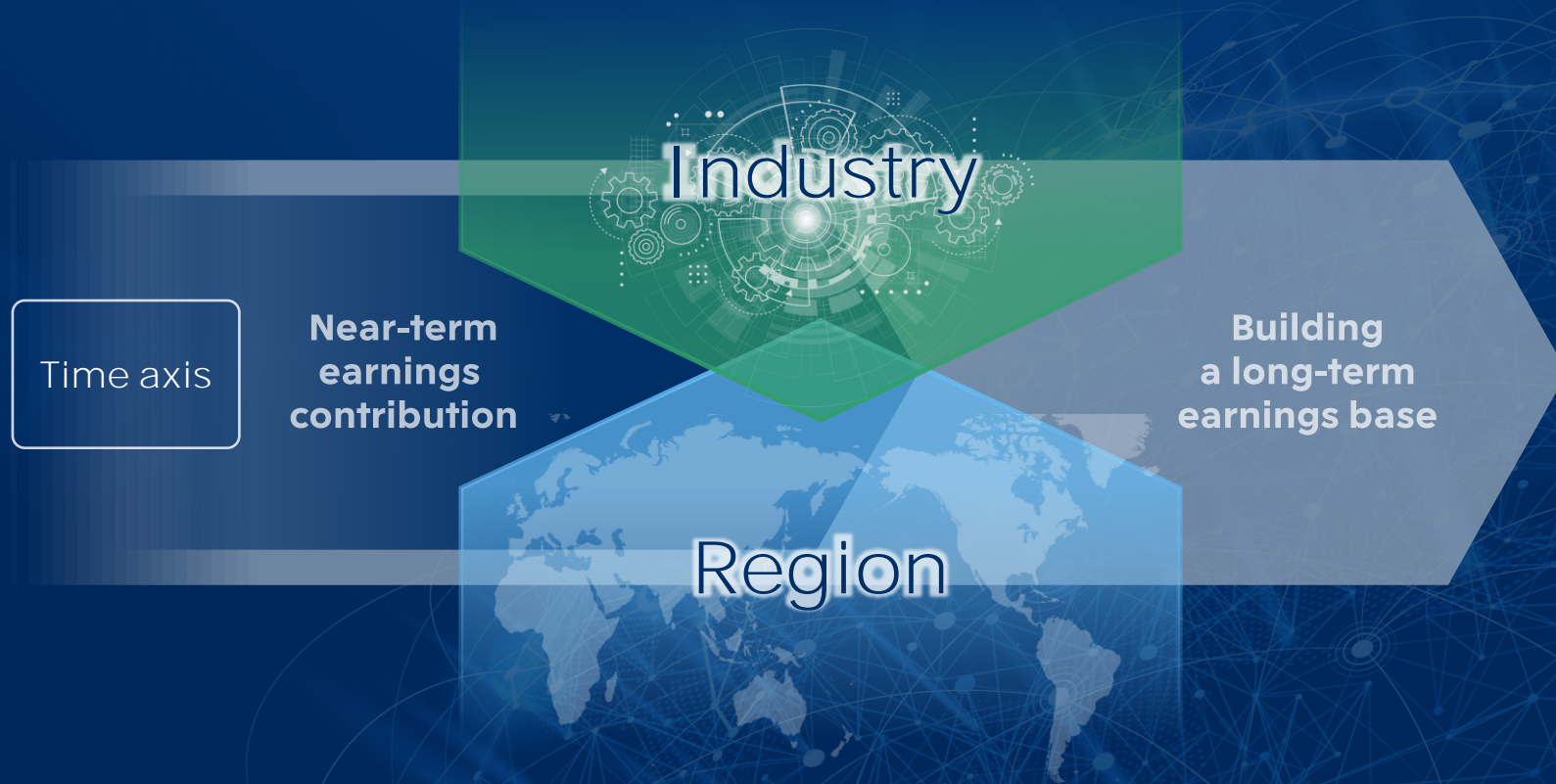


# Portfolio Enhancement

Representative Director,  
Senior Executive Managing Officer  
CSO

Kazumasa Nakai

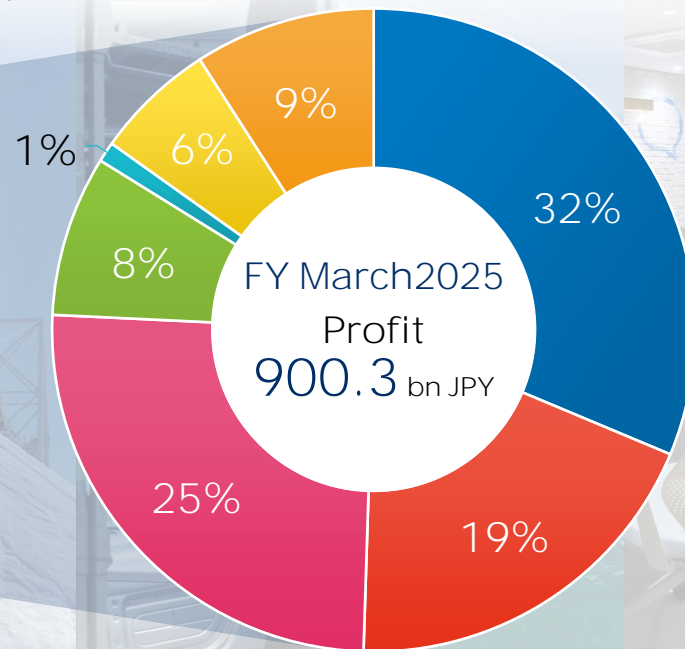
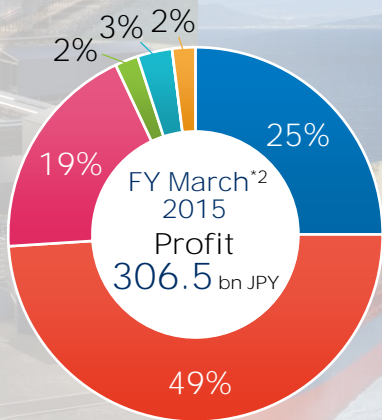
# Diversified Business Portfolio



# Transition of Portfolio by Industry

- ◆ Progress in building a diversified portfolio across segments over past decade
- ◆ Continue to build a well balanced portfolio in the next MTMP\*1

■ Mineral & Metal Resources
■ Energy
■ Machinery & Infrastructure
  
■ Chemicals
■ Iron & Steel Products
■ Lifestyle
  
■ Innovation & Corporate Development

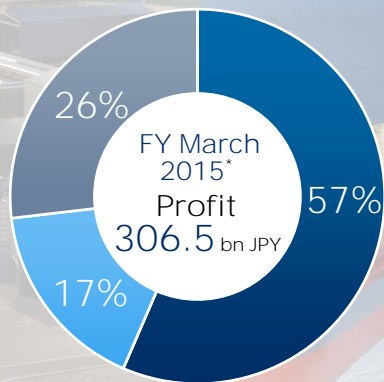


\*1 Medium-term Management Plan \*2 The Lifestyle segment is not included in this graph because it recorded a loss

