

Business Segment IR Meeting

Mitsubishi Corporation



Natural Gas Group



Attendees from the Natural Gas Group

Jun Nishizawa: Group CEO

Shota Kondo: General Manager, Group CEO Office

Hiroshi Kawamoto: General Manager, Group Administration Dept.

Akihiko Takada: Division COO, Asia-Pacific Div.

Masaru Saito: Division COO, North America Div.

Ryosuke Tsugaru: Division COO, New LNG Ventures & Marketing Div.

Today's Agenda

- 1 . Organizational structure**
- 2 . Views on the business environment**
- 3 . Business strategy**
- 4 . Status of key businesses**

Today's Agenda

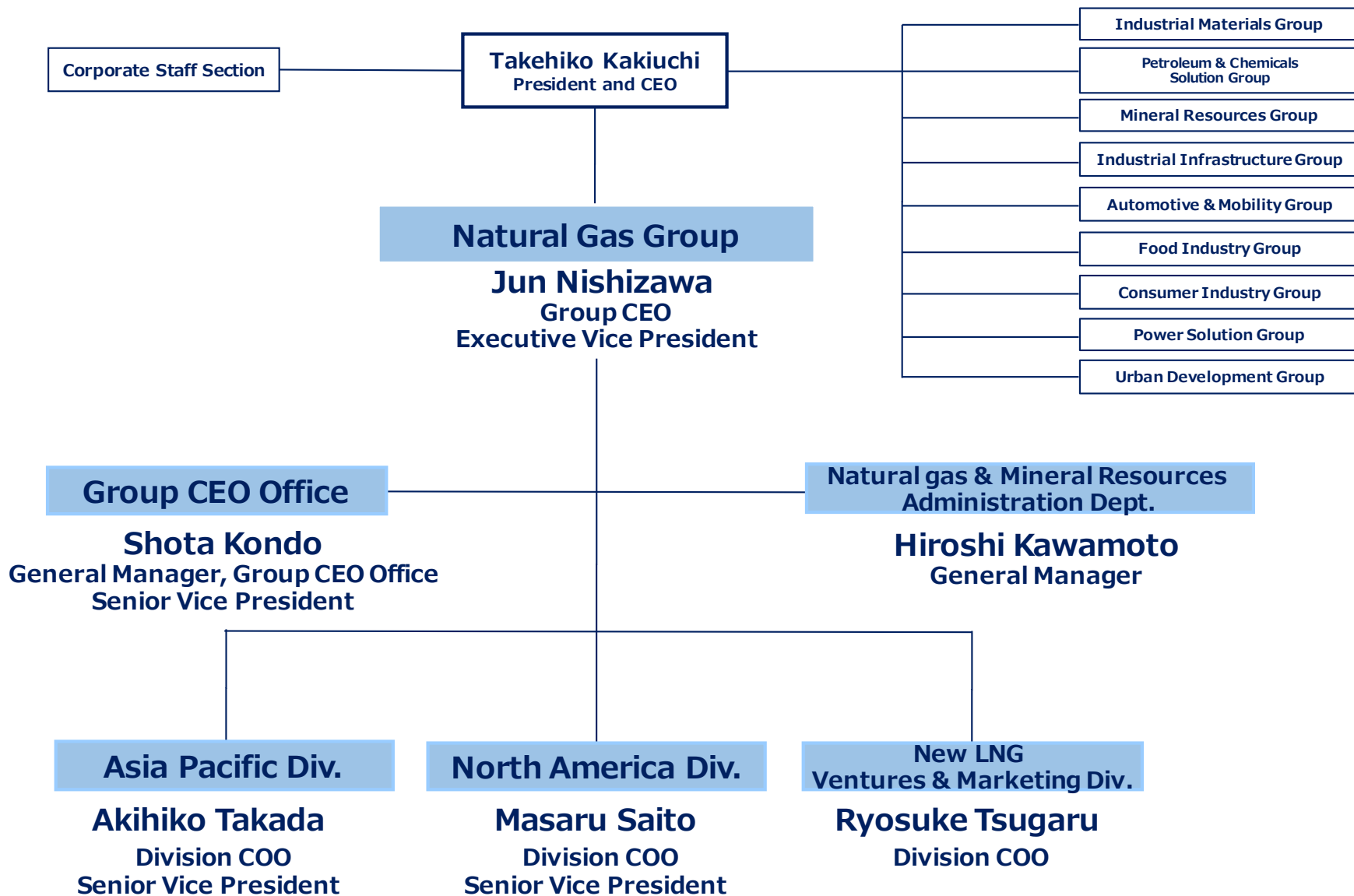
1 . Organizational structure

