

# CEO MESSAGE



Mitsui is constantly evolving.  
While continuously refining our  
long-standing core functions,  
we will continue to dynamically transform  
our portfolio for sustainable growth

**Kenichi Hori**

President and Chief Executive Officer

## What is the vision Mitsui is aiming for?

### About Mitsui

Mitsui has long been providing the fundamental functions of a traditional trading company, such as trading, supply chain management, and risk management, as its core functions, and has constantly and unwaveringly refined and expanded these. In the process, we have leveraged our global networks to unearth and seize business opportunities, and have “created, grown, and extended” businesses. Through this, we have continuously and dynamically transformed our business portfolio. This kind of transforming in itself sums up the essence of how Mitsui conducts its business. As represented by such an ever-transforming business portfolio, Mitsui is constantly evolving, and it is a business entity that continues to grow while unceasingly refining its long-standing core functions.

### Aiming to be the Partner of Choice

Since its establishment, Mitsui has continued to provide *real solutions* to social issues around the world through its business activities. As social issues are becoming ever more complex and difficult to overcome, we leverage our core functions and business portfolio that span globally across industries, and apply the expertise gained from these to our cross-industry initiatives. This is how we provide solutions designed specifically for each customer, region, and industry. Furthermore, these solutions can also be horizontally rolled out to other regions and industries. For example, when we decide to roll out a solution to other regions, we first seek to gain a deep understanding of and insight into the region to make sure we can provide tailor-made, *real solutions* that match regional characteristics, culture, and the level of industrial development. By building a track record of such value creation and trust, we strive to be the “Partner of Choice” around the world.



### Human Resources and Corporate Culture

The foundations of our value creation are human resources and corporate culture. While each of our employees demonstrates high-level functions, they never stop making efforts to accumulate more expertise, refine their skills and knowledge on their own accord, and cultivate their professional capabilities. When such independent employees respect one another and are formed into teams, collaborative initiatives that transcend industries or regions naturally emerge. What fundamentally supports this organic cycle is our free and open-minded corporate culture. In fact, our employees have a lot of experience in creating innovation from the combination of efforts across regional and business axes, and they share these experiences within the Company. Such human resources and corporate culture are the most important strengths behind our value creation.

### Looking back on the first year of the Medium-term Management Plan (MTMP) 2026, what is your assessment of the current operating environment and the Company's achievements?

#### Operating Environment

It remains highly likely that geopolitical risk, supply chain disruptions, and other supply concentration risk will further increase, and we are closely monitoring these risks along with macroeconomic factors, such as interest rates and foreign exchange rate fluctuations. As the scarcity of materials and services, such as mineral and metal resources, energy, basic materials, food, and healthcare, increases from a long-term perspective, I believe we have a significant role to play in responsibly building and managing stable supply chains.

Moreover, from a sustainability perspective, the significance of climate change and human capital has further increased.



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In that regard, we will actively drive our initiatives towards achieving net-zero emissions by 2050 as well as our HR policies to maintain and enhance the Company's competitiveness through the effective recruitment, development, and promotion of diverse personnel worldwide. Mitsui has a high degree of awareness regarding natural capital, human rights, and supply chain issues, and is taking initiatives in these areas.

### Review of the First Year of MTMP2026 and Achievements

We have achieved Core Operating Cash Flow of around one trillion yen for three consecutive years, and profit is also at a historically high level. This is the first achievement. These figures represent the fruition of various company-wide initiatives, which include improving the quality of our business portfolio, integrated risk management, capturing upsides and responding to downside risks according to the operating environment, as well as across-the-board *middle game*\*

endeavors that lead to the enhancement of existing businesses. I want us to continue to refine these initiatives for further growth.

\* The intermediate stages between the entry and exit points of investments, where the focus is on enhancing individual businesses and implementing turnarounds to improve earnings power.

The second achievement is the progress in investments for growth. Since the previous MTMP period, we have been pursuing potential investment projects and investment themes that will lead to the next level of growth. As a result, we now have a rich pipeline of projects and have a vantage point to carefully assess which projects are to be prioritized. I have the sense that executing investments of one trillion yen annually is only possible when we are able to carefully select high-quality projects from an investment pipeline several times larger. In that sense, our investment plan is highly feasible, backed by a rich pipeline of projects.

The third achievement is the change in the execution structure. We have made progress in establishing a structure that enables

initiatives that transcend multiple units and divisions. This has facilitated the provision of cross-industry *real solutions*, along with the three Key Strategic Initiatives outlined in the MTMP, and we are beginning to see the fruition of value creation unique to Mitsui. In addition, we have changed our governance structure this year. As CEO, I am able to gain a great deal of insight from our Board of Directors in leading the Company towards sustainable growth. We are constantly reviewing and transforming our governance structure to further reinforce a mechanism that enables rich and constructive discussions, fully incorporating the diverse expertise and experience of our External Directors.

### Towards Further Growth

While I am confident about many of our achievements and solid progress towards sustainable growth, we aim to further expand our cross-industry initiatives. The value we create by combining trading company functions and global expertise across various industries can be called a "cross-industry premium," and in an uncertain world that requires constant innovation, its value will only increase. Given the quality improvement of our business portfolio and progress in investments for growth and initiatives across organizational boundaries, I am confident that we can generate further cross-industry premium in many more business areas. In this regard, as CEO I am determined to lead the Company to further unleash our potential.

