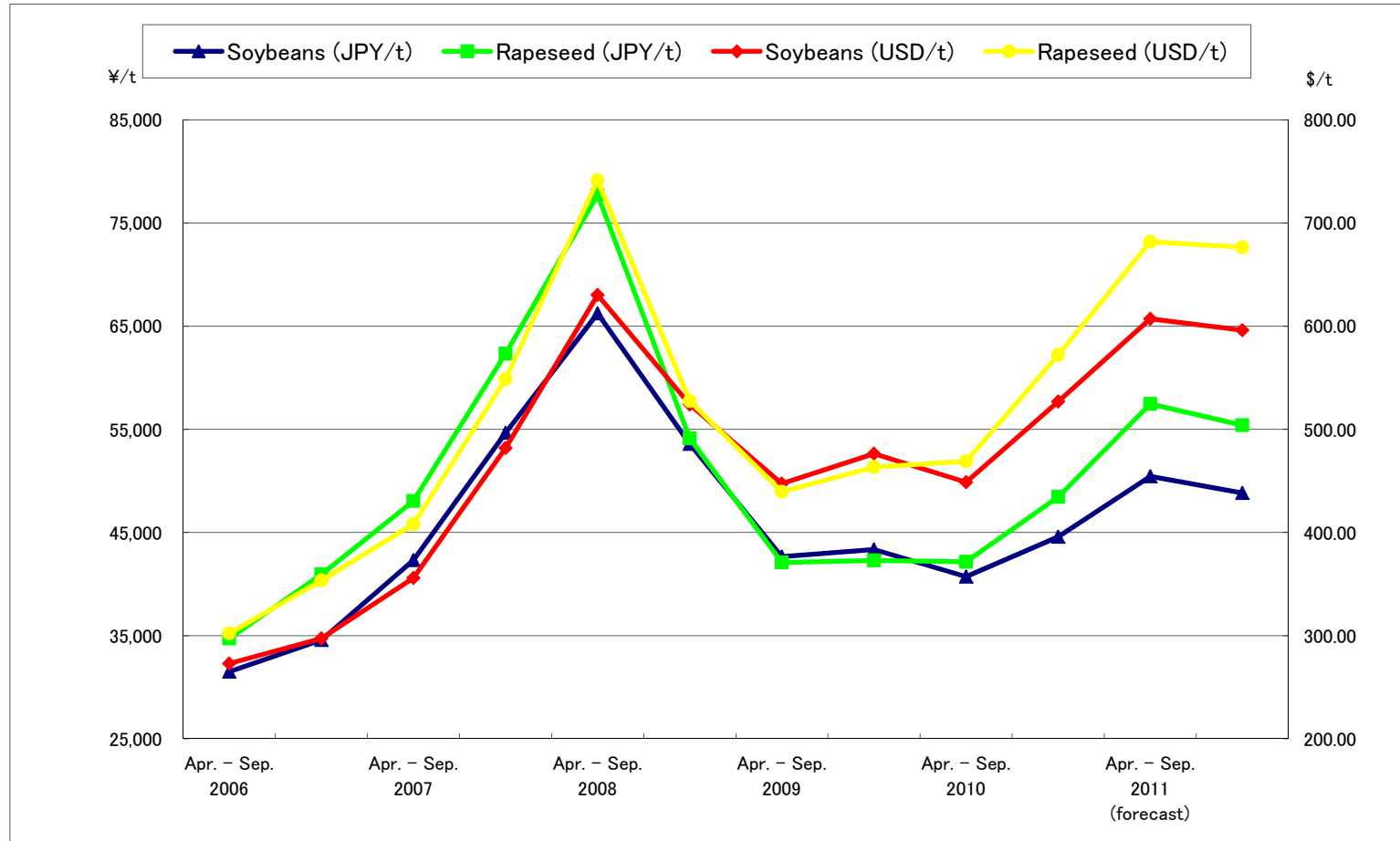
Sales Volume



	FY10		FY09		Change	
	Net Sales	Sales Volume	Net Sales	Sales Volume	Net Sales	Sales Volume
Domestic	69%	64%	72%	62%	-3%	+2%
International	31%	36%	28%	38%	+3%	-2%

