

Investment in Industrial Pesquera Santa Priscila (IPSP)



August 8, 2023

MITSUI & CO., LTD. (Security code: 8031)

Project Overview

Overview

Investment in **Industrial Pesquera Santa Priscila (IPSP)**

Acquisition Price

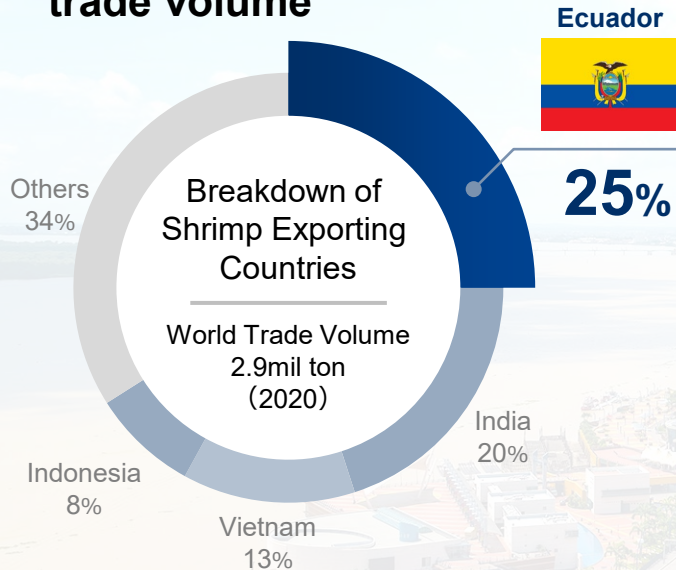
USD 360mil (approx. JPY 50bil)

Closing Date

During FY March 24

Ecuador: World's No.1 Shrimp Exporter

- Top exporter with 25% share of world trade volume



Source: UN Comtrade

- Stable sea water temperature of 26°C or higher throughout the year
- Large scale extensive-farming
- Origin of Vannamei Shrimp



Type of Shrimp



Outline of IPSP

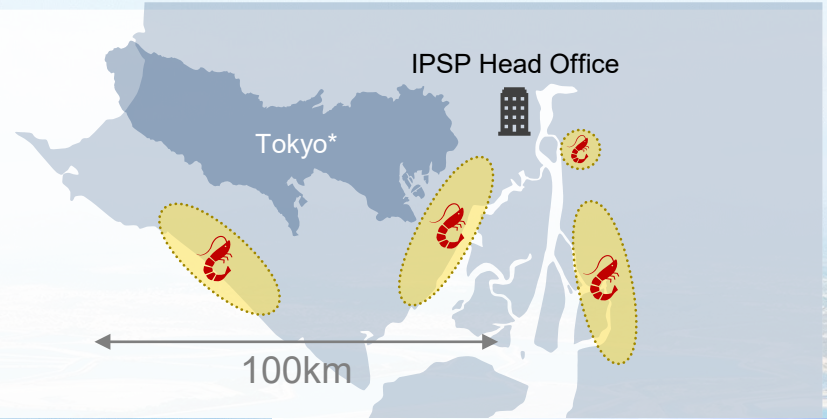


<p><u>Company Name</u></p> <p>Industrial Pesquera Santa Priscila S.A.</p>	<p><u>Location</u></p> <p>Guayaquil, Ecuador</p>	<p><u>Established</u></p> <p>1976</p>	<p><u>Representative</u></p> <p>Santiago Salem Founder / Executive Chairman</p>
<p><u>Number of Employees</u></p> <p>Approx. 16,000</p>	<p><u>Financials (FY22 actual)</u></p> <p>Sales: USD 1,400mil (Approx. 196bil yen)</p>	<p><u>Main Products</u></p> <p>Frozen Shrimp Processed Shrimp</p>	<p><u>Main Market</u></p> <p>China, US, Europe, Ecuador</p>

Outline of IPSP

World's largest shrimp farmer

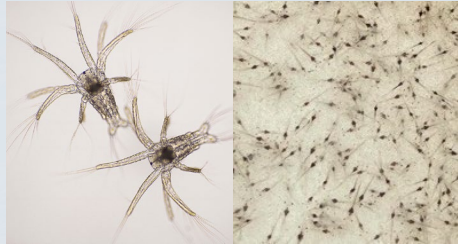
18,000 hectare of farming ponds
Stable operations with 100% traceability
through in-house farming



