IR Meeting for FY March 2027 1st Half (April-September 2026) Financial Results Q&A Session

Date	November 6, 2026 10:00-11:30 (Friday)	
Speakers	Kenichi Hori	Representative Director, President and CEO
	Makoto Tanaka	Representative Director, 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 the Energy business, you explained that you expect profit growth from the next fiscal year onward due to increased volumes and more sophisticated functions. Is it correct to understand that profit growth can be achieved even if the situation in the Middle East stabilizes? Also, please explain the specific factors behind the expected profit growth.

Hori
In LNG trading, deliveries under various transactions that we have built up to date will begin to materialize from the second half of FY March 2027, and we expect this to continue in FY March 2028 and beyond.

From FY March 2028 onward, in addition to an increase in the volume of LNG traded through Mitsui's own account, we expect further profit contribution from enhancing our trading and supply-demand adjustment functions in a highly volatile market environment.

We expect a 70 billion yen increase in profit from *middle game* initiatives over the two years from FY March 2027 to FY March 2029, and we believe that a substantial portion of this can be achieved solely through additional profit contribution from LNG trading in FY March 2028. We have yet to formulate our business plan for the next fiscal year and will need to prepare the budget in greater detail going forward, but given the expansion in volumes handled and more sophisticated functions, we expect this to lead to strong performance. Naturally, we will be affected by commodity prices, but our capabilities for delivering results while managing and limiting downside risk are also improving.

Another factor behind profit growth in Energy is the profit contribution from Waitsia in Australia. Mitsui serves as operator of this project, which handles both gas for the

market inside Australia and LNG, and we expect upside from the current fiscal year into the next fiscal year and beyond.

Q2
With interest rates rising globally, I understand that there are many projects, including Rhodes Ridge and LNG projects, where there is a period between investment and the start of earnings contribution. When interest expense is capitalized, it does not appear in the income statement, making it difficult to ascertain the impact of the interest expense. Could you explain the scale of this?

Hori
Of the interest expense related to Rhodes Ridge, the portion corresponding to mining rights is capitalized on the balance sheet. This indicates that the project has progressed to a stage where such accounting treatment can be applied.

On the other hand, the impact of rising interest rates on ordinary businesses is reflected in the income statement. Rising interest rates and healthy inflation move in tandem, and although there is a certain time lag, under Mitsui's business model this is reflected in gross profit, so we do not have significant concerns.

For new investments, as the weighted average cost of capital, or WACC, rises in line with an increase in long-term interest rates, we adjust our hurdle rates accordingly. We rigorously assess investments based on these assumptions, and those in our business divisions also proceed with consideration of projects with this awareness.

Q3
Regarding the impact of the situation in the Middle East (page 8 of the presentation materials), I understand that a net profit increase of 40 billion yen is expected this fiscal year. Could you provide a breakdown of the factors contributing to profit growth other than LNG trading and explain the profit outlook from the next fiscal year onward if the situation in the Middle East normalizes?

Hori
If chokepoints such as the Strait of Hormuz, which are key straits and canals where trading and energy transportation are concentrated stabilize, we expect some markets to settle down. However, in a highly volatile environment, we recognize that we have entered an era in which businesses must be operated in anticipation of new energy-related chokepoints arising.

For the methanol business, stabilization in the Strait of Hormuz and a recovery in supply from Saudi Arabia would be positive for Mitsui. Even if prices normalize to historical levels, demand for our trading functions is increasing as customers seek to ensure supply-chain resilience, and we believe this can offset a decline in profit due to commodity-price factors.

The tanker business is exposed to market fluctuations, but assumptions such as charter rates have been set relatively conservatively. We also expect chemicals trading volumes to remain strong. Recently, we have introduced AI and established a framework that enables the same number of personnel to handle more transactions and proposals.

Although restrictions exist on supplies of raw materials from the Middle East, Novus is the only player capable of supplying liquid methionine in the US, and US tariff policy is also having a positive effect.

Taking these factors together, we expect the 40 billion yen profit uplift resulting from volatility associated with the situation in the Middle East and other factors to increase from FY March 2028 onward, mainly through contributions related to LNG.

Q4
Regarding capital allocation (page 12 of the presentation materials), you have expanded the Management Allocation by 130 billion yen and indicated 800 billion yen of investments for growth that are relatively advanced with certainty increased, although decisions have yet to be made. Could you explain what discussions are taking place within the company regarding additional investments for growth, shareholder returns, and net DER?

