

Mitsui & Co. Investor Day 2024

# Growth Strategy

Representative Director,  
President and Chief Executive Officer

**Kenichi Hori**



**MITSUI & CO.**

# Growth Strategy Framework

Core strategy

## Building a sustainable and competitive business portfolio

### Investments for growth

- Generate cross-industry premiums by forming business clusters in familiar areas of business and their adjacent domains
- Pursue strategic initiatives in growth areas with substantial upside potential, while effectively managing highly scarce goods and services

### Middle game

- Enhance profitability by strengthening our competitiveness
- Improve profitability of loss-making businesses through efficiency improvements, turnarounds, and exits

### Asset recycling

- Improve quality of business portfolio by reconfiguring assets in line with structural shifts in industries
- Use asset recycling as an effective and strategic option factoring in ROIC, business value, and other factors

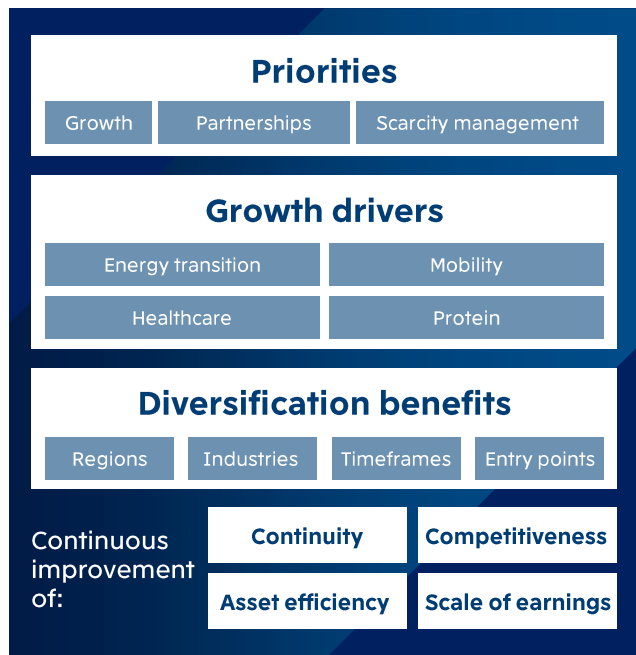
### Allocation of management resources

- Strategic capital allocation based on cash generation capabilities and a solid financial base
- Global utilization of human and intellectual capital through our proprietary internal platforms

# Enhancement of Business Portfolio and Asset Recycling

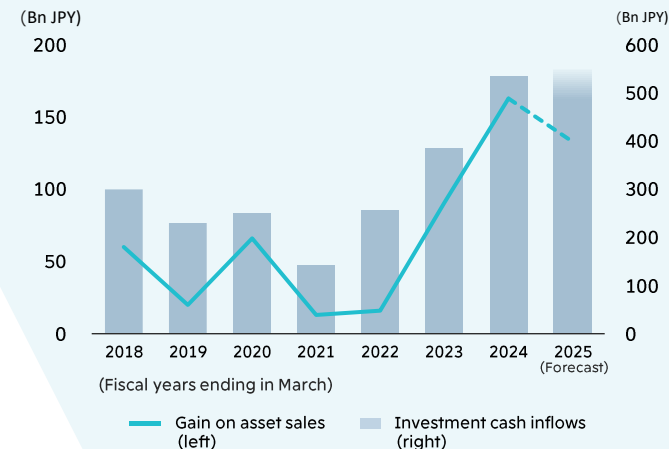
- ◆ Improving and expanding the business portfolio through continuous asset reconfiguration

## Business portfolio improvement



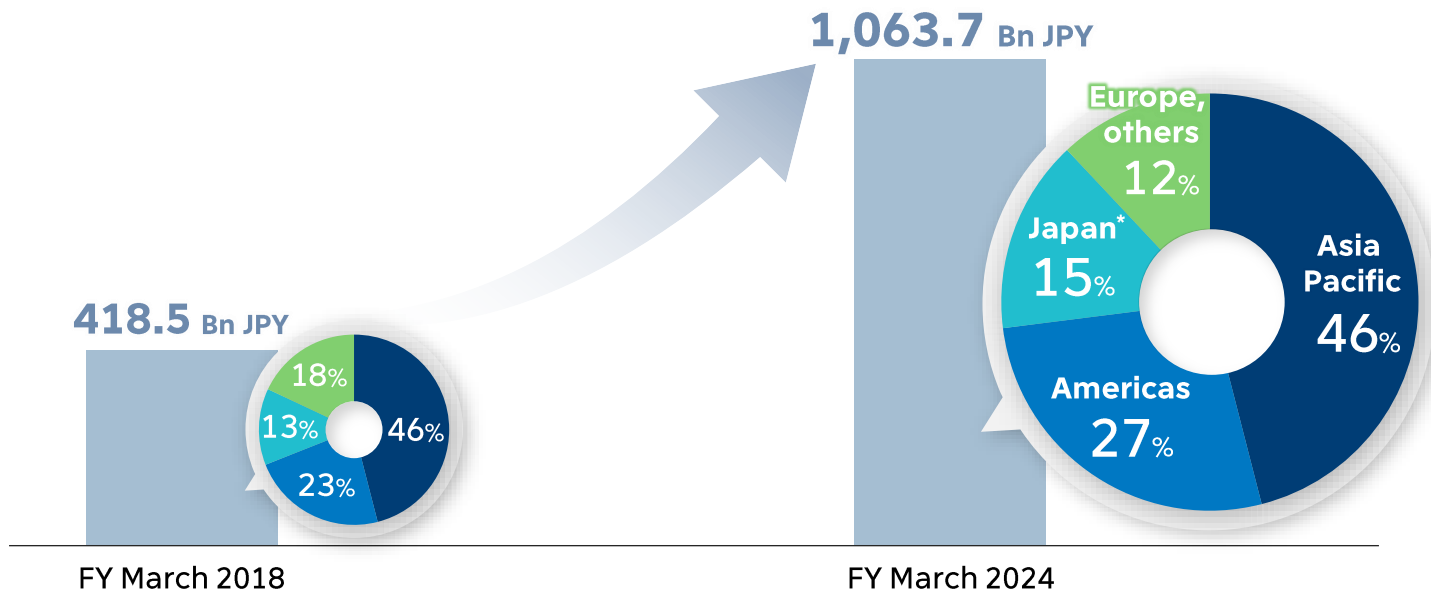
## Continuous asset reconfiguration

- **Stronger focus on portfolio review**  
Management selection of investments and divestitures
- **Strategic asset divestment** based on ROIC, business value, and timing



# Strengthening our Global Earnings Base

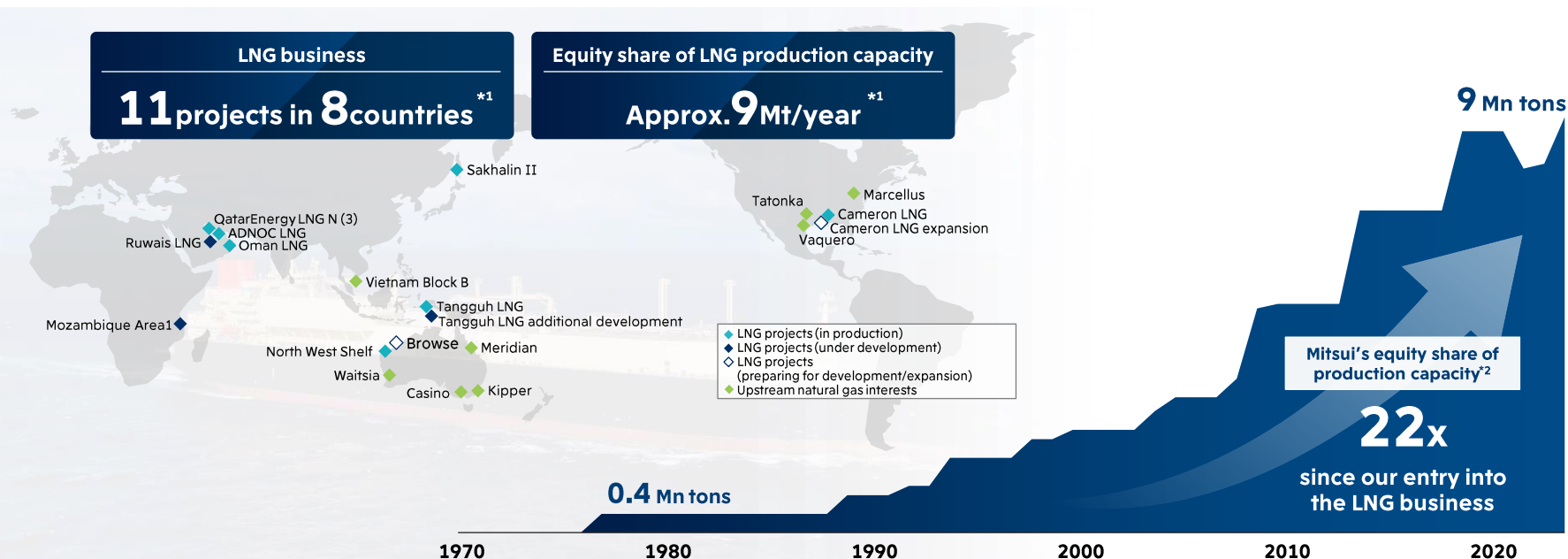
- ◆ Progress in expansion of earnings base in each region, building a globally diversified business portfolio
- ◆ Leveraging our global matrix structure to identify business opportunities and manage risk



\* Headquarter costs allocated based on profit of each region

# Growth Driver **1** LNG

- ◆ Track record: Expanded earnings base building upon globally diversified LNG business portfolio
- ◆ Growth strategy: Further expansion of LNG earnings base, leveraging partnerships and comprehensive strengths

