

IR Meeting for FY March 2026 Q2 (April-September 2025) Financial Results
Thursday November 6, 2025 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 the progress of the Medium-term Management Plan (MTMP). I will then hand over to Masao Kurihara, General Manager of the Global Controller Division, who will speak on the details of the financial performance.

FY March 2026 H1 Overview and H2 Initiatives (P4)

Let me start with an overview of the first half of this fiscal year and our initiatives for the second half.

For the first half, both Core Operating Cash Flow (COCF) and profit progressed steadily at 55% against the business plan. When we formulated the plan, we incorporated a certain level of conservatism regarding uncertainties over US tariffs and associated macroeconomic conditions. However, the direct impact of US tariffs in the first half was limited.

We are seeing solid growth in base profit through our *middle game* initiatives. We have also made progress in bolstering our long-term earnings base, steadily proceeding with carefully selected investments for growth such as Rhodes Ridge iron ore, Ruwais LNG, and Blue Point low-carbon ammonia.

Additionally, for Mainstream, which has continued to make losses, we have made impairments in accordance with a narrowing down of the development plan, thereby reducing the book value of investments and loans on an accounting basis.

Based on this progress in the first half and the latest outlook for the second half, we have made an upward revision for our full-year forecast for COCF by 80 billion yen and profit by 50 billion yen. We will however target achieving further upside, exceeding these new targets.

We have also decided to allocate the entire remaining Management Allocation to investments for growth and shareholder returns, and have decided to make 200 billion yen of share repurchases. During the current MTMP period, we expect

investments for growth to have totaled 2.5 trillion yen and total shareholder returns to have totaled 1.6 trillion yen.

In the second half of this fiscal year, we will continue to put emphasis on our integrated risk management, considering geopolitical risks and the financial landscape. We will continue to work on improvement measures for our remaining challenges and further expansion of base profit to enhance ROE.

Summary of Operating Results (P5)

Next, I will give an overview of our financial performance for the first half of the fiscal year.

COCF decreased by 89.6 billion yen year-on-year to 448.5 billion yen, while first-half profit increased by 11.9 billion yen year-on-year to 423.7 billion yen. Both progressed steadily against the business plan.

The main reason for the year-on-year decrease in COCF was the absence of large LNG dividends recorded in the previous period, which were from FY March 2024 but the timing of receipt was delayed into the following fiscal year. Excluding this impact, COCF is at a similar level compared to the previous fiscal year.

Given the solid progress in the first half and the outlook for continued solid performance in the second half, we decided to make an upward revision. Compared to the business plan, the full-year forecast will be revised up to 900 billion yen for COCF, an increase of 80 billion yen, and 820 billion yen for profit, an increase of 50 billion yen. As mentioned earlier, we will target achieving further upside, and intend to finish strong through to the end of the MTMP.

Based on solid cash flows and a review of the cash flow allocation, we have decided to make share repurchases of 200 billion yen, which is to be completed by March 19, 2026. In order to continuously improve our value per-share, we will cancel all shares acquired in this repurchase by the end of March 2026.

Progress Against FY March 2026 Business Plan and Full-year Forecast (COCF) (P6)

Next, I will give an overview of the full-year forecast for COCF.

Based on strong progress and outlook in each segment—such as a capitalization of interest expenses associated with the acquisition of Rhodes Ridge and an increase

in dividends from equity method investees in Mineral & Metal Resources, LNG related items in Energy, and dividends from equity method investees in Machinery & Infrastructure—we have made an upward revision to the full-year forecast by 80 billion yen to 900 billion yen.

Progress Against FY March 2026 Business Plan and Full-year Forecast (Profit) (P7)

The full-year forecast for profit has been revised upward by 50 billion yen to 820 billion yen, reflecting strong progress and outlook in Mineral & Metal Resources, Energy, and Machinery & Infrastructure.

Americas and US Business (P8)

I would like to provide an update on the impact of US tariffs and policy changes.

Profit from our business in the Americas in the first half was around 170 billion yen, of which profit from the US was around 110 billion yen. When divided into three business types—domestic operations, exports, and imports and sales—the share of profit from domestic operations remained the largest, and the direct impact of tariffs was limited. In the second half, we will continue to enhance our awareness to changes in the business environment and take agile measures as needed.

Cash Flow Allocation (Forecast) (P9)

Cash inflows during the current MTMP period are expected to increase by 60 billion yen from 4.37 trillion yen announced this May to 4.43 trillion yen.

Since our last update in May, the Management Allocation expanded from 400 billion yen to 460 billion yen. Taking into consideration our current investment pipeline and enhancement of capital efficiency, 260 billion yen of this has now been allocated to investments for growth and 200 billion yen to shareholder returns, meaning the entire Management Allocation for the current MTMP has now been allocated. However, we will continue to manage this in a flexible manner.

Cash Flow Allocation Results (P10)

Next, I will speak on the cash flow allocation results for the first half.

In the first half, we executed investments for growth aligned with the Key Strategic Initiatives, including LNG, European tank terminal business ITC Antwerp, and phased investment in the low-carbon ammonia business Blue Point. We also made steady progress in asset sales, including our stakes in several listed companies.