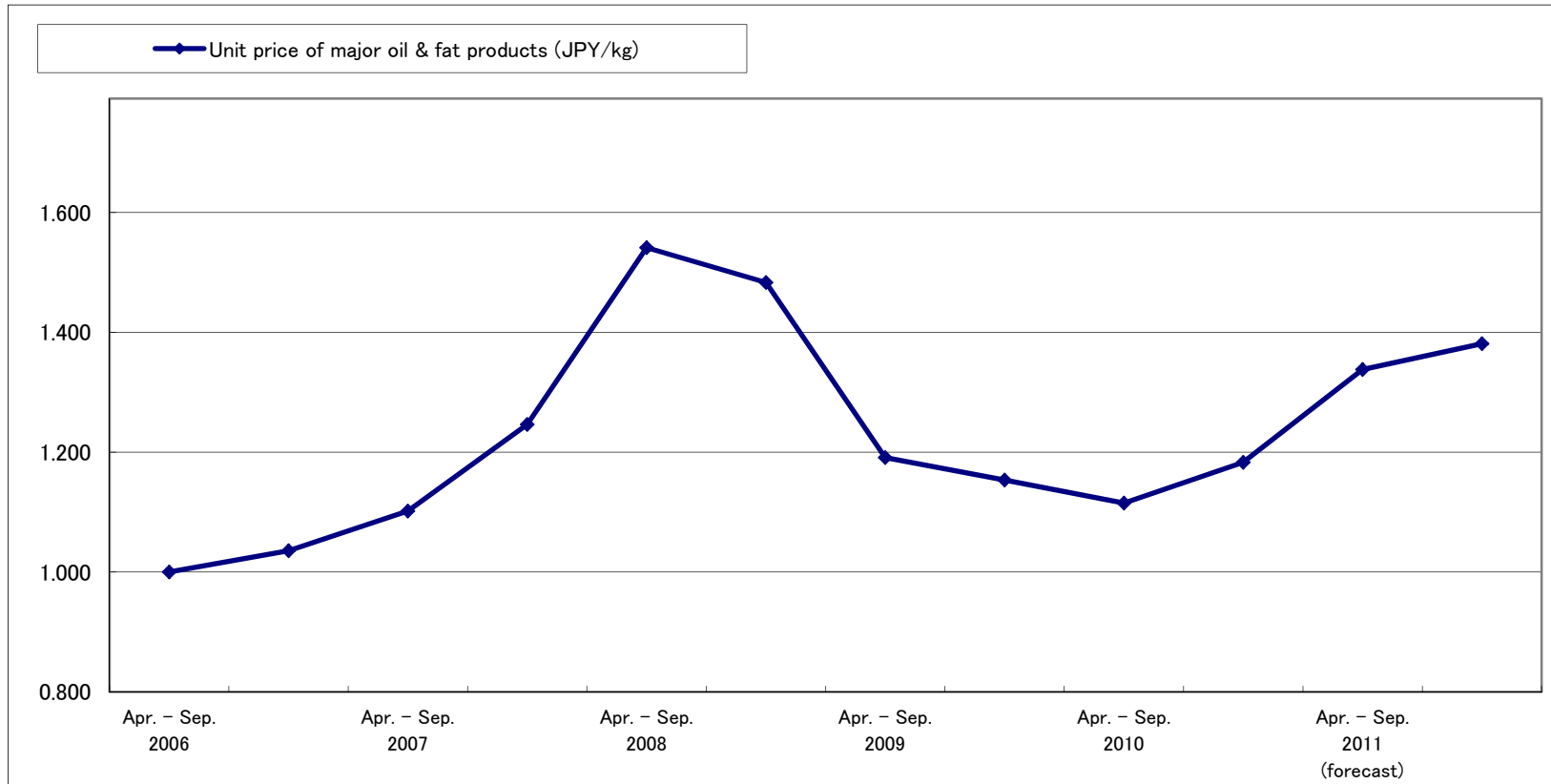
- Based on data for The Nisshin Oillio Group, Ltd., Settsu Oil Mills Co., Ltd.*, Daito Cacao Co., Ltd.*, Dalian Nisshin Oil Mills, Ltd.*, Shanghai Nisshin Oil & Fats, Ltd. and Intercontinental Specialty Fats Sdn. Bhd.,* and T.&C. Manufacturing Company Pte. Ltd.*
- * Data for January 1 – December 31, 2010
- Figures in parentheses indicate year-on-year percentage point changes.

