16:30-17:30 on Thursday February 3, 2022
IR meeting for results of Q3 FY Ending March 2022

[3rd Quarter Financial Results for FY ending March 2022 (P0)]

Good afternoon, I'm Takakazu Uchida, CFO.
Thank you for joining us today.

I will begin by giving a summary of the third quarter operating results and yearly forecasts. I will then hand over to our Global Controller Tetsuya Shigeta for details of our operating results.

In the nine-month period ended December 31,2021, the global economy continued to rebound overall although the pace of economic recovery slowed due to the rapid spread of the Omicron variant as well as due to the prolonged supply constraints.
Under this business environment, Mitsui continued to achieve strong performance in the third quarter based on our robust global business portfolio.

[Summary of Operating Results (P3)]
Please turn to page 3 of the presentation materials.
I will provide a summary of operating results for the third quarter.

Core Operating Cash Flow (COCF) for the period increased by 369.5 billion yen to 862.9 billion yen, and profit for the period increased by 434.4 billion yen to 633.3 billion yen year on year, both reaching record historical levels.

By firmly taking the upside of commodity market conditions, improving the quality of our business portfolio and strengthening our earnings base, we achieved high rate of progress in comparison to the previous forecasts, announced at the time of second quarter's financial results.

Based on above, we have upwardly revised our yearly forecasts. COCF and profit forecasts were upwardly revised by 170 billion yen to 1.09 trillion yen and by 120 billion yen to 840 billion yen respectively.

The year-end dividend is increased by 10 yen per share from our previous forecast to 60 yen per share, resulting into the annual dividend of 105 yen per share for the fiscal year ending March 2022. Further, we intend to formulate our business plan assuming the annual dividend outlook for the last year of the MTMP, fiscal year Mar 2023, at 120 yen per share.

We will continue to steer the company's management while paying full attention to the business environment, especially the spread of Omicron variant and the impact of the U.S. monetary tightening on the global economy.

[Progress against Previous Forecasts (P4)]
Please turn to page 4.
We expect good performance in all segments, and we achieved progress of 94% and 88% respectively against previous forecasts for COCF and profit.

In Mineral & Metal Resources, we continued to achieve strong profitability by steadily capturing commodity prices through our well-balanced and highly cost competitive business portfolio and high coking coal price, while the decline in iron ore prices from the historical high in the first quarter also seemed to have bottomed out.

Furthermore, in addition to Chemicals and Iron & Steel Products that continued to demonstrate strong trading functions, increased competitiveness of each business, strengthened earnings base such as in automotive and healthcare, and FVTPL profit also contributed to performance.

In Energy, valuation gain/loss related to derivative transactions to hedge LNG trading was recognized in advance, but full-year performance is expected to exceed previous forecasts.

[FY Mar/2022 Revised Forecasts: Core Operating Cash Flow (P5)]
Please turn to page 5.

As I mentioned at the start of my presentation, we have upwardly revised our

yearly forecast for COCF to 1.09 trillion yen.
We upwardly revised the Mineral & Metal Resources segment by 60 billion yen due to an increase in dividends received from the iron ore and ferroalloys businesses in China and higher coking coal price, and the Energy segment by 60 billion yen due to increases in oil and gas prices and good LNG trading performance. Additionally, as a result of upward revisions in all segments centered on Machinery & Infrastructure and Chemicals primarily due to an increase in dividends received from affiliates and good operation and trading performance, we have upwardly revised our yearly forecast by 170 billion yen against 920 billion yen across the company.

[FY Mar/2022 Revised Forecasts: Profit for the year (P6)]
Next, turn to page 6. We have upwardly revised our yearly profit forecast in all segments totaling 840 billion yen.
The upward revision of 120 billion yen to the previous forecast of 720 billion yen is mainly due to expansion of base profit as well as commodity and FOREX fluctuations.
The upward revision of 70 billion yen reflects continued competitiveness and high rate of progress in both group companies and trading, such as automotive business, ferroalloys businesses in China, LNG, chemicals, and steel products, while the upward revision of 30 billion yen reflects improvement in earnings resulting from market commodity and FOREX fluctuations. The total upward revision is 120 billion yen, including other valuation factors and asset recycling.

[Review of Progress in FY Mar/2022 Action Plan (P7)]
Please turn to page 7.
Next, I will explain on action plans for each segment, which were set out at the beginning of the year, have been organized into “Strengthening trading functions” “Competitiveness of existing businesses” and “Transformation of business portfolio” together with “Project implementation and contribution to earnings” and “Strategic Focus” which have made progress in the current quarter among the priority measures.

