Results for third quarter of the fiscal year Ending March 2023
16:00-17:00 on Friday February 3, 2023

[3rd Quarter Financial Results for the fiscal year ending March 2023 (P0)]
Good afternoon, I'm Tetsuya Shigeta, CFO.
Thank you for joining us today.

I will begin with an overview of the operating results for the first nine months and full-year forecasts.
I will then hand over to Masao Kurihara, Global Controller, who will speak on the results in more detail.

In the first nine months of the current period, Mitsui continued to generate strong earnings and posted record profit and Core Operating Cash Flow, or COCF, both on a single quarter and nine month accumulated basis, through our globally diversified business portfolio. Based on this good performance, we are revising upward our full-year earnings forecast to 1.08 trillion yen. We are constantly aiming for healthy growth of shareholder returns, and will be making an additional 100 billion yen share repurchase, and will also be raising the dividend.

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

COCF increased by 98.3 billion yen year-on-year to 961.2 billion yen, while profit for the period increased by 207.5 billion yen year-on-year to 840.8 billion yen. Furthermore, it resulted in solid progress from the previous forecast, announced at the time of the second quarter financial results.

In light of this solid progress, we have revised upward our full-year forecast. Compared to the previous forecast, we have increased our forecast for COCF by 70 billion yen to 1.2 trillion yen and profit for the year by 100 billion yen to 1.08 trillion yen.

For shareholder returns, the year-end dividend is planned to be raised to 70 yen per share, bringing the full-year dividend to 135 yen. Furthermore, we plan to set a minimum full-year dividend of 140 yen per share next fiscal year based on the 70 yen year-end dividend planned for this fiscal year. In addition to the 140 billion yen share repurchase currently in progress, we have decided to make an additional 100 billion yen share repurchase and extend the buying period. We will also steadily progress with the cancellation of these treasury shares.

[Progress against Previous Forecast (P4)]
Please turn to page 4.
As you can see, each segment achieved solid progress toward the previous forecast.

With regard to individual businesses, trading of raw and processed materials, and other products, automotive business, and healthcare business all continued to record solid performance.

LNG trading in the Energy segment recognized losses related to derivative transactions for hedging and other factors in the first half in advance. During the third quarter, physical deliveries corresponding to hedging transactions were realized and timing differences were resolved, and the business returned to the black.

[Core Operating Cash Flow: Revised Forecast for the fiscal year ending March 2023 (P5)]
Please turn to page 5.
As I mentioned at the start of my presentation, we have revised upward our full-year forecast for COCF to 1.2 trillion yen.

We revised upward our forecast for the Energy segment by 60 billion yen mainly due to LNG trading in which offtake volume from Cameron LNG increased. For the company as a whole, COCF was revised upward by 70 billion yen from the previous forecast of 1.13 trillion yen.

[Profit: Revised Forecast for the fiscal year ending March 2023 (P6)]
Please turn to page 6.
We have also revised upward our full-year profit forecast to 1.08 trillion yen.

We revised our forecast for the Energy segment up by 80 billion yen mainly due to LNG trading in which offtake volume from Cameron LNG increased, and for the Mineral & Metal Resources segment by 15 billion yen mainly due to commodity prices. For the company as a whole, the forecast has been revised upward by 100 billion yen from the previous forecast of 980 billion yen.

[Cash Flow Allocation (Results) (P7)]
Please turn to page 7.
In this section I will explain the cash flow allocation for the nine months ended December 31, 2022.
Cash-in for the period was 1 trillion, 268 billion yen comprising COCF of 961 billion yen, and asset recycling of 307 billion yen, such as from the sale of the Australian metallurgical coal business, SMC, financial assets measured at fair value through other comprehensive income in the Machinery & Infrastructure and Lifestyle segments, and the Falcon power generation business in Mexico.

Cash-out was 790 billion yen, comprising investments and loans of 491 billion yen and shareholder returns of 299 billion yen.

[Cash Flow Allocation (Forecast) (P8)]
Please turn to page 8.
Reflecting the upward revision to the full-year forecast that I mentioned earlier, I will give an update on the cash flow allocation for the three years of the Medium-term Management Plan.

We are revising upward COCF to 3.02 trillion yen, and are expecting expansion in cash inflow. We expect we will have allocated 1.5 trillion yen to investments, 520 billion yen to the dividend – which reflects the increase in this fiscal year's full-year dividend to 135 yen per share, and 1.78 trillion yen to the Management Allocation.

[Management Allocation (Forecast) (P9)]
The Management Allocation of 1.78 trillion yen will be allocated in a balanced manner towards shareholder returns, growth investments and strengthening our financial position.

