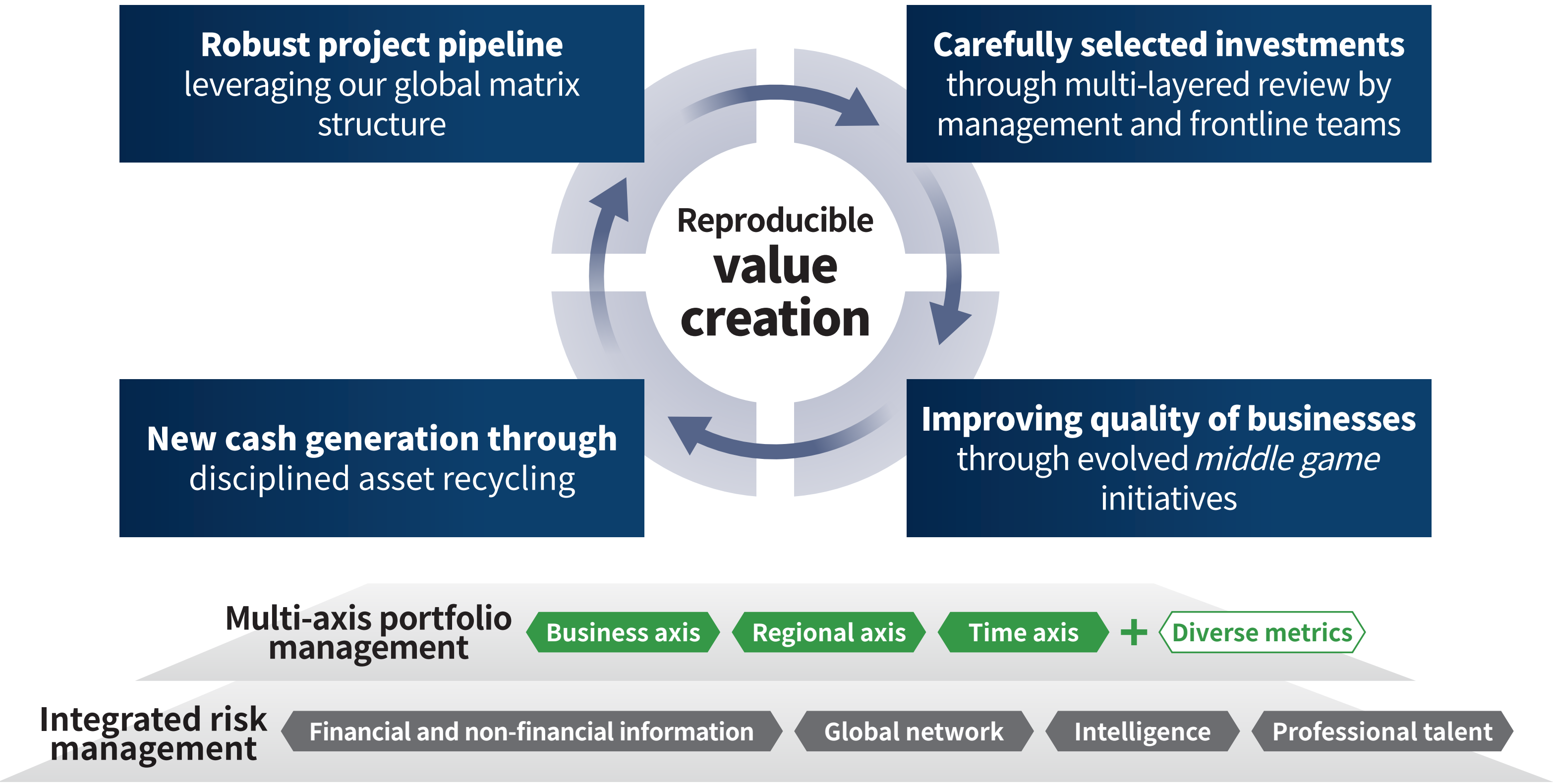
Gate 2
Financial and Portfolio Strategies

