

FY March 2026 (April 2025 - March 2026) Financial Results Announcement and Medium-term Management Plan 2029 Q&A Session

Date	May 7, 2026 10:00-11:30 (Thursday)	
Speakers	Kenichi Hori	Representative Director, President and CEO
	Makoto Tanaka	Executive Managing Officer, CFO
	Masao Kurihara	Executive Managing Officer, General Manager of Global Controller Division
Moderator	Akinobu Hashimoto	General Manager of Investor Relations Division

Q1

Regarding ROE, compared with the target of 12% for FY March 2029, even when calculated based on figures in these materials, it appears to reach only the low 11% range. Could you explain the likelihood of achieving this ROE target?

Hori

As I mentioned on the *MTMP2029 capital allocation* slide (page 21), we have explicitly shown cash outflows at a slightly higher level than inflows. As a base case for the Management Allocation, we are currently assuming approximately 2.4 trillion yen. Over the three-year Medium-term Management Plan (MTMP) period, we plan to execute investments for growth and additional shareholder returns of that scale through the Management Allocation.

At present, volatility has increased significantly, including due to the situation in the Middle East, and a key point of this MTMP2029 is to maintain a wide range of management options. There is also the possibility that the Management Allocation could be higher than 2.4 trillion yen. On the other hand, if global macroeconomic conditions become extremely challenging due to developments such as conflicts in the Middle East, we must also be prepared to shift into a more defensive stance. Therefore, including asset recycling on the left-hand side, we intend to pursue a flexible Management Allocation with a wide range of options. Flexible asset recycling and execution of *middle game* initiatives can also lead to value enhancement and new opportunities, so keeping these aspects in mind, we will manage the business in a way that expands our options through the Management Allocation.

Under this base case of 2.4 trillion yen, our calculations show that we can achieve an ROE of 12%. We believe that an ROE of 12% is a highly meaningful figure, and we are committed to firmly achieving it in the third year of this MTMP2029.

Q2

Regarding the *pathway to 2030 and beyond* slide (page 11), I'm assuming that 2030 refers to FY March 2031. While figures are shown for *middle game* initiatives and returns from new investments during that period, I cannot see figures that will lead up to 1.1 trillion yen in FY March 2029. Toward FY March 2029, what level of earnings from *middle game* initiatives and investments are you aiming for? In particular, how are *middle game* initiatives expected to drive profit growth by FY March 2029, and are there any specific measures you can share?

Hori

Under MTMP2026, we achieved 126 billion yen from *middle game* initiatives, and also had success in strengthening existing businesses, efficiency improvements, and turnarounds. Under MTMP2029, we intend to further exceed that level. Each business unit has formulated figures looking toward 2030, and through discussions incorporating perspectives from management, we arrived at the bottom-up figure of 200 billion yen for 2030. While I will not explain the details of this today, we will work to provide explanations with greater granularity going forward regarding the three-year period that connects these initiatives to our vision.

Q3

Regarding the Energy segment business plan for FY March 2027, base profit, which excludes one-time factors, appears to be roughly flat year on year. Please explain your thinking behind the factoring in of the Middle East situation normalizing by Q2, and LNG trading. In addition, the sensitivity to consolidated oil prices on profit has declined significantly year on year. What is the background to this?

Hori

In the Energy segment, profit can only be generated when delivery is made, so we are carefully assessing various risk factors, including the situation in the Middle East. At the same time, we are formulating our plan by looking at both sides: downside risks and profit opportunities arising from commodity price volatility and supply chain disruptions, including providing new solutions.

From Q4 of FY March 2026, the Energy segment has been performing strongly, and that momentum is currently continuing. While there may be some upside going forward, our plan is based primarily on buildup from contracted volumes.

The decline in sensitivity to consolidated oil prices reflects the sale of our interest in oil and gas assets in Oman, as well as a slight decline in production in existing projects. During this MTMP2029 period, if development of North American shale gas projects such as Tatonka progresses further, sensitivity will be revised upward.

