

Mitsubishi Shokuhin Co., Ltd.

Earnings Briefing Material

for FY03/22

May 9, 2022



[Notice]

The Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) from the beginning of FY03/22. The new accounting standard has been retroactively applied to the FY03/21 results in this briefing material.

Table of Contents

1

FY03/22 Results Summary

2

FY03/23 Earnings Forecast

3

Progress of Medium-term Management Plan 2023 Initiatives

1. FY03/22 Results Summary

The background features a series of overlapping, semi-transparent teal and white circular and curved shapes. A prominent teal circle is on the right side, with several lighter teal and white curved lines sweeping across the page from the top left towards the bottom right.

FY03/22: Consolidated Results (YoY, Comparison to Forecasts)

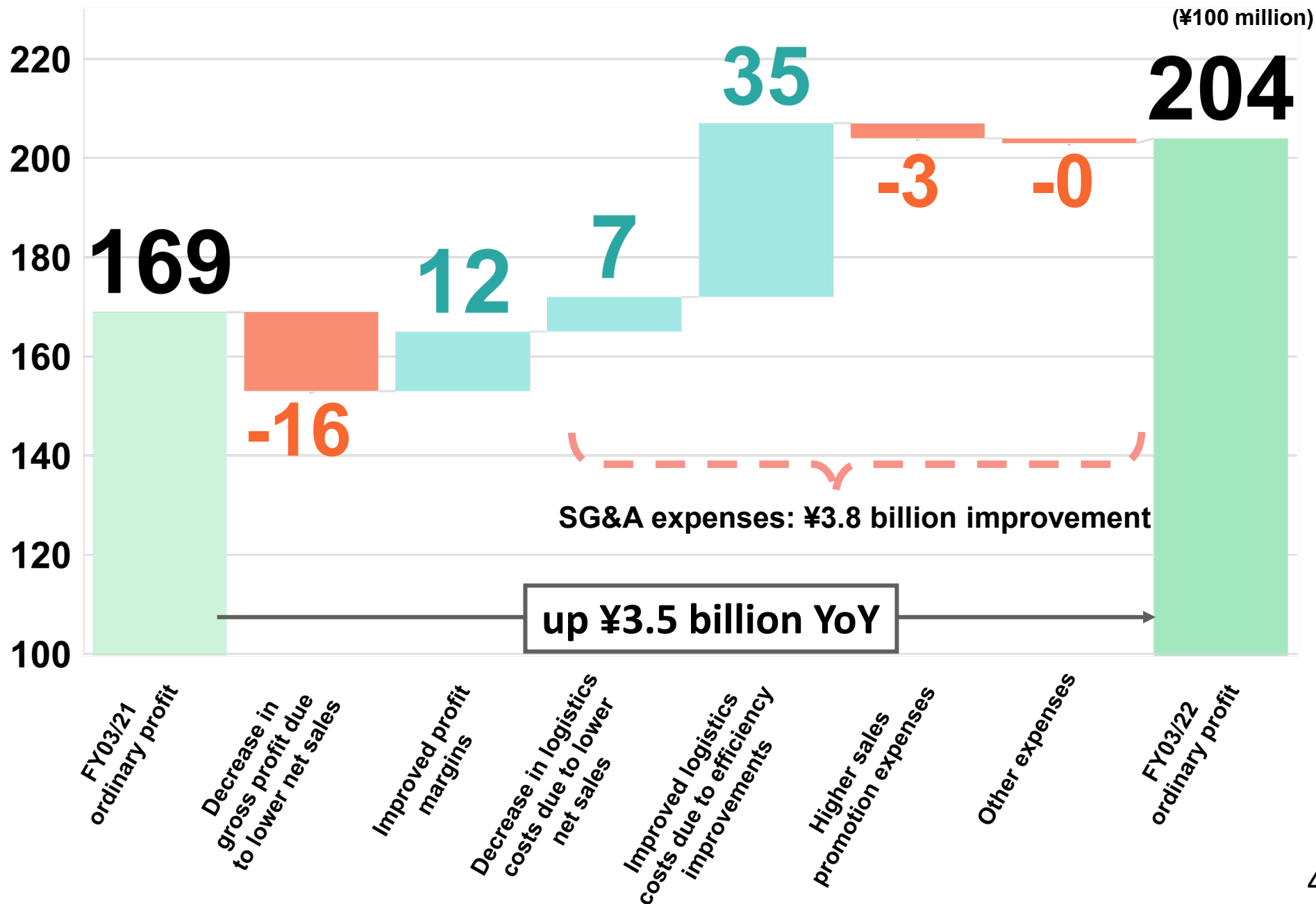
(¥100 million)

	FY03/21	FY03/22			
	Results *1	Forecasts *2	Results	YoY	vs. Forecasts
Net sales	19,794	20,000	19,556	-238	-444
Operating profit	156	187	190	34	3
Ordinary profit	169	200	204	35	4
Profit attributable to owners of parent	111	135	139	29	4
Earnings per share (yen)	193.87	282.89	292.31	98.44	9.42
ROE (%)	5.8%		7.6%	1.8P	

*1. Net sales for FY03/21 has been revised to reflect reclassification adjustments in accordance with the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), which the Company adopted from the beginning of FY03/22.

