

An aerial photograph of a rugged, mountainous landscape. The terrain is characterized by steep, rocky slopes and deep valleys, with a mix of brown, tan, and green hues. A large body of water, likely a reservoir or a bay, is visible in the lower-left corner, with a clear blue-green gradient. The overall scene is one of natural beauty and geographical complexity.

CHAPTER 3

# Our Business



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# Results by Operating Segment

(Year Ended March 31, 2018, IFRS)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals
¥ billion				
Business Unit	Iron & Steel Products Business Unit	Mineral & Metal Resources Business Unit	Infrastructure Projects Business Unit Integrated Transportation Systems Business Unit I Integrated Transportation Systems Business Unit II	Basic Materials Business Unit Performance Materials Business Unit Nutrition & Agriculture Business Unit

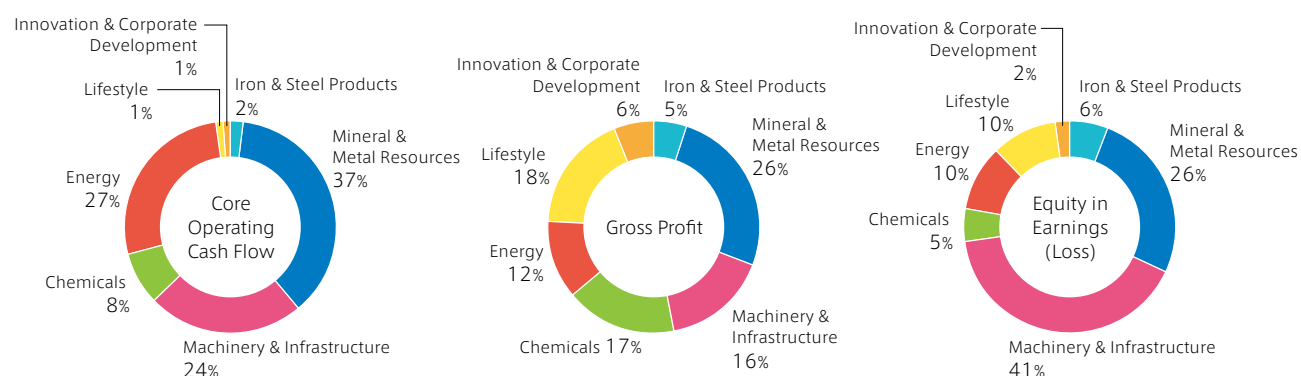
Core Operating Cash Flow	14.2	240.8	158.8	50.2
Net Investment Cash Flow	(22.7)	(2.5)	(38.1)	(35.4)
Investment Cash Flow (IN)	15.2	67.6	128.9	0.6
Investment Cash Flow (OUT)	(37.9)	(70.1)	(167.0)	(36.0)
Free Cash Flow <sup>1</sup>	(8.5)	238.3	120.8	14.7


Gross Profit	41.9	206.8	121.9	136.6
Equity in Earnings (Loss)	13.3	61.8	96.5	11.3
Dividend Income	2.5	16.4	3.4	2.3
Selling, General and Administrative Expenses	(32.1)	(44.4)	(121.5)	(96.6)
Other	(0.9)	17.0	(10.7)	(19.4)
Profit (Loss) for the Year Attributable to Owners of the Parent	24.7	257.6	89.6	34.2

Assets	654.7	2,092.9	2,255.7	1,186.3
Non-current Assets	341.8	1,530.7	1,543.9	503.6
Property, Plant and Equipment	10.9	381.7	199.4	201.5
Investments Accounted for Using the Equity Method	217.8	431.7	880.2	117.4
Other Investments	101.8	542.9	119.1	103.1
Other Non-current Assets <sup>2</sup>	11.3	174.4	345.2	81.6

Number of Employees (Non-consolidated)	349	291	851	676
Number of Employees (Consolidated)	1,873	599	15,613	5,107

## Composition by Operating Segment



	Energy	Lifestyle	Innovation & Corporate Development	Others / Adjustments and Eliminations	
					Company Total
	Energy Business Unit I Energy Business Unit II	Food Business Unit Food & Retail Management Business Unit Healthcare & Service Business Unit Consumer Business Unit	IT & Communication Business Unit Corporate Development Business Unit		

	175.3	7.1	3.1	17.0	666.5
	(62.6)	(69.1)	(3.3)	(22.8)	(256.6)
	34.6	38.4	15.2	4.2	304.8
	(97.3)	(107.5)	(18.6)	(27.1)	(561.4)
	112.7	(62.0)	(0.2)	(5.8)	409.9

	96.8	139.5	45.1	2.1	790.7
	24.5	22.8	5.0	(0.5)	234.9
	51.9	4.3	2.7	1.3	84.8
	(42.1)	(153.0)	(50.8)	(31.1)	(571.7)
	(82.5)	(39.9)	(6.6)	22.9	(120.2)
	48.6	(26.3)	(4.6)	(5.3)	418.5

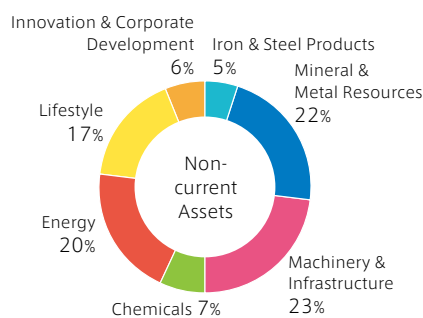
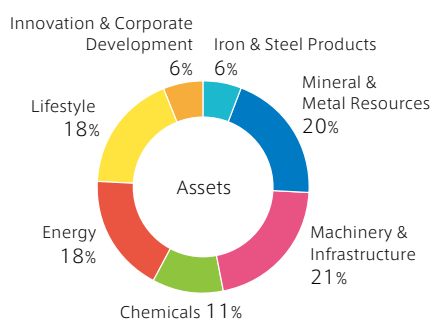
	1,917.7	1,901.8	622.7	674.9	11,306.7
	1,396.9	1,128.1	409.6	225.9	7,080.5
	628.4	170.0	36.4	101.6	1,729.9
	254.3	452.9	151.4	(2.6)	2,503.0
	387.7	291.3	201.1	78.0	1,825.0
	126.5	213.9	20.7	48.9	1,022.6

	403	936	439	1,914	5,859
	803	11,195	3,575	3,539	42,304

Note: The horizontal and vertical totals may not match as a result of differences that occurred due to the rounding of figures.

\*1. "Free cash flow" is calculated from core operating cash flow and differs from free cash flow calculated using conventional accounting methods.

\*2. "Other non-current assets" includes non-current receivables, investment property, intangible assets, and deferred tax assets.



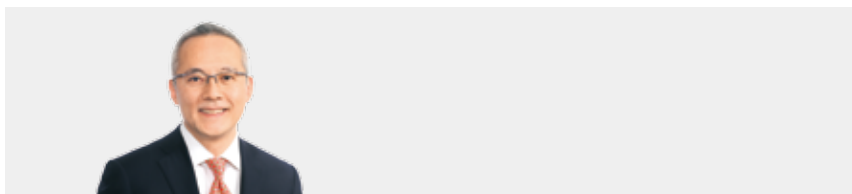
Note: The pie chart for Profit for the Year is not shown as some segments recorded a deficit.

# Iron & Steel Products Segment

- Iron & Steel Products Business Unit



Iron & steel products business / Gestamp Automoción S.A. (Spain)



Managing Officer,  
Chief Operating Officer  
of Iron & Steel Products Business Unit  
Shinichi Hori

### Business Activities

To respond to diverse industrial needs, we procure, supply, sell, and invest in processing and functional trading businesses of iron and steel products, both in Japan and in various overseas regions.

### Mitsui's Competitive Advantages

- Comprehensive strengths that leverage the extensive customer base and partnerships possessed by our 16 Headquarter Business Units in Japan and overseas
- Diversified business portfolio with value chains around the world that cover everything from upstream to downstream operations

## Business Environment

Business opportunities	<ul style="list-style-type: none"> <li>Promotion of electric vehicles following the transition to a low-carbon society, diversification and increased efficiency of energy consumption, and the trend in renewable energy use</li> <li>Trend in logistics innovation and a shift toward smart factories as a result of digital transformation</li> </ul>
Business (competitive) risks	<ul style="list-style-type: none"> <li>Industrial reorganization and changes to distribution channel against the backdrop of steel overproduction in China</li> <li>Impact of trade friction on the supply and demand of products stemming from measures by the U.S. to apply additional tariffs</li> </ul>