The disclosed sensitivities do not reflect positions that are not linked to crude oil prices, such as LNG spot prices, or trading positions. As a result, we recognize that the disclosed sensitivities may understate upside risk. We intend to communicate such upside through engagement with stakeholders and at each quarterly earnings announcement.

In the Energy segment, amid ongoing supply chain disruptions, we will pursue how we can provide solutions that truly serve our customers' needs, as well as how we can continue delivering services to clients across various industries while carefully controlling risks within global trading operations. By managing risk appropriately, steadily building up a track record one project at a time, we aim to capture appropriate upside.

Q4

Previously, you indicated that you wanted to disclose an appropriate leverage level. This time, the wording has changed to *pursue appropriate leverage*. Is it not possible to present a target for the net D/E ratio? As of the end of March, it is 0.47x, and it seems likely to decline further if left as is. Is this not too low? If you have thoughts on a target or desired range for the net D/E ratio, please share it.

Hori

In the previous fiscal year, we executed the investment in the Rhodes Ridge iron ore project in Australia, and the net D/E ratio moved from 0.44x to 0.47x. We are controlling it at this level and believe that we still have sufficient capacity.

If highly compelling, high-quality investment opportunities emerge, we may adjust the Management Allocation upward (page 21), increasing it beyond the 2.4 trillion yen base case.

In that scenario, the net D/E ratio would rise accordingly. However, we believe that not setting a specific range or upper limit for the net D/E ratio is more appropriate for the current management environment. We need to consider both scenarios—applying additional leverage and shifting to a defensive stance—in order to maintain flexibility.

At the same time, we want to enhance the debt portfolio and lengthen financing maturities as much as possible. Looking at the net D/E ratio, which is only a snapshot of a single point in time, provides limited insight. Therefore, we would like to explain our financial soundness over time, while discussing the debt portfolio as a whole. In that sense, we believe it is fair to say that we have headroom in terms of the net D/E ratio.

Q5

You have set the MTMP2029 period at three years and are forecasting an increase in profit of approximately 300 billion yen over that period. Could you explain the breakdown of profit growth by focus area shown on page 16?

Hori

Page 16 shows profit growth by focus area toward FY March 2031. To get an idea of FY March 2029, please refer to page 19. The green circles indicate investments for growth to be made during MTMP2029, many of which are currently pipeline projects under negotiation. If these investments go ahead, they should contribute to profit relatively quickly.

The accumulation of contributions from investments for growth made during MTMP2026 together with new investments for growth made during MTMP2029 will contribute to profit of 1.1 trillion yen in FY March 2029. Through future engagement, we would like to sharpen the resolution of the factors driving profit growth.

Q6

Please explain the details of the approximately 300 billion yen increase in profit between the FY March 2029 level of 1.1 trillion yen and the 2030 vision of 1.4 trillion yen.

Hori

Please think of the 2030 vision as referring to FY March 2031. At that point, projects such as Rhodes Ridge iron ore in Australia, Ruwais LNG in the UAE, Blue Point low-carbon ammonia in the US, and Mozambique LNG are expected to begin contributing to profit. As these projects will still be in their ramp-up phase, further upside is expected thereafter. This is represented by the light blue upward arrow on page 11, and is a key point of the future vision. Together with investments for growth made during MTMP2026 and MTMP2029, and organic growth, this forms the structure that builds profit up to 1.4 trillion yen.

At last year's investor day, we were told that while there were many long-term projects expected to contribute to earnings down the line, there were only a limited number of projects that would contribute in the near-term. For MTMP 2029, however, we have confirmed that many of the pipeline projects have immediate impact, and that the investment effects from MTMP2026 are also materializing in a healthy manner. In addition, we have confirmed that we can demonstrate steady upward growth even under conservative commodity price assumptions. Based on this, we decided to announce MTMP2029 in this format.

Q7

Profit is expected to increase from 1.1 trillion yen in FY March 2029 to 1.4 trillion yen over two years. You mentioned that large-scale projects will begin contributing from FY March 2031, so it seems that profit could grow even further in FY March 2032. From that perspective, why was MTMP2029 period set at three years rather than five years, and was it designed so that the next MTMP would include FY March 2032?

