Disclosure Based on TCFD Recommendations

The Mitsubishi Shokuhin Group has formulated a management plan called "MS Vision 2030," which designates the fiscal year 2030 as its final year. As our purpose, we have formulated the new vision of "MS Vision2030", which adds simultaneous resolution of sustainability-focused key issues to the existing purpose of contributing to a sustainable society through food business."

In the description, we have based our information on the TCFD final recommendations published in June 2018 and the TCFD new guidance published in October 2021.

Going forward we will work to enhance our disclosures in line with Climate-Related Information Disclosure Standard (IFRS S2) which ISSB (Internal Sustainability Standards Board) officially published on June 26, 2023, and engage in dialogue with stakeholders in the future.

Governance

In March 2021, we established the Sustainability Committee to promote company-wide efforts towards addressing sustainability issues through our business activities.

The Sustainability Committee, serving as an advisory body to the executive decision-making body entity, the Management Conference, is responsible for overseeing sustainability issues, including climate change.

We collaborate with the "Enterprise Risk Management Committee" to identify, manage climate-related risks, and develop and implement specific response strategies.

In June 2021, we appointed a Chief Sustainability Officer (CSO), who also serves as the President and Representative Director. The CSO, in consultation with the • Governance Structure for Climate Change Issues



Sustainability Committee, reviews and deliberates on fundamental policies and important matters related to climate change, which are subsequently discussed and decided upon in the Management Conference. The discussions are also presented to the Board of Directors for consideration and are reported twice a year to ensure the board's monitoring and oversight.

2023 Discussions and Reports at Board of Directors Meetings / Sustainability Committee Meetings

	Content of Deliberation and Reporting
First	• Status of Reductions of Scope1 / Scope2 and reporting on the status of

Meeting		calculations of Scope3			
	•	In alignment with the global consensus aiming to limit temperature rise			
		to $1.5^\circ\!\!\mathbb{C}$, we have newly calculated the financial impact using the $1.5^\circ\!\!\mathbb{C}$			
		scenario			
Second	•	 Status of Reductions of Scope1 / Scope2 			
Meeting	•	• Efforts to support the creation of forest credits in collaboration with loc			
		governments			
	•	Reporting on the status of calculations of Scope3 based on the calcula-			
		tion of actual results for fiscal year 2021			

*1. Scope1 : Direct emissions from the reporting company's factories, offices, vehicles, etc.

*2. Scope2 : Indirect energy-derived emissions from electric power and other energy consumed by the reporting company

*3. Scope3 : Indirect emissions other than Scope 1 and 2 (emissions by other companies related to the activities of the business)

Strategy

(1) Identification of Risks and Opportunities

In identifying climate-related risks and opportunities, we have identified relevant risks and opportunities for the business from the perspectives of transition risks, physical risks, and opportunities. After identifying a wide range of events, we extracted risks and opportunities using two scenarios including one in which the temperature rise stays below 1.5°C by the end of this century (referred to as the '1.5°C scenario'). We qualitatively evaluate the financial impact based on these identified risks and opportunities, and for some risks, we conduct quantitative assessments. In particular, during the fiscal year 2023, we implemented strategies for each scenario analysis theme and updated our disclosure accordingly.

	Key Factors for Risks and Opportu- nities	Climate-Related Risks/Op- portunities	Risk/Time Un- til Opportuni- ties Discov- ered	Financial Im- pact (Profit basis)
Tr	ansition Risks			
	Introducing/Increasing	Increase in operating costs due to	Medium-term	Medium
	Carbon Pricing	introduction of carbon pricing		
		Increase in purchase costs due to	Medium-term	Large
		introduction of carbon pricing		
	Increase in Fuel Prices	Increase in transportation and	Medium-term	Large
		storage costs due to higher fuel		
		prices		
		Increase in purchase costs due to	Medium-term	Medium
		higher fuel prices		
	Increase in Electricity	Increase in transportation and	Medium-term	Medium
	Prices	storage costs due to changes in		
		electricity prices		
		Increase in purchase costs due to	Medium-term	Medium
		changes in electricity prices		