## Basic Strategies

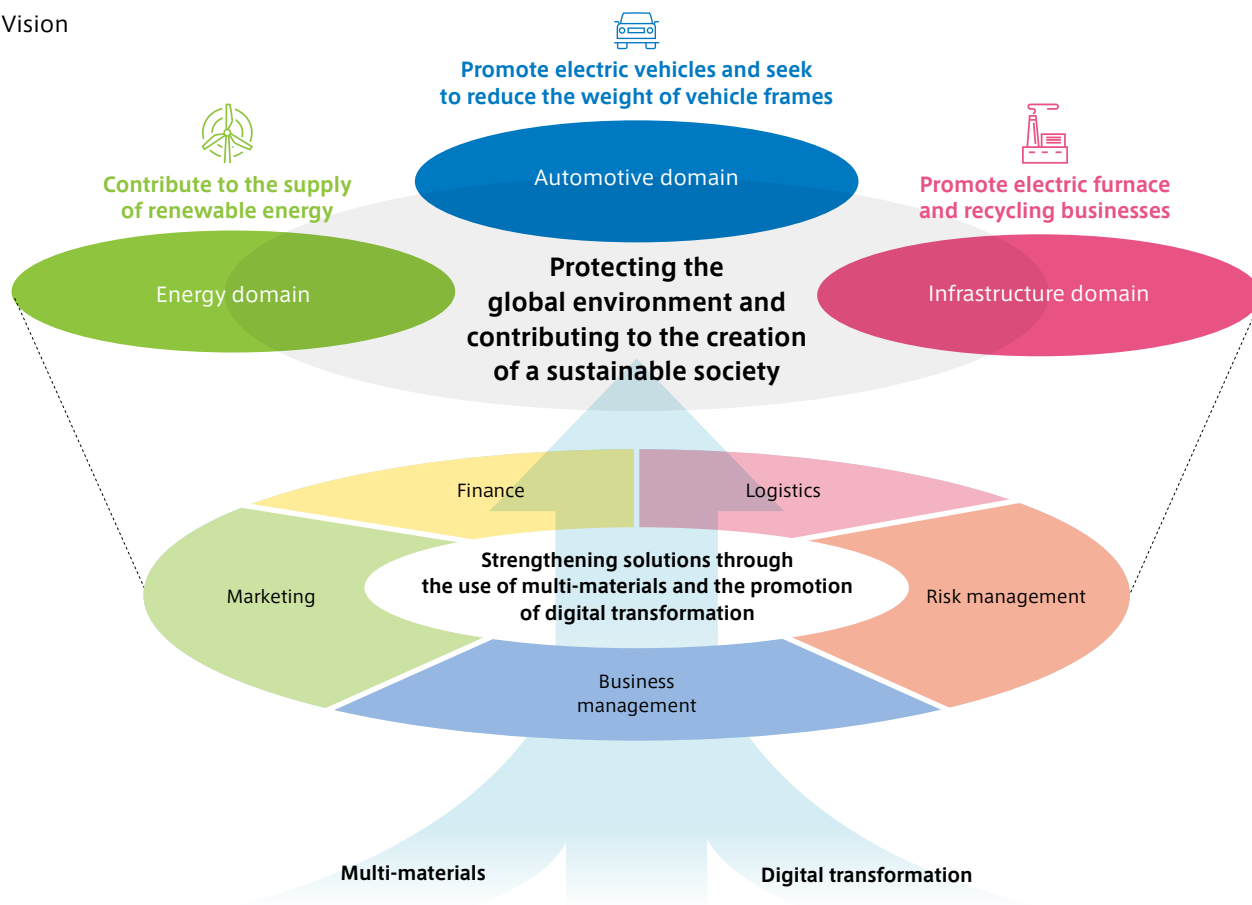
<ul style="list-style-type: none"> <li>Create businesses through synergies between steel trading business and business investments</li> <li>Provide high-value-added services including component manufacturing and repair and maintenance</li> <li>Facilitate collaborations between existing businesses, assets with comprehensive strengths, and business partners; further pursue new business creation centered on industrial businesses</li> </ul>
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## Individual Strategies & Progress

Area	Our Approach
Automotive	<ul style="list-style-type: none"> <li>We are providing support for business expansion in order to contribute to value improvement for Gestamp Automoción S.A. (GA). We are also promoting the establishment of new businesses and peripheral trading businesses for GA, with a focus on the core field of mobility.</li> <li>We are working to acquire materials and components businesses in response to structural changes in the industry brought about by the shift to electric vehicles.</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>We are establishing a steel supply structure through the electric furnace business in order to respond to the global demand for infrastructure.</li> <li>We are developing steel processing and trading businesses on a local basis in response to trends relating to local production for local consumption of construction steel.</li> </ul>
Energy	<ul style="list-style-type: none"> <li>We are improving the quality of our portfolio in the energy domain through the sale of Champions Cinco Pipe &amp; Supply LLC.</li> <li>We are pursuing highly functional trading in the oil and gas field and stepping up our efforts in the renewable energy field centered on GRI Renewable Industries, S.L. and GEG Holdings Limited.</li> </ul>
Steel trading	<ul style="list-style-type: none"> <li>We are creating steel trading businesses that leverage the respective strengths of Mitsui &amp; Co. Steel Ltd., MM &amp; KENZAI Corporation, and Nippon Steel &amp; Sumikin Bussan Corporation.</li> </ul>

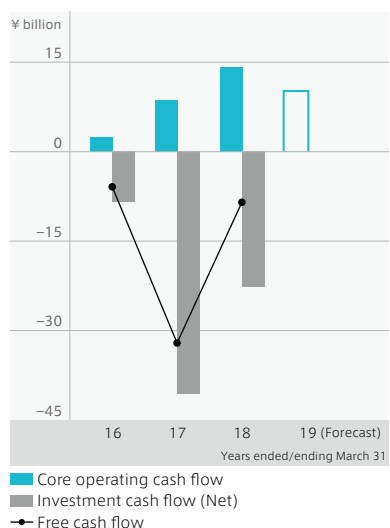
Vision



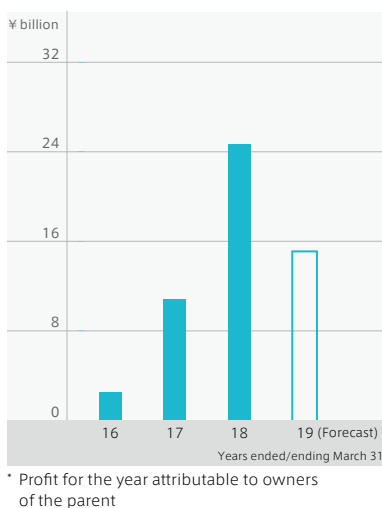
Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			16/3	17/3	18/3
Mitsui & Co. Steel Ltd.	Sales, export, import of steel products	100.0	3.7	3.7	6.1
(Consolidated) Gestamp companies	Manufacture of automotive components	Var.	1.4	0.6	3.9
Game Changer Holdings Inc.	Investment in steel processing company	100.0	2.4	3.6	6.7

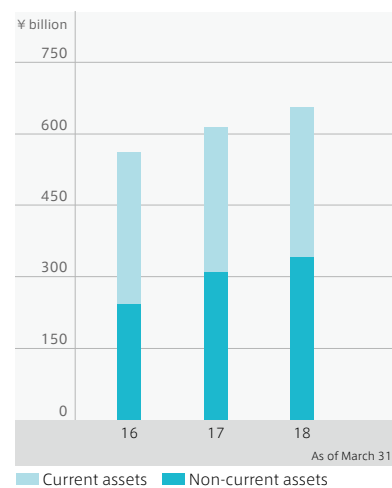
Cash Flow



Profit for the Year\*



Total Assets

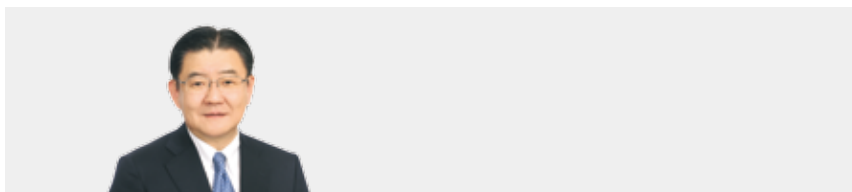


# Mineral & Metal Resources Segment

- Mineral & Metal Resources Business Unit



Coal and infrastructure businesses / Moatize coal mine and Nacala infrastructure project (Mozambique)



Executive Managing Officer,  
Chief Operating Officer  
of Mineral & Metal Resources Business Unit  
Shinichiro Omachi

## Business Activities

Through business development, investment and trading of ferrous and nonferrous metals and resources, etc., we work to develop integrated value chains which deliver a stable supply of resources and materials essential to industrial society. We also take part in resource recycling, developing industrial solutions that address environmental issues.

