

Make You Smile with Good Meals))



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Consolidated Financial Results for the Six Months Ended September 30, 2024

Semi-annual Results Presentation

(April 1, 2024 to September 30, 2024)

November 11, 2024

FUJICCO Co., Ltd. (2908)

<https://www.fujicco.co.jp/>

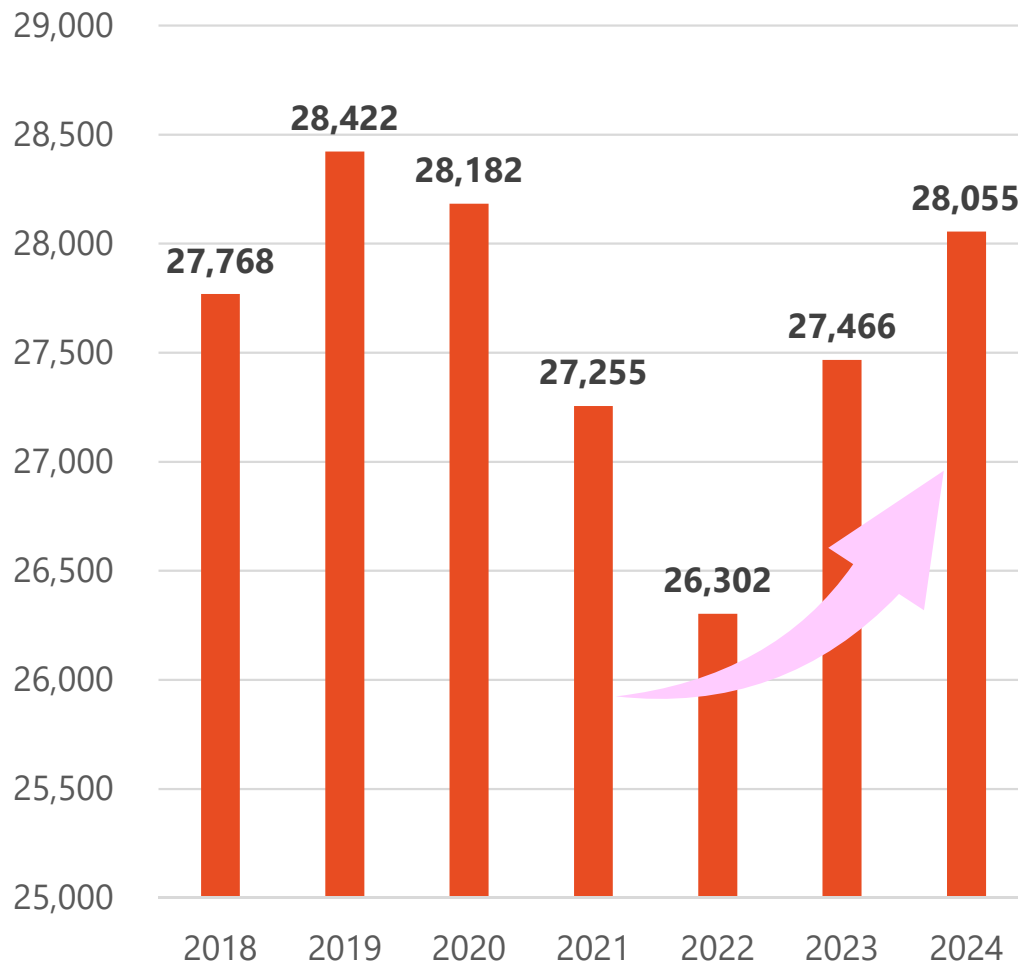
A shift from defensive to offensive moves

(Building a foundation) (Leaping forward)

- ① Revitalize the entire bean products business
- ② Further strengthen the kombu products business
- ③ Promote businesses in the pre-growth stage
- ④ Promote digital transformation (Year 3)
- ⑤ Restore earning power
- ⑥ Promote job satisfaction reform

The topline is trending upward.

■ Net sales (Millions of yen)



1. The decline in sales of bean products halted

- 1) Sales of boiled beans increased, driven by *Mamekobachi* after advertising on TV.
- 2) Sales of ingredient beans increased, driven by the volume increase campaign

2. Sales of yogurt products expanded

- 1) Distribution of *Caspian Sea Yogurt* expanded
- 2) Sales of *Marugoto SOY Caspian Sea Yogurt* remained high with the effective use of publicity.

3. Kombu products grew stably

- 1) Sales of *Tsukudani* (kombu boiled in soy sauce) grew with its unrivalled brand power.
- 2) Sales of *Salted Kombu* grew both in large volume and kizami (chopped) type.

Revitalize the Entire Bean Products Business through Two Projects

Two cross-divisional projects were launched to revitalize the entire bean products business for value enhancement and sales expansion.

Value enhancement project

- Develop new technology and propose new raw materials for better taste
- Review the production procedures to reduce production loss
- Extend the best before date for production smoothing
- Develop an ecological production method

Sales expansion project

- Increase in-store exposure with promotional activities
- Strengthen the shelf allocation proposal with data
- Strengthen the year-around sales of *Tambaguro Kuromame*
- Develop new applications (with a focus on consumer generation and dining scene)

Revitalize the Entire Bean Products Business: Beans Forum

FUJICCO held forums on improving “gut” wellness with bean products in Tokyo (Oct. 2) and Osaka (Oct. 8.)



