

# MCSV Creation Forum

Dialogue on  
Business Strategy

June 6, 2024

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# MCSV Creation Forum

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14:00~

## MCSV Creation

Representative Director, President and CEO, Katsuya Nakanishi

2

14:25~

## Environmental Energy Group Growth Strategy

Executive Vice President, Group CEO, Masaru Saito

3

15:00~

## S.L.C. Group Growth Strategy

Executive Vice President, Group CEO, Shota Kondo

4

15:35~16:15

## Independent Directors Fireside Chat

Independent Director, Sakie Akiyama  
Independent Director, Mari Sagiya  
Senior Vice President, CSEO, Kenji Kobayashi

# 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

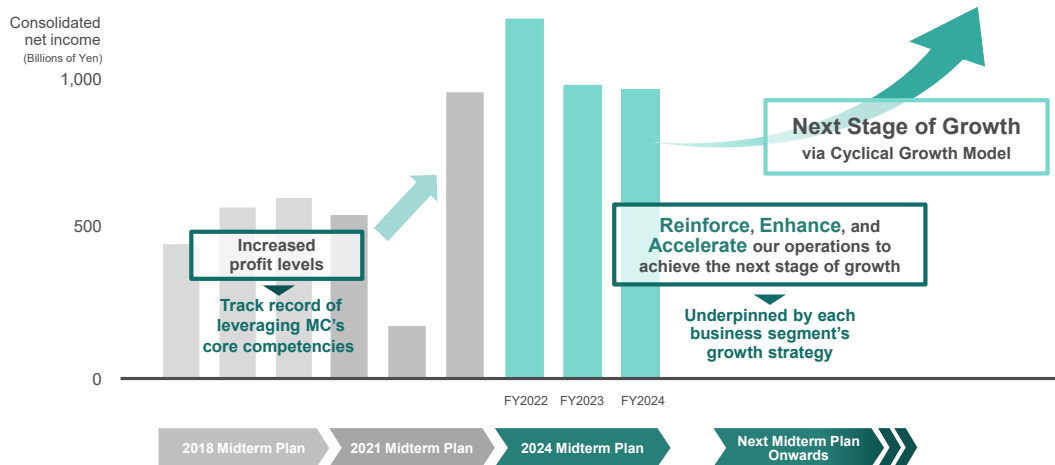
## Independent Directors Fireside Chat

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.

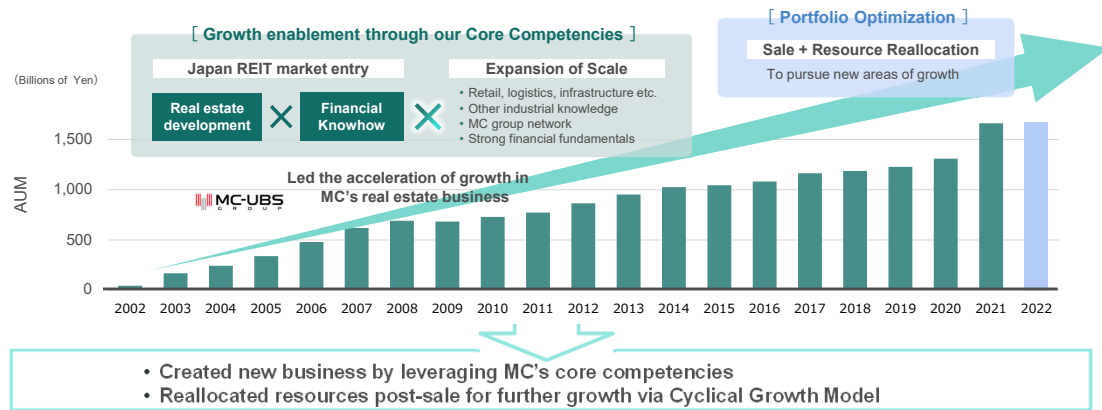


In May 2022, Mitsubishi Corporation (MC) announced Midterm Corporate Strategy 2024, which defines the continuous creation of significant shared value (MC Shared Value) as a management goal and, to this end, aims to further strengthen our core competencies in order to address societal challenges. Also, 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.

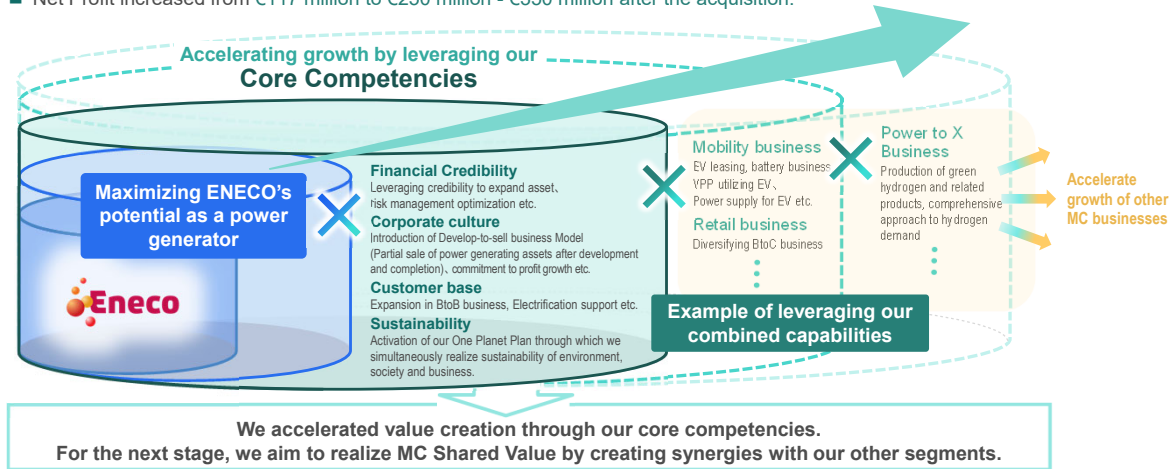
The first example is MCUBSR. This business was sold in 2022. In early 2000, when the public interest in the establishment of the Japanese REIT market grew stronger, we founded MCUBSR, a J-REIT management company, by bringing together the real estate development business the company has engaged in for 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

