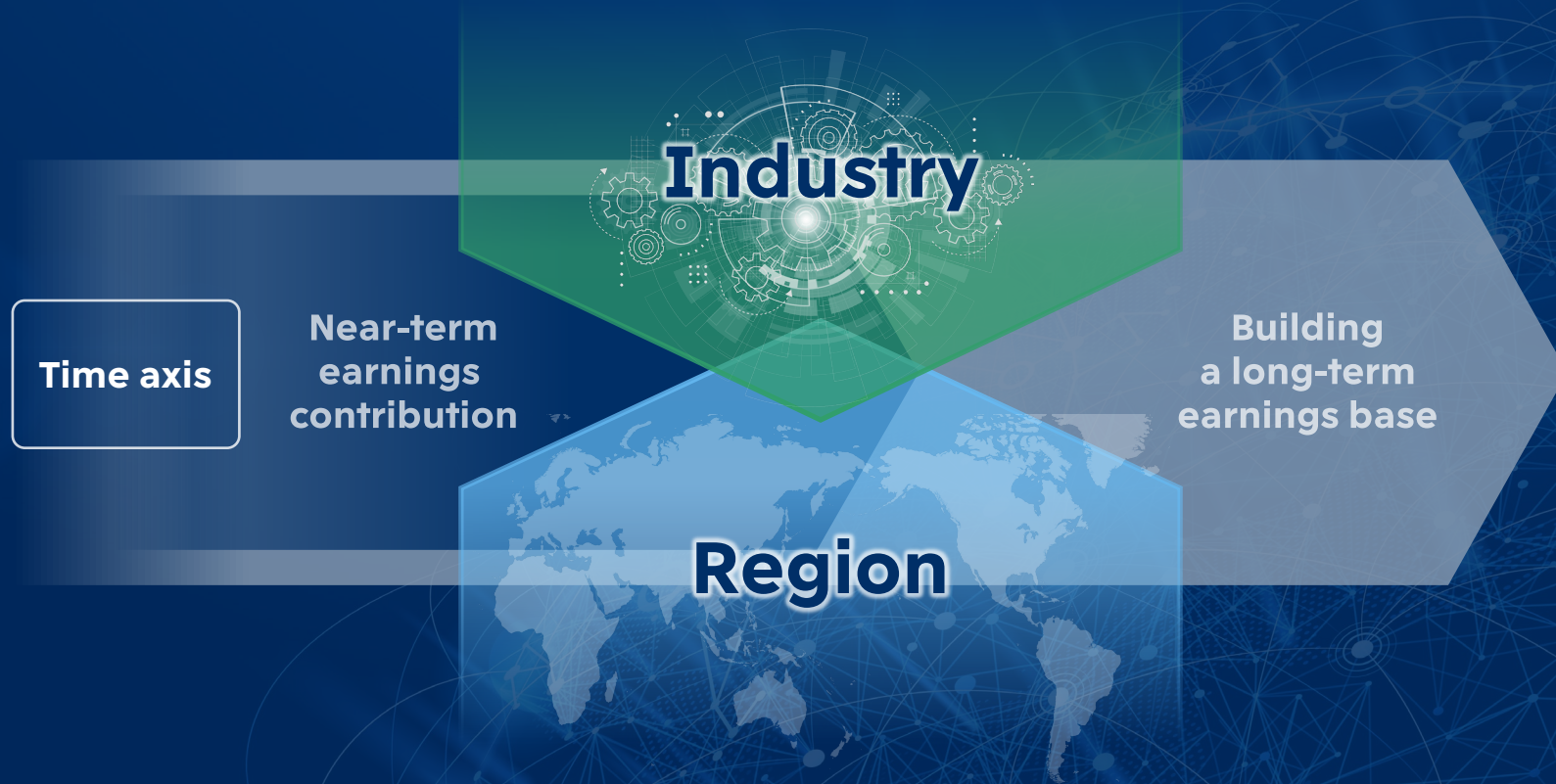


# Portfolio Enhancement

Representative Director,  
Senior Executive Managing Officer  
CSO

**Kazumasa Nakai**

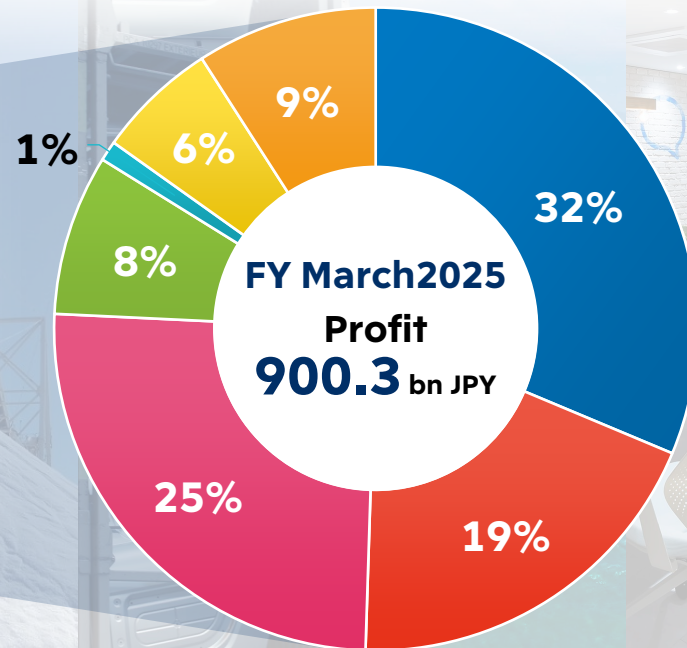
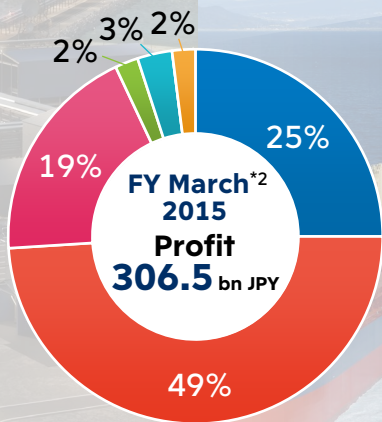
