MCSV Creation Forum

Dialogue on Business Strategy 2025

Strategies to Pursue Growth

4 Food Industry Group

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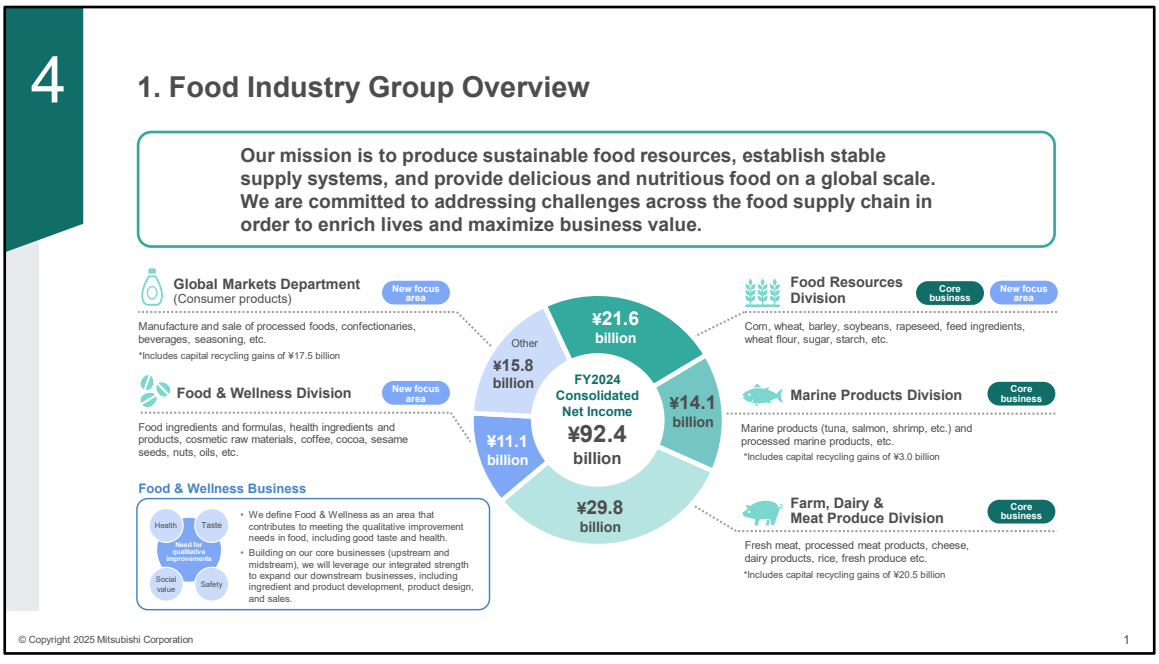


Food Industry Group Overview

I will start by providing an overview of the Food Industry Group.
The mission of our segment is stated at the top of this slide.

Our mission is to produce sustainable food resources, establish stable supply systems, and provide delicious and nutritious food on a global scale. We are committed to addressing challenges across the food supply chain in order to enrich lives and maximize business value.

As shown in the bottom half of the slide, the Food Industry Group is comprised of five business units. In FY2024, we recorded consolidated net income of ¥92.4 billion. In addition to the earnings contributions from each business unit, this figure also includes major capital recycling gains.

On the right are our three core businesses: Food Resources Division, Marine Products Division, and Farm, Dairy & Meat Produce Division. Our efforts in these areas are focused on capturing the expansion of demand driven by population growth and other factors. In addition to these core businesses, we also have new focus areas.

These include part of Food Resources Division, shown on the upper right, as well as Global Markets Department and Food & Wellness Division, on the left. Food & Wellness Division was established this year to capture the growing demand for qualitative improvements such as good taste and health, as well as diversifying our earnings base. Building on our strengths in our core businesses, we will leverage our integrated strengths to expand our downstream businesses, including ingredient and product development, product design, and sales.

