16:30-17:30 on Tuesday, August 2, 2022
IR meeting for results of Q1 FY Ending March 2023

[1st Quarter Financial Results for FY ending March 2023 (P0)]
Good afternoon, I'm Tetsuya Shigeta, CFO.
Thank you for joining us today.

I will begin by giving a summary of the first quarter operating results. I will then hand over to our Global Controller Masao Kurihara for details of our operating results.

During the first quarter, the global economy continued to be under highly uncertain environment such as new supply restraints caused by the Russia-Ukraine situation as well as the impact of the zero-COVID policy in China and rising inflation.
Meanwhile, even in such environment, we were able to continously display strong performance through trading functions aimed to support stable supply and our global business portfolio.

[Summary of Operating Results (P3)]
Please turn to page 3 of the presentation materials.
I will summarize our operating results for the first quarter of the year.

Core Operating Cash Flow (COCF) for the period increased by 30.5 billion yen to 300.4 billion yen, and profit for the period increased by 83.7 billion yen to 275.0 billion yen year-on-year. Both figures increased year-on-year and achieved high rate of progress against the business plan announced in May this year.
Although we have to stay cautious about the level of uncertainty of the business environment going forward, there is no change in the shareholder returns policy. We will maintain the minimum dividend of 120 yen per share for this fiscal year. We are conducting share repurchase of up to 100 billion yen from its announcement in May till September, and progress rate on volume of the share repurchase was approximately 51% as of end-July. In addition, today we decided to cancel most of the treasury stocks held as of end-June.
We will continue to implement flexible approach to shareholder returns in order to achieve our target for total shareholder returns being 33% of Core Operating Cash Flow for the cumulative three-year period of the Medium-term Management Plan.

[Progress towards business plan (P4)]

Please turn to page 4.

You can see that the high progress was achieved in most of the segments. In addition, all segments saw increase in quarterly profit year-on-year.

In particular, trading of raw materials and other materials, the automotive business in North America, and the healthcare business, which showed significant growth in the previous fiscal year, have continued solid performance in this quarter, too .

High levels of progress were achieved due to a gain on the sale in the real estate business in Innovation & Corporate Development segment and valuation gains in the Lifestyle segment.

Furthermore, commodity market conditions and FX have positively impacted our performance.

The rate of progress was slightly low in the Energy segment. Steady progress is being made against the yearly plan, while valuation losses on derivative transactions was recognized in this quarter, ahead of physical deliveries in subsequent quarters in LNG trading.

[Business Environment and Mitsui’s Responses (P5)]

Please turn to page 5.

I will explain the business environment and Mitsui’s responses.

The external environmental risks assumed at the time of formulation of the business plan are increasing, but we demonstrated our various capabilities and continued to strengthen and expand the earnings base.

Firstly, in “demonstration of trading functions,” we demonstrated functions aimed at stable supply by utilizing diverse supply sources and logistics functions in a wide range of areas such as Mineral & Metal Resources, Energy, Chemicals, Iron & Steel Products and Food.

Further, we maintained strong profitability through the global business portfolio, which has been of our strength. In the Americas, we continued to demonstrate strong profitability that has been prominent since the previous fiscal year, examples are the automotive business including the Penske Group, Cameron LNG, the real estate business, NuMit, and the chemicals businesses. We also achieved good performance in Erdos and IHH in Asia and in the crop protection business in Europe.

Furthermore, we decided to make a growth investment totaling 130 billion yen in the Energy Solutions area. We strengthened efforts in major renewable energy projects through investment in Mainstream and participation in an Indian project. As also

mentioned in page 19, the ratio of renewable energy, out of our power generation assets, increased to 22% as of end-June. We also strengthened efforts in the carbon management domain by investing in Climate Friendly and New Forests in Australia.
Furthermore, we made progress in the clean ammonia business such as a joint project with Abu Dhabi-based ADNOC, and the conclusion of a joint development agreement with US-based CF Industries.

[Cash Flow Allocation (P6)]
Please turn to page 6.
In this section I will discuss cash flow allocation for the current period .

Cash-in for the period was 370 billion yen, comprising COCF of 300 billion yen and asset recycling of 70 billion yen including the sale of a property in the U.S. etc.
Cash-out was 288 billion yen, comprising investment and loans of 237 billion yen and share repurchase of 51 billion yen. The main investment and loan deals were investmment into the Mainstream, a large renewable energy project in India, participation in Climate Friendly, and oil & gas projects and maintenance Capex paid for Australian iron ore and coal projects.

[Evolution of Financial Strategy and Portfolio Management (P7)]
Please turn to page 7.
Now let’s take a look at the balance sheet as of the end of the first quarter of the current fiscal year.
Compared to the end of March 2022, net interest-bearing debt increased by approximately 300 billion yen to 3.6 trillion yen. Meanwhile, shareholder equity increased by approximately 200 billion yen to 5.8 trillion yen. As a result, net DER became 0.62x.
We have a strong financial base, sufficient to withstand the growing uncertainties of the business environment.