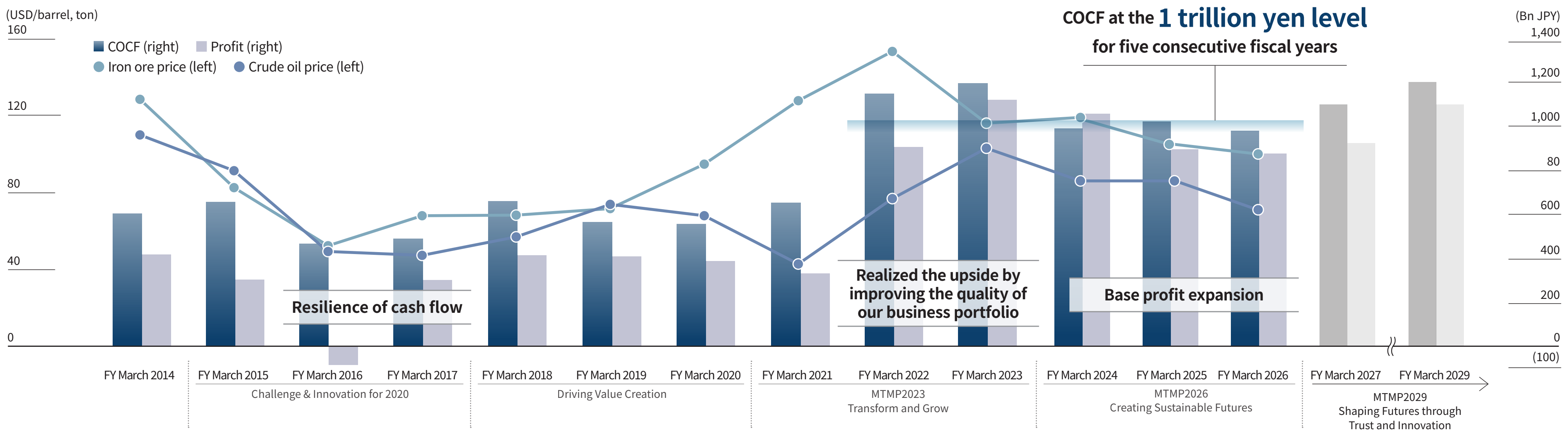
Reproducible Value Creation Process

Leveraging relationships of trust with customers and partners worldwide, together with our global matrix structure, we continuously generate a robust project pipeline. Building on a project pipeline exceeding 6 trillion yen, we achieve reproducible value creation through investment decisions driven by close alignment between management and frontline teams, evolved *middle game* initiatives, and disciplined asset recycling.