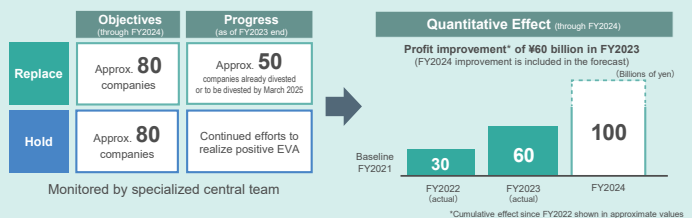
Managerial resources are strategically reallocated to areas of new growth.

#### 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.

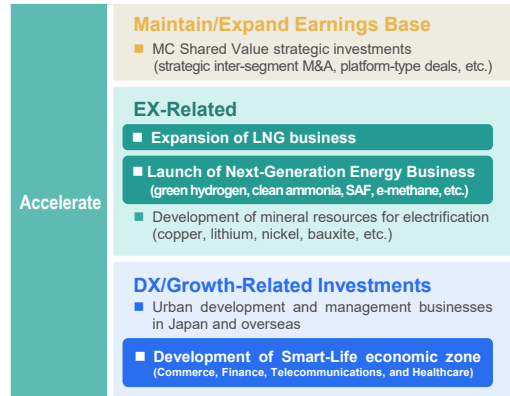
As indicated by this case study, we have promoted the Value-Added Cyclical Growth Model to push ahead with transforming our entire business portfolio and increase its resilience, with the aim of accelerating portfolio value creation. Going forward, we will promote the development of a business portfolio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



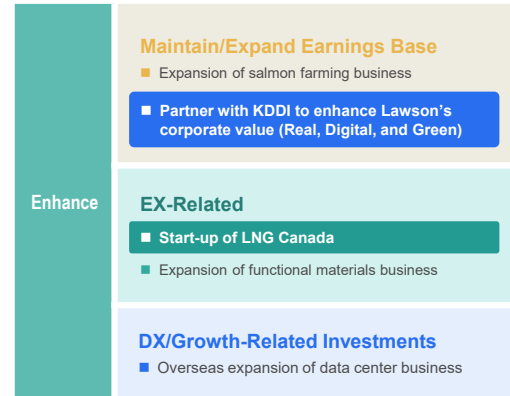
## 5. Investment Pipelines for the Next Stage of Growth

- 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.

# MCSV Creation Forum

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Executive Vice President, Group CEO, Masaru Saito
- 3 S.L.C. Group Growth Strategy
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Fireside Chat

I am Masaru Saito, the Environmental Energy Group CEO.

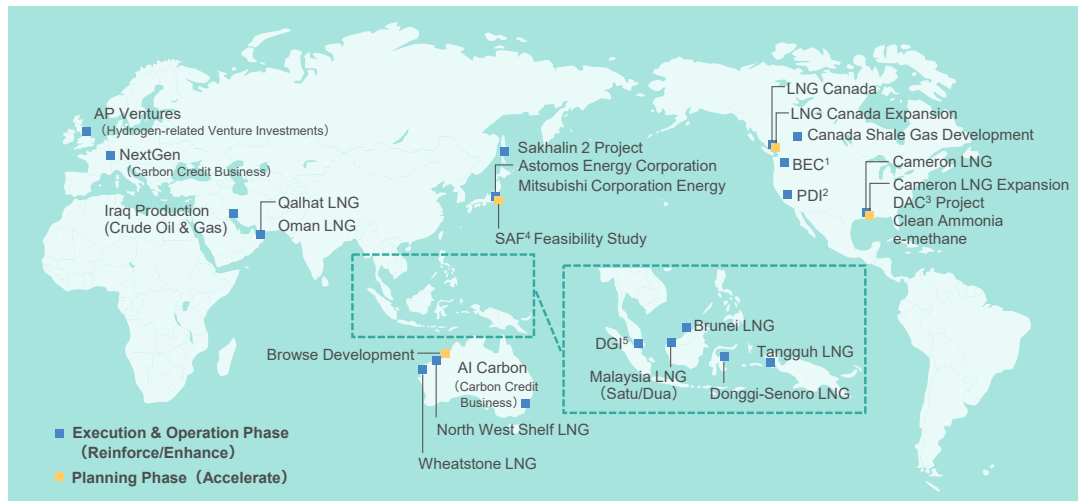
Thank you for coming to this meeting today. Our Group was launched in April 2024 via the integration of the Next-Generation Energy Business Group and the Natural Gas Group, both of which have led MC's energy transformation (EX) growth strategy as defined under our Midterm Corporate Strategy 2024. Today, I plan to introduce strategies and initiatives to be implemented by the Environmental Energy Group, which will continue to play a major role in Mitsubishi Corporation's EX strategy.

Now, please take a look at the next page.

## 2

### Vision and Business Portfolio

- Our vision is to ensure stable energy supply and promote energy transformation (EX) simultaneously, with the aim of contributing to a carbon neutral society.
- Currently we engage in a variety of energy businesses, such as next-generation energy, Petroleum Products, LPG and LNG.



