

# Gate 1

## Mitsui's Value Creation

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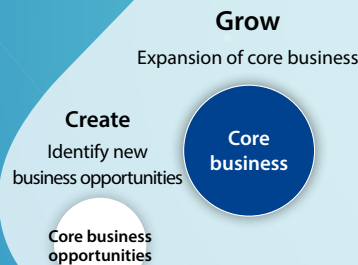
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## Value Creation Process

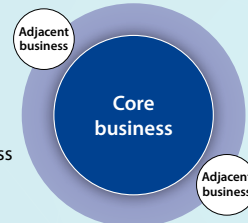
## Mitsui's Challenge and Innovation

Mitsui's Mission is to "Build brighter futures, everywhere." We contribute to resolving social issues through our business activities, which leads to sustainable growth. We are constantly transforming our wide-ranging global business portfolio by *creating* new businesses, *growing* them into core businesses, and then *extending* them by forming business clusters with adjacent businesses. Through this business model and our business portfolio, we create both economic and social value by providing cross-industry *real solutions* to increasingly complex social issues.

## Business Model



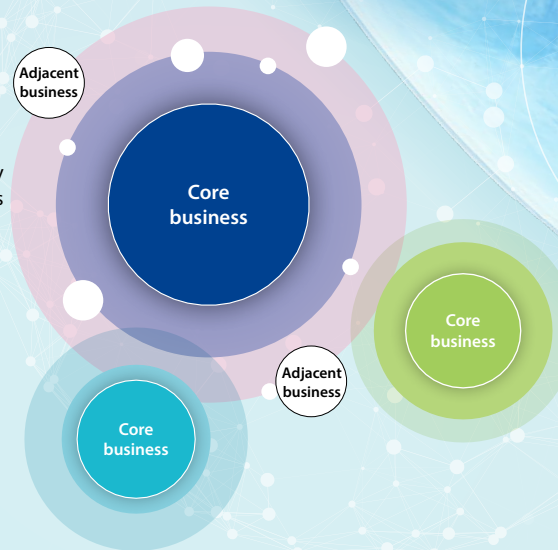
**Grow**  
Expansion of core business



## Extend

Forming business clusters by combining the core business with adjacent businesses

## Forming cross-industry business clusters



- ▶ Employee Engagement<sup>\*1</sup> 73%
- ▶ GHG Reduction Contribution 4.4 million t-CO<sub>2</sub>e/year

## Value Creation

Social value<sup>\*2</sup>

Providing cross-industry *real solutions* to social issues

▶ Page 18–19

Materiality

Economic value<sup>\*2</sup>

## Mission

Build brighter futures, everywhere

- ▶ Core Operating Cash Flow JPY 1 trillion
- ▶ Profit JPY 1.1 trillion
- ▶ ROE 15.3%

## Strengths

Management Capital<sup>\*2</sup>

Mitsui is People

Open-mindedness

Business Portfolio

## Human Capital

Number of employees (consolidated)  
53,602

Total number of Mitsui-run training program participants (Mitsui & Co. Group annual total)  
22,000

## Intellectual Capital

Number of business cases<sup>\*3</sup>  
Over 2,000/year (cumulative)

Accumulated business know-how<sup>\*4</sup>

## Financial Capital

Consolidated assets  
JPY 16.9 trillion

Forecast for growth investments: MTMP2026 three-year cumulative total  
JPY 1.8 trillion

## Social Capital

Number of clients  
Over 155,000

Number of offices  
125 offices in 61 countries

## Natural Capital

Equity share of iron ore production  
61 Mt/year

Area of Mitsui's Forests in Japan  
45,000 ha

<sup>\*1</sup> Based on Mitsui Engagement Survey 2023. For details, please refer to ▶ Page 36

<sup>\*2</sup> FY March 2024 figures unless otherwise stated

<sup>\*3</sup> Business proposals covering internal and external operating environment, strategies, risk analysis, etc.

<sup>\*4</sup> Manuals, know-how, and collections of case studies shared within the Company leading to efficient business management and promotion and creation of new businesses. For details, please refer to Integrated Report 2022, page 96.



## Corporate Management Philosophy (MVV)

### Mission

# Build brighter futures, everywhere

Realize a better tomorrow for earth and for people around the world.

### Vision

## 360° business innovators

As challengers and innovators, we create and grow business while addressing material issues for sustainable development.

### Values

#### Our core values as challengers and innovators

#### Seize the initiative

We play a central role in driving transformation.

#### Thrive on diversity

We foster an open-minded culture and multiply our strengths to achieve excellence.

#### Embrace growth

We drive our collective growth by continuously growing as individuals.

#### Act with integrity

We pursue worthy objectives with fairness and humility, taking pride in work that stands the test of time.

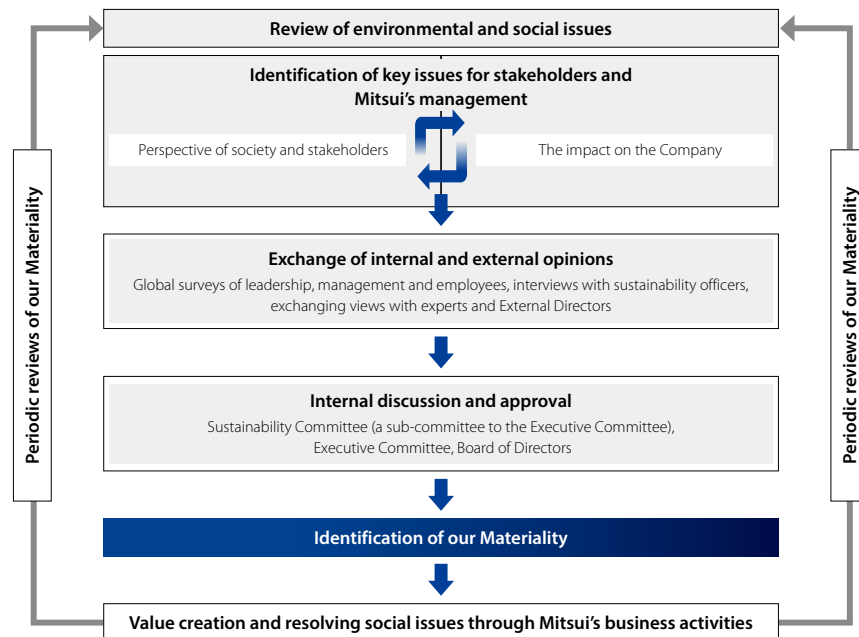
# Materiality

## Objective






Mitsui understands the importance and focuses on sustainability in its business. We have identified material issues ("Materiality") for the sustainable growth of both society and Mitsui, and these are the foundation of our business policies and strategies. We aim to contribute to our Mission "Build brighter futures, everywhere" through our businesses.