Hori
The 800 billion yen of investments for growth remains pending investment decisions, but as the level of certainty has increased, we have presented it more clearly. We are receiving an increasing number of proposals from companies who want to work with Mitsui, including on projects aimed at enhancing resilience, and as a result, our investment pipeline is expanding. Even in an environment of rising interest rates, we will actively pursue high-quality investments capable of generating sufficient returns, while also actively advancing shareholder returns.

In addition to the shareholder returns already announced, we intend to implement increases under our progressive dividends policy and additional share repurchases flexibly and at a relatively early stage, while monitoring market conditions.

Investments for growth and shareholder returns are not an either-or choice. It is absolutely important to execute both high-quality investments and to improve capital efficiency through share repurchases. Accordingly, we expect total cash out to expand to around 6 trillion yen, in which case net D/E ratio may approach the upper end of the range we have indicated. To achieve ROE of more than 12% in FY March 2029 through both earnings power and capital efficiency, and move toward the next stage, we will actively advance capital allocation under the current MTMP.

Q5
There have been reports of cases where Russian authorities have placed the local subsidiaries of foreign companies under their control. If a similar situation were to occur with Mitsui's business in Russia, what potential impacts could there be, such as the suspension of LNG supplies from Sakhalin II to Japan or a reduction in dividends received?

Hori
Mitsui's Sakhalin II business is an important source of supply, accounting for approximately 9% of Japan's LNG imports. In cooperation with our partners in Sakhalin II and the Japanese government, we will continue stable supplies to Japan while continuing to comply with sanctions.

Q6
In the explanation of *middle game* initiatives (page 15 of the presentation materials), increases in volumes are expected in iron ore, metallurgical coal and copper. Which projects will drive the increase in volume in each case? Also, regarding the iron ore business, do you expect profit growth even as supply increases due to factors such as higher production from Simandou?

Hori
Regarding iron ore, we understand that the volumes actually being supplied from Simandou are still limited relative to overall seaborne trade, and that the ramp-up is also proceeding in stages.

New projects are publicly announced and therefore easy to recognize, but there will also be mines that reach the end of their minelife going forward. In addition, India and other Asian countries are beginning to import iron ore, emerging as major sources of demand after China, and we believe the underlying fundamentals of the seaborne iron ore market remain solid.

On the production side, iron ore producers inside China have relatively high costs, while the iron ore businesses in which Mitsui participates, including Rhodes Ridge, have advantages in terms of cost competitiveness, reserves and grade.

Regarding copper, production at Collahuasi and Anglo American Sur in Chile is expected to further recover from FY March 2028 onward. Vale is also expanding its copper business, and we look forward to an indirect contribution through dividends . Regarding metallurgical coal, we expect volumes to increase as production recovers from declines caused by cyclones and other factors.

Q7
Regarding the profit growth toward FY March 2029 through enhancement of trading functions, do you plan to increase returns by taking risks to secure greater volumes? Or do you plan to increase volumes handled by utilizing offtake rights from projects and other means? Please explain from the perspectives of the reproducibility of earnings improvement and the timeframe for achieving profit growth.

Hori
Regarding LNG trading, compared with a trading volume of approximately 12 million tons handled in FY March 2026, volumes under contract are scheduled to increase by approximately 3 million tons over the next several years. Including potential transactions currently under negotiation and spot transactions, we expect the trading volume done on Mitsui's own account to reach 15 million to 20 million tons annually by 2030, and we intend to increase reproducibility through this expansion in volume.

In addition, the inclusion of volumes from projects such as Mozambique LNG and Ruwais LNG will further increase our presence in the market, and we will also pursue synergies with our trading functions.

In Chemicals, in addition to existing assets such as trading facilities, storage facilities, pipelines and dedicated ships, we will further add necessary assets. By combining these assets with the networks Mitsui has developed through trading, we can generate synergies and increase earnings by expanding trading flows and trading volumes without substantially increasing our risk position.

We are also advancing the combination with manufacturing businesses such as methanol and methionine, as well as building a framework that utilizes AI to enable the same workforce to execute more transactions.

In this way, through the *middle game* initiatives in Energy and Chemicals, our strategy is to expand earnings through combinations with adjacent assets while keeping trading at the core.

Q8
Mitsui has announced an investment in Penske Automotive Group. When making investments for growth, I believe it is important not simply to recognize earnings from the investment, but also to increase earnings power by generating synergies after the investment. Could you explain how you intend to increase ROIC following the investment?

Hori
Regarding the acquisition of free-float shares of Penske Automotive Group, at this stage I would like to refrain from commenting beyond what has already been disclosed. We will provide a further explanation once the acquisition has been completed.

On the other hand, let me speak in general terms based on our initiatives with the company to date.