# Diversified Business Portfolio



# 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



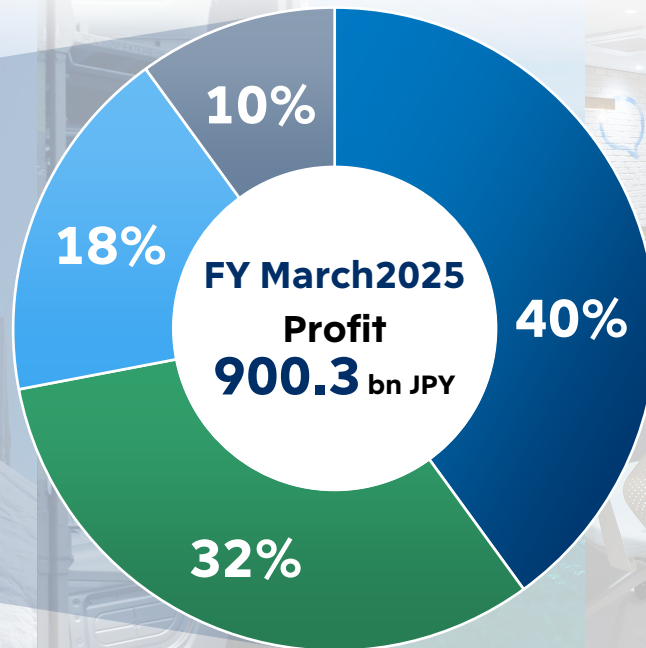
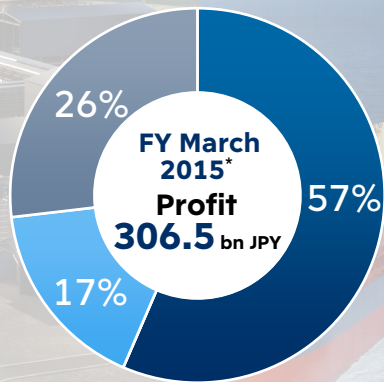
\*1 Medium-term Management Plan \*2 The Lifestyle segment is not included in this graph because it recorded a loss