*2. The Company announced an upward revision to its earnings forecast on February 2, 2022.

FY03/22: Factors Affecting Ordinary Profit (YoY)



FY03/22: Results by Segment (YoY Change)

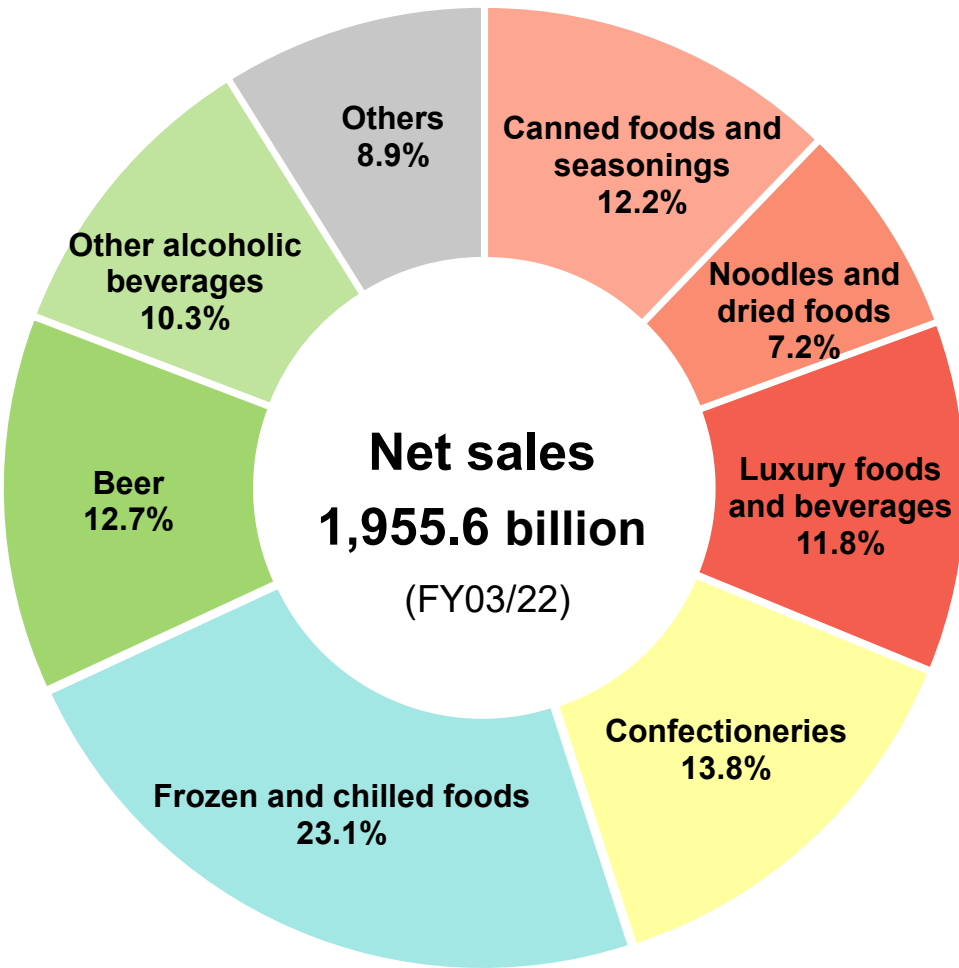
(¥100 million)

	Sales				Operating profit			
	FY03/21*	FY03/22	Change	% Change	FY03/21	FY03/22	Change	%Change
Processed foods	6,841	6,701	-140	-2.0	37	47	10	27.5
Frozen and chilled foods	5,547	5,422	-125	-2.3	72	92	20	27.2
Alcoholic beverages	4,690	4,711	21	0.4	39	37	-2	-4.3
Confectioneries	2,695	2,696	1	0.0	26	30	5	17.7
Other, adjustments	21	26	5	25.2	(18)	(16)	2	-
Total	19,794	19,556	-238	-1.2	156	190	34	21.9

