

IR Meeting for FY March 2025 (April 2024-March 2025) Financial Results

May 2, 2025 (Friday) 10:00 - 11:30

Hello, I am Kenichi Hori, President and Chief Executive Officer. Thank you for joining us today.

First, I will speak on our management policy and the progress of the Medium-Term Management Plan 2026. I will then hand over to Masao Kurihara, General Manager of the Global Controller Division, who will speak on the details of the performance for FY March 2025 and the business plan for FY March 2026.

Entering the Final Year of MTMP 2026 (P4)

Summarizing the first two years of the Medium-Term Management Plan, or MTMP, we are progressing ahead of schedule against the initial action plan. Entering the final year of the plan, we expect a different business environment compared to the past two years. We will continue to secure a wide range of management options and steer towards enhancing corporate value.

Firstly, in the enhancement of base profit, we have strengthened existing businesses through comprehensive *middle game* strategies. We also feel confident in the earnings contributions from newly acquired businesses, as we enhance profitability and expand business clusters through bolt-on investments in core businesses and adjacent areas. Additionally, despite changes in the business environment that have gone beyond initial projections, we have steadily progressed in enhancing base profit through earnings growth driven by our trading functions.

Next, to improve the quality of the business portfolio, we have pushed ahead with asset and capital efficiency focused management utilizing ROIC, which was introduced in the previous MTMP, and deepened the extent to which we carefully select projects at the management level. Diversification of the portfolio has advanced in terms of industry, time horizons, and regions.

As a result of these efforts, strategic asset reconfiguration has progressed ahead of schedule. For example, the combination of the sale of the Paiton coal-fired power plant and the start-up of all units of the Thai gas-fired power plant is an example of strategic asset reconfiguration in the power generation portfolio. We have made

several significant achievements, including investments in projects contributing to near-term earnings such as in mobility and protein, and the building of a long-term earnings base through iron ore and LNG projects together with reliable partners.

We have also executed capital allocation utilizing the strength of our balance sheet. Mitsui maintains a balance sheet with ample reserve based on strong recurring cash generation capability and a solid financial foundation. We have allocated significant capital to investments for growth, including the Rhodes Ridge iron ore project announced in February this year, and also replenished capital to the Management Allocation from the balance sheet. We will continue to execute optimal capital allocation.

Major Projects Announced in First Two Years of MTMP (P5)

Here are the major projects executed in the first two years of the current MTMP. Leveraging expertise and cross-industry functions built up over many years, Mitsui has been selected as a partner by leading companies across various industries and regions, and we have been able to acquire new business opportunities across the globe.

Major Projects Announced in First Two Years of MTMP (P6)

Examples of collaboration with trusted partners based on expertise gained over many years include the Ruwais LNG and the Rhodes Ridge iron ore project. In addition, an example of Mitsui's unique feature of low barriers between different segments is the Blue Point project, a low-carbon ammonia production and sales business in the US, jointly pursued by the Chemicals and Energy segments.

MTMP Progress (Key Strategic Initiatives) (P7)

Next, I will speak on the progress of the three Key Strategic Initiatives in the MTMP and the important actions for FY March 2026.

In Industrial Business Solutions, we have decided to invest in the Rhodes Ridge iron ore project, which I introduced earlier, as a project to further strengthen the long-term earnings base. We have also invested in businesses contributing to near-term earnings, such as a US truck auction business. In FY March 2026, we will continue to strengthen collaboration with investees and work to grow our earnings generation.

Furthermore, we will capture new earnings opportunities by leveraging our trading functions in responding to changes in the supply chain.

In Global Energy Transition, we have made progress in investments in projects such as Ruwais LNG and low-carbon ammonia. In FY March 2026, we expect further strengthening of our earnings base across various time horizons through the steady launch of projects such as the Waitsia gas business in Australia and offshore wind power in Taiwan.

In Wellness Ecosystem Creation, we have invested in protein and nutrition businesses contributing to near-term earnings. We have also made progress in capturing growth in the Asian market through the healthcare business. In FY March 2026, we will further enhance the earnings power of the acquired protein and nutrition businesses and optimize food trading.

Review of Material Issues (Materiality) (P8)

We have recently conducted a reassessment of the five key material issues we identified as our Materiality, and announced the results today. This time, we have reviewed it from the perspective of double materiality and added a new item; *cultivate a society that respects human rights*.

Americas and US Business (P9)

Given the heightened interest regarding the impact of US tariffs and policy changes, I will speak on our operations in the US.