# Transition of Portfolio by Region

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

■ Asia Pacific ■ Americas  
 ■ Japan ■ Europe, others

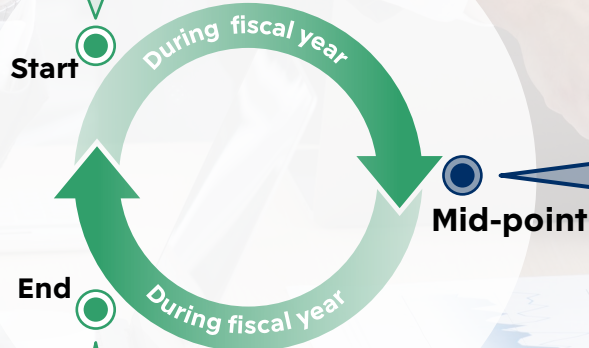


\*The Americas is not included in this graph because it recorded a loss

# 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

#### 5 review points

Profitability

Effective use of human resources

Strategic significance

Room for growth

Mitsui's contribution to value enhancement

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

projects with book value of 10.2 tn JPY

### Projects planned for exit<sup>\*2</sup>

Approx. 30% Book value: Approx. 10%

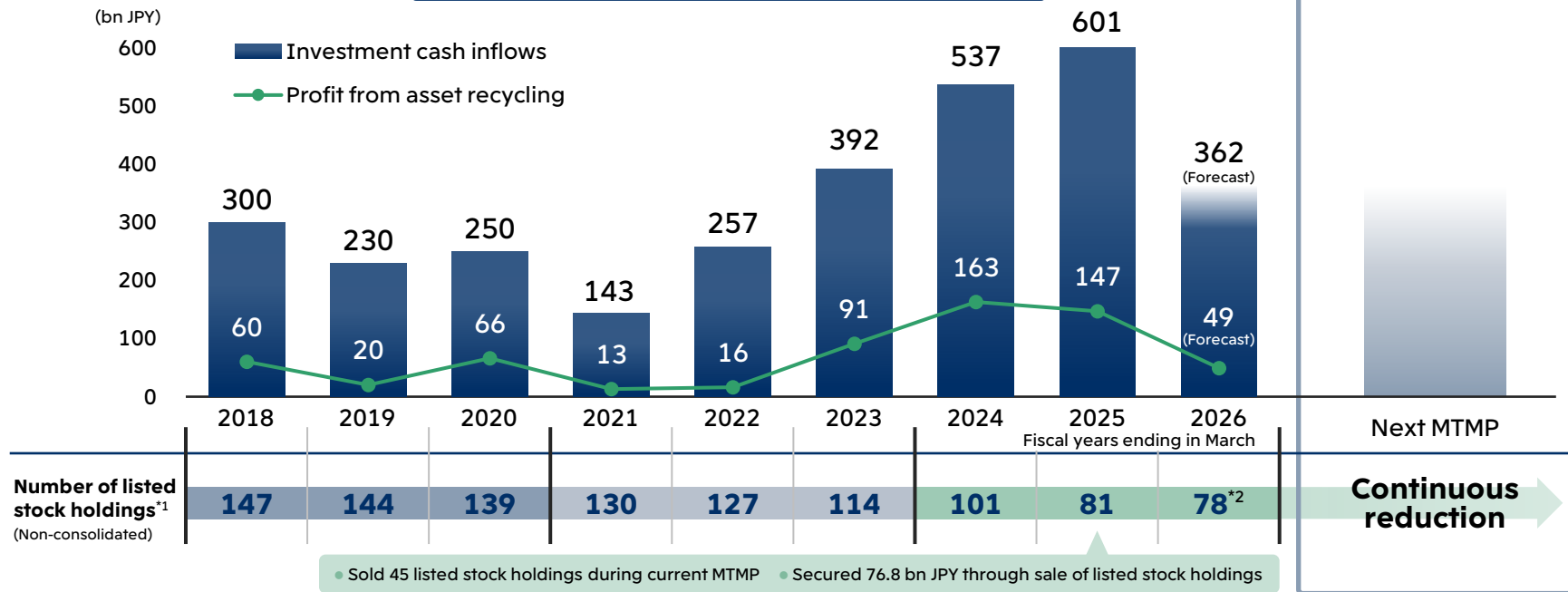
<sup>\*1</sup> As of end-FY March 2025. Number of projects after grouping together those within the same business group.

