

# Interim Financial Results Presentation for Fiscal 2008 (the Year Ending March 31, 2009)



"The Natural Power of Plants"

November 12, 2008  
The Nisshin Oillio Group, Ltd.

# Fiscal 2008 Interim Results Overview

and

Revised Numerical Targets and Business Achievements of  
Medium-term Business Plan *GROWTH 10* Phase 1

Kazuo Ogome  
President

(Millions of yen)	Interim FY08	Interim FY07	Change (%)
Net Sales	186,954	135,346	38.1%
Operating Income	4,301	2,572	67.2%
Ordinary Income	4,709	2,937	60.3%
Net Income	2,019	941	114.4%

(Reference: Non-consolidated Financial Results)

(Millions of yen)	Interim FY08	Interim FY07	Change (%)
Net Sales	116,865	90,983	28.4%
Operating Income	2,841	2,524	12.6%
Ordinary Income	3,143	3,350	- 6.2%
Net Income	1,762	1,490	18.2%

# Fiscal 2008 Consolidated Financial Forecasts

(Millions of yen)	FY08	FY07	Change (%)
Net Sales	359,000	298,196	20.4%
Operating Income	8,200	4,113	99.3%
Ordinary Income	8,500	4,560	86.4%
Net Income	3,800	1,876	102.6%

(Reference: Non-consolidated Financial Forecasts)

(Millions of yen)	FY08	FY07	Change (%)
Net Sales	232,000	193,763	19.7%
Operating Income	6,800	2,785	144.2%
Ordinary Income	7,000	3,618	93.5%
Net Income	3,900	748	421.0%

## Overall aim of *GROWTH 10*:

To contribute to the development of society as a corporate group that provides value to customers, shareholders, employees, society and the environment.

### *GROWTH 10*

- Vision of 10-year growth “to create new value by harnessing the natural power of plants” -

#### Corporate vision for fiscal 2016:

Transform Nisshin Oillio into an international corporate group that can continue to create new value by harnessing the natural power of plants.

(1) Embody “the natural power of plants” through creatively original technologies

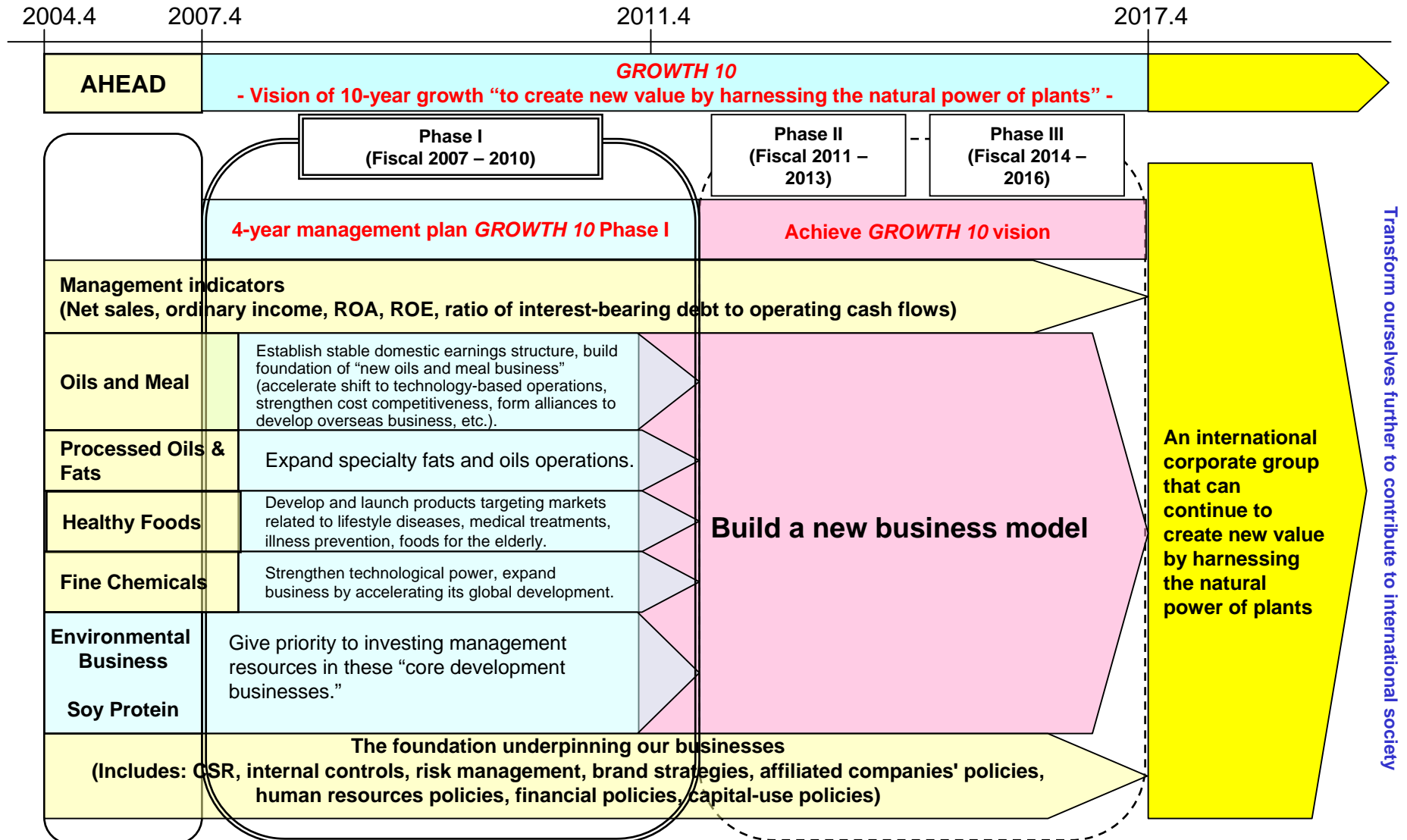
(2) Transform into an international company with overseas sales over 30% of net sales

