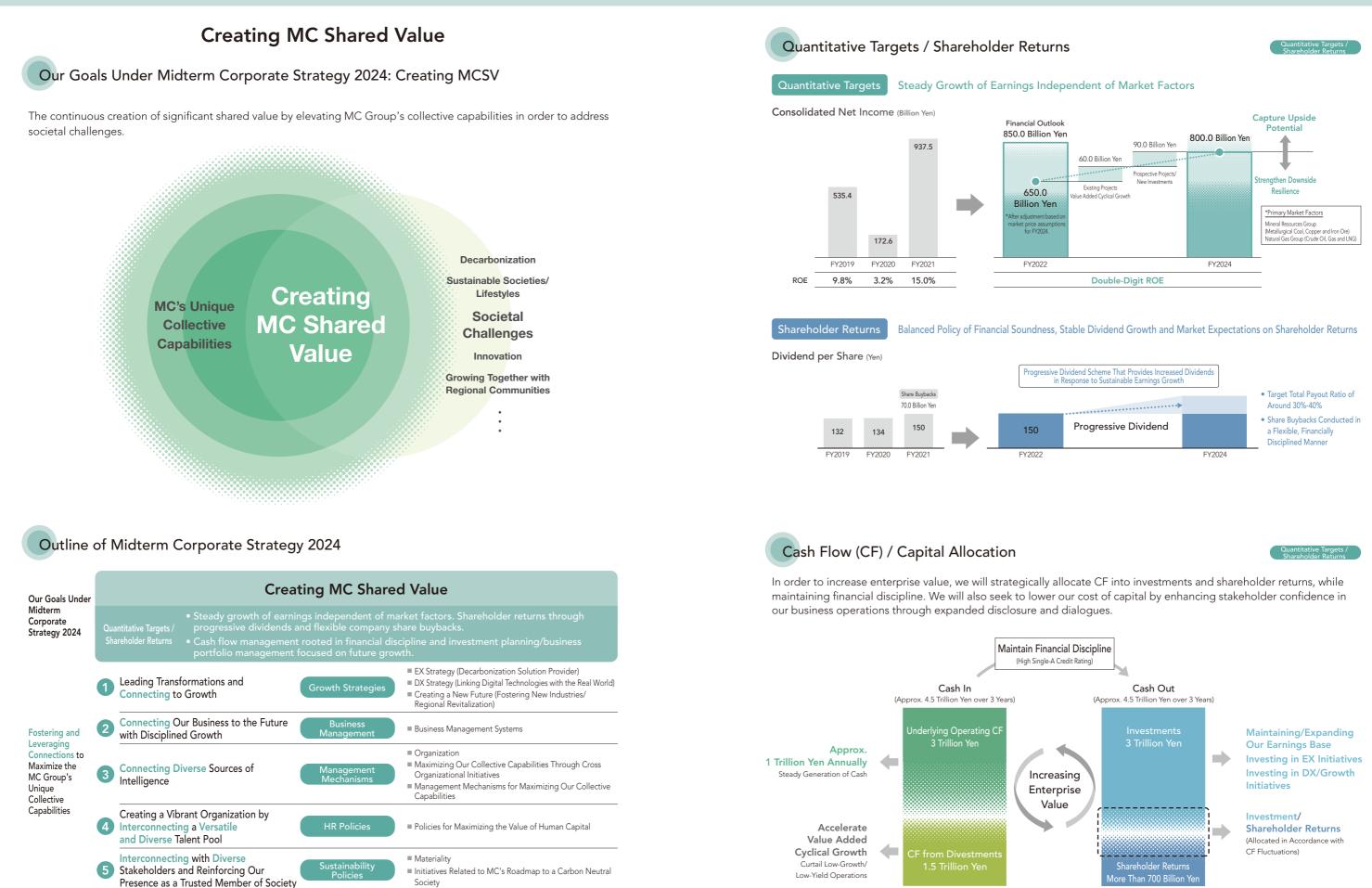
Midterm Corporate Strategy 2024



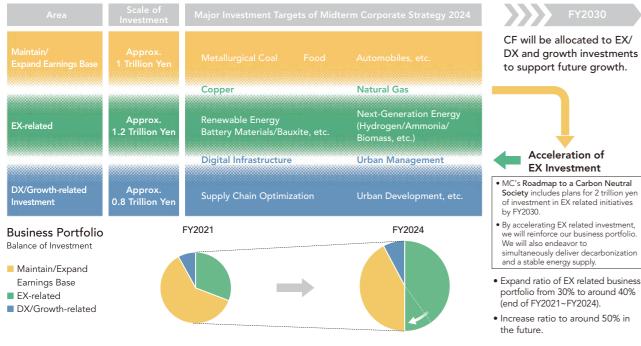
idend Scheme That Provides Increased Dividends sponse to Sustainable Earnings Growth	
	 Target Total Payout Ratio of Around 30%-40%
Progressive Dividend	 Share Buybacks Conducted in a Flexible, Financially Disciplined Manner
FY2024	



(1) Growth Strategies

Investment of 3 trillion yen is planned during this midterm strategy; EX-related investments are to be accelerated. At the same time, we will steadily promote investment in maintaining/expanding our earnings base and in DX/growth related investment areas.

Investment Plan (FY2022-FY2024)



EX Strategy

- Promote low/zero carbon initiatives across the energy sector by connecting seeds (solutions) with needs related to EX Resources, Materials and Products.
- Provide solutions as EX Services while working closely with industry, consumers and regions to address emission reduction needs.

Aim to Become a Decarbonization Solution Provider

EV			
Take on the challenge of providing	Upstream	Midstream	Downstream
stable supplies of energy and resources while simultaneously supporting decarbonization efforts of society and business.	Access to Se Limited by Scarcit	Grace the	e Needs of Diverse Industries/Clients
