

IR Meeting for FY March 2025 Q1-3 (April-December 2024) Financial Results
17:00-18:00 Tuesday February 4, 2025

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Good afternoon, I'm Tetsuya Shigeta, CFO.

Thank you for joining us today.

I will begin with an overview of operating results for the first nine months and the full-year forecast.

I will then hand over to Masao Kurihara, General Manager of the Global Controller Division, who will speak on the results in more detail.

Although the global economy recovered gradually during Q3, many uncertainties in the operating environment remain, partially due to the direction of the new US administration's future policies. Even in this environment, Mitsui is strengthening its current earnings base by improving our business portfolio through investments for growth, asset recycling, and our *middle game* initiatives, while at the same time laying the groundwork for future growth.

Summary of Operating Results (P4)

I will provide a summary of operating results for the first nine months.

During the first nine months, we were able to take advantage of earnings opportunities through our business portfolio which globally spans a wide range of industries. As a result, Core Operating Cash Flow, or COCF, was 793.5 billion yen, and profit was 652.2 billion yen, which progressed in line with our expectations. Based on this progress, there is no change to the COCF forecast of 1 trillion yen or the profit forecast of 920 billion yen for the year.

In addition, the current share repurchase, which is scheduled to be completed by the end of February, is progressing steadily.

Progress against Previous Forecast for FY March 2025 (COCF) (P5)

I will now move on to the forecast for COCF.

In addition to the lower prices for certain commodities, there has been continued uncertainty in the macro environment. Despite this, the Mineral & Metal Resources, Energy, Machinery & Infrastructure, and Chemicals segments made progress exceeding 80% against their previous forecasts, and as a whole we expect to reach 1 trillion yen.

Progress against Previous Forecast for FY March 2025 (Profit) (P6)

Regarding profit, against the backdrop of good performance in the Mineral & Metal Resources and Machinery & Infrastructure segments, progress was steady overall. There is no change to the previous forecast of 920 billion yen, as we expect gains on asset sales in the Chemicals and Lifestyle segments in Q4, as well as profit in Energy due to seasonal factors.

Cash Flow Allocation (Results) (P7)

In this section I will discuss cash flow allocation for the first nine months.

Cash inflows for the period was 1 trillion 260 billion yen, comprising COCF of 794 billion yen and asset recycling of 466 billion yen, which includes several large-scale deals. Cash inflows from asset recycling in FY March 2025 is expected to be similar in scale to that of FY March 2024, in the region of 500 billion yen.

Cash outflows was 1 trillion 11 billion yen, comprising investments and loans of 537 billion yen and shareholder returns of 474 billion yen.

Timing of Profit Contribution from New Projects (P8)

In line with the Key Strategic Initiatives set forth in the Medium-term Management Plan, we are making steady progress in enhancing base profit through new projects, as we continue to carefully select investments balancing between near-term earnings contribution and building our long-term earnings base.

Since the Q2 financial results announcement, to date, investments have been executed in MTC, a metal recycling business in India, HAVI, a food service logistics business in Japan which we have recently renamed Mitsui & Co. Supply Chain Solutions, and Sneha, a broiler business in India. We expect these to contribute to earnings starting in either the current or next fiscal year. Also, investments are underway in the Block B gas field in Vietnam, the

Tangguh LNG expansion and development project in Indonesia, and a vertically integrated renewable energy business in the US. These investments have a longer timeframe, and we expect them to begin contributing to earnings in FY March 2027 onwards.

In addition, we are continuously working on scarce, large-scale investment opportunities for growth by leveraging our many years of experience and expertise.

Shareholder Returns (P9)

I will now speak on our shareholder returns policy.

There is no change to the Shareholder Returns Policy announced in Q2 of FY March 2025.

We will continue to consider enhancing shareholder returns, being mindful of the balance with investments for growth.

That completes my part of the presentation today.

I will now hand over to the General Manager of the Global Controller Division, Masao Kurihara, for details of our financials.

= Global Controller section =

Operating Results (P10)

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

I will now provide details of our operating results for the first nine months.

FY March 2025 Q1-3 COCF: YoY Segment Comparison (P11)

First, I will explain the main changes in COCF by segment compared to the previous period.

COCF for the first nine months was 793.5 billion yen, a year-on-year increase of 24.4 billion yen.

In Mineral & Metal Resources, COCF decreased by 26.5 billion yen to 284.8 billion yen mainly due to lower iron ore and metallurgical coal prices.

In Energy, COCF increased by 109.7 billion yen to 277.8 billion yen, mainly due to LNG-related business.