### Please tell us about Mitsui's portfolio management.

#### Strengths of Our Portfolio Management

Our portfolio management has three strengths. The first is related to the timeline of projects. We engage in projects where we target near-term earnings contribution, as well as projects that will solidify the earnings base over the long term. The same goes for our project pipeline. The second is that we have a well-balanced portfolio both



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in developed and emerging countries, and that, in all regions, we engage in businesses primarily through excellent corporate consortiums. The third is that we first focus on familiar areas of business where we have already accumulated expertise and then combine this expertise into adjacent areas of business to generate a cross-industry premium. This is also effective from the perspective of minimizing our exposure to areas that are unknown for us.

Our business portfolio has been built over time by leveraging these strengths, and it has become key to our integrated risk management in a business environment where various risk factors, such as geopolitical risk, country risk, and market risk, are intricately linked to one another. In other words, we diversify our business portfolio to reduce risk, to limit our exposure to unknown areas through the combining of expertise including that of our partners, and to enhance the effectiveness of our risk management.

Using both diversification of business portfolio and the combining of expertise, we are establishing a system that can achieve near-term earnings contribution and a long-term earnings base at the same time, while strengthening the downside resilience against changes in the operating environment. I believe we are making solid progress in these approaches.

Furthermore, to strengthen the entire business portfolio, we always bear in mind the cost of capital and position ROIC as a key indicator from the perspective of enhancing cash generation capability. While considering ROIC improvement in accordance with the characteristics and risk profiles of individual industries, we are carefully tackling our business portfolio transformation. We will continue to pursue various forms of transformation and reinforce our strengths.

### What Constitutes a Business Portfolio Unique to Mitsui

Our business portfolio is composed of many businesses unique to Mitsui. Typically, such businesses are those born from collaborations with long-term trusted partners, those in the areas where we have



accumulated expertise and a presence over a long period, and those that combine functions and expertise across industries.

As an example of collaboration with a long-term trusted partner, I would like to touch on our LNG project in the UAE. Since the 1970s, we have been jointly managing an LNG project with Abu Dhabi National Oil Company (ADNOC), a leading company in the UAE's energy industry. After over 50 years of engagement in this business, we are now participating in a new LNG project in Ruwais, UAE, by forming a powerful international consortium together with energy majors. Mitsui's LNG business spans a total of 11 projects in 8 countries, and each project has characteristics unique to Mitsui.

Also, as an example of a project that combines long-accumulated expertise and cross-industry functions and expertise, I want to touch on the clean ammonia business that we are jointly exploring with ADNOC. Mitsui has over 50 years of experience in ammonia trading and maintains a top share of about 60% of ammonia imports to Japan.

In addition, thanks to our experience in the operation of several ammonia production businesses as well as specialized vessels and tanks, we are well-versed in handling ammonia, a hazardous chemical. Furthermore, we have a long history of supplying LNG to Japan and other Asian countries. For the clean ammonia business, the combination of expertise in both chemicals and energy industries is essential, and this is a business unique to Mitsui that generates a premium through cross-industry initiatives.

### Business Portfolio Reconfiguration

To strengthen the entire business portfolio, reconfiguration of assets is also important. We typically hold assets while they are able to create value, and when the right time comes, we pass the baton to a third party who can responsibly continue the business and enhance its value. We then shift to different areas where we can create new value. We are constantly executing such dynamic,

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expansion-style business portfolio reconfiguration, taking into account capital efficiency as well as business and regional axes.

Examples of our expansion-style business portfolio reconfiguration include the Paiton coal-fired power plant project in Indonesia. Since the launch of the project in the 1990s, Paiton has significantly contributed to the local region through its stable operation and consistent power supply, while generating earnings for Mitsui over a long period. However, in consideration of current social issues and changes in the operating environment, we have sold the project to operators who can responsibly continue the business. In this way, we endeavor to align as closely as we can our holding period of the project with the period during which Mitsui can provide added value to society. We are currently in the process of starting up a gas-fired power generation project in Thailand, which will provide the same level of earnings that Paiton did prior to its sale. Over the

long term, we expect the earnings contribution of renewable energy projects to expand.

### Could you share some of the initiatives to enhance corporate value?

#### Leading the Organization and Employees as CEO

The leadership team, composed of Executive Committee members, spearheads our corporate activities in managing the entire business portfolio, promoting individual robust growth policies, and driving our partner strategies. Furthermore, we continuously discuss and update the Company's organization and mechanisms to maximize employees' output. At the same time, the team is committed to setting an example for employees and providing all necessary support to them so that each individual with their unique personality

can effectively apply their expertise and insights professionally and fulfill their potential across industries and regions.

I also take advantage of various opportunities to communicate with employees in person, so that each and every employee can fully tap into their abilities and deliver results. Also, I frequently send messages to all employees to share my thoughts. I believe such efforts lead to the development of the next-generation leadership teams and ensure the continuity of management.

#### To Our Shareholders and Investors

I place the utmost importance on having dialogue with our stakeholders, including shareholders and investors. The insights gained from engaging in dialogue with you are fully utilized for management improvement and are also incorporated into my communication with our employees.

Furthermore, we continuously work on both accumulating projects capable of contributing to earnings in the near term and building a solid business foundation for the future, in order to drive the sustainable enhancement of corporate value. Our basic approach to the Company's management remains unchanged: We will execute a well-balanced allocation of the cash flow generated from these endeavors to investments for growth and shareholder returns, which include both stable dividends and flexible share repurchases, and strive to simultaneously enhance earnings power and ROE.

By dynamically transforming our portfolio, creating a cross-industry premium, and continuing to grow the Company, we hope to be able to meet your expectations.



*Kenichi Yano*