

Gate 2



Growth Strategy

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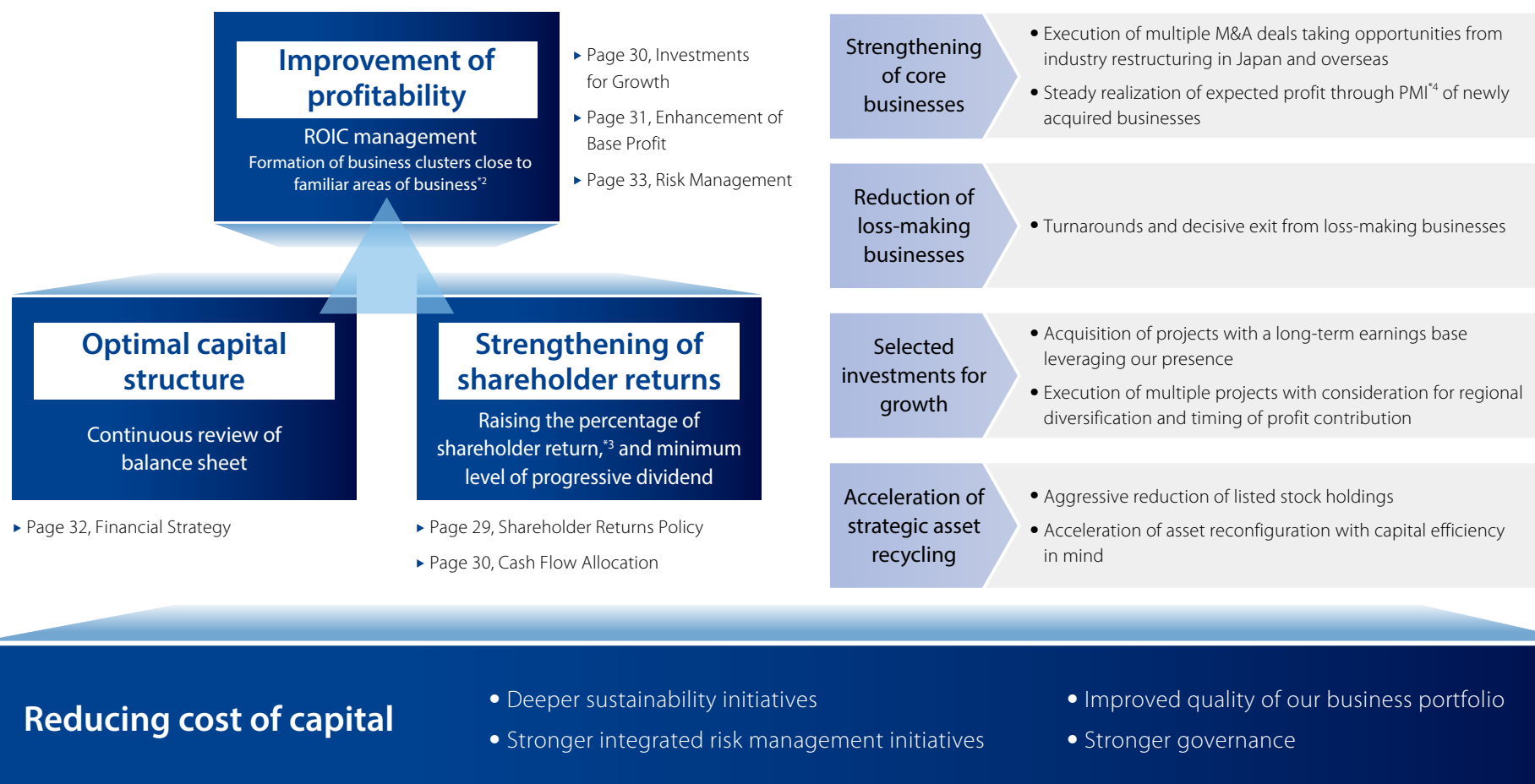
Initiatives to Enhance Corporate Value

We will increase the equity spread^{*1} by sustainably improving ROE and reducing cost of equity, thus further enhancing corporate value.

The ROE target of Medium-term Management Plan 2023 was 10%. Under Medium-term Management Plan 2026 we have set the target of over 12%.

Improving ROE

FY March 2025 Key Initiatives



^{*1} ROE minus cost of equity

^{*2} Aiming for growth while limiting downside risks by strengthening businesses and forming business clusters in areas where Mitsui has expertise or in adjacent areas

^{*3} Shareholder returns as a percentage of Core Operating Cash Flow

^{*4} Post-Merger Integration (PMI): Integration process after mergers/acquisitions (M&A)

CFO Message

Mitsui's unique growth story—progress and results of our business portfolio improvement and *middle game* initiatives



Tetsuya Shigeta

Representative Director
Senior Executive Managing Officer
Chief Financial Officer

What progress did Mitsui make in the first year of Medium-term Management Plan (MTMP) 2026, and what lies ahead?

In FY March 2024, profit was 1,063.7 billion yen, exceeding one trillion yen for two consecutive fiscal years. Core Operating Cash Flow (COCF) was around the one trillion yen level for three consecutive fiscal years. Regarding the base profit enhancement target of 170 billion yen set out in the MTMP, by the end of FY March 2024 the progress was 55 billion yen. This was a result of what we call *middle game** initiatives and the contribution to earnings from new investments beginning to appear. We also made progress in improving the business portfolio, with the steady execution of investments for growth that aim to contribute to near-term earnings as well as forming a long-term earnings base.

* 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.

Middle Game Initiatives

Although people tend to focus on the entry and exit points of investments, the initiatives that really increase intrinsic value are the ones that occur at the intermediate stages—the stages of enhancing individual businesses and implementing turnarounds to improve earnings power. Mitsui's leadership team has communicated the importance of winning this *middle game*, and have instilled this concept throughout the Mitsui & Co. Group.

However, in light of the actual progress so far, I believe there is ample room for improvement in our *middle game* initiatives. Each operating company is working to improve the level of its management

by setting KPIs aligned with its current business stage. These KPIs include not only profit and COCF, but also measures of efficiency such as ROIC and ROE, or in some cases targets such as increasing EBITDA and valuation multiples. Due to the impact of individual operating environments, there are a certain number of loss-making businesses. Reducing the number of loss-making businesses can lead to an immediate contribution to earnings, so we will be bold in taking *middle game* initiatives here.

Improving the Business Portfolio

In addition to *middle game* initiatives, we will steadily accumulate new investments for growth that can begin contributing to earnings immediately after the investment is made, in order to enhance our earnings power. Furthermore, as an example of our efforts to establish a medium- to long-term earnings base, we are pursuing businesses related to decarbonization and next-generation fuels as part of the Global Energy Transition, one of the Key Strategic Initiatives of the MTMP. Some of these businesses will take time to generate earnings. Therefore, in reconfiguring our portfolio, there is a need to have a balanced combination of investments with a diversified range of timeframes related to earnings contribution. In this way, by combining the diversification of earnings contribution and cash flow timelines with the global geographic diversification across developed and emerging countries, and with the diversification of products and business areas, we are reinforcing our areas of strength and improving our overall business portfolio.

What is driving the improvement of Mitsui's business portfolio?

The frontlines in each business unit are setting their sights higher for business portfolio improvement. I believe this is the result of company-wide efforts to promote the use of ROIC as an efficiency indicator, and to carefully select investments.