## Mitsui's Competitive Advantages

- Profit base supported by the three pillars of cost competitiveness, production volume, and ore reserves
- Business opportunities born out of functions, trust, network, and distribution channels we have cultivated in various industries

## Business Environment

Business opportunities	<ul style="list-style-type: none"> <li>Increased need for high-quality resources following rapid changes in environmental policies primarily in China</li> <li>Heightened importance to secure a stable supply of raw materials for secondary batteries in light of the widespread use of electric vehicles</li> </ul>
Business (competitive) risks	<ul style="list-style-type: none"> <li>Changes in the government policies of each country brought about by the transition to a low-carbon society</li> <li>Impact of technological innovation and other factors on the supply and demand of commodities</li> </ul>



## Basic Strategies

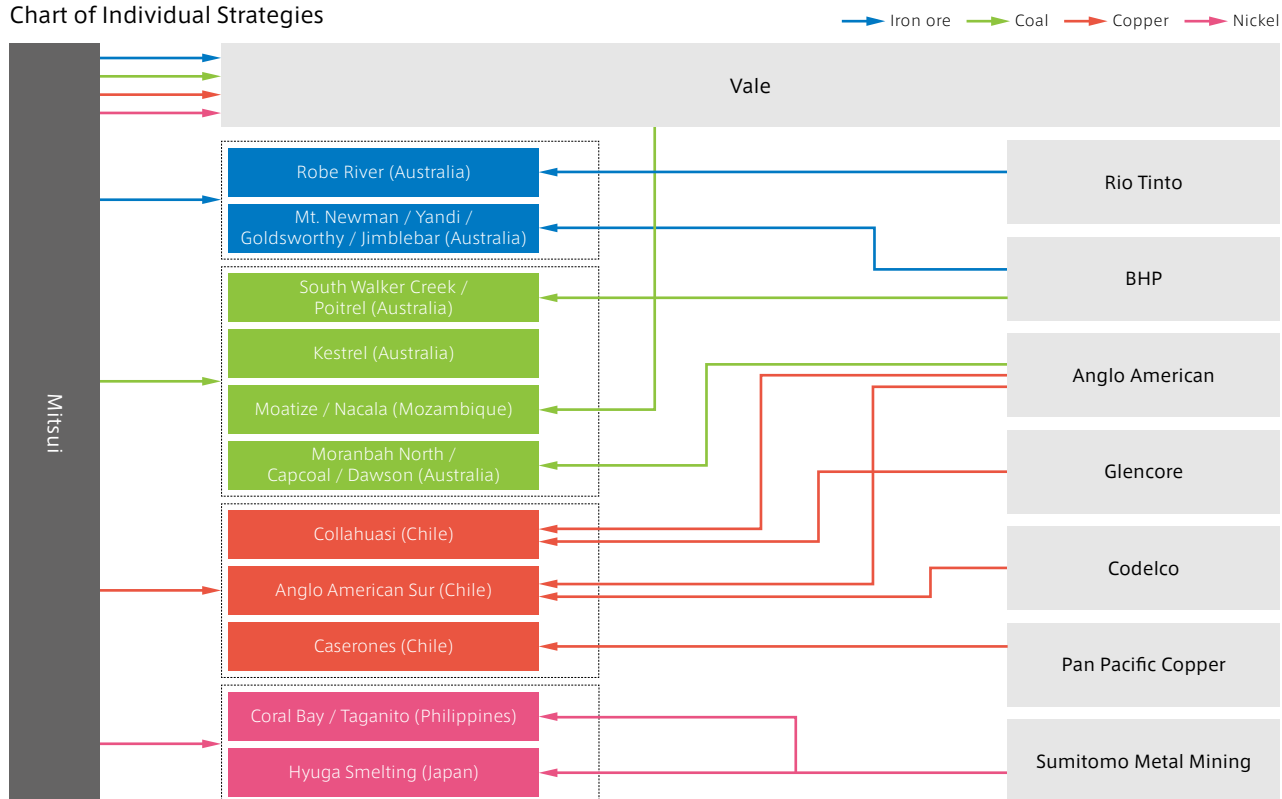
<p><b>Secure competitive mineral and metal resources and contribute to their stable supply</b></p> <ul style="list-style-type: none"> <li>Establish a robust profit base that steadily captures upside potential</li> </ul> <p><b>Create trading and investment businesses to fulfill the needs of our customers and partners</b></p> <ul style="list-style-type: none"> <li>Expand businesses in the mineral and metal resources value chain from raw material supply to recycling</li> </ul> <p><b>Promote businesses that contribute to sustainable economic growth while preserving the global environment</b></p> <ul style="list-style-type: none"> <li>Contribute to the nation building of resource-supplying countries and the development of the global economy, and reduce environmental impact through increased efficiency</li> </ul>
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## Individual Strategies & Progress

Area	Our Approach
Iron ore	<ul style="list-style-type: none"> <li>We are increasing production at Vale Carajas S11D and BHP Jimblebar, working to develop BHP South Flank, and automating operations in Western Australia. Through these and other means, we are promoting the further reinforcement of a profit base supported by the three pillars of cost competitiveness, production volume, and ore reserves.</li> </ul>
Coal	<ul style="list-style-type: none"> <li>In Mozambique, we aim to establish a profit base for the Moatize coal mine and the Nacala infrastructure project. In Australia, we are strengthening the structure of existing businesses through such means as the cost reduction of coking coal. Also, we are moving forward with efforts to enhance our portfolio by adding highly competitive assets. Furthermore, for thermal coal, we refrain from accumulating new assets while existing assets are under thorough review for divestiture possibilities.</li> </ul>
Copper and others	<ul style="list-style-type: none"> <li>We are enhancing the quality of existing businesses through operational improvements at Caserones and Anglo American Sur. We are also promoting efforts in growth areas by working to establish a value chain for raw materials used in secondary batteries.</li> </ul>

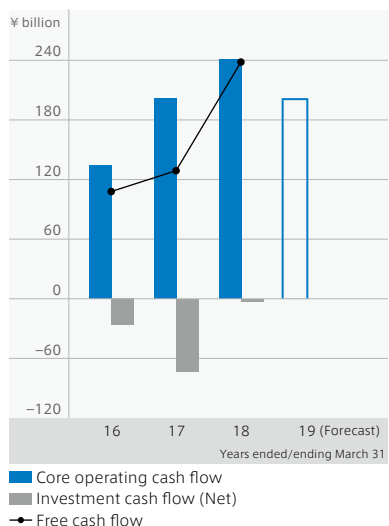
### Chart of Individual Strategies



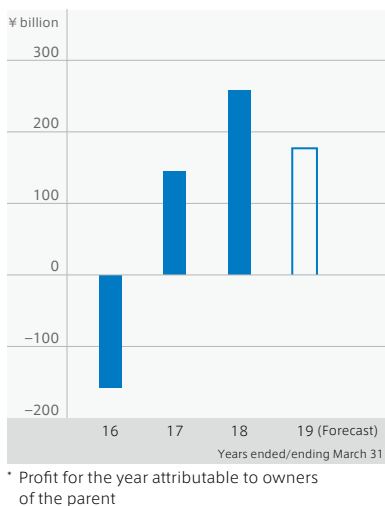
### Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			16/3	17/3	18/3
(Consolidated) Iron ore mining operations in Australia	Mining and sales of Australian iron ore	Var.	74.7	102.9	110.4
(Consolidated) Coal operations in Australia	Mining and sale of coal in Australia	Var.	(26.4)	34.3	46.3
(Consolidated) Coal and rail & port infrastructure business in Mozambique	Investment in coal and rail & port infrastructure business in Mozambique	100.0	—	(1.5)	2.6
Japan Collahuasi Resources B.V.	Investment in the Collahuasi copper mine in Chile	91.9	1.4	3.3	6.3
Oriente Copper Netherlands B.V.	Investment in the Chile-based copper company Inversiones Mineras Acrux SpA	100.0	(99.7)	(8.6)	2.6
Mitsui Bussan Copper Investment & Co., Ltd.	Investment in the Caserones copper mine in Chile	100.0	(52.1)	(8.9)	(22.6)

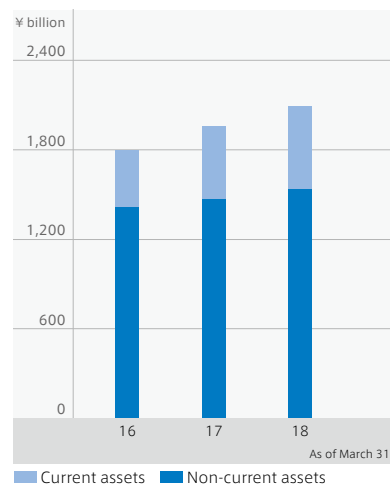
### Cash Flow



### Profit for the Year\*



### Total Assets





# Machinery & Infrastructure Segment

- Infrastructure Projects Business Unit
- Integrated Transportation Systems Business Unit I
- Integrated Transportation Systems Business Unit II



Offshore energy / FPSO (Floating, Production, Storage, and Offloading system) (Brazil)

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Managing Officer,  
Chief Operating Officer  
of Infrastructure Projects  
Business Unit  
Yoshio Kometani

Executive Managing Officer,  
Chief Operating Officer  
of Integrated Transportation  
Systems Business Unit I  
Shingo Sato

Managing Officer,  
Chief Operating Officer  
of Integrated Transportation  
Systems Business Unit II  
Takeshi Setozaki

## Business Activities

We contribute to the development of countries and the creation of better lives through the long-term, reliable supply of indispensable social infrastructure such as power, gas, water, railways and logistics infrastructure. While strengthening contact points with end users including consumers, we provide sales, financing, lease, transportation and logistics, and investment in various areas, including large-scale plants, marine resource development facilities, ships, aerospace, railways, motor vehicles, and mining/construction/industrial machinery.