In Machinery & Infrastructure, COCF decreased by 31.6 billion yen to 115.5 billion yen, mainly due to a consolidated subsidiary becoming an equity method investee, and an increase in taxes and lower dividend income due to asset sales.

In Chemicals, COCF increased by 24.3 billion yen to 70.2 billion yen, mainly due to good performance in production and trading.

In Iron & Steel Products, COCF increased by 0.6 billion yen to 4.4 billion yen.

In Lifestyle, COCF decreased by 20.8 billion yen to 28.8 billion yen mainly due to lower dividends from equity method investees.

In Innovation & Corporate Development, COCF decreased by 6.6 billion yen to 18.6 billion yen mainly due to an increase in taxes related to asset sales.

In Others, COCF decreased by 24.7 billion yen to -6.6 billion yen mainly due to an increase in tax burden.

FY March 2025 Q1-3 Profit: YoY Segment Comparison (P12)

I will now explain the main changes in profit by segment compared to the previous period.

Profit for the first nine months decreased by 74.2 billion yen to 652.2 billion yen.

In Mineral & Metal Resources, profit decreased by 12.9 billion yen to 229.2 billion yen mainly due to lower iron ore and metallurgical coal prices.

In Energy, profit increased by 28.1 billion yen to 123.9 billion yen, mainly due to LNG-related business.

In Machinery & Infrastructure, profit decreased by 24.2 billion yen to 186.0 billion yen, mainly due to a decrease in profits in the automotives and lower profit from asset sales.

In Chemicals, profit increased by 3.2 billion yen to 40.3 billion yen mainly due to the good performance in production and trading, despite the absence of gains on asset sales in the previous period.

In Iron & Steel Products, profits increased by 1.4 billion yen to 8.9 billion yen.

In Lifestyle, profit decreased by 53.2 billion yen to 32.3 billion yen mainly due to the absence of a valuation gain on Aim Services recorded in the previous period, and a decrease in profit in coffee trading.

In the Innovation & Corporate Development segment, profit increased by 30.1 billion yen to 67.1 billion yen, mainly due to the sale of a rental property in Japan.

In Others, profits decreased by 46.7 billion yen to a loss of 35.5 billion yen, mainly due to an amendment to the retirement benefit system.

FY March 2025 Q1-3 Profit: YoY Factor Comparison (P13)

This page shows the main factors influencing year-on-year changes in profit.

For *base profit*, despite higher profit from LNG-related business and Chemicals, as well as earnings contributions from new businesses, there was an absence of an additional dividend from Vale, and lower profit in Penske Truck Leasing and coffee trading, leading to an overall decrease of 14 billion yen.

In *resources costs/volume*, while increased volumes of iron ore, crude oil and gas contributed to higher profits, there was a net profit decrease of 3 billion yen, mainly due to higher costs.

In *asset recycling*, there was an increase of 1 billion yen mainly due to gains from the sale of Paiton and a rental property.

In *commodity prices and forex*, due to lower commodity prices, profit fell in total by 39 billion yen, consisting of 30 billion yen for iron ore, and 13 billion yen for metallurgical coal. For forex, profit increased by 38 billion yen mainly due to the weaker yen.

In *valuation gains/losses, one-time factors*, there was a decrease of 57 billion yen, mainly due to an amendment to the retirement benefit system and the impairment of Mainstream.

FY March 2025 Revised Full-Year Forecast: Factor Comparison vs Previous Forecast (P14)

Here we have a comparison of full-year forecast against the previous forecast, with a summary of the factors involved.

Although *base profit* is expected to decrease in coffee trading and iron & steel products, LNG-related business and other areas are expected to increase, leading to a forecasted decrease of 2 billion yen, which is essentially flat.

Resources costs/volume is expected to result in an increase of 4 billion yen, mainly due to cost improvements in the upstream energy business.

Asset recycling is expected to increase by 15 billion yen due to plans for sale of some assets in Q4.

Commodity prices and forex are expected to result in an increase of 18 billion yen mainly due to the impact of a weaker Australian dollar against the US dollar.

Valuation gains/losses and one-time factors are expected to result in a decrease of 35 billion yen mainly due to the impairment of Mainstream and other Energy-related factors.

Balance Sheet as of End-December 2024 (P15)

Looking at the balance sheet compared to the end of March 2024, net interest-bearing debt increased by 0.1 trillion yen to 3.5 trillion yen. Meanwhile, shareholder equity increased by 0.1 trillion yen to 7.6 trillion yen. As a result, net D/E ratio is 0.46 times.

That concludes my presentation.