

Acquisition of Interest in Rhodes Ridge Iron Ore Project in Australia

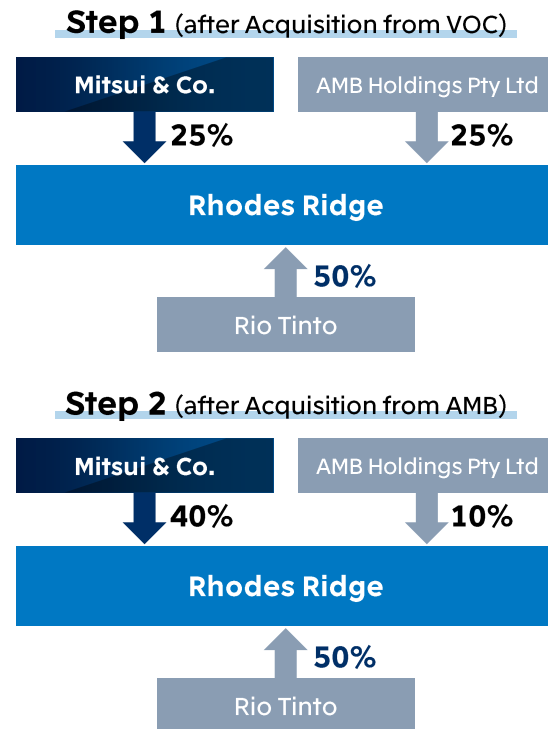


February 19, 2025

Mitsui & Co., Ltd. (TSE: 8031)

Project Overview

Asset	<ul style="list-style-type: none"> Rhodes Ridge 40% interest (undeveloped)
Sellers	<ul style="list-style-type: none"> (1) VOC Group Limited : 25% (2) AMB Holdings Pty Ltd : 15%^{*1}
Acquisition price	<ul style="list-style-type: none"> 5,342 million USD (1) 3,339 million USD, (2) 2,003 million USD^{*2}
Mineral Resources	<ul style="list-style-type: none"> 6.8 billion tons^{*3} (among the world's largest undeveloped mine)
Production timing	<ul style="list-style-type: none"> Pre-feasibility study: completion in 2025 (plan) First ore: by 2030 (after feasibility study and FID)
Production volume	<ul style="list-style-type: none"> Initial capacity: Up to 40Mtpa^{*4} Future expansion potential: >100Mtpa
Mitsui's Investment Return	<ul style="list-style-type: none"> Core Operating Cash Flow^{*5} (annual) 100bn yen (40Mtpa), 250bn yen (>100Mtpa)
Investment structure	<ul style="list-style-type: none"> Un-incorporated joint venture^{*6}
Grade	<ul style="list-style-type: none"> Average Fe Content 61.6%^{*3}, includes low phosphorus deposits



*1 A heads of agreement has been signed. Mitsui will proceed with due diligence and negotiations in order to sign a definitive agreement *2 Includes the amount of stamp duty *3 Project 100% base, Source: Rio Tinto Investment Seminar 2023 *4 Million tons per annum *5 Calculated by using Mitsui's assumptions. *6 All interest owners directly hold assets and liabilities in proportion to their investment ratio. In the consolidated financial statements, revenue and expenses are all recognized in proportion to investment ratios.