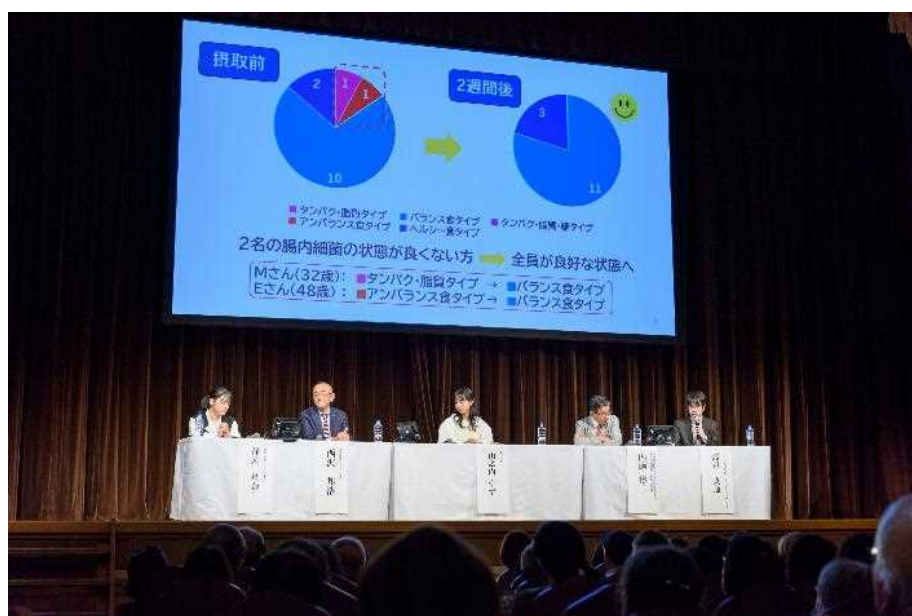
Prof. Yuji Naito



Sumire Hirotsuru
*Tokyo forum



Suzu Yamanouchi
*Osaka forum



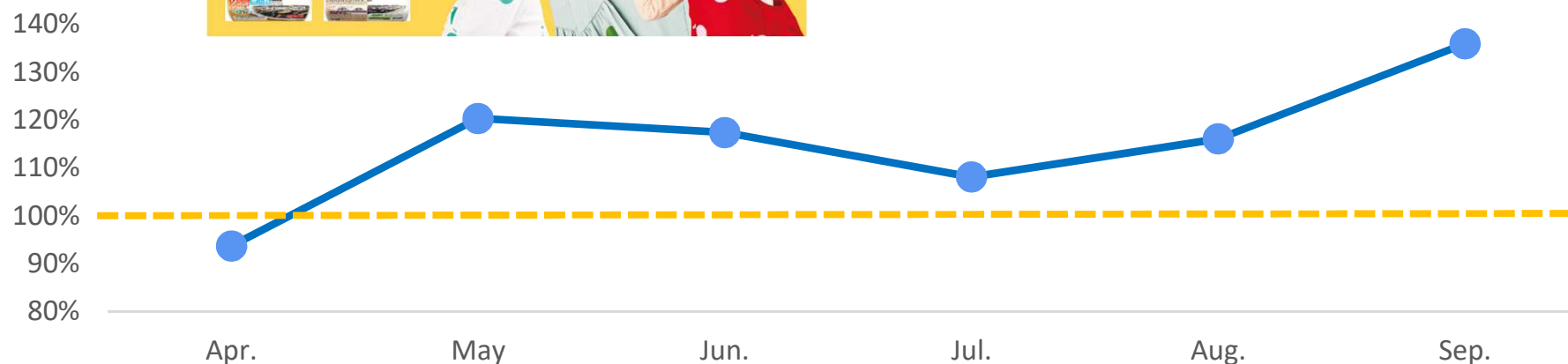
Revitalize the Entire Bean Products Business: *Mamekobachi*

***Mamekobachi* achieved a two-digit growth by strengthening sales promotion linked with TV advertising, increasing in-store exposure and launching new products.**

TV advertising (Jun.)



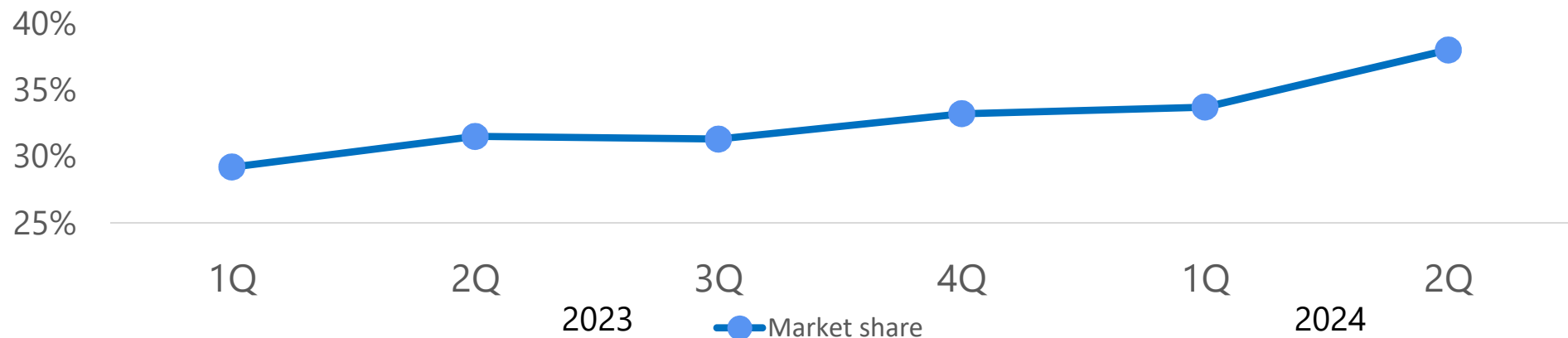
New product launch (Sep.)



■ YoY changes in sales of *Mamekobachi* ● YoY change

Revitalize the Entire Bean Products Business: Steamed Beans

Sales of steamed beans have grown significantly with a campaign of 20% volume increase, celebrating the 20th anniversary of its launch. The market share has also increased.



■ Changes in market share of steamed beans

Source: INTAGE Inc. SRI+ data

Expand the Yogurt Products

Sales of Caspian Sea Yogurt remained strong with the increase of distribution ratio.

Sales of Marugoto SOY Caspian Sea Yogurt remain at a high level after publicity activities.

We focus on improving the brand value of Caspian Sea Yogurt.



