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Introduction: Mitsui & Co., Ltd. Management Principles and Management Objectives

1. Mitsui & Co., Ltd. (hereinafter referred to as “the Company” or “Mitsui”) has over the course of its long history and tradition nurtured such values and ideals as “challenge and opportunity,” “freedom and open mindedness,” and “Mitsui is people.” Each and every company officer and employee shares the “Mitsui management principles” that were established in line with the teachings and thoughts of those who pioneered the way for us. By combining all of those individual capabilities under the umbrella of global business activities, we aim to create new value through highly transparent, fair working practices and contribute to society on a global basis.

2. The “Mitsui management principles” are “Mission,” “Vision,” and “Values,” which we define in the following manner:

■ **Mission**

  **Build brighter futures, everywhere**

  Realize a better tomorrow for earth and for people around the world.

■ **Vision**

  **360° business innovators**

  As challengers and innovators, we create and grow business while addressing material issues for sustainable development.

■ **Values**

  Our core values as challengers and innovators

  **Seize the initiative**

  We play a central role in driving transformation.

  **Thrive on diversity**

  We foster an open-minded culture and multiply our strengths to achieve excellence.

  **Embrace growth**
We drive our collective growth by continuously growing as individuals.

**Act with integrity**

We pursue worthy objectives with fairness and humility, taking pride in work that stands the test of time.

3. The Mitsui management objectives are defined as Mitsui company officers and employees, while working under the “Mitsui management principles,” fulfilling the expectations and trust placed in us by our stakeholders, including shareholders, clients, employees as well as consumers and regional communities; proactively pursuing Corporate Social Responsibility (CSR) oriented management; and, as a result, increasing corporate value from both the quantitative and qualitative aspects in a sustainable manner.

4. In order to attain our management objectives based on the “Mitsui management principles,” we aim to optimize business oversight and auditing systems. We provide for the guidelines for such as “Corporate governance principles” in Chapter 1. Also, in order to attain our management objectives, we have established the corporate internal control mechanism conducted under the systems provided for in the corporate governance principles. We provide for this as “Internal control principles” in Chapter 2. We present both these principles together as an overall image of Mitsui corporate governance. In Chapter 3, furthermore, in relation to overall Mitsui corporate governance, we state the “Necessary systems to ensure appropriate operations,” as provided for in the Companies Act of Japan.
Chapter 1: Corporate Governance Principles

I. General rules

1. Objectives

The objectives of these principles are to establish the management oversight and auditing systems necessary for attaining our management objectives based on the “Mitsui management principles” and to clarify the role and conditions of their component parts.

2. Scope of application

These principles establish the principles related to Mitsui corporate governance and also provide guidelines for promoting the consolidated management of the Mitsui Group to Mitsui affiliated companies.

3. Definition and basic framework of corporate governance

(1) Mitsui adopts a framework of corporate governance referred to as a system of company with Audit & Supervisory Board. Accordingly, we define corporate governance as "a framework under which the Directors, in their capacity as members of the Board of Directors, oversee the execution of business of those who execute business of the Company, comprising Representative Directors, Directors, and Managing Officers (collectively, hereinafter referred to as “the management”); and the Audit & Supervisory Board Members, in their capacity as an independent body, audit the execution of duties of the Directors and ensure that the management is improved or renewed as necessary." We also define internal control as "a framework for the management to control and supervise our business execution organization," and clarify the content of that role in Chapter 2.

(2) While heightening the effectiveness of the auditing function of the Audit & Supervisory Board Members, we also judge that the management based on Internal Directors well versed in company operations is necessary for a company operating as a general trading house, and while adopting a framework of corporate governance under the system of a company with Audit & Supervisory Board , we will attain highly effective corporate governance through the establishment of various advisory committees with the participation of External Directors and Audit & Supervisory Board Members in order to ensure “improved transparency and accountability, along with “the clarification of the division of roles between the oversight activities and executive
activities of the management.”

(3) Mitsui conducts periodic and ongoing reviews aimed at optimizing corporate governance through the Board of Directors or Governance Committee as provided for in section II below.

II. Corporate governance systems

1. Directors and the Board of Directors

(1) Role of the Board of Directors
Apart from deciding basic policy related to Mitsui management, items related to important operational execution, and items authorized by resolutions of the General Meetings of Shareholders, the Board of Directors decides items provided for in laws and regulations along with the Company Articles of Incorporation, in line with Internal Regulations on Matters to Be Resolved or Reported at the Meeting of the Board of Directors. Moreover, by receiving reports on items provided for in laws and regulations and the status of the execution of important operations, the Board of Directors oversees the execution of duties by the management headed by the President, who serves as Chief Executive Officer.

(2) Advisory bodies to the Board of Directors
The Company has established the following three Committees as advisory bodies for the Board of Directors.

◆ Governance Committee
   Expected Role: The Committee will work to enhance management transparency and fairness and achieve sustained improvement in Company’s corporate governance by continually monitoring corporate governance and considering governance enhancement measures.

   Function: To consider basic policies and measures concerning the governance of the Company, to consider the composition, size, and agenda of the Board of Directors, with the aim of achieving further improvement in corporate governance, and to consider the role of the Board of Director’s advisory committees, including recommendations based on deliberations and discussions in meetings of the Nomination and Remuneration Committees.
Term: The term of this Committee Members shall be from the date of the ordinary general meeting of shareholders on the year when such Committee Member is appointed as a Committee Member to the end of next year’s general meeting of the shareholders.

Composition: Three Internal Directors serving as the Chairman (Committee Chair), the President, the Chief Strategy Officer (CSO), three External Directors, and one External Audit & Supervisory Board Member. Additional Committee Members nominated by the Chairman may be appointed following a resolution of the Board of Directors.

Nomination Committee

Expected Role: To enhance the transparency and objectivity of processes relating to the nomination of directors and executive officers (referred to collectively as “Officers”, including the CEO, the same to apply below) through the involvement of External Directors or External Audit & Supervisory Board Members (hereinafter referred to as “External Members”), and to ensure the fairness of Officer nominations.

Function: To study the selection and dismissal standards and processes for nominating Officers, establish succession planning for President and Chief Executive Officer and other top executives, and evaluate Director nomination proposals and to deliberate on the dismissal of Officers.

Term: The term of this Committee Members shall be from the date of the ordinary general meeting of shareholders on the year when such Committee Member is appointed as a Committee Member to the end of next year’s general meeting of the shareholders.

