

Mitsubishi Corporation

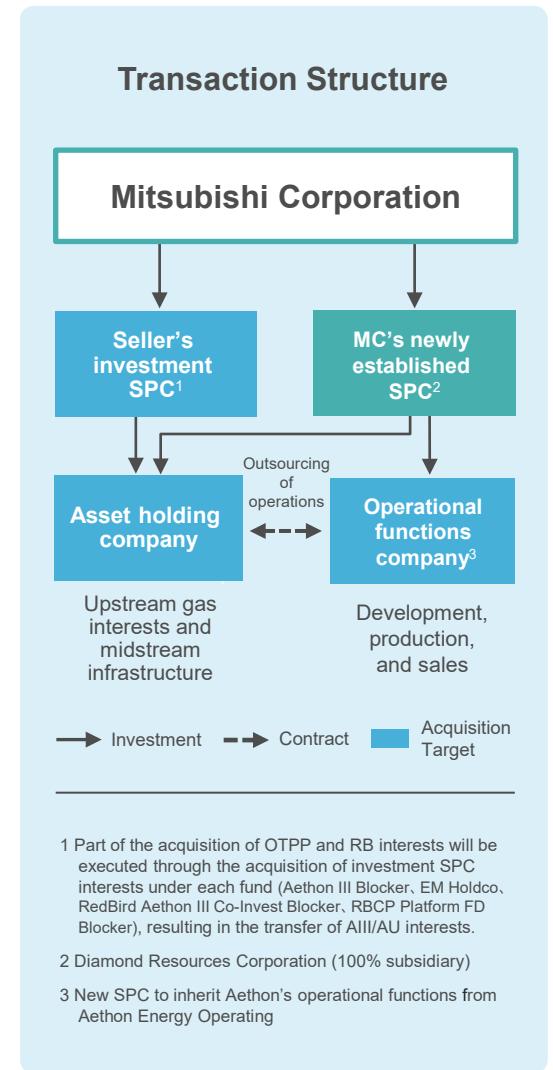
# Acquisition of Haynesville Shale Gas Assets

January 16, 2026



# 1. Transaction Overview

<b>Target</b>	<ul style="list-style-type: none"> <li>100% of the shares and interests in Aethon</li> </ul> <p>"Aethon" collectively refers to Aethon III ("AIII"), Aethon United ("AU"), and related companies. These entities own shale gas (upstream gas) interests and gas processing facilities (midstream infrastructure) in the United States, and are engaged in development, production, and sales. (Agreement in place for Aethon Energy Management to buy back up to 25% of Aethon's upstream / midstream interests)</p>
<b>Primary Sellers</b>	<ul style="list-style-type: none"> <li>Ontario Teachers' Pension Plan ("OTPP")</li> <li>RedBird Capital Partners ("RB")</li> <li>Aethon Energy Management</li> </ul>
<b>Transaction Size</b>	<ul style="list-style-type: none"> <li>\$5.2 billion plus the target's total net interest-bearing debt of \$2.33 billion</li> </ul>
<b>Production / Reserves</b>	<ul style="list-style-type: none"> <li>Second largest production in the Haynesville area, one of the largest reserves in the region</li> <li>Projected peak production: approx. 2.6 Bcf/d Net royalty production volume: approx. 2.1 Bcf/d (2.6 Bcf/d corresponds to approx. 18 million tons per annum on an LNG basis, equivalent to about one-quarter of Japan's LNG demand)</li> </ul>
<b>Estimated FY2027 Profitability (on a 100% basis)</b>	<ul style="list-style-type: none"> <li>Underlying operating CF: ¥270 - ¥300 billion (based on our assumptions)</li> <li>Consolidated net income: ¥70 - ¥80 billion (based on our assumptions)</li> </ul>
<b>Objectives</b>	<ul style="list-style-type: none"> <li>Secure natural gas, which plays a key role in the energy transition, and contribute to stable energy supply</li> <li>Secure competitive gas and participate in commercial flows in the U.S. South, where demand is expected to increase, aiming for stable earnings and value creation by leveraging our integrated strength</li> </ul> <p>■ We will continue to maintain financial soundness by managing cash-in / cash-out with a net D/E ratio of up to approx. 0.6x.</p> <p>■ We continue to aim for carbon-neutrality while fulfilling our responsibility to provide a stable energy supply.</p>