Business Environment, Group Strengths and Strategy

Please see Slide 2. This slide provides an overview of the business environment for our segment, as well as our corresponding strengths and strategies.

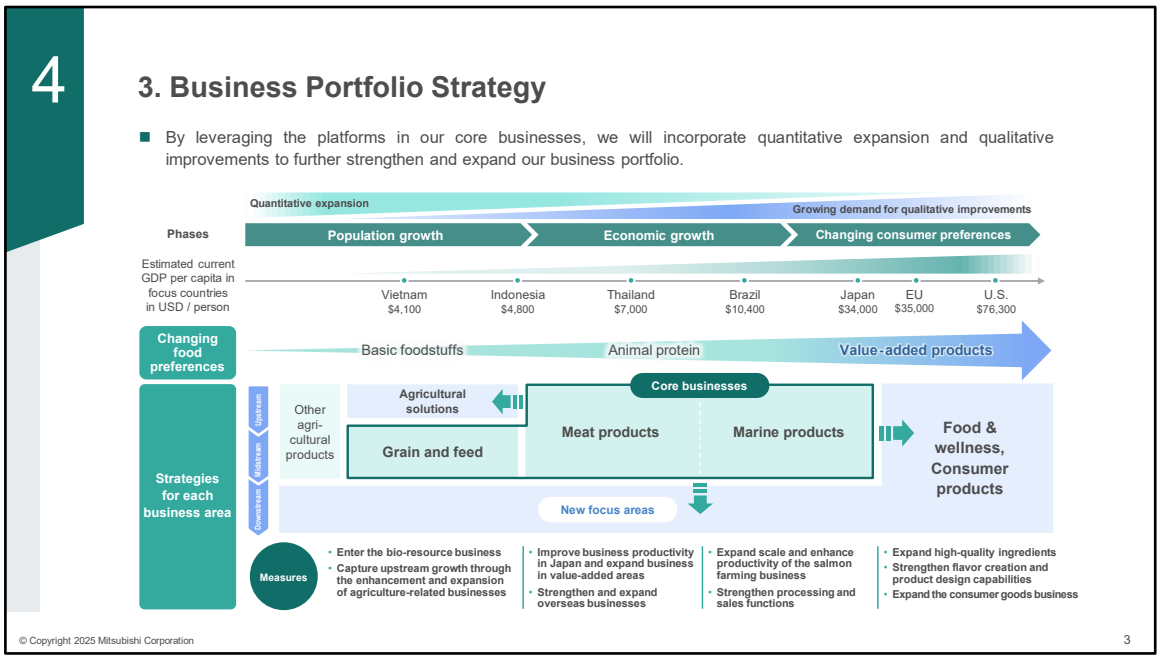
As stated in number 1 under "Business Environment" on the upper left, the Japanese market is expected to shrink in the future, and industrial challenges such as aging production facilities and labor shortages are also emerging. However, there is growing demand in overseas markets for products handled by our core businesses, such as salmon and meat products. Moving on to number 2, we also see tightening food supply and demand, increasing awareness of food security in response to growing geopolitical risks, and the growing demand for biofuels as major trends. Lastly on number 3, we expect trends such as increasing demand for well-being and wellness, diversification of food preferences, and increasing awareness of sustainability are all expected to continue in the medium to long-term.

On the right, we have listed the strengths that will enable us to address these three key changes in the business environment. The first of these strengths is our large-scale platforms in our core business areas. We have one of the world's largest salmon farming operations, and we also have a top-class meat products business in Japan. These businesses form a robust foundation for our business activities. Our second strength is our trusted partners and networks across the globe. These relationships of trust were built over many years, primarily in our core businesses. The third strength is our biotechnology capabilities, primarily in fermentation technology, and our ability to address sustainability needs, especially through our raw material procurement capabilities.

Our group's three strategies based on these key strengths are outlined at the bottom of this slide.