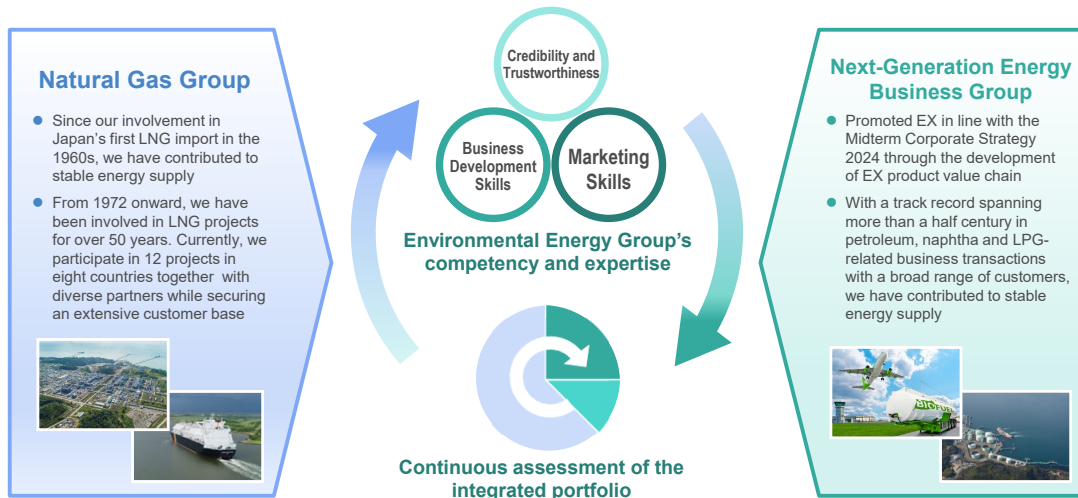
Our group vision is to ensure stable energy supply and promote EX simultaneously, with the aim of contributing to a carbon neutral society. Looking at our Group's business portfolio, the majority of our investments, as indicated in blue, are related to natural gas, LNG, LPG and petroleum businesses. Potential projects that fall under the "Accelerate" category of investments are also plotted in orange. These projects are aimed at expanding natural gas and LNG related businesses and developing next-generation energy businesses.

Although our LNG business is currently the primary source of earnings in this group, you can see that the Environmental Energy Group covers a wide range of energy products. I will now explain how we will take advantage of these diverse businesses in order to achieve our group vision.

## 2

### Our Strategy

- Identify our clients' energy and decarbonization needs through our current business covering a variety of energy products.
- Ensure energy product supply in accordance with our clients' requirements including decarbonization, and continuously assess and optimize our portfolio.



First, I will explain the external business environment. Going forward, we expect clients to require increased diversification as we progress towards a carbon neutral society. Moreover, the timeframe and pathways to achieve a carbon neutral society remain uncertain due to the complex nature of energy. We believe that the trend of decarbonization is irreversible. At the same time, decarbonization requires a considerable cost burden. Furthermore, population growth in emerging economies and the use of generative AI and data centers may lead to a further increase in overall energy demand. Taking these uncertainties into account, research institutions and consulting firms publish a variety of scenarios with a wide range of energy demand and decarbonization outlooks.

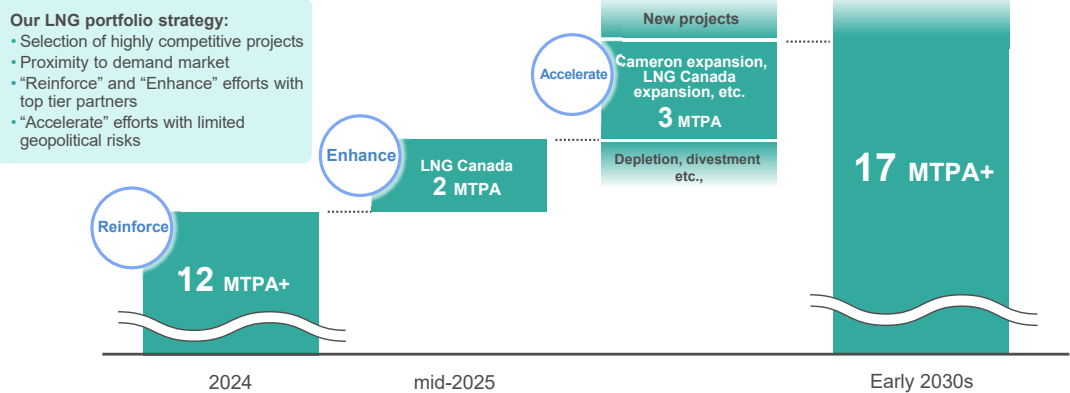
For more than a half century, Mitsubishi Corporation has been contributing to the stable supply of energy through our natural gas, LNG, petroleum, and LPG-related businesses, together with numerous customers and partners. Our clients and partners are from diverse industries including power, gas, and mobility. As a result, we are now well-positioned to directly identify our clients' energy and decarbonization needs through our existing business, covering a variety of energy products. MC's strengths are backed by our financial stability, trustworthiness, business development and marketing capabilities, in addition to the robust networks and relationships we have developed in the course of our business operations. Taking full advantage of this expertise, we will deliver energy solutions optimized to meet the requirements of each customer through the timely development and supply of energy products. Moreover, we will continuously assess and rebalance our portfolio while considering the pace of decarbonization.

## 2

### Business Plan (Natural Gas/LNG)

- Focus on expanding our natural gas and LNG related businesses as the global demand is expected to increase.
- Priority on the development of upstream gas fields for our existing LNG projects and/or expansion of liquefaction trains.
- Continuous assessment our portfolio in accordance with our Value-Added Cyclical Growth Model.