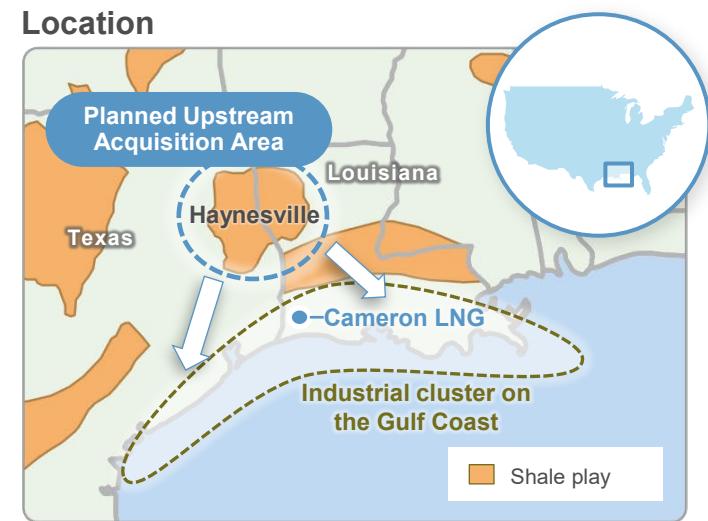
## 2. Transaction Rationale

- The U.S. gas market is the world's largest in domestic demand, production, and exports, and further demand growth is expected, driven by rising power needs from AI / data centers, increasing demand from domestic industries such as manufacturing, and expanding LNG exports.
- Additionally, the U.S. boasts the world's highest gas market liquidity, supported by a nationwide pipeline network and numerous trading hubs, with further development of gas-based industries anticipated.
- Aethon possesses top-tier production scale, reserves, and cost competitiveness in the largest southern gas market in the U.S., enabling improved profitability through production expansion and sales optimization. Drawing on our expertise in natural gas and the North American market, as well as our integrated strengths, we plan to leverage Aethon as a platform for creating broad business value.

### Strategic Benefits

Reserves	<ul style="list-style-type: none"> <li>Highly productive, premium acreage with one of the largest reserves in the region.</li> </ul>
Cost Structure	<ul style="list-style-type: none"> <li>Strong cost competitiveness enabled by high productivity, economies of scale through bulk procurement, and in-house midstream infrastructure.</li> <li>Price resilience can be enhanced through production optimization based on commodity prices.</li> </ul>
Midstream Infrastructure	<ul style="list-style-type: none"> <li>In-house infrastructure including gas processing facilities, as well as secured trunk pipelines extending to the Gulf Coast, enable optimal sales logistics tailored to regional needs.</li> </ul>
Location	<ul style="list-style-type: none"> <li>Located in the largest southern gas market in the U.S., where demand for power, LNG, and adjacent industries is expanding.</li> <li>High correlation with Henry Hub, the international pricing benchmark, and strong affinity with export businesses.</li> <li>Proximity to industrial clusters will enable us to create value by leveraging our diverse industry touchpoints, and broad local business presence.</li> </ul>

### Location



Prepared based on data from the U.S. Energy Information Administration (EIA)

Overview of Aethon	Leasehold Acreage	Recent 3-Year Average Results
<ul style="list-style-type: none"> <li>Established in 1990</li> <li>HQ in Dallas, TX</li> <li>The largest privately-held gas producer</li> </ul>	Approx. 380,000 acres	<ul style="list-style-type: none"> <li>Production: approx. 2.1 Bcf/d (plan to increase to 2.6 Bcf/d)</li> <li>EBITDA: approx. ¥200 billion</li> </ul>