Composition: Two Internal Directors serving as the Chairman, the President, two External Directors and one External Audit & Supervisory Board Member (one of External Members shall serve as the Committee Chair, and the Chief Human Resources Officer (CHRO) shall serve as Director-General). Additional Committee Members nominated by the President may be appointed following a resolution of the
Board of Directors.

◆ Remuneration Committee

Expected Role: To enhance the transparency and objectivity of decision-making processes relating to remuneration for Officers through the involvement of External Members, and to ensure the fairness of remuneration for Officers through ongoing monitoring.

Function: To study the system and decision-making process relating to remuneration and bonuses for Officers, and to evaluate the proposals of remuneration and bonuses for Directors and proposals for evaluation and bonuses for Managing Officers.

Term: The term of this Committee Members shall be from the date of the ordinary general meeting of shareholders on the year when such Committee Member is appointed as a Committee Member to the end of next year’s general meeting of the shareholders.

Composition: Two Internal Directors serving as the Chief Financial Officer (CFO), the CHRO, two External Directors and one External Audit & Supervisory Board Member (one of External Members shall serve as the Committee Chair). Additional Committee Members nominated by the President may be appointed following a resolution of the Board of Directors.

(3) Tenure of Directors
In order to maintain an appropriate degree of tension between shareholders and Directors, the tenure of Directors is fixed at one year and elections, which do not preclude reelection, are conducted each year.

(4) Director remuneration
In accordance with the results of studies by the Remuneration Committee, Director remuneration is decided based on a fixed basic remuneration defined by a resolution of the Board of Directors along with a performance linked bonus based on Mitsui’s profit (attributable to owners of the parent) and a stock option scheme as stock-based compensation with stock price condition as a mid- to long-term incentive, all within the amounts resolved at a General Meeting of Shareholders. External Directors are eligible only for fixed basic remuneration. No retirement benefits are paid to Directors.
(5) Frequency of Board of Directors meetings
In principle, the Board of Directors meets once a month and at other times deemed necessary.

(6) Composition of the Board of Directors
The number of Directors shall be set at an appropriate number where effective discussion is possible. The Company’s policy shall be that at least one-third of the total number of directors shall be independent external directors.

(7) Auxiliary functions to ensure the effectiveness of the Board of Directors
In order to improve the effectiveness of the Board of Directors, the Directors require Managing Officers and staff (Mitsui’s secondees to other companies, secondees working at Mitsui, employees on a short-term contracts, administrative contract staff and temporary staff) to provide adequate information related to the status of the execution of business and agenda of the Board of Directors meeting.

(8) Evaluation of effectiveness of the Board of Directors
Each year the Board of Directors analyzes and evaluates its effectiveness as a whole, taking into consideration the relevant matters, including the self-evaluations of each Director, and discloses a summary of the results.

(9) Positioning of the Chairman and the Chairman of the Board of Directors
The Chairman mainly oversees the management and does not concurrently serve as an executive officer and he is not involved in the execution of day-to-day business operations. Also, the Chairman serves as Chairman of the Board of Directors.

(10) Appointment of Directors
1) Mitsui selects candidates for positions of Director giving consideration to the following appointment standard for Directors.
   - Person with excellent overall character who possesses qualities valuable for the management of Mitsui
   - Person possessing both strong leadership skills and high moral caliber and with law-abiding spirit and a strong intention to contribute to public interest
   - Person with no health concerns for the execution of duties
   - Person possessing capability for smooth performance as a Director of “decision-making related to the execution of operations of the Company” and “oversight of the execution of duties by Directors” to be conducted by the Board of Directors
   - Person excelling in capability, foresight and insight to make best judgment for the Company strictly in compliance with duty of care of a good manager and duty of
loyalty expected of a Director and in accordance with the “business judgment rule”

2) Selection of candidates for positions of Director is conducted after confirmation is obtained from the Nomination Committee that the necessary requirements based on the selection processes and the appointment standard for Directors established by the Nomination Committee are fulfilled.

(11) Appointment of External Directors
1) The Company has decided that as the appointment standard for External Directors, the prospective person’s extensive business experience and knowledge are required to deliberate on such Board of Directors meeting proposals as investments and loans, and knowledge of his or her particular area of business is used.

2) The Company has decided that in selecting candidates for the positions of External Director, it puts great value on ensuring their independence from Mitsui in the pursuit of their management oversight functions. Also, with a view to overseeing business operations in a way that reflects the standpoint of our diverse stakeholders, Mitsui takes into consideration the field from which candidates originate, along with their gender.

Given that Mitsui is a general trading company with extensive business dealings, it has been decided to make appropriate efforts by the Board of Directors to handle with likely conflicts of interest involving the prospective External Director in individual transactions with external parties.

(12) Policy on training for Directors
1) Upon assumption, opportunities are given to Directors for gaining full understanding of the business, financial affairs, organization, etc. of the Company, the Companies Act of Japan and related laws and regulations, corporate governance and internal control to ensure that they may fulfill their duties including the role expected of Directors which is mandated by the shareholders (fiduciary responsibility) and legal responsibility. Furthermore, opportunities are given for keeping them up to date as necessary.

2) With respect to External Directors, prior explanation is given to them together with materials for agenda in advance of ordinary and extraordinary Board of Directors meetings, etc.

(13) Dismissal of Directors/Managing Officers
In cases in which any of the circumstances listed below applies to a director and/or
managing officer, to ensure objectivity and transparency, the Nomination Committee shall first discuss dismissal of that director and/or managing officer, followed by deliberations about the same at a meeting of the Board of Directors.

- If a person is found to have violated laws and regulations, the articles of incorporation, or otherwise committed illicit acts
- If a person has not fully performed the functions and roles required for his or her office
- If a person has become not to fulfill any of the selection standards for his or her office

2. Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) Role of the Audit & Supervisory Board Members and the Audit & Supervisory Board
The Audit & Supervisory Board Members audit the execution of duties of the Directors as an independent body with a mandate from the shareholders. The Audit & Supervisory Board serves as the sole and exclusive consultative and decision-making body forming opinions related to audits, and each Audit & Supervisory Board Member perseveres in ensuring the effectiveness of audits through participation in meetings of the Audit & Supervisory Board. However, resolutions of the Audit & Supervisory Board do not preclude the exercise of the authority of each Audit & Supervisory Board Member.

(2) Numbers and tenure of Audit & Supervisory Board Members
The Company has decided that there are three or more Audit & Supervisory Board Members, with tenure of four years.

