

MCSV Creation Forum

1

MCSV Creation

Representative Director, President and CEO, Katsuya Nakanishi

2

Environmental Energy Group Growth Strategy

3

S.L.C. Group Growth Strategy

4

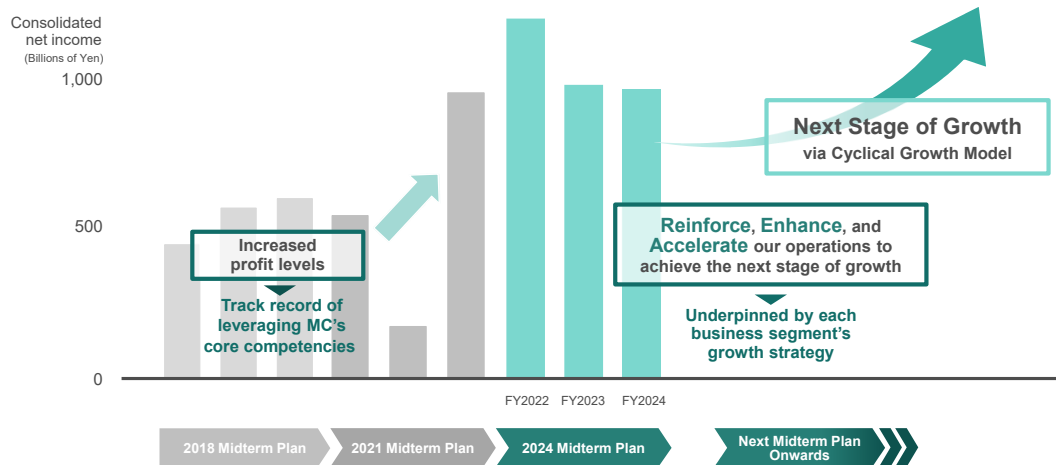
Independent Directors Fireside Chat

I am Katsuya Nakanishi, President and CEO. Thank you for coming to “MCSV Creation Forum: Dialogue on Business Strategy.”

1

1. Mitsubishi Corporation's Growth Story

- MC's earning power has steadily increased over the past few years.
- Beyond FY2024, we aim to **exceed profit levels of ¥1 trillion** through our Value-Added Cyclical Growth Model.
- We will reinforce our current operations such as the metallurgical coal operation, enhance investments in progress, and accelerate growth by developing new investment opportunities.



© Copyright 2024 Mitsubishi Corporation

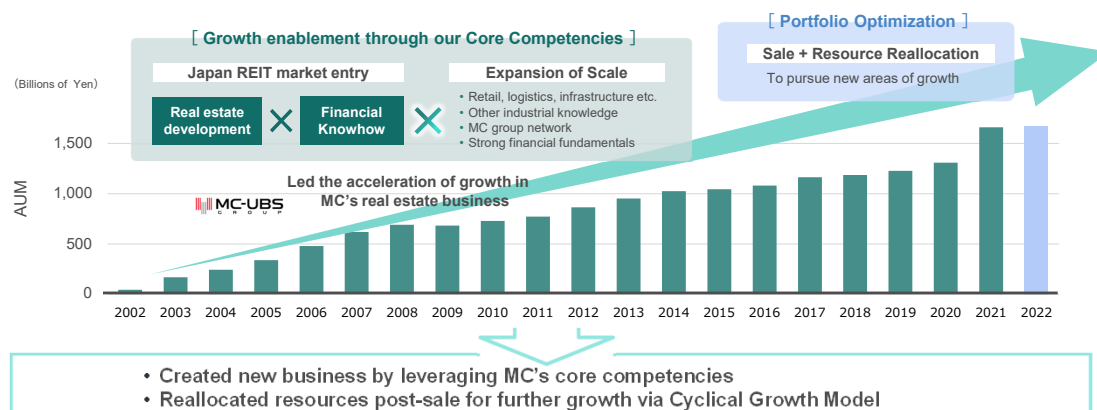
4

In May 2022, Mitsubishi Corporation (MC) announced Midterm Corporate Strategy 2024, which defines the continuous creation of significant shared value (MC Shared Value) as a management goal and, to this end, aims to further strengthen our core competencies in order to address societal challenges. Also, as part of our recent earnings announcement, we disclosed our intention to “Reinforce” our current operations, “Enhance” investments underway and “Accelerate” our growth via new investment opportunities. By doing so, we aim to achieve profit of more than ¥1 trillion through our Value-Added Cyclical Growth Model, while securing a future path toward attaining growth on an ongoing basis. However, we have heard from investors and analysts that many of them have yet to obtain a clear-cut understanding of what MC Shared Value means and in what ways the company aims to realize medium to long-term growth and value creation. Mitsubishi Corporation’s business model is distinctively unique. It has also evolved in-line with the changing business landscape over time. This, I suspect, may prevent our stakeholders from clearly understanding the aforementioned concepts and cause them to perceive our operations through the so-called conglomerate discount.

