

MITSUI & CO., LTD.

Key Issues to Address

“Creating Sustainable Futures”

Progress of the Medium-term Management Plan 2026 and the business plan for FY March 2026

Hello, I am Kenichi Hori, President and CEO.

I will speak on the progress of the Medium-term Management Plan (MTMP) 2026 and the business plan for FY March 2026.

FY March 2025 Results and FY March 2026 Business Plan (P2)

Here are the results for FY March 2025 and the business plan for FY March 2026.

For FY March 2025, profit was 900.3 billion yen and Core Operating Cash Flow (COCF) was 1,027.5 billion yen. COCF has reached the 1 trillion yen level for four consecutive fiscal years since FY March 2022.

In formulating the quantitative plan for FY March 2026, we have reflected the recent changes in the business environment. While the enhancing of base profit is steadily progressing, we have incorporated a certain degree of conservatism and set COCF at 820 billion yen, and profit at 770 billion yen. We have taken into consideration the time required to respond to changes in the business environment such as inflation, interest rates, and exchange rates.

Entering the Final Year of MTMP 2026 (P3)

Summarizing the first two years of the MTMP, we are progressing ahead of schedule against the initial action plan. Entering the final year of the plan, we expect a different business environment compared to the past two years. We will continue to secure a wide range of management options and steer towards enhancing corporate value.

Firstly, in the enhancement of base profit, we have strengthened existing businesses. There has also been progress in enhancing earnings through investments for growth. Additionally, despite changes in the business environment that are beyond initial projections, we have enhanced our base profit through trading and other measures.

Next, to improve the quality of the business portfolio, we have pushed ahead with asset and capital efficiency focused management utilizing ROIC, which was introduced in the previous MTMP. We also deepened management level involvement in carefully selecting projects. Diversification of the portfolio has advanced in terms of industries, time horizons, and regions.

As a result of these efforts, strategic asset reconfiguration has progressed ahead of schedule. The sale of the Paiton coal-fired power plant and the start-up of all units of the Thai gas-fired power plant is an example of strategic asset reconfiguration in the power generation portfolio. We have made several significant achievements, including investments in projects contributing to near-term earnings, such as the US truck auction in mobility, and shrimp and broiler in protein business. Also, we have been building a long-term earnings base through iron ore and LNG projects together with reliable partners.

We have also executed capital allocation utilizing the strength of our balance sheet. Mitsui maintains a balance sheet with ample reserve based on strong recurring cash generation capability and a solid financial foundation. We have allocated significant capital to investments for growth, including the Rhodes Ridge iron ore project in Australia announced in February this year. We will continue to execute an optimal capital allocation.

Major Projects Announced in First Two Years of MTMP (P4)

Here are the major projects executed in the first two years of the current MTMP. Leveraging expertise and cross-industry functions built up over many years, Mitsui has been selected as a partner by leading companies across various industries and regions, and we have been able to acquire new business opportunities across the globe.

Major Projects Announced in First Two Years of MTMP (P5)

Examples of collaboration with trusted partners based on expertise gained over many years include Ruwais LNG in the UAE and Rhodes Ridge in Australia. In addition, an example of Mitsui's unique feature of low barriers between different segments is the Blue Point project, a low-carbon ammonia production and sales business in the US, jointly pursued by the Chemicals and Energy segments.

MTMP Progress (Key Strategic Initiatives) (P6)

Next, I will speak on the progress of the three Key Strategic Initiatives in the MTMP and the important actions for FY March 2026.

In Industrial Business Solutions, we have decided to invest in Rhodes Ridge, which I introduced earlier, as a project to further strengthen the long-term earnings base. We have also invested in businesses contributing to near-term earnings, such as the US truck auction business. In FY March 2026, we will continue to strengthen collaboration with investees and work to grow our earnings generation. Furthermore, we will capture new earnings opportunities by leveraging our trading functions in responding to changes in the supply chain.

In Global Energy Transition, we have made progress in investments in projects such as Ruwais LNG and low-carbon ammonia. In FY March 2026, we expect further strengthening of our earnings base across various time horizons through the steady launch of projects such as the Waitsia gas development in Australia and offshore wind power in Taiwan.

In Wellness Ecosystem Creation, we have invested in protein and nutrition businesses contributing to near-term earnings. We have also made progress in capturing growth in the Asian market through the healthcare business. In FY March 2026, we will further enhance the earnings power of the acquired protein and nutrition businesses and optimize food trading.

Cash Flow Allocation (Forecast) (P7)

Next, I will speak on the MTMP 3-year cumulative cash flow allocation forecast. We have revised down our COCF due to the revision of our plan for FY March 2026, but at the same time revised up asset recycling compared to the previously announced figures, leading to total cash inflows of 4,370 billion yen.

In our cash flow allocation framework, we set the Management Allocation which is the source of capital to be strategically allocated to investments for growth and shareholder returns from cash earned through operations. In addition to the investment decision in Rhodes Ridge, we have made progress in other carefully selected investments and are newly allocating 370 billion yen to investments and 40 billion yen to shareholder returns from the Management Allocation.

Furthermore, leveraging our strong balance sheet, we decided to replenish 400 billion yen from the balance sheet to the Management Allocation, going beyond the cash flow generated over the three years. In a significantly changing business environment, we will maintain sufficient Management Allocation of 400 billion yen to keep our management options wide open. We will continue to balance capital allocation between investments for growth and shareholder returns.

Shareholder Returns Policy (P8)

Finally, I will speak on the shareholder returns policy.

In FY March 2025, COCF reached the 1 trillion yen level for the fourth consecutive year, highlighting our strong cash flow. Based on this, we propose setting the full-year dividend per share (DPS) for FY March 2025 at 100 yen, which is a 15 yen increase from the previous fiscal year, as indicated at last year's shareholder meeting. In addition, we will increase the full-year DPS from the current 100 yen to 115 yen, a further increase of 15 yen. The interim dividend is set at 55 yen and the year-end dividend at 60 yen, reflecting our mindset of continuously strengthening shareholder returns based on our progressive dividend policy. As a result, we will raise shareholder returns as a percentage of COCF forecast for the three years of the current MTMP to the 50% level.

In addition to the track record of cash flow, our strength lies in the clear path to significantly growing the earnings base through the major investment projects we highlighted today, and strengthening of existing businesses. Based on this, our policy is to maintain the progressive dividend beyond the current MTMP.

FY March 2026 marks the final year of the current MTMP. We will make it the culmination of our efforts to achieve our strategic goals. We will also look beyond that, and start preparing for our future. We sincerely appreciate our shareholders' continued support and encouragement.