

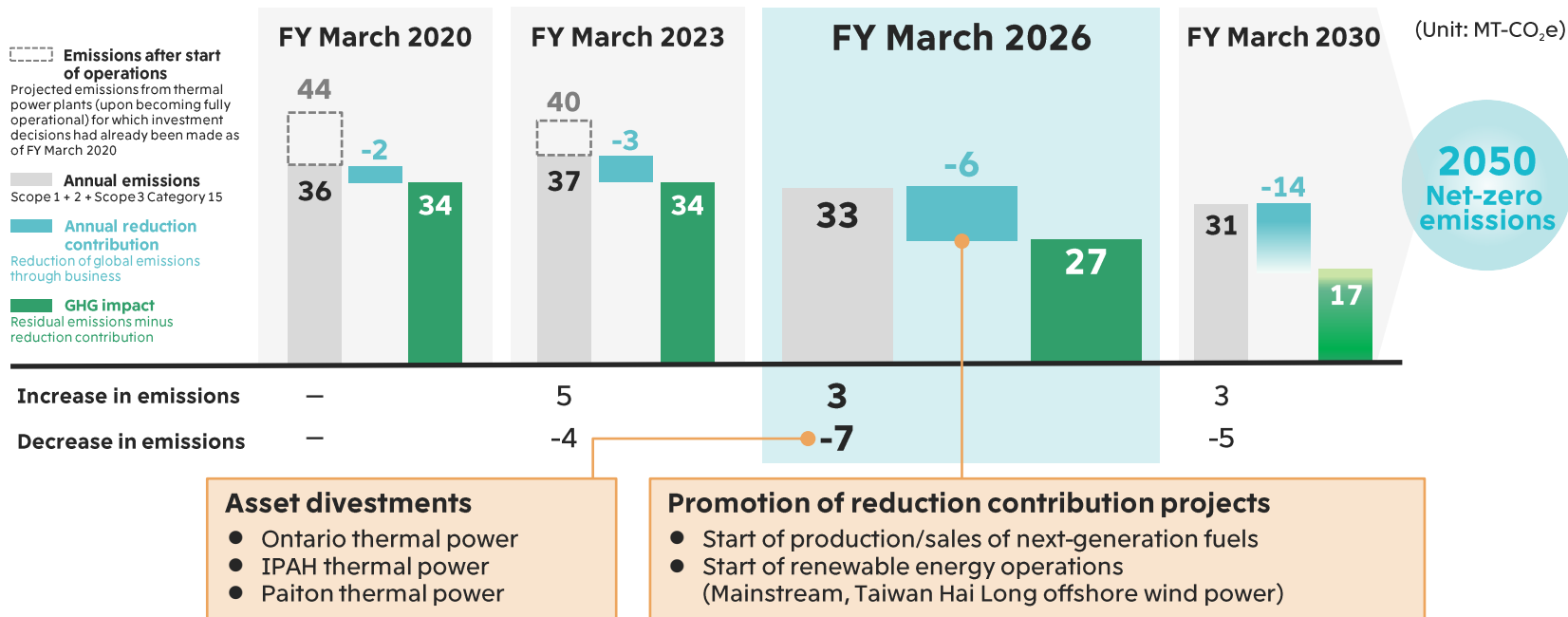
Progress on Activities Toward a Decarbonized Society

Representative Director, Executive Managing Officer
Chief Strategy Officer

Makoto Sato

Path to Halving GHG Impact

$$\text{Annual emissions} = \text{Annual emissions at the end of previous MTMP} + \text{Increase in emissions} - \text{Decrease in emissions}$$