Therefore, today I will present the company’s specific track record in value creation. By doing so, I would like to call fresh attention to Mitsubishi Corporation’s management and operational capabilities, demonstrating the company’s ability to constantly create new value, both at present and in the future. Furthermore, I will discuss measures under way to “Enhance” and “Accelerate” promising businesses that will lead us to the next stage of growth, focusing particularly on strategies and specific initiatives to be implemented in connection with the Environmental Energy Group and the S.L.C. Group which were launched in April of this year. Now, please turn to the next page.

2. Value Creation Example: MCUBSR [J-REIT]

- We combined our **knowledge of real estate development** and **global financial knowhow/network** to establish MCUBSR in partnership with UBS, developing and managing two J-REITs.
- MCUBSR became a pioneer in J-REITs specialized in commercial properties and industrial properties.
- By leveraging our combined capabilities such as our **industrial knowledge** and our **MC group network**, both REITs grew to a total of **¥1.6 trillion AUM**, the largest in Japan.
- We sold this business in 2022, optimizing our portfolio to pursue further growth.



First, I will introduce two specific examples of our value creation. Both projects have taken full advantage of Mitsubishi Corporation's connections in a broad range of sectors, industrial networks and intelligence, in-depth expertise, flexible business models and other strengths constituting the company's core competencies in order to create new businesses and improve their value.

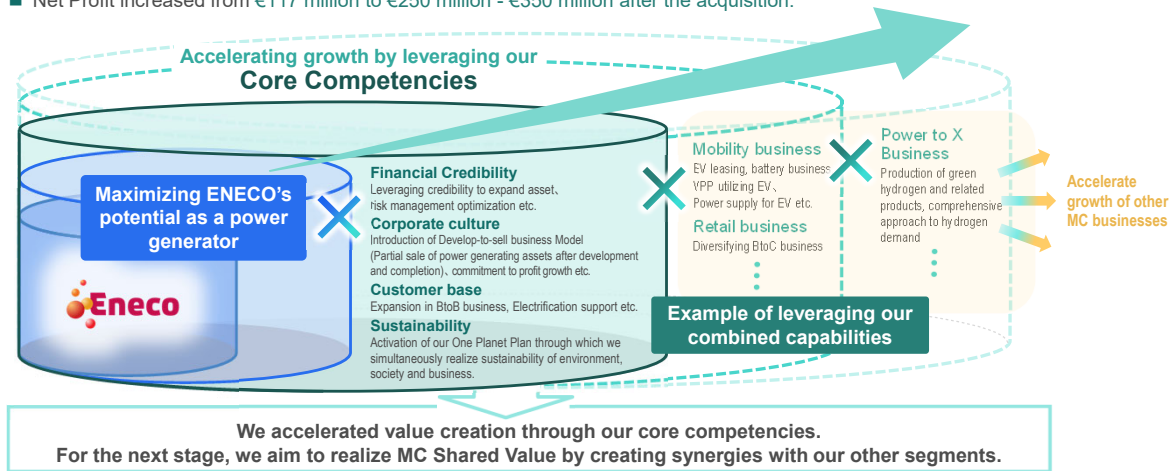
The first example is MCUBSR. This business was sold in 2022. In early 2000, when the public interest in the establishment of the Japanese REIT market grew stronger, we founded MCUBSR, a J-REIT management company, by bringing together the real estate development business the company has engaged in for years, our global financial capabilities, and the networks we have developed in the financial sector. Mitsubishi Corporation was a pioneer in terms of recognizing the potential of REIT markets, which, at the time, were rapidly growing in the United States. As a result, we seized the opportunity and commenced business development in Japan in a timely manner. By 2002, we listed Japan's first REIT specializing in commercial properties. Another REIT we listed in 2007 was the only domestic REIT for industrial properties.