Effects of Introducing ROIC Management

There has been a significant effect from the widespread use of ROIC, which was introduced in the previous MTMP as an indicator used for discussing efficiency. The pursuit of efficiency is more deeply entrenched in discussions between the leadership team and the chief operating officers of business units. In discussions on achieving MTMP targets for COCF and profit, ROIC enables us to visualize and discuss the capital efficiency of each business area. As a result, I believe that the level of management in each business unit has risen in terms of pursuing capital efficiency. Moreover, a deeper understanding within the Company of the cash flow allocation framework has established a mindset of shifting to projects with higher profitability and growth potential in order to improve the overall portfolio. In addition, when verifying the justification for continuing to hold existing businesses, we are carefully selecting investments that will grow into core businesses in the future. We are raising the bar in looking at investments from that perspective. As an example of the results of this elevated focus on careful selection, we have been actively reducing our holdings of listed stocks. For investments for growth as well, as this focus is raised company-wide, there is greater awareness of selecting higher-quality projects that transcend the purview of each business unit, and our efforts to improve our business portfolio have evolved to be sustainable. On the other hand,

although ROIC functions as an indicator used for discussions, we have not made it a uniform KPI because the risks and stages of each business area are different. We are currently asking each business for clear improvements to ROIC but so far we are still making incremental improvements each year, leading us to believe there is ample room for further improvement.

Careful Selection of Investment Projects

We are also making advances in the careful selection of new investments. First, we are very mindful of strategy—that is, whether the investment fits our “Create, Grow, Extend” business model. In addition, although the hurdle rate should be raised in light of factors such as rising interest rates, appropriate judgment is needed for each individual investment, taking into account the fact that the uncertainty of preconditions varies depending on the case. The leadership team, which includes officers in charge of multiple business units, is unified in its involvement in the process of carefully selecting high-quality projects, including discussions on prioritizing the investment pipeline from a company-wide perspective. In addition, our External Directors have diverse experience and expertise, and they have numerous opportunities to point out sustainability issues in areas such as decarbonization and health, safety and environment (HSE), as well as the long-term sustainability of products and technologies, further raising the bar in our careful selection of new investments. The elevated focus on the business portfolio in each business unit, the leadership team's company-wide perspective, and the expertise and experience of our External Directors are all organically linked, leading me to believe that our business portfolio will be further enhanced, and our earnings power further increased going forward.

To Our Shareholders and Investors

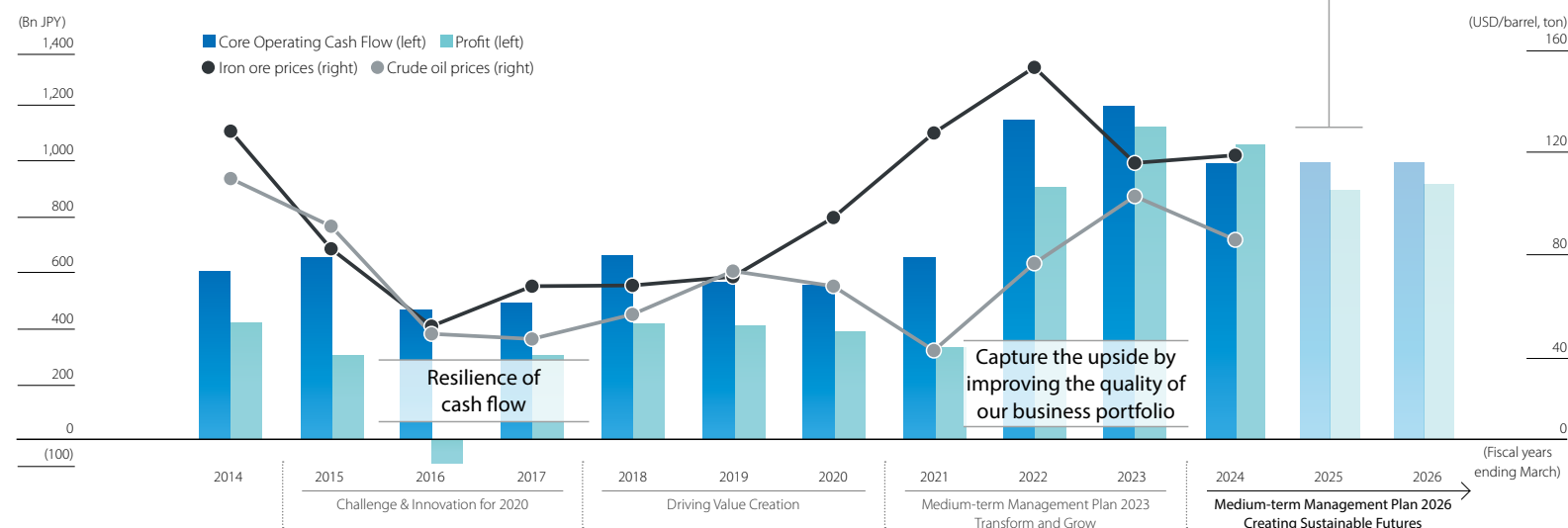
Mitsui conducted a 2-for-1 share split with a record date of June 30, 2024. By lowering the stock price per investment unit of common stock, we aim to make investing more accessible for our shareholders and investors, as well as to enable greater liquidity in our stock and further expansion of our investor base.

Looking back over the previous MTMP and the first year of the current MTMP, I can see that it has been a period when favorable conditions in the operating environment supported growth opportunities. Our financial results improved as the operating environment improved during the recovery from the COVID-19 pandemic. In this operating environment, we enhanced the earnings resilience of our entire business while also strengthening our business foundation to ensure that we can securely capture the upside arising from favorable conditions. We were able to conduct the reforms required for this purpose without any delays, while maintaining an overall balance. Looking at Mitsui's operating environment, there continues to be a strong necessity to respond to geopolitical risk, tackle sustainability, and increase the sophistication of and build redundancy into our supply chains, and my view is that there will be an increasing number of situations around the world where Mitsui will be called on to demonstrate its capabilities.

We will establish a positive cycle of implementing investments for growth that generate cash and profit, accumulating returns, and then allocating a certain amount of those returns to shareholders while keeping in mind sustainable improvement in ROE. We will continue to create value in a way unique to Mitsui by providing cross-industry *real solutions* to social issues globally and across a wide range of industries. I hope to continue communicating Mitsui's ongoing growth story, the appeal and potential of our business, and our performance in a way that is easy for all of you to understand.