Profit from our business in the Americas was approximately 300 billion yen in FY March 2025. Within that, our US business can be categorized into three business forms: domestic operations, exports, imports and sales. Domestic operations have the largest profit share, and we expect this to have a relatively smaller direct impact from tariffs. However, tariff policies have a significant impact on the macroeconomic environment and will increase uncertainty. Therefore, we will be increasingly alert to changes in the business environment and will be taking defensive measures as needed.

We see changes in the business environment and supply chain as an opportunity to leverage our global network and demonstrate our enhanced trading capabilities.

Initiatives to Enhance Corporate Value (P10)

In FY March 2026, we will continue to work towards improving ROE. Considering changes in the business environment, we will further strengthen risk management and enhance downside resilience. We will execute asset reconfiguration being mindful of capital efficiency and with rigorous investment discipline. At the same time, we will also look at new opportunities that can be found in such a business environment.

Cash Flow Allocation Policy (P11)

In our cash flow allocation framework, the Management Allocation is the source of capital to be strategically allocated to investments for growth and shareholder returns from cash earned through operations.

In an uncertain business environment, we believe the importance of capital allocation becomes even greater, therefore we have maintained sufficient Management Allocation at the beginning of this fiscal year. We will keep our management options wide open and flexibly respond to various scenarios while achieving optimal capital allocation that balances investments and shareholder returns.

FY March 2025 Results and FY March 2026 Business Plan (P13)

Here are the results for FY March 2025 and the business plan for FY March 2026.

Core Operating Cash Flow, or COCF, has reached the 1 trillion-yen level for the fourth consecutive fiscal year. Considering the solid cash flow, we plan to increase the dividend per share by 15 yen for FY March 2026.

On the other hand, in formulating the quantitative plan for FY March 2026, we have reflected the recent changes in the business environment. While the enhancing of base profit is steadily progressing, we have incorporated a certain degree of conservatism and set COCF at 820 billion yen, and profit at 770 billion yen. We have taken into consideration the ongoing normalization of margins in the North American automotives business, and the time required to respond to changes in the business environment such as inflation, interest rates, and exchange rates.

Cash Flow Allocation (Results) (P14)

I will speak on the cash flow allocation results for FY March 2025.

Cash inflows amounted to 1 trillion 629 billion yen, combining COCF of 1 trillion 28 billion yen and asset recycling of 601 billion yen, including multiple large-scale projects. In asset recycling, 50 billion yen was obtained from the sale of our shareholdings in 23 listed companies executed in FY March 2025.

Cash outflows amounted to 1,457 billion yen, comprising investments and loans of 765 billion yen and shareholder returns of 692 billion yen.

Cash Flow Allocation (Forecast) (P15)

Next, I will speak on the MTMP 3-year cumulative cash flow allocation forecast. We have revised down our COCF due to the revision of our plan for FY March 2026, but at the same time revised up asset recycling compared to the previously announced figures, leading to total cash inflows of 4 trillion 370 billion yen. In addition to the investment decision in Rhodes Ridge, we have made progress in other carefully selected investments and are newly allocating 370 billion yen to investments and 40 billion yen to shareholder returns from the Management Allocation. At the time of the disclosure of Rhodes Ridge in February this year, we announced that we would replenish 400 billion yen to the Management Allocation from the balance sheet. In a significantly changing business environment, we will maintain sufficient Management Allocation of 400 billion yen to keep our management options wide open. We will continue to balance capital allocation between investments for growth and shareholder returns.

Progress in Enhancement of Base Profit (P16)

Next, I will speak on the progress in enhancing base profit.

Adjusting commodity prices and exchange rates to the assumptions of FY March 2026 as at the time of the MTMP announcement, and excluding one-time factors, we will expand base profit by 170 billion yen over the three years of the MTMP.

Against this target, we have progressed to an increase of 120 billion yen as of the end of FY March 2025. While some businesses in the turnarounds and new investments are struggling due to changes in the business environment, the strengthening of existing businesses and the exit from loss making businesses are

progressing smoothly, and overall, we are on track. We will continue to persistently push ahead with each measure to achieve the target in the final year of the MTMP.

Timing of Earnings Contribution from New Projects (P17)

Earnings contribution from new projects inside and out of Japan are progressing smoothly. We are advancing the selection and timely execution of investments as well as enhancement of profitability after asset acquisition ahead of schedule, while responding to changes in the business environment.

Including the three projects highlighted at the beginning of this presentation, I am confident that our investments for growth which will exceed 2.3 trillion yen during the MTMP period will dramatically fortify our earnings base and raise earnings levels significantly from FY March 2027 onwards.

Shareholder Returns Policy (P18)

Finally, I will speak on the shareholder returns policy.

