10:00am – 11:30am on Wednesday May 9th, 2018
IR meeting for Full-year results for FY Ended March 2018
and Business plan for FY Ending March 2019

== CEO Part ===

Good morning. My name is Tatsuo Yasunaga, CEO of Mitsui & Co.
Thank you for joining us today.

I will start today by reviewing progress and next steps after the first-year of our current medium-term management plan *Driving Value Creation*, and then outline our business results for the year ended March 2018 and our business plan for the year ending March 2019.

I will then hand over to my colleague Kimiro Shiotani, our Global Controller, to explain the details.

[Summary of Operating Results (P3)]
Please look at Page 3 of the presentation, which outlines our results.
The global economy during the past year was underpinned by solid consumption and investment, leading to continued mild growth in developed and emerging markets.

In this favorable business environment, we achieved strong earnings in Resources & Energy, and also saw steady growth in non-resource areas such as Iron & Steel Products and Machinery & Infrastructure. We made good progress on the key initiatives I will discuss shortly, and overall, I think we made a solid start along the road to our medium-term goals for 2020.

Profit for the year was 418.5 billion yen, and due to impairment losses and other factors meant, we didn't reach the revised forecast issued in February this year, but compared to last year we had a large increase in earnings. Along with this growth in profit, ROE reached 10.9%, exceeding the 10% goal of our medium-term plan.

Core operating cash flow was the highest ever at 666.5 billion yen, supported by strong business results and an increase in dividends from equity method affiliates.
Free cash flow, which excludes changes in working capital and time deposits, was

positive at 409.9 billion, reflecting progress in asset recycling and strict investment discipline.

As announced at our third-quarter results, we have proposed a 15 yen increase in the annual dividend to 70 yen per share and implemented a 50 billion-yen share buyback. Together, these initiatives will represent a total return to shareholders of approximately 172.5 billion yen. Please also note that in April we cancelled approximately 54 million shares, equivalent to around 3% of issued shares.

[Key Initiatives 1: Build Robust Profit Base and thoroughly Strengthen Existing Businesses (P4)]

On page 4 there is an outline of progress on one of our key initiatives: building a robust profit base and thoroughly strengthening existing businesses.

As I said earlier, this year was the first year of our medium-term management plan. We made progress strengthening the profit base in every segment, and in the non-resources segment reached 170 billion yen, excluding valuation gains and losses. This was a good start toward our non-resources profit goal of 200 billion yen in the year to March 2020.

The Global Controller will provide details about our plans for the year ending March 2019, so let me just say that, based on the specific profit base achievements listed here, we are planning to grow our core profit base by approximately 70 billion yen year on year.

[Key Initiatives 2: Establish Selected New Growth Areas (P5)]

The second of our key initiatives is to establish selected new growth areas, discussed here on slide 5.

For the year under review, of the four growth areas we made concrete progress mainly in the areas of Mobility and Healthcare.

In Mobility, we intensified a number of initiatives associated with the electrification of commercial vehicles, starting in Europe, while in the UK we expanded railway-related business and in Chile made progress on vehicle operating lease and rental car business.

In Healthcare, we expanded and enhanced Mitsui's healthcare ecosystem. We continued to expand our hospital infrastructure business in Southeast Asia, while in Russia we invested in a pharmaceutical company to meet demand for new treatments, and in the U.S., we acquired a temporary and permanent healthcare staffing business.

In Nutrition & Agriculture, we further expanded our East African network in agricultural produce, trading and sales through an agreement to invest in ETC Group. We also reinforced our food science business, for example through the tender offer for Soda Aromatic.

In Retail & Services, we were able to increase assets under management to 1.9 trillion yen during the previous year, responding to investors' diverse needs with asset management business in Japan and abroad.

Also during the year, we gained a planning and sales platform for fashion and retail business with the acquisition of Bigi Holdings. This will bring us closer to consumers, enabling us to strengthen our marketing and sales capabilities.

[Key Initiatives 3: Cash Flow Focused Management; Strengthen Financial Base (P6)]
We move now to slide 6. Cash flow management and strengthening our financial base is our third key initiative, so let me first explain our cash flow allocation for the year just ended.

Core operating cash flow for the year was 670 billion yen, reflecting the steady business performance increase and an increase in dividends from equity method affiliates. Combined with 300 billion yen obtained from progress in asset recycling, this produced cash-in of 970 billion.

Through strict investment discipline, investment and loans was kept to 560 billion yen, and with total returns to shareholders of 172.5 billion yen, total cash-out was 732.5 billion yen. As a result, free cash flow after shareholder returns was 237.5 billion, marking very good progress.

[Key Initiatives 3: Strengthen Financial Base (P7)]
On page 7 we discuss the status of our financial base.

With strong business performance, we were also able to bolster our financial base.