Robust Cash Generation and Shareholder Returns

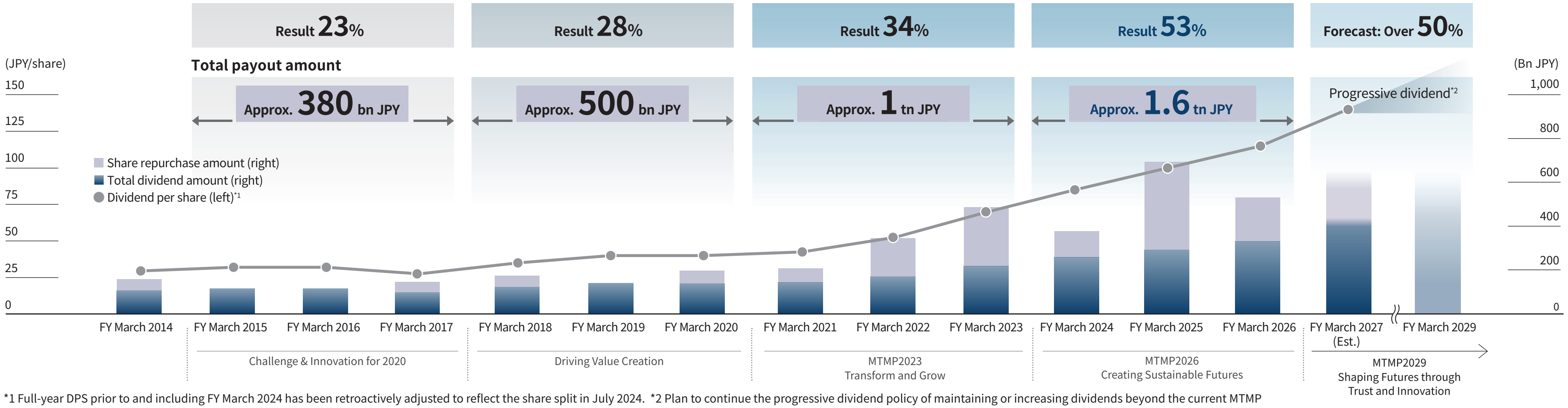
Resilience and growth of COCF



Enhancement of shareholder returns

Mitsui has been steadily enhancing shareholder returns based on its ability to generate cash, which has expanded through improvement in the quality of the business portfolio. Under MTMP2029, we will continue our progressive dividend policy, with a minimum dividend of 140 yen per share. We will also enhance returns to shareholders by flexibly engaging in share repurchases, with a target of cumulative shareholder returns as a percentage of COCF of at least 50% over the three-year period.

Shareholder returns as a percentage of COCF



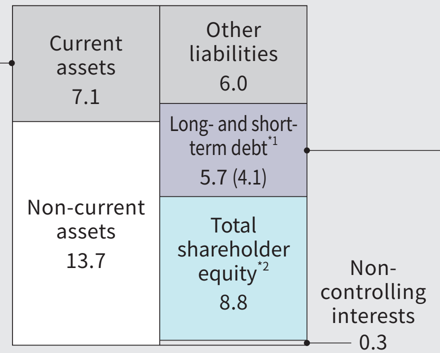
*1 Full-year DPS prior to and including FY March 2024 has been retroactively adjusted to reflect the share split in July 2024. *2 Plan to continue the progressive dividend policy of maintaining or increasing dividends beyond the current MTMP

Financial Strategy

Basic approach to financial strategy

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

Balance sheet (As of end-March 2026)
(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 primarily on balance sheet even in emergency situations such as market liquidity shortages

Secure stable long-term financing that is aligned with the liquidity profile of our assets

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

▼

Minimize refinancing risk

- Utilize government-affiliated financial institutions and project finance for large-scale projects in emerging countries

▼

Manage country risk and geopolitical risk

Improve 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

▼

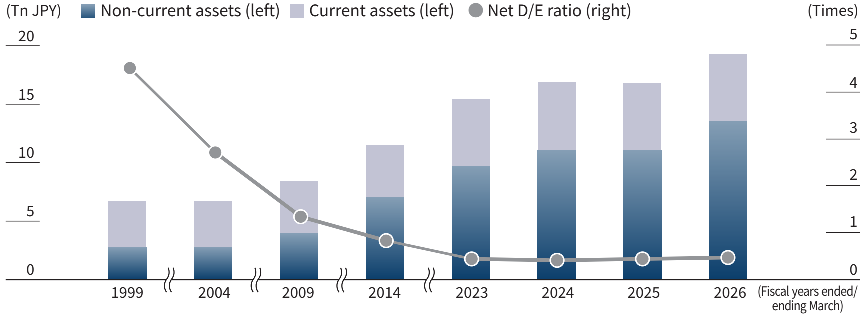
Effectively leverage liquidity and credit lines (both for receiving and issuing)

*1 The figure in parentheses for long- and short-term debt represents net interest-bearing debt
*2 Shareholder equity refers to total equity attributable to owners of the parent

Key indicators of financial strategy

Mitsui is deploying capital over the three years of its MTMP based on its capital allocation framework. To ensure Mitsui's sustainable growth and further improvements to capital efficiency, this framework is designed to achieve a balanced allocation of funds derived from COCF and asset recycling toward investments for sustaining businesses and growth, as well as shareholder returns.

