

Value Creation by the Business Groups

The specific initiatives of the Business Groups, as an engine of value creation, are explained.

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Business Groups at a Glance (Fiscal year ended March 31, 2022)

Business Groups	Red	Industrial Materials Group P.66	Petroleum & Chemicals Solution Group P.68	Mineral Resources Group P70	Industrial Infrastructure Group P.72	Automotive & Mobility Group P.74	Food Industry Group P.76	Consumer Industry Group P.78	Power Solution Group P.80	Urban Development Group P.82	Other, Adjustments and Limitations	Total
Net Income (loss)*												(Unit: billions of yen)
(Fiscal year ended March 31, 2020)	70.3	26.1	(12.0)	212.3	41.4	 19.6	53.2	22.7	51.5	34.3	16.0	535.4
(Fiscal year ended March 31, 2021)	21.2	4.7	26.2	78.1	21.2	 (28.1)	39.4	(73.2)	42.3	25.4	15.4	172.6
(Fiscal year ended March 31, 2022)	105.1	36.8	40.3	420.7	17.3	 106.8	79.3	21.0	50.5	40.0	19.7	937.5
(Fiscal year ending March 31, 2023 (Forecast) as of May 2022)	120.0	33.0	41.0	331.0	25.0	 98.0	63.0	22.0	34.0	120.0	(37.0)	850.0
Total Assets (Fiscal year ended March 31, 2022)	2,016.0	1,355.0	1,243.0	4,554.7	1,129.9	1,699.3	1,968.6	3,930.3	2,650.1	1,136.2	228.9	21,912.0
Investment accounted for using the equity method	599.5	162.1	144.0	523.8	199.4	 301.4	350.9	184.8	435.1	602.1	(0.2)	3,502.9
Property, plant, equipment and investment property	248.9	107.3	52.5	1,004.2	123.4	 38.8	305.4	345.5	513.6	53.0	85.8	2,878.4
Intangible assets and goodwill	2.2	10.9	3.8	3.4	98.7	 10.4	197.5	533.0	331.4	0.4	29.9	1,221.6
Other investments	364.0	52.3	95.7	413.9	52.6	 119.1	156.9	295.8	10.0	121.7	275.9	1,957.9









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NATURAL GAS GROUP



Jun Nishizawa Executive Vice President Group CEO, Natural Gas Group 海澤亭

In the transition to a carbon neutral society, natural gas and LNG play an important role as a complement to renewable energy intermittency and as an energy source for sectors that are difficult to electrify. Our Group will contribute to the realization of a carbon neutral society and sustainable economic development through the decarbonization of the LNG supply chain and providing a stable supply of LNG.



Materiality (Material Issues)

Related Material Issues



Contributing to Decarbonized Societies





Addressing Regional Issues and Growing Together with Local Communities

Relevance of Material Issues to the Business

Global energy demand is expected to increase due to population growth, economic development, and other factors. While the switch to renewable energy is expected to progress in the power sector in the future, dramatic technological innovation is essential to supplement all power with renewable energy sources in terms of intermittency, location and other factors. In addition, although it is expected that a certain degree of electrification will progress in the future, it is not expected that electricity will be able to replace all of the heat sources in factories and fuels for modes of transportation that currently use fossil fuels directly. Therefore, to meet the world's growing energy demand and at the same time realize a carbon-neutral society, it is essential to decarbonize fossil fuels.

The Group is committed to, fulfill its responsibility to provide a stable supply of natural gas and LNG, which have relatively low environmental impact among fossil fuels, and to reduce GHG emissions throughout the value chain via improvements in operational efficiency, CCUS and other methods.

In addition, there are regions of the world that depend on firewood, charcoal, coal, cattle manure, etc. for their energy sources, resulting in millions of deaths annually due to indoor air pollution. Through gas sales to emerging countries, we will also work to address such societal challenges.

*CCUS: Carbon Capture, Utilization and Storage

Group Strengths and Strategy



• Supply capacity from our LNG facilities around the world, and marketing capabilities primarily through our subsidiary in Singapore

• Market presence as the largest LNG player in Japan (based on production share)

• Initiatives for low-carbon LNG value chain, next-generation energy derived from natural gas and LNG, CCUS, etc. for the transition to a carbon neutral society

Summary of Midterm Corporate Strategy 2021

Strategies Under Midterm Corporate Strategy 2024



Forecast for Future Growth In existing businesses, we continued to strengthen our earnings base through constant cost reductions and other measures. As for projects under construction, Cameron LNG started production, and construction of the Tangguh LNG (Expansion) and LNG Canada progressed toward the start of production. In parallel, we launched initiatives

for next-generation energy, CCUS, and carbon credits for the transition to a carbon neutral society.

In addition to further strengthening the foundation of existing businesses and progressing construction for the successful start-up of the Tangguh LNG (Expansion) and LNG Canada, we will strengthen our LNG supply portfolio through participation in competitive new projects and enhance our LNG marketing capabilities through LNG cargo optimization functions and will strengthen our LNG business. We will also promote initiatives to reduce GHG emissions in existing projects, CCUS, carbon credit projects, etc., to realize a carbon neutral society.

Demand for natural gas and LNG, which have comparatively lower environmental impact, is growing against a backdrop of increasing energy demand due to population and economic growth. Our Group aims to maintain and expand LNG production capacity share by building a competitive LNG supply portfolio, including expansion of existing assets, and strengthening LNG marketing capabilities. In addition, by promoting the decarbonization of the LNG supply chain, we will contribute to both a stable supply and sustainable economic development.