(3) Appointment of Audit & Supervisory Board Members
1) Mitsui selects candidates for positions of Audit & Supervisory Board Member giving consideration to the following appointment standard for Audit & Supervisory Board Members.
   - Person of excellent personality and considerable insight, possessing outstanding capability and achievements or abundant knowledge in the fields of legal affairs, financial affairs and accounting, business management, and other various fields
   - With respect to Internal Audit & Supervisory Board Members, person well-acquainted with actual conditions of the Company and possessing capability to conduct appropriate audits

2) For the selection of candidates for positions of Audit & Supervisory Board Member, Directors prepare a proposal for election through consultation with Audit & Supervisory Board Members and obtain agreement of the Audit & Supervisory Board in advance. The Audit & Supervisory Board deliberates on the advisability of
agreeing with the proposal for election of Audit & Supervisory Board Members to be submitted to the General Meetings of Shareholders by the Board of Directors.

(4) Role and appointment of External Audit & Supervisory Board Members
The External Audit & Supervisory Board Members are appointed with the objective of further heightening the neutrality and independence of the auditing system, and it is particularly expected that the External Audit & Supervisory Board Members objectively express their auditing opinions from the standpoint of neutrality, building on such factors as that independence. When selecting candidates for positions of External Audit & Supervisory Board Member, the Audit & Supervisory Board confirms that no issues with independence arise by taking into consideration not only the appointment standard provided for in (3) above, but also such factors as relations with the Company, the management and important staff.

(5) Policy on training for Audit & Supervisory Board Members
1) Upon assumption, opportunities are given to Audit & Supervisory Board Members for gaining full understanding of the business, financial affairs, organization, etc. of the Company, the Companies Act of Japan and related laws and regulations, corporate governance and internal control to ensure that they may fulfil their duties including the role expected of Audit & Supervisory Board Members which is mandated by the shareholders (fiduciary responsibility) and legal responsibility. Furthermore, opportunities are given for keeping them up to date as necessary.
2) With respect to External Audit & Supervisory Board Members, prior explanation is given to them together with materials for agenda in advance of ordinary and extraordinary Board of Directors meetings, etc.

(6) Audit & Supervisory Board Member remuneration
Audit & Supervisory Board Member fixed basic remuneration is decided through discussions between Audit & Supervisory Board Members, and limited to within the amounts resolved at the General Meeting of Shareholders. No retirement benefits are paid to Audit & Supervisory Board Members.

(7) Ensuring the effectiveness of audits by the Audit & Supervisory Board Members
Directors, and Representative Directors in particular, are to fully aware of the importance and usefulness of audits by the Audit & Supervisory Board Members, and are also to treat it as one of their responsibilities to be aware of the strong demands to maintain an environment for audits by the Audit & Supervisory Board Members. In order to increase the effectiveness of audits by the Audit & Supervisory Board Members, and to smoothly pursue auditing duties, the Company establishes an Audit & Supervisory Board Member
Division as an organization to assist the pursuit of auditing duties, and allocates full-time staff. Directors and Audit & Supervisory Board Members give due consideration to ensuring the independence of members of the Audit & Supervisory Board Member Division from the management.

(8) Frequency of Audit & Supervisory Board meetings
In principle, the Audit & Supervisory Board meets once a month ahead of the Board of Directors meetings and at other times deemed necessary.

(9) Coordination between the Independent Auditors and the Internal Auditing Division
1) Audit & Supervisory Board Members and the Audit & Supervisory Board maintain close ties with the Independent Auditors, proactively exchange opinions and information and persevere in the implementation of effective audits.
2) Audit & Supervisory Board Members and the Audit & Supervisory Board maintain close ties with the Internal Auditing Division and other internal control divisions, and persevere in the implementation of effective audits. Audit & Supervisory Board Members may also, in cases they judge necessary, demand that the Internal Auditing Division cooperate for audits on special items.

3. Criteria of independence for External Members

External Members who do not fall under any of the following items are to be judged to have independence.

1) Person who is currently or was in the past ten years an Executive Director, Executive Officer, Managing Officer, manager, employee, administrative officer, etc. (hereinafter referred to as "executing person") of Mitsui or Mitsui’s consolidated subsidiaries
2) Person or the executing person of a corporation holding either directly or indirectly 10% or more of total number of the voting rights of Mitsui
3) Person whose major business partner is Mitsui or Mitsui’s consolidated subsidiaries (*1) or the executing person of the same
   *1 If the relevant business partner received from Mitsui or Mitsui’s consolidated subsidiary the payment equivalent to 5% or more of its annual transaction volume (non-consolidated) in the most recent business year or the relevant business partner obtained from Mitsui or Mitsui’s consolidated subsidiary the money loans equivalent to 5% or more of its consolidated total assets in the most recent business year, the relevant business partner is deemed to be the person whose major business partner is Mitsui or Mitsui’s consolidated subsidiary.
4) Major business partner of Mitsui or Mitsui’s consolidated subsidiary (*2) or the executing person of the same

*2 If Mitsui or Mitsui’s consolidated subsidiary received from the relevant business partner the payment equivalent to 2% or more of Mitsui’s annual consolidated transaction volume in the most recent business year or the relevant business partner provided Mitsui or Mitsui’s consolidated subsidiary with the money loans equivalent to 2% or more of Mitsui’s consolidated total assets, the relevant business partner is deemed to be the major business partner of Mitsui or Mitsui’s consolidated subsidiary.

5) Independent Auditor of Mitsui or Mitsui’s consolidated subsidiary or employee, etc. of the same

6) Person providing professional services such as consultant, lawyer and certified public accountant who received from Mitsui monetary payment or other property benefits exceeding ¥10 million in total other than officer remuneration in the most recent business year (referring to the person belonging to the organization if the one who received the relevant property is an organization such as corporation and association)

7) Person or the executing person of a corporation who received the annual total of ¥10 million or more of donations or aid funds from Mitsui or Mitsui’s consolidated subsidiary in the most recent business year

8) Person who has fallen under any of 2) to 7) above in the past three years

9) Spouse or relative within the second degree of kinship (hereinafter referred to as “close relatives”) of the person who is currently or has been recently the important executing person of Mitsui or Mitsui’s consolidated subsidiary (including Director who is not the executing person in the case of External Audit & Supervisory Board Member)

10) Close relatives of the person who currently falls or has fallen recently under any of 2) to 7) above (excluding the one who is not important)

4. Independent Auditors

(1) Tenure, appointment and dismissal of Independent Auditors

1) The tenure for Independent Auditors is one year, with the possibility of reappointment.