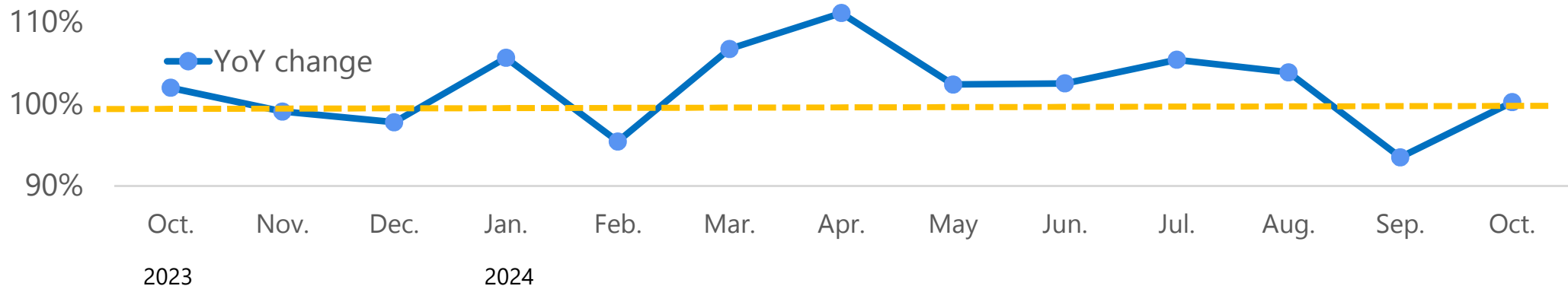
Further Strengthen the Kombu Products Business

***Fujicconi* has a strong brand power and continues to perform well even after the price increase.**

TV advertising
Apr.-Jun., Sep.-Oct.



Presented recipes to promote products and increase their use
Jul.-Aug.



■ YoY changes in sales of *Fujicconi*

Expand the lineup of *MIRAI* series which uses *Namakombu*

A chewy food texture! *Namakombu* from Hokkaido is used.



Wasabi Namakombu



Umakara Namakombu



Namakombu with plum

Developed a new category product of *MUGEN-KOMBU* which uses *Namakombu*

A new paste-type condiment made from *Namakombu* to add to your dishes



Green chili and *sansho*



Perilla seeds and ginger



Plain

Promote Businesses in the Pre-growth Stage

The *Beni-koji* (red yeast rice) scandal weighed on the overall supplements market, and the sales of the e-commerce and material businesses unexpectedly decreased below the previous year level.

E-commerce Business

■ Issues

- The market of foods with functional claims tentatively deteriorated.
- In particular, the Return on Advertising Spend (ROAS) declined for *Zendamakin no Chikara*.

■ Next initiatives

- Improve the continued subscription rate of *Zendamakin no Chikara*
- Strengthen EC mall sales
- Relaunch *Genkino Omamori*

Materials Business

■ Issues

<Functional materials>

- No. of new applications stagnated (incl. cancellation)
- Sales declined at the existing companies applying the materials

<Kombu mineral>

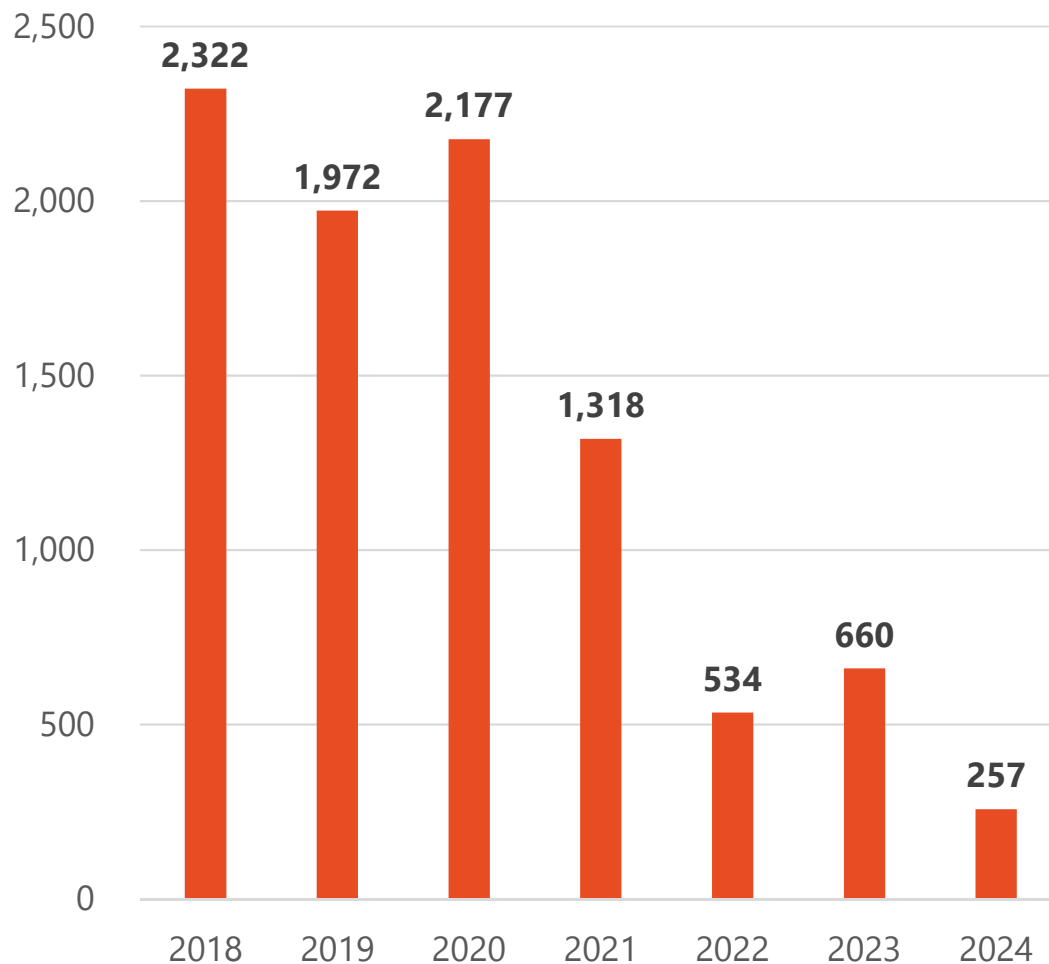
- A delayed response to changing demand

■ Next initiatives

- Soybean isoflavones: Enhance the proposal of "skin functions"
- Chronocare: Enhance the proposal of "anti-fatigue"
- Kombu mineral: Sales expansion of new products

The challenge is to regain our earning power.

■ Operating profit (Millions of yen)



1. Increases in deduction for revenue recognition purposes and sales promotion expenses

- 1) An upfront investment after the price increase
- 2) A delayed renewal to improve product quality

2. Increase in labor cost

- 1) Pay raise
- 2) Raise of minimum wage

3. Increase in total fixed costs

- 1) Cost reduction activities did not progress well.
- 2) The impact of DX investments is yet to be seen.