	Lower Demand for	Increase in refrigerant costs due	Medium-term	Small	
	Fossil Fuels	to change in demand for fossil re-			
		sources			
Pł	nysical Risks				
	Increased Risk of In-	Fewer opportunities for consum-	Medium-term	Small	
	fectious Diseases Due	ers to use food services due to in-			
	to Rising Tempera-	creased risk of infectious diseases			
	tures	from rising temperatures			
	Increasing Frequency	Damage to business sites due to	Short-term	Small	
	and Severity of	frequent and severe wind and			
	Wind/Flood-Related	flood disasters			
	Disasters	ters Decline in farm and field produc-		Medium	
		tivity due to frequent and severe			
		wind and flood disasters			
		Supply chain disruption due to	Short-term	Small	
		frequent and severe wind and			
		flood disasters			
0	oportunities				
	Progress Made with	Lower transportation and storage	Short-term	Large	
	Joint Delivery and	costs due to the progress made			
	Modal Shift Initiatives	with joint delivery and modal shift			
		initiatives			
	Progress with Devel-	Increased sales of containers with	Short-term	Small	
	opment of Recycled	low environmental impact/ pack-			
	Materials and Bio-	aging products due to progress			
	mass-Related Technol-	with development of recycled ma-			
	ogies	terial and biomass-related tech-			
		nologies			

[Risk/Time until opportunities discovered] Short-term: no more than 3 years; Medium-term: over 3 years and no more than 10 years; Long-term: over 10 years

[Financial Impact] Small: no more than ¥1 billion; Medium: over ¥1 billion and no more than ¥5 billion; Large: over ¥5 billion

(2) Theme of Scenario Analysis and Setting for Climate Change Scenarios

We conducted an analysis of the future impacts of the following three themes, which were assessed as "highly important" based on the extraction and organization of climate-related risks and opportunities, considering their financial impact and relevance to our business strategy, in two temperature scenarios.

Risk Classification	Scope	Analysis Themes
Transition Risks/Opportunities	Mitsubishi Shokuhin Domestic Group (ex- cluding some subsidi- aries)	 Impact on the Group's operating costs associated with the introduc- tion of carbon pricing
	Wholesale business of Mitsubishi Shokuhin	② Impact on purchase costs associ- ated with the introduction of car- bon pricing in the upstream

■ Scope and Themes of Scenario Analysis

		companies of the supply chain
Physical Risk	All domestic	③ Impact of an increase in weather-
	Mitsubishi Shokuhin	related disasters due to climate
	Group bases	change on business locations

	Scenarios Setups					
	1.5°C Scenarios	Current Scenarios				
Transition Risks						
External sce • NZE (*)	narios established L)	External scenarios establishedSTEPS (*2)				
 Assumed but A strenging investing investivanced committed gas (GH nations. age tent to the projected to 2100. A world pendent of fossil A carboor rate GH 14,300 by 2050 	siness environment ghening policies and increas- stments in clean energy, ad- countries have achieved the ment of net-zero greenhouse IG) emissions ahead of other As a result, the global aver- nperature increase compared re-industrial revolution is pro- o be below 1.5℃ by around in which countries are de- con fossil fuels, and the price fuels is decline. n price is imposed on corpo- G emissions, with a price of yen by 2030 and 27,500 yen	 A world in which the average global temperature increase compared to the pre-industrial levels is about 2.6°C around 2100, based on emission routes in line with pathways aligned with the planes currently announced by each country. A world in which countries are dependent on fossil fuels, and the price of fossil fuels is increase. A carbon price is imposed on corporate GHG emissions, assumed to be 7,150 yen per ton of GHG emission in 2030 and 9,900 yen in 2050. 				
Physical Risks						
External sce • RCP (*3) <u>Assumed bu</u> • Under sus mate poli the temp low 2°C of levels. Net ticipated century.	narios established 2.6_SSP (*4) 1-2.6 siness environment stainable development, cli- cies are introduced to keep erature rise (median) to be- compared to pre-industrial et-zero CO2 emissions are an- in the second half of the 21st	 External scenarios established RCP8.5_SSP5-8.5 <u>Assumed business environment</u> A high-reference scenario where there are no climate policies in place and development is reliant on fossil fuels. 				
T. N Z E: NG	L Zero Emissions by 2050 Scenario					