2) Proposals for the appointment, dismissal or non-reappointment of Independent Auditors are resolved by the Audit & Supervisory Board, and subsequently submitted to the General Meeting of Shareholders. The reappointment of Independent Auditors is resolved by the Audit & Supervisory Board.

3) In the case of an Independent Auditor, independently of circumstances at Mitsui, violating or infringing the Companies Act of Japan or Certified Public Accountants
Act, offending public order and morals, or breaching the auditing contract, the Audit &
Supervisory Board assesses whether to submit a proposal to the General Meeting of
Shareholders for the dismissal or non-reappointment of that Independent Auditor.

4) If the Independent Auditor falls under any of the events prescribed in Article 340,
Paragraph 1 of the Companies Act of Japan, the Audit & Supervisory Board may
dismiss the Independent Auditor with the consent of all of the Audit & Supervisory
Board Members.

(2) Independent Auditor remuneration
Independent Auditor remuneration must be determined with the consent of the Audit &
Supervisory Board.

(3) Securing the independence of Independent Auditors
In the event of auditing operations being commissioned by a Mitsui subsidiary or an
important Mitsui associated company, or in the event of non-auditing operations being
commissioned by a Mitsui subsidiary or an important Mitsui associated company to a
Mitsui Independent Auditor or its member firm, obtainment of consent from or submission
of a report to the officers responsible for the Corporate Staff Divisions is required in order
to maintain the independence and objectivity of Independent Auditors. In addition, Audit &
Supervisory Board Members confirm that Independent Auditors conserve the
independence and appropriate auditing is being carried out.

5. Measures with respect to shareholders and other stakeholders

(1) Measures for revitalization of General Meeting of Shareholders and facilitation of
exercise of voting rights
1) Mitsui makes efforts to ensure that our shareholders may secure sufficient time to
review proposals for the General Meeting of Shareholders by early sending and
disclosure of convocation notice including English version and efforts to improve
environment for shareholders to exercise their voting rights by introduction of
electromagnetic exercise of voting rights.
2) Mitsui has established the handling relating to the exercise of shareholder rights,
handling relating to shares and share options, and the fees charged for these matters
in the Rules on Handling Shares and releases the same on its website.

(2) Measures related to IR
1) Mitsui has established basic philosophy and procedures for statutory disclosure and
timely disclosure in the Corporate Disclosure Policy and releases the same on its
website.

2) Mitsui gives briefings to shareholders and investors to provide information in an appropriate manner and hold dialog in accordance with the Corporate Disclosure Policy and posts materials on its website.

3) Mitsui gives feedback to its officers and employees including the management with respect to the opinions and management issues obtained from shareholders and investors through dialog with them and makes good use of the same for continuous improvement of corporate value.

III. Other

1. Policy related to acquisition and holding of cross-shareholdings

Mitsui defines listed shares held for reasons other than purely for investment returns as cross-shareholdings. These are acquired and held in accordance with the following policy.

(1) The purpose of cross-shareholdings in investees for which the equity-method is applicable is to improve the corporate value of the investees and increase equity-method based profit and dividends to be received through equity participation. Cross-shareholdings in companies other than equity-method applicable investees (including deemed shareholdings) will be categorized as “listed shares for general investment purposes” as a means of creating business opportunities and building, maintaining, or strengthening business and collaborative relationships.

(2) Investments in the shares of equity-method applicable companies are implemented only in cases where the economic rationale is recognizable. At the same time, each year the Board of Directors shall review the meaning of and policy on holding such shares, including a verification of the rationale in relation to capital costs, within the framework of portfolio reviews that are carried out in relation to general investment assets, including unlisted shares. If the meaning of holding these assets has significantly declined, a policy toward withdrawal shall be set out.

(3) When acquiring listed shares for general investment purposes, the Company shall conduct a prior stringent assessment of the probability of the investment creating business opportunities, or building, maintaining, or strengthening business and collaborative relationships. At the same time, each year, the Board of Directors shall review the meaning of and policy on holding listed shares for general investment purposes by verifying the economic rationale based on the status of dividends, business-related profits, and other related profits, in comparison to the capital costs, and verification of qualitative aspects based on the status of and outlook for the creation of business opportunities, as well as business and collaborative relationship
with each cross-shareholding investee. If as a result of this review the meaning of holding these assets has significantly declined, a policy toward withdrawal shall be set out.

(4) With respect to exercise of voting rights of listed shares held by the Company, deliberation shall be conducted on a case-by-case basis by taking into consideration comprehensively from the perspectives of (1) whether or not the proposal contribute to enhancing corporate value of the investee or mutual benefit of the shareholders, and (2) the impact that the proposal may have on the enhancement of the corporate value of the Company in terms of the creation of business opportunities, and building, maintenance, and strengthening of business and collaborative relationship between the investee and the Company.

2. Transactions between related parties

Mitsui seeks for resolution of the Board of Directors concerning transactions between the Company and a Director, Managing Officer or major shareholder in accordance with laws and regulations and the Internal Regulations on Matters to Be Resolved or Reported at the Meeting of the Board of Directors, and reports periodically to the Board of Directors on important transactions with subsidiaries and associated companies.
Chapter 2. Internal Control Principles

I. General rules

1. Objectives

The objective of these principles is for the management to establish the framework of corporate internal control systems, and provide guidelines for ensuring their proper operation in order to attain our management objectives based on the “Mitsui management principles,” under the system provided for by the Mitsui corporate governance principles.

These principles also establish basic policy relating to the objective, component parts and assessment of internal controls, along with the role and responsibility of all Mitsui officers and employees and related organizations.

2. Scope of application

All Mitsui officers, employees and all organizations (including Tokyo head office and domestic affiliates and branches, and overseas branches and subsidiaries) are subject to these principles, which also provide guidelines for promoting the consolidated management of the Mitsui Group to Mitsui affiliated companies, and the content of which is provided for in clause VI below.

3. Definition of internal controls

Within the scope of these principles, internal control systems attain the following four objectives, and are defined as the six elements listed below, comprising “a framework for the management to control and supervise our business execution organization.”