(3) Contribute to society and the environment through CSR activities

(4) Introduce ceaseless innovations everywhere

# Schedule of *GROWTH 10*

“植物のチカラ”



\*At the start of Phase II we will formulate a medium-term management plan based on an overview of Phase I.

# Overall Aim of Phase I:

4-year management plan **GROWTH 10 Phase I** (Fiscal 2007 – 2010)

To be achieved in fiscal 2010:

**As the foundation for transforming ourselves into an international corporate group, become a foods corporate group that possesses a stable earnings structure and original technologies.**

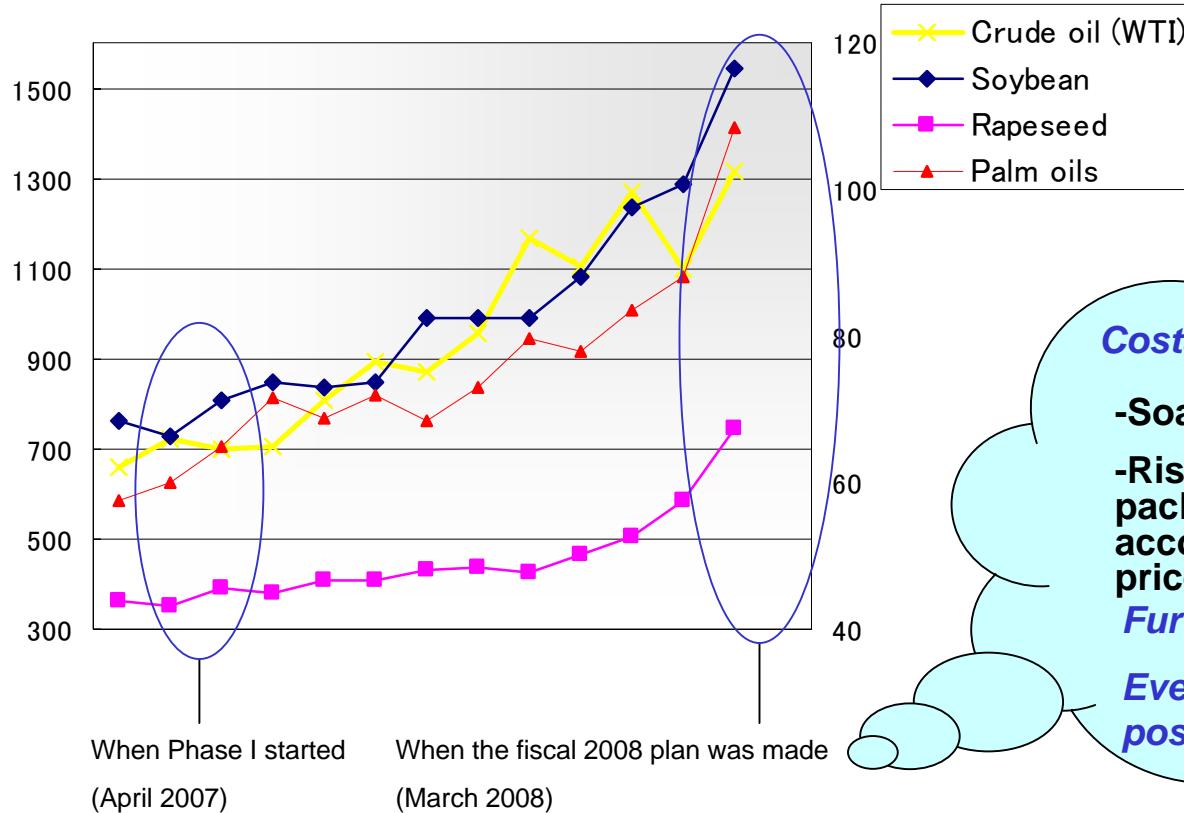
4-year management plan **GROWTH 10 Phase I** (Fiscal 2007 – 2010)

