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Mitsubishi Corporation (MC)
Corporate Strategy 2027 Q&A

Date and Time:	Thursday, April 3, 2025; 17:00 to 18:00	
Presenters:	Katsuya Nakanishi:	Representative Director, President and CEO
	Yuzo Nouchi:	Representative Director, Executive Vice President, Chief Financial Officer
	Kenji Kobayashi:	Executive Vice President, Chief Stakeholder Engagement Officer

Q1.

There is a gap of ¥500 billion between the FY2027 consolidated net income target of ¥1.2 trillion in Corporate Strategy 2027 (CS 2027) and the FY2025 consolidated net income outlook of ¥700 billion. Please explain how the three initiatives, Enhance, Reshape, and Create, will each contribute to this ¥500 billion uplift. What level of profit uplift do you expect from businesses that are currently struggling, including the steelmaking coal and automotive businesses and businesses that are not?

A.

- The ¥1.2 trillion figure on page 11 of the presentation material (FY2027 consolidated net income) does not represent our profit target for FY2027. The core indicators (quantitative goals) that we have set are underlying operating cashflow (CF) and ROE (of 12% or more). This will result in profits of around ¥1.2 trillion, which is why we deliberately presented it in this way.
- Since I was appointed as President/CEO three years ago, we have formulated a strategy based on a trajectory we envision for the Company over the next six years. We expected that the profit outlook for FY2025 would be challenging from the outset, and given the current business environment, we have set the guidance for FY2025 at ¥700 billion. For FY2024, if we exclude capital recycling profits and losses (excluding gains and losses on asset turnover-type businesses) from the consolidated net income outlook of ¥950 billion, the profit level would be ¥650 billion. Since the guidance of ¥700 billion includes around ¥70 billion of these factors, the FY2025 figure (that corresponds with the FY2024 figure of ¥650 billion) is around ¥630 billion. We will release additional, supplemental materials tomorrow ("Corporate Strategy 2027 Supplemental Information for Investors" released on April 4), but ¥250 billion of the ¥500 billion uplift (which is roughly the gap between the FY2024 figure of ¥650 billion and FY2027 figure of ¥1.2 trillion) will be delivered through Enhance initiatives listed on page 14. This is the upgraded version of the Value-Added Cyclical Growth Model put forth in our Midterm Corporate Strategy 2024 (MCS 2024), in which we plan to make capital

allocations. In terms of overall investment, we expect sustaining capex of ¥1 trillion and growth investments of ¥3 trillion. This ¥3 trillion includes Enhance-related investment of ¥1.5 trillion, which is composed of cash-out from MCS 2024 (additional cash-out for MCS 2024 investments) of ¥0.6 trillion and additional investments in existing businesses of ¥0.9 trillion. Of the remainder, ¥0.5 trillion will be used for Reshape investments and ¥1 trillion for Create investments.

- In terms of Enhance initiatives, while I will hold off on providing the individual figures, through the collective efforts of all business segments, we expect profits to increase by around ¥250 billion. Additionally, in terms of Reshape initiatives, we expect ¥50 billion from capital strategies and other initiatives leading to business transformation, accumulating a total of around ¥300 billion. Furthermore, by investing ¥1 trillion in Create initiatives, we expect profit of around ¥100 billion. Even these combined will not cover the total increase in profit of ¥500 billion for FY2027, but we also expect businesses that are facing challenging market conditions at the moment, such as steelmaking coal, to achieve profit improvements/uplifts in the next three years through the successful implementation of ongoing initiatives. Therefore, we believe that we can achieve the ¥500 billion in increased profit. We have gone through each Enhance, Reshape and Create initiative for all businesses over a period of two months and concluded that the ¥500 billion in increased profit can be achieved, and therefore have set our FY2027 consolidated net income outlook at ¥1.2 trillion.

Q2.
I would like to confirm the cash-in/cash-out balance. Since ¥400 billion of the ¥1 trillion share buybacks correspond to MCS 2024, my understanding is that the cash-in/cash-out difference is around ¥1 trillion (of cash outflow). At the press conference, you explained that there would still be room for additional shareholder returns, but does this mean that there is room to implement additional shareholder returns up to a net D/E ratio level of around 0.6?

A.

