IR Meeting for FY March 2025 Q1 (April 2024-June 2024) Financial Results
17:00-18:00 Thursday, August 1, 2024

[FY March 2025 Q1 Financial Results (P0)]
Good afternoon, I'm Tetsuya Shigeta, CFO.
Thank you for joining us today.

I will begin by giving a summary of the FY March 2025 Q1 operating results. I will then hand over to Masao Kurihara, General Manager of the Global Controller Division, who will speak on the details of our operating results.

During Q1, the US economy showed overall strength despite ongoing monetary tightening, but there are still many uncertainties in the economic environment, such as geopolitical risks and the sluggish real estate market in China. Even in this environment, we executed growth investments and asset recycling, and are steadily moving forward with initiatives aimed at enhancing the quality of our business portfolio.

[Summary of Operating Results (P4)]
I will summarize our operating results for Q1.

Core Operating Cash Flow, or COCF, decreased by 40.1 billion yen year-on-year to 215.8 billion yen, and profit increased by 23.2 billion yen to 276.1 billion yen, which we consider to be in line with our expectations.
Furthermore, regarding the share repurchase of up to 200 billion yen announced in May, we had carried out 76.8 billion yen of this as of the end of June. Today we separately announced the amount that we have carried out in July, and we expect to complete the repurchase as planned by September 20, the end of the repurchase period.

[Progress Against Business Plan (P5)]
This slide indicates the progress rate of each segment against the full-year business plan.

In Q1, we made steady progress overall against the business plan. From Q2 onward, we expect multiple segments to make larger contributions. For example, in the Energy segment we expect a contribution from the LNG business in the second half. In the Lifestyle and Innovation & Corporate Development segments, a full-fledged contribution is not expected until Q2 onwards, due to seasonal factors and the timing of profit recorded.

[Cash Flow Allocation (P6)]
In this section I will discuss cash flow allocation for the first three months.
In Q1, we steadily executed growth investments and carried out asset recycling, including some large-scale deals, in line with the Medium-Term Management Plan (MTMP).

Cash inflows for the period was 460 billion yen, comprising COCF of 216 billion yen and asset recycling of 244 billion yen including the sale of the Paiton power generation business and the partial sale of VLI.
Cash outflows was 330 billion yen, comprising investments and loans of 253 billion yen and share repurchases of 77 billion yen.

Furthermore, following the completion of the sale of Paiton, we have now reached our renewable energy ratio target of 30% for our power generation portfolio. This has been our climate change-related target by 2030, which we were able to achieve ahead of schedule.
We will continue to push forward with decarbonization initiatives in each of our businesses, while reconfiguring our portfolio and taking actions to reduce GHG emissions.

[Progress of Growth Investments (P7)]
I will now talk about progress being made in our growth investments.
In the three Key Strategic Initiatives, we executed and made decisions on multiple growth investment opportunities unique to Mitsui. This was achieved by leveraging collaborations with partners with whom we have built up trust over a long period of time, experience that we have accumulated over many years through business, and combining cross-industry functions and expertise. We are making progress in initiatives to further bolster our areas of strength, and to enhance the business portfolio.

One of these is the Ruwais LNG project in the UAE, an overview of which is shown on the next slide.

[Ruwais LNG in UAE – Final Investment Decision (P8)]
As announced last month, together with the three international energy majors, we have invested in the Ruwais LNG project being led by Abu Dhabi National Oil Company (ADNOC), which has been a partner of ours in the LNG business for 50 years. Our investment in this project will strengthen both our LNG business portfolio and our trading portfolio, leading to stable long-term growth in our earnings base.

Specifically, we are participating in eleven LNG projects in eight countries, and our equity share of LNG production capacity will increase by 12% to nine million tons a year including Ruwais LNG. In terms of LNG trading, volumes have reached an annual level of ten million tons. This volume is equivalent to approximately 15% of Japan's annual imports.
Within our business portfolio, LNG is an area with high earnings power. For the Ruwais LNG project, in addition to receiving dividend income from the LNG business we will pursue upside through the trading business. We will work with our various partners ahead of the production start-up in 2028 in order to further bolster our areas of strength.
Furthermore, this project is scheduled to use clean power to produce lower-carbon LNG, which will also lead to a broadening of our options for achieving a decarbonized society.

[Timing of Earnings Contribution from New Projects (P9)]
As I explained just now, we are executing carefully selected growth investments. The projects shown on this slide in bold have already started to contribute to earnings.

As you can see, many of the projects in which we invested during Q1 are already contributing to earnings, showing that in terms of growth investments we are successfully striking a balance between near-term profitability and building our long-term earnings base.