#### Growth Outlook of LNG Equity Production Capacity\*



\* Capacity based on equity in each project.  
MTPA: Million Tons per Annum

Next, I will elaborate on strategies related to natural gas and LNG, both of which are key products handled by our Group. Natural gas and LNG have relatively low environmental footprints. They are expected to be utilized in a broad range of applications, for example to compensate for the intermittency of renewable energy and provide alternatives to coal, to provide an energy source to sectors where electrification is difficult, and to produce raw material for next-generation energy. We expect the demand for natural gas and LNG to grow, especially in Asia. Therefore, we believe that natural gas and LNG will continue to play important roles in the global energy transition for the foreseeable future.

Currently, Mitsubishi Corporation's LNG equity production capacity totals more than 12 million tons. Although an LNG project will see a gradual decrease in production due to depletion of natural gas resources, production can be maintained should new gas fields be developed and tied to existing liquification plants. We have initiatives aimed at developing new gas fields in areas such as Indonesia and Brunei. In doing so we aim to "Reinforce" our current production capabilities.

Also, construction has been steadily progressing in LNG Canada, aiming to start operation in early 2025. This is an example of our efforts to "Enhance" investments underway.

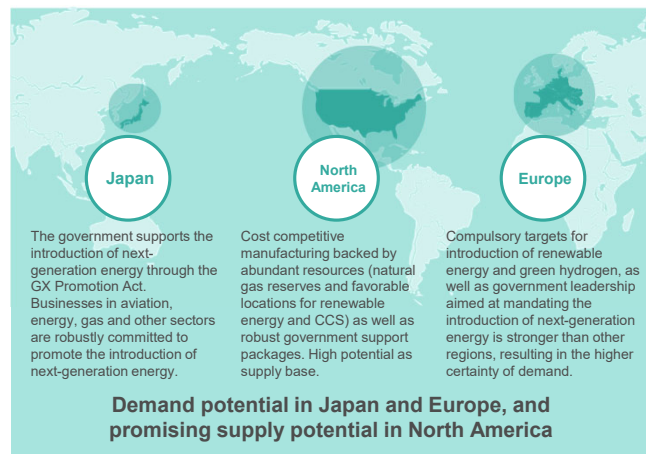
Furthermore, we plan to increase production capacity in order to meet the global demand for natural gas and LNG, as we remain conscious of our "Roadmap to a Carbon Neutral Society". More specifically, we are in the process of considering investments aimed at expanding liquification plants for LNG projects in the United States and Canada. We are also assessing our Browse development project in Australia. By doing so, we intend to "Accelerate" our growth via new investment opportunities and expand of our production capacity.

We will also continuously assess and rebalance our asset portfolio in line with our Value-Added Cyclical Growth Model. Through these initiatives, we aim to increase our LNG equity production capacity to over 17 million tons by the first half of the 2030s in order to strengthen our earnings.

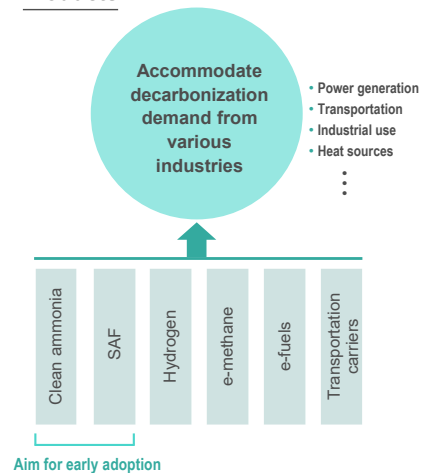
## Business Plan (Next-Generation Energy)

- Carefully selecting next generation energy business based on market demand, which varies by product and region.
- We'll identify and grasp our clients' decarbonization requirement through our current business/network in various industries and develop products that adequately meet our customers' needs.

### Features by Region



### Products



In this slide, I will discuss our strategies related to next-generation energy. As I touched on earlier, we expect our clients to require us to diversify as we progress towards a carbon neutral society. Customer requirements for next-generation energy will vary by region and product, therefore we will selectively develop products based on market demand.

First, we aim for the early social implementation of clean ammonia and sustainable aviation fuel (SAF), which will support decarbonization for power generation and transportation sectors respectively. While demand for clean ammonia is likely to grow in both of these sectors, the Japanese government is promoting clean ammonia as it will significantly contribute to the reduction of CO<sub>2</sub> emissions from the power generation sector. Currently, we are assessing potential clean ammonia production projects in the United States, as well as the introduction of clean ammonia to Japan's industrial sector, utilizing Namikata Terminal Co., Ltd. as a key hub. These projects will be assessed via close coordination with the Japanese government. As for SAF, we anticipate robust demand for this energy product due to requirements under CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) and Japan's national target for SAF introduction.

While paying attention to technological innovation on several fronts, we are also focusing on developing hydrogen infrastructure and supply chain business which will be essential to the realization of a hydrogen-powered society, as well as synthetic methane (e-methane), a carbon credit/management business and CCUS. We will work to accommodate our clients' requirements for decarbonization solutions across a wide range of sectors and industries.

## 2

### Business Group Portfolio and Future Performance

- Environmental Energy Group net profit is expected to grow to ¥250 billion by early 2030s through the development of our new and existing projects.
- Based on this outlook, risk assets of the next-generation energy business will be 10% to 20% of our total portfolio by then.

