

Mitsubishi Shokuhin Co., Ltd. Earnings Briefing Material for cumulative Q3 FY03/24

February 5, 2024



<Announcement>
On September 29, 2023, we
published Mitsubishi Shokuhin
Integrated Report 2023.

Consolidated Results (YoY Comparison)

Progress versus the forecasts for full-year FY03/24 was in line with our expectations.

- ◆ 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)

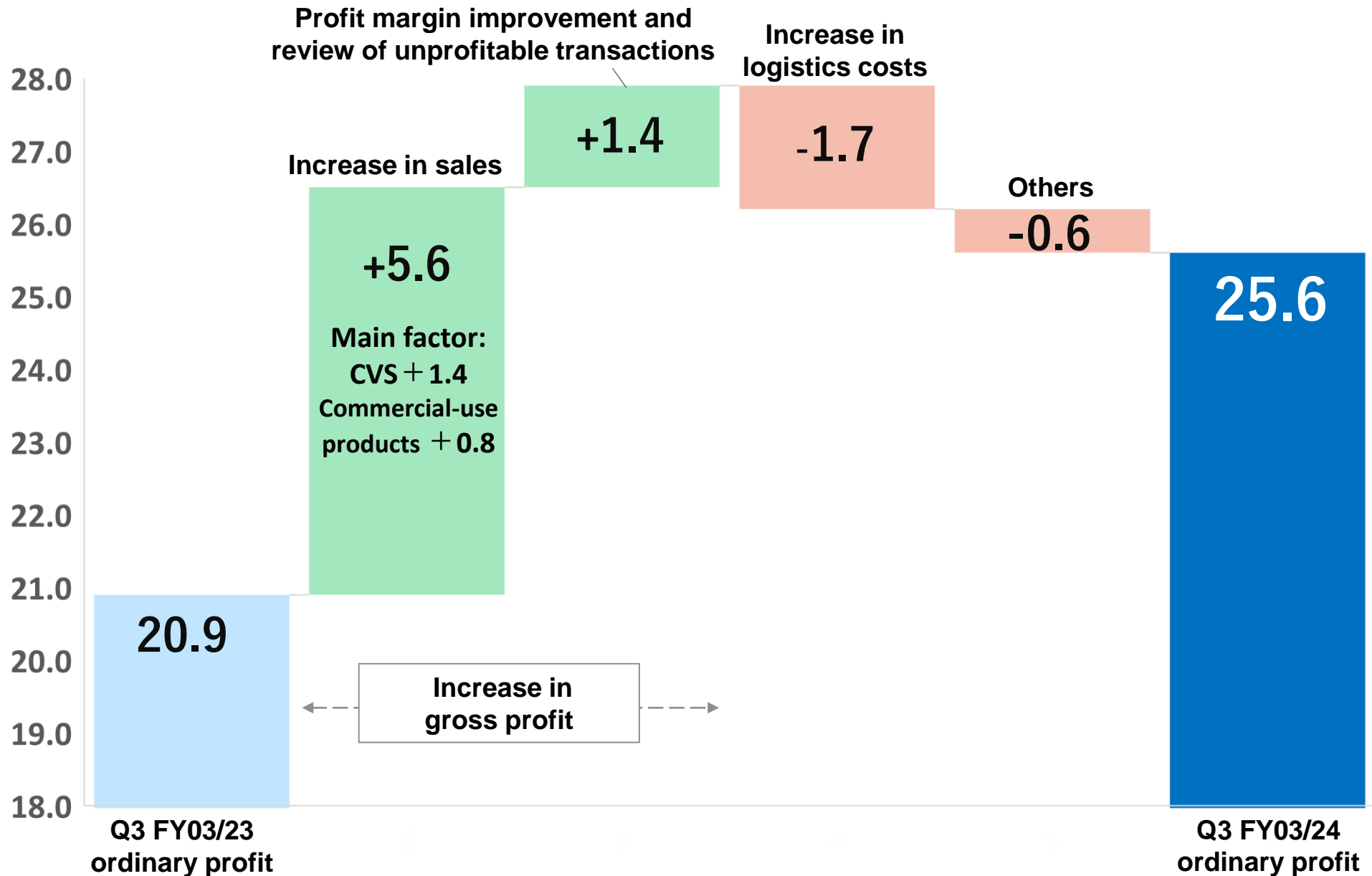
	Q1-Q3 FY03/23	Q1-Q3 FY03/24	YoY		Full-year FY03/24	
			Change	% Change	Forecasts	Progress rate (%)
Net sales	1,525.6	1,587.4	61.8	4.0	2,080.0	76.3
Gross profit	111.5	113.6	2.1	1.9		
SG&A expenses	(92.2)	(89.5)	2.7	2.9		
Logistics costs	(45.2)	(43.8)	1.4	3.1		
Personnel expenses	(28.9)	(28.0)	0.6	2.9		
Other	(18.1)	(17.7)	0.5	2.6		
Operating profit	19.3	24.1	4.8	25.2	29.0	83.1
Ordinary profit	20.9	25.6	4.8	22.8	31.0	82.7
Profit attributable to owners of parent	14.1	18.4	4.3	30.3	22.0	83.7