In FY March 2025, COCF reached the 1 trillion-yen level for the fourth consecutive year, highlighting our strong cash flow. Based on this, we will raise the ratio of shareholder returns as a percentage of COCF forecast for the three years of the current MTMP to the 50% level. For FY March 2026, we will increase the annual dividend per share from the current 100 yen to 115 yen, an increase of 15 yen. The interim dividend is set at 55 yen and the year-end dividend at 60 yen, reflecting our mindset of continuously strengthening shareholder returns based on our progressive dividend policy.

In addition to the track record of cash flow, our company's strength lies in the clear path to significantly growing the earnings base through the significant investment projects and *middle game* achievements highlighted today. Based on this, our policy is to maintain the progressive dividend policy beyond the current MTMP. Accordingly, once the current MTMP is concluded, we consider 120 yen as the new starting line for full-year dividends.

We have also continued to make share repurchases in an agile manner and have cancelled all those shares, in order to increase the capital efficiency per share in a

constant manner. Our policy remains unchanged, so we will continue to study the right opportunity for an agile share repurchase, including its timing.

Considering the current business environment, we have adopted a conservative approach for this fiscal year's plan. However, we have been consistently building up a track record of achieving COCF and profit of around 1 trillion yen. Additionally, over the past two years of the current MTMP, we have balanced investments in high-quality projects that expand our earnings base with enhanced shareholder returns, thereby managing the company to realize our commitment of maintaining high ROE. Through these efforts, we are establishing a business foundation which will be capable of consistently generating profit levels well exceeding 1 trillion yen towards 2030. In terms of US dollars, the global benchmark currency, our image would be a portfolio capable of generating COCF in the order of 10 billion US dollars.

Against the uncertainty of the global economy, we will leverage the high-quality business portfolio we have built over many years, characterized by the diversification of industries, time horizons, and regions. In key regions such as North America, South America, Asia including Japan, and Australia, we will refine both the domestic operations in each region and the businesses involving the global supply of highly competitive products. We appreciate your trust and remain committed to delivering on our company's long-term growth.

That concludes my part of the presentation. I will now hand over to the General Manager of the Global Controller Division, Masao Kurihara, for details of the financial results for FY March 2025 and the FY March 2026 business plan.

Global Controller section - details of financial results

I am Masao Kurihara, General Manager of the Global Controller Division.

Now, I will explain the details of the financial results for FY March 2025 and the FY March 2026 business plan.

FY March 2025 Core Operating Cash Flow (Results): YoY Segment Comparison (P20)

First, I will speak on the year-on-year change in COCF by segment.

COCF for FY March 2025 increased by 31.7 billion yen year-on-year to 1 trillion 27.5 billion yen.

In Mineral & Metal Resources, COCF decreased by 51.2 billion yen to 357.9 billion yen, mainly due to the decline in iron ore and metallurgical coal prices.

In Energy, COCF increased by 115.6 billion yen to 363.4 billion yen, mainly due to the increase in LNG dividends.

In Machinery & Infrastructure, COCF decreased by 31.7 billion yen to 145.2 billion yen, mainly due to a consolidated subsidiary becoming an equity method investee, as well as higher taxes and lower dividends due to asset sales.

In Chemicals, COCF increased by 27.2 billion yen to 90.6 billion yen, mainly due to the strong performance in the methanol business, FVTPL, and higher profit from trading.

In Iron & Steel Products, COCF decreased by 2.5 billion yen to 6.0 billion yen.

In Lifestyle, COCF decreased by 22.1 billion yen to 18.1 billion yen, mainly due to lower dividends from equity method investees and lower profit from coffee trading.

In Innovation & Corporate Development, COCF decreased by 18.4 billion yen to 27 billion yen, mainly due to the increase in taxes associated with asset sales.

In Others, Adjustment & Eliminations, COCF increased by 14.8 billion yen to 19.3 billion yen, mainly due to expenses, interest, taxes, etc., which are not allocated to business segments.

FY March 2025 Profit (Results): YoY Segment Comparison (P21)

Next, I will speak on the year-on-year change in profit by segment for FY March 2025. Profit decreased by 163.4 billion yen year-on-year to 900.3 billion yen.

In Mineral & Metal Resources, profit decreased by 49.7 billion yen to 285.4 billion yen, mainly due to the decline in iron ore and metallurgical coal prices.

In Energy, profit decreased by 108.2 billion yen to 173.5 billion yen, mainly due to the absence of one-time profit in the previous fiscal year and the decline in profit in LNG trading.

In Machinery & Infrastructure, profit decreased by 15.8 billion yen to 232.9 billion yen, mainly due to the decline in profit in automotives and lower profit due to asset sales.