Outline of FY2024 Semi-annual Results and Full-year Forecast

Consolidated Statements of Income (YoY Change)

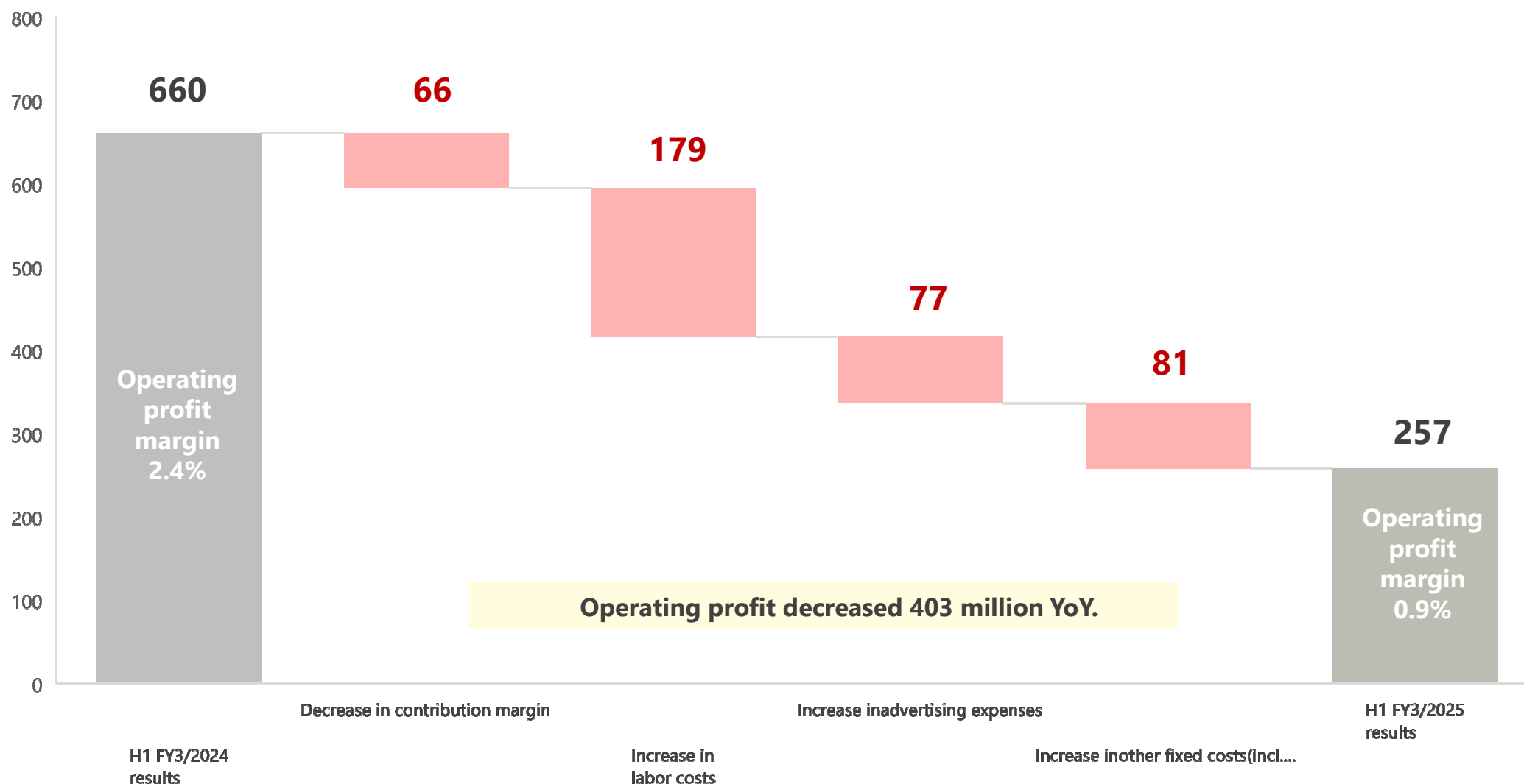
	H1 FY3/2024		H1 FY3/2025		YoY change	YoY % change
	Millions of yen	%	Millions of yen	%		
Net sales	27,466	100.0	28,055	100.0	589	2.1%
Cost of sales	19,215	70.0	19,885	70.9	670	
Gross profit	8,250	30.0	8,169	29.1	(80)	
SG&A expenses	7,589	27.6	7,912	28.2	322	
Operating profit	660	2.4	257	0.9	(403)	-61.0%
Non-operating income	177	0.6	191	0.7	14	
Ordinary profit	838	3.1	449	1.6	(388)	-46.3%
Extraordinary income	11	0.0	90	0.3	79	
Profit before income taxes	849	3.1	540	1.9	(308)	
Profit*	579	2.1	378	1.3	(201)	-34.7%
Basic earnings per share	20.36 yen		13.29 yen		(7.07) yen	

* Profit represents profit attributable to owners of parent.

Analysis of Changes in Operating Profit (YoY Change)

The contribution margin declined due to rising SG&A expenses, and higher labor costs led by the wage increase weighed heavily on the profitability, despite our efforts to secure sales volume by active investment in advertising.

(Millions of yen)



Consolidated net sales by product category (YoY Change)

(Millions of yen)	H1 FY3/2024 results	% of total	H1 FY3/2025 results	% of total	YoY change	YoY % change
Delicatessen Products	9,672	35.2	9,447	33.7	(224)	97.6
Kombu Products	7,549	27.5	7,803	27.8	253	103.4
Bean Products	4,365	15.9	4,590	16.4	224	105.1
Yogurt Products	3,313	12.1	3,427	12.2	113	103.4
Dessert Products	1,597	5.8	1,781	6.3	184	111.5
Other Products	966	3.5	1,004	3.6	37	103.9
Total	27,466	100.0	28,055	100.0	589	<u>102.1</u>

[Comments by product category]

- Delicatessen products:** TV advertising conducted for *Obanzai Kobachi*. Sales of delicatessen products delivered daily and Chinese delicatessen decreased below the previous year level.
- Kombu products:** With advertising on TV and efforts to generate demand, sales of *Tsukudani Fujicconi* continued to perform well.
- Bean products:** Sales of *Mamekobachi* rose above the previous year level with increased in-store exposure linked with TV advertising.
- Yogurt products:** Sales of *Caspian Sea Yogurt Non-fat* and *Marugoto SOY Caspian Sea Yogurt* remained strong after implementing the plans attached. The *Beni-koji* (red yeast rice) scandal weighed on the E-commerce sales of *Zendamakin No Chikara*.