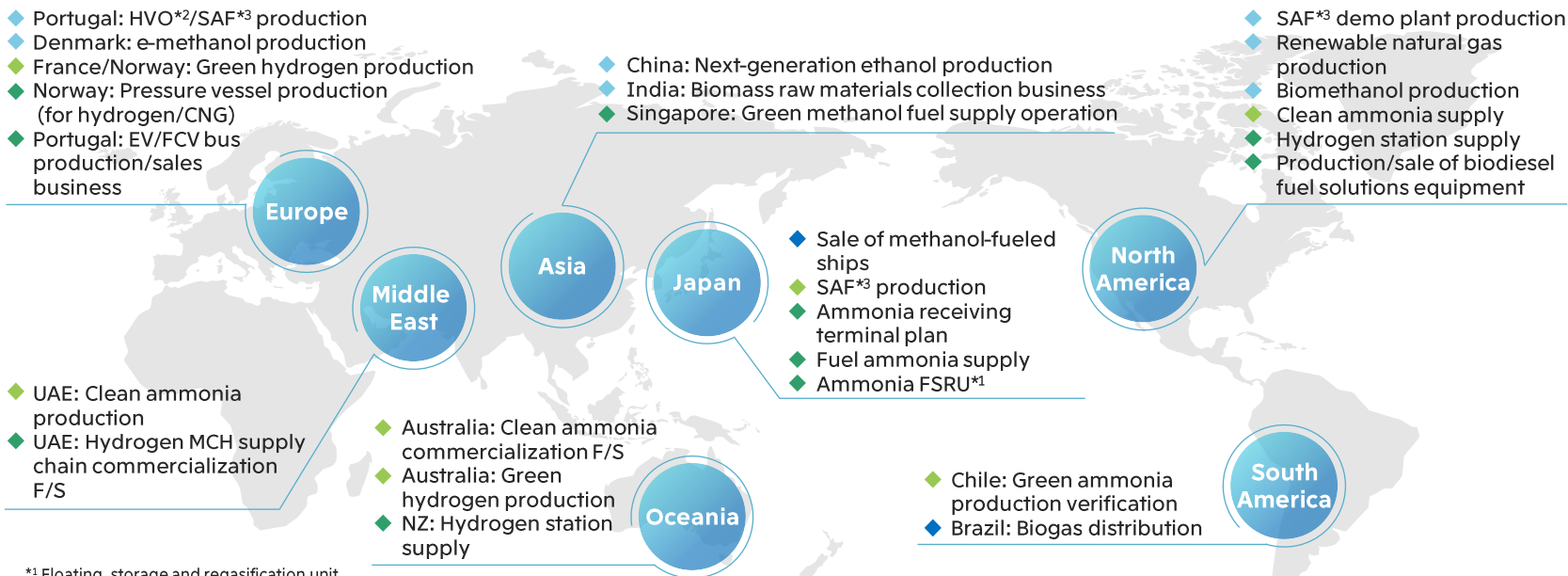


Notes: These figures are based on current assumptions and are subject to change.
 The amount of reduction contribution in this graph includes the figures corresponding to the amount of absorption and offset volume.
 Reduction contribution is not included in "Net-zero emissions".

Next-Generation Fuels Business: Global Portfolio

- ◆ Building our next-generation fuels portfolio globally over the medium to long-term
- ◆ Leveraging our comprehensive strength to create demand and supply across the Group

- ◆ Next-generation fuel production
- ◆ Next-generation fuel adjacent business/ demand creation
- ◆ Hydrogen/ammonia production
- ◆ Hydrogen/ammonia adjacent business/ demand creation



*¹ Floating, storage and regasification unit

*² Hydrotreated-Vegetable Oil

*³ Sustainable Aviation Fuel

Next-Generation Fuels Business: Global Portfolio

- ◆ Leveraging our expertise in midstream/downstream business to invest in multiple next-generation fuel businesses
- ◆ Aiming to invest a total of nearly 500 bn yen in next-generation fuels and earn nearly 60 bn yen*1 in profit by FY March 2030

Segment ● Energy ● Machinery & Infrastructure ● Chemicals ● Lifestyle ● Innovation & Corporate Development

◆ Portugal: HVO*2/SAF*3 production


◆ Denmark: e-methanol production

◆ France/Norway: Green hydrogen production


◆ China: Next-generation ethanol production

◆ SAF*3 demo plant production

◆ Renewable natural gas production



Capital invested
Nearly **20**
bn yen



e-methanol
production/sales business

Mitsui's value

- ◆ Methanol productions, marketing and transporting
- ◆ Demand creation of bunker fuel
- ◆ Track record on EPC contract for plants

- Planning to start operation in 2024

- Reduction contribution of approx. 50,000 tons/year



Capital invested
Nearly **20**
bn yen



HVO/SAF
production/sales business

Mitsui's value

- ◆ Raw material supply
- ◆ Product marketing
- ◆ Track record on SAF initiatives

- Planning to start operation in 2025

- Reduction contribution of approx. 200,000 tons/year



Capital invested
Nearly **30**
bn yen



RNG*4
production/sales business

Mitsui's value

- ◆ Demand creation of bio methanol and bio LNG
- ◆ CO2 utilization
- ◆ Track record on RNG trading

- Currently making/selling RNG

- Reduction contribution of approx. 600,000 tons/year

*1 Next-generation fuel production business, including hydrogen and ammonia, is a target which falls under the Key Strategic Initiative "Global Energy Transition" in the Medium-term Management Plan 2026.