## Mitsui's Competitive Advantages

- Extensive customer base and collaboration with prestigious partners
- Existing infrastructure assets supported by stable demand
- Transition to high-quality assets through increased productivity

## Business Environment

Business opportunities	<ul style="list-style-type: none"> <li>· Shift to a low-carbon society in response to climate change</li> <li>· Accelerating changes of industrial structure following technological innovation and digital transformation</li> <li>· Expansion of the mobility market</li> <li>· Movement from ownership to usership (leasing, rentals, sharing)</li> </ul>
Business (competitive) risks	<ul style="list-style-type: none"> <li>· Strengthening of environmental regulations</li> <li>· Entry of competitors from other industries</li> </ul>



## Basic Strategies


<p><b>Thoroughly reinforce a sustainable profit base</b></p> <ul style="list-style-type: none"> <li>· Reduce costs and improve management efficiency through the introduction of AI and IoT; steadily complete assets under construction; and expand business through bolt-on investments</li> </ul> <p><b>Implement strategic lifecycle management</b></p> <ul style="list-style-type: none"> <li>· Recycle assets at the appropriate time and constantly improve portfolio quality by capitalizing on opportunities</li> </ul> <p><b>Enter new business domains</b></p> <ul style="list-style-type: none"> <li>· Take on challenges in the new growth area of mobility as well as challenges in new infrastructure businesses</li> </ul>
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## Individual Strategies & Progress

Area	Our Approach
Next-generation electric power	<ul style="list-style-type: none"> <li>· We are stepping up the pace of initiatives geared toward distributed power, energy management services, and renewable energy.</li> </ul>
Automotive and construction equipment	<ul style="list-style-type: none"> <li>· We are making advancements in upstream businesses, such as electric vehicles, storage batteries, and engineering, as well as downstream businesses, such as services and leasing.</li> </ul>
Ships, aerospace, and rail	<ul style="list-style-type: none"> <li>· We are bolstering our lease, trading, and maintenance services, while also working to improve the quality of our portfolio to contribute to the shift toward a low-carbon society.</li> </ul>


## Competitiveness



**Electric power**

- Total power generating capacity of approximately 9.3GW
- Project operatorship
- Well-balanced power generation portfolio in terms of region and fuel


**Graph 1, 2**



**Offshore energy**

- Robust structure for collaboration with MODEC Inc.
- Abundant project achievements for Petróleo Brasileiro S.A. — Petrobras
- Stable profits from 18 FPSO/FSO

©MODEC



**Gas distribution**

- Strategic partnership with Petrobras
- Nearly 50% share of Brazil's gas distribution volume


**Graph 1**

**Fuel**

**Graph 2**


**Region**

160 affiliated companies




**Automotive**

New business platforms in the mobility field by leveraging our customer base




**Construction equipment**

Leveraging of comprehensive strengths in the construction/mining equipment, machine tool, and agricultural equipment businesses




**Ships**

- Leveraging of comprehensive sales/purchasing and owner functions
- Diverse range of transportation and sales solutions in the LNG business



**Aerospace**

- Providing solutions for aircraft/engine leasing, and freighter conversion through various functions
- Promoting involvement in aviation/space industries



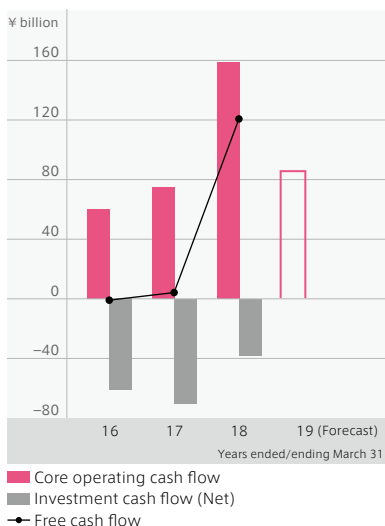
**Rail**

Providing solutions through a wide range of function in the infrastructure construction, rolling stock leasing, operatorship, and train station businesses

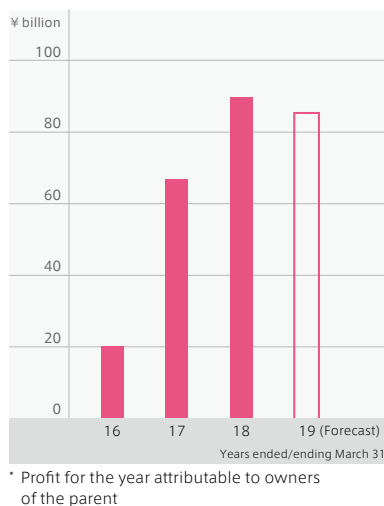
## Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			16/3	17/3	18/3
(Consolidated) IPP businesses	Investment in power generation businesses	Var.	(41.5)	8.6	46.4
(Consolidated) FPSO/FSO leasing businesses	FPSO/FSO leasing	Var.	7.6	7.8	9.1
(Consolidated) Gas related businesses	Gas distribution businesses in Brazil and Mexico	Var.	3.0	8.9	7.7
Penske Automotive Group, Inc.	Automotive retailer	15.7	6.7	6.3	11.1
(Consolidated) Truck leasing and rental businesses	Truck leasing, rental, and logistics businesses	100.0	2.0	2.2	4.3
(Consolidated) Rolling stock leasing businesses	Freight car and locomotive leasing	Var.	4.7	3.3	4.5
VLI S.A.	Integrated Freight Transportation	20.0	3.1	2.2	2.3

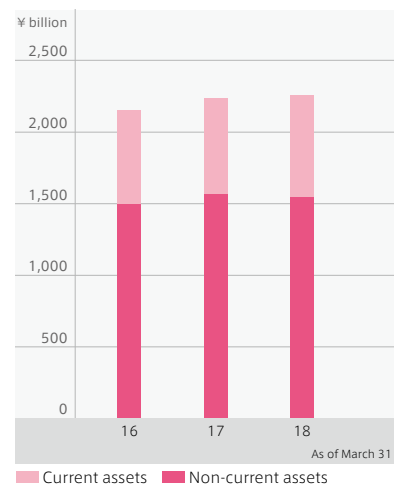
## Cash Flow



## Profit for the Year\*



## Total Assets



# Chemicals Segment

- Basic Materials Business Unit
  - Nutrition & Agriculture Business Unit
- Performance Materials Business Unit



Trading / Mitsui's sulphur carrier *Sulphur Guardian*



Managing Officer,  
Chief Operating Officer  
of Basic Materials  
Business Unit  
**Sayu Ueno**

Managing Officer,  
Chief Operating Officer  
of Performance Materials  
Business Unit  
**Takeo Kato**

Managing Officer,  
Chief Operating Officer  
of Nutrition & Agriculture  
Business Unit  
**Kohei Takata**

### Business Activities

Our chemicals business encompasses trade and investment in a range of industries, from upstream and midstream chemicals such as basic chemicals and fertilizer and inorganic resources, to downstream chemicals which meet diverse market needs, including functional materials, electronics materials, fertilizers, agrochemicals, feed additives, flavorings, and specialty chemicals. We are also pursuing new initiatives in food science, tank terminals and carbon fiber.

### Mitsui's Competitive Advantages

- Handling of products across a broad range of domains and a robust client base around the globe
- Business creation through trading that fully leverages our network and project management
- High level of investment efficiency by actively driving business initiatives

## Business Environment

Business opportunities	<ul style="list-style-type: none"> <li>· Rise in potential businesses where industries intersect following the emergence of increasingly more complex industrial structures</li> <li>· Need for diversification and high performance of chemicals and materials arising from heightened environmental awareness</li> <li>· Need for increased food production due to increasing global populations, and need for high added value resulting from a rising middle class and a sharper awareness of health</li> </ul>
Business (competitive) risks	<ul style="list-style-type: none"> <li>· Deterioration of customer base and the risk of existing business models becoming obsolete due to changes in industrial structures</li> </ul>

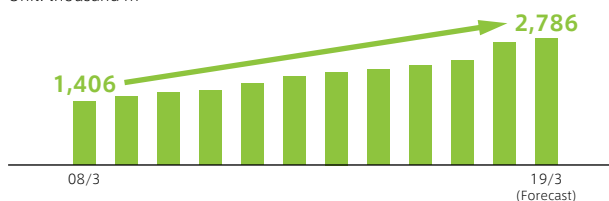


## Basic Strategies, Our Approach & Progress

Basic Strategies	Our Approach & Progress
Execute bolt-on investments	We are promoting plans to expand methionine production and specialty businesses with Novus International Inc. We are also reinforcing the profit bases of tank terminal businesses in the U.S. and Europe as well as methanol businesses in the Middle East and the U.S., etc.
Reinforce trading capabilities	By combining our regional expertise, which is deeply connected to local business partners and customers, extensive product expertise, and Mitsui's functional expertise, we are providing added value to customers and realizing steady business expansion.
Engage in new growth opportunities	We are accelerating initiatives in the domains of performance materials, mobility, IoT, nutrition, and agriculture. □ Please see "Establishing Selected New Growth Areas" on pages 046 and 047.