Competitiveness of Rhodes Ridge

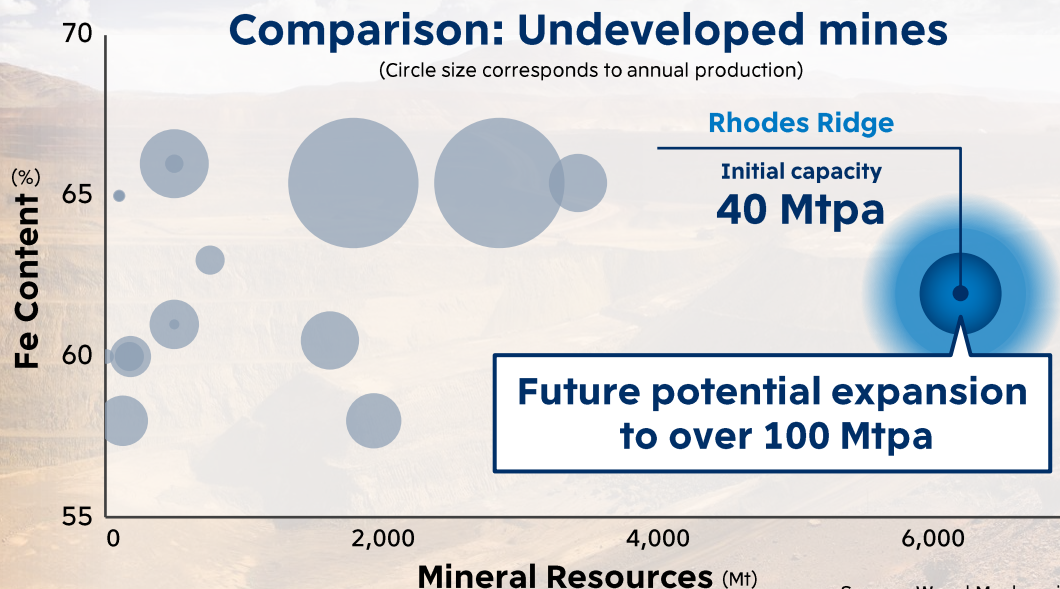
- ◆ One of Australia's few remaining undeveloped world class deposits of high-grade Mineral Resources *
- ◆ Ensuring stable supply of iron ore through joint partnership with long-term, trusted partners

One of the world's largest Mineral Resources

Among highest grade in Australia

Joint partnership with proven operator

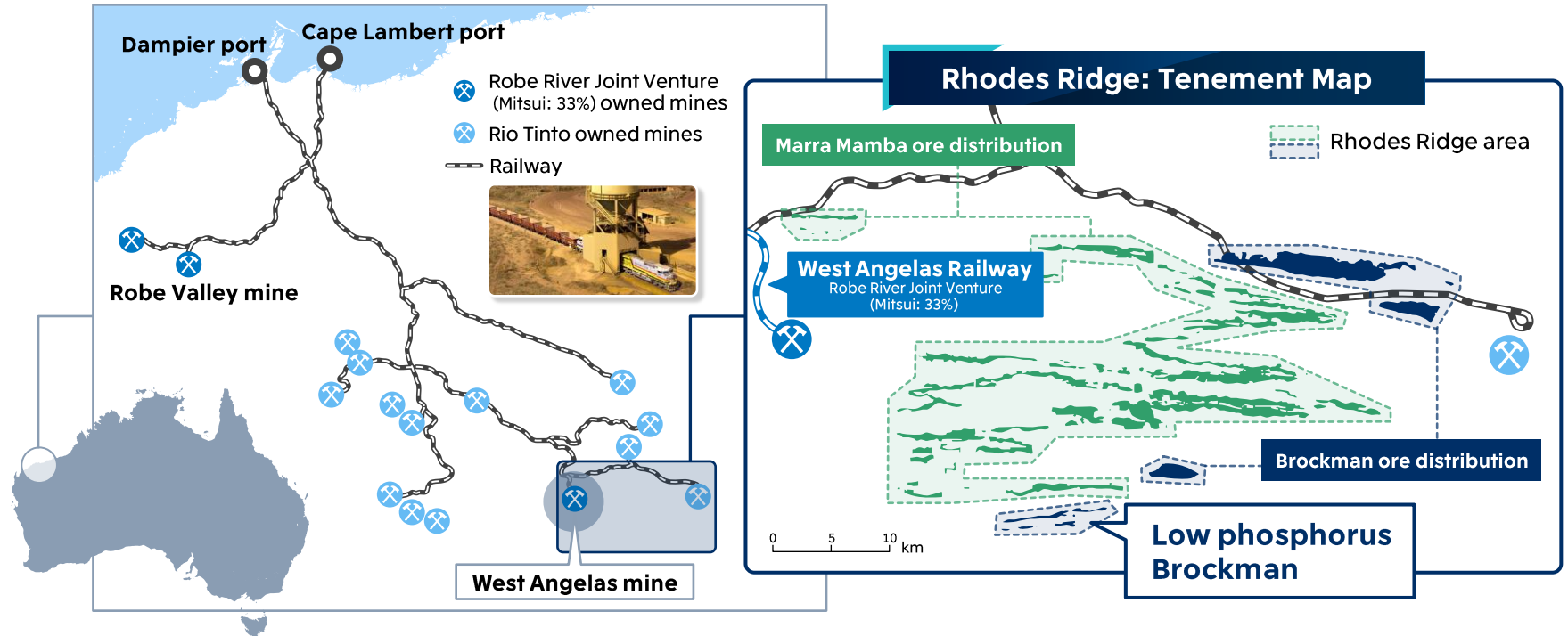
Proximal to existing infrastructure lowering capital cost and risk