# Transition of Portfolio by Region

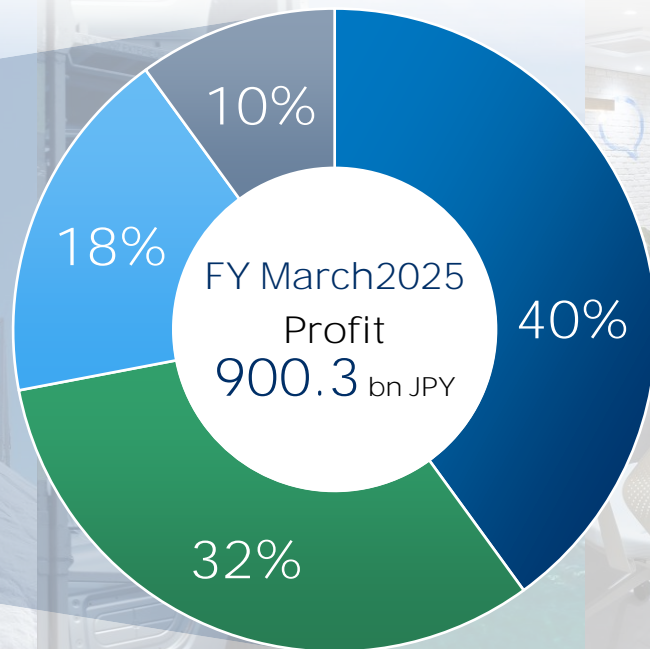
◆ Progress in building a well-diversified business portfolio across regions

■ Asia Pacific ■ Americas  
 ■ Japan ■ Europe, others



©ADNOC

\*The Americas is not included in this graph because it recorded a loss





# 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 on the significance of holding listed stocks

Continued holding policy

Covering  
1,080<sup>\*1</sup>

projects with  
book value of  
10.2 tn JPY

5 review points

Profitability

Effective use of  
human resources

Strategic  
significance

Room for growth

**Mitsui's contribution to  
value enhancement**

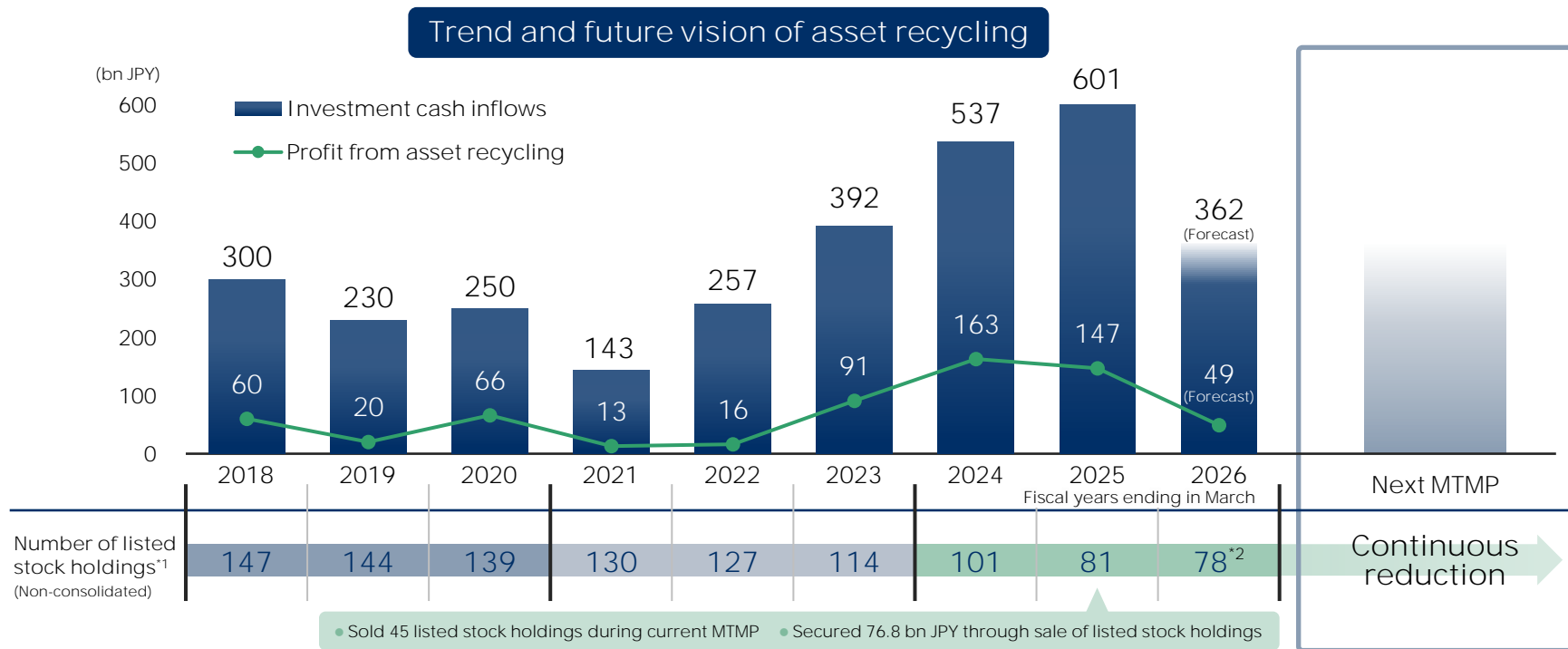
Projects planned for exit<sup>\*2</sup>  
Approx. 30% Book value: Approx. 10%