Net D/E ratio*1

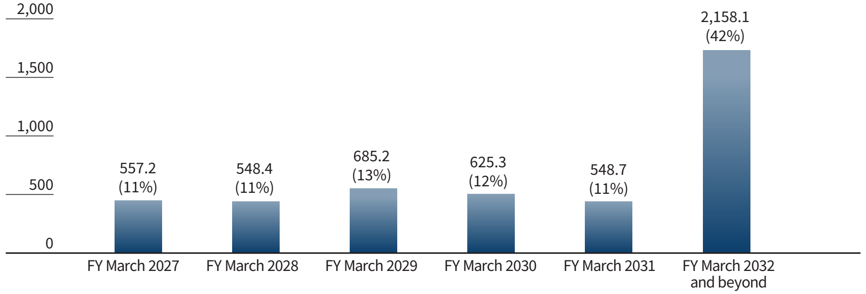


*1 Includes 50% of hybrid loans totaling 555 bn JPY for FY March 2017–2023 and 420 bn JPY for FY March 2024 onward that are eligible for equity treatment

Our asset composition has evolved in line with the shift in our business model from trading to investing, resulting in an increase of investment assets and fixed assets.

As the proportion of business investments and fixed assets—characterized by relatively higher risk with corresponding high returns or longer payback periods—has increased, it has become necessary to gradually reduce financial leverage. We have made significant progress in this regard.

Interest-bearing debt repayment schedule*2



*2 As of end-March 2026 (percentage of total interest-bearing debt in parentheses)
Hybrid loans are included in *FY March 2032 and beyond* based on their scheduled maturity dates

We secure financing mainly through long-term loans of around ten years. At the same time, we aim to reduce refinancing risk by avoiding excessive concentration of long-term debt repayments in any single period. As a result, interest-bearing debt to be repaid within one year accounted for approximately 11% of total interest-bearing debt, and the percentage due after more than five years was approximately 34%.

For maturities beyond five years, we have issued long-term corporate bonds, resulting in the longest repayment date for interest-bearing debt due in 2046.*3 This reflects our intention to establish a long-term maturity ladder. Furthermore, we maintain sufficient cash and deposits to cover interest-bearing debt repayments due within one year. In addition, we have secured commitment lines that allow for flexible access to funding.

*3 Interest-bearing debt excluding hybrid loans and leases

Credit ratings (As of June 2026)

	R&I*4	Moody's	S&P
Long-term (outlook)	AA (Stable)	A3 (Stable)	A (Stable)
Short-term	a-1+	P-2	A-1