Major Growth Drivers

We have been involved in the LNG business since the 1960s and have increased our equity participation in LNG projects. Currently, we have equity interests in 12 projects in 8 countries around the world, with a total LNG production capacity share of 12.12 MTPA. The Tangguh LNG (Expansion) and LNG Canada projects under construction are expected to start production in 2023 and the mid-2020s, respectively, and it is expected that our total LNG capacity share will reach 14.60 MTPA by the mid-2020s. We will continue to expand our LNG production capacity share through participation in competitive new projects in the future.

Production Capacity Share and Projected Growth



Business Examples

Indonesia, Tangguh LNG (Expansion) project, CCUS business

In the Tangguh LNG project in which we participate with BP as the operator, we are undertaking a Carbon Capture Utilization and Storage (CCUS) project together with the other participating companies. This project will apply CCUS to gas fields under production to recover a cumulative total of approximately 25 million tons of CO2 emitted from the project and approximately halve project emissions by injecting and storing it in existing gas fields, while at the same time improving production efficiency and increasing natural gas production. The development plan was approved by SKK Migas (Special Task Force for Upstream Oil and Gas Business Activities Republic of Indonesia) in 2021, and the natural gas production and CCUS operations are scheduled to commence in 2026, subject to the Front-End Engineering and Design (FEED) and a final investment decision to be made after mid-2022.





Liquefaction plant existing second system and expanded system un construction, LNG tanks, jetty, etc.

INDUSTRIAL MATERIALS GROUP



Our Group will take on the challenge of transforming the materials industry in response to the diversification of needs for materials and changes in industrial structure, and play our role in realizing a sustainable society.



Related Material Issues





global network.

Promoting Stable, Sustainable Societies and Lifestyles

Relevance of Material Issues to the Business

In the materials industry, responding to decarbonization and the diversification of needs for materials, and ensuring stable procurement and supply of raw materials and products are urgent issues. The Group will contribute to the realization of a carbonneutral society by working on functional materials that support the weight reduction and electrification of automobiles and mobility, and by strengthening our business in silica sand, a raw material used for solar panels. In addition, we will work to improve the efficiency and robustness of the materials supply chain by combining physical businesses, which are essential for the distribution of materials, with digital technology. Furthermore, we will leverage our existing businesses, industry expertise, and global network to shift from the conventional one-way economic model of mass production and mass consumption to a circular economy.

Group Strengths and Strategy

Group Strengths

 Manufacturing, processing, and distribution assets in the materials industry accumulated through business investment and trading

Industry knowledge and global network in the industries in which we operate, with a focus on the

Amid drastic changes in the business environment due to the progress of decarbonization and the

development of digital technology, we implemented a bold shift of management resources to fields

and businesses with growth potential by contributing to addressing challenges in the industries in

materials manufacturing business (high-performance plastics, etc.), through which we can take

advantage of the Group's comprehensive strengths, including its broad industrial knowledge and

We will contribute to solving the challenges of the industries in which we operate by making the

which we operate. As one result of this shift, we decided to make a full-scale entry into the functional

• Long-term partnerships with materials manufacturers in Japan and overseas

fields of automotive & mobility, and construction & infrastructure

Summary of Midterm Corporate Strategy 2021



Strategies Under Midterm Corporate Strategy 2024

materials supply chain more efficient and robust through the use of digital technology, working on functional materials that support the weight reduction and electrification of automobiles and mobility for decarbonization, and addressing materials recycling to reduce environmental impact.



Forecast for Future Growth The materials industry needs to change faster than ever in line with the trend toward decarbonization and the diversification of needs for materials. We will realize our growth scenario in the materials business through the production and supply of materials essential for the realization of a carbon-neutral society, as well as through the use of digital technology to improve the efficiency and strength of the materials supply chain.



Major Growth Drivers





Source: World Steel Association

Business Examples

Cape Flattery Silica Mines Pty.,Ltd.

The world's largest silica sand producer in Australia (wholly owned by MC), which produces high-grade silica sand used as a raw material for solar panels, displays, and other products that contribute to EX. The Group has an integrated supply chain with a logistics and sales network that extends from the mines to the demand areas.



PMC Tech Co.,Ltd.

A coal-based needle coke manufacturing company in South Korea through a joint venture with POSCO Chemical Co., Ltd. and others. The company has a production and sales network in the markets that are expected to grow in line with the trend toward decarbonization, namely graphite electrodes for electric arc furnaces (steel product recycling), and needle coke as a raw material for lithium battery anode materials, an essential component for electric vehicles.



Metal One Corporation is a joint venture with Sojitz Corporation that is engaged in the processing, manufacturing, sales, and distribution of steel products. The steel industry needs to undergo major changes in the future, including a shift in steelmaking processes from blast furnaces to electric arc furnaces against a backdrop of global decarbonization. Metal One has more than 120 physical business bases in Japan and overseas, and by leveraging the industry expertise obtained from those bases with digital technologies, contributes to solving industry challenges especially in the fields of automotive & mobility and construction & infrastructure. Also, it will aim to expand revenue by strengthening its overseas business in the United States and emerging countries, where demand for steel is expected to grow.

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Demand for Imported Silica Sand in East Asia



Source: Trade statistics of countries in East Asia



Market Projections for Automotive LiBs



Source: Arthur D. Little Japan

PETROLEUM & CHEMICALS SOLUTION GROUP





Against a background of issues including climate change and marine plastics, the importance of transitioning to a decarbonized society and of reducing environmental impacts is growing day by day. Contributing to the achievement of a decarbonized society while steadily supplying the petroleum products and chemical materials indispensable to society and people's lives is our Group's most important theme. In the fields of energy and materials, we aim to be a Group that contributes to addressing societal challenges through the conception and execution of businesses that generate environmental and societal value in addition to economic value.

