



Fiscal Year 2017

Business Segment IR Meeting

Mitsubishi Corporation
Living Essentials Group
Fresh Food Products Div.

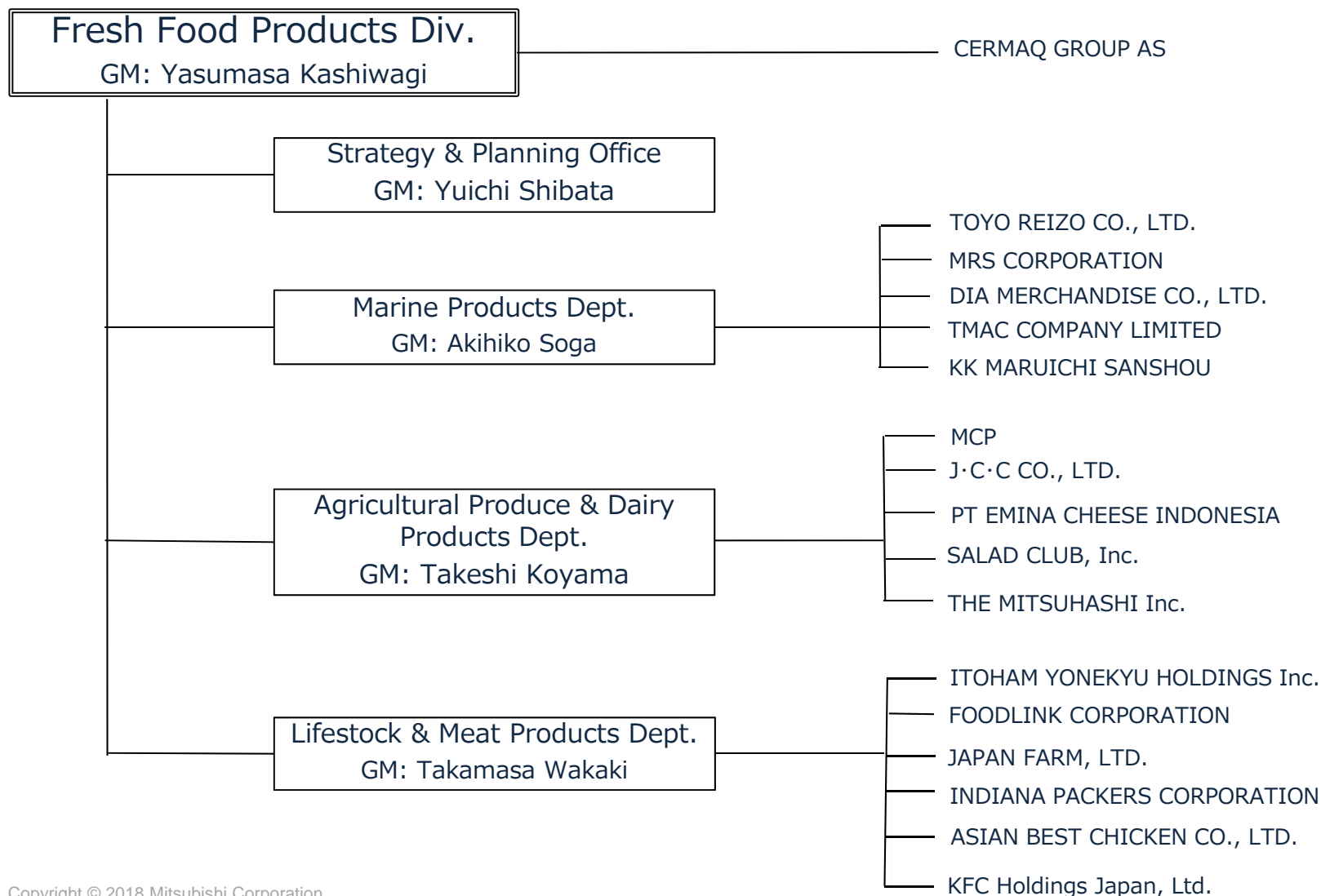


Agenda

1. Fresh Food Products Div. Overview
2. Business Environment
3. Fresh Food Products Div. Management Policy
4. Initiatives in Each Business Domain
5. Overview of Cermaq Business

1. Fresh Food Products Div. Overview

(1) Organizational Structure



1. Fresh Food Products Div. Overview

(2) Mission of the Fresh Food Products Div.

- Realize stable supplies of fresh food such as fish, meat and vegetables, according to consumers' needs, by leveraging a vertically integrated supply chain from primary processing to manufacturing of final product including its procurement and sales.
- Generate economic, environmental and societal value through business activities.
- Commit to corporate sustainability by seeking mutual prosperity with stakeholders.