I will begin by explaining the action plan for the period.
Firstly, the demonstration of trading functions amid supply chain disruptions

contributed to stable supply in chemicals, steel products and food, which boosted the performance of current period.
Also, in various businesses, such as the automotive business, including Penske group in the United States and the healthcare centered on IHH, we further enhanced the competitiveness of each business by strengthening the management base, reducing costs, and accelerating the implementation of growth strategy, which we had started even before spread of COVID-19.

Further, we have continued to patiently reduce costs in group companies, and the results of lowering the break-even point have led to improvement of performance in each company.

We also made progress in "Transformation of business portfolio" such as the merger of textiles business of Nippon Steel Trading Corporation with Mitsui Bussan I-Fashion, the acquisition of additional shares in Mitsui Oil Exploration, and the sale of some businesses in the Machinery & Infrastructure and Mineral & Metal Resources segments.

In "Project implementation and contribution to earnings," we steadily implemented large projects while taking appropriate measures in each field even during the pandemic, such as development of a successor deposit of iron ore operations in Australia, expansion of copper operations in Chile, progress on the Arctic 2 LNG project, and commencement of operations on the gas-fired power generation project in Thailand.

Next, I will explain progress on the business areas of "Strategic Focus" that are defined in the current Medium-term Management Plan.
In Energy Solutions, we made progress in the formation of business leading to reduction of greenhouse gas and responding to ESG, such as participating in an Australian forestry carbon credit project, commencing a feasibility study for low carbon ammonia production in Australia and UAE, and promoting mobility electrification through a collaboration agreement by strengthening the capital alliance with Forsee Power, a battery system manufacturer.

In Healthcare/ Nutrition, we made progress in nutrition and food, while proceeding with participation agreement in Hendrix Genetics, multi-species animal genetics and technology company in Netherlands, and participation in ISI Sementi, an Italian vegetable seeds company.

In Market Asia, we subscribed to the convertible bonds issued by the holding company of CT Corp in Indonesia and making continuous efforts to improve its enterprise value.

We have also steadily changed the level of Mitsui's earnings and implemented growth strategy measures aimed at the future through strengthening of functions and competitiveness in existing business and portfolio transformation.
We will continue to accelerate these efforts and realize unceasing "Transform and Grow."

[Cash Flow Allocation (P8)]
Please turn to page 8.
In this section I will discuss about cash flow allocations for the third quarter of the current fiscal year.

Cash-in for the period was 1.076 trillion yen, comprising COCF of 863 billion yen and asset recycling of 213 billion yen. Principal asset recycling included loan collection in the copper business and sale of the contract manufacturing business of MicroBiopharm Japan Co., Ltd.

Cash-out was 553 billion yen, comprising investment and loans of 351 billion yen and shareholders return of 202 billion yen, i.e. share buybacks of 129 billion yen and dividend of 73 billion yen. Main projects for investment and loans included subscription to the convertible bond issued by the holding company of CT Corp, maintenance capex for existing oil and gas projects, Australian iron ore and coal operations, LNG and power generation projects under development, and real estate business.

We will continue strategic allocation of funds to growth investments and shareholder returns corresponding to the increases in COCF, comprehensively considering the investment opportunities and business environment.

[Shareholder Returns (P9)]
Please turn to page 9. In the last part of my presentation, I will discuss on shareholder returns.
In December last year, we decided to perform share buybacks of up to 50 billion yen, and the total amount executed during current financial year is expected to be 175 billion yen.

And, as I explained earlier, we have raised the annual dividend forecast to 105 yen per share with the year-end dividend to be 60 yen per share for the fiscal year ending March 2022. Based on this, Total shareholder returns as a percentage of Core Operating Cash Flow for the first two years of the current Medium-Term Management Plan is expected to be 32%.

We will continue to consider increasing dividends and also conducting share buybacks in flexible manner corresponding to stable improvement of cash generation ability.

That completes my part of the presentation today. I will now hand over to our global controller Tetsuya Shigeta for details of the third quarter performance.

= Global Controller section =
[Operating Results]
Thank you, I'm Tetsuya Shigeta, Global Controller, and I will now provide details of our operating results for the third quarter.

[Core Operating Cash Flow: YoY segment comparison (P11)]
Please turn to page 11. First, I will explain the main changes in COCF by segment compared to the previous period.

COCF for the period was 862.9 billion yen, a year-on-year increase of 369.5 billion yen.

