

Business Segment Overview

Market Overview

Overview of Raw Material Trends and Prices during Fiscal 2010

Trends in Raw Material Prices and the Status of Selling Prices during Fiscal 2010

■ Trends in Raw Material Prices

The grain market remained high during the period, supported by robust global demand for food, and further appreciated during the second half as a result of poor weather in producing countries, and the influx of speculative capital. There was some correction during the latter half of the fiscal year, but the rise in prices for soybeans, rapeseed and other raw materials exceeded the appreciation of the yen.



■ Selling Prices

The value of oil in international markets rose sharply as a result of strong demand for vegetable oil. In Japan, however, the deflationary environment has made it difficult to revise selling prices as expected, and the operating environment for the Nisshin Oil Group remained tight.

Under these circumstances, we implemented a far-reaching, company-wide cost reduction program, and took steps to establish more appropriate pricing, and to expand sales of high-value-added products differentiated by superior technical capabilities.

However, the preference for low-priced products was strong among Japanese consumers, and we were unable to revise prices to the levels we initially anticipated.