Efforts to enhance renewable energy businesses, mineral resources that underpin Electrification, and low/zero carbon energy.	Renewable Energy, Green Hydrogen Copper, Lithium, Nickel Natural Gas, Blue Hydrogen/Ammonia Carbon Credits (Development)	EX Materials Green Steel Carbon Neutral Materials for Construction/Other Uses	EX Products Next-Generation Fuels Carbon Neutral Products (PET Bottles, Textiles, etc.) Consumers
Expand service-providing businesses by offering EX solutions in response to customer needs.	1	I	Carbon Credits (Supply)
Leverage MC's far-reaching operations to appeal to consumers/regional communities by connecting seeds and needs.	EX Services "Climate Jour Assessments Target Setting	rmey Navigator," Decarbonization Co Emission Reductions Carbon C	
Join with partners to support the transition to a carbon neutral society and improvements in industry competitiveness, while maintaining a holistic view of the EX value chain.		Supporting the Deploymer New Technologies	it of)
		Partners/ Industry Expertise	X Branding/ Marketing

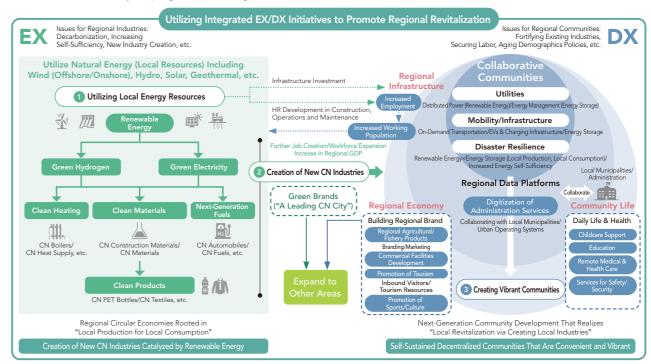
DX Strategy

- Broadly deploy MC's DX Capabilities across business operations in order to promote value enhancement through DX initiatives, targeting diverse, real-world businesses.
- Address societal challenges by linking digital technologies with the real world, thereby contributing to the development of industry and a future society with vibrant communities.