#### Next-Generation Energy

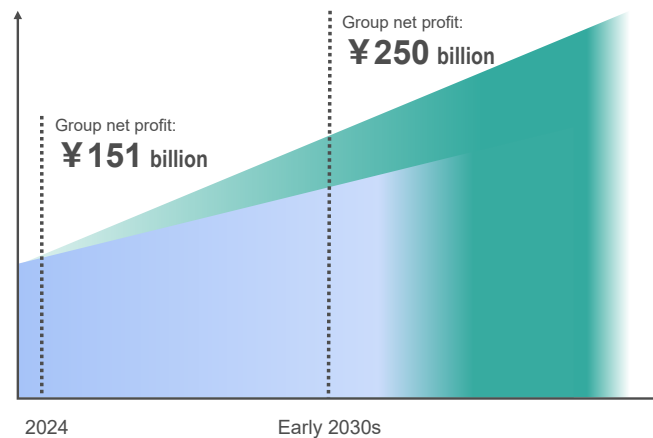
Strategy  
**Selective approach for business development**  
 Key points  
**Assessment of demand certainty by product and region**

#### Conventional Energy Sources\*

Strategy  
**Expansion of LNG business**  
 Key points  
**Shift to a low-carbon / decarbonized value chain**

\*Natural gas, LNG, LPG, crude oil and petroleum products, etc.

#### Business Group Portfolio



In summary, we will endeavor to reinforce our earnings in the natural gas, LNG, LPG and petroleum businesses, while taking a selective approach to develop next-generation energy, with the aim of establishing an optimal portfolio in line with the pace of decarbonization. For FY2024, the Environmental Energy Group expects a net income of ¥151 billion. We expect this net income to grow to ¥250 billion in the early 2030s. By that time, the next-generation energy business will account for 10% to 20% of our group's entire portfolio.

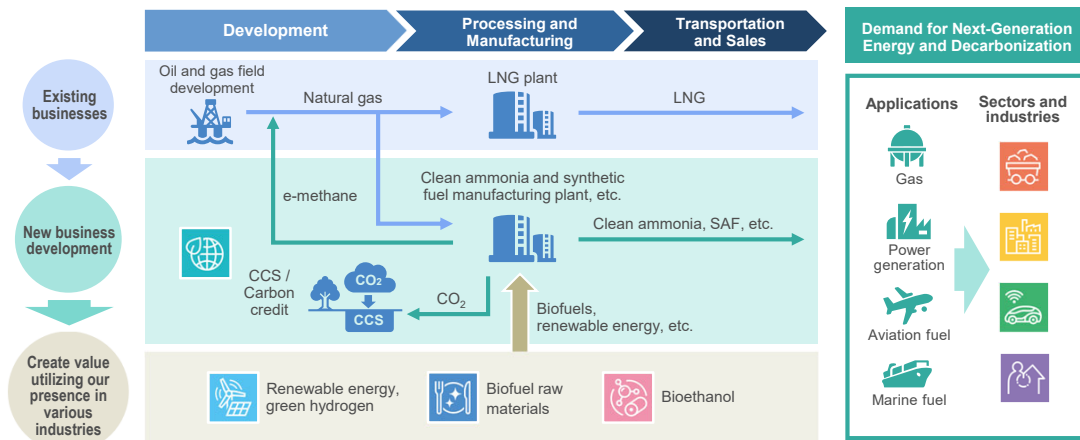


## 2

### Business Synergies and MCSV Creation Through Value Chain Development

- Create synergies by developing our value chains utilizing commercial flows and infrastructures from existing businesses.
- Enhance value and profitability by further expanding our value chain, leveraging our presence in various sectors and industries.

#### An example of business development leveraging our expertise in existing businesses



I will briefly discuss MCSV on this last slide. As shown in this example, we aim to organically connect natural gas, LNG, next-generation energy, and other low-carbon and decarbonization businesses in order to develop a value chain that enhances our transactions in existing businesses, as well as our existing infrastructures. Through these efforts, we will pursue synergies between the natural gas, LNG, and next-generation energy businesses.

Furthermore, we aim to create MCSV throughout our company by leveraging our diversified business portfolio, such as the procurement of renewable energy and biofuels as raw materials while meeting the energy and decarbonization needs of diverse industries, and expanding profit opportunities.

That is all for my explanation. Thank you.

# MCSV Creation Forum

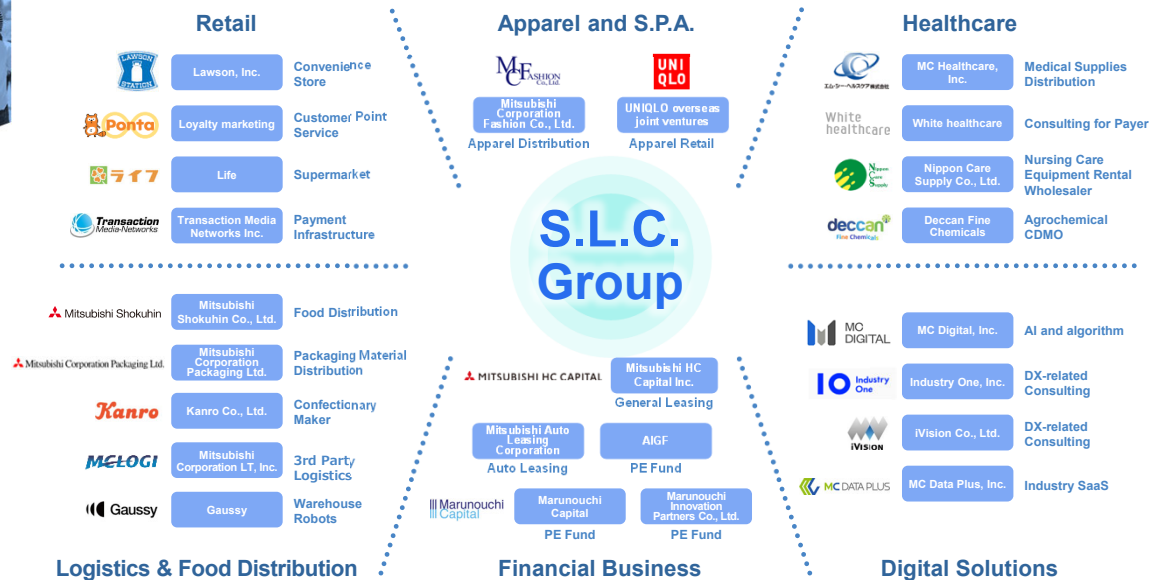
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Executive Vice President, Group CEO, Shota Kondo
- 4 Independent Directors  
Fireside Chat