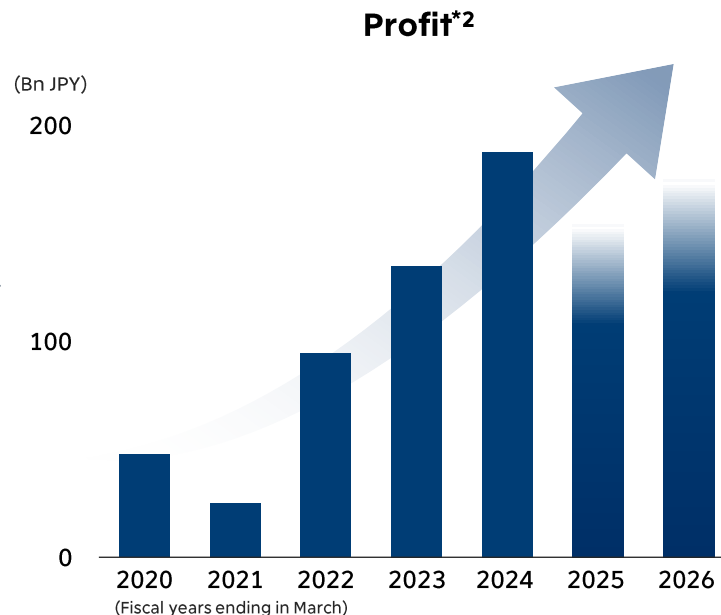


<sup>\*1</sup> On an FID-basis

<sup>\*2</sup> For Cameron LNG (2014) and onwards, figures on an FID basis. Up to 2013, figures on an actual production capacity basis

# Growth Driver 2 Mobility

- ◆ Track record: Achieved global business expansion by leveraging our solid relationships with leading partners in respective industries
- ◆ Growth strategy: Enhance competitiveness of existing businesses through *middle game* initiatives and form business clusters through growth investments

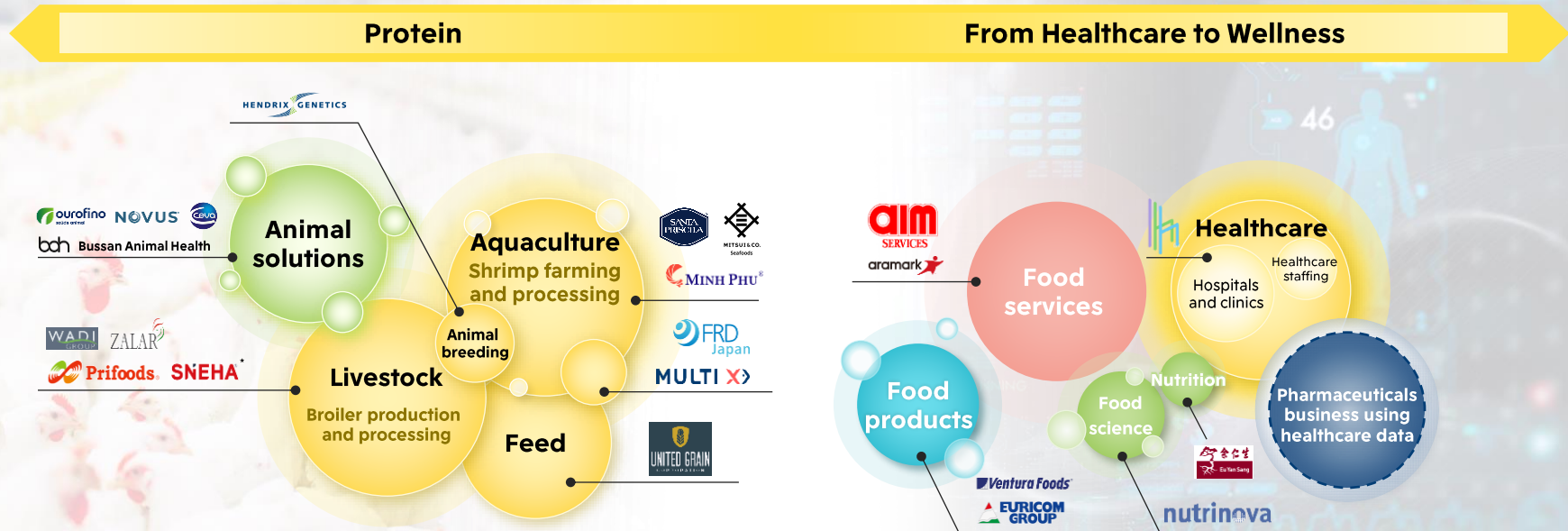


<sup>\*1</sup> Profit (loss) of affiliated companies (for ships, profit (loss) is included only for subsidiaries)

<sup>\*2</sup> Aggregate for Mobility Business Units I and II, 55.4 Bn JPY gain on sale of MRCE included in FY March 2024, 32.1 Bn JPY valuation gain and partial sale of VLI included in FY March 2025

# Growth Driver 3 Protein and Healthcare

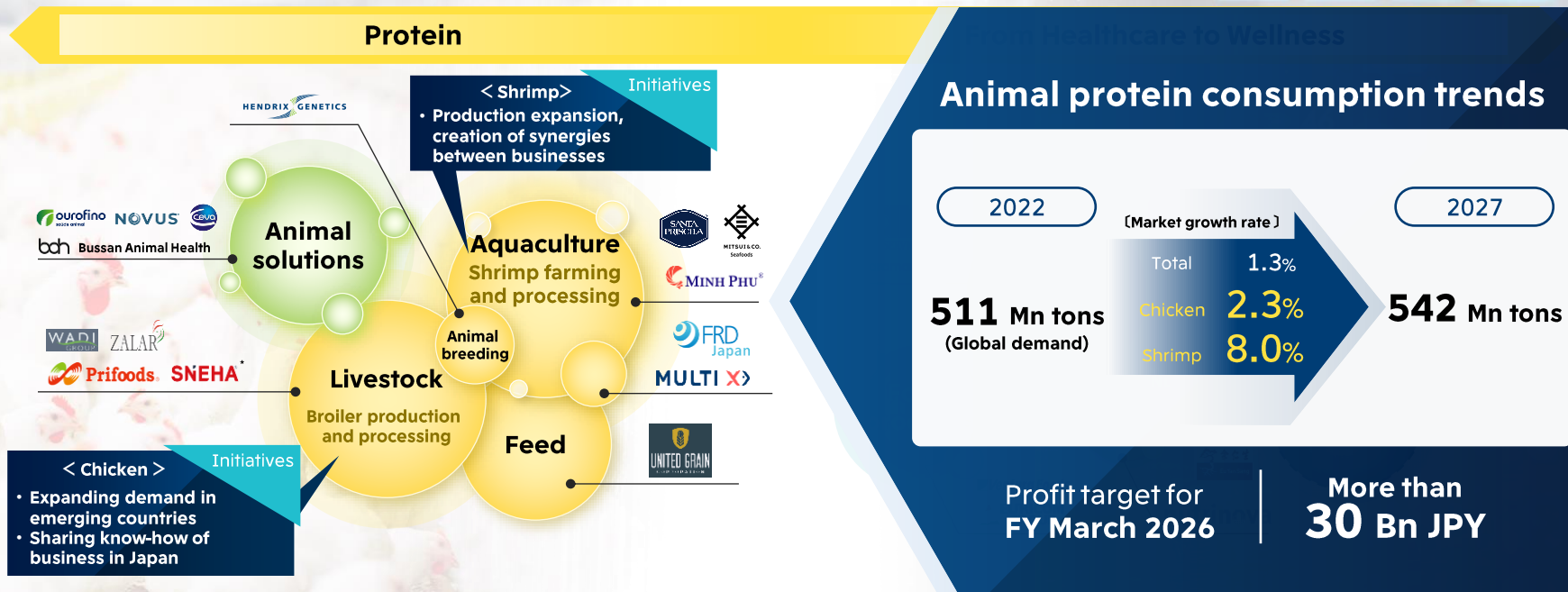
- ◆ Protein: Acquired core assets in shrimp and chicken businesses.  
Synergy creation and value enhancement of the entire cluster, combining with feed and breeding
- ◆ Healthcare: 5x EBITDA growth in IHH since investment.  
Continued expansion and competitiveness enhancement