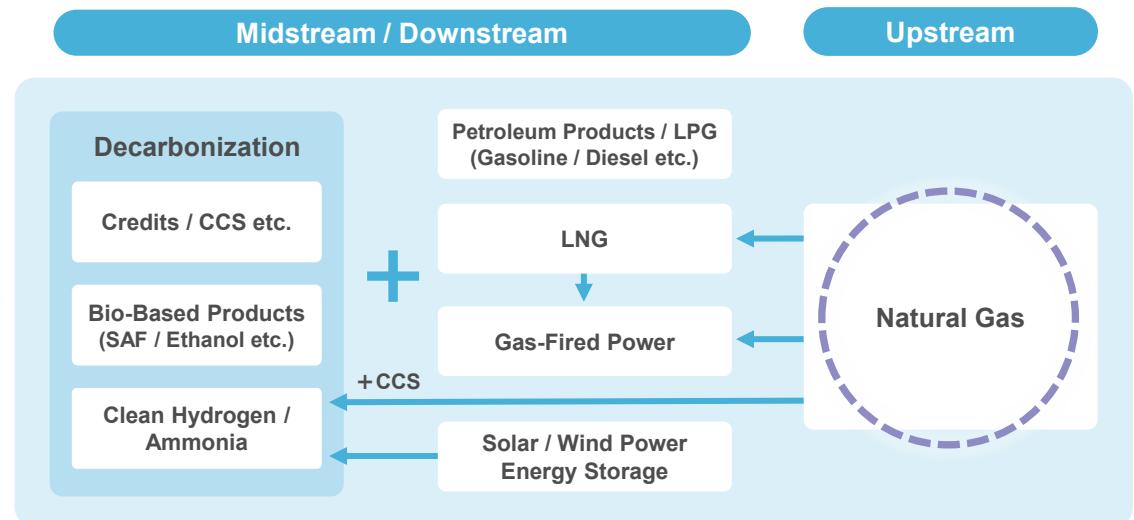
### 3. Our Energy Strategy

- Due to the rapid evolution of AI and data-driven society, increase in global energy demand is expected to accelerate.
- Amid global efforts to ensure energy security and domestic industrial competitiveness, natural gas and LNG are gaining importance as energy sources that can provide a stable supply, maintain cost competitiveness, and serve as key enablers of a phased transition to decarbonization.

**Diverse Customer Needs =  
Societal Challenges**



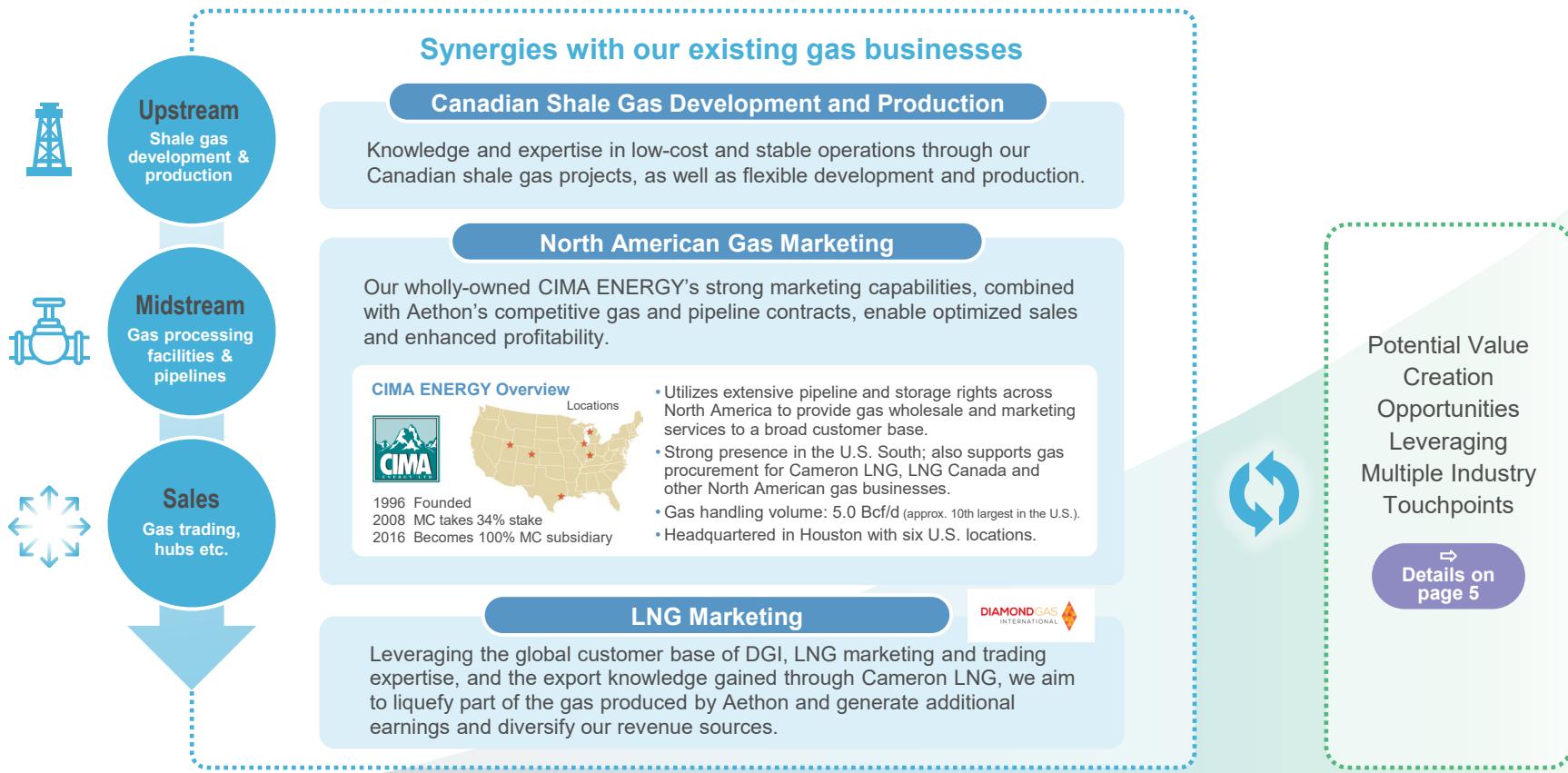
Flexibly deliver optimal solutions to address diverse customer needs across regions and industries



By acquiring cost-competitive gas assets, we will build a natural gas value chain that addresses global energy challenges such as increasing energy demand and the transition to decarbonization.