*For size comparison

Stages of Shrimp Farming

Hatching



Farming

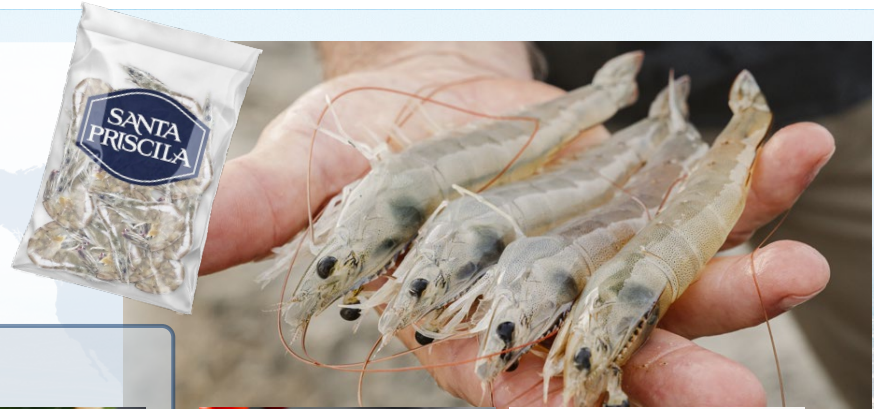


Processing



Outline of IPSP

Their frozen and processed shrimp products are sold globally, including China, US, Europe, and Ecuador.



Flagship Products of IPSP



Head-on shell on



Head-less shell on



Peeled



Cocktail shrimp



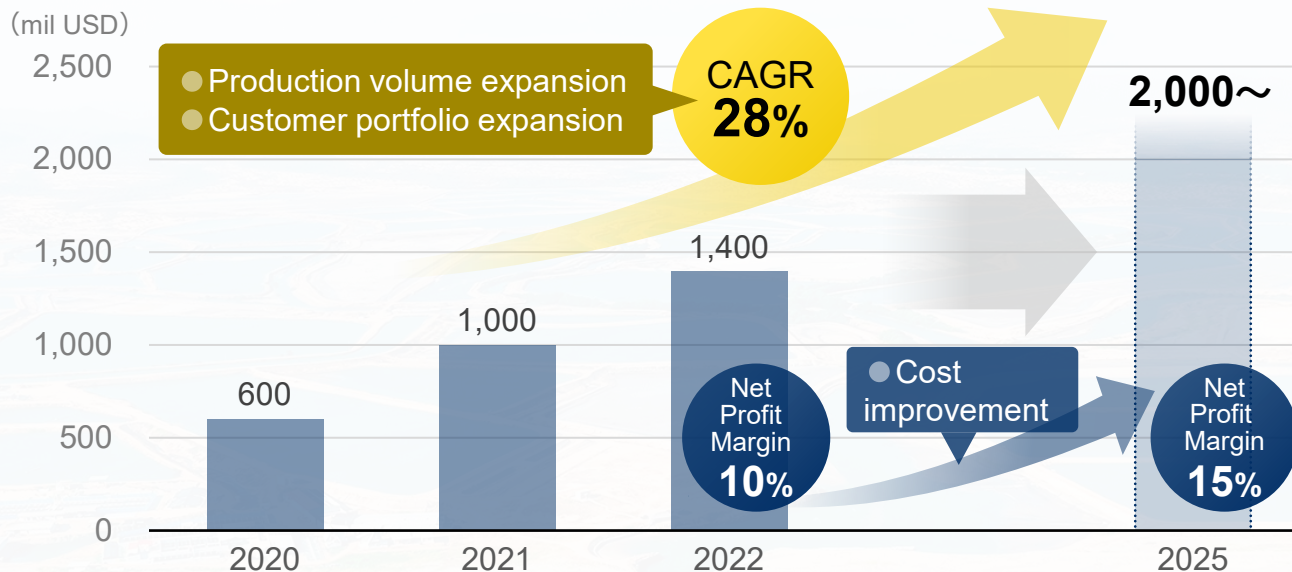
Fried Shrimp

Low

Degree of processing

High

Trend of Net Sales in IPSP (non-consolidated)