\* Expected to close during FY March 2025

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## IHH earnings growth

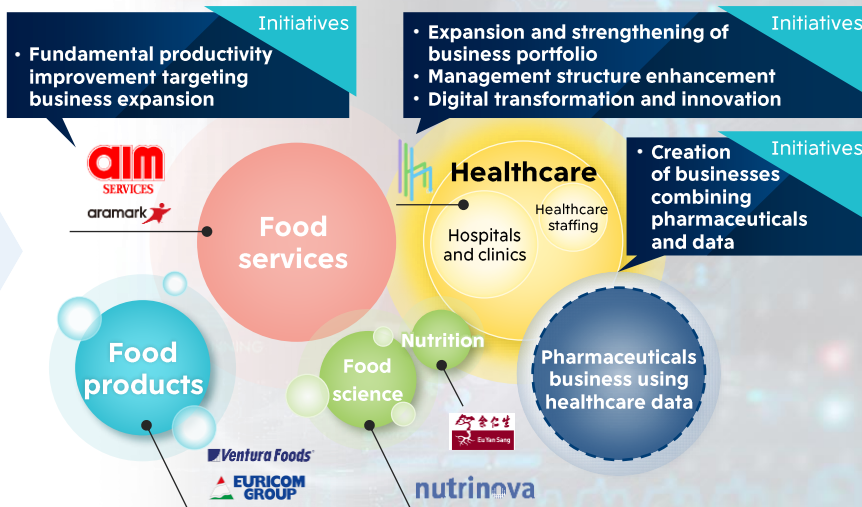


Profit target for  
FY March 2026

More than  
50 Bn JPY

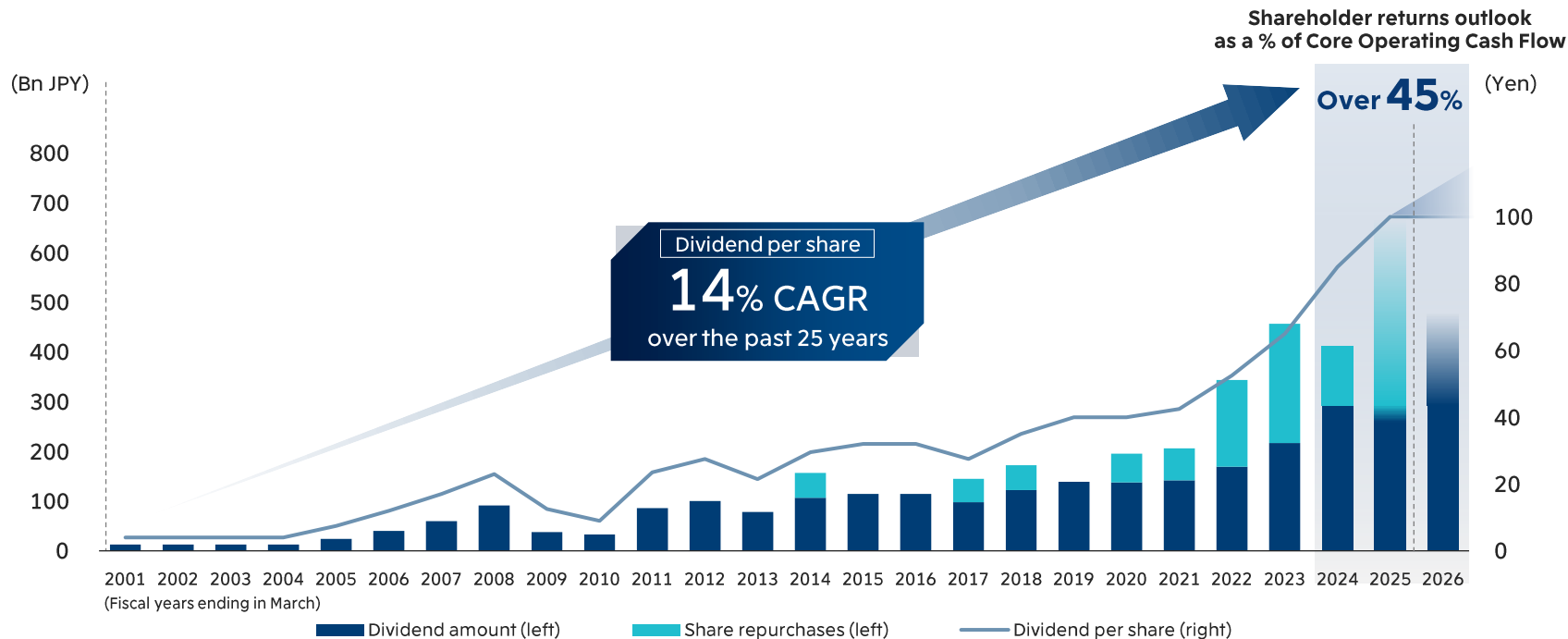
\* Expected to close during FY March 2025

## From Healthcare to Wellness



# Improvement of Corporate Value and Continuous Enhancement of Shareholder Returns

- ◆ Continue to improve corporate value and enhance shareholder returns through execution of our growth strategy



# Sustainable ROE Growth

Representative Director,  
Senior Executive Managing Officer  
CFO

**Tetsuya Shigeta**



## Navigating a changing world

- Changes in the geopolitical environment
- Volatility in interest rates, exchange rates, and commodity prices
- Changes in supply chains

## The need for solutions to social issues

- Stable supply of energy and resources
- Realization of a sustainable society (decarbonization, natural capital, human rights)
- Growing interest in healthcare and wellness



# Continuous Enhancement of Base Profit

## Driving forward *middle game* initiatives

- Strengthening of existing business
- *Repeatability* of track record

## Business portfolio transformation

- Investments for growth in familiar areas of business and formation of business clusters
- Continuous business portfolio reconfiguration
- Realization of intrinsic value through strategic asset sales

## Enhancement of base profit

## Optimal allocation of management resources

- Prioritizing allocation of management resources to growth areas

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# Track Record of Enhancing Base Profit

Mineral & Metal Resources Segment

- ◆ Sustainable growth achieved through volume expansion and investment in mining infrastructure
- ◆ Further reinforcement of earnings base through accumulation of high quality natural resource assets

	FY March 2014		FY March 2024
<b>Mineral &amp; Metal Resources Segment results</b>	<b>136.4 Bn JPY</b>		<b>335.1 Bn JPY</b>
One-time gains and losses	-73.8 Bn JPY		-19.3 Bn JPY
Mineral & Metal Resources segment results (excluding one-time gains and losses)	210.2 Bn JPY		354.4 Bn JPY
Core Operating Cash Flow (COCF)	182.2 Bn JPY		409.1 Bn JPY
• Iron ore price	USD 121/MT		USD 119/MT
• Iron ore equity production	51 million tons		61 million tons

Improvement  
of portfolio  
quality

## Improvements and restructuring

- Sims deconsolidation (2016)
- Vale and Valepar restructuring (2017)
- Caserones copper mine sale (2020)
- Moatize coal mine sale (2021)

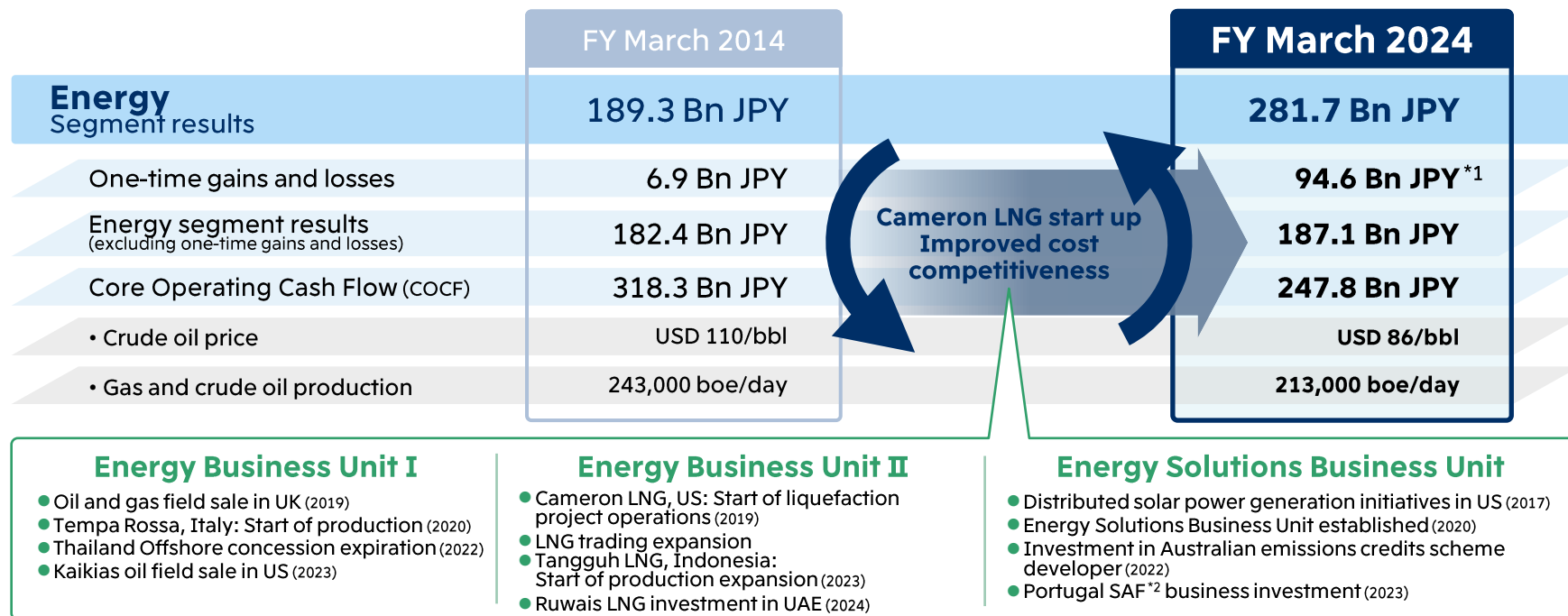
## Expansion and strengthening

- BHP/Jimblebar, Western Ridge iron ore mines: Acquisition of interest (2013, 2021)
- Robe River JV: Completion of loading port expansion (2015)
- BHP/South Flank iron ore mine: Development decision (2018)
- Robe River JV: Decision to develop new mining area (2018)
- Collahuasi copper mine: Additional acquisition (2018, 2021)
- Erds EPMC business expansion (chemicals and ferroalloys)
- Strengthening of trading activities

# Track Record of Enhancing Base Profit

Energy Segment

- ◆ Despite lower oil prices, improved portfolio quality through timely expansion of LNG business and trading
- ◆ Anticipating growth through smooth launch of projects such as Ruwais LNG and shift to next-gen fuels

