

RAISING THE  
POWER  
OF MC

# Fiscal Year 2017

## Business Segment IR Meeting

Mitsubishi Corporation  
Living Essentials Group  
*Living Essential Distribution Div.*



# Agenda

- 1 . Organization and Basic Information
- 2 . Basic Policy
- 3 . Status of Mainstay Businesses

# Organization and Basic Information

## Living Essential Distribution Division

The Living Essential Distribution Division handles distribution and logistics operations for a wide array of products in the Food, Paper & Packaging, and Healthcare fields. The division provides broad-ranging products and services, responding to changes in each respective market and industry environment to comprehensively meet diverse consumer needs in and outside Japan.

### Food Distribution

- Food products distribution and logistics operations business, mainly with Mitsubishi Shokuhin Co., Ltd.

### Paper & Packaging

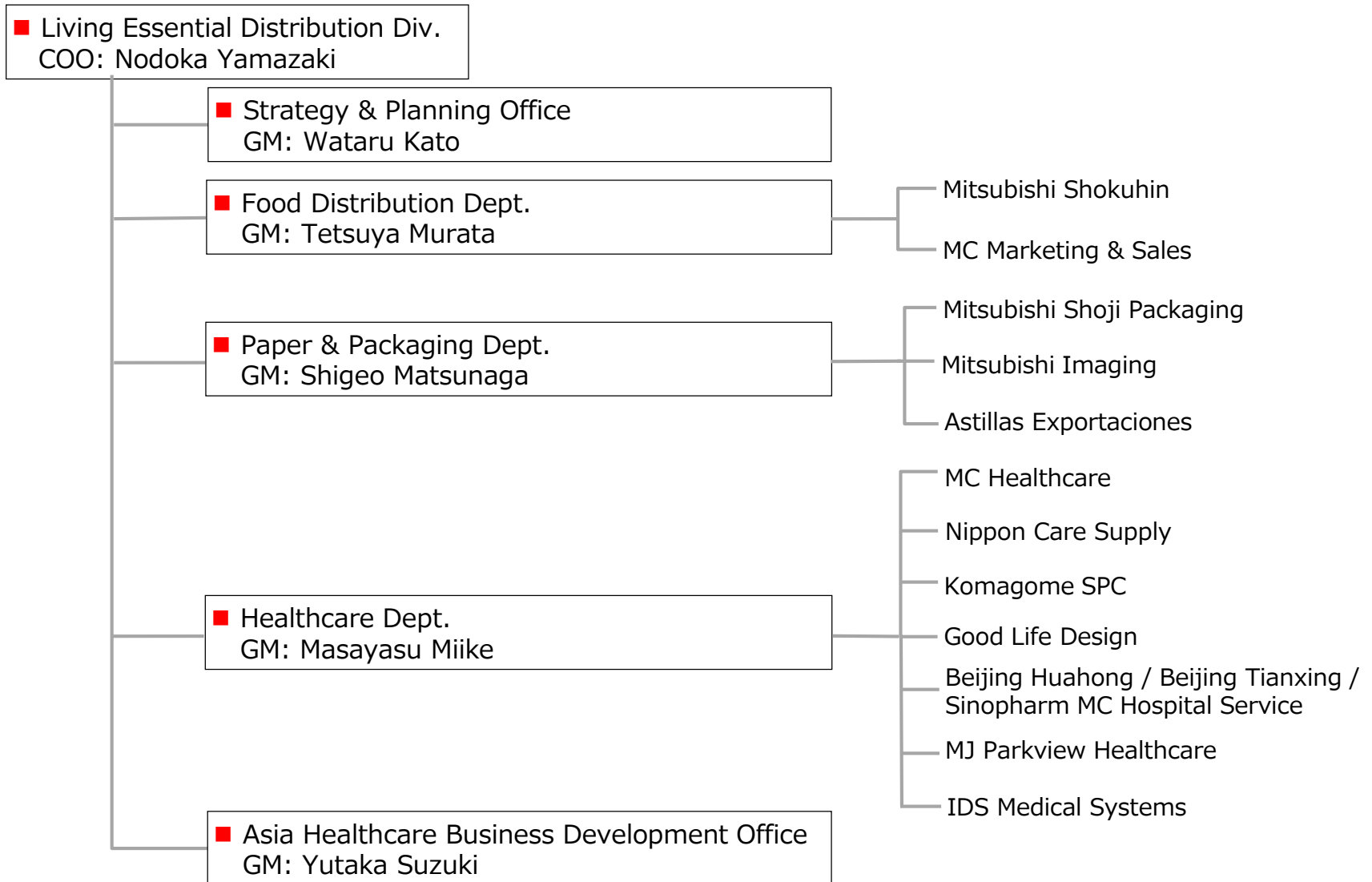
- Planning and sale of packaging raw materials and products based on the platform of Mitsubishi Shoji Packaging Corporation