## 4. Value Creation: Synergies with Existing Businesses

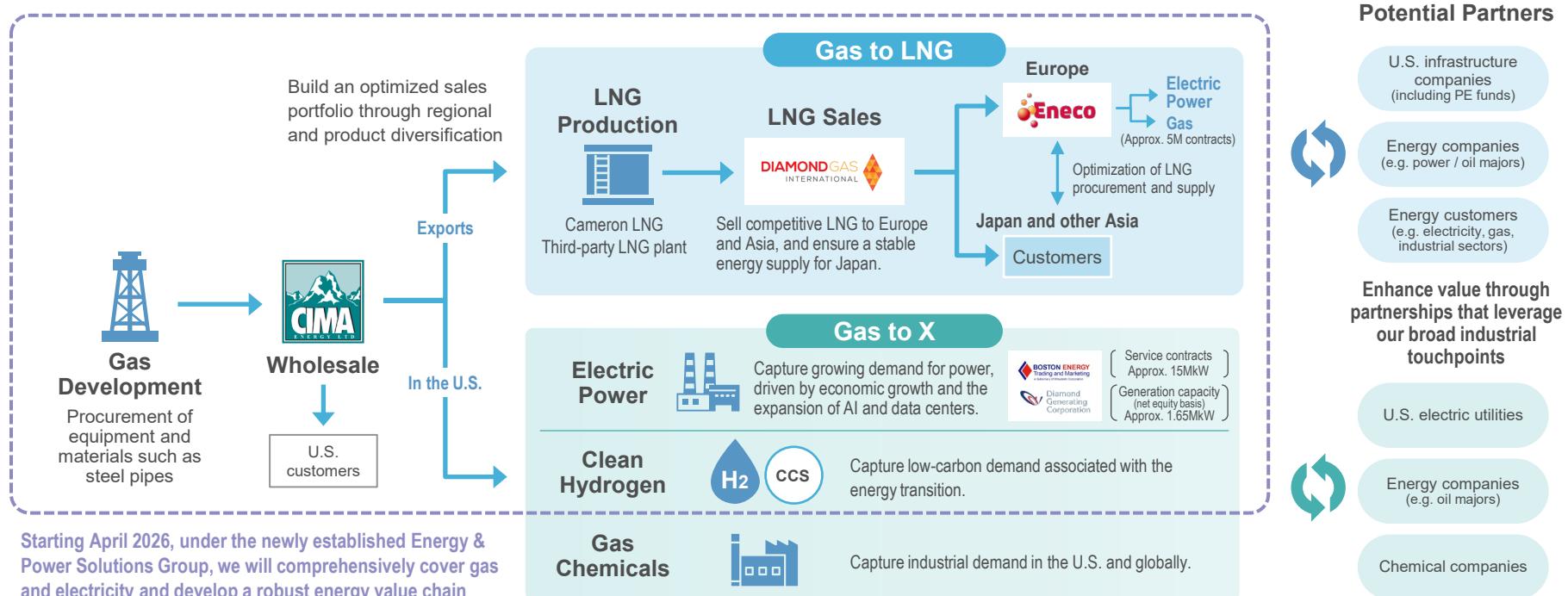
- Drawing on expertise from our Canadian shale gas operations, and CIMA ENERGY's gas marketing capabilities, we will leverage our North American upstream and US gas marketing knowledge to ensure stable operations, risk management including production optimization and effective hedging, and optimized sales to drive value creation.
- We will also leverage the expertise of our LNG marketing subsidiary, Diamond Gas International ("DGI"), to advance the realization of our Gas to LNG initiative (refer to page 5 for details).