<sup>\*1</sup> As of end-FY March 2025. Number of projects after grouping together those within the same business group.

<sup>\*2</sup> Projects planned for exit are subject to verification on the specific exit strategy and difficulty of withdrawal.

# Asset Reconfiguration

◆ Further portfolio enhancement with focus on improving ROIC in the next MTMP



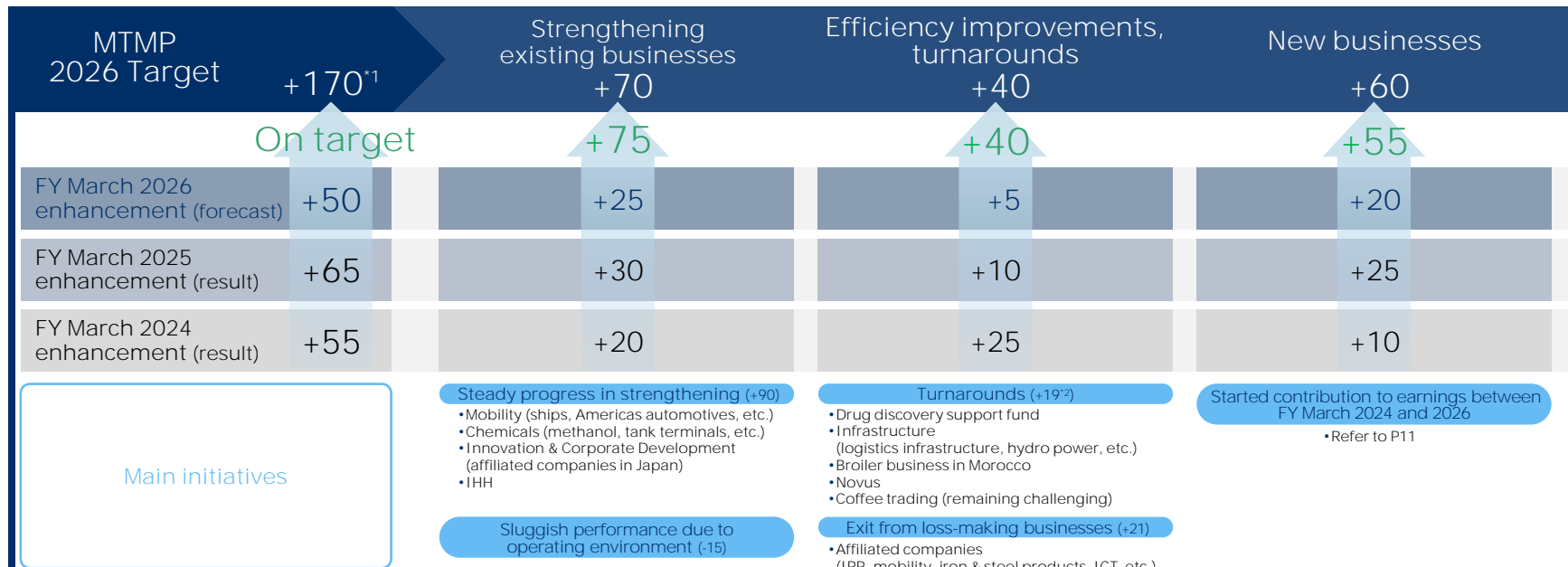
\*1 General companies excluding equity method investees. We do not hold any listed consolidated subsidiaries \*2 As of end-September 2025