## Identification Process

In identifying our Materiality, we consider each issue's impact on Mitsui and its stakeholders from the perspective of sustainable development of society and Mitsui with reference to the SDGs, the United Nations Global Compact, and other international frameworks. The identification process of our Materiality involves internal and external discussion, and approval from the Executive Committee and the Board of Directors. Furthermore, we conduct a review of our Materiality every three to five years in light of changes in the operating environment and other factors to ensure that our Materiality incorporates contemporary social issues. In 2024, we started a review process from the perspective of double materiality (acknowledging the impact the environment and society has on our business, and the impact our business activities have on the environment and society), taking into account the opinions of our stakeholders.



## Materiality and Management Strategy

Materiality	Major Risks and Opportunities	Relevance to Medium-term Management Plan 2026							
		Key Strategic Initiative <sup>1</sup>			Corporate Strategy <sup>2</sup>				
		IBS	GET	WEC	CS 1	CS 2	CS 3	CS 4	CS 5
<b>Secure sustainable supply of essential products</b> Ensure the sustainable and stable supply of resources, materials, food, and manufactured products that are vital for the development of society. 	<b>Risks</b> Supply disruption due to climate change, etc. / Reputational damage resulting from safety and health issues affecting final consumers of foods and products <b>Opportunities</b> Improvement of production and supply capacity by responding to change / Strengthening of competitiveness through traceability	●	●		●	●	●		
<b>Enhance quality of life</b> Contribute to the betterment of living standards and the development of local industries to realize sustainable societies globally. 	<b>Risks</b> Reputational damage resulting from safety and health issues from infrastructure users / Shortage of healthcare personnel / Reputational damage from human rights violations and environmental burden in supply chains <b>Opportunities</b> Development of sustainable infrastructure (including digital infrastructure) / Increase in healthcare needs / Diversifying consumer needs / Improvement of value and reliability across entire value chains	●		●	●	●	●		
<b>Create an eco-friendly society</b> Accelerate initiatives toward environmental issues, such as responding to climate change and water resource problems, and contributing to a circular economy. 	<b>Risks</b> Impact of tighter policies and regulations / Physical impact linked to climate change / Impact on natural capital <b>Opportunities</b> Expansion of environment-related businesses / Creation of new business models based on the circular economy / Handling of products and services contributing to a decarbonized society	●	●		●	●	●		
<b>Develop talent leading to value creation</b> Respect diversity and develop human resources with the competencies to generate innovation and create new value. 	<b>Risks</b> Decline in quality and competitiveness of human resources due to changes in the external environment / Outflow of employees due to the loss of career development opportunities for diverse human resources <b>Opportunities</b> Improvements in productivity and efficiency / Recruitment of competitive talent / Promotion of human resources development / Appropriate assignment of personnel / Generation of innovation through diversity management						●	●	●
<b>Build an organization with integrity</b> Strengthen our governance and compliance as a corporate group trusted by society. 	<b>Risks</b> Compliance / Loss of stakeholder confidence due to malpractice / Information security issues <b>Opportunities</b> Organizational revitalization and improvement in reputation							●	

\*1 IBS: Industrial Business Solutions, GET: Global Energy Transition, WEC: Wellness Ecosystem Creation

\*2 CS 1: Enhancement of ability to make global, cross-industry proposals; CS 2: Promotion of "Create, Grow, Extend"; CS 3: Deeper sustainability management; CS 4: Strengthening of group management capability; CS 5: Promotion of globally diverse individuals








Mitsui & Co.'s Materiality

<https://www.mitsui.com/jp/en/sustainability/materiality/>

## Materiality

## Major Targets and KPIs

We have established Materiality Action Plans that set out specific policies, targets, and initiatives for Materiality at each organization, and manage and disclose conditions and progress based on these plans. For details, please refer to our Sustainability website.