Materiality (Material Issues)

Related Material Issues







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Conserving and Effectively Utilizing Natural Capital

Relevance of Material Issues to the Business

Decarbonization is a top priority for the fuels and materials sectors which the Group operates. While supporting society by providing stable supplies during the transition period, our Group aims to realize a decarbonized and circular economy by commercializing the supply of fuels and materials with a low environmental impact, utilizing the knowledge and existing infrastructure developed through our business. In fuels for power generation, we will consider the commercialization of ammonia, an excellent means of transporting and storing hydrogen, as a key component in the practical implementation of hydrogen in society, which is expected to become widely used as a clean energy source.

In transportation, we will work toward the commercialization of sustainable aviation fuel (SAF), to reduce the carbon footprint of fuel for aviation which is considered to be difficult to electrify. In chemical materials, in addition to further strengthening our recycling business for plastics and other materials, we will work to build a bio-related business and a carbon recycling business that utilize CO2 as a raw material, aiming to realize a circular economy and reduce CO2 emissions on a large scale.

Group Strengths and Strategy





Summary of Midterm Corporate Strategy 2021

Strategies Under





Forecast for Future Growth

- Broad customer portfolio, industry presence, and market intelligence gained through trading and manufacturing businesses
- Conception skills and execution skills for next-generation fuels and environmentally conscious chemical material businesses (product recycling, bio-related, and carbon recycling), aimed at creating a decarbonized society

• Capability to construct a fuel ammonia business based on a long track record in electric power fuel supply and operational experience in the ammonia production business

We position the issues of adapting to next-generation energy (EX: energy transformation) and converting to lower-environmental-impact chemical materials that have equal functionality and that can be supplied as stably as existing products (MX: material transformation) as top-priority themes for our Group in the industries in which we operate. We have already started businesses in fuel ammonia, carbon recycling, bio-related, and product recycling. By strengthening and converting our core businesses, we will work toward quantitative and qualitative improvement of revenues and asset efficiency.

We will engage in a two-pronged strategy: "Reduce the environmental impact of existing operations while fulfilling our supply responsibilities and generating stable earnings" and "Present realistic, scaled solutions to the world in the areas of energy and materials to solve the challenges of decarbonization". In order to provide decarbonization solutions that meet customer needs, we will consider participating in EX/MX manufacturing businesses with a sense of scale and economic viability.

We will prioritize the following themes in formulating EX/MX projects. 1) Fuel ammonia: Establishing a low-carbon ammonia supply chain for power generation and expanding to other applications and industries. 2) Carbon recycled fuel and material business: Recycling CO2 into a variety of carbon compounds. 3) Biofuels and materials business: Sustainable Bio-chemical business. 4) Product recycling business: Recycling of plastics in a way that contributes to a low-carbon, circular economy.



Major Growth Drivers

We will provide a stable supply of fuels and materials for which demand is strong, while implementing solutions that contribute to the realization of a decarbonized society.



Source: ICIS (PE), Woodmac (MEG)

Business Examples

In order to contribute to the decarbonization of fuels and materials, we will accelerate our efforts with a sense of scale and economic competitiveness based on the following four priority themes



Global Marketing Division

Trading business for chemical raw materials and products, and identification of "seeds of growth" for the development of new businesses



World-wide demand for ammonia (unit: million metric tons) 195 198 201 187 190 190 188

Source: Fertecon (IHS) (excluding fuel ammonia)

MINERAL RESOURCES GROUP



Norikazu Tanaka



To date, our Group has transformed its business model numerous times in accordance with changes in the external business environment. We will further transform our businesses in response to major changes in the societal environment such as accelerating decarbonization, electrification, and the shift to a circular economy, and contribute to the promotion of the EX strategy through the supply of raw materials.

Materiality (Material Issues)

Related Material Issues





Promoting Stable, Sustainable Societies and Lifestyles

Relevance of Material Issues to the Business

Electrification and the introduction of renewable energy are essential transitions to realize a carbon-neutral society, and demand for metal resources, such as copper, lithium and nickel (both raw materials for batteries), will increase dramatically. In the steel industry, while the transition to electric furnaces and hydrogen-based steelmaking will continue over the long term, low-carbon steelmaking using blast furnaces, which will remain the mainstream for the time being, will be an important issue.

As part of our efforts toward a decarbonized society, we will work to reduce CO2 emissions at the mines we own and to fulfill our responsibility to provide a stable supply of high-quality metallurgical coal and iron ore that contributes to the low-carbonization of blast furnaces. At the same time, we will contribute to the promotion of EX from the viewpoint of raw material supply by shifting to a new portfolio based on the three societal issues of decarbonization, electrification, and circular economies.

The mineral resources business is a long-term undertaking. The concept of realizing triple-value growth through the simultaneous generation of economic, societal, and environmental value, and growing together with local communities and environmental conservation, has always been the foundation of our business, and therefore sustainability is an integral part of our business. We contribute to the realization of a sustainable society through the stable supply of metal resources that are indispensable for the shift to a decarbonized world.