Outline of IPSP

IPSP's share of global shrimp trade volume



Source: Internal research

Trade volume of major global producers

(10K ton)

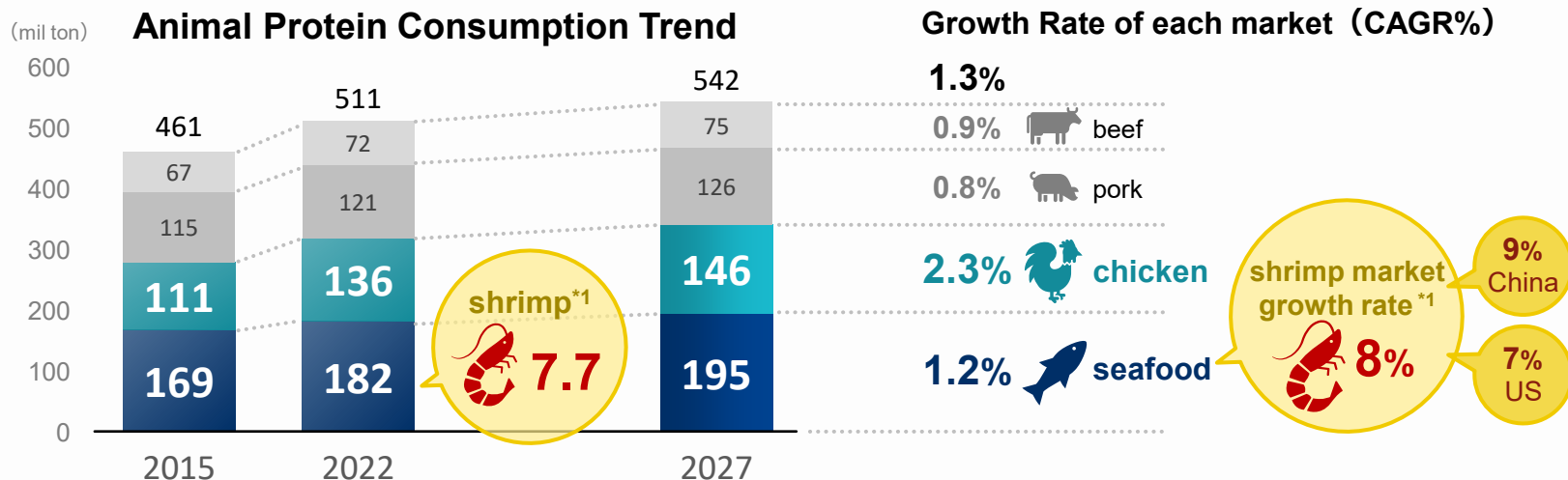
	2018	2019	2020	2021	2022
IPSP	7.7	10.9	11.2	14.7	17.7
No.2	6.2	7.8	8.8	9.7	9.5
No.3	3.7	5.2	6.4	7.1	9.3

Source: Internal research

Positioning of Animal Protein Business Cluster in Mitsui's business strategy

Global Animal Protein Demand

Animal protein demand continues to increase worldwide, with **shrimp and chicken** being the two species with the highest growth rates.