Various technological innovations are occurring in the automobile industry, and in terms of points of contact with consumers, services that enhance customer convenience are becoming increasingly important, including maintenance, fleet management for commercial vehicles and trucks, and financial solutions such as rentals and leasing.

Mitsui is working together with Penske as a partner in these areas as well. One example within the value chain is the truck auction business operated by Taylor & Martin. Within our existing partnership, we are also working on geographic expansion across Europe, Australia, Asia and other regions.

We believe there is significant potential both in further developing new businesses associated with the automobile industry and in geographic expansion. Once the closing has been finalized, we will provide further explanation.

Q9
Of the Management Allocation, 350 billion yen has been allocated to investments for growth. You have also said that the pipeline of projects contributing to enhanced resilience is expanding. Could you explain how you intend to enhance resilience through investments, together with the types of investments you envisage going forward?

Hori
One development is a move toward sharing the risks of high-quality projects among multiple partners possessing specialized expertise. In the past, there were a considerable number of projects where Mitsui wished to participate but there was no room for us to do so. However, there is growing recognition that partners with diverse capabilities are necessary to enhance the resilience of projects.

Our ability, as a trading and investment company with broad connections across different industries, to provide diverse ideas in the event of an emergency is increasingly valued, and opportunities for us to participate are increasing.

In addition, the value of defensive assets necessary to ensure resilience, such as trading-related logistics infrastructure, is increasing, and we believe that such assets could also become investment targets.

Mitsui has also built its portfolio while maintaining a balance between emerging and developed countries. Our partners value the way we maintain this balance, and deal flow unique to Mitsui is being generated, including proposals to work jointly on projects and cases in which Mitsui provides its know-how.

These developments involve not only operating companies but also financial investors, including private equity firms. Going forward, we expect an increase in projects combining operating companies and financial investors. As this network can also be utilized for portfolio rebalancing, we intend to expand it further.

Q10
From Q1 to Q2, management appears to have become more proactive in its stance toward achieving ROE above 12% and improving capital efficiency. What has changed in management discussions?

Hori
There has been no change in the basic framework for capital allocation. We had already wanted to raise the upper limit for cash outflows, but this time we have presented that intention more clearly.

When the conflict in the Middle East initially broke out, there was considerable uncertainty, and because we needed to respond while assessing the situation, we also considered more cautious measures as an option.

However, after reviewing performance through Q2 and our future earnings sources, we believe that we have been able to strengthen our current earnings base. In addition, the fact that we have been able to capture earnings opportunities arising from heightened volatility and growing demand for greater resilience arising from the situation in the Middle East has increased our confidence.

Going forward, we aim to achieve a higher level of balanced expansion. The point revised since the previous briefing is that we have raised our expectation for total cash outflows to more than 6 trillion yen. We will pursue in a balanced manner, measures to increase returns through investments for growth and to improve capital efficiency.

In addition to achieving our targets in the third year of the MTMP, we will consider measures looking beyond that point promptly and flexibly, while carefully assessing market trends.

We also have multiple extremely high-quality projects that are expected to begin contributing to profit beyond the current MTMP. We believe that the combination of these projects can produce a significant step change in our earnings level, and we will steadily take the necessary actions during the current MTMP period to realize this.

Q11
Regarding the upward revision to the outlook for asset recycling, what are the factors behind it? For example, is it greater certainty regarding previously anticipated projects, an expansion in the assets targeted for recycling, or higher sale prices? Also, regarding additional investments for growth other than the 800 billion yen pending investment decision, could you explain the size of the projects?

Hori
We are further strengthening our asset recycling initiatives. Led by the Portfolio Committee, we are examining all assets we hold from short-, medium- and long-term perspectives to determine whether continued ownership or recycling is more appropriate.

We will flexibly recycle assets where another owner would be able to enhance the value more than Mitsui could, as well as assets where we determine that it would be preferable to redeploy the sale proceeds into areas where Mitsui has strengths. We are also increasing the number of cases where management becomes directly involved in projects for which it is difficult for those on the ground alone to reach a decision to recycle.

Furthermore, enhancing the value of an asset while we own it and then recycling it at a higher price is an initiative that lies on the extension of our *middle game* initiatives, and we are working to embed this approach throughout the company.

We also engage in regular dialogue with potential buyers around the world, including financial investors and operating companies, and are broadening our options, including transactions similar to asset swaps that take place with a time lag.

Our profit outlook for FY March 2029 is fundamentally based on the accumulation of recurring business earnings excluding one-off factors and similar items. Gains from asset recycling, while varying from year to year, could provide additional upside to the profit outlook. Because it is difficult to budget gains from asset recycling, we will explain the situation through our engagement with investors.