In addition to the combination of real estate development and finance, we leveraged our industry knowledge in retail, logistics, infrastructure and other sectors, our networks among our companies, customers, and financial base. Taking full advantage of our core competencies, we grew the AUM of these two REITs over the course of almost two decades to ¥1.6 trillion, the largest in Japan. In 2022, we sold MCUBSR as part of a strategic rebalancing of our portfolio. The acquirer was a global asset manager that wanted to expand its real estate finance business in Japan and achieve further growth for MCUBSR.

Through this transaction, we were able to reallocate to the development of new growth businesses while refocusing people and management resources to the same end.

3. Value Creation Example: Eneco [Power Generation]

- In 2020, we acquired ENECO, a Dutch integrated energy company mainly engaged in the production and supply of electricity, gas and heat, in a consortium with Chubu Electric Power.
- We expanded this business by leveraging our core competencies and deploying specialized teams to maximize ENECO's strength and potential as a power generator.
- Net Profit increased from €117 million to €250 million - €350 million after the acquisition.



Next, I would like to cover Eneco, a Dutch energy company. I was personally involved in the acquisition of this company.

As presented in the material, Eneco is a vertically integrated energy company primarily engaged in the supply of energy, gas and heat. Prior to its acquisition, Eneco's shareholders consisted of 44 municipalities in the Netherlands. In 2020, we acquired Eneco in a consortium with Chubu Electric Power because we believed that there were areas that we could add more value to. Since then, we dispatched our teams to help Eneco maximize its strengths in the power business, including local production and consumption, green energy and power generation operations. Moreover, we expanded and diversified the business by leveraging our core competencies. More specifically, we leveraged our financial strength to optimize funding methods available to Eneco and expanded its assets. We also upgraded its risk management utilizing our multi-industry knowledge.

Furthermore, we strengthened profit-oriented mindset together with Eneco, making commitment to achieve certain level of profit. Other initiatives include the expansion of the B2B businesses utilizing our extensive customer base, including the provision of customer assistance to support electrification, and the formulation of growth strategies through our insights on sustainability. As a result, Eneco's net profit increased significantly from €117 million at the time of acquisition and currently sits between €250 million and €350 million. The annual EBITDA growth rate is now 10%, meeting the initial target we set at the time of the acquisition.

Looking at the future potential, we are growing MC's business leveraging Eneco's offshore power generation business and energy related business. In the medium term, we are considering the potential

power supply to EVs and the operation of VPP utilizing EVs using our knowledge and experience in the mobility industry. Another consideration is the expansion of the B2C businesses in combination with MC's retail business. In the long term, we are considering the launch of a green hydrogen-related business, the manufacture of derivative products, and the comprehensive sales approach targeting hydrogen consumers. These are just some of the examples, but we are looking into the development of Power-to-X business utilizing Eneco's power generation capability. These initiatives will not only enable Eneco to achieve growth but also help MC accelerate its business expansion. In the mobility business, for example, Eneco's expertise is expected to accelerate growth for our auto leasing and battery businesses.

As such, we strive to develop something more than mere synergies to create "new combinations" among multiple businesses. These "new combinations" will help us further expand our operations and create shared value. This is the MCSV we envisioned under Midterm Corporate Strategy 2024. We intend to implement similar value creation initiatives on a substantial scale in other markets and geographies.

4. Example of Value Creation as Business Portfolio via Value-Added Cyclical Growth Model

We continue to make steady progress in strategically rebalancing our business portfolio and increasing capital efficiency. In addition, we are optimizing the capital structures of our investments with increasing flexibility.

1 Strategic rebalancing of our business portfolio

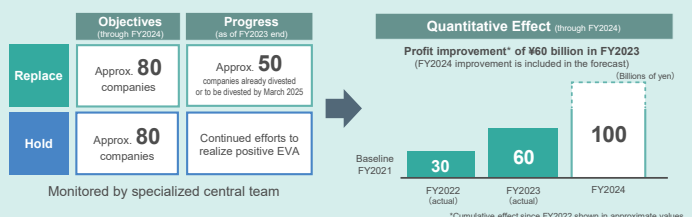
Managerial resources are strategically reallocated to areas of new growth.

Examples

- Sale of real estate management company (¥84.1 billion in capital gains in FY2022)
- Sale of affiliated company in Food Industry segment (¥36.9 billion in capital gains in FY2023)
- Consolidation of 5 of the world's highest grade and most profitable metallurgical coal mines with the divestment of 2 mines (approx. ¥95.0 billion in capital gains anticipated in FY2024)

2 Capital efficiency through asset replacement and earnings improvement

The replacement and/or improvement of non-performing/low growth assets is progressing as planned.



3 Flexible capital structuring to maximize value

Promote investment growth by partnering with strategic counterparts.