Compared to the year ended March 2017, Net DER at the end of March 2018 was down 0.1 points to 0.78 times, or 0.66 times after adjustment for hybrid loans.

With our earning power improving during the year, the main ratings agencies changed the Mitsui outlook from negative to stable.

We will continue our efforts to strengthen Mitsui's financial base.

[Key Initiatives 4: Enhance Governance, Personnel and Innovation Functions (P8)]
Now let's move to slide 8.

Our fourth key initiative is to enhance governance, personnel and innovation functions. In governance initiatives, we have taken steps to make board meetings more effective by increasing board member diversity to improve skill set balance, while creating more opportunities for discussion on Mitsui's direction and strategy. We have expanded the role of the CSR Promotion Committee and introduced a new Sustainability Committee, promoting a management approach that focuses on sustainability for society and for Mitsui. Please take the opportunity to see further details of Mitsui's Corporate Governance in our Supplementary Information.

In measures to strengthen the individual personnel, we have continued a significant shift from corporate staff to the business side. In the year under review alone, we moved more than 70 people to the business front line, helping improve the entire company's ability to grow profit base.

We also introduced measures to improve productivity, such as staggered working hours at the individual level, and launched an in-house entrepreneur program that has produced two projects currently in preparation for commercialization.

We have also made good progress to strengthen innovation. In May last year we established a Chief Digital Officer position. Under the strong leadership of our CDO we are pursuing Digital Transformation initiatives throughout our company, focusing on the three areas of reducing costs in existing businesses, increasing sales in existing businesses, and developing new businesses. In fact, we have between 50 to 60 projects either underway or under consideration.

[Issue (P9)]

Please turn to page 9.

Before explaining our business plan for the year to March 2019, allow me to address our response to the Multigrain issue.

I previously announced that during the year ended March 2018 we would decide on a definitive policy for the Multigrain grain business in Brazil. After carefully considering a range of possibilities, we have decided to withdraw from that business. Multigrain will completely withdraw from operations by the end of December. A one-time loss has already been recorded for the year to March 2018, and so I believe we have been able to limit the losses and keep the financial impact within the March 2018 year.

The direct cause of this loss is excessive competition caused by the entry of new players in the market, but there is a lot for us to learn from this endeavor. We have to ask ourselves: when planning this investment, did we properly address the risk of a sudden change in the competitive landscape? Did we need to partner for an optimal operating structure? My promise to our shareholders is that we will use what we have learned from Multigrain to improve our management approach, looking at the value chain holistically with the aim of creating dynamic, flexible business models capable of resisting changing circumstances.

[FY Mar 2019 Business Plan Summary (P11)]

Please turn to page 11. Next, I’d like to talk about our business plan for the fiscal year ending March 2019, the second year of our medium-term management plan. This will be a critical year in achieving the goals for the year to March 2020, the final year of the plan.

First, to summarize the business plan for the year, we are targeting profit for the year of 420 billion yen and core operating cash flow of 570 billion yen. We will continue to pursue the key initiatives of the medium-term management plan and increase base profit in order to achieve these targets and the quantitative goals of the final year of the medium-term management plan.

Our forecast annual dividend is at 70 yen per share.

[FY Mar/2019 Action Plan (P12)]

Turning to page 12. I will explain our action plan to achieve this year's targets and realize sustained growth going forward.

In our core areas, which account for the bulk of profit and cash flow, in Resources & Energy we will continue to enhance reserves, production, and cost competitiveness. In Mineral & Metal Resources, we will strengthen the profit base of our existing operations in Australia and improve operations at the Caserones copper mine in Chile. In Energy, we will move towards a final investment decision in an LNG project in Mozambique and launch Kaikias oil field in the United States and Tempa Rossa oil field in Italy. Concurrently, we will push ahead with the integration into Mitsui Group of AWE—a recently acquired Australian oil and gas company—, strengthen upstream and midstream oil and gas business base, and equip ourselves with operator functions.

In Machinery & Infrastructure, we will launch new power generation projects currently under construction, and accelerate next-generation-power initiatives, including distributed power and service solutions by Forefront, a U.S. solar power business acquired by Mitsui in the fiscal year ended March 2017. We will also deepen our efforts in Mobility Services, covering leasing, rental, and sharing businesses in the railway, automotive, and aviation sectors.

In Chemicals, we will expand ITC, a U.S. terminal business, and roll out our coating materials business centered on Helios, in which Mitsui last month announced its decision to invest as part of a joint venture with Kansai Paint. In addition, we will pursue our growth strategy for Novus, including expansion of its methionine manufacturing capacity.

We will continue our efforts to decrease loss-making companies and thoroughly improve the quality and productiveness of existing businesses, further accelerate initiatives in our four growth areas, and foster our next revenue pillars.