- *2. S T E P S: Stated Policies Scenario
- *3. R C P: Representative Concentration Pathways
- *4. S S P: Shared Socioeconomic Pathways

■ Main External Information Referred to in the Scenario Analysis

Information Provider	Reference Information	
IEA (*5)	World Energy Outlook 2021	
National Institute for	Embodied Energy and Emission Intensity Data for Japan	

Environmental Studies	Using Input-Output Tables (2015)	
Ministry of Land, Infrastructure,	Flood Hazard Map	
Transport and Tourism		
WRI (*6)	Aqueduct Floods Hazard Maps, Inundation depth in me-	
	ters for coastal and riverine floods	
IPCC (*7)	AR6 Climate Change 2021: The Physical Science Basis	

*5. I E A: International Energy Agency

*6. W R I : World Resources Institute

*7. I P C C : The Intergovernmental Panel on Climate Change

(3) Scenario Analysis Results and Response Strategies

In response to the scenario analysis, our company group is taking steps implement a reduction roadmap for Scope 1 and Scope 2 emissions, aligning with the goal of achieving carbon neutrality by 2050. We are also actively engaging with stakeholders at various levels to reduce Scope 3 emissions and build a resilient supply chain. Furthermore, we are promoting initiatives to enhance the effectiveness of "safe, secure, and stable food supply." This includes evaluating investment policies to reduce the flood risks at our business facilities in response to climate change and working towards establishing a flexible logistics system to address all hazards. By implementing these measures, we aim to contribute to the realization of carbon neutrality, mitigate climate-related risks, and strengthen our overall sustainability and resilience in the face of climate challenges.

Analysis Theme 1

Impact of Introducing Carbon Pricing on the Group's Operating Costs

[Analysis Assumptions]

- To predict the future impact of carbon pricing on our company group's operating costs, we conducted an analysis of the financial effects based on the carbon pricing imposed on Scope 1 and Scope 2 emissions.
- As of 2020, the impact was considered negligible and assumed to be zero.
- For the analysis, we assumed that the activity levels of our company in terms of emissions (factors influencing emission levels based on business activities) would remain the same as in 2020 for both 2030 and 2050.
- To assess the resilience of our business strategy, we also examined the extent to which our financial impact could be mitigated by addressing Scope 2 emissions through the procurement of renewable energy in the 1.5°C scenario. Please note that this analysis does not evaluate the impact of reduction activities related to Scope 1 emissions.

[Analysis Results]

- By 2030, it was found that the financial impact of carbon pricing, compared to 2020, would increase by approximately 362 million yen in the current scenario without procuring renewable energy and approximately 479 million yen in the 1.5°C scenario, which includes the procurement of renewable energy.
- By 2050, it was found that the financial impact of carbon pricing, compared to 2020, would increase by approximately 280 million yen in the current scenario without procuring renewable energy and approximately 437 million yen in the 1.5°C scenario, which includes the procurement of renewable energy.
- By 2050, under the 1.5°C scenario, the emission coefficient of Japanese electricity is expected to turn negative due to the spread of CCUS*, etc. Therefore, there will be no difference in the impact of the carbon price derived from Scope 2 emissions whether the company procures its own renewable energy or not. In addition, since the impact of the carbon price derived from Scope 1 emissions is expected to be larger than in 2030, we recognized that it will be more important to reduce the use of fossil fuels in vehicles and equipment.

(million yen) 600 approx. approx. 479 million 437 million approx. 400 362 million approx. 280 million 200 0 Current Scenarios 1.5°C Scenarios **Current Scenarios** 1.5°C Scenarios Current Scenarios 1.5°C Scenarios (without renewable (with renewable (without renewable (without renewable (with renewable (with renewable energy energy energy energy energy energy procurement) procurement) procurement) procurement) procurement) procurement) Y2020 Y2030 Y2050 Scope1(non-energy origin) Scope1(energy origin) Scope2

*CCUS : Carbon dioxide Capture, Utilization and Storage

Future Financial Impact of Carbon Price (change from 2020)

[Response Strategy]

Regarding Scope 1 emissions, we have been working on reducing GHG emissions from sources owned and operated by the organization. Initiatives include the introduction of environmentally friendly vehicles (EV trucks) since 2022 and transitioning equipment that uses fossil fuels such as container washers to more sustainable energy sources starting in the fiscal year 2023.