Materiality and Related SDGs	Theme	Major Targets and KPIs	Progress in FY March 2024
<b>Secure sustainable supply of essential products</b> 	Sustainable and stable supply	<ul style="list-style-type: none"> <li>Sustainable and stable supply of resources, energy, materials, food, manufactured products, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Equity share of iron ore production: 61 Mt/year</li> <li>Share of ammonia imports to Japan: 60%</li> </ul> <a href="#">▶ Page 2</a>
	Safe and secure products	<ul style="list-style-type: none"> <li>2030: 100% traceability and certification rate for natural rubber, palm oil, lumber, and paper products handled</li> </ul>	<ul style="list-style-type: none"> <li>Natural rubber: 100% / Palm oil: 18.6% / Timber [Lumber<sup>*1</sup>]: 0%<sup>*2</sup>; Timber [Wood chips for paper products<sup>*1</sup>]: 100% / Paper products: 100%</li> </ul> <a href="#">▶ Website</a>
<b>Enhance quality of life</b> 	Infrastructure	<ul style="list-style-type: none"> <li>Develop and maintain social infrastructure including electricity, gas, water supply and sewerage, transportation, and ICT services</li> </ul>	<ul style="list-style-type: none"> <li>Mitsui's equity share of power generation capacity: Approx. 10.5 GW</li> <li>Invested in UK pipeline repair equipment manufacturer and technical services provider<sup>*3</sup> and US infrastructure repair company<sup>*4</sup></li> </ul> <a href="#">▶ Website</a> <a href="#">▶ Website</a>
	Wellness	<ul style="list-style-type: none"> <li>Maintain health and ensure medical, family care, welfare, and other services</li> </ul>	<ul style="list-style-type: none"> <li>Provided high-value-added services in the areas of medical care, prevention, and well-being, including operation of hospitals by IHH Healthcare<sup>*5</sup> (80 hospitals in 10 countries as of March 31, 2024)</li> </ul> <a href="#">▶ Website</a>
	Human rights and supply chain management	<ul style="list-style-type: none"> <li>Improve the effectiveness of human rights due diligence in the supply chain:               <ol style="list-style-type: none"> <li>100% awareness of the Sustainable Supply Chain Policy and Procurement Policies for Specific Commodities among new suppliers</li> <li>Supplier surveys and on-site visit</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>Reviewed high-risk areas, improved survey items and processes, etc.               <ol style="list-style-type: none"> <li>100%</li> <li>22 supplier surveys, 2 on-site visits to food raw material suppliers</li> </ol> </li> </ul> <a href="#">▶ Page 22</a> <a href="#">▶ Website</a>
<b>Create an eco-friendly society</b> 	Climate change	<ol style="list-style-type: none"> <li>Vision for 2050: Net-zero emissions<sup>*6</sup></li> <li>FY March 2030: Halving GHG Impact<sup>*6</sup> compared with FY March 2020 (17 million t-CO<sub>2</sub>e)</li> <li>FY March 2030: Halving Scope 1 and 2<sup>*7</sup> GHG emissions compared with FY March 2020 (0.4 million t-CO<sub>2</sub>e)</li> <li>FY March 2030: Over 30% renewable energy ratio in our power generation portfolio</li> </ol>	<ol style="list-style-type: none"> <li>GHG emissions<sup>*6</sup>: 34.0 million t-CO<sub>2</sub>e</li> <li>GHG Impact<sup>*6</sup>: 29.3 million t-CO<sub>2</sub>e</li> <li>Scope 1 and 2 GHG emissions<sup>*7</sup>: 0.6 million t-CO<sub>2</sub>e</li> <li>Ratio of renewable energy: 29%</li> </ol> <a href="#">▶ Page 21</a>
	Natural capital	<ol style="list-style-type: none"> <li>Contribute to biodiversity conservation and the achievement of Nature Positive through business</li> <li>Create a business model for the circular economy</li> </ol>	<ol style="list-style-type: none"> <li>Conducted the LEAP<sup>*8</sup> approach analysis recommended by TNFD<sup>*9</sup></li> <li>Started recycled PET resin production in the PET bottles recycling,<sup>*10</sup> etc.</li> </ol> <a href="#">▶ Page 23</a> <a href="#">▶ Website</a>
<b>Develop talent leading to value creation</b> 	Engagement	<ol style="list-style-type: none"> <li>Employee engagement ("having motivation to contribute or loyalty to the company")<sup>*11</sup></li> <li>Employee enablement ("whether there is a work-friendly environment")<sup>*11</sup></li> </ol>	<ol style="list-style-type: none"> <li>73%</li> <li>69%</li> </ol> <a href="#">▶ Page 36</a> <a href="#">▶ Page 52</a>
	Development of capable individuals	<ol style="list-style-type: none"> <li>Total development and training costs<sup>*12</sup></li> <li>FY March 2026: Developing DX Talent and Certified DX Business Professionals: 1,000 employees</li> </ol>	<ol style="list-style-type: none"> <li>JPY 3.05 billion</li> <li>231 employees</li> </ol> <a href="#">▶ Page 52</a> <a href="#">▶ Page 38</a>
	Inclusion	<ol style="list-style-type: none"> <li>Actively promote regionally hired employees to line manager positions at overseas trading affiliates</li> <li>FY March 2031: Percentage of female managers (non-consolidated): 20%</li> </ol>	<ol style="list-style-type: none"> <li>Percentage of regionally hired employees among line managers at overseas trading affiliates: 18.1%</li> <li>Non-consolidated: 10.7% (as of July 1, 2024), Consolidated: 18.8% (as of March 31, 2024)</li> </ol> <a href="#">▶ Website</a>
<b>Build an organization with integrity</b> 	Corporate governance	<ol style="list-style-type: none"> <li>Improve effectiveness of the Board of Directors</li> <li>Responses from External Members in evaluation of the effectiveness of the Board of Directors</li> </ol>	<ol style="list-style-type: none"> <li>Strengthened supervisory functions by changing the governance structure</li> <li>Confirmed that the effectiveness of the Board of Directors is being properly ensured based on the results of an evaluation of the effectiveness in FY March 2024</li> </ol> <a href="#">▶ Page 45</a> <a href="#">▶ Page 49</a>
	Compliance	<ul style="list-style-type: none"> <li>Raise integrity awareness among all officers and employees, including ensuring compliance</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of pledging to comply with Business Conduct Guidelines for Employees and Officers of Mitsui &amp; Co.: 100%</li> <li>Response rate to compliance awareness surveys: 94%</li> </ul> <a href="#">▶ Website</a>

Notes: \*1 Lumber and wood chips for paper products handled by suppliers with internationally recognized forest certifications, including FSC® and PEFC, etc.

or recognized as sustainably managed materials by a certification body

\*2 Due to the FSC®, the certifying body, suspending the certification of lumber from certain countries of origin.

In April 2024, we discontinued new orders for such lumber, and existing orders were completed in June 2024.

\*3 Acquisition of 100% of the shares of STATS (UK)

\*4 Investment in Structural Technologies through equity accounted investee SHO-BOND & MIT Infrastructure Maintenance

\*5 Equity accounted investee

\*6 Scope 1 and 2 for the Company and its consolidated subsidiaries (including un-incorporated joint ventures), and Scope 3 Category 15 (Investments)

GHG Impact refers to the amount of emissions minus emissions absorbed and offset and the GHG Reduction Contribution we achieved through our business activities.