### Healthcare

- Providing total solutions, from management support to peripheral services in the fields of medical and nursing care, as well as prevention and health, mainly through MC Healthcare, Inc. and Nippon Care Supply Co., Ltd.

# Organizational Structure and Overview

## Organization



1 . Organization and Basic Information

2 . Basic Policy

3 . Status of Mainstay Businesses

# Basic Policy

## Living Essential Distribution Division Basic Policy

1. Help build a consumer-focused value creation model\* by enhancing the scale and sophistication of intermediary distribution functions
2. Continue to reinforce the functions and revenue bases of key operating companies to secure a stable bedrock profit
3. Help solve social issues related to medical and nursing care in Japan, China and Southeast Asia

(\*) Expanding our interfaces with consumers to accurately monitor consumer trends and integrate the expansive range of products, functions and expertise held by the MC Group in order to create value that benefits consumers in a manner unique to MC.

1 . Organization and Basic Information

2 . Basic Policy

3 . Status of Mainstay Businesses

# Mainstay Businesses—Food Distribution, Mitsubishi Shokuhin

Enhance the scale and sophistication of intermediary distribution functions

Reinforce the functions and revenue bases of key operating companies

We aim to go beyond traditional food wholesaling to become a general food products trading company spanning diverse areas, business formats and functions

## Main Initiatives

### Respond to Growing Fields

#### Established three new divisions

- ✓ For the growing ready-made meal and restaurant business formats  
**Delicatessen Business Division**
- ✓ For the Co-op business format  
**Food Service Division**
- ✓ For the Co-op business format  
**LIFENET Division**



Delicatessen



Food service



Co-ops

### Extend and Enhance Functions

#### Utilizing digital technologies with an eye to the next generation

- ✓ Introduce **wearable devices** and other technologies to new locations
  - ✓ Transactions using **ID-POS data** (Cacicar)
- Further develop low-cost operations through distribution functions**



Linking with upstream/  
downstream distribution

### Expand Domains

#### Product development and expansion of distributor business

- ✓ Expand sales of **original** and **imported products**





# Mainstay Businesses—Food Distribution, Mitsubishi Shokuhin

Enhance the scale and sophistication of intermediary distribution functions

Reinforce the functions and revenue bases of key operating companies



**“RYQUE” delivers food and supplies to restaurants and bars.**

More than 30,000 registered customers, such as individual restaurants, Japanese-style pubs, Japanese inns and other gastronomic establishments.

## Service Features

- Same-day delivery (same-day for orders placed by 4 am. Delivery before noon for orders placed by midnight)
- Handles over 10,000 products
- Order center terminal open 365 days a year
- Get all products, including fresh, frozen and room-temperature foods, as well as disposable supplies, in a single delivery

## Target Segment

- Area-dominant roll-out (Tokyo 23 wards, Yokohama, Kawasaki)
- Small and mid-sized restaurants (80% of the restaurant market)

# Mainstay Businesses—Packaging, Mitsubishi Shoji Packaging Corporation

Enhance the scale and sophistication of intermediary distribution functions

Reinforce the functions and revenue bases of key operating companies

- Planning and developing packaging that meets consumer and environmental needs; introducing and supporting the adoption of advanced packaging technologies and systems
- Helping solve environmental and social problems through the packaging business to help realize a sustainable society