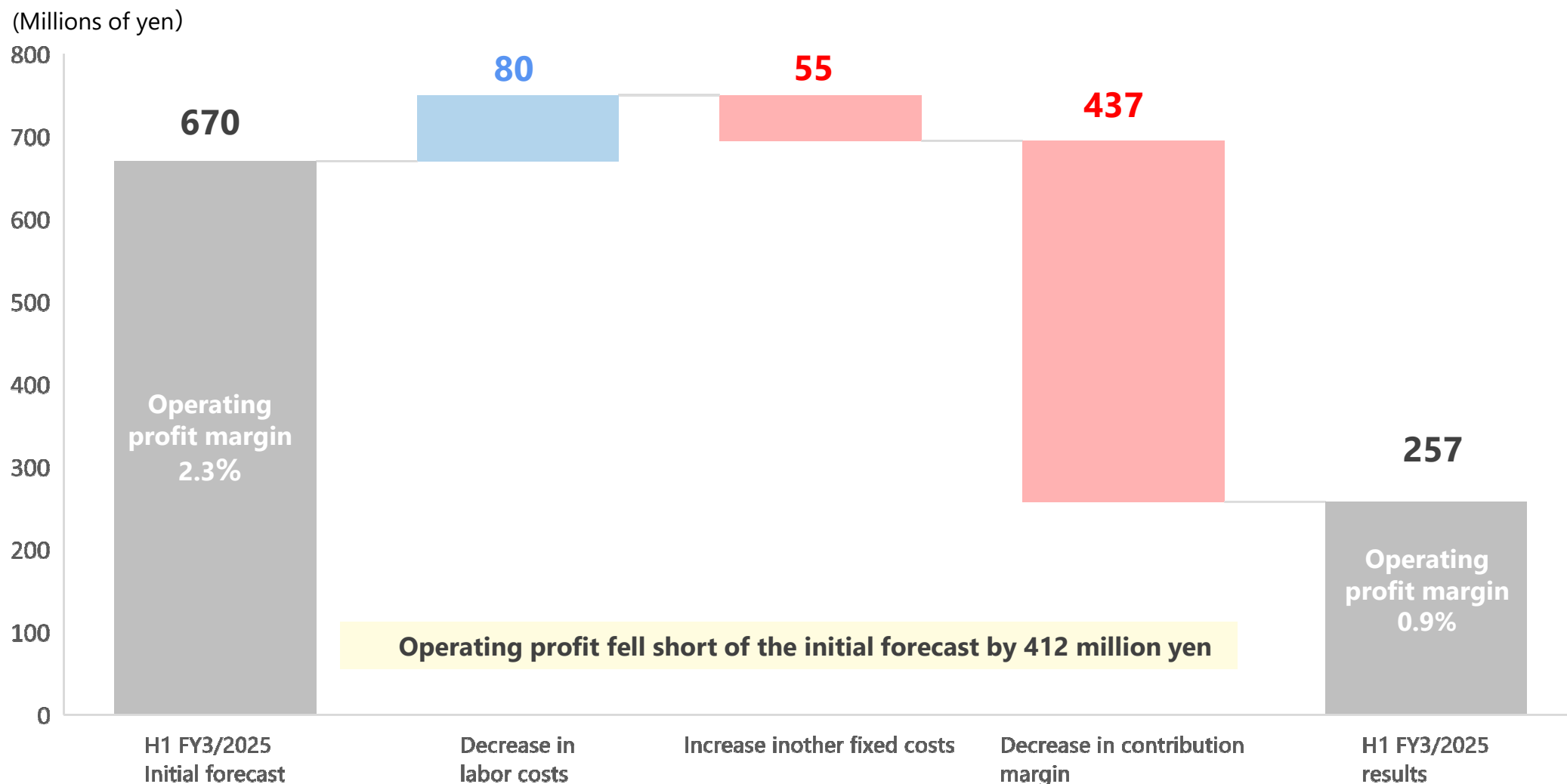
Consolidated Statements of Income for H1 FY3/2025 (vs. Initial Forecast)

	Initial forecast		Results		Difference	YoY %
	Millions of yen	%	Millions of yen	%		
Net sales	28,800	100.0	28,055	100.0	(744)	-2.6%
Cost of sales	20,300	70.5	19,885	70.9	(414)	
Gross profit	8,500	29.5	8,169	29.1	(330)	
SG&A expenses	7,830	27.2	7,912	28.2	82	
Operating profit	670	2.3	257	0.9	(412)	-61.5%
Non-operating income	130	0.5	191	0.7	61	
Ordinary profit	800	2.8	449	1.6	(350)	-43.8%
Extraordinary income	0	0.0	90	0.3	90	
Profit before income taxes	800	2.8	540	1.9	(259)	
Profit*	560	1.9	378	1.3	(181)	-32.4%
Basic earnings per share	19.67 yen		13.29 yen		-6.38 yen	

* Profit represents profit attributable to owners of parent.

Analysis of Changes in Operating Profit (vs. Initial Forecast)

Labor costs were within the ranges of the forecast at the beginning of fiscal year which incorporated the minimum wage increase. However, net sales missed the initial target despite active advertising on TV, and cost reduction activities did not progress well.