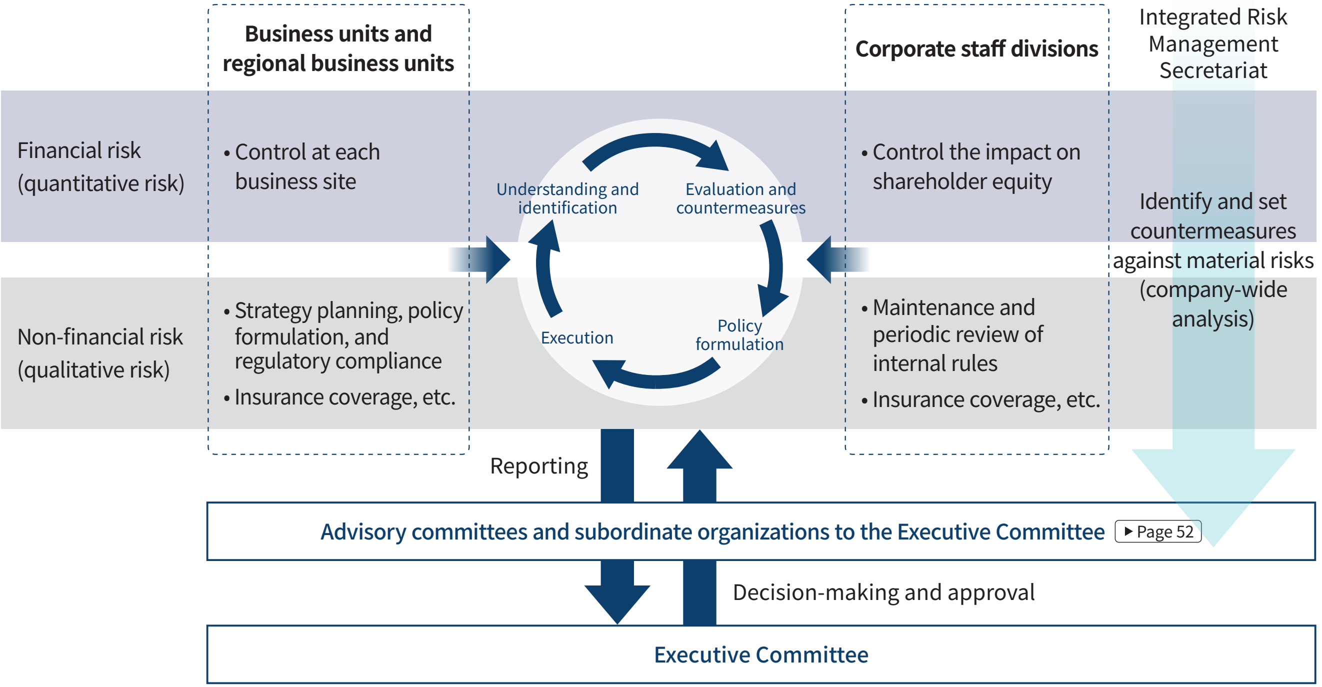
*4 Rating and Investment Information, Inc.

Backed by a robust financial foundation and the ability to consistently generate cash, we have secured high and stable ratings from major Japanese and international credit rating agencies. Moreover, our financial structure is highly resilient to economic fluctuations and changes in market conditions due to the broadness of our business portfolio, geographic diversification, and disciplined financial management. Our strong credit ratings enable stable and flexible access to funding, which in turn supports sustainable growth and enhanced corporate value.

Risk Management

We take a company-wide view of risks to identify material risks and implement appropriate control measures. The head 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 corporate staff unit provides support to business units and overseas regional business units, while also monitoring the company-wide position and reporting to management regarding the aspects of risk management that they are responsible for. In addition, the advisory bodies and sub-committees of the Executive Committee design and develop risk management structures on a company-wide basis, and address material risks. 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 units, which act as the secretariat, manage risks from a company-wide perspective. In coordination with relevant 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 2026, these efforts were discussed by the Portfolio Management Committee and then presented to the Executive Committee and the Board of Directors. Furthermore, under this structure, affiliated companies conduct Control Self-Assessment as a means for autonomously evaluating risks and the effectiveness of controls, and are working to sustain and enhance appropriate risk management.

Risk management structure overview



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 under the theme of "Mitsui's risk exposure and control," and then reported to the Executive Committee and the Board of Directors.

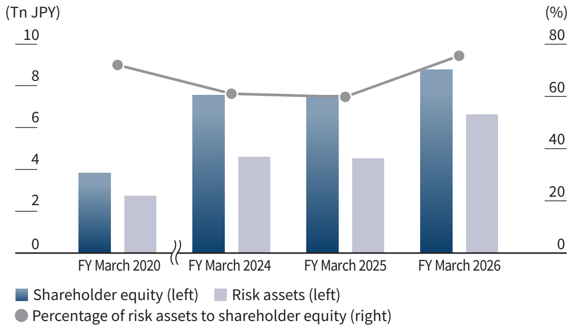
In quantitative risk analysis, in addition to the risks inherent in on-balance-sheet assets, Mitsui also evaluates off-balance-sheet risks such as market risks and guarantee liabilities under consistent criteria. These are managed collectively as risk assets using a unified measure. Risk assets serve as the basis for integrated risk management, allowing us to analyze our current position from various perspectives, such as business investment risk, credit risk, and market risk, as well as by segment, country, and region.