Changes in Major Raw Material Prices



Change in Unit Sales Prices

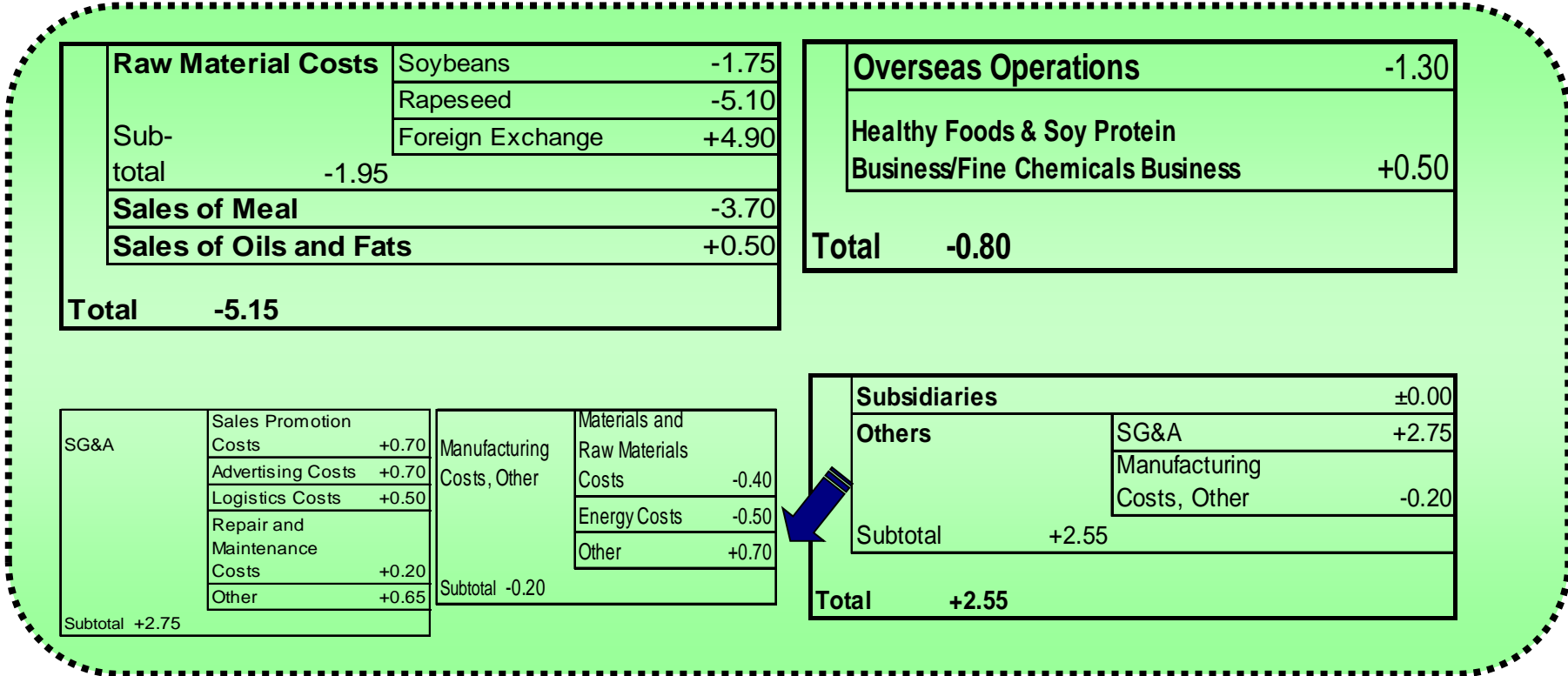
Taking Apr.-Sep. 2006 as baseline of 1.0



Major Factors Affecting Operating Income (Year on Year)

Fiscal 2009 Operating Income: ¥10.4 billion

Billions of yen



Down ¥3.4 billion

Fiscal 2010 Operating Income: ¥7.0 billion

Consolidated Statements of Income: Extraordinary Income and Losses

Millions of yen

Extraordinary Income	
Gain on affiliated company share exchange	371
Other	36
Total Extraordinary Income	408
Extraordinary Loss	
Loss on valuation of investment securities	1,665
Natural disaster losses (*)	1,300
Business realignment losses	338
Other	326
Total Extraordinary Loss	3,629
Net Extraordinary Loss	(3,221)