* Among highest grade in Australia, where mainly medium-grade ore is produced

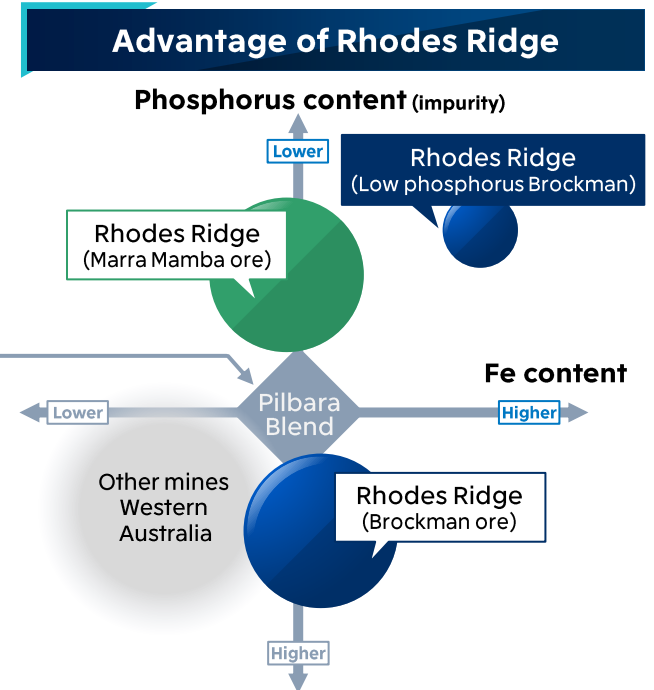
Synergy 1: Utilization of Existing Iron Ore Infrastructure

- ◆ Utilizing Rio Tinto and Robe River JV's existing rail and port infrastructure will significantly reduce initial capex and ensure stable operations
- ◆ Potential development of southern part of resource through extension of existing infrastructure



Synergy 2: Blending

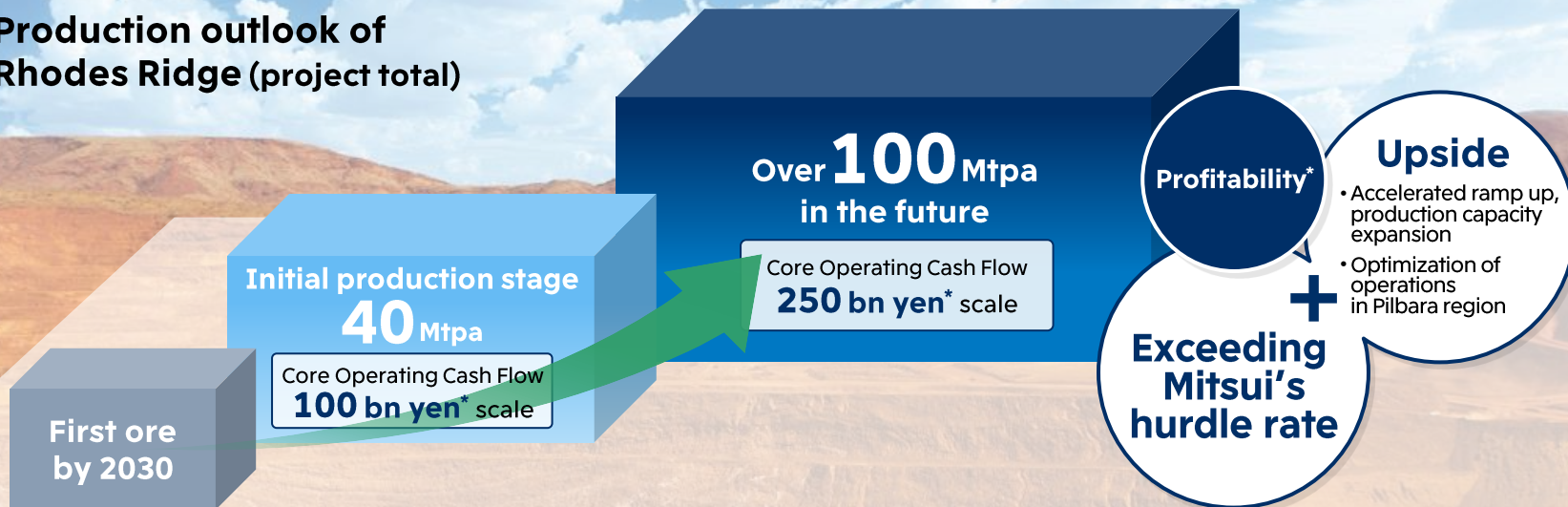
- ◆ Pilbara Blend is the world's most traded brand of iron ore
- ◆ Part of Rhodes Ridge is scarce high Fe / low phosphorus ore, that will be essential for production of Pilbara Blend