From the perspective of financial soundness, we continuously monitor the level of risk assets relative to shareholder equity. In the fiscal year ended March 2026, the ratio of risk assets to shareholder equity rose, reflecting investments such as the Rhodes Ridge iron ore project in Australia. Through continuous monitoring, however, we have maintained a sound financial base while expanding our business portfolio. In addition, we verify the soundness of our entire balance sheet through multifaceted assessments that include stress tests involving hypothetical scenarios such as a downgrade in the internal ratings of our assets and sudden fluctuations in foreign exchange and stock markets.

Complementing this emphasis on financial soundness, we also assess profitability relative to risk by examining the ratio of profit to risk assets.

COCF has been at around the 1 trillion yen level for five consecutive fiscal years. Integrated risk management is one of the mechanisms supporting this stable cash generation. We will continue to conduct appropriate risk management to strengthen resilience against downside risks to our financial performance and enhance corporate value over the medium to long term.

Shareholder equity and risk assets



Material risks (As of March 31, 2026)

Material risks	Main risk countermeasures	Advisory committees and subordinate organizations to the Executive Committee
Business investment risks	Portfolio management, risk asset monitoring ▶ Page 35	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 66	
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 37	
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 28	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	Integrity 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 43	Diversity Committee
Human rights risks	Implementation of human rights DD, correction and remediation when issues arise ▶ Page 39	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

Trade and logistics platform—Turning risk into competitiveness

Functions related to trade and logistics are consolidated within the Logistics Strategy Division and a subsidiary that it is in charge of, Mitsui & Co. Trade Services, and conducts management and operations on a company-wide, cross-organizational basis. By centrally handling trade and customs management as well as logistics operations, and by consolidating trade compliance functions within the Corporate Staff Units, Mitsui has established internal controls for trade and logistics based on an integrated management framework, enabling early identification of risks and prompt decision-making. For example, regarding trends in US trade and tariff policies, Mitsui utilizes its trading and logistics-related data as well as customs clearance data to continuously visualize and analyze the impact on a company-wide basis. As trade and logistics functions are consolidated across the entire Company, the impact of regulatory changes on business can be analyzed and assessed swiftly, enabling us to not only deal with risks but also to capture new business opportunities.

In international transportation, in addition to responding to contingencies, such as changes in transportation routes and securing alternative methods of transportation, Mitsui implements risk hedging through futures transactions based on data such as freight and fuel prices, cargo and vessel supply-demand conditions, and port utilization rates. Furthermore, by leveraging the scale merit of consolidating transportation demand across the Group, Mitsui achieves transportation capacity and conditions that are difficult for individual businesses to secure, thereby balancing stable supply and cost competitiveness.

In addition, Mitsui is enhancing the sophistication of its operations through AI by utilizing the expertise and data from trade and logistics operations accumulated across the entire Company. For example, through the use of AI to determine tariff classification (patent pending) and the automation of freight quotation processes, Mitsui is improving operational efficiency and promoting the organizational sharing and utilization of expertise from specialized personnel. Moreover, efficiency improvements that have enabled the freeing up of human resources in certain roles are being reallocated to high value-added areas requiring greater expertise and judgment, such as advanced risk analysis and supply chain strategy planning, thereby strengthening competitiveness.

In this way, Mitsui's trade and logistics platform seamlessly integrates risk management, logistics optimization, and data utilization to support proactive decision-making ahead of changes and the creation of new business opportunities, leading to enhanced competitiveness of the trading businesses and sustained value creation.

Reproducible Value Creation Process

Create: Project Origination and Careful Selection

We recognize and continuously evaluate a pipeline of prospective investments that totals more than 6 trillion yen, which has been built by leveraging the trust established with customers and partners worldwide and the strengths of our global matrix structure. From among these, only those projects rigorously selected by management—in collaboration with frontline teams and based on diverse perspectives including strategic significance and risk-return—are moved to implementation.

