



NEWS RELEASE

Dec 09, 2019

R&I Affirms A/a-1, Stable: Fuji Oil Holdings Inc.

Rating and Investment Information, Inc. (R&I) has announced the following:

ISSUER: Fuji Oil Holdings Inc.
Issuer Rating: A, Affirmed
Rating Outlook: Stable

Commercial Paper: a-1, Affirmed

RATIONALE:

Fuji Oil Holdings Inc. is the holding company of the Fuji Oil Group, which produces and sells vegetable oils and fats, industrial chocolate, emulsified and fermented ingredients and soy-based ingredients in and outside Japan. With the overseas sales ratio exceeding 50%, its earnings sources are diversified in terms of operating region as well as business portfolio. The holding company has strong control over its operating subsidiaries, and the rating reflects the group creditworthiness.

The Group has competitive products for each of its business domains. For industrial chocolate, for example, it increased its market position to be the world's third largest player through successive acquisitions of Brazil-based Harald Industria e Comercio de Alimentos S.A. and the U.S.-based Blommer Chocolate Co. (Blommer). Its hard butters for chocolate also have strong competitiveness. Although the earnings of the two acquired companies have been below the initial projections, the companies will likely enhance earning capacities by sharing the Group's expertise in production management and oils and fats technologies. Earning and cash flow generating capacities are relatively stable.

Earning capacity is commensurate with the rating. The financial balance deteriorated due to the acquisition of Blommer, but will likely improve to an adequate level for the rating in the medium term, given the Group's stable cash flow generating capacity and the equity credit of the hybrid securities issued.

The primary rating methodologies applied to this rating are provided at "R&I's Basic Methodology for Corporate Credit Ratings", "Processed Foods", "R&I's Analytical Approach to Parent and Subsidiary Companies" and "Evaluation of Equity Credit Attributes of Hybrid Securities and Rating Perspectives". The methodologies are available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

https://www.r-i.co.jp/en/rating/about/rating_method.html

R&I RATINGS:

ISSUER: Fuji Oil Holdings Inc. (Sec. Code: 2607)
Issuer Rating
RATING: A, Affirmed
RATING OUTLOOK: Stable

Unsec. Str. Bonds No.5	Issue Date	Maturity Date	Issue Amount (mn)
	Dec 09, 2015	Dec 09, 2022	JPY 10,000
RATING:	A, Affirmed		

■Contact : Sales and Marketing Division, Customer Service Dept. TEL.+81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
■Media Contact : Corporate Planning Division (Public Relations) TEL.+81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>. © Rating and Investment Information, Inc.

Unsec. Sub. Bonds No.1	Issue Date	Maturity Date	Issue Amount (mn)
	Jun 13, 2019	Jun 11, 2049	JPY 35,000
RATING:	BBB+, Affirmed		
	Commercial Paper		
ISSUE LIMIT (mn):	JPY 10,000		
SUPPORT:	Unsecured		
RATING:	a-1, Affirmed		

■Contact : Sales and Marketing Division, Customer Service Dept. TEL.+81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
■Media Contact : Corporate Planning Division (Public Relations) TEL.+81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>.

© Rating and Investment Information, Inc.