\*7 Scope 1 and 2 for the Company and its consolidated subsidiaries (excluding un-incorporated joint ventures)

\*8 An approach for identifying and assessing nature-related issues, consisting of the processes of Locate, Evaluate, Assess, and Prepare.

\*9 Taskforce on Nature-related Financial Disclosures

\*10 An initiative of equity accounted investee Circular Pet

\*11 Positive response rate on multiple questions related to these items

\*12 Total developing and training costs (including for employees of global group)

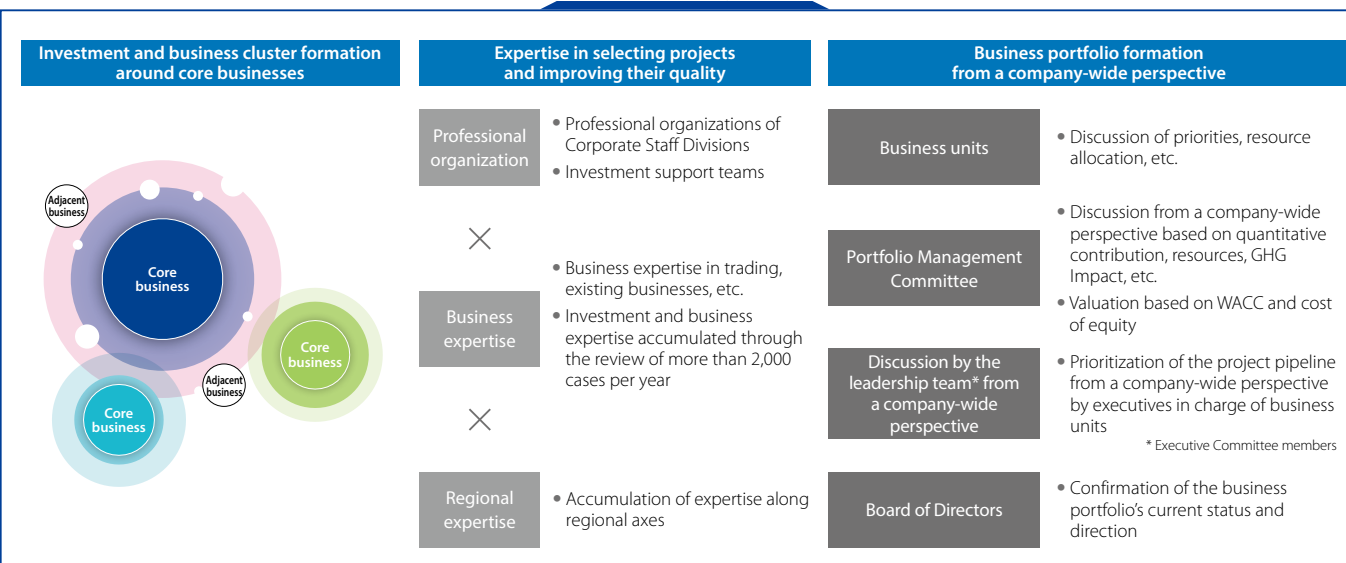
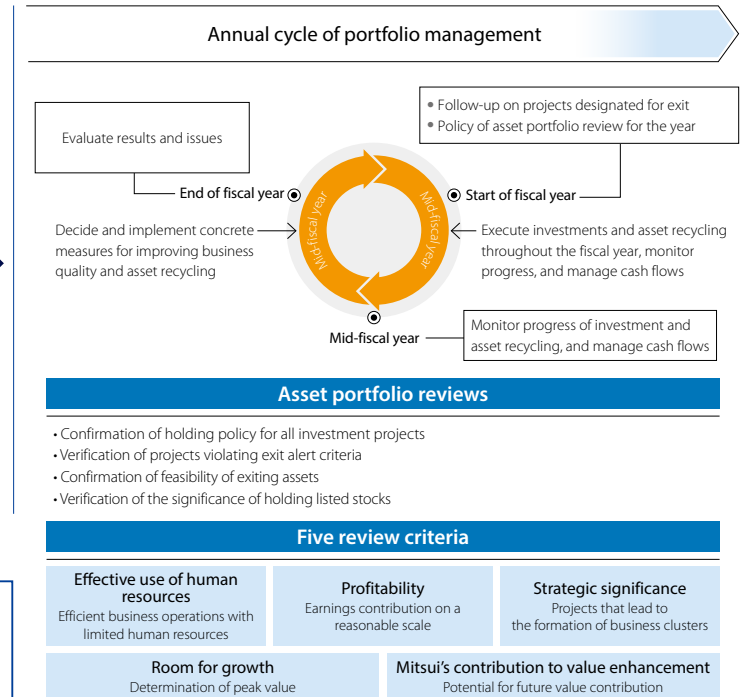
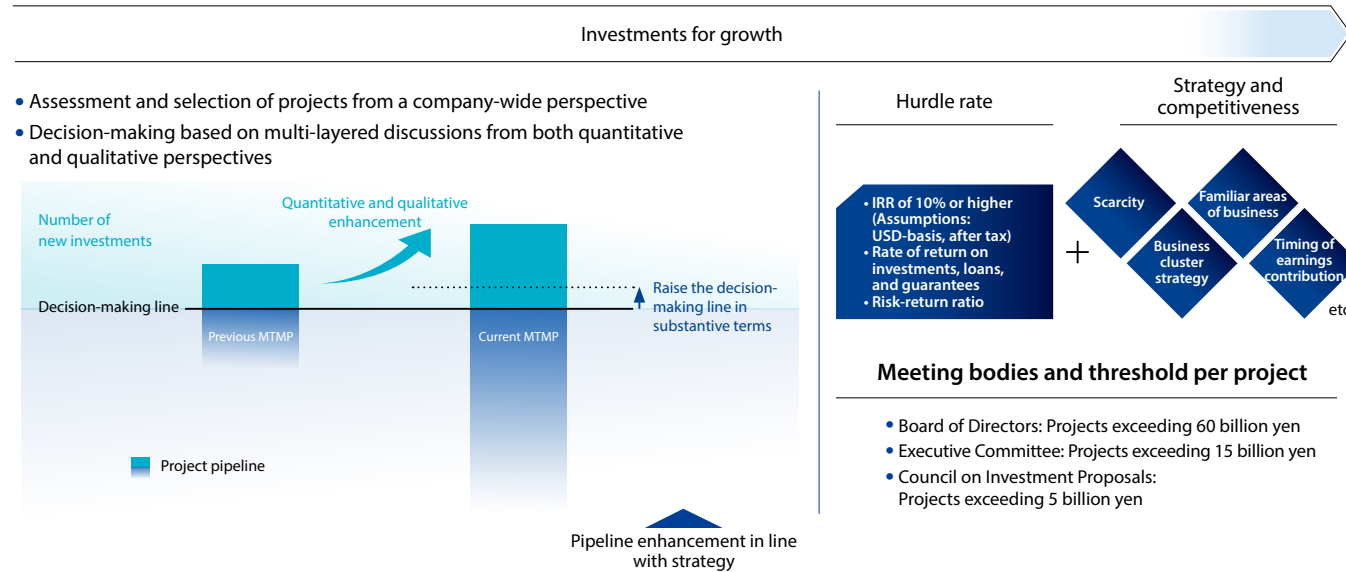