(*) Breakdown

Millions of yen

Natural disaster losses	Inventory write-downs and disposal losses	713
	Repair and restoration expenses	267
	Other	320
Total	1,300	

Consolidated Balance Sheet: Year-end Year-on-Year Changes

Millions of yen

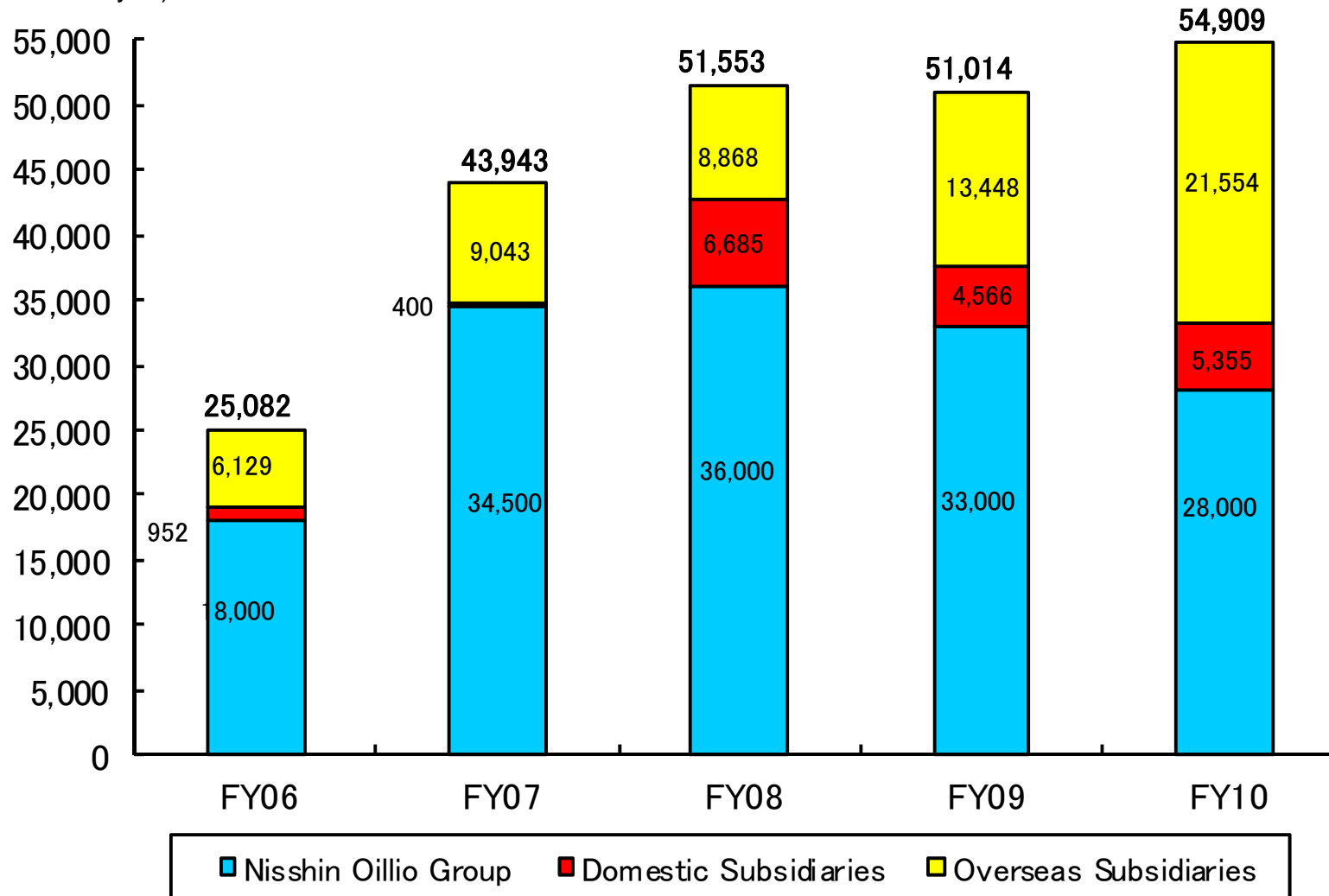
Total assets	232,310	+9,953
Current assets	135,356	+12,743
Cash and deposits		+8,582
Notes and accounts receivable—trade		+11,161
Inventories		+5,993
Deferred tax assets		+658
Short-term investment securities		(15,485)
Other		+1,832
Noncurrent asset	96,954	(2,790)
Property, plant and equipment		(1,667)
Intangible assets		(357)
Investments and other assets		(765)