# Progress in Enhancement of Base Profit

- ◆ Solid progress toward achieving target of 170 bn yen enhancement by end-FY March 2026 (USD/JPY130)
- ◆ Earnings enhanced by strengthening existing businesses

## Continued Enhancement of Base Profit

(bn JPY)



<sup>\*1</sup> Profit adjusted to exclude asset recycling, valuation gains/losses and one-time factors, and to align commodity price and forex (including consolidated adjustments) assumptions with FY March 2026 assumptions set at the time of the MTMP announcement <sup>\*2</sup> Total change in profit for ongoing projects from FY March 2023 to Q2 of FY March 2026

# Strengthening Existing Businesses

- ◆ Drove forward middle game initiatives, realized expansion of base profit





# Efficiency Improvements, Turnarounds

- ◆ Withdrew from loss-making businesses and improved performance in others, expected enhancement of base profit approx. 40 bn yen



Exit	IPAH
Power generation, electricity and gas retail in Australia	
<b>Background</b> <ul style="list-style-type: none"> <li>● Aging thermal power plants, soaring gas prices</li> <li>● Difficulties with new renewable developments due to intensified competition</li> </ul>	
<b>Initiatives</b> <ul style="list-style-type: none"> <li>● Due to difference in direction of new initiatives, transferred our interest to business partner in FY March 2024</li> </ul>	
FY March 2023 loss -6.8 bn JPY	FY March 2024 <b>Exit</b>

Turnaround	TIACT
Air cargo terminal in Japan	
<b>Background</b> <ul style="list-style-type: none"> <li>● Air cargo decreased due to reduction in flights caused by Covid-19</li> </ul>	
<b>Initiatives</b> <ul style="list-style-type: none"> <li>● Maintained necessary personnel structure in preparation for future cargo increases after Covid-19 easing</li> </ul>	
	
FY March 2023 loss -0.2 bn JPY	FY March 2025 1.6 bn JPY

Turnaround	Jirau
Hydroelectric power generation in Brazil	
<b>Background</b> <ul style="list-style-type: none"> <li>● Decrease in power generation due to drought, higher costs from acquiring alternative power</li> <li>● Power transmission costs</li> </ul>	
<b>Initiatives</b> <ul style="list-style-type: none"> <li>● Refined forecasting, optimized alternative power procurement</li> <li>● Reduction of transmission costs through consultation with authorities, increase in power generation by raising upstream water levels</li> </ul>	
	
FY March 2023 loss -0.6 bn JPY	FY March 2025 1.2 bn JPY

# Ongoing Efficiency Improvements, Turnarounds

## Mainstream (renewable energy)

### Background

- Business environment in Chile, deteriorating profitability
- Higher construction costs and supply chain disruptions

### Initiatives

- Reduction of fixed costs due to head office relocation and personnel reduction
- Streamlined development plan, **book value of investments, loans, and guarantees reduced to 5.1 bn yen**

### Future initiatives

- Reduction of losses in Chile business
- Selection and concentration of new projects



FY March 2026 H1  
Profit: -32.2 bn JPY

## Coffee trading

### Background

- **Soaring coffee prices** due to weather conditions and growing demand in China
- Surfacing of buyer credit risk, **delayed contract performance**
- **Valuation losses and hedging costs**

### Outlook

- Normalization of market prices due to the prospect of a strong harvest in a major production area

### Future initiatives

- Continuous **reduction of contractual positions**
- Reducing various risks:  
Review of procurement methods, sales, and hedging methods, consideration of new regional strategies, etc.