2 . Views on the business environment

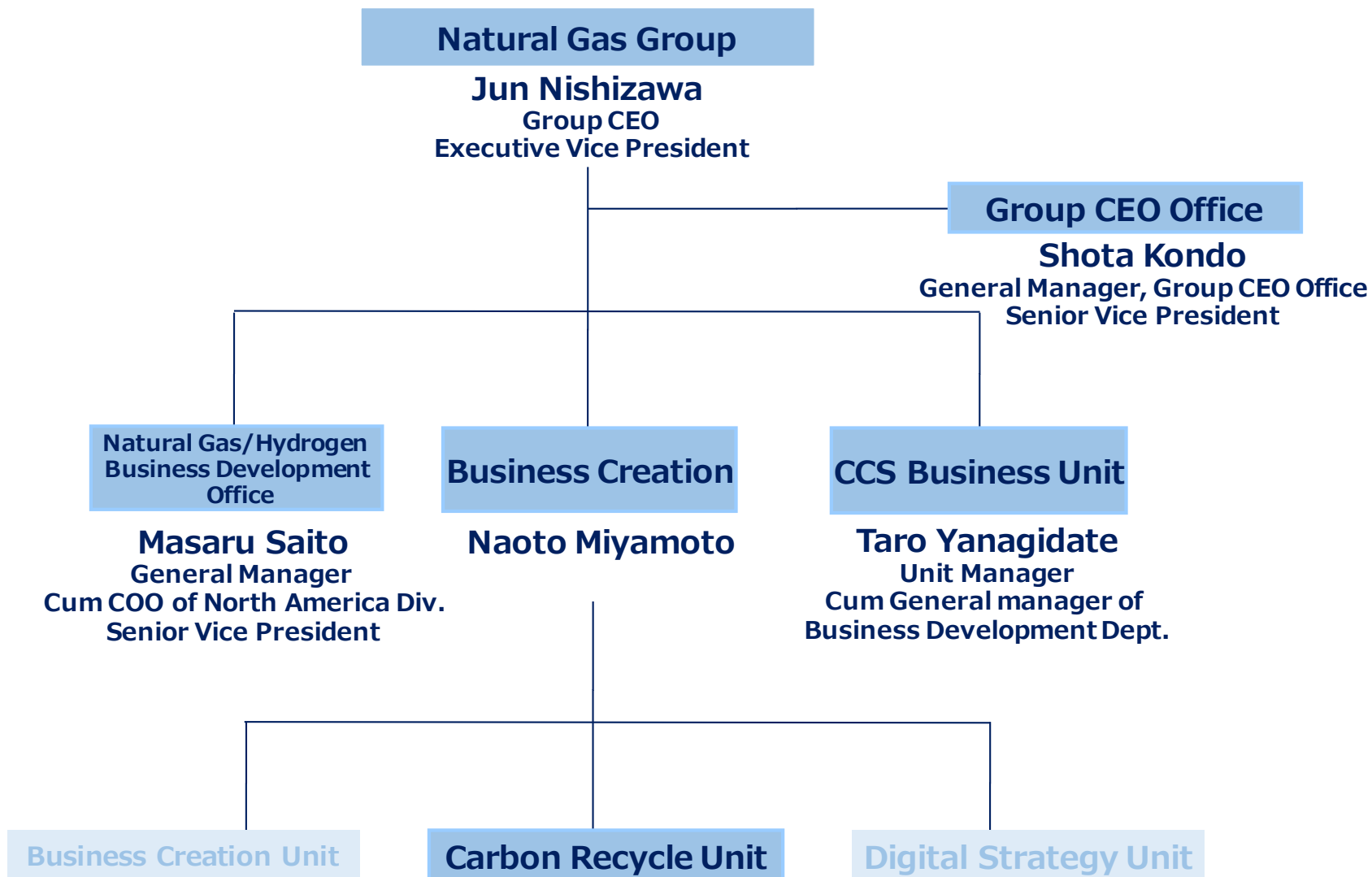
3 . Business strategy

4 . Status of key businesses

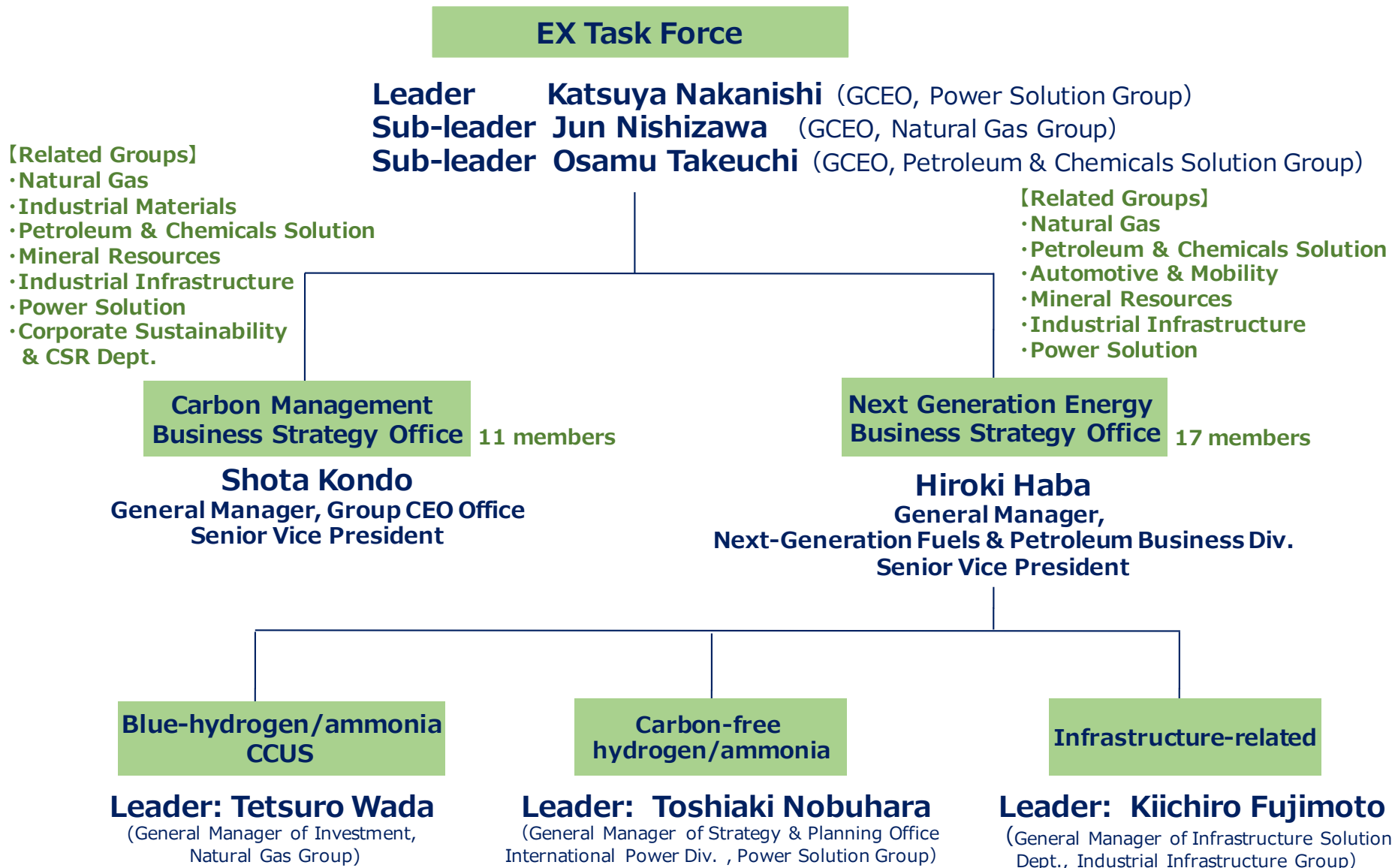
1. Organizational structure : Natural Gas Group



1. Organizational structure : Decarbonization related departments



1. Organizational structure : Energy Transformation Taskforce



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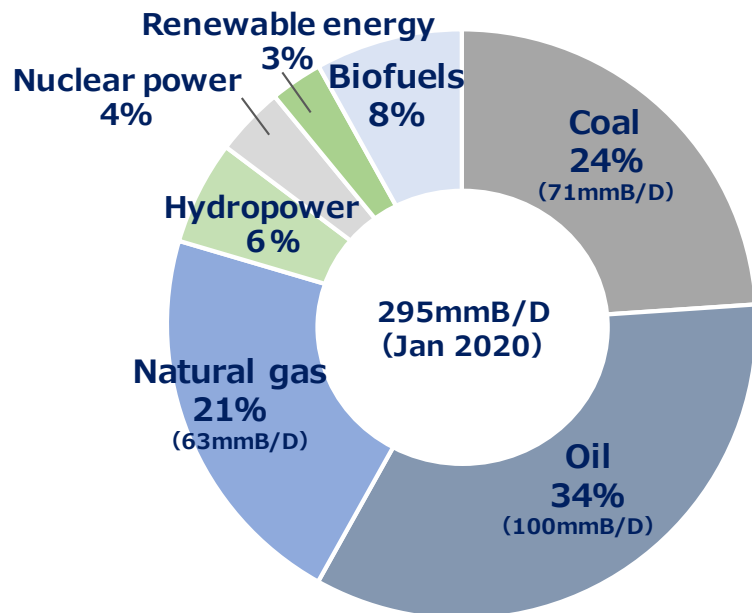
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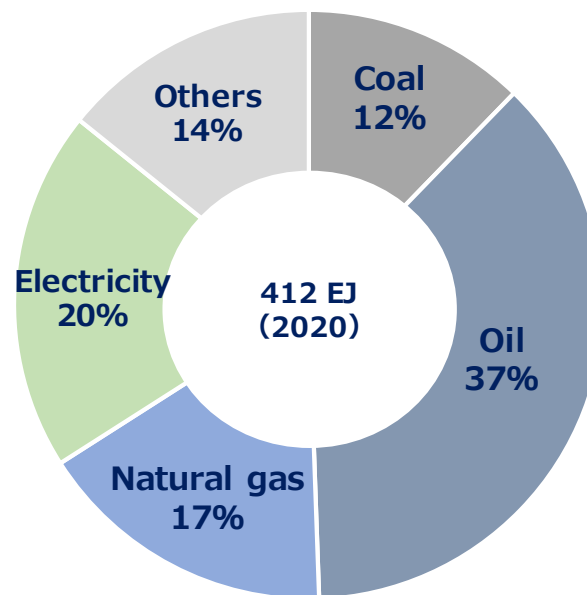
2. Views on the business environment : Overview of the world's primary energy

