

MCSV Creation Forum
Investor Day 2026

3 Initiatives to Enhance Growth Expectations and Reduce Capital Costs

Executive Vice President,
Chief Stakeholder Engagement Officer,
(Concurrently) Capital Alliances

Kenji Kobayashi

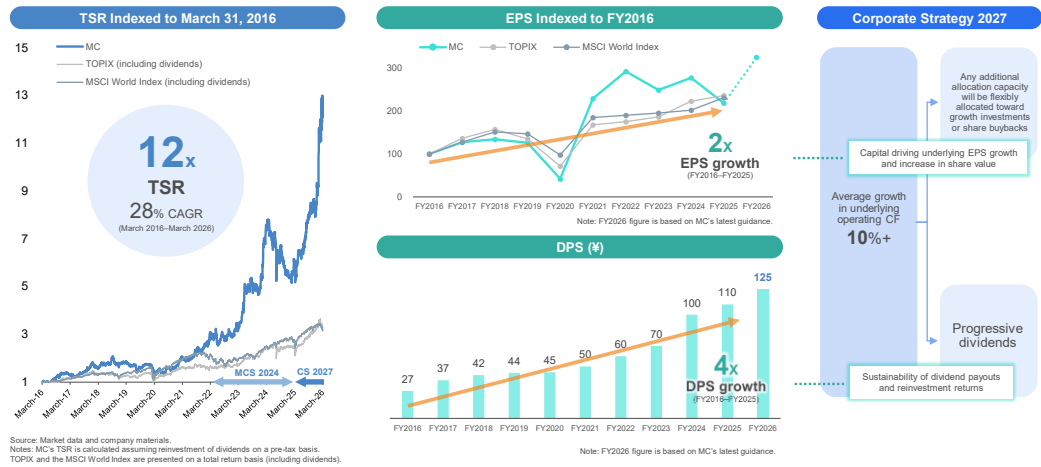
My name is Kenji Kobayashi, CSEO, and I am the final speaker in this first half of our session today.

I will be discussing our initiatives focused on driving higher growth expectations and reducing our cost of capital.

Let me begin with our ongoing efforts to enhance corporate and shareholder value.

1. Initiatives to Enhance Corporate and Shareholder Value

- Our TSR has grown approximately 12x over the past 10 years, driven by sustained earnings per share (EPS) growth and progressive increases in dividends per share (DPS).
- Through Corporate Strategy 2027 initiatives, we will continue to make progress toward sustainable EPS and DPS growth, which remain the key drivers of our TSR. At the same time, we are accelerating efforts to raise market growth expectations by consistently demonstrating our unique integrated strengths.



Initiatives to Enhance Corporate and Shareholder Value

As shown on this slide, our Total Shareholder Return (TSR) has increased approximately twelve-fold over the past 10 years, representing an average annual growth rate of around 28%.

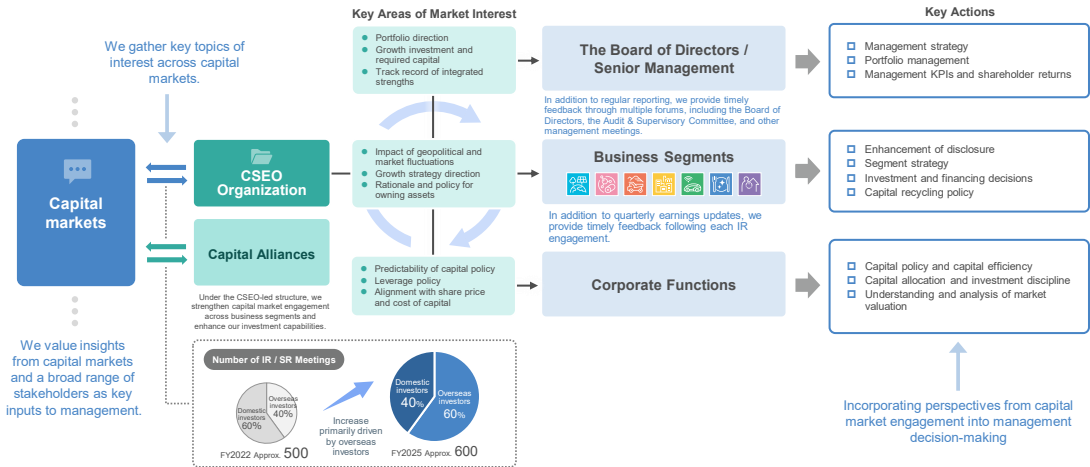
We believe this reflects our track record of growth in earnings per share (EPS), and progressively increasing our dividend per share (DPS).

Going forward, we will continue to ensure the effective execution of Corporate Strategy 2027. We will make progress toward sustainable growth in both EPS and DPS by expanding our underlying operating cash flow, improving capital efficiency, and maintaining strict discipline in our capital allocation.

At the same time, we will actively work to enhance the clarity of our growth story and our value creation process, ultimately aiming to strengthen market expectations for our future growth.

2. Strengthening Management Through Active Capital Market Engagement

- Key insights from capital market engagement are shared with the Board, management, and business segments on a timely and ongoing basis.
- By incorporating external perspectives into our growth strategy, we enhance management decision-making and corporate value.