- In the FY2024 Q3 earnings briefing, we explained that the ¥0.4 trillion (post-returns free cashflow in MCS 2024) will be allocated in its entirety to investments and/or shareholder returns within the MCS 2024 period. The ¥1 trillion share buyback that we have announced is a combination of this ¥0.4 trillion and an additional ¥0.6 trillion. Additionally, we have increased the dividend per share by ¥10, from ¥100 to ¥110. These decisions were made in strong consideration of capital efficiency and balance sheet optimization. Even so, our ROE level for FY2025 will still struggle, but heading toward FY2027, we believe that by improving the numerator, we will be able to get close to 12% ROE.
- Regarding the question on cashflow, we have plenty of room for leverage and can fully cover the difference in cash-in and cash-out. Through MCS 2024, we have provided explanations on our financial soundness and the appropriate capital coverage ratio by using the “investment leverage ratio.” However, going forward, we will use net D/E ratio to demonstrate our financial soundness which we believe is easier to understand. Our hybrid capital-adjusted net D/E ratio at the end of

FY2024 Q3 was around 0.35, and we expect the same level at the end of this fiscal year. We view the upper level of our net D/E ratio at around 0.6, and we have plenty of room up to that point. We will use leverage to make investments that will generate suitable profits while maintaining our investment discipline, and shareholder returns will be considered based on these factors.

Q3.

Regarding the predictability of additional shareholder returns, the policy during MCS 2024 was to balance cash-in/cash-out (positive post-returns FCF), so the capacity for additional shareholder returns was clear. From next fiscal year, would it be appropriate to look at leverage levels rather than the balance of cash-in/cash-out to project the availability of that capacity? Are there any leading indicators that can be referred to externally to determine whether there will be additional shareholder returns?

A.

- I understand that thus far, by totaling up the cash-in and cash-out, predictions were made that “due to this level of cash remaining, additional shareholder returns are possible.” In principle, there is no change to our policy of making appropriate decisions, which is to conduct flexible share buybacks while considering our investment pipeline and financial soundness as well as maintaining progressive dividends. Therefore, rather than looking at things in terms of simple addition and subtraction, please understand that MC will make decisions based on future investment pipeline trends and our net D/E ratio capacity.

Q4.

In terms of underlying operating CF, there is a ¥500 billion gap between the FY2024 outlook of ¥0.9 trillion (excluding the impact of cashflow from divested businesses and business restructuring) and the FY2027 goal of ¥1.4 trillion. The increased profits planned through the Enhance, Reshape and Create initiatives total ¥450 billion, so this sufficiently explains this gap. However, in terms of consolidated net income, comparing the FY2024 outlook of ¥0.65 trillion and the FY2027 goal of ¥1.2 trillion, there is a ¥550 billion gap. Even if we add the increased profits expected through the Enhance, Reshape and Create initiatives, it only comes to ¥400 billion. What is behind the remaining ¥150 billion gap? You have indicated that the ¥1.2 trillion in FY2027 “includes capital recycling gains and losses,” so should we consider this gap of around ¥150 billion as one-time profit and loss?

A.

- As indicated on page 11 of the presentation material, consolidated net income resulting from the Enhance, Reshape and Create initiatives will be “at least” ¥250 billion, ¥50 billion, and ¥100 billion, respectively, indicating that our goal is to achieve more than these numbers. In terms of capital recycling gains and losses, although this does include one-time profit and loss, essentially, we expect this level to continue on a go-forward basis. Rather than focusing on the ¥1.2 trillion figure itself, we plan to focus more on achieving a ROE of 12%, which we expect will ultimately lead to achieving such earning levels.

Q5.

I would like to understand the thinking behind the net D/E ratio. You have mentioned that the net D/E ratio was around 0.35 at the end of FY2024, and my understanding is that within the three years of CS 2027, MC will be borrowing around ¥1 trillion, leading to a net D/E ratio of more than 0.5. What was the criteria for setting the upper limit of 0.6? Earlier you mentioned maintaining an A credit rating, but from the standpoint of boosting ROE, do you believe that 0.6 is the ideal net D/E ratio, or is this just the target for the time being?

A.