First, we will pursue growth strategies based on the development stage of each business. We will further enhance the value of our already strong businesses and contribute to the overall resilience of the industry. To do so, we will work on increasing the value of our Japanese businesses while also pursuing growth investments overseas, which I will cover later. Second, we will capture new profit sources by strengthening "Food x Energy" initiatives to contribute to food security. We will generate additional value through high-quality M&A projects in upstream markets overseas and by collaborating with our business partners. Third, we will build new business platforms. We will leverage our capabilities, including our biotechnology capabilities and our ability to address sustainability needs, to incorporate qualitative improvement needs in food.

I would also like to briefly touch on the effects of the recent U.S. tariff policies. It is still too early to determine how the situation will develop. However, we believe that we will need to prepare for a future in which there will be a retreat from globalization, and supply chains are restructured.The Food Industry Group has built a diversified, multi-faceted business portfolio spanning various industries and regions from upstream to downstream. While monitoring trends in an increasingly uncertain business environment, we will flexibly rebalance our portfolio to create a business platform that is capable of generating stable earnings in any environment.



Business Portfolio Strategy

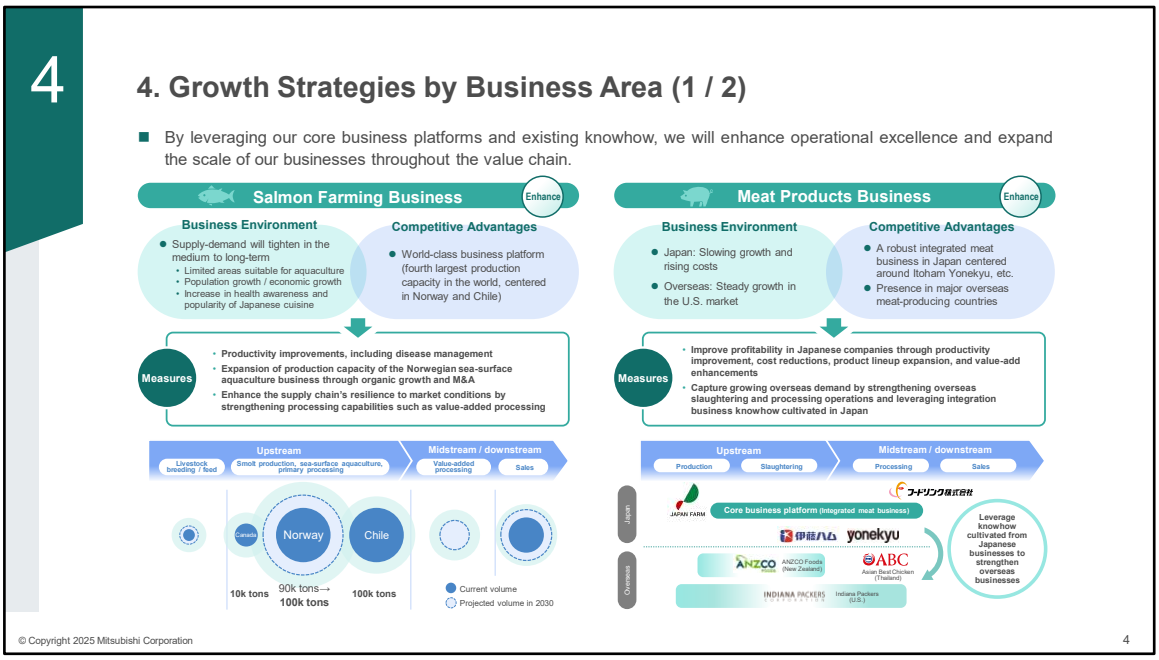
Slide 3 provides an overview of our business portfolio strategy.

We aim to achieve high growth and profitability by strengthening and expanding our business portfolio. We will do so by leveraging our core platforms and targeting both the quantitative expansion in food demand and the growing demand for qualitative improvements such as changing consumer preferences.

Our grain, feed, meat and marine product businesses will mainly target quantitative expansion. These areas will continue to be positioned as core businesses which will be our main earning source. We will strengthen our businesses through “Enhance” initiatives as outlined in Corporate Strategy 2027, which will include both organic growth initiatives and M&A.