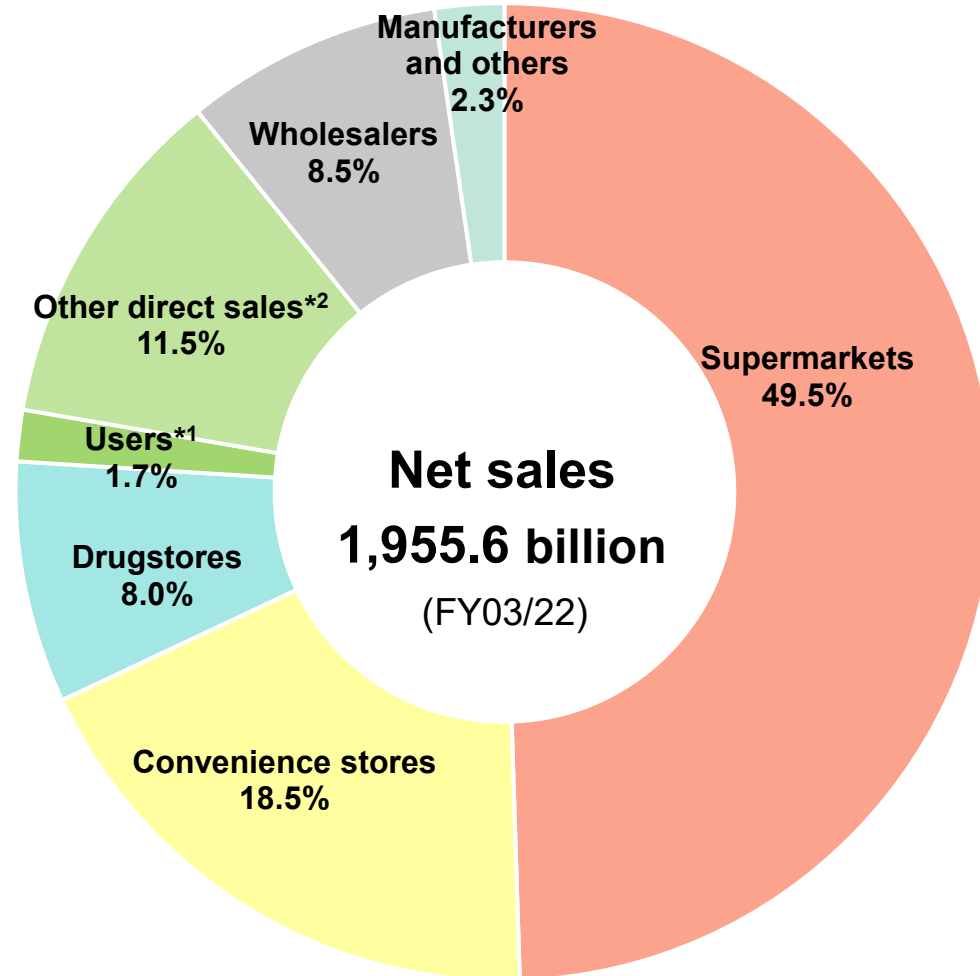
* Net sales for FY03/21 has been revised to reflect reclassification adjustments in accordance with the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, which the Company adopted from the beginning of FY03/22.

FY03/22: Sales by Product Category & Business Format

Product Categories



Business Formats



*1. Users are businesses that provide food and beverage services directly to consumers, such as restaurants and food service industries, home meal replacements, and school lunches.

*2. Other direct sales include discount stores, e-commerce operators, home improvement stores, department stores, etc.

FY03/22: Balance Sheet (YoY)

Capital efficiency improved owing to reduction in net assets through repurchase and cancellation of treasury shares

(¥100 million)

FY03/21

Current assets 5,324	Current liabilities 4,589
Trade receivables 3,082	Trade payables 3,958
Inventories 672	
	Non-current liabilities 284
Property, plant and equipment & Intangible assets 975	Net assets 1,970
Investments and other assets 544	

Total assets 6,843

FY03/22

Current assets 5,148	Current liabilities 4,665
Trade receivables 3,177	Trade payables 4,025
Inventories 696	
	Non-current liabilities 284
Property, plant and equipment & Intangible assets 981	Net assets 1,703 (-267)
Investments and other assets 523	

Total assets 6,652 (-191)

2. FY03/23 Earnings Forecast

The background features several overlapping, curved lines in shades of teal and light blue, creating a dynamic, abstract design. The lines are smooth and flow across the page, with some appearing as solid bands and others as lighter, semi-transparent washes. The overall aesthetic is clean and modern.

FY03/23: Earnings Forecast

(¥100 million)

	FY03/22		FY03/23		YoY	
	Results	% of net sales	Forecasts	% of net sales	Change	%Change
Net sales	19,556	-	19,900	-	344	1.8
Operating profit	190	1.0	199	1.0	9	4.5
Ordinary profit	204	1.0	215	1.1	11	5.5
Profit attributable to owners of parent	139	0.7	140	0.7	0	0.4
Earnings per share (yen)	292.31	-	321.57	-	29.26	-
ROE (%)	7.6	-	8.0	-	0.4P	-

FY03/23: Earnings Forecast by Segment

(¥100 million)

	Sales				Operating profit			
	FY03/22	FY03/23	Change	%Change	FY03/22	FY03/23	Change	% Change
Processed foods	6,701	6,719	18	0.3	47	46	-1	-2.0
Frozen and chilled foods	5,422	5,628	206	3.8	92	98	6	6.6
Alcoholic beverages	4,711	4,800	89	1.9	37	37	-0	-1.2
Confectioneries	2,696	2,727	31	1.1	30	31	1	3.2
Other, adjustments	26	26	0	0.2	(16)	(13)	3	-
Total	19,556	19,900	344	1.8	190	199	9	4.5

Progress and Forecast of Growth Strategy

(¥100 million)