Progress of Medium-term Management Plan: (1) Earnings Performance and FY March 2025 Business Plan

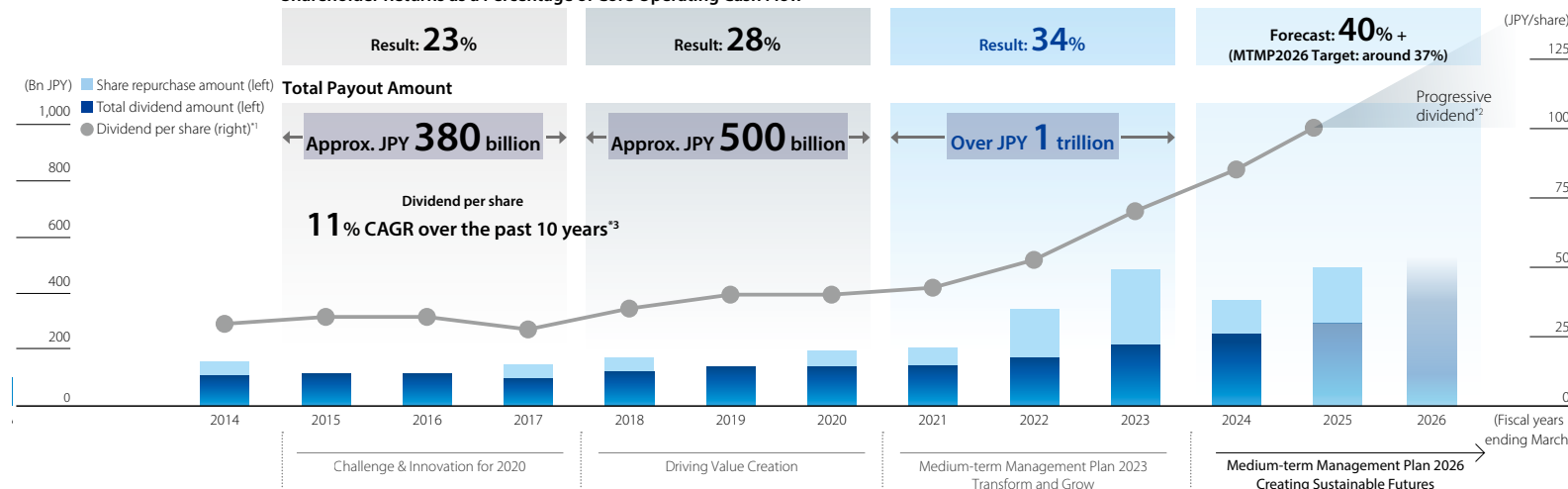
Resilience and Growth of Core Operating Cash Flow



Enhancement of Shareholder Returns

Mitsui has been enhancing shareholder returns based on cash flow generation, which has been strengthened through improvement in the quality of the business portfolio. Under Medium-term Management Plan 2026 (MTMP2026), we have introduced a progressive dividend, targeting shareholder returns of around 37% of cumulative Core Operating Cash Flow over the three-year period. However, based on the total payout forecast at the time the FY March 2025 Business Plan was announced, shareholder returns are expected to exceed 40%.

Shareholder Returns as a Percentage of Core Operating Cash Flow



Quantitative Targets for FY March 2026 (Announced May 2023)

Through continuous improvement of our business portfolio, we aim to generate stable Core Operating Cash Flow of over 1 trillion yen.

Core Operating Cash Flow

JPY 1 trillion

Profit

JPY 920 billion

ROE

MTMP2026 average
Over 12%

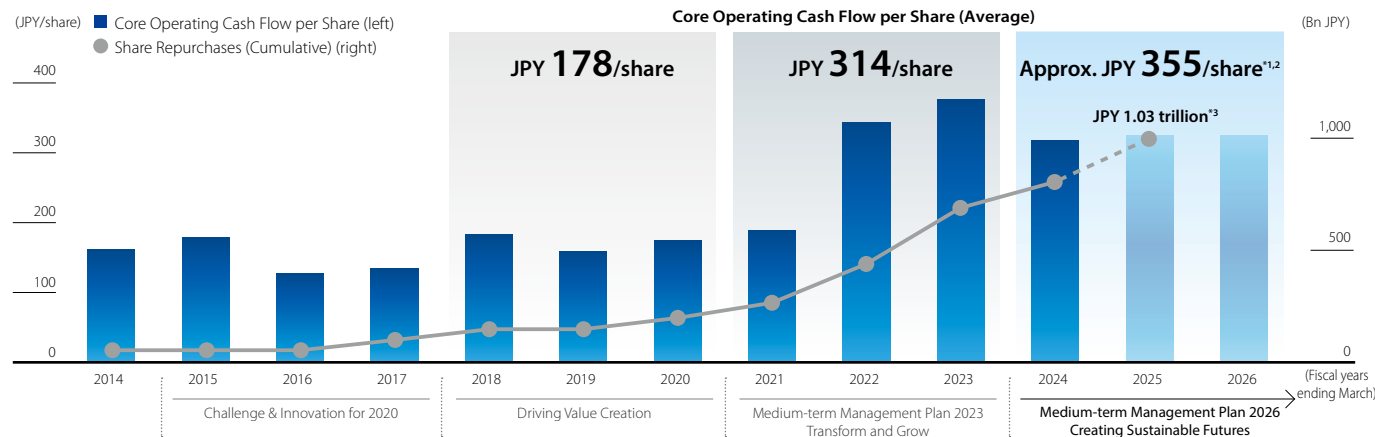
*1 Amounts retroactively adjusted to reflect the share split (2-for-1) carried out on July 1, 2024 (pre-split dividend per share ÷ 2) *2 Maintain or increase dividends during the three-year period of MTMP2026 *3 Dividend results for FY March 2014 through FY March 2024

Progress of Medium-term Management Plan: (2) Cash Flow Allocation Forecast

Due to increases in Core Operating Cash Flow and asset recycling, cumulative cash inflow during MTMP2026 is expected to grow to approximately 4.2 trillion yen, and the Management Allocation is expected to expand from 1.13 trillion yen as of the announcement of MTMP2026 to 1.75 trillion yen. From the expanded Management Allocation, we expect to allocate 770 billion yen to investments, increasing investments for growth over the three-year period of the plan to 1.8 trillion yen. We will also allocate 420 billion yen to shareholder returns, continuing to increase both investments for growth and shareholder returns.

		MTMP2026 3-Year Cumulative (Announced May 2023)	MTMP2026 3-Year Cumulative Forecast (Announced May 2024)	
(Bn JPY)				
Cash Inflows	Core Operating Cash Flow		2,750	3,000
	Asset Recycling		870	1,240
	Total Cash Inflow		3,620	4,240
Cash Outflows	Sustaining CAPEX		570	710
	Investments for growth	Investment Decision Made or Policy Confirmed	1,170	1,800
		New Investments	Management Allocation	Expansion
	Additional Shareholder Returns	1,130		1,750
	Shareholder Returns	Share Repurchases	70	320
		Dividend	680	850
			Allocation	
		Investments	770	
		Shareholder Returns	420	
		Total	1,190	

Cumulative Total Amount of Share Repurchases and Core Operating Cash Flow per Share



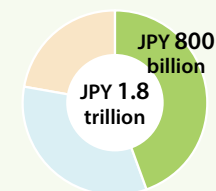
- The cumulative total amount of share repurchases implemented since FY March 2014 is expected to exceed 1 trillion yen.
- Mitsui has repurchased shares equivalent to approximately 18% of the total number of shares issued as of March 31, 2014, and by canceling most of the repurchased shares, it has improved earnings per share and shareholder returns.
- Core Operating Cash Flow per share increased from an average of 178 yen per share during the three years of MTMP2020 to an average of 314 yen per share during the three years of MTMP2023. The average for the three years of MTMP2026 is expected to be approximately 335 yen per share.