Examples

Lawson, Inc.

- Transition to a joint management structure with KDDI to further enhance Lawson's corporate value.
- Pursue further growth via the "Real, Digital and Green" concept by leveraging KDDI's business and customer base.

Nexamp, Inc.

- We developed and grew our U.S. solar power generation business since its early stages, and recently, we invited a new shareholder to secure growth capital for the next stage of growth.

Moving on, I would like to briefly explain our track record in portfolio value creation through our Value-Added Cyclical Growth Model.

Our Value-Added Cyclical Growth Model is more than a business strategy. Rather, it is a cornerstone of our management philosophy and portfolio management approach in terms of value creation.

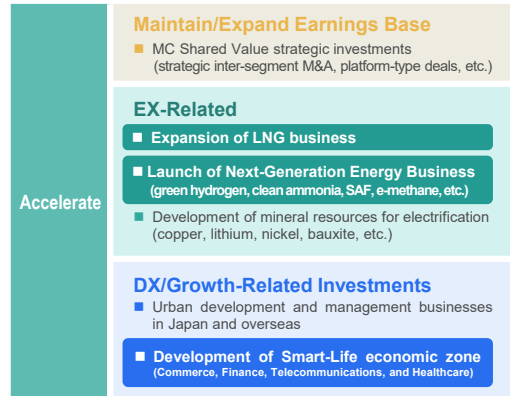
With regards to initiatives aimed at increasing capital efficiency via earnings improvement, we previously have not named specific companies involved. I can now share that the signing of a business alliance with TOYO TIRE Corporation in 2019 is one instance of our efforts to improve capital efficiency. With regard to TOYO TIRE, we endeavored to strengthen its business fundamentals via the secondment of our employees to this company for example. While formulating strategies for TOYO TIRE's overseas production sites, we leveraged our knowledge and experience. In order to help strengthen TOYO TIRE's sales activities, we also collaborated on operations in regions and downstream markets where we boast strength. This is how we worked together with TOYO TIRE to maximize its corporate value. As a result, TOYO TIRE reached record high profit in FY2023.

As indicated by this case study, we have promoted the Value-Added Cyclical Growth Model to push ahead with transforming our entire business portfolio and increase its resilience, with the aim of accelerating portfolio value creation. Going forward, we will promote the development of a business portfolio capable of continuously creating shared value via the Value-Added Cyclical Growth Model.

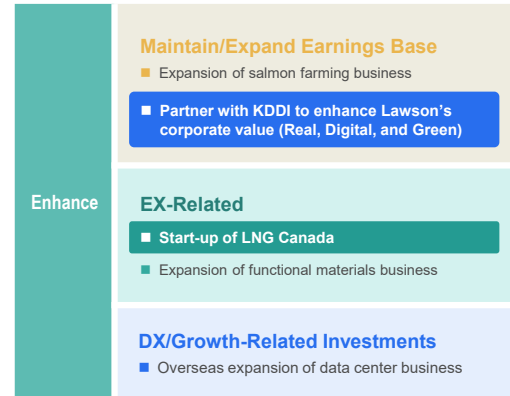
5. Investment Pipelines for the Next Stage of Growth

- We will strengthen each business and create value by further leveraging MC group's core competencies.
- Considering the time required for our investments to begin contributing to earnings, we will continuously review and expand our pipeline and steadily execute each investment to achieve growth, while maintaining our investment discipline.

Develop new investment opportunities to advance to the next stage of growth



Maximize profitability of investments in progress



These examples demonstrate our track record in value creation that leverages our core competencies and may involve individual businesses or the utilization of the business portfolio as a whole. However, simply presenting our past track record might not be enough to help you clearly see how we as Mitsubishi Corporation aim to achieve future growth. Accordingly, we will now showcase more specific business strategies and future initiatives set by the Environmental Energy Group and the S.L.C. Group, respectively.

In terms of companywide management, we will continue to examine each potential pipeline investment in a disciplined manner. We will also consider factors such as societal environment, macro and micro economic trends, as well as the time horizon required to achieve profitability. While continuing to take a disciplined approach, we will do our best not to miss out on attractive opportunities for new investment or business development. Furthermore, we will work to strengthen individual businesses by leveraging our core competencies in order to attain a higher stage of growth. Simultaneously, we will develop “new combinations” between multiple businesses, going beyond the creation of synergies from various businesses. As a result, we will shape the future of Mitsubishi Corporation and create long-lasting shared value.

That is all from me.