In Chemicals, profit increased by 36.7 billion yen to 75.9 billion yen, mainly due to methanol business, FVTPL, gains from asset sales, and higher profit from trading.

In Iron & Steel Products, profit increased by 2 billion yen to 13.2 billion yen.

In Lifestyle, profit decreased by 40.4 billion yen to 53.7 billion yen, mainly due to the absence of a valuation gain on Aim Services recorded in the previous fiscal year and lower profit from coffee trading.

In Innovation & Corporate Development, profit increased by 33.5 billion yen to 87.3 billion yen, mainly due to the sale of a rental property in Japan.

In Others, Adjustment & Eliminations, profit decreased by 21.5 billion yen to a loss of 21.6 billion yen, mainly due to an amendment to retirement benefit system.

FY March 2025 Profit: YoY Factor Comparison (P22)

Here, we compare profit for FY March 2025 with the previous fiscal year and summarize the changes by factor.

Base profit decreased by 54 billion yen. There was an increase in profit due to contribution of earnings from new businesses, methanol business, and shipping related subsidiaries, while there was a swing back from additional dividends from Vale in the previous fiscal year, a decline in coffee trading profit, and a decrease in profit from Penske Truck Leasing.

Resources costs/volume remained flat year on year, with an increase in volume in crude oil, gas, and iron ore, which were offset by the increase in costs in iron ore.

Commodity prices and forex decreased by 25 billion yen. Commodity prices decreased by 65 billion yen, mainly due to the decline in iron ore with a 43 billion yen impact and metallurgical coal with 22 billion yen. Forex increased by 40 billion yen, mainly due to the depreciation of the yen.

Asset recycling decreased by 16 billion yen, with 147 billion yen from the sale of assets including Paiton and rental properties, offset by the absence of 163 billion yen recorded in the previous fiscal year.

Valuation gains/losses and one-time factors decreased by 68 billion yen, mainly due to the amendment to retirement benefit system and the impairment of Mainstream.

Balance Sheet as of End-March 2025 (P23)

I will speak on the balance sheet as at the end of FY March 2025.

Compared to the end of March 2024, net interest-bearing debt decreased by 0.1 trillion yen to 3.3 trillion yen. Shareholder equity was 7.5 trillion yen, flat year on year. As a result, the net D/E ratio fell to 0.44x.

FY March 2026 Business Plan: Core Operating Cash Flow YoY Segment Comparison (P24)

This slide contains the segment wise details of COCF for the FY March 2026 business plan. The plan is 820 billion yen, a decrease of 207.5 billion yen from the previous fiscal year. This is mainly due to a decline in iron ore and metallurgical coal prices, a decrease in dividends from equity method investees, and an increase in interest expenses associated with the acquisition of Rhodes Ridge in Mineral & Metal Resources, and a decrease in LNG dividends in Energy.

FY March 2026 Business Plan: Profit YoY Segment Comparison (P25)

The segment wise details of profit for FY March 2026 business plan is shown on this slide.

The business plan for profit is 770 billion yen, a decrease of 130.3 billion yen from the previous fiscal year, mainly due to a decline in iron ore and metallurgical coal prices in Mineral & Metal Resources, an increase in interest expenses associated with the acquisition of Rhodes Ridge, a decline in LNG dividends and crude oil prices in Energy, and an absence of gains from asset sales recorded in the previous fiscal year in Machinery & Infrastructure and Innovation & Corporate Development.

FY March 2026 Business Plan: YoY Factor Comparison (P26)

Page 26 compares the plan for FY March 2026 with the actual results for FY March 2025, showing the changes by element.

Base profit: We expect an increase in profit of 24 billion yen. We expect lower LNG dividends, increased interest expenses associated with the acquisition of Rhodes Ridge, and lower profit from automotives, while we expect higher profit from food trading and protein, affiliated companies such as those in Innovation & Corporate Development and Iron & Steel Products segments, and from chemical trading.

Resources costs/volume: We expect a decrease in profit of 50 billion yen due to an increase in operating costs in upstream energy and iron ore businesses, and a decline in volume in the upstream energy and copper businesses.

Commodity prices and forex: We expect a decrease in profit of 86 billion yen due to a decline in iron ore prices and metallurgical coal prices, and an appreciation of the yen.

Asset recycling: We expect a decrease in profit of 98 billion yen due to absence of asset recycling gains of 147 billion yen recorded in the previous fiscal year, although we anticipate asset sales of 49 billion yen from multiple projects.

Valuation gains/losses and one-time factors: We expect an increase in profit of 80 billion yen, including 21 billion yen from valuation gains centered around ITC Rubis and R-Pharm, and an absence of 59 billion yen of losses from the previous year.

That concludes my explanation.