^{*1} Forecast taking into account share repurchases to be completed by September 20, 2024 ^{*2} Calculated based on the share price after the share split (2-for-1) with the effective date of July 1, 2024

^{*3} Forecast cumulative total amount of share repurchases to be completed by September 20, 2024

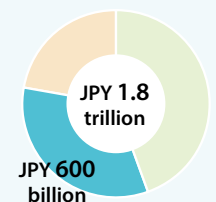
Forecast of investments for growth during Medium-term Management Plan 2026 (Announced May 2024)

Industrial Business Solutions



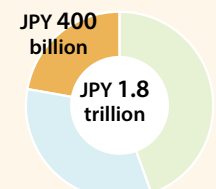
- In FY March 2024, we invested approximately 270 billion yen in projects including Altius Link, which provides domestic contact center services; floating production, storage and offloading (FPSO) projects; Metro Pacific Investments Corporation, an integrated infrastructure company in the Philippines; and Komatsu Mining Corp. Perú, a construction and mining machinery sales and service company in Peru.
- We aim to capture scarce opportunities by leveraging our track record in resources development, and to build a sustainable earnings base in infrastructure areas including machinery, mobility, and digital.

Global Energy Transition



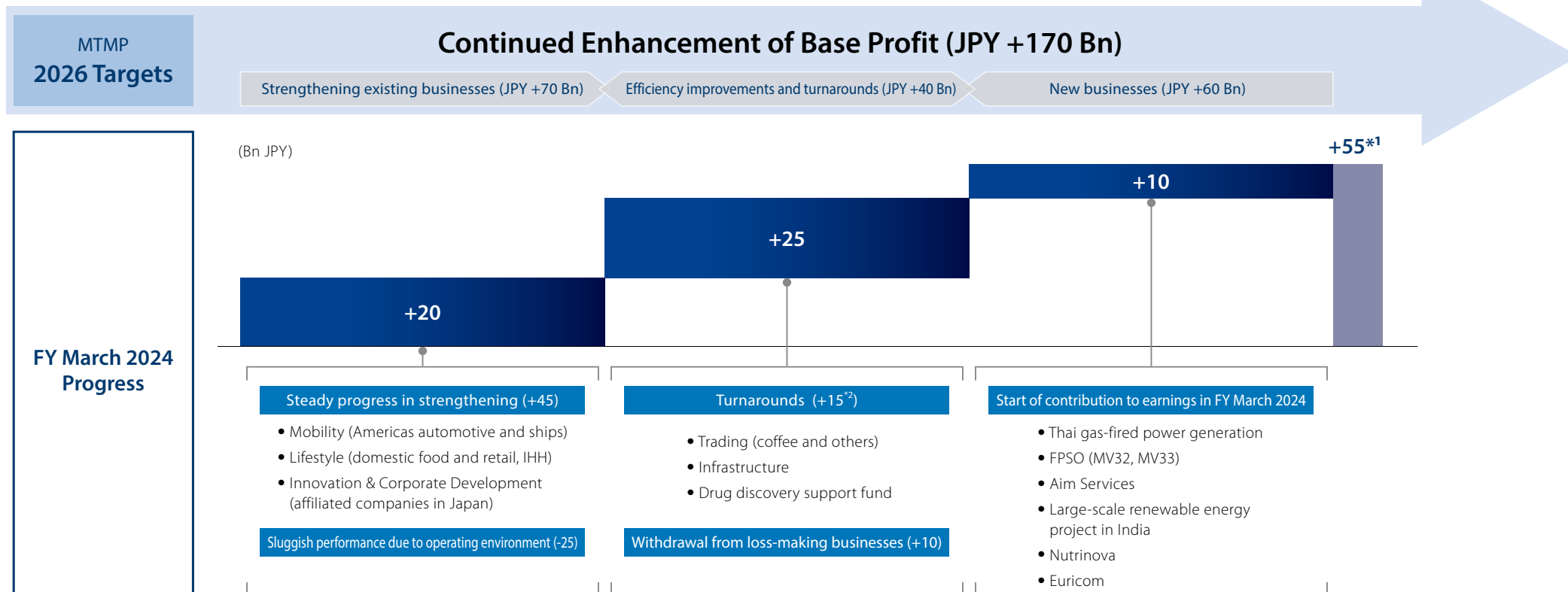
- In FY March 2024, we invested approximately 170 billion yen, mainly in offshore wind power in Taiwan, next-generation fuels and other projects.
- While expanding our stable earnings base with natural gas and LNG, we will drive initiatives for ammonia, low-carbon methanol and other next-generation fuels, and production of low-carbon metallics, as we build a business portfolio for a decarbonized society.

Wellness Ecosystem Creation



- In FY March 2024, we invested approximately 250 billion yen in projects including making Aim Services a wholly owned subsidiary, protein business (mainly broilers and shrimp), and functional food ingredient manufacturing and sales company Nutrinova.
- By promoting PMI and creating synergies with existing businesses, we will work to generate near-term earnings and strengthen earnings power in each business.

Progress of Medium-term Management Plan: (3) Progress in Enhancing Base Profit



*1 Progress of businesses expected to enhance base profit from FY March 2023 to FY March 2026 plan *2 Including increase and decrease in profit from FY March 2023 in projects underway

Main Examples

Profit from Affiliated Companies Cluster in Japan of the Innovation & Corporate Development Segment

FY March 2023 FY March 2024 Rate of Increase
JPY **26.5 billion** JPY **31.4 billion** **+18%**

Affiliated companies in Japan hitting record high in FY March 2024

- Mitsui Knowledge Industry
- Mitsui Bussan Secure Directions
- World Hi-Vision Channel
- JA Mitsui Leasing
- Mitsui & Co. Global Logistics
- Mitsui & Co. Real Estate

Improved Earnings in Coffee Trading

- Reduction in inventory **-34%***

- Cost reduction (interest and storage costs, hedging costs)
- Operational changes to reduce market dependency.

* As of March 31, 2024 (compared with March 31, 2022)

Projects Initiated Prior to MTMP2026

- Steady completion of FPSO projects, Thai gas-fired power generation, and large-scale renewable energy project in India, etc.

Increase in earnings contribution in FY March 2024

JPY +7 billion

- Thai gas-fired power generation earnings contribution is expected to replicate that of PT Paiton Energy thermal power generation business, which was sold in Q1 of FY March 2025.

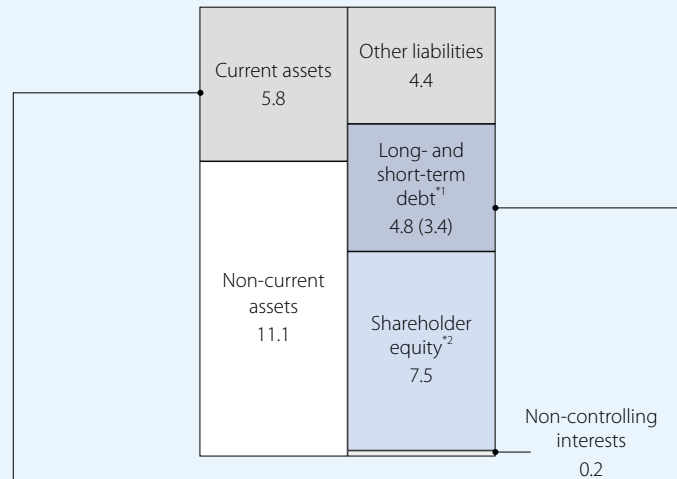
Financial Strategy

Basic Approach to Financial Strategy

We aim to ensure liquidity and maintain a healthy financial position.