<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

## Trend and future vision of asset recycling



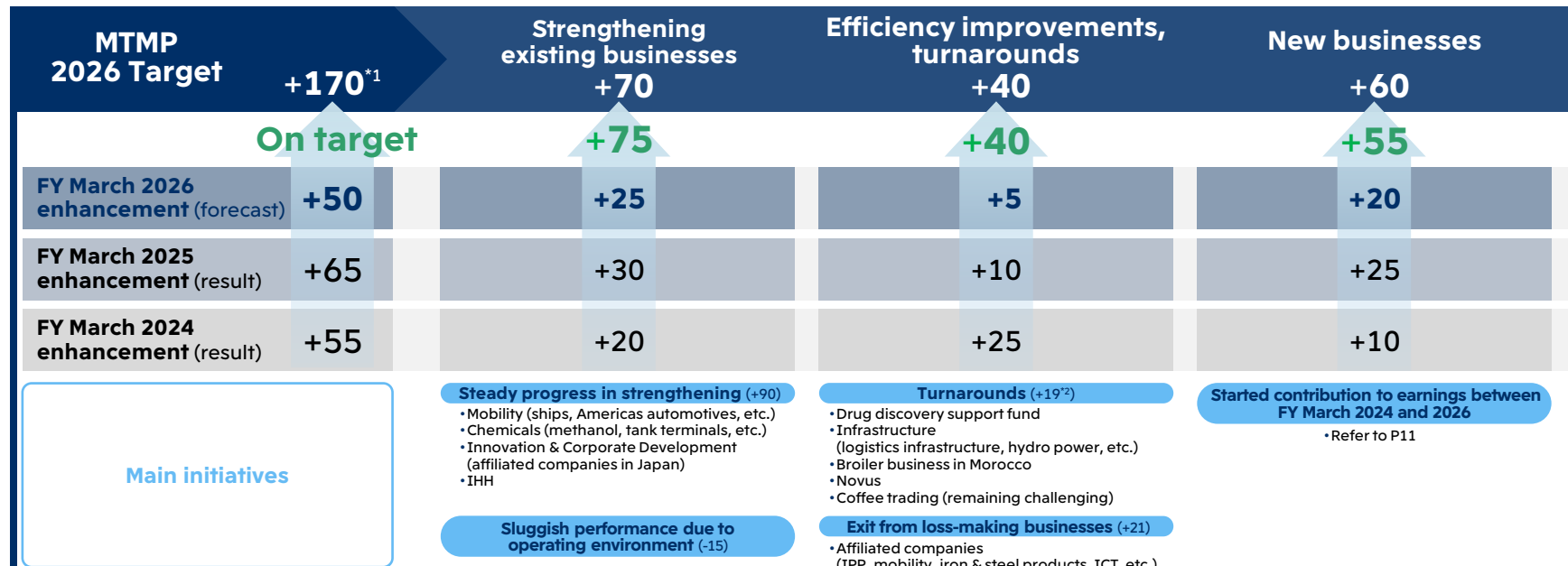
\*1 General companies excluding equity method investees. We do not hold any listed consolidated subsidiaries \*2 As of end-September 2025

