

Mitsubishi Shokuhin Co., Ltd.

Earnings Briefing Material

for FY03/24

May 9, 2024



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Table of Contents

1 FY03/24 Results Summary

2 FY03/25 Earnings Forecast

1. FY03/24 Results Summary



Consolidated Results (YoY, Comparison to Forecasts)

- ◆ Net sales increased on the overall growth of business transactions, especially with convenience stores and for commercial-use products, as a result of the full-scale recovery of foot traffic.
- ◆ Ordinary profit rose due to transaction growth and profit margin improvement owing to an effort to strengthen profitability management. (¥1 billion)

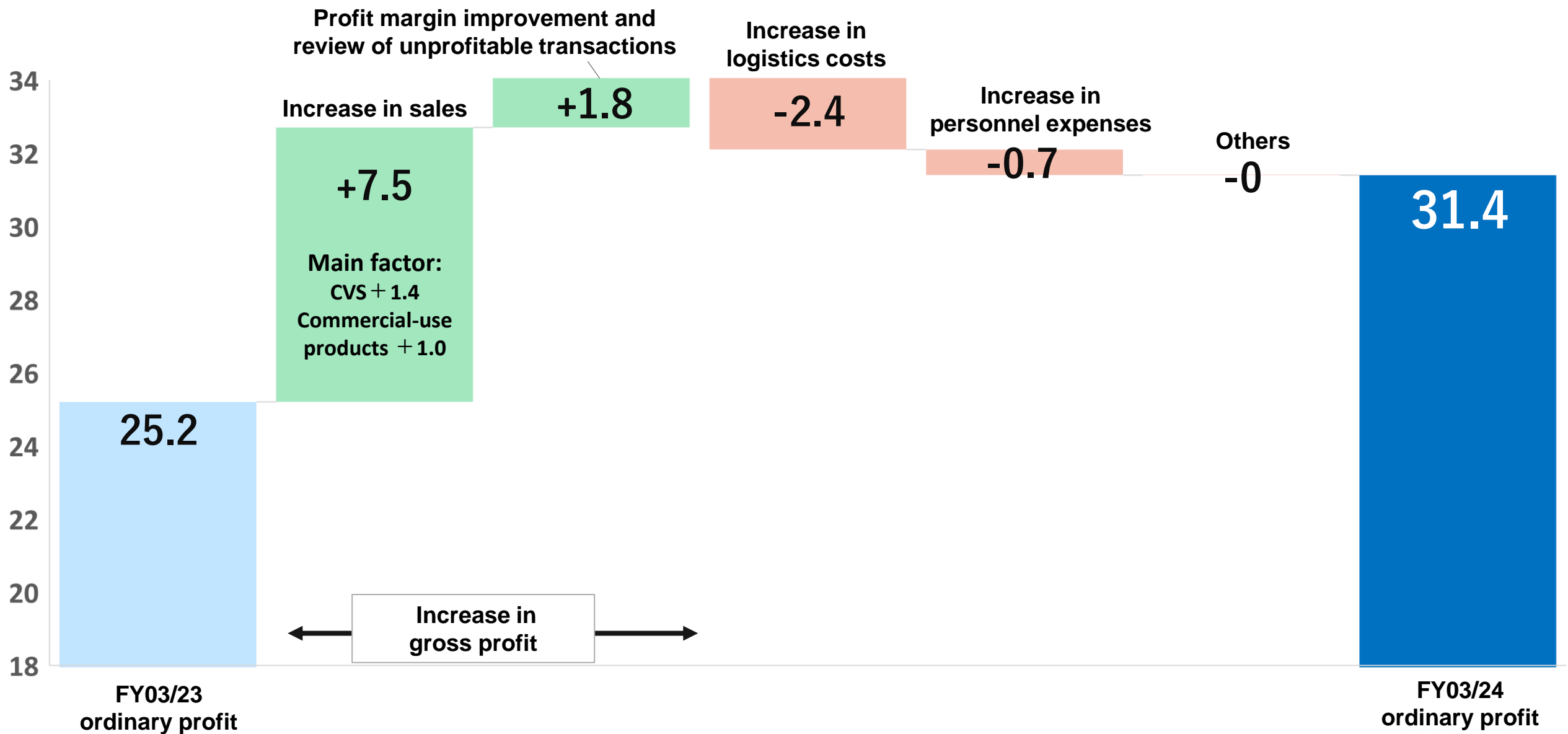
	FY03/23	FY03/24	YoY		FY03/24 Forecasts	vs. Forecasts	
			Change	% Change		Change	% Change
Net sales	1,996.8	2,076.4	79.6	4.0	2,080.0	-3.6	-0.2
Gross profit *	147.4	150.3	2.9	1.9			
SG&A expenses *	(124.0)	(120.8)	3.2	2.6			
Logistics costs	(59.4)	(57.7)	1.8	2.9			
Personnel expenses	(40.5)	(39.7)	0.8	2.0			
Other	(24.1)	(23.4)	0.7	2.7			
Operating profit	23.4	29.5	6.1	26.0	29.0	0.5	1.8
Ordinary profit	25.2	31.4	6.2	24.6	31.0	0.4	1.3
Profit attributable to owners of parent	17.1	22.6	5.5	31.9	22.0	0.6	2.6
Earnings per share (yen)	393.93	519.89	125.96	32.0	506.47	13.42	2.7
ROE (%)	9.7%	11.7%	2.0P		11.6%	0.1P	