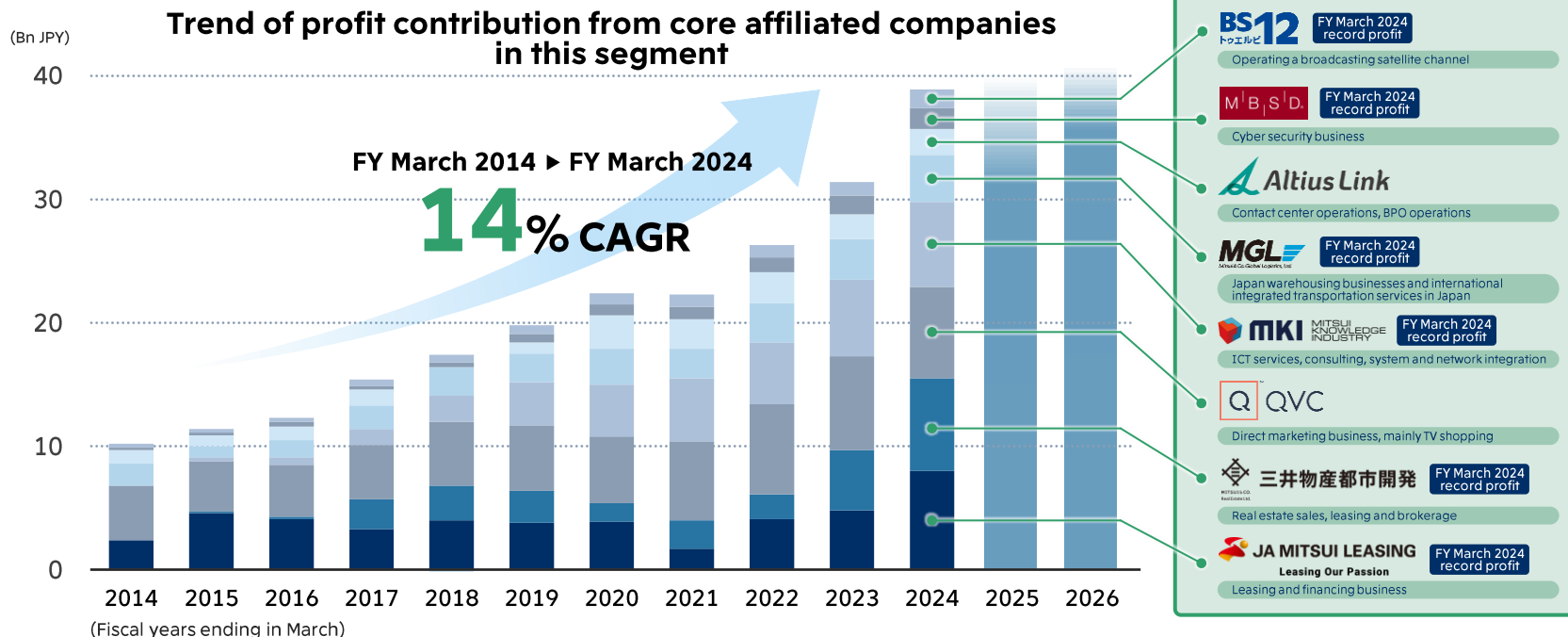


<sup>\*1</sup> Asset retirement obligations +50.7 Bn JPY, realization of foreign currency translation adjustment +37.3 Bn JPY, other factors <sup>\*2</sup> Sustainable Aviation Fuel

# Track Record of Enhancing Base Profit

Innovation & Corporate Development Segment

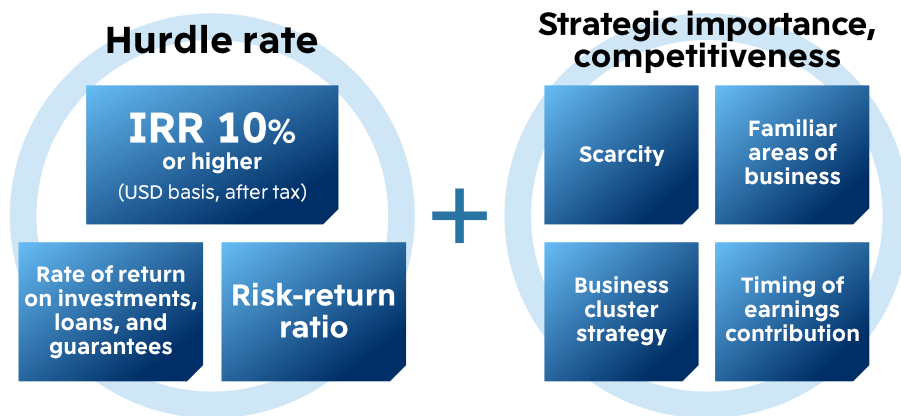
- ◆ Driving forward *middle game* initiatives at core affiliated companies in Japan
- ◆ MITSUI KNOWLEDGE INDUSTRY (MKI, now wholly owned) constantly growing since takeover bid in FY March 2015
- ◆ Reproducible growth expected in core businesses, combining organic and inorganic growth





# Investment Track Record

## Review of investments and loans



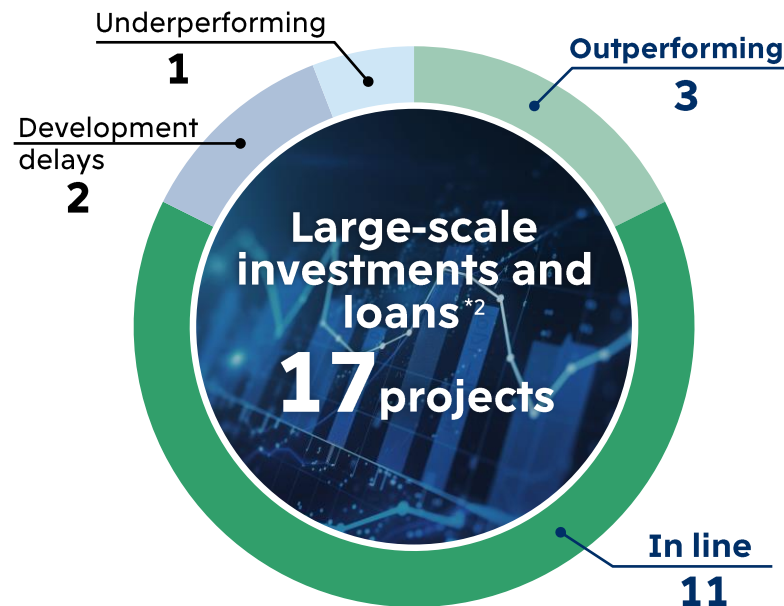
### Meeting bodies and threshold per project

Board of Directors	Executive Committee	Council on Investment Proposals
Above <b>60 Bn JPY</b> <sup>*1</sup>	Above <b>15 Bn JPY</b>	Above <b>5 Bn JPY</b>

<sup>\*1</sup> Changed from *above 40 Bn JPY* that was in place up until FY March 2022 to *above 60 Bn JPY* since FY March 2023

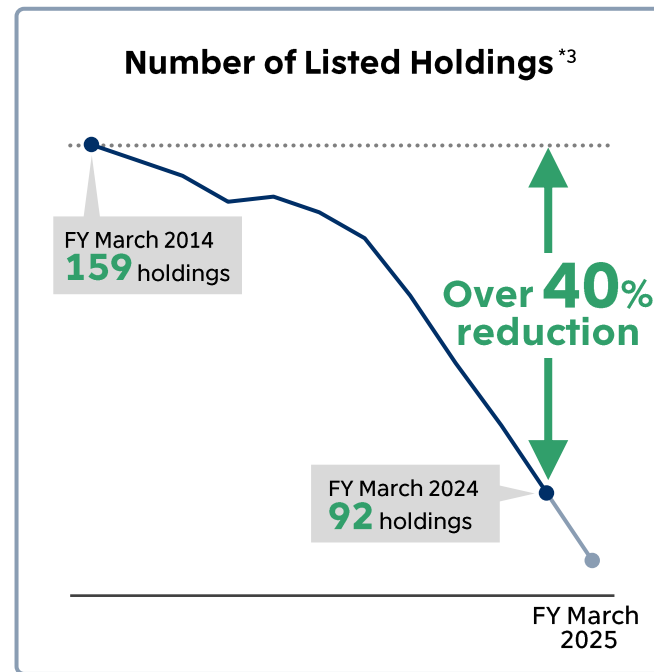
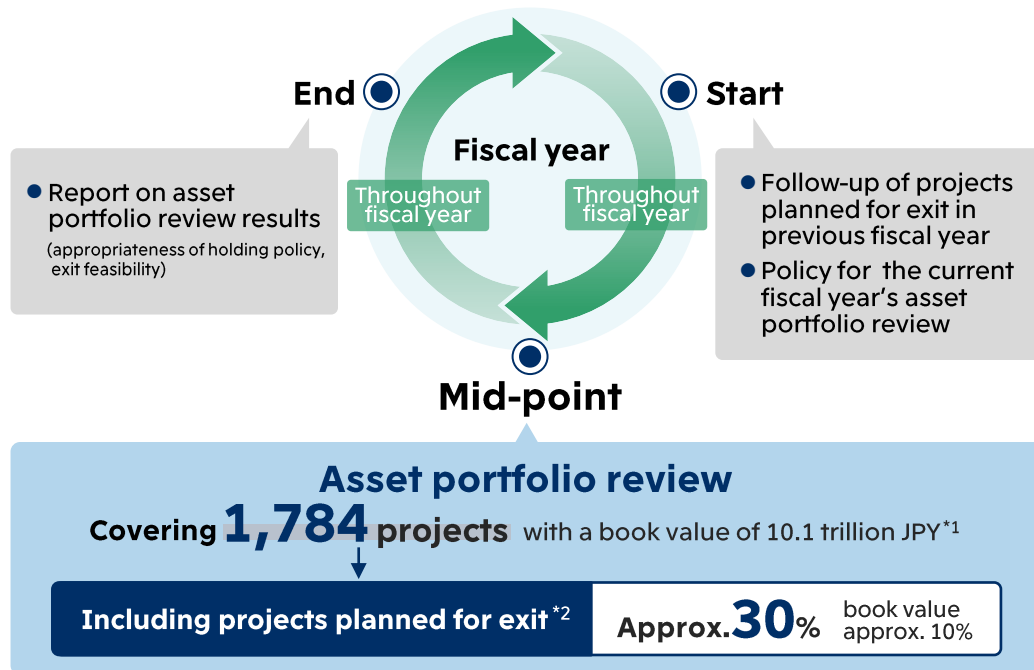
<sup>\*2</sup> Of the investments and loans made during Medium-term Management Plan 2020, 2023, and 2026, these 17 are projects that meet timely disclosure (including voluntary disclosure) requirements by the Tokyo Stock Exchange, as they are *above 40 Bn JPY*. Details of individual projects are stated in Appendix 1