# 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

(bn JPY)

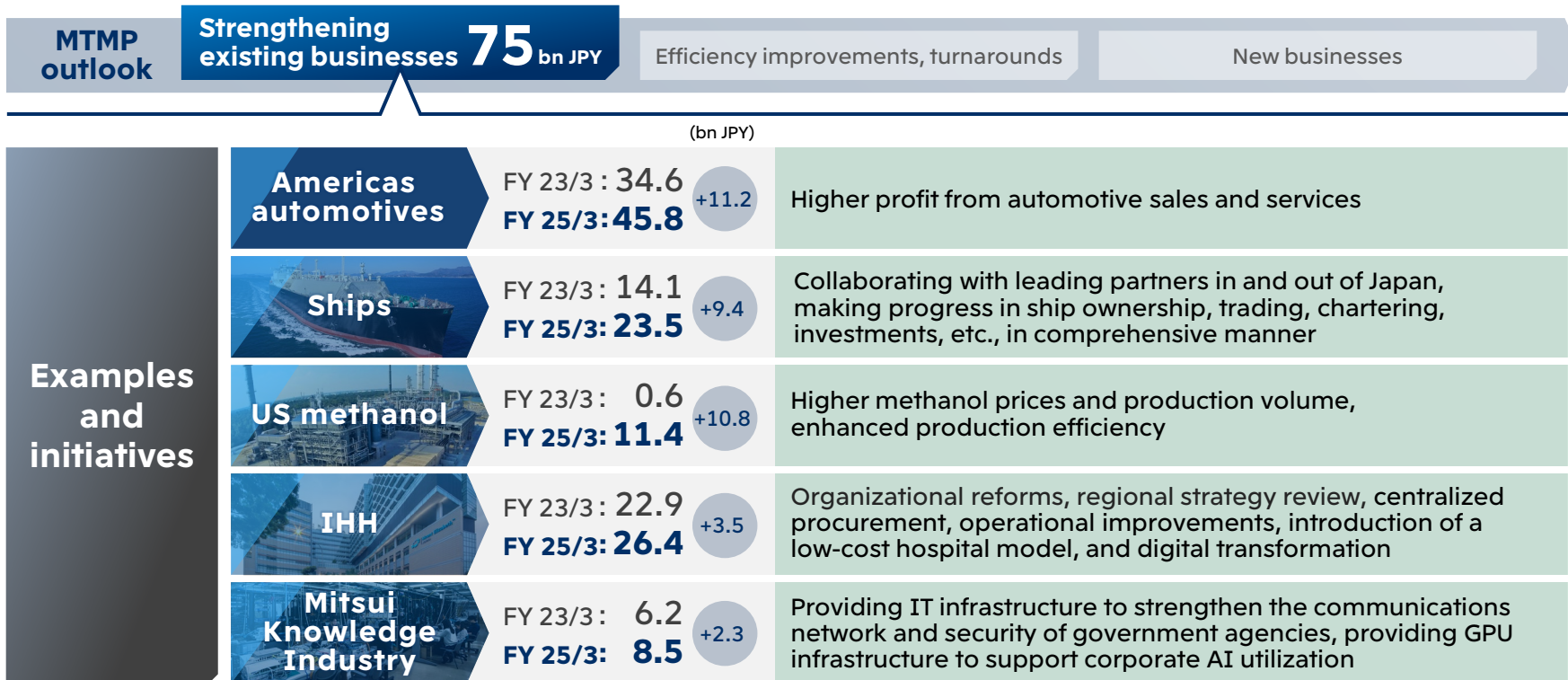
## Continued Enhancement of Base Profit



<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

## MTMP outlook

Strengthening existing businesses

Efficiency improvements, turnarounds **40** bn JPY

New businesses

### Exit

IPAH

#### Power generation, electricity and gas retail in Australia

##### Background

- Aging thermal power plants, soaring gas prices
- Difficulties with new renewable developments due to intensified competition