Strengthening Management Through Active Capital Market Engagement

In FY2023, we established the CSEO position and revamped our stakeholder engagement model, strengthening our ongoing engagement with shareholders, investors, and other key stakeholders.

The insights gained through this engagement—which include feedback on our management approach as well as critical intelligence on market trends—are shared continuously and in a timely manner across various internal forums. These forums include Board of Directors meetings, executive-level discussions, and other interactions involving senior management, our business segments, corporate functions, and our broader employee base. Ultimately, these insights are incorporated into our strategy formulation and execution processes.

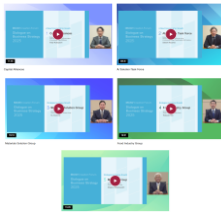
3. Initiatives to Enhance Visibility and Reduce the Cost of Capital

- In response to capital market feedback, we are enhancing the visibility and clarity of our strategy and earnings growth trajectory.

Feedback from Capital Markets

"We seek greater detail on Corporate Strategy 2027 and each segment's medium to long-term strategy."

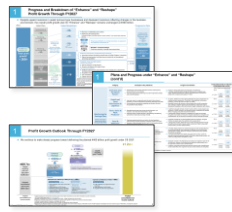
We explain each segment's strategy through IR events, covering both qualitative and quantitative perspectives.



June 2025 MC Shared Value Creation Forum
—Dialogue on Business Strategy—

"We would like greater visibility into progress and plans under the Enhance / Reshape and Create initiatives."

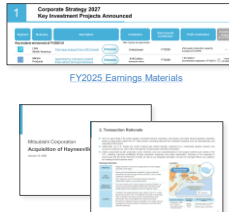
We disclose breakdowns and provide progress updates for key businesses.



FY2025 Earnings Materials

"We would like clarity on when completed investments will begin contributing to earnings and the expected scale of that contribution."

We disclose key projects, including investment scale and expected timing of profit contribution. (Project briefings are held as needed)



Presentation on Investment in U.S. Shale Gas Business

"We would like more detail on MC's approach to GHG reductions, including scope-based contributions and related financial impacts."

We disclose our policy framework and analytical outcomes (including Scope 1 and 2, Scope 3 where applicable, contributions to reductions, and financial impacts).



Sustainability Report 2025

Sustainability Website

Initiatives to Enhance Visibility and Reduce the Cost of Capital

Alongside incorporating stakeholder feedback into our management practices, we are continuously enhancing our disclosures to ensure the market has a clear understanding of our value creation story and growth strategies.

In response to investor demand for deeper insight into Corporate Strategy 2027 and our medium to long-term business strategies, we provide both qualitative and quantitative information through IR events such as today's session.

To improve visibility into the progress of our "Enhance / Reshape" and "Create" initiatives, as well as the impact of our executed investments, we have expanded our disclosures through our earnings materials and other channels.

Beyond financial metrics, as the scope of required disclosures continues to expand year by year, we have been increasing the range of information we share. For example, in recent years our greenhouse gas emissions reporting has evolved to cover not only Scope 1 and 2, but also Scope 3, alongside our broader contributions to emissions reductions.

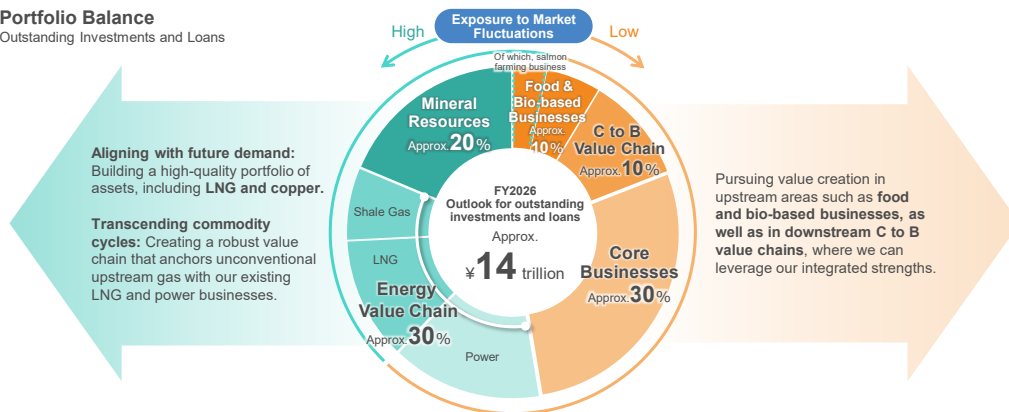
While we have made solid progress in these areas, we continue to listen closely to your feedback regarding the quality and clarity of our disclosures. We remain fully committed to further improving our transparency by actively incorporating stakeholder perspectives.

4. Optimizing Our Portfolio for Long-term Growth and Value Creation

- We will continue to enhance visibility into the changes in our portfolio driven by our cyclical growth approach.

Portfolio Balance

Outstanding Investments and Loans



By driving differentiated value creation, we will strengthen earning stability in less market sensitive businesses. In mineral resources and energy, we will capture market upside while enhancing downside resilience, further strengthening our portfolio's robustness.