## Track record



# Asset Portfolio Review: Supporting Cash Generation

## Asset Portfolio Review

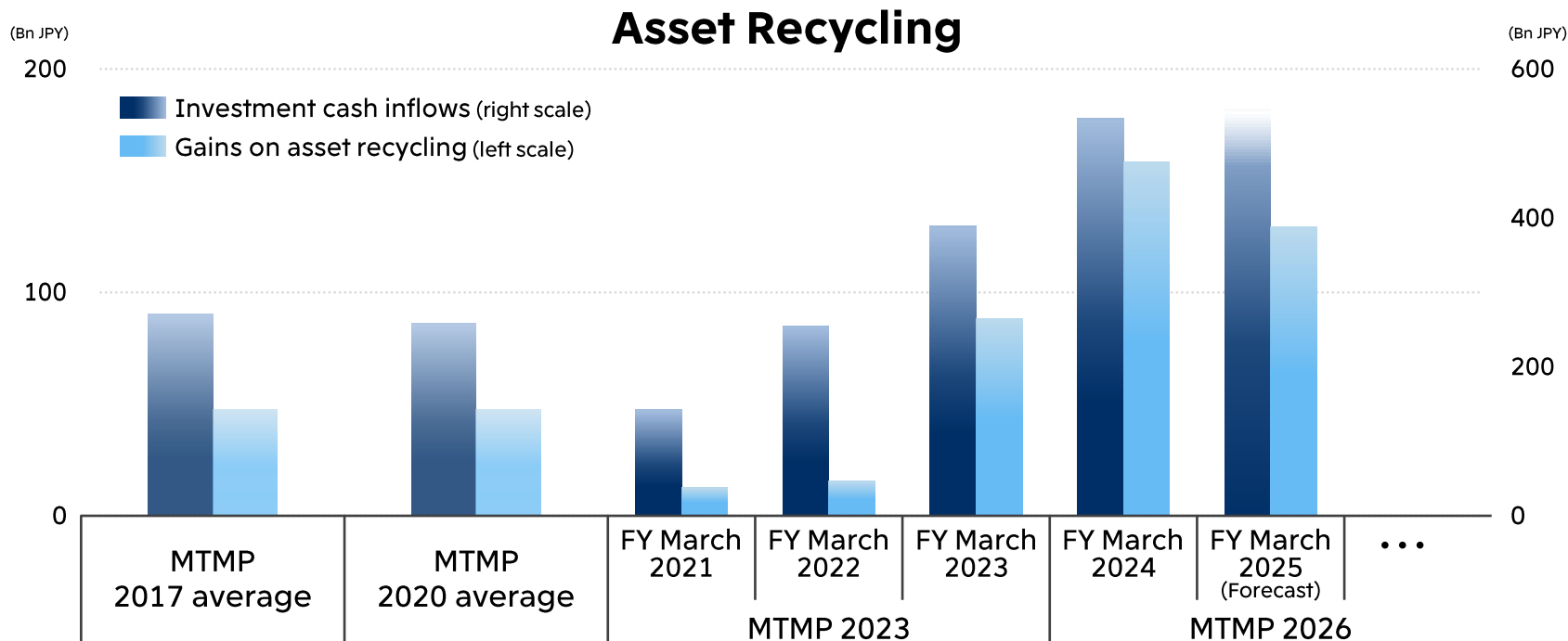


<sup>\*1</sup> Position as of end-FY March 2024 <sup>\*2</sup> Projects planned for exit are subject to verification of the specific exit strategy and difficulty of withdrawal

<sup>\*3</sup> Listed holdings refer to general company holdings (excluding equity method investees) that are investments held for purposes other than pure investment. We do not hold any listed consolidated subsidiaries

# Track Record of Cash Generation

◆ Driving **Business Portfolio Transformation** through reallocation of management resources to growth areas



# Strengthening of Financial Position

- ◆ Introduced a financial strategy of positive cash flow after shareholder returns since MTMP 2017
- ◆ Net DER decreased significantly from 0.9x to 0.4x, allowing flexibility in capital allocation

	FY March 2014	MTMP 2017	MTMP 2020	MTMP 2023	MTMP 2026 FY March 2024 ...
Level of cash flow after returns* (Bn JPY)	-250	100	200	1,200	200
Net DER	0.9x	0.9x	0.9x	0.5x	0.4x
Net debt / COCF ratio	5.3x	6.6x	6.2x	2.7x	3.4x

**Established a financial base that enables a variety of options**  
**Capital optimization in the medium to long term**

\* COCF and gains from asset sales minus investments and loans and shareholder returns

# Conclusion

## Enhancing base profit

- Driving forward *middle game* initiatives
- Transformation of business portfolio
- Optimization of management resource allocation
- Investment discipline

- ROIC-oriented management  
- Business cluster formation in familiar areas of business<sup>\*1</sup>

### Profitability enhancement

### Optimal capital structure

- Balance sheet size
- Optimal leverage

- Continuous review of balance sheet

### Stronger shareholder returns

- Shareholder returns ratio increase<sup>\*2</sup>  
- Introduction of a progressive dividend

## Continuous enhancement of ROE

- Dividend increases in line with growth of base profit
- Flexible share repurchases

<sup>\*1</sup> Pursuing growth while minimizing downside risks by strengthening business operations in fields in which we have expertise, or adjacent fields, and thereby forming business clusters

<sup>\*2</sup> Shareholder returns as a percentage of COCF

# Appendix

# Appendix 1: Track Record of Large-scale Projects (Since beginning of MTMP 2020)

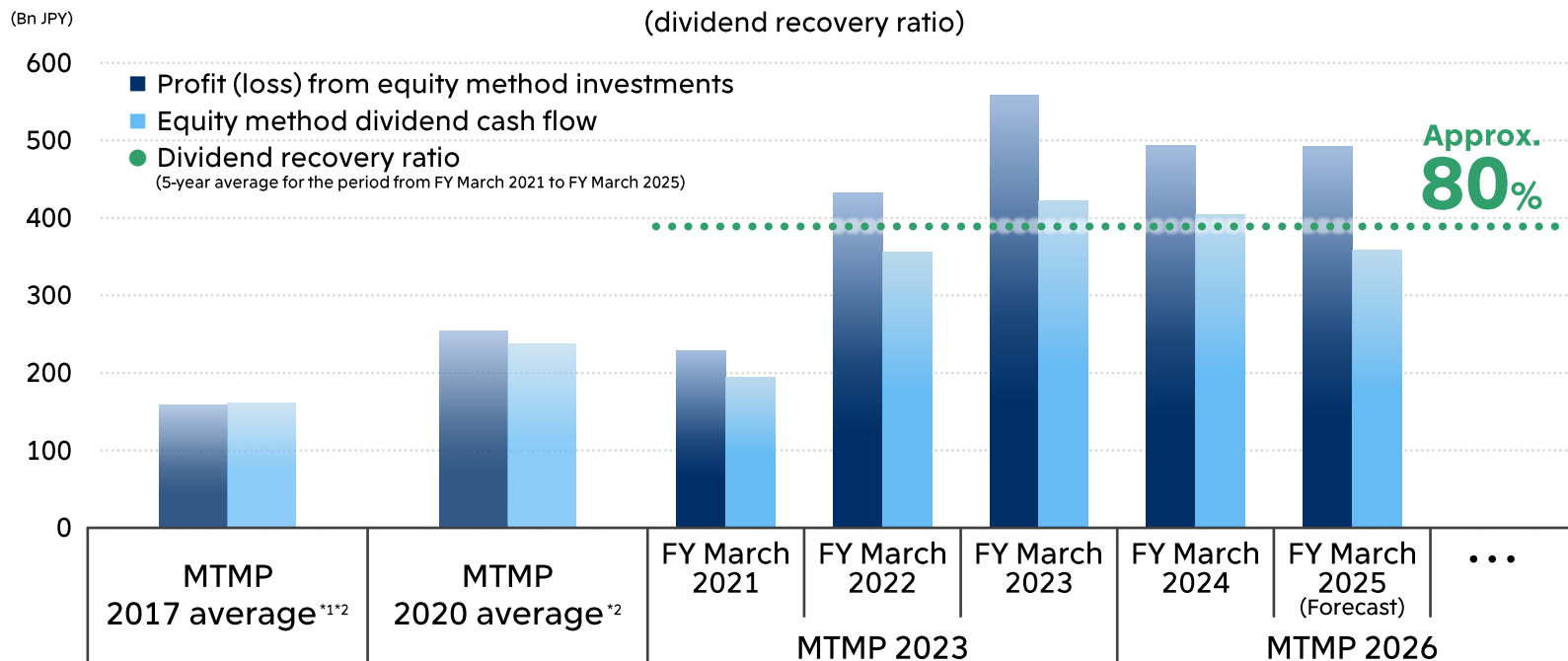
Announcement	Project <sup>*1</sup>	Investments, loans and guarantees (Bn JPY)	Contribution to profit <sup>*2</sup> (Bn JPY)	Vs. initial assumption	Current status
2017 Sep	<u>Additional acquisition of Penske Truck Leasing, USA</u>	139.7 <sup>*3</sup>	28.4	Outperforming	In operation
2018 Jan	<u>Investment in FPSO (floating production storage and offloading of oil and gas) MV 30-34 (5 instances in total)</u>	72.0	12.1	In line	In operation
2018 May	<u>Acquisition of 9 senior housing properties of MBK Real Estate, USA</u>	42.0	3.6 <sup>*4</sup>	In line <sup>*4</sup>	In operation (partially sold)
2018 Nov	<u>Additional acquisition of IHH Healthcare</u>	289.0 <sup>*5</sup>	20.1	Outperforming	In operation
2018 Oct	<u>Development of new mining area of Robe River Joint Venture (iron ore)</u>	56.1	Not disclosed	Outperforming	In operation
2019 June	<u>Mozambique LNG FID</u>	250.0 <sup>*6</sup>	Under development	Development delays	In force majeure declaration
2020 Dec	<u>TOB of AWE in Australia and Waitsia Gas Field Stage 2 FID</u>	79.0 <sup>*7</sup>	Under development	Development delays	Preparing for start of production
2021 Apr	<u>Underwriting of convertible bonds issued by the holding company of CT Corp. in Indonesia</u>	100.0	7.1	In line	Preparing for listing
2021 Oct	<u>Additional acquisition of Mitsui Oil Exploration</u>	71.6	16.6 <sup>*8</sup>	In line	In operation
2022 Mar	<u>Investment in Mainstream Renewable Power</u>	79.8	-34.4	Underperforming	Under reconstruction
2023 Feb	<u>Additional acquisition of shares in Aim Services, a domestic food service business</u>	58.8	2.6	In line	In operation
2023 May	<u>Management integration into Altius Link</u>	60.4	2.1	In line	PMI phase 2
2023 June	<u>Investment in Nutrinova, a European functional food ingredients company</u>	66.0	1.3 (six months)	In line	Completed PMI
2023 Aug	<u>Investment in IPSP, a shrimp farming company in Ecuador</u>	54.2	Starting in FY Mar 2025	In line	PMI underway
2023 Sep	<u>FID for Hai Long Offshore Wind Power Project in Taiwan</u>	170.0	Under development	In line	Under development
2024 Mar	<u>Vietnam Block B Gas Field FID</u>	100.0 <sup>*9</sup>	Under development	In line	Under development
2024 Jul	<u>Investment in UAE Ruwais LNG / FID</u>	88.0 <sup>*10</sup>	Under development	In line	Under development