- Primary energy supply is approx. 300 million barrels of oil equivalent per day globally
- Fossil fuels make up 80% (approx. 90% in Japan). Natural gas makes up approx. 20%
- The world's electrification rate is only 20% (OECD 22%, Japan 28%)

Supply of primary energy in the world



Final energy consumption of the world

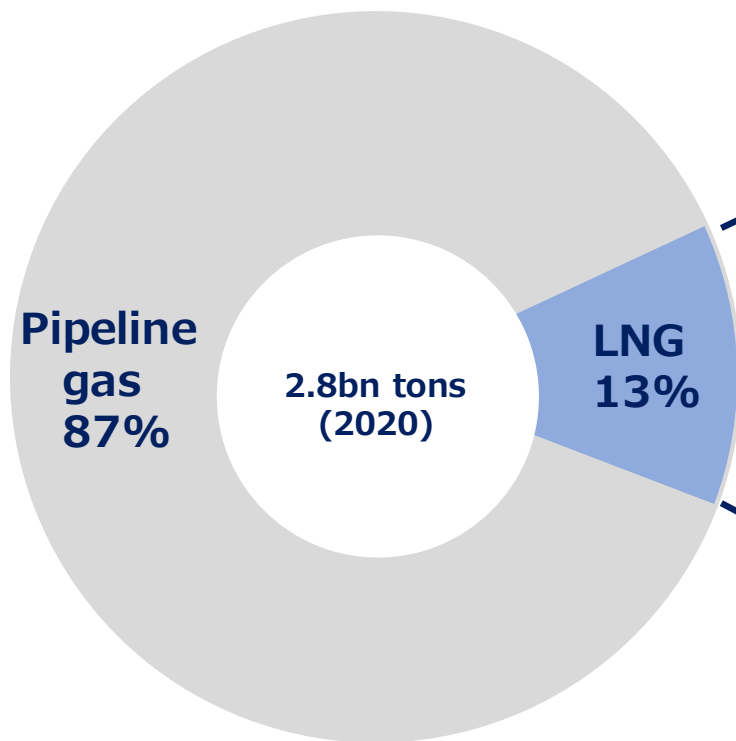


(Source : Lambert Energy, IEA 「World Energy Outlook 2021」)

2. Views on the business environment : Overview of the natural gas and LNG market

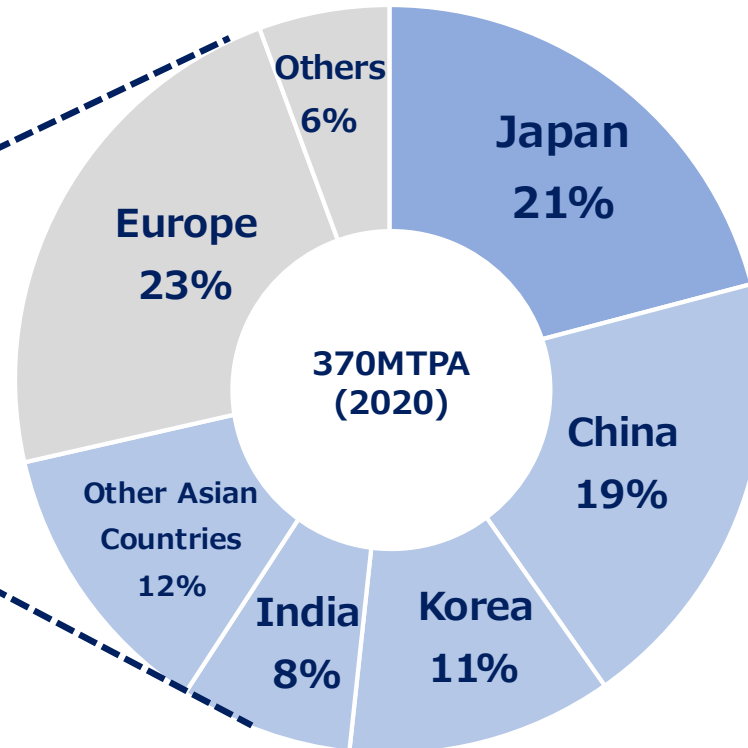
- **Approx. 13% of global natural gas production is traded as LNG**
- **Asian nations account for roughly 70% of global LNG imports**

Global natural gas consumption



(Source : BP 「BP Statistical Review of World Energy 2021」)

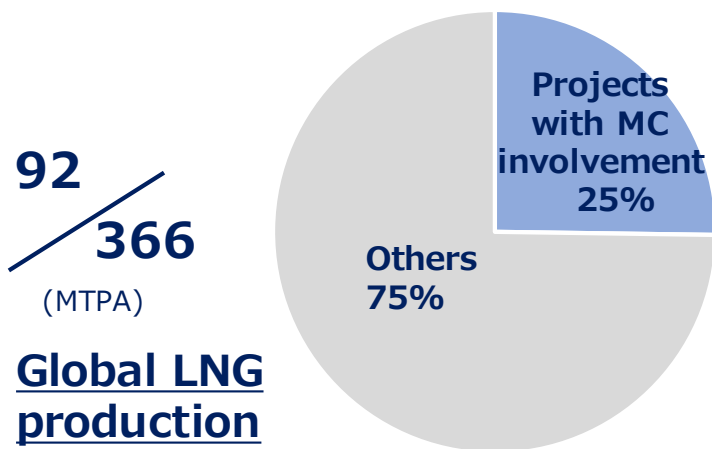
Share of LNG import volume



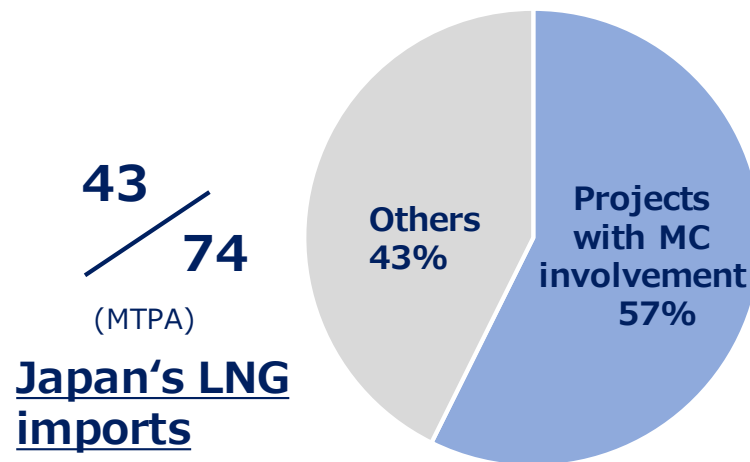
(Source : GIIGNL 「Annual Report 2021」)

2. Views on the business environment : MC's presence in the market

Share of MC involved projects in global LNG production (2020)

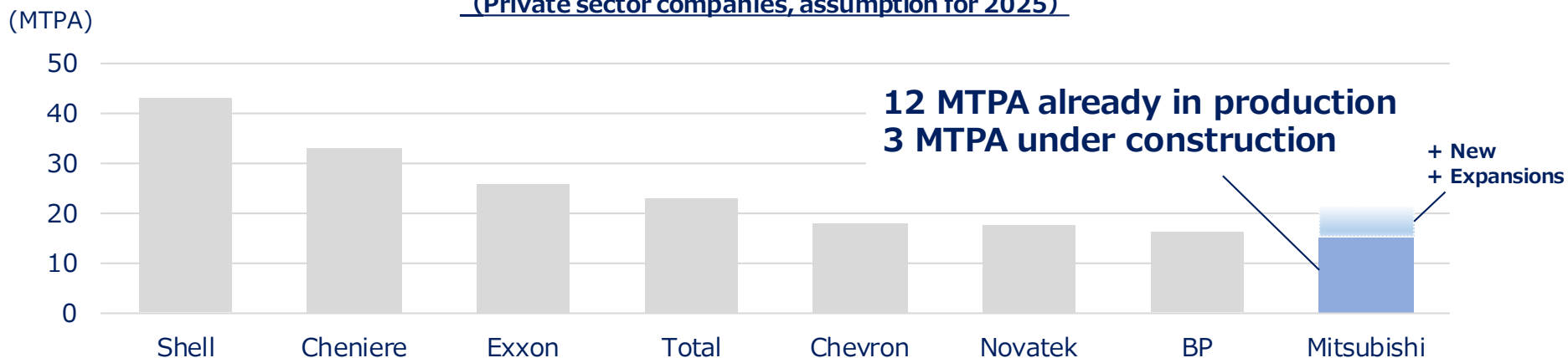


Share of MC involved projects in Japan's LNG market (2020)