- In the past, we used our investment leverage ratio as our indicator for financial soundness, based on the capital coverage ratio indicator used by credit rating agencies, and our basic principle was to maintain a single-A rating or higher. We have now changed this indicator to our net D/E ratio, and looking at MC's current balance sheet, we believe that we can maintain financial soundness (maintain a single-A credit rating or higher) by setting a target upper limit of around 0.6. Our capital coverage ratio may change if our portfolio mix should change significantly; for example, if we were to hold many high-risk assets, or alternatively, many low-risk assets. If such a situation arises we will make adjustments accordingly, but based on current expectations we believe that we can preserve financial soundness by setting the target at 0.6.

Q6.

So rather than targeting a consolidated net income of ¥1.2 trillion in FY2027, you are aiming for an ROE of 12% or higher. It is easy to calculate that when consolidated net income is ¥1.2 trillion, then equity would be ¥10 trillion. However, if the individual targets for profit growth from Enhance, Reshape and Create initiatives fall short and you do not reach ¥1.2 trillion in profit, then reducing equity should be considered to achieve a ROE of 12% or higher. In that sense, would it be accurate to say that you are prioritizing an ROE of 12% or higher, rather than focusing solely on achieving ¥1.2 trillion?

A.

- In essence, our goal is to increase the numerator of ROE (consolidated net income) through Enhance, Reshape and Create initiatives. The background behind setting the 12% ROE target includes our announcement of ¥1 trillion in share buybacks. These buybacks are being implemented as part our efforts to optimize the capital that we accumulated during MCS 2024. While we are mindful of the ROE denominator, we plan to boost the numerator by steadily pursuing and placing a greater focus on Enhance, Reshape and Create. This is the core of what I intended to convey. Our approach is not to adjust capital with a sole focus on ROE.

Q7.

I would like to ask about the Enhance efforts, which is a particularly large figure. In your review of the three years of MCS 2024, you spoke about achieving ¥100 billion in profit improvement as cumulative actual profit improvement, achieved by improving capital efficiency through asset replacement and profitability improvement. However, the ¥1 trillion budgeted for investment to maintain and expand the earnings base has already grown to ¥1.5 trillion as of FY2024 Q3. For the current amount of investment into Enhance, I understand that your outlook is for sustaining capex of ¥1.5 trillion not ¥1 trillion, but the expected investment return is more than double that of the past three-year period. I understand that this includes improvement impacts from all segments and naturally includes many different elements, but estimates do not seem possible without sowing the seeds of investment to a certain extent. Is my understanding correct that the effects of the seeds of growth planted thus far, or the ¥1.5 trillion to be invested in the three years of CS 2027, will start contributing to profit within the next three years? Alternatively, will the contributions be skewed to the third and final fiscal year of the new Corporate Strategy period? Please tell us more about your thinking on the timing of when investment returns will be delivered.

A.

- As shown in the presentation materials, in MCS 2024, we made ¥2.5 trillion in investments excluding the ¥0.3 trillion listed in the notes (asset management-related CF including time deposits, etc.). Of this, ¥1 trillion was sustaining capex, in other words investment for the purpose of maintaining existing investments. This ¥1 trillion, and the current ¥1.5 trillion (the amount of capital planned to be allocated to Enhance, excluding sustaining capex), are completely different qualitatively. I think it's easier to understand it as investing ¥2.5 trillion into Enhance businesses. Sustaining capex is ¥1 trillion of that ¥2.5 trillion, and separately, ¥1.5 trillion will be invested to enhance existing businesses.
- In today's business environment, the most reliable and immediate way to see results is not to start something completely new, but to Enhance and Reshape existing businesses. We are aware that the extent to which we can enhance existing businesses in the coming three years is vital. The current business environment is extremely uncertain and this is not limited to the Trump administration's recent reciprocal tariffs, so when we take into consideration such risk factors, our immediate priority is to shore up our existing businesses. Fortunately, in the three-year period of MCS 2024, we succeeded in realizing ¥100 billion in profit improvements without using much capital. We first looked into the 160 companies that were not achieving their required return rate and whose growth was slowing, and while it took three years of work, the fact that we were able to realize these improvements without using much capital has given us confidence. This is precisely why we feel that spending money to enhance these businesses further will deliver profit. These numbers were calculated after two-months of intensively evaluating current conditions and the business environment with the CEO, CFO, and business segment CEOs, and as a result we are confident that investing money into Enhance separately from sustaining

capex will produce results.

Q8.