※ A change in the format of some transactions at our subsidiaries starting April 2023 had an impact of just over ¥6.0 billion on the account items shown below.

Excluding this impact, the YoY changes were +¥9.3 billion for gross profit (+6.7% YoY) and -¥3.0 billion for SG&A expenses (-2.5% YoY).

Factors Affecting Ordinary Profit (YoY)

(¥1 billion)



Results by Segment

- ◆ In processed foods, sales and operating profit grew due to an increase in sales to convenience stores and discount stores, and profitability improvement accompanying a review of transactions, among other factors.
- ◆ In frozen and chilled foods, sales and operating profit rose, mainly on higher sales from a boost in transactions with supermarkets and convenience stores and the recovery of commercial-use products, along with improved profitability.
- ◆ In alcoholic beverages, sales and operating profit were up due largely to the recovery of commercial-use products, an increase in transactions with drug stores, and the effects of an exceptionally hot summer and a lower tax rate for beer.
- ◆ In confectionery, sales and operating profit rose, fueled mainly by growth in transactions with convenience stores and discount stores as well as profitability improvement.

(¥1 billion)

	Sales				Operating profit			
	FY03/23	FY03/24	Change	% Change	FY03/23	FY03/24	Change	% Change
Processed foods	660.3	674.4	14.1	2.1	5.8	7.2	1.5	25.5
Frozen and chilled foods	579.8	613.8	34.0	5.9	12.3	15.3	3.0	24.2
Alcoholic beverages	483.5	495.0	11.6	2.4	3.6	3.6	0.0	0.6
Confectionery	273.3	293.2	20.0	7.3	3.3	4.8	1.5	45.4
Other, adjustments	-	-	-	-	(1.6)	(1.5)	-0.1	-
Total	1,996.8	2,076.4	79.6	4.0	23.4	29.5	6.1	26.0

* Figures for FY03/23 are adjusted to reflect the revision to our profitability management method in FY03/24.

Sales by Product Category

- ◆ In the confectionery category, sales grew year-on-year mainly due to an increase in transactions centering on convenience stores and discount stores.
- ◆ In the frozen and chilled foods category, sales were up as a result of growth in transactions with supermarkets and convenience stores, among other customers, as well as recovery in commercial-use products and an exceptionally hot summer.

(¥1 billion)

	FY03/23		FY03/24		YoY Change	
	Sales	% of total sales	Sales	% of total sales	Change	% Change
Canned foods and seasonings	239.2	12.0	241.6	11.5	2.4	1.0
Noodles and dried foods	142.6	7.1	148.6	7.2	6.0	4.2
Luxury foods and beverages	221.2	11.1	224.6	10.8	3.5	1.6
Confectionery	271.9	13.6	290.1	14.0	18.1	6.7
Frozen and chilled foods	477.3	23.9	503.5	24.3	26.2	5.5
Beer	253.2	12.7	257.9	12.4	4.7	1.9
Other alcoholic beverages	208.1	10.4	215.2	10.4	7.1	3.4
Others	183.3	9.2	194.9	9.4	11.6	6.3
Total	1,996.8	100.0	2,076.4	100.0	79.6	4.0

Sales by Business Format

- ◆ Efforts toward value-added transactions with business partners and the recovery in foot traffic, including that of inbound visitors, led to a boost in transactions, and sales grew in all business formats.
- ◆ Sales to convenience stores increased, mainly due to the full-scale recovery in foot traffic, including that of inbound visitors, and an exceptionally hot summer.
- ◆ Other direct sales increased mainly due to growth in transactions with discount stores.