Regarding Scope 2 emissions, we continue to focus on reducing GHG emissions at sites where we contract electricity directly. Our efforts include transitioning to environmentally friendly electricity with zero CO2 emission factors. Additionally, starting in the FY 2024, we plan to expand the use of environmentally conscious electricity to some subsidiary companies. Furthermore, we aim to achieve solar power generation through on-site PPA*1 at the Kumiyama Ambient SDC*2 in Kyoto Prefecture, with a target for operation by March 2025. For facilities with electricity contracts from other companies (tenant occupancy, etc.), we will pursue energy savings through the introduction of LED lighting with motion sensors, energy-efficient equipment and explore the integration environmentally friendly electricity through comprehensive electricity contracts. We are also taking steps to prevent refrigerant leakage by maintaining refrigeration and cooling facilities properly and introducing leak detection devices. furthermore, we are conducting a trial implementation of internal carbon pricing, considering its scope of application and operational framework. For these initiatives, we anticipate cumulative investments and additional expenses totaling approximately 4 billion yen from the fiscal year 2023 to 2030. In the future, we will promote energy-saving activities, contemplate investments in facility and equipment replacement, and work towards achieving carbon neutrality by 2050 and building a decarbonized society through various other initiatives.

- *1. on-site PPA: A contract in which the operator installs solar panels without initial investment, and we pay the operator a fee based on the amount of electricity generated and used
- *2. SDC: Specialized Distribution Center



■ Reduction Roadmap to Achieve FY2030 Targets for GHG Emissions (Scope 1 and 2)

Analysis Theme2

Impact on Procurement Costs Associated with the Introduction of Carbon Pricing in the Upstream Companies of the Supply Chain

[Analysis Assumption]

- To forecast the impact of future carbon pricing on our product procurement costs, we conducted an analysis of the potential financial effects based on the carbon pricing imposed on upstream GHG emissions in our supply chain for the years 2030 and 2050.
- The financial impact in the year 2020 was considered negligible and hence assumed to be zero.
- Based on these assumptions, we conducted an analysis to assess the potential changes in our future financial impact for the years 2030 and 2050. Please note that the specific results of this analysis, including the estimated financial impact, are not provided in the given text.

[Analysis Results]

- In the 1.5℃ Scenario, the impact equates to an increase of approximately 105.1 billion yen by 2030 and approximately 202.0 billion yen by 2050, compared to the year 2020. In the Current Scenario, the impact equates to an increase of approximately 52.5 billion yen by 2030 and approximately 72.7 billion yen by 2050, compared to the year 2020.
- In the 1.5°C Scenario, the impact on our procurement costs corresponds to approximately a 4% increase compared to the 2020 procurement costs by 2030, and approximately a 9% increase by 2050. It is important to note that if our procurement volume or upstream GHG emissions in the supply chain increase in the future, the impact on procurement costs may become even greater.



■ Future Financial Impact of Carbon Price (change from 2020)

[Response Strategy]

In this quantitative analysis, even though the calculations are based on GHG emissions from 2020, we confirmed that the measures our group is already taking to reduce GHG emissions in the supply chain will effectively curb future increases in purchase costs. As part of the current initiatives, efforts are being made to rationalize logistics with focus on reducing waiting times for entry into logistics centers. Specially, measures such as utilizing reservation systems for truck arrivals, reevaluating inbound cargo volume control, and other related adjustments aim to reduce waiting times for incoming shipments, resulting in potential GHG emission reduction effects. We have stated to conceptualize Scope3 with the aim of building a strong, sustainable supply chain and reducing GHG emissions, besides expanding our own initiatives, we are actively working to streamline the entire chain in collaboration with all levels of the company.