[Russian LNG Business (P8)]
Please turn to page 8.
I will now explain the Russian LNG business.
We conducted reassessment based on the uncertainty surrounding the Sakhalin II project. As a result, the fair value of Sakhalin II project was decreased by 136.6 billion yen. Mainly due to this reason, balance of investments, loans and guarantees decreased to 271.8 billion yen as a net position after deducting provision on guarantees.

There will be no change on shareholder returns as the reassessment will not be impacting our PL or COCF.

We will continue to take appropriate action while discussing with relevant stakeholders including the Japanese government and business partners in respect of Sakhalin II and Arctic LNG2 projects.

That completes my presentation today, so I will now hand over to our global controller Masao Kurihara for details of the first quarter performance.

= Global Controller section =

[Operating Results (P9)]
I am Masao Kurihara, Global Controller.
I will now provide details of our operating results for the first quarter.

[Core Operating Cash Flow: YoY segment comparison (P10)]
Please turn to page 10.
First, I will explain the main changes in COCF by segment compared to the first quarter of the previous fiscal year.
COCF for the period was 300.4 billion yen, a year-on-year increase of 30.5 billion yen.

In Mineral & Metal Resources, COCF increased by 14.8 billion yen to 142.2 billion yen mainly due to higher coal prices, despite the impact of a downturn in iron ore prices.

In Energy, COCF increased by 5.2 billion yen to 52.4 billion yen mainly due to increase in oil and gas prices.

In Machinery & Infrastructure, COCF decreased by 2.4 billion yen to 35.6 billion yen mainly due to a difference in the fiscal year for dividend from equity method affiliates.

In Chemicals, COCF increased by 7.5 billion yen to 32 billion yen mainly due to steady trading business of sulfur and fertilizer related materials.

In Iron & Steel Products, COCF decreased by 0.9 billion yen to 2.9 billion yen.

In Lifestyle, COCF increased by 5.7 billion yen to 22.3 billion yen mainly due to steady trading business and an increase in dividends from equity method affiliates.

In Innovation & Corporate Development, COCF decreased by 0.2 billion yen to 11.9 billion yen.

Other factors, such as expenses, interest, taxes, etc., which were not allocated to business segments, totaled 1.1 billion yen.

[Q1 Profit: YoY segment comparison (P11)]

Please turn to page 11.
I will now explain the main changes in profit by segment compared to the first quarter of the previous fiscal year.
Profit for the period increased by 83.7 billion yen to 275 billion yen.

In Mineral & Metal Resources, profits increased by 0.8 billion yen to 119.8 billion yen mainly due to factors such as higher coal prices, despite the impact of a downturn in iron ore prices.

In Energy, profits increased by 24.9 billion yen to 23.7 billion yen mainly due to increase in oil and gas prices.

In Machinery & Infrastructure, profits increased by 9.7 billion yen to 38.9 billion yen mainly due to strong automotive and commercial vehicles businesses primarily in North America.

In Chemicals, profits increased by 7.2 billion yen to 23.1 billion yen mainly due to steady trading business of sulfur and fertilizer related materials.

In Iron & Steel Products, profits increased by 0.3 billion yen to 7 billion yen.

In Lifestyle, profits increased by 12.6 billion yen to 26.5 billion yen, mainly due to steady grain trading and healthcare businessas well as valuation gain for a put option.

In Innovation & Corporate Development, profits increased by 10 billion yen to 20.4 billion yen mainly due to gains on sales in the real estate business.

Other factors, such as expenses, taxes, interest, etc., which were not allocated to business segments, totaled 15.6 billion yen.

[Q1 Profit: YoY factor comparison (P12)]

Please turn to page 12.
This page shows the main factors influencing year-on-year changes in profit.

<u>Base profit</u> increased by approximately 7 billion yen, mainly due to various businesses

such as automotive and Erdos, steady trading, and dividend increase in LNG business, while valuation loss on derivative transactions was recognized in advance in LNG trading and dividend was decreased in the iron ore business etc.

Looking at resource-related costs/volume, profit decreased by approximately 14 billion yen mainly due to the impact of rising labor and fuel costs in the Mineral & Metal Resources business, and volume decrease in the Australian iron ore operations due to factors such as tightening of the labor market caused by spread of COVID-19 and bad weather.

Asset recycling resulted in an increase of approximately 8 billion yen mainly due to gain from sale of real estate property in the US., and real estate company in Singapore.

In Commodity prices/FOREX, profit decreased by approximately 27 billion yen due to decrease in iron ore prices while profit increased by 27 billion for coal, 25 billion for oil & gas and 4 billion for copper which resulted in 29 billion yen increase in profit. In Forex, profit increased by 45 billion yen mainly due to weaker yen.

Finally, Valuation gain/loss & special factors contributed to increase of approximately 9 billion yen mainly due to valuation gain in Lifestyle.

That concludes my presentation.