Balance Sheet (As of end-March 2024)

(Tn JPY)



Maintain sufficient short-term liquidity to cover the repayment of interest-bearing debt

Hold adequate short-term liquidity, mainly cash and deposits, to cover approximately two years' worth of repayments

Secure necessary liquidity on our balance sheet to withstand emergency situations, such as drying up of liquidity in the market

Secure steady financing over the long term with appropriate consideration of asset liquidity

• Secure financing for long-term investments and financing projects through long-term loans with repayment periods of approximately ten years

• Utilize government financial agencies and project finance for large-scale projects in developing countries

Minimize refinancing risk

Manage country risk and geopolitical risk

Maximize financing efficiency across the Group

Utilize regional in-house banking functions, efficiently collecting surplus cash from and providing financing to Group companies according to their needs

Effectively leverage liquidity and credit lines (both for receiving and issuing)

^{*1} The figure in parentheses is net interest-bearing debt

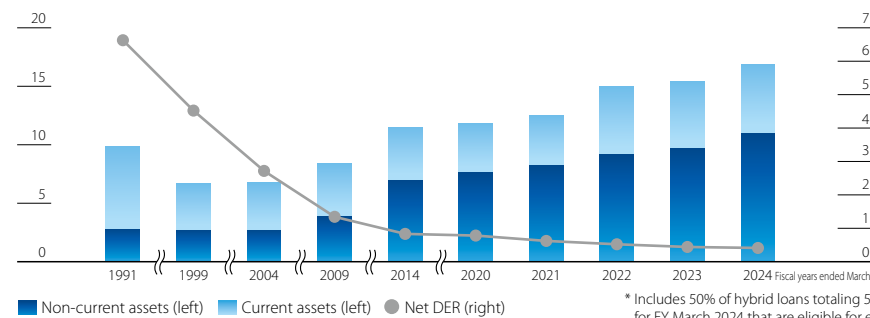
^{*2} Shareholder equity refers to total equity attributable to owners of the parent

Key Indicators of Financial Strategy

Mitsui allocates capital based on its cash flow allocation framework. This framework will help drive the implementation of a growth strategy that is compatible with maintaining and strengthening our financial position, through the balanced allocation of cash (from Core Operating Cash Flow and asset sales) to both sustain businesses and fund investments for growth, and shareholder returns. Our policy is to maintain appropriate levels for the below key indicators we focus on when considering our financial strategy, based on our cash flow allocation framework.

Net DER*

(Tn JPY)



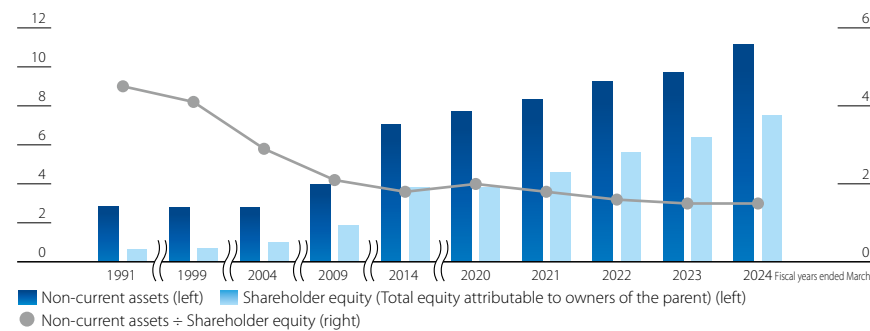
* Includes 50% of hybrid loans totaling 555 billion yen for FY March 2017-2023 and 420 billion yen for FY March 2024 that are eligible for equity treatment

In line with the shift from trading to investing, our investment assets and fixed assets have been increasing.

In line with the increase in investments and fixed assets that have relatively higher risk or take longer to recover capital, there is a need to reduce leverage. We have improved this significantly compared to historic levels.

Non-Current Assets and Shareholder Equity

(Tn JPY)



When we look at the balance between our non-current assets, which are relatively high risk, and equity that ultimately must be able to absorb the effects of this risk, we see the balance has gradually improved.

The difference between non-current assets and equity is mainly financed through interest-bearing debt, and if this expands, it reduces overall financial stability.

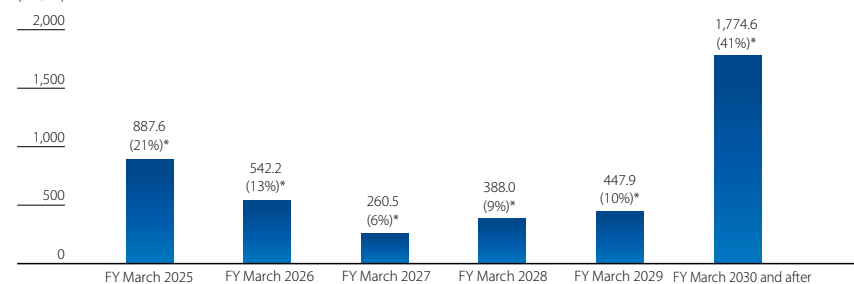
We secure financing mainly through long-term loans of around ten years. At the same time, we aim to reduce refinancing risk by avoiding long-term loans repayment being concentrated in any specific financial year.

As a result, as of end-March 2024, interest-bearing debt to be repaid within one year accounted for approximately 21% of total interest-bearing debt, and the percentage due after more than five years was approximately 41%. For debt due after more than 5 years, we have issued 20-year corporate bonds and arranged other forms of interest-bearing debt with repayment periods extending as far as 2045,* with the intention of structuring a long maturity ladder.

Furthermore, we hold sufficient cash and deposits to repay all interest-bearing debt due within one year, and have secured commitment lines that enable flexible access to funds.

Interest-Bearing Debt Repayment Schedule

(Bn JPY)



* Percentage of total interest-bearing debt

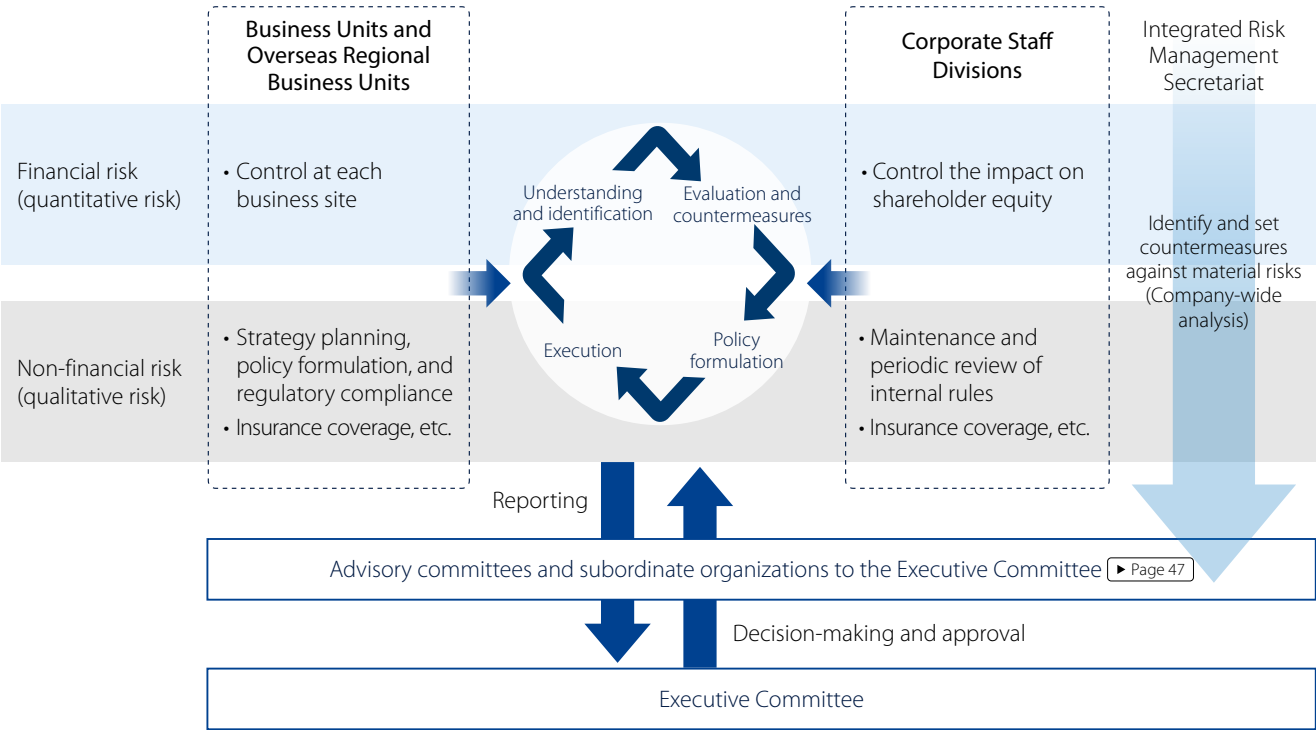
* Interest-bearing debt excluding hybrid loans and leases