Materiality Action Plans

[https://www.mitsui.com/jp/en/sustainability/materiality/action\\_plans/materiality.html](https://www.mitsui.com/jp/en/sustainability/materiality/action_plans/materiality.html)

# Portfolio Management

Portfolio management is a cornerstone of our management approach. We will continue to improve our business portfolio by executing carefully selected investments for growth from our robust pipeline of high-quality projects, reinforcing portfolio reviews, and recycling assets.



## Portfolio Review and Status of Asset Recycling

	FY March 2021	FY March 2022	FY March 2023	FY March 2024
Number of projects reviewed	1,776	1,752	1,790	1,734
Approximate number of asset sales implemented <sup>*1</sup>	100	120	130	120
Number of listed stocks <sup>*2</sup> held (non-consolidated)	130	117	105	92
Investment cash inflow (Bn JPY)	143	257	392	537
Profit from asset recycling (Bn JPY)	13	16	91	163

\*1 Including partial sales, etc.

\*2 Shares for investment held for purposes other than pure investment purposes



# Climate Change

## Governance

Mitsui has positioned addressing climate change as a key management issue. The Sustainability Committee, a sub-committee to the Executive Committee, plans, formulates, and submits proposals to the Board of Directors for resolution and reporting.

In FY March 2024, the Sustainability Committee discussed a total of nine climate change-related topics, including expanding disclosure of Scope 3 GHG emissions, responding to the mandatory disclosure of sustainability information, reducing Scope 1, 2, and 3 GHG emissions, and deliberating on climate change response evaluation items as part of Performance-linked Restricted Stock-based Remuneration. These topics are being rolled out and disseminated throughout the Group through persons in charge of sustainability at the business units, each Corporate Staff Division, overseas regional business units, and regional blocs.

## Risk Management

We have established an integrated risk management system that centrally manages company-wide risks and have positioned climate change risk (physical and transition) as one of our material risks. We have taken measures that include visualizing risks through scenario analysis and introducing an internal carbon pricing system to be used in making decisions on execution of investments and loans and in risk assessments of existing businesses.

## Strategy

### Scenario analysis

We conduct scenario analysis to prepare for changes in the global business environment. Particularly for businesses of high importance in terms of the amount of invested capital and the impact of climate change, we also analyze impact on profit as shown below and consider countermeasures.

Subject of analysis	Impact on existing businesses based on our assumed base case, taking into account our understanding of the business environment and various scenarios
Target periods	FY March 2030, FY March 2040, FY March 2050
Target businesses	Upstream oil and gas, LNG, metallurgical coal, thermal power generation

For details on each business area, please refer to our sustainability data. In addition, we have established the following policy for the coal-fired power plant business and thermal coal mining.

### Coal-fired Power Plant Projects and Thermal Coal Mine Projects Policy

Mitsui & Co., understands the governmental policies and targets that countries have set under the Paris Agreement and discussions taking place across the globe, and in that context we will conduct our business activities in accordance with the following policies.

- We will not invest in any new coal-fired power plant projects. We are studying plans to exit from our remaining coal-fired power assets\* by 2040. We take into account the responsibility of the current owners to address the impact on local communities of power purchase agreements which will continue into the 2040s, and to ensure appropriate returns for our shareholders, as preconditions for proceeding with exit.
- We do not hold any thermal coal mine interests in the coal business. Our policy is not to acquire any new interests in thermal coal mines.

\* Remaining coal fired power assets: Malaysia and Morocco

Mitsui endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in December 2018, and discloses information pursuant to TCFD recommendations. For details, please refer to our Sustainability website.

## Metrics and Targets

In addition to Scope 1 and 2 GHG emissions, we have been disclosing all Scope 3 categories since FY March 2023. For actual emissions figures for all categories, please refer to our Sustainability website.