Analysis Theme ③

Impact of Increased Weather-Related Disasters Due to Climate Change on Business Locations

[Analysis Assumption]

- To forecast the impact of climate change-related weather disasters on our company's operations, we conducted a scenario analysis for our domestic facilities within the company group (as of October 2021).
- In the analysis, we assessed the flood risk for each of our domestic facilities under the climate change scenarios of RCP2.6 (partially RCP4.5) and RCP8.5. We evaluated both the baseline flood risk as well as the projected risks for the mid-21st century and end of the 21st century. Moreover, we calculated the overall financial impact on the company resulting from climate change.

[Analysis Result]

- From the baseline assessment, we identified 53 facilities with a high risk of flood inundation and 14 facilities with a high risk of coastal flooding. These evaluations considered the potential impacts of floods and tidal surges.
- Moreover, we discovered that the number of facilities with a high risk is predicted to increase to 69 facilities by the end of the 21st century under RCP8.5 scenario. Similarly, the number of facilities with a high risk of coastal flooding is projected to increase to 21 facilities by the end of the 21st century under RCP8.5 scenario. These evaluations indicate heightened concerns of flood-related risks due to climate change.
- Subsequently, we carried out a quantitative evaluation of the financial impact of climate change on several facilities identified as having a high risk of flooding. In additionally, we estimated the overall financial impact for the entire company.
- Below, we present the estimated results of the overall financial impact for the entire company due to the increased risk of flooding associated with climate change, expressed as the multiplier of loss increase compared to the baseline.

Claymate	Multiplier for Increased Losses due to Flood Inundation		(Reference)	
Scenario	Mid 21 st Century	End 21 st Century	Flood frequency*	
RCP2.6	approx.1.4 times	approx.1.4 times	at 2℃ rise	approx.2 times
RCP8.5	approx.1.8 times	approx.3.6 times	at 4℃ rise	approx.1.4 times

*Source: Ministry of Land, Infrastructure, Transport and Tourism,

"Flood Control Planning in Light of Climate Change" Proposal (revised April 2021)

[Response Strategy]

As a corporate group that supports the food supply chain, we are committed to ensuring a "safe, secure, and stable food supply" even in the face of anticipated increases in climaterelated disasters. To ensure this, we have been implementing Business Continuity Plans (BCPs) and enhancing our preparedness for all-hazard disasters. Our measures include installing emergency power generators, ensuring a fuel supply for transportation in case of fuel shortages. Meanwhile, we have set up alternative centers for prompt response to shipment demands during emergencies. We have increased the frequency of reviewing our BCPs and have conducted comprehensive risk assessments that include climate change risks. Moving forward, we aim to continue strengthening the resilience of our entire supply chain and further enhance the effectiveness of ensuring a "safe, secure, and stable food supply." We are dedicated to developing a robust framework that can address all-hazard situations and respond effectively to any challenges that may arise.

Risk Management

Our group has identified climate claim-related risks in terms of their impact and likelihood through the Sustainability Committee, which scrutinizes and verifies initiatives related to sustainability management. For risks that significant impact our business or are highly relevant to our business strategy, we establish risk scenarios and conduct detailed analyses and assessments. Furthermore, we integrate significant climate change risks into our overall risk management process and evaluate and manage them alongside other business risks within the company's Risk Management Committee.

Indicators and Targets

■ Indicators and Targets Related to GHG Emissions

Our group has identified GHG emissions (Scope1 and Scope2) as key indicators for managing climate-related risks and opportunities. We have set a target to reduce our company's GHG emissions from our business operations by 60% by 2030, using 2016 as the baseline.

From the fiscal year 2021 to 2022, we made significant progress towards our 2030 target by transitioning all our electricity contract sites (125 sites) to environmentally friendly power contracts. This advancement has propelled us closer to achieving our goals for 2030.

indicator	Y2016	Y2022	Y2023	Y2030
				(target)
GHG emissions [1,000t - CO ₂ e]	90.2	42.8	42.1	36.1
Scope1	15.5	14.8	15.6	(60% reduction
Scope2	74.7	28.0	26.5	compared to FY2016)

■ Changes in Scope1 · 2

We regularly monitor and manage the progress of these indicators and targets to ensure our contribution towards achieving a decarbonized society. By doing so, we aim to make our efforts towards a carbon-neutral society more robust and impactful.



(June 24th, 2024)