Millions of yen

Total liabilities and net assets	232,310	+9,953
Total liabilities	114,889	+7,347
Notes and accounts payable—trade		+7,949
Interest-bearing debt		+3,894
Accounts payable-other		(1,008)
Income taxes payable		(1,410)
Other		(2,077)
Total net assets	117,421	+2,606
Retained earnings		+313
Minority interests		+1,030
Deferred gains or losses on hedges		+2,072
Other		(810)

Consolidated Interest-Bearing Debt

(Millions of yen)



Consolidated Cash Flows

Net cash used in operating activities	(1,292)
Income before income taxes and minority interests	3,087
Depreciation and amortization	6,267
Decrease in notes and accounts receivable-trade, inventories, and notes and accounts payable-trade	(7,683)
Income taxes paid	(2,805)
Other	(158)
Net cash used in investing activities	(5,085)
Purchase of property, plant and equipment	(4,849)
Proceeds from investments in subsidiaries and affiliates resulting in change in scope of consolidation	271
Purchase of stocks of subsidiaries and affiliates	(226)
Other	(281)
Net cash provided by financing activities	508
Net decrease in loans payable and commercial paper	7,993
Redemption of bonds	(5,220)
Cash dividends paid	(1,723)
Other	(541)

Consolidated Financial Forecasts for Fiscal 2011

Millions of yen

	FY11		FY10		Year-on-year	
		Interim		Interim		
Net Sales	343,000	164,000	305,297	149,313	+37,702	+12.3%
Operating Income	8,000	2,600	6,966	3,973	+1,033	+14.8%
Ordinary Income	7,000	2,000	6,308	3,537	+691	+11.0%
Net Income	3,400	700	2,122	1,600	+1,277	+60.2%

Raw Materials Prices & Foreign Exchange Rate	FY11	FY10	Change	Change (%)
Soybean Unit Price (USD/t)	602	484	+118	+24%
Rapeseed Unit Price (USD/t)	679	521	+158	+30%
Foreign Exchange Rate (JPY/USD)	83	87	(4)	-6%

* Figures for raw materials prices and foreign exchange rate are based on Nisshin Oillio estimates.

Forecasts for Major Factors Affecting Operating Income (FY11 Year on Year)

Fiscal 2010 Operating Income: ¥7.0 billion

Billions of yen

Raw Material Costs	Soybeans	-8.70
	Rapeseed	-11.60
	Foreign Exchange	+4.90
Subtotal	-15.40	
Sales of Meal		+0.90
Sales of Oils and Fats		+18.20
Total	+3.70	

Overseas Operations	+2.50
Healthy Foods & Soy Protein Business/ Fine Chemicals Business	+0.10
Total	+2.60

SG&A	Labor Costs	-0.65
	Advertising Costs	-0.60
	Logistics Costs	-0.60
	Depreciation and Amortization	-0.30
	Sales Promotion Costs	-0.30
	Other	-0.65
	Subtotal	-3.10

Manufacturing Costs, Other	Repair and Maintenance Costs	-0.85
	Depreciation and Amortization	-0.60
	Energy Costs	-0.50
	Other	-0.20
	Subtotal	-2.15

Subsidiaries	-0.05	
Others	SG&A	-3.10
	Manufacturing Costs, Other	-2.15
Subtotal	-5.25	
Total	-5.30	

Up ¥1.0 billion

Fiscal 2011 Operating Income: ¥8.0 billion

Capital Expenditures, Research and Development Costs, and Depreciation and Amortization

Capital Expenditures

(Millions of yen)

FY10 Results	FY11 Forecast
5,646	14,000

Research and Development Costs

(Millions of yen)

FY10 Results	FY11 Forecast
2,226	2,300

Depreciation and Amortization

(Millions of yen)

FY10 Results	FY11 Forecast
6,267	7,000