Objectives of internal controls

1. “The improvement of effectiveness and efficiency of operations”

2. “Ensuring compliance with generally accepted accounting principles and the reliability of financial reportings”

3. “Compliance with laws and regulations, along with management principles and internal rules including various codes of conduct reflecting management principles (hereinafter referred to as “laws and regulations and internal rules”)”

4. “Safeguarding of company assets”
Component factors in designing and operating internal controls
(1) “Control environment”
(2) “Risk assessment”
(3) “Control activities”
(4) “Information and communication”
(5) “Monitoring”
(6) “Response to IT”

II. Objectives of internal controls

1. Improving the effectiveness and efficiency of operations

In order to attain the objective of “improving the effectiveness and efficiency of operations,” Mitsui designs and operates internal controls so as to fulfill the following conditions.

(1) That policies and procedures are suitable for the organizational targets and for attaining the objectives thereof, and are applied at each level of the organization.
(2) That management resources (personnel, funds, equipment and information) conform to the operational objectives and are used on a timely basis.
(3) That operations are implemented in a rational scope, over the shortest time, and at the lowest cost (human as well as economic).
(4) That timely responses are made to environmental changes internal and external to the organization.
(5) That the products and services we provide exceed the expectations of our clients.

2. Ensuring compliance with generally accepted accounting principles, and the reliability of financial reportings

In order to attain the objective of “ensuring compliance with generally accepted accounting principles, and the reliability of financial reportings,” Mitsui designs and operates internal controls so as to fulfill the following conditions.

(1) That individual transactions are exercised with the comprehensive and individual approval of the responsible manager.
(2) That exhaustive and accurate records and accounts are recorded and stored to reflect the contents of individual transactions. Also, those records are kept to allow for financial statements to be drawn up that take into consideration Generally Accepted Accounting Principles.
(3) As far as outstanding assets listed in accounting records are concerned, periodic spot investigations are conducted and appropriate measures taken if there are any discrepancies.

(4) Financial information is announced externally following the necessary internal procedures and upon approval by or report to the Board of Directors.

3. Compliance with laws and regulations and internal rules

In order to attain the objective of “compliance with laws and regulations and internal rules,” Mitsui designs and operates internal controls so as to fulfill the following conditions.

(1) Officers and employees of the Company are versed in the laws and regulations and internal rules relating to the operations which they manage, and in instances of changes in these laws and regulations and internal rules information are immediately relayed to the relevant officers and employees of the Company.

(2) Officers and employees of the Company confirm that the objective of the pursuit and methodology employed in operations, or operations for which they are responsible are in accordance with laws and regulations and internal rules.

(3) In cases where officers and employees of the Company discover that the objective of the pursuit and methodology employed in their own operations, or those involving other officers and employees of the Company, violate laws and regulations and internal rules, they make reports based on internal rules, immediately correct the said violation and strictly respond to the said violation.

4. Safeguarding of company assets

In order to attain the objective of “safeguarding of company assets,” Mitsui acts to reduce the risk of damage or misuse of company assets (including data assets) and ensure the physical security of company assets.

III. Components of internal controls

In order to attain the aforementioned objectives, Mitsui, the management and managers as listed in the Company personnel system, design and operate internal controls with the six elements listed below in line with their individual status.

1. Control environment

“Control environment” refers to the work environment, including corporate culture,
management principles and management policies that form the independent base which impacts the formation of attitudes and awareness of internal controls among officers and employees of the Company, and ensures the smooth function of other components of internal controls. The management and managers make efforts to maintain the control environment conducive to allowing proactive awareness and attitudes among the staff that comprises the organizations to spontaneously promote assessments of risk control, the transmission of information and the monitoring of activities mentioned below, as well as ensuring the timely and appropriate implementation of control activities.

In maintaining the control environment, Mitsui focuses on the following factors which impact awareness of internal controls among all officers and employees of the Company, and it aims to clarify and realize the factors to make it possible to assess and improve them.

- The penetration of the “Mitsui management principles” to all parts of the organization
- The clarification and sharing of the values of integrity and ethics in corporate activities
- The clarification of the necessary capability levels for pursuing job performance
- The clarification and sharing of an employee evaluation system founded on ethical values and job performance capabilities
- The transmission, awareness and sharing of the contents of management oversight and auditing activities, including meetings of the Board of Directors and the Audit & Supervisory Board, to officers and employees of the Company
- The transmission, awareness and sharing of management policy and risk awareness to officers and employees of the Company by the management
- The clarification of the objective ideology underpinning organizational design.
- The clarification of the granting of authority and responsibility

2. Risk assessment

“Risk assessment” refers to investigating various risk (risk of loss) factors related to the organization of the Company both internal and external to the organization, staying abreast of the characteristics, and measuring the possibility of that same risk manifesting itself, and the level of impact in cases where risk events occur. The management and managers must be aware of risk and assess it at all levels of the organization. They must also carry out periodic risk assessments based on the emergence of new risk in line with changes in internal and external environments, or changes in existing risk status.

3. Control activities

“Control activities” refers to the establishment and implementation of concrete policies,
rules and procedures in order to achieve internal controls, including internal approval system, various endorsement procedures, delegation of authority and performance evaluations. The management and managers establish and implement in writing the policies, rules and procedures necessary for the organization to pursue all operations. Each organization pursues operations in line with those policies, rules and procedures.

4. Information and communication

"Information and communication" refers to the identification, capture and transmission of necessary data for the design and operation of internal controls, including the maintenance of information systems. In maintaining control environments, evaluating risk, and implementing control and monitoring activities, the management and managers aim to maintain and operate the information and communication system to facilitate the timely transmission of accurate data to those who require it.

5. Monitoring

As far as the effectiveness and efficiency of internal controls are concerned, “monitoring” refers to monitoring and evaluation based on the standpoint of measures against changes in the prevailing environment, and new risk, and also the promotion of corrective measures as necessary. Monitoring activities include not only monitoring of the performance status of given procedures and/or behavior, but also whether the design of internal controls conforms to the actual state of operations and risk.

By implementing the following two activities either individually or together, the management and managers monitor, evaluate and correct internal controls on an ongoing basis.

(1) Day-to-day monitoring
    Monitoring whether internal controls are effectively operated in each organization on a day-to-day basis, including appropriate approval procedures, accurate records and compliance with laws and regulations

(2) Independent evaluations
    Reviews of design evaluation and the effectiveness of operations over a fixed period, for control activities in part or whole, conducted by the management on a periodic or as-needed basis from a standpoint independent of day-to-day operations

6. Response to IT

"Response to IT" refers to the accurate and timely transmission of large amounts and wide range of information generated in line with Mitsui’s large scale, diverse business scope,
areas and operating regions, and making further use of information technology in order to ensure necessary data security.
Furthermore, in designing the internal controls related to information technology, consideration is given to overall information technology controls, including application development and change control, information technology asset management, infrastructure management (change control), security control, fault control, operation and maintenance control and control of work outsourced to external contractors.