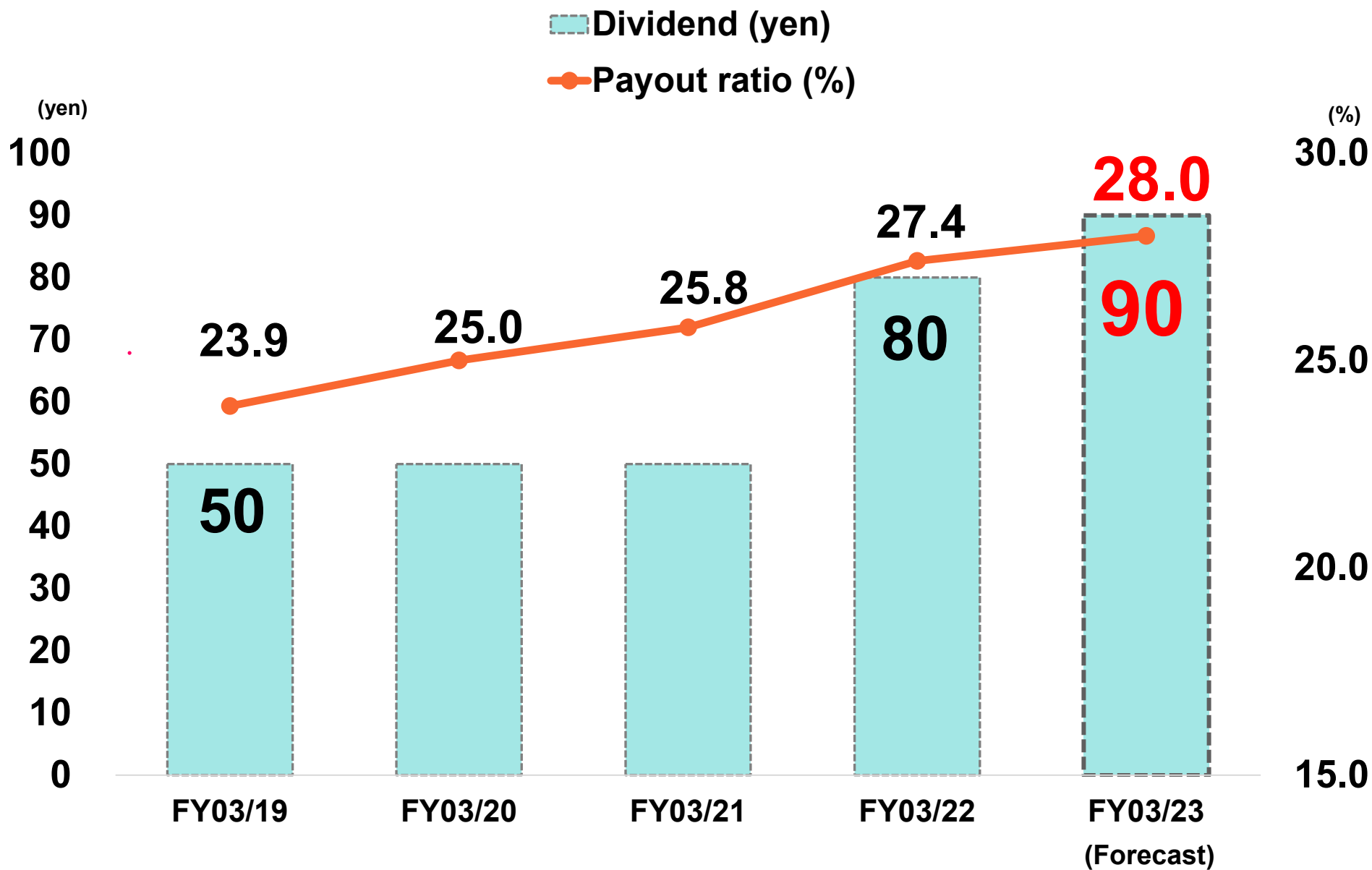
	Ordinary profit		
	FY03/21	FY03/22	FY03/23 Forecasts
Manufacturer support	26	29	23
Product development	4	10	15
Retailer support	160	184	193
Subtotal	190	223	231
Other, adjustments	(21)	(19)	(16)
Total	169	204	215

Status of Investments, etc.

(¥100 million)

	Investment amount			Depreciation and amortization & lease payments		
	FY03/21	FY03/22	FY03/23 Forecasts	FY03/21	FY03/22	FY03/23 Forecasts
Capital expenditures (including leases)	66	84	50	66	67	70
System development, etc.	44	36	40	38	48	50
Business investment	8	11	50	/		
Total	118	131	140	104	115	120

Dividend Forecast



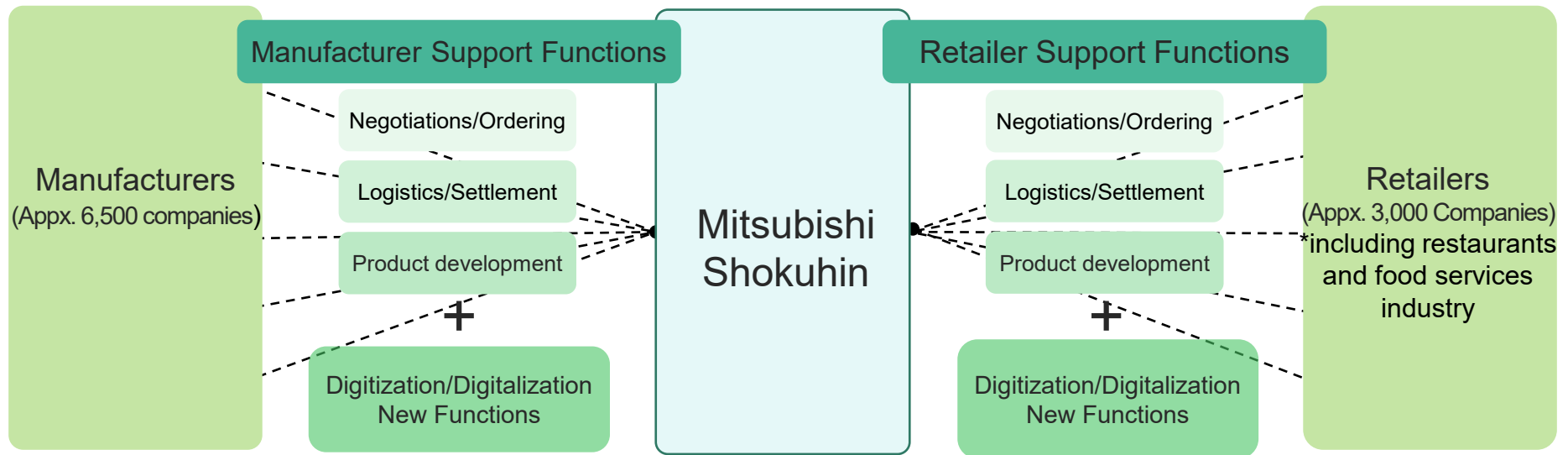
3. Progress of Medium-term Management Plan 2023 Initiatives