Consolidated Net Sales by Product Category (vs. Initial Forecast)

(Millions of yen)	H1 FY3/2025 Initial forecast	% of total	H1 FY3/2025 results	% of total	Difference from forecast	% difference from forecast
Delicatessen products	9,851	34.2	9,447	33.7	(404)	95.9
Kombu products	7,862	27.3	7,803	27.8	(59)	99.3
Bean products	4,738	16.5	4,590	16.4	(148)	96.9
Yogurt products	3,515	12.2	3,427	12.2	(88)	97.5
Dessert products	1,833	6.4	1,781	6.3	(52)	97.2
Other products	998	3.5	1,004	3.6	6	100.6
Total	28,800	100.0	28,055	100.0	(745)	<u>97.4</u>

[Comments by product category]

- Delicatessen products:** Sales struggled for *Obanzai Kobachi*, delicatessen products delivered daily to supermarkets and Chinese delicatessen at department stores.
- Kombu products:** Sales volume of *Tsukudani Fujicconi* remained strong while sales costs increased above projection.
- Bean products:** Sales of *Mamekobachi* largely exceeded the previous year level, though failed to achieve the target sales expansion of the entire boiled bean products.
- Yogurt products:** Sales of *Caspian Sea Yogurt* for mass retailers largely increased while E-commerce sales of *Zendamakin No Chikara* declined unexpectedly.

Changes in Quarterly Net Sales and Operating Profit (YoY Change)

(Millions of yen)		Net sales	Operating profit	Operating profit margin
Q1 (Apr.–Jun.)	FY3/2024 results	13,634	170	1.2%
	FY3/2025 results	13,931	6	0.0%
	YOY change	296	(163)	—
	YoY % change	2.2%	-95.9%	—
Q2 (Jul.–Sep)	FY3/2024 results	13,831	490	3.5%
	FY3/2025 results	14,124	251	1.8%
	YOY change	292	(239)	—
	YoY % change	2.1%	-48.9%	—
H1 (Apr.–Sep.)	FY3/2024 results	27,466	660	2.4%
	FY3/2025 results	28,055	257	0.9%
	YOY change	589	(403)	—
	YoY % change	2.1%	-61.0%	—

Consolidated Balance Sheets (vs. Mar. 31, 2024)

As of Mar. 31, 2024

As of Sep. 30, 2024

(Millions of yen)

Cash and deposits 11,340	Current liabilities 9,430	Cash and deposits 11,929	Current liabilities 9,682
Accounts receivable - trade 10,265	Non-current liabilities 2,022	Accounts receivable - trade 9,750	Non-current liabilities 2,049
Inventories, etc. 12,577		Inventories, etc. 12,609	
Non-current assets 46,292	Net assets 69,023	Non-current assets 46,006	Net assets 68,559
Total assets 80,476		Total assets 80,292	

[Changes]

- Cash and deposits increased 588 million yen. Main factors for the increase are as below:

	(Millions of yen)
Profit before income taxes	540
Depreciation	1,723
Decrease in accounts receivable-trade	514
Investing activities	(1,683)
Dividends paid	(656)

■ Equity-to-asset ratio

(As of Mar. 30, 2024)		(As of Sep. 30, 2024)
85.8%	⇒	85.4%

FY2024 Full-year Forecast

Prioritize securing sales volume after the price increase

(1) Increase sales volume by intensive advertising on TV

Fujicconi

Sep. 20–Oct. 20



Mamekobachi

Oct. 11–Nov. 10



Obanzai Kobachi

Oct. 11–Nov. 10



Caspian Sea Yogurt

Nov. 1–Nov. 30



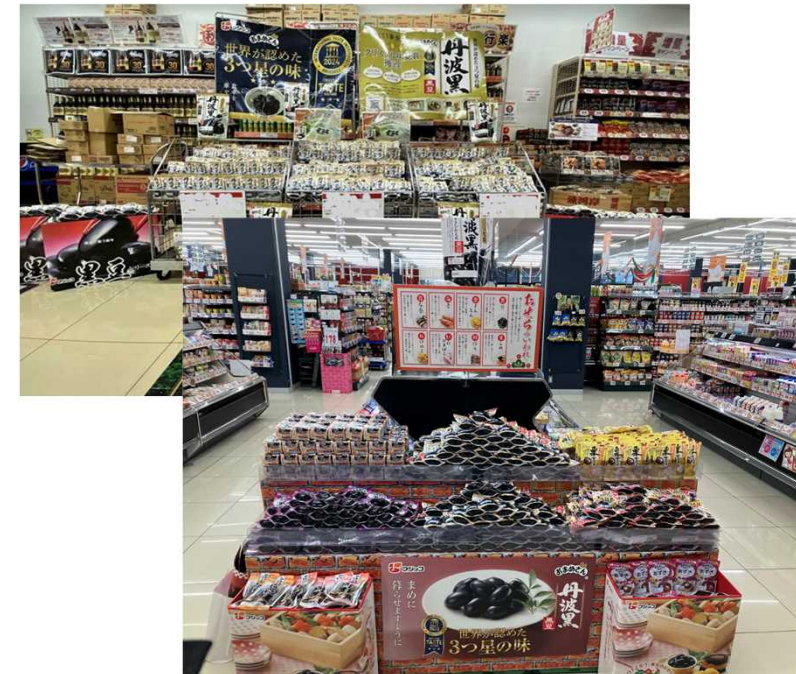
Prioritize securing sales volume after the price increase

(2) Expand the sales of *Tambaguro Kuromame* successfully in the year-end sales campaign

Advertising on TV
Dec.21–Dec. 31
Nationwide



In-store display



Consolidated Earnings Forecast (YoY Change)

(Millions of yen)	FY3/2024 results		FY3/2025 forecast		YoY change
	Millions of yen	% of net sales	Millions of yen	% of net sales	
Net sales	55,715	100.0	58,500	100.0	2,784
Cost of sales	39,271	70.5	40,800	69.7	1,528
Gross profit	16,444	29.5	17,700	30.3	1,255
SG&A expenses	14,913	26.8	15,700	26.8	786
Operating profit	1,530	2.7	2,000	3.4	469
Non-operating income	350	0.6	250	0.4	(100)
Ordinary profit	1,881	3.4	2,250	3.8	368
Extraordinary income	-284	-0.5	0	0.0	284
Profit before income taxes	1,596	2.9	2,250	3.8	653
Profit*	1,110	2.0	1,550	2.6	439
Basic earnings per share	39.00 yen		54.45 yen		15.45 yen