Group Strengths and Strategy



• Competitive cost advantage and the guality of our world-class assets · Solid partnerships with major mining companies and other primary suppliers that leverage our presence in the industry built over many years



• Industry intelligence and presence as an industry player gained through a global customer base cultivated by our trading business, and using this as leverage to identify new quality investment opportunities

• Ability to adapt business models to changes in the external environment to foster growth



• We have completed the withdrawal of several assets to further refine our quality assets, which combine world-class cost competitiveness and quality, as well as to strengthen our metal resources investment portfolio in light of the external environment. • As initiatives for growth, we participated in the development of Quellaveco (copper mine) and the Aurukun (bauxite mine) project.

• In trading, we achieved sustainable business growth by steadily developing new clients and strengthening our risk management system

• To contribute to the decarbonization of the steel industry, we will pursue 1) the potential of direct reduced iron, which contributes



Strategies Under Midterm Corporate Strategy 2024



to the expansion of electric furnaces, 2) the increased use of CCUS technology, 3) and precious metals essential for a hydrogen society, while at the same time achieving a stable supply of high-quality metallurgical coal and iron ore • As a material that supports electrification, we will work on internal growth opportunities for copper (maintaining and expanding

production at existing assets), as well as take on the challenge of acquiring new prime assets and utilizing innovative copper recovery technologies. In addition, we will strengthen our efforts in next-generation resources such as lithium and nickel, raw materials for batteries, and bauxite, a raw material for aluminum.

• With an eye toward circular economies, we will work to utilize secondary resources in precious metals, lithium-ion batteries, and aluminum

Based on the strong asset portfolio that we have refined to date, we will strengthen our efforts in metal resources, an essential component of decarbonization, by focusing on the three themes of decarbonization, electrification, and a circular economy as part of our EX strategy.



Major Growth Drivers

Group EX Strategy

- indispensable for a hydrogen society



Business Examples

Mitsubishi Development Pty Ltd. (MDP) which conducts exploration, development, production, and sale of mineral resources, jointly operates its metallurgical coal business, BMA, together with its partner, BHP. BMA operates one of the world's largest metallurgical coal operations, with an annual production volume of about 63 million tons and a share of approximately 30% of seaborne trade volume. In addition to producing high-quality metallurgical coal at its seven operating mines, BMA also maintains an integrated rail and port network, and is fulfilling its responsibility to provide a stable supply of high-quality metallurgical coal that contributes to low-carbon blast furnace steelmaking.

As the world transitions to a decarbonized society, we foresee potential impact on metallurgical coal demand as a result of the wider use of electric furnaces for steelmaking and the adoption of new technology. However, even in a business

environment calculated based on decarbonization scenarios, we expect the demand for high-quality metallurgical coal to remain high.

Also, while staying aware of changes in the business environment, we will strive to reduce GHG emissions from BMA production processes. Furthermore, together with our metallurgical coal business partner BHP, we are working to support research that contributes to reducing emissions throughout the entire metallurgical coal value chain.





Quellaveco is a large copper mine in southern Peru, with reserves of approximately 8.9 million tons and an expected mine life of approximately 36 years, and is highly cost competitive. MC is developing the mine with partner Anglo American plc, and started copper concentrate production in 2022. Our equity production volume currently exceeds 200,000 tons per year, the largest for Japan, and is expected to increase approximately 1.5 times to around 320,000 to 370,000 tons after full-scale launch of the mine. We will continue our efforts to secure and provide a stable supply of copper, an essential component for the realization of a carbon neutral society, especially for the progress of electrification centered on renewable energy and the spread of EVs.



Quellaveco Copper Project (Peru)

MC's Equity Production Volume and Projected Growth



INDUSTRIAL INFRASTRUCTURE GROUP



Koji Ota Executive Vice President Group CEO. ndustrial Infrastructure Group

Our Group operates diverse business models based on strong ties with various partners in a wide range of industries. We will refine our own functions and strengths, solve problems in the industries we serve, build and expand new industrial and social infrastructure platforms, and aim to create a prosperous future society.



Others

Materiality (Material Issues)

Related Material Issues





Group Strengths

Summary of

Midterm Corporate

Strategy 2021

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Strategies Under

Midterm Corporate

Strategy 2024

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Forecast for

Future Growth







Addressing Regional Issues and Growing Together with Local Communities

Relevance of Material Issues to the Business

Responding to fast-paced changes in the external environment, including societal issues such as decarbonization and industry structural changes based on digitalization, is not only an urgent challenge for companies, but also a business opportunity. In particular, our Group, which serves a wide range of industries, is working to resolve issues in each industry by providing services and solutions that meet the needs of each, while leveraging our deep industrial knowledge and collective capabilities.

We are aiming to build a hydrogen supply chain for the next generation of energy, develop electric propulsion ships and autonomous operation support systems for next-generation shipping, promote the facility management business that adds value such as labor and energy saving-to the operation and management of office and other buildings, and promote our comprehensive rental business to further the sharing economy. Through these efforts, we will work together with our customers to realize a sustainable society by contributing to the decarbonization of each industry and addressing regional and societal challenges, and by actively promoting the development of new businesses with adjacent industries.





Major Growth Drivers

Breakdown of New Investments

DX-related

FY2021

(results)

Others

EX-related

Business Examples

Our Group is promoting the development of a hydrogen value chain to realize a decarbonized society. In 2020, our Group signed a memorandum of understanding with five local partners* in Singapore for mutual cooperation in realizing a sustainable hydrogen economy there, and in 2021, our Group reached an agreement with the Port of Rotterdam Authority and Koole Terminals to conduct a joint study on the establishment of an international supply chain with the Port of Rotterdam as a hydrogen import hub. Chivoda Corporation's hydrogen storage and transportation technology (SPERA Hydrogen®) is expected to play an important role in promoting these initiatives, and we are evaluating and studying the technical and commercial aspects with an eye to realizing a business in Japan for importing and using hydrogen derived from renewable energy.