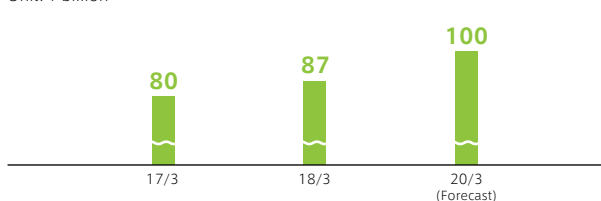
### ITC Tank Capacity

Unit: thousand m<sup>3</sup>

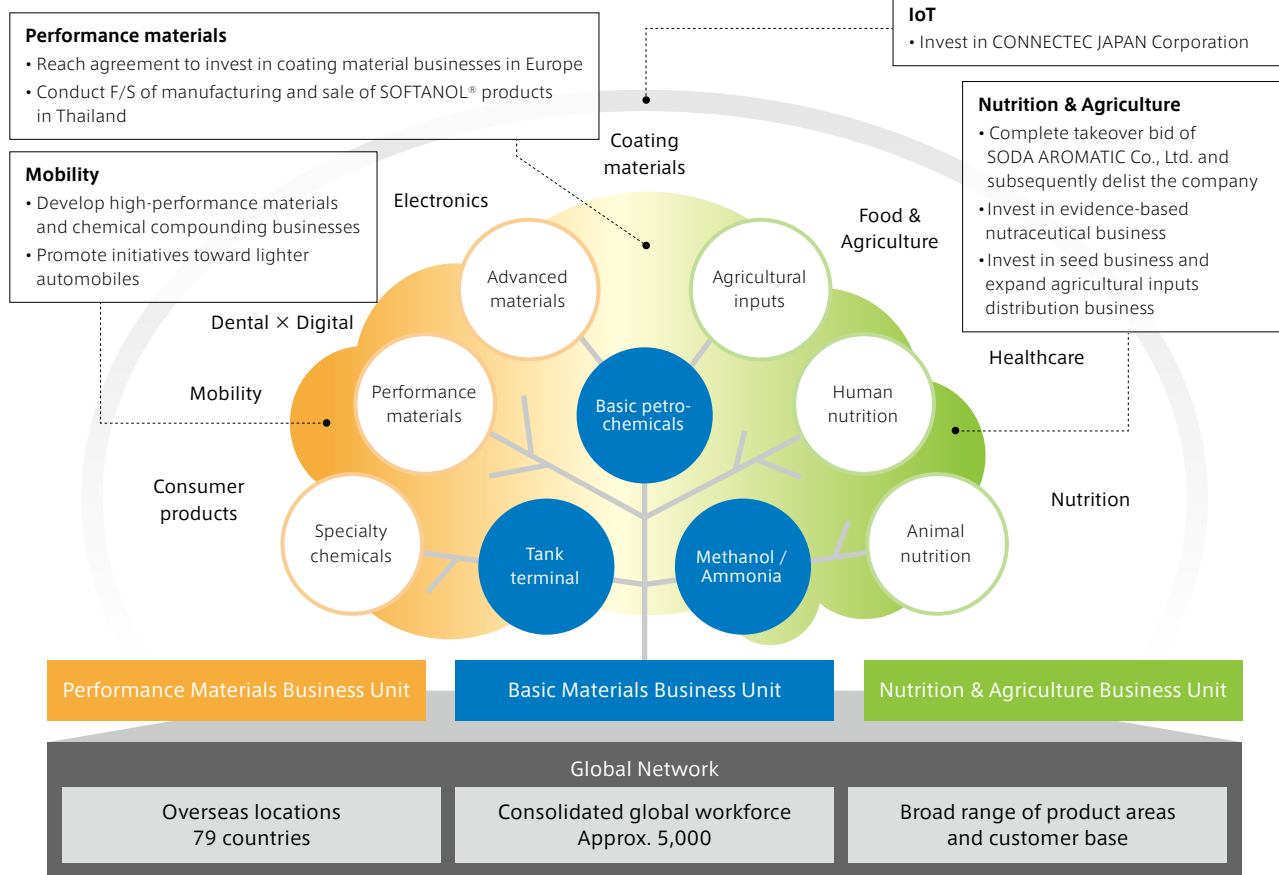


### Trading-related Gross Profit

Unit: ¥ billion



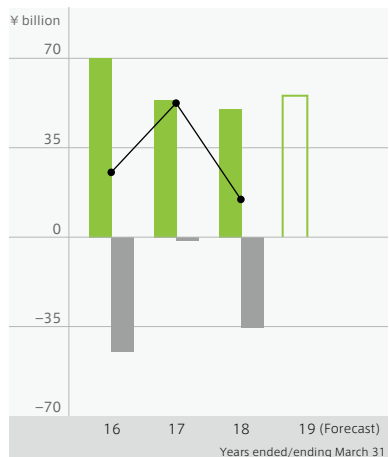
## Engage in New Growth Opportunities



## Major Subsidiaries & Associated Companies

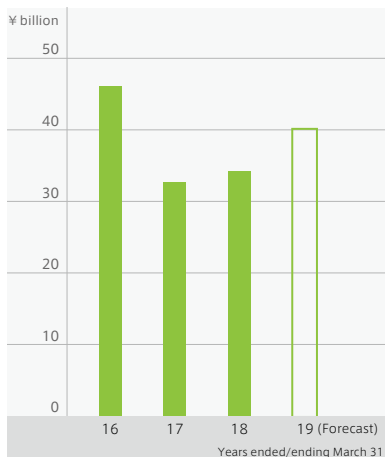
Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			16/3	17/3	18/3
Novus International, Inc.	Manufacture and sales of feed additives	80.0	20.9	8.7	0.5
Intercontinental Terminals Company LLC	Chemical tank leasing	100.0	5.5	4.8	13.3
MMTX Inc.	Investment in methanol producing business in the U.S. and sale of products	100.0	(2.8)	1.7	2.9
MITSUI & CO. PLASTICS LTD.	Sales and marketing of plastics and chemicals	100.0	2.8	3.2	3.8
(Consolidated) Mitsui AgriScience International	Investments in crop protection businesses in Europe and the Americas	100.0	1.5	1.6	1.7

### Cash Flow



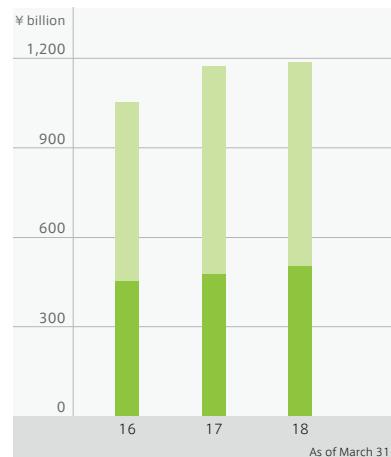
■ Core operating cash flow  
■ Investment cash flow (Net)  
—●— Free cash flow

### Profit for the Year\*



\* Profit for the year attributable to owners of the parent

### Total Assets



■ Current assets  
■ Non-current assets

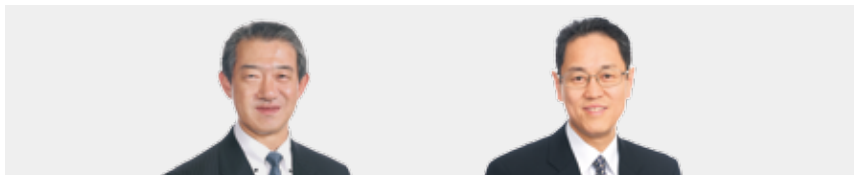
# Energy Segment

- Energy Business Unit I
- Energy Business Unit II



LNG business / Sakhalin II LNG project (Russia)

©Sakhalin Energy



Managing Officer,  
Chief Operating Officer  
of Energy Business Unit I  
Masaharu Okubo

Executive Managing Officer,  
Chief Operating Officer  
of Energy Business Unit II  
Hirotatsu Fujiwara

### Business Activities

Through upstream development, logistics and trading of energy resources such as oil, natural gas/LNG, coal and uranium, we contribute to the stable supply of energy vital to society. In addition, as part of efforts to achieve a low-carbon society, we are actively involved in environmental and renewable energy businesses.