The latest outlook for FY2024 is ¥650 billion excluding capital recycling gains/losses (other than asset-turnover type businesses) and one-time items, and the initial outlook for FY2025 is ¥630 billion excluding capital recycling gains/losses (other than asset-turnover type businesses) and one-time items. Regarding the market assumptions for the FY2025 consolidated net income outlook, I could only find the foreign exchange assumptions, but my understanding is that the ¥630 billion outlook for FY2025 is a result of investment returns offsetting negative market effects. Could you elaborate a bit more on the impact of the market assumptions in FY2025, as well as how we should think about the market impact heading toward the final year of CS 2027?

A.

- Excluding capital recycling gains/losses (other than asset-turnover type businesses) and one-time items, the FY2025 consolidated net income outlook is more or less the same as the outlook in FY2024. In addition to the yen appreciating slightly, there are factors including the decline in the crude oil, steelmaking coal, and iron ore markets, and reduced production in existing gas fields in the LNG business. However, we expect these factors to be offset by growth in the non-resource businesses. In terms of how to expect earnings to be delivered and our market assumptions as we head toward the second half of CS 2027, we are not disclosing our forecasts for FY2027 market and forex assumptions. However, our market assumptions are based on industry knowledge within our business segments, while referencing third-party consensus prices as well. Furthermore, in terms of foreign exchange, we do not expect excessive yen depreciation or appreciation as compared to our FY2025 assumptions. Based on these assumptions, we plan to grow our profits mainly by focusing on our Enhance efforts, including through potential bolt-on investments, in order to achieve the goals that we have set out for FY2027.

Q9.

You've said that you plan to focus on underlying operating CF and ROE. What is the context for this decision? How do you plan to ensure a 10% CAGR in underlying operating CF (presumably through accumulated Enhance investment)? There are many examples of companies, including your trading company peers, with a target EPS CAGR of 10% for their three-year midterm plan. I'd like to know why you chose a 10% CAGR in underlying operating CF as your target.

A.

- Choosing underlying operating CF as a core indicator was the result of a detailed consideration of how best to evaluate and define our earning power. Everyone always points out that we have certain levels of profit and loss on sales of assets or one-time items, which is true. The most important thing is to generate earnings, and so we have defined growth as earnings power expansion and have established goals for growth in underlying operating CF.

- Rather than focusing too much on the highs and lows of one-time items and capital recycling gains/losses, including those due to changes in consolidation category, we have set goals for underlying operating CF, which best demonstrates earnings power expansion. Looking at the trend in underlying operating CF over the past 20 years, while there have been some ups and downs, we have achieved average annual growth of around 8%. After taking two months to produce a full set of figures, including considering potential bolt-on investments, we decided to set our growth target at 10% rather than 8%.

Q10.

I have a question regarding Enhance investments and its effects/results. When I look at the examples provided on page 14 of the presentation materials, I get the impression that you intend to invest in all segments where MC has a competitive edge in, rather than according to investment themes. In MCS 2024, LNG, copper, and battery materials were included in EX-related investments, and digital infrastructure and urban development were included in DX-related investments, but this time it appears that you are pursuing investment with no particular themes. Is this correct?

A.

- In MCS 2024, we positioned EX, DX, and regional revitalization as our three growths pillars. Regardless of whether we achieved these or not, we temporarily set aside EX and DX, taking into account the current uncertain business environment, and considered where we could best utilize our strengths, leading us to provide these new investment examples.
- The three examples provided as Create investments (natural gas value chain, bio-resource value chain, and next-generation industrial parks) are all business areas in which MC holds a competitive edge, and which actually encompasses our EX strategy. In MCS 2024, natural gas was defined as part of EX along with renewable energy. For the bio-resources value chain, we are expanding our grain and food business, which is one of our strong business segments. One example of this is initiatives being implemented by Agrex etc. in the U.S. and Brazil, and another example is the collaboration with ADM, the US food and agriculture company, for which we recently issued a press release. In a broad sense, these can be considered as energy and food respectively.
- The third example (of Create investments), next-generation industrial parks, involves data centers and advanced logistics, which also represent DX in a certain sense. Rather than EX or DX, these are joint projects that best represent MC, which has multiple industry touchpoints. Natural gas value chain, bio-resource value chain, and next-generation industrial parks are all investments that cannot be pursued by one business segment alone and instead call for integrated strength, which is undeniably a differentiating factor for MC. In a broad sense, I believe that these projects contribute to EX, DX, and regional revitalization, and that they represent business areas in which we can use our strengths. Of course,

this does not mean that we cannot use our strengths in other business areas, only that these are three representative examples of areas where we can. It would have been better if we could have pointed to specific examples where we could say we have already achieved concrete results, but we are strongly committed to accomplishing this in the three years of CS 2027.