For shareholder returns, in addition to the decided share repurchases totaling 480 billion yen up until the end of the third quarter of this fiscal year, we have decided to make an additional repurchase of 100 billion yen. Of this 100 billion yen, the portion repurchased by March 31 will be designated as shareholder returns within the current Medium-term Management Plan.

I will now explain growth investments.
The globally diversified business portfolio is the source of Mitsui's profitability.
Leveraging this business portfolio, accumulated knowledge through growing and expanding existing businesses, and collaboration with trusted partners, we are promoting bolt-on type investments to existing projects and investments in adjacent areas. We are positioning such type of investments as core of growth investments.
The allocation to growth investments during the period covered by the current Medium-term Management Plan is expected to be an accumulated total of 280 billion yen.
Furthermore, there has been progress in investment pipeline projects and we expect to have cash outflows in the next fiscal year.
As already announced, we plan to invest approximately 70 billion yen in making AIM SERVICES a wholly-owned subsidiary, and approximately 60 billion yen in the tender offer and business integration of Relia.
In addition, as pipeline projects that at present negotiations have progressed and have a certain level of executional probability, we also have items related to energy transition, strengthening of natural gas value chain, strengthening healthcare and the creation of food and nutrition value chain.
We believe growth investments that fully utilize Mitsui's strengths such as knowledge and networks accumulated over the years, will directly lead to the strengthening of our business foundation and the formation of business clusters with adjacent businesses, with a high probability of success.

Also, we plan to temporarily allocate funds to enhance short-term liquidity in order to strengthen our financial position based on higher interest rates and increasing market volatility.

[Progress of Growth Investments (P10)]
Please turn to page 10.
With regard to growth investments, I will explain the decision to make AIM SERVICES, a Japanese contract food service provider, a wholly owned subsidiary as announced [yesterday].

AIM SERVICES is a contract food service company established as a joint venture between the Mitsui group and US-based Aramark Corporation in 1976. The company has expanded its business from contract food services for offices and factories to contract food services and facility operation support for hospitals, other medical facilities,

stadiums and entertainment facilities. At present, it has approximately 3,900 business sites across Japan, and provides approximately 1.3 million meals per day.
Net sales were approximately 170 billion yen in the fiscal year ended March 31, 2022, and on a net sales basis, is ranked first in workplace dining and second for hospitals and other medical facilities.

This additional purchase of 70 billion yen of shares to make the company a wholly owned subsidiary will further strengthen and accelerate the expansion of its core contract food services business, and contribute to the enhancement of health and wellbeing through providing delicious and nutritious food. Furthermore, we will promote the formation of a wellness business cluster by combining the contract food service business with nutrition and healthcare businesses.

[Shareholder Returns Trend (P11)]
Please turn to page 11.
Regarding the share repurchases and raising of the full-year dividend I just mentioned, total shareholder returns as a percentage of COCF for the three-year period for the current Medium-term Management Plan is expected to reach our target of 33%.

We will aim to continue to increase the dividend and also carry out share repurchases in a flexible manner corresponding to the stable improvement of our cash generating ability.

That completes my part of the presentation today.
I will now hand over to Global Controller Masao Kurihara for details of the performance in the first nine months.

= Global Controller section =
[Operating Results (P12)]
I am Masao Kurihara, Global Controller.
I will now provide details of our operating results for the first nine months.

[Core Operating Cash Flow: YoY segment comparison (P13)]
Please turn to page 13.
First, I will explain the main changes in COCF by segment compared to the previous

period.
COCF for the period was 961.2 billion yen, a year-on-year increase of 98.3 billion yen.

In Mineral & Metal Resources, there was a positive impact from higher metallurgical coal prices, but COCF decreased by 77.5 billion yen to 355.5 billion yen mainly due to the decline in iron ore prices and the fall in dividends from Vale.

In Energy, COCF increased by 123 billion yen to 275.9 billion yen mainly due to an increase in oil and gas prices, and LNG trading in which offtake volume from Cameron LNG increased.

In Machinery & Infrastructure, COCF increased by 45.5 billion yen to 158.7 billion yen, mainly due to higher dividend income from associated companies, primarily in the automotive and commercial vehicles related businesses.

In Chemicals, COCF increased by 600 million yen to 72.5 billion yen.

In Iron & Steel Products, COCF increased by 6.2 billion yen to 15.4 billion yen, mainly due to higher dividend from affiliated company.

In Lifestyle, although grain trading and other areas performed well, COCF decreased by 2.3 billion yen to 31.2 billion yen mainly due to the valuation loss on the fair value of the drug discovery support fund.

In Innovation & Corporate Development, COCF decreased by 700 million yen to 34.4 billion yen.