FY2022 -

FY2024

(plan)



*City Gas Pte Ltd, Jurong Port Pte Ltd, PSA Corporation Limited, Sembcorp Industries Ltd., Singapore LNG Corporation Pte Ltd

Ship & Aerospace Division

Sale and purchase, ownership, and operation of bulk and LNG carriers, development of new shipping-related businesses leveraging digital technology, and defense equipment trading



Our Group, which boasts extensive connections to various industries, also aims to promote DX and EX-related investments in each of our business areas in order to grow our business.

The main investment targets for DX include construction solutions, facility management, ships, and plant engineering, and for EX include hydrogen and other energy infrastructure, and next-generation fuel carriers. We will use DX and EX as tools to achieve growth by solving issues in each of the industries we serve.

AUTOMOTIVE & MOBILITY GROUP



Shigeru Wakabayashi Executive Vice President, Group CEO, Automotive & Mobility Group



Our Group will build a business model that addresses challenges related to the movement of people and goods by leveraging our strong business and customer base built up over many years. Furthermore, by providing automotive and mobility services by utilizing integrated EX/DX, we will enrich the lives of our customers and contribute to the conservation of the global environment with the aim of realizing triple-value growth.

Materiality (Material Issues)

Related Material Issues







Addressing Regional Issues and Growing Together with Local Communities

Relevance of Material Issues to the Business

In the automotive industry, structural changes are taking place as a result of the shift to low environmental impact vehicles in line with the progress of decarbonization, as well as changes in people's values regarding car ownership.

Within this changing external environment, our Group, as a strategic partner of the manufacturers with whom we collaborate, will contribute to the realization of decarbonized societies by helping to expand sales of environmentally friendly next-generation vehicles (including clean fuel). Furthermore, as part of our efforts toward decarbonization, we intend to promote the realization of a concept for EV fleet management that combines mobility business and EX, in cooperation with other Business Groups within the company, in order to take advantage of our collective capabilities.

In regional communities facing depopulation, there is a growing need for on-demand transportation services that allow for the streamlining of transportation, and more services utilizing digital technology. Our Group will ensure the sustainability of our business by further strengthening our business foundation, including the functions we have developed over many years and our ability to build community-based networks, as well as by working to address societal challenges through our mobility services business.

Group Strengths and Strategy





and Bus Corporation • A strong automotive value chain platform for business and customers offering production, sales, automobile

• Strong, long-term partnerships with Mitsubishi Motors Corporation, Isuzu Motors Limited, and Mitsubishi Fuso Truck

finance, after-sales service, and other capabilities developed both in the ASEAN region and in countries around the globe

• A wealth of knowledge and expertise based on an extensive global network



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In our automotive value chain business, we strengthened our sales capabilities by introducing new models and implementing digital marketing in the ASEAN region, while also building a framework for steadily increasing profit from business investees. Furthermore, we expanded our business domains in multi-brand downstream areas (fleet management, after-sales service, e-commerce, auctions, etc.) in emerging countries, including ASEAN countries. Moreover, we promoted domestic regional transportation DX through our on-demand bus business utilizing AI.

We aim to further strengthen the functions of the automotive value chain business, and expand and transform our business model into downstream areas, while also developing the mobility services business into a "Core Businesses."

Strategies Under Midterm Corporate Strategy 2024



conservation of the global environment through the spread of automotive and mobility services, thereby achieving triple-value growth. In an environment where the electrification of automobiles and the diversification of transportation fuels and energy

We will also utilize integrated EX/DX as a lever to enrich the lives and lifestyles of our customers and contribute to the



sources are expected to advance in line with decarbonization, we will promote product planning in collaboration with our partner manufacturers and pursue business development utilizing our business and customer bases. In doing so, we will further evolve and deepen our value chain business. In addition, as people's awareness shifts from ownership to usage, we will continue to address challenges related to the movement of people and goods by continuously providing efficient and clean means of transportation, and will continue to realize triple-value growth.



Major Growth Drivers

Our Group has over 50 years of experience in the automotive value chain business in Indonesia and Thailand. In the Indonesian and Thai markets, where demand is expected to recover and grow in the future, we will continue to engage in the sales and after-sales service business while leveraging our strong business foundation built up to date. We aim to further strengthen our customer base in areas such as finance and insurance services and business development, and expand and transform our business model in downstream areas in the automotive value chain business. We will also take the next step forward to achieve further growth by leveraging our customer base with a view to inter-group co-creation.

Business Examples

DX Initiatives in the Automotive Value Chain Business

In the sales and after-sales field, which is the core of our automotive value chain business centering on the important markets of Indonesia and Thailand, we are leveraging our customer base built up through sales and marketing activities over many years in order to promote DX through various digital marketing measures and to create new services. In addition, to strengthen our downstream multi-brand business, we are building a business model centered on fleet management, maintenance, and used car e-commerce, and we are also operating an auction/matching site for used car sales.





DX Initiatives in Mobility Services

As the shift from "ownership" to "use" of cars continues, we are working to address challenged related to mobility faced by local communities and transportation operators while providing new means of transportation (Regional Transportation DX).

Starting in 2019, we have been operating the AI-based on-demand bus system Know-Route in collaboration with West Japan Railway Co. Rather than having a fixed timetable or route, flexible route setting and operation utilizing AI ensures both user convenience and operational efficiency.