Q12
In the Wellness Ecosystem segment, you have revised down your COCF outlook for the current fiscal year to 20 billion yen. Could you explain the current situation in protein, retail and healthcare, and the measures being taken to improve earnings?

Hori
The Wellness Ecosystem Segment had a somewhat difficult first half, with performance below our outlook.

In protein-related businesses, declines in relevant prices had an impact. In Retail, in addition to upfront costs incurred in businesses inside Japan, transactions with the restaurant industry at our core US business were sluggish, resulting in lower profit margins. However, improvement measures have already been implemented in the US. In healthcare-related businesses, fluctuations in the fair-value of financial assets held affected profit.

Looking toward the second half, we expect a recovery, as protein-related prices are recovering, while seasonal demand is expected to increase in the second half at the retail business inside Japan and the impact of upfront costs will also diminish.

In addition, IHH Healthcare is steadily increasing its number of hospital beds through acquisitions and other means and plans to add several thousand more beds going forward. Daycare business model has also been added. In addition to earnings from the daycare business itself, this will contribute to greater efficiency across the hospital business, and we therefore continue to expect organic growth at IHH Healthcare.

Furthermore, an initiative is under way to create a platform for Asian cancer data based on medical data held by IHH Healthcare. We envision a business that would involve leading cancer centers in the US and provide services utilizing healthcare data to pharmaceutical and AI companies. Although this field is still in the early stage, we will actively advance the initiative with the aim of developing it into a high-quality project while assessing its profitability and future growth potential.

Q13
Mobility, Digital & Infrastructure is one of the major earnings contribution areas this fiscal year, but the chart showing the timing of earnings contributions from investments for growth (page 13 of the presentation materials) appears to contain relatively few related projects. How should we view the segment's growth potential going forward?

Hori
In the automotives field, individual projects are not large in scale, but we are steadily building up projects that generate profit over time, such as dealership and auto finance businesses, primarily in North America, Central and South America and Asia.

The automotives field has been increasing its earnings power year by year and has become one of Mitsui's core businesses.

In the shipping field, in addition to trading, we own ships and operate joint ventures. This is an asset-turnover business, and while the investment in each individual ship is not necessarily large, we have built a portfolio of considerable scale overall.

We also expect the ship-owning business, which is shown in the presentation materials (page 13 of the presentation materials) as a project scheduled to start generating earnings in FY March 2027, to contribute going forward as an achievement under the current MTMP.

Q14
As you advance the current MTMP, what risk are you currently most concerned about? Do you see tariffs in North America as a risk?

Hori
What we are most concerned about is geopolitical risk that falls outside the scenarios we normally envisage. For example, if an event previously considered unlikely were to occur, such as disruption affecting a chokepoint outside the Middle East, it would be important to determine how agilely Mitsui could respond and continue providing

functions to customers. We are therefore broadening the range of scenario analyses across the company.

Regarding policy risks as well, after analyzing their impacts, it is important to respond in a detailed manner along both geographic and product axes within our diversified business portfolio and to act with agility.

We also place importance on the inherent liquidity of the assets we hold. We believe it is important to remain constantly mindful of enhancing execution capabilities so that, if a new crisis occurs, we can adjust or shift the composition of our portfolio within a relatively short period.

Q15
Regarding the relationship with Berkshire Hathaway, whereas its investment was traditionally described as for pure investment purpose, in recent years we have also begun to hear references to "synergies." Have discussions toward concrete collaboration deepened compared with the past?

Hori
We understand that Berkshire Hathaway's position regarding its holdings of Mitsui shares remains unchanged as a long-term holding for pure investment purposes, and we are grateful that we have regular opportunities for dialogue.

Regarding reported discussions of synergies and similar matters, through the relationship between our two companies, which enables us to talk at any time, if there are specific projects on which we can work together, we would like to discuss them. As there are also many industrial topics that we have in common, our approach is to consider good projects or ideas from a long-term perspective.

Q16
While the benchmark price of iron ore has declined and freight rates have risen, the impact on Mitsui's performance appears relatively limited. Could you explain the factors that have enabled earnings from the iron ore business to be maintained, including the mix of fines and lump ore, premiums, and initiatives on the logistics side?

Hashimoto
We will refrain from commenting on detailed contractual terms. However, compared with publicly quoted iron ore prices, our business benefit from a premium for lump ore, and actual selling prices have therefore been maintained at higher levels than the benchmark prices would imply.

Compared with other companies, we also receive a certain level of premium for our grade and delivery stability. Companies are also undertaking various initiatives with regard to freight. Therefore, as you have noted, there are aspects that are not readily visible when comparing the sensitivity implied by general benchmark prices with the actual impact on performance.

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