Although not included in first-half results, in October we began to deploy capital for the acquisition of interests in the Rhodes Ridge iron ore project.

Cash inflows totaled 562 billion yen, comprising COCF of 449 billion yen and asset recycling of 113 billion yen. Cash outflows totaled 498 billion yen, comprising investments and loans of 339 billion yen and shareholder returns of 159 billion yen.

Timing of Earnings Contribution from New Projects (P11)

Many projects executed during the current MTMP that started contributing to near-term earnings have further strengthened profitability, elevating base profit.

There are several projects that have undergone concrete progress this fiscal year. The Waitsia natural gas project in Australia is scheduled to start commercial production soon. The Taiwan offshore wind power project has begun operations in stages and started contributing to earnings, progressing within budget and on schedule toward full commercial operation in 2026. The Sneha broiler business in India has also started contributing to earnings.

Investments for growth that fortify the long-term earnings base are also progressing steadily. In October, we started deploying capital for the Rhodes Ridge iron ore project and expect to complete the acquisition of our 40% interest soon, and are on track for first ore by 2030.

The Tatanka shale gas upstream project in Texas, is scheduled to start production this calendar year. We expect good productivity and earnings contribution from FY March 2027.

The 2.5 trillion yen investments for growth during the current MTMP will significantly bolster the depth of our earnings base. Steady progress in these projects will significantly enhance our earnings ability, enable us to absorb market fluctuations, and provide us the edge to compete at a higher level. For FY March 2027 and beyond, we will continue to enhance our earnings base by executing new investments for growth, carefully selected from our abundant investment pipeline while maintaining our strict investment discipline. We will significantly enhance our cash generation capability based on a variety of competitive, high-quality assets.

Progress in Enhancement of Base Profit (P12)

Next, I will speak on our progress in enhancement of base profit.

We calculate base profit by excluding items such as one-time factors from profit, based on assumptions for commodity prices and exchange rates at the FY March 2026 levels we have set when we announced the current MTMP in May 2023. The target was to enhance base profit by 170 billion yen over the three years of the MTMP period, and although there has been some variation within the breakdown of this total, we have made steady progress toward achieving this target.

For strengthening existing businesses, we are steadily pushing ahead with *middle game* initiatives in mobility, Chemicals, and Innovation & Corporate Development. We expect a cumulative base profit enhancement of around 75 billion yen which exceeds the target of 70 billion yen.

For efficiency improvements and turnarounds, while efforts continue in businesses such as coffee trading, we have progressed with withdrawals from loss-making businesses and performance improvements in multiple affiliate companies, and expect a cumulative base profit enhancement of around 40 billion yen, in line with our target.

For new businesses, in addition to those that we invested in the previous fiscal year that will contribute to earnings throughout the year, such as the truck auction business in the US and shrimp farming in Ecuador, multiple projects such as the Taiwan offshore wind power project and the broiler business in India have started contributing to earnings this fiscal year. We expect a cumulative base profit enhancement of around 55 billion yen against the target of 60 billion yen.

Shareholder Returns (P13)

Next, I will go over our shareholder returns policy.

As mentioned earlier, based on solid cash flows, we have decided on making a 200 billion yen share repurchase to be completed by March 19, 2026. As a result, the ratio of shareholder returns as a percentage of COCF during the current MTMP is expected to exceed 54%.

Beyond the current MTMP, we will maintain our progressive dividend policy and will continue to make dividend increases from the highly recurring portion of COCF which we will continue to enhance. Together with this, we intend to make share repurchases flexibly, using additional cash flows from commodity price upsid

and asset recycling as source of funds. In addition, we intend to continue to cancel treasury stock associated with repurchases. Through these measures, we will continuously enhance our value per share.

That concludes my explanation.

I will now hand over to Mr. Kurihara for some more details on the operating results.

Global Controller section - details of financial results

I am Masao Kurihara, General Manager of the Global Controller Division. I will speak on details of the operating results.

FY March 2026 H1 COCF (Result): YoY Segment Comparison (P15)

COCF for the first half decreased by 89.6 billion yen year-on-year to 448.5 billion yen.

- In the **Mineral & Metal Resources** segment, there was a decrease of 29.9 billion yen to 162.2 billion yen, mainly due to lower metallurgical coal and iron ore prices.
- In the **Energy** segment, there was a decrease of 83.7 billion yen to 100.8 billion yen, mainly due to the absence of LNG dividends received in the previous period. These dividends were from FY March 2024 but the payments were delayed into the following fiscal year.
- In the **Machinery & Infrastructure** segment, there was an increase of 21.8 billion yen to 95.6 billion yen, mainly due to the absence of taxes paid in the previous period due to asset sales.
- In the **Chemicals** segment, there was an increase of 12.7 billion yen to 55.2 billion yen, mainly due to the reversal of a provision and higher demand in Europe for crop protection.
- In the **Iron & Steel Products** segment, there was an increase of 5 billion yen to 6.5 billion yen, mainly due to trading and dividends from equity method investees.
- In the **Lifestyle** segment, there was a decrease of 19.4 billion yen to minus 5 billion yen, mainly due to intersegment transactions and lower profit in coffee trading.
- In the **Innovation & Corporate Development** segment, there was a decrease of 0.8 billion yen to 19.5 billion yen.