Q11.

Regarding the underlying operating CF and consolidated net income on page 11 of the presentation material, my understanding is that underlying operating CF will increase by ¥500 billion from ¥0.9 trillion to ¥1.4 trillion, whereas consolidated net income will increase by ¥250 billion from ¥0.95 trillion to ¥1.2 trillion. In other words, it appears that there will be greater growth in underlying operating CF and underlying operating CF will exceed consolidated net income in FY2027. Could you please provide context on these numbers? It is difficult to imagine that depreciation and amortization of intangible assets will increase significantly. For example, could it be the case that you will structurally strengthen cashflow generation by increasing dividends from affiliated companies, or by converting affiliated companies to subsidiaries? Please tell us more about the background behind these figures, including your approach to investment strategies and structure.

A.

- Although we have made underlying operating CF as a core indicator in CS 2027, we have always focused on growing it. In terms of affiliated companies, there have been many instances where we have increased dividends, or converted them to subsidiaries from equity-method affiliates, or where we have divested them after a certain period of holding them to obtain cash. We have deliberately put it this way because there is already an increasing awareness of the importance of cashflow within MC. What we have disclosed this time are basically figures that have been accumulated on a project basis. For projects that will incur additional depreciation (such as LNG Canada), the increase in underlying operating CF will be greater than that of consolidated net income, leading to the current forecast figures.

Q12.

I understood that there are projects with upfront depreciation. Should these be viewed as ongoing investments, or are they investments that will be made during CS 2027?

A.

- Of course, these include future investments, but there is more from ongoing investments, including investments on the resource side of the business.

Q13.

In FY2024 you focused on leveraging multiple businesses through “Reinforce,” “Enhance,” and “Accelerate.” Regarding the Enhance initiatives, you have provided projections of an increase of ¥250 billion in consolidated net income

and an increase of ¥300 billion in underlying operating CF. How confident are you in achieving these figures?

A.

- I am confident. As shown in the “Enhance 1.0” graph on page 14 of the presentation materials, one of our notable achievements during the three years of MCS 2024 was improving our earnings base by ¥100 billion using little capital. Based on these results, we intend to place a spotlight on allocating capital for Enhance initiatives across all of our operating companies.
- When considering investments, there is a natural tendency to focus on new investments. However, reinforcing our existing foundation is equally, if not more, important. As indicated in “Key Challenges and Changes in the Business Environment” on page 6 of the presentation materials, we are entering an era of significant uncertainty. This includes developments such as the reciprocal tariffs announced by the Trump administration this morning. In such a volatile environment, we must use all the market intelligence available to us to carefully assess risk.
- The most reliable way to manage this uncertainty is by fortifying our base. Given current conditions such as elevated inflation, rising interest rates, and strong equity markets, timing is critical, and we must proceed with heightened caution. That being said, when opportunities present themselves, we must also act decisively. It is important to have both flexibility and agility, and the foundation for both is financial soundness. This is why we are focused on strengthening our footing. The figures we disclosed reflect our confidence in achieving these outcomes.

Q14.

Regarding the share buybacks that have been announced, I understand that the intentions of Tokio Marine & Nichido Fire Insurance Co., Ltd. and Mitsubishi Logistics Corporation to sell their holdings have been taken into consideration. Do you have any indication that other shareholders are also willing to sell their shares?

A.

- I’m afraid we cannot comment on the intentions of other companies.
- As for theses share buybacks, we viewed it as an extremely positive opportunity to address potential concerns regarding supply-and-demand dynamics, given the expressed intent of certain cross-shareholding shareholders to divest. When such intentions arise, it is important for us to respond proactively. That is why we announced share buybacks in combination with a tender offer for our own shares.

Q15.

I have a question regarding the examples on strengthening the earnings base provided in the Enhance section on page 14 of the presentation material. I understand that Enhance initiatives are expected to be the largest contributor to profit growth. Could you clarify whether the profit increases will be concentrated in the latter half of the CS 2027 period, whether there will be variations within

business segments and whether the level of contributions will differ across segments. For example, with LNG Canada set to start this year, is it expected to begin contributing to earnings around FY2026 following the ramp-up phase? I understand that timing will vary by project, but I would appreciate any insight you can provide at this point.