### Mitsui's Competitive Advantages

- Highly competitive, high-quality asset portfolio (growing production volume, reserves, and reinforced LNG production capacity)
- Quality business opportunities born out of our long-cultivated logistics functions, network, and trust

## Business Environment

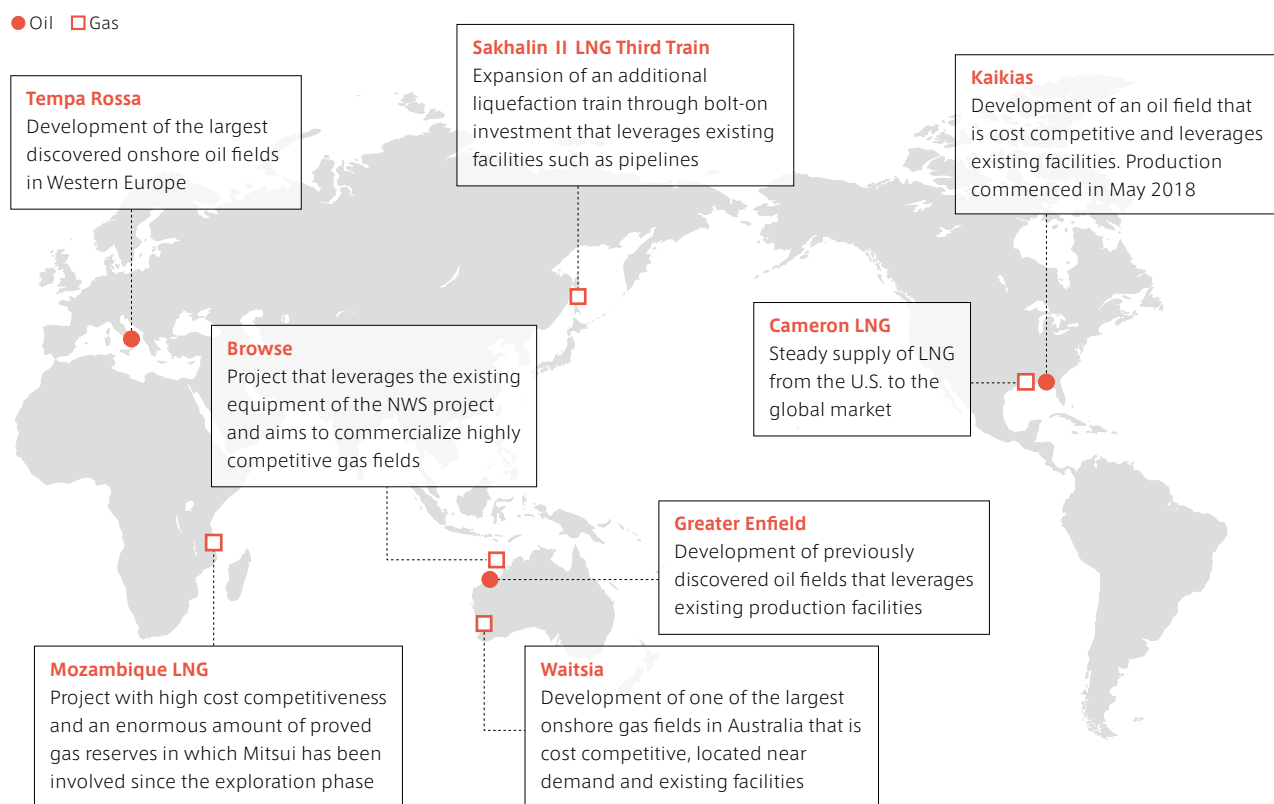
Business opportunities	<ul style="list-style-type: none"> <li>· Expansion of LNG and gas businesses that have a relatively low environmental impact</li> <li>· Emergence of opportunities to undertake initiatives in areas related to renewable energy and new energy</li> </ul>
Business (competitive) risks	<ul style="list-style-type: none"> <li>· Unexpected long-term stagnation of oil and gas prices</li> <li>· Adverse impact on supply and demand stemming from changes to environmental policies in each country due to the shift to a low-carbon society</li> </ul>



## Basic Strategies, Our Approach & Progress

Basic Strategies	Our Approach
Establish a competitive upstream asset portfolio	<ul style="list-style-type: none"> <li>· We are strengthening the competitiveness of existing assets, acquiring new high-quality assets, and promoting the expansion of our LNG production capacity (we are also continuously reviewing our cost competitiveness and carefully selecting new projects for investment).</li> <li>· We are expanding businesses for gas that has relatively low greenhouse gas emissions. Demand for gas is expected to increase over the long term.</li> <li>· As crude oil demand is expected to plateau between 2030 and 2040 under some scenarios, we are managing the upstream crude oil business bearing in mind cost competitiveness and timeframes.</li> </ul>
Increase profit in midstream and downstream businesses by leveraging Mitsui's functions	In addition to supplying our customers with energy, we are pursuing a variety of other efforts to develop value chains. These include promoting trading, and marketing activities that capture opportunities from environmental changes such as the shale gas revolution and changes in government policies; acquiring high-quality assets and expanding businesses in the midstream and downstream, including LNG vessels; and developing power generation and other related businesses.
Expand renewable energy and new energy businesses	It is expected that the demand from society for non-fossil fuels and renewable energy will grow and that the reduced cost of these types of fuel and energy will encourage their widespread use going forward. Under such circumstances, we are stepping up our efforts toward the biomass power generation project in Tomakomai and Shimokawacho in Hokkaido, our efforts in domestic and international geothermal business, and the next-generation energy businesses such as hydrogen. Furthermore, we have invested in the U.S.-based LanzaTech Inc., which uses microorganisms to develop gas fermentation technology. Through this investment, we are taking steps to convert greenhouse gases into energy sources and chemical products.

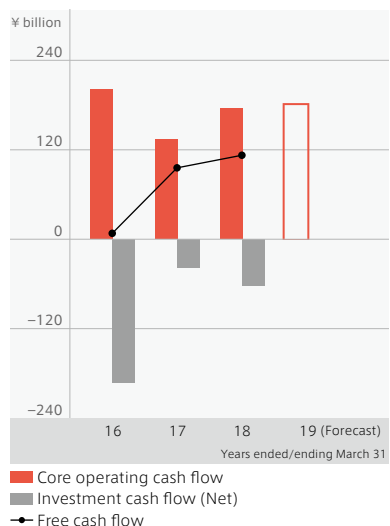
### Asset Portfolio That Will Contribute to Future Profits



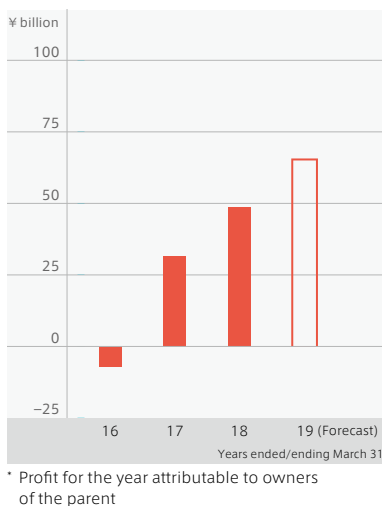
### Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			16/3	17/3	18/3
Mitsui Oil Exploration Co., Ltd.	Exploration, development and production of oil and natural gas	74.3	9.9	6.7	11.5
Mitsui E&P Middle East B.V.	Exploration, development and production of oil and natural gas in Middle East	89.7	(15.4)	2.5	3.5
Mitsui E&P Australia Pty Limited	Exploration, development and production of oil and natural gas in Oceania	100.0	(5.6)	1.7	3.9
Mitsui & Co. Energy Trading Singapore Pte. Ltd.	International trading of petroleum products and crude oil	100.0	3.6	1.2	(4.4)
Mitsui E&P Mozambique Area 1 Limited	Development of LNG project in Mozambique	50.0	(6.6)	(3.1)	(3.4)

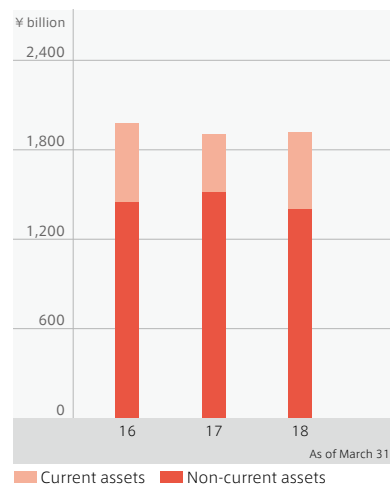
### Cash Flow



### Profit for the Year\*



### Total Assets



# Lifestyle Segment

- Food Business Unit
  - Food & Retail Management Business Unit
- Healthcare & Service Business Unit
  - Consumer Business Unit



Real estate business / Elderly housing with home-care services in the U.S.

### Business Activities

Adapting to changes in consumption and lifestyles while meeting consumers' diverse needs, we provide value-added products and services, develop businesses and make investments in business fields such as food resources and food products, retail services, healthcare, outsourcing, fashion and textiles, forestry plantation resources, and real estate-related business.