Overview of Medium-term Management Plan 2023

We contribute to the realization of a sustainable society by supporting the optimization, streamlining, and stabilization of the food supply chain, and by continuing to be the preferred choice of manufacturers, retailers, and consumers.

Advanced system infrastructure supporting 1.2 billion shipment transaction data per year (MILAI)



Building partnerships with local communities/Resolving key sustainability issues

Value-add for manufacturers

- Production planning and inventory optimization
- Reduce SG&A expenses (productivity improvement)
- Effective marketing

Value-add for society

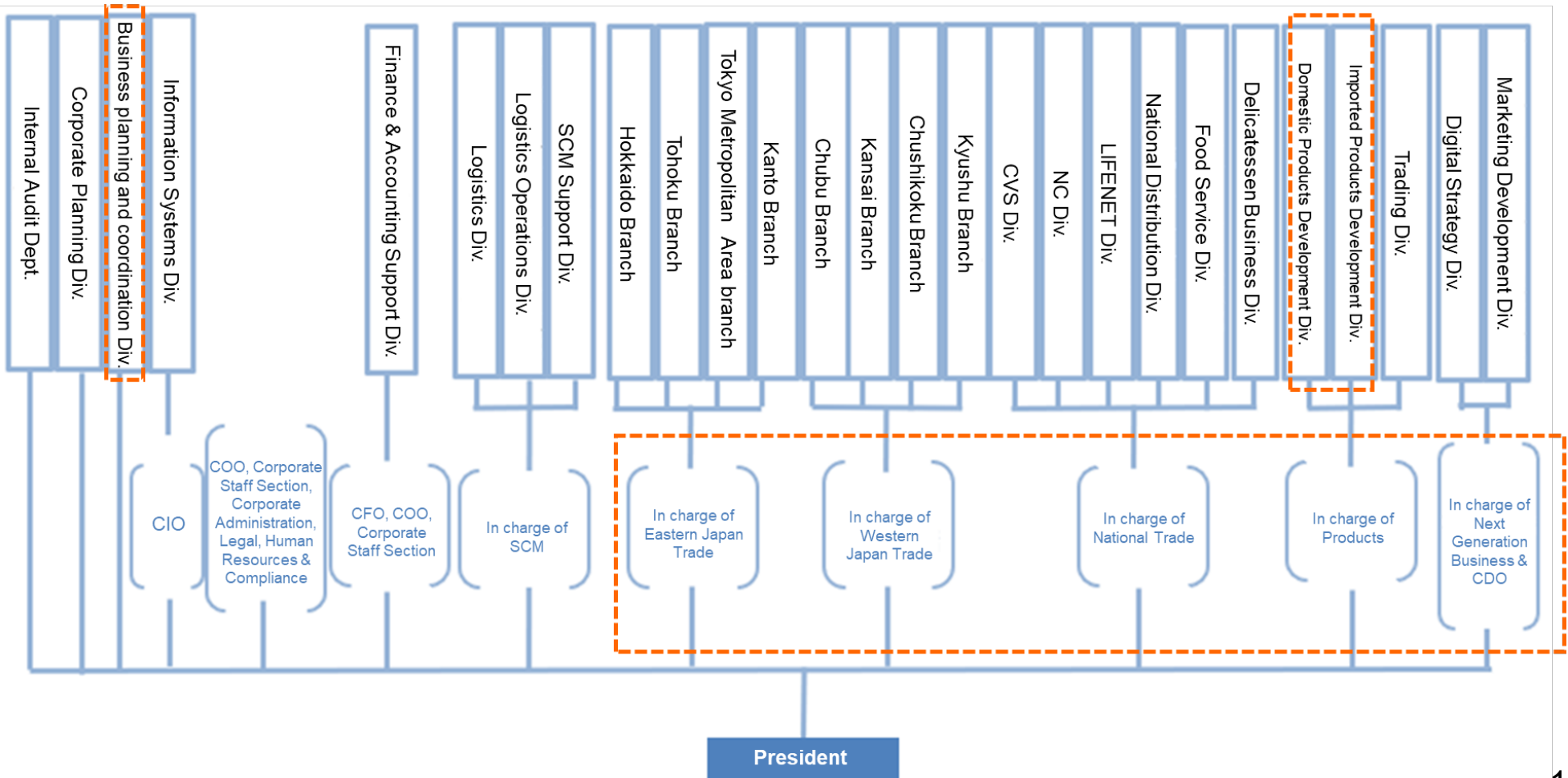
- Stabilization of food distribution
- Product development that meets consumer needs
- Solving local and social issues