*2 Hydrotreated-Vegetable Oil *3 Sustainable Aviation Fuel *4 Renewable Natural Gas

Clean Ammonia - Value Chain Creation

- ◆ Advancing various initiatives by combining our cross-industrial track record and expertise and collaboration with partners

Segment ● Energy ● Machinery & Infrastructure ● Chemicals

Production

Clean ammonia production



Accumulated expertise

- ◆ Natural gas/LNG development and production
- ◆ Track record of CCS pilot/testing
- ◆ Renewable energy power generation
- ◆ Ammonia fertilizer production

Transportation

Ammonia carriers

 **IINO LINES**

Joint development of ammonia-fueled ships

 **Mitsui O.S.K. Lines**

Hydrogen/ammonia supply chain creation

 **IHI**
Realize your dreams

 **Mitsui Chemicals**

 **Kansai Electric Power**
power with heart

Accumulated expertise

- ◆ Ammonia tank operation
- ◆ Ammonia carrier ownership and operations

Usage / Sales

Ammonia fuel supply (pilot business)



Ammonia FSRU*

 Hokuriku Electric Power Company 

Accumulated expertise

- ◆ Ammonia trading
- ◆ Electricity sales
- ◆ LNG FSRU* business

* Floating storage and regasification unit

Initiatives to Reduce GHG in the Value Chain

Steel production value chain

Segment

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

Mining & procurement



Introduction and sale of low-carbon mining machinery



Introduction of renewable energy in mining operations

- Initiatives in the iron ore and metallurgical coal business in Australia
- Comprehensive collaboration with Rio Tinto to reduce CO₂ emissions

Transportation



Supply of next-generation* marine fuel

- Methanol fuel supply operation trial



Introducing next-gen equipment to improve fuel efficiency

- WE Tech Solutions
- The Switch Engineering
- PowerX

Production



Low-carbon agglomeration process for steel raw materials

- Binding Solutions



Direct reduced iron production

- JV with Kobe Steel, Ltd.



Electric furnace steel production & scrap supply

- Siam Yamato Steel
- Sims, MM & Kenzai Corporation

* Methanol, ammonia, etc.

Initiatives to Reduce GHG in the Value Chain

Gas value chain

Segment

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

Natural gas production & liquification



Assessing and pursuing introduction of CCS

– Cameron LNG/Hackberry CCS



Supplying low-carbon energy

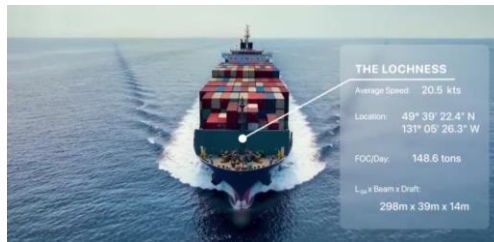
– Green ammonia
– RNG: Terreva



Assessing & introducing efficient/green energy supply at liquification plants, etc

– Cameron LNG

Transportation



Optimization of ship fuel economy

– Bearing.ai



Advanced pipeline repair technology to prevent GHG leakage

– STATS

Sale, usage, recovery



Provision of CCSaaS*

– Storegga/Acorn CCS
– JALMIMI/Assessing commerciality at Angel CCS



Pursing development and introduction of CO₂ vessels

– CO₂ storage and liquefied CO₂ transportation by vessels in Malaysia



High-efficiency gas thermal power plant operations

*A business providing customers with Carbon Capture and Storage as a Service

Initiatives to Reduce GHG in the Value Chain

Automotive value chain

Segment

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

Production, assembly, sales



ZEV* manufacturing & sales

— CaetanoBus — Letenda



Parts production & sales for EVs

— Gestamp



Battery systems production for electric mobility

— Forsee Power



Production & sale of high-pressure hydrogen tanks

— Hexagon Purus

Utilization



Hydrogen station

— FirstElement Fuel



EV charging system development & supply

— The Mobility House



Next-gen ethanol generation

— LanzaTech, Galp/HVO



Production & sale of biodiesel fuel solution equipment

— Optimus

Recycling



Metals (ferrous & nonferrous) recycling

— Sims, MM & Kenzai Corporation



Lithium-ion battery recycling

* Zero Emission Vehicles such as EVs and FCVs that emit no CO₂ or other GHG when running