## Nisshin's Basic Principles

1. Maintain our position as **the leading company** in the domestic oils and meal sector
2. Rigorously promote **low-cost operations** through the reorganization of manufacturing and logistics bases and other measures
3. Establish a profit-generating structure by **continuously planning and launching value-added products**
4. **Expand the palm oil business** on a global basis
5. Increase **the share of overseas sales** through business expansion in Asia, North America, and Europe
6. Rapidly **establish an earnings base** in the Healthy Foods and Fine Chemicals businesses
7. **Allocate management resources on a priority basis** to the Soy Protein Business and the Environmental Business, which will be positioned as **core development businesses**
8. **Strengthen internal structures that will support business operations**, such as CSR promotion, internal control systems, and brand strategy

# Revision of Numerical Targets

The business environment now fluctuates greatly:



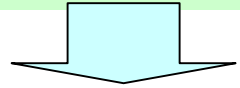
*Costs environment is opaque:*

- Soaring prices of raw materials
- Rising prices and energy costs of packaging and materials accompanying soaring crude oil prices,
- Furthermore:*
- Even greater fluctuations are possible*

Graph-scale units (Right scale is crude oil; left scale is others):

- Crude oil (WTI): US \$/barrel
- Soybean: US C/Bu
- Rapeseed: CAN \$/MT
- Palm oils: US \$/MT

**Provisional lowering of some numerical targets**



Revision of numerical targets 9

# Revision of Numerical Targets

Numerical targets (initial)

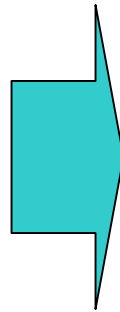
**Net sales: More than ¥300 billion**

**Ordinary income: More than ¥15 billion**

**ROA: 7% or higher**  
(Ordinary income / Total assets)

**ROE: 7% or higher**  
(Net income / Shareholders' equity)

**Ratio of interest-bearing debt to operating cash flows: 2.2 or lower**  
(Interest-bearing debt / Operating cash flows)



Numerical targets (revised)