IV. Evaluation of internal control over financial reporting

Based on the Financial Instruments and Exchange Act of Japan, Mitsui must file Annual Securities Reports (*Yukashken Hokokusho*) and also management assessments and external auditing with respect to internal control over financial reportings. As a result, concerning internal control over financial reportings, unlike other internal controls the Company assumes direct and clear external reporting responsibilities.
With regard to the management’s assessments of internal control over financial reportings, in line with directives and supervision from the management, along with the documentation and evaluation policies listed elsewhere, each organization carries out documentation and self-assessment regarding the design and operation of internal control over financial reportings, and an independent organization within the Company conducts evaluation.

V. Roles and responsibilities for internal controls

Internal controls are established, as well as designed and operated by all component staff members in each organization, and Mitsui clarifies the roles and responsibilities of officers and employees of the Company and of related organizations with regard to internal controls in the following manner. The officers and employees of the Company and related organizations listed below must liaise accordingly to pursue the said roles and responsibilities.

1. Roles and responsibilities of the Board of Directors

Based on the Companies Act of Japan, other related laws and regulations, along with the Company articles of incorporation and other internal rules, the Board of Directors implements the basic design of Mitsui internal controls on an internal and external consolidated basis, and assumes the role and responsibility for the design, operation and assessment of internal controls. This includes assessments of whether the management is
effectively executing its duties.

2. **Roles and responsibilities of the management**

(1) Based on the basic design of internal controls provided for by the Board of Directors, the management assumes the role and responsibility of maintaining, operating and assessing internal controls at Mitsui and Mitsui affiliated companies.

(2) The management assumes the role and responsibility for establishing a control environment that facilitates adequate internal control awareness among the officers and employees of the Company.

3. **Roles and responsibilities of the Audit & Supervisory Board Members**

As part of the auditing of the execution of duties of the Board of Directors, the Audit & Supervisory Board Members, from a standpoint that is independent from the management’s executive functions, audit the design and operational status of internal controls by the Board of Directors, and report those results to the Board of Directors as necessary, while also offering advice and recommendations on improving internal controls.

Other officers and employees of the Company also appropriately submit data that contributes to monitoring, verifying, and evaluating the design and operational status of internal controls by the Audit & Supervisory Board Members.

4. **Roles and responsibilities of managers**

Within the scope of the authority or duties assigned or delegated by the management or other managers, managers assume the role and responsibility for establishing and operating internal controls related to the organization and/or duties for which they are responsible. In concrete terms managers enforce the following items.

- In line with policies and directives from the management or other managers, managers decide policies including measures against specific serious risk related to the business activities of the organization and/or duties for which they are responsible, and direct themselves and the staff they manage to concrete actions, which they also enforce.
- Based on reports received from the staff they manage, and their own monitoring, managers collect data in an ongoing fashion, and evaluate the staff they manage on the execution of their duties and the result of risk responses.
- If deficiencies arise in internal control systems, managers come up with measures,
either themselves or through the staff they manage, at the same time as reporting on
the content of those deficiencies and corrective measures to the management, either
themselves or through other managers, and make efforts to follow up after the fact.
- Managers also give due consideration to changes in risk factors in line with changes in
the internal and external environment surrounding the organizations and duties over
which they hold jurisdiction, and implement reviews of control activities periodically or
on an as-needed basis, propose appropriate improvement measures to other
managers, gaining their endorsement and enforcing these measures either themselves
or through the staff they manage.

5. Roles and responsibilities in the Internal Auditing Division

Based on the annual report and other reports endorsed by the management, the Internal
Auditing Division assumes the role and responsibilities for independently verifying the
effectiveness of design and operation of internal control, reflecting management and
business targets along with risk, of organizations provided for in the Rules on Internal
Audits. Organizations to be audited also submit accurate and complete information in
response to demands from the Internal Auditing Division.

6. Roles and responsibilities in the Corporate Management Committee

The Corporate Management Committee assumes the role and responsibilities outlined
below:
(1) The formulation of basic policy proposals related to internal controls on an internal
and external consolidated base.
(2) The maintenance of an integrated management system for internal controls, as well
as the maintenance and improvement of the effectiveness of the system.

7. Roles and responsibilities of External Auditors

In instances where significant deficiencies and material weaknesses are found in Mitsui
internal controls, the External Auditors are required to immediately report these to Mitsui
Audit & Supervisory Board Members and the management (and if deemed necessary to
the Board of Directors) based on related laws and regulations, and demand
improvements. In the case of such reports and demands for improvements from the
External Auditors, the management immediately moves to improve the deficiencies and
weaknesses in those internal controls.
VI. Handling of affiliated companies

Among the affiliated companies, Mitsui

- Requires subsidiaries to design and operate internal control systems in line with these principles within a rational scope, and requires the adoption of individual internal control procedures and systems along with accounting processes and reporting methods to an extent condoned by legal systems in each country in which the Company operates.
- Coordinates with other investors to encourage associated companies to design and operate appropriate internal control systems in line with these principles.

In instances where officers and employees of Mitsui obtain information regarding illegal or illicit activities related to an affiliated company, they make a report of the facts to the management and the responsible managers (hereinafter referred to as “Supervising Officers”) of the said affiliate, in line with the Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd. (hereinafter referred to as “Business Conduct Guidelines.”)
Chapter 3. Necessary systems to ensure appropriate operations

Mitsui defines its “necessary systems to ensure appropriate operations,” as provided for in the Companies Act of Japan, as follows.

I. Systems to ensure that performance of duties by its Directors and employees (Managing Officers and employees) complies with laws and regulations and its articles of incorporation

1. Mitsui recognizes “compliance” in the sense of strict observance of laws and regulations and ethical standards as one of its most important priorities. The Company establishes Business Conduct Guidelines in order to achieve this objective, and requires compliance with this guideline by all of its officers and employees, including Mitsui’s secondees to other companies, secondees working at Mitsui, employees on a short-term contracts, administrative contract staff and temporary staff.

2. Mitsui establishes a Compliance Committee headed by the Chief Compliance Officer (hereinafter referred to as “CCO”) appointed by the Board of Directors, and comprising of the General Managers of the relevant Corporate Staff Divisions and two Chief Operating Officers of the Business Units nominated by CCO. The objective of the Compliance Committee is to establish a group-wide compliance system both in Japan and overseas, as well as maintaining and improving the effectiveness of that system. In principle, meetings are held twice per year or at other times as deemed necessary.