In addition, we will leverage our strengths in our core businesses to build new business platforms in adjacent areas, such as agricultural solutions and food & wellness, primarily through “Create” initiatives.

In the following slides, I will go into more detail regarding our “Enhance” and “Create” growth strategies.



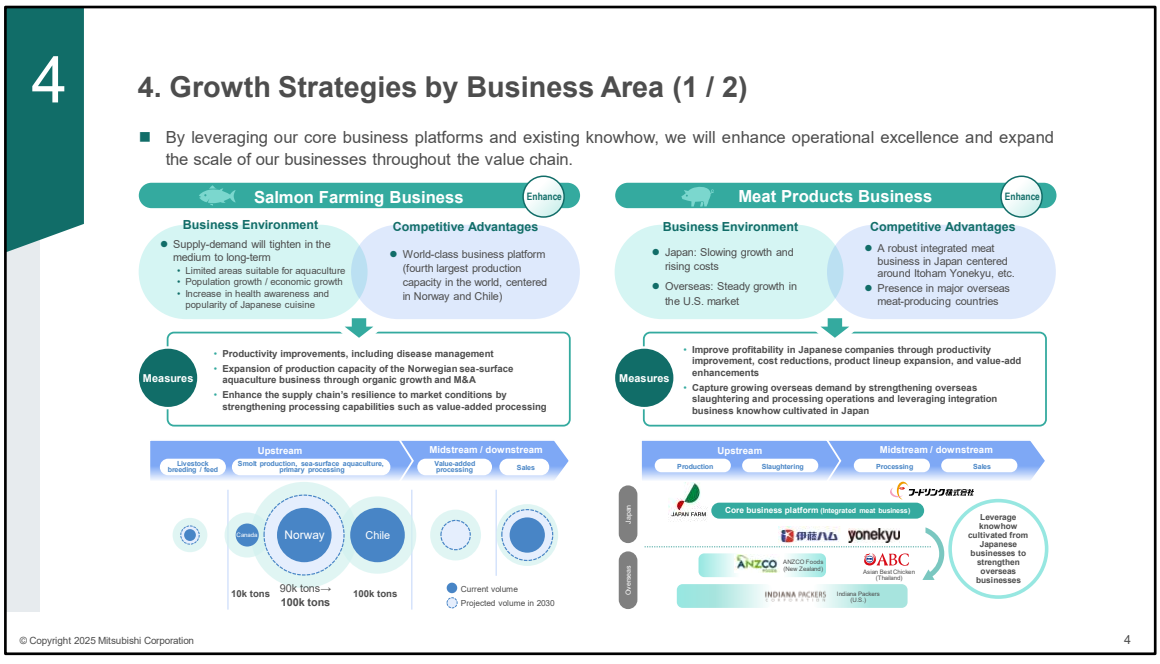
Growth Strategies by Business Area (1/2)

We will begin by looking at our growth strategy for the salmon farming business, as shown on the left.

Despite the limited availability of locations suitable for salmon aquaculture, global demand for salmon products is expected to continue growing due to population growth and increasing health awareness. Therefore, we are predicting a medium to long-term tightening of the supply-demand environment in this space. Our subsidiary, Cermaq, is a world-class operation in terms of scale and has built a strong presence in this business environment. This platform gives our group a competitive advantage. We are exploring ways to leverage this advantage to improve productivity, achieve continued expansion of production capacity in the sea-surface aquaculture business, and strengthen the processing capabilities such as value-added processing through initiatives under our growth strategy.

I will now explain each of these measures in greater detail.