I am Shota Kondo, S.L.C. Group CEO. First, let me briefly introduce myself.

After joining Mitsubishi Corporation in 1991, I was involved for quite a while in the energy business, especially the LNG business, and worked as an expat in Kuala Lumpur and Houston. In FY2022, I was appointed as the head of the Corporate Strategy & Planning Department until March this year, during which time I was focused on promoting the Midterm Corporate Strategy 2024. As shown by my career path, I have long been engaged in the upstream energy resource business. Now, as the newly appointed CEO of the S.L.C. Group, I would like to position consumer needs as the starting point of business. Over the course of my engagement in LNG-related operations, I was always mindful about the needs of our customers, namely, gas and power companies in Japan. Because of that, my focus on the customer perspective remains essentially unchanged. I believe that my transition to this new role simply means shifting from a B2B focus to a C2B focus.

Accordingly, I believe that Mitsubishi Corporation should shift to a more consumer-focused business approach and transform the company's ways of thinking accordingly. We should practice a "market-in" approach rather than a "product-out" approach. In other words, by adopting the "C2B" perspective instead of the "B2C" perspective, we can seek to realize businesses that can be delivered only by the newly established S.L.C. Group.

## S.L.C. Group Overview



The Group name stands for “Smart-Life Creation”. This represents the creation of an ever-smarter life. The S.L.C. Group was established via the consolidation of four organizations: the former Consumer Industry Group, the Industry DX Group, the Financial Business Division, and our Bio-Fine chemicals businesses.

The S.L.C. Group handles a diverse range of business fields, such as:

- Retail businesses, which encompass convenience stores, supermarkets, data marketing and payment services
- Logistics and food distribution business
- Apparel-related businesses, which encompass the manufacture and sale of clothing and household goods
- Financial businesses, which include private equity funds and leasing
- Healthcare-related businesses, which include the sale of medical equipment and medical supplies and rental, as well as the manufacture and sale of pharmaceuticals and agrochemicals, and
- Digital and AI-driven services related to business development, consulting and the provision of other solutions

I think that these descriptions will help you understand that our group is unrivalled by any other business unit within Mitsubishi Corporation in terms of the number of consumer contact points. This is a snapshot of the S.L.C. Group’s structure and businesses it currently handles. Now, let’s turn to the next page.

### 3

## Regional and market conditions support sustainable growth

Our focus is on Japan and ASEAN (which we view as one combined consumer market) and North America in consideration of potential future growth and geopolitical risks.

Japan	2022	2030
Population	125 million	120 million
GDP (\$bn)	\$4,234	\$5,968
Average Age	49	52

Challenging environment due to an aging society with low birthrate and shrinking working-age population

North America	2022	2030
Population	330 million	350 million
GDP (\$bn)	\$25,774	\$36,474
Average Age	39	42

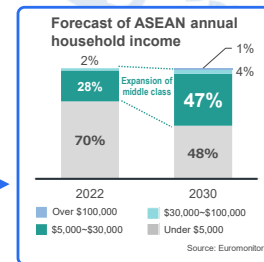
Outstanding economic scale and growth potential



ASEAN*	2022	2030
Population	600 million	640 million
GDP (\$bn)	\$3,500	\$6,063
Average Age	32	35

GDP is likely to exceed Japan for rapid market growth due to rising consumer income

Note: Total of Singapore, Malaysia, Thailand, Indonesia, the Philippines and Vietnam



On this page, I will explain our views on each region and market, which constitute the premise for our business strategy.

Although we do not necessarily limit our operations to three markets, our primary market regions are Japan, ASEAN and North America. The characteristics of each market are shown in region-specific macroeconomic features detailed on this page. In Japan, the economy has been gradually shrinking due to an aging society with a low birthrate and a declining working-age population. This, we believe, makes it difficult to quantitatively expand our existing businesses. Accordingly, we will take on the challenge of business model reforms or industry reorganization. By doing so, we will enhance our earnings model and increase its efficiency.

