



# FOOD INDUSTRY GROUP

## OUR VISION

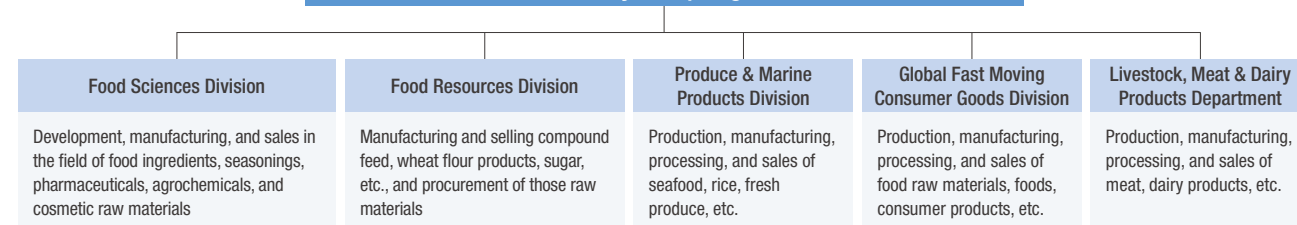
Our Group works to establish a stable and sustainable business model that contributes to the resolution of various societal challenges surrounding supply chains. From raw materials to processed foods, our stable business platform handles various products that fulfill consumers' need, while we aim to ensure safety and security for consumers, and to create value that meets societal needs accordingly. We also set out to seize growth opportunities by expanding high-quality products and services into the global market.

### Norio Saigusa

Executive Vice President  
Group CEO,  
Food Industry Group



### Food Industry Group Organization



### Risks and Opportunities in Light of Changes in the External Environment

Risks	Opportunities
<ul style="list-style-type: none"> <li>Decline in agricultural, livestock, and dairy production volume due to climate change in production areas and increase in natural disasters</li> <li>Impact on the aquaculture business (production volume decline, increased feed prices, damage to equipment, etc.) due to rising sea levels and ocean temperatures</li> <li>Decrease of supply volumes and procurement difficulties due to depletion of natural resources and tightening of resource conservation regulations</li> <li>Heightened demand for building supply chains that take social and environmental issues into consideration</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of efficiency in the primary industry through the utilization of digital data</li> <li>Development of new aquaculture methods that are less affected by the environment (e.g. land-based farming)</li> <li>Enhancement of a sustainable procurement network that takes the society and environment into consideration</li> <li>Diversified consumer needs, including heightened demand for ethical and certified products</li> </ul>

**Strengths of the Food Industry Group**

- Ability to reach global consumer markets through a world-leading competitive food resource businesses (seafood products, food raw materials)
- A business group (grains, compound feed, livestock) that operates a robust supply chain spanning raw material procurement, processing, manufacturing, and sales
- A technological base in life science fields (food science) that contribute to quality of life for consumers through great taste and health

**Elements of the Midterm Corporate Strategy 2021**

We constantly innovate our supply chains, and offer products that fit consumers' needs. We will specifically realize continuous growth while addressing sustainability and societal issues in the entire food industry. In addition to continuous improvement of profitability in existing businesses (e.g. salmon farming, grain, compound feed, livestock), we make a persistent effort to adapt properly to the diversification of food and people's lifestyles through the integration of food resources and development capabilities within the Group.

**Progress for the fiscal year ended March 31, 2021**

**Sugar & Wheat Flour Business:** We strengthened our competitiveness by improving supply chain efficiency, including a merger of Dai-Nippon Meiji Sugar Co., Ltd. with Mitsui Sugar Co., Ltd., and the launch of Mitsui DM Sugar Holdings Co., Ltd.

**Europe Consumer Products Business:** UK-based Princes Limited has launched product development and online delivery services to support healthcare workers, meet consumer needs, and contribute to society during the COVID-19 pandemic.

**Grain, Oilseeds, and Feed Materials Business:** PETLINE Co., Ltd., a company under Nosan Corporation, took over the pet food business of Nisshin Petfood Inc. The company will pursue further growth by expanding its product lineup in the diversifying pet food market.

## EQUITY IN EARNINGS FROM MAJOR GROUP COMPANIES

(Unit: billions of yen)

	Ownership (%)	2017/3	2018/3	2019/3	2020/3	2021/3
1 CERMAQ GROUP AS (Norway) *1	100.00	15.1	21.8	16.6	8.0	0.4
2 Mitsubishi Corporation Life Sciences Limited	100.00	3.9	4.9	5.1	4.8	5.1
3 OLAM INTERNATIONAL LIMITED (Singapore)*2	17.36	5.5	9.0	5.0	7.8	3.3
4 ITOHAM YONEKYU HOLDINGS INC.	39.55	6.7	5.9	4.8	4.4	7.9
5 INDIANA PACKERS CORPORATION (US)	80.00	4.8	5.5	-0.8	4.4	5.1

\*1 The disclosed data excludes temporary profits/losses from the integration of the Chile salmon business in the fiscal year ended March 31, 2017.

\*2 There is a consolidated adjustment of -2.5 billion yen in the fiscal year ended March 31, 2017, -1.1 billion yen in the fiscal year ended March 31, 2018, -2.8 billion yen in the fiscal year ended March 31, 2019, -1.8 billion yen in the fiscal year ended March 31, 2020, and -4.5 billion yen in the fiscal year ended March 31, 2021 to our equity in earnings under IFRS due to amortization of assets evaluated at fair value at the time of acquisition, adjustments of accounting differences, etc. In addition to these adjustments, there is a consolidated adjustment of -27.8 billion yen in the fiscal year ended March 31, 2019 related to impairment losses on investment in the company, and -0.8 billion yen in the fiscal year ended March 31, 2021 due to an adjustment of +0.8 billion yen as a material matter occurring outside the period in the fiscal year ended March 31, 2020.

## BUSINESS OVERVIEW OF THE FOOD INDUSTRY GROUP

### NEW INITIATIVES IN THE GROUP

#### Food Brand Business Built on Consideration for Sustainability: imperfect Inc.

imperfect Inc., a wholly owned subsidiary of MC, aims to solve social issues related to food and agriculture around the world through its businesses. These include the sale of products made by combining materials produced through initiatives that provide significant societal and environmental value.

In addition, imperfect devotes a portion of its revenues to activities conducted under its "Do well by doing good." banner, which allow consumers to take part in initiatives to support farmers and environmental conservation. Through these activities, imperfect seeks to contribute to the realization of a sustainable society.



#### Building a New Business Model in the Field of Agricultural Production (WaterCell Inc.)

agri-note is the main service of WaterCell Inc., an IT venture in which MC is an investor. This cloud application system for the management of agriculture is a digital solution that centrally manages a set of records for tasks such as sowing, fertilization, pesticide spraying, as well as development status, harvesting, and shipping. The system also factors in the cost of each process.

Through digitalization, the venture aims to improve profitability and efficiency in Japanese agriculture.



#### Initiatives in the Meat Substitute Business

Amid diversifying consumer values and increasing awareness of health and sustainability, there is a growing need for meat substitutes (cultured and plant-based meat). While exploring the commercialization of cultured meat through partnerships with startups, we are undertaking the development and production of plant-based meat within Itoham Yonekyu Holdings Inc., Princes Limited, and Mitsubishi Corporation Life Sciences Limited. Leveraging new technologies, we are tackling the challenges of reducing environmental impact and meeting the growing global demand for protein.