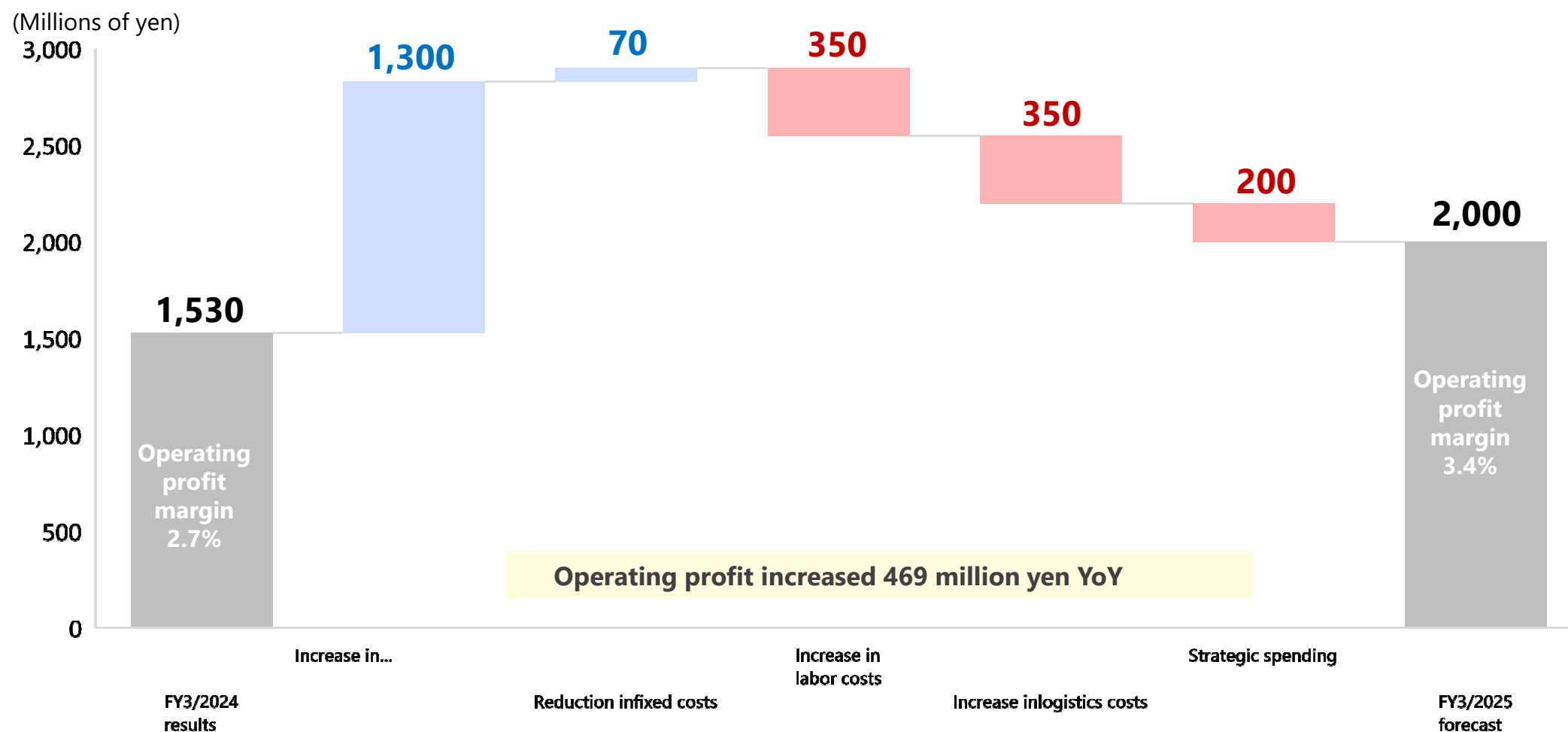
Dividend per share	46 yen (interim 23 yen)	46 yen (interim 23 yen)	±0 yen
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* Profit represents profit attributable to owners of parent.

Analysis of Changes in Operating Profit (YoY Change)

Contribution margin is expected to increase 1.3 billion yen from the comprehensive price increase despite high raw materials prices led by ongoing yen's depreciation.

We aim to increase both sales and profit by making strategic investment to ensure sales volume, while incorporating the improved wage level and rising logistics costs.



Consolidated Net Sales by Product Category (YoY Change)

(Millions of yen)	FY3/2024 results	% of total	FY3/2025 forecast	% of total	YoY change	YoY % change
Delicatessen products	19,060	34.2	20,113	34.4	1,053	105.5
Kombu products	15,712	28.2	16,291	27.8	579	103.7
Bean products	9,949	17.9	10,453	17.9	504	105.1
Yogurt products	6,471	11.6	6,844	11.7	373	105.8
Dessert products	2,654	4.8	2,829	4.8	175	106.6
Other products	1,867	3.3	1,970	3.4	103	105.5
Total	55,715	100.0	58,500	100.0	2,785	<u>105.0</u>

Assumptions to the forecast

Delicatessen products:	Additional TV advertising of <i>Obanzai Kobachi</i> and re-expansion of delicatessen products delivered daily and Foods Palette
Kombu products:	Increased sales volume of <i>Tsukudani Fujicconi</i> and sales expansion of <i>MUGEN-KOMBU</i>
Bean products:	Sales volume of <i>Tambaguro Kuromame</i> is secured after the price increase
Yogurt products:	Additional TV advertising of <i>Caspian Sea Yogurt</i>
Dessert products:	Sales expansion of <i>Fruits Therapy</i> while considering profitability