First, the productivity improvement will of course include efforts to optimize costs, but will also include initiatives such as disease management measures that utilizes new technologies to improve the resilience of our business. Second, we aim to expand the production capacity of the sea-surface aquaculture business by continuing to acquire additional licenses and by seizing M&A opportunities. The third and final measure will be to strengthen our processing capabilities. We believe that we can capture business opportunities generated by the diversification of consumer preferences for salmon products in Europe and North America. Specific examples of this diversification of consumer preferences include value-added products, such as smoked salmon, for which there is persistently strong demand, as well as retail products with packaging designed to maintain freshness, and pre-sliced sushi products. We aim to enhance the supply chain's resilience to market conditions by strengthening our processing capabilities through value-added processing for example.



Next, I will explain our growth strategy for the meat products business, as outlined on the right.

The business environment in Japan will continue to be impacted by slower market growth and cost increases linked to industry challenges, such as labor shortages and aging plant equipment. In contrast, we anticipate steady growth in overseas markets. This is especially true of the U.S. market, which is the world's largest in terms of meat consumption per capita.

I will next outline our competitive advantages in this area, as shown on the upper right. In Japan, we have built an integrated meat business that is among the largest in the country. Overseas, we have established a presence in major meat-producing countries, including in the U.S., through our Indiana Packers subsidiary.

The measures that we plan to implement are listed in the center of this slide. In Japan, we aim not only to enhance the operations of individual companies, but also to strengthen the business as a whole by pursuing synergies between our meat products businesses. We will strengthen our overseas businesses by leveraging the knowhow that we have cultivated in Japan and by accelerating the execution of our strategies. Specifically, our top priority is to capture domestic demand in the U.S. market, which is expected to remain on a growth trajectory. Through a variety of organic and inorganic measures centered on Indiana Packers, we aim to capture growth overseas.

Growth Strategies by Business Area (2/2)

I will next explain our growth strategy for the grain and agricultural solutions business.

First, as stated in the business environment section on the upper left, we expect to see further expansion in global demand for grain because of population growth and increased demand for biofuels to support decarbonization. We also anticipate that the stable procurement of imported grains will remain a priority in Japan, while on the supply side we believe that the bulk of the grain needed to meet global demand growth will come from the U.S. and Brazil.

Our competitive advantages in this business environment include robust and integrated supply chains that encompass all stages from procurement to primary processing, cost competitiveness achieved through economies of scale driven by demand from Food Industry Group subsidiaries / affiliates, the Environmental Energy Group's downstream biofuel business, and a high barrier to entry business model in Brazil, where further growth is expected.

The Food Industry Group is leveraging these competitive advantages to pursue two initiatives. The first is a strategic alliance with ADM, and the second is expansion into adjacent business areas in the Brazilian grain market.

For the first of these initiatives, we signed a non-binding memorandum of understanding with ADM in late March to form a strategic alliance. At the start of this presentation, I referred to our trusted partners and strong networks across the globe as a key strength; ADM has been our business partner for many years and has worked with us not only in grain trading, but also in a variety of joint business initiatives.