<sup>\*1</sup> Investments and loans for which timely disclosure was made, of which investments, loans, and guarantees value was over 40 Bn JPY <sup>\*2</sup> Amount of contribution to Mitsui's consolidated earnings for FY March 2024  
<sup>\*3</sup> Initial investment in 2015 (20% acquisition, 91.4 Bn JPY investment) and additional investment (10% acquisition, 48.3 billion investment) <sup>\*4</sup> The properties are included in the overall portfolio of MBK Real Estate in the US (63 properties), and are being managed and operated as a real estate buy, develop, and sell model. Contribution to profit and vs. initial assumption refer to the current overall situation of MBK Real Estate <sup>\*5</sup> The net amount of the initial investment of 90.7 Bn JPY in FY March 2012, the partial sale of 24.9 Bn JPY in FY Mar 2017, and the additional investment of 223.2 Bn JPY in FY March 2019 <sup>\*6</sup> Total project cost of approx. 23 Bn USD, with Mitsui E&P Mozambique stake 20%. Mitsui's stake in Mitsui E&P Mozambique is approx. 50%. Includes the amount of guarantees provided for project finance <sup>\*7</sup> The total of 49.3 Bn JPY for the TOB of AWE and FID of 29.7 Bn JPY investment and loan amount <sup>\*8</sup> Additional acquisition of approximately 26% included in the results for FY March 2024. Also includes one-time gains. <sup>\*9</sup> Includes a portion of Mitsui's stake in JOGMEC <sup>\*10</sup> The EPC contract amount, which accounts for the majority of the investment and loan amount. Other expenses are expected to be incurred separately

## Appendix 2: Dividend Income from Equity Method Investees

### Profit (loss) from equity method investments and equity method dividend cash flow

(dividend recovery ratio)



<sup>\*1</sup> MTMP 2017 and MTMP 2020 are three-year averages for each respective period. <sup>\*2</sup> FY March 2016 has been excluded from calculations due to recording of a net loss from equity investments.



# Global Energy Transition

Representative Director,  
Senior Executive Managing Officer

**Toru Matsui**



# Global Energy Transition Initiatives

- ◆ Building a portfolio resilient in various scenarios and responsive to sways in climate change and energy demand



## Natural Gas, LNG

- Investing in prime projects, enhancing downside resilience
- Strengthening competitiveness of existing assets through decarbonization

## Next-gen fuels

- Production of next-gen fuels and stable supply
- Building a clean ammonia value chain

## Decarbonization

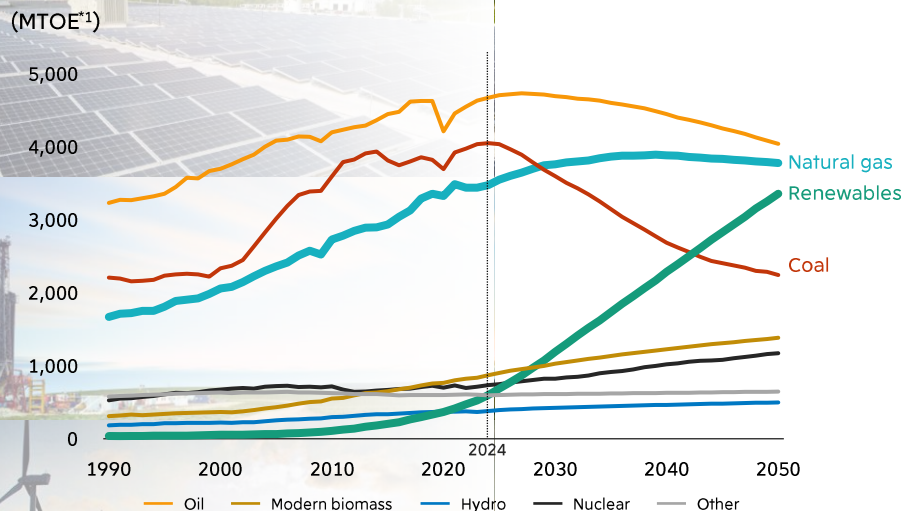
- Launch of CCSaaS\* utilizing E&P expertise and cross-industry network
- Steady launch of renewable power generation and adjacent businesses

\* Carbon Capture and Storage as a Service

# Positioning of LNG in the Energy Transition

- ◆ Among primary energy sources, renewable energy and natural gas forecast to grow in foreseeable future
- ◆ Natural gas and LNG re-evaluated as important stable fuels to meet needs of rising power demand from AI

## Primary Energy Consumption Outlook



Source: S&P Global Commodity Insights

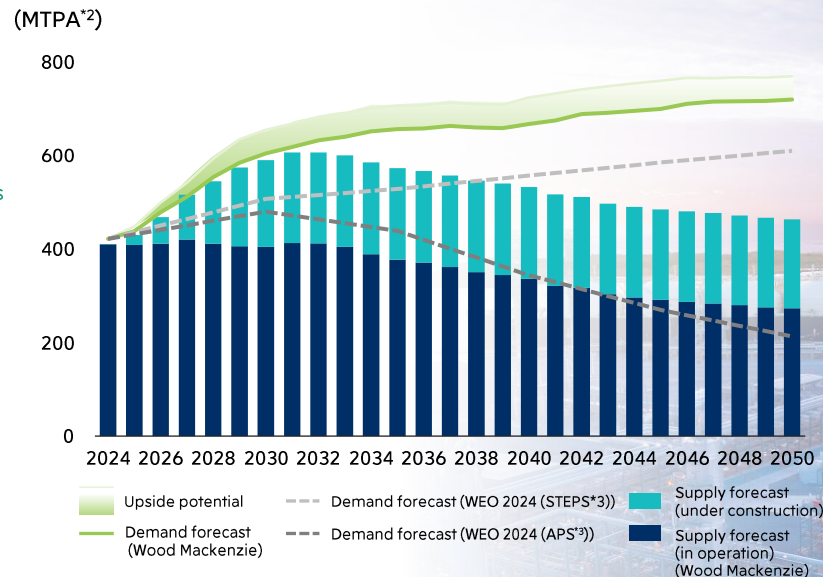
\*1 MTOE: Mn Tons of Oil Equivalent \*2 MTPA: Mn Tons Per Annum

\*3 World Energy Outlook published by the International Energy Agency (IAE)

STEPS (Stated Policies Scenario) is a scenario that reflects the policies that each country has already stated

APS (Announced Pledges Scenario) is a scenario that reflects the ambitions declared by each country in line with the Paris Agreement

## Medium- to Long-Term Outlook for LNG Supply and Demand



# Globally Diversified Natural Gas and LNG Portfolio

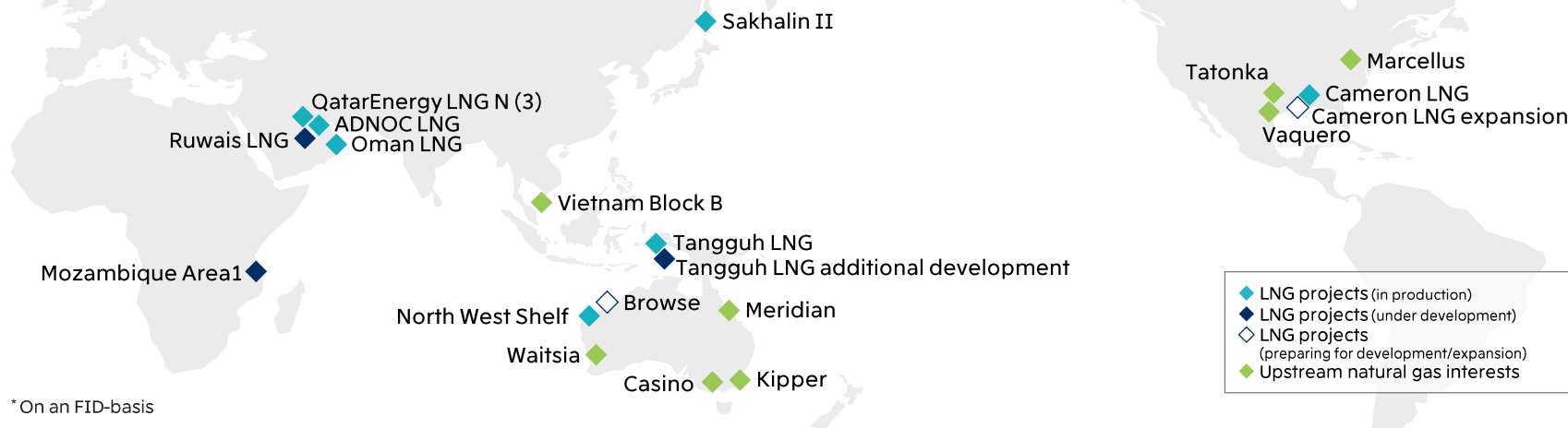
- ◆ Existing projects: Realization of upside potential and strengthened downside resilience through increased competitiveness and expansion
- ◆ Strengthening earnings base through steady launch of projects under development