3. In order to thoroughly inculcate and improve compliance awareness, Mitsui takes as many opportunities as possible to conduct and enhance its compliance training for its officers and employees throughout the Company, including conducting induction training for new recruits, seminars for employees taking up overseas positions, and training for company officers seconded to affiliated companies. The Legal Division consults and advises on the Company’s various legal transactions, and in addition conducts research studies as required on the enactment, amendment and repeal of laws and regulations in the countries in which Mitsui operates in liaison with external attorneys, reporting this information to Mitsui’s officers and employees.

4. Mitsui establishes several whistle-blowing avenues for its employees to report or consult on compliance issues (hereinafter referred to as “whistle-blowing avenue”), including access to external attorneys and third party organizations. External attorneys and third party organizations appointed by Mitsui are allowed to act as the whistle-blowing avenue for Mitsui’s affiliated companies in Japan. Anonymity is ensured in the
case of communications with external attorneys and third party organizations to allow the system to work. Mitsui prohibits retaliation and treating a whistleblower disadvantageously due to the reason of the whistleblowing itself, and thoroughly makes this a known internal fact.

5. Compliance violations are dealt with strictly and fairly, including disciplinary action as provided for in the Employment Regulations.

6. Directors and employees, in the course of their duties, both oversee and are overseen by their colleagues with regard to the observance of laws and regulations, articles of incorporation, internal rules and regulations. Moreover, audits of the compliance status of the entire Company and its major affiliated companies are periodically carried out, and by way of this, the impact of such on Company management is evaluated. In addition, the Internal Auditing Division, under the direct control of the President, assesses the maintenance and status of internal control in terms of operational effectiveness and efficiency, reliability in financial reporting, and legal compliance; it also reviews the adequacy and efficiency of risk management. Based on its findings, the Division then provides advice and recommendations for improvements.

7. The Audit & Supervisory Board Members operate as an independent body under a mandate from the shareholders, auditing the Directors’ execution of their duties. In doing so, the Audit & Supervisory Board Members monitor the level of compliance by Directors and employees with laws and regulations, Articles of Incorporation, and internal rules and regulations.

8. An appropriate number of External Directors are appointed to reinforce auditing of the Board of Directors. To enhance the objectivity and transparency of management, a Governance Committee and other advisory committees are in place to assess the status and direction of corporate governance in Mitsui as a whole from the perspective of External Members.

II. Systems to store and control information related to duties performed by the Directors

1. Mitsui places the officer responsible for its Corporate Staff Divisions in charge of the storage and control of information relating to the performance of duties by the Directors, and stores and controls significant data related to the performance of duties as outlined below, and related materials, in hard-copy or electronic format. Directors and Audit & Supervisory Board Members may view these documents immediately upon request.
(1) Minutes of general meetings of shareholders
(2) Minutes of Board of Directors meetings
(3) Minutes of meetings of advisory committees to the Board of Directors
(4) Minutes of various other meetings
(5) Managerial decisions and internal approvals made by the Directors
(6) Contracts signed or sealed by the Directors
(7) Accounting records, statements and reimbursement and disbursement slips
(8) Copies of documents submitted to government and other public offices and securities exchanges
(9) Any other information as stipulated in the Rules on Information Management

2. The storage period, location and detailed procedure how to handle the information stipulated in each item of the previous clause is determined by the Rules on Information Management.

III. Regulations and systems related to management of risk of loss

1. Each of Head Office Chief Operating Officers and Regional Chief Operating Officers manages business within the scope of the authority granted to them based on the various rules on delegation of authority, including the Rules on Delegation of Authority for Head Office Chief Operating Officers, and manages risk of loss (“Risks”) relating to their businesses within the scope of their authority. Transactions that exceed the authority delegated to each of Head Office Chief Operating Officers and Regional Chief Operating Officers require approval via Mitsui’s internal approval system, and they manage risks pertaining to the implementation of transactions so approved.

2. The Corporate Staff Divisions establish an integrated risk management system to manage the various quantitative and qualitative risks which Mitsui faces on a consolidated basis (internal and external). This risk management system is centered around the Corporate Management Committee (which assumes the role and responsibilities for the design of an integrated internal control system as well as maintaining, and improving the effectiveness of, that system) and the Portfolio Management Committee (which is responsible for company-wide risk management related to investments and loans), and each of the Corporate Staff Divisions cooperates by establishing various internal rules for risk management within their respective risk management areas, as well as conducting prior investigations and after-the-fact monitoring.

Furthermore, the Corporate Staff Divisions formulate company-wide criteria relating to investing, such as investment criteria and withdrawal and carry out appropriate
investment management based on these criteria.

3. In serious circumstances, pursuant to the Rules on the Crisis Response Headquarters, Mitsui establishes a Crisis Response Headquarters, headed by the President, as an organization to limit damage and loss by rapidly determining and implementing concrete measures to respond to crises appropriately. In addition, in the event of an emergency such as an earthquake or terrorist attack, pursuant to the Rules on Business Continuity Management in Case of Disasters, Mitsui establishes an Emergency Response Headquarters headed by the Managing Director of the Human Resources & General Affairs Division, as an organization to ensure continued operation and early recovery.

IV. Systems to ensure effective and efficient execution of Directors’ duties

1. The Board of Directors: Mitsui limits the number of its Directors to the maximum number which allows for effective discussion. The Board of Directors oversees each Director in the performance of his/her duties to check efficient and appropriate management.

2. The Managing Officer system: Mitsui adopts a Managing Officer system so that Directors perform their management duties in an efficient manner. Managing Officers are appointed by the Board of Directors and are delegated authority by the Board of Directors.

3. Various committees: Mitsui operates various committees, including the Corporate Management Committee and the Portfolio Management Committee, to promote efficient and appropriate management decisions.

4. Head Office Business Units and Regional Business Units: Mitsui’s product-based Head Office Business Unit are aligned to its products and services, with Regional Business Units in the Americas, as well as Asia Pacific, making it possible for each Chief Operating Officer to implement timely, locally-based management decisions by delegating certain authority to each of them in accordance with Mitsui’s Regulations on delegation of authority.

5. Internal approval system: Mitsui implements an internal approval system for matters which are beyond the delegated authority of each Chief Operating Officer. Within such system, Mitsui’s Representative Directors make final decision in the best interests of the Company, following deliberations conducted by the relevant Corporate
Staff Divisions on their capacities and specialist areas.