(¥1 billion)

	FY03/23		FY03/24		YoY Change	
	Sales	% of total sales	Sales	% of total sales	Change	% Change
Wholesalers	197.7	9.9	210.0	10.1	12.4	6.3
Supermarkets	936.1	46.9	948.9	45.7	12.8	1.4
Convenience stores	370.2	18.6	389.1	18.7	18.8	5.1
Drugstores	166.7	8.3	172.2	8.3	5.5	3.3
Users*1	42.7	2.1	49.4	2.4	6.7	15.8
Other direct sales*2	231.7	11.6	252.4	12.2	20.7	8.9
Manufacturers and others	51.7	2.6	54.3	2.6	2.6	4.9
Total	1,996.8	100.0	2,076.4	100.0	79.6	4.0

*1. Users are businesses in the food service industry that provide food and beverage services directly to consumers, such as restaurants and other food-service operators that provide home meal replacements and school lunches.

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

Note: FY03/23 results were retroactively adjusted to reflect a partial revision to the business format classification.

Progress of Growth Strategies

- ◆ Ordinary profit was flat in “manufacturer support” mainly due to the impact of upfront investments in digital fields.
- ◆ Profit rose in “product development” as handling volume increased, especially for imported products.

(¥1 billion)

	Ordinary profit		
	FY03/23	FY03/24	Change
Manufacturer support	2.5	2.5	0.0
Product development	0.8	1.4	0.6
Retailer support	23.7	29.2	5.5
Subtotal	27.0	33.0	6.1
Other, adjustments	(1.7)	(1.6)	0.1
Total	25.2	31.4	6.2

2. FY03/25 Earnings Forecast



FY03/25: Earnings Forecast

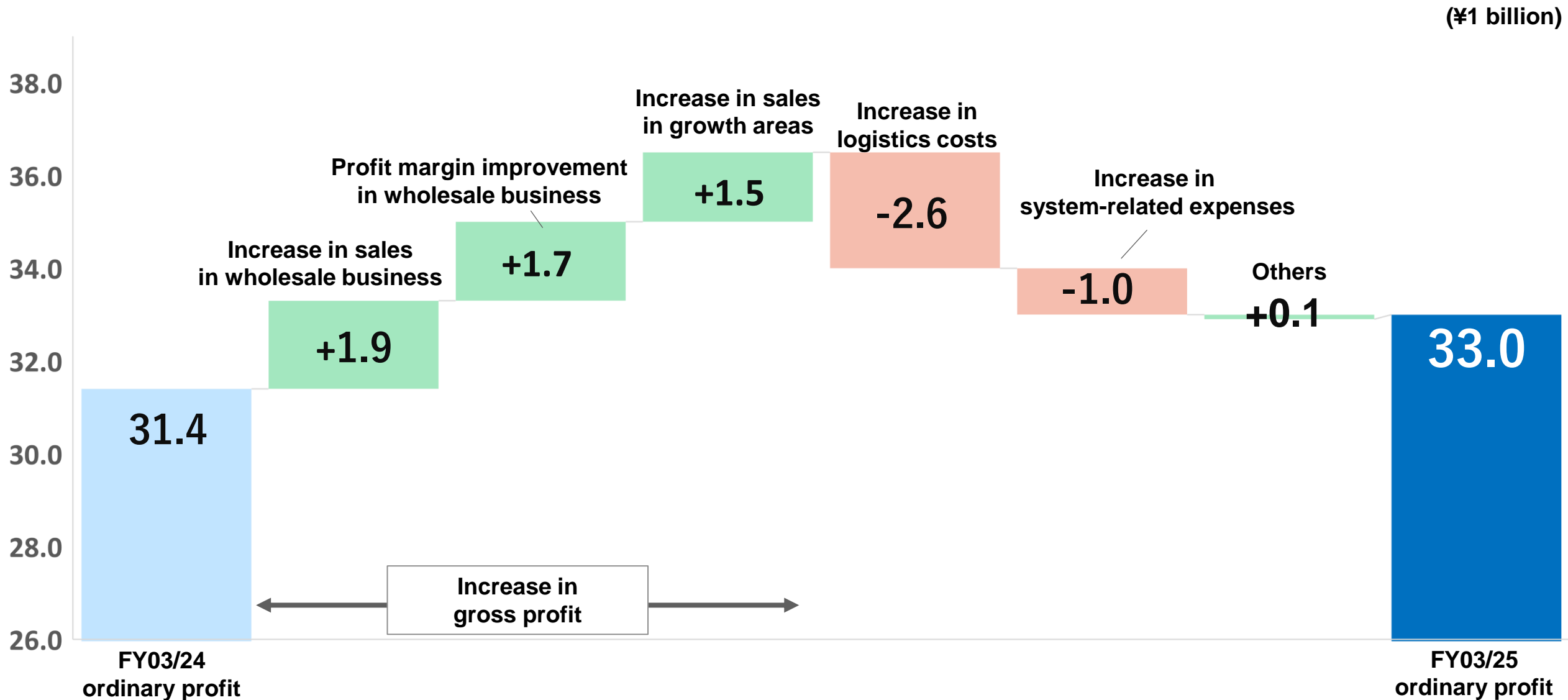
◆ For FY03/25, we expect profits to rise to record highs for a fourth consecutive year, and plan to raise our annual dividend by ¥25 per share.