### Mitsui's Competitive Advantages

- Global network for the origination and sale of grains and other products
- Trust-based relationships with numerous prestigious partners in the value chains of Japan's foodstuff and food product markets
- Extensive contact points with consumers



Managing Officer,  
Chief Operating Officer  
of Food Business Unit

Miki Yoshikawa

Managing Officer,  
Chief Operating Officer  
of Food & Retail Management  
Business Unit

Yoshiki Hirabayashi

Managing Officer,  
Chief Operating Officer  
of Healthcare & Service  
Business Unit

Koji Nagatomi

Managing Officer,  
Chief Operating Officer  
of Consumer  
Business Unit

Reiji Fujita

## Business Environment

Business opportunities	<ul style="list-style-type: none"> <li>· Rising need for securing food resources and securing a sustainable food supply</li> <li>· Increased demand for securing the safety and reliability of food as well as for providing food with high added value due to the emergence of a growing middle class</li> <li>· Heightened need for healthcare services resulting from changes to the pattern of illnesses and the rapidly aging population</li> <li>· Structural changes to the consumer market brought about by technological innovation, higher standards of living, and various lifestyle changes</li> </ul>
Business (competitive) risks	<ul style="list-style-type: none"> <li>· Impact of a shift in production areas and other factors caused by import regulations on global logistics</li> <li>· Climate change, infectious diseases in livestock and marine products, etc.</li> </ul>



## Individual Strategies & Progress

Area	Our Approach
Food Business Unit	<ul style="list-style-type: none"> <li>· We have established our business domains as proteins, sugars, oils &amp; fats, staple foods, grain and feed networks, and value materials. From a nutrient-oriented perspective, we are establishing a global business foundation in each of these domains.</li> </ul>
Food & Retail Management Business Unit	<ul style="list-style-type: none"> <li>· We are refining our existing functions such as DCM and logistics by utilizing digital transformation, robotics, and other technologies.</li> <li>· We are also working to enhance the value of existing assets and acquire new assets by equipping ourselves with functions to provide retail solutions.</li> </ul>
Healthcare & Service Business Unit	<ul style="list-style-type: none"> <li>· We are strengthening existing business and acquiring operatorships in order to expand healthcare ecosystems that combine the five elements of places, people, goods, services, and information. By doing so, we are strengthening healthcare-related assets.</li> </ul> <p>□ Please see "Establishing Selected New Growth Areas" on pages 046 and 047.</p>
Consumer Business Unit	<ul style="list-style-type: none"> <li>· We are working continuously to strengthen the functions of existing businesses within the domains of real estate, fashion, textiles, and day-to-day products. To capitalize on business opportunities, we are also promoting efforts to reposition ourselves to target customer segment that can provide larger profit pools.</li> </ul>

## Examples of Initiatives

### Initiatives in global food transactions

- Import, domestic sales, and multinational trade of food materials from major production areas such as the U.S., Brazil, Australia, Thailand, and Canada; utilization of hedge transactions through futures
- Livestock and marine products business that centers on domestic livestock and overseas marine product assets; coffee trading that leverages economy of scale; and value ingredients businesses, such as teas, fruit juices, and dairy products, that leverage our quality control and product development capabilities

### Initiatives in the food and retail management business

- Providing value to 7-Eleven Inc. by refining our functions for supply, procurement, logistics, etc.
- Acquiring and understanding consumer data and insight, equipping ourselves with retail solution functions aimed at the diversification of products, services, and sales floors, while improving the quality of existing assets and acquiring new business assets
  - Merchandising domains, such as prepared foods, commercial foods, and food materials
  - Retail domains such as overseas franchising, "grocerants," and home-delivered meals

### Initiatives in the real estate business

- Accumulation of superior properties, primarily by operating companies, in Japan, the U.S., and Asia
- Value enhancement at the U.S.-based MBK Real Estate LLC, which entered into the business of elderly housing with home-care services in 1990 through improved occupancy rates; entry into the logistics facilities development business following increased e-commerce demand in the U.S.

### Share of domestic imports

Fiscal year ended March 31, 2017	Domestic import volume	Company share of domestic imports	Position
Corn	15.0 million tons	18%	Industry No. 1
Soy beans	3.2 million tons	18%	Industry No. 1
Flour for milling	5.0 million tons	21%	Domestic No. 1
Rapeseed	2.3 million tons	35%	Domestic No. 1
Palm oil and other vegetable oils	0.9 million tons	30%	Domestic No. 1
Raw sugar	1.3 million tons	25%	Domestic No. 1

### Functions provided to 7-Eleven

Function	Details
DCM functions*	Centralized management of raw materials (food materials for boxed lunches, packaging and containers) <ul style="list-style-type: none"> <li>• Inventory management and recipe and traceability management, etc., based on demand forecasts that give consideration to such factors as order history and campaigns at all 7-Eleven stores</li> </ul>
Logistics functions	Store delivery <ul style="list-style-type: none"> <li>• Top share of delivery in all controlled temperature ranges</li> </ul>
Wholesale functions	Handling of processed foods and liquor

\* Demand chain management (DCM): System that comprehensively manages the chain with demand forecast information as the starting point

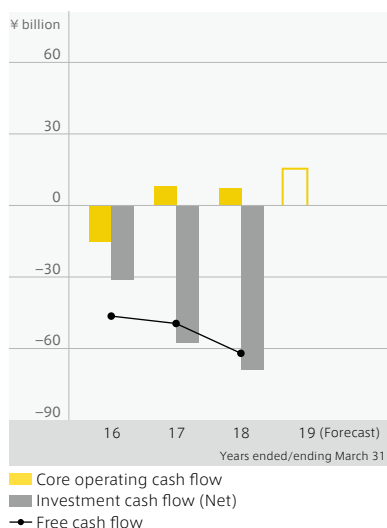


## Major Subsidiaries & Associated Companies

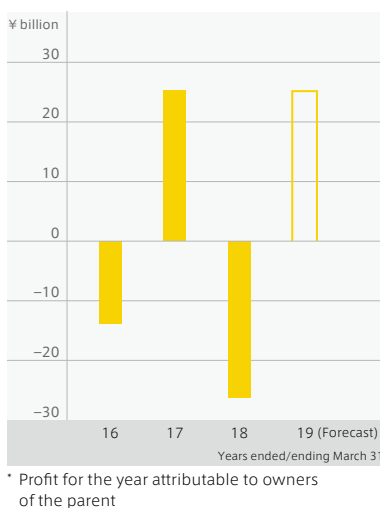
Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			16/3	17/3	18/3
Multigrain Trading AG	Origination and merchandising of agricultural products	100.0	(30.2)	(1.2)	(47.7)
Mitsui Sugar Co., Ltd.	Manufacture of refined sugar	32.2	2.0	5.1	3.3
WILSEY FOODS, INC.	Investments in edible oil products company	90.0	5.1	3.5	3.4
IHH Healthcare Berhad*	Healthcare related business	18.0	4.1	17.3	1.6
AIM SERVICES CO., LTD.	Contract food services	50.0	1.6	1.9	2.3
Mitsui & Co. Real Estate Ltd.	Real estate sales, leasing, management and consulting	100.0	8.5	2.4	2.8

\* IHH Healthcare Berhad became a direct investment through a share transfer from MBK Healthcare Partners Ltd. on January 25, 2018.

### Cash Flow

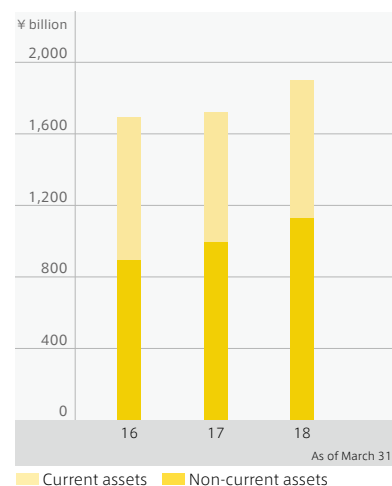


### Profit for the Year\*



\* Profit for the year attributable to owners of the parent

### Total Assets



Current assets Non-current assets

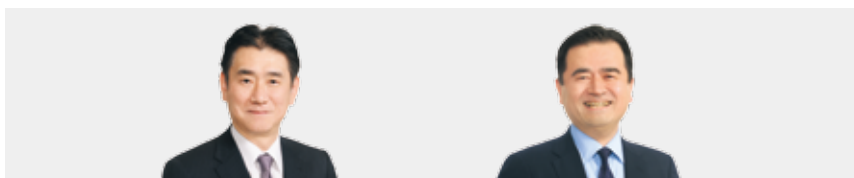


# Innovation & Corporate Development Segment

- IT & Communication Business Unit
- Corporate Development Business Unit



Owner and operator of real assets in North America / CIM Group



Managing Officer,  
Chief Operating Officer  
of IT & Communication  
Business Unit  
Masaki Saito

Managing Officer,  
Chief Operating Officer  
of Corporate Development  
Business Unit  
Shinichi Kikuchihara

## Business Activities

Through our ICT, finance and logistics business, we work on a diverse range of projects aimed at developing innovative business and expanding our business field. At the same time, we promote efforts to strengthen our earnings base by exploring strategic projects that lead to new business areas, and providing specialized functions on a global basis.