**Net sales: More than ¥350 billion**

**Ordinary income: More than ¥15 billion**

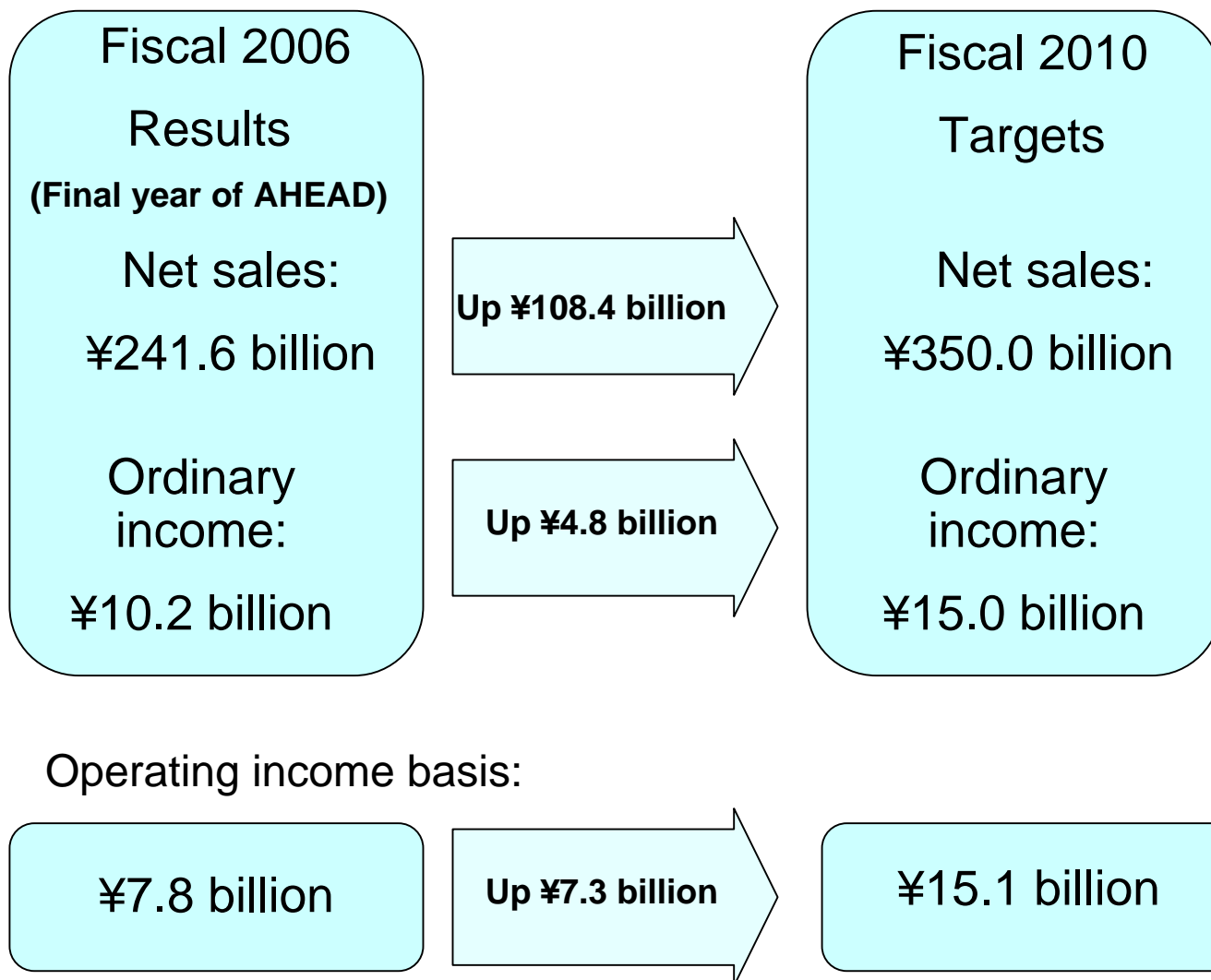
**ROA: 6% or higher**  
(Ordinary income / Total assets)

**ROE: 7% or higher**  
(Net income / Shareholders' equity)

**Ratio of interest-bearing debt to operating cash flows: 4.7 or lower**  
(Interest-bearing debt / Operating cash flows)

# Revision of Numerical Targets

**Develop business to achieve net sales of ¥350 billion and ordinary income of ¥15 billion**



# Revision of Numerical Targets

**Develop business to achieve net sales of ¥350 billion and ordinary income of ¥15 billion**

## <Fiscal 2010 numerical targets by business>

Monetary values are before eliminations

(1) Domestic oils and meal business

Net sales: ¥220.0 billion (up ¥36.0 billion)  
 Operating income: ¥9.4 billion (up ¥2.4 billion)

(2) Overseas oils and meal business

Net sales: ¥50.0 billion (up ¥34.0 billion)  
 Operating income: ¥0.2 billion (up ¥0.7 billion)

(3) Palm oils business

Net sales: ¥70.0 billion (up ¥27.0 billion)  
 Operating income: ¥2.5 billion (up ¥0.4 billion)

(4) Growth business

Net sales: ¥25.0 billion (up ¥10.0 billion)  
 Operating income: ¥1.0 billion (up ¥1.4 billion)

(5) Domestic subsidiaries and other business

Net sales: ¥24.0 billion (up ¥1.0 billion)  
 Operating income: ¥2.0 billion (up ¥1.1 billion)

(6) Reduction in costs

¥1.2 billion

The figures in parentheses are the changes from fiscal 2006.

## (1) Domestic oils and meal business

Net sales: ¥220.0 billion (up ¥36.0 billion)

Operating income: ¥9.4 billion (up ¥2.4 billion)

\*Includes Settsu Oil Mills Co., Ltd. and Nisshin Trading Co., Ltd.

The figures in parentheses are the changes from fiscal 2006.