[Shareholder Returns Policy (P10)]
We carried out a 2-for-1 share split with an effective date of July 1, 2024. The full-

year dividend for FY March 2025, will be 100 yen per share,15 yen higher versus the previous fiscal year. This will be the minimum as part of the progressive dividend. There has been no change in our policy of enhancing shareholder returns that offer both stability and flexibility, in accordance with the expansion of cash inflows.

That completes my presentation today, so I will now hand over to the General Manager of Global Controller Division, Masao Kurihara, for the details of performance in Q1.

= Global Controller section =

[Operating Results (P11)]
I am Masao Kurihara, General Manager of the Global Controller Division.
I will now provide details of our operating results for Q1.

[FY March 2025 Q1 Core Operating Cash Flow: YoY Segment Comparison (P12)]
First, I will talk about the main changes in COCF by segment compared to the previous period.
COCF for the period was 215.8 billion yen, a year-on-year decrease of 40.1 billion yen.

In Mineral & Metal Resources, COCF decreased by 2.9 billion yen to 88.2 billion yen.

In Energy, COCF decreased by 2.6 billion yen to 52.7 billion yen.

In Machinery & Infrastructure, COCF decreased by 35.8 billion yen to 24.4 billion yen, mainly due to an increase in taxes due to asset sales and decrease in dividends from associated companies.

In Chemicals, COCF increased by 4.9 billion yen to 25.2 billion yen, mainly due to improved profit margin at Novus.

In Iron & Steel Products, COCF decreased by 0.5 billion yen to 2.0 billion yen.

In Lifestyle, COCF decreased by 14.5 billion yen to 7.0 billion yen mainly due to a decrease in dividends from associated companies and a valuation loss at a drug discovery support fund.

In Innovation & Corporate Development, COCF increased by 0.4 billion yen to 7.5 billion yen.

Other factors, such as expenses, interest, taxes, etc., which are not allocated to business segments, totaled 8.8 billion yen.

[FY March 2025 Q1 Profit: YoY Segment Comparison (P13)]
I will now talk about the main changes in profit by segment compared to Q1 of the previous fiscal year.
Profit increased by 23.2 billion yen to 276.1 billion yen.

In Mineral & Metal Resources, profit increased by 2.6 billion yen to 80.5 billion yen.

In Energy, profit decreased by 7.5 billion yen to 19.2 billion yen, mainly due to lower gas prices.

In Machinery & Infrastructure, profit increased by 73.4 billion yen to 126.0 billion yen, mainly due to asset sales from the sale of Paiton and the partial sale of VLI.

In Chemicals, profit increased by 2.7 billion yen to 18.2 billion yen, mainly due to a FVTPL profit related to Eu Yan Sang, traditional Chinese medicine business in Singapore.

In Iron & Steel Products, profit increased by 0.4 billion yen to 6.0 billion yen.

In Lifestyle, profit decreased by 46.3 billion yen to 14.0 billion yen mainly due to the absence of a fair valuation gain on Aim Services recorded in the previous fiscal year.

In Innovation & Corporate Development, profit decreased by 1.9 billion yen to

6.2 billion yen.

Other factors, such as expenses, interest, taxes, etc., which were not allocated to business segments, totaled a profit of 6.0 billion yen.

[FY March 2025 Q1 Profit: YoY Factor Analysis (P14)]
This page shows the main factors influencing year-on-year changes in FY March 2025 Q1 profit vs the previous period.

Base profit decreased by approximately 19.0 billion yen. This was mainly due to lower profit at PTL, a decrease in LNG dividends, lower profit in food related trading, and the absence of profit from Paiton as well as the Kaikias field following their sale in the previous FY. On the other hand, there were also many positive factors, including LNG trading, contributions from new businesses, ships, a turnaround at Novus, improved performance at IHH, and chemicals trading. When I say "new businesses" here, I am referring to those businesses that started to contribute to earnings in the near-term, primarily those related to mobility, protein, and functional food ingredients.

Resources costs/volume resulted in an increase of approximately 5 billion yen mainly due to an increase in sales volume in the iron ore business.

Asset recycling resulted in an increase of approximately 76 billion yen mainly due to the gain on the sales of Paiton and VLI.

In commodity prices and forex, due to a decrease in commodity prices, profit decreased by approximately 16 billion yen in total, including 7 billion yen for oil & gas, and 5 billion for copper and others. For forex, profit increased by approximately 23 billion yen mainly due to weaker yen.

Valuation gains/losses and one-time factors decreased by approximately 46 billion yen, mainly due to a swing back from the previous year.

[Balance Sheet as of end-June 2024 (P15)]
Now let's take a look at the balance sheet as of the end of the first three months of the current fiscal year.

Compared to the end of FY March 2024, net interest-bearing debt increased by approximately 0.1 trillion yen to 3.5 trillion yen. Meanwhile, shareholder equity increased by approximately 0.4 trillion yen to 7.9 trillion yen. As a result, the net DER fell to 0.44 times.

That concludes my presentation.