Message from the Chief Financial Officer

I am pleased to present the Tax Transparency Report for Mitsui & Co. (Australia) Ltd. (MCA) Multiple Entry Consolidated group for the year ending 31 March 2018.

MCA is proud of the contribution we make to the Australian community, including the payment of income tax, payroll tax, stamp duty and royalties. We recognise the important role that tax transparency plays in building community trust in the integrity of the tax system and improving the environment for tax reform.

We are committed to paying the right amount of tax, at the right time, in the right jurisdiction. This report reflects our commitment to providing accessible and clear information about our businesses and our approach to taxation.

The report is available from the MCA website:

MR KIYOSHI TAWADA
Chief Financial Officer
Mitsui & Co. (Australia) Ltd.
Our Business in Australia

Mitsui & Co., Ltd. is a long-term partner of Australia.

Today we have a diverse business portfolio spanning Australian industry including iron ore, coal, LNG, oil, gas, power generation, transportation, construction and mining machinery, chemicals, steel products, woodchips, salt and food.

As Australia’s fourth largest exporter with $8 billion in total exports annually, we are helping deliver lasting benefits for the nation’s future.

We have invested more than $15 billion in Australia over the last decade alone and we continue to work as a trusted partner with local business to identify new opportunities and create new trade flows that strengthen the Australian economy.

The Mitsui group has around 400 employees across Australia with offices in Sydney, Melbourne, Brisbane and Perth. Australian joint ventures in which Mitsui participates employ a significant number of people.

Mitsui & Co., Ltd. is proud of our history in Australia and the work we do. Our investment in Australia extends to contributing to the community through activities outside our core business, specifically in the areas of international exchange, education, and the environment.
1. MCA Multiple Entry Consolidated ("MEC") tax group

Mitsui group has a number of investments and participates in joint ventures in Australia. This tax report covers the MCA Multiple Entry Consolidated ("MEC") tax group, which comprises entities 100% owned by Mitsui & Co., Ltd, MCA's Japanese parent company. The provisional head company of the MEC tax group, MCA lodges one consolidated income tax return on behalf of its wholly-owned subsidiaries and other members of the MCA MEC tax group. Please refer to Appendix 1 for members of the MCA MEC tax group.

The financial data presented in this report is quoted in Australian Dollars unless otherwise stated.

The report follows the guidelines set out in the Board of Taxation's Tax Transparency Code.

2. Tax Policy, Risk Management and Governance

MCA’s approach to taxation aligns with our business values. MCA has a well-developed and structured risk management framework to allow for tax risks to be identified, evaluated, monitored and managed. Tax is managed within that corporate governance framework and aligns with the Mitsui & Co., Ltd global tax management policy which is available via the Mitsui website: https://www.mitsui.com/jp/en/company/outline/governance/system/pdf/global_tax_policy_e.pdf

MCA's Tax Corporate Governance Policy is outlined below:

“...In continuous striving for effective cost management we ensure all applicable tax regulations at the local level are considered. For example, to eliminate double taxation. We do not engage in artificial tax arrangements or structures as stated below:

1) Arrangements or structures without reasonable business purpose or commercial rationale other than the intention of tax avoidance.

2) Arrangements or structures which inappropriately erode the tax basis, or shift the attribution of profits from a state based on economic activities and value creation to a state in which to achieve tax avoidance...”

The MCA tax corporate governance framework was prepared in accordance with the ATO’s Tax Risk Management and Governance Review Guide. The policy sets out MCA’s approach to conducting its tax affairs and dealings with tax risk, and is periodically reviewed by the MCA tax team.

MCA has paid all its tax liabilities and all tax compliance obligations are up to date.

3.1 Australian Taxation Office ("ATO") Engagement

MCA values and is committed to maintaining an open, transparent and pro-active relationship with tax authorities. We proactively engage with the ATO as part of the ATO's Pre-lodgement Compliance Review Program ("PCR") which is targeted at Australia’s top taxpayers, and involves ongoing real-time discussions with the ATO to discuss any of our significant transactions and/or our tax positions adopted on certain matters. MCA is also working closely with the ATO in respect of the ATO’s justified trust program.