Value-add for retailers

- Maintain and expand sales
- Reduce SG&A expenses (productivity improvement)
- Stabilization of supply chain

FY03/23: Organizational Reform

- Reorganize from a structure based on food category to an area management structure to establish a customer-centered management cycle
- Deploy personnel in new business fields and accelerate productivity improvement and customer value creation through Digital Transformation (DX).
- Consolidate Domestic and Imported Products Development Divisions under product management
- Form Regional Strategic Planning Promotion Office within the Business planning and coordination Div. to build partnerships with local communities



Strengthen Retailer and Manufacturer Support Functions (Streamlining through DX)

Create new value-add utilizing industry data platform aiming to streamline the food distribution industry



Reduce person-hours through automatic reconciliation of accounts payable and accounts receivable using AI / RPA utilization

127,000 person-hours reduction in FY03/22



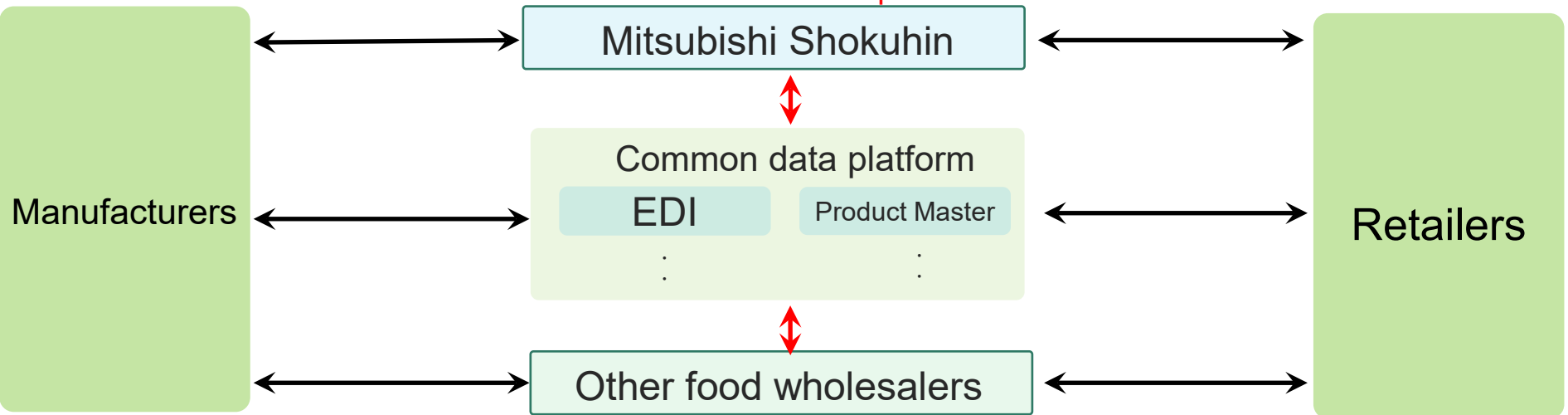
Automate product ordering and optimize inventory and logistics through AI-based demand forecasting



Cost reduction and optimization through industry standardization (EDI, etc.)