Equity LNG volume

(Private sector companies, assumption for 2025)

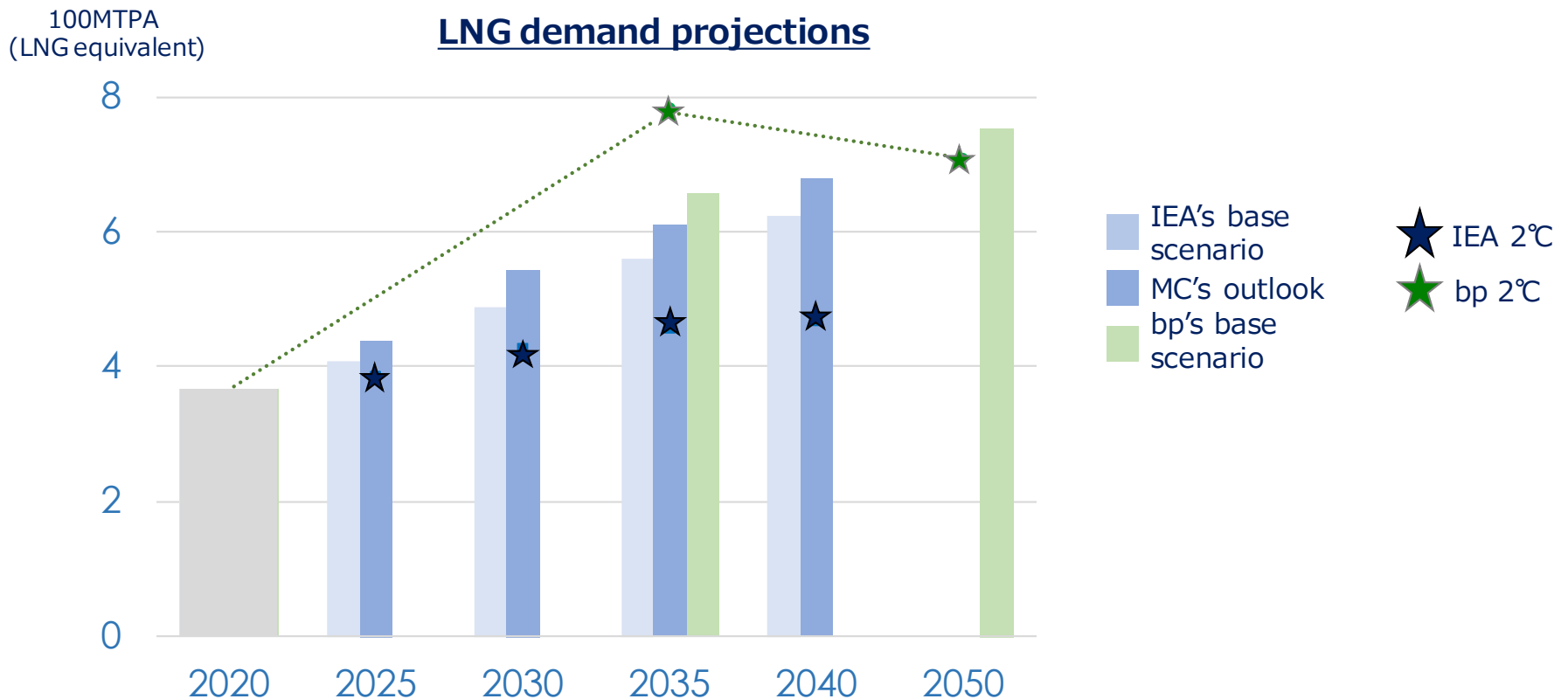


(Source : IHS Markit / MC)

2. Views on the business environment : LNG demand projections

- Even in IEA's 2°C scenario (※) , global LNG demand is expected to grow steadily, mainly in Asia
- bp expects even stronger growth in LNG demand in the 2°C scenario than in the base case (the faster the world seeks to achieve carbon neutrality, the stronger the demand for LNG)

(※World Energy Outlook 2020)



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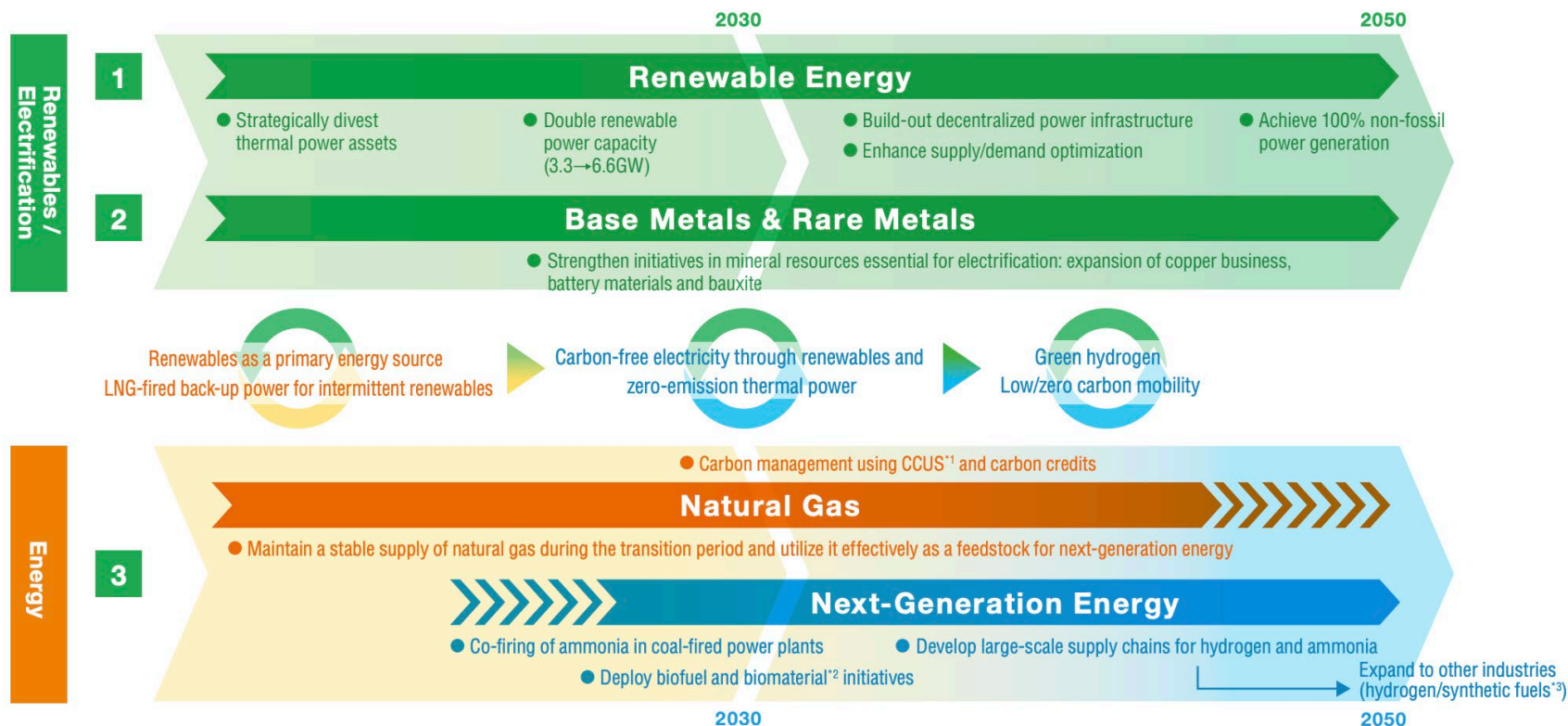
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3. Business strategy : Positioning of natural gas in MC's EX strategy