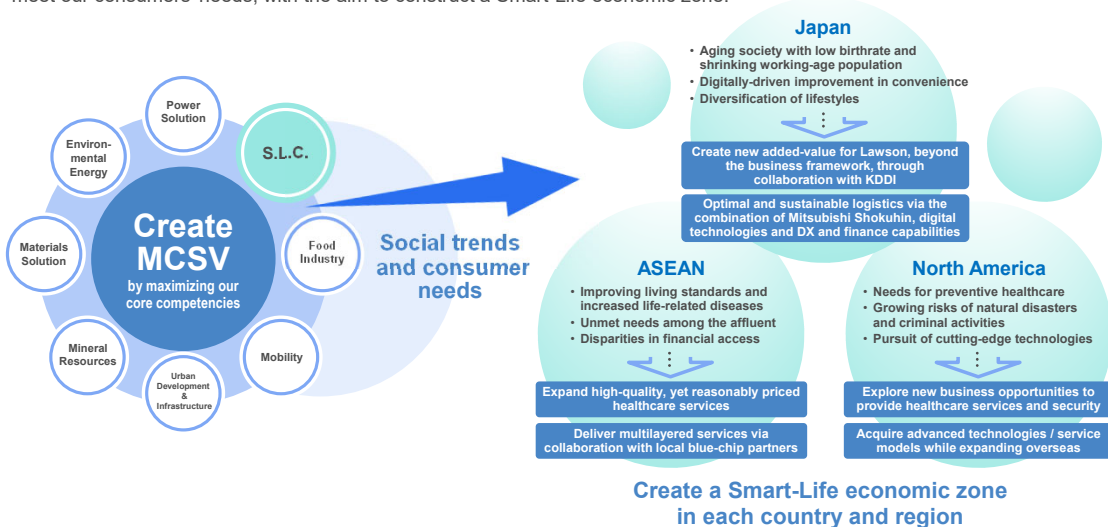
Meanwhile, ASEAN countries have enjoyed constant economic growth, with their population expanding on an ongoing basis. We also consider the ASEAN region to constitute a single market together with Japan due to the region's geographical proximity and cultural similarities. With this in mind, we will utilize the networks of our local blue-chip partners and other assets, with the aim of accommodating needs among the growing local middle-class population (an "OUT/OUT" approach) as well as seizing opportunities associated with the inbound tourism demand among the affluent visiting Japan (an "OUT/IN" approach).

Finally, the United States has unparalleled economic scale and is expected to enjoy stable growth. Through our operations in this region, we will gain fresh insights regarding cutting-edge technologies and C2B business models. Based on these insights, we will develop our own unique business models. Simultaneously, we will strive to horizontally roll out such business models in other regions, especially

ASEAN, as this region is much more receptive to new businesses than Japan due to the regulatory environment.

## Constructing Smart-Life economic zone

By combining our capabilities in the consumer industry, Digital Transformation (DX) and finance capabilities, and leveraging our core competencies, we will launch projects to address social issues in Japan and its regional communities as well as to meet our consumers' needs, with the aim to construct a Smart-Life economic zone.



Moving on, I will discuss more specific details of our initiatives targeting each region and market.

The fundamental concept of Midterm Corporate Strategy 2024 is to take full advantage of MC's core competencies and create MC Shared Value on an ongoing basis via the resolution of social issues. Based on this concept, we launched multiple businesses equipped with attractive features designed to address social issues and consumer needs, with the C2B approach as a starting point. As a business group targeting business segments that are closest to consumers, we will thereby aim to develop a Smart-Life economic zone. For example, Japan has been confronting social issues arising from the aging of society, a low birthrate and the declining working-age population while seeing growing consumer needs for digital-driven solutions designed to enhance convenience and accommodate diversified lifestyles. In response, we will endeavor to create new added value through Lawson, Inc. in tandem with KDDI, with the aim of delivering innovative living infrastructure that transcends the conventional framework of convenience stores.

Moreover, with the inclusion of asset financing in the S.L.C. Group's functions, we will combine this function with Mitsubishi Shokuhin's logistics capabilities. In this way, we aim to realize optimal and sustainable logistics operations so that Mitsubishi Corporation can play its part to resolve the "2024 problem"\* from the enforcement of limits on overtime work hours for vehicle operators. Meanwhile, ASEAN has seen a range of emerging social issues and consumer needs, including growing cases of lifestyle-related diseases on the back of improvement in living standards and a resulting rise in medical expenses, in addition to unmet needs among the affluent for high-quality services due to the absence of local businesses capable of delivering such services. The region is also facing inequalities in financial access, with 40% to 70% of the population classified as underbanked (those who have bank accounts but do not utilize financial

services) or unbanked (those who have no bank accounts). To address these issues and needs, we will take advantage of the widespread use of smartphones and provide high-quality health care services at appropriate prices to those who do not have bank accounts and use digital financial services while taking full advantage of our relationships with blue-chip partners based in each region and country in order to deliver collaborative, multilayered C2B services.

In North America, preventive healthcare needs have grown stronger than ever before due to the shortage of physicians and rising medical expenses, while citizens are confronted by such risks as hurricanes and other natural disasters, as well as a deterioration in safety and security due to the growing threat of criminal activities. We will develop opportunities for market entry where we can provide healthcare and security offerings.

Thus, we will launch multiple strong businesses aimed at serving C2B customer bases in each country and region. Furthermore, each business will deliver its own proposals and services to customers of other adjacent businesses even as they collaborate with one another. We believe that, as a result, consumers surrounded by Mitsubishi Corporation's businesses and services will be enabled to enjoy an ever-smarter life. This is our definition of the Smart-Life economic zone we aim to develop. In other words, we are committed to working toward the creation of a better life for consumers through MCSV.