A.

- Your understanding is correct. Timing will vary by business. For LNG Canada, ramp-up and production are scheduled to begin in FY2025, with profit contributions expected to start between FY2025 and FY2026. Some projects are anticipated to generate earnings or underlying operating cash flow closer to FY2027. However, the overall plan is not weighted toward any particular period (such as the latter half of CS 2027). We are prepared to implement a range of initiatives, including disciplined bolt-on investments and capital efficiency improvements across our portfolio. We are also engaging in detailed discussions to determine the most appropriate measures to take within each business. Please understand that we are firmly committed to taking decisive actions toward FY2027 and expect to see meaningful profit contributions as a result.

Q16.

I would like to review MCS 2024. My understanding is that the keyword representing what Mr. Nakanishi originally wanted to achieve was "MC Shared Value" (MCSV) but this keyword has been changed to "conglomerate value creation" in CS 2027. From an outside perspective, such value creation has not visibly materialized over the last three years. What is the fundamental reason for this? Can we expect to see more progress, including joint projects in the next three years? "Cross-industry" was also a keyword in MCS 2024. Looking back, what has been the progress with that initiative?

A.

- Because this is such a good question, I'll do my best to give a proper response. Even before I became President/CEO, I had believed that a vertically siloed organizational structure does not allow us to maximize MC's full potential. When I became President/CEO, I made it my goal to do something about this. In addition to generating shared value, which could have various meanings, including simultaneously realizing economic value and social value, MCSV entails the desire to break down barriers to create new things. This initiative led us to reorganize our business segments.
- It would have been best if we could materialize this vision through actual projects in the three years of our MCS 2024. We did not have to make it happen in the first three years, but you are correct in saying that we have not completed any projects of scale in these three years. There are many factors behind this. Several projects had come up, for each of which we made the decision to proceed with or not, based on our investment criteria. At the end of the day, the timing was not right. I believe we made the correct decisions when I consider the current business environment and think that it really was not necessary to push those projects that hard.

- What I want to achieve remains unchanged. The three examples of Create initiatives in our presentation materials address issues that cannot be resolved by one business segment. There are many such projects in our pipeline, but the question is, should we really go through with them in the uncertain business environment that we are in today. We will undertake careful consideration to make our decisions. In any case, this is something I would like to continue to pursue during my term as President/CEO.

Q17.

What is the ideal portfolio for MC? In your "vision" for CS 2027 you note that you would like to optimize your portfolio. However, when we look at asset sales, the plan for the coming three years is at least ¥1.7 trillion in divestitures. This is slightly less than the ¥2 trillion allocated for MCS 2024. On the other hand, the process of selection and focused efforts centered on the aforementioned 160 under-performing companies is almost complete. What approach do you plan to use to encourage divestitures, as this also relates to building an ideal portfolio?

A.

- This is a good point. As I have previously said, the 160 companies we reviewed were ones not achieving their required returns or were experiencing a slowdown in growth. We also considered whether MC could be a true owner that could exercise our governance at certain subsidiaries and help them continue to grow. For these 160 companies, we first tried to help them achieve their required returns. For those businesses with stunted growth, we considered if those businesses were naturally on their way to decline, or if there was limited potential for further growth under our management, and we acted decisively to exit those businesses.
- One example is Lawson, which we did not exit but instead decided to Reshape. We felt that Lawson's growth would be limited as an MC subsidiary. By selling 0.1% of our shares, MC and KDDI both became 50% shareholders in Lawson, and the result was an increase in both daily sales and customer flow. This is an example of growth achieved by bringing on a partner from a different industry, instead of MC exiting the business or taking full control. The goal is to enter the so-called smile curve and create an ideal portfolio through these kinds of deals.
- To determine how to shape our future portfolio, we are engaged in a process of constant review and optimization, including this consideration of whether or not MC is the best owner of each business. Taking a small stake in a business and then making it a subsidiary if we feel confident in its potential, is an approach that we are discussing a lot recently within MC. I would like us to create an ideal portfolio through these sorts of discussions. In today's world in which economics and politics are becoming even more interrelated, starting with geopolitics, we must identify the areas in which MC can leverage our strengths as we work to build our ideal portfolio.