##### Initiatives

- Due to difference in direction of new initiatives, transferred our interest to business partner in FY March 2024

FY March 2023 loss **-6.8** bn JPY

FY March 2024

**Exit**

### Turnaround

TIACT

#### Air cargo terminal in Japan

##### Background

- Air cargo decreased due to reduction in flights caused by Covid-19

##### Initiatives

- Maintained necessary personnel structure in preparation for future cargo increases after Covid-19 easing



FY March 2023 loss **-0.2** bn JPY

FY March 2025

**1.6** bn JPY

### Turnaround

Jirau

#### Hydroelectric power generation in Brazil

##### Background

- Decrease in power generation due to drought, higher costs from acquiring alternative power
- Power transmission costs

##### Initiatives

- Refined forecasting, optimized alternative power procurement
- Reduction of transmission costs through consultation with authorities, increase in power generation by raising upstream water levels



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



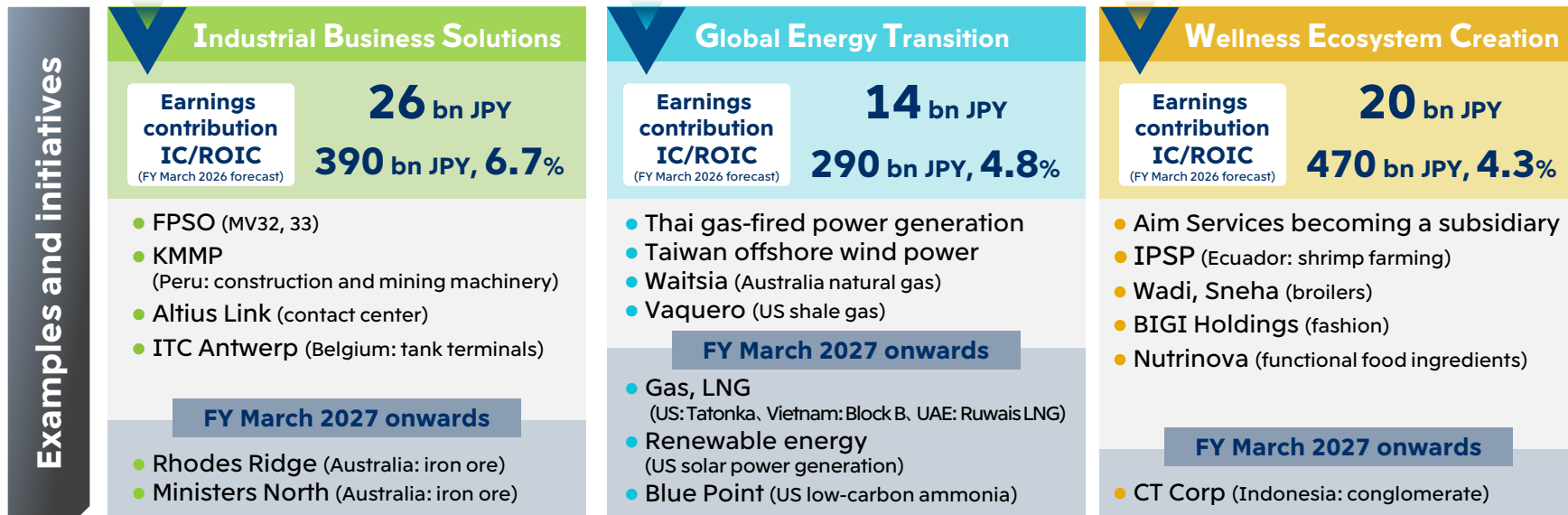
**FY March 2026 H1**  
**Profit: -4.3 bn JPY**

# 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.