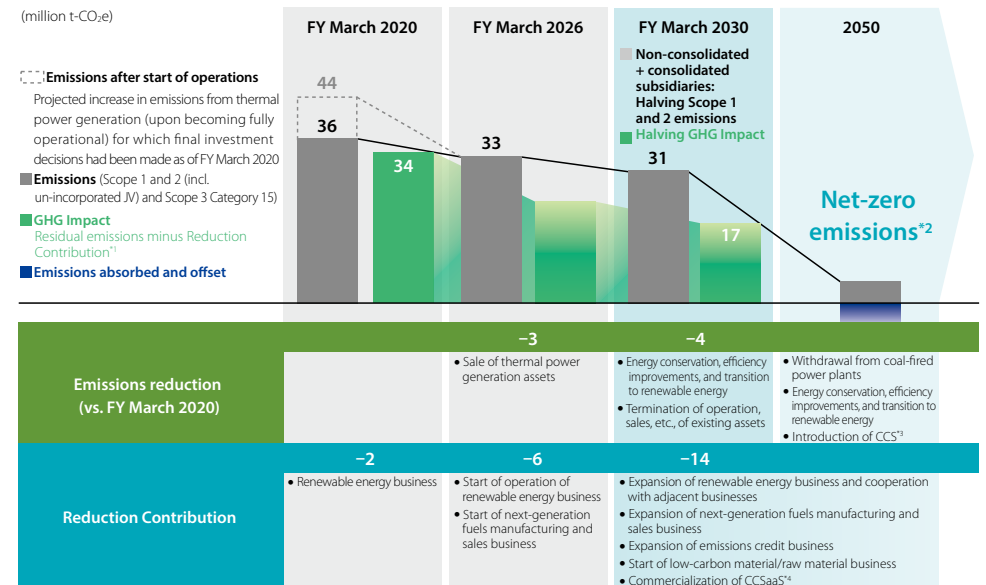
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Metrics	Targets	FY March 2024 results	Scope 3 Emissions (Main Categories) (Million t-CO <sub>2</sub> e) FY March 2024
Scope 1 and 2 (the Company and its consolidated subsidiaries, including un-incorporated joint ventures), and Scope 3 Category 15 (Investments)	2050 Net-zero emissions	34.0 million t-CO <sub>2</sub> e	1 Purchased goods and services 33.5
GHG Impact	2030 Halving (vs. FY March 2020)	29.3 million t-CO <sub>2</sub> e	10 Processing of sold products 31.0
Scope 1 and 2 (the Company and its consolidated subsidiaries)	2030 Halving (vs. FY March 2020)	0.6 million t-CO <sub>2</sub> e	11 Use of sold products 98.8
Renewable energy ratio	2030 Over 30%	29%	15 Investments 30.9
			Total 200.3

We expect GHG Impact\* to be approximately 27 million t-CO<sub>2</sub>e in FY March 2026, the final year of our current medium-term management plan. In addition, we achieved our target of a 30% renewable energy ratio ahead of schedule, reaching 33% in the first quarter of FY March 2025.

\* GHG Impact refers to the amount of emissions minus emissions absorbed and offset and the GHG Reduction Contribution we achieved through our business activities.

## Path to Halving GHG Impact and Achieving Net-zero Emissions



\*1 Reduction Contribution in this graph includes figures for emissions absorbed and offset. \*2 Reduction Contribution is not included in net-zero emissions.

\*3 Carbon Capture and Storage \*4 A business providing customers with Carbon Capture and Storage as a Service



For details, please refer to our Sustainability website.

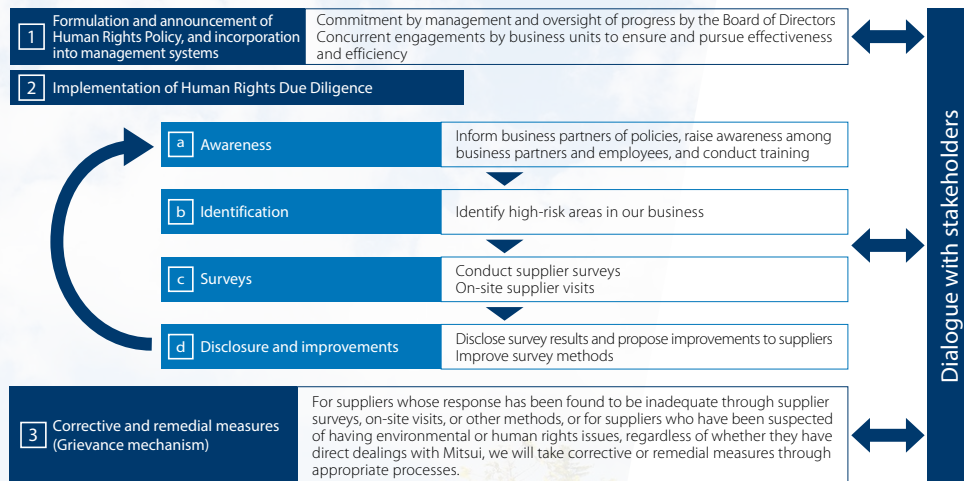
Disclosure Based on TCFD Recommendations: [https://www.mitsui.com/jp/en/sustainability/environment/climate\\_change/index.html#tcfd](https://www.mitsui.com/jp/en/sustainability/environment/climate_change/index.html#tcfd)

Scenario Analysis: [https://www.mitsui.com/jp/en/sustainability/environment/climate\\_change/index.html#strategy](https://www.mitsui.com/jp/en/sustainability/environment/climate_change/index.html#strategy)

# Business and Human Rights, Supply Chains

## Mitsui's Policies

We understand and support human rights as outlined in international standards<sup>\*1</sup> as a minimum standard. We have established a Human Rights Policy, Environmental Policy, and Sustainable Supply Chain Policy, and are working to capture and resolve environmental and social issues, including human rights issues, in the supply chain. With these efforts to respect human rights, we aim at reducing business risks and sustainable enhancement of corporate value.



<sup>\*1</sup> The International Bill of Human Rights, including the Universal Declaration of Human Rights, the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights and the Ten Principles of the United Nations Global Compact, among others.

## Enhancement of Human Rights Due Diligence

In FY March 2024, we reviewed high-risk areas subject to human rights due diligence with advice from external advisors. As a result, from FY March 2025 we will expand high-risk areas coverage, beyond the current scope that includes food materials, clothing, construction materials and others, to also include mining, metals, oil, gas, chemicals and other industries, as well as transactions involving products originating from emerging countries in Southeast Asia, Africa, South America, and other regions. We are also working to further enhance the effectiveness and efficiency of surveys by improving survey items, introducing an online survey system aimed at improving the number of effective responses by suppliers, and creating a process for the evaluation of survey results.