Risk Management

We look laterally across the Company to identify material risks and implement appropriate risk control measures. The Chief Operating Officer of each business unit and overseas regional business unit is responsible for managing risks in their business domain within the authority delegated to them as part of the execution of their duties. Meanwhile, each of the Corporate Staff Divisions provides support to business units and overseas regional business units regarding the aspects of risk management that they are responsible for, while also monitoring the company-wide position and reporting to management. In addition, the major committees develop and maintain risk management structures on a company-wide basis and handle material risks as advisory bodies and subordinate organizations

to the Executive Committee. Mitsui has established an integrated risk management system that manages company-wide risks centrally through the Executive Committee and its advisory body, the Portfolio Management Committee. The Corporate Staff Divisions, which act as the secretariat, manage risks from a company-wide perspective. In coordination with related divisions, they identify material risks and take appropriate measures, considering the frequency of occurrence, expected scale of damage, and level of risk tolerance. In FY March 2024, these efforts were discussed by the Portfolio Management Committee and then presented to the Executive Committee and the Board of Directors.

Mitsui Risk Management Structure



Highlight

Quantitative Analysis Using Risk Assets

As part of our integrated risk management, we conduct a quantitative risk analysis every year. The results are discussed by the Portfolio Management Committee as being "Mitsui's risk exposure and control," and then reported to the Executive Committee and the Board of Directors.

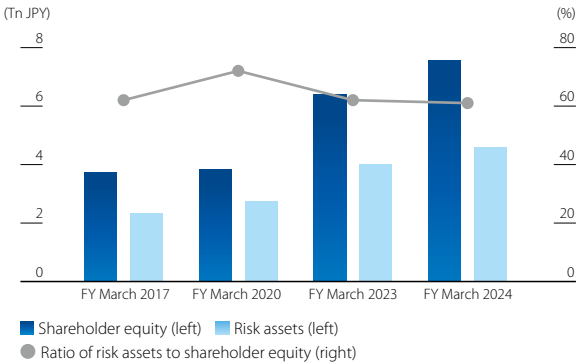
In addition to the total risk related to assets on the balance sheet, quantitative risk analysis is also used to assess off-balance sheet risks, such as market risk and guarantee liabilities, against defined criteria. Those that meet the criteria are designated as risk assets, and we regularly monitor the associated risk exposure. Risk assets are the basis on which integrated risk management is used to analyze the current situation from various perspectives, such as business investment risk, credit risk, and market risk, as well as by segment, country, and region. We have confirmed that risk assets have remained within the range of around 60–70% of shareholder equity over the past 10 years.

In addition to the ratio (level) of risk assets to shareholder equity, we calculate the ratio (level) of profit to risk assets. After FY March 2016, when we posted a loss, the ratio of profit to risk assets generally remained at around 15%, but fell to around 10% in FY March 2021, when the impact of the COVID-19 pandemic was evident. Thereafter, it exceeded 20% from FY March 2022 through FY March 2024.

Moreover, we have conducted various stress tests such as for a downgrade in the internal ratings of our assets and sudden fluctuations in foreign exchange and stock markets, and examined the impact on risk exposure and its ratio (level) to shareholder equity.

Core Operating Cash Flow has been at the 1 trillion yen level for three consecutive fiscal years. One mechanism underpinning this performance is our advanced risk management. We will continue to conduct appropriate risk management to be ready for downside risks to our financial performance. Doing so will in turn lead to the enhancement of our corporate value.

Shareholder Equity and Risk Assets



Material Risks (As of end-March 2024)

Material Risks	Main Risk Countermeasures	Advisory Committees and Subordinate Organizations to the Executive Committee
Business investment risks	Portfolio management, risk asset monitoring ▶ Page 20	Portfolio Management Committee
Geopolitical risks	Regular monitoring of specific national and regional trends, accumulation of contingency response expertise	
Country risks	Financing from export credit agencies globally, insurance coverage, monitoring ▶ Page 62	
Physical risks related to climate change	Insurance coverage, formulation of crisis management policies, reinforcement of facilities	Sustainability Committee
Transition risks related to climate change	Initiatives to achieve 2030 targets and Vision for 2050 ▶ Page 21	
Commodity market risks	Limit setting, position management, hedging	Portfolio Management Committee
Foreign currency risks	Limit setting, position management, hedging	
Listed stock risks	Periodic reviews of stock portfolio	
Credit risks	Credit limit management, monitoring, consideration and implementation of debt protection measures	
Financing risks	Securing stable long-term financing and short-term liquidity ▶ Page 32	Report to Executive Committee* ¹
Operational risks	Examination of risk mitigation measures and damage prevention measures, etc., insurance coverage	Portfolio Management Committee
Compliance risks	Establishment of a compliance framework on a global group basis	Compliance Committee
Information systems and security risks	Establishment of internal controls on information systems and information security	Information Strategy Committee
Human capital limitation risks	Human resources management, including securing, developing and evaluating human resources ▶ Page 36	Diversity Committee
Human rights risks	Implementation of human rights due diligence, correction and remediation when issues arise ▶ Page 22	Sustainability Committee
Risks related to infectious disease, natural disasters, terrorism, etc.	Formulation of business continuity plans for crises and disaster contingency manuals	Emergency Response Headquarters* ²

*1 Report to the Executive Committee as deemed necessary *2 Organization headed by the CHRO, established based on the "Rules on Business Continuity Management in case of Disasters"

Highlight**Identification of New Material Risks**

- Human capital limitation risks
- Human rights risks

[▶ Page 22, Business and Human Rights, Supply Chains](#)

[▶ Page 36, Human Resources Strategy](#)

In FY March 2024, we identified risk regarding human capital limitation risks and human rights risks as new material risks.

We identified these risks due to changes in the external environment where there is an increased level of interest in sustainability initiatives in areas including human capital, human rights, and supply chains, as well as the increase in affiliated companies that recognize these risks as material risks through their Control Self-Assessment (CSA), which was introduced in FY March 2023.

Human capital limitation risks are associated with the loss of opportunities to create business value and the impairment of stable operations in the event

of a shortage of human resources. To mitigate this risk, we are conducting human resources management, including securing, developing, evaluating, and remunerating our people appropriately to secure the human capital we need.