## Business model

MC Global Network / MC Group  
Mitsubishi Packaging Association

Information & technology

**Mitsubishi Shoji  
Packaging (MP)**

Raw material manufacturers → Converters → Dealers → End users

Packaging planning and development; supply of packaging materials and products; helping find and adopt advanced packaging technologies and systems

## Five functions

Package planning,  
material procurement,  
package product  
supply

Finding and adopting  
new technologies and  
systems

Total  
Coordination

Technology  
Transfer

Supply Chain  
Management

Distribution network  
that supports stable  
supply

5  
Functions

Alliance  
with major  
packaging  
companies  
in Japan

MC Group/  
Mitsubishi Packaging  
Association

Sales network for overseas  
transactions; gathering/providing  
overseas intelligence

## Products examples



Packaging and consumables for convenience stores (CVS)



Dispens Pak



Containerboard cases

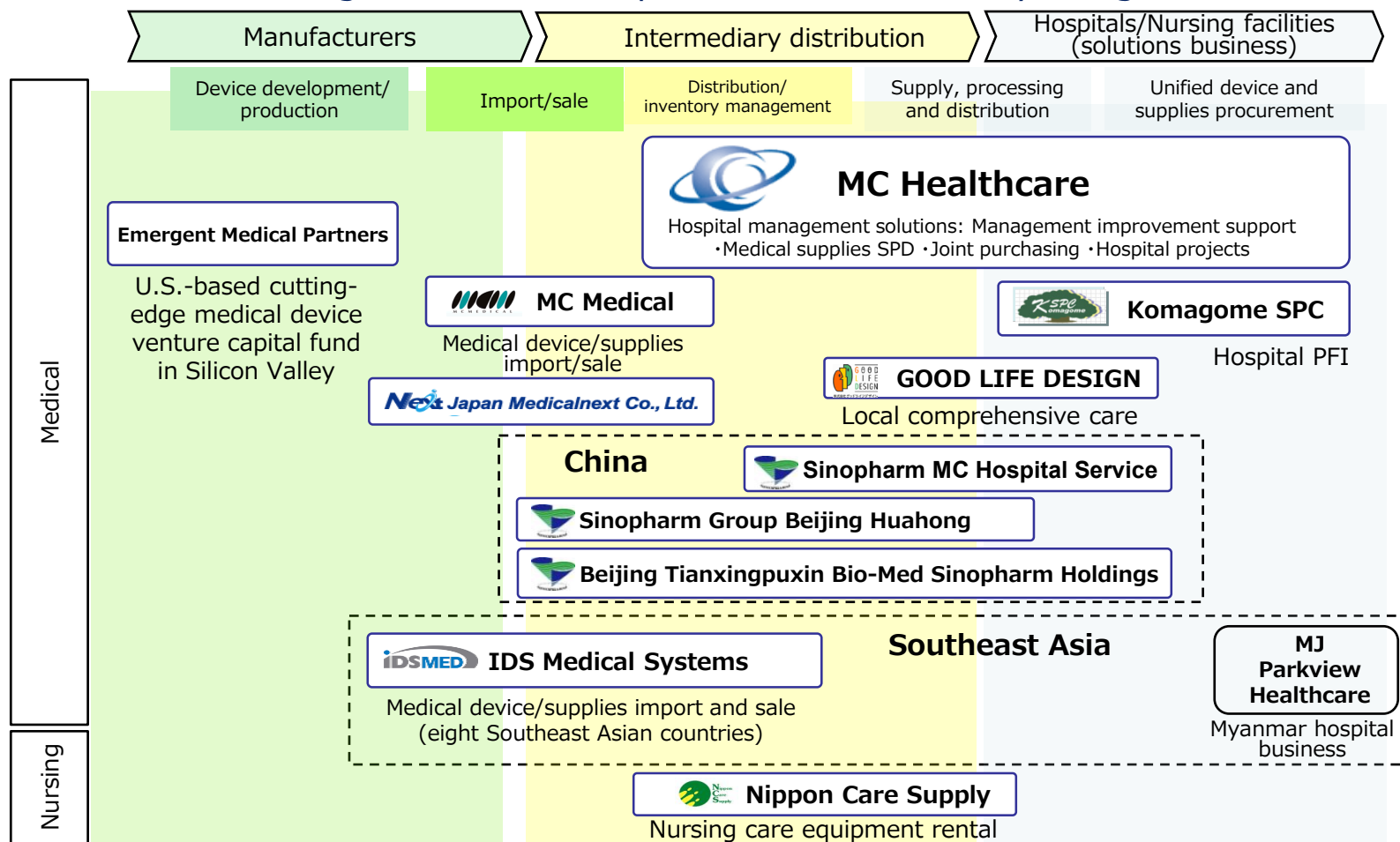


Aseptic filling liquid packages

# Mainstay Businesses—Healthcare

Help solve social issues related to medical and nursing care in Japan, China and Southeast Asia

Providing total solutions, from management support to peripheral services in the fields of medical and nursing care as well as prevention and healthy living

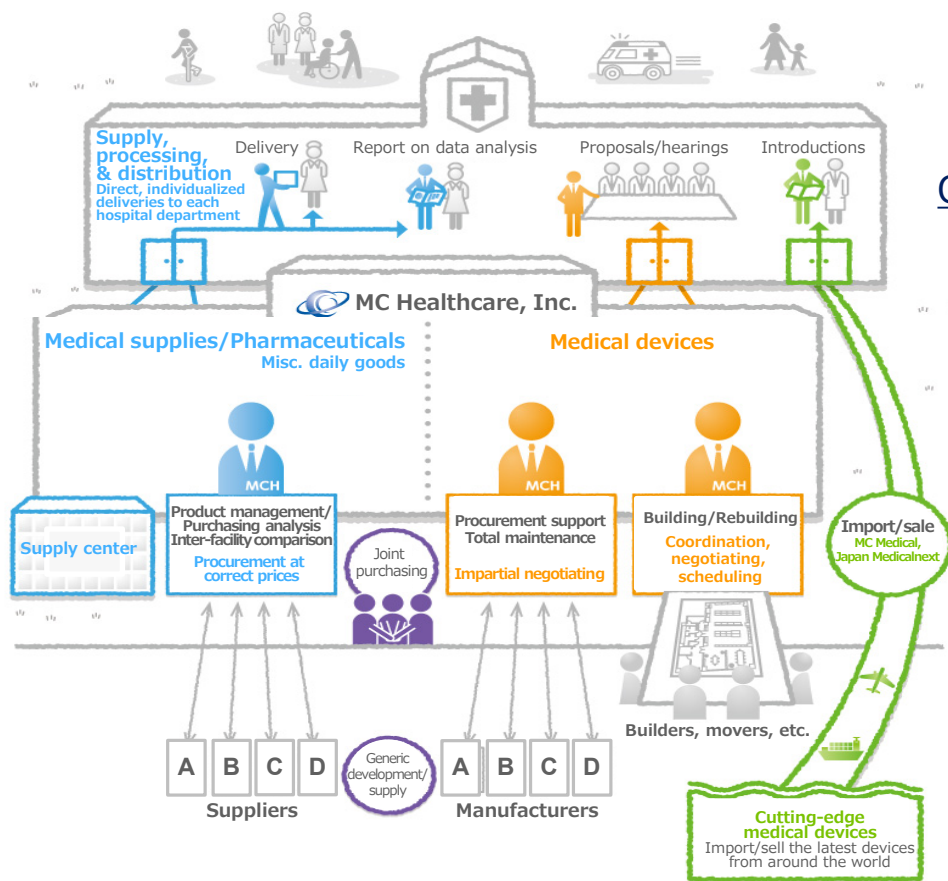


# Mainstay Businesses—Healthcare

Help solve social issues related to medical and nursing care in Japan, China and Southeast Asia