Production Outlook and Cash Generation of Rhodes Ridge

- ◆ First ore expected by 2030. Initial production stage to be 40 Mtpa
Expecting further expansion to over 100 Mtpa in future
- ◆ Mitsui's Core Operating Cash Flow: 100 bn yen* scale at 40 Mtpa and 250 bn yen* scale at over 100 Mtpa
- ◆ Targeting upside through operational optimization in Pilbara region of Western Australia

Production outlook of Rhodes Ridge (project total)



* The figures are Mitsui's equity share of Core Operating Cash Flow. Calculated by using Mitsui's assumptions (for hurdle rate, includes acquisition cost)

Sustainable Development and Operations

- ◆ Together with Rio Tinto as an operator, development and operations will be conducted with a strong emphasis on sustainability

Natural Capital



Preservation of
**Water
Resources**



Protection of
Biodiversity

Climate Change



Utilization of
Biofuel



Utilization of
**Renewable
Energy**

Community



Protection of
Heritage



Partnership with
Communities

Our History in Iron Ore

- ◆ The deal marks the culmination of over 60 years of track record in Australia
- ◆ We aim to further enhance value creation by integrating our experience and expertise with initiatives to decarbonize the steel value chain



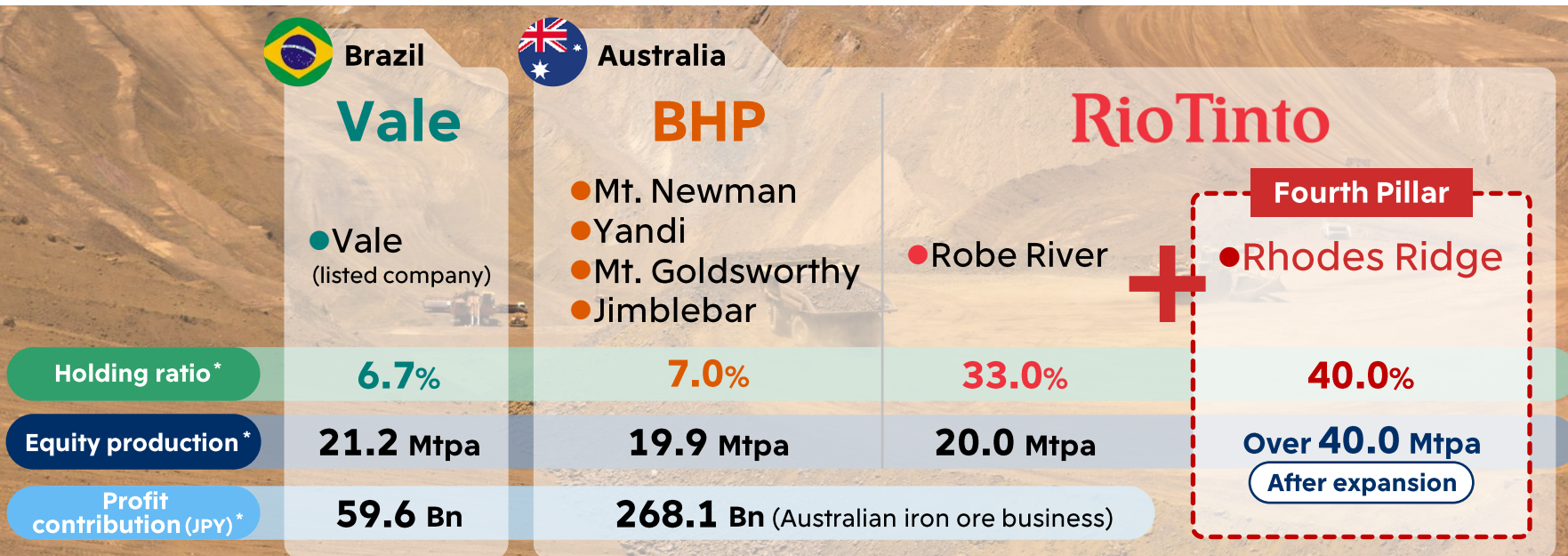
Our Edge

- 
Over 60 years of experience and expertise
- 
Long term, strong partnerships with resource majors
- 
Decarbonization initiatives
 - MOU with Rio Tinto
 - DRI^{*2} project in Oman

*1 Underwent restructuring through M&A, leading to the current Vale *2 Direct reduced iron

Further Strengthening of our Iron Ore Business

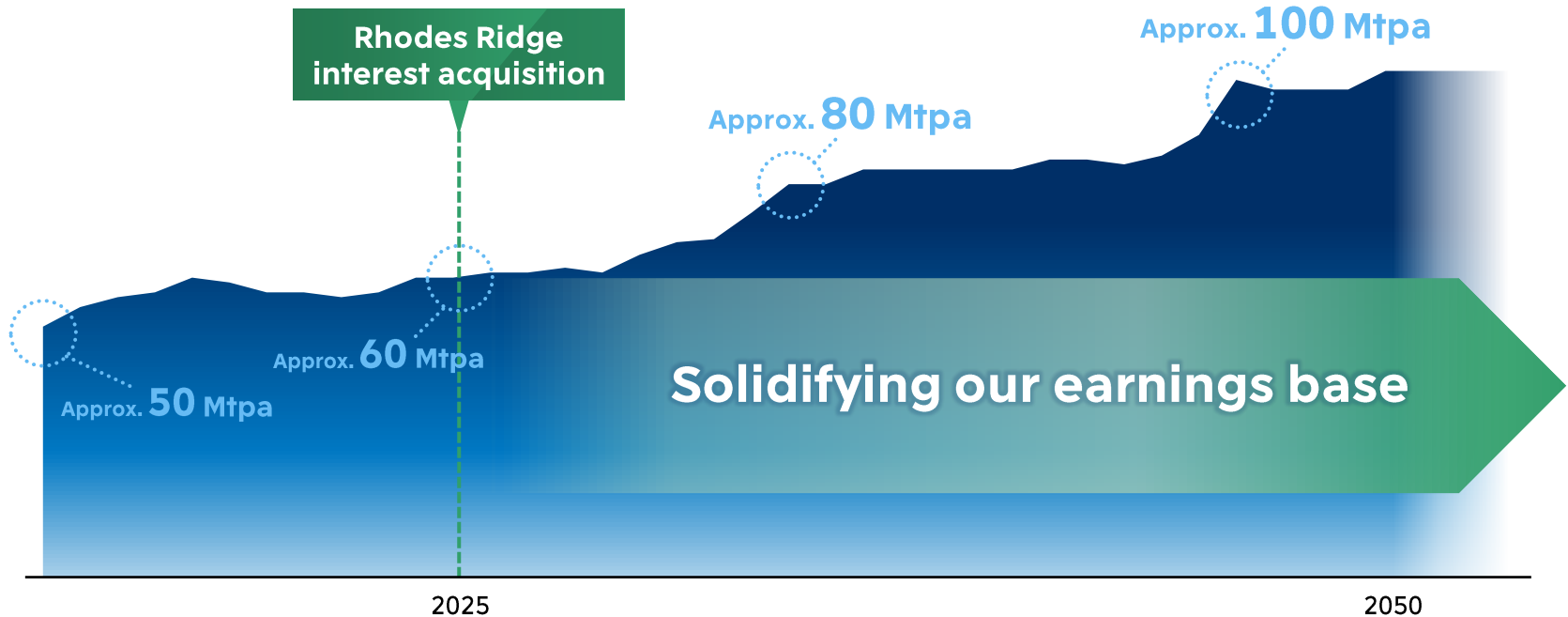
- ◆ Through investment in Vale and partnerships with BHP and Rio Tinto, developed three competitive pillars
- ◆ Acquisition of 40% interest in Rhodes Ridge will be the fourth pillar, and a new opportunity to partner with Rio Tinto