(Excerpt from MC's announcement on Oct 18, 2021)

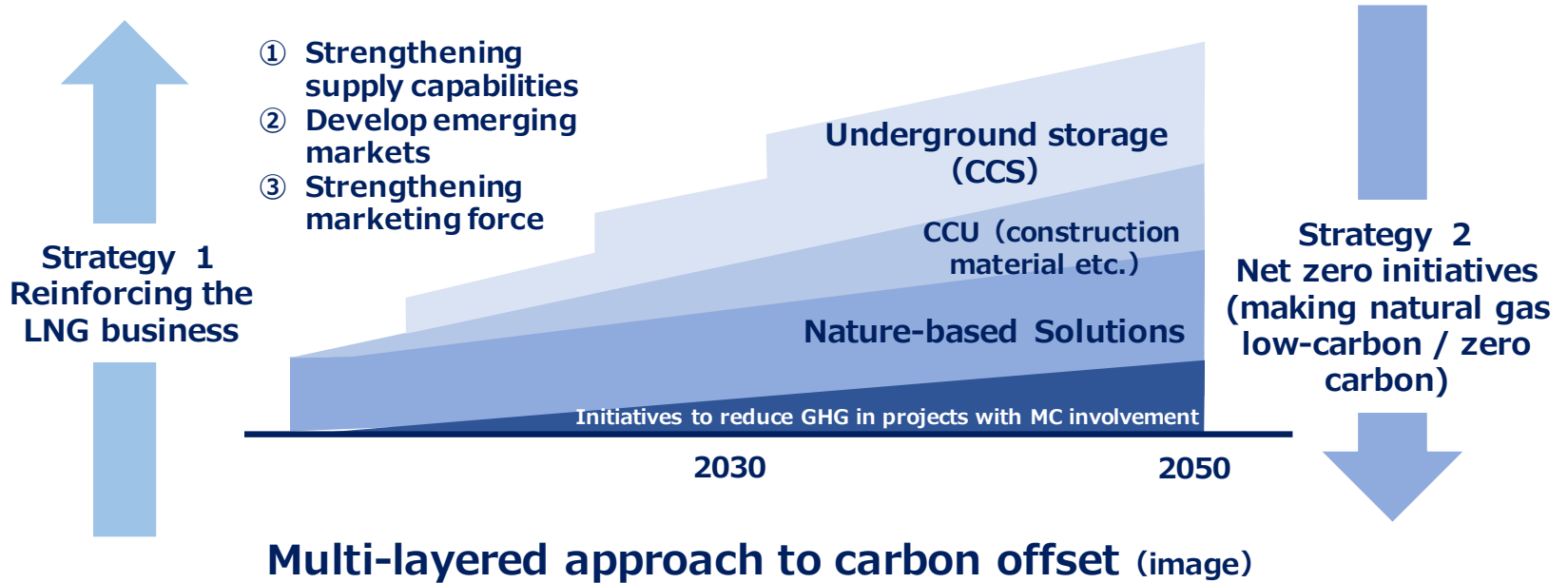
Our Approach to EX

- While fulfilling our responsibility as a reliable supplier of energy, we will pursue global initiatives to double renewable power capacity and create next-generation energy supply chains.
- We will invest approximately 2 trillion yen by FY2030, in areas including renewable energy, copper, natural gas, hydrogen and ammonia, while maintaining a sound balance sheet.



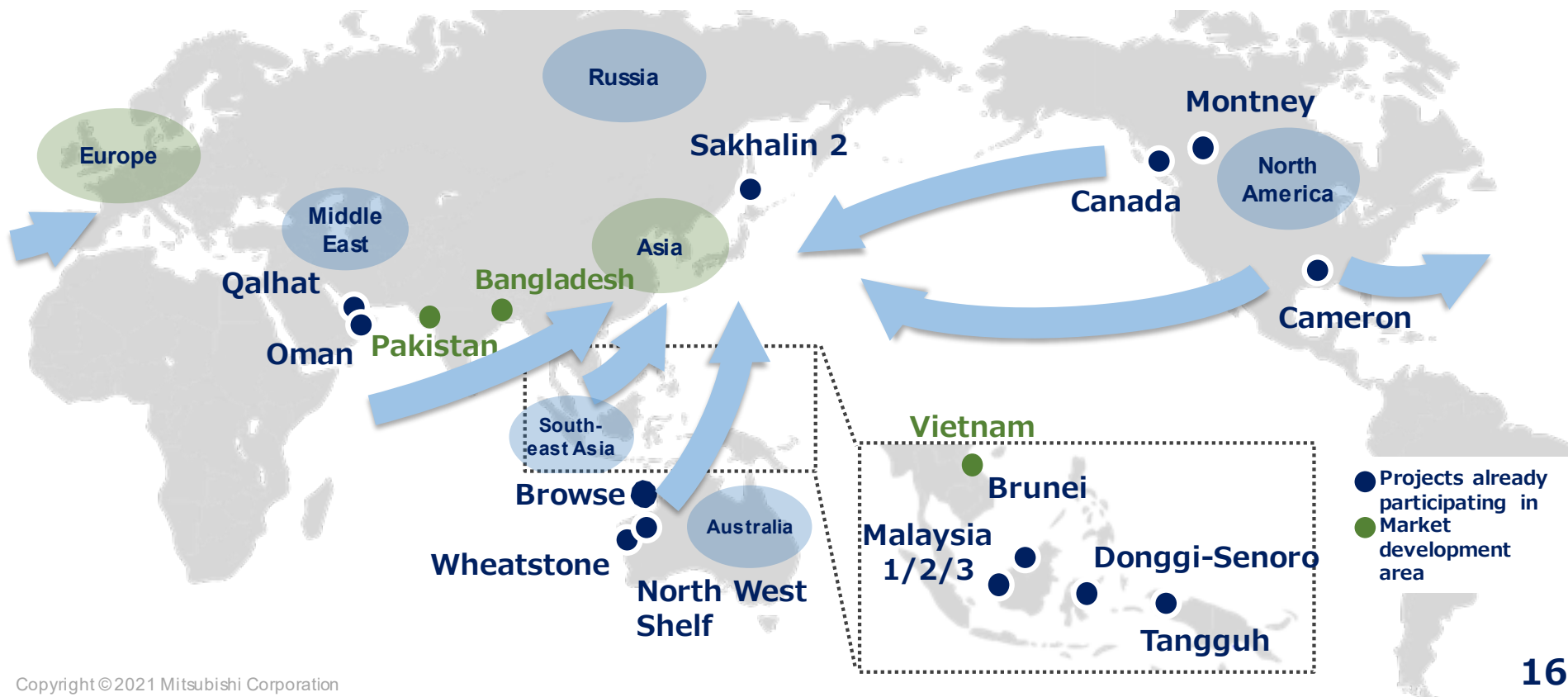
*1 Carbon Capture, Utilization and Storage *2 Sustainable fuels and materials made from biological resources *3 Clean fuels produced with hydrogen and CO₂ from the atmosphere or industrial sources, etc.