From 2020, we will start providing the Know-Route system and expertise to various regions and transportation operators nationwide. We will encourage the expansion of the on-demand bus business and contribute to addressing regional transportation challenges.

Sharing roles with railroads, local buses, and cabs as part of a public transportation network



MITSUBISHI CORPORATION

FOOD INDUSTRY GROUP



Our Vision

Norio Saigusa Executive Vice President Group CEO, Food Industry Group

Our Group works to contribute to addressing various environmental and societal challenges in our overall supply chain, while also establishing a stable and sustainable supply model. We strive to reliably supply products that fulfill consumer needs as we ensure safety and security for consumers, and deliver value that meets societal demands. We also set out to generate growth opportunities by expanding high-quality products and services into the global market.

Materiality (Material Issues)

Related Material Issues







Respecting Human Rights in our Business Operations

Relevance of Material Issues to the Business

While there are concerns of food shortages due to global population growth and increased consumption, there is also a growing focus on the environmental and societal challenges faced by the food system. We recognize that addressing societal challenges, such as the need for a stable food supply and a sustainable supply chain, is our Group mission as well as a growth opportunity.

Our Group, which is extensively involved in the food industry, generates food waste in the course of our business activities, and reducing this waste is one way that we will contribute to addressing the above-mentioned issues. We will strive to refine supply and demand forecasting through DX and leverage the functions and innovations of our group companies. Through these efforts, we will contribute to the realization of a sustainable, stable society and livelihoods by reducing food waste and promoting food recycling, such as utilizing food waste as a raw material for animal feed.

In addition, our Group handles commercial raw materials produced in a wide variety of countries and regions. We recognize that respect for human rights and the conservation and effective utilization of natural capital throughout our business activities, including the supply chain, are important issues. In order to confirm compliance with our Policy for Sustainable Supply Chain Management (which outlines MC's actions to address human rights, labor rights, and environmental issues in the supply chain), we conduct annual human rights and environmental due diligence on materials with high environmental and social risks. Through these investigations, we ascertain the actual status of these materials and take corrective actions and responses to issues that need to be addressed as we work to build a stable and sustainable supply model.

Group Strengths and Strategy





Summary of Midterm Corporate Strategy 2021





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MITSUBISHI CORPORATION

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• A large-scale business base for salmon and trout, which are excellent sources of high quality protein and for which suitable farming areas are limited

• A supply chain that contributes to the stable procurement of food, with grain feed and livestock operations at its core • Food science technologies that contribute to quality of life for consumers through great taste and health

In the fiscal year ended March 31, 2021, we struggled due to the impact of the COVID-19 pandemic, as consumer behavior changed and demand declined, especially in the restaurant industry. However, we improved profitability in the fiscal year ended March 31, 2022 through in-house efforts such as improving production efficiency and strengthening sales capabilities, mainly in the salmon and trout farming business and grain, oilseeds, & feed materials business and the livestock business. In response to changes in consumer behavior, our Group also developed new initiatives such as efforts to develop, produce, and sell plant-based meat, mainly working with Itoham Yonekyu Holdings Inc. and Mitsubishi Corporation Life Sciences Limited.

We will achieve sustainable growth while working to address environmental and societal challenges in the food supply chain. We aim to improve the efficiency of the entire supply chain by utilizing digital technologies such as DX to forecast supply and demand, visualize operations, and improve logistics efficiency, while also contributing to the reduction of food waste and GHG emissions. In addition, we will strengthen a safe and stable supply chain and achieve a stable supply of food to Japan.

In addition to the world's growing population and expanding consumption, Japan's declining birthrate and aging population is expected to increase health-consciousness and a greater need for food products that environmental and societal challenges into consideration. We will seize these increases in food demand and changes in consumer trends as business opportunities and strive for sustainable growth by making full use of our global supply chain, which contributes to the stable supply of a wide variety of food products. We will also achieve further growth by implementing a Value-Added Cyclical Growth Model and by responding to new technologies.



Major Growth Drivers

Strengthening Core Businesses

Salmon and Trout Farming Business

- We will strive to improve profitability by strengthening the production side, such as increasing productivity and production volume, and also the sales side, such as adding value and mitigating the risk of market fluctuations.
- We will also work on new technologies such as land-based aquaculture for salmon and trout, for which suitable farming areas are limited.

Global Salmon & Trout Supply-Demand Outlook



* Indexed to 100 for the year 2020. Source: calculations based on Kontali Analyse AS data

Business Examples

Strengthening the supply chain in the grain, oilseeds, & feed materials business and the livestock business

- Our Group has established a vertically integrated supply chain business model-from raw material procurement and production of grain feed to production (livestock), manufacturing (meat processing), and retail (food service)—which enables us to stabilize earnings throughout the supply chain, even during periods of high volatility.
- In terms of raw material procurement, we are striving to strengthen our procurement network from major production areas as we also ensure to stabilize it. We will continue to strengthen our safe and stable supply chain to ensure a stable supply of grain to Japan.
- The Group will pursue the refinement of supply and demand forecasting by DX and the leveraging of functions and innovations of each group company. We will thereby contribute to the realization of a sustainable and stable society and livelihoods by reducing food waste and promoting food recycling, such as using food waste as a raw material for animal feed. In addition, by expanding the successful experiences and best practices developed by our Group to the industries in which we are involved, we will help to transform the business model of the food industry



Global Fast Moving Consumer Goods Division

Procurement, production and sales of food raw materials, food products, consumer goods, etc.