Sustainability Management Progress



FY March 2024

Environment

- Enhancement of analysis of climate change risk & opportunities
- Facilitated nature dependencies and impacts and preparing a policy

Social

- Improvement in effectiveness of human rights due diligence
- Issuing "Empowering People to Build Brighter Futures" - Human Capital Report

Governance

- **Initiatives related to improvement of Board effectiveness**
(Continuous review on institutional design and improving both effectiveness and efficiency of deliberation)
- **Strengthen collaboration between the Sustainability and the Portfolio Management committees**
- **Strengthen engagement with external stakeholders**
- **Increasing awareness of alignment between financial and non-financial information**

FY March 2024 proposals and reports to the Board of Directors

- **Remuneration of Directors: Evaluation method of ESG elements for the FY March 2024**
- **Sustainability Management Interim Activity Report**
- **Sustainability Management Report and plan for next fiscal year (tentative)**

FY March 2024 External Members Meeting themes

- **Status of response to climate change (GHG emissions outlook and Scope 3 emissions)**

360° business innovation.



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Appendix



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Appendix 01 | Breakdown of GHG Emissions



FY March 2020 (Base year) <small>Units: MT-CO₂e</small>		FY March 2023	FY March 2026	2030 target	
			(forecast)		
Scope1+2	Mitsui & Co., and Consolidated Subsidiaries	0.8	0.6	0.6	Half (0.4 or less)
	Un-incorporated JVs	3	3	3	
Scope3 Category15 (investment)	Power Generation	19	20		
	Mineral & Metal Resources	8	7	30	
	Energy	3	3		
	Others	2	4		
Total		36	37	33	
	Reduction contribution and absorption volume	-2	-3	-6	
	GHG impact	34	34	27	Half (17 or less)

Notes: Total number including the expected emission volume from thermal power plants upon becoming fully operational for which investment decisions had already been made as of FY March 2020 is 44 mil MT-CO₂e in FY March 2020 and 40 mil MT-CO₂e in FY March 2023

Appendix 02 | Scope3 Emissions Breakdown



FY March 2023 Breakdown by Category

Units: MT-CO₂e

Category	
1	Purchased goods and services 35.3
2	Capital goods 0.8
3	Fuel-and-energy-related activities not included in Scope 1 or 2 1.5
4	Upstream transportation and distribution 3.2
5	Waste generated in operations 0.0
6	Business travel 0.1
7	Employee commuting 0.0
8	Upstream leased assets N/A
9	Downstream transportation and distribution <small>Include within category 4</small>
10	Processing of sold products 32.2
11	Use of goods sold 83.5
12	End-of-life treatment of sold products 0.2
13	Downstream leased assets 1.2
14	Franchises N/A
15	Investments 33.6
Total	191.5

Segment breakdown	Total
● Mineral & Metal Resources 0.2	35.3
● Energy 3.1	
● Machinery & Infrastructure 2.5	
● Chemicals 12.5	
● Iron & Steel Products 7.8	
● Lifestyle 9.2	





● Mineral & Metal Resources 32.2	32.2
● Mineral & Metal Resources 20.1	83.5
● Energy 37.0	
● Machinery & Infrastructure 26.0	
● Chemicals 0.4	

Appendix 03 | Evaluation by Society



ESG rating agency score	2021	2022	2023 (As of Nov. 2023)
FTSE	4.1	4.3	4.4
MSCI 	A	A	Unrated ^{*2}
Member of Dow Jones Sustainability Indices <small>Powered by the S&P Global CSA</small> (Percentile Score)	99	98	98
 Rated <small>by S&P SUSTAINALYTICS</small>	19.3	17.0	16.5 ^{*5}

(The lower the number, the higher the rating)

GPIF Adopted ESG Domestic Stock Indices	2021	2022	2023 (As of Nov. 2023)
2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX ^{*1}	—	✓	—
2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN) ^{*1}	✓	—	—
 FTSE Blossom Japan	✓	✓	✓
 FTSE Blossom Japan Sector Relative Index ^{*3}	Not adopted	✓	✓
 S&P/JPX Carbon Efficient Index	✓	✓	✓
 Morningstar GenDi J ^{*4} <small>Japan ex-PEST Gender Diversity Top Index</small>	Not adopted	Not adopted	✓

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^{*2} Annual evaluation to be received in January 2024 (estimated)

^{*3} Adopted by GPIF from 2022

^{*4} Adopted by GPIF from 2023

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