Optimizing Our Portfolio for Long-term Growth and Value Creation

As part of our efforts to improve visibility, we have introduced several new disclosure approaches in today's CEO and CFO presentations.

In this section, I would like to present a new perspective on our portfolio structure.

Historically, our businesses have often been categorized as either resource or non-resource.

However, we believe this classification does not fully capture the true characteristics of our portfolio.

For example, even within resource-related businesses, midstream LNG and upstream mineral resources have fundamentally different exposure profiles. Similarly, some Food & Bio-based businesses also face significant market volatility.

Based on this perspective, we are presenting a new disclosure approach categorized by the degree of exposure to market fluctuations.

As illustrated on the slide, the areas outlined in orange along the outer ring represent businesses with relatively low exposure. Here, our aim is to strengthen our earnings base through MC's unique value creation capabilities.

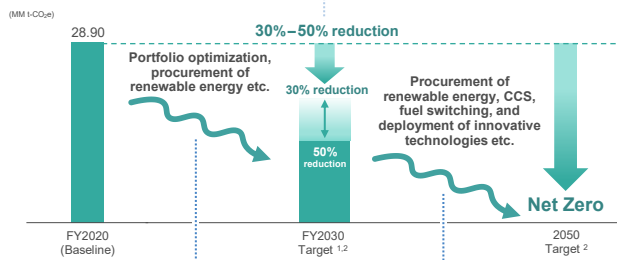
Conversely, the areas outlined in blue along the outer ring represent businesses with higher market exposure, including certain Food & Bio-based businesses, such as salmon farming, to LNG businesses. For these areas, we aim to enhance visibility regarding asset quality, growth potential, and our risk mitigation measures.

While this represents a new analytical perspective, we will continue to enhance our disclosures to enable a deeper understanding of our portfolio.

5. Strategic Pathways to Decarbonization

- In May, we published Roadmap to a Carbon Neutral Society 2.0. By addressing the three energy challenges—supply security, affordability, and decarbonization—we are advancing responsible Energy Transformation (EX).
- By integrating emissions reduction with our corporate strategy, we will strengthen our portfolio and accelerate progress toward net zero by 2050.

- To advance responsible EX, we will provide optimized solutions tailored to regional needs—addressing supply security and decarbonization—while building a foundation for sustainable growth.
- Based on multi-scenario analysis, we have revised our FY2030 GHG emissions reduction target to 30%–50% (vs. FY2020).

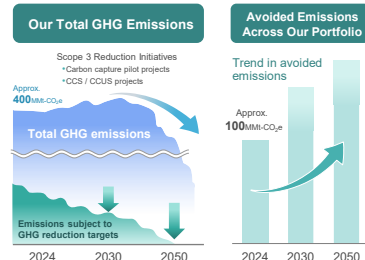


- For Green and Transform businesses, which are highly impacted by climate change, we conduct multi-scenario analyses to systematically assess climate-related risks and opportunities, including financial impacts.
- To mitigate stranded-asset risks, we assess material Transform businesses.
- In addition to screening individual projects, we hold discussions at Business Strategy Committee meetings based on our GHG reduction targets and formulate strategies and investment plans.

¹ The boundary for the FY2030 target is consistent with the baseline. Specific reduction pathways and measures may be adjusted in response to technological developments, economic feasibility, and policy and regulatory development. The boundary includes Scope 1, Scope 2, and a portion of Scope 3 emissions.

² If targets are not fully achieved despite ongoing emissions reduction efforts, we may utilize internationally recognized offset mechanisms, including carbon removals (e.g., carbon credits).

- In addition to achieving our own GHG emissions reduction targets, we are prioritizing emissions reductions across our value chains, including Scope 3.
- We will continue to measure, monitor, and disclose Scope 3 emissions.



- We use “avoided emissions” as an indicator of our contribution to decarbonization.
- Through a range of EX initiatives, including our copper business, we aim to support broader emissions reductions across value chains.

Strategic Pathways to Decarbonization

Finally, I will outline our Roadmap to a Carbon Neutral Society 2.0, announced on May 2. We have reaffirmed our policy of directly addressing the three key energy challenges: stable supply, affordability, and decarbonization. By balancing these priorities, we are advancing a responsible energy transformation.

To support this approach, we have revised our FY2030 GHG emissions reduction target to a range of 30% to 50%. This update gives us the agility to navigate the varying pace of energy transition across global markets.

And while we maintain our goal of achieving Net Zero by 2050, we will pursue multiple pathways so we can pivot as the energy landscape evolves.

At the same time, we will continue to conduct rigorous risk assessments for businesses with high climate exposure, including close monitoring of potential stranded asset risks.

In addition, we have been using ‘avoided emissions’ as a metric to measure our contribution to decarbonization across society. Through our diverse EX initiatives—including our copper business—we aim to support the path to decarbonization.

Closing

This concludes my presentation.

For further insights into the Board-level discussions regarding our value creation initiatives and our revised roadmap, we invite you to hear directly from our independent directors in the following session.

Thank you for your time and attention.