(¥1 billion)

	FY03/24		FY03/25		YoY	
	Results	% of net sales	Forecasts	% of net sales	Change	% Change
Net sales *	2,086.8	-	2,130.0	-	43.2	2.1
Gross profit *	149.8	7.2	154.9	7.3	5.1	4.7
Operating profit	29.5	1.4	31.5	1.5	2.0	6.7
Ordinary profit	31.4	1.5	33.0	1.5	1.6	5.1
Profit attributable to owners of parent	22.6	1.1	22.8	1.1	0.2	1.0
Earnings per share (yen)	519.89	-	524.89	-	5.00	-
ROE (%)	11.7%	-	10.8%	-	-0.9P	-
Dividend per share (yen)	160	-	185	-	25	-
Payout ratio (%)	30.8%	-	35.2%	-	4.4P	-

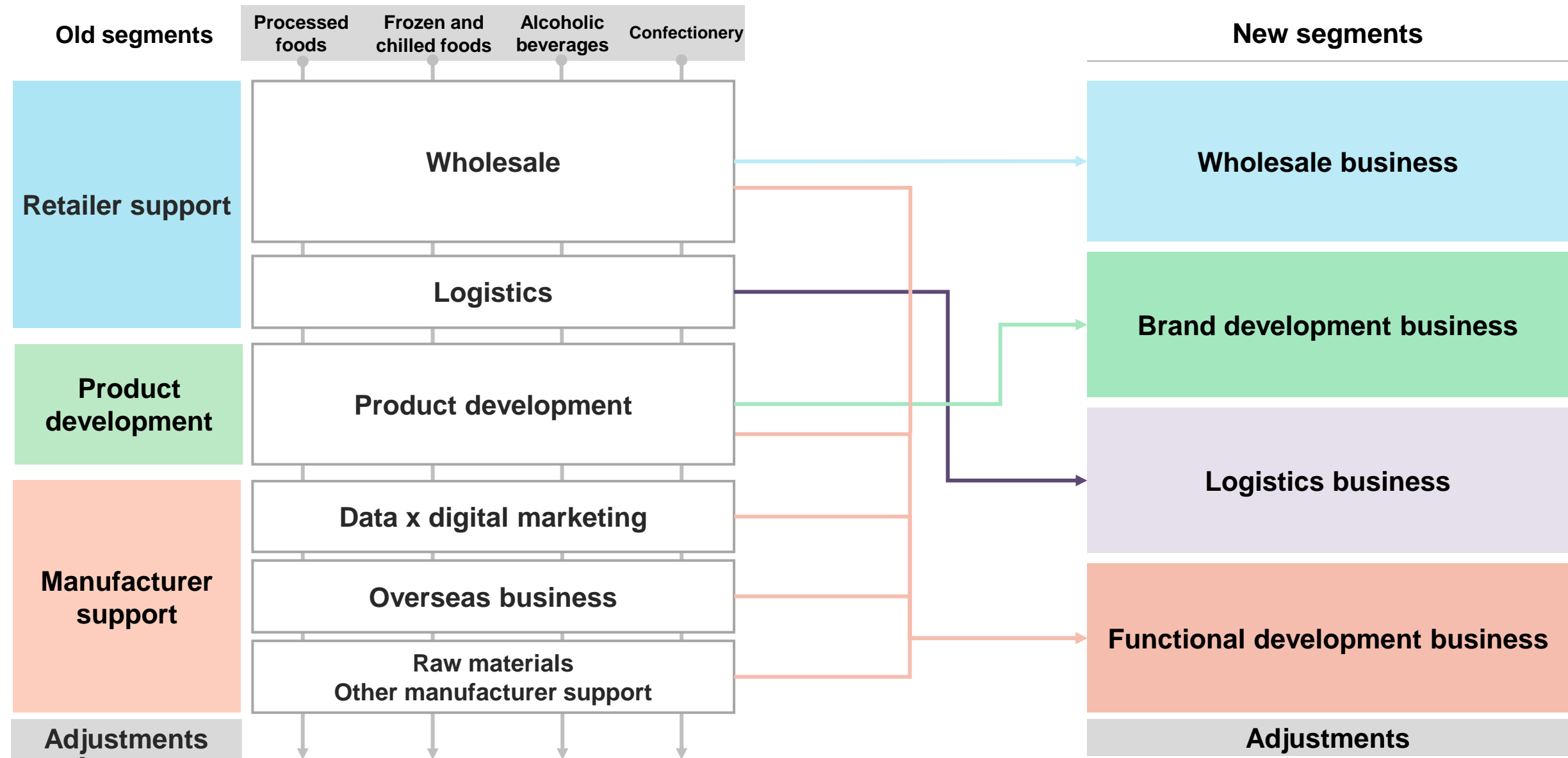
*FY03/24 results have been adjusted to reflect the change in the method of presentation for certain transactions, starting from FY03/25.