FY March 2026 H1  
Profit: Several bn yen of losses

## Anglo American Sur

### Background

- Decrease in production due to lower ore grade.
- Higher interest expenses due to interest rate hikes (profitable on an EBITDA basis)

### Future initiatives

- Optimizing operations from a long-term perspective
- Scheduled to **start integrated operations (around 2030)** with the adjacent Codelco owned Andina copper mine, leading to increase in production and maximizing resource value



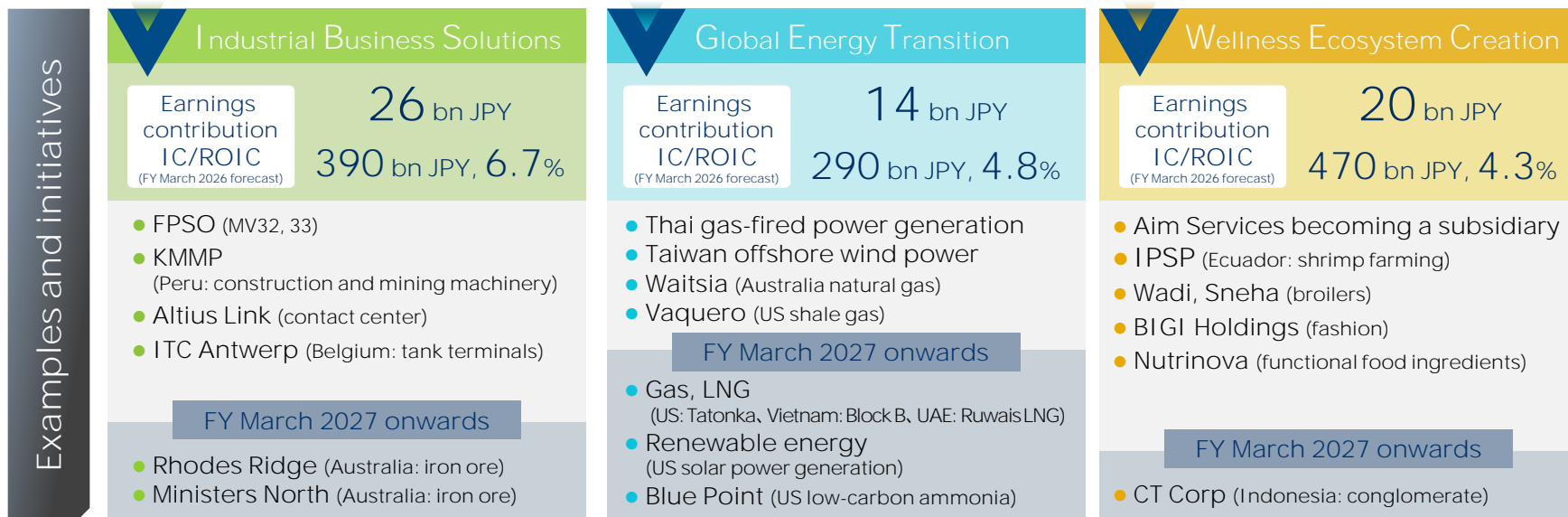
FY March 2026 H1  
Profit: -4.3 bn JPY

# New Businesses

◆ Accumulation of assets mindful of earnings contribution timeline, leading to ROIC expansion



Note: Earnings contribution are adjusted to USD/JPY145, IC\* only includes projects that have started contribution to earnings



\*Invested capital

# Toward Further Portfolio Enhancement



High-quality  
investments  
for growth

Enhanced  
portfolio  
review

Asset  
reconfiguration

360° business innovation.



mitsui & co.