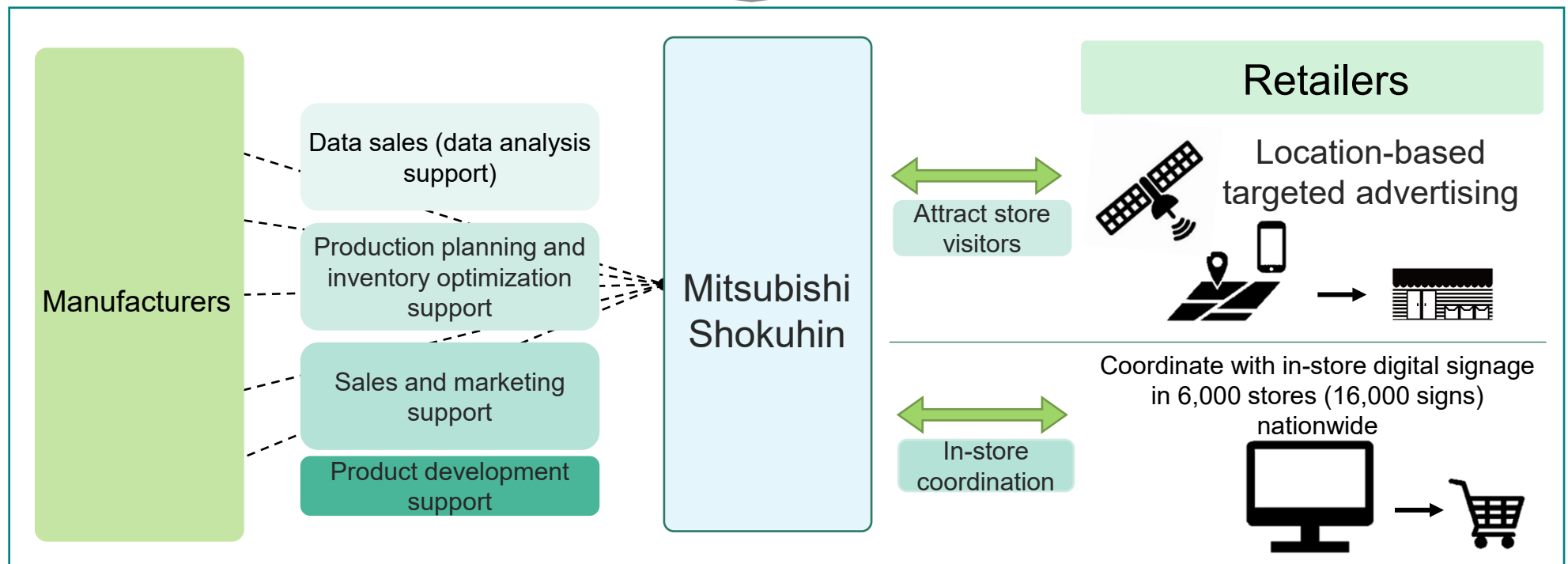
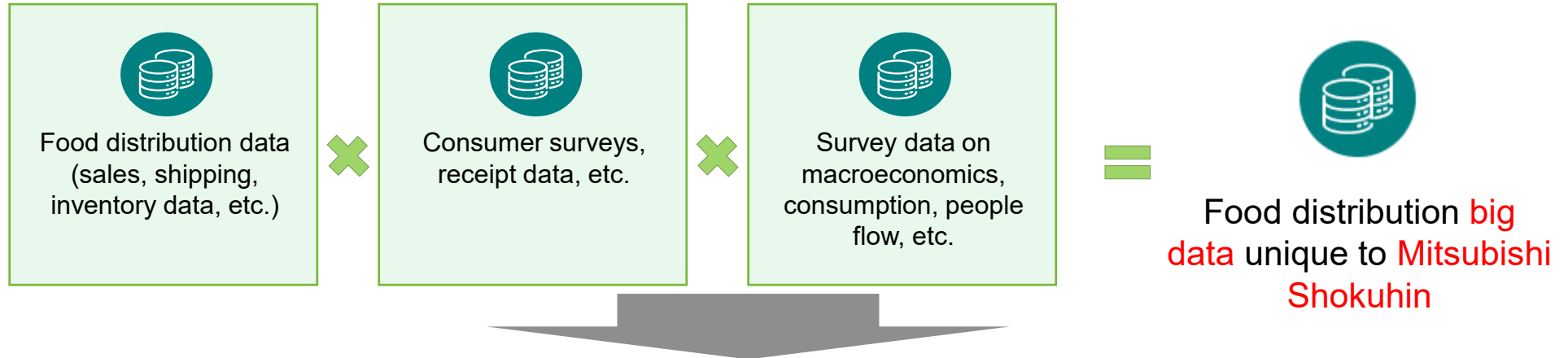
+ α

Aiming to **streamline** the entire food distribution industry and **reduce losses** by consolidating non-competitive areas onto a **common data platform**



Strengthen Retailer Support and Manufacturer Support Functions (Demand Creation)

Propose and create new value-add utilizing big data



Development of Original Products that Meet Consumer Needs

Health-focused products



Karada-shift series that changes the way you eat



"Carbohydrate Control" series



"PROTEIN PLUS" series

Convenient and time-saving products



Frozen foods that meet time-saving needs and demand for home meal replacements
Takes just **10 minutes** in a frying pan to prepare



Environmentally friendly and food loss conscious products

Environmentally friendly **paper packaging**

Italy's No.1 pasta Barilla



Jointly developed with EITARO Sohonpo



Reducing food losses by fostering the frozen sweets market

& "me time"



Organic wine in aluminum cans with high **recycling** rate



Imports of the world's top brands



Segura Viudas



Highly unique private brands

Junmai sake from a famous brewery, supervised by **Rui Yoshida**



Cross marketing







Initiatives to Realize a Sustainable Society

- Revised priority issues and raised 2030 targets with the aim of achieving carbon neutrality by 2050
- Aiming to be the top company in sustainability initiatives among companies handling food products

Priority issues

2030 Targets

<p>Environment</p> 	<p>Partnership and Innovation</p>	<p>Reduce CO2 emissions* by 60% compared to FY2016 to achieve carbon neutrality by 2050</p>
<p>Community & Living</p> 		<p>Reduce food waste by 50% compared to FY2016</p>
<p>Health</p> 		<p>Promote plastic recycling and use environmentally friendly products</p>
<p>Foundation for Value Creation</p> 		<p>Build a strong and sustainable supply chain</p>
		<p>Create/expand products and services that contribute to the local community and help solve local issues</p>
	<p>Create/expand products and services that solve health issues and contribute to good health</p>	
	<p>Foster an organizational culture that respects individuality and encourages employees to make the most of their abilities and aptitudes to play an active role in a healthy manner, while improving engagement</p>	