[Business Assets (satellite chart) (P13)]

Please turn to the next page. This is an updated version of the chart I presented at our announcement of the medium-term plan last year. It shows the business assets that will contribute to profit and begin to generate cash during the period of the medium-term management plan. In the year to March 2019, we anticipate that new projects in Iron & Steel Products and Lifestyle will begin to contribute to profit, in addition to the business assets in the core areas of Energy, Machinery & Infrastructure, and Chemicals.

By ensuring the steady launch of projects, we will strengthen our profit base and achieve the quantitative goals of the medium-term management plan.

[Quantitative Goals (P14)]
Please look at page 14. I would like to talk about the quantitative goals for the year to March 2019. As I said, our profit target for the year is 420 billion yen. Of this, our target for Resources & Energy is 240 billion yen and for non-resource areas is 180 billion yen. The absence of the valuation gain for Valepar recorded in the previous year is the main factor in profit decline in Resources & Energy, but we anticipate overall profit growth, driven by the steady strengthening of our profit base and the absence of the previous year's one-off loss in non-resources areas.

There is no change to our profit target of 440 billion yen for the year to March 2020, the highest ever for the company.

[Quantitative Goals (P15)]
Turning to the next page. We are targeting 570 billion yen in core operating cash flow for the year to March 2019. The temporary decrease is due to strong dividend performance from equity-method affiliates in the previous year. Even so, the target significantly exceeds the core operating cash flow of 494.8 billion yen in the year to March 2017—the final year of the previous medium-term plan—and we are steadily strengthening cash flow generation by improving base profit.

As with our profit target, there is no change to our core operating cash flow target of 630 billion yen for the year to March 2020.

[Cash Flow Allocation (revised) (P16)]
Please turn to page 16. We have updated our three-year cumulative plan for cash-flow allocation based on the results of the previous fiscal year and plans for the current year. The update reflects the increase in core operating cash flow and additional shareholder returns. However, due to continued investment discipline, we are maintaining our three-year cumulative Investment and Loans total of between 1.7 and 1.9 trillion yen as announced at the launch of the medium-term plan last year. Likewise, there is no change to our forecast for Asset Recycling.

For shareholder returns for the year to March 2020, we are drafting a three-year cumulative plan incorporating only the minimum dividend payment announced last year.

As a result of the above, we have increased the range of the three-year cumulative plan for Free Cash Flow after Shareholder Returns to between 270 and 470 billion yen. Based on the business situation at the time, free cash flow will be allocated for additional shareholder returns, repayment of interest-bearing debt, and additional investment.

[Shareholder returns policy (P17)]

Please see page 17. I'd like to conclude by talking about shareholder returns policy. We forecast our dividend for the year ending March 2019 at 70 yen per share, but our policy is to continue initiatives to improve our business performance and achieve sustained dividend increases and ROE of 10% in the fiscal year to March 2020.

We expect the global economy to continue its steady recovery but there are several factors that require careful monitoring as we exert all our efforts to manage Mitsui's business. These include heightened geopolitical risk in the Middle East, some signs that the European and U.S. recoveries are maturing, the effects on emerging nations of monetary tightening by the FRB, and trends in U.S. trade policy.

That concludes my presentation, thank you very much for your attention. I will now handover to Mr. Shiotani who will provide more detail on our results, and on our plans for the current fiscal year.

=== Global Controller Part ===

[FY March 2018 Operating Results (P18)]

Thank you, I am Kimiro Shiotani, Global Controller.

[Profits: Year on year segment comparison (P19)]

Please see slide 19 for the year-on-year comparison of profits by segment.

Profit increased 112.4 billion yen to 418.5 billion yen. In Mineral & Metal Resources, although we booked a valuation loss in the fourth quarter related to Caserones, profits increased by 113.3 billion yen to 257.6 billion yen mainly due to a valuation gain on restructuring of Valepar, and profit growth at our Australian iron ore and coal businesses.

Energy segment profits grew by 16.9 billion yen to 48.6 billion mainly due to higher LNG dividends, higher gas prices and an increase in MEPUSA profits resulting from the partial dilution of our stake in Marcellus, and despite a reversal of deferred tax assets resulting from revisions to the U.S. tax code at MEP US Holdings, the holding company for Mitsui's shale businesses.

Machinery & Infrastructure increased profits by 22.8 billion yen to 89.6 billion yen, mainly due to the sale of our holding in a UK electric power generation company.

Chemicals profits were up 1.5 billion yen to 34.2 billion yen. Despite the profit decline at Novus due to the fall in the Methionine price, the methanol business performed strongly and the US terminals business ITC benefited from a profit on reversal of deferred tax liabilities thanks to revisions to the U.S. tax code.

Iron & Steel Products segment profits were up 13.8 billion yen to 24.7 billion yen. Gestamp was newly consolidated and profits benefited from a valuation gain resulting from price adjustment conditions accompanying our investment. Also, product markets recovered and our handling volume increased.