Other factors, such as expenses, interest, taxes, etc., which are not allocated to business segments, totaled 17.6 billion yen.

[Q3 Profit: YoY segment comparison (P14)]
Please turn to page 14.
I will now explain the main changes in profit by segment compared to the first nine months of the previous fiscal year.
Profit for the period increased by 207.5 billion yen to 840.8 billion yen.

In Mineral & Metal Resources, there was a positive impact from higher metallurgical coal prices, and a gain from the sale of SMC, an Australian metallurgical coal business, but profit decreased by 15.5 billion yen to 355.4 billion yen mainly due to the decline in iron ore prices and the fall in dividends from Vale.

In Energy, profits increased by 162.5 billion yen to 190.8 billion yen mainly due to an increase in oil and gas prices, and LNG trading in which offtake volume from Cameron LNG increased.

In Machinery & Infrastructure, profits increased by 38.9 billion yen to 131.1 billion yen mainly due to good performance of the automotive and commercial vehicles businesses primarily in North America.

In Chemicals, although profits were reduced due to falling prices and rising costs in the North American methanol business, profits increased by 3.1 billion yen to 54.7 billion yen as a result of prices and sales volumes centered on fertilizer and fertilizer raw materials performing well.

In Iron & Steel Products, profits decreased by 1.8 billion yen to 19.5 billion yen.

In Lifestyle, profits decreased by 500 million yen to 42.3 billion yen.

In Innovation & Corporate Development, profits increased by 7.5 billion yen to 49.7 billion yen mainly due to gains on sales in the real estate business.

Other factors, such as expenses, interest, taxes, etc., which are not allocated to business segments, totaled a loss of 2.7 billion yen.

[Q3 Profit: YoY factor comparison (P15)]
Please turn to page 15.
This page shows the main factors influencing year-on-year changes in profit for the third quarter of this fiscal year.

Despite performance being driven by trading such as in LNG, commodity derivatives, chemicals, grain, etc. and the automotive and ship businesses, base profit declined by 23 billion yen due to decreases in dividends from iron ore and LNG businesses, and the absence of profit from Fair Value Through Profit or Loss that was present in the previous fiscal year.

Although costs decreased in the energy upstream business due to lower depreciation and a reduction in exploration costs, there was a decrease in volume in iron ore and coal operations in Australia and copper operations in Chile, and an increase in unit costs as a result of that volume decrease, as well as increases in fuel and labor costs. This resulted in a profit decrease of 41 billion yen under resources-related costs and volume.

Asset recycling resulted in an increase of approximately 62 billion yen mainly due to the sale of the Australian metallurgical coal business, SMC, and gains from the sale of assets in the real estate business in the United States and Singapore.

In Commodity prices and Forex, profit increased by approximately 207 billion yen. For market conditions, despite the 65 billion yen decline in profit caused by falling iron ore prices, higher metallurgical prices resulted in a contribution of approximately 45 billion yen and increases in oil and gas prices contributed approximately 97 billion yen. In foreign exchange, there was an increase in profit of approximately 133 billion yen mainly due to weaker yen.

In Valuation gain and loss, profit increased by approximately 2 billion yen.

[Full-year forecast: Factor comparison relative to previous forecast (P16)]
Please turn to page 16.
Here we have a comparison of full-year forecast and the previous forecast, with a summary of the factors involved.

Base profit is expected to increase by 122 billion yen mainly due to trading of LNG and commodity derivatives, good performance of the ship business, and increased dividends from the LNG business.

Resources related costs and volume is expected to reduce profit by approximately 10 billion yen mainly due to a decrease in volume owing to factors such as tightening of the labor market and bad weather in the Australian coal and iron ore operations, an increase in unit costs arising from lower volumes, and increased labor and fuel costs.

Asset recycling is expected to decrease by approximately 7 billion yen.

Commodity prices and Forex is expected to increase by approximately 13 billion yen. Following revisions to the outlook for commodity prices, market conditions are expected to drive increases in profit of approximately 8 billion yen for coal, approximately 6 billion yen for iron ore and approximately 3 billion yen for oil and gas. In Forex, a decrease in profit of approximately 8 billion yen is expected, mainly due to the stronger yen.

Valuation gain and loss is expected to decrease by 18 billion yen mainly due to the impairment of fixed assets in the Brazilian freight railway business.

[Evolution of Financial Strategy and Portfolio Management (P17)]
Please turn to page 17.
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 2022, net interest-bearing debt increased by approximately 200 billion yen to 3.5 trillion yen. Meanwhile, shareholder equity increased by approximately 500 billion yen to 6.1 trillion yen. As a result, the net DER fell to 0.57 times.

That concludes my presentation.