In FY March 2024, we sent our Sustainable Supply Chain Policy to 4,468 new suppliers, held training (for which we invited an attorney with expertise in human rights issues) for approximately 400 people, including external suppliers. We also sent questionnaire surveys to suppliers of Mitsui and its consolidated subsidiaries and obtained responses. In addition, a subsidiary accompanied a customer on a follow-up audit of a tea plantation in Sri Lanka. During the prior on-site visit by external experts appointed by the customer, it was confirmed that appropriate initiatives were being implemented in areas such as management, health, safety and environment (HSE) measures, and provisions for first aid. However, items requiring improvement were found in some areas, such as work rules, labor contracts, and wages. Together with the customer, we held a series of dialogues with the plantation management and thereafter confirmed that improvements had been made.

We have also established a grievance mechanism and posted information on the Company website. During FY March 2024, we improved the content of the description, including the projected response time following receipt of a complaint. No complaints were received regarding human rights in the supply chain.



Tea plantation visited in Sri Lanka

## Environmental Assessments in the Supply Chain

Our questionnaire surveys cover environmental items in addition to human rights. For natural rubber, palm oil, lumber, and paper products, which can have high environmental impacts such as deforestation, we have formulated Procurement Policies for Specific Commodities, disclosed our targets and the results of traceability and procurement rates of certified products, and have made this information known to our business partners. In FY March 2024, Mitsui & Co. Seafoods, a consolidated subsidiary, formulated a procurement policy for marine products. Since the scope of environmental impact is wide-ranging, encompassing climate change, water resources, and biodiversity, we intend to increase the number of products subject to the Procurement Policies for Specific Commodities and will work with suppliers to promote environmental assessments in the supply chain.

### Procurement Policies for Specific Commodities



## Enhancement of Internal Processes and Measures to Raise Awareness

In FY March 2024, we introduced a system of human rights auditing in internal audits as well as voluntary audits of affiliated companies, conducted by our business units. Specifically, we worked to reduce human rights risks, including those in the supply chain, by adding human rights clauses to product purchase agreements. In addition, business and human rights content was added to career stage training programs (for new recruits and line managers) as a measure to spread awareness.

For details, please refer to our Sustainability website.  
Human Rights: [https://www.mitsui.com/jp/en/sustainability/social/human\\_rights/](https://www.mitsui.com/jp/en/sustainability/social/human_rights/)  
Supply Chain Management: [https://www.mitsui.com/jp/en/sustainability/social/supply\\_chain/](https://www.mitsui.com/jp/en/sustainability/social/supply_chain/)

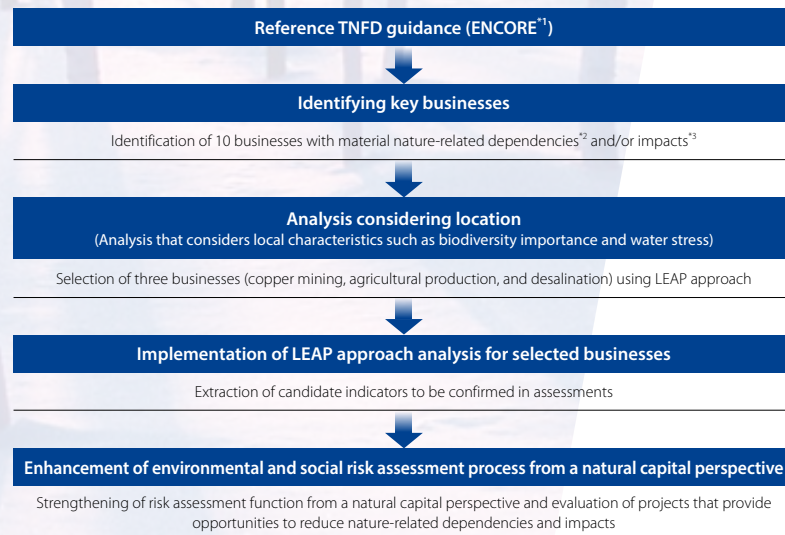


# Natural Capital

Our Environmental Policy states that we will assess the environmental impact of our business activities and work to conserve biodiversity. In addition to this, we are aiming to contribute to the Nature Positive goal through our business activities.

## Mitsui's Approach Based on the TNFD

### An approach to improving our business portfolio from the perspective of natural capital



<sup>\*1</sup> An online tool that helps organizations take the first steps to understanding their dependencies and impacts on nature, jointly developed by the UNEP Financial Initiative (UNEP FI) and others

<sup>\*2</sup> Agricultural production, afforestation, production of wood-related products, livestock and dairy farming, aquaculture

<sup>\*3</sup> Development, mining and production of metal resources, oil and gas exploration, development, extraction and production, ports and terminals, thermal power generation, petrochemical production, production of automotives, machinery, related components, etc.

Based on the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations, we have been progressing with the analysis of the nature-related dependencies and impacts of our business with a view to integrating nature-related elements into our strategy, promoting nature-related initiatives, and disclosing information. Referencing the TNFD guidance, we identified 10 key nature-related businesses, taking into account the amount of capital invested and the scale of their revenue (sales). We have designated businesses that contribute to reducing our nature-related dependencies and impacts as businesses with nature-related opportunities. Because location is important for nature-related risks and opportunities, we also conducted an analysis that took into account the local characteristics of each business location, and the LEAP approach<sup>\*1</sup> recommended by the TNFD for three businesses.

We will strengthen our risk assessment function by adding indicators obtained through this analysis to the list of assessment items in our environmental and social risk assessment process for all new

investments and loans. We will also expand evaluation of projects that provide opportunities to reduce nature-related dependencies and impacts. Furthermore, to utilize this information in project formation and assessments, we created a database of areas of high importance in terms of water risk and biodiversity, and have made a risk map available internally for use in natural capital risk analysis. Through these efforts, we intend to improve our business portfolio from perspectives of natural capital, while also contributing to achievement of Nature Positive<sup>\*2</sup> through business.