Lifestyle segment profits declined by 51.7 billion yen to minus 26.3 billion yen. The main factors were Multigrain related losses and the absence of the gain on partial sale of IHH shares in the previous year.

Innovation and Corporate Development profits declined by 15.6 billion yen to minus 4.6 billion yen. The main factors were a valuation loss on an emerging market high speed mobile data network operator and impairment loss on our TV shopping business in India.

[Core Operating Cash Flow: Year-on-year segment comparison (P20)]
Please see page 20.

Overall, Mitsui achieved Core Operating Cash Flow of 666.5 billion yen, an increase of 171.7 billion yen. Apart from an increase in dividend received from the IPP business in Machinery & Infrastructure, many of the main factors were the same as those affecting profits so I will not explain each in detail. Please see the slide for details.

[YoY Factor Comparison (P21)]

Please turn to page 21. I will walk you through a summary of the factors influencing the year-on-year changes in the full-year earnings.

First, we look at 'Base Profit'. Despite decreases in profits at Novus, Multigrain and METS, and recognizing losses on FVTPL, the increase in LNG dividends and a revenue increase from Iron & Steel products contributed positively to a decrease in this category of approximately 6 billion yen compared to the previous fiscal year.

Under 'Resource-related Costs and Volume', we recorded an increase in profit of 2 billion yen due to reductions in energy costs despite higher costs associated with a change in coal mining plans.

Under 'Asset Recycling', a profit increase of 4 billion yen was recorded despite burdening the reversal effect of profit gained from the reclassification of Sims and the sale of IHH shares in the previous fiscal year. This was largely due to the sale of our holding in a UK power generation business and a gain on the reversal of undistributed earnings tax effect at MBK Healthcare Partners.

Under 'Commodity prices and Forex', increases in the price of coal, oil, and gas contributed to a gain of 73 billion yen.

Finally, under 'Valuation gains and losses', despite recording provisions to cover losses at Multigrain and incurring losses related to Caserones copper mine, the reversal effect of appraisal losses from the previous fiscal year, an appraisal gain on Valepar restructuring, and revisions to the U.S. tax code, contributed to a profit increase of 39 billion yen.

[Asset Recycling, Investments and Loans (P22)]

Turning now to page 22. Here I will explain our asset recycling, investments and lending activities during the fiscal year ended March 2018.

In Asset Recycling, we achieved a total of 300 billion yen last year and saw steady progress towards our target of a 3-year cumulative total of 700 billion yen under our medium-term management plan.

In loans and investments, reflecting our overall cautious approach in this area under stricter investment regulations, there was a total outflow of 560 billion yen.
The main items in the fourth quarter included investment in Columbia Asia and Bigi Holdings, and increased stake in Nippon Steel & Sumikin Bussan Corporation.

[Business plan for the FY ending March 2019 (P23)]
Please turn to page 23. Here we show our business plan for the FY ending March 2019 by business segment.

We forecast net earnings of 420 billion yen for the current fiscal year, which is a 1.5 billion-yen increase compared to the previous fiscal year.

We expect a decrease in profits for ‘Mineral & Metal Resources’, mainly due to the reversal effect of the valuation gain on Valepar restructuring. For Lifestyle, however, we forecast an increase in profit, primarily owing to the reversal effect of profit gained from provisions recorded to cover losses at Multigrain.

We forecast core operating cash flow to decline by 96.5 billion yen from the previous fiscal year to 570 billion yen. Contribution from 'Machinery & Infrastructure’ and ‘Mineral & 'Metal Resources' are expected to decrease as a result of lower dividends from equity-method affiliates.

[Business plan for the FY ending 2019 March - YoY Factor Comparison (P24)]
Please turn to page 24. Here are the factors influencing the change of forecasts under the business plan for the FY ending March 2019 compared to the previous year results.

Base Profit will increase by approximately 69 billion yen in comparison to the previous fiscal year. The improvement of METS’ business performance, and the withdrawal from Multigrain, which was loss-making, in addition to the steady progress in the strengthening of base profit--which was previously mentioned by Mr. Yasunaga-- has led to the increase of base profit in ‘Chemicals’ and ‘Machinery & Infrastructure’. Increased dividends from Vale and an increased stake in Nippon Steel & Sumikin Bussan Corporation also contributed to the increase in base profit.

‘Resource-related Costs and Volume’ is expected to decrease by 18 billion yen despite the increased stake in the Collahuasi Mine business in Chile. The key contributing negative factors were cost and volume for ‘Energy’.

For ‘Asset Recycling’, we expect a decline of 52 billion yen compared to the last fiscal year and we conservatively forecast a total contribution of 5 billion yen for the current year. Please refer to the slides for details on the other remaining factors.

This ends my section of the presentation.