### Policy points:

- Accelerate further shift to high added-value products centered on *Healthy Resetta* and premium oils
- Preserve sales volumes at fiscal 2008 levels
- Reduce operating expenses

## (2) Overseas oils and meal business

Net sales: ¥50.0 billion (up ¥34.0 billion)

Operating income: ¥0.2 billion (up ¥0.7 billion)

\*Includes Dalian Nisshin Oil Mills, Ltd., Shanghai Nisshin Oil & Fats, Ltd.,  
The Nisshin Oillio (China) Investment Co., Ltd.

The figures in parentheses are the changes from fiscal 2006.

### Policy points:

#### <China market>

- Scheduled spring 2009 launch of healthy oils (Chinese version of *Resetta*)

(Certification acquired from Chinese authorities as health supplement in September 2007)

- Launch household-use medium added-value products, expand sales of commercial-use bulk products

- Upgrade production base in Shanghai region

#### <Taiwan, South Korea, North America, etc.>

- Further expand sales of healthy oils and premium oils centered on *Resetta*

## (3) Palm oils business

Net sales: ¥70.0 billion (up ¥27.0 billion)

Operating income: ¥2.5 billion (up ¥0.4 billion)

\*Includes INTERCONTINENTAL SPECIALTY FATS.SDN BHD.,  
SOUTHERN NISSHIN BIO-TECH SDN.BHD.

The figures in parentheses are the changes from fiscal 2006.

### Policy points:

- Expand chocolate-use fats business

Increase production capability of INTERCONTINENTAL  
SPECIALTY FATS.SDN BHD.

- Leverage our original technologies to expand sales of fats to make  
chocolate domestically and in global markets

- Expand sales of domestic general-purpose palm oils-related  
products

(Sales volumes: Up more than 25% compared with fiscal 2006  
levels)

# Development of Business to Achieve Targets

## (4) Growth business

Net sales: ¥25.0 billion (up ¥10.0 billion)

Operating income: ¥1.0 billion (up ¥1.4 billion)

The figures in parentheses are the changes from fiscal 2006.

## (4)-1 Healthy Foods business

Net sales: ¥70.0 billion (up ¥1.0 billion)

Operating income: ¥0 billion (up ¥0.4 billion)

### Policy points:

- Drastic review of absorption-merger and business framework of Nisshin Science Co., Ltd. in April 2009
- Develop products making full use of medium-chain triglycerides and soybean protein
- Further expand sales in general health foods market (enhance illness-prevention and health products)
- Strengthen sales of healthcare- and care-foods for hospitals and other medical institutions
- Develop home treatment and care-foods markets

## (4)-2 Fine Chemicals business

Net sales: ¥13.5 billion (up ¥8.0 billion)

Operating income: ¥0.8 billion (up ¥0.6 billion)

The figures in parentheses are the changes from fiscal 2006.

### Policy points:

- **Expand sales in China, Europe and Southeast Asia, centered on products in the cosmetics field**
- **Strengthen foundation in business field of medium-chain triglycerides**
- **Expand oleochemical business**
- **Make new production base in China**
- **Acquire advanced, creative and distinctive development technologies**

## (4)-3 Soybean Protein business

Net sales: ¥4.0 billion (up ¥0.7 billion)

Operating income: ¥0.2 billion (up ¥0.4 billion)

Includes: Mogi Tofu Co., Ltd.

The figures in parentheses are the changes from fiscal 2006.

### Policy points:

- Expand sales and improve profitability by developing added value products and proposing new uses
- Strengthen soybean protein foods, including tofu-related business

## (4)-4 Environmental business

Net sales: ¥1.0 billion (up ¥1.0 billion)

Operating income: ¥0 billion (up ¥0 billion)

The figures in parentheses are the changes from fiscal 2006.

### Policy points:

- Leverage the natural power of plants to accelerate the commercialization of products in the non-foods field

## (5) Domestic subsidiaries and other business

Net sales: ¥24.0 billion (up ¥1.0 billion)

Operating income: ¥2.0 billion (up ¥1.1 billion)

The figures in parentheses are the changes from fiscal 2006.

### Policy points:

- Strengthen consolidated management of the Group
- Examine the consolidation or elimination of affiliated companies

(6) Reduction in costs

¥1.2 billion

## Policy points:

- Set up a Shared Service Center  
(Scheduled to start full-scale operations in mid fiscal 2009)
- Determine and implement the appropriate number of product items  
(Eliminate unprofitable items and consolidate product items)
- Implement initiatives to re-establish production bases  
(Improve efficiency by introducing an integrated control system for production)
- Further improve the efficiency of production operations  
(Improve production yields and specific productivity)