## 5. Value Creation: Natural Gas Value Chain

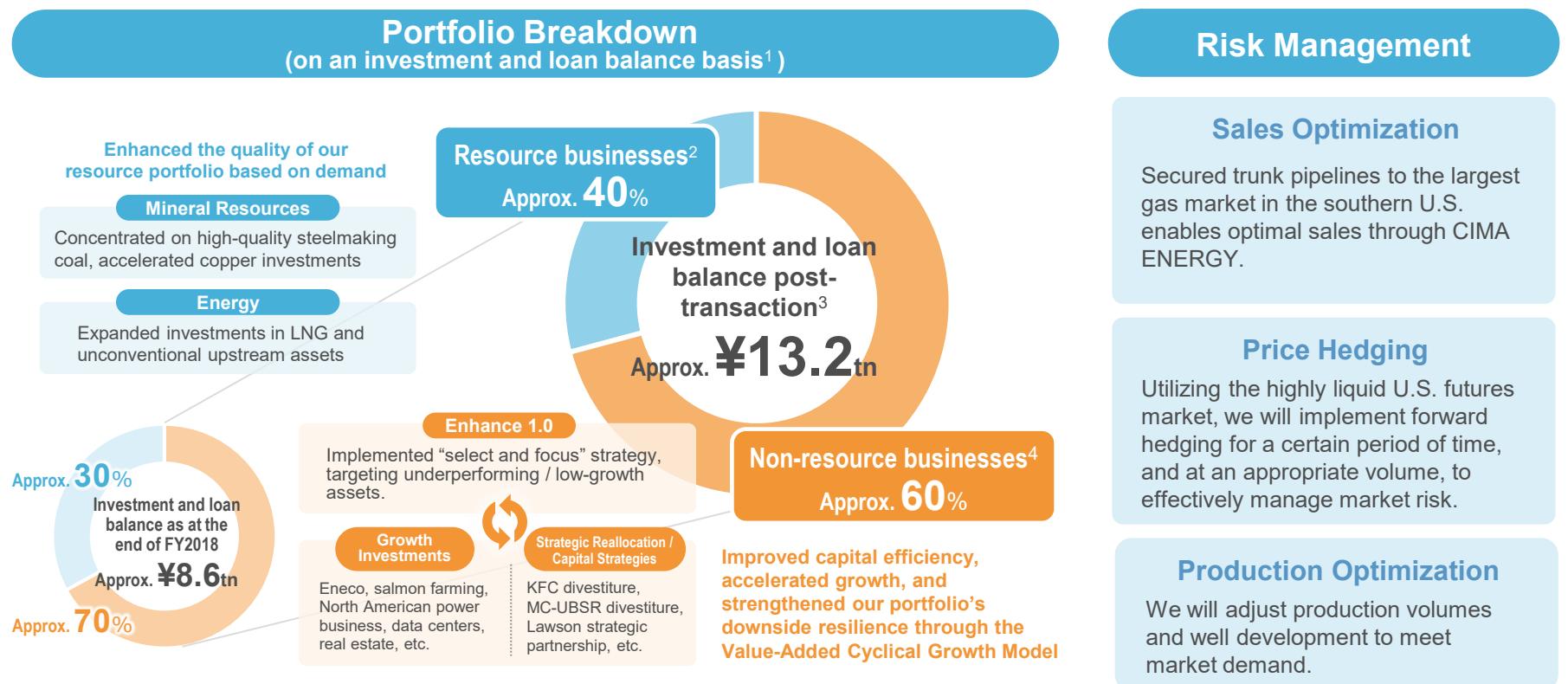
- We plan to expand our business platform in the southern U.S., a region well-positioned for growth as an industrial hub and export base, by engaging in power generation and manufacturing businesses that capitalize on competitive upstream gas.
- We will deliver tailored solutions to evolving customer needs in the U.S. and globally, through the sale of gas and LNG, electricity, clean hydrogen, and gas chemical products, to pursue developing a natural gas value chain.
- Leveraging our global network, we will flexibly consider inviting strategic partners who are well-positioned to co-create value, while assessing the optimal approach from both capital structure and business perspectives.
- And finally, we will establish a U.S. energy company that integrates our gas and power expertise to drive value creation across the natural gas value chain.

### Potential Value Chain Opportunities: Leveraging Our Integrated Strengths



# 6. Portfolio Management

- We have strengthened non-resource investments to enhance downside resilience, while building high-quality resource assets to capture upside. We will maintain our portfolio balance following the transaction, and drive growth through continued investment and asset recycling.
- To ensure stable earnings from this acquisition, we will strengthen risk management leveraging the strategic advantages of the shale gas business and the southern U.S. market and enhance profitability utilizing our integrated strengths.



<sup>1</sup> Investment and loan balance = Tangible fixed assets + Investments + Loans + Intangible assets and Goodwill).

<sup>2</sup> Investment and loan balance for our resource businesses is calculated by subtracting trading and other businesses from the Environmental Energy segment and the Mineral Resources segment.

<sup>3</sup> Investment and loan balance as at the end of FY2025 Q2 (approximately ¥12.1 trillion) plus the incremental investment and loan balance associated with the completion of this transaction.