Factors Affecting Ordinary Profit (YoY)



Overview: Change in Disclosure Segments

- ◆ To make business progress in growth areas more transparent, we have changed our disclosure segments (from product categories to business domains) from FY03/25.
- ◆ We have changed the segment figures that we disclose as forecasts from operating profit to ordinary profit.



FY03/25: Earnings Forecast by Segment

(¥1 billion)

	Sales				Ordinary profit			
	FY03/24	FY03/25 Forecasts	Change	% Change	FY03/24	FY03/25 Forecasts	Change	% Change
Wholesale business	1,877.7	1,905.3	27.6	1.5	26.1	27.4	1.3	5.0
Brand development business	32.4	36.3	3.9	12.0	1.3	1.7	0.4	32.7
Logistics business	138.2	141.5	3.3	2.4	3.0	2.8	-0.2	-7.8
Functional development business	38.6	46.9	8.3	21.6	2.6	2.6	0.0	1.0
DD marketing	2.2	2.9	0.7	29.7	0.5	0.6	0.1	16.7
Overseas business	1.0	1.7	0.8	78.8	0.0	(0.1)	-0.1	-
Manufacturer support	35.4	42.3	6.9	19.6	2.1	2.1	0.0	0.5
Adjustments	-	-	-	-	(1.6)	(1.5)	0.1	-
Total	2,086.8	2,130.0	43.2	2.1	31.4	33.0	1.6	5.1

* FY03/24 results have been adjusted to reflect the change in the method of presentation for certain transactions, starting from FY03/25. 13

FY03/25 Forecast by Product Category

◆ The table below shows our forecast for the Wholesale and Brand development businesses, broken down by product category (old segments).

(¥1 billion)

		Sales				Ordinary profit			
		FY03/24	FY03/25 Forecasts	Change	% Change	FY03/24	FY03/25 Forecasts	Change	% Change
Processed foods		609.5	613.4	3.9	0.6	6.4	7.0	0.6	9.7
Frozen and chilled foods		537.1	567.0	29.9	5.6	12.0	12.9	0.9	7.5
Alcoholic beverages		484.7	479.7	-5.0	-1.0	4.0	3.9	-0.1	▲1.9
Confectionery		278.7	281.5	2.8	1.0	5.0	5.3	0.3	5.7
Total		1,910.1	1,941.6	31.5	1.7	27.4	29.1	1.7	6.3
	Wholesale business	1,877.7	1,905.3	27.6	1.5	26.1	27.4	1.3	5.0
	Brand development business	32.4	36.3	3.9	12.0	1.3	1.7	0.4	32.7

Status of Investments, etc.

- ◆ In FY03/24, we made investments in upgrades of facilities in our existing logistics centers.
- ◆ In FY03/24, we made growth investments mainly in the data x digital marketing field and startups.
- ◆ For FY03/25, we project annual growth investments of ¥5.0bn.

(¥1 billion)

	FY03/23	FY03/24	FY03/25 Forecasts
Investment for maintenance and replacement	8.1	9.3	12.0
Capital expenditures	4.9	5.4	7.0
System development, etc.	3.1	3.9	5.0
Growth investments	5.5	1.4	5.0
Investment total	13.6	10.7	17.0
Depreciation and amortization	11.8	12.1	12.5