Comprehensive support for hospital operations as a management partner

## MC Healthcare (MCH)



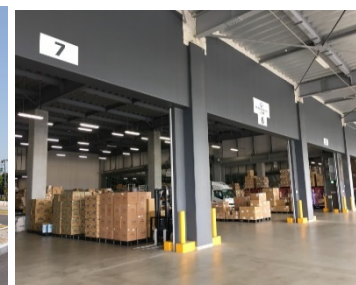
## Businesses

- Procurement and management of medical supplies
- Joint purchasing of medical supplies
- Sale and maintenance of medical devices

## Operations



Kanto Distribution Center: Floor area: 9,877 m<sup>2</sup> (quake-resistant structure) Staff: 170



Hospital inventory stored at an external MCH warehouse



Direct, individualized deliveries to each hospital department

# Mainstay Businesses—Healthcare

Help solve social issues related to medical and nursing care in Japan, China and Southeast Asia

## • Contributing to the Medical Industry

### Hospital Management Study Conference

Conference on corporate operations and management, focused on hospital management

### Joint Medical Supplies Purchasing

Committees for each field to support procurement through joint purchasing

### Recovery Support for Natural Disasters

Response to major disasters, such as the Great East Japan Earthquake and Kumamoto Earthquake, and support for recovery in affected areas



Hospital Management Study Conference panel discussion: "Preparing for and Responding to Major Disasters"



Lecture "AI-Driven Innovation in the Medical Industry"



Field-specific joint purchasing committee: The General-Purpose Medical Supplies Committee



Material assistance and sorting for delivery within a hospital after the Kumamoto Earthquake



# Mainstay Businesses—Healthcare Initiatives Going Forward

Help solve social issues related to medical and nursing care in Japan, China and Southeast Asia

## Entered the medical device and supplies sale business in Southeast Asia

### Investment in IDS Medical Systems Group

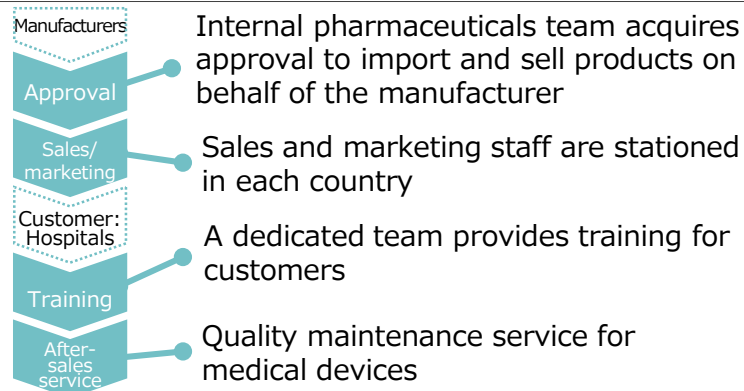
- ✓ Medical device/supplies import/sale business in **eight Southeast Asian countries**
- ✓ Connections with leading hospitals in each country and a customer base of **approx. 10,000 medical institutions**

#### Countries with Operations

Singapore, Indonesia, Malaysia, Thailand, Vietnam, Philippines, Hong Kong, Taiwan



### ► Comprehensive Service Framework



☞ Each country's sales and marketing staff provide highly attentive on-site follow-up

☞ Education and training for medical institutions and medical device maintenance services



# Mainstay Businesses—Healthcare Initiatives Going Forward

Help solve social issues related to medical and nursing care in Japan, China and Southeast Asia

## Business Alliance with Hoya Medical

- Overseas business in medical supplies and other products
- Creating a joint single-use device (SUD) reprocessing business
- Developing next generation management support solutions for acute care hospitals



A pre-packaged kit with supplies for a specific treatment or surgery

## Hospital Business in Myanmar

- 300-bed general hospital
- Working with a powerful local partner
  - ◆ Yee Shin (operates general hospitals in Mandalay)
  - ◆ CDSG (operates wide-ranging businesses in Myanmar)



Artist's rendering of the new hospital in Yangon