## LNG business

**11 projects in 8 countries\***

## Equity share of LNG production capacity

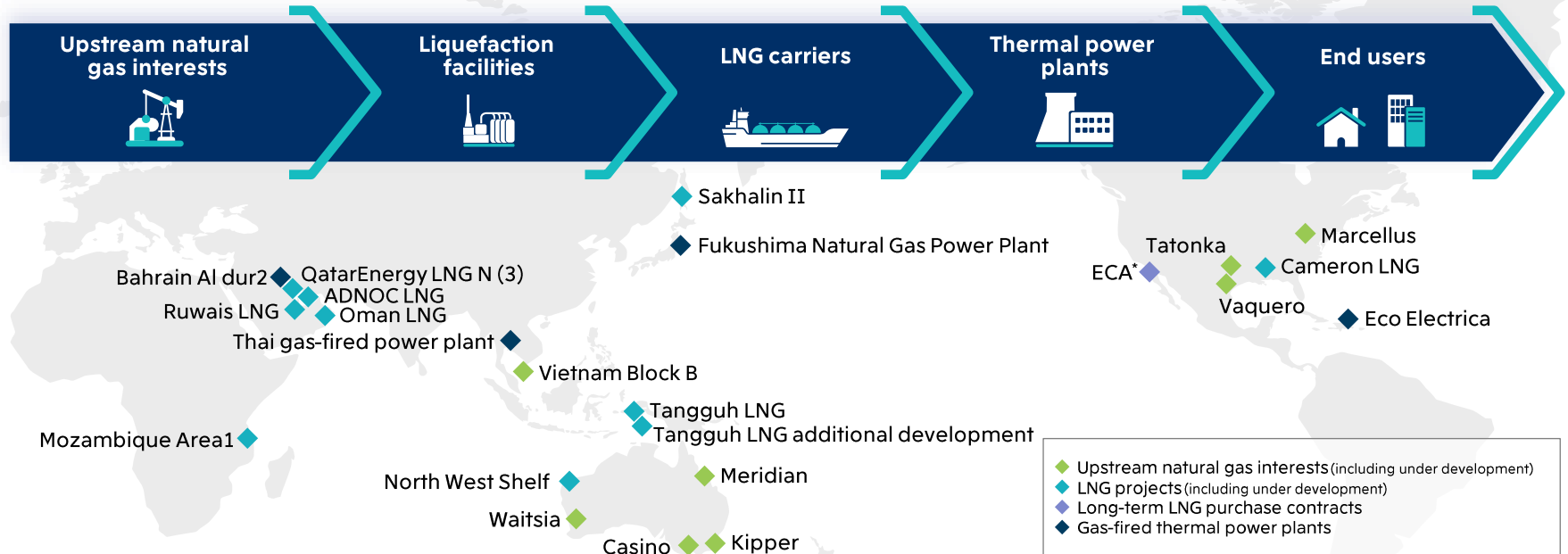
**Approx. 9 Mt/year\***



# Developing the Gas Value Chain

- ◆ Contributing to stable supply of energy through competitive gas/LNG supply and power generation, based on upstream natural gas/LNG project interests, LNG purchase agreements

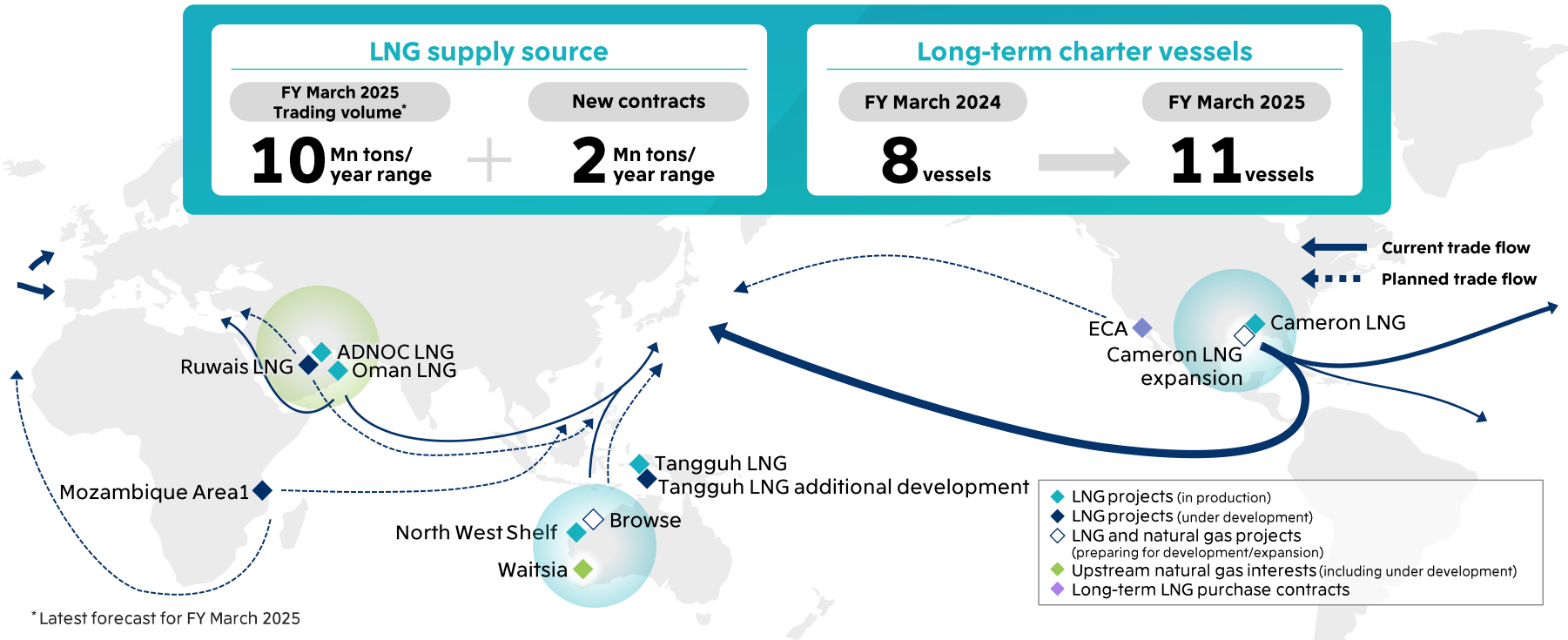
## Mitsui's gas value chain from upstream to downstream



\* ECA: Energia Costa Azul LNG

# LNG Trading Portfolio

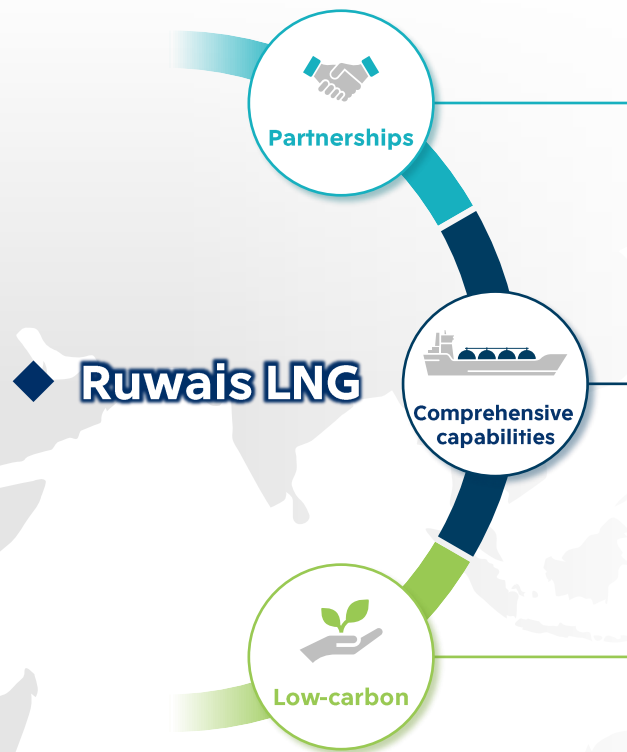
- ◆ Providing stable supply capability and demand/supply adjustment functions through diversified LNG supply sources, expansion of fleet, and optimization of operations





# Ruwais LNG

- ◆ Expanding long-term stable earnings base by building up LNG business and LNG trading portfolio



## Strategic partnership with ADNOC and global energy majors

- **Trusting relationship** with ADNOC cultivated over 50 years through ADNOC LNG investment and operation
- **Strong partnerships** with bp, Shell, and TotalEnergies through LNG and other businesses

## Project contribution

- Utilizing **LNG business management expertise**
- **Stable LNG purchase**
- **LNG marketing support**

## Low-carbon LNG project in line with energy transition

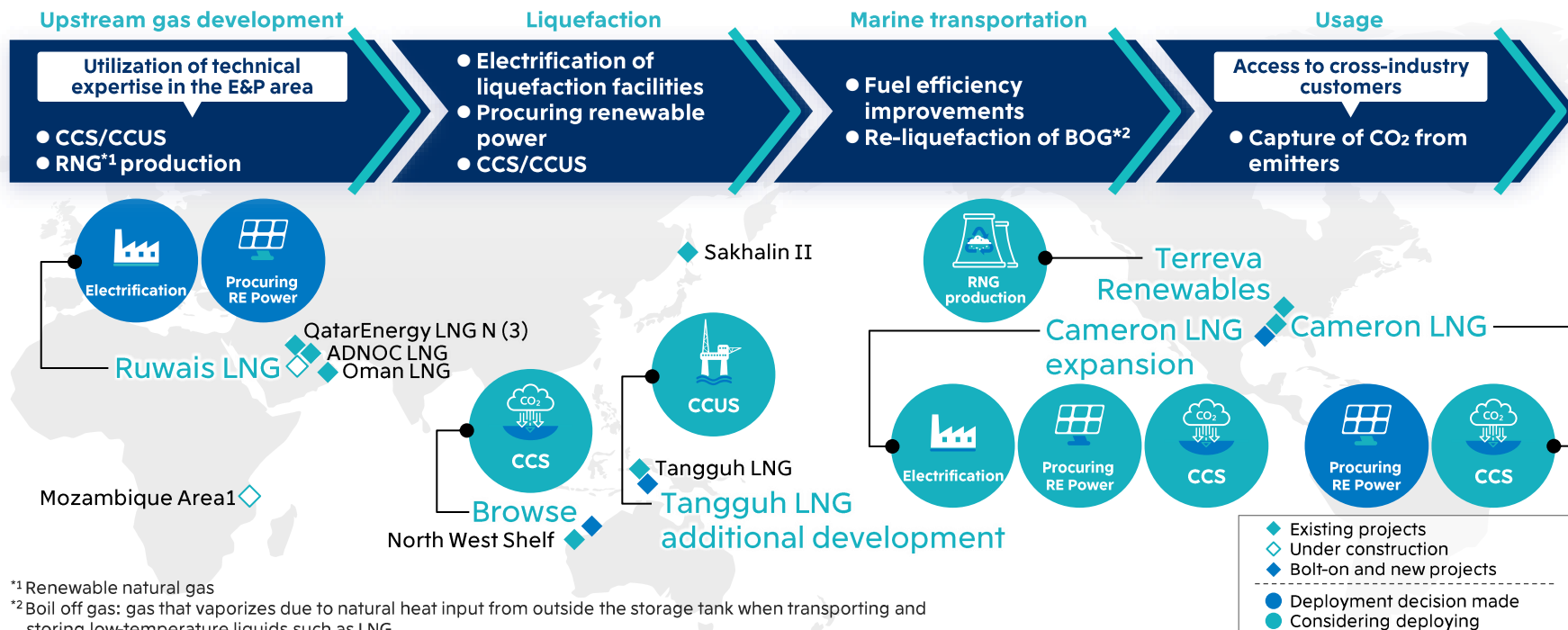
- Incorporating **measures to address GHG** through adoption of E-Drive and use of clean power