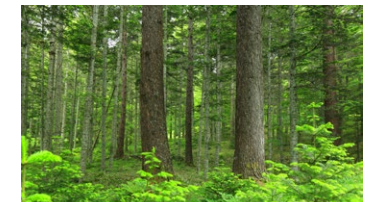
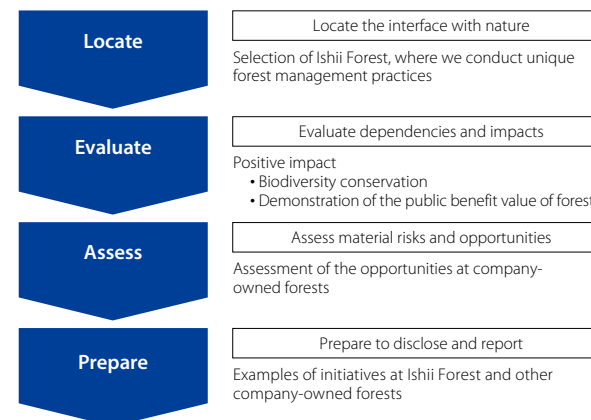
<sup>\*1</sup> An approach for identifying and assessing nature-related issues, consisting of the processes of Locate, Evaluate, Assess, and Prepare.

<sup>\*2</sup> The goal of halting and reversing biodiversity loss through the reduction of dependence and impact on nature through the value chain, and by restoring and regenerating ecosystems.

## Company-owned Forests: Mitsui's Forests

Mitsui owns approximately 45,000 hectares of forests in 75 locations throughout Japan. In FY March 2024, Kiyotaki Forest in Kyoto was certified as a Japanese "Other Effective Area-based Conservation Measures (OECM)" site, which will also contribute to the 30 by 30 global initiative. In addition, based on the results of applying the LEAP approach at Ishii Forest in Hokkaido, one of Mitsui's Forests in which we have achieved forest operations that enhance the value of natural capital, we evaluated its positive nature-related impact as well as its material risks and opportunities. We will continue to manage company-owned forests in a sustainable manner to contribute to ongoing biodiversity conservation and other positive impacts.

## Main LEAP Approach Analysis Items for Mitsui's Forests



Ishii Forest in Hokkaido



For details, please refer to our Sustainability website.

Natural Capital: [https://www.mitsui.com/jp/en/sustainability/environment/natural\\_capital/](https://www.mitsui.com/jp/en/sustainability/environment/natural_capital/)

LEAP Approach for Mitsui's Forests: [https://www.mitsui.com/jp/en/sustainability/environment/natural\\_capital/biodiversity/leap/](https://www.mitsui.com/jp/en/sustainability/environment/natural_capital/biodiversity/leap/)

## CSO Message

Through deepening our sustainability management and optimizing our business portfolio, Mitsui will continue to evolve into a company capable of sustainably enhancing its corporate value to ensure its continuity.



**Makoto Sato**

Representative Director  
Senior Executive Managing Officer  
Chief Strategy Officer

### **What are your views on the deepening of sustainability management, one of the corporate strategies defined in the Medium-term Management Plan (MTMP) 2026?**

I am convinced that initiatives across entire value chains are needed to address climate change and issues relating to natural capital and business and human rights.

Our priorities concerning natural capital encompass its conservation and effective utilization. We have also prioritized initiatives to create economic value through the effective and sustainable utilization of natural capital, such as regenerative agriculture. We also analyze Mitsui's Forests\* and our three business domains, based on the TNFD's LEAP approach, to address risks and opportunities.

Human rights are universal rights common to all people and are non-negotiable and absolute. Under any circumstances, human rights must be secured, and Mitsui is expanding the scope of its human rights due diligence and strengthening its monitoring systems.

Mitsui has identified its Materiality, which consists of five key material issues requiring prioritized actions through our business activities to ensure sustainability. We are currently reviewing Materiality to reflect changes in the nature of social issues and the views of our stakeholders.

### **One of the goals set forth in MTMP2026 is the "fusion of business and sustainability." What changes does Mitsui need to make in its business portfolio from that perspective, and what progress has been made in terms of portfolio transformation?**

We remain focused on ensuring Mitsui's continuity through business portfolio optimization. Given the increasing volatility of the business

environment, we aim to reinforce our risk resilience and achieve sustainable enhancement of corporate value by optimally diversifying our portfolio in terms of industries, regions, and timelines.

As we transform our business portfolio, we believe it is essential to achieve net-zero emissions by 2050. In addition to reinforcing our natural gas and LNG business to support the transition phase, we are also planning to launch renewable energy and next-generation fuel projects. Furthermore, in the context of reducing our GHG emissions, we sold two coal-fired power plant projects in 2024.

Mitsui is accelerating both the speed and scale of this business portfolio transformation. Because of our growing confidence in our ability to expand cash generation capabilities and profitability, we have become able to take major steps both in terms of investments for growth in line with our three Key Strategic Initiatives outlined in MTMP2026, and the sale of some businesses based on our future outlook.

Mitsui has many projects that it has engaged in for many years, including both in the operation of businesses and toward acquisitions and sales. The Ruwais LNG project announced in July 2024 is the culmination of our activities over 50 years in Abu Dhabi. We have also realized the sale of the Paiton coal-fired power plant project and the MRCE locomotive leasing business after years of internal discussions.

Mitsui's sustainability management is designed to achieve enhancement of corporate value from a long-term perspective. While strengthening existing businesses, we carefully select investments from a large number of candidates and consider the timing of their execution. We aim to create a business portfolio that combines both near-term and long-term stable cash flows, enhancing our cash generation capabilities and earnings power.



\* Mitsui's Forests  
<https://www.mitsui.com/jp/en/sustainability/forest/>