Creating a New Future (Fostering New Industries/Regional Revitalization)

Work with partners and local municipalities to address challenges facing society and industry on the themes of (1) utilizing renewable energy and other local energy resources; (2) creating new "Carbon Neutral (CN)" industries; and (3) developing vibrant communities by helping to resolve regional issues.



(1) Growth Strategies

(1) Growth Strategies

Business Management Systems

Establish management mechanisms to promote self-initiated strengthening of Business Group management with a view to achieving quantitative targets. 800.0 Consolidated Net Income Maintain High Single-A Credit Rating (FY2024) Billion Yen Double-Digit ROE Post-Returns Free Cash Flow > 0 Approx. Underlvina (Over Midterm Strategy's 3-Year Period) 2 Operating CF 1 Trillion Yen per Year 2 Group ROE Group Net Income/CF 4 CF Management System • Strengthen monitoring of Business Group net • Achieve company-wide ROE targets by linking • Use cash generated by the Business Groups to income that is independent of market factors ROE and the investment/asset replacement provide stable shareholder returns and drive business portfolio transformation. in an environment where we experience plans of Business Groups. significant commodity price fluctuations. eve improvements in mid- and long-term yields by • Build a system through which the Business securing capital gains and replacing low-yield b • Expand monitoring of underlying operating Groups can independently carry out CF for each Business Group. 3 Asset Replacement Plans investment and asset replacement. • Promote Value-Added Cyclical Growth by assigning asset replacement targets to the Business Groups. FY2022 FY2023 FY2024 Progress Review Meeting **Progress Review Meeting** Progress Review Meeting 9 Promote Improvements in Capital Efficiency Through Monitoring of Business Group ROE/Asset Replacement Plans

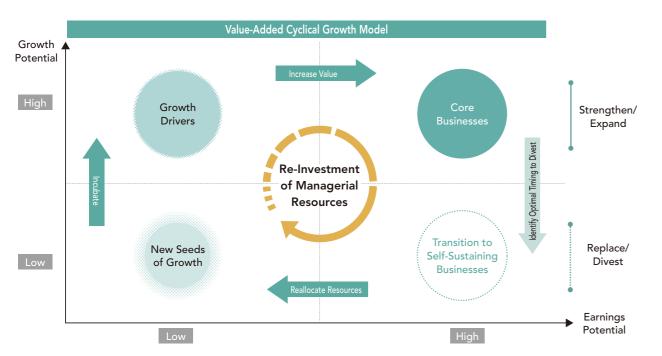


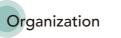
Business Management System: Value-Added Cyclical Growth Model

2 Business Managemer

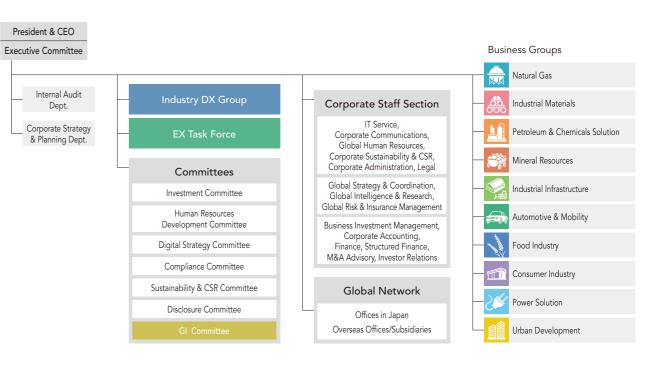
2 Business Mana

Respond to changes in the business environment by accelerating the application of the Value-Added Cyclical Growth Model and redirecting managerial resources to New Seeds of Growth and Growth Drivers.