# Low-carbon Measures in LNG Projects

◆ We aim to ensure sustainable competitive advantage by taking measures to address GHG emissions

## Measures to address GHG emissions in each process



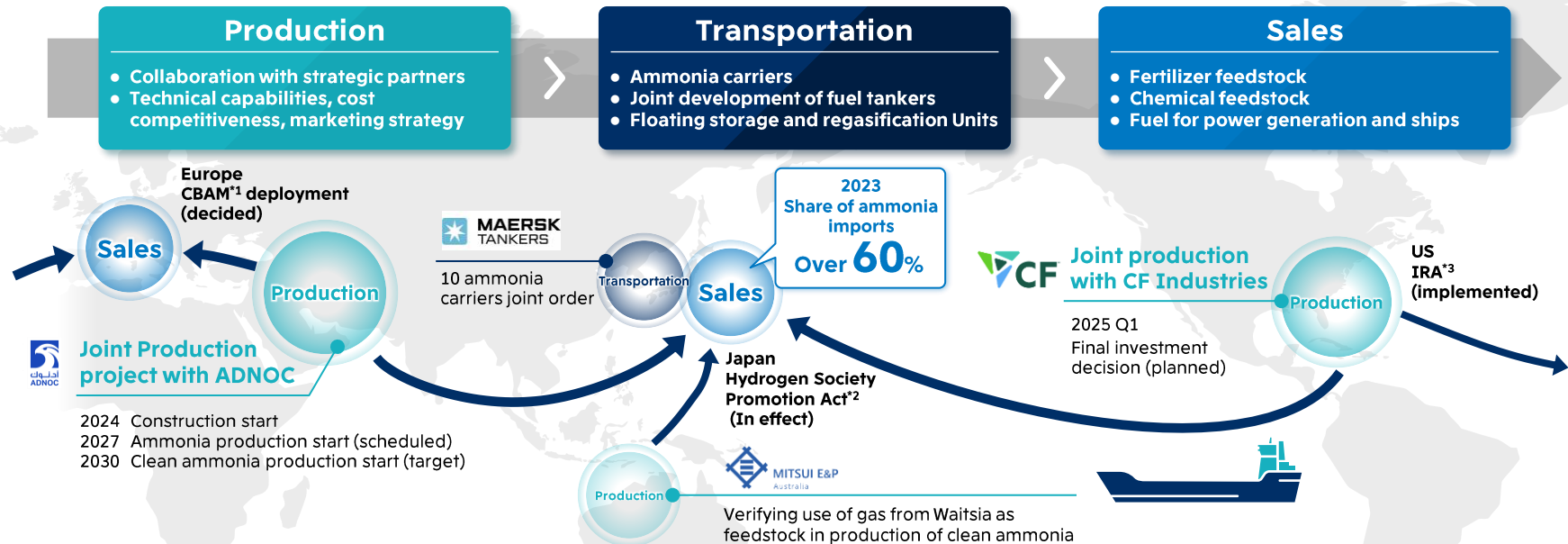
<sup>\*1</sup> Renewable natural gas

<sup>\*2</sup> Boil off gas: gas that vaporizes due to natural heat input from outside the storage tank when transporting and storing low-temperature liquids such as LNG



# Clean Ammonia: Building a Value Chain

- ◆ Steady progress on projects through collaboration with strategic partners such as ADNOC in Abu Dhabi and CF Industries in N. America
- ◆ Combining cross-industry track record and expertise between Energy and Chemicals, and Mobility business units



<sup>\*1</sup>Carbon Border Adjustment Mechanism <sup>\*2</sup>Act to provide support due price gaps and support for developing hubs

<sup>\*3</sup>Support measures for climate change-related investment under the Inflation Reduction Act

# CCS and CCUS Initiatives

◆ Globally examining the development of CCSaaS business model

Target

Approx. **15** Mn tons/year by 2035\*



\* Based on Mitsui's equity share

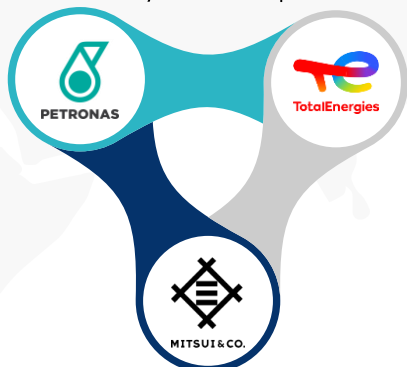
# CCSaaS Initiatives

- ◆ As a storage operator, working with industrial players to build CCS value chain in Japan and Malaysia

## Together with partners

Geological knowledge,  
relationships with local  
government in Malaysia

CCS project  
development  
experience in Europe



Customer network,  
relationship with the  
Japanese government

Separation and capture of CO<sub>2</sub>  
emissions from multiple  
industries across western Japan

Southern Malay  
Peninsula CCS Hub

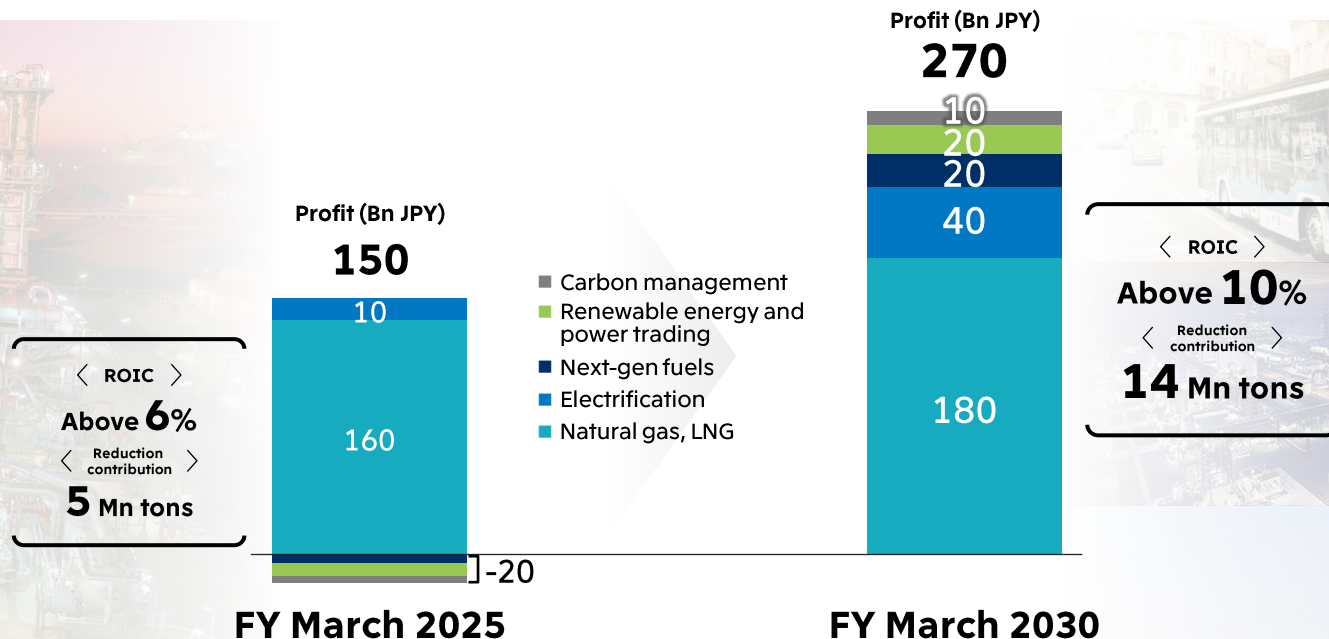
Storage    Approx. **5** Mn tons/  
year

- Adopted as JOGMEC-supported project together with 7 companies in Japan
- Good marine access from Far East, ideal location as CCS hub
- Working on development of industry standards for liquefied CO<sub>2</sub> carriers
- Aiming to reduce unit costs by taking advantage of economies of scale

- CO<sub>2</sub> emission sources subject to separation and capture
- Oil and gas exploration and development projects involving Mitsui (including past results)

# Outlook for Global Energy Transition

- ◆ Growth in natural gas and LNG will be driving force for the foreseeable future
- ◆ Growth expected in shift to electrification, next-gen fuels, renewable energy and power trading, and carbon management



# A Cautionary Note on Forward-Looking Statements

This material contains statements (including figures) regarding Mitsui & Co., Ltd. ("Mitsui")'s corporate strategies, objectives, and views of future developments that are forward-looking in nature and are not simply reiterations of historical facts. These statements are presented to inform stakeholders of the views of Mitsui's management but should not be relied on solely in making investment and other decisions. You should be aware that a number of important risk factors could lead to outcomes that differ materially from those presented in such forward-looking statements. These include, but are not limited to, (i) change in economic conditions that may lead to unforeseen developments in markets for products handled by Mitsui, (ii) fluctuations in currency exchange rates that may cause unexpected deterioration in the value of transactions, (iii) adverse political developments that may create unavoidable delays or postponement of transactions and projects, (iv) changes in laws, regulations, or policies in any of the countries where Mitsui conducts its operations that may affect Mitsui's ability to fulfil its commitments, and (v) significant changes in the competitive environment. In the course of its operations, Mitsui adopts measures to control these and other types of risks, but this does not constitute a guarantee that such measures will be effective.

360° business innovation.



mitsui & co.