Hori

In FY March 2031, large-scale projects will just begin contributing to profit, and ramp-up effects can be expected thereafter. This is what the light blue upward arrow on page 11 represents. Profit growth toward the 2030 vision will be driven by investments for growth under MTMP2029, including organic growth. Through the formulation of this MTMP2029, we were able to confirm that long-term, large-scale projects will be added after that point. Based on those results, we decided to present the MTMP in this three-year format.

Q8

Among the targets in this MTMP2029, what point is management placing the greatest emphasis on?

Hori

The points management place the greatest emphasis on are steadily achieving an ROE of 12% and increasing the total payout amount of shareholder returns over the medium- to long-term through expansion of Core Operating Cash Flow (COCF). By strengthening base profit and setting an appropriate level for the Management Allocation in response to changes in the environment, we aim to actively capture profit opportunities within manageable risk levels and, as a result, enhance shareholder returns.

Q9

Please explain what *sophisticated trading* entails in the context of *middle game* initiatives. In addition, given heightened geopolitical risks and tensions in the Middle East, opportunities for trading companies to demonstrate their trading capabilities appear to be increasing. How are such environmental changes affecting trading and earnings, and what is your outlook over the next three to five years?

Hori

Opportunities for sophisticated trading are increasing against the backdrop of heightened geopolitical risks. Starting from natural gas production, we flexibly reconfigure supply chains, including LNG and gas chemical production, and trading, to provide solutions that ensure stable supply based on actual demand.

At present, demand for alternative procurement and inventory replenishment is rising. While ensuring reliable delivery and comprehensive risk management, we will leverage our accumulated experience to steadily build earnings opportunities.

Q10

I understand that you are strongly committed to increasing ROE, which has declined over the past three years, to 12% even without assuming significant upside in commodity prices, and potentially aiming for 13% or higher depending on changes in the environment. In that case, will you flexibly utilize the Management Allocation, including more sophisticated trading capabilities, in response to commodity price movements?

Hori

Broadly speaking, that is correct. We have formulated the FY March 2029 targets based on the assumption that the Middle East situation will normalize by Q2 and that commodity prices will return to normal levels thereafter. However, considering current supply chain disruptions, supply-demand conditions for natural gas, LNG, and chemicals are structurally tightening, and we believe that major commodity price downside risks are more limited than before. If volatility arises, we intend to make the necessary adjustments while providing value to society. With regard to ROE, we are strongly committed to both profit expansion and optimization of capital allocation, and we position ROE in FY March 2029 as an important milestone toward the future vision.

Q11

Have any of your LNG-related facilities been physically affected by attacks in the Middle East, and if so, what is the outlook for recovery and future impact? In addition, with many vessels reportedly unable to pass through the Strait of Hormuz, has there been a significant impact on delivery?

Given tight energy supply-demand conditions, LNG trading appear to have substantial upside, but this does not seem to be reflected much in your plan, so could you comment on if we can expect upside?

Hori

We recognize that there is significant concern regarding the impact of the Middle East situation on our LNG business. There have been no direct attacks on our assets to date, but this is a highly concerning situation, and we will continue to monitor developments closely.

At present, there have been no direct issues in which our LNG vessels have been unable to exit the Strait of Hormuz. However, LNG is transported globally, and many parties are reassessing their energy procurement strategies. In that context, we believe our role is significant.

We currently trade 11 million tons of LNG per year, and we plan to increase volumes by approximately 3 million tons over the next several years, and even more beyond then. By being of use to our customers while controlling risk and steadily accumulating results, we believe this will ultimately lead to higher earnings.

It is important to proceed with comprehensive risk management. If too much is built into budgets, operations can become constrained. While this approach may appear somewhat conservative, we believe it enables us to deliver steady execution and ultimately maximize results.

Q12

Regarding shareholder returns, you have announced a significant dividend increase this time. Given that you cannot reduce dividends under the progressive dividend policy, does this reflect confidence in future profit growth and expansion of COCF? Please explain the background to this decision, including any considerations regarding dividend yield or PBR.