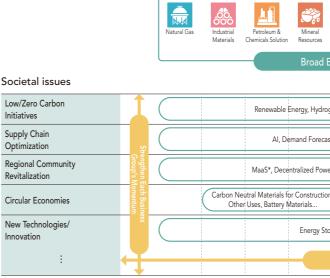


- MC offices/subsidiaries and the EX Task Force.
- capacity to respond to rapidly-changing external environment.



Optimizing Collective Capabilities Through Cross-Organizational Initiatives (3) Management Mechanisms

Bolster capacity for utilizing global intelligence to make timely responses and promote cross-industry initiatives to meet the challenges of a macro environment marked by geopolitical and other uncertainties, and a business environment subject to significant changes across industries.



Mobility as a Service (MaaS)
 ** Virtual Power Plant (VPP): Energy supply services that function like power plants by controlling/managing multiple power sources, suc as dispersed renewable energy assets.

• Establish the Industry DX Group. Increase momentum in the DX area through coordination among Business Groups,

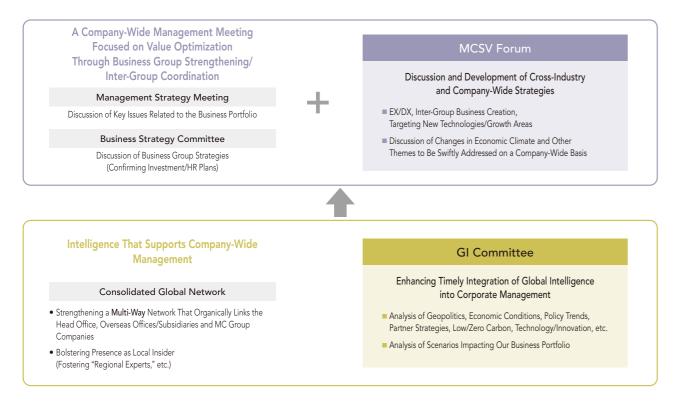
• Establish the Global Intelligence (GI) Committee as a subcommittee under the Executive Committee. Strengthen

Industrial Automotive & Food Industry Power Solution Urban Development Group					
Engagement with Wide-Ranging Industries					
rogen, Next-Generation Fuels, Copper, Natural Gas, Energy Management					
casting, Location Data, Logistics Streamlining, Financial Settlements					
wer, Urban Operating Systems, Smart Buildings, Fintech, Digital Marketing					
ion/ Storage Batteries Blockchain					
Storage, Carbon Separation and Capture, Green Materials					
Cross-Industry Coordination					
al Intelligence via MC's Worldwide Network					

Management Framework for Optimizing Collective Capabilities



Address challenge of unpredictable changes occurring across industries by promoting cross-industry strategies on a company-wide basis through the MC Shared Value (MCSV) Forum while also incorporating input from the GI Committee.

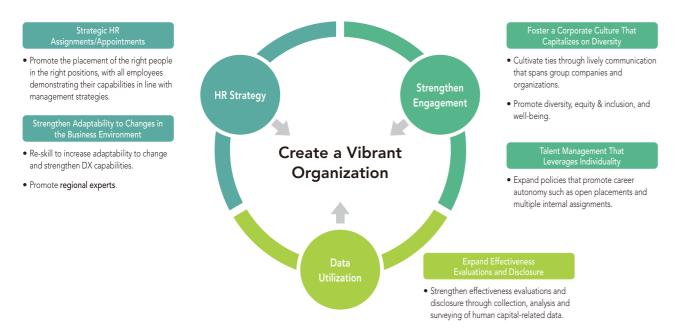


Optimizing the Value of Human Capital

> Please refer to pages 38-45 for details on "Human Capital". 4 HR Policies

• Enable motivated professionals who take pride in actively fulfilling their responsibilities with a view toward creating MC Shared Value, while interconnecting with members of our diverse and versatile talent pool.

• Strive to optimize the value of our human capital by creating such a dynamic, spirited and vibrant organization.