* As of FY March 2024. Equity ratios as of End-December 2024. Does not include Rhodes Ridge

Mitsui's Equity Share* of Iron Ore Production

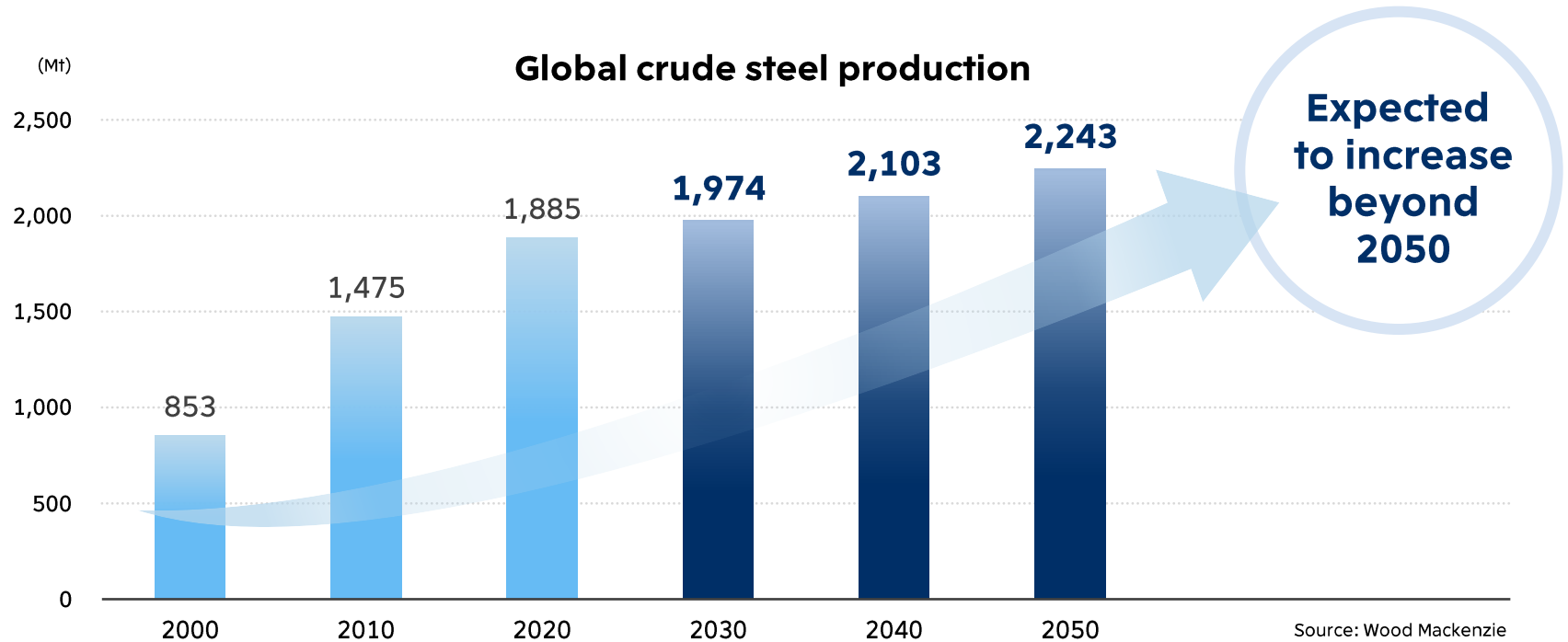
- ◆ Participating in Rhodes Ridge is expected to support our long-term earnings from iron ore business
- ◆ Beyond Rhodes Ridge, will continue to collaborate with BHP and Vale for a sustainable value creation