Livestock, Meat & Dairy Products Department

Production, manufacturing, processing, and sales of meat, dairy products, etc

Grain, Oilseeds, & Feed Materials Business and Livestock Business

- In the livestock business, we will strive to execute both the raising of the top line by strengthening our profit structure and competitiveness by reforming our
- business structure.
- We will also strive to transform our business model by streamlining the entire supply chain through DX.

Identification of Third Core Business

- Through the implementation of a value-added cyclical growth model, we will seek to identify new core businesses that will become new sources of revenue, while optimizing our portfolio.
- By incorporating new technologies in the food sector, we will also respond to disruptive/ rapid growth areas caused by technological innovation

CONSUMER INDUSTRY GROUP



Our Vision fi l

Kiyotaka Kikuchi Executive Vice President Group CEO. onsumer Industry Group



Our Group will promote supply chain optimization and new demand creation by connecting producers and consumers through the use of digital technology in the areas of retail, apparel and SPA (Specialty store retailer of private label apparel), healthcare, food distribution and logistics and tires for the automotive industry to achieve the sustainable development of local communities and increase convenience for consumers.

Materiality (Material Issues)

Related Material Issues

 \checkmark



Promoting Stable, Sustainable Societies and Lifestyles

Relevance of Material Issues to the Business

Our Group will reduce waste by optimizing the entire supply chain through the use of digital technology to improve sales forecasting and order accuracy, data linkage and sales promotion at retail stores, thereby enhancing the sustainability of society. As an example, we aim to reduce food waste generated by the Group by 50% compared to 2018 levels.

In addition, by utilizing the Group's broad connections with consumers, we will work to create demand and revitalize local economies by building mechanisms to address societal and environmental challenges raised by the SDGs and by engaging in communications that encourage consumer participation to bring about a high-quality, plentiful lifestyle together with consumers.

Group Strengths and Strategy • A system that provides unique and convenient goods and services based on a deep understanding of consumer needs through our wide range of contact with consumers centered on physical retail stores, and consumer data accessed through the membership base Group Strengths Knowledge and a presence built up through our industry-leading intermediary distribution business, and networks of regional manufacturers, retailers, and healthcare facilities . Locally-rooted business knowledge cultivated through the expansion of a retail store network in China and Southeast Asia Through collaboration with affiliates such as Lawson, Inc. and Loyalty Marketing, Inc. we promoted the creation of new consumption experiences that integrate the Internet and the real world. In the Summary of intermediary distribution business, including apparel and health care, we began to reform our business Midterm Corporate through DX and launched an AI-based demand forecasting system in cooperation with Mitsubishi Strategy 2021 Shokuhin Co. Ltd. In China, we continued to open convenience stores, expanding to more than 4,000 stores. However, some businesses were hit by the COVID-19 pandemic and are still in the process of recoverv In order to respond to the needs of consumers in the "new normal", we will transform our existing Strategies Under businesses and further create value for consumers through the use of digital technology. Through DX, Midterm Corporate we will also address various societal challenges in the Japanese market, such as the declining birthrate, Strategy 2024 aging population, labor shortage, logistics crisis, and weakening of regional infrastructure. Overseas, we will capture market growth by expanding our convenience store, apparel, tire, and other businesses. We will refine the uniqueness and convenience of the goods and services provided by each business, and aim to create a market-in business model that meets local needs. In Japan, we will contribute to the creation of attractive cities by continuously supplying goods and services that improve the quality Forecast for Future Growth of life in local communities by utilizing the Group's customer contacts and distribution network. Overseas, we will develop markets with partners who provide unique goods and services, aiming to win the support of local consumers.



Major Growth Drivers

Number of overseas retail stores of affiliated companies

We aim to increase Group business profit by expanding business models and products overseas that feature Japanese competitiveness and uniqueness, and by gaining the support of local consumers.



Business Examples



POWER SOLUTION GROUP







The power and water that our Group provides serve as the foundation of essential infrastructure for everyday life. We are helping to secure stable energy supplies by combining renewables and other clean sources with digital technology and a power supply and demand adjustment function. Our mission is to play our part to build sustainable, decarbonized societies and increase corporate value by providing new added value to our customers, as well as by conducting new initiatives in the field of hydrogen, a next-generation fuel.

Materiality (Material Issues)

Related Material Issues







generation, especially offshore wind

Addressing Regional Issues and Growing Together with Local Communities

Relevance of Material Issues to the Business

In the electric power business, along with the shift to renewable energy, the business structure is changing with the decentralization and digitalization of the power system. Our Group is working to improve the business value of the entire power value chain by integrating the supply side (power generation) and the demand side (retail sales), while optimizing our portfolio, with the goal of doubling renewable energy power generation capacity by FY2030 compared to FY2019 (from 3.3 GW to 6.6 GW). As the global trend toward decarbonization grows stronger, we intend to achieve decarbonization by strategically reducing existing thermal power generation capacity and switching to zero-emission thermal power that does not emit greenhouse gases, aiming to achieve a 100% non-fossil power generation portfolio by 2050. In addition, to leverage our collective capabilities, we will promote the regional revitalization through integrated EX/DX initiatives using local renewable energy resources in Japan through collaboration with other internal Business Groups.

of retail, life care, finance, and other services through digital marketing.

Group Strengths and Strategy



- The knowledge provided by Eneco, a customer-focused integrated energy company that provides clean energy and related services based on a balanced portfolio that encompasses from power generation to retail
 - Collective capabilities such as knowledge and networking in service development and partnerships which we leverage to promote DX initiatives that reflect the rapidly changing power business environment.

