

## Investor Day 2020 Q & A

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**[Speakers]** Toru Matsui  
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of Energy Solutions Business Unit

**[Moderator]** Masaya Inamuro  
General Manager of IR Division

### <Q1>

While some believe that renewable energy projects can contribute to increasing corporate value by improving reputation from the perspective of sustainability and reducing capital costs, there are many cases where profitability is an issue due to intensifying competition. What are some of the innovations and characteristics of your business expansion?

### < A >

- The basic policy is to create value by achieving “Transform and Grow” while promoting sustainability and materiality conscious management. It is true that the competitive environment is becoming more and more intense, and we want to work on projects that we can nurture and contribute to their growth, rather than simply acquiring brownfield projects and companies. Instead of letting money do the work, our people aim to work in a manner that allows them to create value. Examples range from 100% Mitsui-owned Forefront Power's efforts to create value by combining solar power and energy storage, to leveraging Mitsui's global reach to commercialize Lanzatech's technology to produce ethanol from waste gas in China.

### <Q2>

Under the new Suga administration, Japan is aiming to become carbon neutral, but is it possible to develop a hydrogen business in Japan? Do you have assumptions regarding policies for that?

### < A >

- For hydrogen, the cost is still high. The important thing is that demand is created and scaled, thereby reducing costs. Japan will be discussing a review of its Strategic Energy Plan in the future, and the immediate focus will be on the direction of nuclear power and the extent to which renewable energy will be promoted. On the other hand, in the long term, we believe that hydrogen will play an important role in achieving carbon neutrality in 2050.
- We would like to first achieve results in countries where hydrogen is being used as a precedent for local production for local consumption, and then we would like to apply this approach in Japan to contribute to cost reduction. Mitsui is a founding member of the Japan Hydrogen Association and we hope to contribute to the acceleration of the hydrogen business in Japan.

<Q3>

What projects do you have particular expectations for long term in terms of both revenue and CO2 reduction?

< A >

- In terms of our CO2 reduction impact, we have three slogans: Reduction (reduction of emissions from our businesses), Transition (reviewing our power generation portfolio), and Opportunity (business development—most recently renewable energy such as solar and wind power, storage battery business, and in the medium to long term, business opportunities in a world where EVs and electric power converge). In addition to the above, biofuel and hydrogen-related businesses will be pillars in terms of low-carbon fuels.

<Q4>

As a trading company, what part of the value chain in the hydrogen business do you think you will benefit from?

< A >

- We believe that we can use our knowledge and networks in each part of the value chain, and we want to work in various areas.
- For example, upstream, we believe our experience in Oil & Gas can be used to capture the CO2 produced when blue hydrogen is produced by natural gas reforming.
- Green hydrogen is produced by electrolysis of water using electricity derived from renewable energy sources, and here Mitsui's experience in the power generation business is useful. In terms of transportation, we are already conducting a demonstration experiment with support from NEDO to transport large amounts of hydrogen using MCH technology.
- As for the actual use of hydrogen, we are developing a hydrogen supply business in California, where we are ahead of the curve, and we would like to expand this kind of know-how globally.

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