2. Operating Environment

External Conditions

Politics	Japanese market <ul style="list-style-type: none"> The signing of TPP/EPA will lower tariff barriers for imported products Overseas market <ul style="list-style-type: none"> Growing importance of food security
Economy	Japanese market <ul style="list-style-type: none"> Slowing economic growth and labor force shortage lead by population decline and decreasing birthrate and aging of the population. Overseas market <ul style="list-style-type: none"> Robust personal consumption in Europe and the United States Burgeoning demand for protein resources in China and other emerging economies
Society	<ul style="list-style-type: none"> Rising public concern about food safety, environmental conservation, and social sustainability Diversification of consumer preference and distribution channels (marketing narratives and customer preferences) Growing health consciousness
Technology	<ul style="list-style-type: none"> Improvements in farming productivity and logistics efficiency through selective breeding, utilization of environmental control system, advancement of robotics and other labor-saving technologies, and adaptation of innovative AI/IoT-driven solutions

- Seeds of future growth lie in overseas markets
- Growing needs for aquaculture in light of public awareness toward sustainability

3. Division Management Policies for Fiscal 2018

1. Optimally Allocate Management Resources

Business resource management between investments in projects with immediate returns and those aimed at incubating businesses over the long term

2. Greater Focus on Business Investments

Delegate authority to those familiar with frontline operations, thereby establishing a structure that empowers faster decision-making at business investments and enables them to stay focused on essential tasks

3. Promote Human Resource Development/Placement to Secure Management Professionals

Promote human resource development on a consolidated basis by assigning younger employees to operating companies and by personnel exchange in between business investments, etc.

Expected Outcomes

- ✓ Create new core businesses
- ✓ Realize growth for operating companies while improving their productivity
- ✓ Secure human resources capable of leading our operations and the industry as a whole



4. Initiatives in Each Business Domain (Marine Products)

*Local production/
global consumption
model*

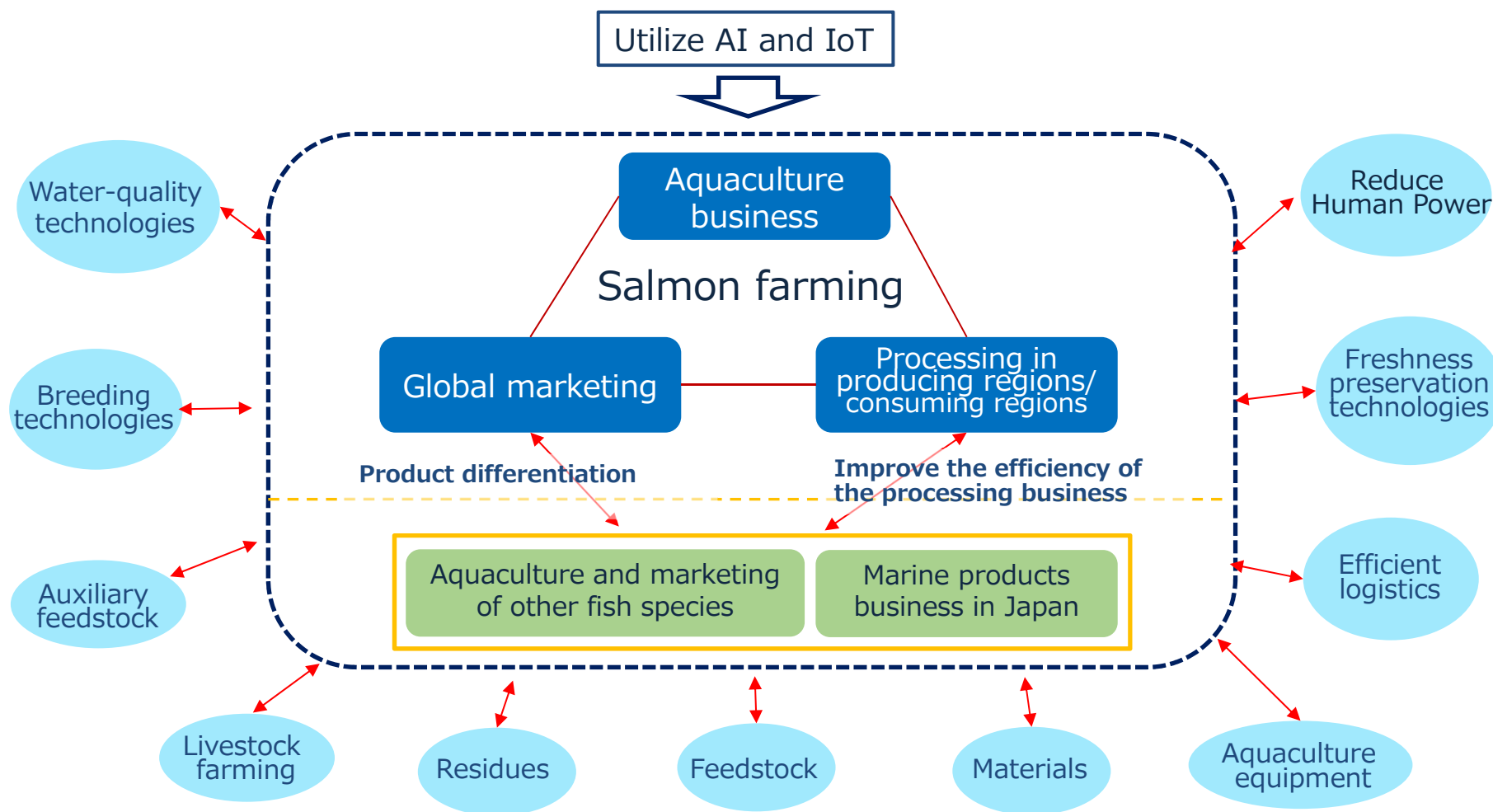
Strategy:

1. Proactively strengthen the farmed salmon business
2. Expand current farmed salmon business globally.
3. Strengthen the earnings through restructuring Japanese domestic industry and cooperation with the retail sector

4. Initiatives in Each Business Domain: Marine Products

*Local production/
global consumption
model*

Create an even more sophisticated business approach
by employing a database of needs and know-how



4. Initiatives in Each Business Domain: Livestock & Meat Products

*Local
production
model*

Strategy:

1. Expand earnings by strengthening existing business investees
(Japan/North America)
2. Replicate and expand the business model

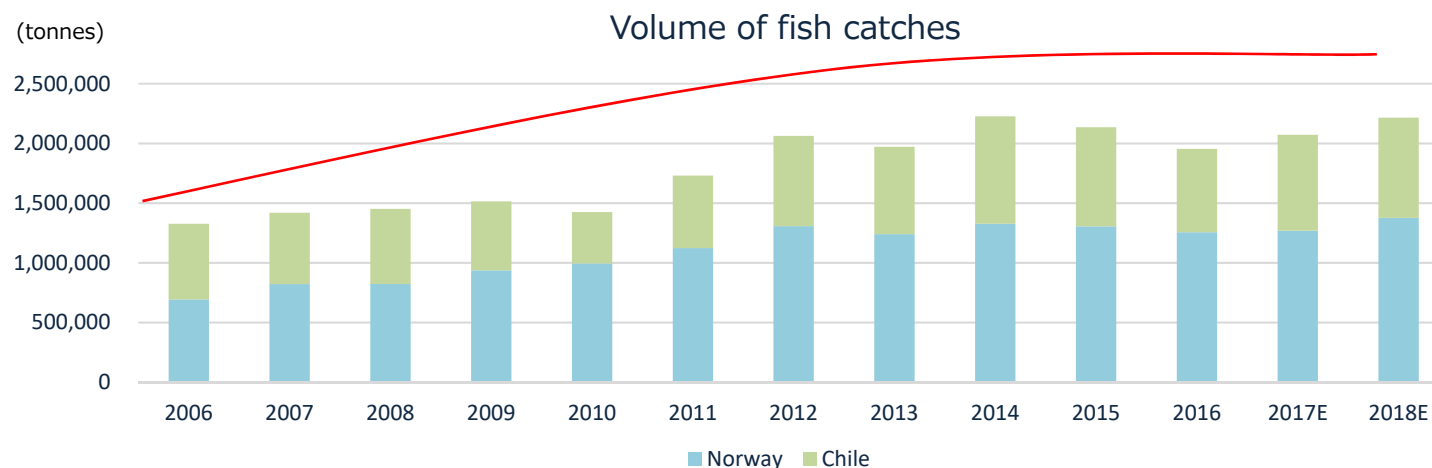
5. Overview of the Cermaq Business

CERMAQ

(1) Revenue structure of salmon farming operations

Break away from a cyclical revenue structure

- Introducing of a new aquaculture method (Chile) while seeking to raise our MAB* capacity (Norway)
- Improving positioning at retail outlets; making our products which attract customers



Factors expected to cause supply fluctuation	Potential risks to monitor
Inland aquaculture and offshore aquaculture	Differences in cost structures
Breed improvement (DNA alteration to boost growth)	Food safety concerns and technological challenges in production

* Maximum Allowed Biomass: the MAB certification that is allotted by the Norwegian government to fishery operators and defines overall allowance for fish catches

5. Overview of the Cermaq Business

Growing Interest in Sustainability

In September 2015, the United Nations adopted the Sustainable Development Goals (SDGs) at its New York Headquarters. Outlining 17 goals and 169 targets to be achieved to eliminate poverty, inequality and injustice and preserve the global environment, the UN SDGs call all member countries to participate in collective efforts to create a better future in the years leading up to 2030. Since the adoption of the SDGs, “sustainability” has become an issue attracting the public’s interest.

Cermaq’s operations primarily relate to five of these 17 goals. In September 2016, Cermaq was named one of the global companies at the frontier of progress on the SDGs, alongside Unilever, Danone and Marks & Spencer, at a sustainability-related celebration held in conjunction with the UN General Assembly. Cermaq has thus received public recognition for its practical contributions to Goal 14—**“Life Below Water.”**

In addition, Cermaq endorses the UN Global Compact¹ and SeaBOS² playing proactive roles in both international initiatives.

¹ UN Global Compact

Proposed by the UN in 1999, the Global Compact involves voluntary initiatives undertaken by business corporations and other organizations to create an international framework for realizing sustainable growth.

² SeaBOS

Seafood Business for Ocean Stewardship; a sustainability initiative undertaken by the industry

The 17 Sustainable Development Goals

CERMAQ



Mr. Geir Molvik, Cermaq’s CEO, answering questions from the press at a conference showcasing global business leaders held in conjunction with the UN General Assembly