The ATO has rated MCA as a “key taxpayer" continuing to have a low likelihood of non-compliance with Australian Taxation law. The ATO acknowledges MCA’s commitment to engage cooperatively and transparently to mitigate tax risk, including obtaining tax certainty on key transaction through the use of Private Binding Rulings and Bilateral Advanced Pricing Arrangements.

MCA interprets tax law using relevant guidance and discusses such interpretations with tax authorities where appropriate, to review possible risks and minimise the extent of disputes. We maintain full and timely disclosure of necessary information as required by law, by providing tax authorities with information as part of regular filing or during the course of any review or audit. If any disputes arise, we will maintain an open and constructive relationship with tax authorities to achieve resolution.
4. Reconciliation of Profit before Tax to Income tax expense & Income tax payable

<table>
<thead>
<tr>
<th>Description</th>
<th>AUD (Mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCA MEC group income</td>
<td>5,868.6</td>
</tr>
<tr>
<td>MCA MEC group expenses</td>
<td>3,265.6</td>
</tr>
<tr>
<td><strong>Profit Before Tax based on lodged 2018 MCA MEC group tax return(^1)</strong></td>
<td>2,603.0</td>
</tr>
<tr>
<td>Tax @ 30%</td>
<td>780.9</td>
</tr>
<tr>
<td><strong>Permanent Differences</strong></td>
<td></td>
</tr>
<tr>
<td>Share of Profits – equity accounting</td>
<td>(235.4)</td>
</tr>
<tr>
<td>Non-deductible expenses</td>
<td>(2.8)</td>
</tr>
<tr>
<td>Under/Over Income tax provision</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Income Tax expense</strong></td>
<td>545.2</td>
</tr>
<tr>
<td>Franking Credits</td>
<td>314.7</td>
</tr>
<tr>
<td>Other temporary (provisions, accruals)</td>
<td>(19.3)</td>
</tr>
<tr>
<td><strong>Income Tax Payable</strong></td>
<td>840.6</td>
</tr>
<tr>
<td>Less: Franking Credits</td>
<td>(314.7)</td>
</tr>
<tr>
<td>Less: Foreign Tax Credits/R&amp;D Credits</td>
<td>(0.6)</td>
</tr>
<tr>
<td><strong>Income Tax Paid</strong></td>
<td>525.3</td>
</tr>
<tr>
<td><strong>MCA Effective Tax Rate (&quot;ETR&quot;)</strong></td>
<td>20.9%</td>
</tr>
<tr>
<td>Mitsui ETR(^2)</td>
<td>18.9%</td>
</tr>
</tbody>
</table>

The key factor for the difference between MCA’s ETR of 20.9% and the Australian company tax rate of 30% is the receipt of franked dividends received from MCA’s other Australian investments, which entitles MCA to a tax offset when calculating its Australian income tax liability.

The amounts below reconcile with the data disclosed in the ATO’s Tax Transparency Reports.

---

1. Consolidated accounting profit & loss are an aggregation of audited Financial Statements with eliminations for transactions between tax members.
5. Total Tax Contributions (other taxes)

During the 2018 financial year MCA paid AUD887.8 million in Commonwealth and State taxes. Total tax contributions only include the results of MCA MEC tax group.

In addition to GST, MCA also withholds PAYG withholding taxes on salaries paid to Australian employees as well as other withholding on interest payments to non-residents.

Federal and State taxes paid

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>AUD (‘Mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Income Tax – Australia</td>
<td>525.3</td>
</tr>
<tr>
<td>Fringe Benefits Tax</td>
<td>2.7</td>
</tr>
<tr>
<td>Payroll Tax</td>
<td>3.1</td>
</tr>
<tr>
<td>Stamp Duties</td>
<td>0.7</td>
</tr>
<tr>
<td>Mining Royalties</td>
<td>356.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>887.8</strong></td>
</tr>
</tbody>
</table>

Taxes Collected on behalf of Governments

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>AUD (‘Mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GST collected</td>
<td>13.1</td>
</tr>
<tr>
<td>GST (paid but reclaimed)</td>
<td>31.6</td>
</tr>
</tbody>
</table>
Federal and State Taxes Paid by Mitsui
Tax period: 1 April 2017 – 31 March 2018
AUD (Millions)

Taxes Collected on Behalf of Governments
AUD (Millions)

- Corporate Income Tax: $525.3m
- Mining Royalties: $356m
- Payroll Tax: $3.1m
- Fringe Benefits Tax: $2.7m
- Stamp Duties: $0.7m
- GST (paid but reclaimed): $31.6m
- GST Collected: $13.1m

Total: $887.8m
6. International related Party dealings

The head company of MCA, Mitsui & Co., Ltd. is located in Japan, with 138 offices in 66 countries/regions globally, including Australia. The Australian operations are part of Mitsui's global business and inherently involve substantial related party dealings.