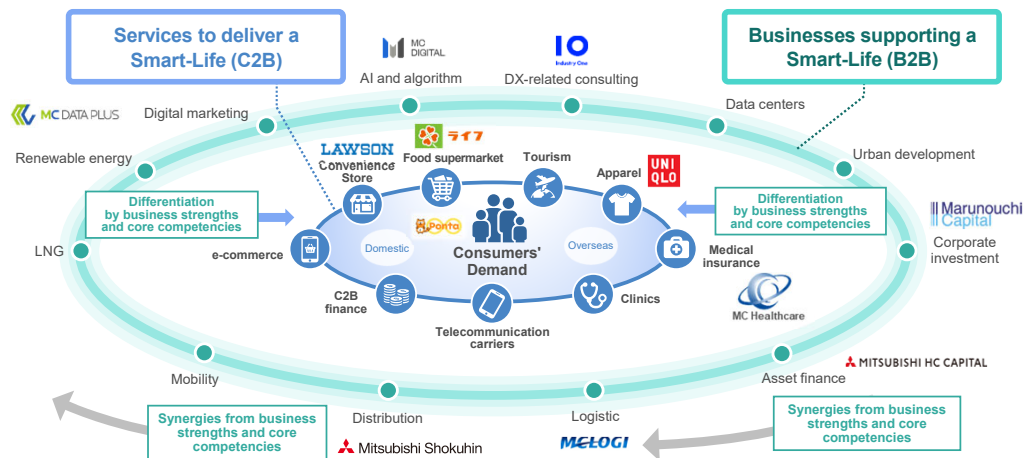
(\*) 2024 problem: In April 2024, a Japanese regulation was put into effect to limit truck drivers' overtime hours to 960 hours per year, resulting in a serious concern for lack of manpower in the logistics business.

# 3

## S.L.C. Group vision

### Vision

We will create a Smart-Life economic zone by offering a diverse range of C2B services for smarter lifestyles based on our consumers' needs in conjunction with our finance, digital and logistics capabilities as well as energy and other B2B businesses.



This diagram shows the S.L.C. Group's vision for what it aims to become in Japan and overseas via engagement in the existing businesses and new initiatives I have discussed thus far. The inner circle represents C2B services the company currently develops or will develop in the future to help consumers enjoy an ever "smarter life". The outer circle consists of distribution, logistics, digital, finance and other B2B business functions supporting the Smart-Life economic zone within it. We will facilitate organic coordination between the outer and inner circles to promote sustainable growth from both.

In addition to the S.L.C. Group's existing businesses, which are presented on the page along with their respective brand logos, our Smart-Life economic zone will involve close collaboration with B2B businesses in other fields in which Mitsubishi Corporation boasts strength, such as mobility solutions, natural gas, renewable energy and urban development. In this way, we aim to expand to create a flourishing economic zone that leverages our core competencies.

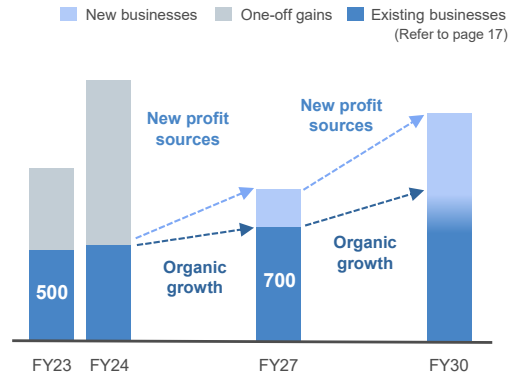


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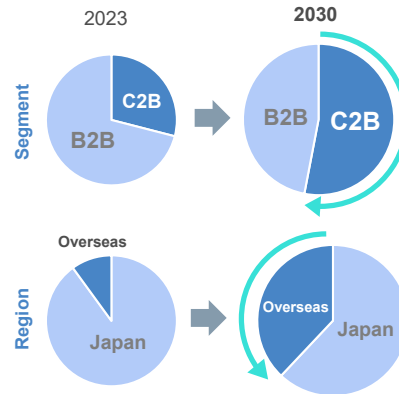
## Business Group portfolio and future performance

We will strengthen our core businesses and develop new opportunities with the aim of doubling our earnings by FY2030. We will also significantly shift the composition of our profit portfolio to a roughly 50:50 split between B2B and C2B businesses by FY2030, with a roughly 60:40 portfolio split between our domestic and overseas operations.

### S.L.C. Group long-term growth plan



### S.L.C. Group profitability by segment and region



Lastly, I will discuss our quantitative plans for FY2030 and the shift of our portfolio.

Starting with quantitative plans presented on the left of the page, FY2023 consolidated net income from existing businesses totaled more than ¥50 billion, excluding one-off gains. The existing businesses mentioned here are listed in the “Group Overview” on page 1 at the beginning of my presentation. Of these, major profit contributors include Lawson, Mitsubishi HC Capital, Mitsubishi Shokuhin and an overseas joint venture business with UNIQLO. Going forward, we plan to enhance earnings from existing businesses and raise net income, which currently exceeds ¥50 billion, to ¥70 billion by the end of FY2027 through organic growth measures, such as upgrading the operations of each business and streamlining costs. Although I will refrain from going into detail, I have also engaged in dialogue with our management teams and partners for each business and I am convinced that it is possible to meet this ¥70 billion earnings target for FY2027. In conjunction with the pursuit of the above plan, we will “Accelerate” our growth and develop new business targeting priority markets, which I discussed earlier. We aim to become capable of stably securing more than ¥100 billion in profit by the end of FY2030, based on the combination of ongoing organic growth to be achieved by existing businesses and profit contribution by new businesses.

Please take a look at the profit portfolio presented on the right of the page. Currently, B2B businesses account for around 70% of the group’s portfolio, while, geographically, the proportion of businesses targeting Japan constitutes roughly 90%. We aim to adjust this mix by implementing C2B businesses while combining them with digital, finance and other businesses, using consumer needs as a starting point. By the end of 2030, we plan to realize the significant transformation of our portfolio, shifting segment composition to a roughly 50:50 split between B2B and C2B businesses, with a roughly 60:40 portfolio split

between our domestic and overseas operations, capitalizing on the growth of overseas markets.

That is all for my explanation. Thank you.