* Sum of equity production from Mitsui's iron ore portfolio

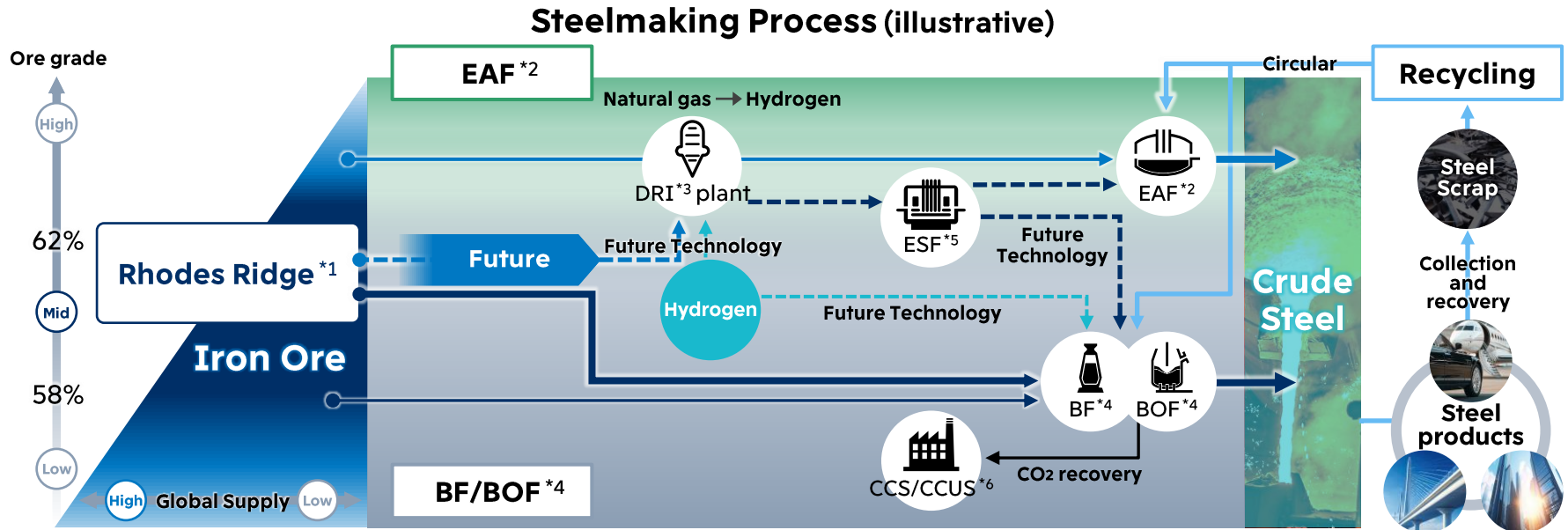
Steady Demand for Iron Ore in the Future

- ◆ World crude steel production expected to increase with economic growth, especially in India and Southeast Asia
- ◆ Electric arc furnace ratio expected to increase. Given iron ore is necessary for the production of high-quality steel, long-term demand expected to remain strong



Future Potential of Rhodes Ridge Iron Ore

- ◆ To reduce carbon emissions in steelmaking, progress underway in development of technology for electric arc furnaces to utilize medium-grade ore, which accounts for large proportion of seaborne trade
- ◆ The Rhodes Ridge orebody may have compatibility with low carbon steelmaking as technologies evolve



*1 Rhodes Ridge has a world class mineral resource and is positioned among the highest quality ores in Australia where most of the production is medium-grade, Rhodes Ridge ore grade is for illustrative purpose only *2 Electric arc furnace *3 Direct reduced iron *4 Blast furnace/basic oxygen furnace *5 Electric smelting furnace *6 Carbon capture and storage / carbon capture, utilization, and storage

Impact on Cash Flow Allocation

- ◆ 500 bn yen already included in investments for growth, 300 bn yen allocated from Management Allocation
- ◆ New balance of Management Allocation is 550 bn after adding 400 bn from balance sheet
- ◆ Plan to obtain loans to finance acquisition. Net D/E ratio will increase by approx. 0.1x

Medium-term Management Plan 2026 (3-year cumulative)

(bn JPY)

Announced Nov. 2024

IN Cash Inflows	COCF	3,000	
	Asset Recycling	1,410	
	Cash inflows total	4,410	
OUT Cash Outflows	Sustaining CAPEX	730	
	Investments for growth	1,870	
		Investment decision made, policy confirmed	
		New investments	450
		Management Allocation	450
		Additional Shareholder Returns	
	Shareholder returns	520	
	Dividend	840	

Rhodes Ridge acquisition price	
800*	(5.3 bn USD)

Included in investments for growth:	500	+	From Management Allocation:	300
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Management Allocation after investment	150
+ Additional allocation from balance sheet	+ 400
New balance of Management Allocation	550

* Includes stamp duty

360° business innovation.



MITSUI & CO.