For the year ended 31 March 2018, MCA's significant related party dealings were with Mitsui entities located in Japan, Singapore, China and Malaysia.

Each year, MCA discloses its related party transactions in the International Dealings Schedule which forms part of its income tax return, as well as submission of the Australian Local File as part of the Country-by-Country reporting requirements.

MCA seeks to conduct its international related party dealings at arm's length and prepares contemporaneous transfer pricing documentation to support these positions which is shared with the ATO.

The significant business dealings between MCA and overseas related parties are highlighted as follows:

- Service fees paid by MCA to Mitsui & Co., Ltd. (Japan)
- Trading business transactions between MCA and Mitsui & Co., Ltd. (Japan)
- MCA operates as an in-house bank as part of the "Mitsui Global Cash Management system" for efficient use of Mitsui global funds which transacts with Japan, United States, United Kingdom and Singapore
- MCA enters into Bilateral Advance Pricing Agreements (BAPA) to agree prices charged between significant related party transactions between Japan and Australia to reduce the risk of disputes.

7. Basis of Preparation

This report has been prepared in accordance with the Board of Taxation Tax Transparency Code guidelines.

i. Entities

This report includes all amounts paid and received by MCA MEC group corporate entities which are 100% owned.

Other entities which are not wholly owned by Mitsui & Co., Ltd. have not been included in this report as disclosed in Appendix 1.

ii. Reporting currency

All payments are reported in Australian dollars unless otherwise stated.

iii. Source of Information

Information has been sourced from submitted tax returns and audited financial statements.

iv. Approach to Materiality

Materiality for disclosures has been set at the nearest million dollars.

v. AASB guidance

The group prepares special purpose financial statements and follows Australian Accounting Standards Board (AASB).

Deloitte are the auditors of the Mitsui & Co., Ltd. group.

vi. Reporting period

The report has been prepared for MCA MEC group's financial year from 1 April 2017 to 31 March 2018.
Appendix 1 – Mitsui & Co. (Australia) Ltd. Multiple Entry Consolidated Group

Mitsui & Co. (Australia) Ltd. Multiple Entry Consolidated Group as at 31 March 2018, all entities are incorporated in Australia.

1. Mitsui & Co. (Australia) Ltd.
2. Mitsui & Co Financial Services (Australia) Ltd
3. Mit Power Australia Pty Ltd
4. Mitsui Coal Holdings Pty Ltd
5. Mitsui Bengalla Investment Pty Ltd
6. Mitsui German Creek Investment Pty Limited
7. Mitsui Kestrel Coal Investment Pty Limited
8. Mitsui Moranbah North Investment Pty Ltd
9. Mitsui Moura Investment Pty Ltd
10. Mitsui Bussan Woodchip Oceania Pty. Ltd
11. Bunbury Fibre Exports Pty Ltd
12. Bunbury Fibre Plantations Pty Ltd
13. Mitsui & Co Mineral Resources Development Pty Ltd
14. Mitsui Iron Ore Development Pty Ltd
15. Mitsui Iron Ore Corporation Pty. Ltd.
17. Shark Bay Salt Pty Ltd
18. Shark Bay Resources Pty Ltd
19. Onslow Salt Pty Ltd.
20. Mitsui E&P Australia Pty Limited
21. MEPAU A Pty Ltd
23. Mittwell Energy Resources Pty. Ltd.

Other Mitsui & Co Limited majority owned investments in Australia

1. AWE Limited group (have joined the MCA MEC group in the year ending 31 March 2019)
2. Mitsui-Itochu Iron Pty Ltd (have adopted the Tax Transparency Code for the year ending 31 March 2019)
3. MBK Oxyfuel Australia Pty Limited (under liquidation)