※ A change in the format of some transactions at our subsidiaries starting April 2023 had an impact of just over ¥5.0 billion on the account items shown below.

Excluding this impact, the YoY changes were +¥7.0 billion for gross profit (+6.7% YoY) and -¥1.9 billion for SG&A expenses (-2.2% 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		
	Q1–Q3 FY03/23	Q1–Q3 FY03/24	% Change	Q1–Q3 FY03/23	Q1–Q3 FY03/24	% Change
Processed foods	504.9	515.3	2.1	5.0	6.1	21.6
Frozen and chilled foods	444.7	471.4	6.0	10.7	13.0	21.8
Alcoholic beverages	375.2	385.0	2.6	2.7	2.9	6.4
Confectionery	200.8	215.6	7.4	2.1	3.3	60.2
Other, adjustments	-	-	-	-1.2	-1.2	-
Total	1,525.6	1,587.4	4.0	19.3	24.1	25.2

* 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.

(¥1 billion)

	Q1–Q3 FY03/23		Q1–Q3 FY03/24		YoY Change	
	Sales	% of total sales	Sales	% of total sales	Change	% Change
Canned foods and seasonings	182.3	12.0	183.5	11.5	1.2	0.7
Noodles and dried foods	107.6	7.0	111.7	7.0	4.1	3.9
Luxury foods and beverages	171.7	11.3	174.3	11.0	2.5	1.5
Confectionery	199.9	13.1	213.7	13.5	13.9	6.9
Frozen and chilled foods	366.2	24.0	387.8	24.4	21.6	5.9
Beer	198.6	13.0	202.8	12.8	4.2	2.1
Other alcoholic beverages	159.2	10.4	164.7	10.4	5.5	3.5
Others	140.2	9.2	148.9	9.4	8.7	6.2
Total	1,525.6	100.0	1,587.4	100.0	61.8	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)

	Q1–Q3 FY03/23		Q1–Q3 FY03/24		YoY Change	
	Sales	% of total sales	Sales	% of total sales	Change	% Change
Wholesalers	151.3	9.9	162.2	10.2	10.9	7.2
Supermarkets	717.5	47.0	725.3	45.7	7.8	1.1
Convenience stores	282.2	18.5	297.0	18.7	14.8	5.3
Drugstores	127.2	8.4	131.1	8.3	3.9	3.1
Users* ¹	31.8	2.1	37.6	2.4	5.8	18.2
Other direct sales* ²	176.9	11.6	192.8	12.1	15.9	9.0
Manufacturers and others	38.7	2.5	41.4	2.6	2.6	6.8
Total	1,525.6	100.0	1,587.4	100.0	61.8	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

- ◆ Profit declined in “manufacturer support,” mainly due to upfront investments in the digital field.
- ◆ Profit rose in “product development” as handling volume increased, especially for imported products.
- ◆ We have made efforts to generate data- and digital-driven new demand unique to Mitsubishi Shokuhin, and also have strengthened distributor function for imports as well as product development function centered on informative value creation.

(¥1 billion)

	Ordinary profit		
	Q1–Q3 FY03/23	Q1–Q3 FY03/24	Full-year FY03/24 Forecasts
Manufacturer support	2.2	2.1	2.6
Product development	0.8	1.3	1.0
Retailer support	19.3	23.6	29.0
Subtotal	22.2	27.0	32.6
Other, adjustments	(1.3)	(1.3)	(1.6)
Total	20.9	25.6	31.0