6. Medium-term management plan: Mitsui develops and implements business strategy and management policy in accordance with its medium-term management plan and annual business plan; regular verification of the state of progress of these by the Board of Directors thereby ensures efficient execution of operations.

V. Systems to ensure proper operations in the corporate group

1. Based on the general principle of the autonomy of its affiliated companies, Mitsui appoints supervising officers in charge of its affiliated companies, and implements Rules on Duties of Supervising Officers of Affiliated Companies to govern their duties. Mitsui exercises suitable management of affiliated companies in the following manner:

   (1) Staying abreast of the operating results and financial conditions of its affiliated companies, and establishing and maintaining appropriate group-wide management frameworks.

   (2) Exercising its legal and/or contractual rights as an investor to require the management of its affiliated companies to maintain and operate internal rules and regulations at suitable levels. Similarly, Mitsui requires its affiliated companies to report on important matters, including business reports, financial reports, and auditing reports, and further, participates in their management and governance as appropriate to its equity investor status in terms of the appointment and removal of officers and profit distribution.

   (3) Identifying and measuring the presence of significant risks at its affiliated companies, and responding with ongoing organizational controls.

2. Mitsui requires its major affiliated companies to conduct regular audits to check observance of laws and regulations and internal rules and regulations in their businesses, and evaluates the impact of those results on company management.

3. Mitsui utilizes its legal or contractual right to place an appropriate whistle-blowing avenue for Mitsui’s affiliated companies, and to prohibit retaliation and treating a whistleblower disadvantageously due to the reason of the whistleblowing itself. Furthermore, Mitsui allows external attorneys and third party organizations appointed by Mitsui to act as the whistle-blowing avenue for Mitsui’s affiliated companies in Japan. In the event that an affiliated company detects a violation of compliance, or actions which may be suspected of such, on the part of Mitsui officers or employees, or in the event of being ordered to carry out violations of compliance, or actions which may be suspected of such, the matter may be reported to the Mitsui Compliance...
Committee, through the whistle-blowing avenues, either internally or externally.

VI. Items relating to employees assigned to assist the Audit & Supervisory Board Members, the independence of such employees from the Directors, and ensuring practicality for instructions given by Audit & Supervisory Board Members to assigned employees

1. In order to increase the effectiveness of audits by the Audit & Supervisory Board Members and allow the smooth execution of auditing duties, Mitsui establishes an Audit & Supervisory Board Member Division which is resourced with three or more full-time staff with adequate knowledge and capabilities who are under the sole direction of Mitsui’s Audit & Supervisory Board Members to assist its Audit & Supervisory Board Members in the execution of the entirety of their duties.

2. In order to ensure the independence of the Audit & Supervisory Board Member Division from the Directors, the organization and assignment (including transfers, personnel evaluations and disciplinary action) of employees of the Audit & Supervisory Board Member Division is determined by the responsible Representative Director with the approval of the Audit & Supervisory Board Members.

VII. Systems for reporting to the Audit & Supervisory Board Members

1. Apart from meetings of the Board of Directors, the Audit & Supervisory Board Members may attend Corporate Management Committee and other material meetings and committees in order to stay informed of the important decision making processes, and the status of the Company’s business operations.

2. The Audit & Supervisory Board Members are provided with principal “internal approval” and other important in-house documentation, and have immediate access to related documentation and materials related thereto upon request.

3. The Audit & Supervisory Board Members have regular meetings with the Chairman, President and other Directors, Managing Officers, the heads of the Corporate Staff Divisions, and the general manager of the Internal Auditing Division, and may receive reports, including those items related to affiliated companies, from both management and employees as and when needed. In particular, the Audit & Supervisory Board Members periodically meet with the CCO about compliance related information.
4. In the event of observing a development with potential to significantly influence or damage the Company, Directors immediately report the situation to the Audit & Supervisory Board. When necessary, employees may engage in whistleblowing to Audit & Supervisory Board Members on matters relating to compliance.

5. Mitsui’s Audit & Supervisory Board Members conduct audits of the state of management of its major affiliated companies through visiting those companies, and collaborating daily and meeting with the Audit & Supervisory Board Members of those companies.

6. Mitsui prohibits treating a whistleblower to the Audit & Supervisory Board Members disadvantageously due to the reason of the whistleblowing itself, and thoroughly makes this a known internal fact. Furthermore, Mitsui utilizes its legal or contractual right to prohibit a whistleblower at an affiliated company from being treated disadvantageously due to the reason of the whistleblowing itself.

VIII. Other systems to ensure effective auditing by the Audit & Supervisory Board Members

1. The Directors familiarize themselves with auditing standards for the Audit & Supervisory Board Members, which provide for the job responsibilities, approach, auditing systems, auditing standards and action guidelines for the Audit & Supervisory Board Members. The Directors recognize the importance and usefulness of auditing by the Audit & Supervisory Board Members, and maintain an appropriate environment for corporate auditing.

2. Where the Audit & Supervisory Board Members deem it necessary, following discussion with the Representative Directors, they request the cooperation of the Internal Auditing Division for specific tasks. The Internal Auditing Division maintains close coordination with Audit & Supervisory Board Members and the Audit & Supervisory Board, thereby ensuring that Audit & Supervisory Board Members can endeavor to carry out efficient auditing. The Audit & Supervisory Board Members may also request cooperation from the Legal Division, the Accounting Division and other divisions in audits as and when necessary.

3. The Audit & Supervisory Board Members and the Independent Auditors of Mitsui maintain close contact with each other, including the exchange of information and opinions, in order to heighten the efficiency and quality of their auditing operations.
4. The Audit & Supervisory Board Members have a full-time corporate counsel to provide them with regular, as well as ad hoc, advice. The Audit & Supervisory Board Members may also commission other external professional advisors as necessary.

5. Mitsui is responsible for the costs associated with the execution of duties by the Audit & Supervisory Board Members, and annually budgets a certain amount for this purpose.

IX. Systems and basic philosophy related to the rejection of antisocial forces

1. Mitsui reacts resolutely toward antisocial forces, and does not, as a matter of principle, conduct business with antisocial forces or with parties that have relations with antisocial forces.

2. Mitsui specifies the abovementioned principle in its Business Conduct Guidelines, and makes this thoroughly known to its officers and employees. To reject antisocial forces, and to make this a company-wide stance, insertion of a clause within contracts rejecting antisocial forces is encouraged, and by placing a response unit, a system enabling routine coordination with external professionals, such as police and lawyers, is established.

End.