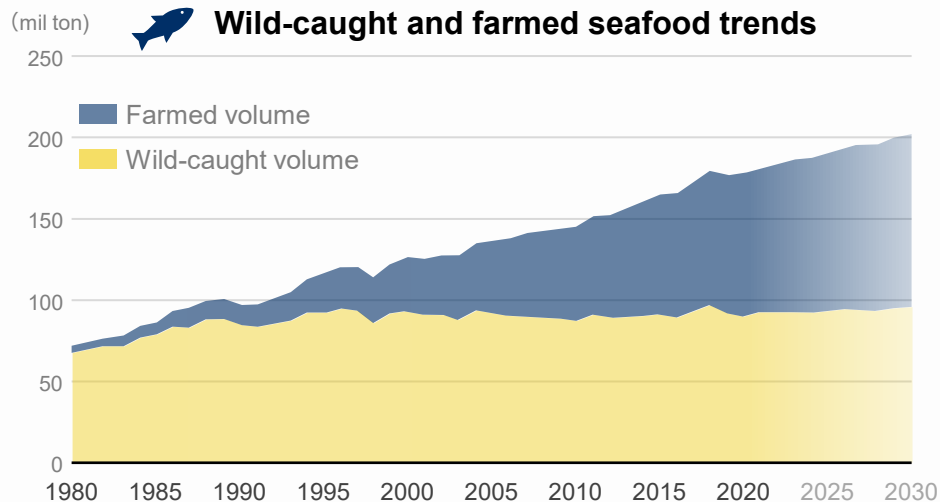
Source: OECD-FAO; Agricultural Outlook 2017-2018

*1: Internal research

Positioning of Animal Protein Business Cluster in Mitsui's Business Strategy

Potential of Farming Business

Production expansion through farming continues to flourish, while wild-caught as a source of seafood protein have reached a plateau.

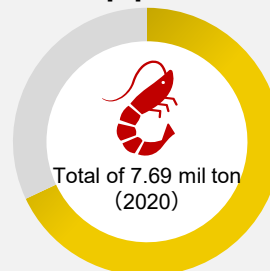


Source: FAO; The State of World Fishery and Aquaculture 2020

Farmed Shrimp accounts for 68% of shrimp production



Wild-caught
32%

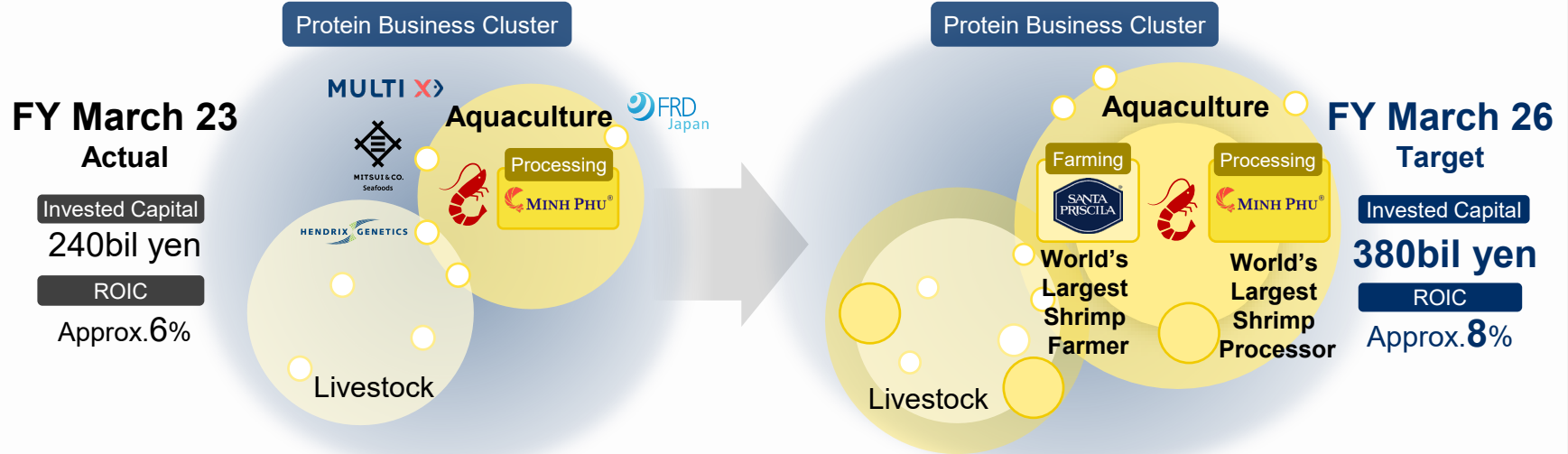


Farmed
68%

Source: Internal research

Forming of Protein Business Cluster

Investment in value chain of growing areas (shrimp and chicken) and pursuit of synergies among the businesses



360° business innovation.



MITSUI & CO.