## Mitsui's Competitive Advantages

- Network with prominent business partners in Japan and overseas and established business models that leverage our customer base
- Development and fostering of human resources that oversee business management, investment, and digital transformation

## Business Environment

Business opportunities	<ul style="list-style-type: none"> <li>· Growing value of data assets due to the evolution of AI, robotics, and IoT; shift of power toward consumers</li> <li>· Global expansion of real estate asset management businesses</li> <li>· Diversification of consumer needs; changes and expansion in the logistics industry due to the heightened awareness of labor shortages and the working environment</li> </ul>
Business (competitive) risks	<ul style="list-style-type: none"> <li>· Uncertainty of technological innovations, new services, and business models</li> <li>· Impact of decrease in money easing initiatives and interest rate trends in Europe and the Americas on the real estate asset management business</li> </ul>



## Basic Strategies, Our Approach & Progress

Basic Strategies	Our Approach & Progress
Bolster profit base of domestic affiliated companies in the ICT domain	To bolster the profit base of major domestic affiliated companies, such as MITSUI KNOWLEDGE INDUSTRY CO., LTD., QVC JAPAN INC., and Relia, Inc., we are enhancing our business promotion capabilities by increasing employee capabilities and sharpening our management strengths.
Provide specialized, high-value-added services and actively drive initiatives	We are working to strengthen the wide range of services we offer to both institutional and individual investors. These include alternative asset management services that provide Mitsui-owned real estate assets, insurance-linked securities, and other products; highly sophisticated consumer goods logistics services that are extremely cost competitive; and corporate value improvement services where we invest in other companies to help improve their management.
Support efforts to improve corporate value companywide	<ul style="list-style-type: none"> <li>· We provide support for establishing structures to enhance human resources so that they can contribute to achieving companywide digital transformation.</li> <li>· We offer assistance to large-scale M&amp;A projects of other headquarter business units as well as support and consulting services for existing business turnaround and management improvement.</li> <li>· For investments in next-generation business models, we carefully select new domains to take on challenges and pursue those challenges with a focus on bolt-on investments that leverage Company strengths.</li> </ul>

## Major Businesses

### MITSUI KNOWLEDGE INDUSTRY CO., LTD. (MKI)

MKI's main business domains are the establishment of corporate systems and networks and the provision of cloud services. In the fiscal year ended March 31, 2018, the company acquired a large number of high-quality projects from its existing customer base, thereby realizing increases in sales and profits. With its Digital Transformation Center acting as the core, MKI is contributing to the digital transformation of the entire Mitsui Group.

### World Hi-Vision Channel, Inc.

Since 2007, World Hi-Vision Channel, Inc. has been operating "BS12TwellV," a 24/7 free-to-air BS channel. The company has been gradually improving its level of recognition and steadily increasing its profits.

### QVC JAPAN INC. (QVC Japan)

QVC Japan is a television shopping company in Japan that operates under the U.S.-based Qurate Retail Group. While reinforcing its customer base with a high percentage of repeat sales, QVC Japan has been achieving a solid business performance year after year. The company aims to further expand profits through various measures, including 4K broadcasts that are slated to begin in December 2018.



©QVC JAPAN, INC.

### CIM Group (Owner and Operator of Real Assets in North America)

In 2017, Mitsui invested approximately ¥50 billion in CIM Group (CIM) and funds operated by CIM. CIM's unique strategy utilizes its in-house expertise to create value in real estate and infrastructure assets, benefiting communities. As defined by CIM, it has \$28.6 billion in assets owned and operated. Mitsui contributes to CIM's business diversification and expansion of partner and co-investor base, by providing access to Japanese institutional investors.

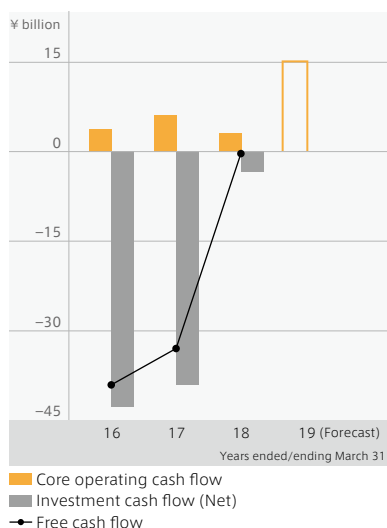
### Mitsui & Co. Global Logistics, Ltd. (MGL)

MGL has operated a logistics center operation business and a real estate leasing business, and added an iron and steel machinery and equipment transportation business through a business merger with Mitsui's other logistics service subsidiary, which has strengthened its sales capabilities. The company possesses 20 offices in seven major cities across Japan and a group network that spans 150 cities in 35 countries around the world. In addition, the company operates a warehouse that covers 700,000 m<sup>2</sup> (roughly the size of 15 Tokyo Domes), which is the largest of its kind in Japan. Due primarily to the steady operations of its logistics center and acquisition of new projects, MGL achieved an increase in profits in the fiscal year ended March 31, 2018.

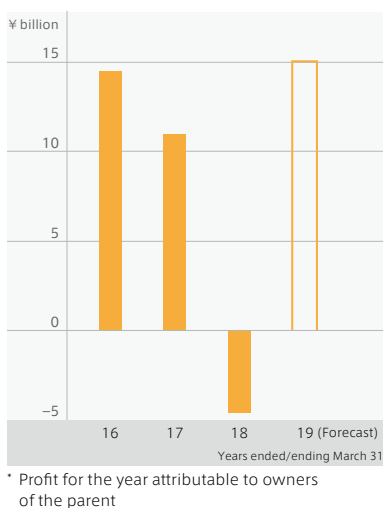
## Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			16/3	17/3	18/3
Asia Pacific Mobile Pte. Ltd.	Investment in high-speed mobile service business in Indonesia	100.0	(2.2)	(2.6)	(5.0)
QVC JAPAN INC.	TV shopping using a 24-hour dedicated channel	40.0	4.2	4.4	5.2
MITSUI KNOWLEDGE INDUSTRY CO., LTD.	Planning, development and sales of information and communication systems	100.0	0.6	1.3	2.1
JA Mitsui Leasing, Ltd.	Leasing and financing business	31.4	4.1	3.3	4.0
Mitsui & Co. Global Logistics, Ltd.	Domestic warehousing transportation and customs clearance, and real estate leasing, globally integrated transportation services	100.0	1.4	1.9	2.3
Mitsui & Co. Asset Management Holdings LTD.	Real estate asset management	100.0	0.0	1.7	2.0

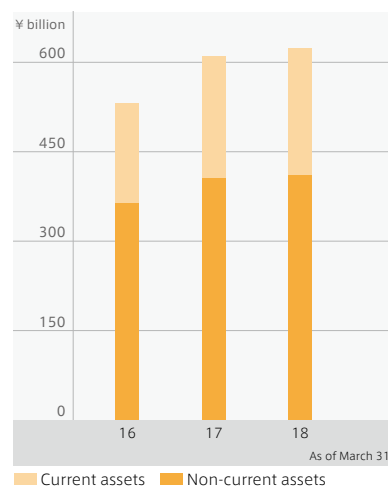
### Cash Flow



### Profit for the Year\*



### Total Assets



# The Structure That Supports Mitsui

## Organization Chart (As of April 1, 2018)



## Product and Regional Expertise

Mitsui has a unique operational organization that is built upon the two axes of product and regional expertise. Under this organization, we engage in its business activities while leveraging the respective strengths provided by these two axes and pursuing collaboration between them.

One strength provided by our product expertise is our 16 Headquarter Business Units. Each Headquarter Business Unit formulates comprehensive strategies for each product it is responsible for, and these strategies integrate our domestic and overseas operations. Guided by such strategies, our Headquarter Business Units promote business activities around the globe. Furthermore, we are working to deepen the horizontal connections between each unit in order to leverage our comprehensive strengths. By doing so, we are promoting groupwide businesses through collaborative initiatives between each Headquarter Business Unit.

One strength provided by our regional expertise is our three Overseas Regional Business Units. We have divided the overseas markets on which we focus into three regions—the Americas;

Europe, the Middle East and Africa (EMEA); and Asia Pacific—and have put into place a trilateral structure that provides independence to each region. Acting as a cornerstone for our regional strategies, each Overseas Regional Business Unit is entrusted with the business operations in their respective area of responsibility. While collaborating with our Headquarter Business Units, the Overseas Regional Business Units manage a diverse array of businesses together with affiliated companies that operate under their jurisdiction. Furthermore, the Overseas Regional Business Units function as expert organizations that have thorough knowledge of information pertaining to their respective area of responsibility, and this knowledge is leveraged to form close relationships with prominent local companies. In these ways, the Overseas Regional Business Units provide the foundation for our global strategies.

By combining the product strategies of the 16 Headquarter Business Units and the regional strategies of the three Overseas Regional Business Units, which are implemented under a trilateral structure, we are able to realize an organic global network.



\* China, Taiwan, South Korea, and CIS are regions under the direct jurisdiction of the Head Office.

\* The Headquarter Business Units and the Overseas Regional Business Units have thus far been organized into product segments and regional segments. However, from the fiscal year ended March 31, 2018, these units are organized under seven product segments in consideration of decision making pertaining to management resource allocation as well as the evaluation process for business performance.

### Chief Operating Officers of the Overseas Regional Business Units



Executive Managing Officer,  
Chief Operating Officer  
of Americas Business Unit  
Katsurao Yoshimori

Senior Executive Managing Officer,  
Chief Operating Officer of EMEA (Europe,  
the Middle East and Africa) Business Unit  
Yasuyuki Fujitani

Senior Executive Managing Officer,  
Chief Operating Officer  
of Asia Pacific Business Unit  
Taku Morimoto