On the upstream (supply) side, we expanded our power generation business in Japan and overseas, focusing on renewable energy, and our offshore transmission business supporting offshore wind power

generation. On the downstream (demand) side, we developed our electricity retail business and new

service business, and upon establishing Chubu Electric Power Miraiz Connect, Inc., we promoted the

maximization of business value throughout the entire electric power value chain, including the launch

(through a sophisticated balance of supply and demand), and "delivers" this integrated electricity and

high added-value services. By strengthening each of these functions of the power value chain, we aim

We will optimize our business portfolio by expanding renewable energy and promote the provision of high

demand adjustment functions through DX. In addition, to take advantage of our collective capabilities, we

will also build self-sustained decentralized communities and engage in the green hydrogen business, which

is expected to become a next-generation energy source, through collaboration with other Business Groups.

to expand our renewable energy business in Japan, where offshore wind power is expected to grow,

and in Europe, where Eneco's platform stands, as well as in the Americas, Asia, and other regions.

added-value services throughout the entire electric power value chain by strengthening supply and

The Group "produces" (generates) renewable energy, "integrates" weather-dependent electricity

Extensive track record of development, construction, and operation in the area of renewable power











Forecast for Future Growth









URBAN DEVELOPMENT GROUP



Our Vision Takuya Kuga Executive Vice President



In line with our vision to "Create cities, create societies, create the future", our mission is to establish high valueadded, large-scale businesses by combining infrastructure and urban development, asset finance, and other businesses to meet societal and environmental needs, such as urbanization and lowering environmental impact. We aim to address societal and regional challenges through highly functional and attractive urban development that maximizes our collective capabilities.

Materiality (Material Issues)

Related Material Issues



Addressing Regional Issues and Growing Together with Local Communities

Relevance of Material Issues to the Business

The explosive expansion of the middle class and rapid urbanization, particularly in emerging economies, has increased the need for development and management of social infrastructure projects that take into account social and environmental value.

In the midst of such changes in the external environment, our Group aims for triple-value growth by promoting the development and management of large-scale, high-value-added urban development projects to sustainably create high-quality living, working, medical, educational, logistics, and transportation environments. In doing so, we will contribute to the economic growth of the countries in which we operate, while also helping to reduce environmental impacts. For example, in the urban development project in BSD City, Indonesia, which is currently underway, we have started proof-of-concept trials for the implementation of urban services such as urban portal/urban OS, autonomous driving, and digital marketing, and are working to improve urban convenience and reduce environmental impacts by materializing and implementing smart city-related technologies.

We will also work to address societal and regional challenges by collaborating with other Business Groups within the Company, such as initiatives to introduce self-sustained decentralized energy, electrification and efficiency of transportation, and decarbonization of industries.

Group Strengths and Strategy and industry networks development Group Strengths especially in ASEAN countries business investment Summary of Strategy 2021 From the perspective of cyclical growth, we will promote actions such as the movement of management resources into Strategy 2024 related services. In response to societal and environmental challenges such as global urbanization and lowering environmental impact, Forecast for Future Growth convenience and low environmental impact. MITSUBISHI CORPORATION







Business Examples

Development and management of high-value-added urban development projects that achieve convenience and low environmental impact



MC aims to develop high quality urban areas and enhance sustainable urban value. · Promote and participate in highly functional and attractive urban development from the initial phase of development

· Create sustainable value by taking a hands-on approach in developing and managing urban areas

 Maximize use of extensive MC Group expertise and networks to enhance urban services and content

Midterm Corporate

Strategies Under Midterm Corporate

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- Management of urban infrastructure projects based on many years of infrastructure-sector development expertise
- Project management based on real estate knowledge, and business know-how grounded in proven track records in
- Long-standing relationships of trust and networks with leading developers and companies in many regions,
- A finance business that leverages MC's long-term industry expertise and network gained through trading and

We participated in a large-scale urban development project covering over 100 hectares of land within BSD City in the suburbs of Jakarta, Indonesia, and launched urban facility management initiatives, such as the start of autonomous driving proof-of-concept trials in BSD City and in the Kamakura area in Japan. We also made steady progress in strengthening individual businesses, such as data centers, real estate development, corporate investment, and asset finance, which form the foundation of our operations for sustainable urban value enhancement.

the development and management of urban development projects. Based on our expertise in digital infrastructure, real estate, and financial services, we will also promote initiatives to realize self-sustaining decentralized communities and smart cities in Japan and ASEAN countries. Additionally, we will focus on realizing a decarbonized society by promoting investment under the theme of energy transformation, promoting the introduction of electric vehicles, and providing

we will maximize real estate development revenue by increasing urban value through the continuous promotion of the development and management of high-value-added urban development projects on a significant scale that achieves

Case study: Management of a smart city project in the Jakarta suburb of BSD, Indonesia

Together with Sinar Mas Land Ltd. (SML), one of the largest real estate developers in Indonesia, we started an autonomous electric vehicle proof-of-concept trial in BSD City, a suburb of Jakarta, Indonesia in May of this year. In the trial, autonomous electric vehicles will travel around the central area of the city to assess needs and other factors.

MC has signed a MOU with SML to enhance the urban value of the district and will also work on the construction of data linkage infrastructure for all of BSD City, as well as digital marketing, etc., to promote the transformation of BSD into a smart city.

By introducing digital technology, we will also contribute to addressing social and environmental challenges in Indonesia, such as by taking measures to alleviate traffic congestion.