In Mineral & Metal Resources, COCF increased by 227.8 billion yen to 433 billion yen mainly due to higher sales price of iron ore and coal operations in Australia, increase in dividends from Vale, copper operation, and ferroalloys businesses in China.

In Energy, COCF increased by 50.2 billion yen to 152.9 billion yen mainly due to increase in oil and gas prices.

In Machinery & Infrastructure, COCF increased by 48.7 billion yen to 113.2 billion yen mainly due to good performance of group companies centered on automotive and the increase in the dividends from equity method affiliates.

In Chemicals, COCF increased by 23.4 billion yen to 71.9 billion yen mainly due to good performance of group companies and trading following favorable market conditions and also through optimal response to supply constraints.

In Iron & Steel Products, COCF increased by 7.1 billion yen to 9.2 billion yen mainly from good performance in trading driven by steady steel market.

In Lifestyle, COCF increased by 22.2 billion yen to 33.5 billion yen mainly due to steady food production business, good performance in grain trading business and healthcare staffing business in the U.S., and the sale of Columbia Asia's business in India.

In Innovation & Corporate Development, COCF declined by 5 billion yen to 35.1 billion yen.

Other factors, such as expenses, interest, taxes, etc., which are not allocated to business segments, totaled 14.1 billion yen.

[Q3 Profit: YoY segment comparison (P12)]
Please turn to page 12. I will now explain the main changes in profit by segment compared to the previous year.

Profit for the period increased by 434.4 billion yen to 633.3 billion yen.

In Mineral & Metal Resources, profits increased by 294 billion yen to 370.9 billion yen due to factors such as higher sales price of iron ore and coal operations in Australia and copper operations, and increase in dividends from Vale.

In Energy, profits increased by 1.6 billion yen to 28.3 billion yen mainly due to increase in oil and gas prices, although there was absence of deferred tax assets resulting from reorganization of U.S. Energy subsidiaries recorded in the same period of the previous fiscal year.

In Machinery & Infrastructure, profits increased by 57 billion yen to 92.2 billion yen mainly due to good performance of the automotive business primarily in North America, in addition to the absence of the impairment of the rolling stock leasing group company incurred in the previous period.

In Chemicals, profits increased by 19.2 billion yen to 51.6 billion yen, mainly due to good performance of trading business and the methanol business.

In Iron & Steel Products, profits increased by 24.1 billion yen to 21.3 billion yen mainly due to the improvement in operation rate at group companies due to recovery in automotive production and good performance in trading.

In Lifestyle, profits increased by 43.2 billion yen to 42.8 billion yen mainly due to recovery of salmon and fashion businesses, good performance of grain trading, and an increase in profits in the healthcare business.

In Innovation & Corporate Development, profits increased by 4.8 billion yen to 42.2 billion yen mainly due to sale of multi-family housing property in U.S.

Other factors, such as expenses, interest, taxes, etc., which are not allocated to business segments, totaled 16 billion yen.

[Q3 Profit: YoY factor comparison (P13)]
Please turn to page 13. This page shows the main factors influencing year-on-year changes in profit.

Base profit increased by approximately 190 billion yen. This was mainly due to increase in dividends received from iron ore business, and strong profitability of segments such as Machinery & Infrastructure, Lifestyle, Chemicals and Iron & Steel Products.

Looking at Resource-related costs/volume, profit decreased by approximately 26 billion yen due to the impact of rising labor costs in the Mineral & Metal Resources business, and also decrease in volume due to the decline in of the MOECO Thai offshore project.

Asset recycling resulted in an increase of approximately 11 billion yen in profits mainly due to the partial sale of shares in PHC Holdings and the sale of multi-family housing property in the United States.

In Commodity prices/FOREX, profit increased by approximately 199 billion yen. Commodity prices increased approximately 80 billion yen due to steady iron ore prices, approximately 38 billion yen due to coal prices and approximately 45 billion yen due to oil and gas prices. In FOREX, weaker yen resulted into an increase in profit of approximately 18 billion yen.

Finally, valuation gain/loss & special factors contributed to increase of approximately 60 billion yen mainly due to the absence of impairment loss in the Moatize coal and infrastructure projects incurred in same period of the previous year.

[Evolution of Financial Strategy and Portfolio Management (P14)]
Please turn to page 14. Now let's take a look at the balance sheet as of the end of the third quarter of the current fiscal year.

Compared to the end of March 2021, net interest-bearing debt increased by approximately 220 billion yen to 3.5 trillion yen. Meanwhile, shareholder equity increased by approximately 410 billion yen to 5 trillion yen. As a result, net DER became 0.71x.

That concludes my presentation. Thank you.