<sup>4</sup> Investment and loan balance following the completion of this transaction<sup>3</sup> minus the investment and loan balance of our resource businesses<sup>2</sup>.

## Risk Management

### Sales Optimization

Secured trunk pipelines to the largest gas market in the southern U.S. enables optimal sales through CIMA ENERGY.

### Price Hedging

Utilizing the highly liquid U.S. futures market, we will implement forward hedging for a certain period of time, and at an appropriate volume, to effectively manage market risk.

### Production Optimization

We will adjust production volumes and well development to meet market demand.

## 7. Sustainability

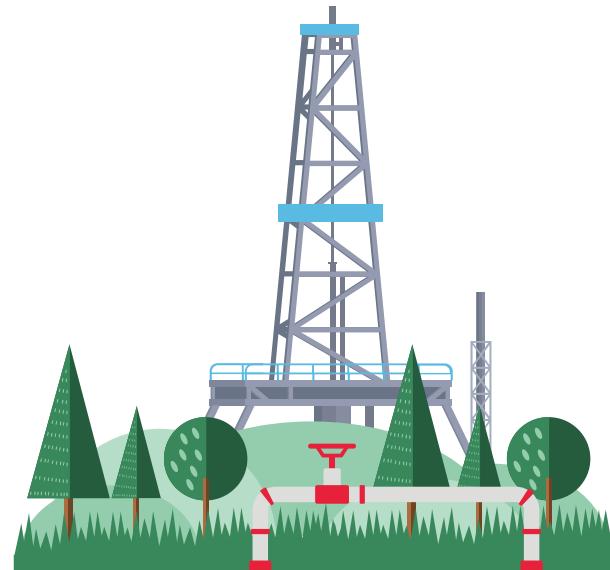
- Aethon has adopted environmentally conscious development methods and is working to reduce GHG emissions.
- Methane and CO<sub>2</sub> emissions intensity have been reduced by 40% - 50% over the past five years.
- We will continue to comply with environmental regulations, maintain and strengthen sustainability-focused operations, and pursue further decarbonization.

### Climate Change Response / GHG Emission Reduction

Leverage our broad sustainability expertise



- Increased frequency of methane leak inspections / repairs.
- Emission reduction through changes in equipment / materials used.
- Consideration of other technologies such as CCS.



## 8. Progress of CS 2027: Capital Allocation

- Cash-in projections are progressing well against the Corporate Strategy 2027 (“CS 2027”) plan. We have a solid pipeline that enables us to execute our investment plan, and our business development initiatives continue to progress.
- We will continue to focus on strengthening underlying operating CF and cash inflows from divestitures, in addition to strategically using leverage. These initiatives will create additional capacity to fund investments and/or deliver additional shareholder returns, driving sustained growth and efficiency.

CF Items		Corporate Strategy 2027 3-year Plan	Notes / Impact of Transaction (on a 100% basis)											
Cash-In	<b>Underlying operating CF</b>	<b>¥3.3 trillion+</b>	<ul style="list-style-type: none"> <li>● Approx. ¥0.5 trillion from this transaction</li> <li>● FY2025 full-year forecast: ¥0.9 trillion</li> </ul>											
	<b>Divestitures</b>	<b>¥1.7 trillion+</b>	<ul style="list-style-type: none"> <li>● As of FY2025 Q2: ¥0.3 trillion</li> <li>● We will accelerate and strengthen cash inflows from divestitures (Agreement in place for Aethon Energy Management to buy back up to 25% of Aethon's upstream / midstream interests)</li> </ul>											
	<b>Debt Financing</b>	We will strategically use leverage while preserving financial soundness, capping our net D/E ratio at approx. 0.6x	During the CS 2027 period, our capacity to use leverage, capped at approx. 0.6x, remains unchanged as per our original plan <sup>1</sup>											
Cash-Out	<b>Sustaining CAPEX</b>	<b>¥1.0 trillion+</b>	<ul style="list-style-type: none"> <li>● Approx. ¥0.4 trillion from this transaction</li> <li>● As of FY2025 Q2: ¥0.2 trillion</li> </ul>											
	<b>Growth Investments</b>	<b>¥3.0 trillion+</b>	<ul style="list-style-type: none"> <li>● Approx. ¥0.8 trillion from this transaction</li> <li>● As of FY2025 Q2: ¥0.4 trillion</li> <li>● We continue to maintain a solid pipeline and are on track to achieve our investment plan</li> </ul>											
	<b>Share Buybacks</b>	<b>¥1.0 trillion+</b>	<p>CS 2027 Plan</p> <table border="1"> <tr> <td>Enhance</td> <td>0.2</td> <td>Initiatives in progress</td> <td>¥1.5 trillion+</td> </tr> <tr> <td>Reshape</td> <td>0.1</td> <td>Multiple projects under consideration</td> <td>¥0.5 trillion+</td> </tr> <tr> <td>Create</td> <td>0.1</td> <td>0.8 (projected cash outflow for this transaction)</td> <td>¥1.0 trillion+</td> </tr> </table>	Enhance	0.2	Initiatives in progress	¥1.5 trillion+	Reshape	0.1	Multiple projects under consideration	¥0.5 trillion+	Create	0.1	0.8 (projected cash outflow for this transaction)
Enhance	0.2	Initiatives in progress	¥1.5 trillion+											
Reshape	0.1	Multiple projects under consideration	¥0.5 trillion+											
Create	0.1	0.8 (projected cash outflow for this transaction)	¥1.0 trillion+											
<b>Dividends</b>		<b>¥1.4 trillion+</b>	Shareholder return policy unchanged from April 3, 2025 announcement											