Human rights risks are associated with reputational damage due to human rights violations arising from our activities and business relationships within the supply chain and elsewhere, as well as the risk of incurring additional costs associated with eliminating or mitigating the impact of such damage. In addition to reducing risk through human rights due diligence, we take appropriate steps to correct and remedy issues when they arise.

CHRO Message

We will continue the creation of new value through fostering an open environment where diverse individuals can fully realize their capabilities.



Yoshiaki Takemasu

Representative Director
Executive Vice President
CHRO, CCO

What are your views on the link between the Company's human resources strategy and corporate value enhancement?

Our human resources strategy exists to achieve the Company's management goals, so the linkage is crucial. The key to advancing our "create, grow, extend" business model always lies in our people. Through the steady implementation of our human resources strategy, we aim for diverse individuals who share the same aspiration and passion to form agile teams in and out of Japan, addressing social issues and fostering innovation through cross-industry initiatives.

Could you tell us about the Mitsui Engagement Survey (MES)?

MES, introduced in 2018 as a metric to measure the effectiveness of our human resources strategy, is now conducted across all offices outside Japan and major subsidiaries both in and out of Japan. This survey, from the perspective of each individual employee, measures and analyzes attachment to the workplace, motivation, feeling of personal growth, and empathy towards the organization's strategy and directions. The results are used to encourage improvement actions. To ensure the objectivity and transparency of the survey, we have partnered with an external research firm and customized the survey methodology to fit Mitsui's characteristics. Given the significant correlation observed between MES results and organizational productivity and performance, the results are reported to the Board of Directors as one of our key management indicators and are also utilized as a KPI for remuneration of Directors. 73% of the responses in the "employee engagement" score in last year's MES were positive, which was an improvement from the previous year, and provided various

insights for addressing organizational issues.

Regarding diversity, we achieved our goal of increasing the percentage of female managers to 10% this year and have set a new target of 20% by FY March 2031. Considering that the percentage of female managers at our overseas trading affiliates is approximately 40%, challenges are with the situation in Japan, while we aim to realize our corporate philosophy of "Thrive on diversity" not just by achieving such numerical goals but by improving MES results at the same time. By the end of this year, our global talent management system "Bloom" will be fully operational for 9,000 employees. We plan to evaluate the effectiveness of various human resources measures based on data and leverage this to drive Mitsui's further growth.

Can you provide examples of how your human resources strategy has led to new value creation?

Our participation in the ADNOC LNG Project in the Middle East is expected not only to serve as a foundation for stable energy supply but also to demonstrate the value of our diverse talent working shoulder to shoulder across different business units. Their efforts went beyond infrastructure development in resource-rich countries to include the promotion of new industries and market development, which has been recognized by our partners.

Our current earnings base is the result of promoting both growth and human resources strategies. Moving forward, we will continue to enhance an open environment in which as many individuals as possible embodying Mitsui's growth can be nurtured, and diverse talent can fully realize their capabilities.

Human Resources Strategy

People are Mitsui's greatest asset. As we make the best use of Mitsui's management capital through collaboration among capable individuals with expertise in a wide range of business domains, products, fields, and regions, we *create, grow, and extend* businesses to generate new value on a global basis. Our human resources strategy based on "Development of capable individuals," "Inclusion" and "Strategic assignment of personnel" drives the promotion of globally diverse Individuals, which in turn has led to the realization of enhanced corporate value through the creation of value in collaboration with stakeholders in a variety of business activities.

Strategy | Promotion of globally diverse individuals

Indicators

Enhancement of corporate value

Development of capable individuals

- Sustained development of human resources capable of leading increasingly large and complex projects
- Support for employee self-development and reskilling
- Support for employee skill improvement and global career development

Inclusion

- Establishment of an environment enabling diverse human resources to work globally
- Improvement of employee engagement

Strategic assignment of personnel

- Position matching based on individual skills and wills
- Position management and succession plans for line managers
- Introduction and use of Bloom, a human resources data platform that supports employees' autonomous career development

Overseas Dispatch Program Results
Cumulative total participants
Over 4,300
(As of March 31, 2024)

Overseas trainees; foreign language and business culture trainees

Overseas dispatch of junior employees to learn languages other than English and gain practical experience on site in order to develop regional and industry professionals

Dispatch to business schools

We dispatch mid- to management-level employees from the Group across the globe to business schools outside Japan. We also focus on our program in collaboration with Harvard Business School and our Executive Education program. In FY March 2024, we dispatched 24 people (including four regionally hired employees).

Promoting active participation of women in the workforce

- As a result of stepping up training programs and other initiatives, the non-consolidated percentage of female managers has steadily risen, reaching the target of 10% for FY March 2025. A new target has been set for FY March 2031.

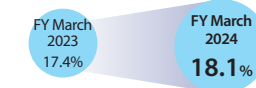
Percentage of female managers (non-consolidated)



Number of employees covered by Bloom (non-consolidated and overseas trading affiliates)



Percentage of regionally hired employees among line managers (overseas trading affiliates)



Programs to develop female leaders (non-consolidated)

• Women Leadership Initiative

Fosters self-awareness as leaders and promotes empowerment through dialogue with External Directors.

• Sponsorship Program

Executive Committee members sponsor female employees working as line managers and provide them with career advice and guidance.

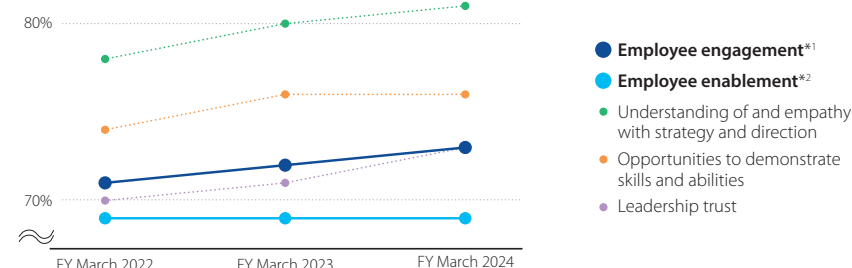
Introduction of a new personnel system (non-consolidated; from July 2024)

- Introduced to respond flexibly to employees' career and life plans, assign employees according to their experience and skills, and improve productivity.
- Discontinued the previous designations of Business Staff and Administrative Staff, consolidating them under the single designation of regular full-time employee.
- Allows the choice of whether or not to relocate every three years.

Mitsui Engagement Survey

- Employee engagement with the Company has been designated as one of the management indicators for measuring the results of our human resources strategy.
- We conduct the Mitsui Engagement Survey as a tool to regularly monitor results, leading to actions for improvement.
- Over 15,000 people, including regionally hired employees outside Japan and employees at 29 affiliated companies, took the survey in FY March 2024 and the scores have continued to rise.
- Survey results for "Employee engagement" and "Employee enablement" have been set as KPIs for performance-linked stock-based remuneration for Directors.
- Each organization analyzes the survey results to develop an action plan. Used to resolve organizational issues, led by the frontlines.

Results for Mitsui (Non-consolidated) and Overseas Trading Affiliates



*1 Positive response rate on a set of questions related to "Having motivation to contribute or commitment to the company, and the desire to make self-initiated efforts"

*2 Positive response rate on a set of questions related to "Whether there are opportunities to utilize one's own skills and capabilities, and whether there is a work-friendly environment"



Please refer to our Human Capital Report for information on our approaches and initiatives for individuals, and value creation through human resources management.
https://www.mitsui.com/jp/en/company/outline/human_resource_management/_icsFiles/afidfile/2024/02/29/MBK_HCReport2023_en_240221.pdf

CDIO Message

Accelerating our transformation with digital using generative AI to further improve performance and create new businesses



Toru Matsui

Representative Director
Senior Executive Managing Officer
Chief Digital Information Officer

How are Mitsui's digital initiatives progressing?