3. Business strategy : Basic strategy of the Group



3. Business strategy : ① Reinforcing the LNG business

- Strengthening supply capabilities: extension/expansion of existing LNG portfolio, and selective investments in competitive new LNG assets
- Developing emerging markets : serve the fastest growing Asian market (LNG receiving terminals, gas wholesale, Gas to Power)
- Strengthening marketing force: Reinforcing demand/supply balancing and optimization capability, including the use of third party LNG



3. Business strategy : ② Net zero initiatives

Reducing emissions from existing businesses (Reduce)



Pursuing low-carbon / decarbonization (Remove)

Operational initiatives

Using AI to improve operational efficiency, using renewable energy, etc.

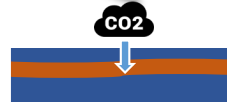


- Montney unconventional resource play in Canada : Productivity improvement using AI
- LNG Canada : Plant operation using hydropower generation
- All LNG projects : Reducing GHG emissions through stable and efficient plant operations

Underground storage (CCS)

(CCS: Carbon Capture and Storage)

Indentation of CO2 into depleted underground gas fields

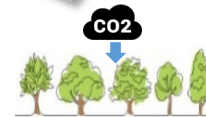


Assessing business potential

- CCS project in Australia (Santos)
- CCS in existing gas field in North West Shelf
- Tangguh CCS in Indonesia
- CCS near Donggi Senoro in Indonesia (jointly owned with the adjacent ammonia plant)
- Denbury CCS in U.S. (ammonia production)

Nature-based solutions

Absorb CO2 through regeneration, etc.



AI CARBON

Australian Integrated Carbon

- Native Forest regeneration business in Australia (AI Carbon)
- Assessing nature-based solutions such as forest conservation, management and soil carbon in Americas, Asia, etc.

Construction material (CCU)

(CCU: Carbon Capture and Utilization)

Using CO2 as construction material (concrete, etc.)



- Making effective use of CO2 for concrete production



- Manufacturing and technological development of concrete materials that use CO2

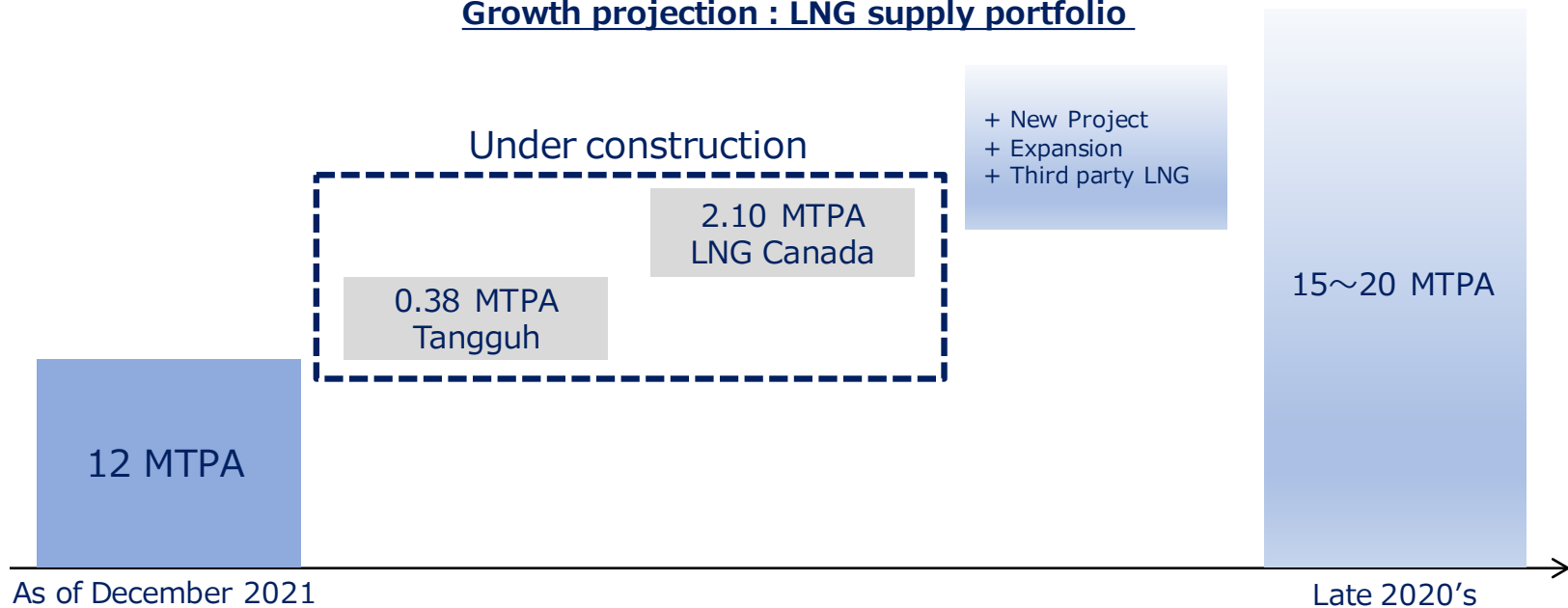
3. Business strategy : Investment plans

➤ MC's approach : Approx. 2 trillion yen of EX-related investments (by FY2030)

Potential investments by Natural Gas Group, such as :

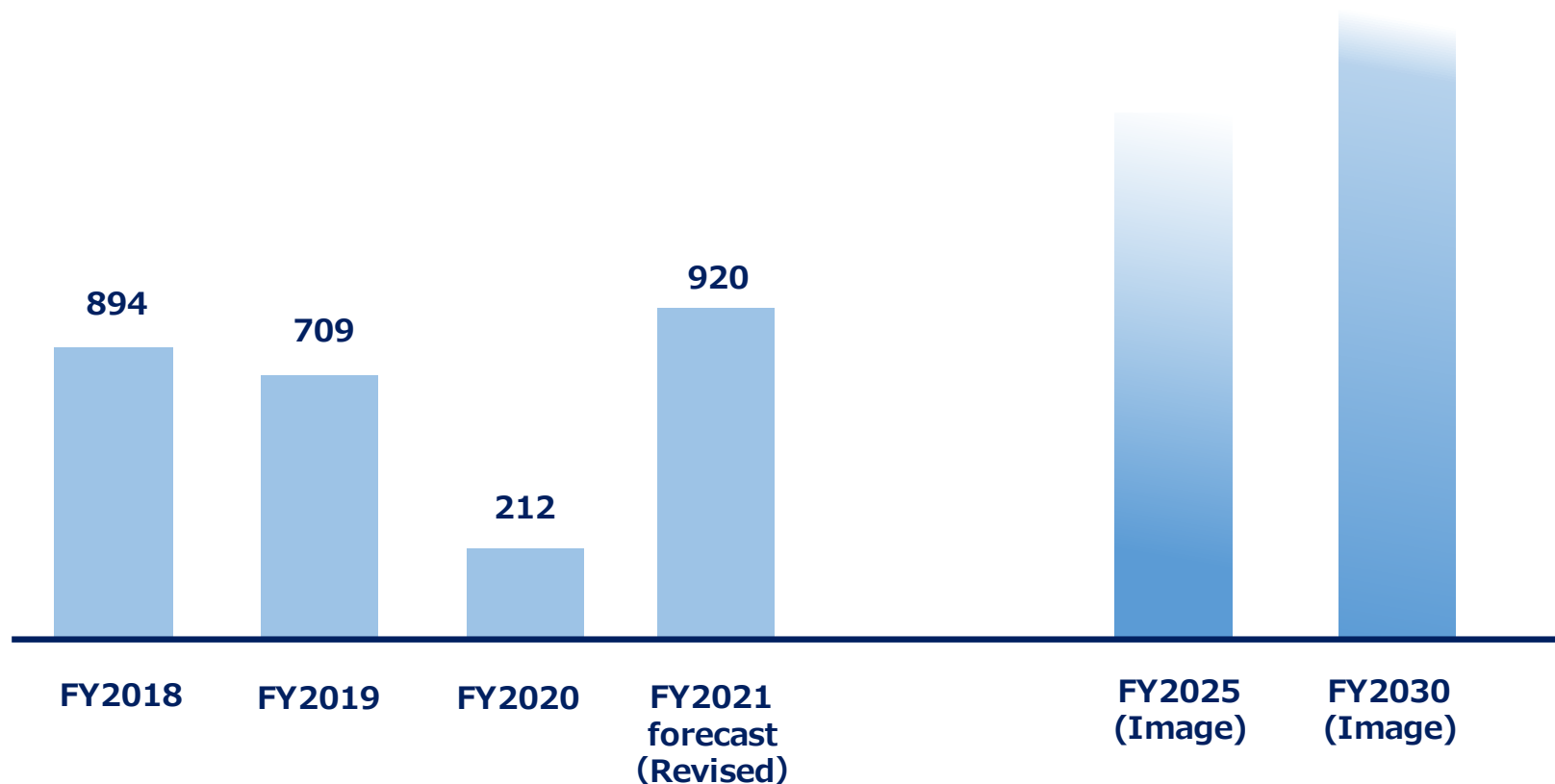
- Businesses that strengthen our capability to supply natural gas
- Businesses to develop future demand for natural gas
- Businesses that contribute to the low-carbon / decarbonization of natural gas (CCUS, etc.)