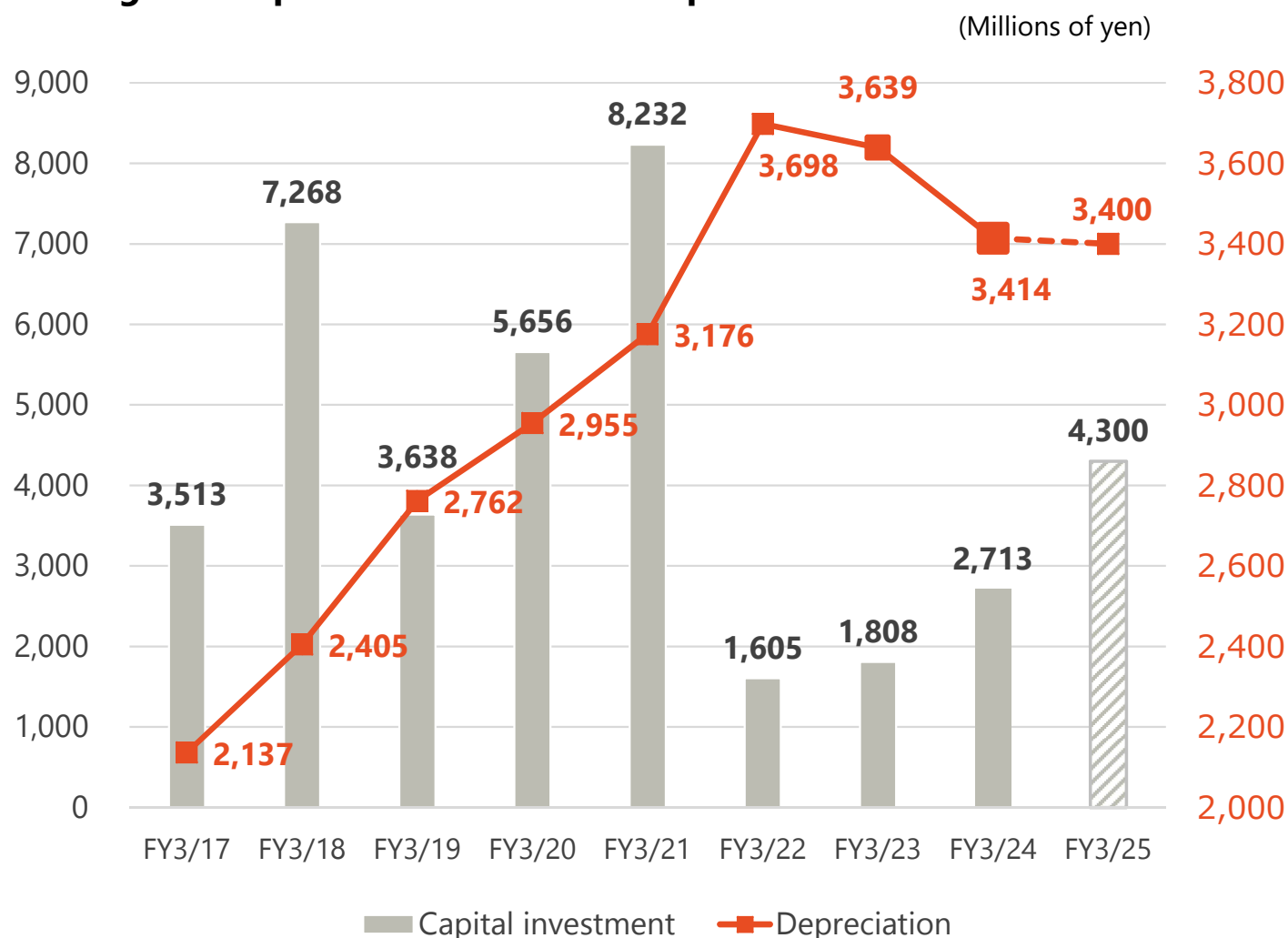
***Reference: Consolidated Net Sales by Product Category (vs. Initial Forecast)**

(Millions of yen)	FY3/2025 Initial forecast	% of total	FY3/2025 forecast	% of total	Difference from initial forecast	% difference from initial forecast
Delicatessen products	20,392	34.8	20,113	34.4	(279)	98.6
Kombu products	15,961	27.2	16,291	27.8	330	102.1
Bean products	10,434	17.8	10,453	17.9	19	100.2
Yogurt products	6,932	11.8	6,844	11.7	(88)	98.7
Dessert products	2,817	4.8	2,829	4.8	12	100.4
Other products	1,964	3.3	1,970	3.4	6	100.3
Total	58,500	100.0	58,500	100.0	0	100.0

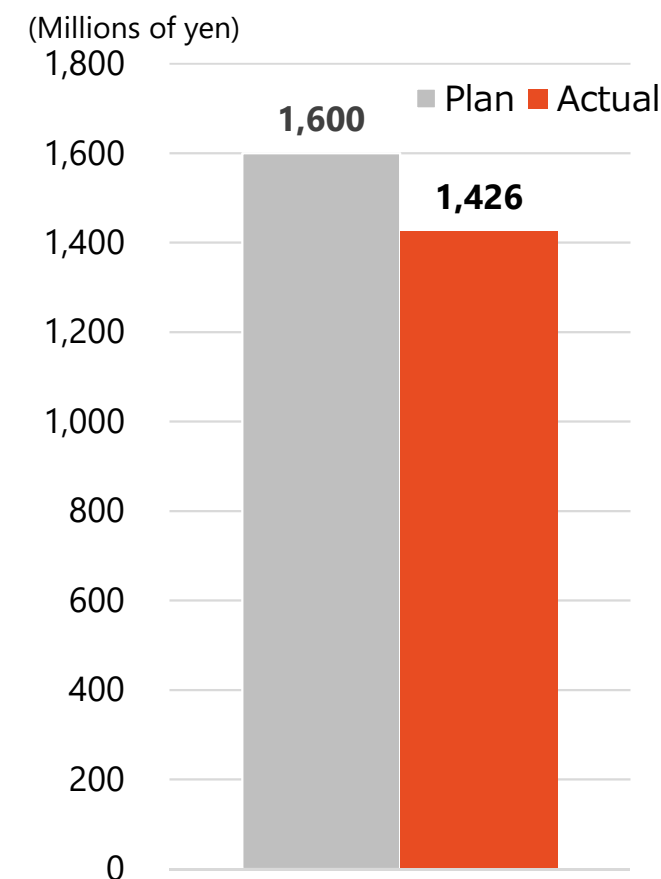
Changes in Consolidated Capital Investment and Depreciation

Capital Investment is implemented mostly as planned and the full-year forecast is 4.3 billion yen. Main Capital Investment in H1 was the line expansion for *Obanzaikobachi*. The full-year depreciation is expected at the same level as the previous year.

Changes in Capital Investment and Depreciation



Capital Investment (H1)



This document contains forward-looking statements about the Company's current performance and other forward-looking information currently available to the Company. Actual results may differ from these forecasts due to various conditions and factors in the future, and this document does not guarantee the achievement of such forecasts.

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