<sup>1</sup> In addition to the projected cash outflow of ¥0.8 trillion for this transaction, the projected ¥0.3 trillion of net interest-bearing debt to be recognized upon consolidation of Aethon may temporarily push the net D/E ratio above 0.6x. However, this is purely due to timing differences in cash flows; our ability to use leverage remains unchanged.

## 9. Progress of CS 2027: Enhance, Reshape, Create Initiatives

- With this transaction, “Create” initiatives are expected to significantly exceed the underlying operating CF growth plan under CS 2027. We are also nearing our profit growth plan.
- “Enhance” and “Reshape” initiatives have also shown solid progress within the first six months of CS 2027, and we will accelerate efforts to meet our cash flow and profit growth plan.

### FY2027 Growth Plan and Current Progress

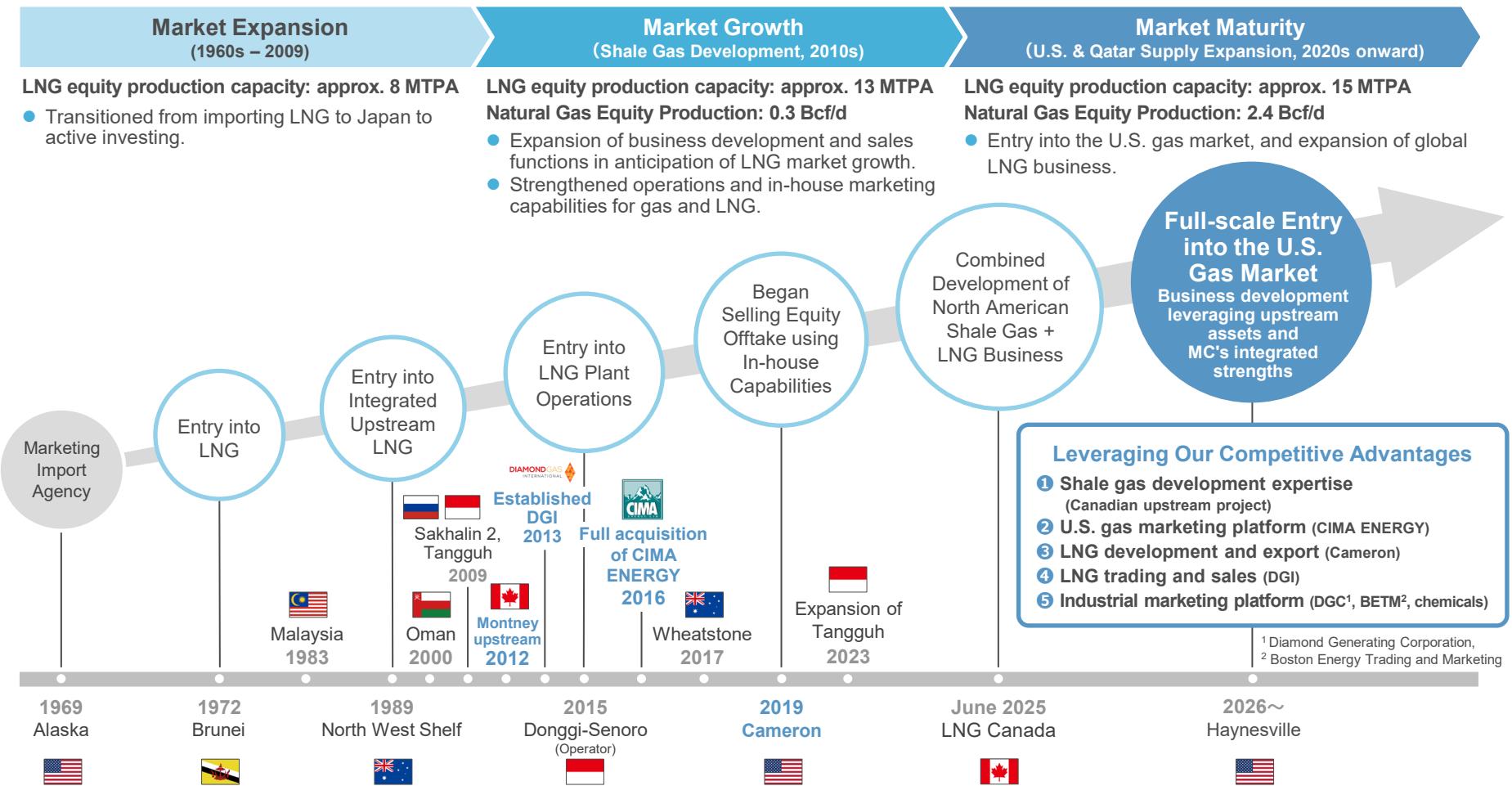
Items	Projected Contributions from Major Invested Projects (FY2024 to FY2027)		Progress
	Underlying Operating CF <sup>1</sup>	Consolidated Net Income <sup>2</sup>	
Create	Progress ¥270- ¥300bn CS 2027 plan ¥100bn+	Progress ¥70- ¥80bn CS 2027 plan ¥100bn+	<ul style="list-style-type: none"> <li>Through this transaction (on a 100% basis), underlying operating CF is expected to significantly exceed our plan and will add ¥70 - ¥80bn to consolidated net income.</li> <li>Combined with upside from leveraging our integrated strengths and pipeline opportunities, we have neared our profit growth plan; our efforts continue.</li> </ul>
Reshape	Multiple opportunities under consideration ¥50bn+	¥10bn+ ¥50bn+	<ul style="list-style-type: none"> <li>Consolidation of Mitsubishi Shokuhin adds ¥10bn+ to consolidated net income.</li> <li>Multiple potential opportunities under consideration.</li> </ul>
Enhance	¥140bn+ ¥300bn+	¥110bn+ ¥250bn+	<ul style="list-style-type: none"> <li>With projects invested such as LNG Canada and salmon farming, together with increasing prospects for divestiture of asset turnover-type businesses, we expect to achieve roughly half of Enhance underlying operating CF and profit growth plans.</li> </ul>
Total	¥410bn+ ¥450bn+	¥190bn+ ¥400bn+	<ul style="list-style-type: none"> <li>Clearer visibility on the investments and asset divestitures that will enable us to achieve approx. 90% of the underlying operating CF plan and approx. 50% of the profit growth plan for CS 2027.</li> <li>We will continue to accelerate new business development and value-enhancement of existing businesses.</li> </ul>