Growth projection : LNG supply portfolio



3. Business strategy : Profit forecast

Consolidated net profit (JPY 100mm)

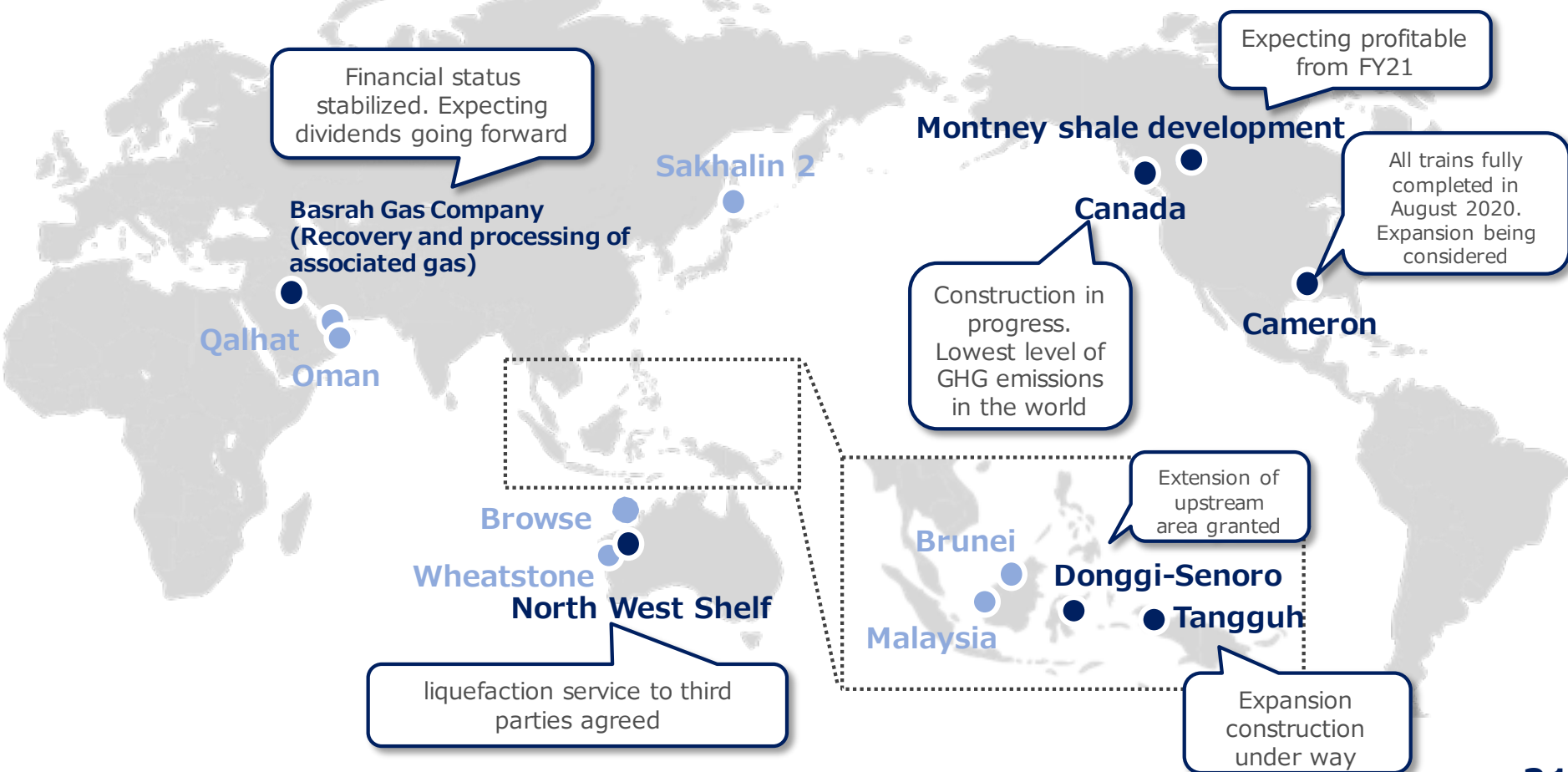


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4. Status of key businesses : LNG business

- Together with improving /reinforcing our existing businesses (cost optimization, additional upstream development, decarbonization), the Group focuses on the execution and delivery of new projects (LNG Canada, Tangguh LNG in Indonesia).



4. Status of key businesses : Development and sales of carbon credit ①

- MC acquired a 40% stake in Australian Integrated Carbon Pty Ltd (AIC), which is engaged in the development and marketing of carbon credits, obtained through CO₂-sequestrations achieved in the regrowth of Australia's native woodlands.
- AIC plans to contribute to capturing up to 3-5 million tons of CO₂ per year, and a total of 100 million tons by 2050.
- This business contributes to securing sources to offset CO₂ in our businesses/operations such as LNG projects in Australia.