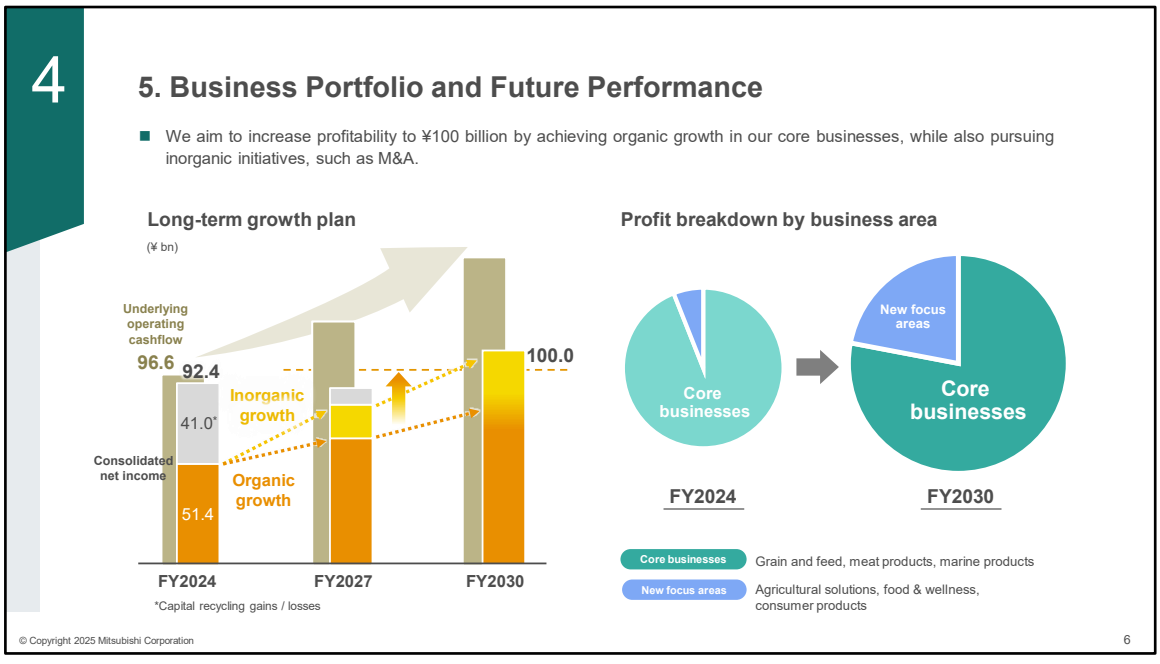
ADM's strengths include its status as a global grain major and one of the world's largest food and agricultural companies. It also has strong business foundations in the U.S., Brazil, and other countries. As a Japanese trading and investment company, MC has access to a demand base in the Japanese food and energy sectors, with broad industry expertise and the ability to form connections across multiple industries and businesses. We are now exploring collaboration opportunities in a wide range of sectors, including the creation of a bio-resource value chain encompassing grain procurement and trade in the U.S. and Brazil, as well as oil extraction and refining.

We believe that this partnership between ADM, which is involved in a broad range of industries and is one of the world's biggest grain players, and MC, which is a major trading and investment company, will also contribute to food security in this time of geopolitical uncertainty. We also see the possibility to generate MC Shared Value by working with other business segments and contributing to solutions for social issues around the globe.

Next, I will introduce some of our initiatives in Brazil, as shown on the right.

Brazil accounts for a large share of the growth in global grain supply. Our subsidiary Agrex do Brasil (AGB), which is engaged in agriculture-related businesses in Brazil, has developed a business model with high barriers to entry by providing integrated services that cover the sale of agriculture inputs such as fertilizers and pesticides, agricultural advisory services, sales financing and grain procurement.

Going forward, we aim not only to expand our core businesses, but also to position the manufacture and sale of agricultural inputs as a key focus area, and leverage our sales capabilities to capture manufacturing margins on agricultural inputs. By further expanding AGB's business, we will harness the growth of Brazil's agricultural sector.



Business Portfolio and Future Performance
Lastly, I will explain our long-term growth plan.

Considering our historical performance, we believe that the current underlying profit level for the Food Industry Group is around ¥60 billion. We aim to increase this to ¥100 billion by achieving organic growth in our core businesses while also pursuing inorganic initiatives, such as M&A.

The chart on the left outlines our medium to long-term growth plan. In FY2024, we recorded consolidated net income of ¥92.4 billion and underlying operating cashflow of ¥96.6 billion. However, net income, excluding capital recycling gains and losses, was below underlying profit at ¥51.4 billion, due to lower profits from several businesses, including salmon farming.

We will work to reduce fluctuations in profits and lift our earnings base by steadily implementing the measures outlined in the previous slides. In addition to achieving inorganic growth by creating a new business platform through M&A, for example, we aim to increase our underlying operating cashflow and achieve earnings of ¥100 billion.

As shown in the pie charts on the right, we are planning to expand earnings from new focus areas to a considerable level by around 2030.

That concludes my presentation. Thank you for your time.