<sup>1</sup> Increase in underlying operating CF in FY2027 from FY2024 operating CF minus cash flows of divested businesses and the effects of FY2024 business reorganizations (approx. ¥0.9tn)

<sup>2</sup> Increase in consolidated net income in FY2027 from FY2024 consolidated net income minus capital recycling gains / losses and one-off items, excluding asset turnover-type businesses gains / losses (approx. ¥0.7tn)

# Appendix: Our Growth in the Natural Gas Business

- For over 50 years, we have continuously evolved our business model to adapt to macroenvironmental changes, ensuring growth, and contributing to a stable energy supply.
- Beyond our expertise in natural gas, we aim to generate additional value by leveraging our integrated strengths.





#### **Forward-Looking Statements**

- This release contains forward-looking statements regarding Mitsubishi Corporation's ("MC", the "Company" or "Parent") future plans, strategies, beliefs and performance that are not historical facts. Such statements are based on the Company's assumptions and beliefs as a result of competitive, financial and economic data currently available, and are subject to a number of risks, uncertainties and assumptions that, without limitation, relate to world economic conditions, exchange rates and commodity prices.
- Accordingly, Mitsubishi Corporation cautions readers that actual results may differ materially from those projected in this release and that Mitsubishi Corporation bears no responsibility for any negative impact arising from the use of this release.

#### **Notes Regarding This Presentation Material**

- "Consolidated net income" refers to "Profit (loss) for the year attributable to owners of the Parent" which excludes non-controlling interests.
- "Equity" refers to "Equity attributable to owners of the Parent" which excludes non-controlling interests.
- Mitsubishi Corporation's fiscal year ends March 31.

**Disclaimer: This English translation is solely for reference purposes only and not a legally definitive translation of the original Japanese text. In the event a difference arises regarding the meaning herein, the original Japanese version will prevail as the official authoritative version.**