Human-induced Regeneration(image)



**Deforested by overgrazing
and other unsustainable practices**

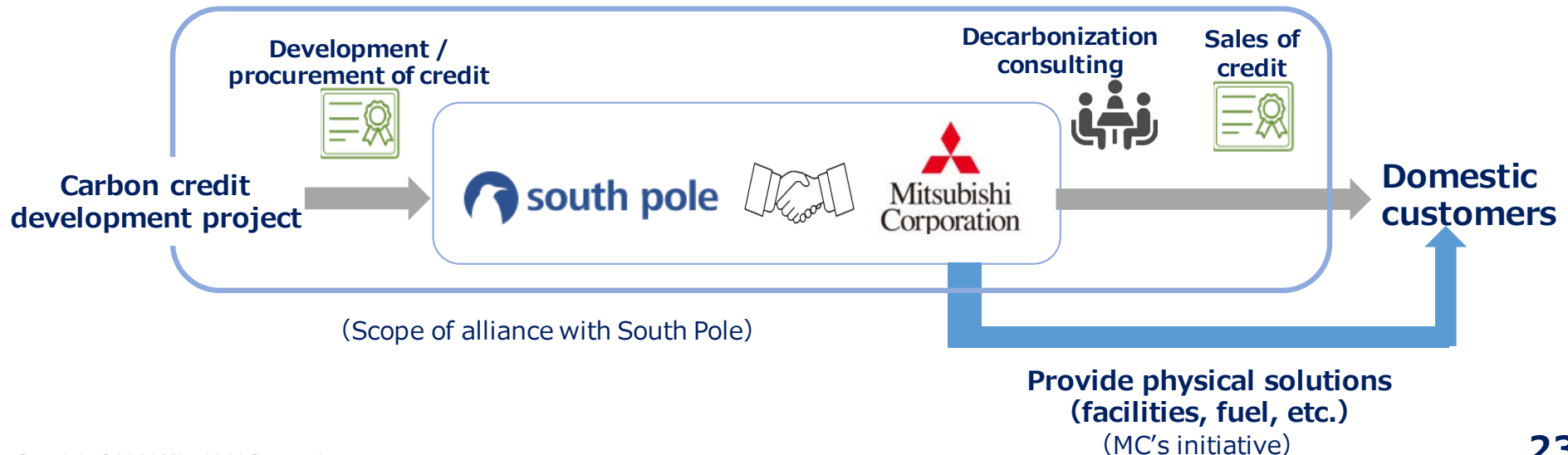


**Regenerated thanks to more
sustainable grazing**

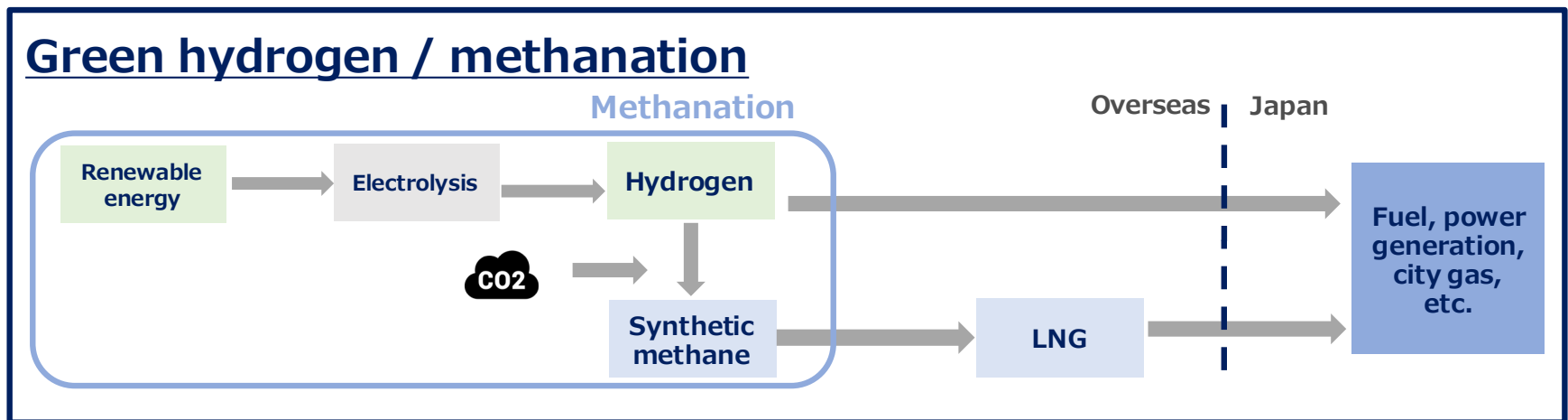
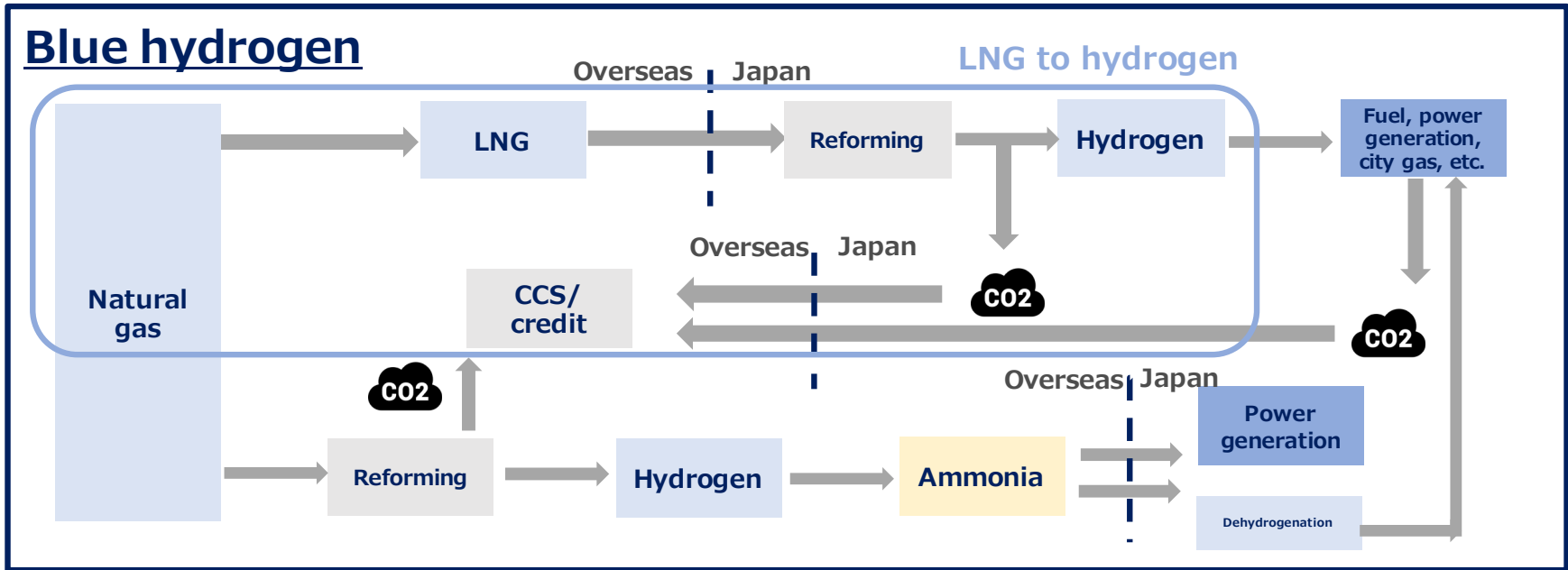
4. Status of key businesses : Development and sales of carbon credit ②

- **South Pole: The world’s largest carbon project developer and climate solutions provider**
- **Leverage our collaborative alliance with South Pole, through the entire carbon project value chain, with the aim of offering a stable supply of high-quality carbon credits to Japanese customers seeking to decarbonize their businesses.**
- **Support the net zero initiatives of Japanese customers through consulting for their development of sustainability strategies, targets and roadmaps.**
- **Provide physical solutions including the fuel supply, capital investment in plant and equipment of customers.**

Alliance with South Pole (image)



4. Status of key businesses : Hydrogen supply chain (image)



(Notes on forward-looking statements etc.)

Data and future projections in this material are based on views and information available as of the day of releasing this material, and could change due to various reasons, and do not guarantee the future achievement of these targets and projections, as well as future business performance. The information may be changed without notice in the future. Therefore, please use this information and material based on your own responsibility, and please consult and compare with information obtained through other methods. Mitsubishi Corporation takes no responsibility whatsoever for any damages resulting from the use of this material.