Switch to environmentally friendly power contracts

- In FY03/23, all power contracts under our Company name in 9 areas nationwide will be switched to environmentally friendly power contracts with a CO2 emission coefficient of zero

Pilot introduction of environmentally friendly vehicles

- Began pilot introduction of two vehicles from February 2022



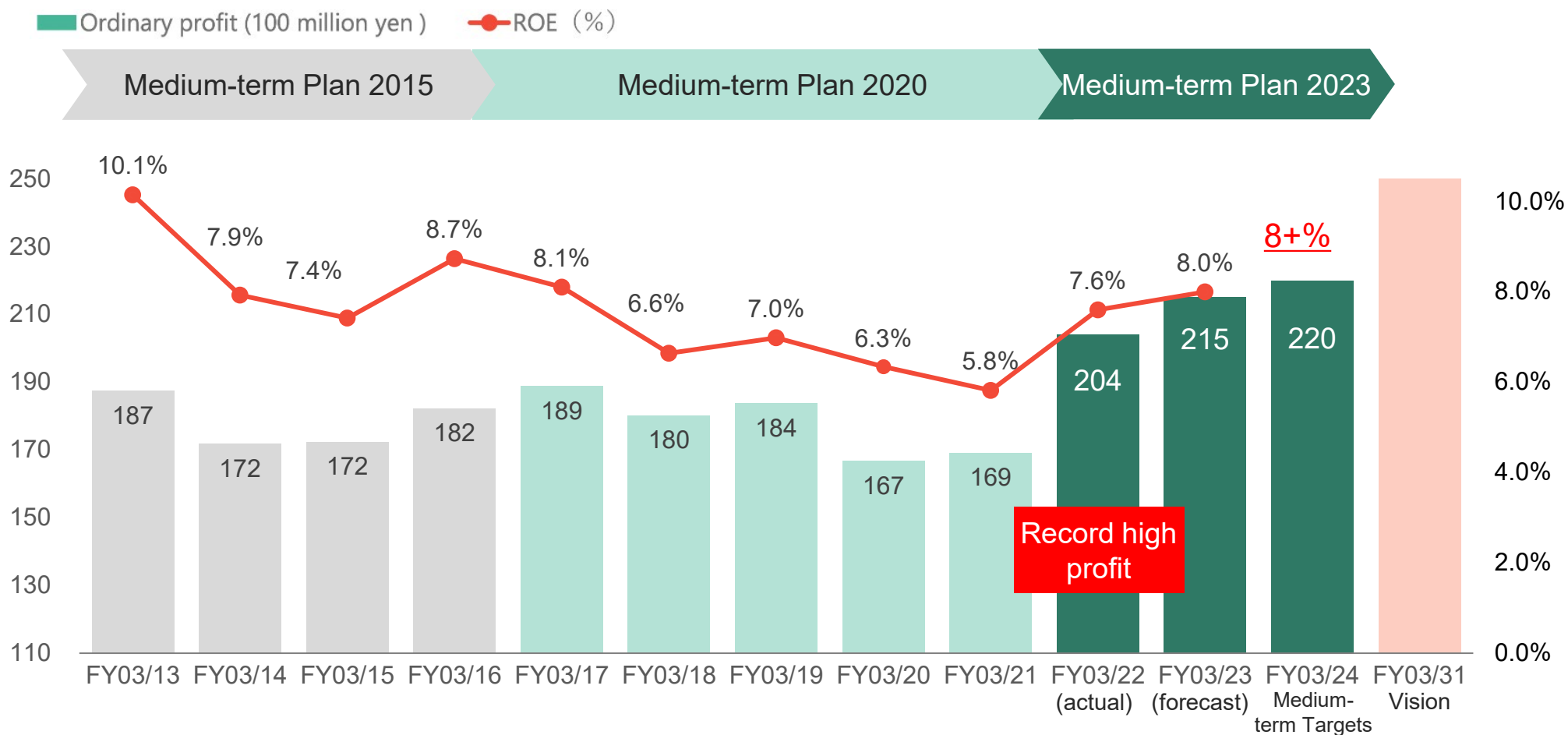
*Emissions from Scope 1 (direct greenhouse gas emissions by the business itself) and Scope 2 (indirect emissions from the use of electricity, heat, and steam supplied by other companies)

From Stagnation onto a New Growth Path

FY03/13–FY03/21: Profitability fell due to soaring logistics costs, as well as upfront investments in core system renewal and major logistics centers

FY03/22–FY03/24: Moving onto the Second (Growth) Stage from the 4-company merger*

[Medium-term Management Plan 2023]: Targeting ordinary profit of **¥22 billion** and ROE of **at least 8%** in FY03/24



*Four Mitsubishi Corporation-affiliated food wholesale distributors merged in 2011.

<Advanced Notice> Diamond Fair 2022

さあ、次の一手。



ダイヤモンドフェア2022

食で創造する、持続可能な社会。

● Date & Time

July 19–21 (Tues–Thurs), 2022

10:00–17:00 (until 16:00 on the final day)

● Venue

TOKYO BIG SIGHT(International Exhibition Center)

Halls 3 & 4 of the West Halls

***The venue has changed from 2021.**

Mitsubishi Shokuhin aims to enhance corporate value through partnerships with all stakeholders to "realize a sustainable society through the food business."