Materiality

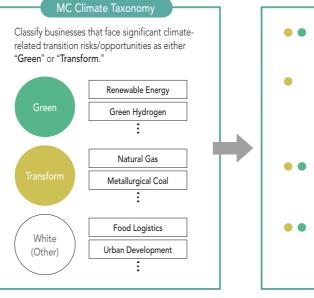
Creating MCSV by selecting a set of crucial societal issues as our unique definition of "materiality" that we will prioritize through our business activities.

		lssues	
Realizing a Carbon Neutral Society and Striving to Enrich Society Both Materially and Spiritually		Contributing to Decarbonized Societies	Contribute to the realizat providing products and s
	\$	Conserving and Effectively Utilizing Natural Capital	Recognizing the Earth its natural capital, and work
		Promoting Stable, Sustainable Societies and Lifestyles	Promote sustainable soci industries, while fulfilling etc., in line with the need
	0	Utilizing Innovation to Address Societal Needs	Create businesses that he supported by business in
		Addressing Regional Issues and Growing Together with Local Communities	Strive to contribute to the regions, while seeking to
	(Respecting Human Rights in Our Business Operations	Respect the human rights solutions for value chain-
Striving to Serve as a Platform for Generating Triple-Value Growth*		Fostering Vibrant Workplaces That Maximize the Potential of a Diverse Workforce	Recognizing that our humar efforts to generate triple-va human resources share com
	000	Realizing a Highly Transparent and Flexible Organization	While swiftly responding consolidated basis and m

*Triple-value growth: the simultaneous generation of economic value, societal value, and environmental value

Initiatives Related to MC's "Roadmap to a Carbon Neutral Society"

Adopt and promote mechanisms for simultaneously decarbonizing and reinforcing our portfolio by classifying each business based on climate-related transition risks and opportunities as part of our efforts to achieve the GHG reduction targets formulated last October in MC's Roadmap to a Carbon Neutral Society (halve by FY2030 and net zero by 2050).



* Scope 3 Category 11: GHG emissions from the use of sold products

Please refer to pages 46-47 for details on materiel issues. 5 Sustainability Policies

ation of decarbonized societies by striving to reduce greenhouse gas (GHG) emissions, while services that support decarbonization during the transition period.

tself to be our most important stakeholder, strive to maintain biodiversity and conserve k to create circular economies while reducing our environmental footprint.

cieties and lifestyles of the future through businesses in a diverse range of countries and g our responsibility to provide a stable supply of resources, raw materials, products, services, eds of countries and customers.

help to address societal needs while working to spur major industry reforms that are innovation.

he development of economies and societies by addressing issues facing countries and o grow together and collaborate with diverse stakeholders, regions and communities.

nts of all stakeholders involved in promoting our diverse operations worldwide, and pursue -related issues, while considering the local conditions in each country.

an resources are the great assets of our businesses, foster a diverse and versatile talent pool that drives value growth throughout our organization, and also seek to develop an organization where diverse mmon values and grow together while furthering their connections and inspiring one another to excel.

to changes in the business environment, strive to realize effective governance on a global, maintain/strengthen a sound organization that is transparent and flexible.

5 Sustainability Policies

Mechanisms Guiding Efforts

1.5°C Scenario Analysis

Conduct an analysis of transition risks and opportunities based on $1.5^\circ\mathrm{C}$ scenario.

Transform Discussion

Monitor the effects of transition risks on businesses at the management level every year, targeting those classified as Transform businesses, which are selected based on criteria such as the amount of Category 11* emissions, which account for the majority of MC's Scope 3 emissions.

• Investment Planning in Accordance with GHG Reduction Plans

Adopt a new process of confirming short- and mid-term GHG reduction plans when formulating investment plans.

Evaluation of New Investment Using Assumptions Under Decarbonization Scenario

Refer to profit margin indexes (internal carbon pricing, etc.) using key assumptions under decarbonization scenario.