Hori

During MTMP2026, base profit enhancement exceeded the target of 170 billion yen. Based on the accumulation of base profit to date, we considered the dividend increase. Setting this increased dividend as the floor for the three-year MTMP2029 period reflects our confidence in this MTMP and our assessment that it is at a level we can present to investors.

We recognize that this represents a significant dividend increase. However, in line with our philosophy of increasing dividends in step with improvements in base profit, closely monitoring future events, and flexibly executing share repurchases, we set the dividend at 140 yen this time, with the intention of delivering solid shareholder returns without deviating from that philosophy.

Q13

It appears that the dividend payout ratio has increased compared with the past. Was there any discussion about increasing the proportion of dividends relative to share repurchases?

Hori

Our thinking on dividends is as I explained earlier. We will continue to implement share repurchases flexibly while monitoring various parameters, so we have not discussed a specific allocation ratio. We do, of course, look at the overall level of dividends plus share repurchases, and we also place strong emphasis on capital efficiency.

When share repurchases are conducted, we cancel the shares, and we would like to use metrics such as COCF per share and total payout per share as KPIs when communicating with investors.

Q14

MTMP2029 presents ambitious investment plans and profit levels. Taking into account rising interest rates and higher cost of equity, it is important whether this will lead to an improved valuation. How will you ensure steady accumulation of base profit in the short term while suppressing increases in the cost of equity?

Hori

Improving base profit fundamentally requires thoroughly executing *middle game* initiatives, which focuses on enhancing the value of individual projects and assets. For example, concrete results such as cost reductions have already been achieved through improvements and efficiency gains in mining operations by leveraging digital transformation (DX) and AI, and we will roll out similar initiatives across other projects. It is also important to improve operating efficiency without increasing headcount through DX and AI, and these initiatives contribute to value enhancement at the time of asset sales. In addition, it is important to obtain, over a short period of time, pricing inline with rising interest rates—something that could not be fully achieved under MTMP2026—through the provision of value to customers.

Those who excel at *middle game* initiatives also tend to be skilled in M&A, and capital tends to be allocated more easily to areas where *middle game* capabilities are highly developed. Furthermore, investments planned under MTMP2029 are primarily projects that are expected to contribute to earnings early with a clear awareness of the time horizons, bolt-on investments, and projects that combine Mitsui's unique cross-industry strengths. For example, even in areas with high expected growth, such as wellness and drug discovery-related businesses, we would like to pursue opportunities when good ones arise.

Q15

Please provide a breakdown of the growth in base profit under MTMP2029.

Hori

We are not presenting the growth in base profit using the same definition as in MTMP2026, but we would like to provide explanations with higher resolution over time. The key point under MTMP2029 is that, as shown in the *contribution to earnings from investments for growth* slide (page 19), there are many projects that will contribute to earnings early on, followed by the start of earnings contributions from large-scale projects for which investment decisions have already been made.

Q16

I would like to ask about investments for growth under MTMP2029. To date, you have executed large-scale investment projects such as Rhodes Ridge, and in MTMP2029 you explained that you have a large number of investment pipeline opportunities. Looking ahead to FY March 2030 and beyond, are there still sufficient large-scale and high-quality projects remaining, and how are these reflected in the target of 1.4 trillion yen in profit for FY March 2031?

In addition, amid rising geopolitical risks, I believe valuations are changing. Under these circumstances, has investment attractiveness declined on a relative basis, or are attractive projects increasing due to the expansion of new opportunities? Please explain, from a qualitative perspective, how the investment pipeline has changed over the past year and more recently.

Hori

Regarding the pipeline, as mentioned in the *reproducible value creation* slide (page 13), it is true that we currently have a pipeline that exceeds 6 trillion yen. However, we are not assuming that all of these will be executed four years from now; rather, most are projects that have a high likelihood of being executed during MTMP2029 period.

With respect to the timing of earnings contributions, we use the chart on the *contribution to earnings from investments for growth* slide (page 19) to explain this.

In addition, regarding the content of the pipeline, in recent years we have the impression that the proportion of projects negotiated directly has been increasing. While there are some auction-based projects, and we may participate in such projects if we believe sufficient value enhancement is possible, overall there is a growing tendency toward projects where we carefully advance discussions on a bilateral basis.