Broadly speaking, the Mitsui & Co. Group is pushing ahead with two transformations with digital (DX). The first is to improve performance through DX to enable our people to do a bigger job, and the second is to create new businesses using digital technology and AI. We have been fully committed to DX since 2017. Based on the accumulation of DX projects and our steady progress in establishing a DX platform and developing DX talent, I feel that we have built a solid foundation and wish to make a big leap this fiscal year, including the full-fledged utilization of generative AI.

Please introduce some of your main DX projects.

We have already started implementation of more than 50 DX projects. I would like to introduce a notable one, ALTERNA from Mitsui & Co. Digital Asset Management. ALTERNA is an online asset management service that enables digital securitization of assets such as real estate and infrastructure, allowing retail investors to invest in small amounts. With the issuance of security tokens,* permitted by a change in Japanese law in 2020, digital technology can now be used to reduce transaction costs and conduct smaller transactions, making it possible for individuals to invest in real estate and infrastructure assets, which were previously markets mainly for institutional investors.

Can you tell us about the DX platform that will support DX projects?

We have formulated the Digital Grand Design as a compass for digital governance and standardization of our DX platform. We aim to move away from individual optimization based on building systems according to business needs. Instead, by optimizing systems, processes, and data based on the Digital Grand Design, we aim to improve performance throughout the entire Group and enable swift and accurate decision-making.

How are you developing personnel to drive DX initiatives?

We aim to equip our diverse personnel, who are well-versed in a wide range of businesses, with digital skills to make all staff DX-ready. We have also upgraded our in-house certification system to encourage employees to drive business transformation through DX by utilizing the digital knowledge they have acquired at the Mitsui DX Academy, which was launched in 2021. Our focus for this fiscal year is on learning about generative AI and its application.

Some have called 2023 "year one of generative AI."

How is the Company approaching generative AI?

We launched "MBK Private AI," which is an internal application for generative AI, in March 2023. Generative AI has the potential to significantly expand what is possible for humans. So to allow our personnel to utilize generative AI toward their further success, we are working on familiarization across the Group, and are advancing preparatory work such as the setting up of governance measures. I use generative AI as my "good partner" in preparing for various meetings and other situations. Based on my first-hand experience of the improvement in performance, I am committed to encouraging its utilization.

What are your initiatives and expectations for this fiscal year?

We will leverage AI in both internal and external business activities to make further improvements in performance and create new businesses. By utilizing AI, we intend to take the first step in building a new future for Mitsui at an unprecedented speed and creativity. "Mitsui & Co. × AI = ∞ (infinite) possibilities."

* Security token: A digitized financial product (security) issued and managed using blockchain or other technology.

Mitsui's DX

Digital Transformation and Innovation with Digital

We have a broad range of frontline assets where we can acquire valuable data based on actual experience. Mitsui's digital transformation (DX) applies the power of digital technology to these important frontlines; which means aiming to reduce costs and expand sales through efficiency improvement and optimization, and create new business models by multiplying Operational Technology* with Digital Power.

* OT (Operational Technology): Any operational expertise of an investment and trading company, including product knowledge, business expertise, marketing skills, trading functions, legal matters, human resources, project management, etc.

DX Business

Based on the DX Comprehensive Strategy, numerous digital transformation projects have been created since the establishment of the Integrated Digital Strategy Division.

Number of DX Projects as of March 31, 2024

As of March 2024, a cumulative total of more than 400 DX projects have undergone consideration, of which more than 100 were trialed or began system development, and more than 50 were implemented or are in actual operation, indicating the steady progress we have made.

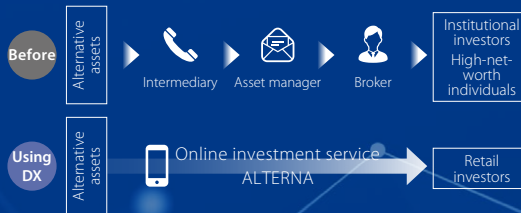


ALTERNA

Mitsui & Co. Digital Asset Management (MDM) was established with the aim of popularizing alternative investments, driven by a change in Japanese law to allow the issuance of security tokens. In 2023, MDM launched ALTERNA, a service that enables individuals to invest easily via their smartphones in real-world assets such as real estate and infrastructure, a market that was previously only accessible to professional institutional investors.



Operational inefficiencies and intermediary fees



Greater efficiency through DX and vertical integration from fund formation to securities sales

*1 Growth rate from FY March 2023 to FY March 2024 based on analysis by Progmat, Inc.
*2 As of end-March 2024; includes assets managed by funds other than ALTERNA

DX Comprehensive Strategy

In FY March 2021, we formulated the DX Comprehensive Strategy as the Mitsui & Co. Group's vision for DX and roadmap for its implementation.

DX Business Strategy

- Real (Operational Technology) × DX
- Proactive business management using digital technologies to our advantage
- Industrial solutions to social issues through digital technologies
- Thoroughly End-User Oriented

DD* Management Strategy "Mitsui is People and Data"

- Quick and accurate decision-making using data
- Improving processes through the use and sharing of data
- Data is **not to be viewed but to be used**
- Data is a corporate asset

* DD: Data Driven

DX HR Strategy

- Foster next-generation management talent with DX as a basic standard
- Establish constant innovation through DX as Mitsui's corporate culture

DX Talent

In order to make all staff DX-ready, we will implement digital skills as standard tools for all global talent. We will also proactively encourage our employees to obtain our in-house DX Business Professional certification to drive DX projects.

We are promoting the in-house development of DX Business Professionals who have a deep understanding of both business and digital technology to promote DX in actual businesses. We aim to raise the number of employees with this certification from just over 200 in March 2024 to more than 1,000 by March 2026.

DX Business Professionals
FY March 2024

over 200

DX Business Professionals
FY March 2026 (Target)

over 1,000

DX Platform

Our DX platform efficiently and effectively realizes the DX Comprehensive Strategy. We have formulated the "Digital Grand Design" for total optimization of systems, processes, and data.

Digital Grand Design

As a compass for digital governance and standardization, we will achieve total optimization of systems, processes, and data. Through our Digital Grand Design, we will strengthen the competitiveness of the entire Group and enhance its corporate value.



We plan, design, and operate DX and IT systems for the entire Group with cybersecurity in mind. Going forward, we will utilize generative AI in many of our DX and IT systems with the aim of further improving performance and creating new businesses.

Cybersecurity

In FY March 2024, we stepped up cybersecurity to support our DX platform with measures that included updating security-related regulations, raising the level of compliance with the Group Cybersecurity Standards, making introduction of the MBK Network mandatory to designated significant affiliates for cybersecurity, continuing to conduct security assessments, and conducting employee e-learning courses.

CYBER INDEX AWARDS | 2023

Received Special Award at Cyber Index Awards 2023

Generative AI

In March 2023, we launched "MBK Private AI," an in-house generative AI that takes security into account. Since then, we have been conducting numerous generative AI-related projects that are classified into company-wide AI, specialized AI, and business-related AI.