Framework for aggregating deals worldwide: A robust project pipeline

A diverse network and business platforms that continuously generate high-quality projects

*1 As of the MTMP2029 announcement

Careful selection and effective execution of investments

Careful selection of investments

Investment formation

Business units, regional business units, and corporate staff units collaborate to evaluate business viability, strategic alignment, risks, and other factors from multiple perspectives

- **Business units**: Business and industry insights; business viability and competitive strategies
- **Regional business units and regional blocs**: Local knowledge and networks; understanding of markets, regulations, and customer needs
- **Project**
- **Corporate staff divisions**: Finance, accounting, risk management, logistics, legal affairs, and HR strategy

Verify from a company-wide portfolio perspective

✓ Enhance the quality of projects with multifaceted perspectives and multi-layered verification

Hurdle rates

- IRR of 10% or higher (Minimum standard applicable company-wide; higher hurdle rates are based on project risk)
- Rate of return on investments, loans, and guarantees*2
- Risk-return ratio*3

+ Strategic importance and competitive advantage

- Scarcity
- Familiar areas of business
- Business cluster strategy
- Timing of earnings contribution

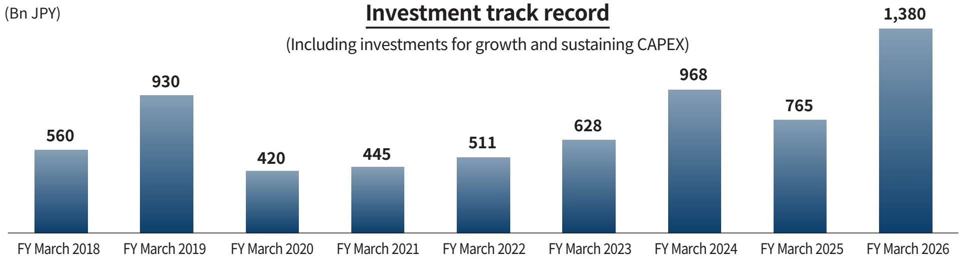
Decision-making process tailored to project scale

Small ← Project scale → Large

Council on Investment Proposals	Executive Committee	Board of Directors
Exceeding 5 bn JPY	15 bn JPY and higher	Exceeding 120 bn JPY*4

Investment track record

(Including investments for growth and sustaining CAPEX)



*2 We consider not just the amount invested but also guarantee risk as CAPEX and factor it into IRR calculations when assessing whether projects satisfy return requirements.

*3 A risk-efficiency metric calculated by dividing the profit generated from a business investment by the amount of risk assumed

*4 Effective April 8, 2026, the threshold for projects involving investments, loans, and guarantees that require Board approval was raised from 60 billion yen to 120 billion yen.

Reproducible Value Creation Process

Grow and Extend: Enhancing Value and Asset Recycling

Post investment, Mitsui works closely with portfolio companies and partners to enhance corporate value.
We target enhanced profitability and capital efficiency with a refined *middle game* strategy, complemented by more stringent asset portfolio reviews during which each business unit assesses its hold or asset recycling policy for all of its investments. The Portfolio Management Committee then deliberates from a company-wide perspective on the appropriateness of holding policies, the enhancement of the quality of businesses retained, and the executability of asset recycling. The cash generated is then strategically reallocated to future growth investments.