This approach makes it easier to fully deploy our cross-industry expertise and human resources to raise management standards, allowing us to better demonstrate our strengths. We see the increase in such projects as a favorable trend.

As for valuations, we intend to continue being disciplined. We recognize that overall risk levels are currently rising. While we do not apply a uniform hurdle rate, we conduct project-specific risk assessments internally and are evaluating them more rigorously than before. In that sense, those on the front lines may feel that the hurdle for investment decisions have risen. At the same time, there is a shared understanding that projects will not materialize unless an appropriate risk-return balance is achieved, and we intend to continue responding on that basis while linking our efforts to tangible results.

Q17

I would like to ask about the *continuous growth of COCF per share* slide (page 35). Looking at the past few years, base profit has steadily expanded through progress in *middle game* initiatives and investments for growth yielding results, while the growth in COCF per share appears to have been relatively limited. In addition, under the progressive dividend policy, dividends per share have grown significantly at a CAGR of 22%. How do you analyze the background behind the gap between the growth in base profit and the growth in COCF per share? Furthermore, I believe you are expecting steady growth in COCF per share going forward; please explain the factors supporting that growth.

Hori

COCF per share is closely linked to the results for COCF and profit each year, and its components are as we have previously explained. On the other hand, during MTMP2026 period, we executed investments of a considerable scale, and we have a high degree of confidence in the portfolio we added. In MTMP2029 as well, the pipeline is robust, and incorporating the effects of these investments, we are, as explained today, outlining a picture in which COCF steadily increases on a per share basis going forward. In that sense, we aim to realize the improvement represented by the dotted line for FY March 2027 and beyond.

Q18

It is my understanding that in Australia, there is a significant shortage of diesel and other fuels. Please explain how fuel shortages across Australia may affect the operations of your resource- and energy-related assets in Australia.

Hori

Diesel shortages are currently becoming apparent as an issue across various industries and businesses in Australia. Together with operators, we are closely monitoring on-site fuel supply and inventory conditions at our energy and mining sites. At present, the situation has not reached a point where operations are being disrupted. However, continuous countermeasures are necessary. Fortunately, many of our partners are global players, and they are responding with appropriate measures. We believe it is fair to say that we can also contribute by leveraging our trading capabilities in energy procurement.

We intend to continue addressing this issue with a strong sense of urgency. Australia as a country is also placing considerable emphasis on fuel procurement strategies that include Asia, and we would like to address this issue.

Q19

In your explanation of the MTMP, you mentioned that if the management environment changes significantly, including developments in the Middle East, you would like to ensure solid engagement with stakeholders. Please explain what you mean specifically by *engagement*.

Hori

We are announcing this MTMP2029 now, in early May, and it is difficult to predict how the situation in the Middle East will develop. Rather than concentrating our communication only around earnings announcement periods, if issues arise in the future that could lead to supply chain disruptions due to impacts from geopolitical developments, we would like to explain the situation through investor relations and provide necessary disclosures, including on upside risk. We believe such engagement is important in this era.

Another point is that, as mentioned today in relation to the flexible Management Allocation, when making large Management Allocation decisions, it can become difficult to understand without repeated engagement, which is also what I meant by additional engagement.

Q20

Previously, you have mentioned profitability well in excess of 1 trillion yen could be expected in the future. With the figure of 1.4 trillion yen presented in MTMP2029, I feel this is a number with a high level of confidence. Do you feel you have been able to express your vision for the future of Mitsui in MTMP2029?

Hori

Previously, we spoke about comfortably exceeding 1 trillion yen as a long-term figure, and being able to present this kind of picture this time is consistent with the aspirations Mitsui as a whole has been pursuing for some time. On the other hand, I would like you to take as our conceptual vision, as a company aiming to increase its global presence, achieving a bottom line of 10 billion dollars is important. This is a long-term topic , but even amid currency fluctuations, we must become a company that can consistently deliver results with such a global presence. To that end, we believe it is necessary to steadily enhance our capabilities.

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