- **Others, Adjustment & Eliminations** recorded an increase of 4.7 billion yen to 13.7 billion yen, mainly due to an intersegment transaction with the Lifestyle segment.

FY March 2026 H1 Profit (Result): YoY Segment Comparison (P16)

First-half profit increased by 11.9 billion yen year-on-year to 423.7 billion yen.

- In the **Mineral & Metal Resources** segment, there was a decrease of 47.2 billion yen to 114.3 billion yen, mainly due to lower metallurgical coal and iron ore prices.
- In the **Energy** segment, there was an increase of 37.6 billion yen to 102.9 billion yen, mainly due to LNG related profit and higher gas prices, despite weaker oil trading.
- In the **Machinery & Infrastructure** segment, there was a decrease of 46.2 billion yen to 102 billion yen, mainly due to the absence of asset recycling gains recorded in the previous period and one-time losses at Mainstream, despite FVTPL valuation gains from an IPO of Firefly and higher profit in the automotives and IPP businesses.
- In the **Chemicals** segment, there was an increase of 21.4 billion yen to 43.5 billion yen, mainly due to a valuation gain on ITC Antwerp and the absence of impairment losses recorded in the previous period.
- In the **Iron & Steel Products** segment, there was an increase of 4 billion yen to 11.3 billion yen, mainly due to trading, despite the absence of asset sale gains recorded in the previous period.
- In the **Lifestyle** segment, there was an increase of 0.8 billion yen to 20.8 billion yen, mainly due to asset sale gains, despite lower profit in coffee trading.
- In the **Innovation & Corporate Development** segment, there was an increase of 7.3 billion yen to 25.3 billion yen, mainly due to FVTPL valuation gains.
- In **Others, Adjustment & Eliminations** there was an increase of 34.2 billion yen to 3.6 billion yen, mainly due to the absence of an amendment to the retirement benefit system which occurred in the previous period.

Factor Comparison: FY March 2026 H1 Profit YoY (P17)

This page provides a summary of YoY factor comparison for the first half.

- **Base profit** increased by 88 billion yen, mainly due to higher earnings related to LNG, IPP, automotives, and Iron & Steel Products, despite lower profits in oil trading and coffee trading. In particular, large LNG dividends being recorded in the second quarter for this fiscal year was a major factor.
- **Resources costs/volume** decreased by 12 billion yen, mainly due to higher costs and lower volumes in the copper business.
- **Commodity prices** increased by 4 billion yen in oil and gas but decreased by 20 billion yen in Mineral & Metal Resources due to lower metallurgical coal and iron ore prices, resulting in net decrease of 16 billion yen.
- **Forex** decreased by 17 billion yen due to yen appreciation. Overall, commodity prices and exchange rates decreased by 33 billion yen.
- **Asset recycling** decreased by 55 billion yen due to the absence of large asset sales recorded in the previous period.
- **Valuation gains/losses and one-time factors** increased by 24 billion yen, mainly due to the absence of losses recorded in the previous period and valuation gains on ITC Antwerp, despite one-time losses at Mainstream.

Factor Comparison: Business Plan vs Full-Year Forecast (P18)

Here we compare the full-year forecast with the business plan by factor.

- **Base profit** is forecast to be 10 billion yen higher than previous expectations, mainly due to higher profit related to LNG, capitalization of interest related to the investment in Rhodes Ridge, automotives, as well as FVTPL gains and other factors, despite lower earnings in coffee trading, Chemicals, and oil trading.
- **Resources costs/volume** are expected to improve by 12 billion yen, mainly due to lower depreciation in upstream Energy and higher volumes in iron ore.
- **Commodity prices** and **forex** are expected to improve by 38 billion yen, mainly due to higher iron ore, copper, and metallurgical coal prices, and depreciation of the yen.
- For **Asset recycling** there were sales of a portion of the overseas retail business and fixed assets in the retail business in Japan recorded in the first half. In the second half, we are expecting to make several asset sales and so there is no change to the business plan.
- **Valuation gains/losses and one-time factors** are expected to decrease by 10 billion yen, mainly due to one-time losses at Mainstream.

Also, in relation to a recent announcement by JA Mitsui Leasing regarding the risk of collection of certain account receivables at one of their group companies,

we have included a negative impact of around 3 billion yen into this full-year forecast.

Factor Comparison: FY March 2025 vs FY March 2026 Forecast (P19)

Here we compare the **FY March 2025 results and the FY March 2026 full-year forecast** by factor. I will not go over the details now but please refer to this information as needed.

Balance Sheet as of end-September 2025 (P20)

Finally, I will speak on the balance sheet as of the end of the first half.

Net interest-bearing debt was 3.3 trillion yen, the same as at the end of March 2025. Shareholder equity increased by 0.5 trillion yen to 8 trillion yen compared to March 2025. As a result, net DER was 0.42 times.

That concludes my explanation.

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