Enhancing business quality and *middle game* strategies

Middle game strategies to increase base profit

Strengthening existing businesses and forming business clusters
Further expand strong businesses; form business clusters in future growth markets

Main initiatives	Main examples
• Roll out successful initiatives across businesses • Additional investments (bolt-ons) • Implement new business models • Increase production volume • Reallocate management resources • Conduct M&A in adjacent areas • Create synergies among businesses • Improve earnings through data-driven management	**Mitsui Gas** (Brazil: Gas distribution) New M&A, integration, and PMI **Cameron LNG** (US: LNG project) Increased production volume **Jimblebar** (Australia: Iron ore mine) Increased production volume **Mitsui Knowledge Industry** (Japan: Digital infrastructure) Increased sophistication of data use **Certis Belchim** (Europe: Crop protection) M&A, integration, and PMI **Taylor & Martin** (US: Commercial vehicles auction) Generated cross-functional synergies and increased sophistication of data use

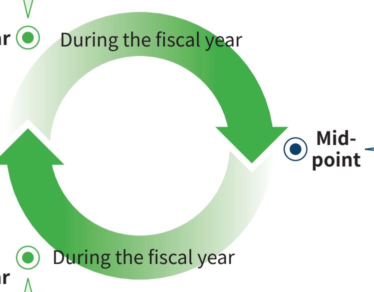
Efficiency improvements, turnarounds
Improving profitability and capital efficiency

Main initiatives	Main examples
• Increase revenue from adjacent businesses • Identify and exit from loss-making businesses • Restructure management • Improve operations	**Firefly Aerospace** (US: Space business) Repositioning and asset recycling **JIRAU** (Brazil: Hydro power) Optimized alternative power procurement

Portfolio review and asset recycling

Annual cycle of portfolio management

• Follow-up of projects planned for exit in previous fiscal year
• Policy for the current fiscal year's asset portfolio review



• Report on asset portfolio review results
(Appropriateness of holding policy, exit feasibility)

Asset portfolio review

• Confirmation of holding policy for all investment projects
• Verification of projects violating alert criteria
• Confirmation of exit plan feasibility
• Verification of the significance of holding listed stocks

Covering **1,080** projects[*1] with a book value of **10.2 tn JPY**

Five review criteria
• Profitability
• Strategic significance
• Room for growth
• Effective use of human resources
• Mitsui's contribution to value enhancement

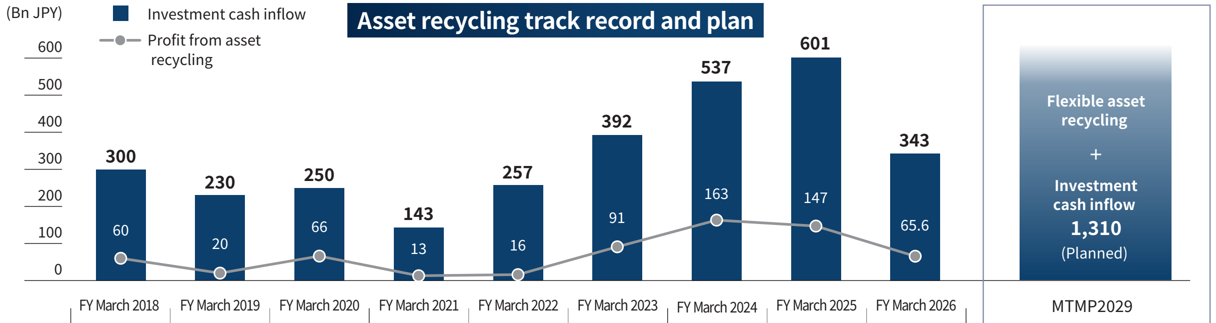
Enhanced portfolio management through data use

Holding policy

Strategic asset recycling[*2]
Approx. 30% of projects Book value: Approx. 10%

*1 As of March 31, 2025. Multiple projects within the same business group are counted as one.
*2 Projects planned for exit are subject to verification of the specific exit strategy and difficulty of withdrawal.

Asset recycling track record and plan



	FY March 2018	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023	FY March 2024	FY March 2025	FY March 2026	MTMP2029
Number of listed stocks[*1] held (non-consolidated)	147	144	139	130	127	114	101	81	73	Ongoing reductions

• 55 holdings sold during MTMP2026 • 89.6 bn JPY cash inflow from sale of listed holdings

*1 Publicly traded shares of companies other than equity-method investees. Mitsui does not own any consolidated subsidiaries that are publicly listed.